

<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, 2011 - CONSOLIDATED</b>					
(Rs. In Millions except per share data)					
	<b>CONSOLIDATED</b>				
	Quarter Ended 30th September		Half Year Ended 30th September		For the year Ended 31st March
	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales - Product & Product related	1,170.30	1,067.18	2,159.29	2,081.55	4,181.18
- Services	111.28	167.88	225.04	340.99	646.32
<b>Net Sales</b>	<b>1,281.58</b>	<b>1,235.06</b>	<b>2,384.33</b>	<b>2,422.54</b>	<b>4,827.50</b>
Other Operating Income (Refer Note 3)	7.35	12.55	74.11	51.31	98.42
<b>Income from Operations</b>	<b>1,288.93</b>	<b>1,247.61</b>	<b>2,458.44</b>	<b>2,473.85</b>	<b>4,925.92</b>
Expenditure					
- Cost of Hardware, Software & Services	29.74	19.05	45.89	39.74	79.66
- Personnel Cost	688.39	674.11	1,347.45	1,356.16	2,615.24
- Other Expenditure	198.07	213.91	420.42	411.60	819.85
<b>- Total</b>	<b>916.20</b>	<b>907.07</b>	<b>1,813.76</b>	<b>1,807.50</b>	<b>3,514.75</b>
<b>Profit / (Loss) before Interest, Taxes, Depreciation &amp; amortisation and Exceptional items</b>	<b>372.73</b>	<b>340.54</b>	<b>644.68</b>	<b>666.35</b>	<b>1,411.17</b>
- Depreciation and amortisation	20.92	27.51	41.88	53.93	104.50
<b>Profit / (Loss) from Operations before Other Income, Interest, Taxes and Exceptional items</b>	<b>351.81</b>	<b>313.03</b>	<b>602.80</b>	<b>612.42</b>	<b>1,306.67</b>
- Interest (Net)	106.59	103.66	209.73	219.85	424.21
<b>Profit / (Loss) after Interest before Exceptional items &amp; Tax</b>	<b>245.22</b>	<b>209.37</b>	<b>393.07</b>	<b>392.57</b>	<b>882.46</b>
Exceptional Items (Net)	(378.20)	111.17	(387.53)	(33.96)	(50.48)
<b>Profit / (Loss) Before Tax</b>	<b>(132.98)</b>	<b>320.54</b>	<b>5.54</b>	<b>358.61</b>	<b>831.98</b>
Taxes	(3.45)	13.34	2.80	26.19	44.19
<b>Net Profit / (Loss) for the Period/Year</b>	<b>(129.53)</b>	<b>307.20</b>	<b>2.74</b>	<b>332.42</b>	<b>787.79</b>
Paid up Share Capital	693.11	651.82	693.11	651.82	693.10
- Equity (Face value of Rs.10/-)					
Earnings per share - Basic - (Rs. Per share)	(1.87)	4.92	0.04	5.52	12.47
Earnings per share - Diluted - (Rs. Per share)	(1.87)	1.92	0.04	3.94	8.62
Aggregate of Public shareholding* Number of shares	52,074,405	47,888,210	52,074,405	47,888,210	52,016,189
Percentage of holding (to total shareholding)	75.13%	73.47%	75.13%	73.47%	75.05%
<b>Promoters and promoter group</b>					
Shareholding					
a) Pledged/Encumbered					
- Number of shares	6,601,801	6,601,801	6,601,801	6,601,801	6,601,801
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	81.49%	81.49%	81.49%	81.49%	81.49%
- Percentage of shares (as a % of the total share capital of the company)	9.52%	10.13%	9.52%	10.13%	9.53%
b) Non-encumbered					
- Number of Shares	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	18.51%	18.51%	18.51%	18.51%	18.51%
- Percentage of shares (as a % of the total share capital of the company)	2.16%	2.30%	2.16%	2.30%	2.16%

