



- ▶ Assets under management of R296 billion
- ▶ Diluted headline earnings per share of 86.7 cents
- ▶ Interim dividend per share of 95 cents

Reviewed interim results for the six months ended 31 March 2012

Coronation Fund Managers produced a solid set of results for the six months to 31 March 2012. All areas of the business benefited from inflows over the period, with the retail business in particular continuing to receive strong support. In terms of long-term unit trust funds, Coronation remains the second largest manager in the country.

Strong net inflows of R19.1 billion for the period and robust global equity markets (in the second quarter of the financial year), grew assets under management by 28% to R296 billion (March 2011: R231 billion). For the six months under review, the MSCI World and Emerging Markets indices returned 20.3% and 19.2% (in US dollar terms) respectively, while the FTSE/JSE All Share Index returned 14.9%.

Results
Revenue has increased by 11% to R912 million off the strong revenue base achieved in 2011. This has resulted in a 6% increase in diluted headline earnings per share to 86.7 cents (March 2011: 81.7 cents).

Long-term investing
The consistent delivery on our promise to clients to add value across different mandates was again recognised at the 2012 Morningstar South Africa Awards where Coronation was named Best Large Fund House for the second consecutive year. Performance highlights for the interim period ended 31 March 2012 reflect:

- Our institutional global balanced portfolios ranked 1st over 3 years and 2nd over 5 years in the Alexander Forbes (AF) Global Large Manager Watch Survey, while our domestic balanced portfolios ranked 3rd over 5 years in the AF SA Large Manager Watch Survey. Within the absolute product range, our global portfolios ranked 1st over 3 and 5 years in the AF Conservative Global Manager Watch Survey.
- Over 1, 3, 5 and 10 years the Coronation Top 20, Balanced Plus and Capital Plus funds ranked in the 1st quartile of their respective Morningstar categories. Coronation Top 20, our concentrated equity fund for investors seeking long-term capital growth, has outperformed its benchmark by an impressive 6.8% per annum since launch in October 2000. Likewise, our multi-asset Coronation Balanced Plus Fund has delivered 2.3% ahead of its benchmark per year since launch in April 1996. Coronation Capital Plus, our flagship absolute return fund, has beaten inflation by 8.3% per annum since launch in July 2001, strongly delivering on its dual objective of producing both income and capital growth. Within our lower risk options, Coronation Balanced Defensive celebrated its 5-year track record as one of the country's top performing conservative funds, while Strategic Income, our flagship fixed interest fund, has outperformed cash by 2.7% per year since launch in July 2001.

International
We continued to build on the long-term track records across our comprehensive range of international funds over the period. Worthy of note is the Coronation Global Emerging Markets (USD) Fund which received a Raging Bull Award for Best Offshore Global Equity Fund available to South African investors. Since launch in July 2008, this fund has delivered 5.0% (net of all fees) ahead of the MSCI Emerging Markets Index per year. In addition, our longest running international unit trust fund, Coronation World Equity (ZAR) Fund of Funds, has outperformed the MSCI World Index by 2.1% per annum (net of all fees) since launch almost 15 years ago in August 1997. Since launch in October 2008, the institutional Coronation Africa Frontiers Fund has delivered 7.2% ahead of its benchmark per year (gross of all fees).

Our commitment to clients
As an independent fund manager, our reputation and very existence depend on our ability to outperform the market. It is therefore important that our business does not grow to a level that impedes our ability to effectively manage client assets.

Following the closure of our South African Equity products to new institutional clients on 31 March 2012, we have announced the closure of our Balanced and Absolute Return products to new institutional clients effective 31 December 2012. These closures have no impact on our retail or existing institutional clients. Our institutional SA Fixed Interest, Hedge and International fund ranges remain open to new investments.

Transformation
Upon the receipt of the interim dividend, Coronation's broad-based black economic empowerment partner, the Imvula Trust, is in a position to settle its remaining debt. This will facilitate the conversion of the Imvula investment in Coronation Investment Management (Pty) Ltd to listed Coronation shares as reflected in our fully diluted headline earnings per share calculations.

Interim cash 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. Dividends declared after 31 March 2012, are no longer subject to the 10% Secondary Tax on Companies (STC) regime, which levied the tax on the declaring company, but are now subject to a 15% Dividends Tax (DT), which is a withholding tax levied on non-exempt shareholder recipients of the dividend.

Taking into account projected cash requirements, we have declared an interim gross dividend of 95 cents per share for the period. The absolute dividend declared therefore, has not been subjected to a 10% STC charge, but will be subject to a 15% DT charge in the hands of non-exempt shareholders resulting in a net dividend of 80.75 cents per share for such shareholders. No STC credits have been utilised.

