



SILVERBRIDGE
H O L D I N G S



SILVERBRIDGE
H O L D I N G S

**CONDENSED UNAUDITED GROUP
INTERIM FINANCIAL STATEMENTS**
for the six month period ended 31 August 2009

AND

CAUTIONARY ANNOUNCEMENT

www.silverbridge.co.za

Registered Offices

First Floor, Castle View North
495 Prieska Street
Erasmuskloof, Pretoria, 0048
(PO Box 11799, Erasmuskloof, 0048)

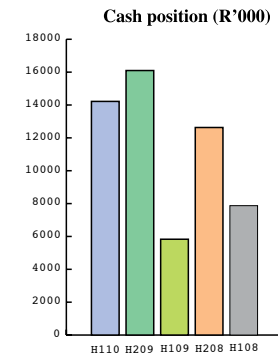
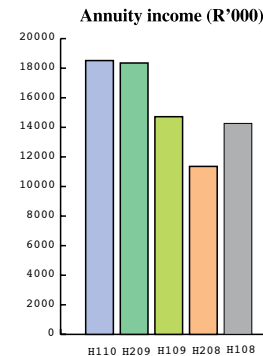
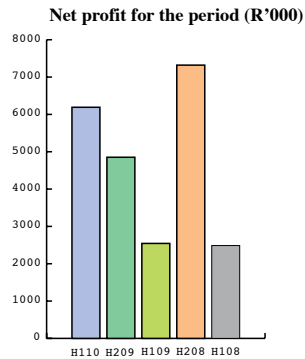
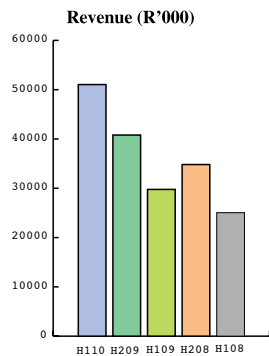


FINANCIAL HIGHLIGHTS

for the six month period ended 31 August 2009

- ◆ **Revenue increased by 71%**
- ◆ **Profit for the period increased by 143%**
- ◆ **Headline earnings per share increased by 134%**

The Group produced excellent results in line with our expectations. The results are supported by good performance in both operating companies. ONZ contributed 29% to revenue and 14% to profit from their consulting activities in the banking environment. SDT successfully secured projects extended from the previous financial year and with its annuity revenue base delivered on expectations. The Group remains cost conscious and will only increase capacity if supported by contracts.



GROUP PROFILE

SilverBridge offers the providers of financial services integrated, flexible and cost-effective business administration solutions. The Group currently operates through two subsidiaries: SDT, specialising in life insurance and employment benefit administration software and Ones & Zeros ("ONZ"), offering consulting services to financial services institutions.

The Group's strategy is to expand into other pillars of financial services and over the short to medium term, specifically into short term insurance administration and loans administration software.

The Group's vision is to enable financial services providers to offer a portfolio of products to the man in the street at an affordable price.

The Group measures performance across four operating segments; being implementation, support, rental and consulting as well as research and development.

The support and rental revenue segments are considered annuity revenue segments.

GROUP OUTLOOK

The Group expects that pressure in the local and international financial services industry will continue to present opportunities. The pressure on financial institutions to reduce costs creates a demand for niche software applications that enables lower administration costs for the client. At the same time the evolution of financial services in Africa still presents an exciting opportunity for SilverBridge.

The board of directors remains positive in its outlook for SilverBridge. The Group's fundamentals are sound and are supported by products and services that are well positioned to capitalise on market conditions. The Group's annuity revenue provides a foundation for future growth.

The Group will continue to explore new business opportunities and prospects for expansion. We follow an income led approach where we only increase capacity and related costs once there is reasonable certainty that new contracts will be concluded. This will, however, not be done to the detriment of the delivery capability and sustainability of the Group. Client service and retention will remain key focus areas.