\* 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
	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segmental Revenue:					
a. Products & Product related	1,170.30	1,067.18	2,159.29	2,081.55	4,181.18
b. Services	111.28	167.88	225.04	340.99	646.32
	<b>1,281.58</b>	<b>1,235.06</b>	<b>2,384.33</b>	<b>2,422.54</b>	<b>4,827.50</b>
2. Segmental Profit/(Loss) before tax, interest & exceptional Items					
a. Products & Product related	360.91	317.60	626.12	618.19	1,296.29
b. Services	(9.10)	(4.57)	(23.32)	(5.77)	10.38
	351.81	313.03	602.80	612.42	1,306.67
Less: Interest (Net)	106.59	103.66	209.73	219.85	424.21
Add / (Less) : Other Unallocable Income/(Expenditure)&Exceptional items [Net]	(378.20)	111.17	(387.53)	(33.96)	(50.48)
Profit Before Taxation	<b>(132.98)</b>	<b>320.54</b>	<b>5.54</b>	<b>358.61</b>	<b>831.98</b>
3. Details of Capital Employed					
a. Products & Product related					
Segment Assets	10,329.15	11,851.45	10,329.15	11,851.45	10,353.30
Segment Liabilities	1,578.43	1,859.52	1,578.43	1,859.52	1,779.80
b. Services					
Segment Assets	130.32	325.55	130.32	325.55	155.51
Segment Liabilities	23.64	41.60	23.64	41.60	36.22

**STATEMENT OF ASSETS AND LIABILITIES**

Particulars	As at 30th September		As at 31st March
	2011	2010	2011
	Unaudited	Unaudited	Audited
<b>SHAREHOLDERS FUND:</b>	<b>1,496.19</b>	<b>3,430.42</b>	<b>2,094.20</b>
(a) Capital	693.11	651.82	693.10
(b) Employee Stock Option Outstanding	61.42	60.27	63.17
(c) Reserves and Surplus	741.66	2,718.33	1,337.93
<b>LOAN FUNDS</b>	<b>5,842.87</b>	<b>5,933.40</b>	<b>5,457.12</b>
<b>DEFERRED TAX LIABILITY</b>	<b>-</b>	<b>0.93</b>	<b>0.89</b>
<b>TOTAL</b>	<b>7,339.06</b>	<b>9,364.75</b>	<b>7,552.21</b>
<b>FIXED ASSETS</b>	<b>98.54</b>	<b>164.19</b>	<b>130.38</b>
<b>GOODWILL</b>	<b>8,656.89</b>	<b>10,366.36</b>	<b>8,656.89</b>
<b>DEFERRED TAX ASSET</b>	<b>12.86</b>	<b>12.21</b>	<b>12.18</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	<b>1,955.03</b>	<b>1,855.44</b>	<b>1,941.24</b>
(a) Sundry Debtors	503.25	569.39	605.42
(b) Cash and Bank balances	59.11	51.06	41.07
(c) Other current assets	837.56	697.50	817.16
(d) Loans and Advances	555.11	537.49	477.59
<b>Less: Current Liabilities and Provisions</b>	<b>3,384.26</b>	<b>3,033.45</b>	<b>3,188.48</b>
(a) Liabilities	1,295.93	1,288.80	1,344.58
(b) Provisions	2,088.33	1,744.65	1,843.90
<b>MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROFIT AND LOSS ACCOUNT</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>7,339.06</b>	<b>9,364.75</b>	<b>7,552.21</b>

**Notes :**

- The above results were taken on record and approved by the Board of Directors in their meeting held on 31st October 2011.
- The corresponding previous quarter/period figures have been re-grouped and/or re-arranged to conform with the current quarter/period.
- Other Operating Income includes USD 0.7 Million (Rs. 32.79 Million), accrued and received during the previous quarter towards settlement of claims from an insurance company relating to matters under litigation with a customer.
- Exceptional items comprise (a) Exchange differences arising on restatement of Foreign Currency Convertible Bonds (b) Exchange differences arising on restatement/settlement of intra group foreign currency loans and advances (c) Gain on Sale of Assets pertaining to Activation business during the quarter net of resultant ancillary costs (Refer Note 11 below) and (d) Managerial Remuneration of earlier years charged off during the year ended March 31, 2011 on approval from the Central Government.
- During the Quarter ended September 30, 2011, the company has granted 162,500 options under its ESOP 2005 scheme.
- Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the Quarter ended September 30, 2011 :  
Opening Balance - Nil, Received - 1, Attended - 1, Closing Balance - Nil
- Summary of Key Standalone Financial results is as follows -

Particulars	Quarter Ended		Half Year Ended		Year Ended
	30th September		30th September		31st March
	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover	785.43	734.08	1,550.21	1,612.89	3,135.53
Profit Before Tax	(295.36)	254.18	(235.14)	401.21	725.71
Profit After Tax	(295.36)	252.19	(246.14)	399.22	715.09

8. The Company has outstanding foreign currency convertible bonds (FCCBs) face value of USD 93.8 Million (Rs. 4,593.86 Million) that are redeemable in March 2012 along with premium, if not converted earlier. The Company is pursuing various options not limiting to fund raising in the form of debt or equity, or a mix of both, and negotiations with the current lenders, to meet any potential FCCB debt obligations that arise in March 2012. The Company firmly believes that, with a combination of its internal cash accruals in the current financial year and on achieving successful closure on these options in the coming months, it would be able to meet all repayment obligations.

