



- ▶ 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%

Reviewed preliminary financial results for the year ended 30 September 2010

Coronation consolidated its standing as a leader in the asset management industry with excellent results for the 12 months to 30 September 2010. Our outstanding investment performance in highly volatile market conditions, and appropriate product positioning attracted significant flows in all areas of the business. The increase in market share to 7.5% (September 2009: 5.5%) of long-term funds by the retail business takes us from 6th to 3rd 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.

Results

Revenue increased by 61% to R1.35 billion. Together with a continued focus on cost control measures, 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).

Assets under management

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 (September 2009: R155 billion).

A philosophy of long-term investing

The defining characteristic of Coronation's investment philosophy is our long term horizon. In a market obsessed with short-term performance we find compelling opportunity that allows us 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 our 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 our global balanced portfolios 2nd over one and three years and 3rd over five years to 30 September 2010.

– The strength of performance in our 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 five 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 our 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.

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, this year we have increased the final dividend to 76 cents per share. Together with the interim dividend of 51 cents per share, this amounts to a total dividend of 127 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, 26 November 2010
Shares trade ex dividend	Monday, 29 November 2010
Record date	Friday, 3 December 2010
Payment date	Monday, 6 December 2010

Share certificates may not be dematerialised or rematerialised between Monday, 29 November 2010, and Friday, 3 December 2010, both dates inclusive.

Prospects

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 alpha. The past year was exceptional and we therefore caution against future revenue growth expectations.

Independent review by the auditors

KPMG Inc., the company's independent auditor, has reviewed these preliminary financial statements and has expressed an unmodified conclusion on the preliminary financial statements. Their review report which does not extend to the management comments included in these preliminary financial statements, is available for inspection at the company's registered office.

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

Cape Town
9 November 2010

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

Registered office: 7th Floor, MontClare Place, Cnr Campground and Main Roads, Claremont 7708, Cape Town

Postal address: PO Box 44684, Claremont 7735, Cape Town

Registration number: 1973/009318/06

Transfer secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 Sept 2010 R'000	% Change	Audited 30 Sept 2009 R'000
Fund management activities			
Revenue	1 351 979	61	842 030
Other income/(expenses)	3 814	(1 427)	
Operating expenses	(717 646)	43	(501 857)
Share-based payment expense	(14 059)	(21 441)	
Other expenses	(703 587)	(480 416)	
Results from operating activities	638 147	88	338 746
Finance and dividend income	21 480	10 913	
Finance expense	(8 851)	(22 513)	
Share of loss of equity accounted investee (net of income tax)	–	(1 960)	
Profit from fund management	650 776	100	325 186
Income attributable to policyholder linked assets and investment partnerships	34 583		27 155
Net fair value gains on policyholder and investment partnership financial instruments	49 191	41 042	
Administration expenses borne by policyholders and investors in investment partnerships	(14 608)	(13 887)	
Profit before income tax	685 359		352 341
Income tax expense	(244 983)		(141 472)
Taxation on shareholder profits	(210 400)	(114 317)	
Taxation on policyholder investment contracts	(34 583)	(27 155)	
Profit for the year	440 376	109	210 869
Other comprehensive expense for the year (net of income tax)	(9 594)		(694)
Foreign currency translation differences for foreign operations	(10 268)	(6 853)	
Net change in fair value of available-for-sale financial assets	683	4 595	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(9)	1 564	
Total comprehensive income for the year	430 782		210 869
Profit attributable to:			
– equity holders of the company	437 108	111	207 379
– non-controlling interest	3 268	3 490	
Profit for the year	440 376		210 869
Total comprehensive income attributable to:			
– equity holders of the company	427 514	107	206 685
– non-controlling interest	3 268	3 490	
Total comprehensive income for the year	430 782		210 175
Earnings per share (cents)			
– basic	138.9	111	65.8
– diluted	127.9	113	60.0
Note to the statement of comprehensive income			
Headline earnings per share (cents)			
– basic	138.9	109	66.4
– diluted	128.0	112	60.5
Dividend per share (cents)			
– interim	51.0	292	13.0
– final	76.0	105	37.0

DILUTED NUMBER OF SHARES (THOUSAND)

	Reviewed 30 Sept 2010	Audited 30 Sept 2009
Weighted average number of shares in issue	314 733	315 100
Shares to be issued	–	99
– December 2003 options	–	–
– BEE transaction	34 116	33 381
Diluted weighted average number of shares in issue	348 849	348 580

