

ASX Announcement

ASX Code: AEF
Date: 2 July 2008

Full year profit expectation

Australian Ethical Investment Limited advises that profit for the year ended 30 June 2008 is expected to be approximately 95% - 100% of the profit result for the previous corresponding period.

This expectation is based on unaudited management accounts to the end of May 2008 and on management estimates for the June 2008 month.

The profit expectation is based on the best information available to the company as at the date of this announcement. During April through June 2008, Australian Ethical's wholly owned subsidiary, Australian Ethical Superannuation Pty Ltd has been transitioning the outsourced administration of the group's superannuation fund. Due to the transition, the expected result includes management estimates in some areas related to the transition.

The expectation is also based on the company's management fees (which are determined on the value of the underlying assets in the managed investment schemes / superannuation fund) being in line with management estimates to 30 June 2008.

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.