

SUBEX LIMITED
(Formerly Subex Azure Ltd)
Registered office: Adarsh Tech Park, Outer Ring Road, Devarabisanahalli
Bangalore - 560 037
Financial Results for the Quarter ended 31st December, 2007

(Rs. In Millions)

Particulars	CONSOLIDATED					STANDALONE				
	Quarter ended 31st December		Nine Months ended 31st December		For the year ended 31st March	Quarter ended 31st December		Nine Months ended 31st December		For the year ended 31st March
	2007	2006	2007	2006	2007	2007	2006	2007	2006	2007
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
Sales - Product & Product related - Services	1,112.48	757.61	2,832.64	1,709.14	2,287.67	363.16	314.66	658.03	842.63	1,002.47
	309.68	304.39	935.98	818.30	1,121.34	296.58	303.95	911.88	816.22	1,116.15
Net Sales / Income from Operations	1,422.16	1,062.00	3,768.62	2,527.44	3,409.01	659.74	618.61	1,569.91	1,658.85	2,118.62
Other Income	68.73	29.41	575.02	74.03	301.92	70.92	6.21	603.16	28.58	243.23
Total Income	1,490.89	1,091.41	4,343.64	2,601.47	3,710.93	730.66	624.82	2,173.07	1,687.43	2,361.85
Expenditure										
- Cost of Hardware, Software & Services	3.71	37.54	35.09	96.11	112.24	25.25	37.24	57.92	90.58	110.86
- Personnel Cost	1,054.35	541.83	3,122.39	1,480.59	2,077.44	412.02	330.13	1,227.42	995.93	1,434.54
- Other Expenditure	323.45	263.09	936.29	444.82	731.75	116.76	97.36	361.04	203.67	368.60
- Interest & Finance Charges	94.16	20.35	235.07	48.37	87.32	82.90	19.85	212.31	43.71	75.35
- Depreciation	38.98	23.08	122.40	89.34	125.83	28.32	26.53	86.02	81.45	113.39
Total Expenditure	1,514.65	885.89	4,451.24	2,159.23	3,134.31	665.25	511.11	1,944.71	1,415.34	2,102.74
Profit Before Tax	(23.76)	205.52	(107.60)	442.24	576.62	65.41	113.71	228.36	272.09	259.11
Taxes										
- Income Tax	10.45	14.36	37.58	45.24	70.23	8.38	12.60	32.74	41.87	66.20
- MAT Credit Carried forward	(7.77)	-	(25.74)	-	(11.13)	(7.77)	-	(25.74)	-	(11.13)
- Fringe Benefit Tax	4.19	1.96	7.92	3.25	5.11	4.19	1.76	7.92	3.06	4.89
- Deferred Tax	12.10	(2.00)	48.02	(5.91)	(163.26)	5.64	(2.00)	3.14	(5.91)	(9.01)
Net Profit	(42.73)	191.20	(175.38)	399.66	675.67	54.97	101.35	210.30	233.07	208.17
Paid up Share Capital - Equity (Face value of Rs.10/-)	348.45	346.99	348.45	346.99	348.16	348.45	346.99	348.45	346.99	348.16
Reserves excluding revaluation reserve					8,059.12					7,614.74
Earnings per share - Basic - Not Annualised (Rs. Per share)	(1.23)	5.51	(5.04)	14.28	21.10	1.58	2.92	6.04	7.49	6.50
Earnings per share - Diluted - Not Annualised (Rs. Per share)	(1.22)	5.49	(4.99)	14.22	21.02	1.56	2.91	5.98	7.45	6.48
Aggregate of Public shareholding:*										
Number of shares	22,200,389	19,757,485	22,200,389	19,757,485	18,424,301	22,200,389	19,757,485	22,200,389	19,757,485	18,424,301
Percentage of holding (to total shareholding)	63.71%	56.94%	63.71%	56.94%	52.92%	63.71%	56.94%	63.71%	56.94%	52.92%

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

SEGMENTAL REPORTING:

