

ASX Code: AEF

27 June 2014

Australian Ethical Investment Limited Earnings Guidance

Australian Ethical Investment Limited advises that the Company's property in Canberra has been independently revalued downwards resulting in an impairment charge of \$282k.

However, due to strong net flows and improved trading conditions the Company remains of the view that the expected Net Profit after Tax for the 12 months ended 30 June 2014 will be between \$2.3 million and \$2.8 million as advised on 6 May 2014.

This profit expectation is based on unaudited management accounts to the end of May 2014 and assumes that market and business conditions remain broadly in line with current conditions. More information will be provided in the announcement of the annual results in late August 2014.

NPAT and UPAT are reconciled below.

	FY13 (\$'000)	Guidance (FY14) (\$'000)	% Increase
Net profit after tax	1,063	2,552	140%
Adjustments (gross)			
– Add back employment restructure expenses	-	296	
– Add back legal costs for shareholder actions	85	-	
– Add back property revaluation	436	282	
– Add back Available for Sale assets revaluation	117		
Tax on adjustments	(26)	(89)	
Underlying profit after tax	1,675	3,041	82%

Explanation of items removed from UPAT

In calculating UPAT we reverse the impact on profit of certain, predominantly non-cash, items to provide a better understanding of operational results. Items adjusted include:

- *Employment restructure expenses: Restructuring for long term gains;*
- *Legal costs for shareholder actions: Incurred by the Company in dealing with shareholder actions;*
- *Property Revaluation: Devaluation of the company's property holding in Canberra;*
- *Available for Sale assets revaluation: Impairment of the company's holding of direct shares to support Advocacy activities;*
- *Tax on adjustments: Income tax applicable to some of the adjustment items.*