



SUBEX SYSTEMS LIMITED

Registered Office: No.721, 7th Main,
Mahalaxmi Layout, Bangalore - 560 086

Unaudited financial results for the quarter ended 30th September 2004

(Rs. in lacs)

Sl. No.	Particulars	Quarter ended September		Half year ended September		For the year ended 31st March
		2004	2003	2004	2003	2004
		Unaudited		Unaudited		Audited
1	Sales - Products	1,088.19	920.77	1,905.33	1,741.05	3,967.53
	- Services	1,468.17	1,190.40	2,913.93	2,284.40	4,824.97
	- Total	2,556.36	2,111.17	4,819.26	4,025.45	8,792.50
2	Other Income	13.14	61.97	192.55	79.81	126.85
3	Expenditure					
	- Cost of Equipment & Software	77.35	135.10	137.57	135.79	156.38
	- Personnel Cost	1,599.08	1,264.55	3,255.41	2,463.70	5,281.87
	- Other Expenditure	220.80	193.43	361.91	470.46	1,020.89
	- Interest	51.25	30.06	76.79	69.71	143.02
	- Total	1,948.48	1,623.14	3,831.68	3,139.66	6,602.16
4	Profit after interest but before depreciation and taxation	621.01	549.99	1,180.13	965.60	2,317.19
5	Depreciation & Amortisation	104.11	101.90	219.50	194.36	426.74
6	Taxes					
	- Income Tax	45.89	(3.70)	81.88	(1.10)	79.24
	- Deferred Tax	(2.90)	(0.64)	(2.90)	(1.40)	36.20
7	Net Profit	473.91	452.43	881.65	773.74	1,775.01
8	Paid up Share Capital					
	- Equity	925.27	734.38	925.27	734.38	735.38
	- Preference	-	1,849.26	-	1,849.26	1,849.26
9	Reserves excluding revaluation reserves					5,409.40
10	Earning per share - Basic - Not Annualised (Rs. per share)	5.26	5.39	9.78	9.00	20.68
11	Earning per share - Diluted - Not Annualised (Rs. per share)	4.80	4.75	9.10	8.12	18.63
12	Aggregate of non-promoter shareholding					
	- Number of Shares	5,232,212	3,322,225	5,232,212	3,322,225	3,332,211
	- Percentage of holding (to total shareholding)	56.54%	45.24%	56.54%	45.24%	45.31%

Notes:

- The above results were taken on record and approved by the Board of Directors in its Meeting held on 29th October 2004.
- The previous year / period figures have been regrouped and rearranged to conform to the current quarter presentation.
- During the quarter, the company entered into agreements for the acquisition of the Fraud Management Software divisions of Alcatel Telecom Ltd, UK and Lightbridge, Inc, for a total purchase consideration of US\$ 6.34 million.
- During the quarter, the company has issued Foreign Currency Convertible Bonds (FCCB) aggregating to US\$ 10 million to various Institutional Investors. These bonds carry a coupon of 200 bps over Libor and are redeemable by December 2009 at par, if not converted into equity. Subject to the FCCB agreement, the bonds are convertible into equity at an Initial Conversion Price of Rs.300 per share. The bonds are listed on the Luxembourg Stock Exchange. The net proceeds of the issue have been utilized towards the cost of acquisitions.
- In view of the Company's focus to market the products to large (tier 1) telcos, which have a large order value but a longer sales cycle, coupled with the time and personnel involved in the acquisitions, the revenue and profits from the sale of products in this quarter have been uneven.
- The company has granted 5100 options under ESOP 2000 for the quarter ended 30th September 2004. During the quarter, the company has allotted 6,097 shares to the exercise of options by the eligible employees.
- During the quarter, 796,255 ROCCPS have been converted into 796,255 equity shares at a premium of Rs.88/- per share, pursuant to the option exercised by Intel Capital Corporation (479,500 equity shares) and Toronto Dominion Bank (316,755 equity shares)
- There were no Investor complaints pending at the beginning of the quarter and none was received during the quarter.
- The segmentwise revenue and results for the quarter ended 30th September 2004 as required under clause 41 of the listing agreement are as follows:

(Rs. in lacs)

	For the Quarter ended 30th September		Half year ended 30th September		For the year ended 31st March
	2004	2003	2004	2003	2004
	Unaudited		Unaudited		Audited
1. Segmental Revenue					
a) Products	1,088.19	920.77	1,905.33	1,741.05	3,967.53
b) Services	1,468.17	1,190.40	2,913.93	2,284.40	4,824.97
Total	2,556.36	2,111.17	4,819.26	4,025.45	8,792.50
2. Segmental Results : Profit / (Loss) before tax, depreciation & interest					
a) Products	587.35	441.01	1,050.05	843.83	2,065.47
b) Services	84.91	103.66	206.87	156.79	360.05
Total	672.26	544.67	1,256.92	1,000.62	2,425.52
Less : Interest	51.25	30.06	76.79	69.71	143.02
Other un-allocable income net of un-allocable expenditure	-	35.38	-	34.69	34.69
Profit before depreciation & taxation	621.01	549.99	1,180.13	965.60	2,317.19

10. Since fixed assets are used in the company's business interchangeably, segmentwise disclosure on capital employed has not been furnished.

11. For further details on the results, please visit our website www.subexsystems.com

By Order of the Board of Directors

Bangalore
29th October 2004

Alex J. Puthenchira
Executive Director