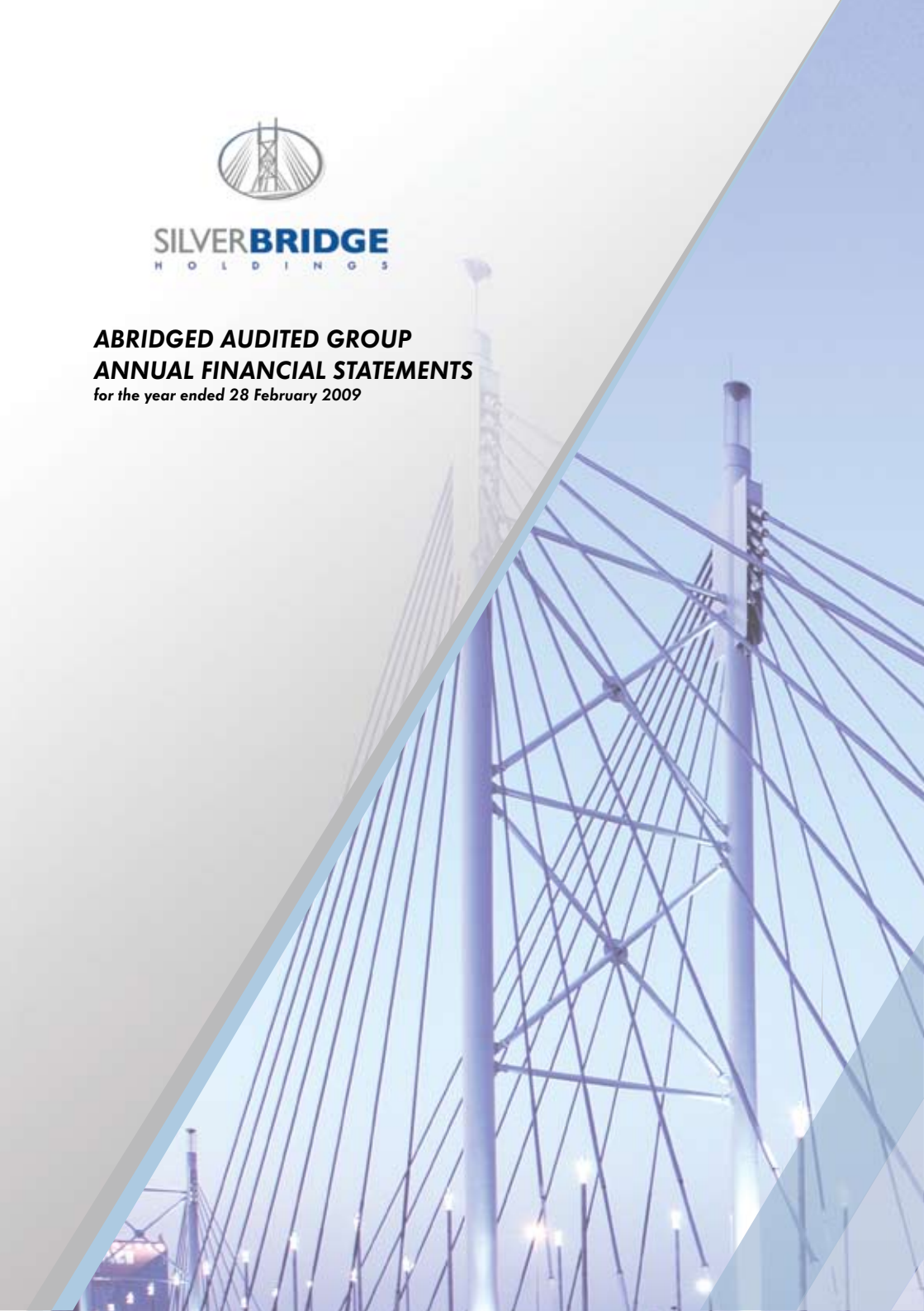




SILVERBRIDGE
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**ABRIDGED AUDITED GROUP
ANNUAL FINANCIAL STATEMENTS**
for the year ended 28 February 2009





