AFROCENTRIC
INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1988/000570/06)
JSE Code: ACT, ACTP
ISIN: ZAE000078416, ZAE000082269
("AfroCentric" or "the Company")

UNAUDITED INTERIM RESULTS

for the six months ended 31 December 2009

HEADLINES

- 21,7% increase in diluted EPS
- 49,5% increase in diluted HEPS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 31 Dec 2009	Unaudited Six months ended 31 Dec 2008	Audited Year ended 30 Jun 2009
Revenue	**682 684**	–	519 867
Operating costs	**(602 835)**	(1 377)	(454 688)
Operating profit	**79 849**	(1 377)	65 179
Other income	**185**	–	8 325
Net investment income	**1 277**	6 759	8 097
Share of profit from associates	**4 906**	3 390	9 151
Profit before depreciation and impairments	**86 217**	8 772	90 752
Depreciation	**(26 052)**	–	(16 265)
Amortisation and impairment of intangibles	**(31 539)**	–	(7 963)
Profit before tax	**28 626**	8 772	66 524
Income tax expense	**(13 100)**	–	(13 607)
Profit from continued operations	**15 526**	8 772	52 917
Profit/(loss) from discontinued operations	**1 653**	–	(2 379)
Profit for the period	**17 179**	8 772	50 538
Attributable to:			
Equity holders of the Company	**19 187**	8 772	34 701
Minority interest	**(2 008)**	–	15 837
	17 179	8 772	50 538

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31 Dec 2009	Unaudited 31 Dec 2008	Audited 30 Jun 2009
ASSETS			
Non-current assets	**1 014 449**	209 745	1 000 008
Property, plant and equipment	**135 391**	–	110 639
Intangible assets	**590 673**	–	600 151
Unlisted investment	**280**	280	280
Investment in associates	**131 091**	109 465	127 435
Investment in preference shares	**100 000**	100 000	100 000
Deferred tax assets	**57 014**	–	61 503
Current assets	**235 012**	18 643	228 411
Trade and other receivables	**139 793**	7 673	156 215
Receivables from associates and joint venture	**–**	–	6 642
Cash and cash equivalents	**95 219**	10 970	65 554
Non-current assets held-for-sale	**–**	–	515 288
Total assets	**1 249 462**	228 388	1 743 707
EQUITY AND LIABILITIES			
Capital and reserves	**674 309**	221 119	653 960
Issued capital	**385 698**	196 720	382 528
Contingent shares to be issued	**188 540**	–	188 540
Share based payment reserve	**624**	–	624
Distributable reserves	**69 516**	24 399	50 329
	644 378	221 119	622 021
Minority interests	**29 931**	–	31 939
Non-current liabilities	**350 898**	–	349 128
Deferred income tax liabilities	**53 389**	–	66 532
Borrowings	**194 590**	–	183 523
Provisions	**56 059**	–	55 875
Post-employment medical obligations	**4 518**	–	3 930
Accrual for straight lining of lease	**42 342**	–	39 268
Current liabilities	**224 255**	7 269	318 195
Borrowings	**1 592**	–	11 176
Provisions	**17 864**	–	71 784
Trade and other payables	**112 928**	1 020	102 385
Bank overdraft	**5 282**	5 821	53 661
Receiver of revenue	**18 177**	428	15 037
Employee benefit provisions	**68 412**	–	64 152
Non-current liabilities held-for-sale	**–**	–	422 424
Total equity and liabilities	**1 249 462**	228 388	1 743 707

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended 31 Dec 2009	Unaudited Six months ended 31 Dec 2008	Audited Year ended 30 Jun 2009
Balance at beginning of the period	**653 960**	212 347	212 348
Issue of share capital	**3 170**	–	185 808
Contingent shares to be issued	**–**	–	188 540
Acquisition of subsidiary	**–**	–	17 953
Dividends paid	**–**	–	(1 851)
Revaluation of share based payment – equity settled	**–**	–	624
Profits attributable to equity shareholders of the Company	**19 187**	8 772	34 701
Losses/(profits) attributable to minorities	**(2 008)**	–	15 837
Balance at end of period	**674 309**	221 119	653 960

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 31 Dec 2009	Unaudited Six months ended 31 Dec 2008	Audited Year ended 30 Jun 2009
Net cash generated/(utilised) in operating activities	**77 008**	(5 541)	47 222
Net cash inflow/(outflow) from investing activities	**(447)**	5 382	(165 667)
Net cash inflow from financing activities	**1 483**	–	179 225
Net cash flow from continuing operations	**78 044**	(159)	60 780
Net cash flow from discontinuing operations	**–**	–	9 951
Net increase in cash and cash equivalents	**78 044**	(159)	70 731
Cash and cash equivalents at beginning of period	**11 893**	5 308	5 308
Cash and cash equivalents at end of period	**89 937**	5 149	76 039
Reconciled as follows:			
Cash and cash equivalents on hand	**95 219**	10 970	65 554
Bank overdraft	**(5 282)**	(5 821)	(53 661)
Assets held for sale	**–**	–	64 146
	89 937	5 149	76 039

EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS

	Unaudited Six months ended 31 Dec 2009	Unaudited Six months ended 31 Dec 2008	Audited Year ended 30 Jun 2009	% improvement from prior interim period
Number of ordinary shares in issue	**259 659 874**	143 954 741	257 999 496	
Number of preference shares in issue	**16 638 000**	16 638 000	16 638 000	
Weighted average number of ordinary shares	**258 829 685**	143 954 741	182 627 122	
Weighted average number of ordinary shares and potential ordinary shares	**304 505 512**	169 358 519	214 855 438	
Basic earnings	**19 187**	8 772	34 701	
Adjusted by				
– Profit/(Loss) from discontinued operation	**(1 653)**	–	(1 600)	
– Impairment of goodwill	**6 052**	–	287	
– Loss on disposal of property, plant and equipment	**–**	–	154	
Headline earnings	**23 586**	8 772	33 542	
Earnings per share (cents)				
Attributable to ordinary shares (cents)	**7,41**	6,09	19,00	21,7
Diluted earnings per share (cents)	**6,30**	5,18	16,15	21,7
Headline earnings per share (cents)				
Attributable to ordinary shares (cents)	**9,11**	6,09	18,37	49,5
Diluted headline earnings per share (cents)	**7,75**	5,18	15,61	49,5

INTRODUCTION

The Board of Directors has pleasure in presenting the Company's interim results for the six month period ended 31 December 2009.

Notwithstanding the generally depressed state of global economies and business confidence in South Africa, the performance of our investment portfolio nevertheless enabled the Company to report increases in headline earnings per share and diluted headline earnings per share close to 50%, this despite the significant increase in the number of shares in issue applied in these computations.

The Board maintained a guarded approach to further corporate action during the period, rather providing guidance and support to management of the businesses in the existing investment portfolio.

While the Company's investments would certainly perform far better under different economic conditions, the overall results are considered highly satisfactory.

ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 31 December 2009 are prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard 34, The JSE Limited Listings Requirements and the South African Companies Act 61 of 1973 as amended. 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 2009 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 relationship agreement with Rio Tinto Plc for mineral prospecting and exploration projects and more recently concluded a distribution agreement with Hanwha Corporation, one of the largest industrial conglomerates in South Korea. The Company's subsidiary, Lethimvula Investments Limited ("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 2 million lives in the private healthcare administration market.

OPERATIONAL REVIEW

AfroCentric's investment in listed Jasco Electronics Holdings Limited ("Jasco") yielded earnings and investment income for the six months ended 31 December 2009 of R8,2 million (2008: R9,6 million).

Jasco's various business units were severely affected by the economic downturn, but there is a degree of optimism which prevails for the industry sector in general and the Company in particular going forward. The results of Jasco were released on SENS on 4 February 2010 and more information on Jasco's earnings, operations and prospects are available on SENS under JSE Code: JSC. The reduction in interest rate across the comparable periods also accounts for lower net investment income.

LIL's operating profits amounted to R81 million during the period under review (2008: not a subsidiary of the Company), these being marginally better than operating profit expectations and seemingly in line with the target profit warranty thresholds on which the purchase price of LIL shares will finally be determined.

The sale of Medscheme Life to Old Mutual was approved by the Financial Services Board during July 2009 and management of both Medscheme and Old Mutual are actively finalising the substance and features of their co-operative marketing relationship.

AfroCentric's exploration and prospecting relationship with Rio Tinto Plc continues in terms of the Reciprocal Strategic Co-Operation Agreement.

FINANCIAL RESULTS

For the six month period ended 31 December 2009, earnings per share (EPS) increased by 21,7% to 7,41 cents (2008: 6,09 cents) and diluted EPS increased by 21,7% to 6,30 cents (2008: 5,18 cents). Headline earnings per share (HEPS) increased by 49,5% to 9,11 cents (2008: 6,09 cents) and diluted HEPS increased by 49,5% to 7,75 cents (2008: 5,18 cents).

PROSPECTS

The Board Investment Committee will maintain the principles of the existing investment policy on all new propositions and will continue to provide advice and direction to management in each case. Since 31 December 2009 there are a few encouraging signs of recovery in market conditions in South Africa and notwithstanding the challenges the country faces on a number of fronts, there are some signs which suggest that the various business units within the investment portfolio will positively extract value from any improved circumstances.

PRE AND POST PERIOD END EVENTS

One of the more material events is that the Council for Medical Schemes commenced an investigation *inter alia*, into breaches of governance by the Principal Officer of Bonitas Medical Scheme. The Principal Officer has since resigned from that office. These investigations were predicated on allegations that Medscheme may not have dealt firmly enough in relation to such breaches. However in a clarification to its report, Deloitte reiterated the confirmation that Medscheme had at all times carried out its duties in terms of its mandate.

Given the above, it is relevant to note that Medscheme has, for the second consecutive year, achieved the highest overall scores across all three of PMR.africa's medical scheme-related surveys. In addition, the Bonitas unit within Medscheme was awarded the ISO 9000 certification for quality in administration processing.

DIRECTORS

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

DIVIDENDS

No dividends were declared or paid during the six month period under review.

By order of the Board

Motty Sacks CA (SA) AICPA (ISR)

Company Secretary

Johannesburg
26 March 2010

Directors
NB Bam* (Chairperson), NMJ Canca*, MSV Gantsho*
JM Kahn**, MI Sacks**#, Prof DI Swartz*, B Joffe**
*independent non-executive **non-executive #company secretary

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