

Coronation Fund Managers Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1973/009318/06)  
ISIN: ZAE000047353  
Share code: CML  
("Coronation" or "the Company")

Reviewed preliminary financial results for the year ended 30 September 2007

- Earnings per share of 81.4 cents, up 57%
- Headline earnings per share of 79.6 cents, up 53%
- Profit for the year, up 45%
- Cash of R522 million returned to shareholders

Thys du Toit commented: "Our clients have enjoyed exemplary returns over all periods. Many of our newer investment initiatives have been performing well, in particular our fixed interest unit as well as our hedge fund products. Naturally a significant portion of our revenue is attributable to the level of financial markets and performance of the domestic equity market which over the past five years has been exceptional. However, the renewed vulnerability in the outlook for financial markets suggests cautious revenue and profit growth expectations."

#### Results

Coronation, one of the country's leading fund management companies, entrenches its industry standing with a strong set of results for the 2007 financial year. Against the backdrop of favourable domestic market conditions all business areas recorded high rates of growth.

For the year under review, assets under management increased by 33% from R101 billion at 30 September 2006 to R134 billion at 30 September 2007. The profit for the year is up 45% to R285 million (2006: R196 million). Headline earnings per share increased by 53% to 79.6 cents (2006: 51.9 cents) and diluted headline earnings per share by 55% to 72.7 cents (2006: 46.8 cents).

#### Capital structure

During 2007 Coronation continued the share buy-back programme initiated in June 2006. In the period July to August 2007 a total of 35 504 593 shares were bought back at a total cost of R300 million. These shares were all cancelled. Together with additional shares issued during the year in terms of the conversion of 4 560 000 convertible preference shares and the exercise of 2 099 990 options granted to staff in December 2003, this resulted in a weighted average number of shares in issue for the financial year of 348 893 885 (2006: 376 670 543). Actual shares in issue at 30 September 2007 were 320 732 799 (2006: 349 577 402; 2005: 382 274 930).

#### Cash returned to shareholders

As in past years, Coronation continues to reward shareholders with generous distributions. The final distribution for the 2007 financial year will be R151 million which equates to a cash dividend per share of 47 cents. Together with the interim distribution of 20 cents per share in May 2007 (total 67 cents per share), this represents an increase of 26% over the distribution for the 2006 financial year (53 cents per share). Inclusive of the amounts spent on share buy-backs, Coronation has returned R385 million (share buy-back R200 million and

cash distribution of R185 million) in 2006 and will be returning R522 million (share buy-back R300 million and cash distribution of R222 million) in 2007.

The final dividend distribution will be paid out of the distributable reserves of Coronation.

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

Last date to trade	Friday, 7 December 2007
Shares trade ex distribution	Monday, 10 December 2007
Record date	Friday, 14 December 2007
Payment date	Tuesday, 18 December 2007

Share certificates may not be dematerialised or rematerialised between Monday, 10 December 2007, and Friday, 14 December 2007, both dates inclusive.

#### Investment performance

The past financial year has again favoured South African investors as the bull market continued into its fifth consecutive year. The strength of investment performance across all client portfolios reflects Coronation's philosophy of investing with a long-term time horizon and the appropriateness of our product range across a wide range of asset classes. Coronation's clients have enjoyed exemplary returns over all periods confirming Coronation's status as one of the top performing fund managers in South Africa.

#### Institutional

We delivered exemplary investment performance on behalf of institutional clients. Coronation has along with the industry experienced net outflows due to contractual dissaving and the asset allocation consequences of an equity bull market, compounded by our relatively mature market share.

Strong long-term performance in our flagship domestic balanced portfolios has placed us 2nd over five years in the Alexander Forbes SA Large Manager Watch to end September 2007, and 3rd over the shorter one and three-year periods. Similarly, the consistency of our superior performance in fixed interest is noted in our upper quartile position in the Alexander Forbes SA Bond Manager Watch for the same period.

While we traditionally have been known as domestic balanced and domestic equity managers, many of our newer investment initiatives have been performing well. In particular, our fixed interest unit as well as our hedge fund products. The Coronation Multi-Strategy Arbitrage Fund closed to new investors in December 2006, while the Coronation Granite Fixed Income Fund continues to attract inflows and industry attention. The fund won the 'South Africa Hedge Fund Award' for the Best Fixed Income Hedge Fund for 2006. Following the success of the hedge fund range and the growth in demand by international investors to access our fund management expertise, an emerging markets unit has recently been established.

