

## IMPLEMENTATION OF THE IMVULA TRANSFORMATION TRANSACTION

In April 2005 the Invula Trust ("the Trust") was created to achieve direct black ownership in the group, comprising Coronation and its subsidiaries ("the Coronation Group"). In order to ensure that the empowerment ownership of the Coronation Group is truly broad-based, the Coronation Group implemented a scheme whereby the Trust acquired a stake in the Coronation Group for the benefit of all black employees. In order to facilitate the funding, the stake in the Coronation Group was taken up at the level of Coronation Investment Management Proprietary Limited ("CIM"), a wholly owned subsidiary of Coronation and the intermediate holding company of Coronation's South African and international operating subsidiaries.

The Trust granted an option to the Company to acquire the CIM shares in exchange for the issue of new Coronation shares of equivalent value. The aforementioned option has been exercised, resulting in the acquisition by Coronation of the 10% stake in CIM against the issue of new Coronation shares to the Trust ("the Transaction"). Approval of the Transaction was granted in terms of a special resolution passed by shareholders of Coronation at the Annual General Meeting held on Thursday, 24 January 2013.

The JSE has granted a listing of 34 979 910 ordinary shares of 0.01 cent each in the share capital of the Company with effect from 28 February 2013 which have been issued to the Trust in consideration for the acquisition by the Company of the 10% shareholding in CIM held by the Trust.

As at the date of the latest audited financial statements, being 30 September 2012, the value of the net assets of the Company is R9.46bn and the attributable profit is R673m. The value of the Transaction, based on the share price at 30 September 2012, is R1.084bn. The pro forma financial effects of the Transaction set out below are unaudited and have been prepared to assist shareholders of Coronation in assessing the impact of the Transaction on the Coronation Group's historical earnings per share and headline earnings per share. The pro forma financial effects are the responsibility of the directors of Coronation and are provided for illustrative purposes only.

The pro forma financial effects have been prepared on the basis that the Transaction had been fully implemented on 1 October 2011 for the purposes of the statement of comprehensive income and at 30 September 2012 for purposes of the statement of financial position. It does not purport to be indicative of what the consolidated financial results would have been had the Transaction been implemented on a different date. The material assumptions are set out in the notes following the table.

Due to their nature, the pro forma financial effects may not fairly present the financial position, changes of equity, results of operation or cash flows of the Coronation Group after the Transaction.

	Actual Before (Note 1)	Pro forma After (Note 2)	Change (%)
Earnings per share (cents)			
Basic	217.3	195.6	-10
Diluted	197.8	195.6	-1
Headline earnings per share (cents)			
Basic	217.3	195.6	-10
Diluted	197.8	195.6	-1
Net asset value per share (cents)	468.7	421.8	-10

Notes:

1. The "Before" financial information has been extracted, without adjustment, from the published audited consolidated financial results of the Coronation Group for the year ended 30 September 2012.
2. The pro forma "After" financial information comprises the "Before" financial information adjusted for the following:
  - a. Increase in weighted average number of shares to 349 799 102.
  - b. Removal of the once-off dilutive effect of interest and STC relating to the Transaction amounting to approximately R7.4m.
  - c. The pro forma financial effects have been prepared using the same accounting policies as those applied in the most recently published annual financial statements.

Cape Town  
28 February 2013

