

9M FY2009

Revenues improves 43% to Rs. 11,528 million

Operating profits at Rs. 2,377 million, up 46%

PAT increases 21% to Rs. 1,448 million

New Delhi, 30th January 2009: Tulip Telecom (Tulip), one of India's largest enterprise data service providers, has announced its financial results for the third quarter & nine months ended 31 December 2008.

Key highlights:

- Tulip has further consolidated its leadership position in the MPLS/IP VPN market with an increase of over 8% in market share to 37.8% (As per Frost & Sullivan for the FY2007-08)
 - With the increase in the company's market share in the MPLS/IP VPN market, the total market share in the overall Enterprise Data Services has doubled from 6% to 12%. The overall Enterprise Data Services market includes International Private Leased Circuits (IPLC), Data Leased Circuits (DLC), MPLS/IP VPN, ATM/Frame Relay, VSAT and Internet services
- The Company is in the completion stage of rolling out a fibre network in 10 of India's key Central Business Districts (CBDs)
 - Delhi and Mumbai continue to expand with demand, and revenues from these cities are beginning to be recognized
 - The rollout is at advanced stages in 8 other cities including Bangalore, Chennai, Ahmedabad, Pune, etc
 - This rollout allows Tulip to offer additional services including corporate Internet, as well as international and domestic connectivity services. This will allow Tulip to increase its addressable market from Rs. 10,000 million to Rs. 50,000 million in the current year
- The SWAN projects are also in the final stages:
 - Haryana has completed and inaugurated by the Government, while Assam, West Bengal and Madhya Pradesh SWAN are currently in the process of implementation
- Tulip participated in the IDC - Data Quest annual HR survey and has been included in the list of top 20 IT employers in India

- The Company has been included by Forbes in their Annual best companies in Asia under a billion dollars list
- Tulip has been placed among the top 10 in Asia's Hot Growth Companies list by Business Week
 - The criteria comprised of sales growth, earnings growth and return on investment capital amongst others
 - The list included only two companies from India in the top 10
- The Company signed on various new customers during the quarter, which include Accenture, HPCL-Mittal, Nestle, National Informatics Centre, NALCO, Pidilite Industries, J&K Bank, and Indian Overseas Bank (IOB)

Q3 FY2009 financial performance (compared with Q3 FY2008)

- Net revenues grew 32.6% to Rs. 4,417.8 million from Rs. 3,331.3 million
- Operating profits increased by 34.4% at Rs. 924.2 million from Rs. 687.7 million
- PAT (pre forex loss) reported growth of 45.4% at Rs. 786.4 million compared to Rs. 540.9 million
- PAT (post forex loss) stood at Rs. 496.4 million compared to Rs. 540.9 million

9M FY2009 financial performance (compared with 9M FY2008)

- Net revenues up 43.3% to Rs. 11,527.8 million from Rs. 8,044.3 million
- Operating income improves 45.5% to Rs. 2,376.5 million from Rs. 1,632.9 million
- PAT (pre forex loss) grew to Rs. 1839.2 million, up 53.6% from Rs. 1,197.6 million
- PAT (post forex loss) stood at Rs. 1,448.0 million from Rs. 1,197.6 million

Note:

In Q3 FY2009, the Company incurred a forex charge of Rs. 290 million primarily towards mark-to-market / restatement of foreign exchange liabilities. This loss has been adjusted against other income resulting in a net debit in other income at Rs. (201.1) million in Q3 FY2009.

For 9M FY2009, the forex related charge was at Rs. 391 million towards mark-to-market / restatement of foreign exchange liabilities. This loss has been adjusted against other income resulting in a net debit in other income at (Rs. 234.6) million in 9M FY2009.

For the purpose of this release all discussions and comments pertain to PAT numbers without forex related change for Q3 FY2009 and for 9M FY2009.

