



- ▶ **Assets under management of R247 billion, up 21%**
- ▶ **Diluted headline earnings per share of 176 cents, up 38%**
- ▶ **Total dividend per share of 172 cents, up 35%**

Reviewed preliminary financial results for the year ended 30 September 2011

Despite extreme volatility across markets, Coronation delivered another set of excellent results for the year to 30 September 2011. While emerging markets sold off substantially in the second half of the year (MSCI Emerging Markets Index -23.3% for the six months and -15.9% for the year in US dollar terms), the FTSE/JSE All Share Index managed to return 3.6% for the year. The rand slid 20% against the US dollar in the final quarter to close at R/\$8.09 and the MSCI World Index recorded -3.8% (in US dollar terms).

Notwithstanding this backdrop, the business continued to produce outstanding long-term investment performance and attract significant flows over the period. In particular, the increase in market share to 9.9% (September 2010: 7.5%) of long-term funds by the retail business takes us from 3rd to 2nd largest long-term fund manager in the country.

Results
Revenue increased by 34% to R1.7 billion (2010: R1.3 billion). Together with a continued focus on cost control measures, this resulted in a 42% increase in profit for the period to R624 million; and growth in diluted headline earnings per share of 38% to 176 cents (September 2010: 128 cents).

Long-term performance
Assets under management increased by 21% to R247 billion (September 2010: R203.5 billion) on the strength of our long-term track record of excellent stock picking and asset allocation. Our investment philosophy of finding long-term value ignores the short-term noise, allowing us to seek out quality businesses that will deliver solid returns for clients over time.

Our institutional domestic and global balanced portfolios ranked 1st over 3 years and 2nd over 5 years in the Alexander Forbes (AF) SA and Global Large Manager Watch surveys respectively to end September. Within the absolute product range our global portfolios ranked 1st over 3 and 5 years in the AF Conservative Global Manager Watch Survey.

The consistent performance delivered by our unit trust funds resulted in Coronation being named Best Large Fund House at the 2011 Morningstar South Africa Awards. This accolade was supported by the top quartile performance across our domestic flagship fund range over 3, 5, 10 years and since their respective launch dates to end September. Highlights include Coronation Balanced Plus, which was the no.1 balanced fund in South Africa over 5 years and since launch in 1996, and the Coronation Balanced Defensive Fund which was the no.1 conservative fund over 3 years and since launch in 2007, as ranked by Morningstar. Furthermore, our concentrated equity fund, Coronation Top 20, continued to outperform its benchmark with an impressive 7% per annum since launch in 2000.

International
While heightened levels of risk aversion left no market unscathed, our long-term investment track record across the fund range remained strong. Our longest running international retail fund, Coronation World Equity (ZAR) Fund of Funds, has outperformed the MSCI World Index by 2.1% per annum (in US dollars net of all fees) since launch in 1997. The Coronation Global Emerging Markets Fund has outperformed the MSCI Emerging Markets Index by 6.8% per annum (gross of all fees) since launch in 2008, and the Coronation Africa Frontiers Fund has outperformed its benchmark by 5.4% per annum (gross of all fees) also since launch in 2008.

Our commitment to clients
As one of the largest managers of third-party assets in the country, our first priority is to consistently deliver the best possible returns across all client mandates. To achieve this it is imperative that our business does not grow to a level that impedes our ability to deliver outperformance. In the interests of this objective, in May we communicated our pre-emptive decision to close our specialist South Africa equity mandates to new institutional investors effective 31 March 2012.

Final dividend
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, we have increased the final dividend to 92 cents per share. Together with the interim dividend of 80 cents per share, this amounts to a total dividend of 172 cents per share for the year.

In compliance with the Listings Requirements of the JSE Limited (JSE), the following dates are applicable:

Last day to trade	Friday, 25 November 2011
Shares trade ex dividend	Monday, 28 November 2011
Record date	Friday, 2 December 2011
Payment date	Monday, 5 December 2011

Share certificates may not be dematerialised or rematerialised between Monday, 28 November 2011, and Friday, 2 December 2011, both dates inclusive.

Prospects
Over the past year we have experienced considerable growth and produced strong returns for all stakeholders. Looking ahead the implications of the ongoing global economic turmoil on financial markets are sobering, creating a highly challenging investment environment for some years to come. Our focus will continue to be on delivering trusted investment performance, and over the next year we will seek to consolidate our institutional business and nurture our retail and international franchises.

