

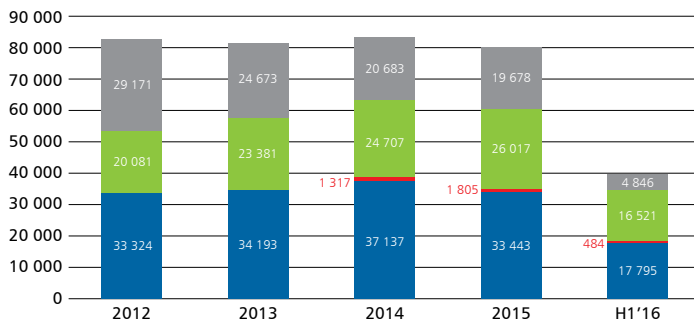


SILVERBRIDGE

UNAUDITED CONDENSED
CONSOLIDATED INTERIM
GROUP FINANCIAL
STATEMENTS

for the six month period
ended 31 December 2015

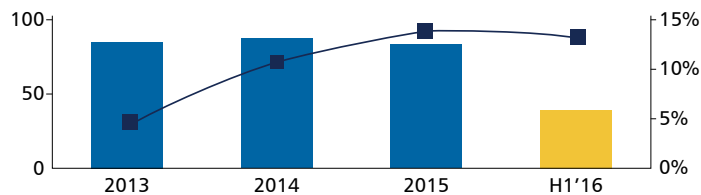
TOTAL REVENUE PER SEGMENT R'000



KEY

■ Rubix software rental & maintenance
 ■ Rubix support
 ■ Connect support
 ■ Connect implementation

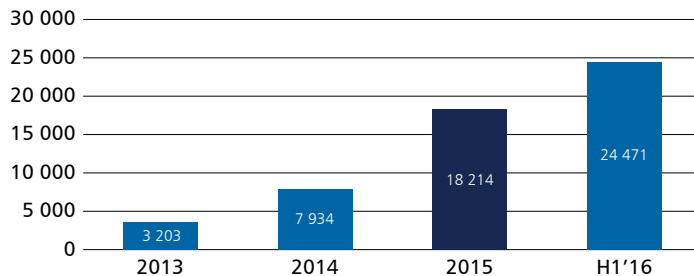
REVENUE AND EBIT MARGIN



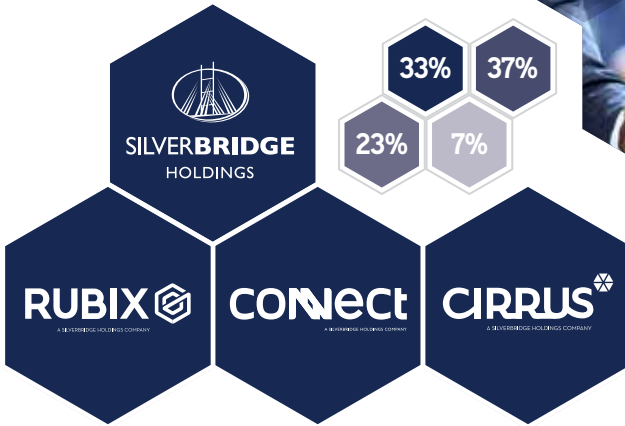
KEY

■ Revenue R'm
 ■ EBIT margin

CASH BALANCE R'000



GROUP STRUCTURE



-  KAGISO TISO HOLDINGS (PTY) LTD & MMI HOLDINGS LIMITED
-  PUBLIC
-  DIRECTORS
-  NMT GROUP*

* Previously Amabubesi Capital Information Services

GROUP PROFILE

SilverBridge offers reliable solutions that support the operations of companies offering financial products and services. Our understanding of contract administration processes helps our clients to improve and simplify their business processes. We achieve this by implementing our system platforms and customising them to meet product and process needs. In the last six months we have extended our services to include cloud hosted solutions. This is a result of experience gained over many years.

Exergy is our flagship platform that enables core back office policy administration in the life assurance industry. The Exergy solution package can be customised to suit the needs of a life assurer's on-premise software requirements. We have extended our portfolio to include group scheme administration, pension fund administration, as well as elements of medical and short-term insurance. This caters for clients wanting to offer a wider range of financial services offerings.

