

**SUBEX LTD**

Registered office: Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037  
**Unaudited Financial Results for the quarter ended September 30, 2010 - CONSOLIDATED**

*(Rs. In Millions)*

	CONSOLIDATED				
	Quarter Ended 30th September		Half Year Ended 30th September		For the year Ended 31st March
	2010	2009	2010	2009	2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales - Product & Product related	1,067.18	897.12	2,081.55	1,840.65	3,829.43
- Services	167.88	199.97	340.99	432.53	801.35
<b>Net Sales</b>	<b>1,235.06</b>	<b>1,097.09</b>	<b>2,422.54</b>	<b>2,273.18</b>	<b>4,630.78</b>
Other Operating Income	12.55	71.05	51.31	122.50	117.03
<b>Income from Operations</b>	<b>1,247.61</b>	<b>1,168.14</b>	<b>2,473.85</b>	<b>2,395.68</b>	<b>4,747.81</b>
Expenditure					
- Cost of Hardware, Software & Services	19.05	29.24	39.74	60.66	118.06
- Personnel Cost	674.11	804.36	1,356.16	1,621.10	2,968.34
- Other Expenditure	213.91	154.02	411.60	332.63	714.18
<b>- Total</b>	<b>907.07</b>	<b>987.62</b>	<b>1,807.50</b>	<b>2,014.39</b>	<b>3,800.58</b>
<b>Profit / (Loss) before Interest, Taxes, Depreciation &amp; amortisation and Exceptional items</b>	<b>340.54</b>	<b>180.52</b>	<b>666.35</b>	<b>381.29</b>	<b>947.23</b>
- Depreciation and amortisation	27.51	51.18	53.93	97.94	163.58
<b>Profit / (Loss) from Operations before Other Income, Interest, Taxes and Exceptional items</b>	<b>313.03</b>	<b>129.34</b>	<b>612.42</b>	<b>283.35</b>	<b>783.65</b>
- Interest (Net)	103.66	123.29	219.85	247.06	474.16
<b>Profit / (Loss) after Interest before Exceptional items &amp; Tax</b>	<b>209.37</b>	<b>6.05</b>	<b>392.57</b>	<b>36.29</b>	<b>309.49</b>
Exceptional Items - Net Gain/(Loss)	111.17	(21.90)	(33.96)	308.54	794.72
<b>Profit / (Loss) Before Tax</b>	<b>320.54</b>	<b>(15.85)</b>	<b>358.61</b>	<b>344.83</b>	<b>1,104.21</b>
Taxes	13.34	16.15	26.19	25.55	101.25
<b>Net Profit / (Loss) for the period</b>	<b>307.20</b>	<b>(32.00)</b>	<b>332.42</b>	<b>319.28</b>	<b>1,002.96</b>

Paid up Share Capital - Equity (Face value of Rs.10/-)	651.82	348.47	651.82	348.47	579.83
Earnings/(Loss) per share - Basic - (Rs. Per share)	4.92	(0.92)	5.52	9.16	25.87
Earnings/(Loss) per share - Diluted - (Rs. Per share)	1.92	(0.92)	3.94	(1.14)	3.34
Aggregate of Public shareholding:*					
Number of shares	47,888,210	21,527,157	47,888,210	21,527,157	40,674,038
Percentage of holding (to total shareholding)	73.47%	61.78%	73.47%	61.78%	70.15%
<b>Promoters and promoter group</b>					
Shareholding					
a) Pledged/Encumbered					
- Number of shares	6,601,801	2,508,361	6,601,801	2,508,361	4,101,801
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	81.49%	61.15%	81.49%	61.15%	50.63%
- Percentage of shares (as a % of the total share capital of the company)	10.13%	7.20%	10.13%	7.20%	7.07%
b) Non-encumbered					
- Number of Shares	1,500,000	1,593,440	1,500,000	1,593,440	4,000,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	18.51%	38.85%	18.51%	38.85%	49.37%
- Percentage of shares (as a % of the total share capital of the company)	2.30%	4.57%	2.30%	4.57%	6.90%
* Total public shareholding as defined under clause 40.A of the listing agreement (excludes shares held by founders and GDR holders)					

