



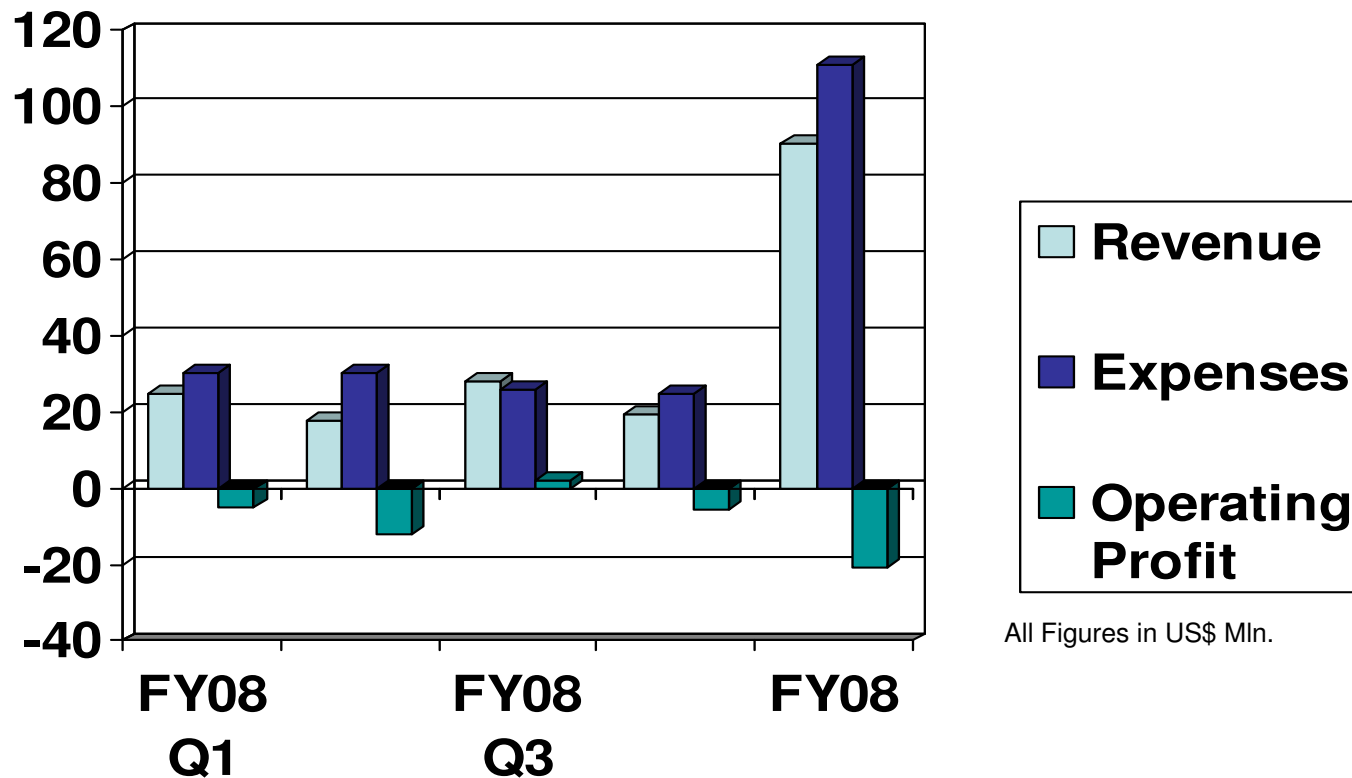
FY08 Results Call

Subex Limited
Bangalore, India



FY08 in Perspective

Product Business – Operating Margin



Operating Profit = Total Profit excl. Depreciation, Tax and Provision for Bad Debts