CONDENSED UNAUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the 6 month period ended 31 August 2009

	Unaudited 6 months ended 31 Aug 2009 R'000	Unaudited 6 months ended 31 Aug 2008 R'000	Percentage Change %	Audited 12 months ended 29 Feb 2009 R'000
Revenue	51 040	29 769	71%	70 568
Other income	513	1 057		807
Other expenses	(43 134)	(27 815)		(62 097)
Finance income	702	531		1 001
Finance expense	(169)	-		(288)
Profit before taxation	8 952	3 542		9 991
Taxation	(2 761)	(998)		(2 595)
Net profit for the period	6 191	2 544	143%	7 396
Other comprehensive income	-	-	-	-
Total comprehensive income	6 191	2 544	143%	7 396
Net profit and total comprehensive income attributable to:				
Equity holders of the parent	5 151	2 118		6 200
Non-controlling interest	1 040	426		1 196
	6 191	2 544		7 396
Number of shares in issue ('000)	34 232	33 588		33 587
Weighted average number of shares in issue ('000)	33 773	32 927		33 150
Earnings per share (cents)	15.25	6.43	137%	18.70
Diluted earnings per share (cents)	15.02	6.37	136%	16.40
Headline earnings per share (cents)	15.02	6.43	134%	18.78
Diluted headline earnings per share (cents)	14.79	6.37	132%	16.47
Reconciliation of headline and diluted headline earnings				
Basic and diluted earnings	5 151	2 118		6 200
Adjusted for (gain)/loss on disposal of equipment	(79)	-		26
Headline and diluted headline earnings	5 072	2118		6 226



CONDENSED UNAUDITED GROUP STATEMENT OF FINANCIAL POSITION

as at 31 August 2009

	Unaudited 6 months ended 31 Aug 2009 R'000	Unaudited 6 months ended 31 Aug 2008 R'000	Audited 12 months ended 29 Feb 2009 R'000
ASSETS			
Non-current assets			
Equipment	2 325	5 347	1 643
Intangible assets	20 459	20 696	22 713
Investments	38	-	-
Investment in associate	101	139	101
Deferred tax assets	4 465	2 689	2 844
Total non-current assets	27 388	28 871	27 301
Current assets			
Income tax receivable	6 148	3 168	4 512
Revenue recognised not yet invoiced	6 266	253	1 221
Trade and other receivables	16 096	24 266	16 896
Cash and cash equivalents	14 219	5 831	16 098
Total current assets	42 729	33 518	38 727
Total assets	70 117	62 389	66 028
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	342	336	336
Share premium	9 502	8 359	8 608
Acquisition shares	1 362	-	2 724
Treasury shares	(197)	(197)	(197)
Retained earnings	33 396	24 587	28 242
Total equity attributable to equity holders of the parent	44 405	33 085	39 713
Non-controlling interest	2 302	7 723	3 531
Total equity	46 707	40 808	43 244
Non-current liabilities			
Shareholders loan	-	9	-
Total non-current liabilities	-	9	-
Current liabilities			
Deferred revenue	2 778	1 650	1 595
Trade and other payables and provisions	20 632	19 922	21 189
Total current liabilities	23 410	21 572	22 784
Total equity and liabilities	70 117	62 389	66 028



CONDENSED UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 August 2009

	Unaudited 6 months ended 31 Aug 2009 R'000	Unaudited 6 months ended 31 Aug 2008 R'000	Audited 12 months ended 29 Feb 2009 R'000
Opening balance	43 244	32 968	32 968
Profit for the period attributable to equity holders of the parent	5 151	2 118	6 200
Non-controlling interest	1 040	426	1 196
Total comprehensive income for the period	6 191	2 544	7 396
Non-controlling interest in retained earnings on acquisition of subsidiary	-	7 723	2 335
Allotment of shares	(458)	2 476	2 724
Share Capital	6	10	10
Share Premium	898	2 466	2 714
Acquisition shares	(1 362)	-	-
Acquisition of ONZ	-	-	2 724
Minority interest in dividend payment by subsidiary	(2 270)	-	-
Capital distribution of share premium	-	(4 903)	(4 903)
Closing Balance	46 707	40 808	43 244