**SEGMENTAL REPORTING:**

	Consolidated				
	Quarter Ended 30th September		Half Year Ended 30th September		For the year Ended 31st March
	2010	2009	2010	2009	2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segmental Revenue:					
a. Products & Product related	1,067.18	897.12	2,081.55	1,840.65	3,829.43
b. Services	167.88	199.97	340.99	432.53	801.35
	<b>1,235.06</b>	<b>1,097.09</b>	<b>2,422.54</b>	<b>2,273.18</b>	<b>4,630.78</b>
2. Segmental Profit/(Loss) before tax, interest & exceptional Items					
a. Products & Product related	317.60	120.78	618.19	258.93	780.20
b. Services	(4.57)	8.56	(5.77)	24.42	3.45
	313.03	129.34	612.42	283.35	783.65
Less: Interest (Net)	103.66	123.29	219.85	247.06	474.16
Add / (Less) : Other Unallocable Income/(Expenditure)&Exceptional items [Net]	111.17	(21.90)	(33.96)	308.54	794.72
Profit Before Taxation	<b>320.54</b>	<b>(15.85)</b>	<b>358.61</b>	<b>344.83</b>	<b>1,104.21</b>
3. Details of Capital Employed					
a. Products & Product related					
Segment Assets	11,851.45	17,016.59	11,851.45	17,016.59	11,551.37
Segment Liabilities	1,859.52	1,351.55	1,859.52	1,351.55	2,019.23
b. Services					
Segment Assets	325.55	384.59	325.55	384.59	346.61
Segment Liabilities	41.60	43.97	41.60	43.97	46.71

**STATEMENT OF ASSETS AND LIABILITIES**

Particulars	As at 30th September		As at March 31
	2010	2009	2010
	Unaudited	Unaudited	Audited
<b>SHAREHOLDERS FUND:</b>	<b>3,430.42</b>	<b>4,919.90</b>	<b>2,875.41</b>
(a) Capital	651.82	348.47	579.83
(b) Employee Stock Option Outstanding	60.27	56.27	57.12
(c) Reserves and Surplus	2,718.33	4,515.16	2,238.46
<b>LOAN FUNDS</b>	<b>5,933.40</b>	<b>10,506.76</b>	<b>6,341.55</b>
<b>DEFERRED TAX LIABILITY</b>	<b>0.93</b>	<b>1.27</b>	<b>1.00</b>
<b>TOTAL</b>	<b>9,364.75</b>	<b>15,427.93</b>	<b>9,217.96</b>
<b>FIXED ASSETS</b>	<b>164.19</b>	<b>254.16</b>	<b>195.75</b>
<b>GOODWILL</b>	<b>10,366.36</b>	<b>15,366.36</b>	<b>10,366.36</b>
<b>DEFERRED TAX ASSET</b>	<b>12.21</b>	<b>31.71</b>	<b>12.18</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	<b>1,855.44</b>	<b>2,049.74</b>	<b>1,528.62</b>
(a) Sundry Debtors	569.39	181.50	479.21
(b) Cash and Bank balances	51.06	166.90	72.39
(c) Other current assets	697.50	639.42	438.07
(d) Loans and Advances	537.49	1,061.92	538.95
<b>Less: Current Liabilities and Provisions</b>	<b>3,033.45</b>	<b>3,110.87</b>	<b>3,030.36</b>
(a) Liabilities	1,288.80	1,245.71	1,334.49
(b) Provisions	1,744.65	1,865.16	1,695.87
<b>MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)</b>	<b>-</b>	<b>7.74</b>	<b>-</b>
<b>PROFIT AND LOSS ACCOUNT</b>	<b>-</b>	<b>829.09</b>	<b>145.41</b>
<b>TOTAL</b>	<b>9,364.75</b>	<b>15,427.93</b>	<b>9,217.96</b>

**Notes :**

- The above results were taken on record and approved by the Board of Directors in their meeting held on 29th October 2010. These results have been subjected to limited review by the statutory auditors.
- The corresponding previous quarter figures have been re-grouped and/or re-arranged to conform with the current quarter.
- Exceptional items comprise exchange differences arising on (a) restatement of Foreign Currency Convertible Bonds and (b) restatement/settlement of intra group foreign currency loans and advances.
- During the quarter ended September 30, 2010, the Company has granted 58,200 options under its ESOP 2005 scheme.
- Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2010 :  
Opening Balance - Nil, Received - 1, Attended - 1, Closing Balance - Nil
- During the quarter ended September 30, 2010, the Company has allotted 7,197,607 equity shares pursuant to conversion of FCCBs aggregating to US\$ 12 Million.
- Summary of Key Standalone Financial results is as follows - *(Rs. In Millions)*

Particulars	Quarter Ended		Half Year Ended		For the year Ended
	30th September		30th September		31st March
	2010	2009	2010	2009	2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover	734.08	815.40	1,612.89	1,584.27	3,201.44
Profit Before Tax	254.18	89.19	401.21	615.64	1,380.80
Profit After Tax	252.19	77.19	399.22	603.64	1,368.61

8. During the quarter ending March 31, 2010, the shareholders of the Company had approved a proposal for creation of a Reserve for Business Restructure and utilisation of the same for certain permitted utilisations with effect from April 1, 2009. The Proposal was approved by the Hon'ble High court of Karnataka and was given effect to during the quarter and year ended March 31, 2010. The results for the six months ended September 30, 2009 are as previously published by the Company and do not include the adjustments relating to the Proposal.

