

Chairman's Statement June 2008

Financials:

Skynet announces its fifth year of continuous profit.

2007/8 was once again a profitable year for our group of companies. We have delivered on our business plan to continue to be a solid profitable company with a manageable growth pattern.

It should be noted we do not sacrifice future profits and shareholder value for today's spend. In other words it is not our policy to capitalise development software or software tools, including hardware. We continue to have no debt and despite markets appearing to embark on a global slowdown, we feel our prudence will pay dividends in the future.

Skynet's future

Our efforts are now directed towards creating a distinct market position as we continue to become a major provider of business software to professional services companies. The information we have accumulated over 19 years to enhance our product is not easily duplicated by our competitors, and thus provides us with a leading edge when customers choose new software.

Last year we opened our second development office in Belarus to complement our existing development office in Thailand. The Belarus office cements Skynet's already strong position in enabling us to assertively increase the scale of our development capabilities, and to open new sales offices. The opening of the Moscow office is imminent.

Most important is the development of our products. In 2006, we launched a new version of our core solution, Skyenterprise. In 2007 we developed a new resource planning module, a human resource & recruitment module, and a new data mining module. In 2008 we are currently developing a true web version of our core modules and continue to develop our role-based task workspace with new user defined dashboards and advanced business processes. Other developments including reinsurance broking; investment accounting and property & construction are being actively improved, in tandem with our core product. Clearly we now have a highly attractive product blend, in various stages of development. This comprehensive business solution addresses the requirements of existing and new customers in addition to our own requirements for growth in the short and long term. It still allows us to hold true to our original mission:

"We were created to develop and deliver business solutions that enable professional services organisations to optimise resources, manage costs and thus enhance profitability".