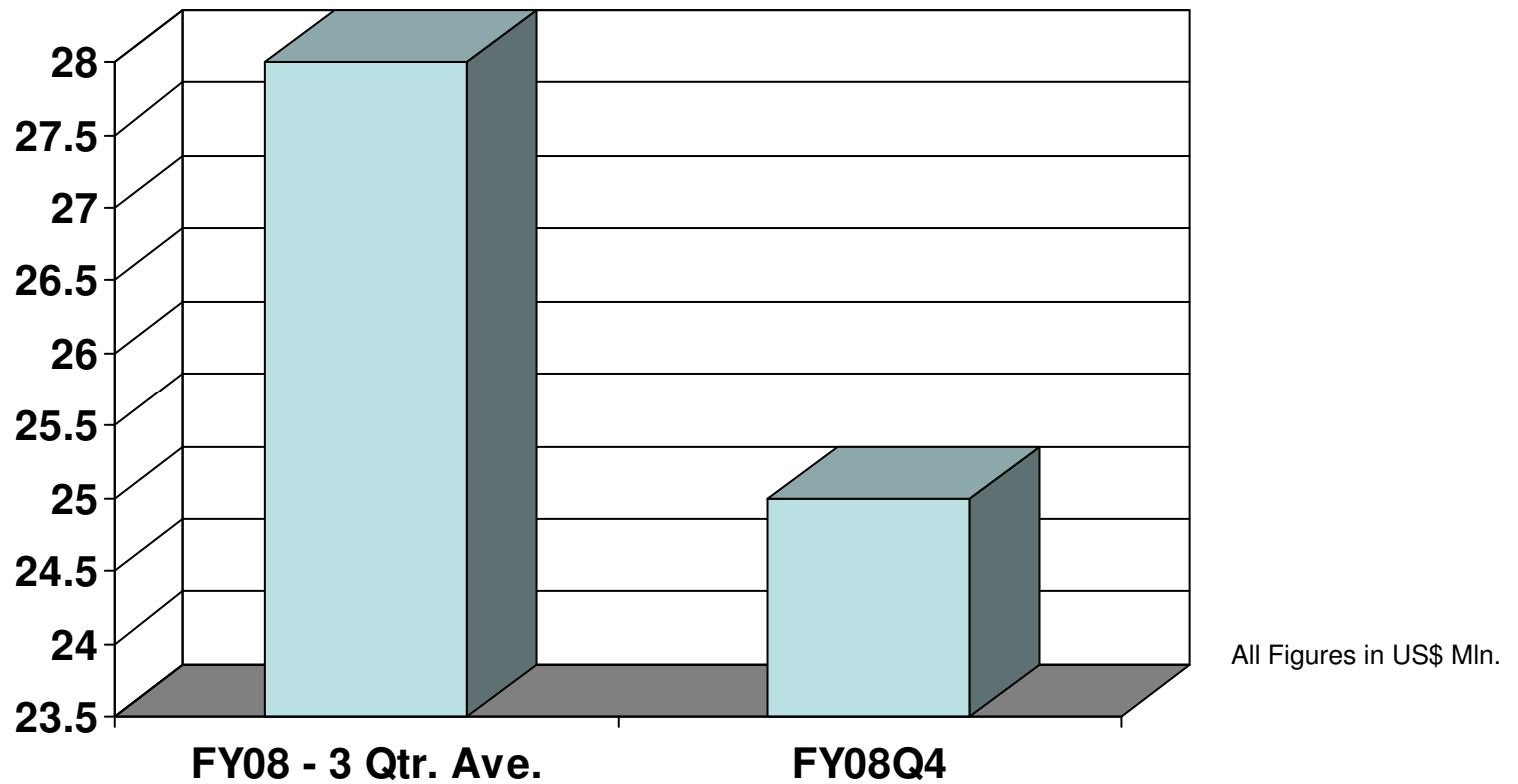
Reasons for Poor Performance

- ◆ Postponement of order from a customer amounting to US\$ 20 mln.
- ◆ Issues with execution resulting in lower revenue recognition in continuing business
- ◆ Lower growth in order intake due to challenges with integration
- ◆ Cost base is largely fixed with minimal variability

