

## Subex revenue growth flat, profit up 112%

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**Bangalore:** Subex, the Bangalore-based provider of technologies to communications service providers, recorded a near flat growth in revenues to Rs 126.7 crore for the quarter ended December 2010, compared to the corresponding period in the year before.

The net profit before exceptional items grew 112% to Rs 24 crore. Exceptional items relate to the re-statement of FCCB liability in rupee terms, consequent to the change in rupee-dollar foreign exchange rate. However, on a sequential basis, profits fell 21% from the Rs 30.7 crore it recorded in the previous quarter.

Product revenues contributed 87% of total revenues and stood at Rs 111.18 crore, while the remaining was contributed by the company's services business.

Subex CEO Subash Menon said there has been significant increase in orders this year that will be reflected in the following years' revenue numbers. In the December quarter the company saw a 58% growth in order intake over the previous year. "We expect revenues to grow at above 20% next fiscal," Menon said.

The company is forecasting a top line growth of 15% this fiscal.

In the December quarter, the company improved its product EBITDA margins on an annualized basis from 27.89% to 34.03%. "As we have started introducing non-linearity in our business model through our managed services business our profitability is increasing. Around 15-16% of our business now comes from managed services and the balance through the product licensing model," Menon said.