

MEDIA RELEASE

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FIRST STATE LAUNCHES GLOBAL EMERGING MARKETS SUSTAINABILITY FUND

First State Investments has launched a Global Emerging Markets Sustainability Fund to UK and European retail and institutional investors which complements its existing Asia Pacific and Emerging Markets product range. The Fund aims to capitalise on the growth in sustainable business practices in emerging market nations and is measured against the MSCI Emerging Markets Free Index.

The First State Global Emerging Markets Sustainability Fund is managed by David Gait, in conjunction with First State's award-winning Asia Pacific and Emerging Markets equities team. The Fund offers a disciplined approach to sustainable investing in emerging markets by targeting companies which are 'Sustainability Leaders' and whose business models are well positioned to benefit directly from new opportunities in the following six areas:

- renewable and cleaner energy
- energy efficiency
- waste and pollution management
- water management
- environmentally aware consumer products and services
- broad sustainable development*

The Fund will also have a strong focus on positive engagement.

David Gait and the wider First State Asia Pacific and Emerging Markets team bring considerable experience to this new strategy and have shown consistent long-term outperformance across their specialist fund range. David Gait is also the lead portfolio manager on the team's First State Asia Pacific Sustainability Fund which was launched at the end of 2005 and is first quartile in its sector over one, two and three years**.

David Gait, Senior Portfolio Manager, comments:

"It is becoming increasingly clear that many low-income countries will be unable to follow the resource-intensive, carbon-intensive, environmentally destructive development path pursued by most industrialised countries in the past. A scarcity of key natural resources such as arable land and fresh water, the unpredictable, serious consequences of a changing climate and unprecedented population levels have all combined to block the traditional development route. Instead emerging economies are being increasingly forced to follow a different, more sustainable development path. This is creating new opportunities for well managed companies positioning themselves as sustainability leaders, while posing serious risks to poorly managed sustainability laggards."

"The aim of the Fund is not to invest in every emerging markets solar energy company which is created. Instead, the Fund has a much wider remit, focusing on broad-based sustainable development in emerging markets. As with all our Asia Pacific and Emerging Markets products, the team will follow a disciplined, consistent investment process, investing only in those companies with quality management teams, strong business franchises and healthy financials."

* The category sustainable development refers to those companies who, through their business activities make a particularly strong contribution to sustainable development by recognising the acute challenges of poverty, inequality, rapid urbanisation, poor health and education faced by many emerging countries.

**Source: Lipper. Data to 31.03.09. Returns are net of fees and tax, in GBP. IMA sector is Asia Pacific ex Japan. Please note past performance should not be used as a guide to future performance which is not guaranteed. The value of an investment in a fund and the income from it may go down as well as up. You may not get back the amount invested.

“The Fund will not employ formal negative screening. However, we do not anticipate investing in companies operating in high-risk sectors, such as armaments or tobacco. This is because we believe the environmental, social and governance risks facing such companies are particularly high and difficult to quantify. At the heart of our sustainability approach is a focus on identifying companies which are well positioned to seize new sustainability opportunities. In our view companies operating in high-risk sectors do not fit naturally into such a strategy.”

Stuart Paul, Joint Managing Partner, Asia Pacific and Global Emerging Markets Equities comments:

“We have a strong conviction that the sustainability positioning of companies is playing an increasingly important role in determining long-term shareholder returns in Emerging Markets. By launching a dedicated sustainability fund we are able to offer investors an investment product with an explicit focus on this theme.”

According to a recent global survey* commissioned by the International Finance Corporation**, First State’s parent company Colonial First State Global Asset Management¹ ranked number one in the list of asset managers based on ESG practices in emerging markets. Colonial First State Global Asset Management has been a signatory to the UN Principles for Responsible Investment*** since March 2007.

**Refers to report from Mercer - Gaining ground: Integrating environmental, social and governance (ESG) factors into investment processes in emerging markets, March 2009*

***The International Finance Corporation (IFC) is a member of the World Bank Group*

****The UN Principles for Responsible Investment (UNPRI) is a voluntary program which encourages best practice in environmental, social and corporate governance issues*

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About First State Investments

First State Investments provides specialist asset management services to wholesale and institutional investors across a diverse range of asset classes, including Asia Pacific and global emerging market equities, global equities, property securities, infrastructure and global natural resources.

¹First State is part of Colonial First State Global Asset Management, the consolidated asset management business of the Commonwealth Bank of Australia. Colonial First State Global Asset Management is Australia’s largest fund manager employing 190 investment professionals in Sydney, London, Edinburgh, Hong Kong, Singapore, New York and Jakarta. Colonial First State Global Asset Management is also represented in Shenzhen and Beijing as First State Cinda Fund Management Company Ltd, a joint venture with China Cinda Asset Management Corporation.

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Important Information

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Cumulative or rolling performance is provided over standard time frames to the latest month end. Please note past performance should not be used as a guide to future performance, which is not guaranteed. The fund should be considered a long term investment. The value of your investment may go down as well as up. There is no guarantee that you will get back the amount you originally invested. The First State Global Emerging Markets Sustainability Fund invests in emerging markets and smaller companies both of which may be prone to above average volatility and carry more risk. You should be aware that currency movements can affect the value of your investment.