9. Pursuant to the Proposal approved by the High court referred to in Note 8 above, during the quarter and year ended March 31, 2010, the Company transferred an amount of Rs. 6700 million from the Securities Premium and Capital Reserve to a Business Restructuring Reserve, which was used to record certain permitted utilisations (including impairments etc) aggregating to Rs. 6499.79 million.

10. 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 listed and are also being posted on the Company's website [www.subexworld.com](http://www.subexworld.com).

*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, 2010

**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](http://www.subexworld.com)*

<b>SUBEX LTD</b> Registered office: Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037 <b>Unaudited Financial Results for the quarter ended September 30, 2010 - STANDALONE</b>					
	<i>(Rs. In Millions)</i>				
	<b>STANDALONE</b>				
	<b>Quarter ended 30th September</b>		<b>Half Year Ended 30th September</b>		<b>For the year Ended 31st March</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
Sales - Product & Product related	734.08	815.40	1,612.89	1,584.27	3,201.44
Other Operating Income	42.90	45.08	96.82	87.54	38.07
<b>Income from Operations</b>	<b>776.98</b>	<b>860.48</b>	<b>1,709.71</b>	<b>1,671.81</b>	<b>3,239.51</b>
Expenditure					
- Cost of Hardware, Software & Services	3.13	9.39	8.94	20.48	22.29
- Personnel Cost	187.84	187.40	375.32	379.82	658.48
- Marketing and Allied Service Charges	255.97	321.12	503.64	578.47	1,201.39
- Other Expenditure	91.35	102.22	172.33	190.68	358.16
<b>- Total</b>	<b>538.29</b>	<b>620.13</b>	<b>1,060.23</b>	<b>1,169.45</b>	<b>2,240.32</b>
<b>Profit / (Loss) before Interest, Taxes, Depreciation &amp; amortisation and Exceptional items</b>	<b>238.69</b>	<b>240.35</b>	<b>649.48</b>	<b>502.36</b>	<b>999.19</b>
- Depreciation and amortisation	14.37	29.36	28.34	58.58	88.15
<b>Profit / (Loss) from Operations before Other Income, Interest, Taxes and Exceptional items</b>	<b>224.32</b>	<b>210.99</b>	<b>621.14</b>	<b>443.78</b>	<b>911.04</b>
- Interest (Net)	90.94	109.03	194.58	220.72	421.90
<b>Profit / (Loss) after Interest before Exceptional items &amp; Tax</b>	<b>133.38</b>	<b>101.96</b>	<b>426.56</b>	<b>223.06</b>	<b>489.14</b>
Exceptional Items - Net Gain/(Loss)	120.80	(12.77)	(25.35)	392.58	891.66
<b>Profit / (Loss) Before Tax</b>	<b>254.18</b>	<b>89.19</b>	<b>401.21</b>	<b>615.64</b>	<b>1,380.80</b>
Taxes	1.99	12.00	1.99	12.00	12.19
<b>Net Profit / (Loss) for the period</b>	<b>252.19</b>	<b>77.19</b>	<b>399.22</b>	<b>603.64</b>	<b>1,368.61</b>

Paid up Share Capital - Equity (Face value of Rs.10/-)	651.82	348.47	651.82	348.47	579.83
Earnings/(Loss) per share - Basic (Rs. Per share)	4.04	2.22	6.63	17.32	35.30
Earnings/(Loss) per share - Diluted (Rs. Per share)	1.37	2.22	4.62	4.92	8.44
Aggregate of Public shareholding:*					
Number of shares	47,888,210	21,527,157	47,888,210	21,527,157	40,674,038
Percentage of holding (to total shareholding)	73.47%	61.78%	73.47%	61.78%	70.15%
<b>Promoters and promoter group</b>					
Shareholding					
a) Pledged/Encumbered					
- Number of shares	6,601,801	2,508,361	6,601,801	2,508,361	4,101,801
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	81.49%	61.15%	81.49%	61.15%	50.63%
- Percentage of shares (as a % of the total share capital of the company)	10.13%	7.20%	10.13%	7.20%	7.07%
b) Non-encumbered					
- Number of Shares	1,500,000	1,593,440	1,500,000	1,593,440	4,000,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	18.51%	38.85%	18.51%	38.85%	49.37%
- Percentage of shares (as a % of the total share capital of the company)	2.30%	4.57%	2.30%	4.57%	6.90%
<i>* Total public shareholding as defined under clause 40.A of the listing agreement (excludes shares held by founders and GDR holders)</i>					