#### Retail

Domestic retail assets grew by 44%, surpassing the industry growth rate of 30%, bringing total assets under management to R25.7 billion

(2006: R17.8 billion). Our share of new cash flows into long-term single manager funds for the year ended 30 September 2007, totalled R4.5 billion, which represents a 19% share of investment flows into this market.

Investment performance remains exceptional. In the financial year we took 2nd place in the Personal Finance/Raging Bull Unit Trust Company of the Year Award for 2006 and six 'Best in Sector' awards at the 2007 Financial Mail/Standard & Poor's Fund Awards where we were also named runner-up in the Best Larger Group category. All funds in the core fund range rank 1st in their respective peer groups since inception.

The popularity of the Coronation Strategic Income Fund places it as the largest managed income fund in South Africa, and the Coronation Capital Plus Fund retains its position as the largest absolute return fund in the country.

#### International

We are pleased to report that Coronation International, our global multi-manager business, increased assets under management by 46%, to end the year at \$1.75 billion (2006: \$1.2 billion). This is partly due to new investment mandates sourced from Southern Africa.

This growth in assets is particularly attributable to \$416 million inflows to the Coronation Global Equity Fund of Funds, which comfortably outperformed the benchmark MSCI World Index for the year and is well positioned in its peer group. All funds across both the traditional and alternative fund ranges produced favourable returns in extremely volatile global market conditions.

#### Ownership and transformation

The strength of our business is reliant on the diversity, collective energy, passion and excellence of our people; this is supported by 55% of our total SA staff complement being black. Our effective staff shareholding is now 31% (2006: 28%). The Imvula Trust, our equity empowerment partner, the beneficiaries of which are all current and future black staff, has a net asset value of R152 million (2006: R86 million). Total black staff shareholding is 13%.

Our progress in creating broad-based sustainable black economic empowerment is illustrated in our being awarded The Eric Molobi Most Progressive Company Award by ABSIP, having again achieved an 'A' rating by EmpowerDEX and being placed runner-up in the financial services category of The Community Growth Socially Responsible Investing Awards.

#### New chief executive officer

As per the SENS announcement dated 9 November 2007, Hugo Nelson, deputy chief executive officer, has been appointed as executive director and chief executive officer with effect from 8 November 2007. Thys du Toit, chief executive officer since 1997, will remain an executive director of the company and will primarily focus on opportunities to diversify revenue streams in the retail business.

#### Prospects

Coronation remains focused on fund management. Since inception we have strengthened our foothold in each of our chosen markets and are confident in the sustainability of the business. Naturally a significant portion of our revenue is attributable to the level of

financial markets and performance of the domestic equity market over the past five years, which has been exceptional. However, the renewed vulnerability in the outlook for financial markets suggests cautious revenue and profit growth expectations.

#### Financial statements

The results have been reviewed by the company's auditors, KPMG Inc. A copy of their review report is available for inspection at the company's registered office.

Gavan Ryan  
Chairman

Hugo Nelson  
Chief executive officer

John Snalam  
Company secretary

Cape Town  
13 November 2007

Condensed consolidated income statement for the year ended 30  
September 2007

	Reviewed 2007 R'000	Growth %	Audited 2006 R'000
Fund management activities			
Revenue	961 996	36	706 238
Financial income	45 914	27	36 054
Interest and dividend income	24 452		21 614
Other income	21 462		14 440
Operating expenses	(564 489)	29	(436 593)
Share-based payment expense	(40 212)		(51 384)
Other expenses	(524 277)		(385 209)
Interest expense	(13 049)		(13 005)
Share of profit of associate	1 334		1 799
Income from fund management	431 706	47	294 493
Income attributable to policyholder linked assets and investment partnerships	49 149		43 168
Net fair value gains on policyholder and investment partnership financial instruments	54 956		48 982
Administration expenses borne by policyholders and investors in investment partnerships	(5 807)		(5 814)
Profit before tax	480 855		337 661
Income tax expense	(196 249)		(141 207)
Taxation on shareholder profits	(147 100)	50	(98 039)
Taxation on policyholder investment contracts	(49 149)		(43 168)
Profit for the year	284 606	45	196 454
Attributable to:			
- equity holders of the company	284 035		196 454
- minority interest	571		-

