



2006 Results Reviewed

14 November 2006

Agenda



Financial highlights

Overview of company

Business review

- **Institutional**
- **Retail**

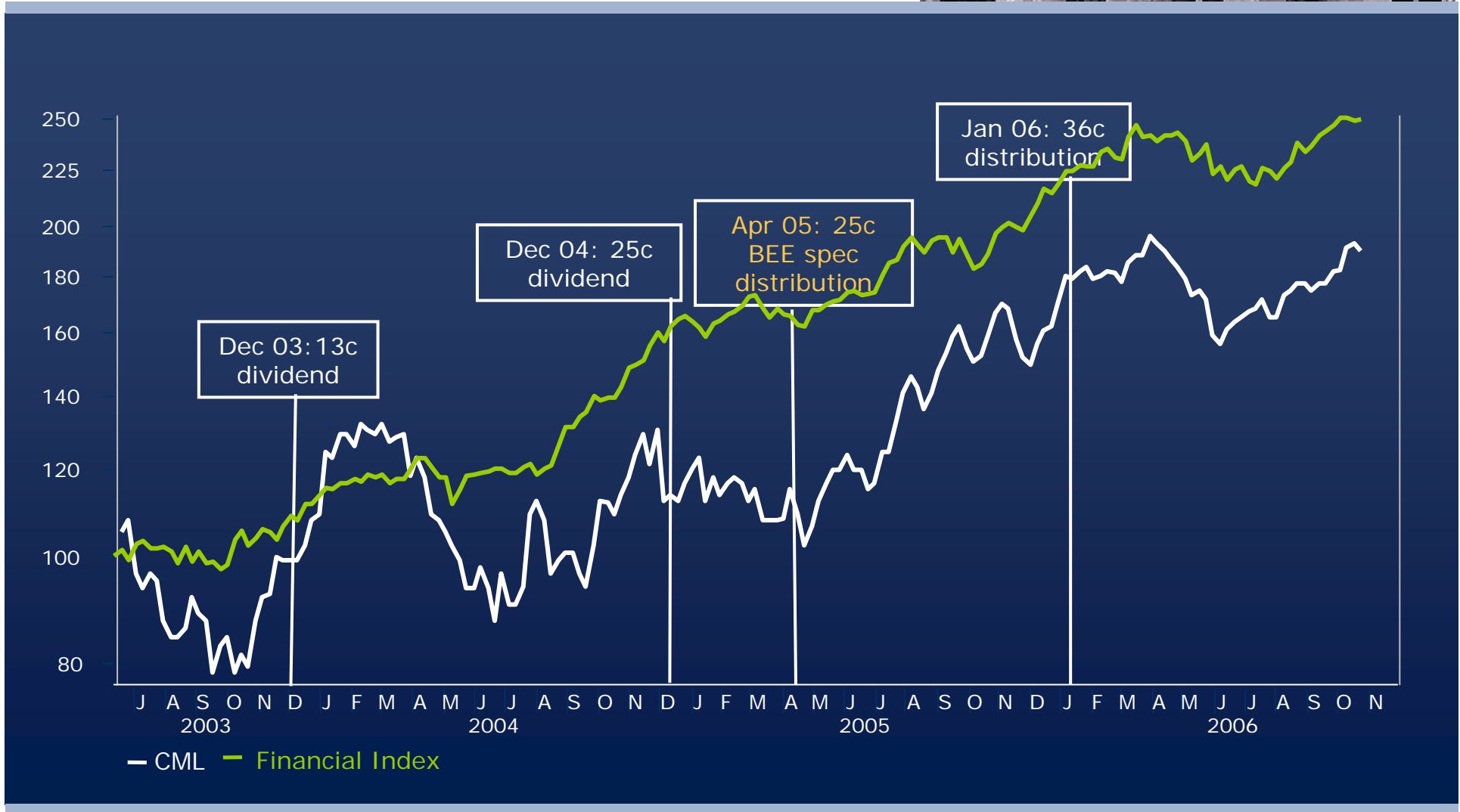
Share buy-back and shareholder analysis

Financial results

Other



CML vs Financial Index (capital return based)



$$\begin{array}{rcl}
 \text{Capital return} & + & \text{Dividend return} & = & \text{Total return} \\
 79.10\% & & + 43.28\% & & = 122.38\%
 \end{array}$$



Long-term returns for different asset classes



	% Per annum			
	1 Year	3 Years	5 Years	10 Years
All Share	36.1%	39.8%	26.3%	15.8%
Resources	47.7%	36.8%	29.1%	22.4%
Financial	32.2%	42.2%	21.7%	13.9%
Industrial	26.0%	41.9%	25.5%	11.0%
Property UT	10.6%	32.3%	26.9%	24.8%
All Bond	5.0%	9.5%	11.5%	15.6%
Cash	7.5%	8.0%	9.6%	12.2%





Financial Highlights



Financial Highlights



❖ AUM	R101 bn	24%
❖ Headline earnings	52 cps	21%
❖ Headline earnings (diluted)	47 cps	14%
❖ Earnings pre IFRS 2	66 cps	35%
❖ Distribution	53 cps	47%



Financial Highlights (2)



❖ Revenue	R706m	20%
❖ Income fund management	R294m	16%
❖ PAT	R196m	16%
❖ Cashflow (operating activities)	R314m	