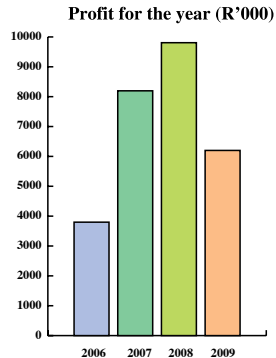
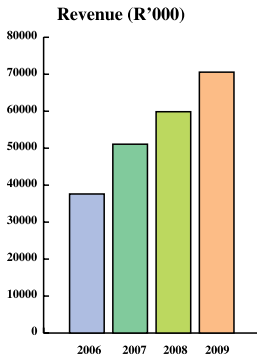
SILVERBRIDGE

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FINANCIAL HIGHLIGHTS

for the year ended 28 February 2009

- ◆ **Revenue increased by 18% to R70.5 million**
- ◆ **Increased annuity income by 29%**
- ◆ **Profit for the year decreased by 37%**



OUR BUSINESS

SilverBridge offers the providers of financial services integrated, flexible and cost-effective business administration solutions. The Group operates through two subsidiaries: SDT specialising in life and employment benefit administration software and Ones & Zeros ("ONZ") offering consulting services to financial service institutions. The Group's strategy is to expand into the other pillars of financial services and over the 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 five operating segments; being implementation, support, rental and consulting as well as research and development. The support and rental revenue segments deliver annuity revenue.

FINANCIAL REVIEW

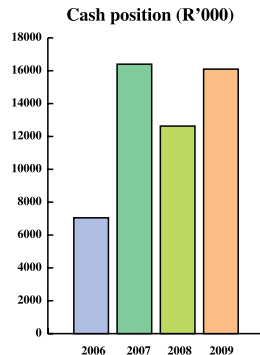
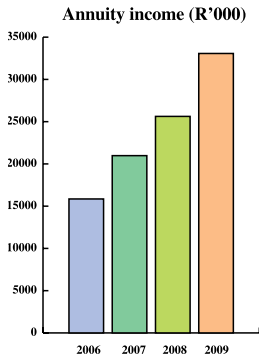
The Group was successful with the integration of the Ones & Zeros acquisition which contributed 25% to revenue. The annuity revenue from the rental and support segments in SDT increased by 29% to improve the already sustainable income base of the Group. The year proved to be challenging for SDT as the decision cycles of clients were prolonged and projects were extended into our new financial year. The delay in decisions decreased implementation revenue by 42%. This however created a solid order base for the new financial year. The reduced implementation requirements helped us to limit the increase in expenses to 4.9% (excluding costs added through the acquisition). We could have reduce our expenses further but preferred to preserve our delivery expertise in line with our positive outlook.



SILVERBRIDGE

H O L D I N G S

- ◆ **EBITDA decreased by 19%**
- ◆ **Earnings per share and headline earnings per share decreased by 38%**
- ◆ **Cash on hand increase by 27% to R16 million with no interest bearing debt**



GROUP OUTLOOK

The structural adjustments and economic pressures in the local and international financial services industry continue to create a sound market for the Group. The pressure on costs creates a demand for quality niche software applications that support companies in driving down cost structures and increase their ability to be competitive. The economic development in Africa and resultant evolution of financial services still presents an exciting opportunity for well positioned solution providers like SilverBridge.

The Group will continue to conservatively explore new business opportunities and opportunities for expansion. A strong income led approach is being followed and capacity and costs will only increase once there is a reasonable certainty that contracts are going to be concluded. This will however not be done to the detriment of the intellectual capability, delivery capability and sustainability of the Group. Client service and retention will remain a key focus for the Group.