We use a project approach to help our clients translate business objectives into IT requirements. We then implement sustainable solutions. Our software products and hosted services are rented to our customers on a usage basis.

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

for the six month period ended 31 December 2015

		Unaudited six months ended 31 December 2015	Unaudited six months ended 31 December 2014	Audited 12 months ended 30 June 2015	Percentage Change
	Notes	R'000	R'000	R'000	%
Revenue		39 646	38 342	80 943	3
Other income		88	11	15	700
Operating expenses		(34 657)	(34 440)	(69 946)	1
Operating profit		5 077	3 913	11 012	30
Finance income		634	164	468	287
Finance expense		-	-	(1)	-
Profit before taxation		5 711	4 077	11 479	40
Taxation		(1 692)	(1 166)	(3 136)	45
Profit and total comprehensive income for the period		4 019	2 911	8 343	38
Number of shares in issue ('000)	1.2	34 871	34 781	34 781	
Weighted average number of shares in issue ('000)	1.2	34 675	34 675	34 675	
Diluted weighted average number of shares ('000)	1.2	35 610	34 675	35 252	
Basic earnings per share (cents)	1.2	11.6	8.4	24.1	38
Diluted earnings per share (cents)	1.2	11.3	8.4	23.7	35

Unaudited Condensed Consolidated Interim Statement of Financial Position

as at 31 December 2015

	Notes	Unaudited as at 31 December 2015 R'000	Unaudited as at 31 December 2014 R'000	Audited as at 30 June 2015 R'000
ASSETS				
Non-Current Assets				
Equipment		813	1 133	992
Intangible assets		11 740	10 795	11 286
Deferred tax assets		1 158	423	441
Withholding tax rebates receivable		2 206	1 968	2 047
Total Non-Current Assets		15 917	14 319	14 766
Current Assets				
Withholding tax rebates receivables		558	1 192	1 511
Revenue recognised not yet invoiced	1.3	1 022	1 443	2 684
Trade and other receivables		10 959	12 468	14 782
Cash and cash equivalents		24 471	14 374	18 214
Total Current Assets		37 010	29 477	37 191
Total Assets		52 927	43 796	51 957
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital		348	348	348
Share premium		11 871	11 871	11 871
Treasury shares		(197)	(197)	(197)
Share based payment reserve		747	959	462
Retained earnings		28 984	20 878	26 704
Total Equity		41 753	33 859	39 188
Non-Current Liabilities				
Deferred tax liability		817	-	308
Total Non-Current Liabilities		817	-	308
Current Liabilities				
Deferred revenue	1.3	1 213	834	628
Income tax payable		2 888	1 146	1 785
Trade and other payables	1.4	6 256	7 607	10 048
Provisions		-	350	-
Total Current Liabilities		10 357	9 937	12 461
Total Liabilities		11 174	9 937	12 769
Total Equity and Liabilities		52 927	43 796	51 957
Net asset value per share (cents)		120.4	97.6	113.0
Net tangible asset value per share (cents)		86.6	66.5	80.5

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

for the six month period ended 31 December 2015

	Issued capital R'000	Share pre- mium R'000	Treasury shares R'000	Share based payment reserve R'000	Retained earnings R'000	Total equity R'000
Balance at 1 July 2014	348	11 871	(197)	512	17 967	30 501
Total comprehensive income for the period						
Profit or loss	-	-	-	-	2 911	2 911
Total comprehensive income for the period						
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity settled share based payment	-	-	-	447	-	447
Total contributions by and distributions to owners						
Total transactions with owners						
Balance at 31 December 2014	348	11 871	(197)	959	20 878	33 859
Total comprehensive income for the period						
Profit or loss	-	-	-	-	5 432	5 432
Total comprehensive income for the period						
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners				(103)	-	(103)
Equity settled share based payment overprovision	-	-	-	(394)	394	-
Transfer of reserve of share options that did not vest	-	-	-	(497)	394	(103)
Total contributions by and distributions to owners						
Changes in ownership interests in subsidiaries that do not result in a loss of control				(497)	394	(103)
Total transactions with owners						
Balance at 30 June 2015	348	11 871	(197)	462	26 704	39 188
Total comprehensive income for the period						
Profit or loss	-	-	-	-	4 019	4 019
Total comprehensive income for the period						
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners				-	4 019	4 019
Dividends paid				-	(1 739)	(1 739)
Equity settled share based payment				285	-	285
Total contributions by and distributions to owners						
Total transactions with owners						
Balance at 31 December 2015	348	11 871	(197)	747	28 984	41 753