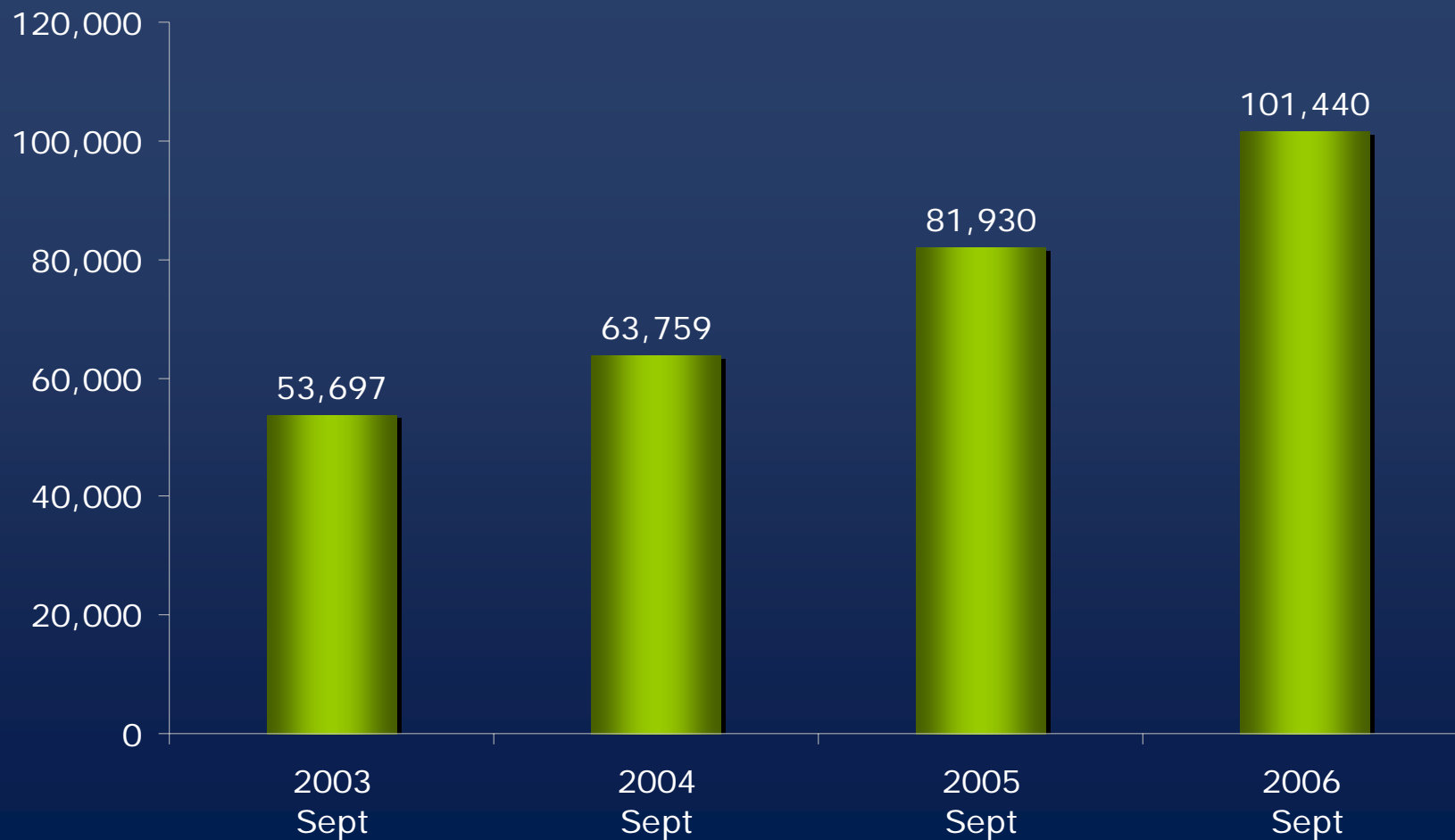


Company Overview



Assets under management

2003 – 2006



Asset class summary



Asset Class	Market Value	% of AUM
Domestic Equity	70,803,166	68.8
Foreign Equity	10,199,026	10.1
Domestic Cash	9,797,303	9.7
Domestic Fixed Interest	7,876,276	7.8
Domestic Other (UTs,Hedge,Pooled)	1,609,153	1.6
Foreign Cash	827,566	0.8
Foreign Fixed Interest	276,256	0.3
Foreign Other (UTs,Hedge,Pooled)	35,629	0.0
Domestic Direct Property	10,911	0.0
Total	101,435,239	100.0



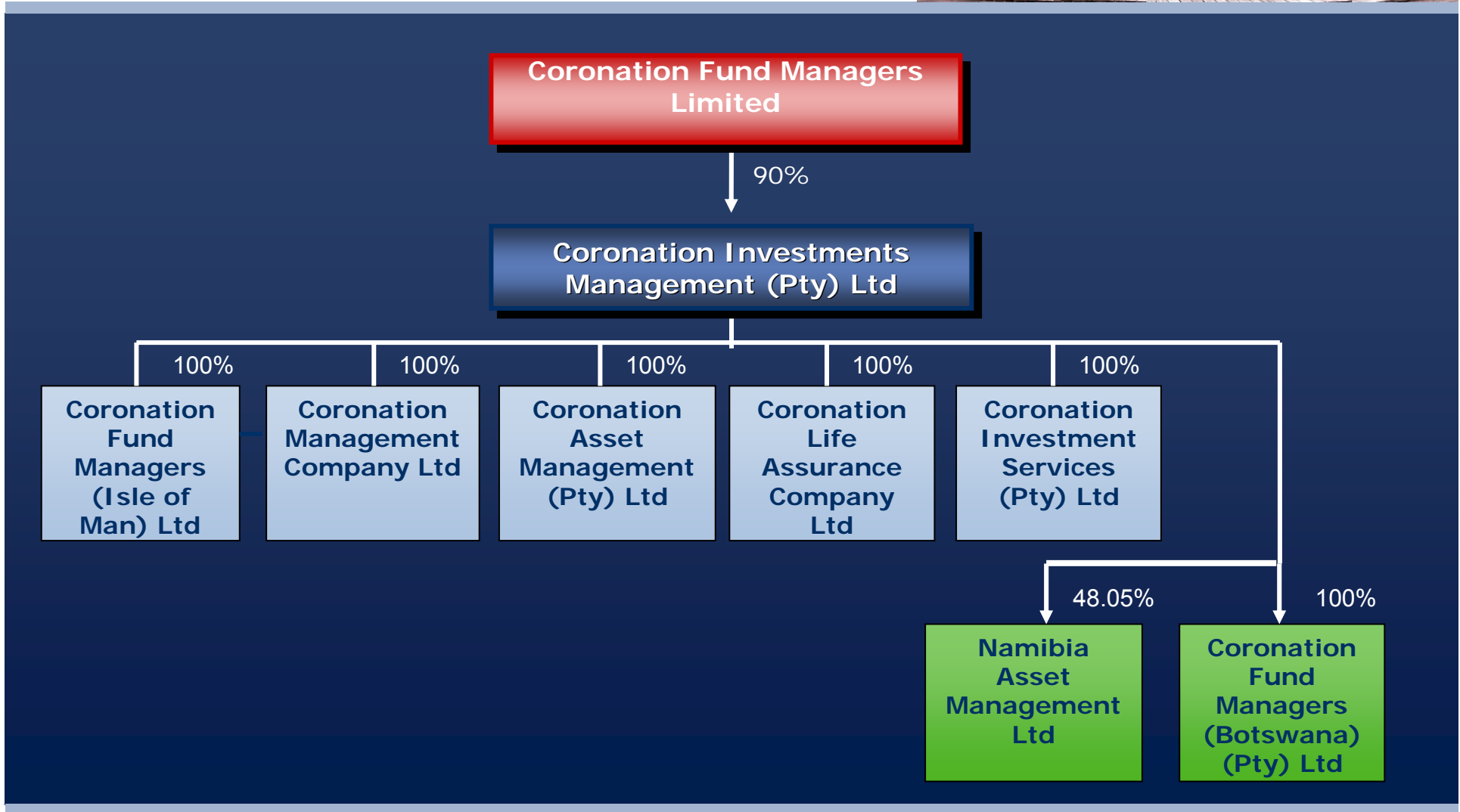
Reconciliation of AUM (Rbillion) at 30 September 2006



	6 months to Sep	12 months to Sep
Opening market value	94.15	81.93
Net flows	2.27	1.91
Other	2.08	1.60
Capital appreciation	2.94	16.01
Closing market value	101.44	101.44



