

February 7, 2013

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 February 7, 2013

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 December 31, 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



Ganesh K V
Global Head - Finance, Legal and Company Secretary
ENCL: As above.



SUBEX LTD							
Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037							
Statement of Consolidated Unaudited Results for the Quarter and Nine months Ended December 31, 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 Nine Months ended	For the Nine Months ended	Previous year ended
		31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income From Operations						
(a)	Net Sales/ Income From Operations						
	Product & Product related	8,720	6,969	11,728	22,775	33,321	42,949
	Services	340	835	1,414	2,287	3,664	4,834
	Total Income From Operations (Net)	9,060	7,804	13,142	25,062	36,985	47,783
2	Expenses						
(a)	Cost of Hardware, Software & Services	194	273	167	620	626	870
(b)	Employee Benefits Expense and Sub-contract charges	4,910	5,231	6,420	16,483	19,895	25,358
(c)	Other Expenditure	1,934	1,752	2,261	5,412	6,465	8,588
(d)	Depreciation and Amortisation Expense	97	117	190	340	609	780
(e)	Exchange Fluctuation (Gain)/Loss-Net	(352)	1,149	(123)	214	(508)	(398)
	Total Expenses	6,783	8,522	8,915	23,069	27,087	35,198
3	Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional items (1-2)	2,277	(718)	4,227	1,993	9,898	12,585
4	Other Income	47	50	22	77	378	698
5	Profit / (Loss) From Ordinary activities before Finance costs and Exceptional items (3+4)	2,324	(668)	4,249	2,070	10,276	13,283
6	Finance Costs	1,445	1,314	1,104	3,568	3,201	4,285
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional items (5+6)	879	(1,982)	3,145	(1,498)	7,075	8,998
8	Exceptional Items (Net Expense) (Refer Note 2)	-	3,997	1,217	3,997	5,091	5,479
9	Profit / (Loss) From Ordinary activities before Tax (7+8)	879	(5,979)	1,928	(5,495)	1,984	3,519
10	Tax Expense (Net)	111	117	291	343	319	335
11	Net Profit / (Loss) From Ordinary activities after Tax (9+10) (Refer Note 4 and 8)	768	(6,096)	1,637	(5,838)	1,665	3,184
12	Paid up Share Capital Equity (Face value of Rs.10/-)	15,938	15,865	6,931	15,938	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 interim periods):						
	Basic	0.48	(4.04)	2.36	(4.57)	2.40	4.59
	Diluted	0.45	(4.04)	2.33	(4.57)	2.37	4.59
PART - II							
A	PARTICULARS OF SHAREHOLDING						
1	Aggregate of Public shareholding:*						
	Number of shares	143,920,673	143,182,791	54,200,225	143,920,673	54,200,225	54,200,225
	Percentage of holding (to total shareholding)	90.30%	90.25%	78.20%	90.30%	78.20%	78.20%
2	Promoters and promoter group						
	Shareholding						
a)	Pledged/Encumbered						
-	Number of shares	8,474,044	8,474,044	7,601,801	8,474,044	7,601,801	7,601,801
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	93.83%	100.00%	93.83%	93.83%
-	Percentage of shares (as a % of the total share capital of the company)	5.32%	5.34%	10.97%	5.32%	10.97%	10.97%
b)	Non-encumbered						
-	Number of Shares	-	-	500,000	-	500,000	500,000
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	6.17%	0.00%	6.17%	6.17%
-	Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.72%	0.00%	0.72%	0.72%
* Total public shareholding as defined under clause 40/A of the listing agreement (excludes underlying shares for GDRs)							
	Global Depository Receipts	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	Previous year ended 31/03/2012
	- Number of underlying Equity Shares	6,989,399	6,989,399	7,008,746	6,989,399	7,008,746	7,008,746
	- Percentage of Share Holding	4.38%	4.41%	10.11%	4.38%	10.11%	10.11%
B	Particulars	3 Months ended 31/12/2012					
	INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed of during the quarter	Nil					
	Remaining unresolved at the end of the quarter	Nil					



