



## **SILVERLAKE AXIS LTD**

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

### **PRESS RELEASE - FOR IMMEDIATE RELEASE**

## **Silverlake Maintains Good Growth in Q2 FY2014**

**Revenue and Net Profit rose 24% and 23%  
to RM125.2 million and RM60.6 million respectively**

- *Higher contributions from software licensing and maintenance and enhancement services as well as insurance processing revenue from Merimen Group underpinned revenue growth*
- *Gross profit rose 27% to RM77.4 million and gross profit margin improved to 62% with increased contribution from higher margin activities*
- *Revenue and net profit for 1H FY2014 grew 25% and 26% to RM226.4 million and RM111.7 million respectively*
- *The Board proposed a second interim dividend of Singapore cent 0.9 per share, an increase of 29% over Singapore cent 0.7 per share for Q2 FY2013*

**Singapore, 11 February 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 strong set of financial results for the second quarter and six months ended 31 December 2013.

### Q2 and 1H FY2014 Results Review

Business conditions in the region remained positive in Q2 FY2014. Against this background, SAL secured a major ISIS software licensing contract and new project enhancement contracts in Singapore and Indonesia. These new contracts underpinned the healthy revenue growth in software licensing as well as maintenance and enhancement services. The Group also benefited from two large sales of hardware products to customers and boosted revenue from sale of software and hardware products significantly. During the quarter, the Group remained focused on the execution of software implementation service contracts. However, revenue from software project services was lower compared to the previous corresponding period as a major project was progressing towards completion stage. Together with the new source of revenue from insurance processing by Merimen Group, total group revenue climbed 24% to RM125.2 million.

<b>Revenue By Business Activities</b> (RM million)	<b>Q2 FY2014</b>	<b>Q2 FY2013</b>	<b>% Change</b>
Software licensing	36.5	27.0	35
Software project services	20.0	22.8	(12)
Maintenance and enhancement services	56.0	45.0	24
Sale of software and hardware products	3.7	0.9	332
Credit and cards processing	4.0	4.9	(18)
Insurance processing	5.0	-	NA
<b>Total</b>	<b>125.2</b>	<b>100.6</b>	<b>24</b>

Buoyed by higher revenue, gross profit rose 27% to RM77.4 million in Q2 FY2014. Given the change in revenue mix towards higher margin activities such as software licensing, the Group recorded a slight improvement in gross profit margin to 62%. In addition, better performance by GIT InfoTech Co. Ltd during the quarter added substantially to the Group's share of profit of associates and contributed to a robust increase of 33% in profit before tax to RM68.8 million. Although improved profitability and higher effective tax rate due to lower tax-exempt income resulted in higher income tax expense, the Group still achieved a healthy 23% growth in net profit to RM60.6 million in Q2 FY2014.

For the six months ended 31 December 2013, the Group recorded 25% increase in revenue to RM226.4 million. In line with the higher revenue, net profit grew 26% to RM111.7 million. To reward shareholders for the solid performance, the Board has proposed a tax-exempt second interim dividend of Singapore cent 0.9 per share for Q2 FY2014. This is 29% higher than the second interim dividend of Singapore cent 0.7 per share for Q2 FY2013.

## Prospects

The Group expects the Asian financial sector to remain resilient in 2014 and will maintain its efforts to capitalise on the business opportunities presented in the region. Dr. Raymond Kwong, Group Managing Director of SAL, commented, “For the rest of the financial year, we will continue to strengthen our order book of software implementation service contracts. We are currently working to pursue new software projects and at the same time, looking to enhance our suite of business enterprise software solutions and services through selective acquisitions. This broadening range of mission critical business and technology capabilities will enable us to provide our customers operating in multi-industries with solutions to excel in a digital economy.”

This press release should be read in conjunction with SAL’s Q2 FY2014 results announcement released on 11 February 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, Payments, 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.

## Contact

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