

November 8, 2012

To
The Manager – Listing
National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra (East)
Mumbai – 400 051

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on November 8, 2012

Please find attached the important item discussed and approved at the Board Meeting held today:

- Approval of the unaudited standalone and consolidated Financial Results of the Company for the quarter ended September 30, 2012.

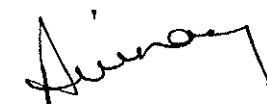
Pursuant to clause 41 of the Listing Agreement, the Company has opted to publish the consolidated financial results. The standalone financial results, however, are being made available to the Stock Exchange and are also being posted on the Company's website.

Please also find attached a copy of the press release intended to be published to the media by the Company.

We request you to take the aforesaid notification on record.

Thanking you

Yours truly,
For Subex Limited

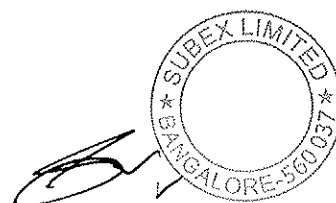


Vinay M A
Company Secretary & Compliance Officer



ENCL: As above.

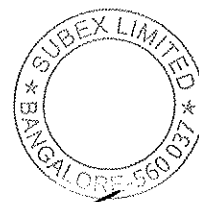
SUBEX LTD							
Registered office: Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037							
Statement of Consolidated Unaudited Results for the Quarter and Six months Ended September 30, 2012							
PART - I		(Rs. In Lakhs except per share data)					
	Particulars	CONSOLIDATED					
		3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the Half Year ended	For the Half Year ended	Previous year ended
		30/09/2012	30/06/2012	30/09/2011	30/09/2012	30/09/2011	31/03/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income From Operations						
(a)	Net Sales/ Income From Operations						
	Product & Product related	6,969	7,086	11,703	14,055	21,593	42,949
	Services	835	1,112	1,113	1,947	2,250	4,831
	Total Income From Operations (Net)	7,804	8,198	12,816	16,002	23,843	47,783
2	Expenses						
(a)	Cost of Hardware, Software & Services	273	153	297	426	459	870
(b)	Employee Benefits Expense and Sub-contract charges	5,231	6,342	6,884	11,573	13,475	25,358
(c)	Other Expenditure	2,901	1,186	1,981	4,087	4,204	8,588
(d)	Depreciation and Amortisation Expense	117	126	209	213	419	780
	Total Expenses	8,522	7,807	9,371	16,329	18,557	35,596
3	Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional items (1-2)	(718)	391	3,445	(327)	5,286	12,187
4	Other Income	50	24	73	74	741	1,287
5	Profit / (Loss) From Ordinary activities before Finance costs and Exceptional items (3+4)	(668)	415	3,518	(253)	6,027	13,474
6	Finance Costs	1,314	809	1,066	2,123	2,097	4,285
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional items (5+6)	(1,982)	(394)	2,452	(2,376)	3,930	9,189
8	Exceptional Items (Net) (Refer Note 2)	3,997	-	3,782	3,997	3,875	5,670
9	Profit / (Loss) From Ordinary activities before Tax (7+8)	(5,929)	(394)	(1,330)	(6,373)	55	3,519
10	Tax Expense (Net)	117	115	(35)	232	28	335
11	Net Profit / (Loss) From Ordinary activities after Tax (9+10) (Refer Note 4 and 8)	(6,096)	(509)	(1,295)	(6,605)	27	3,184
12	Paid up Share Capital - Equity (Face value of Rs 10/-)	15,865	6,931	6,931	15,865	6,931	6,931
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						7,529
14	Earnings per share (before extraordinary items) (of Rs 10/- each) (not annualised in case of the three month periods):						
	Basic	(4.04)	(0.73)	(1.87)	(5.99)	0.04	4.59
	Diluted	(4.04)	(0.73)	(1.87)	(5.99)	0.04	4.59
PART - II							
A	PARTICULARS OF SHAREHOLDING						
1	Aggregate of Public shareholding:*						
	Number of shares	14,31,82,791	5,38,31,645	5,20,74,405	14,31,82,791	5,20,74,405	5,42,00,225
	Percentage of holding (to total shareholding)	90.25%	77.67%	75.13%	90.25%	75.13%	78.20%
2	Promoters and promoter group						
	Shareholding						
a)	Pledged/Unencumbered						
	- Number of shares	84,74,044	76,01,801	66,01,801	84,74,044	66,01,801	76,01,801
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	89.71%	81.49%	100.00%	81.49%	93.83%
	- Percentage of shares (as a % of the total share capital of the company)	5.34%	10.97%	9.52%	5.34%	9.52%	10.97%
b)	Non-encumbered						
	- Number of Shares	-	8,72,243	15,00,000	-	15,00,000	5,00,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	10.29%	18.51%	0.00%	18.51%	6.17%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	1.26%	2.16%	0.00%	2.16%	0.72%
* Total public shareholding as defined under clause 10.A of the listing agreement (excludes underlying shares) for GDRs							
	Global Depository Receipts	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	- Number of underlying Equity Shares	69,89,399	70,05,083	91,31,566	69,89,399	91,31,566	70,08,746
	- Percentage of Share Holding	4.41%	10.10%	13.19%	4.41%	13.19%	10.11%
	Particulars	3 Months ended 30/09/2012					
B	INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	4					
	Disposed of during the quarter	4					
	Remaining unresolved at the end of the quarter	Nil					



