

MEDIA RELEASE

Coronation delivers strong growth in earnings

Listed, independent investment manager Coronation Fund Managers (CMLJ.J) today announced its annual results for the year to September 2009.

Profit for the year to 30 September 2009 is up 19% to R211 million (2008: R178 million). Headline earnings per share increased by 26% to 66.4 cents (2008: 52.9 cents) and diluted headline earnings per share by 24% to 60.5 cents (2008: 48.6 cents).

Assets under management ended the year up 24% at R155 billion (September 2008: R125 billion) on the back of strong institutional inflows, excellent investment performance and a turnaround in world markets in the second half of the financial year.

The final cash dividend for the 2009 financial year will be R116 million (2008: R95 million), equivalent to a cash dividend per share of 37 cents, making a total of 50 cents per share for the 2009 financial year (2008: 46 cents per share).

CEO Hugo Nelson commented: ***"The strength of this year's results belies the extreme levels of volatility across world markets and the continued high levels of distrust amongst the majority of market participants. 2009 was a year in which the mask of a trending bull market was firmly removed. At a time when many questioned the value added by the investment industry Coronation remained firm in its philosophy of investing with a long-term time horizon. As a result we generated significant alpha across all client portfolios, confirming Coronation's position as one of the country's best performing fund management companies."***

The Coronation balanced portfolios ranked first in the Alexander Forbes Global Large Manager Watch and second in the SA Survey for the year to end September 2009. Over the medium to longer-term 3 and 5-year periods Coronation ranked third across both surveys.

The changing market conditions for assets specifically in the Absolute Return investment universe saw the re-opening of Coronation's Absolute Return fund range after being capped for outside investment four years ago.

The dual objective of capital preservation and return optimisation of our absolute funds is best illustrated by the Coronation Global Absolute Fund. This fund has yielded an active return of 18.8% per annum, which is almost 5% ahead of its benchmark, since inception in August 1999. To complete the range of Absolute Return products Coronation added a new low-risk fund,

Coronation Inflation Plus, in March 2009.

“As the turmoil of the financial crisis drew a clear separation between managers within the institutional space, Coronation’s skill and discipline in delivering strong long-term performance confirmed its standing as an industry leader,” Nelson said.

Coronation saw a major acceleration in new retail business towards the end of the financial year as investor sentiment changed in the final quarter of the financial year, with flows directed to equity funds and multi-asset funds in particular, driven by excellent performance.

Coronation is the 6th largest long-term fund manager of the now R747 billion South African unit trust industry.

The Coronation Top 20 Fund is the best performing equity fund in South Africa, ranking first across all meaningful time periods in the Morningstar unit trust ranking tables to end September 2009. Over one year, it significantly outperformed the FTSE/JSE Top 40 Index benchmark by more than 16% and has outperformed the index by 8.2% p.a since inception in 2000.

Nelson added: ***“Rarely can a single investment house lay claim to having the top performing equity fund, foreign equity fund and balanced fund over five years. We attribute this incredible achievement to our undiluted focus on delivering long-term returns for all our clients”***.

In Coronation’s International business, the global fund range produced strong returns in difficult market conditions, with the Global Equity Fund of Funds product outperforming the MSCI World Index benchmark by an impressive 16.2% over one year, net of all fees.

“Within a global context this is a truly exceptional achievement, and particularly for a globally diversified multi-managed fund. Our single manager funds managed by our Cape Town-based Global Emerging Markets and Africa units also exceeded expectations,” Nelson said.

The Coronation Global Emerging Markets Fund produced an outperformance of almost 6%, returning 25% for the year, against a 97% jump in the MSCI Emerging Markets Index from its lows in March. The equally strong performance of the Coronation Africa Fund launched in August 2008, resulted in a 37% outperformance of the benchmark, the Dow Jones Africa Titans 50 Index, for the year.

Nelson concluded: ***“Having seen the point of maximum pessimism in March 2009 we now find ourselves with market participants who are cautiously optimistic. We are pleased with how our business has responded to the extreme operating environment over the past year, and remain convinced that our business model is robust and will succeed in navigating the inevitable challenges of the year ahead”***.

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