



SILVERLAKE AXIS LTD

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

PRESS RELEASE - FOR IMMEDIATE RELEASE

Silverlake Reports Robust Q1 FY2016 Performance

**Revenue and Net Profit Rose 13% and 15% to
RM131.0 Million and RM68.6 Million Respectively**

- *All business activities, except software licensing, recorded higher revenue contribution*
- *Recurring revenue base grew with more maintenance and enhancement contracts and expansion of insurance processing business into Thailand and Vietnam*
- *Strong statement of financial position with net cash of RM383.1 million as of 30 September 2015*
- *A first interim dividend of Singapore cent 0.6 per share declared*

Singapore, 12 November 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, Payments, Retail and Logistics businesses, today announced a healthy set of results for first quarter ended 30 September 2015.

Q1 FY2016 Results Review

In Q1 FY2016, the Group achieved 13% increase in revenue to RM131.0 million. With the exception of software licensing which recorded lower revenue due to the delivery of lower value contracts during the quarter, the revenue growth was broad-based across all business segments. The Group also benefited from the appreciation of Singapore Dollar (“SGD”) and US Dollar (“USD”) against Ringgit Malaysia (“RM”) as the Group’s revenue is partially denominated in SGD and USD. Besides steady recurrent revenue growth from more maintenance and enhancement contracts secured in Singapore and Malaysia, the Group also saw higher recurring income from insurance processing following the business expansion into Thailand and Vietnam. While higher progressive revenue recognition from new and on-going project implementation contracts boosted software project services revenue significantly, revenue from sale of software and hardware products rose on the back of a major hardware sale in Q1 FY2016.

Revenue By Business Activities (RM million)	Q1 FY2016	Q1 FY2015	% Change
Software licensing	22.1	38.0	(42)
Software project services	26.3	12.6	109
Maintenance and enhancement services	69.5	56.5	23
Sale of software and hardware products	3.5	0.8	355
Credit and cards processing	3.9	3.7	6
Insurance processing	5.7	4.7	20
Total	131.0	116.3	13

During the quarter, gross profit rose 5% to RM78.6 million. However, gross profit margin eased to 60% due to lower contribution from higher margin software licensing. In addition, the Group recorded an increase in other income as the appreciation of USD and SGD against RM resulted in a net foreign currency exchange gain of RM12.9 million which compares favourably to the net loss RM1.2 million in the previous corresponding period. Coupled with prudent management of operating expenses, profit before tax increased 22% to RM76.9 million. Due to higher withholding tax on some overseas revenue and higher taxable income contribution from subsidiaries, the Group incurred additional income tax expenses and the effective tax rate for the quarter rose to 11%. Notwithstanding this, the Group still achieved a 15% growth in net profit attributable to shareholders to RM68.6 million.

Continuing with the trend of quarterly dividend payment, the Board has proposed a tax-exempt first interim dividend of Singapore cent 0.6 per ordinary share. This interim dividend will be payable on 3 December 2015.

Prospects

Continuing economic expansion in North East and South East Asia, albeit slower, will provide banks and financial institutions with ample opportunities for growth as they invest in digital and mobile technologies to enhance revenue, manage costs and provide easy banking access for their customers. “With our expanding suite of mission critical enterprise software solutions and service offerings, as well as our 100% success track record in project implementation, SAL continues to be the IT partner of choice for many banks as they seek to grow market share through digital transformation,” said Dr. Raymond Kwong, the Group’s Managing Director.

In October 2015, the Group further expanded its suite of software and services through the acquisition of SunGard Ambit (“SAS”). SAS delivers a complementary retail banking software portfolio that offers mid-tier customers a wider variety of tiered deployment options from an open digital technology platform and a pricing perspective. Besides products and service offerings, the acquisition also provides deeper relationships with a broader customer base as well as business opportunities in extended geographical markets. “Going forward, we will continue to strengthen our market position through selective investment in new software solutions and services that will allow us to better support our customers,” added Dr. Raymond Kwong.

This press release should be read in conjunction with SAL’s Q1 FY2016 results announcement released on 12 November 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, Payments, Retail and Logistics businesses. The Group's Silverlake Axis Software and Services Solutions are delivering operational excellence and enabling business transformations at over 150 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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