STATEMENT OF ASSETS AND LIABILITIES		Rs. In Lakhs	
	Particulars	As At	As At
		30/09/2012	31/03/2012
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
(a)	Share capital	15,865	6,931
(b)	Reserves and Surplus	8,207	7,529
	Sub-total - Shareholders' funds	24,072	14,460
2	Non-current Liabilities		
(a)	Long-term Borrowings	49,578	-
(b)	Deferred Tax Liabilities(net)	-	-
(c)	Other Long-term Liabilities	504	-
(d)	Long-term Provisions	536	585
	Sub-total - Non-current liabilities	50,618	585
3	Current Liabilities		
(a)	Short-term Borrowings	18,468	12,437
(b)	Trade Payables - Other than acceptances	7,603	7,973
(c)	Other Current Liabilities	5,483	74,204
(d)	Short-term Provisions	386	271
	Sub-total - Current liabilities	31,940	94,885
	TOTAL - EQUITY AND LIABILITIES (1+2+3)	1,06,630	1,09,930
B	ASSETS		
1	Non-current Assets		
(a)	Fixed Assets	581	773
(b)	Goodwill on Consolidation	85,642	86,569
(c)	Deferred tax assets (net)	141	141
(d)	Long-term Loans & Advances	2,316	2,408
(e)	Other Non-current Assets	1,611	-
	Sub-total - Non-current assets	90,321	89,891
2	Current Assets		
(a)	Trade Receivables	7,161	7,303
(b)	Cash and Cash Equivalents	599	242
(c)	Short-term Loans & Advances	961	1,212
(d)	Other Current Assets	7,585	11,282
	Sub-total - Current assets	16,309	20,039
	TOTAL - ASSETS (1+2)	1,06,630	1,09,930