Unaudited Condensed Consolidated Interim Statement of Cash Flows

for the six month period ended 31 December 2015

	Unaudited six months ended 31 December 2015 R'000	Unaudited six months ended 31 December 2014 R'000	Audited 12 months ended 30 June 2015 R'000
Cash generated from operations	9 153	7 306	12 817
Interest received	634	164	468
Interest paid	-	-	(1)
Taxation paid	(797)	(322)	(1 362)
Net cash inflow from operating activities	8 990	7 148	11 922
Cash flows from investing activities			
Equipment acquired to maintain operations	(117)	(246)	(476)
Proceeds from disposal of equipment	32	-	-
Cash outflow from capitalisation of development costs	(909)	(462)	(1 166)
Net cash outflow from investing activities	(994)	(708)	(1 642)
Cash flows from financing activities			
Dividends paid to equity holders	(1 739)	-	-
Net cash outflow from financing activities	(1 739)	-	-
Net increase in cash and cash equivalents	6 257	6 440	10 280
Cash and cash equivalents at the beginning of the period	18 214	7 934	7 934
Cash and cash equivalents at the end of the period	24 471	14 374	18 214

Unaudited Condensed Interim Segment Reports

for the six month period ended 31 December 2015

Reportable Segment Report

As reported at the year ended June 2015, there were changes made to our segment reporting. The current interim results for the 6 months ended 31 December 2015 are consistent with these changes and in addition the comparative period (6 months to December 2014) has been restated to reflect these changes. No further changes to the segment report has been noted in the current reporting period.

The following is a reminder of the changes that were made and communicated at the full year to June 2015:

- The basis on which costs were allocated to the business segments was reviewed. The changes that were made provide a more accurate view of the segment performance and a more accurate comparison from year to year.
- Previously, costs from unutilized capacity were reflected as indirect costs. These costs are now allocated as direct costs to the segment where the relevant staff member is allocated.
- Previously, indirect costs were allocated to the segments in the ratio of their direct costs. They are now allocated on a consumption basis, consistent with the way the business segments are budgeted and reported on from month to month.
- Previous unallocated costs have now been allocated to the segments as part of indirect costs.

	Total	Connect implemen- tation services	Connect support services	Rubix support services	Cirrus manage- ment services	Rubix research & develop- ment	Rubix software rental & maintenance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Unaudited six months ended 31 December 2015							
Total revenue	40 652	4 846	16 722	994	175	-	17 915
Inter-group revenue	(1 006)	-	(201)	(510)	(175)	-	(120)
Net revenue	39 646	4 846	16 521	484	-	-	17 795
Direct segment cost	(18 991)	(2 845)	(8 552)	(480)	(1 013)	(2 943)	(3 158)
Cost capitalised	909	-	-	-	-	909	-
Segment gross profit	21 564	2 001	7 969	4	(1 013)	(2 034)	14 637
Indirect segment cost	(16 487)	(2 372)	(6 738)	(527)	(212)	(3 378)	(3 260)
Segment result	5 077	(371)	1 231	(523)	(1 225)	(5 412)	11 377
Finance income	634						
Finance expense	-						
Income tax expense	(1 692)						
Profit for the period	4 019						

	Total	Connect implementa- tion services	Connect support services	Rubix support services	Rubix research & develop- ment	Rubix software rental & maintenance
	R'000	R'000	R'000	R'000	R'000	R'000

Unaudited six months ended 31 December 2014

Total revenue	39 857	7 293	13 268	2 573	-	16 723
Inter-group revenue	(1 515)	-	-	(1 515)	-	-
Net revenue	38 342	7 293	13 268	1 058	-	16 723
Direct segment cost	(18 396)	(4 965)	(5 555)	(794)	(2 019)	(5 063)
Cost capitalised	462	-	-	-	462	-
Segment gross profit	20 408	2 328	7 713	264	(1 557)	11 660
Indirect segment cost	(16 495)	(4 600)	(4 762)	(728)	(1 608)	(4 797)
Segment result	3 913	(2 272)	2 951	(464)	(3 165)	6 863
Finance income	164					
Finance expense	-					
Income tax expense	(1 166)					
Profit for the period	2 911					