SILVERBRIDGE

H O L D I N G S

GROUP ABRIDGED AUDITED INCOME STATEMENT

for the year ended 28 February 2009

	2009 R'000	2008 R'000
Revenue	70 568	59 865
Other income	797	867
Personnel expenses	(43 861)	(33 766)
Depreciation and amortisation	(2 693)	(1 357)
Impairment losses – trade receivables	–	(756)
Professional fees paid for services	(4 387)	(3 253)
Other expenses	(11 156)	(8 132)
Operating profit	9 268	13 468
Finance income	1 001	846
Finance expense	(288)	(139)
Share of profit/(loss) in associate	10	(147)
Profit before income tax expense	9 991	14 028
Income tax	(2 595)	(4 221)
Profit for the year	7 396	9 807
Attributable to:		
Equity holders of the parent	6 200	9 807
Minority interest	1 196	–
Earnings per share		
Basic earnings per ordinary share (cents)	18.70	30.18
Headline earnings per ordinary share (cents)	18.78	30.26
Diluted earnings per ordinary share (cents)	16.40	30.18
Diluted headline earnings per ordinary share (cents)	16.47	30.26
Shares in million		
Shares in issue	33 587	32 597
Weighted average number of shares	33 150	32 491
Diluted weighted average number of shares	37 816	32 491



SILVERBRIDGE

H O L D I N G S

GROUP ABRIDGED AUDITED BALANCE SHEET

at 28 February 2009

	Note	2009 R'000	2008 R'000
ASSETS			
Non-current assets		27 301	16 382
Plant and equipment		1 643	2 040
Intangible assets	1.2	22 713	11 617
Investment in associate		101	91
Deferred tax assets		2 844	2 634
Current assets		38 727	34 099
Income tax receivable		4 512	3 164
Revenue recognised not yet invoiced		1 221	6 976
Trade and other receivables		16 896	11 328
Cash and cash equivalents		16 098	12 631
Total assets		66 028	50 481
EQUITY AND LIABILITIES			
Equity		43 244	32 968
Share capital		336	326
Share premium		8 608	10 797
Acquisition shares		2 724	-
Treasury shares		(197)	(197)
Retained earnings		28 242	22 042
Total equity attributable to equity holders of the parent		39 713	32 968
Minority interests		3 531	-
Current liabilities		22 784	17 513
Trade and other payables	1.4	19 653	12 794
Deferred revenue		1 595	3 282
Provisions		1 536	1 437
Total equity and liabilities		66 028	50 481



SILVERBRIDGE

H O L D I N G S

GROUP ABRIDGED AUDITED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2009

	Issued capital R'000	Share premium R'000	Treasury shares R'000	Acquisition shares R'000	Retained earnings R'000	Total	Minority interest R'000	Total R'000
Balance at 1 March 2007	326	14 872	(78)	-	12 235	27 355	-	27 355
Total recognised income and expense for the year	-	-	-	-	9 807	9 807	-	9 807
Treasury shares acquired	-	-	(119)	-	-	(119)	-	(119)
Capital distribution: 2 July 2007	-	(4 075)	-	-	-	(4 075)	-	(4 075)
Balance at 29 February 2008	326	10 797	(197)	-	22 042	32 968	-	32 968
Total recognised income and expense for the year	-	-	-	-	6 200	6 200	1 196	7 396
Allotment of 990 401 shares	10	2 714	-	-	-	2 724	-	2 724
Acquisition of ONZ	-	-	-	2 724	-	2 724	3 683	6 407
Dividend paid by subsidiary	-	-	-	-	-	-	(1 348)	(1 348)
Capital distribution: 4 July 2008	-	(4 903)	-	-	-	(4 903)	-	(4 903)
Balance at 28 February 2009	336	8 608	(197)	2 724	28 242	39 713	3 531	43 244



SILVERBRIDGE

H O L D I N G S

GROUP ABRIDGED AUDITED CASH FLOW STATEMENT

for the year ended 28 February 2009

	2009 R'000	2008 R'000
Cash flows from operating activities		
Cash receipts from clients	76 720	55 687
Cash paid to suppliers and employees	(62 344)	(45 478)
Cash generated from operations	14 376	10 209
Interest received	1 001	846
Interest paid	(60)	(139)
Dividend paid by subsidiary	(1 348)	-
Taxation paid	(4 675)	(8 340)
STC paid	(275)	-
Net cash inflow from operating activities	9 019	2 576
Cash flows from investing activities		
Plant and equipment acquired to expand operations	(737)	(1 341)
Proceeds from sale of equipment	98	17
Acquisition of subsidiary	(3 229)	-
Cash received on acquisition of subsidiary	3 344	-
Capitalisation of development costs	(1 435)	(822)
Net cash outflow from investing activities	(1 959)	(2 146)
Cash flows from financing activities		
Treasury shares acquired	-	(119)
Capital distribution from share premium	(3 593)	(4 075)
Net cash outflow from financing activities	(3 593)	(4 194)
Net increase/(decrease) in cash and cash equivalents	3 467	(3 764)
Cash and cash equivalents at the beginning of the year	12 631	16 398
Effects of exchange rate translations on cash and cash equivalents	-	(3)
Cash and cash equivalents at the end of the year	16 098	12 631