Notes :						
1	The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 8, 2012					
2	Exceptional items compose :					
	Particulars	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Exchange Loss/(Gain) arising on restatement of Foreign Currency Convertible Bonds	-	-	3,838	-	3,931
	Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	-	-	(404)
	Gain on Sale of Assets pertaining to Activation business during the quarter ended September 30, 2011 net of Redundancy costs	-	-	(56)	-	(56)
	Other Redundancy costs	-	-	-	-	596
	Goodwill Impairment*	927	-	-	927	-
	Exceptional Provision for Doubtful trade and other receivables**	3,070	-	-	3,070	-
	TOTAL	3,997	-	3,782	3,997	3,875
	*The company has impaired goodwill outstanding in books pertaining to its services business. As an impairment in goodwill is not considered to be regular adjustment in the results, the same has been categorised as an exceptional item.					
	**During the quarter, the Company carried out an assessment of its receivables as at September 30, 2012 and an amount of Rs. 3,070 lakhs has been provided during the quarter towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance during the quarter, it is disclosed separately under exceptional item.					
3	Summary of Key Standalone Financial results is as follows :					
	Particulars	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Net Sales/ Income from Operations	6,160	5,717	7,854	11,877	15,502
	Profit / (Loss) from ordinary activities before tax	(2,801)	(863)	(2,955)	(3,664)	(2,352)
	Profit / (Loss) from ordinary activities after tax	(2,801)	(863)	(2,955)	(3,664)	(2,462)
4	As permitted under the Proposal approved by the Hon'ble High Court of Karnataka, which was given effect in the year ending March 31, 2011, the Company transferred certain amounts standing to the credit of Capital Reserve to the Business Restructuring Reserve (BRR) and utilised the same for permitted utilisations as under. Had the Proposal not provided for the above accounting treatment :					
	Particulars	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Revenue would have been lower by	959	-	-	959	-
	Loss under Exceptional Items would have been higher / (lower) by	359	-	-	359	-
	Net profit would have been lower/ (higher) by	1,318	-	-	1,318	-
	Earnings / (Loss) Per Share would have been					
	- Basic	(1.91)	(0.73)	(1.87)	(7.18)	0.01
	- Diluted	(1.91)	(0.73)	(1.87)	(7.18)	0.01
5	In view of the losses incurred by the Company during the half year ended September 30, 2012, the excess of the managerial remuneration paid to the directors over the limits prescribed under Schedule XIII of the Companies Act, 1956 has been treated as monies due from the directors, being held by them in trust for the Company, and is included under 'Short-term loans and advances' amounting to Rs. 103.43 lakhs, towards managerial remuneration in excess of the limits laid down under Schedule XIII of the Companies Act, 1956 and not paid as at September 30, 2012. The Company intends to make an application to the Central Government seeking approval for the excess remuneration and accounting therefor will be determined on receipt of the approval from the Central Government.					
6	Pursuant to the approval of the holders of "US\$ 180 Million 2% convertible unsecured bonds", [of which US\$ 39 Million was outstanding ("FCCBs I")] and "US\$ 98.7 Million 5% convertible unsecured bonds", [of which US\$ 54.8 was outstanding ("FCCBs II")], at their respective meetings held on July 5, 2012 and exchange offers received under the exchange offer memorandum dated June 13, 2012, holders of US\$ 38 Million out of FCCBs I and US\$ 53.4 Million out of FCCBs II offered their bonds for exchange. Consequently, new secured bonds of US\$ 127.721 million ("FCCBs III") were issued with maturity date of July 7, 2017, having a conversion price of Rs.22.79 per equity share and coupon of 5.70% p.a. payable semi-annually on the outstanding bonds. In accordance with the terms of FCCBs III, principal amount of US\$ 36.321 Million were mandatorily converted into equity shares at the aforesaid conversion price in July 2012. Further, the maturity period of the un-exchanged portion of FCCBs I of US\$ 1 Million and FCCBs II of US\$ 1.4 Million stands extended to March 9, 2017, with its other terms and conditions remaining unchanged. The Company has been advised that the restructuring of the FCCB would be exempt from any tax incidence. The Company is in the process of requesting a legal opinion on the matter, and accordingly has not accrued for tax liability, if any. This is a subject matter of Auditors Qualification.					
7	The Company has received a demand of service tax of Rs. 3607.60 lakhs and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest, for the period from April, 2006 to July, 2009 towards service tax payable on import of certain services. The Company has filed an appeal contesting the demand along with a stay application seeking a stay of the entire demand before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore and it is of the view that the demand is not sustainable. Further, the Company contends that in the event of the demand being upheld by the Appellate Authority, the Company is eligible to avail the service tax as input credit upon payment of the same.					
8	Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, during the quarter ended December 31, 2011, the Company opted to adopt the transitional provisions under paragraph 16A of Accounting Standard 11 (AS 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. The cumulative impact of adopting the above policy upto the nine months ended December 31, 2011 was given effect to in the quarter ended December 31, 2011. Accordingly, the figures for the quarter ended September 30, 2011 disclosed in these results are as published earlier and do not consider the adoption of the above policy. The Losses for the quarter ended September 30, 2011 would have been lower by Rs. 2,471 Lakhs and for the Half year ended September 30, 2011, would have been lower by Rs. 2406 Lakhs, had the policy been followed for the said period.					
9	During the Quarter ended September 30, 2012, the Company has granted 57,900 options under its ESOP 2005 scheme.					