Commenting on the Q3 & 9M FY2009 results, Lt. Col. H.S. Bedi, Chairman & Managing Director of Tulip Telecom, said:

“We are proud to report another robust financial and operational performance during the quarter driven by the enterprises and public sector organizations. Whilst the external environment has been harsh, Tulip has emerged thus far unscathed. Downsizing and cost reduction have become commonplace with institutions searching for low cost solutions. Tulip is able to provide a highly cost effective solution to clients catering for all their data requirements.

Tulip has made great strides in the laying down of fibre in key CBDs this quarter as well as adding several new clients. Such success has been documented by Frost & Sullivan. Not only have Tulip maintained their market leadership status but have pulled away from the competition. Tulip’s share in the MPLS/VPN segment is now 37.8% and accounts for 12% of the entire Enterprise Data Service sector

Tulip continues to exhibit excellent growth and with an increased number of products and services on offer we are well placed to further consolidate our market leadership position”

Attached: Details to the Announcement and Results table

About Tulip Telecom

Tulip Telecom Ltd. (BSE: 532691/NSE: TULIP) is India's leading enterprise communications service provider. The Company's data network has the largest reach of over 1,300+ locations in India. The Company has a national presence with over 2,100+ employees more than 1,100 customers across India. Tulip designs, implements and manages communication networks of large enterprises on long term contracts to include enterprise communications connectivity, network integration, managed and value added services.

For more information on the Company, please log on to www.tuliptel.com.

For further information please contact:

Dinesh Kaushal

Tulip Telecom Ltd
Tel. +91 11 4167 8000
Fax. +91 11 4167 8002
Email dineshk@tuliptel.com

Anoop Poojari / Sagar Vaish

Citigate Dewe Rogerson
Tel.: +91 22 4007 5006 / 5031
Fax: +91 22 2284 4561
E-mail: anoop@cdr-india.com/
sagar@cdr-india.com

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Tulip Telecom Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Details to the announcement
Discussions and Financial Overview
(All comparisons with Q3 & 9M FY2008 figures)
(All rupee figures in Rs. million unless stated otherwise)

Introduction to Tulip Telecom

Tulip is one of India's leading players in the Enterprise Data Service segment with a market share of 12% (as per Frost & Sullivan). Within the MPLS/VPN segment the Company has a market leadership position with a 37.8% market share (as per Frost & Sullivan). Tulip has created a "one stop shop" to fully cater for a company's data requirements from initial set up, to connectivity, to network management, managed services such as data centers and other value added services.

Business Strategy

Tulip's strategy is a two pronged approach to fully engage a customer and cater for all their data requirement needs. The first is the Company's infrastructure. With vast pan India last mile wireless, Tulip's reach allows it to cater to companies across sectors which have multiple locations either branches or points of sale. With presence in over 1,300 cities with over 4,000 points of presence (POPs), Tulip has by far the most extensive network in the sector and its market leadership is only growing. The second is the complete service portfolio by which it can completely cater to all the data requirements of a client.

Tulip is now able to provide connectivity across both wireless and fibre. With the fibre rollout across India's key CBDs Tulip is able to provide a larger range of products including international & domestic connectivity, as well as enterprise Internet services.

Tulip also provides complementary products such as managed services which include Data Centres and Remote Infrastructure Management (RIM). Data centres securely house all the data of a company. Services such as this tessellate with other data services emphasizing total customer engagement.

Tulip also works closely with the Government in rolling out state wide area networks (SWANs) which provide data connectivity to rural areas. Tulip's execution of these SWANs so far places them well for future contracts. Several SWANs have now been completed whilst others are at different stages of maturity.

Sector Overview

As most enterprises continue to scale up, connecting head offices to branches and other points of sale is taking on increasing importance. Traditional connectivity methods such as VSATs prove to be very expensive and thus price out smaller to medium size enterprises. MPLS/VPN addresses the problem using a combination of fibre and wireless connectivity. This solution provides a much more cost effective solution and thus is now the fastest growing data connectivity segment.