SILVERBRIDGE

H O L D I N G S

GROUP ABRIDGED AUDITED SEGMENT REPORTS

for the year ended 28 February 2009

BUSINESS SEGMENTS

2009	Implementation services R'000	Support services R'000	Research and development R'000	Software rental and maintenance R'000	Consulting fees R'000	Total R'000
Revenue from external clients						
Segment revenue	19 977	11 003	-	22 066	17 522	70 568
Segment result	9 847	3 775	(9 410)	22 066	5 005	31 283
Unallocated expenses						(22 015)
Operating profit						9 268
Finance income						1 001
Finance expense						(288)
Share of loss in associate						10
Income tax expense						(2 595)
Profit for the year						7 396
Unallocated costs						
Sales						5 755
Administration						3 714
Infrastructure						5 308
Marketing						676
Amortisation						1 647
Corporate costs						4 915
Other segment information						
Tangible assets (unallocated) *						737
Intangible assets (unallocated) *			1 435		11 309	12 744
Depreciation (unallocated) *						1 046
Amortisation (unallocated) *			416		1 231	1 647

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.

GEOGRAPHICAL SEGMENTS

2009	South Africa R'000	Zimbabwe R'000	Other African countries* R'000	Total R'000
Segment revenue	41 632	966	27 970	70 568
Assets and liabilities				
Segment assets	63 974	529	1 525	66 028
Total assets	63 974	529	1 525	66 028
Segment liabilities	22 784	-	-	22 784
Total liabilities	22 784	-	-	22 784

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



SILVERBRIDGE

H O L D I N G S

GROUP ABRIDGED AUDITED SEGMENT REPORTS

for the year ended 28 February 2009

BUSINESS SEGMENTS

2008	Implementation services R'000	Support services R'000	Research and development R'000	Software rental and maintenance R'000	Total R'000
Revenue from external clients					
Total external revenue	34 242	9 966	-	15 657	59 865
Inter-segment revenue	-	-	-	840	840
Eliminations	34 242	9 966	-	16 497 (840)	60 705 (840)
Segment revenue	34 242	9 966	-	15 657	59 865
Segment result	22 318	5 430	(8 171)	16 893	36 470
Unallocated expenses					(23 002)
Operating profit					13 468
Finance income					846
Finance expense					(139)
Share of loss in associate					(147)
Income tax expense					(4 221)
Profit for the year					9 807
Unallocated costs					
Sales					5 140
Administration					4 006
Infrastructure					7 352
Marketing					575
Amortisation					396
Corporate costs					5 533
Other segment information					
Tangible assets (unallocated) *					1 341
Intangible assets (unallocated) *			822		822
Depreciation (unallocated) *					961
Amortisation (unallocated) *			396		396

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.

GEOGRAPHICAL SEGMENTS

2008	South Africa R'000	Zimbabwe R'000	Other African countries* R'000	Total R'000
Segment revenue	41 093	1 225	17 547	59 865
Assets and liabilities				
Segment assets	45 769	960	3 661	50 390
Investment in associate	91	-	-	91
Total assets	45 860	960	3 661	50 481
Segment liabilities	17 513	-	-	17 513
Total liabilities	17 513	-	-	17 513

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



COMMENTARY

1. ACCOUNTING POLICIES

1.1 BASIS OF PRESENTATION

The abridged Group annual financial statements are prepared in accordance with International Accounting Standard 34 (IAS 34) and the JSE Limited Listings Requirements. The abridged Group annual financial statements for the year ended 28 February 2009 incorporate extracts of the Group's unqualified audited financial statements, which are prepared in accordance with International Financial Reporting Standards ("IFRS"), the Listing Requirements for the JSE Limited and the Companies Act of South Africa. The accounting policies applied are consistent with those of the previous financial year. For a better understanding of the Group's financial position and results of operations, these abridged financial statements must be read in conjunction with the Group's audited annual financial statements for the year ended 28 February 2009 which include all disclosures required by IFRS, and which are expected to be released on or about 2 June 2009.