Company structure at 30 September 2006



Company shareholders at 30 September 2006



CIT Limited – 27.23%
Allan Gray & Orbis – 27.73%
Coronation Staff – 18.96%

**Coronation Fund Managers
Limited**

Imvula
Capital (Pty)
Ltd

100%

The Imvula
Trust

10%

**Coronation Investments
Management (Pty) Ltd**

90%



Company activities



- ❖ Share buyback undertaken as part of capital management initiative
- ❖ Increase in staff shareholding further aligning interests with clients and shareholders
- ❖ Empowerdex has provided an “A” rating for two consecutive years
- ❖ Television advertising campaign launched as part of integrated plan to build the brand
- ❖ Launch of third generation individual retirement products has been well received by market (limited advertising)
- ❖ Acquisition of 48% stake in Namibia Asset Management to further enhance distribution capabilities and products
- ❖ Adoption of IFRS





Business Review Retail



Retail highlights



- ❖ Total retail AUM have increased by 30% to R18 billion
- ❖ Achieved market share of 7.1% (long-term single managers)
- ❖ Total net flows of R2.1 billion
- ❖ Net flows of R2.7 billion (excluding cash & div income funds)
- ❖ Fixed interest franchise has gained significant retail recognition
- ❖ New initiative to enhance the service offered to wealthy direct clients



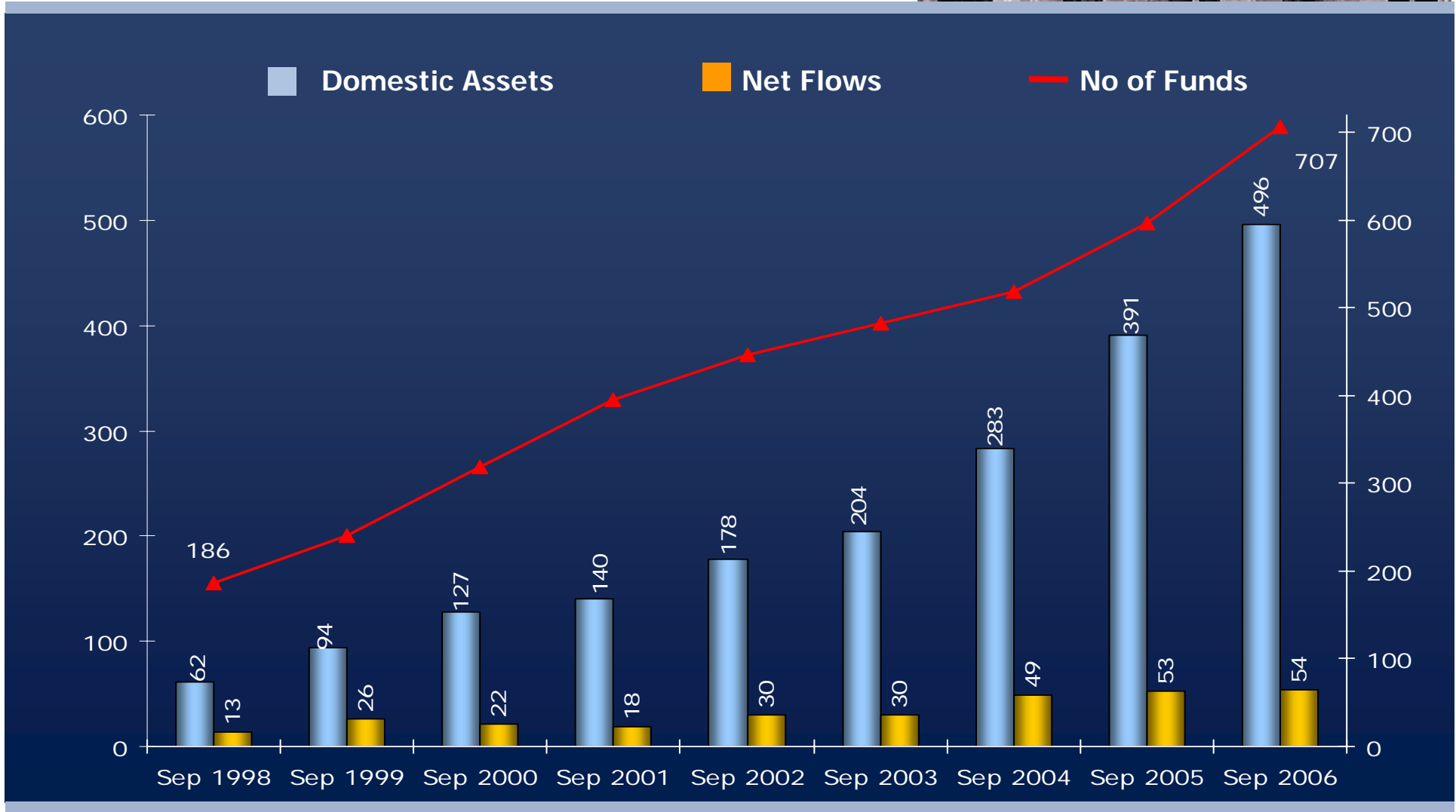
Retail highlights



- ❖ Ranked 1st or 2nd over 23 consecutive quarters in PlexCrown survey
- ❖ 2005 Unit Trust Company of the Year (3 out of 4 years)
- ❖ Best provider of retail asset management services in PWC Strategic & Emerging Issues in SA Banking survey
- ❖ Recipient of 14 individual awards