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share 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 2008	260 594	17 540	569 148	146 864	(4 294)	989 852	4 695	994 547
Total comprehensive income for the year			207 379			207 379	3 490	210 869
Other comprehensive income								
Currency translation differences		(6 853)				(6 853)		(6 853)
Revaluation of financial assets available-for-sale				6 159	6 159			6 159
– Net change in fair value				4 595	4 595			4 595
– Reclassified to profit or loss on disposal				1 564	1 564			1 564
Total other comprehensive income		(6 853)		6 159	(694)			(694)
Total comprehensive income for the year		(6 853)	207 379	6 159	206 685	3 490	210 175	
Transactions with owners recorded directly in equity								
Share-based payments				21 441		21 441		21 441
Transfer to retained earnings			37 992	(37 992)				
Dividends paid			(136 768)		(136 768)	(9 257)	(146 025)	
Shares issued	462				462			462
Shares repurchased and cancelled	(6 017)				(6 017)			(6 017)
Increase in equity						9 361		9 361
Total transactions with owners	(5 555)		(98 776)	(16 551)		(120 882)	104	(120 778)
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 in 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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000
Assets		
Goodwill and intangible assets	1 097 309	1 097 309
Equipment	13 993	15 495
Deferred tax asset	4 900	5 183
Investments backing policyholder funds and investments held through investment partnerships	23 930 963	19 204 524
Investment securities	28 274	19 606
Loan receivable	–	39 140
Trade and other receivables	227 006	165 107
Cash and cash equivalents	300 638	99 672
Total assets	25 603 083	20 646 036
Liabilities		
Interest-bearing borrowing	82 000	106 144
Deferred tax liabilities	22 528	14 854
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	23 908 436	19 189 670
Income tax payable	3 215	26 181
Trade and other payables	337 759	203 169
Bank overdraft	–	22 074
Total liabilities	24 353 938	19 562 092
Net assets	1 249 145	1 083 944
Equity		
Total equity attributable to equity holders of the company	1 238 443	1 075 655
Non-controlling interest	10 702	8 289
Total equity	1 249 145	1 083 944

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000
Cash flows from operating activities		
Profit for the period	440 376	210 869
Income tax expense	244 983	141 472
Non-cash and other adjustments	(801)	41 605
Operating profit before changes in working capital	684 558	393 946
Working capital changes	73 507	(20 620)
Cash generated from operations	758 065	373 326
Interest paid	(9 685)	(23 092)
Income taxes paid	(259 992)	(139 224)
Net cash from operating activities	488 388	211 010
Net cash from investing activities	48 686	30 026
Cash flows from financing activities		
– dividends to shareholders	(303 766)	(146 494)
– other	(280 940)	(146 025)
	(22 826)	(469)
Net increase in cash and cash equivalents	233 308	94 542
Cash and cash equivalents at beginning of year	77 598	(10 091)
Exchange rate adjustments	(10 268)	(6 853)
Cash and cash equivalents at end of year	300 638	77 598

RECONCILIATION OF HEADLINE EARNINGS

	Reviewed 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000
Earnings attributable to ordinary shareholders	437 108	207 379
Effect of adjustments	122	1 939
Loss on disposal of equipment	131	375
(Profit)/loss on disposal of available-for-sale financial assets	(9)	1 564
Total tax effect of adjustments	(22)	(238)
Headline earnings attributable to ordinary shareholders	437 208	209 080

CONDENSED CONSOLIDATED SEGMENT REPORT

	Africa		International		Group	
	Reviewed 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000	Reviewed 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000	Reviewed 30 Sept 2010 R'000	Audited 30 Sept 2009 R'000
Segment external revenue	1 219 401	782 568	132 578	59 462	1 351 979	842 030
Segment operating expenses	(656 283)	(452 108)	(61 363)	(51 709)	(717 646)	(503 817)
Segment profit	563 118	330 460	71 215	7 753	634 333	338 213
Net financial income/(expense)	16 818	(7 646)	(375)	(5 381)	16 443	(13 027)
Profit from fund management	579 936	322 814	70 840	2 372	650 776	325 186

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The financial information has been prepared in terms of the framework concepts and recognition and measurement principles of International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS 34 Interim Financial Reporting, as well as the AC 500 standards as issued by the Accounting Practices Board or its successor, the requirements of the South African Companies Act, Act 61 of 1973, as amended, and the Listings Requirements of the JSE. The condensed consolidated financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated financial statements have been prepared in accordance with the historical cost