

HIGHLIGHTS

٠	Earnings per share	39%	•	
•	Profit for the year	43%	•	
•	Headline earnings per share	16%	1	
•	Cash earnings per share	55%		



	Audited year	Audited year
	ended	ended
	30 June 2012	30 June 2011
	R'000	R'000
ASSETS Non-current assets	991 884	951 923
Property, plant and equipment	97 016	101 083
nvestment property	10 300	10 100
ntangible assets	611 042	609 552
Inlisted investments	280	280
nvestment in associates	86 765	63 859
nvestment in preference shares	100 000	100 000
Deferred income tax assets	86 481	67 049
Current assets	371 416	291 066
rade and other receivables	108 511	93 010
deceivables from associates and joint ventures	14 591	18 04°
Current tax asset	6 404	
Cash and cash equivalents	241 910	180 01
otal assets	1 363 300	1 242 98
QUITY AND LIABILITIES		
Capital and reserves	882 815	726 850
ssued capital	349 365	372 06
Contingent shares to be issued	188 540	188 54
hare-based awards reserve (Note 1)	9 357	
reasury shares	(1 772)	(1 16
oreign currency translation reserve	(646)	24
Pistributable reserve	337 971	167 17
linority interests	30 625	20 78
otal equity	913 440	747 63
Ion-current liabilities	271 968	304 12
eferred income tax liabilities	47 595	37 27
orrowings	200 000	200 00
rovisions	8 350	41 60
ost-employment medical obligations	3 504	3 82
Accrual for straight lining of leases	12 519	21 43
urrent liabilities	177 892	191 22
forrowings	8 346	20.55
rovisions	8 779	20 378
rade and other payables	76 802	76 330
axation	4 149	8 49!
ank overdraft mployment benefit provisions	79 816	7 304 78 71
otal liabilities	449 860	495 35
otal aquity and liabilities	1 363 300	1 2/12 989

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Unlisted investments	280	280
Investment in associates	86 765	63 859
Investment in preference shares	100 000	100 000
Deferred income tax assets	86 481	67 049
Current assets	371 416	291 066
Trade and other receivables	108 511	93 010
Receivables from associates and joint ventures	14 591	18 041
Current tax asset	6 404	-
Cash and cash equivalents	241 910	180 015
Total assets	1 363 300	1 242 989
	1 303 300	1 242 303
EQUITY AND LIABILITIES		
Capital and reserves	882 815	726 850
Issued capital	349 365	372 060
Contingent shares to be issued	188 540	188 540
Share-based awards reserve (Note 1)	9 357	
Treasury shares	(1 772)	(1 162)
Foreign currency translation reserve	(646)	241
Distributable reserve	337 971	167 171
Minority interests	30 625	20 786
Total equity	913 440	747 636
Non-current liabilities	271 968	304 129
Deferred income tax liabilities	47 595	37 273
Borrowings	200 000	200 000
Provisions	8 350	41 600
Post-employment medical obligations	3 504	3 821
Accrual for straight lining of leases	12 519	21 435
Current liabilities	177 892	191 224
Borrowings	8 346	-
Provisions	8 779	20 378
Trade and other payables	76 802	76 336
Taxation	4 149	8 495
Bank overdraft	-	7 304
Employment benefit provisions	79 816	78 711
Total liabilities	449 860	495 353
Total equity and liabilities	1 363 300	1 242 989

CONDENSED CONSOLIDATED STATEMENT	OF COMPREH	IENSIVE INCOME	
	% change	Audited year ended 30 June 2012 R'000	Audited year ended 30 June 2011 R'000
Revenue		1 448 261	1 351 253
Operating costs		(1 188 960)	(1 128 140)
Operating profit	16.2%	259 301	223 113
Other income		14 894	31 978
Net finance income		3 371	1 478
Share of profit from associates		14 842	10 888
Profit before impairment and amortisation		292 400	267 457
Fair value gain (impairment) of investment		1 175	(10 266)
Fair value gain on investment in associate		13 162	-
Impairment of intangible assets		-	(4 958)
IFRS 2 compliance adjustment (Note 1)		(9 357)	-
Depreciation		(38 128)	(44 170)
Amortisation of intangible assets		(36 356)	(35 542)
Profit before income tax		222 904	172 521
Income tax expense		(42 523)	(45 982)
Profit for the year	42.5%	180 381	126 539
Attributable to:			
Equity holders of the Parent		164 506	117 248
Non-controlling interest		15 875	9 291
Total comprehensive income for the year	_	180 381	126 539