CONDENSED UNAUDITED GROUP STATEMENT OF CASH FLOWS

for the six month period ended 31 August 2009

	Unaudited 6 months ended 31 Aug 2009 R'000	Unaudited 6 months ended 31 Aug 2008 R'000	Audited 12 months ended 29 Feb 2009 R'000
Cash generated from operations	6 942	1 646	14 376
Interest received	702	531	1 001
Interest paid	-	-	(60)
Minority interest in dividends paid by subsidiary	(2 270)	(165)	(1 348)
Taxation paid	(4 727)	(4 736)	(4 675)
STC paid	(463)	-	(275)
Net cash inflow/(outflow) from operating activities	184	(2 724)	9 019
Cash flows from investing activities			
Plant and equipment acquired to expand operations	(1 076)	(558)	(737)
Proceeds from sale of equipment	12	-	98
Acquisition of subsidiary	-	(3 230)	(3 229)
Cash received on acquisition of subsidiary	-	3 344	3 344
Increase in investment	(38)	(48)	-
Capitalisation of development costs	-	-	(1 435)
Net cash outflow from investing activities	(1 102)	(492)	(1 959)
Cash flows from financing activities			
Movement in loans	(9)	9	-
Capital distribution from share premium	(952)	(3 593)	(3 593)
Net cash outflow from financing activities	(961)	(3 584)	(3 593)
Net (decrease)/increase in cash and cash equivalents	(1 879)	(6 800)	3 467
Cash and cash equivalents at the beginning of the period	16 098	12 631	12 631
Cash and cash equivalents at the end of the period	14 219	5 831	16 098



GROUP UNAUDITED SEGMENT REPORTS

for the 6 month period ended 31 August 2009

PRIMARY: BUSINESS SEGMENT REPORT

	Total R'000	Implemen- tation services R'000	Support services R'000	Research and development R'000	Consulting income R'000	Software rental & other R'000
Unaudited 6 months ended 31 August 2009						
Segment revenue	51 040	17 860	7 375	-	14 665	11 140
Segment cost	(27 065)	(9 146)	(3 787)	(2 889)	(11 243)	-
Full cost	(27 476)	(9 146)	(3 787)	(3 300)	(11 243)	-
Capitalised	411	-	-	411	-	-
Segment result	23 975	8 714	3 588	(2 889)	3 422	11 140
Segment result margin	47%	49%	49%		23%	100%
Unallocated expenses	(15 556)					
Operating profit	8 419					
Finance income	702					
Finance expense	(169)					
Income tax expense	(2 761)					
Profit for the period	6 191					
Unallocated cost						
Sales	4 028					
Administration	3 421					
Infrastructure	2 762					
Marketing	406					
Amortisation	1 121					
Corporate costs	3 818					
	15 556					



GROUP UNAUDITED SEGMENT REPORTS

for the 6 month period ended 31 August 2009

PRIMARY: BUSINESS SEGMENT REPORT

	Total R'000	Implemen- tation services R'000	Support services R'000	Research and development R'000	Consulting income R'000	Software rental & other R'000
Audited 12 months ended 29 February 2009						
Segment revenue	70 568	19 977	11 003	-	17 522	22 066
Segment cost	(39 285)	(10 130)	(7 228)	(9 410)	(12 517)	-
Full cost	(40 720)	(10 130)	(7 228)	(10 845)	(12 517)	-
Capitalised	1 435	-	-	1 435	-	-
Segment result	31 283	9 847	3 775	(9 410)	5 005	22 066
Segment result margin	44%	49%	34%		29%	100%
Unallocated expenses	(22 015)					
Operating profit	9 268					
Finance income	1 001					
Finance expense	(288)					
Share of profit in associate	10					
Income tax expense	(2 595)					
Profit for the period	7 396					
Unallocated cost						
Sales	5 755					
Administration	3 714					
Infrastructure	5 308					
Marketing	676					
Amortisation	1 647					
Corporate costs	4 915					
	22 015					