(Rs. In Millions)

Particulars	CONSOLIDATED					STANDALONE				
	Quarter ended 31st December		Nine Months ended 31st December		For the year ended 31st March	Quarter ended 31st December		Nine Months ended 31st December		For the year ended 31st March
	2007	2006	2007	2006	2007	2007	2006	2007	2006	2007
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
1. Segmental Revenue:										
a. Products & Product related	1,112.48	757.61	2,832.64	1,709.14	2,287.67	363.16	314.66	658.03	842.63	1,002.47
b. Services	309.68	304.39	935.98	818.30	1,121.34	296.58	303.95	911.88	816.22	1,116.15
	1,422.16	1,062.00	3,768.62	2,527.44	3,409.01	659.74	618.61	1,569.91	1,658.85	2,118.62
2. Segmental Profit/(Loss) before tax, depreciation and Interest										
a. Products & Product related	32.39	225.93	(481.92)	534.95	430.89	102.27	128.22	(185.87)	328.23	111.38
b. Services	6.79	23.02	43.29	45.00	123.98	4.16	31.89	24.06	69.03	101.84
	39.18	248.95	(438.63)	579.95	554.87	106.43	160.11	(161.81)	397.26	213.22
Less: Interest & Finance Charges	94.16	20.35	235.07	48.37	87.32	82.90	19.85	212.31	43.71	75.35
Add: Other Un-allocable Income net of un-allocable Expenditure	70.20	-	688.50	89.34	234.90	70.20	-	688.50	-	234.90
Less: Depreciation	38.98	23.08	122.40	89.34	125.83	28.32	26.53	86.02	81.45	113.66
Profit Before Taxation	(23.76)	205.52	(107.60)	442.24	576.62	65.41	113.73	228.36	272.10	259.11

Notes :

- The above results were taken on record and approved by the Board of Directors in their meeting held on 29th January 2008
- The standalone and consolidated quarterly results for the quarter ended 31st December 2007 have been subjected to limited review by Statutory Auditors
- The previous year/period figures have been re-grouped and/or re-arranged to conform with the current quarter.
- The new order intake in this quarter was Rs. 1100 million, as against Rs. 590 million in the earlier quarter of this financial year. The operational costs of the Products Business in this quarter have reduced by Rs.160 Million as compared to the earlier quarter and with the increased revenues and stabilization in costs, the loss has reduced from Rs. 348.25 Million in the earlier quarter to Rs. 42.73 Million in this quarter.
- The company has granted 120,600 options under its ESOP 2005 scheme (scheme ESOP III) during the quarter ended 31st December 2007
- During the quarter, the company has allotted 4,314 shares pursuant to exercise of options by eligible employees.
- During the quarter, the company has recorded exchange fluctuation gains (net) of Rs.65.56 million (consolidated). This has arisen on mainly account of restatement of liability towards the Foreign Currency Convertible Bonds of 180 million US dollars as at the end of the quarter.
- Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 31st December 2007 is :
Opening Balance - Nil, Received - Nil, Attended - Nil, Closing Balance - Nil
- Since fixed assets are used in the Company's business interchangeably, segment wise disclosure on capital employed has not been furnished.
- The company has filed a scheme of arrangement with the Hon'ble High Court of Karnataka for the transfer of its Service business to Subex Technologies Limited, it's wholly owned subsidiary . As per the Scheme, the Services business is proposed to be hived off from September 1, 2007. Pending disposal of the scheme by Hon'ble High Court, no adjustments have been made in the books. The contribution of the Service business to the Stand alone results is available in the Segment report.
- Pursuant to acquisition of Azure Solutions Ltd on 22nd June 2006 and Syndesis Limited on 1st April 2007, the consolidated results for the periods thereafter include the consolidated results of operation of these subsidiaries. The corresponding prior periods do not include the results of these subsidiaries and consequently are not comparable.

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.

By Order of the Board

Bangalore
29th January 2008

Subash Menon, Founder Chairman, Managing Director & CEO

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