Note 1: Actuarially determined cost of share-based awards reserved for selected executives of AfroCentric Health Limited (AHL) in terms of the 2009 Acquisition Agreement, categorised for disclosure herein in terms of IFRS 2.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	•	
	Audited year ended 30 June 2012 R'000	Audited year ended 30 June 2011 R'000
Balance at beginning of the period	747 635	642 063
Issue of share capital	5 579	5 996
Share-based awards reserve (Note1)	9 357	-
Revaluation of treasury shares issued	(609)	(552)
Dividends reclaimed and subsidiary acquisitions	5 868	-
Foreign currency translation reserve	(887)	241
Dividends paid	(33 884)	(26 652)
Net profit for the year	164 506	117 248
Profit attributable to minorities	15 875	9 291
Balance at end of period	913 440	747 635
•		

	% change	Audited year ended 30 June 2012 R'000	Audited year ended 30 June 2011 R'000
Cash generated from operations Net finance income	56.5%	255,184 3.371	163,049 1,478
Dividends paid		(28,274)	(25,800)
Tax and other payments		(114,045)	(34,733)
Net cash generated in operating activities	_	116 236	103 994
Net cash outflow from investing activities		(55 353)	(88 869)
Net cash inflow from financing activities		8 315	43 050
Net increase in cash and cash equivalents		69 198	58 175
Cash and cash equivalents at beginning of the year		172 712	114 536
Cash and cash equivalents at end of the year	40.0%	241 910	172 711

Reconciled as follows:		
Cash and cash equivalents on hand	241 910	180 015
Bank overdraft	-	(7 304)
	241 910	172 711

EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS			
	% change	Audited year ended 30 June 2012 R'000	Audited year ended 30 June 2011 R'000
Number of ordinary shares in issue Number of preference shares in issue Weighted average number of ordinary shares		268 231 817 16 638 000 267 276 657	265 947 672 16 638 000 264 561 839
Weighted average number of ordinary shares, potential ordinary shares and share awards for AHL executives Basic earnings	40.3%	332 384 302 164 506	311 493 781 117 248
Adjusted by: - Impairment of property, plant and equipment	40.5 //	-	146
 Impairment of intangible assets Impairment of investment Impairment of investment in associate 		(1 175) -	4 958 - 10 266
- Profit on disposal of assets - Fair value gains on investment in associate		(566) (13 162)	(1 226)
- Fair value gains (other) Headline earnings	17.2%	(810) 148 793	(4 466) 126 926
Earnings per share (cents) - Basic - Diluted	38.9% 38.9%	61.55 52.31	44.32 37.64
Headline earnings per share (cents) - Basic	16.0%	55.67	47.98
- Diluted Cash earnings per share generated from operations (cents)	16.8%	47.58	40.75
- Basic - Diluted	54.9% 46.7%	95.48 76.77	61.63 52.34

COMMENTARY

Introduction

The Board of Directors has pleasure in presenting the Group's Audited results for the year ended 30 June

While South Africa's economy experienced wide fluctuations in the levels of business confidence during the year, subsidiary and associate management diligently maintained a consistent and disciplined approach towards achieving their financial goals, the positive results of which, are once again revealed in the Group's sound pattern of growth in earnings.

Further detail on each of the Group's more meaningful investment activities are set out in the review that follows.

Accounting policies and basis of preparation

The condensed consolidated financial statements for the year ended 30 June 2012 are prepared in accordance with International Financial Reporting Standards ("IFRS"), the JSE Limited Listings Requirements and the South African Companies Act 71 of 2008 as amended. The condensed consolidated financial statements are prepared on the historical cost basis and the accounting policies are consistent with those adopted and applied for the year ended 30 June 2011.