9. As permitted under the Proposal approved by the Hon'ble High court of Karnataka, the company during the year ended March 31, 2011, transferred certain amounts standing to the credit of Securities Premium and Capital Reserve to the Business Restructuring Reserve and utilised the same for permitted utilisations to the extent of Rs. 1,830.37 Million. Had the Proposal not provided for the above accounting treatment :  
- Other Expenditure and the loss under Exceptional Items for the year ended March 31, 2011 would have been higher by Rs. 100 Million and Rs 1,730.37 Million respectively;  
- Net Profit for the year ended March 31, 2011 would have been lower by Rs. 1,830.37 Million; and  
- Basic and Diluted (Loss) per share for the year ended March 31, 2011 would have been Rs. (16.50).

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).

11. During the Quarter, the company had entered into an Asset purchase agreement for sale of assets and liabilities pertaining to its Activation business, which resulted in a net profit of USD 0.12 Million (Rs. 5.62 Million) after considering resultant ancillary costs. In the half year ended September 30, 2011, the revenue from this business was not significant and had negative margins from its operations.

*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.*

By Order of the Board

Bangalore  
31st October, 2011

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, 2011 - STANDALONE</b>					
(Rs. In Millions except per share data)					
	<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>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
Sales - Product & Product related	785.43	734.08	1,550.21	1,612.89	3,135.53
Other Operating Income	-	42.90	26.10	96.82	125.63
<b>Income from Operations</b>	<b>785.43</b>	<b>776.98</b>	<b>1,576.31</b>	<b>1,709.71</b>	<b>3,261.16</b>
Expenditure					
- Cost of Hardware, Software & Services	17.10	3.13	71.36	8.94	14.72
- Personnel Cost	217.05	187.84	437.25	375.32	764.89
- Marketing and Allied Service Charges	268.44	255.97	522.37	503.64	959.83
- Other Expenditure	87.48	91.35	180.08	172.33	333.69
<b>- Total</b>	<b>590.07</b>	<b>538.29</b>	<b>1,211.06</b>	<b>1,060.23</b>	<b>2,073.13</b>
<b>Profit / (Loss) before Interest, Taxes, Depreciation &amp; amortisation and Exceptional items</b>	<b>195.36</b>	<b>238.69</b>	<b>365.25</b>	<b>649.48</b>	<b>1,188.03</b>
- Depreciation and amortisation	9.21	14.37	18.73	28.34	55.50
<b>Profit / (Loss) from Operations before Other Income, Interest, Taxes and Exceptional items</b>	<b>186.15</b>	<b>224.32</b>	<b>346.52</b>	<b>621.14</b>	<b>1,132.53</b>
- Interest (Net)	94.56	90.94	185.93	194.58	379.74
<b>Profit / (Loss) after Interest before Exceptional items &amp; Tax</b>	<b>91.59</b>	<b>133.38</b>	<b>160.59</b>	<b>426.56</b>	<b>752.79</b>
Exceptional Items (Net)	(386.95)	120.80	(395.73)	(25.35)	(27.08)
<b>Profit / (Loss) Before Tax</b>	<b>(295.36)</b>	<b>254.18</b>	<b>(235.14)</b>	<b>401.21</b>	<b>725.71</b>
Taxes	-	1.99	11.00	1.99	10.62
<b>Net Profit / (Loss) for the Period/Year</b>	<b>(295.36)</b>	<b>252.19</b>	<b>(246.14)</b>	<b>399.22</b>	<b>715.09</b>
Paid up Share Capital	693.11	651.82	693.11	651.82	693.10
- Equity (Face value of Rs.10/-)					
Earnings per share - Basic (Rs. Per share)	(4.26)	4.04	(3.55)	6.63	11.32
Earnings per share - Diluted (Rs. Per share)	(4.26)	1.37	(3.55)	4.62	7.88
Aggregate of Public shareholding:*					
Number of shares	52,074,405	47,888,210	52,074,405	47,888,210	52,016,189
Percentage of holding (to total shareholding)	75.13%	73.47%	75.13%	73.47%	75.05%
<b>Promoters and promoter group</b>					
Shareholding					
a) Pledged/Encumbered					
- Number of shares	6,601,801	6,601,801	6,601,801	6,601,801	6,601,801
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	81.49%	81.49%	81.49%	81.49%	81.49%
- Percentage of shares (as a % of the total share capital of the company)	9.52%	10.13%	9.52%	10.13%	9.53%
b) Non-encumbered					
- Number of Shares	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	18.51%	18.51%	18.51%	18.51%	18.51%
- Percentage of shares (as a % of the total share capital of the company)	2.16%	2.30%	2.16%	2.30%	2.16%
* Total public shareholding as defined under clause 40.A of the listing agreement (excludes shares held by founders and GDR holders)					