1.2 GOODWILL AND INTANGIBLE ASSETS

Intangible assets and goodwill relating to the acquisition of ONZ were identified and valued at acquisition date. Intangible assets relate to client contracts and were valued at acquisition date at R2.8 million. The amortisation of these contracts over the respective contract period resulted in a charge to the income statement of R1.2 million before tax and minority interest (2008 Nil). Goodwill of R8.6 million arose from the business combination and was tested at year end for impairment. No impairment loss has occurred.

	Pre-acquisition carrying amounts	Fair value adjustments	Recognised values on acquisition
Plant and Equipment	37	-	37
Intangible assets	-	2 845	2 845
Trade Receivables	6 317	-	6 317
Cash and cash equivalents	3 344	-	3 344
Trade and other payables	(4 230)	-	(4 230)
Deferred tax liability	-	(797)	(797)
Net identifiable assets and liabilities	5 468	2 048	7 516
Minority interest @ 49%	-	-	(3 683)
Interest in identifiable assets and liabilities			3 833
Goodwill on acquisition			8 464
Purchase price			12 297

1.3 TRADE AND OTHER PAYABLES

Trade and other payables comprised of the following:

	2009 R'000	2008 R'000
Trade payables	706	360
Withholding tax rebate payable	8 650	7 028
VAT payable	698	-
Leave accrual	1 311	845
Liability on capital reduction	1 310	-
Other payables (accruals)	3 138	4 498
ONZ purchase price liability	3 840	-
Other related party payables	-	63
	19 653	12 794



SILVERBRIDGE

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1.4 RECONCILIATION BETWEEN BASIC EARNINGS AND HEADLINE EARNINGS		
Basic earnings	6 200	9 807
Adjusted for:		
- Loss on disposal of equipment	26	26
Headline earnings	6 226	9 833

2. CORPORATE ACTIVITY

2.1 ACQUISITION OF ONES 'N ZEROS PROFESSIONAL SERVICES (SA) (PTY) LTD

Shareholders are referred to the SENS announcements dated 18 June 2008 and 3 July 2008, regarding the acquisition of 51% of the shares in ONZ. SilverBridge acquired 51% of the equity of ONZ on 1 July 2008 for R12.3 million after performance guarantees have been taken into account. The settlement structure of the transaction is tabled below:

	R'000	R'000	R'000
Purchase price			12 297
First settlement			
Acquisition cost	(456)		
Cash payment	(2 773)		
Total cash paid	(3 229)	(3 229)	
Plus issue of shares (990 401 shares at R2.75)		(2 724)	
First settlement		(5 953)	(5 953)
Outstanding settlement including warranty			6 344
To be settled as follows:			
Share issue to be issued (990 401 shares to be issued 50% in May 2009 and 50% in October 2009)			2 724
Cash		2 428	2 428
- First payment in May 2009		1 195	
- Second payment in October 2009		1 069	
- Interest		164	
Additional warranty payments in cash and shares			1 192
			6 344

2.2. CAPITAL DISTRIBUTION

A capital distribution of R4 903 500 was approved by shareholders on 4 July 2008 and paid on 8 August 2008.

Given the current economic turmoil and uncertainty of the impact thereof together with the Group's stated intention to expand its offering through acquisition and investment in own software development, the board of directors have resolved not to return any further capital to shareholders at this stage.

3. AUDIT REPORT

The annual financial statements for the year ended 28 February 2009 have been audited by KPMG Inc. Their unmodified audit report is available for inspection at the Company's registered office.

4. POST BALANCE SHEET EVENTS

No adjusting events occurred subsequent to the year end.