Nature of business

AfroCentric is a black-owned, diversified investment holding company. It is listed on the Johannesburg Stock Exchange ("JSE") in the Healthcare Sector under the code: ACT. The Group's preference shares are also listed on the JSE under the code: ACTP.

AfroCentric holds a substantial majority stake in AfroCentric Health Limited ("AHL"), formerly Lethimvula Investments Limited. During the year, AfroCentric increased its holding in AHL to 93.17% (2011: 91.56%) through the purchase of minority shareholdings in that company. AfroCentric continues to engage with AHL reholders who wish to offer their AHL shares for sale AHL owns 100% of the issued shares in Medscheme Holdings (Pty) Limited ("Medscheme"), a multi-medical scheme administrator and managed care provider.

AfroCentric has a 27.3% non-controlling interest in JSElisted Jasco Electronics Holdings Limited ("Jasco").

Jasco provides solutions, services and products to customers through three core verticals: Information and Communication Technologies, Industry Solutions and Energy Solutions. One of Jasco's investments is Malesela Taihan Electric Cables (M-Tec). M-Tec is a leading manufacturer and distributor of fibre-optic cable including a wide range of power and telecom cables, serving inter alia, infrastructural development demands in the South African and African continental markets. Further information on Jasco can be found on the JSE lists under the code: JSC.

AfroCentric's exploration and prospecting relationship with Rio Tinto PLC continues in terms of the Relationship and Strategic Cooperation Agreement (RSCA).

Operational review

Operating profit increased by 16.2% to R259 million (2011: R223 million). Given the rationalisation benefits now enjoyed through the Old Mutual acquisition, including further savings in rentals, IT costs and other overhead expenditure, the business was managed off a more efficient platform resulting in a better quality of earnings. AHL's profitability is substantially on target with its forecasts, positively trending towards the profit warranty thresholds on which the price of the AHL investment will be determined.

AfroCentric's investment in Jasco yielded earnings of R5.9 million (2011: R2.1 million) and investment income of R7.2 million (2011: R7.4 million) for the year under review. Given the Spescom acquisition, Jasco has itself emerged from a restructuring and rebranding of its various business units and the improvement in earnings, already visible in its overall results, is encouraging. Further information on Jasco's operating performance can be found on the Stock Exchange News Service (SENS) under the code: JSC.

The exploration and prospecting nickel project in the North West Province did not fulfil its early mineralisation promise and further exploration on this project was recently terminated. AfroCentric has however concluded a further contract with Rio Tinto for a significant minority interest in a new iron-ore exploration project on terms consistent with the continuing RSCA.

Financial results

The Group financial results are clearly set out in the tables above and in the Statement of Comprehensive Income. Reference is made in Note 1 above to the present "actuarially determined cost of share-based awards reserved for selected executives of AHL in terms of the 2009 Acquisition Agreement". In terms of that agreement, the extent of the executive awards and the increased cost of the AHL investment, will only be accurately determined when the required number of shares are allotted after the 2013 financial year; the impact on earnings per share being reliably revealed only in the 2014 financial year. Accordingly, for a better appreciation by shareholders:-

- 1. The diluted earnings per share and diluted headline earnings per share takes into account the weighted average number of shares in issue, the potential ordinary shares and assumes the issue of shares reserved for AHL executives as if the profit warranty has been fully attained.
- 2. The diluted earnings per share and diluted headline earnings per share have been calculated after adding back the IFRS 2 compliance adjustment of R9 357 000.

Prospects

The principal investments of the Group, AHL and Jasco compete in industries that have traditionally been controlled by some of South Africa's largest Institutions. For AfroCentric, substantially a Black controlled "start up" investment Group, to have secured a foothold in each case, begins to reveal a transformational adoption and market confidence in the values and professionalism that characterise the Group's skills and efficiencies, as well as the affordability of and belief in its products and services. The Board has great confidence in each of the Group's teams of management and would be more than satisfied with a recurring level of growth going forward.

Pre and post year-end events

Since the year-end Ms NB Bam retired as Chairperson and Mr MI Sacks retired as Secretary. Both will however, remain as Non-Executive Directors. Dr AT Mokgokong was appointed Non-Executive Chairperson and Mr D Dempers was appointed a member of the Board as Group Chief Executive Officer.

