

Coronation Fund Managers  
(Incorporated in the Republic of South Africa)  
Registration number: 1973/009318/06  
JSE share code: CML  
ISIN: ZAE000047353

Reviewed preliminary financial results for the year ended 30 September 2009

- Assets under management increase to R155 billion, up 24%
- Diluted headline earnings per share of 60.5 cents, up 24%
- Total dividend per share of 50 cents, up 9%

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.

#### Results

Assets under management ended the year 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 year. 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).

#### Cash returned to shareholders

In line with our distribution policy we continue to reward shareholders through regular and significant distributions of free cash flow generated. 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).

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

Last day to trade cum dividend	Friday, 4 December 2009
Shares trade ex dividend	Monday, 7 December 2009
Record date	Friday, 11 December 2009
Payment date	Monday, 14 December 2009

Share certificates may not be dematerialised or rematerialised between Monday, 7 December 2009, and Friday, 11 December 2009, both dates inclusive.

#### Institutional

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. Our balanced portfolios rank 1st in the Alexander Forbes

Global Large Manager Watch and 2nd in the SA Survey for the year to end September 2009. Over the medium to longer-term 3 and 5-year periods we are ranked 3rd across both surveys.

The changing market conditions for assets specifically in our Absolute Return investment universe saw the re-opening of this highly successful fund range. 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 a compelling active return of 18.8% per annum, which is almost 5% ahead of its benchmark, since inception in August 1999. To complete the range we added a new low-risk fund, Coronation Inflation Plus, which launched in March 2009.

#### Retail

We saw a major acceleration in new business as sentiment changed in the final quarter of the financial year, and driven by excellent performance, the greatest beneficiaries of these flows were our equity funds and multi-asset funds. We remain the 6th largest long-term fund manager of the now R747 billion unit trust industry.

A key illustration of our ability to generate alpha is publicly available in the unit trust ranking tables to end September 2009. The Coronation Top 20 Fund is the best performing equity fund in the country, ranking no. 1 across all meaningful time periods. For the one year, it significantly outperformed the FTSE/JSE Top 40 Index benchmark by more than 16% and since inception in 2000 has outperformed the index by 8.2% per annum. Similarly, the Coronation Balanced Plus and Coronation World Equity [ZAR] funds have strong performance track records, ranking 2nd over 3 years and 1st over the longer-term 5-year period and since inception. All funds in the Coronation core range rank in the top two positions of the respective fund categories since inception.

It is a very rare occurrence that a single investment house can 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.

#### International

In extremely difficult market conditions our global fund range produced extremely strong returns. A particular highlight is the Global Equity Fund of Funds, which over the one year has outperformed (net of all fees) the MSCI World Index benchmark by a staggering 16.2%. 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. Against a 97% jump in the MSCI Emerging Markets Index from its lows in March, the Coronation Global Emerging Markets Fund produced an outperformance of almost 6%, returning 25% for the year. The equally strong performance of the Coronation Africa Fund resulted in a 37% outperformance of the benchmark, Dow Jones Africa Titans 50 Index, for the year. It also resulted in the fund being awarded runner-up in the Africa Investor Index Series Awards, which measures performance for the period between April 2008 and April 2009 (the Coronation Africa Fund was launched in August 2008).

During the course of the year the Coronation Global Latitude Fund was

added to our international offering and a global balanced unit trust, the Coronation Global Managed Fund, was launched on 29 October 2009.

#### Changes to the board of directors

Messrs Gavan Ryan (chairman) and Winston Floquet (independent non-executive director) retired and Mr Thys du Toit (non-executive director) resigned from the board. Mr Jock McKenzie was appointed non-executive independent director and Mr Anton Pillay, executive director.

#### Prospects

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.

#### 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  
Chairman

Hugo Nelson  
Chief Executive Officer

John Snalam  
Company Secretary

Cape Town  
10 November 2009

#### Enquiries:

Coronation Fund Managers

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Johannes van Niekerk

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#### Consolidated income statement

	Reviewed 2009 R'000	Growth %	Audited 2008 R'000
Fund management activities			
Revenue	842 030	5	803 632
Financial income	9 486	(35)	14 568
Finance and dividend income	10 913		11 431
Other (expense)/income	(1 427)		3 137
Operating expenses	(501 857)	(4)	(525 087)
Share-based payment expense	(21 441)		(33 661)
Other expenses	(480 416)		(491 426)
Finance expense	(22 513)		(16 441)