Measures to Improve

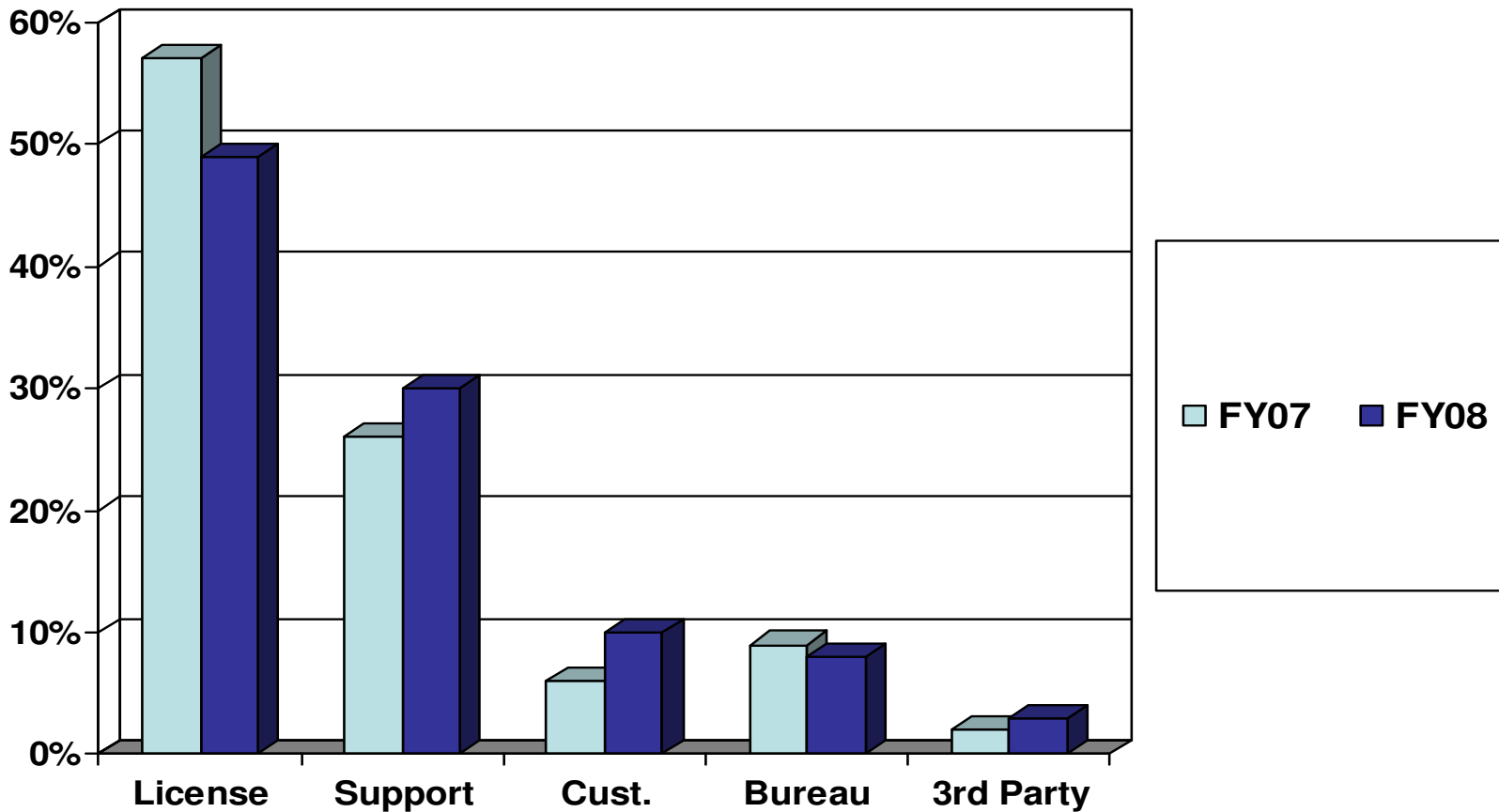
- ◆ Increase order intake
- ◆ Reduce cost
- ◆ Enhance operational efficiency