Notes :						
1	The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on February 7, 2013. In accordance with Clause 41 of the Listing Agreement the Statutory Auditors have carried out a 'Limited Review' of the consolidated results for the quarter and nine months ended December 31, 2012					
2	Exceptional items comprise -					
		Rs. In Lakhs				
Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Exchange Loss/(Gain) arising on restatement of Foreign Currency Convertible Bonds	-	-	1,025	-	4,955	5,343
Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	(404)	-	(404)	(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	-	596	596
Goodwill Impairment*	-	977	-	927	-	-
Exceptional Provision for Doubtful trade and other receivables**	-	3,070	-	3,070	-	-
TOTAL	-	3,997	1,217	3,997	5,091	5,479
* The company had impaired goodwill outstanding in books pertaining to its services business during the period ended December 31, 2012. 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 nine month period ended December 31, 2012, the Company carried out an assessment of its receivables and an amount of Rs. 3,070 lakhs has been provided during that period towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance, it is disclosed separately under exceptional item.						
3	Summary of Key Standalone Financial results is as follows -					
	Rs. In Lakhs					
Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Sales/ Income from Operations	7,737	6,160	9,267	19,614	24,769	32,901
Profit / (Loss) from ordinary activities before tax	843	(2,801)	1,597	(2,821)	(755)	204
Profit / (Loss) from ordinary activities after tax	843	(2,801)	1,597	(2,821)	(865)	240
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 :					
	(Rs. In Lakhs except per share data)					
Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue would have been lower by	-	959	-	959	-	(225)
Expenses termed as Exceptional Items would have been higher / (lower) by	-	359	-	359	-	(225)
Net (loss)/profit would have been (lower)/higher by	-	1,318	-	1,318	-	(225)
Earnings / (Loss) Per Share would have been						
-Basic	0.48	(4.91)	2.36	(5.61)	2.40	4.92
-Diluted	0.45	(4.91)	2.33	(5.61)	2.37	4.91
5	In view of the losses incurred by the Company during the nine months ended December 31, 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 December 31, 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 million 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 retaining a balance of US\$ 91.4 million. 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 obtained a legal opinion that the said transaction of restructuring is a tax exempt transfer and is in the process of obtaining a legal opinion on the tax incidence, if any, consequent to the above restructuring on the redemption premium. This is a subject matter of Auditors Qualification					
	The Company has issued 737,882 equity shares upon conversion of FCCBs of principal amount of US\$ 300,000 by the holder(s) of Company's US\$ 91.4 million 5.70% Convertible Secured Bonds. Post the conversion, FCCBs aggregating to US\$ 91.10 million are outstanding under the said Bonds.					
7	During the nine month period ended December 31, 2012, 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 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. The losses for the quarter ended December 31, 2011 would have been higher by Rs. 2,536 lakhs had the above policy been followed during quarter and period ended September 30, 2011.					
9	During the Quarter ended December 31, 2012, the Company has granted 39,300 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 Nine Months ended	For the Nine Months ended	Previous year ended
		31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue:						
(a)	Products & Product related	8,720	6,969	11,728	22,775	33,321	42,949
(b)	Services	340	835	1,414	2,287	3,664	4,834
		9,060	7,804	13,142	25,062	36,985	47,783
2	Segment Profit/(Loss) before tax, interest & exceptional Items						
(a)	Products & Product related	1,096	(511)	4,210	1,038	10,470	13,187
(b)	Services	1,228	(157)	39	1,032	(194)	96
		2,324	(668)	4,249	2,070	10,276	13,283
	Less: Interest (Net)	1,445	1,314	1,104	3,568	3,201	4,285
	Less : Other Unallocable (Income)/Expenditure & Exceptional items [Net]	-	3,997	(1,217)	3,997	(5,091)	5,479
	Profit Before Taxation	879	(5,979)	1,928	(5,495)	1,984	3,519
3	Details of Capital Employed						
(a)	Products & Product related						
	Capital Employed (Products & Product related)	93,784	92,180	90,480	93,784	90,480	90,885
(b)	Services						
	Capital Employed (Services)	(250)	(41)	1,118	(250)	1,118	1,119
(c)	Unallocated						
	Capital Employed (Unallocated)	(69,360)	(68,067)	(82,844)	(69,360)	(82,844)	(77,544)
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.							
Bangalore February 7, 2013							By Order of the Board Surjeet Singh Managing Director & CEO
For further details on the results, please visit our website: www.subex.com							



SUBEX LTD

Registered office: RMZ Ecoworld, Outer Ring Road, Devanahalli, Bangalore - 560 037

Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended December 31, 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 Nine Months ended	For the Nine Months ended	Previous year ended
		31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income From Operations						
(a)	Net Sales/ Income From Operations	7,737	6,160	9,267	19,614	24,769	32,901
	Total Income From Operations (Net)	7,737	6,160	9,267	19,614	24,769	32,901
2	Expenses						
(a)	Cost of Hardware, Software & Services	45	106	45	172	759	865
(b)	Employee Benefits Expense	1,604	1,724	1,802	5,130	6,175	7,892
(c)	Marketing and Allied Service Charges	3,372	2,878	2,929	9,727	8,153	11,223
(d)	Other Expenditure	904	759	1,037	2,523	2,838	4,222
(e)	Depreciation and Amortisation Expense	50	63	91	180	278	365
	Total Expenses	5,975	5,530	5,904	17,732	18,203	24,567
3	Profit From Operations before Other Income, Finance costs and Exceptional Items (1-2)	1,762	630	3,363	1,882	6,566	8,334
4	Other Income						
(a)	Miscellaneous Income	78	-	-	108	26	504
(b)	Exchange Fluctuation Gain/(Loss)-Net	356	(428)	38	301	273	498
5	Profit From Ordinary activities before Finance costs and Exceptional Items (3+4)	2,196	202	3,401	2,291	6,865	9,336
6	Finance Costs	1,353	1,339	1,002	3,448	2,861	4,039
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional Items (5+6)	843	(1,137)	2,399	(1,157)	4,004	5,297
8	Exceptional Items (Net Expense) (Refer Note 2)	-	1,664	802	1,664	4,759	5,093
9	Profit / (Loss) from Ordinary activities before Tax (7+8)	843	(2,801)	1,597	(2,821)	(755)	204
10	Tax Expense (Net)	-	-	-	-	110	(36)
11	Net Profit / (Loss) from Ordinary activities after Tax (9+10) (Refer Note 3 and 7)	843	(2,801)	1,597	(2,821)	(865)	240
12	Paid up Share Capital - Equity (Face value of Rs.10/-)	15,938	15,865	6,931	15,938	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 interim periods):						
(a)	Basic	0.53	(1.86)	2.30	(2.21)	(1.25)	0.35
(b)	Diluted	0.47	(1.86)	2.27	(2.21)	(1.25)	0.35
PART II							
A PARTICULARS OF SHAREHOLDING							
1	Aggregate of Public shareholding:*						
	Number of shares	143,920,673	143,182,791	54,200,225	143,920,673	54,200,225	54,200,225
	Percentage of shareholding (to total shareholding)	90.30%	90.25%	78.20%	90.30%	78.20%	78.20%
2	Promoters and promoter group shareholding						
(a)	Pledged/Encumbered						
	- Number of shares	8,474,044	8,474,044	7,601,801	8,474,044	7,601,801	7,601,801
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	93.83%	100.00%	93.83%	93.83%
	- Percentage of shares (as a % of the total share capital of the company)	5.32%	5.34%	10.97%	5.32%	10.97%	10.97%
(b)	Non-encumbered						
	- Number of Shares	-	-	500,000	-	500,000	500,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	6.17%	0.00%	6.17%	6.17%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.72%	0.00%	0.72%	0.72%
* Total public shareholding as defined under clause 40.A of the listing agreement (excludes underlying shares for GDRs)							
	Global Depository Receipts	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	Previous year ended 31/03/2012
	- Number of underlying Equity Shares	6,989,399	6,989,399	7,008,746	6,989,399	7,008,746	7,008,746
	- Percentage of Share Holding	4.38%	4.41%	10.11%	4.38%	10.11%	10.11%
	Particulars	3 Months ended 31/12/2012					
B INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed of during the quarter	Nil					
	Remaining unresolved at the end of the quarter	Nil					



Notes :

