



SILVERLAKE AXIS LTD

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

PRESS RELEASE - FOR IMMEDIATE RELEASE

Silverlake Delivers Healthy Growth in Q3 FY2015

Net Profit Rose 22% to RM76.6 Million

- ***Higher contributions from maintenance and enhancement services as well as software project services drove group revenue growth in Q3 FY2015***
- ***Gross profit increased 24% to RM97.1 million, with improvement in gross profit margin to 68%***
- ***Solid statement of financial position with a strong net cash of RM327.1 million as of 31 March 2015***
- ***The Board has proposed a third interim dividend of Singapore cents 1.1 per share, an increase of 10% over the previous corresponding period***

Singapore, 14 May 2015 – 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 third quarter and nine months ended 31 March 2015.

Q3 and 9M FY2015 Results Review

A steady expansion of the recurring revenue base continued to be an important growth driver for the Group. In Q3 FY2015, the Group benefited from the implementation of Goods and Services Tax (“GST”) in Malaysia, as evident in the 70% growth in revenue from maintenance and enhancement services following the completion of software implementation contracts as well as new GST related enhancement contracts from existing customers. The Group also recorded higher revenue from software project services with higher progressive income recognised on ongoing project implementation contracts during the quarter. However, contributions from software licensing and sale of software and hardware products declined with delivery of lower value software licensing contracts and fewer large sales of hardware products compared to the previous corresponding period. Overall, group revenue rose 5% to RM143.3 million.

Revenue By Business Activities (RM million)	Q3 FY2015	Q3 FY2014	% Change
Software licensing	25.6	39.5	(35)
Software project services	13.4	11.2	19
Maintenance and enhancement services	91.1	53.4	70
Sale of software and hardware products	4.6	23.4	(80)
Credit and cards processing	3.6	4.1	(13)
Insurance processing	5.0	4.4	13
Total	143.3	136.0	5

Due to the change in revenue mix towards higher margin activities, the Group recorded an improvement in the gross profit margin to 68% in Q3 FY2015. As a result, gross profit grew 24% to RM97.1 million. Due to the strengthening Singapore Dollar and US Dollar against the Malaysian Ringgit, other income rose significantly as the Group recorded a net realised and unrealised foreign currency exchange gain of RM4.6 million which compares favourably to the net foreign currency exchange loss of RM0.5 million in the previous corresponding period. However, profitability was moderated by a significant increase in administrative expenses, mainly attributed to a charge of RM6.8 million on share awards granted pursuant to the SAL Performance Share Plan. In spite of higher total operating costs, the Group registered a healthy 22% growth in net profit to RM76.6 million in Q3 FY2015.

For the nine months ended 31 March 2015, group revenue rose 7% to RM387.3 million. The growth was buoyed by higher contributions from maintenance and enhancement services as well as software licensing. Net profit for the financial period grew 19% to RM208.0 million.

As a reward to shareholders for the healthy performance, the Board has proposed a tax-exempt third interim dividend of Singapore cents 1.1 per share, an increase of 10% over the dividend of Singapore cent 1.0 for the previous corresponding period. Including this, the total dividend payout for the first 9 months amounted to Singapore cents 3.0 per share. The Board has also proposed a bonus issue of new ordinary shares in the capital of SAL on the basis of one new bonus share for every five existing shares held.

Prospects

The prevailing mixed outlook for the Asian economies is likely to remain for the rest of 2015. However, mergers and acquisitions activities amongst banks in Asia will continue to bolster demands for the Group's software solutions and services offerings. "Besides expansion through Mergers and Acquisitions, it is also important for regional banks to entrench their foothold by competing effectively in the digital ecosystem for customers through constant investment in digital and mobile banking. Such trend will provide us with steady business opportunities in North East and South East Asia," commented Dr. Raymond Kwong, Group Managing Director of SAL.

With the recent completion of the acquisition of Finzsoft Solutions Limited ("Finzsoft"), the Group is ready to extend its expanded suite of mission critical enterprise software solutions and services offerings to new markets in Australia and New Zealand. "As we pursue new business opportunities, the Group will continue to place priority on the successful execution of the software implementation projects on hand. The delivery of well-executed contracts will lead to customer retention and expansion of the Group's recurring income base," added Dr. Raymond Kwong.

On 8 May 2015, the Group's China associate, Global InfoTech Co Ltd received official approval from the China Securities Regulatory Commission for a proposed listing in China.

This press release should be read in conjunction with SAL's Q3 FY2015 results announcement released on 14 May 2015 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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