

ASX Announcement

ASX Code: AEF

Date: 27 October 2008

Employee share scheme buyback

On 22 September 2008, the company announced details of an employee share scheme buyback. As part of the Appendix 3C lodged at that time, the company advised that the price for the shares to be bought back would be \$35.66 per share, subject to any material change in share price prior to finalisation of buy back agreements. The company noted that if the buyback price were to change, a further announcement would be made.

The company now wishes to advise that the buyback price has been reduced to \$31.86.

The company expects that buyback agreements will be finalised at the end of this week, and the company will announce the number of shares to be bought back under the scheme next week.

/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.