	Total	Connect implementa- tion services	Connect support services	Rubix support services	Rubix research & develop- ment	Rubix software rental & maintenance
	R'000	R'000	R'000	R'000	R'000	R'000

Audited 12 months ending 30 June 2015

Total revenue	84 013	19 678	26 067	4 774	-	33 494
Inter-group revenue	(3 070)	-	(50)	(2 969)	-	(51)
Net revenue	80 943	19 678	26 017	1 805	-	33 443
Direct segment cost	(39 276)	(9 862)	(14 004)	(1 740)	(5 663)	(8 007)
Cost capitalised	1 167	-	-	-	1 167	-
Segment gross profit	42 834	9 816	12 013	65	(4 496)	25 436
Indirect segment cost	(31 822)	(8 934)	(11 772)	(1 370)	(4 444)	(5 302)
Segment result	11 012	882	241	(1 305)	(8 940)	20 134
Finance income	467					
Finance expense	-					
Income tax expense	(3 136)					
Profit for the period	8 343					

Assets and Liabilities

The assets and liabilities of the Group are organised and managed at a corporate business support level. As the assets and liabilities contribute at a corporate level, it is not practical to determine a reasonable allocation of the assets and liabilities to the business segments.



COMMENTARY

1. NOTES TO THE CONDENSED INTERIM GROUP FINANCIAL STATEMENTS

1.1. Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 (“IAS 34”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of JSE Limited (“the Listings Requirements”) and the requirements of the Companies Act of South Africa (Act 71 of 2008) as amended (“the Companies Act”).

The accounting policies applied in the preparation of these condensed consolidated interim financial statements, which are based on reasonable judgment and estimates, are in accordance with International Financial Reporting Standards (“IFRS”) and are consistent with those applied in the annual financial statements for the year ended 30 June 2015.

These condensed consolidated interim financial statements have been prepared by Petro Mostert CA(SA), Head of Finance and Shared Services, under the supervision of the Financial Director, Lee Kuyper CA(SA).

The directors take full responsibility for the preparation of these interim financial statements and the financial information has been correctly extracted from the underlying financial information. These interim results have not been audited or reviewed by the Group’s auditors.

1.2. Earnings per share

Basic and diluted earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the earnings for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

	Unaudited six months as at 31 December 2015 Number of shares '000	Unaudited six months as at 31 December 2014 Number of shares '000	Audited 12 months as at 30 June 2015 Number of shares '000
Reconciliation of the weighted average number of shares in issue			
Shares in issue at the beginning of the period	34 781	34 781	34 781
Effect of treasury shares acquired on 1 March 2007	(106)	(106)	(106)
Weighted average number of shares in issue at the end of the period	34 675	34 675	34 675
Earnings attributable to ordinary shareholders (R'000)	4 019	2 911	8 343
Basic earnings per share (cents)	11.6	8.4	24.1

Diluted earnings per ordinary share is calculated by dividing the diluted earnings for the period attributable to ordinary equity holders of the parent by the diluted weighted average number of ordinary shares outstanding during the period.

	Unaudited six months as at 31 December 2015 Number of shares '000	Unaudited six months as at 31 December 2014 Number of shares '000	Audited 12 months as at 30 June 2015 Number of shares '000
Reconciliation between weighted average number of shares in issue and weighted average number of shares in issue used for diluted earnings per share			
Weighted average number of shares in issue	34 675	34 675	34 675
Diluted amount of shares due to share options in issue	935	-	577
Weighted average number of shares in issue used for diluted earnings per share	35 610	34 675	35 252
Earnings attributable to ordinary shareholders (R'000)	4 019	2 911	8 343
Diluted earnings per share (cents)	11.3	8.4	23.7

Headline and diluted headline earnings per ordinary share

Headline earnings per ordinary share is calculated by dividing the headline earnings attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

	Unaudited six months as at 31 December 2015 Number of shares '000	Unaudited six months as at 31 December 2014 Number of shares '000	Audited 12 months as at 30 June 2015 Number of shares '000
Weighted average number of shares in issue	34 675	34 675	34 675
Reconciliation between basic earnings and headline earnings	R'000	R'000	R'000
Basic earnings	4 019	2 911	8 343
Adjusted for:			
– (Profit)/Loss on disposal of equipment	(23)	–	14
Headline earnings per share (cents)	3 996	2 911	8 357
Headline earnings per share (cents)	11.5	8.4	24.1

