

ASX Code: AEF

31 January 2011

First Half Profit Expectation

Australian Ethical Investment Limited advises that Net Profit After Tax for the half year to 31 December 2010 is expected to be approximately \$490,000, a decrease of 31% on the previous corresponding period.

Contributors to this decline include reduced in-flows consistent with industry trends, impacting revenues flowing from up-front fees. Adjustments have also been made to both up-front and wholesale fees to make them more competitive which has also impacted the result in the short term but which, over time, is expected to have a positive impact on flows.

This profit expectation is based on unaudited management accounts to the end of December 2010. More information will be provided in the announcement of the half year results in late February 2011.

End/.

Company Background

Australian Ethical is a funds manager that specialises exclusively in ethical funds management. It offers managed investment schemes and corresponding superannuation strategies (for accumulation and pension accounts).

The Australian Ethical Charter is the foundation of the investment process. It aims to avoid harmful investments and actively seeks investments that benefit society and the environment.

Uniquely, the company's constitution requires that 10% of profit is donated to charitable and conservation initiatives.