GROUP UNAUDITED SEGMENT REPORTS

for the 6 month period ended 31 August 2009

PRIMARY: BUSINESS SEGMENT REPORT

	Total R'000	Implemen- tation services R'000	Support services R'000	Research and development R'000	Consulting income R'000	Software rental & other R'000
Unaudited 6 months ended 31 August 2008						
Segment revenue	29 769	10 938	4 158	-	4 112	10 561
Segment cost	(18 213)	(10 196)	(2 452)	(2 600)	(2 965)	-
Full cost	(18 213)	(10 196)	(2 452)	(2 600)	(2 965)	-
Capitalised	-	-	-	-	-	-
Segment result	11 556	742	1 706	(2 600)	1 147	10 561
Segment result margin	39%	7%	41%		28%	100%
Unallocated expenses	(8 545)					
Operating profit	3 011					
Finance income	531					
Finance expense	-					
Share of profit in associate	-					
Income tax expense	(998)					
Profit for the period	2 544					
Unallocated cost						
Sales	2 010					
Administration	1 892					
Infrastructure	1 823					
Marketing	308					
Amortisation	198					
Corporate costs	2 314					
	8 545					



COMMENTARY

1. ACCOUNTING POLICIES

1.1 BASIS OF PRESENTATION

The interim financial statements have been prepared in accordance with IAS34, Interim financial reporting and in compliance with the Listing Requirements of the JSE Limited.

The interim financial statements for the six months ended 31 August 2009 incorporate the condensed unaudited Group financial statements and are prepared in accordance with the Group's accounting policies which are in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied are consistent with those of the previous financial year.

1.2. Deferred revenue and revenue recognised not yet invoiced

Deferred revenue and revenue recognised not yet invoiced refers to the timing difference between recognition of revenue and invoicing to the client based on the contracts. The Group was in a net asset position, increasing working capital. The asset will be converted to accounts receivable in the short term.

	Unaudited 6 months ended 31 Aug 2009 R'000	Unaudited 6 months ended 31 Aug 2008 R'000	Audited 12 months ended 29 Feb 2009 R'000
Current asset			
Revenue recognised not yet invoiced	6 266	253	1 221
Current liability			
Deferred revenue	2 778	1 650	1 595
Net asset (liability)	3 488	(1 397)	(374)

1.3. Revenue per geographical segments

	Total R'000	South Africa R'000	Other African countries* R'000
Unaudited 6 months ended 31 August 2009	51 040	32 736	18 304
Audited 12 months ended 29 February 2009	70 568	41 632	28 936
Unaudited 6 months ended 31 August 2008	29 769	23 628	6 141

* Other African countries include Kenya, Malawi, Nigeria, Ghana, Namibia, Lesotho, Swaziland and Zimbabwe.



2. CORPORATE ACTIVITY

2.1 Acquisitions

The Group's growth strategy is based on organic growth and acquisitive growth supporting our expansion into the other pillars of financial services. The Group continues to pursue suitable acquisition opportunities.

2.2 Cautionary Announcement

Shareholders are advised that the Group has entered into discussions regarding a potential acquisition, which, if successfully concluded, may have a material impact on the share price of SilverBridge shares.

Accordingly shareholders are advised to exercise caution when dealing in Silverbridge shares until a further announcement is made.

2.3 Directorate

Mrs. Freda du Toit resigned from the SilverBridge and the SDT boards with effect from 1 August 2009. She remains a significant shareholder in SilverBridge.

2.4 Dividends and Capital distribution

No dividend or capital distribution was declared for the interim period under review. The policy of the Group is to only consider dividend payments or capital distributions at the end of the financial year.

3. FINANCIAL RESULTS AND PERFORMANCE

Annuity revenue provides a sustainable pillar of strength for the Group. The annuity segment of support services and software rental achieved a combined revenue growth of 26% year on year. ONZ contributed for a full 6 months to the period under review and generated a stable income stream from consulting. The Group's performance was supported by a recovery in implementation revenue in SDT from contracts postponed in the previous period. Commentary on each segment follows below:

Implementation revenue increased by 63% year on year to R17.9 million at a segment margin of 49%. This segment relates to the implementation and customisation of software at client sites. SDT has positioned itself in the market as a serious competitor especially to foreign companies as market sentiment shifts towards local skills. Its activities this period have been mainly focused in South Africa but Africa remains an important growth market. The segment results vindicate the decision made in the previous financial year to sustain capacity in order to retain skills and experience.