Expenses

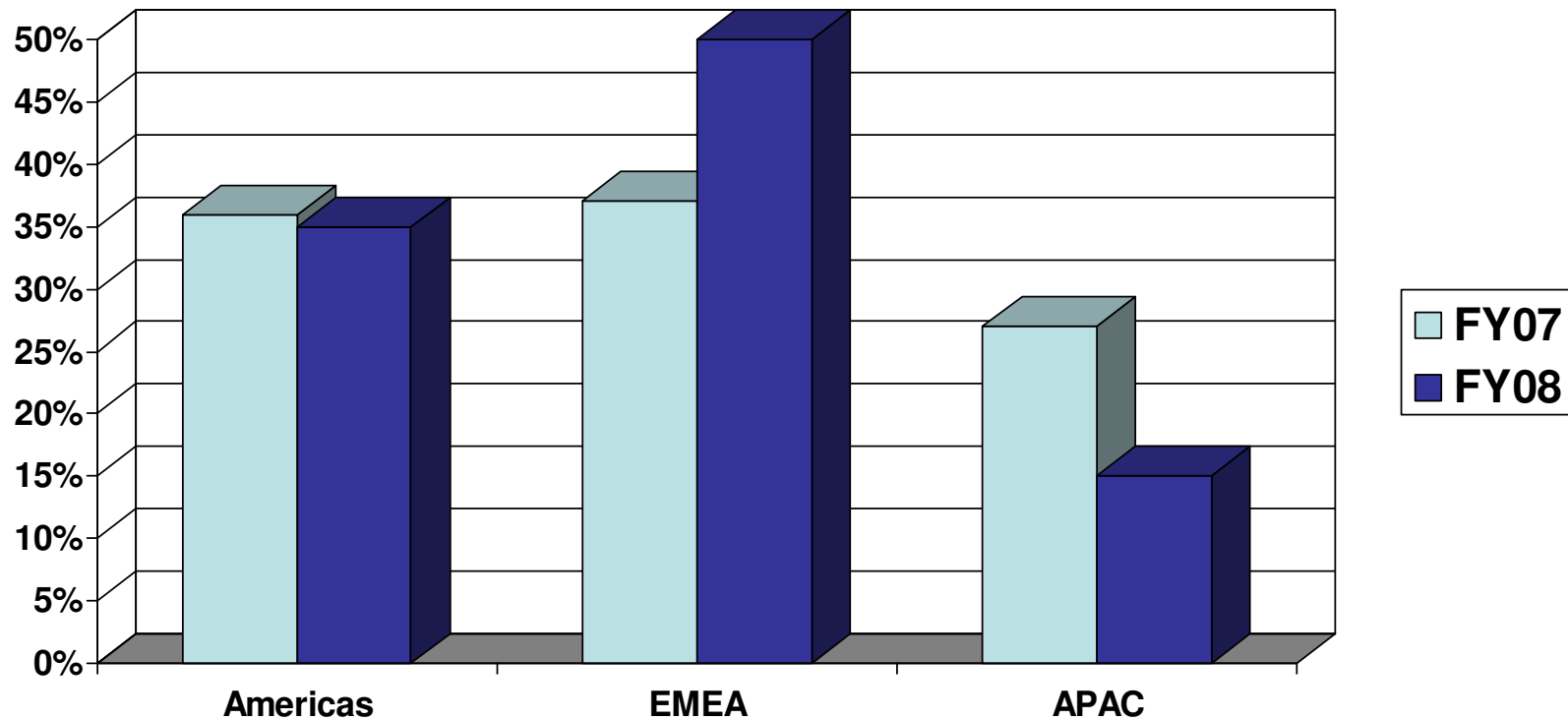


Expenses exclude Cost of Hardware, Software & Services and Bad Debts

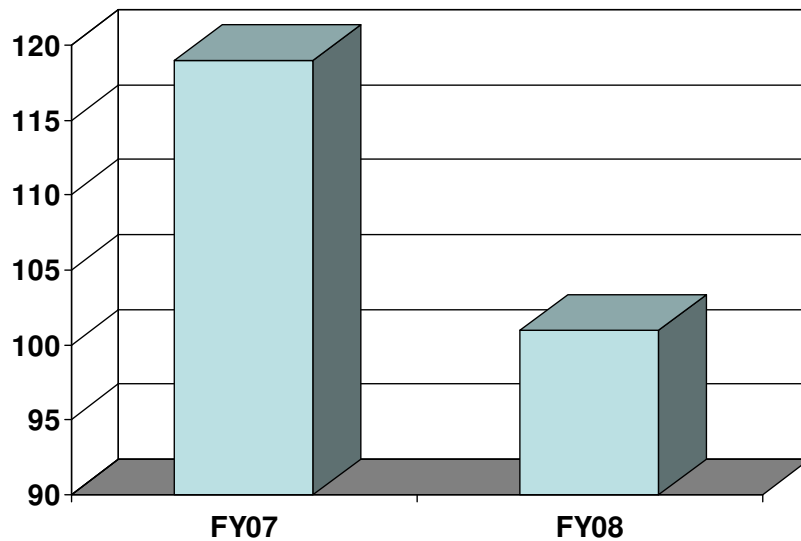
FY08 Product Rev. – By Stream