External audit review
The external auditors, Ernst & Young Inc., reviewed the condensed statement of financial position of Coronation Fund Managers Limited Group as at 30 September 2011 and the related condensed statement of comprehensive income, changes in equity and cash flows for the period then ended, and other explanatory notes, from which this information has been extracted. The review has been conducted in accordance with the International Standard on Review Engagements 2410. Copies of the unqualified report of Ernst & Young Inc. are available for inspection at the registered office of the company.

Shams Pather **Hugo Nelson** **Anton Pillay**
Chairman Chief Executive Officer Chief Operating Officer

Cape Town
8 November 2011

Directors
S Pather (Chairman)*, H A Nelson (CEO), J G February*, J D McKenzie*, A C Pillay (COO), A Watson* (* Independent Non-Executive)

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Registration number
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JSE share code: CML **ISIN:** ZAE000047353 **Website:** www.coronation.com

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 Sept 2011 R'000	% Change	Restated Audited 30 Sept 2010 R'000
Fund management activities			
Revenue (see note 2)	1 725 910	34	1 290 887
Other income	21 407		3 814
Operating expenses	(838 056)	28	(656 554)
Share-based payment expense	(4 856)		(14 059)
Other expenses (see note 2)	(833 200)		(642 495)
Results from operating activities	909 261	42	638 147
Finance and dividend income	12 263		21 480
Finance expense	(5 262)		(8 851)
Share of income of equity accounted investee	2 365		-
Profit from fund management	918 627	41	650 776
Income attributable to policyholder linked assets and investment partnerships	19 518		34 583
Net fair value gains on policyholder and investment partnership financial instruments	34 431		49 191
Administration expenses borne by policyholders and investors in investment partnerships	(14 913)		(14 608)
Profit before income tax	938 145		685 359
Income tax expense	(314 295)		(244 983)
Taxation on shareholder profits	(294 777)		(210 400)
Taxation on policyholder investment contracts	(19 518)		(34 583)
Profit for the year	623 850	42	440 376
Other comprehensive income	19 890		(9 594)
Foreign currency translation differences for foreign operations	20 627		(10 268)
Net change in fair value of available-for-sale financial assets	(737)		683
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-		(9)
Total comprehensive income for the year	643 740		430 782
Profit attributable to:			
- equity holders of the company	623 977	43	437 108
- non-controlling interest	(127)		3 268
Profit for the year	623 850		440 376
Total comprehensive income attributable to	643 867	51	427 514
- equity holders of the company	(127)		3 268
- non-controlling interest			
Total comprehensive income for the year	643 740		430 782
Earnings per share (cents)			
- basic	198.2	43	138.9
- diluted	181.3	42	127.9
Note to the statement of comprehensive income			
Headline earnings per share (cents)			
- basic	192.4	39	138.9
- diluted	176.1	38	128.0
Dividend per share (cents)			
- interim	80.0	57	51.0
- final	92.0	21	76.0

DILUTED NUMBER OF SHARES (THOUSAND)

	Reviewed 30 Sept 2011	Audited 30 Sept 2010
Weighted average number of shares in issue	314 819	314 733
Shares to be issued		
- BEE transaction	34 693	34 116
Diluted weighted average number of shares in issue	349 512	348 849

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and premium	Foreign currency translation reserve	Retained earnings	Share-based payment reserve	Re-valuation reserve	Issued capital and reserves attributable to equity holders of the company	Non-controlling interest	Total equity
R'000								
Balance at 30 September 2009	255 039	10 687	677 751	130 313	1 865	1 075 655	8 289	1 083 944
Total comprehensive income for the year			437 108			437 108	3 268	440 376
Other comprehensive income								
Currency translation differences		(10 268)				(10 268)		(10 268)
Revaluation of financial assets available-for-sale					674	674		674
- Net change on fair value					683	683		683
- Reclassified to profit or loss on disposal					(9)	(9)		(9)
Total other comprehensive income		(10 268)			674	(9 594)		(9 594)
Total comprehensive income for the year		(10 268)	437 108		674	427 514	3 268	430 782
Transactions with owners recorded directly in equity								
Share-based payments				14 059		14 059		14 059
Transfer to retained earnings			30 813	(30 813)				
Dividends paid			(279 653)			(279 653)	(1 305)	(280 958)
Shares issued	868					868		868
Increase in equity of subsidiary							450	450
Total transactions with owners	868		(248 840)	(16 754)		(264 726)	(855)	(265 581)
Balance at 30 September 2010	255 907	419	866 019	113 559	2 539	1 238 443	10 702	1 249 145
Total comprehensive income for the year			437 108			437 108	3 268	440 376
Other comprehensive income								
Currency translation differences		(10 268)				(10 268)		(10 268)
Revaluation of financial assets available-for-sale					674	674		674
- Net change on fair value					683	683		683
- Reclassified to profit or loss on disposal					(9)	(9)		(9)
Total other comprehensive income		(10 268)			674	(9 594)		(9 594)
Total comprehensive income for the year		(10 268)	437 108		674	427 514	3 268	430 782
Transactions with owners recorded directly in equity								
Share-based payments				4 856		4 856		4 856
Transfer to retained earnings			311	(311)				
Dividends paid			(495 111)			(495 111)	(103)	(495 214)
Imvula units acquired by the Imvula Trust			(2 274)			(2 274)		(2 274)
Loss of control of subsidiary							(9 425)	(9 425)
Increase in equity of subsidiary							700	700
Total transactions with owners			(497 074)	4 545		(492 529)	(8 828)	(501 357)
Balance at 30 September 2011	255 907	21 046	992 922	118 104	1 802	1 389 781	1 747	1 391 528

