

UNAUDITED INTERIM RESULTS

for the six months ended 31 December 2011

HEADLINES

• Earnings per share	16% ↑
• Diluted earnings per share	15% ↑
• Headline earnings per share	13% ↑
• Diluted headline earnings per share	12% ↑



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	Unaudited six months ended 31 Dec 2011 R'000	Unaudited six months ended 31 Dec 2010 R'000	Audited year ended 30 Jun 2011 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	941,838	970,061	951,923
Investment property	100,048	118,169	101,083
Intangible assets	10,100	8,543	10,100
Unlisted investments	609,926	592,865	609,552
Investment in associates	280	280	280
Investment in preference shares	62,368	64,796	63,859
Deferred income tax assets	100,000	100,000	100,000
	59,116	85,408	67,049
Current assets			
Trade and other receivables	241,966	209,517	291,064
Receivables from associates and joint venture	94,685	98,706	93,010
Current tax asset	18,647	15,586	18,039
Cash and cash equivalents	7,981	-	-
	120,653	95,225	180,015
Total assets	1,183,804	1,179,578	1,242,987
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	758,355	670,268	726,850
Contingent shares to be issued	347,716	393,181	372,060
Treasury shares	188,540	188,540	188,540
Foreign currency translation reserve	(1,162)	(610)	(1,162)
Distributable reserve	(327)	(462)	241
Minority interest	223,588	89,619	167,171
	17,694	25,021	20,786
Total equity	776,049	695,289	747,636
Non-current liabilities			
Deferred income tax liabilities	270,376	346,550	304,129
Borrowings	35,031	39,698	37,273
Provisions	200,000	200,000	200,000
Post-employment medical obligations	9,215	67,575	41,600
Accrual for straight lining of leases	3,821	3,866	3,821
	22,309	35,411	21,435
Current liabilities			
Provisions	137,379	137,739	191,222
Trade and other payables	2,073	2,790	20,378
Taxation	69,953	67,515	76,334
Bank overdraft	4,239	3,540	8,495
Employment benefit provisions	9,087	15,245	7,304
	52,026	48,649	78,711
Total liabilities	407,755	484,289	495,351
Total equity and liabilities	1,183,804	1,179,578	1,242,987

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
	Unaudited six months ended 31 Dec 2011 R'000	Unaudited six months ended 31 Dec 2010 R'000	Audited year ended 30 Jun 2011 R'000
Revenue	670,007	672,088	1,351,254
Operating costs	(566,807)	(579,641)	(1,128,141)
Operating profit	103,201	92,447	223,113
Other income	10,965	15,714	31,978
Net finance cost	(1,701)	1,434	1,478
Share of profit from associates	4,906	2,211	10,888
Profit before impairment and amortisation	117,370	111,806	267,457
Impairment of investment	-	-	(10,266)
Impairment of intangible assets	-	(996)	(4,958)
Depreciation	(19,294)	(24,062)	(44,170)
Amortisation of intangible assets	(17,359)	(14,760)	(35,542)
Profit before income tax	80,718	71,988	172,521
Income tax expense	(21,783)	(21,166)	(45,982)
Total comprehensive income for the period	58,935	50,822	126,539
Attributable to:			
Equity holders of the parent	16	54,344	46,704
Non-controlling interest	4,591	4,118	9,291
	16	58,935	50,822
			126,539

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY			
	Unaudited six months ended 31 Dec 2011 R'000	Unaudited six months ended 31 Dec 2010 R'000	Audited year ended 30 Jun 2011 R'000
Balance at beginning of the period	747,636	642,063	642,063
Issue of share capital	3,929	3,741	5,996
Treasury shares revalued	-	-	(552)
Foreign currency translation reserve	(568)	(462)	241
Distributions to shareholders	(33,883)	(875)	(26,651)
Income attributable to equity holders of the parent	54,344	46,704	117,248
Income attributable to minorities	4,591	4,118	9,291
Balance at end of period	776,049	695,289	747,636

SEGMENTAL ANALYSIS

	Unaudited interim results for the six months ended 31 Dec 2011			Unaudited interim results for the six months ended 31 Dec 2010			Audited results for the year ended 30 Jun 2011		
	Revenue R'000	Profit before tax R'000	Total assets R'000	Revenue R'000	Profit before tax R'000	Total assets R'000	Revenue R'000	Profit before tax R'000	Total assets R'000
Healthcare administration	670,007	72,152	806,941	672,088	60,545	787,687	1,351,254	185,092	874,384
Electronics	-	2,650	-	-	1,081	-	-	2,147	-
Treasury activities	-	284	110,517	-	4,182	110,208	-	8,049	110,272
Other - including inter-segment elimination	-	5,631	266,346	-	6,180	281,684	-	(22,767)	258,331
	670,007	80,718	1,183,804	672,088	71,988	1,179,579	1,351,254	172,521	1,242,987

By Order of the Board

MI Sacks CA (SA) AICPA (ISR)
Company secretary
Johannesburg

Directors

NB Bam** (Chairperson), JM Kahn**, M I Sacks**, B Joffe**,
MJ Madungundaba**, AT Mokgokong**, WRC Holmes, GL Napier*, Y Masithela*

* independent non-executive, ** non-executive, # company secretary

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS			
	Unaudited six months ended 31 Dec 2011 R'000	Unaudited six months ended 31 Dec 2010 R'000	Audited year ended 30 Jun 2011 R'000
Net cash generated / (utilised) in operating activities	(11,947)	(29,196)	103,993
Net cash inflow / (outflow) from investing activities	(24,854)	(43,289)	(88,869)
Net cash inflow / (outflow) from financing activities	(24,344)	37,928	43,050
Net cash flow from continuing operations	(61,145)	(34,557)	58,174
Net (decrease) / increase in cash and cash equivalents	(61,145)	(34,557)	58,174
Cash and cash equivalents at beginning of the period	172,711	114,537	114,537
Cash and cash equivalents at end of the period	111,566	79,980	172,711
Reconciled as follows:			
Cash and cash equivalents on hand	120,653	95,225	180,015
Bank overdraft	(9,087)	(15,245)	(7,304)
	111,566	79,980	172,711

EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS			
	Unaudited six months ended 31 Dec 2011 R'000	Unaudited six months ended 31 Dec 2010 R'000	Audited year ended 30 Jun 2011 R'000
Number of ordinary shares in issue	267,458,718	264,920,135	265,947,672
Number of preference shares in issue	16,638,000	16,638,000	16,638,000
Weighted average number of ordinary shares	265,332,341	263,744,652	264,561,839
Weighted average number of ordinary shares and potential ordinary shares	312,530,939	310,056,281	311,493,781
Basic earnings	54,344	46,704	117,248
Adjusted by:			
- Fair value gains	-	-	(4,466)
- Impairment of property, plant and equipment	-	-	146
- Impairment of intangible assets	-	996	4,958
- Impairment of investment in associate	-	-	10,266
- Profit on disposal of assets	(166)	-	(1,226)
- Reversal of loan impairments	(137)	-	-
Headline earnings	54,041	47,700	126,926
Earnings per share (cents)			
- Attributable to ordinary shares (cents)	16	20.48	44.32
- Diluted earnings per share (cents)	15	17.39	37.64
Headline earnings per share (cents)			
- Attributable to ordinary shares (cents)	13	20.37	47.98
- Diluted earnings per share (cents)	12	17.29	40.75

COMMENTARY

Introduction

The Board of Directors has pleasure in presenting the Group's interim results for the six month period ended 31 December 2011.

While the group is able to report a satisfactory increase in comparative earnings for the period under review, given the variety of once-off benefits and costs related to the acquisition and incorporation of Old Mutual Healthcare and the sale of Medscheme Life, an exact comparison with the 6 months ending December 2010 does not convey the now more efficient delivery platform which the group's subsidiary, Lethimvula Investments Limited ("LIL") is today.

Accounting policies and basis of preparation

The condensed consolidated financial statements for the six months ended 31 December 2011 are prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard 34, The JSE Limited Listings Requirements, the South African Companies Act 71 of 2008 as amended and AC 500 Standards as issued by the Accounting Practices Board or its successor. The condensed consolidated interim 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 in terms of IFRS.

Nature of business

AfroCentric is a black owned diversified investment holding company, its major investments being in healthcare administration, electronics and the communications industries. AfroCentric also has a co-operation agreement with Rio Tinto Plc for mineral prospecting and exploration projects. The Company's subsidiary, LIL, owns 100% of the shares in Medscheme Holdings (Pty) Limited, a multi medical scheme administrator. Medscheme is the largest black-owned medical scheme administrator in South Africa covering approximately 3 million lives in the private healthcare administration market.

The company's associate, Jasco Electronics Holdings Limited ("Jasco") provides communications, industrial and energy solutions, services and products to a broad range of customers.

Operational review

LIL's operating profits amounted to R72 million during the period under review (2010: R61 million). The improved profitability arises primarily from continuous efficiency improvements in the administration business. LIL's administration and managed care contracts are reviewed in January of each year and accordingly profits of the healthcare division are favourably weighted toward the period January-June. LIL's performance for the period is substantially on target with management forecast expectations for the 2012 financial year.

LIL continues to generate strong operating cash flows. It is important to note that within the net cash generated from operating activities is an outflow of R53.7 million relating to the termination of an onerous property lease agreement. The extrication from this onerous contract will yield positive cash flow benefits in future periods to 2013.

AfroCentric continues to acquire LIL shares from the minority shareholders who approach the Company to sell their shares. During the period AfroCentric acquired a further 6 151 099 LIL shares (1.1%) to bring the Company's ownership of the issued share capital of LIL to 92.63%.

AfroCentric's investment in listed Jasco yielded earnings and investment income for the six months ended 31 December 2011 of R4.9 million (2009: R2.2 million). The significant improvement in Jasco's performance was influenced by the acquisition and integration of Spescom during the first quarter in 2011, and a significant restructuring of the business for growth. Further information on Jasco's earnings, operations and prospects are available on SENS under JSE Code: JSC.

AfroCentric's exploration and prospecting projects with Rio Tinto Plc continue in terms of the Reciprocal Strategic Co-operation Agreement.

Financial results

For the six month period ended 31 December 2011, earnings per share (EPS) increased by 16% to 20.48 cents (2010: 17.71 cents) and diluted EPS increased by 15% to 17.39 cents (2010: 15.06 cents). Headline earnings per share (HEPS) increased by 13% to 20.37 cents (2010: 18.09 cents) and diluted HEPS increased by 12% to 17.29 cents (2010: 15.38 cents).

Prospects

The Board maintains a regular review of the activities of the group's current investment portfolio. The Board is satisfied with the progress in each case and given the gradual improvement in market conditions and confidence, will continue to assess opportunities which satisfy the criteria of the Board Investment Committee.

Subsequent events

No significant events have occurred in the period between the reporting date and the date of this announcement.

Directors

There were no changes in the constitution of the Board of Directors during the period under review.

Dividends

The policy of the Board is to review profits available for distribution to shareholders at the end of each financial year. Accordingly no distribution has been considered at this time.

Registered Office

37 Conrad Road
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Sponsor

Sasfin Capital (A division
of Sasfin Bank Limited)

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")

www.afrocentric.za.com