

— 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 the 382 274 930 shares in issue as at 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
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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	