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

Last day to trade	Friday, 1 June 2012
Shares trade ex dividend	Monday, 4 June 2012
Record date	Friday, 8 June 2012
Payment date	Monday, 11 June 2012

Share certificates may not be dematerialised or rematerialised between Monday, 4 June 2012, and Friday, 8 June 2012, both dates inclusive.

In terms of the DT effective 1 April 2012, the following additional information is disclosed:

- (a) the local DT rate is 15%;
- (b) the number of ordinary shares in issue at the date of this declaration is 314 819 192;
- (c) Coronation's tax reference number is 9675 107 719.

Prospects
We are committed to a rigorous investment philosophy that has withstood the test of time. In an environment where market participants continue to respond to short-term newsflow, we continue to focus on capitalising on any mispriced opportunities that we believe will add long-term value for all our stakeholders.

We expect the challenges in global financial markets to persist for the foreseeable future and caution investors of ongoing market volatility. By closing three of our institutional products to new investors, we will be better equipped to continue meeting our client expectations and deliver superior levels of performance. We strongly believe our business is positioned to respond to the ever changing environment.

External audit review
The external auditors, Ernst & Young Inc., reviewed the condensed statement of financial position of Coronation Fund Managers Limited Group as at 31 March 2012 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
Chairman

Hugo Nelson
Chief Executive Officer

Anton Pillay
Chief Operating Officer

15 May 2012

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

Sponsor
Deutsche Bank
Deutsche Securities (SA) (Proprietary) Limited
(A non-separately incorporated member of the Deutsche Bank Group)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	Six months reviewed 31 March 2012 R'000	Restated Six months reviewed 31 March 2011 R'000	% Change	Full year audited 30 Sept 2011 R'000
Fund management activities				
Revenue (see note 2)	911 929	820 686	11%	1 725 910
Other income	562	18 381		21 407
Operating expenses	(470 700)	(401 759)	17%	(838 056)
Share-based payment expense	(1 427)	(2 061)		(4 856)
Other expenses (see note 2)	(469 273)	(399 698)		(833 200)
Results from operating activities	441 791	437 308	1%	909 261
Finance and dividend income	7 797	4 638		12 263
Finance expense	(1 487)	(3 160)		(5 262)
Share of profit of equity-accounted investee	2 182	1 173		2 365
Profit from fund management	450 283	439 959	2%	918 627
Income attributable to policyholder linked assets and investment partnerships	22 286	9 583		19 518
Net fair value gains on policyholder and investment partnership financial instruments	31 753	18 296		34 431
Administration expenses borne by policyholders and investors in investment partnerships	(9 467)	(8 713)		(14 913)
Profit before income tax	472 569	449 542		938 145
Income tax expense	(175 773)	(150 455)		(314 295)
Taxation on shareholder profits	(153 487)	(140 872)		(294 777)
Taxation on policyholder investment contracts	(22 286)	(9 583)		(19 518)
Profit for the period	296 796	299 087	(1%)	623 850
Other comprehensive income				
Foreign currency translation differences for foreign operations	(2 996)	1 153		20 627
Net change in fair value of available-for-sale financial assets	2 287	1 745		(737)
Other comprehensive income/(expense) for the period	(709)	2 898		19 890
Total comprehensive income for the period	296 087	301 985		643 740
Profit attributable to:				
– equity holders of the company	295 878	298 842	(1%)	623 977
– non-controlling interest	918	245		(127)
Profit for the period	296 796	299 087		623 850
Total comprehensive income attributable to				
– equity holders of the company	295 169	301 740	(2%)	643 867
– non-controlling interest	918	245		(127)
Total comprehensive income for the period	296 087	301 985		643 740
Earnings per share (cents)				
– basic	94.0	94.9	(1%)	198.2
– diluted	86.7	86.9	0%	181.3
Note to the statement of comprehensive income				
Headline earnings per share (cents)				
– basic	94.0	89.2	5%	192.4
– diluted	86.7	81.7	6%	176.1
Dividend per share (cents)				
– interim	95.0	80.0	19%	80.0
– final				92.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	Reviewed 31 March 2012 R'000	Reviewed 31 March 2011 R'000	Audited 30 Sept 2011 R'000
Assets			
Goodwill and intangible assets	1 087 772	1 087 772	1 087 772
Equipment	13 404	13 925	14 839
Investment in equity-accounted investees	30 782	30 147	31 338
Deferred tax asset	2 650	2 496	8 069
Investments backing policyholder funds and investments held through investment partnerships	40 276 713	27 379 486	31 566 179
Investment securities	104 482	28 965	28 467
Trade and other receivables	286 159	289 820	242 450
Cash and cash equivalents	215 746	148 147	393 169
Total assets	42 017 708	28 980 758	33 372 283
Liabilities			
Interest-bearing borrowing	20 300	64 300	42 800
Deferred tax liabilities	29 423	22 548	18 629
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	40 247 627	27 357 188	31 547 550
Income tax payable	6 836	44 625	9 860
Trade and other payables	320 305	193 261	361 916
Total liabilities	40 624 491	27 681 922	31 980 755
Net assets	1 393 217	1 298 836	1 391 528
Equity			
Total equity attributable to equity holders of the company	1 390 552	1 297 417	1 389 781
Non-controlling interest	2 665	1 419	1 747
Total equity	1 393 217	1 298 836	1 391 528