Outlook

Tulip's focus on new markets segments, whilst continuing to consolidate its position in the fastest growing segment MPLS/VPN, through its intra-city fibre roll out should enable the Company to target big ticket clients. Product offerings such as Internet, IPLC and DLC allow Tulip to address a market worth over Rs. 54 billion (As per Frost & Sullivan). Provision of internet to corporates generates high margins and will be essential for Tulip to diversify its client list by targeting 90% of high revenue customers in a relatively small area.

New services such as Value Added Services and State Data Centres are expected to form a healthy part of Tulip's revenue stream going forward. Tulip are also making inroads into providing services for Defense operations as well as logistics and manufacturing. Other applications such as financial inclusion and educational services will form part of the Company's Value Added Services portfolio.

Going forward, with a newly placed, highly diversified and experienced management in place to manage the rapid growth witnessed in the Enterprise Data Connectivity business and new initiatives, the Company is confident of sustaining its robust financial and operational performance delivered over the past two years.

Financial Overview

Particulars*	Q3 FY2009	Q3 FY2008	%	9M FY2009	9M FY2008	%
Net Revenues	4,417.8	3,331.3	32.6	11,527.8	8,044.3	43.3
Operating Profit	924.2	687.7	34.4	2,376.5	1,632.9	45.5
PBT	732.1	497.6	47.1	1,779.8	1,154.0	54.2
Other Income	88.9	83.8	6.1	156.6	149.4	4.9
PAT before exceptional items	786.4	540.9	45.4	1,839.2	1,197.6	53.6
Forex Loss	(290.0)	-	-	(391.2)	-	
PAT	496.4	540.9	(8.2)	1,448.0	1,197.6	20.9

*Consolidated Numbers

Segmental Revenues

Particulars*	Q3 FY2009	Q3 FY2008	%	9M FY2009	9M FY2008	%
VPN	3,349.8	1,844.0	81.7	7,954.0	4,227.4	88.2
Network Integration	1,006.9	1,486.8	(32.3)	3,512.6	3,815.6	(7.9)

*Standalone Numbers

- During the quarter, VPN business improves by 82% to Rs. 3,349.8 million from Rs. 1,844.0 million in the corresponding quarter of last year. This was mainly due to strong demand from BFSI, public service units and the telecom sector
- The Company's focus on the VPN business enabled it to deliver robust operating profit growth
- From the beginning of the next financial year Tulip expects notable contribution to revenues and profitability from the fibre roll-out in key CBDs
 - Mumbai and Delhi are complete and revenues are beginning to be realized. These networks are expanding with demand whilst the Company is at advanced stages of the rollout in 8 other cities
- PAT was impacted by FCCB loss which is notional as a result of mark to market, however the current appreciation of the rupee will reflect positively going forward

Operational Overview – Quarterly Perspective

No. of Clients

Particulars	Q3 FY2009	Q3 FY2008	%	Q2 FY2009	%
Clients	1200	679	76.7	1033	16.2
Cities	1,370	1,100.00	24.5	1300	5.4
Connects	1,75,463	93,810	87.0	152,364	15.2
POPs	3711	3081	20.4	3446	7.7

- New clients include Accenture, HPCL-Mittal, Nestle, National Informatics Centre, NALCO, Pidilite Industries, J&K Bank and Indian Overseas Bank (IOB) and total additions for the quarter were 167.

Tulip Telecom Ltd.
(Formerly M/sTulip IT Services Ltd.)