1	The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on February 7, 2013. In accordance with Clause 41 of the Listing Agreement the Statutory Auditors have carried out a 'Limited Review' of the standalone results for the quarter and nine months ended December 31, 2012.						
2	Exceptional items comprise -						Rs. In Lakhs
	Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	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	-	-	1,017	-	4,974	5,308
	Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	(215)	-	(215)	(215)
	Exceptional Provision for Doubtful trade and other receivables*	-	1,664	-	1,664	-	-
	TOTAL	-	1,664	802	1,664	4,759	5,093
	*During the nine month period ended December 31, 2012, the Company carried out an assessment of its receivables and an amount of Rs. 1,664 lakhs has been provided towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance, 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 :						
	Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	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	0.53	(2.73)	2.30	(3.24)	(1.25)	(3.37)
	- Diluted	0.47	(2.73)	2.27	(3.24)	(1.25)	(3.37)
4	In view of the losses incurred by the Company during the nine month period ended December 31, 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 December 31, 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 million 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 retaining a balance of US\$ 91.4 million. 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 obtained a legal opinion that the said transaction of restructuring is a tax exempt transfer and is in the process of obtaining a legal opinion on the tax incidence, if any, consequent to the above restructuring on the redemption premium. This is a subject matter of Auditors Qualification						
	The Company has issued 737,882 equity shares upon conversion of FCCBs of principal amount of US\$ 300,000 by the holder(s) of Company's US\$ 91.4 million 5.70% Convertible Secured Bonds. Post the conversion, FCCBs aggregating to US\$ 91.10 million are outstanding under the said Bonds.						
6	During the nine month period ended December 31, 2012 the Company 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. The losses for the quarter ended December 31, 2011 would have been higher by Rs. 2,536 lakhs had the above policy been followed during quarter and period ended December 31, 2011.						
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 December 31, 2012, the Company has granted 39,300 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
February 7, 2013

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

By Order of the Board
Surjeet Singh
Managing Director & CEO



For immediate release

07 February 2013

Press contact

Mansi Chouhan
Manager – Corporate Communications
+91 80 6659 4157
mansi.chouhan@subex.com

Subex Ltd's FY13 Q3 Revenue at US\$ 16.6 million (Rs. 906 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 third quarter ended December 31, 2012.

Performance Highlights for the quarter ended December 31, 2012

- **Revenues for the quarter at US\$ 16.6 million (Rs. 906 million)**
 - Up 16% QoQ from US\$ 14.3 million (Rs. 780.4 million)
 - License & Implementation at 48%, Managed Services & Support at 49% and Services at 3% of the total revenues
- **Operating Profit for the quarter at US\$ 4.13 million (Rs. 227.6 million)**
 - Up from operating loss of US\$ (-)1.33 million (Rs. (-)73.4 million)
 - Forex gain for the quarter at US\$ 0.6 million (Rs. 35.2 million) as compared to forex loss of US\$ (-)2.1 million (Rs. (-) 114.9 million) for the previous quarter
- **Proforma Operating Profit ex-forex for the quarter up by 338% at US\$ 3.5 million (Rs. 192.5 million)**
 - Up from operating profit of US\$ 0.8 million (Rs. 41.5 million)
- Finance Costs for the quarter at US\$ 2.7 million (Rs. 144.5 million) as compared to US\$ 2.4 million (Rs. 131.4 million) in previous quarter due to higher FCCB interest
- **Net Profit for the quarter up by 113% at US\$ 1.4 million (Rs. 76.8 million)**
 - Up by 113% from net loss of US\$ (-) 11.2 million (Rs. (-) 609.6 million)

- ENDS-



SUBEX LIMITED, ADARSH TECH PARK, DEVARABISANAHALLI, OUTER RING ROAD, BANGALORE 560 037
INDIA • BROOMFIELD • DUBAI • LONDON • IPSWICH • SINGAPORE • SYDNEY

www.subex.com

Press release

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 five consecutive years according to Analysys Mason (2007, 2008, 2009, 2010 & 2011). Subex has been awarded the Global Telecoms Business Innovation Award for 2012 along with Idea Cellular for Fraud Management in a Managed Services format and in 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:

Rajiv Menon at Perfect Relations

Tel: +91 9845251133

rmenon@perfectrelations.com



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 nine months ended December 31, 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. 340 lakhs and Rs. 2,286 lakhs and Loss after Tax of Rs. 217 lakhs and Rs. 1,358 lakhs for the quarter and nine months ended December 31, 2012, respectively, as considered in the Statement, relating to two subsidiaries whose results have not been reviewed by other auditors and have been based on management accounts.
5. *Attention is invited to Note 6 of the Statement regarding the legal opinion on the tax incidence, if any, consequent to the restructuring of the foreign currency convertible bonds, on the redemption premium. Pending receipt of the independent legal opinion, no provision for tax on this account has been made in the results for the quarter and nine months ended December 31, 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 nine month period in the Statement, as required by Accounting Standard 5 'Net Profit or Loss for the Period, Prior Period Items'.



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 7 above, subject to our comments in paragraph 4 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, February 07, 2013
MP/JST/PJ/DECEMBER2012