10

SEGMENT REPORTING:

(Rs. In Lakhs)

Consolidated

3 Months ended

Preceding 3 months ended

Corresponding 3 months ended

For the Half Year ended

For the Half Year ended

Previous year ended

30/09/2012

30/06/2012

30/09/2011

30/09/2012

30/09/2011

31/03/2012

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Audited

1

Segment Revenue:

(a)

Products & Product related

(b)

Services

2

Segment Profit/(Loss) before tax, interest & exceptional items

(a)

Products & Product related

(b)

Services

Less: Interest (Net)

Less : Other Unallocable (Income)/Expenditure & Exceptional items [Net]

Profit Before Taxation

3

Details of Capital Employed

(a)

Products & Product related

Segment Assets

Segment Liabilities

(b)

Services

Segment Assets

Segment Liabilities

11

Previous period / year figures have been re-grouped and/or re-arranged to conform with the current period

12

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

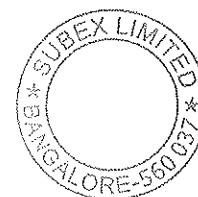
Bangalore

November 8, 2012

Anurag Singh

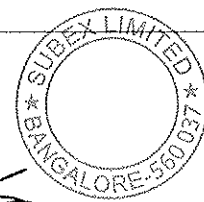
Managing Director & CEO

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



SUBEX LTD
Registered office: Adarsh Tech Park, Outer Ring Road, Devanahalli, Bangalore - 560 037
Statement of Standalone Unaudited Results for the Quarter and Six Months Ended September 30, 2012

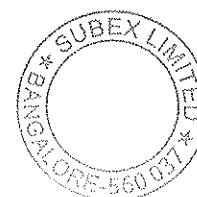
PART I		(Rs. in Lakhs except per share data)					
	Particulars	STANDALONE					
		3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the Half Year ended	For the Half Year ended	Previous year ended
		30/09/2012	30/06/2012	30/09/2011	30/09/2012	30/09/2011	31/03/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income From Operations						
(a)	Net Sales/ Income From Operations	6,160	5,717	7,854	11,877	15,502	32,901
	Total Income From Operations (Net)	6,160	5,717	7,854	11,877	15,502	32,901
2	Expenses						
(a)	Cost of Hardware, Software & Services	106	21	171	127	714	865
(b)	Employee Benefits Expense	1,724	1,802	2,171	3,526	4,373	7,892
(c)	Marketing and Allied Service Charges	2,878	3,477	2,684	6,355	5,224	11,449
(d)	Other Expenditure	1,187	487	875	1,674	1,801	3,996
(e)	Depreciation and Amortisation Expense	63	67	92	130	187	365
	Total Expenses	5,958	5,854	5,993	11,812	12,299	24,567
3	Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional Items (1-2)	202	(137)	1,861	65	3,203	8,334
4	Other Income	-	30	-	30	261	1,228
5	Profit / (Loss) From Ordinary activities before Finance costs and Exceptional Items (3+4)	202	(107)	1,861	95	3,464	9,562
6	Finance Costs	1,339	756	946	2,095	1,859	4,039
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional Items (5+6)	(1,137)	(863)	915	(2,000)	1,605	5,523
8	Exceptional Items (Net)(Refer Note 2)	1,664	-	3,870	1,664	3,957	5,319
9	Profit / (Loss) from Ordinary activities before Tax (7+8)	(2,801)	(863)	(2,955)	(3,664)	(2,352)	204
10	Tax Expense (Net)	-	-	-	-	110	(36)
11	Net Profit / (Loss) from Ordinary activities after Tax (9+10) (Refer Note 3 and 7)	(2,801)	(863)	(2,955)	(3,664)	(2,462)	240
12	Paid up Share Capital - Equity (Face value of Rs.10/-)	15,865	6,931	6,931	15,865	6,931	6,931
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						14,373
14	Earnings per share (before extraordinary items) (of Rs 10/- each) (not annualised in case of the three month periods):						
(a)	Basic	(1.86)	(1.25)	(4.26)	(3.32)	(3.55)	0.35
(b)	Diluted	(1.86)	(1.25)	(4.26)	(3.32)	(3.55)	0.35
PART II							
A	PARTICULARS OF SHAREHOLDING						
1	Aggregate of Public shareholding:*						
	Number of shares	14,31,82,791	5,38,31,645	5,20,74,405	14,31,82,791	5,20,74,405	5,42,00,225
	Percentage of shareholding (to total shareholding)	90.25%	77.67%	75.13%	90.25%	75.13%	78.20%
2	Promoters and promoter group shareholding						
(a)	Pledged/Unencumbered						
	- Number of shares	84,74,044	76,01,801	66,01,801	84,74,044	66,01,801	76,01,801
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	89.71%	81.49%	100.00%	81.49%	93.83%
	- Percentage of shares (as a % of the total share capital of the company)	5.34%	10.97%	9.52%	5.34%	9.52%	10.97%
(b)	Non-encumbered						
	- Number of Shares	-	8,72,243	15,00,000	-	15,00,000	5,00,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	10.29%	18.51%	0.00%	18.51%	6.17%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	1.26%	2.16%	0.00%	2.16%	0.72%
* Total public shareholding as defined under clause 49A of the listing agreement (excludes underlying shares for GDRs)							
	Global Depository Receipts	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	- Number of underlying Equity Shares	69,89,399	70,03,083	91,34,566	69,89,399	91,34,566	70,08,746
	- Percentage of Share Holding	4.41%	10.10%	13.19%	4.41%	13.19%	10.11%
B	INVESTOR COMPLAINTS	3 Months ended 30/09/2012					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	4					
	Disposed of during the quarter	4					
	Remaining unresolved at the end of the quarter	Nil					