Share of loss of associate	(1 960)		-
Income from fund management	325 186	18	276 672
Income/(expense) attributable to policyholder linked assets and investment partnerships	27 155		(5 650)
Net fair value gains on policyholder and investment partnership financial instruments	41 042		1 679
Administration expenses borne by policyholders and investors in investment partnerships	(13 887)		(7 329)
Profit before income tax	352 341	30	271 022
Income tax expense	(141 472)		(93 434)
Taxation on shareholder profits	(114 317)	15	(99 084)
Taxation on policyholder investment contracts	(27 155)		5 650
Profit for the year	210 869	19	177 588
Attributable to:			
- equity holders of the company	207 379	20	172 943
- minority interest	3 490		4 645
Profit for the year	210 869		177 588
Earnings per share (cents)			
- basic	65.8	22	53.9
- diluted	60.0	21	49.5
Note to the income statement			
Headline earnings per share (cents)			
- basic	66.4	26	52.9
- diluted	60.5	24	48.6
Dividends per share (cents)			
- interim dividend	13.0		16.0
- final dividend	37.0		30.0
Total dividend	50.0	9	46.0
Shares in issue (millions)	314.6		315.8
Weighted average number of ordinary shares (millions)	315.1		321.1
Weighted average number of ordinary shares (diluted) (millions)	348.6		354.9
Diluted number of shares (thousands)			
		Reviewed	Audited
		2009	2008
Weighted average number of shares in issue		315 100	321 081
Shares to be issued			
- December 2003 options		99	191
- BEE transaction		33 381	33 625
Diluted weighted average number of shares in issue		348 580	354 897

Consolidated statement of changes in equity

R'000	Share capital and share premium	Foreign currency translation reserve	Accumulated earnings	Share-based payment reserve
Balance at 30 September 2007	289 026	4 191	600 066	113 203
Currency translation differences		13 349		
Revaluation of financial assets available-for-sale				
- Net change in fair value				
- Transferred to profit or loss on disposal				
Net income recognised directly in equity		13 349		
Profit for the year			172 943	
Total recognised income and expense for the year		13 349	172 943	
Share-based payments				33 661
Dividends paid			(203 861)	
Shares issued	11 143			
Shares repurchased and cancelled	(39 575)			
Balance at 30 September 2008	260 594	17 540	569 148	146 864
Currency translation differences		(6 853)		
Revaluation of financial assets available-for-sale				
- Net change in fair value				
- Transferred to profit or loss on disposal				
Net income recognised directly in equity		(6 853)		
Profit for the year			207 379	
Total recognised income and expense for the year		(6 853)	207 379	
Share-based payments				21 441
Transfer to accumulated earnings			37 992	(37 992)
Dividends and capital distribution paid			(136 768)	

Shares issued	462			
Shares repurchased and cancelled	(6 017)			
Increase in equity				
Balance at 30 September 2009	255 039	10 687	677 751	130 313

Consolidated statement of changes in equity (continued)

R'000	Revaluation reserve	Issued capital and reserves attributable to equity holders of the company	Minority interest	Total equity
Balance at 30 September 2007	1 876	1 008 362	4 398	1 012 760
Currency translation differences		13 349		13 349
Revaluation of financial assets available-for-sale	(6 170)	(6 170)		(6 170)
- Net change in fair value	(2 531)	(2 531)		(2 531)
- Transferred to profit or loss on disposal	(3 639)	(3 639)		(3 639)
Net income recognised directly in equity	(6 170)	7 179		7 179
Profit for the year		172 943	4 645	177 588
Total recognised income and expense for the year	(6 170)	180 122	4 645	184 767
Share-based payments		33 661		33 661
Dividends paid		(203 861)	(4 348)	(208 209)
Shares issued		11 143		11 143
Shares repurchased and cancelled		(39 575)		(39 575)
Balance at 30 September 2008	(4 294)	989 852	4 695	994 547
Currency translation differences		(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
- Transferred to profit or loss on disposal	1 564	1 564		1 564
Net income recognised directly in equity	6 159	(694)		(694)
Profit for the year		207 379	3 490	210 869

Total recognised income and expense for the year	6 159	206 685	3 490	210 175
Share-based payments		21 441		21 441
Transfer to accumulated earnings		-		-
Dividends and capital distribution paid		(136 768)	(9 257)	(146 025)
Shares issued		462		462
Shares repurchased and cancelled		(6 017)		(6 017)
Increase in equity		-	9 361	9 361
Balance at 30 September 2009	1 865	1 075 655	8 289	1 083 944

