



## **SILVERLAKE AXIS LTD**

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

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

# **Silverlake Achieves Another Healthy Performance in FY2015**

## **Net Profit Rose 14% to RM282.7 Million**

- *Strong growth in recurring income due to higher contribution from maintenance and enhancement revenue*
- *Gross profit rose 10% to RM337.1 million with improvement in gross profit margin to 65% on change in revenue mix*
- *Solid balance sheet with a strong net cash of RM318.1 million as of 30 June 2015*
- *A fourth and final dividend of Singapore cents 1.2 per share is proposed and the recently issued bonus shares are entitled to this dividend*

**Singapore, 24 August 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 and Financial Services, Payments, Retail and Logistics businesses, today announced a strong set of results for financial year ended 30 June 2015.

## FY2015 Results Review

SAL continued to benefit from the successful acquisitions undertaken in prior years, as evident in the increase in revenue to RM516.0 million in FY2015. The increase was mainly driven by a 35% growth in recurring income as the Group secured more maintenance and enhancement contracts following the completion of software implementation contracts and delivered enhancement services related to compliance projects. The Group also recorded higher insurance processing revenue following the expansion of its insurance processing business into Thailand during the year.

However, contribution from software licensing declined due to the completion of major licensing contracts and delivery of lower value contracts in FY2015. Revenue from sale of software and hardware products also fell as there was only one major sale of hardware product during the year compared to five such sales in the previous corresponding year. Progressive revenue recognition for software project services was lower in FY2015 compared to FY2014. With only preliminary work done on some existing and new software implementation service contracts, revenue will be recognised progressively in the current financial year as work on these projects progresses.

<b>Revenue By Business Activities</b> (RM million)	<b>FY2015</b>	<b>FY2014</b>	<b>% Change</b>
Software licensing	131.8	147.7	(11)
Software project services	59.8	71.8	(17)
Maintenance and enhancement services	283.3	210.3	35
Sale of software and hardware products	6.2	32.4	(81)
Credit and cards processing	14.3	19.5	(27)
Insurance processing	20.6	19.0	8
<b>Total</b>	<b>516.0</b>	<b>500.7</b>	<b>3</b>

Buoyed by higher revenue, gross profit rose 10% to RM337.1 million. With increased contribution from higher margin maintenance and enhancement services, gross margin improved from 61% in FY2014 to 65% in FY2015. During the year, other income was boosted by an accounting gain of RM19.2 million on dilution of interest in GIT following its IPO in China as well as higher net foreign currency gain from the appreciation of the Singapore dollar and US dollar against Malaysian Ringgit. Besides additional selling and distribution costs to support marketing and research activities, the Group incurred higher administrative expenses due to a charge of RM12.2 million on share awards granted pursuant to the SAL Performance Share

Plan, increased manpower costs and higher professional fees. The Group recorded a lower share of profit of associates and joint venture with a reduced contribution from GIT and share of losses and provisional amortisation of intangibles at Silverlake HGH Limited Group. Despite higher expenses, net profit attributable to shareholders still grew by 14% to RM282.7 million.

In Q4 FY2015, although group revenue decreased 8% to RM126.4 million, net profit attributable to shareholders was marginally higher by 1% at RM74.7 million.

The Board has proposed a fourth and final dividend of Singapore cents 1.2 per share. The Group issued 1 bonus share for every 5 existing ordinary shares on 8 July 2015 and these bonus shares are entitled to the proposed final dividend. Together with the interim dividends, total dividends for the financial year amounted to Singapore cents 4.2 per share. Because of the bonus shares, existing shareholders would have received the equivalent of Singapore cents 4.44 per share in FY2015 compared to 4.50 cents per share in FY2014 (which included a special dividend of Singapore cent 0.6 per share).

## **Prospects**

The Group will continue to pursue business opportunities in Asia by capitalising on the consolidation, revenue enhancement and cost management activities among financial institutions in the region as well as banks investing in new digital and mobile banking initiatives to compete for customers.

Besides extending business footprints to new markets, the Group is open to suitable acquisition opportunities and will invest selectively in new software solutions and services that complement the Group's current offerings. "While we work on business expansion beyond the Southeast Asian region, we will continue to prioritise the successful execution of existing software implementation projects. It is important to maintain our excellent track record by delivering well-executed contracts promptly. This will help to retain customers, lead to repeated business and provide the Group with higher recurring revenue," added Dr. Raymond Kwong.

This press release should be read in conjunction with SAL's FY2015 results announcement released on 24 August 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 and Financial Services, 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 100 organisations across Asia, including 40% of the top 20 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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