Assets, net flows and funds total CIS industry



Source: ACI Quarterly Statistics, September 2006



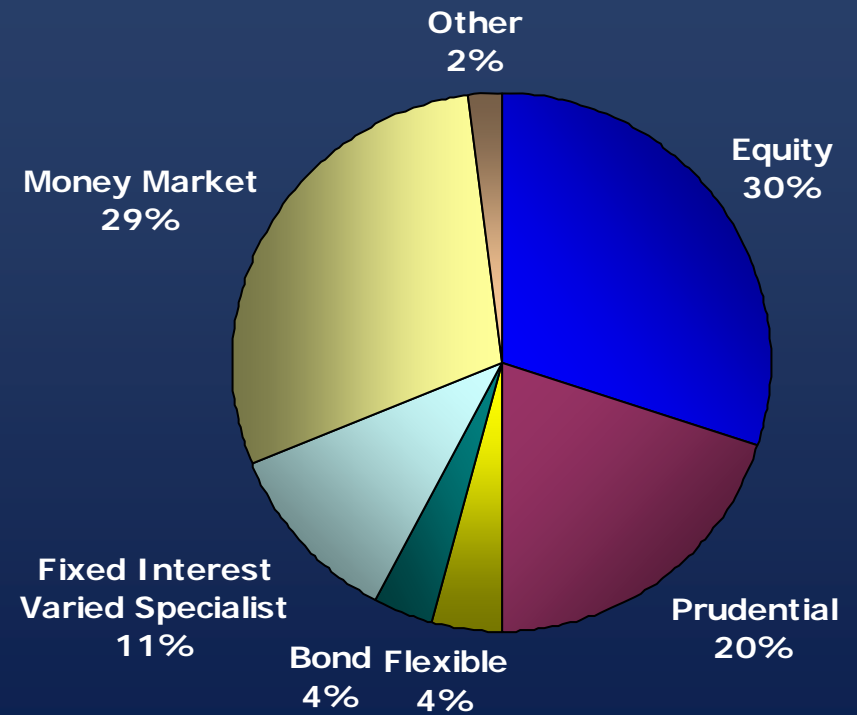
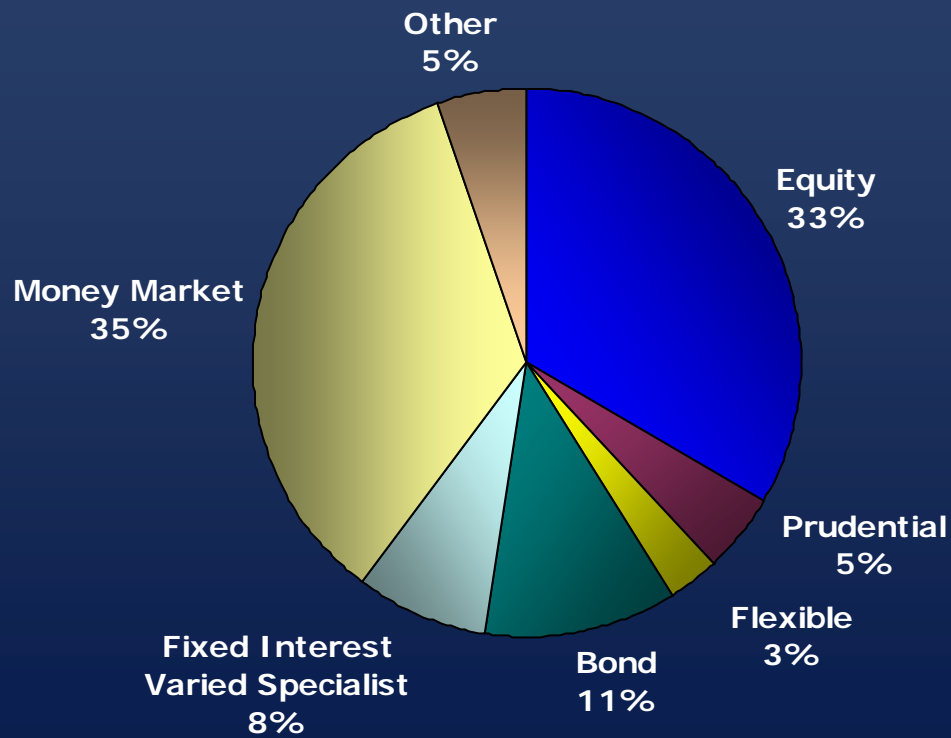
Total industry assets

- asset allocation



September 01

September 06



Source: ACI Quarterly Statistics, September 2006



CIS industry

getting to the real market



Assets Under Management		Sep 06
Total Industry Assets		R546bn
Exclude Fund of Funds	-R50bn	R496bn
Exclude Money Market Funds	-R145bn	R351bn
Exclude Dividend Income Funds	-R16bn	R335bn
Exclude Institutional Funds	-R53bn	R282bn
Exclude Multi-Managers	-R27bn	R255bn
Exclude Third Party Funds	-R13bn	R242bn
Total Long-term Single Manager Assets		R242bn

Source: ACI Quarterly Statistics, September 2006



CIS industry

Market share: Long-term single managers only
 Ranking excl. cash and dividend income funds



			Mkt Share	Sep 06	Sep 05
1 ↑	Allan Gray	<i>23% market share growth</i>	19.5%	R47.2bn	R28.6bn
2 ↑	Investec	<i>7.5% market share growth</i>	14.3%	R34.5bn	R23.9bn
3 ↓	Old Mutual		12.4%	R30.1bn	R23.7bn
4 ↓	Stanlib	<i>17% market share decline</i>	10.2%	R24.7bn	R22.2bn
5 -	Nedgroup		8.0%	R19.3bn	R14.4bn
6 -	Coronation		7.1%	R17.2bn	R12.9bn
7 -	Sanlam		5.4%	R12.9bn	R9.6bn
8 ↑	Satrix/Intrix		4.6%	R11.0bn	R7.5bn
9 ↓	RMB		3.5%	R8.4bn	R6.7bn
10 ↓	Oasis		2.1%	R5.1bn	R4.4bn
11 ↓	Momentum		2.0%	R4.9bn	R6.5bn
12 ↓	Marriott		2.0%	R4.7bn	R5.4bn
13 -	Prudential		1.6%	R3.9bn	R3.1bn
	CIS industry			R242.4bn	R180.4bn

Source: ACI Quarterly Statistics, September 2006



CIS industry

for 12-months ended 30 Sep 2006



Net inflows: Long-term single managers only
Ranking excl. cash and dividend income funds

Manco	12 months
Allan Gray	R10,324bn
Investec	R8,795bn
Coronation	R2,731bn
Old Mutual	R2,408bn
Sanlam	R2,005bn
Nedgroup	R1,330bn
PSG	R854m
RMB	R581m
Prudential	R255m
Stanlib	R107m
Marriott	-R661m
Momentum	-R2,493bn
CIS Industry	R26,838bn

