

SUBEX LTD

Registered office: Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

Unaudited Financial Results for the half year ended September 30, 2008 - CONSOLIDATED

(Rs. In Millions)

	CONSOLIDATED				
	Quarter Ended 30th September		Half Year Ended 30th September		For the year Ended 31st March
	2008	2007	2008	2007	2008
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales - Product & Product related	1,127.05	715.96	2,180.66	1,720.16	3,618.48
- Services	293.83	313.91	599.56	626.30	1,237.43
Net Sales / Income from Operations	1,420.88	1,029.87	2,780.22	2,346.46	4,855.91
Other Income	1.17	7.90	52.20	19.95	24.33
Total Income	1,422.05	1,037.77	2,832.42	2,366.41	4,880.24
Expenditure					
- Cost of Hardware, Software & Services	28.26	16.99	31.88	31.38	84.47
- Personnel Cost	974.68	1,056.48	2,036.62	2,068.04	4,022.37
- Other Expenditure	212.20	285.55	438.28	644.80	1,192.59
- Provision for Bad & Doubtful Debts		50.00		100.00	290.35
- Total	1,215.14	1,409.02	2,506.78	2,844.22	5,589.78
Profit / (Loss) before Interest, Taxes, Depreciation & amortisation and Exceptional items	206.91	(371.25)	325.64	(477.81)	(709.54)
- Depreciation and amortisation	63.54	42.29	118.19	83.42	184.04
Profit / (Loss) before Interest, Taxes and Exceptional items	143.37	(413.54)	207.45	(561.23)	(893.58)
- Interest	104.13	71.49	205.92	140.91	325.47
Profit / (Loss) Before Exceptional items & Tax	39.24	(485.03)	1.53	(702.14)	(1,219.05)
Exceptional Items					
- Exchange Gain/(Loss) on restatement of FCCBs	(706.95)	175.50	(1,260.00)	618.30	607.50
- Exchange Gain/(Loss) - Mark to Market Losses on Option contracts	(31.34)	-	(87.51)	-	(5.50)
Profit / (Loss) Before Tax	(699.05)	(309.53)	(1,345.98)	(83.84)	(617.05)
Taxes					
Income Tax	16.61	4.65	24.82	27.13	24.44
MAT Credit Carried forward	-	(1.53)	-	(17.97)	(10.04)
Fringe Benefit Tax	1.27	1.90	2.49	3.73	11.93
Deferred Tax	-	33.70	-	35.92	37.33
Net Profit / (Loss) for the period	(716.93)	(348.25)	(1,373.29)	(132.65)	(680.71)
Paid up Share Capital	348.47	348.16	348.47	348.16	348.47
- Equity (Face value of Rs.10/-)					
Reserves excluding revaluation reserves					7,050.66
Earnings per share - Basic - Not Annualised (Rs. Per share)	(20.57)	(10.00)	(39.41)	(3.81)	(19.49)
Earnings per share - Diluted - Not Annualised (Rs. Per share)	(20.57)	(9.91)	(39.41)	(3.77)	(19.49)
Aggregate of Public shareholding:*					
Number of shares	22,149,010	21,472,155	22,149,010	21,472,155	22,162,022
Percentage of holding (to total shareholding)	63.56%	61.63%	63.56%	61.63%	63.60%
* Total public shareholding as defined under clause 40.A of the listing agreement (excludes shares held by founders and GDR holders)					

SEGMENTAL REPORTING:

(Rs. In Millions)

	Consolidated				
	Quarter Ended 30th September		Half Year Ended		For the year Ended 31st March
	2008	2007	2008	2007	2008
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segmental Revenue:					
a. Products & Product related	1,127.05	715.96	2,180.66	1,720.16	3,618.48
b. Services	293.83	313.91	599.56	626.30	1,237.43
	1,420.88	1,029.87	2,780.22	2,346.46	4,855.91
2. Segmental Profit/(Loss) before tax, interest & exceptional Items					
a. Products & Product related	116.52	(412.51)	143.20	(540.04)	(781.99)
b. Services	26.85	41.26	64.24	62.23	72.45
	143.37	(371.25)	207.45	(477.81)	(709.54)
Less: Interest	104.13	71.49	205.92	140.91	325.47
Add / (Less) : Other Unallocable Income/(Expenditure)&Exceptional items [Net]	(738.29)	133.21	(1,347.51)	534.88	417.96
Profit Before Taxation	(699.05)	(309.53)	(1,345.98)	(83.84)	(617.05)