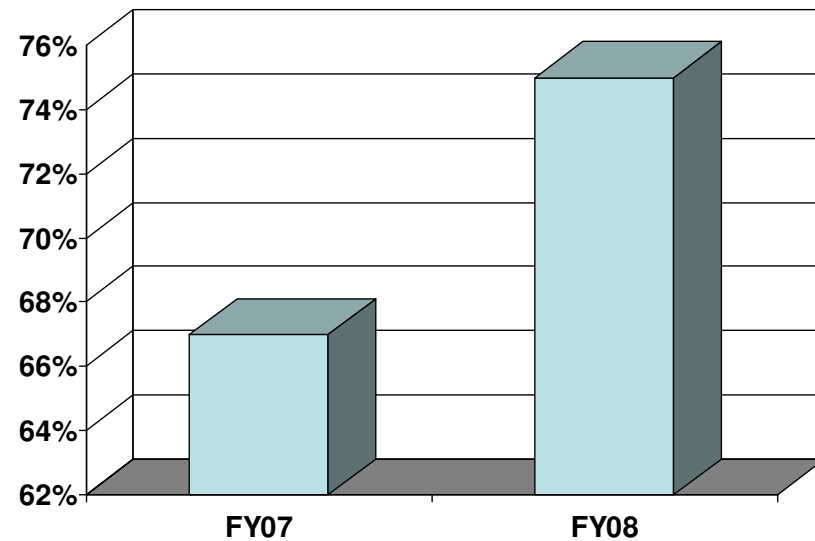
FY08 Product Rev. – By Geography



FY08 – Other Metrics



DSO



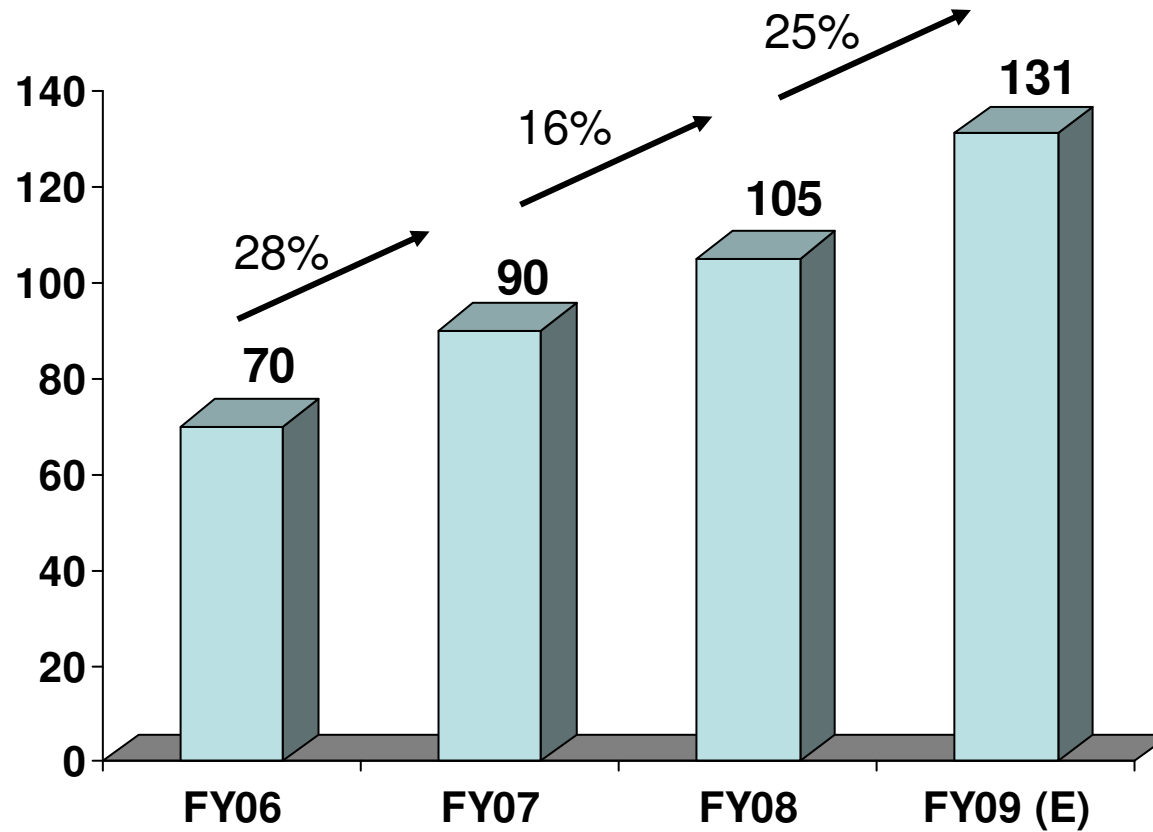
**Share of Product Revenue
in Total Revenue**

