

SUBEX LTD Registered office: Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037 Unaudited Financial Results for the quarter ended December 31, 2011 - CONSOLIDATED						
(Rs. In Lakhs except per share data)						
	CONSOLIDATED					
	Quarter Ended 31st December	Quarter ended 30th September	Quarter Ended 31st December	Nine Months ended 31st December		For the year Ended 31st March
	2011	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales - Product & Product related						
- Services	11,728	11,703	10,759	33,321	31,575	41,812
Net Sales	13,142	12,816	12,318	36,985	36,544	48,275
Other Operating Income	145	74	359	886	872	984
Income from Operations	13,287	12,890	12,677	37,871	37,416	49,259
Expenditure						
- Cost of Hardware, Software & Services	167	297	161	626	558	797
- Personnel Cost	6,420	6,884	6,537	19,895	20,099	26,152
- Other Expenditure	2,261	1,981	2,114	6,465	6,230	8,199
- Total	8,848	9,162	8,812	26,986	26,887	35,148
Profit / (Loss) before Interest, Taxes, Depreciation & amortisation and Exceptional items	4,439	3,728	3,865	10,885	10,529	14,111
- Depreciation and amortisation	190	209	266	609	805	1,045
Profit / (Loss) from Operations before Other Income, Interest, Taxes and Exceptional items	4,249	3,519	3,599	10,276	9,724	13,066
- Interest (Net)	1,104	1,066	1,069	3,201	3,268	4,242
Profit / (Loss) after Interest before Exceptional items & Tax	3,145	2,453	2,530	7,075	6,456	8,824
Exceptional Items (Net)	(1,217)	(3,782)	(252)	(5,091)	(592)	(505)
Profit / (Loss) Before Tax	1,928	(1,329)	2,278	1,984	5,864	8,319
Taxes	291	(35)	127	319	389	442
Net Profit / (Loss) for the Period/Year (Refer Note 9 below)	1,637	(1,294)	2,151	1,665	5,475	7,877
Paid up Share Capital	6,931	6,931	6,518	6,931	6,518	6,931
- Equity (Face value of Rs.10/-)						
Earnings per share - Basic - (Rs. Per share)	2.36	(1.87)	3.30	2.40	8.85	12.47
Earnings per share - Diluted - (Rs. Per share)	2.33	(1.87)	2.15	2.37	6.14	8.62
Aggregate of Public shareholding:*						
Number of shares	54,200,225	52,074,405	47,888,210	54,200,225	47,888,210	52,016,189
Percentage of holding (to total shareholding)	78.20%	75.13%	73.47%	78.20%	73.47%	75.05%
Promoters and promoter group						
Shareholding						
a) Pledged/Encumbered						
- Number of shares	7,601,801	6,601,801	6,601,801	7,601,801	6,601,801	6,601,801
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	93.83%	81.49%	81.49%	93.83%	81.49%	81.49%
- Percentage of shares (as a % of the total share capital of the company)	10.97%	9.52%	10.13%	10.97%	10.13%	9.53%
b) Non-encumbered						
- Number of Shares	500,000	1,500,000	1,500,000	500,000	1,500,000	1,500,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	6.17%	18.51%	18.51%	6.17%	18.51%	18.51%
- Percentage of shares (as a % of the total share capital of the company)	0.72%	2.16%	2.30%	0.72%	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 31st December	Quarter Ended 30th September	Quarter Ended 31st December	Nine Months Ended 31st December		For the year Ended 31st March
	2011	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segmental Revenue:						
a. Products & Product related	11,728	11,703	10,759	33,321	31,575	41,812
b. Services	1,414	1,113	1,559	3,664	4,969	6,463
	13,142	12,816	12,318	36,985	36,544	48,275
2. Segmental Profit/(Loss) before tax, interest & exceptional Items						
a. Products & Product related	4,210	3,610	3,518	10,470	9,700	12,962
b. Services	39	(91)	81	(194)	24	104
	4,249	3,519	3,599	10,276	9,724	13,066
Less: Interest (Net)	1,104	1,066	1,069	3,201	3,268	4,242
Add / (Less) : Other Unallocable Income/(Expenditure) & Exceptional items [Net]	(1,217)	(3,782)	(252)	(5,091)	(592)	(505)
Profit Before Taxation	1,928	(1,329)	2,278	1,984	5,864	8,319
3. Details of Capital Employed						
a. Products & Product related						
Segment Assets	107,879	103,292	118,491	107,879	118,491	103,533
Segment Liabilities	17,399	15,784	18,827	17,399	18,827	17,798
b. Services						
Segment Assets	1,317	1,303	3,125	1,317	3,125	1,555
Segment Liabilities	199	236	377	199	377	362

Notes :

- The above results were taken on record and approved by the Board of Directors in their meeting held on 31st January 2012. These results have been subjected to limited review by the statutory auditors.
- The corresponding previous quarter/period figures have been re-grouped and/or re-arranged to conform with the current quarter/period.
- Exceptional items comprise -

