

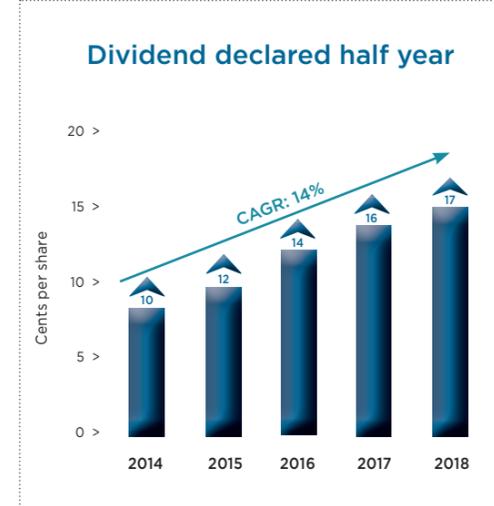
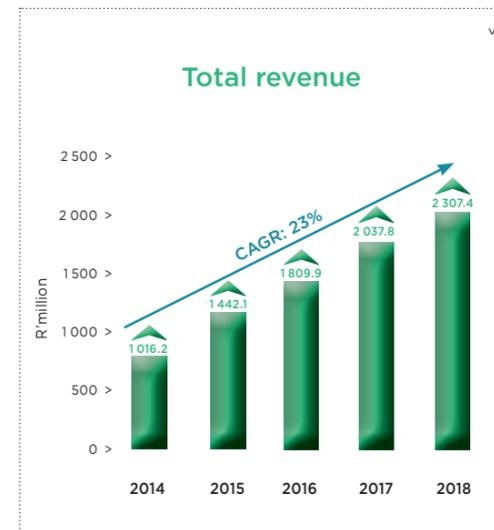


AfroCentric GROUP

UNAUDITED INTERIM RESULTS AND DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2018



FINANCIAL HIGHLIGHTS (comparative 6 month analysis)



SALIENT FEATURES

	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017	% Change
Basic earnings (rands)	121.0 million	119.9 million	0.9
Headline earnings (rands)	123.9 million	120.1 million	3.2
Basic earnings (cents per share)	21.83	21.62	1.0
Headline earnings (cents per share)	22.55	21.67	3.1
Diluted headline earnings (cents per share)	22.18	21.67	2.4
Profit before income tax (rands)	239.5 million	248.6 million	-3.6

INTRODUCTION TO THE AFROCENTRIC GROUP

AfroCentric is a majority black-owned JSE listed investment holding company which operates in and provides specialised services to the public and private healthcare sectors. AfroCentric has and continues to maintain its deliberate objective of being the leading example of transformation and empowerment in the South African healthcare sector.

The Board is pleased to present comments on AfroCentric's summary interim results for the six months ended 31 December 2018. The period under review has been characterised by investment in new and growing contracts/entities as well as certain complementary acquisitions. The earnings are stable and all the Group enterprises have contributed to the Group's growing operations and earnings. In addition, the prior and continued investment in system development and increased IT capacity, has already contributed favourably towards the current year results, thereby anticipating repeated cost savings through greater scale and procedural efficiencies into the 2020 financial year and beyond.

Apart from AfroCentric's principal subsidiary, Medscheme, providing healthcare administration and managed care services to the membership of a growing number of prominent institutional clients, (having memberships of 3.7 million lives), the Group is also heavily invested in other essential segments of the public and private healthcare markets in South Africa. The Group continues in its rapid expanding activity and application in its pharmaceutical wholesale supply, chronic medication distribution networks, specialised disease management, information technology (IT) solutions, transactional switching, fraud detection, the development and marketing of tailored health insurance solutions and products, in partnership with SANLAM.

GROWTH INITIATIVES

AfroCentric has for some time been focused on opportunities which will serve to create a platform, designed to establish a value chain of healthcare services, to optimise the purchasing power of every healthcare Rand spent. This is done through models of integration, mergers, partnerships and economic incentives devised to improve the effectiveness of patient care and viable treatment outcomes, within the broader healthcare delivery system.

During the period under review and prior to publishing these results, the following projects are in progress or have been concluded:

- Acquisition of the iThrive Business Solution Group, main subsidiary Private Health Administration ("PHA"), effective 1 October 2018 (an administration company).
- Scriptpharm has secured the Polmed Chronic Medicine Management contract, effective 1 January 2019.
- Medscheme has secured the Medshield Hospital Benefit Management contract, effective 1 October 2018.
- Medscheme Forensic Services secured the Medshield Fraud Prevention and Recovery contract, effective 1 January 2019.
- Medscheme has secured the Hosmed Medicine Management contract, effective 1 July 2019.
- The acquisition of an additional 25% stake in AFA Botswana was concluded effective 1 March 2019, this will effectively increase Medscheme's shareholding to 49%.
- Acquisition of 100% shareholding in Sanlam Health was concluded effective 1 March 2019.

