

— SOLID MAIDEN EARNINGS

— STRONG CASH FLOW, DIVIDEND OF 12 CENTS PER SHARE

REVIEWED RESULTS FOR THE NEW GROUP FOR THE 5 MONTHS ENDED 30 SEPTEMBER 2003

RESULTS

Coronation Fund Managers is a leading fund management company offering a comprehensive range of traditional South African fund management investment products and alternative multi-manager international investment products to institutional and individual investors.

In difficult market conditions, it is pleasing to report that Coronation Fund Managers has delivered a solid performance in its maiden set of results as a listed group. For the five months ended 30 September 2003, headline earnings totalled R60,9 million and annualised headline earnings per share were 38,3 cents based on the 382 274 930 shares in issue throughout the period.

Assets under management increased by 11,6% to R53,7 billion (30 April 2003: R48,1 billion). The South African business produced a good performance as a result of strong recurring income and superior local investment returns. The results of the international business were subdued due to the strengthening rand, an increase in costs and lower performance fees.

– SA Institutional

The South African institutional savings industry has been characterised by a lack of growth in the total asset pool and a greater emphasis on absolute returns. Within this context, it is encouraging that Coronation Fund Managers' total institutional assets under management remained steady during the period. Our absolute return products continued to attract good inflows and grew from R3,5 billion in April to R6 billion at 30 September 2003. Coronation Fund Managers currently has a market share in excess of 10% in the private retirement fund market. However, our share of the government and parastatal retirement fund market is low and represents an exciting growth area.

Within the retirement fund industry, there has been a move from traditional balanced mandates towards specialist mandates. Coronation Fund Managers is well placed in this regard – over the last 10 years we have developed a wide range of products with superior track records in different asset classes.

Over the long term, our global balanced portfolios remain in the upper quartile of recognised performance surveys. Our performance in this category over shorter time periods has slipped slightly due to the short-term underperformance of our international product, the Coronation Global Equity Fund. Our domestic balanced performance, however, has continued to improve and is ranked second over one year to 30 September 2003 in the Alexander Forbes SA Large Manager Watch survey.

Our range of absolute products has performed well and is likely to meet all its inflation-plus benchmarks. Most of our benchmark portfolios outperformed their quantitative benchmarks and targets, thus meeting clients' investment objectives.

– SA Retail

Business conditions in the domestic unit trust industry stabilised during the period under review and assets under management grew by 17,6%, to more than R200 billion for the six months to 30 September 2003. However, more than 90% of new net inflows to the industry continued to be directed into money market funds. Net new business into managed, equity and foreign funds, which are Coronation's traditional focus areas, remained subdued. There has also been a change in the asset mix of our unit trust business in that we experienced outflows from our foreign funds while achieving significant inflows into our absolute return, general equity and money market funds.

Our unit trust funds continued to perform significantly better than the industry average,

establishing the business in December 2000 has been to develop a credible investment team and a robust investment process. This has now been successfully accomplished and is evidenced by solid investment performance across all funds.

Given the stability of the client base within the fund of hedge funds business, management fees remain in line with expectations. The decline in performance fees and increased costs as a result of additional staffing had an adverse impact on earnings during the period.

PROSPECTS

Coronation Fund Managers has developed a strong brand and consolidated its position as one of the leading independent fund managers in the South African investment management industry. Our strategic focus is to deliver superior investment performance to our clients.

We have stable and incentivised investment and management teams who operate in the pursuit of this objective. Attracting, retaining and motivating the best quality staff remains a key challenge going forward.

Coronation Fund Managers is making progress in implementing a sustainable transformation programme which will meet the requirements of the recently released Financial Sector Charter. We look forward to reporting developments on these initiatives by September 2004.

We remain optimistic about Coronation Fund Managers' potential for growth and will continue to focus on generating quality recurring income.

FINANCIAL STATEMENTS

The financial statements for Coronation Fund Managers Ltd have been prepared in compliance with South African Statements of Generally Accepted Accounting Practice on a going concern basis. 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.

ACQUISITION OF CIM AND ITS SUBSIDIARIES

The acquisition by Coronation Fund Managers of the equity of Coronation Investment Management (Pty) Ltd ("CIM") (previously Coronation Fund Managers (Pty) Ltd) and its subsidiaries for a consideration of R1,757 billion, on 30 April 2003, was settled through an issue of shares to Coronation Holdings Limited ("Corohold"). This transaction was a precursor to the Corohold restructuring which included the unbundling of Coronation Fund Managers from the Corohold Group and its listing on the JSE Securities Exchange South Africa with effect from 13 June 2003.

