

MEDIA RELEASE

Coronation outperforms in volatile markets

- Assets under management of R198 billion, up 28%
- Diluted headline earnings per share of 128 cents, up 112%
- Total dividend per share of 127 cents, up 154%

Independent, JSE-listed fund manager Coronation Fund Managers today announced excellent results for the twelve months to September 2010, consolidating its standing as a leader in the asset management industry.

Coronation CEO Hugo Nelson commented: ***“Our outstanding investment performance in highly volatile market conditions, and appropriate product positioning attracted significant flows in all areas of the business. The retail business increased its share of long-term funds to 7.5% from 5.5% a year ago, which takes us from sixth to third largest long-term fund manager in the country.”***

While global markets remained volatile, the FTSE/JSE All Share Index closed the period just 5% shy of its May 2008 peak.

Coronation increased revenue by 61% to R1.35 billion. Together with a continued focus on cost control, this resulted in a 109% increase in profit for the period to R440 million; translating into growth in diluted headline earnings per share of 112% to 128 cents (September 2009: 60.5 cents).

Excellent stock selection, asset allocation and robust net inflows, underpinned by the recovery in the domestic market resulted in assets under management reaching R198 billion from R155 billion in September 2009.

“We continue to reward shareholders through regular and significant distributions of free cash flow generated. We endeavour to distribute at least 75% of after-tax cash profit. Taking into account projected cash requirements, this year we have increased the final dividend to 76 cents per share,” Nelson said.

Together with the interim dividend of 51 cents per share, this amounts to a total dividend of 127 cents per share for the year.

“We have a robust business strategy and model that is sustainable through the various market cycles and remain committed to delivering superior long-term returns for all our stakeholders. The recovery in the domestic markets created the perfect platform from which to demonstrate

our skill as a long-term investor; finding opportunity and remaining single-minded in our pursuit of market outperformance (alpha). The past year was exceptional and we therefore caution against future revenue growth expectations,"Nelson concluded.

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Enquiries

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Background notes:

A philosophy of long-term investing

The defining characteristic of Coronation's investment philosophy is its long time horizon. In a market obsessed with short-term performance Coronation finds compelling opportunity that allows it to consistently produce strong investment returns for clients over the long term.

- Within the institutional space the Coronation absolute portfolios rank 1st across all reported time periods in the Alexander Forbes (AF) Conservative Global Manager Watch, while the domestic balanced portfolios are 1st over one year and 3rd over the three and five year periods in the AF SA Large Manager Watch. Similarly, the AF Global Large Manager Watch places the global balanced portfolios 2nd over one and three years and 3rd over five years to 30 September 2010.
- The strength of performance in the domestic flagship unit trust range has attracted unprecedented interest from investors. The Coronation Top 20 Fund celebrates its 10-year anniversary with a phenomenal 7.52% p.a. outperformance of the FTSE/JSE Top 40 Index and the Coronation Balanced Plus Fund is the no.1 balanced fund in the country over 5 years as measured by Morningstar to 30 September 2010. Likewise, Coronation Balanced Defensive is the top-performing fund in its category since inception more than three years ago in February 2007, while the flagship fixed interest fund, Coronation Strategic Income has outperformed cash by 2.5% p.a. since inception in 2001.
- While global markets remain under pressure the international fund range has delivered strong performances for both institutional and individual investors. The Coronation World Equity [ZAR] fund of funds has substantially outperformed the MSCI World Index by 2.47% p.a. (in US dollars) since inception in August 1997; Coronation Global Emerging Markets Flexible has beaten the MSCI Emerging Markets Index by 5.3% p.a. since its launch in December 2007, and the low-risk managed fund, Coronation Latitude [ZAR] has outperformed its cash plus benchmark by 10.83% p.a. since September 2008. Furthermore, with a resounding 32.15% p.a. outperformance of the FTSE/JSE Africa Top 30 Ex SA Index since inception in October 2008, the Coronation Africa Frontiers fund contributed to Coronation being named 'Best Africa Manager of the Year' at the 2010 Africa investor Index Series Awards.

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