Source: ACI Quarterly Statistics, September 2006



AUM of largest unit trusts

Sept 2006

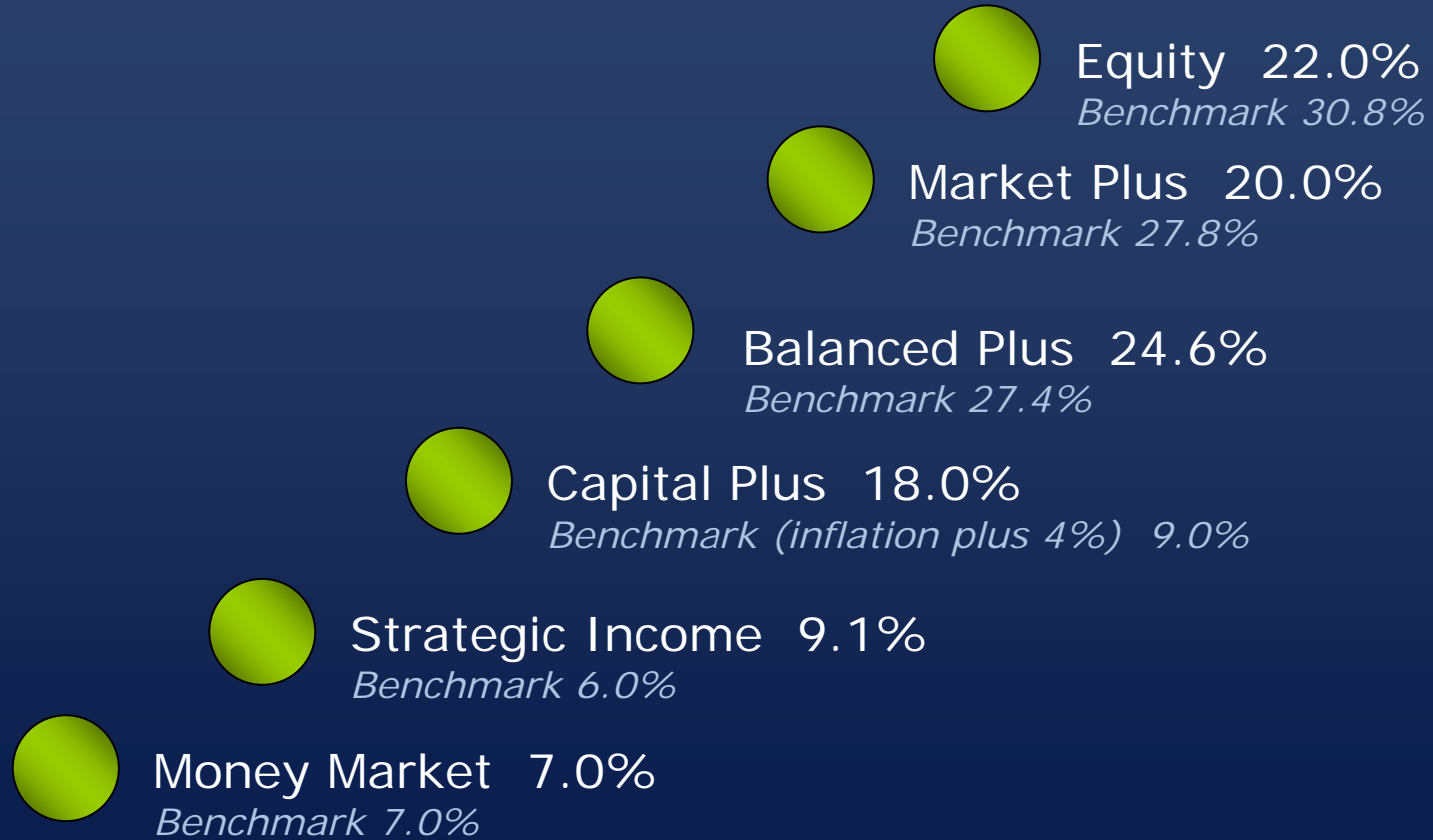


Market Values	Sep '05	Sep '06	%
Coronation Strategic Income Fund	1,912	3,236	69
Coronation Capital Plus Fund	1,249	2,513	101
Coronation Absolute Fund	981	1,575	61
Coronation Equity Fund	1,389	1,514	9
Coronation Balanced Plus Fund	911	1,497	64
Coronation Money Market Fund	614	1,333	117
Coronation Top 20 Fund	909	1,268	39
Coronation International Active Fund of Funds	842	1,081	28
Coronation Property Equity Fund	1,096	950	-13
Coronation Optimum Growth Fund	677	939	39



Performance

Core funds -12 months ended 30 September 06



PlexCrown

Overall CIS manager ranking



	Sep06		Jun06	Mar06	Dec05
Oasis	4.666	↑	4.416	3.5831	3.2498
Coronation	3.958	↑	3.875	3.7497	4.0413
Investec	3.533	↓	3.700	3.8747	3.7497
Nedgroup	3.250	↓	3.437	3.4372	3.3747
Prudential	3.375		3.375	2.8748	2.9998
Absa	3.125		3.166	2.5415	2.5831
RMB	3.333	↑	2.970	2.9283	2.8956
Stanlib	2.886	↓	2.956	2.8462	2.7718
Old Mutual	2.721	↓	2.812	3.1873	3.0873
Sanlam	2.783		2.750	2.8998	2.7248
Futuregrowth	2.375		2.500	2.9998	2.8748

Coronation ranked either 1st or 2nd over 23 consecutive quarters

Source: PlexCrown Ranking Survey





Business Overview

Institutional



Institutional highlights

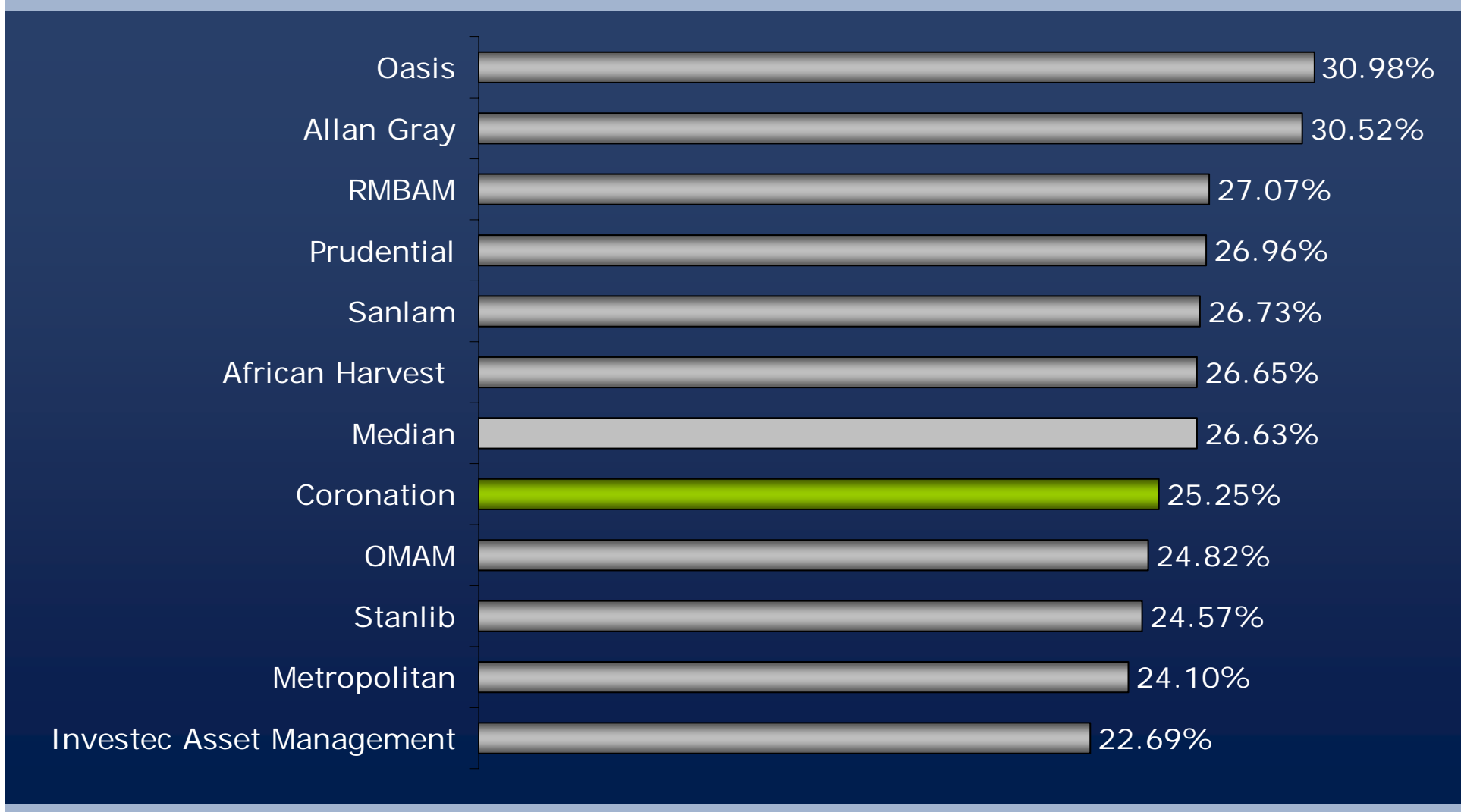


- ❖ Institutional AUM increased to R75 billion, up 22% yoy
- ❖ Attracted gross new business flows of R10 billion
- ❖ Closer collaboration with UK office continue to focus on providing product to SA clients
- ❖ Increased number of pitches
- ❖ Continue to focus on areas where market share is still low, e.g. fixed interest and CAPRO, or newer markets (medical aids)
- ❖ Recognised hedge fund market participant (Multi-Strategy Arbitrage and Granite Fixed Income will shortly be closed)
- ❖ Global Equity Alternative Strategy Fund 10th anniversary



