

ASX Code: AEF
Date: 19 June 2009

Full year profit expectation

Australian Ethical Investment Limited advises that profit for the full year is expected to be approximately \$1.2M to \$1.3M, based on an estimated second half profit of approximately \$730,000. Second half performance has been stronger than anticipated, lifting from a first half result of \$536,203.

The profit expectation is based on unaudited management accounts to end May 2009 and on estimates for the June 2009 month.

The expected profit represents a 23% decrease on results for the previous year. The decrease from the previous year reflects the difficult market conditions which have existed throughout the period and which have negatively impacted the company's funds under management.

At 30 June 2008, funds under management were \$562M. They fell to \$517M as at 31 December 2008, but have recovered some ground through the second half, to currently stand at \$530M. Generally, through this difficult period, the company's funds under management have held up well, there has been no significant change in historic outflow (redemption) patterns and the majority of the company's managed offerings have enjoyed excellent relative performance.

The company expects to announce full year audited results in late August 2009.

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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.