STATEMENT OF ASSETS AND LIABILITIES

Rs. In Lakhs

	Particulars	Rs. In Lakhs	
		As At	As At
		30/09/2012	31/03/2012
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
(a)	Share capital	15,865	6,931
(b)	Reserves and Surplus	18,509	14,373
	Sub-total - Shareholders' funds	34,374	21,304
2	Non-current Liabilities		
(a)	Long-term Borrowings	49,578	-
(b)	Deferred Tax Liabilities (net)	-	-
(c)	Other Long-term Liabilities	504	-
(d)	Long-term Provisions	517	532
	Sub-total - Non-current liabilities	50,599	532
3	Current Liabilities		
(a)	Short-term Borrowings	17,464	10,894
(b)	Trade Payables - Other than acceptances	2,935	6,386
(c)	Other Current Liabilities	2,868	69,774
(d)	Short-term Provisions	80	63
	Sub-total - Current liabilities	23,347	87,117
	TOTAL - EQUITY AND LIABILITIES (1+2+3)	1,08,320	1,08,953
B	ASSETS		
1	Non-current Assets		
(a)	Fixed Assets	365	475
(b)	Non-current Investments	77,234	77,234
(c)	Deferred Tax Assets (net)	134	134
(d)	Long-term Loans & Advances	2,245	2,339
(e)	Other Non-current Assets	5	5
	Sub-total - Non-current assets	79,983	80,187
2	Current Assets		
(a)	Trade Receivables	21,413	22,403
(b)	Cash and Cash Equivalents	302	156
(c)	Short-term Loans & Advances	2,348	2,428
(d)	Other Current Assets	1,274	3,779
	Sub-total - Current assets	28,337	28,766
	TOTAL - ASSETS (1+2)	1,08,320	1,08,953



Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 8, 2012.

2 Exceptional items comprise -

Rs. In Lakhs

Particulars	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Exchange Loss/(Gain) arising on restatement of Foreign Currency Convertible Bonds and inter company loans	-	-	3,870	-	3,957	5,534
Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	-	-	-	(215)
Exceptional Provision for Doubtful trade and other receivables*	1,664	-	-	1,664	-	-
TOTAL	1,664	-	3,870	1,664	3,957	5,319

*During the quarter, the Company carried out an assessment of its receivables as at September 30, 2012 and an amount of Rs. 1,664 lakhs has been provided during the quarter towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance during the quarter, it is disclosed separately under exceptional item.