Diluted headline earnings per ordinary share is calculated by dividing the headline earnings attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

	Unaudited six months as at 31 December 2015 Number of shares '000	Unaudited six months as at 31 December 2014 Number of shares '000	Audited 12 months as at 30 June 2015 Number of shares '000
Weighted average number of shares in issue used for diluted earnings per share	35 610	34 675	35 252
	R'000	R'000	R'000
Diluted headline earnings	3 996	2 911	8 357
Diluted headline earnings per share (cents)	11.2	8.4	23.7

1.3. Deferred revenue and revenue recognised but not yet invoiced

Deferred revenue and revenue recognised but not yet invoiced refers to the timing difference between recognition of revenue and invoicing to the client based on the contracts.

	Unaudited six months ended 31 December 2015 R'000	Unaudited six months ended 31 December 2014 R'000	Audited 12 months ended 30 June 2015 R'000
Current asset			
Revenue recognised not yet invoiced	1 022	1 443	2 684
Current liability			
Deferred revenue	(1 213)	(834)	(628)
Net (liability)/asset	(191)	609	2 056

1.4. Trade and other payables

Trade and other payables comprised of the following:

	Unaudited six months as at 31 December 2015 R'000	Unaudited six months as at 31 December 2014 R'000	Audited 12 months as at 30 June 2015 R'000
Trade payables	732	809	671
Leave accrual	1 727	1 744	2 445
Incentive accrual	2 500	1 400	3 182
Other payables (accruals)	1 297	3 654	3 750
Total	6 256	7 607	10 048

1.5 Revenue per geographical region

	Total R'000	South Africa R'000	Other African countries* R'000
6 Months ended 31 December 2015	39 646	23 916	15 730
6 Months ended 31 December 2014	38 342	16 919	21 423
12 Months ended 30 June 2015	80 943	36 153	44 790

* Other African countries include Angola, Botswana, Kenya, Malawi, Mauritius, Nigeria, Ghana, Namibia, Lesotho and Zimbabwe



2. CORPORATE ACTIVITY

2.1 Dividends and capital distribution

No dividend was declared for the period under review.

2.2 Rubix Digital Solutions

SilverBridge Software Solutions was rebranded and renamed as Rubix Digital Solutions in the current reporting period.

2.3 Subsequent events

No events occurred subsequent to the period end that would require the interim financial statements to be adjusted.

2.4 Changes to the board of directors

No changes to the board of directors took place during the current reporting period.

3. FINANCIAL RESULTS AND PERFORMANCE

We are pleased to report a continued improvement with net profit increasing 38% compared to the comparative period. Revenue was up 3% with good growth in the annuity areas of Support and Software Rental making up for a decline in Implementation. The gross profit margin was slightly higher from continued focus on efficient delivery. Overhead costs were kept stable. Operating profit was up by 30%. Net profit was further assisted by higher finance income from healthier cash balances. HEPS was up 37% to 11.5c from 8.4c in the comparative period.

Cash flow from operations improved to R9 million from R7.1 million in the comparative period. This was a function of the operating performance combined with careful working capital management, which will continue to be a priority. Net cash flow of R6.3 million was similar to the comparative period but included the dividend payment of R1.7 million. The cash position of the Group improved to R24.5 million compared to R18.2 million at the June 2015 year end. The balance sheet remains healthy and debt free.

Our client relationships remain healthy. We have invested further efforts into higher value-added offerings for our existing clients and this is starting to show signs of success. We are also making progress with new offerings, particularly in the managed services and cloud space.

Overall, we are pleased with the performance and remain focused on efforts to enable ongoing growth.





SEGMENTAL REVIEW

Connect implementation services

This segment implements our solutions for clients and is project based.

Although revenue declined by 34%, the gross profit declined by 14% and the segment result improved significantly to a small loss of R0.4 million compared to a loss of R2.3 million in the comparative period.

The transition to smaller projects has impacted revenue. However, we are now implementing projects faster and more efficiently to enable better growth in the support and software rental segments. To an extent there has also been a slight slowdown in spend on financial services software.

Connect support services

Support services are contracted on a monthly basis and is annuity based.