The pro forma financial statements presented in the pre-listing statement of Coronation Fund Managers accounted for this acquisition in terms of the purchase method of accounting as per the accounting pronouncement AC131: Business Combinations, and as such goodwill of R1,657 billion was recognised. As at 30 April 2003, both Coronation Fund Managers and CIM were wholly-owned subsidiaries of Corohold as the acquisition was between enterprises under common control. The decision to recognise goodwill has been reversed as AC131 does not apply to transactions of this nature.

On the basis that the mechanism used to fund the purchase of the subsidiaries was an issue of shares at a premium, the difference between the net assets acquired and the consideration of R1,757 billion has been written off against share premium at group level in order to reflect the transaction at net asset value.

As Coronation Fund Managers only acquired the shares in CIM on 30 April 2003, five months consolidated income is reported.

DIVIDEND

Coronation Fund Managers has declared a dividend of 12 cents per share on 30 September 2003.

GROUP INCOME STATEMENT

| | Reviewed 5 month period ended 30 Sept 2003 R'000 | Audited 12 months ended 30 Sept 2002* R'000 |
|---|--|---|
| REVENUE | 164 533 | 2 064 |
| Management and service fees | 108 218 | 945 |
| Performance fees, initial charges and trading income | 41 398 | (83) |
| Interest income | 4 232 | 1 202 |
| Investment income | 29 | – |
| Other income | 10 656 | – |
| OPERATING EXPENSES | (83 767) | (74) |
| Interest expense | (3 170) | – |
| NET INCOME BEFORE TAXATION | 77 596 | 1 990 |
| Taxation | (17 027) | (599) |
| NET INCOME AFTER TAXATION | 60 569 | 1 391 |
| Share of associates' retained income | 300 | – |
| NET INCOME ATTRIBUTABLE TO SHAREHOLDERS | 60 869 | 1 391 |
| Earnings per share (cents) | | |
| Headline | 15,9 | |
| Attributable | 38,2** | |
| Diluted | 38,2** | |
| Headline | 38,3** | |
| ** Annualised | | |

HEADLINE EARNINGS ADJUSTMENT

| | R'000 |
|---|---------|
| Net income attributable to shareholders | 60 869 |
| Loss on disposal of equipment | 56 |
| Headline earnings | 60 925 |
| Shares in issue (thousands) | |
| Ordinary shares | 382 275 |
| Weighted average number of ordinary shares | 382 275 |

GROUP BALANCE SHEET

| | Reviewed as at 30 Sept 2003 R'000 | Audited as at 30 Sept 2002* R'000 |
|--------------------------------------|--|--|
| ASSETS | | |
| Equipment | 5 889 | – |
| Investment in associates | 5 903 | – |
| Financial investments | 143 064 | – |
| Long-term receivables | 1 660 | 1 500 |
| Non-current assets | 156 516 | 1 500 |
| Securities held for trading | 39 339 | – |
| Accounts receivable | 33 887 | – |
| Other receivables | 6 287 | 23 000 |
| Taxation | – | 389 |
| Cash and cash equivalents | 157 029 | – |
| Current assets | 236 542 | 23 389 |
| Total assets | 393 058 | 24 889 |
| EQUITY AND LIABILITIES | | |
| Ordinary share capital | 38 | 1 |
| Preference share capital | 1 | – |
| Share premium | 93 561 | 19 |
| Non-distributable reserve (3 916) | | – |
| Distributable reserves | 60 523 | 23 063 |
| Total shareholders' interest | 150 207 | 23 083 |
| Policyholders | 10 623 402 | – |
| Linked assets | (10 623 402) | – |
| Interest-bearing borrowings | 118 009 | – |
| Deferred tax liabilities | 35 402 | – |
| Non-current liabilities | 153 411 | – |
| Accounts payable | 78 464 | 1 693 |
| Taxation | 10 976 | – |
| Bank overdraft | – | 113 |
| Current liabilities | 89 440 | 1 806 |
| Total equity and liabilities | 393 058 | 24 889 |

GROUP CASH FLOW STATEMENT

| | Reviewed 5 month period ended 30 Sept 2003 R'000 | Audited 12 months ended 30 Sept 2002* R'000 |
|---|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income before taxation | 77 596 | 1 990 |
| Adjustments | 1 483 | (1 202) |
| Operating profit before working capital changes | 79 079 | 788 |
| Working capital changes | (238 368) | 356 |
| Cash (utilised by)/generated from operations | (159 289) | 1 144 |
| Cash flow generated from investments | 1 091 | 1 202 |
| Taxation paid | (11 080) | (1 080) |
| Dividends paid – 30 April 2003 | (23 409) | (2 000) |
| Net cash applied to operating activities | (192 687) | (734) |
| CASH FLOWS FROM INVESTING ACTIVITIES | (1 259) | – |
| CASH FLOWS FROM FINANCING ACTIVITIES | 13 072 | (23 697) |
| Net increase/(decrease) in cash and cash equivalents | (180 874) | (24 431) |
| Cash and cash equivalents at beginning of period | (113) | 24 318 |
| Cash obtained on acquisition of subsidiaries | 341 233 | – |
| Exchange rate adjustments | (3 217) | – |
| Cash and cash equivalents at end of period | 157 029 | (113) |