3 As permitted under the Proposal approved by the Hon'ble High Court of Karnataka, which was given effect in the year ending March 31, 2011, the Company transferred certain amounts standing to the credit of Capital Reserve to the Business Restructuring Reserve (BRR) and utilised the same for permitted utilisations as under. Had the Proposal not provided for the above accounting treatment :

(Rs. In Lakhs except per share data)

Particulars	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue would have been lower by	206	-	-	206	-	-
Loss under Exceptional Items would have been higher by	1,112	-	-	1,112	-	2,575
Net profit would have been lower by	1,318	-	-	1,318	-	2,575
Earnings / (Loss) Per Share would have been						
- Basic	(2.73)	(1.25)	(1.26)	(1.52)	(3.55)	(2.12)
- Diluted	(2.73)	(1.25)	(1.26)	(1.52)	(3.55)	(2.12)

4 In view of the losses incurred by the Company during the half year ended September 30, 2012, the excess of the managerial remuneration paid to the directors over the limits prescribed under Schedule XIII of the Companies Act, 1956 has been treated as monies due from the directors, being held by them in trust for the Company, and is included under 'Short-term loans and advances' amounting to Rs. 103.43 lakhs, towards managerial remuneration in excess of the limits laid down under Schedule XIII of the Companies Act, 1956 and not paid as at September 30, 2012. The Company intends to make an application to the Central Government seeking approval for the excess remuneration and accounting therefor will be determined on receipt of the approval from the Central Government.

5 Pursuant to the approval of the holders of "US\$ 180 Million 2% convertible unsecured bonds", [of which US\$ 39 Million was outstanding ("FCCBs I")] and "US\$ 98.7 Million 5% convertible unsecured bonds", [of which US\$ 54.8 was outstanding ("FCCBs II")], at their respective meetings held on July 5, 2012 and exchange offers received under the exchange offer memorandum dated June 13, 2012, holders of US\$ 38 Million out of FCCBs I and US\$ 53.4 Million out of FCCBs II offered their bonds for exchange. Consequently, new secured bonds of US\$ 127.721 million ("FCCBs III") were issued with maturity date of July 7, 2017, having a conversion price of Rs.22.79 per equity share and coupon of 5.70% p.a. payable semi-annually on the outstanding bonds. In accordance with the terms of FCCBs III, principal amount of US\$ 36.321 Million were mandatorily converted into equity shares at the aforesaid conversion price in July 2012. Further, the maturity period of the un-exchanged portion of FCCBs I of US\$ 1 Million and FCCBs II of US\$ 1.4 Million stands extended to March 9, 2017, with its other terms and conditions remaining unchanged. The Company has been advised that the restructuring of the FCCB would be exempt from any tax incidence. The Company is in the process of requesting a legal opinion on the matter, and accordingly has not accrued for tax liability, if any. This is a subject matter of Auditors Qualification.

6 The Company has received a demand of service tax of Rs. 3607.60 lakhs and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest, for the period from April, 2006 to July, 2009 towards service tax payable on import of certain services. The Company has filed an appeal contesting the demand along with a stay application seeking a stay of the entire demand before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore and it is of the view that the demand is not sustainable. Further, the Company contends that in the event of the demand being upheld by the Appellate Authority, the Company is eligible to avail the service tax as input credit upon payment of the same.

7 Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate affairs, during the quarter ended December 31, 2011, the Company opted to adopt the transitional provisions under paragraph 46A of Accounting Standard 11 (AS 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. The cumulative impact of adopting the above policy upto the nine months ended December 31, 2011 was given effect to in the quarter ended December 31, 2011. Accordingly, the figures for the quarter ended September 30, 2011 disclosed in these results are as published earlier and do not consider the adoption of the above policy. The Losses for the quarter ended September 30, 2011 would have been lower by Rs. 2,471 Lakhs and for the Half year ended September 30, 2011, would have been lower by Rs. 2,406 Lakhs, had the policy been followed for the said period.

8 Segment results have not been disclosed in the Standalone results since the Company operates in only one Segment viz Products and Products related business.