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
Assets		
Goodwill and intangible assets	1 087 772	1 097 309
Equipment	14 839	13 993
Investment in equity accounted investees	31 338	-
Deferred tax asset	8 069	4 900
Investments backing policyholder funds and investments held through investment partnerships	31 566 179	23 930 963
Investment securities	28 467	28 274
Trade and other receivables	242 450	227 006
Cash and cash equivalents	393 169	300 638
Total assets	33 372 283	25 603 083
Liabilities		
Interest-bearing borrowing	42 800	82 000
Deferred tax liabilities	18 629	22 528
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	31 547 550	23 908 436
Income tax payable	9 860	3 215
Trade and other payables	361 916	337 759
Total liabilities	31 980 755	24 353 938
Net assets	1 391 528	1 249 145
Equity		
Share capital and premium	255 907	255 907
Accumulated earnings	992 922	866 019
Reserves	140 552	116 517
Total equity attributable to equity holders of the company	1 389 781	1 238 443
Non-controlling interest	1 747	10 702
Total equity	1 391 528	1 249 145

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
Cash flows from operating activities		
Profit for the period	623 850	440 376
Income tax expense	314 295	244 983
Non-cash and other adjustments	(12 598)	(801)
Operating profit before changes in working capital	925 547	684 558
Working capital changes	10 361	73 507
Cash generated from operations	935 908	758 065
Interest paid	(6 773)	(9 685)
Income taxes paid	(314 718)	(259 992)
Net cash from operating activities	614 417	488 388
Net cash from investing activities	3 037	48 686
Cash flows from financing activities	(545 550)	(303 766)
- dividends to shareholders	(495 351)	(280 940)
- repayment of interest-bearing borrowing	(39 200)	(24 144)
- other	(10 999)	1 318
Net increase in cash and cash equivalents	71 904	233 308
Cash and cash equivalents at beginning of year	300 638	77 598
Exchange rate adjustments	20 627	(10 268)
Cash and cash equivalents at end of year	393 169	300 638

The cash flows above represent cash and cash equivalents of shareholders and excludes policyholders' cash and cash equivalents.

RECONCILIATION OF HEADLINE EARNINGS

	Reviewed 30 Sept 2011 R'000	Audited 30 Sept 2010 R'000
Earnings attributable to ordinary shareholders	623 977	437 108
Effect of adjustments	(18 136)	122
(Profit)/loss on disposal of equipment	(6)	131
Gain on loss of control of subsidiary	(18 130)	-
Profit on disposal of available-for-sale financial assets	-	(9)
Total tax effect of adjustments	1	(22)
Headline earnings attributable to ordinary shareholders	605 842	437 208

CONDENSED CONSOLIDATED SEGMENT REPORT

	Africa		International		Group	
	Reviewed 30 Sept 2011 R'000	Restated Audited 30 Sept 2010 R'000	Reviewed 30 Sept 2011 R'000	Restated Audited 30 Sept 2010 R'000	Reviewed 30 Sept 2011 R'000	Restated Audited 30 Sept 2010 R'000
Segment external revenue	1 531 729	1 158 309	194 181	132 578	1 725 910	1 290 887
Segment operating expenses	(770 937)	(595 191)	(67 119)	(61 363)	(838 056)	(656 554)
Segment profit	760 792	563 118	127 062	71 215	887 854	634 333
Share of income of equity accounted investee	2 365	-	-	-	2 365	-
Net financial income/(expense)	28 078	16 818	330	(375)	28 408	16 443
Profit from fund management	791 235	579 936	127 392	70 840	918 627	650 776
Segment assets	33 182 681	25 460 894	189 602	142 189	33 372 283	25 603 083