Particulars	Quarter Ended 31st December	Quarter Ended 30th September	Quarter Ended 31st December	Nine Months Ended 31st December		Year Ended 31st March
	2011	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Exchange (Loss)/Gain arising on restatement of Foreign Currency Convertible Bonds and restatement/settlement of intra group foreign currency loans and advances (Refer Note 9 below)	(1,025)	(3,838)	81	(4,955)	(259)	(172)
Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees during the current quarter	404	-	-	404	-	-
Managerial Remuneration of earlier years charged off during the year ended March 31, 2011 on approval from the Central Government	-	-	(333)	-	(333)	(333)
Gain on Sale of Assets pertaining to Activation business during the quarter ended September 30, 2011 net of Redundancy costs	-	56	-	56	-	-
Redundancy costs	(596)	-	-	(596)	-	-
TOTAL	(1,217)	(3,782)	(252)	(5,091)	(592)	(505)

4. During the Quarter ended December 31, 2011, the company has granted 1,242,841 options under its ESOP 2005 scheme and 1,019,583 options under its ESOP 2008 scheme.

5. Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the Quarter ended December 31, 2011 :

Opening Balance - Nil, Received - 10, Attended - 10, Closing Balance - Nil

6. Summary of Key Standalone Financial results is as follows -

Particulars	Quarter Ended 31st December	Quarter Ended 30th September	Quarter Ended 31st December	Nine Months Ended 31st December		Year Ended 31st March
	2011	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover	9,267	7,854	7,424	24,769	23,553	31,355
Profit Before Tax	1,597	(2,955)	1,118	(755)	5,132	7,257
Profit After Tax	1,597	(2,955)	1,033	(865)	5,027	7,151

7. The Company has outstanding foreign currency convertible bonds (FCCBs) having face value of USD 938 Lakhs which if not converted earlier, are redeemable on 9th March 2012 along with premium of USD 376 Lakhs and the related costs that are determinable on redemption. The Company is pursuing various options to meet FCCB debt obligations that arise in March 2012.

The premium payable on the redemption along with related costs of redemption if any, would be accrued against the amounts available in the Securities premium account/Business Restructuring Reserve, and the balance costs, if any, would be accrued in the Profit & Loss account.

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. 18,304 Lakhs. 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. 1,000 Lakhs and Rs 17,304 Lakhs respectively;

- Net Profit for the year ended March 31, 2011 would have been lower by Rs. 18,304 Lakhs; and

- Basic and Diluted (Loss) per share for the year ended March 31, 2011 would have been Rs. (16.50).

9. Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate affairs, the Company has opted to adopt the transitional provisions under the Accounting Standard 11 'The Effects of Changes in Foreign Exchange rates' with effect from April 1, 2011. Accordingly, exchange differences arising on restatement of all long term monetary foreign currency assets and liabilities at rates different from those at which they were initially recorded or reported in previous financial statements (whichever is later) are accumulated in the Foreign Currency Monetary Item Translation Difference Account and are amortised over the balance period of such long term asset / liability. Consequent to the above, exchange fluctuation losses (net) arising on restatements of such items have been deferred to the extent of Rs.2,724 Lakhs at December 31, 2011.

The profits reported in the quarter ended June 30, 2011 would have been higher by Rs. 65 Lakhs and losses reported in quarter ended September 30, 2011 would have been lower by Rs. 2,471 Lakhs respectively, had the above policy were to have been followed for the said periods.

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.subex.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.

By Order of the Board

Bangalore
31st January, 2012

Subash Menon
Founder Chairman, Managing Director & CEO

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

SUBEX LTD

Registered office: Adarsh Tech Park, Outer Ring Road, Devarabasanahalli, Bangalore - 560 037
Unaudited Financial Results for the quarter ended December 31, 2011 - STANDALONE

(Rs. In Lakhs except per share data)