Product Business – Key Metrics

- ◆ Backlog plus Annuity for FY09 – US\$ 85 Million
- ◆ Current qualified pipeline – US\$ 347 Million with a success rate of 31%
- ◆ Operating Cost has come down by US\$ 3 mln in Q4 as compared to the average of the first 3 quarters – business has fully achieved an annualised saving of US\$ 12 mln expected at the time of Syndesis acquisition
- ◆ Attrition during the year – 12.5%

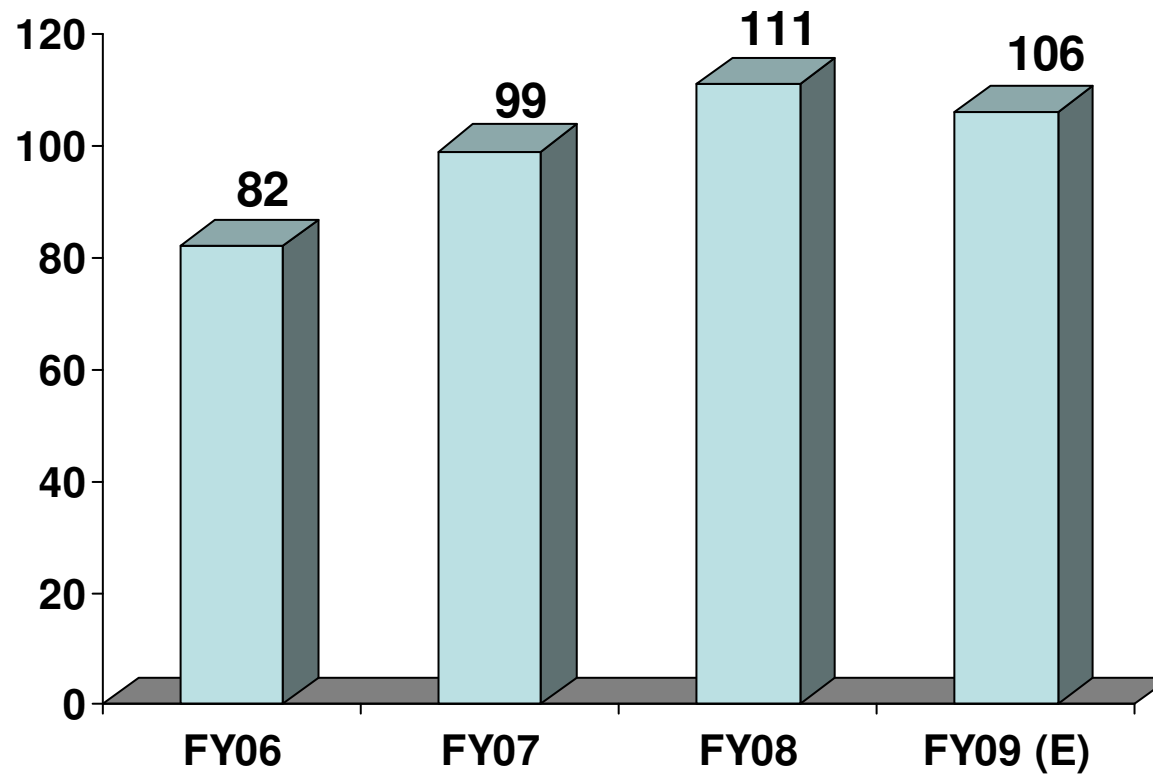
The Two Acquisitions – A Study

Order Intake



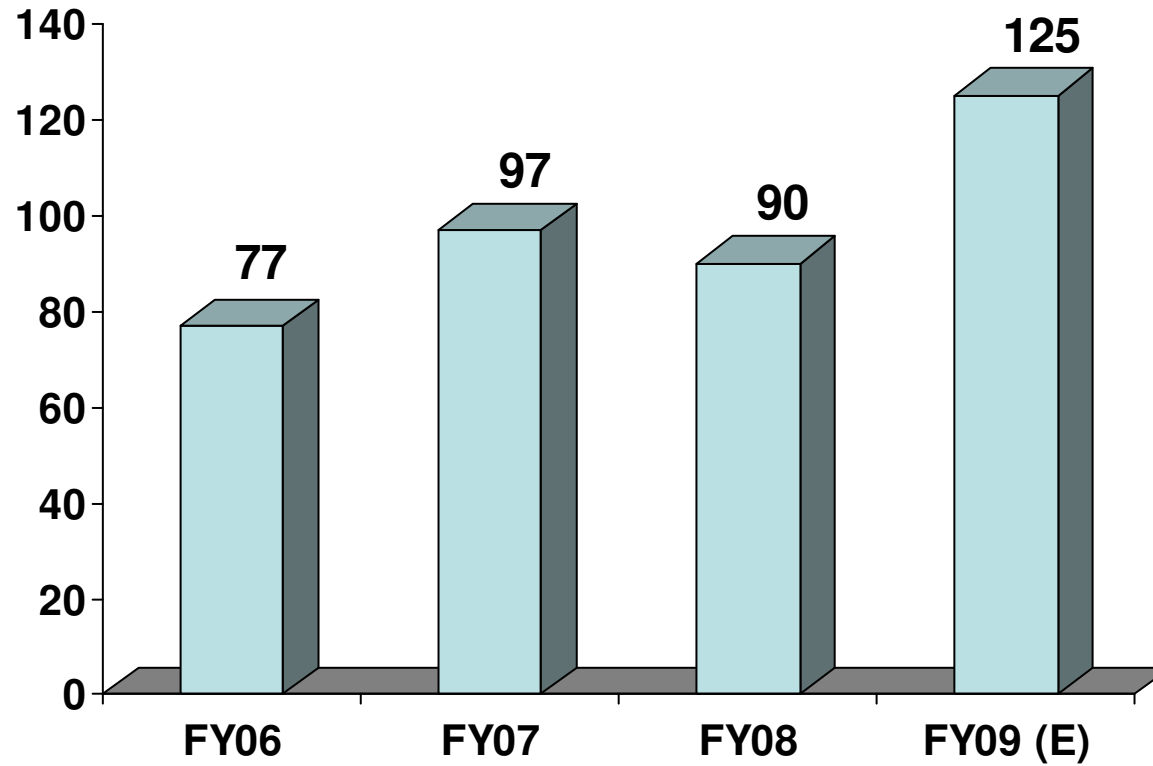
All Figures in US\$ Mln.

Operational Cost



All Figures in US\$ Mln.

Revenue



All Figures in US\$ Mln.

What have we Achieved - Quantitative

- ◆ Over the past 21 months, we have achieved an annualised cost saving of about US\$ 34 mln in FY09 – the total Operational Cost would have been US\$ 140 mln had the three companies (Subex, Azure and Syndesis) been independent – current annualised figure is US\$ 106 mln
- ◆ Over 36 months, Order Intake has grown 87% (70M to 131M) and Revenue has grown 62% (77M to 125M) while cost has grown only by 29% (82M to 106M) – non linearity being achieved

What have we Achieved - Qualitative

- ◆ The company serves over 170 customers spread across 70 countries with 32 of the Top 50 telcos in that group
- ◆ Deepening relationships resulting in the company becoming a significant partner – in FY09, 6 customers with annual billing more than US\$ 5 million each
- ◆ Unique product set enabling the company to create “blue ocean” and provide differentiated value to customers – ROC platform

FY09 Guidance

Revenue – US\$ 125 mln
Profit After Tax – US\$ 12 mln

Note : Excludes Staff Supplementation Services Business

subex
powering the ROC

Thank You

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