5. FINANCIAL RESULTS AND PERFORMANCE

Revenue increased by 18% to R70.5 million, supported by the acquisition of ONZ, which contributed R17.5 million. The Group's operating segments performed well with the exception of the implementation segment resulting in EBIT decreasing by 31% to R9.2 million. The salient financial indicators are listed below:

- i. Revenue increased by 18% to R70.5 million
- ii. Cash increase by 27% to R16 million with no interest bearing debt
- iii. EBITDA decreased by 19%
- iv. Profit for the year decreased by 37%
- v. Earnings per share and headline earnings per share decreased by 38%



SILVERBRIDGE

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Implementation revenue declined 42% to R20 million and its gross profit margin declined to 49%. This segment relates to the implementation and customisation of software at client sites. The current economic turmoil has resulted in longer client decision cycles and some projects were postponed into the new financial year. Capacity was sustained in order to be able to deliver on projects when concluded affecting the margin negatively.

A new **consulting** segment was added to the Group's performance through the acquisition of ONZ. The segment contributed R17.5 million in revenue and R5 million in profit relating to a 29% gross profit percentage. The segment's performance slightly exceeded expectations as formalised in the profit warranties.

The annuity based **support** segment performed satisfactorily with a 10% growth in revenue to R11 million. Its gross profit declined to 34% which is within the profit expectations of the segment. Additional capacity was allocated to support from the implementation segment.

The annuity based **software rental** segment performed strongly. Its revenue grew by 41% to R22 million. This was a function of new customers as well as an increase in usage from existing customers. SilverBridge remains committed to continued growth in this segment, since it forms the core of the group and provides financial stability, going forward.

The Group's cash position remains strong and has improved significantly to R16 million from interim period's reported cash position of R5.8 million. The level of accounts receivable however increased above normal levels mainly as a result of abnormal last month invoicing and delayed client payments but creates an opportunity to further improve the cash position of the Group and cash collection remains an important focus.

6. CORPORATE GOVERNANCE

The board is committed to the promotion of good corporate governance as set out in the King II report on Corporate Governance in South Africa. The board confirms that, during the financial year under review, the Group has complied with the material aspects of the principles of the Code of Corporate Practices and Conduct contained in the 2002 King Committee Report on Corporate Governance (King II) except for:

- i. Internal audit function due to the size of the Group.
- ii. Board composition consisting of only one independent non-executive director also affecting the composition of the audit committee and remuneration committee.

7. NOTICE OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of SilverBridge will be held at First floor, Castle View North, 495 Prieska Street, Erasmuskloof, Pretoria, on 3 July 2009 at 10:00.

8. DIRECTORATE

During the year under review the board changed as follows:

- i. Ms Nthabiseng Mokone was appointed as a non-executive director on 23 April 2008.
- ii. Ms Sandra Duetsch was appointed as an executive director on 24 July 2008.
- iii. Mr Rowan Williams resigned from the board as a non-executive director on 23 April 2008, but remains on the board as the alternate director to Mr David Smollan.
- iv. Mr Jeremy de Villiers was appointed as an independent non-executive director on 2 October 2008.
- v. Ms Sphelele Sangweni was appointed as an alternate director to the chairman, Mr Andile Sangqu on 2 October 2008.
- vi. The role of Ms Freda du Toit changed from that of an executive director to a non-executive director effective 2 October 2008.
- vii. Mr Justin van der Hooven resigned from the board as a non-executive director on 23 January 2009.
- viii. Mr Tyrrel Murray was appointed as a non-executive director on 25 February 2009.

On behalf of the Board

Jaco Swanepoel
Chief Executive Officer

Andile Sangqu
Chairman

Pretoria
5 May 2009



SILVERBRIDGE

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CORPORATE INFORMATION

SILVERBRIDGE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration No. 1995/006315/06)
JSE SHARE CODE: "SVB" ISIN CODE:
ZAE00086229
("SilverBridge" or "the Group")

DIRECTORS OF SILVERBRIDGE:

Andile Sangqu (Chairman)*, Jaco Swanepoel (CEO), Jeremy de Villiers **, Freda du Toit*, 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 SDT:

Jaco Swanepoel, Freda du Toit*, Jaco Maritz, David Smollan*, 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)

DIRECTORS OF ONZ:

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

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



SILVERBRIDGE
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www.silverbridge.co.za

Registered Offices

First Floor, Castle View North
495 Prieska Street
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