

ASX Announcement

ASX Code: AEF

Date: 18 December 2007

1st half profit expectation

Australian Ethical Investment Limited advises that profit for the first half to 31 December 2007 is expected to be approximately 42% above that recorded for the previous corresponding period or approximately \$1.09M.

This expectation is based on unaudited management accounts to end November 2007 and on estimates for the December 2007 month.

The expectation is also based on:

- receiving average monthly inflow of funds into the company's managed investment schemes and superannuation fund for December 2007;
- the company's management fees (which are based on the value of the underlying assets in the managed investment schemes / superannuation fund) being in line with management expectations through to 31 December 2007.

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.