Revenue increased by 25% from new clients as well as selling additional value-added offerings to existing clients. The gross profit margin declined since we invested significant effort in our existing client base to position favourably for the value-added offerings. The additional effort led to this segment carrying more of the indirect costs, which impacted the segment result. The segment posted a profit of R1.2 million compared to R3.0 million in the comparative period.

Nevertheless, we are pleased with the progress so far and believe that the transition toward more value-added support offerings is progressing well.

Rubix support services

This remains a relatively small segment that provides expert level software support and training services to clients and partners, including Connect.

The segment posted a loss of R0.5 million for the reporting period.

Cirrus management services

This is a new segment, which provides a range of complementary managed services to our clients. The services include cloud based hosting, outsourced technical services and full business process outsourcing.

This segment represents a new initiative for the group. It enables us to offer additional services to existing clients as well as make our offerings appeal to a wider range of potential clients. It will also help keep our offerings relevant with regard to technology trends.

For the period under review to December 2015, no revenue was reported. It is expected to start flowing through in the second half to June 2016. The segment had direct costs of R1 million and carried R0.2 million of indirect costs.



Rubix software rental

Software rental is annuity based. It depends on usage, increasing with the number of contracts or policies administered.

We are pleased with the 6% revenue growth. It came from new clients and additional complimentary products that were previously developed. The gross profit margin improved and the net result improved significantly to R11.4 million from R6.9 million in the comparative period.

Our software and the growth of our annuity rental stream remain a core focus going forward.

Rubix research and development (“R&D”)

Our R&D efforts continued with ongoing development of the Eco-Suite and keeping existing assets relevant in terms of technology and market trends.

We also continue to develop new products that can generate future revenue.

During the period, total direct R&D costs were R2.9 million, of which R0.9 million was capitalised.

4. GROUP OUTLOOK

Overall we remain positive about the outlook for the group. We continue to build our core annuity revenue and we are making progress with new areas for revenue growth.

We have made progress in adjacent vertical market segments and have commenced with our additional managed services offerings. We are also moving into more value-added offerings in our support area, which has progressed well thus far. We will continue to invest effort in these areas to help sustain future growth.

The financial services industry continues to adapt to meet their customers’ changing needs in an increasingly digital world. Financial services providers are driving change in their business. They are differentiating their products and services in order to remain relevant in a rapidly changing world. SilverBridge remains well positioned to meet these needs. It presents us with opportunities to create platforms that can help the industry to adapt and is guiding our new product development initiatives.

On behalf of the board of directors

Robert Emslie
Chairman

Jaco Swanepoel
Chief Executive Officer

Pretoria, 15 February 2016



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 HOLDINGS

Robert Emslie (Chairman)***, Jaco Swanepoel (CEO),
Jeremy de Villiers **, Jacobeth Chikaonda*,
Hasheel Govind *, Tyrrel Murray*,
Lee Kuyper (Financial Director), Stuart Blyth.
(All the directors are South African citizens).

** Non-executive*

***Independent non-executive*

REGISTERED OFFICES

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

COMPANY SECRETARY

Fusion Corporate Secretarial Services Proprietary Limited
represented by
Melinda Gous
Unit 2 Corporate Corner, Marco Polo Street,
Highveld, Centurion, Gauteng
(PO Box 68528, Highveld, 0169)

LEGAL ADVISERS

Gildenhuis Malatji Attorneys Inc.
(Registration number: 1997/002114/21)
GLMI House
Harlequins Office Park,
164 Totius Street,
Groenkloof
(PO Box 619, Pretoria, 0001)

GROUP AUDITORS:

PricewaterhouseCoopers Inc.
(Registration number: 1998/012055/21)
Eglin Road, Sunninghill
Johannesburg
(Private Bag X36
Sunninghill, Johannesburg, 2157)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
70 Marshall Street,
Johannesburg,
(Call centre: 0861 100 634)
(PO Box 61051, Marshalltown, 2107)

DESIGNATED ADVISER

PSG Capital
(Registration number: 2006/015817/07)
First Floor, Building 8,
Inanda Greens Business Park,
54 Wierda Road West, Wierda Valley, Sandton, 2196
(PO Box 650957, Benmore, 2010)



SILVERBRIDGE

www.silverbridge.co.za

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