<b>STATEMENT OF ASSETS AND LIABILITIES</b>			
Particulars	As at 30th September		As at March 31
	2010	2009	2010
	Unaudited	Unaudited	Audited
<b>SHAREHOLDERS FUND:</b>	<b>4,324.74</b>	<b>5,211.14</b>	<b>3,568.98</b>
(a) Capital	651.82	348.47	579.83
(b) Employee Stock Option Outstanding	60.26	56.27	57.12
(c) Reserves and Surplus	3,612.66	4,806.40	2,932.03
<b>LOAN FUNDS</b>	<b>5,769.46</b>	<b>10,096.87</b>	<b>6,184.04</b>
<b>DEFERRED TAX LIABILITY</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>10,094.20</b>	<b>15,308.01</b>	<b>9,753.02</b>
<b>FIXED ASSETS</b>	<b>82.62</b>	<b>120.71</b>	<b>97.53</b>
<b>INVESTMENTS</b>	<b>9,263.44</b>	<b>14,263.44</b>	<b>9,263.44</b>
<b>DEFERRED TAX ASSET</b>	<b>12.18</b>	<b>12.18</b>	<b>12.18</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	<b>2,772.11</b>	<b>2,857.16</b>	<b>2,357.44</b>
(a) Sundry Debtors	1,542.50	1,597.62	1,252.06
(b) Cash and Bank balances	17.35	38.80	29.49
(c) Other current assets	124.15	204.71	156.42
(d) Loans and Advances	1,088.11	1,016.03	919.47
<b>Less: Current Liabilities and Provisions</b>	<b>2,036.15</b>	<b>2,222.21</b>	<b>1,977.57</b>
(a) Liabilities	422.40	498.52	418.42
(b) Provisions	1,613.75	1,723.69	1,559.15
<b>PROFIT AND LOSS ACCOUNT</b>	<b>-</b>	<b>276.73</b>	<b>-</b>
<b>TOTAL</b>	<b>10,094.20</b>	<b>15,308.01</b>	<b>9,753.02</b>
Notes :			
<p>1. The above results were taken on record and approved by the Board of Directors in their meeting held on 29th October 2010. These results have been subjected to limited review by the statutory auditors.</p> <p>2. Segment results have not been disclosed in the Standalone results since the Company operates in only one Segment viz Products and Products related business.</p> <p>3. Exceptional items comprise exchange differences arising on (a) restatement of Foreign Currency Convertible Bonds and (b) restatement/settlement of intra group foreign currency loans and advances.</p> <p>4. During the quarter ended September 30, 2010, the Company has granted 58,200 options under its ESOP 2005 scheme.</p> <p>5. Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2010 : Opening Balance - Nil, Received - 1, Attended - 1, Closing Balance - Nil</p> <p>6. The corresponding previous quarter figures have been re-grouped and/or re-arranged to conform with the current quarter.</p> <p>7. During the quarter ended September 30, 2010, the Company has allotted 7,197,607 equity shares pursuant to conversion of FCCBs aggregating to US\$ 12 Million.</p> <p>8. During the quarter ending March 31, 2010, the shareholders of the Company had approved a proposal for creation of a Reserve for Business Restructure and utilisation of the same for certain permitted utilisations with effect from April 1, 2009. The Proposal was approved by the Hon'ble High court of Karnataka and was given effect to during the quarter and year ended March 31, 2010. The results for the six months ended September 30, 2009 are as previously published by the Company and do not include the adjustments relating to the Proposal.</p> <p>9. Pursuant to the Proposal approved by the High court referred to in Note 8 above, during the quarter and year ended March 31, 2010, the Company transferred an amount of Rs. 6700 million from the Securities Premium and Capital Reserve to a Business Restructuring Reserve, which was used to record certain permitted utilisations (including impairments etc) aggregating to Rs. 6499.79 million.</p>			
<p><i>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.</i></p>			
Bangalore 29th October, 2010			<p><b>By Order of the Board</b></p> <p><b>Subash Menon</b> Founder Chairman, Managing Director &amp; CEO</p>
<p><i>For further details on the results, please visit our website: <a href="http://www.subexworld.com">www.subexworld.com</a></i></p>			