#### Consolidated balance sheet

		Reviewed 2009 R'000	Audited 2008 R'000
<b>Assets</b>			
Intangible assets		1 097 309	1 097 309
Equipment		15 495	20 684
Investment in associate		-	1 960
Deferred tax asset		5 183	5 181
Investments backing policyholder funds and investments held through investment partnerships		19 204 524	19 207 633
Investment securities		19 606	36 312
Loan receivable		39 140	39 137
Trade and other receivables		165 107	111 496
Cash and cash equivalents		99 672	108 453
<b>Total assets</b>		<b>20 646 036</b>	<b>20 628 165</b>
<b>Liabilities</b>			
Interest-bearing borrowing		106 315	110 419
Deferred tax liabilities		14 854	12 702
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships		19 189 670	19 195 113
Income tax payable		26 181	26 083
Trade and other payables		202 998	170 757
Bank overdraft		22 074	118 544
<b>Total liabilities</b>		<b>19 562 092</b>	<b>19 633 618</b>
<b>Net assets</b>		<b>1 083 944</b>	<b>994 547</b>
<b>Equity</b>			
Share capital and premium		255 039	260 594
Retained earnings		677 751	569 148
Reserves		142 865	160 110
<b>Total equity attributable to equity holders of the company</b>		<b>1 075 655</b>	<b>989 852</b>
Minority interest		8 289	4 695
<b>Total equity</b>		<b>1 083 944</b>	<b>994 547</b>

#### Consolidated statement of cash flows

	Reviewed 2009 R'000	Audited 2008 R'000
Cash flows from operating activities		
Profit for the period	210 869	177 588
Income tax expense	141 472	93 434
Non-cash and other adjustments	41 605	74 866
Operating profit before changes in working capital	393 946	345 888
Working capital changes	(20 791)	(18 125)
Cash generated from operations	373 155	327 763
Interest paid	(23 092)	(16 704)
Income taxes paid	(139 224)	(214 448)
Net cash from operating activities	210 839	96 611
Net cash from investing activities	39 387	12 802
Cash flows from financing activities		
Repayment of interest-bearing borrowings	(4 104)	(15 346)
Shares repurchased and cancelled	(6 017)	(39 575)
Shares issued	462	11 143
Dividends and capital distribution paid	(146 025)	(208 209)
Net cash from financing activities	(155 684)	(251 987)
Increase/(decrease) in cash and cash equivalents	94 542	(142 574)
Cash and cash equivalents at beginning of year	(10 091)	119 134
Effect of exchange rate fluctuations on cash held	(6 853)	13 349
Cash and cash equivalents at end of year	77 598	(10 091)
Reconciliation of headline earnings		
	Reviewed 2009 R'000	Audited 2008 R'000
Earnings attributable to ordinary shareholders	207 379	172 943
Effect of adjustments:	1 939	(3 798)
Loss/(profit) on disposal of equipment	375	(159)
Loss/(profit) on disposal of available-for-sale financial assets	1 564	(3 639)
Total tax effect of adjustments	(238)	637
Headline earnings	209 080	169 782
Segment report		
	Africa Reviewed 2009 R'000	Audited 2008 R'000
Segment revenue	782 568	724 825
Segment operating expenses	(452 108)	(452 893)
Segment result	330 460	271 932
Net financial expense	(7 646)	(956)

Profit from fund management	322 814	270 976
Segment report (continued)		
	International	
	Reviewed	Audited
	2009	2008
	R'000	R'000
Segment revenue	59 462	78 807
Segment operating expenses	(51 709)	(72 194)
Segment result	7 753	6 613
Net financial expense	(5 381)	(917)
Profit from fund management	2 372	5 696

Segment report (continued)		
	Group	
	Reviewed	Audited
	2009	2008
	R'000	R'000
Segment revenue	842 030	803 632
Segment operating expenses	(503 817)	(525 087)
Segment result	338 213	278 545
Net financial expense	(13 027)	(1 873)
Profit from fund management	325 186	276 672

#### Notes to the condensed consolidated financial statements

##### 1. Basis of preparation and accounting policies

The financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), the disclosure and presentation requirements of IAS 34 Interim Financial Reporting, the requirements of the South African Companies Act, Act 61 of 1973, as amended, and the Listings Requirements of the JSE Limited (JSE). The condensed consolidated financial statements do not include all of the information required for full annual financial statements.

The accounting policies applied in the presentation of the condensed consolidated financial statements are consistent with those applied for the year ended 30 September 2008.

These condensed consolidated financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments which are stated at fair value. The condensed consolidated financial statements are presented in rand, rounded to the nearest thousand.

##### 2. Related party transactions

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties.

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Cape Town  
10 November 2009

Sponsor  
Deutsche Securities (SA) (Proprietary) Limited