Performance

Global Large Manager Watch
1 year ending 30 September 2006



Performance

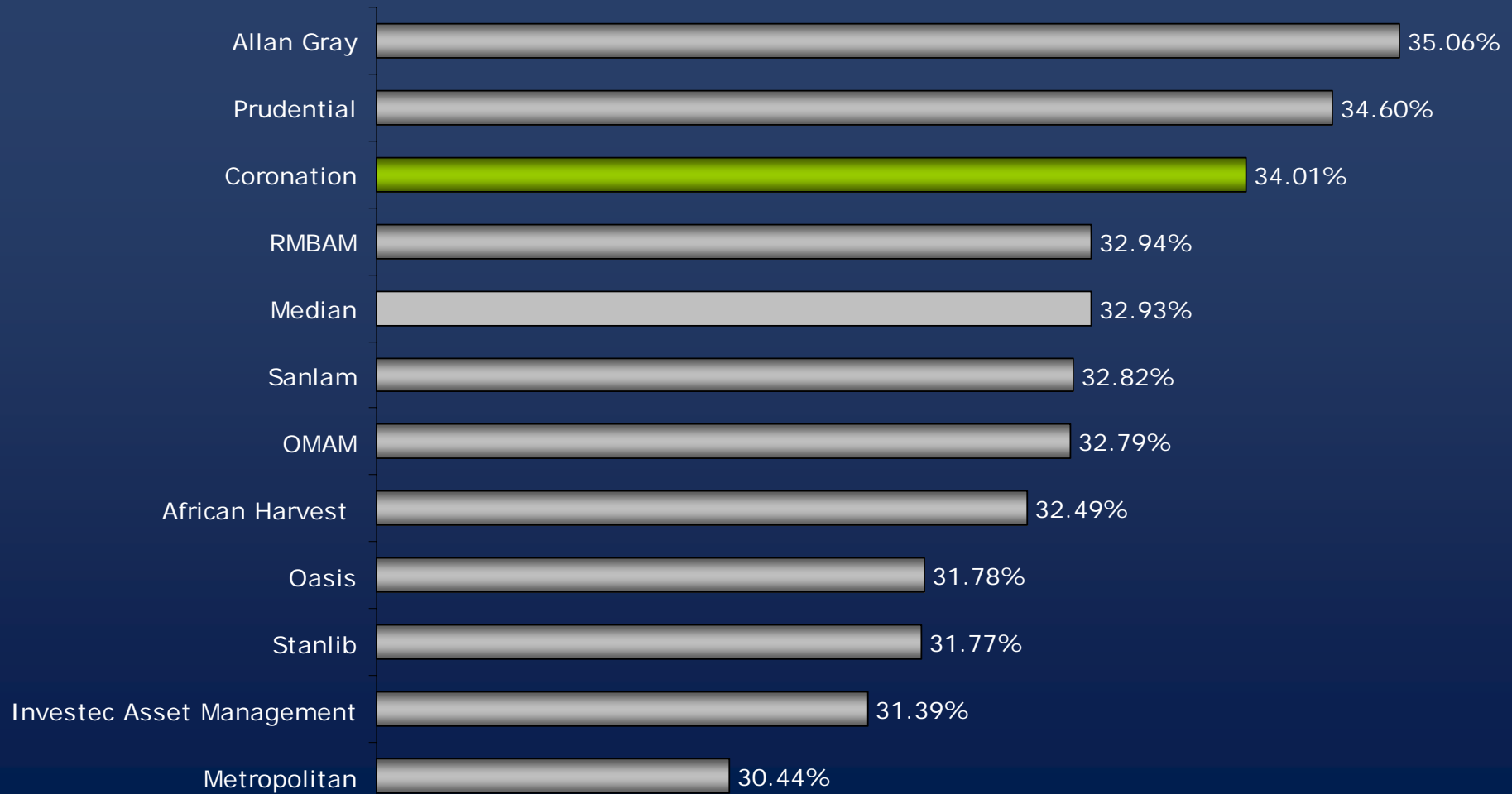
Global Large Manager Watch
3 years ending 30 September 2006