Profit for the year	284 606		196 454
Earnings per share (cents)			
- basic	81.4	57	51.9
- diluted	74.3	59	46.8
Note to the income statement			
Headline earnings per share (cents)			
- basic	79.6	53	51.9
- diluted	72.7	55	46.8
Capital distribution per share (cents)			
- interim	20		-
- final payable	-		53
Dividend distribution per share (cents)			
- final payable	47		-
Total distribution	67	26	53

Diluted number of shares

	Reviewed 2007 000's	Audited 2006 000's
Weighted average number of shares in issue	348 894	376 671
Preference share transaction converted on 24 November 2006	1 145	7 600
December 2003 options	2 002	2 191
BEE Transaction	34 400	38 023
Diluted weighted average number of shares in issue	386 441	424 485

Options outstanding at year end amount to 3 761 686.

Condensed consolidated statement of changes in equity for the year ended 30 September 2007

R'000	Share capital and premium	Foreign currency translation reserve	Accumulate d earnings	Share- based payment reserve
Balance at 30 September 2005	1 172 550	(11 247)	121 657	21 607
Currency translation differences		22 444		
Revaluation of financial assets available-for-sale				

Net income recognised directly in equity		22 444			
Profit for the year				196 454	
Total recognised income and expense for the year		22 444		196 454	
Share-based payment reserve					51 384
Dividends paid				(1 219)	
Capital distribution	(138 197)				
Shares issued	8 967				
Shares repurchased and cancelled	(200 167)				
Acquisition of minority interest					
Balance at 30 September 2006	843 153	11 197	316 892		72 991
Currency translation differences		(7 006)			
Revaluation of available-for-sale financial assets					
Net income recognised directly in equity		(7 006)			
Profit for the year				284 035	
Total recognised income and expense for the year		(7 006)		284 035	
Share-based payment reserve					40 212
Dividends paid				(861)	
Capital distribution	(256 514)				
Shares issued	1 963				
Shares repurchased and cancelled	(299 576)				
Minority interest at acquisition of subsidiary					
Balance at 30 September 2007	289 026	4 191	600 066		113 203

Condensed consolidated statement of changes in equity for the year ended 30 September 2007 (continued)

R'000	Revaluation reserve	Issued capital and reserves attributable to equity holders of the company	Minority interest	Total equity
Balance at 30 September 2005	3 289	1 307 856	586	1 308 442
Currency translation differences		22 444		22 444
Revaluation of financial assets available-for-sale	2 514	2 514		2 514
Net income recognised directly in equity	2 514	24 958		24 958
Profit for the year		196 454		196 454
Total recognised income and expense for the year	2 514	221 412		221 412
Share-based payment reserve		51 384		51 384
Dividends paid		(1 219)		(1 219)
Capital distribution		(138 197)		(138 197)
Shares issued		8 967		8 967
Shares repurchased and cancelled		(200 167)		(200 167)
Acquisition of minority interest			(586)	(586)
Balance at 30 September 2006	5 803	1 250 036		1 250 036
Currency translation differences		(7 006)		(7 006)
Revaluation of available-for-sale financial assets	(3 927)	(3 927)		(3 927)
Net income recognised directly in equity	(3 927)	(10 933)		(10 933)
Profit for the year		284 035	571	284 606
Total recognised income and expense for the year	(3 927)	273 102	571	273 673
Share-based payment reserve		40 212		40 212
Dividends paid		(861)		(861)
Capital distribution		(256 514)		(256 514)
Shares issued		1 963		1 963
Shares repurchased and cancelled		(299 576)		(299 576)

Minority interest at acquisition of subsidiary			3 827	3 827
Balance at 30 September 2007	1 876	1 008 362	4 398	1 012 760