The **consulting segment** added through the acquisition of ONZ contributed for the full 6 months period under review. ONZ's performance was well supported by contracts in place. The current economic climate is proving challenging for consulting firms as financial services providers are reducing discretionary spend. The segment contributed R14.7 million in revenue and R3.4 million in profit at a segment margin of 23%.

The annuity based **support segment** performed excellently with revenue growth with 77% year on year. This is mainly as a result of an improved focus on revenue generation in the first half of the year. Support revenue typically increases with growth in the client base of SDT. The Group also experienced an increase in support requests and special projects in the existing client base which resulted in improved margins.



The annuity based **software rental** segment performed steadily in a difficult market. Revenue grew 5% year on year to R11.1 million. Growth was primarily driven by an increase in policies administered clients. The Group expects improved growth in rental income as current implementations go live.

SilverBridge continues to reinvest in its products and processes through **research and development**. SDT has made good progress with the planned product enhancements for Exergy. The Group continuously reviews this roadmap to ensure alignment with client needs, market trends, legislative requirements and value-creating functionality.

Although the Group's cash reserves remains strong on R14 million, debtors collection continues to be an important focus.

4. GROUP OUTLOOK

The Group expects that pressure in the local and international financial services industry will continue to present opportunities. The pressure on financial institutions to reduce costs creates a demand for niche software applications that enables lower administration costs for the client. At the same time the evolution of financial services in Africa still presents an exciting opportunity for SilverBridge.

The board of directors remains positive in its outlook for SilverBridge. The Group's fundamentals are sound and are supported by products and services that are well positioned to capitalise on market conditions. The Group's annuity revenue provides a foundation for future growth.

The Group will continue to explore new business opportunities and prospects for expansion. We follow an income led approach where we only increase capacity and related costs once there is reasonable certainty that new contracts will be concluded. This will, however, not be done to the detriment of the delivery capability and sustainability of the Group. Client service and retention will remain key focus areas.

On behalf of the Board

Jaco Swanepoel
Chief Executive Officer

Pretoria
27 October 2009

Andile Sangqu
Chairman



CORPORATE INFORMATION

SILVERBRIDGE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration No. 1995/006315/06)
JSE SHARE CODE: "SVB"
ISIN CODE: ZAE000086229
("SilverBridge" or "the Group")

DIRECTORS OF SILVERBRIDGE

Andile Sangqu (Chairman)*,
Jaco Swanepoel (CEO),
Jeremy de Villiers**, Nthabiseng Mokone*,
Tyrrel Murray*, David Smollan*, Sandra
Duetsch, Jaco Maritz, Rowan Williams***,
Sphelele Sangweni***.
(All the directors are South African citizens).

* Non-executive
** Independent non-executive
*** Alternate directors

DIRECTORS OF ONZ

Jaco Swanepoel (Chairman)*,
Sandra Duetsch (CEO), Amanda Newell,
Jaco Maritz*, Leon du Rand*
(All the directors are South African citizens).
* Non-executive

DIRECTORS OF SDT

Jaco Swanepoel (Chairman), Gawie Erasmus
(CEO), Jaco Maritz, Johan Reyneke*, Leon
du Rand*
(All the directors are South African citizens).
* Non-executive

SILVERBRIDGE REGISTERED OFFICES

First Floor, Castle View North
495 Prieska Street, Erasmuskloof,
Pretoria, 0048
(PO Box 11799, Erasmuskloof, 0048)

COMPANY SECRETARY

Fusion Corporate Secretarial Services (Pty) Ltd,
represented by Melinda van den Berg

GROUP AUDITORS

KPMG Incorporated
(Registration number: 4530188665)

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
(Registration number: 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
(PO Box 61051 Marshalltown, 2107)

DESIGNATED ADVISERS

Sasfin Capital (a division of Sasfin Bank
Limited)
(Registration number: 1951/002280/06)

GROUP COMPANIES

SDT Financial Software Solutions (Pty) Ltd
(Registration number 1995/005860/07)

Ones n Zeros Professional Services (SA)
(Pty) Ltd
(Registration number 2001/023270/07)

www.silverbridge.co.za



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