In line with Afrocentric's growth objective of expanding its activity and application in its pharmaceutical supply and medicine distribution network, the call option to acquire the remaining 74% in Activo Health was exercised. The shareholders' approval was obtained at a Company general meeting on 10 January 2019 and the approval of the Competition Commission on 26 February 2019. The acquisition has now become unconditional and will be implemented according to its terms. The effective date of the acquisition was 1 March 2019.

GROWTH INITIATIVES (continued)

The Group has continued to invest in Pharmacy Direct, to support it as it implements the DOH contract in KwaZulu Natal (KZN) - this programme will substantially alleviate the congestion at public hospitals and clinics. Through this KZN contract, the number of scripts that are dispensed per month is now in excess of 1million. This is one of the ways that reflect that AfroCentric will continue to participate in the various government initiatives as the NHI is being rolled out.

AfroCentric's Insurance Fraud Manager ("IFM") continues as a great developmental success, with direct savings and recoveries to our clients in excess of R500 million. Through the success of our existing clients, this has created an opportunity for other Medical Schemes to procure the services of our forensics team.

In the prior year, Sanlam and AfroCentric management diligently worked towards the finalisation of a portfolio of healthcare, life and lifestyle products to be jointly introduced to the broader market - this was successfully concluded, and these products are offered to the various medical aid members from January 2019.

PROSPECTS

AfroCentric has once again delivered a solid operating result, particularly during an interim period laced with challenging political and economic uncertainty. It was a period characterised by a lack of economic growth and declining consumer disposable incomes. Notwithstanding the above, the benefits of the Group's maintained programme of expansion, including the general and sustained quality of earnings from within the underlying businesses, all contributed to the satisfactory financial outcome of the Group during this period under review.

The Group's financial position remains sound, cash reserves were utilised to acquire PHA, 1 October 2018 and continued investments in the IT capabilities within the Group. At corporate and operational level, management is assessing and implementing plans for real growth and pursuing selective local and international opportunities to complement the existing product and service offering.

DIRECTORS

- The following changes were made to the Board during the period under review:
- Professor SA Zinn was appointed as an Independent Non-executive Director effective 23 November 2018.
 - Mr JB Fernandes was appointed as an Independent Non-Executive Director effective 23 November 2018.
 - Mr SE Mmakau resigned as an Independent Non-Executive Director effective 1 December 2018 as he accepted the position of Group Chief Information Officer on the same day.
 - Ms LL Dhlamini was appointed as the Lead Independent Non-executive Director effective 23 November 2018.

We wish to advise shareholders that the Group CEO (Antoine Van Buuren) will be retiring at the end of March 2019. The Board would like to thank him for his invaluable contribution to the Group. His experience, guidance and wisdom will certainly be missed both from an executive level and Board level. We wish him well in his retirement. Antoine will be available until the end of May 2019 to ensure a smooth handover to the new CEO.

Ahmed Banderker will take over as the AfroCentric Group CEO effective 1 April 2019.

DIVIDENDS

The Board has pleasure in announcing that an interim dividend of 17 cents per ordinary share (gross) has been declared for the six months ended 31 December 2018. Dividends are subject to Dividends Withholding Tax. The payment date for the dividend is Monday, 13 May 2019. This interim dividend will constitute part of the Group's annual dividend, to be considered in due course with the results for the year ending on 30 June 2019. For further details on the dividend declaration, refer to the full announcement on AfroCentric's Website (www.afrocentric.za.com).

FULL ANNOUNCEMENT

This short-form announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement which was released on SENS on 12 March 2019 and can be found on the Company website (<http://www.afrocentric.za.com/inv-reporting.php>). The information in this press announcement has been extracted from the audited information, but the announcement is not itself audited. Copies of the full announcement may also be requested at the Company's registered office, at no charge, during office hours. Any investment decision should be based on the full announcement and audited Group results published on SENS and the Company's website.

On behalf of the Board

Dr ATM Mokgokong
Chairperson

Johannesburg
13 March 2019

Mr AV Van Buuren
Group Chief Executive Officer