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS			
	Six months reviewed 31 March 2012 R'000	Six months reviewed 31 March 2011 R'000	Full year audited 30 Sept 2011 R'000
Cash flows from operating activities			
Profit for the period	296 796	299 087	623 850
Income tax expense	175 773	150 455	314 295
Non-cash and other adjustments	(14 105)	(15 523)	(12 598)
Operating profit before changes in working capital	458 464	434 019	925 547
Working capital changes	(84 563)	(206 142)	10 361
Cash generated from operations	373 901	227 877	935 908
Interest paid	(2 244)	(4 193)	(6 773)
Income taxes paid	(162 584)	(106 621)	(314 718)
Net cash from operating activities	209 073	117 063	614 417
Net cash from investing activities	(65 175)	1 485	3 037
Cash flows from financing activities	(318 325)	(272 192)	(545 550)
– dividends to shareholders	(295 292)	(243 494)	(495 351)
– repayment of interest-bearing borrowing	(22 500)	(17 700)	(39 200)
– other	(533)	(10 998)	(10 999)
Net (decrease)/increase in cash and cash equivalents	(174 427)	(153 644)	71 904
Cash and cash equivalents at beginning of period	393 169	300 638	300 638
Exchange rate adjustments	(2 996)	1 153	20 627
Cash and cash equivalents at end of period	215 746	148 147	393 169

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
R'000	Share capital and premium	Foreign currency translation reserve	Retained earnings	Share-based payment reserve	Revaluation reserve	Issued capital and reserves attributable to equity holders of the company	Non-controlling interest	Total equity
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 period								
Profit for the period			298 842			298 842	245	299 087
Other comprehensive income								
Currency translation differences		1 153				1 153		1 153
Revaluation of available-for-sale financial assets					1 745	1 745		1 745
– net change in fair value					1 745	1 745		1 745
Total other comprehensive income		1 153			1 745	2 898		2 898
Total comprehensive income for the period		1 153	298 842		1 745	301 740	245	301 985
Transactions with owners recorded directly to equity								
Share-based payments				2 061 (311)		2 061		2 061
Transfer to retained earnings			311					
Dividends paid			(243 254)			(243 254)	(103)	(243 357)
Imvula units acquired by the Imvula Trust			(1 573)			(1 573)		(1 573)
Loss of control of subsidiary							(9 425)	(9 425)
Total transactions with owners			(244 516)	1 750		(242 766)	(9 528)	(252 294)
Balance at 31 March 2011	255 907	1 572	920 345	115 309	4 284	1 297 417	1 419	1 298 836
Total comprehensive income for the period								
Profit for the period			325 135			325 135	(372)	324 763
Other comprehensive income								
Currency translation differences		19 474				19 474		19 474
Revaluation of available-for-sale financial assets					(2 482)	(2 482)		(2 482)
– net change in fair value					(2 482)	(2 482)		(2 482)
Total other comprehensive income		19 474			(2 482)	16 992		16 992
Total comprehensive income for the period		19 474	325 135		(2 482)	342 127	(372)	341 755
Transactions with owners recorded directly to equity								
Share-based payments				2 795		2 795		2 795
Dividends paid			(251 857)			(251 857)		(251 857)
Imvula units acquired by the Imvula Trust			(701)			(701)		(701)
Increase in equity of subsidiary							700	700
Total transactions with owners			(252 558)	2 795		(249 763)	700	(249 063)
Balance at 30 September 2011	255 907	21 046	992 922	118 104	1 802	1 389 781	1 747	1 391 528
Total comprehensive income for the period								
Profit for the period			295 878			295 878	918	296 796
Other comprehensive income								
Currency translation differences		(2 996)				(2 996)		(2 996)
Revaluation of available-for-sale financial assets					2 287	2 287		2 287
– net change in fair value					2 287	2 287		2 287
Total other comprehensive income		(2 996)			2 287	(709)		(709)
Total comprehensive income for the period		(2 996)	295 878		2 287	295 169	918	296 087
Transactions with owners recorded directly to equity								
Share-based payments				1 427		1 427		1 427
Dividends paid			(295 292)			(295 292)		(295 292)
Imvula units acquired by the Imvula Trust			(533)			(533)		(533)
Total transactions with owners			(295 825)	1 427		(294 398)		(294 398)
Balance at 31 March 2012	255 907	18 050	992 975	119 531	4 089	1 390 55		