



SILVERLAKE AXIS LTD

(Incorporated in Bermuda)
(Company Registration No. 32447)

PRESS RELEASE - FOR IMMEDIATE RELEASE

Silverlake Records Healthy Performance in Q1 FY2015

**Revenue +15% to RM116.3 Million and
Net Profit +17% to RM59.7 Million**

- *Increase in revenue driven by robust performance of software licensing and steady growth of maintenance and enhancement services*
- *Gross margin improved to 65% with increased proportion of revenue recorded from higher margin activities*
- *Solid statement of financial position with strong cash and bank balances of RM424.4 million as of 30 September 2014*
- *The Board has proposed a first interim dividend of Singapore cent 0.8 per share*

Singapore, 10 November 2014 – Singapore Exchange Mainboard listed Silverlake Axis Ltd (“SAL” or the “Group”), a leading provider of Digital Economy Solutions and Services to major organisations in Banking, Insurance, Payment, Retail and Logistics industries, today announced a healthy set of results for the first quarter ended 30 September 2014.

Q1 FY2015 Results Review

The Group remained a beneficiary of continual IT investments by Asian financial institutions and corporations to improve their competitive edge. Underpinned by robust demand for software

enhancement services by customers as well as more maintenance and enhancement contracts secured in the ASEAN region following the completion of software implementation contracts, the Group continued to maintain steady growth of 22% in recurring income from maintenance and enhancement services in Q1 FY2015. The Group also delivered software licensing contracts and grew software licensing revenue by 84%. However, contribution from software project services slid with lower progressive revenue recognition on ongoing projects in Q1 FY2015. Revenue from sale of software and hardware products was also lower than the previous corresponding financial period which was boosted by a major hardware product sale. Overall, the Group achieved 15% increase in revenue to RM116.3 million.

Revenue By Business Activities (RM million)	Q1 FY2015	Q1 FY2014	% Change
Software licensing	38.0	20.6	84
Software project services	12.6	22.2	(43)
Maintenance and enhancement services	56.5	46.2	22
Sale of software and hardware products	0.8	3.6	(78)
Credit and cards processing	3.7	3.9	(6)
Insurance processing	4.7	4.9	(3)
Total	116.3	101.4	15

Gross profit rose 27% to RM75.0 million on the back of revenue growth. With the change in revenue mix towards higher margin activities, namely software licensing and maintenance and enhancement services, gross profit margin saw an improvement to 65%. Due to foreign exchange fluctuations, the Group recorded a net foreign currency exchange loss of RM1.2 million in Q1 FY2015. In Q1 FY2014, a net foreign currency exchange gains of RM8.2 million being recorded under other income. This resulted in a significant decline in other income and the foreign exchange loss contributed to the increase in administrative expenses in Q1 FY2015. However, this adverse impact was moderated by a jump in the share of profit of associates as well as a decline in income tax expense due to higher tax-exempt income earned during the quarter. Overall, the Group reported an increase of 17% net profit to RM59.7 million in Q1 FY2015.

As a reward to shareholders for the healthy performance, the Board has proposed a tax-exempt first interim dividend of Singapore cent 0.8 per share. The interim dividend will be payable on 12 December 2014.

Prospects

Despite the economic and political uncertainties in Europe, the Group maintains a cautious optimistic outlook for Asia in FY2015. The Group will continue to capitalise on the business opportunities arising from active merger and acquisitions activities as well as business expansions of banks in Asia. "Several of our customers are at various stages of expanding their business footprints in ASEAN and North East Asia. We welcome the opportunities to support our existing customers as they expand their operations throughout Asia," commented Dr. Raymond Kwong, Group Managing Director of SAL.

"In addition to the banking and financial sector, our expanded suite of mission critical enterprise software solutions and service offerings will also be able to support our customers in multi-industries to innovate and compete effectively in the digital economy," added Dr. Kwong. For the rest of the financial year, the Group will remain focused on timely and successful execution of software implementation projects from existing and new customers.

This press release should be read in conjunction with SAL's Q1 FY2015 results announcement released on 10 November 2014 to the Singapore Exchange.

About Silverlake Axis

Silverlake Axis Ltd (SAL) is a leading provider of digital economy solutions and services for major organisations in Banking, Insurance, Payment, Retail and Logistics industries. The Group's Silverlake Axis Software and Services Solutions are delivering operational excellence and enabling business transformations at over 100 organisations across Asia, including 40% of the largest banks in South East Asia.

Under Axis Systems Holdings Limited, the Group was listed on the SGX-SESDAQ on 12 March 2003. It was renamed Silverlake Axis Ltd in 2006 following the acquisition of SAACIS, the company that owns the Silverlake Integrated Banking Solution (SIBS) and the listing was transferred to the Mainboard of the Singapore Exchange on 22 June 2011.

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