STATEMENT OF ASSETS AND LIABILITIES			
Particulars	As at 30th September		As at 31st March
	2011	2010	2011
	Unaudited	Unaudited	Audited
<b>SHAREHOLDERS FUND:</b>	<b>2,442.89</b>	<b>4,324.74</b>	<b>3,117.50</b>
(a) Capital	693.11	651.82	693.10
(b) Employee Stock Option Outstanding	61.42	60.26	63.17
(c) Reserves and Surplus	1,688.36	3,612.66	2,361.23
<b>LOAN FUNDS</b>	<b>5,515.93</b>	<b>5,769.46</b>	<b>5,295.09</b>
<b>TOTAL</b>	<b>7,958.82</b>	<b>10,094.20</b>	<b>8,412.59</b>
<b>FIXED ASSETS</b>	<b>57.37</b>	<b>82.62</b>	<b>63.73</b>
<b>INVESTMENTS</b>	<b>7,723.44</b>	<b>9,263.44</b>	<b>7,723.44</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>2,502.18</b>	<b>2,772.11</b>	<b>2,553.48</b>
(a) Sundry Debtors	1,847.37	1,542.50	1,615.59
(b) Cash and Bank balances	10.55	17.35	8.68
(c) Other current assets	162.58	124.15	203.73
(d) Loans and Advances	481.68	1,088.11	725.48
<b>Less: Current Liabilities and Provisions</b>	<b>2,336.35</b>	<b>2,036.15</b>	<b>1,940.24</b>
(a) Liabilities	667.02	422.40	516.34
(b) Provisions	1,669.33	1,613.75	1,423.90
<b>PROFIT AND LOSS ACCOUNT</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>7,958.82</b>	<b>10,094.20</b>	<b>8,412.59</b>
<b>Notes :</b>			
<p>1. The above results were taken on record and approved by the Board of Directors in their meeting held on 31st October 2011.</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 (b) restatement/settlement of intra group foreign currency loans and advances and (c) Managerial Remuneration of earlier years charged off during the year ended March 31, 2011 on approval from the Central Government.</p> <p>4. During the Quarter ended September 30, 2011, the company has granted 162,500 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, 2011 : Opening Balance - Nil, Received - 1, Attended - 1, Closing Balance - Nil</p> <p>6. The corresponding previous quarter/period figures have been re-grouped and/or re-arranged to conform with the current quarter/period.</p> <p>7. The Company has outstanding foreign currency convertible bonds (FCCBs) face value of USD 93.8 Million (Rs. 4,593.86 Million) that are redeemable in March 2012 along with premium, if not converted earlier. The Company is pursuing various options not limiting to fund raising in the form of debt or equity, or a mix of both, and negotiations with the current lenders, to meet any potential FCCB debt obligations that arise in March 2012. The Company firmly believes that, with a combination of its internal cash accruals in the current financial year and on achieving successful closure on these options in the coming months, it would be able to meet all repayment obligations.</p> <p>8. As permitted under the Proposal approved by the Hon'ble High court of Karnataka, the company during the year ended March 31, 2011, transferred certain amounts standing to the credit of Securities Premium and Capital Reserve to the Business Restructuring Reserve and utilised the same for permitted utilisations to the extent of Rs. 1,550.37 Million (Net). Had the Proposal not provided for the above accounting treatment : - Other Expenditure and the loss under Exceptional Items for the year ended March 31, 2011 would have been higher by Rs. 100 Million and Rs 1,450.37 Million respectively; - Net Profit for the year ended March 31, 2011 would have been lower by Rs. 1,550.37 Million; and - Basic and Diluted (Loss) per share for the year ended March 31, 2011 would have been Rs. (13.22).</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>			
<p>Bangalore 31st October, 2011</p>			<p><b>By Order of the Board</b>  Subash Menon 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>			