Notes :

- The above results were taken on record and approved by the Board of Directors in their meeting held on 29th October 2008. These results have been subjected to limited review by the auditors.
- The previous year/period figures have been re-grouped and/or re-arranged to conform with the current period.
- FCCBs if not converted earlier are due for redemption in 2012. The actual exchange loss/gain, if any, on redemption would be determined only based on the exchange rates prevailing on the date of redemption and the number of FCCBs redeemed. Hence, losses
- Mark to Market losses on Option contracts is a non- cash item for the quarter/period.
- During the quarter, the company has allotted 1,499,397 options under its ESOP 2005 and 359,572 options under its ESOP 2000 schemes, pursuant to exercise of options by eligible employees.
- During the quarter, the shareholders of the Company approved an amendment to the Employee Stock Options Schemes providing for Voluntary surrender of Options. Consequently, Rs.48 Mn, being previously recognised stock compensation costs on these options,
- Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th September 2008 is :
Opening Balance - Nil, Received - Nil, Attended - Nil, Closing Balance - Nil
- Details of Capital employed as at 30th September 2008 -
(a) Segment Assets - Product & Product related - Rs.1,714.53 Mn; Service - Rs.284.51 Mn
(b) Segment Liabilities - Product & Product related - Rs.11,304.35 Mn; Service - Rs.72.54 Mn.
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- Pursuant to clause 41 of the Listing Agreement, the Company has opted to publish the consolidated financial results. The standalone financial results, however, are being made available to the Stock Exchanges where the securities of the Company are list

Certain statements in this release concerning our performance may be forward looking statements which involve risks and uncertainties that could cause actual results to vary materially from those in such statements. These risks and uncertainties include, and are not limited to, fluctuations in earnings, intense competition, success of investments and our ability to successfully integrate our acquisitions.

Bangalore
29th October 2008

By Order of the Board

Subash Menon
Founder Chairman, Managing Director & CEO

For further details on the results, please visit our website: www.subexworld.com

SUBEX LTD

Registered office: Adarsh Tech Park, Outer Ring Road, Devarabasanahalli
Bangalore - 560 037

Unaudited Financial Results for the half year ended September 30, 2008 - STANDALONE

(Rs. In Millions)