GROUP STATEMENT OF CHANGES IN EQUITY

| | Reviewed 5 month period ended 30 Sept 2003 R'000 | Audited 12 months ended 30 Sept 2002* R'000 |
|--------------------------------------|--|---|
| Equity at beginning of period | 23 083 | 21 692 |
| Share capital | | |
| Balance at beginning of period | 1 | 1 |

significantly better than the industry average, and we retained our top position in the Plexus Survey of consistency of performance for the fifth consecutive quarter as at 30 September 2003. We were particularly pleased with the performance produced by our flagship domestic equity fund, the Coronation High Growth Fund.

The environment for conducting offshore investment business on behalf of South African investors remains difficult. As a result of our large offshore component of assets under management in the retail business, continued rand strength and global market volatility had a significant impact on revenues earned in the period under review.

Our flagship foreign fund, the Coronation International Active Fund of Funds, was adversely affected through its exposure to the Lancer Offshore Fund. Despite this difficulty, the fund performed according to its benchmark, substantially preserving US dollar capital for the 12 months to 30 September 2003.

– International

Assets under management in our international multi-manager business remained in excess of US\$1 billion over the period. Our focus since

DIVIDEND

It is the intention to declare dividends annually at the discretion of the Board of Directors. Notice is hereby given that an initial dividend of 12 cents per ordinary share (dividend number 1) has been declared for the five month period ended 30 September 2003. This equates to approximately 75% of the earnings for the period. In compliance with the requirements of the JSE Securities Exchange South Africa, the following dates are applicable:

| | |
|---------------------------------|--------------------------|
| Last date to trade cum dividend | Friday, 5 December 2003 |
| Shares trade ex dividend | Monday, 8 December 2003 |
| Record date | Friday, 12 December 2003 |
| Payment date | Monday, 15 December 2003 |

Share certificates may not be dematerialised or rematerialised between Monday, 8 December 2003, and Friday, 12 December 2003, both days inclusive.

| | | |
|-------------------------------|--|--|
| Gavan Ryan Chairman | Thys du Toit Chief Executive Officer | Derek McDonald Company Secretary |
|-------------------------------|--|--|

Cape Town
19 November 2003



* The comparatives are not meaningful as they relate to the company ultimately used in the restructuring transaction.

Directors: G M C Ryan* Chairman, M M du Toit Chief Executive Officer, W T Floquet*†, E Molobi*†

* Non-executive

† Independent

Registered office: Coronation House, Boundary Terraces, 1 Mariendahl Lane, Newlands 7700

Postal address: PO Box 993, Cape Town 8000

Transfer secretaries: Computershare Limited, 70 Marshall Street, Johannesburg 2001

Registration number: 1973/009318/06

JSE share code: CML

Website: www.coronation.com

ISIN: ZAE000047353

Share capital

| | | |
|---------------------------------|-----------|----------|
| Balance at beginning of period | 1 | 1 |
| Issue of share capital | 37 | – |
| Balance at end of period | 38 | 1 |

Preference shares

| | | |
|---------------------------------|----------|----------|
| Balance at beginning of period | – | – |
| Issue of preference shares | 1 | – |
| Balance at end of period | 1 | – |

Share premium

| | | |
|---------------------------------|---------------|-----------|
| Balance at beginning of period | 19 | 19 |
| Issue of share capital | 85 040 | – |
| Share issue expenses (4 569) | – | – |
| Issue of preference shares | 13 071 | – |
| Balance at end of period | 93 561 | 19 |

Non-distributable reserve

| | | |
|--|----------------|----------|
| Balance at beginning of period | – | – |
| Currency translation differences (3 916) | – | – |
| Balance at end of period | (3 916) | – |

Distributable reserves

| | | |
|---|---------------|---------------|
| Balance at beginning of period | 23 063 | 21 672 |
| Net profit for period | 60 869 | 1 391 |
| Ordinary dividends – 30 April 2003 (23 409) | – | – |
| Balance at end of period | 60 523 | 23 063 |
| Equity at end of period | 150 207 | 23 083 |

SEGMENT REPORT

| | R'000 | % |
|----------------|---------|----|
| Revenue | | |
| Local | 109 797 | 67 |
| International | 54 736 | 33 |
| | 164 533 | |

Net income before taxation

| | | |
|---------------|--------|----|
| Local | 49 312 | 64 |
| International | 28 284 | 36 |
| | 77 596 | |

Net assets

| | | |
|---------------|---------|----|
| Local | 102 048 | 68 |
| International | 48 159 | 32 |
| | 150 207 | |