	STANDALONE					
	Quarter ended 31st December	Quarter ended 30th September	Quarter ended 31st December	Nine Months ended 31st December		For the year Ended 31st March
	2011	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales - Product & Product related	9,267	7,854	7,424	24,769	23,553	31,355
Other Operating Income	38	-	-	299	968	1,256
Income from Operations	9,305	7,854	7,424	25,068	24,521	32,611
Expenditure						
- Cost of Hardware, Software & Services	45	171	15	759	104	147
- Personnel Cost	1,802	2,171	1,863	6,175	5,616	7,649
- Marketing and Allied Service Charges	2,929	2,684	2,420	8,153	7,456	9,598
- Other Expenditure	1,037	875	775	2,838	2,498	3,337
- Total	5,813	5,901	5,073	17,925	15,674	20,731
Profit / (Loss) before Interest, Taxes, Depreciation & amortisation and Exceptional items	3,492	1,953	2,351	7,143	8,847	11,880
- Depreciation and amortisation	91	92	146	278	429	555
Profit / (Loss) from Operations before Other Income, Interest, Taxes and Exceptional items	3,401	1,861	2,205	6,865	8,418	11,325
- Interest (Net)	1,002	946	957	2,861	2,903	3,797
Profit / (Loss) after Interest before Exceptional items & Tax	2,399	915	1,248	4,004	5,515	7,528
Exceptional Items (Net)	(802)	(3,870)	(130)	(4,759)	(383)	(271)
Profit / (Loss) Before Tax	1,597	(2,955)	1,118	(755)	5,132	7,257
Taxes	-	-	85	110	105	106
Net Profit / (Loss) for the Period/Year (Refer Note 8 below)	1,597	(2,955)	1,033	(865)	5,027	7,151
Paid up Share Capital	6,931	6,931	6,518	6,931	6,518	6,931
- Equity (Face value of Rs.10/-)						
Earnings per share - Basic (Rs. Per share)	2.30	(4.26)	1.59	(1.25)	8.12	11.32
Earnings per share - Diluted (Rs. Per share)	2.27	(4.26)	1.04	(1.25)	5.68	7.88
Aggregate of Public shareholding:*						
Number of shares	54,200,225	52,074,405	47,888,210	54,200,225	47,888,210	52,016,189
Percentage of holding (to total shareholding)	78.20%	75.13%	73.47%	78.20%	73.47%	75.05%
Promoters and promoter group						
Shareholding						
a) Pledged/Encumbered						
- Number of shares	7,601,801	6,601,801	6,601,801	7,601,801	6,601,801	6,601,801
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	93.83%	81.49%	81.49%	93.83%	81.49%	81.49%
- Percentage of shares (as a % of the total share capital of the company)	10.97%	9.52%	10.13%	10.97%	10.13%	9.53%
b) Non-encumbered						
- Number of Shares	500,000	1,500,000	1,500,000	500,000	1,500,000	1,500,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	6.17%	18.51%	18.51%	6.17%	18.51%	18.51%
- Percentage of shares (as a % of the total share capital of the company)	0.72%	2.16%	2.30%	0.72%	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)						

Notes :

1. The above results were taken on record and approved by the Board of Directors in their meeting held on 31st January 2012. These results have been subjected to limited review by the statutory auditors.
2. The corresponding previous quarter/period figures have been re-grouped and/or re-arranged to conform with the current quarter/period.
3. Exceptional items comprise -

Particulars	Quarter Ended 31st December	Quarter Ended 30th September	Quarter Ended 31st December	Nine Months Ended 31st December		Year Ended 31st March
	2011	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Exchange (Loss)/Gain arising on restatement of Foreign Currency Convertible Bonds & restatement/settlement of intra group foreign currency loans and advances (Refer Note 8 below)	(1,017)	(3,870)	203	(4,974)	(50)	62
Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees during the current quarter	215	-	-	215	-	-
Managerial Remuneration of earlier years charged off during the year ended March 31, 2011 on approval from the Central Government	-	-	(333)	-	(333)	(333)
TOTAL	(802)	(3,870)	(130)	(4,759)	(383)	(271)

4. During the Quarter ended December 31, 2011, the company has granted 1,242,841 options under its ESOP 2005 scheme and 1,019,583 options under its ESOP 2008 scheme.
5. Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the Quarter ended December 31, 2011 :
Opening Balance - Nil, Received - 10, Attended - 10, Closing Balance - Nil
6. The Company has outstanding foreign currency convertible bonds (FCCBs) having face value of USD 938 Lakhs which if not converted earlier, are redeemable on 9th March 2012 along with premium of USD 376 Lakhs and the related costs that are determinable on redemption. The Company is pursuing various options to meet FCCB debt obligations that arise in March 2012.
- The premium payable on the redemption along with related costs of redemption if any, would be accrued against the amounts available in the Securities premium account/Business Restructuring Reserve, and the balance costs, if any, would be accrued in the Profit & Loss account.
7. 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. 15,504 Lakhs (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. 1,000 Lakhs and Rs 14,504 Lakhs respectively;
- Net Profit for the year ended March 31, 2011 would have been lower by Rs. 15,504 Lakhs; and
- Basic and Diluted (Loss) per share for the year ended March 31, 2011 would have been Rs. (13.22).
8. Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate affairs, the Company has opted to adopt the transitional provisions under the Accounting Standard 11 'The Effects of Changes in Foreign Exchange rates' with effect from April 1, 2011. Accordingly, exchange differences arising on restatement of all long term monetary foreign currency assets and liabilities at rates different from those at which they were initially recorded or reported in previous financial statements (whichever is later) are accumulated in the Foreign Currency Monetary Item Translation Difference Account and are amortised over the balance period of such long term asset / liability. Consequent to the above, exchange fluctuation losses (net) arising on restatements of such items have been deferred to the extent of Rs.2,724 Lakhs at December 31, 2011.
- The profits reported in the quarter ended June 30, 2011 would have been higher by Rs. 65 Lakhs and losses reported in quarter ended September 30, 2011 would have been lower by Rs. 2,471 Lakhs respectively, had the above policy were to have been followed for the said periods.
9. Segment results have not been disclosed in the Standalone results since the Company operates in only one Segment viz Products and Products related business.
- 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
31st January, 2012

By Order of the Board

Subash Menon
Founder Chairman, Managing Director & CEO

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