Performance

SA Large Manager Watch

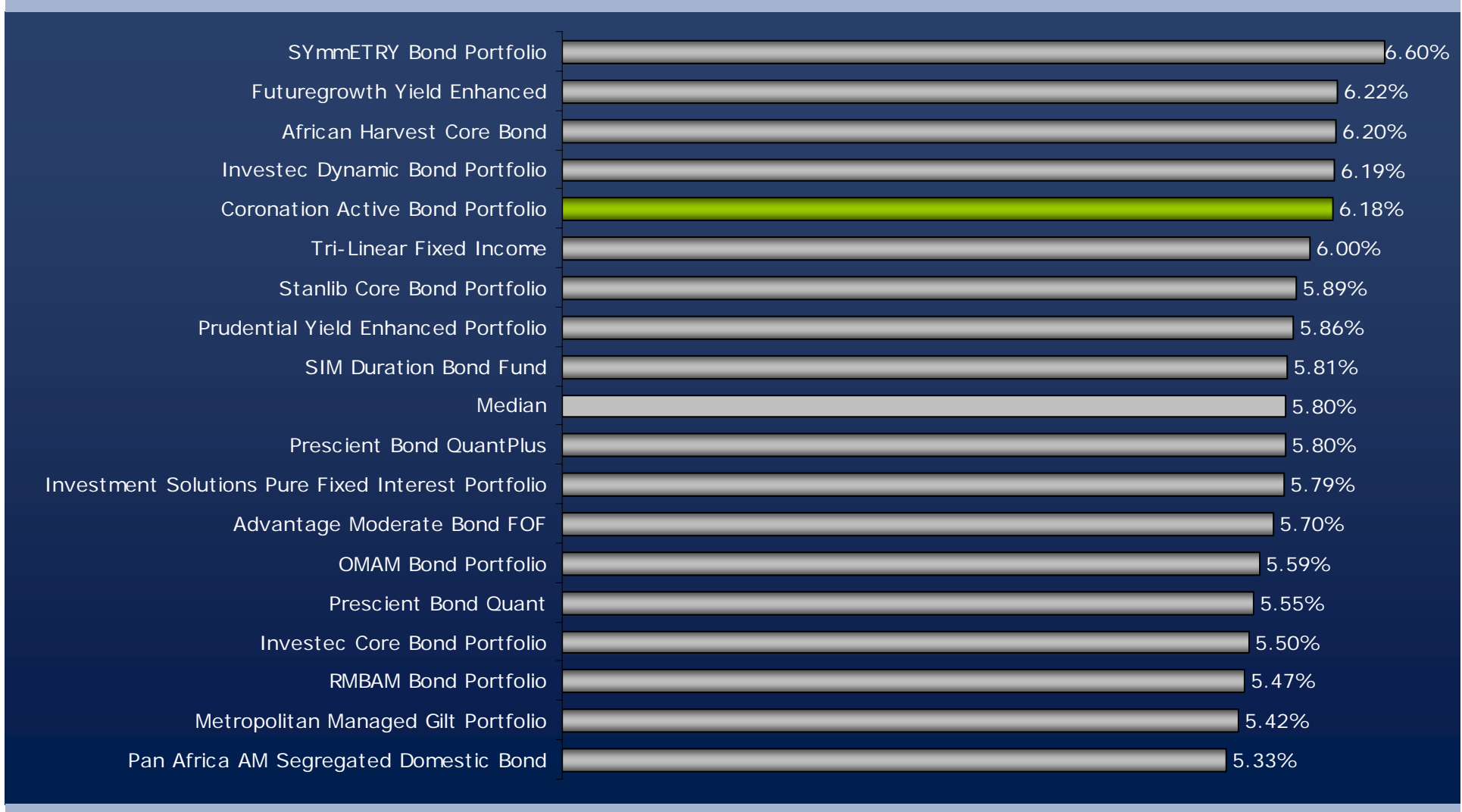
3 years ending 30 September 2006



Performance

SA Bond Manager Watch

1 year ending 30 September 2006



Performance

Absolute Return product

Period ending 30 September 2006



	1 Year	3 Years	Since inception*
Absolute	24.0%	29.3%	21.5%
CPIX	5.1%	4.5%	6.2%
CPIX +7%	12.1%	11.5%	13.2%

*Since inception – August 1999



Coronation International AUM



	Sep 2006	Sep 2005	Sep 2004
<u>Fund of Hedge Funds</u>	<u>\$666m</u>	<u>\$844m</u>	<u>\$846m</u>
Global Equity	\$438m	\$537m	\$597m**
Relative Value	\$165m	\$241m	\$190m
Multi-Strategy	\$17m	\$12m	\$13m
Global Macro	\$8m	\$32m	\$28m
Other hedge*	\$38m	\$22m	\$18m
<u>Long Only Fund of Funds</u>	<u>\$536m</u>	<u>\$297m</u>	<u>\$158m</u>
International Active Unit Trust	\$139m	\$133m	\$129m
Global Equity	\$375m	\$153m	\$18m
Global Bond	\$22m	\$11m	\$11m
Total	\$1202m	\$1100m	\$1004m

*Includes Money Market Plus, MS-D, RV-D, PP, Top 20, Credit Relative Value, International Relative Value FOF

**2004 number includes Global Equity Absolute



International performance tables to September 2006



	12-month		24-month		36-month	
	%	Ranking *	%	Ranking *	%	Ranking *
Relative Value USD	8.86	9/57	7.96	19/57	6.81	21/52
GEAS (\$)	6.97	10/45	9.19	14/43	9.59	14/37
GEAS (€)	4.65	8/24	8.26	10/21	8.18	N/A
Global Equity FoF (B)	14.99	14/46	19.78	5/41	18.55	6/40
MSCI World Index USD	12.17		14.48		14.72	

*Rankings for RV and GEAS to August 2006





Share Buy-back and Shareholder Analysis



Shares in issue



	2006	2005
Opening balance – 1 Oct	382,274,930	382,274,930
Issued during the year	2,618,324	-
Bought back and cancelled	(35,315,852)	-
Closing balance – 30 Sep	349,577,402	382,274,930
Weighted average – 30 Sep	376,670,543	382,274,930
*Prefs for Conv – 15 Nov	4,560,000	-

* **Convertible Prefs:** 60 % (4.56m) convertible 15 November 2006
 Will not participate in 2006 distribution
 Remaining 40 % redeemed 15 November 2006



Share buy-back



- ❖ General consent to buy back 20% of issued share capital
- ❖ Board consent to buy back up to 10% within certain parameters
- ❖ June to August 2006 - 35,315,852 shares (9.2%) bought back
- ❖ Cost - R200 167 791
- ❖ Average price per share – R5.67
- ❖ All cancelled



Largest shareholders

30 September 2006



Company	Shares held	%
Allan Gray + Orbis	96 944 289	27.73
CIT	95 194 989	27.23
Staff	66 269 598	18.96
Tiedemann	13 550 000	3.88
Mcwilliams Family Trust	11 200 000	3.20
RMB	9 102 494	2.60
Stanlib	7 603 566	2.18
Futuregrowth	6 031 262	1.73
		87.51



Overview of changes... **Sellers**



Company	No of shares sold	Current holding	%
CIT	(22 118 810)	95 194 989	(3.33)
Stanlib	(7 483 309)	7 603 566	(1.76)
Futuregrowth	(3 450 494)	6 031 262	(0.74)
Foord	(2 550 000)	560 000	(0.65)
Absa Asset Management	(1 652 610)	0	(0.43)



Overview of changes... Buyers



Company	No of shares bought	Current holding	%
Staff	7 011 666	66 269 598	1.06
Tiedemann	2 650 000	13 550 000	1.04
Allan Gray + Orbis	2 184 474	96 944 289	3.05
Centaur Asset Management	910 081	3 681 210	0.33
Regarding Capital Management	977 951	977 951	0.28



Analysis of CFM fund holdings



Company	Shares held	%
Coronation Financial Fund	1 553 750	0.44
Coronation Smaller Companies Fund	2 053 750	0.59





Financial Results



Earnings



	% Change	2006	2005
Attributable earnings		195,528	167,356
EPS	19	51.9	43.8
Headline earnings		195,515	163,937
HEPS	21	51.9	42.9
Diluted HEPS	14	46.8	40.9
Distribution		185,184	138,197
DPS	47	53c	36c



Earnings ratios



	Change %	2006 %	2005 %
Cost to income: actual	(1)	56.8	56.3
Cost to income: pre-IFRS2	7	49.3	53.2
Annuity income as % of operating income	10	59.9	54.5



Group balance sheet

Accounting policy change



- ❖ To reflect NAV inclusive of Goodwill
- ❖ Board decision to utilise once-off opportunity – Conversion to IFRS
- ❖ Goodwill recognition:
 - Accounting policy change and recognise initial purchase of subsidiaries at fair value
 - Recognise Goodwill and amortise for 17 months
 - Adopt IFRS and freeze Goodwill value
 - Test annually for impairment
- ❖ Value of Goodwill – R1 087 772
- ❖ NAV per share - R3.58