9 During the Quarter ended September 30, 2012, the Company has granted 57,900 options under its ESOP 2005 scheme.

10 Previous period / year figures have been re-grouped and/or re-arranged to conform with the current period.

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
November 8, 2012

By Order of the Board

Sudesh Singh
Managing Director & CEO

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



For immediate release

08 November 2012

Press contact Mansi Chouhan
Manager – Corporate Communications
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Subex Ltd's FY 13 Q2 Revenue at US\$ 14.3 million (Rs 780.4 million)

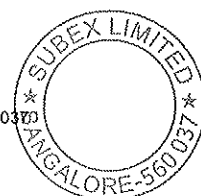
Bangalore, INDIA: Subex Ltd, a leading global provider of Business Support Systems (BSS) for Communications Service Providers, today announced its financial results for the second quarter ended September 30, 2012.

Performance Highlights for the quarter ended September 30, 2012

- **Revenues for the quarter at US\$ 14.3 million (Rs 780.4 million)**
 - Down 4.8% QoQ from US\$ 15.1 million (Rs 819.8 million)
 - License & implementation at 43%, Managed services & Support at 46% and services at 11% of the total revenues
- **Operating Profit / (Loss) for the quarter at US\$ (-)1.3 million (Rs (-) 71.8 million)**
 - Down from operating profit / (loss) of US \$ 0.7 million (Rs 39.1million)
 - Forex loss for the quarter US\$ 2.1 million Rs 113.3 million as compared to forex gain of US\$ 1.1 million Rs 58.3 million for the previous quarter
- **Proforma Operating Profit /(Loss) ex forex for the quarter at US \$ 0.8 million (Rs 41.5 million)**
 - Up from operating profit/ (loss) of US\$ (-) 0.4 million (Rs (-) 19.2 million)
- **Finance Costs for the quarter at US \$ 2.4 million (Rs 131.4 million) as compared to US\$ 1.5 million (Rs 80.9 million) in previous quarter due to higher FCCB interest**
- **Net Profit / (Loss) for the quarter at US\$ (-)11.2 million (Rs (-)609.6 million)**
 - Down from net profit / (loss) of US\$ (-) 0.9 million (Rs (-) 50.9 million)
 - Exceptional items for the quarter of US\$ 7.3 million (Rs 399.7 million) include one- time accounts receivables provision of US\$ 5.3 million Rs 307.0 million and US \$ 1.7 million (Rs 92.7 million) of goodwill impairment pertaining to the services business

SUBEX LIMITED, ADARSH TECH PARK, DEVARABISANAHALLI, OUTER RING ROAD, BANGALORE 560 037
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www.subex.com



Press release

- Proforma Net Profit / (Loss) ex forex adjusted for Exceptional items is at US\$ (-) 1.8 million (Rs (-)96.6 million) for the quarter as compared to loss of US \$ (-) 2.0 million (Rs (-)109.2 million)

Outlook for FY 13 : Overall revenues likely to be ~ USD \$ 65-66 million with full year EBITDA of ~ 25%

- ENDS-

About Subex Limited

Subex Limited is a leading global provider of Business Support Systems (BSS) that empowers communications service providers (CSPs) to achieve competitive advantage through Business Optimization - thereby enabling them to improve their operational efficiency to deliver enhanced service experiences to subscribers.

The company pioneered the concept of a Revenue Operations Center (ROC®) – a centralized approach that sustains profitable growth and financial health through coordinated operational control. Subex's product portfolio powers the ROC and its best-in-class solutions enable revenue assurance, fraud management, data integrity management, cost management and interconnect / inter-party settlement. Subex also offers a scalable Managed Services program and has been the market leader in Revenue Assurance and Fraud Management according to Gartner (2010 & 2011). Subex has also been enjoying market leadership in Business Optimization for four consecutive years according to Analysys Mason (2007, 2008, 2009 & 2010). Subex has been awarded the Global Telecoms Business Innovation Award for 2011 along with Swisscom for industry's first successful Risk Reward Share model for fraud management.

Subex's customers include 28 of top 50 operators* and 33 of the world's 50 biggest# telecommunications service providers worldwide. The company has more than 300 installations across 70 countries.