Condensed consolidated balance sheet as at 30 September 2007

			Reviewed 2007 R'000	Audited 2006 R'000
<b>Assets</b>				
Intangible assets			1 097 309	1 087 772
Equipment			9 171	5 932
Investment in associate			1 960	11 021
Deferred tax asset			1 872	2 044
Investments backing policyholder funds and investments held through investment partnerships			18 482 686	15 782 142
Financial assets available-for-sale			66 804	87 327
Financial assets at fair value through profit or loss			31 154	64 804
Trade and other receivables			168 265	97 637
Cash and cash equivalents			119 134	253 590
<b>Total assets</b>			<b>19 978 355</b>	<b>17 392 269</b>
<b>Liabilities</b>				
Interest-bearing borrowing			125 765	139 533
Deferred tax liabilities			47 788	39 906
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships			18 437 426	15 743 747
Income tax payable			108 702	78 955
Trade and other payables			245 914	140 092
<b>Total liabilities</b>			<b>18 965 595</b>	<b>16 142 233</b>
<b>Net assets</b>			<b>1 012 760</b>	<b>1 250 036</b>
<b>Equity</b>				
Issued capital and reserves attributable to equity holders of the company			1 008 362	1 250 036
Minority interest			4 398	-
<b>Total equity</b>			<b>1 012 760</b>	<b>1 250 036</b>

Condensed consolidated statement of cash flows for the year ended 30 September 2007

	Reviewed 2007 R'000	Audited 2006 R'000
Cash flows from operating activities		
Profit before tax	480 855	337 661
Non-cash and other adjustments	9 678	11 397
Working capital changes	35 312	45 352
Cash generated from operations	525 845	394 410
Interest paid	(13 167)	(13 874)
Income taxes paid	(158 448)	(69 323)
Net cash from operating activities	354 230	311 213
Net cash from investing activities	87 076	13 264
Cash flows from financing activities		
Shares issued, repurchased and cancelled	(297 613)	(191 200)
Capital distribution and dividends paid	(257 375)	(139 416)
Decrease in interest-bearing borrowings	(13 768)	(8 467)
Net cash used in financing activities	(568 756)	(339 083)
Net decrease in cash and cash equivalents	(127 450)	(14 606)
Cash and cash equivalents at beginning of year	253 590	245 752
Exchange rate adjustments	(7 006)	22 444
Cash and cash equivalents at end of year	119 134	253 590

Reconciliation of headline earnings for the year ended 30 September 2007

	Reviewed 2007 R'000	Audited 2006 R'000
Earnings attributable to shareholders	284 035	196 454
Dividend on convertible cumulative redeemable preference shares	(149)	(926)
Earnings attributable to ordinary shareholders	283 886	195 528
Effect of adjustments	(6 867)	15
Loss on disposal of equipment	87	15
Profit on disposal of financial asset available-for-sale	(6 898)	-
Profit on disposal of investment in subsidiary	(56)	-
Total tax effect of adjustments	851	(2)
Headline earnings	277 870	195 541

Segment report for the year ended 30 September 2007

Africa		International		Group	
Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
2007	2006	2007	2006	2007	2006
R'000	R'000	R'000	R'000	R'000	R'000

Segment revenue	880 241	632 833	81 755	73 405	961 996	706 238
Segment operating expenses	(495 918)	(372 776)	(68 571)	(63 817)	(564 489)	(436 593)
Segment result for the year	384 323	260 057	13 184	9 588	397 507	269 645
Net financial income	22 606	14 444	10 259	8 605	32 865	23 049
Share of profit of associate	1 334	1 799	-	-	1 334	1 799
Income from fund management	408 263	276 300	23 443	18 193	431 706	294 493

## 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 2006.

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.

### 3. Acquisition of businesses

With effect from 1 February 2007, the group's effective shareholding in Namibia Asset Management Limited was increased to 54.9% and it has been consolidated from that date.

With effect from 1 October 2006, the group sold 49% of its shareholding in Coronation Fund Managers Botswana (Pty) Ltd, thereby reducing its effective holding to 51% for the financial year.

The group also owns 49% of Professional Provident Society Investments (Pty) Ltd and this investment is classified as an associate.

Directors: G M C Ryan\* (Chairman), Hugo Nelson (Chief Executive Officer), M M du Toit, W T Floquet\*†, L F Stassen, S Pather\*†  
 (\* Non-executive † Independent)

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Registration number: 1973/009318/06

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