Earnings summary



	2006 Rm	2005 Rm
Revenue	R744.1	R619.9
Net Fee Income	R706.0	R588.3
Other	R37.9	R31.6
Operating Expenses	R398.2	R348.6
IFRS 2 charges	R51.4	R18.0
PBT	R294.5	R253.3
Tax	R98.0	R84.4
PAT	R196.5	R168.9



Total net fee %



Funds subject to performance fees as a % of AUM



	2006	2005
Institutional	58%	62%
Retail	43%	35%
International	73%	69%
Total	56%	58%



CFM expenses (R'm)



	2006	2005	Change
Fixed costs	139.5	124.1	12.4%
IFRS2 charges	51.4	18.0	
Restraint	2.5	28.3	
Marketing	27.4	14.3	
Interest Expense	13.0	6.0	
Variable costs	215.8	176.5	
OPERATING EXPENSES	449.6	367.2	22.4%

Periods ending 30 September 2006



IFRS 2 effect



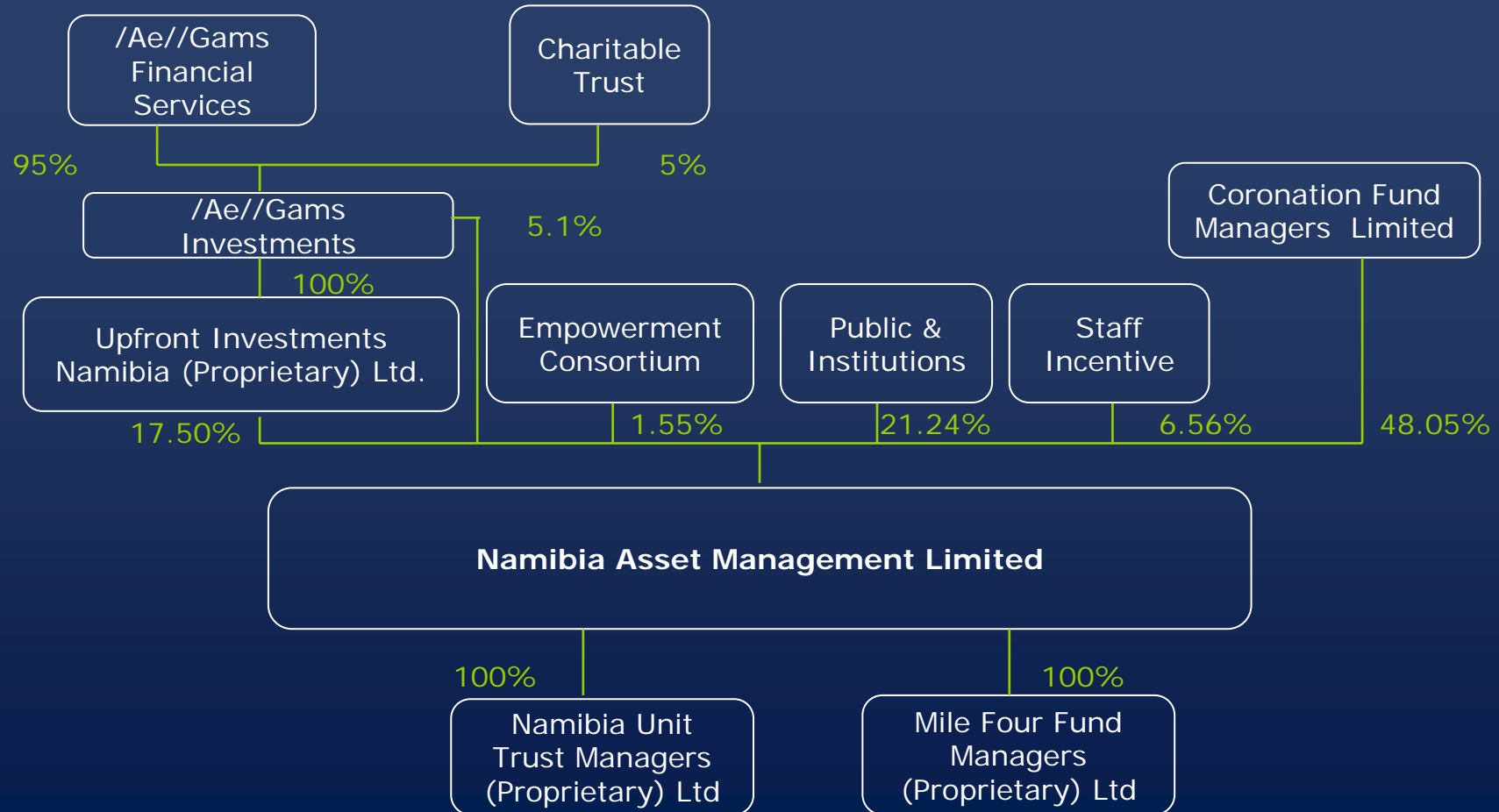
	2005 R'000	2006 R'000	2007 R'000
December 2003 options	1,729	1,968	912
Imvula transaction	3,460	5,877	5,637
CIT transaction 1 (February 2005)	7,850	13,132	12,621
CIT transaction 2 (April 2005)	4,398	9,556	9,556
CIT transaction 3 (September 2005)	527	8,156	5,490
Preference shares	74	12,695	-
Total	18,038	51,384	34,216



Namibia Asset Management Limited (NAM)



Current shareholding structure



Namibia Asset Management (1)



Shares in issue	200,000,000
Current share price	26 cents
Market capitalisation (N\$)	52,000,000
CFM purchase price (47.14%)	9 cents
CFM current shareholding	48.05%
Consideration paid by CFM (47.14%)	R8,870,000



Imvula Allocation



Allocation reconciliation

30 September 2006



Original authorised units	42 474 992
Adjustment	(3 633 059)
Adjusted authorised units	38 841 933
Total units allocated (pre-Oct 06)	(13 440 000)
New allocation	(5 000 199)
Total unallocated units	20 401 734



Value of the transaction (R'm)

30 September 2006



Value of shares	233
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Value of debt	140
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Net Asset Value	93
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NAV per unit	2.41
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Advertising

Key observations



- ❖ Operating in highly competitive, complex & low interest industry
- ❖ Over 50% of people are influenced by a broker/financial advisor when choosing which investment company to use
- ❖ Ad was part of long-term integrated plan to build the brand
- ❖ Coronation received positive feedback on TV ad from stakeholders
- ❖ Continue with original plan to build brand, integrate more product advertising to support positioning
- ❖ Up weight branding on TV ad for next round of advertising
- ❖ Maintain current levels of marketing activity





Future Focus



Future focus



- ❖ Strategy in place to grow a sustainable business
 - Remain singularly focussed on fund management
 - Committed to delivering Investment Excellence: excellence of investment performance, innovative products and exceptional client service
 - Promote a culture of staff ownership and entrepreneurship thereby aligning staff interests with that of clients and shareholders
 - Provision of new product is to satisfy client requirements and create diversified revenue stream for business
- ❖ Group of passionate and committed people with a strong desire to be the best at what we do





Thank you