*GTB Carrier Guide, 2011
#Forbes' Global 2000 list, 2011

For more information please visit www.subex.com

For further information contact:

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Press release

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SUBEX LIMITED

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results (the "Statement") of **SUBEX LIMITED** (the "Company") and its subsidiaries, (the Company and its subsidiaries constitute the "Group") for the quarter and half-year ended September 30, 2012. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:
 - Subex (UK) Limited
 - Subex Azure Holdings Inc.
 - Subex (Asia Pacific) Pte Limited
 - Subex Inc.
 - Subex Americas Inc.
 - Subex Technologies Limited
 - Subex Technologies Inc.
4. The Statement reflects the Group's share of Revenues of Rs. 834 lakhs and Rs. 1,946 lakhs and Loss after Tax of Rs. 1,093 lakhs and Rs. 1,141 lakhs for the quarter and half-year ended September 30, 2012, respectively, and Total Assets of Rs. 133 lakhs as at September 30, 2012, as considered in the Statement, relating to two subsidiaries whose results have been reviewed by other auditors. Accordingly, our assurance on the Statement in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of such other auditors which have been furnished to us.
5. *Attention is invited to Note 6 of the Statement regarding the legal opinion being sought by the Company to evaluate tax incidence, if any, on the restructuring of the foreign currency convertible bonds. Pending receipt of the independent legal opinion, no provision for tax on this account has been made in the results for the quarter and half-year ended September 30, 2012.*
6. As stated in Note 4 of the Statement, the Company has in accordance with the Proposal approved by the Hon'ble High Court of Karnataka in prior years, debited amounts aggregating to Rs 1,318 lakhs to the Business Restructuring Reserve, instead of considering the same as expense for the period in the Statement, as required by Accounting Standard 5 'Net Profit or Loss for the Period, Prior Period Items'.

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7. We draw attention to
- a. Note 5 of the Statement regarding treatment of the managerial remuneration paid in excess of the applicable limits under Schedule XIII of the Companies Act, 1956.
 - b. Note 7 of the Statement regarding the service tax demand on import of certain services against which the Company has filed an appeal with the concerned authority.
8. Further to our comments in paragraph 4 and 7 above, based on our review conducted on the consolidated financial results included in the Statement as stated in paragraph 2 above, *with the exception of the matters described in paragraph 5 above, the consequential effects of which, if any, have not been determined*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, except as described in paragraph 6 above, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
9. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)



Monisha Parikh
Partner
(Membership No.47840)

BANGALORE, November 08, 2012
MP/JST/PJ/SEPT2012

AUDITORS' REPORT

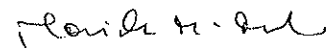
TO THE BOARD OF DIRECTORS OF SUBEX LIMITED

1. We have reviewed the accompanying statement of Unaudited Financial Results of **SUBEX LIMITED** (the "Company") for the quarter and half-year ended September 30, 2012 (the "Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to Note 5 of the Statement regarding the legal opinion being sought by the Company to evaluate tax incidence, if any, on the restructuring of the foreign currency convertible bonds. Pending receipt of the independent legal opinion, no provision for tax on this account has been made in the results for the quarter and half-year ended September 30, 2012.*
4. As stated in Note 3 of the Statement, the Company has in accordance with the Proposal approved by the Hon'ble High Court of Karnataka in prior years, debited amounts aggregating to Rs.1,318 lakhs to the Business Restructuring Reserve, instead of considering the same as expense for the period in the Statement, as required by Accounting Standard 5 'Net Profit or Loss for the Period, Prior Period Items'.
5. We draw attention to
 - a. Note 4 of the Statement regarding treatment of the managerial remuneration paid in excess of the applicable limits under Schedule XIII of the Companies Act, 1956.
 - b. Note 6 of the Statement regarding the service tax demand on import of certain services against which the Company has filed an appeal with the concerned authority.
6. Further to our comments in paragraph 5 above, based on our review conducted on the standalone financial results included in the Statement as stated in paragraph 2 above, *with the exception of the matters described in paragraph 3 above, the consequential effects of which, if any, have not been determined*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, except as described in paragraph 4 above, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)



Monisha Parikh
Partner
(Membership No. 47840)

BANGALORE, November 08, 2012
MP/JST/PJ/SEPT2012