



Press Release

23 October 2007

Subex Azure announces FY08 Q2 results

Net Consolidated Revenue at Rs. 1029.87 mn (\$ US 25.98 mn)

Quarter ended 30 September 2007 – Key Highlights

- **Net Consolidated Revenue at Rs. 1029.87 mn (\$ US 25.98 mn)**
- **Net Loss at Rs. 348.25 mn (\$ US 8.79 mn)**
- **Revenue from Products at Rs. 715.96 mn (\$ US 18.06 mn)**
- **Revenue from Services at Rs. 313.91 mn (\$ US 7.92 mn)**

Bangalore, INDIA: Subex Azure Ltd, a leading vendor of Operations Support Systems (OSS) solutions for telecom operators, today announced that it has recorded a revenue of Rs. 1029.87 mn (\$ US 25.98 mn) and net loss of Rs. 348.25 mn (\$ US 18.06 mn) for the quarter ended 30 September 2007.

The revenue from products for this period stood at Rs. 715.96 mn (\$ US 18.06 mn), contributing 69.52% to the total revenue. The revenue from services for this period stood at Rs. 313.91 mn (\$ US 7.92 mn), contributing 30.48%.

Revenue for the corresponding quarter last year was Rs. 1029.77 mn (\$ US 25.98 mn), with product revenue at Rs. 741.15 mn (\$ US 18.70 mn) and services revenue at Rs. 288.62 mn (\$ US 7.28 mn). The PAT during this period last year stood at Rs. 163.72 mn (\$ US 4.13 m).

The half-yearly revenue for FY08 stood at Rs. 2346.46 mn (\$ US 59.19 mn), an increase of 60.12 % from the corresponding period last year. The half-yearly product revenue for FY08 stood at Rs. 1720.16 mn (\$ US 43.39 mn) and that of services at Rs. 626.30 mn (\$ US 15.80 mn).

Commenting on the business, Subash Menon, Founder Chairman, Managing Director & CEO, said, "As the company was focused on integration of Syndesis during the first half of this year, revenue was severely impacted. This situation will get corrected in the second half of the year on the back of enhanced execution. Order booking continues to be strong and the backlog for the rest of the year is in line with expectation, to meet the annual guidance."

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About Subex Azure Ltd.

Subex Azure is a leading global provider of Operations Support Systems (OSS) solutions with a mission to empower telecom operators to achieve competitive advantage and deliver new service experiences to subscribers. The company pioneered the strategic concept of the Revenue Operations Center (ROC) – a centralized and integrated infrastructure for end-to-end monitoring, measurement and control of the operator's revenue chain - to foster operational dexterity and hence sustained profitability.

Subex Azure's software portfolio powers the ROC and its best-in-class solutions enable new service creation, subscriber-centric fulfillment, provisioning automation, revenue assurance & cost management, data integrity management, fraud management and interconnect/interparty settlement.

Subex Azure's customers include 32 of the world's 50 largest telecom operators by revenue. The company has more than 150 installations in over 60 countries. Subex Azure was named in the prestigious Deloitte Technology Fast 500 Asia Pacific 2006 list of companies, underlining the company's growth and leadership status.

For more information please visit www.subexazure.com

Forward Looking and Cautionary Statements

Certain statements in this release concerning Subex Azure's products, strategy and future growth prospects are forward -looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward -looking statements. The risks and uncertainties relating to these statements include, but are not limited to, market acceptance of Subex Azure's products and services, Subex Azure's ability to implement its growth strategy, competition in Subex Azure's areas of business and general economic conditions affecting the telecom industry.

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