Audit opinion

The Group's annual financial statements have been audited by SizweNtsalubaGobodo Inc and their unqualified audit report is available for inspection at the registered office of the company.

Dividend declaration

To be announced shortly.

By Order of the Board

Shayne Ablett (B.Proc; Admitted Attorney) Acting company secretary Johannesburg 27 September 2012

Registered Office

37 Conrad Rd Florida North 1709

Sponsor

Sasfin Capital (A division of Sasfin Bank Limited)

Directors

AT Mokgokong** (Chairperson), D Dempers (CEO)*** WRC Holmes (CFO)***, NB Bam**, B Joffe**, JM Kahn**, MJ Madungundaba**, Y Masithela*, G Napier*, MI Sacks**

*independent non-executive **non-executive ***executive

AfroCentric Investment Corporation Limited

Registration number 1988/000570/06 JSE Code: ACT, ACTP ISIN: ZAE 000078416, ZAE 000082269 ("AfroCentric" or "the Company" or "the Group")

SEGMENTAL ANALYSIS						
	Audited results for the year ended 30 June 2012				for th	Audited results e year ended 30 June 2011
	_		,	_		,
	Revenue	Profit before tax	Total assets	Revenue	Profit before tax	Total assets
	R'000	R'000	R'000	R'000	R'000	R'000
Healthcare administration	1 448 261	217 086	977 763	1 351 253	185 094	874 386
Electronics (including investment income)	-	5 988	-	-	2 147	-
Treasury activities	-	7 758	119 561	-	8 049	110 272
Other (including inter-segment elimination)	-	(7 928)	265 976	-	(22 768)	258 331
	1 448 261	222 904	1 363 300	1 351 253	172 521	1 242 989

AFROCENTRIC INVESTMENT CORPORATION LTD



(Incorporated in the Republic of South Africa) (Registration number 1988/000570/06)

JSE Code: ACT, ACTP

ISIN: ZAE 000078416, ZAE 000082269

Declaration of dividend

The Audited Annual Results for the year ended 30 June 2012 were released on the Stock Exchange News Service ("SENS") on 27 September 2012 and published in the press on 28 September 2012.

Information on the Dividend Declaration was deferred at the time pending confirmation of the extent of Secondary Tax on Companies (STC) credits being available.

The Board of Directors now have pleasure in announcing that a dividend of 10.5 cents per ordinary share (gross) and 29.8 cents per preference share (gross) has been declared for the year ended 30 June 2012.

Dividends are subject to Dividends Withholding Tax that was introduced with effect from 1 April 2012. In accordance with the provisions of the JSE Listings Requirements, the following additional information is disclosed.

- the dividends have been declared out of profits available for distribution.
- the local Dividends Withholding Tax rate is 15 %.
- the gross dividend amount is 10.5 cents per ordinary share and 29.8 cents per preference share.
- the STC credits available for utilisation is 12.52 cents per ordinary share and 35.53 cents per preference share.
- STC credits to be utilised during this current dividend cycle is 10.5 cents per ordinary share and 29.8 cents per preference share.
- the net cash dividend amount is therefore 10.5 cents per ordinary share and 29.8 cents per preference share.
- the company has 268,231,817 ordinary shares in issue at 30 June 2012.
- the company has 16,638,000 preference shares in issue at 30 June 2012.
- the company's income tax reference number is 9600/148/71/3.

The salient dates relating to both the ordinary and preference dividends are as follows:

Last day to trade cum the dividend	Friday, 7 December 2012
Shares commence trading ex dividend	Monday, 10 December 2012
Dividend record date	Friday, 14 December 2012
Dividend payment date	Tuesday, 18 December 2012

Share certificates for both ordinary and preference shares may not be dematerialised or rematerialised between Monday 10 December 2012 and Friday 14 December 2012, both days inclusive.

Directors

AT Mokgokong** (Chairperson), D Dempers (CEO)***, WRC Holmes (CFO)***, NB Bam**, B Joffe**, JM Kahn**, MJ Madunqundaba**, Y Masithela*, G Napier*, MI Sacks**

^{*}independent non-executive **non-executive ***executive