	STANDALONE				
	Quarter Ended		Half Year Ended		For the year Ended
	30th September		30th September		31st March
	2008	2007	2008	2007	2008
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales - Product & Product related	495.64	174.09	874.45	294.87	914.73
- Services (refer Note 3)	-	308.46	-	615.30	523.96
Net Sales / Income from Operations	495.64	482.55	874.45	910.17	1,438.69
Other Operating Income	0.65	6.95	33.74	18.00	18.90
Total Income	496.29	489.50	908.19	928.17	1,457.59
Expenditure					
- Cost of Hardware, Software & Services	33.71	10.21	43.42	32.67	90.69
- Personnel Cost	136.96	401.49	304.42	815.40	944.48
- Other Expenditure	91.31	96.29	167.27	248.34	366.65
- Provision for Bad & Doubtful Debts	-	50.00	-	100.00	288.69
- Total	261.98	557.99	515.11	1,196.41	1,690.51
Profit / (Loss) before Interest, Taxes, Depreciation & amortisation and Exceptional items	234.31	(68.49)	393.08	(268.24)	(232.92)
- Depreciation and amortisation	40.25	28.77	80.19	57.70	123.10
Profit / (Loss) before Interest, Taxes and Exceptional items	194.06	(97.26)	312.89	(325.94)	(356.02)
- Interest	97.22	64.37	189.01	129.41	296.10
Profit / (Loss) Before Exceptional items & Tax	96.84	(161.63)	123.88	(455.35)	(652.12)
Exceptional Items					
- Exchange Gain/(Loss) on restatement of FCCBs	(706.95)	175.50	(1,260.00)	618.30	607.50
- Exchange Gain/(Loss) - Mark to Market Losses on Option contracts	(31.34)	-	(87.51)	-	(5.50)
Profit / (Loss) Before Tax	(641.44)	13.87	(1,223.63)	162.95	(50.12)
Taxes					
Income Tax	1.93	2.98	1.93	24.36	17.13
MAT Credit Carried forward	-	(1.53)	-	(17.97)	(10.04)
Fringe Benefit Tax	1.27	1.90	2.49	3.73	11.93
Deferred Tax	-	(4.77)	-	(2.50)	(7.26)
Net Profit / (Loss) for the period	(644.65)	15.29	(1,228.05)	155.33	(61.88)
Paid up Share Capital	348.47	348.16	348.47	348.16	348.47
- Equity (Face value of Rs.10/-)					
Reserves excluding revaluation reserves					7,241.00
Earnings per share - Basic - Not Annualised (Rs. Per share)	(18.50)	0.44	(35.24)	4.46	(1.77)
Earnings per share - Diluted - Not Annualised (Rs. Per share)	(18.50)	0.44	(35.24)	4.42	(1.77)
Aggregate of Public shareholding:*					
Number of shares	22,149,010	21,472,155	22,149,010	21,472,155	22,162,022
Percentage of holding (to total shareholding)	63.56%	61.63%	63.56%	61.63%	63.60%

* Total public shareholding as defined under clause 40.A of the listing agreement (excludes shares held by founders and GDR holders)

Notes :

- The above results were taken on record and approved by the Board of Directors in their meeting held on 29th October 2008. These results have been subjected to limited review by the auditors..
- The previous year / period figures have been re-grouped and/or re-arranged to conform with the current period.
- In terms of a Scheme of Arrangement, the Services business of the Company was transferred to a wholly owned subsidiary with effect from September 1, 2007, in terms of the approval received from the Hon'ble High court of Karnataka on March 27, 2008. The results for the quarter and half year ended September 30, 2007 included the operations of the Services business upto that date. The figures for the year ended March 31, 2008 includes the operations of the Services business till August 31, 2007, the date of the transfer. Consequent to this the results for the periods presented are not comparable. The Services business segment had a profit of Rs. 30.50 mio, Rs. 45.63 mio and Rs. 26.52 mio for the quarter, half year ended September 30,2007 and year ended March 31, 2008 respectively.
- In the current period, Segment results have not been disclosed in the Standalone results since the Company operates in only one Segment viz Products and Products related business.
- FCCBs if not converted earlier are due for redemption in 2012. The actual exchange loss/gain, if any, on redemption would be determined only based on the exchange rates prevailing on the date of redemption and the number of FCCBs redeemed. Hence, losses on restatement of FCCBs which is a non-cash item for the quarter/period, is treated as an exceptional item.
- Mark to Market losses on Option contracts is a non- cash item for the quarter/period.
- During the quarter, the company has allotted 1,499,397 options under its ESOP 2005 and 359,572 options under its ESOP 2000 schemes.
- During the quarter, the shareholders of the Company approved an amendment to the Employee Stock Options Schemes providing for voluntary surrender of Options. Consequently, Rs.16.32 Mn, being the previously recognised stock compensation costs on these options, have been reversed and credited to Personnel Costs during the quarter.
- Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th September 2008 is :
Opening Balance - Nil, Received - Nil, Attended - Nil, Closing Balance - Nil

Certain statements in this release concerning our performance may be forward looking statements which involve risks and uncertainties that could cause actual results to vary materially from those in such statements. These risks and uncertainties include, and are not limited to, fluctuations in earnings, intense competition and success of investments.

Bangalore
29th October 2008

By Order of the Board

Subash Menon
Founder Chairman, Managing Director & CEO

For further details on the results, please visit our website: www.subexworld.com