Regd. Office : C-160, Okhla Industrial Area, Phase-I, New Delhi - 110 020

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2008

PARTICULARS	Unaudited		Unaudited		Audited
	Quarter Ended		Year to date		Year Ended
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.03.2008
1 (a) Net Sales/ Income from Operations	44,178.43	33,312.72	115,278.53	80,442.69	121,898.01
(b) Other Operating Income	-	-	-	-	-
Total Revenue	44,178.43	33,312.72	115,278.53	80,442.69	121,898.01
2 Expenditure					
a) Increase/(Decrease) in stock in Trade & WIP	1,410.59	(1,462.26)	2,115.22	4,829.11	4967.17
b) Consumption of raw materials	-	-	-	-	-
c) Purchase of Traded Goods/Services	29,966.06	24,826.32	80,504.14	53,517.60	85093.67
d) Employees cost	1,711.43	1,462.25	5,133.08	3,021.83	3964.22
e) Depreciation	943.32	1,242.99	2,779.16	3,045.10	4181.43
f) Other expenditure	1,848.35	1,609.49	3,760.75	2,745.62	3308.63
g) Total Expenditure	35,879.74	27,678.80	94,292.34	67,159.27	101,515.12
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	8,298.69	5,633.92	20,986.18	13,283.43	20,382.89
4 Other Income	(2,011.06)	837.85	(2,346.10)	1,493.55	2304.34
5 Profit before Interest & Exceptional Items (3+4)	6,287.62	6,471.77	18,640.08	14,776.98	22,687.23
6 Interest	977.33	657.70	3,187.95	1,743.61	2583.22
7 Profit after Interest but before Exceptional Items (5-6)	5,310.30	5,814.07	15,452.13	13,033.37	20,104.01
8 Exceptional Items	-	-	-	-	-
9 Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)	5,310.30	5,814.07	15,452.13	13,033.37	20,104.01
10 Tax expense	346.26	404.62	972.49	1,057.63	1,394.95
11 Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	4,964.04	5,409.45	14,479.65	11,975.74	18,709.06
12 Extraordinary Item	-	-	-	-	2.87
13 Net Profit (+)/Loss (-) for the period (11-12)	4,964.04	5,409.45	14,479.65	11,975.74	18,711.93
14 Paid up equity share capital (Face value of Rs. 10 each fully paid up)	2,900.00	2,900.00	2,900.00	2,900.00	2,900.00
15 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year					40,912.12
16 Earning Per Share					
a) Before Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	17.12	18.65	49.93	41.30	64.52
ii) Diluted Earning Per Share (Rs.)	14.60	15.75	42.59	34.86	54.39
b) After Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	17.12	18.65	49.93	41.30	64.52
ii) Diluted Earning Per Share (Rs.)	14.60	15.75	42.59	34.86	54.39
17 Public Shareholding					
- Number of shares	9,000,300	9,000,300	9,000,300	9,000,300	9,000,300
- Percentage of shareholding	31.04%	31.04%	31.04%	31.04%	31.04%

Notes:-

- The above unaudited financial results were reviewed by the audit committee and were approved by the Board of Directors at their meeting held on 30th January, 2009.
- The above results are subject to "Limited Review" by the Statutory Auditors of the Company.
- The name of the company has been changed from "Tulip IT Services Ltd." to "Tulip Telecom Limited" w.e.f. 25th April.
- The subsidiaries considered in the consolidated financial statement as on 31st December, 2008 are wholly owned subsidiaries, namely M/s Tulip IT Services Singapore Pte Ltd., Tulip SWAN IT Services Ltd. & Tulip Telecom Inc.
- During the Quarter ended December, 2008, the company was awarded the Frost & Sullivan Market Leadership Award 2008 for its exemplary MPLS / IP VPN services second time in a row.
- The status of investors grievance for the quarter ended 31st December, 2008, pending as on 01.10.2008- nil, no of cases received during the quarter-1, no of cases disposed of during the quarter- 1, pending cases as on 31.12.2008 - nil. (1 Complaint was related to Non-Receipt of Annual Report)
- During the period ended 31st December, 2008, the company has debited its Profit and Loss Account by Rs. 39.12 crores as foreign exchange fluctuation loss in compliance with relevant Accounting Standards.
- The stand alone unaudited financial results can be viewed on the company's website i.e. www.tulip.net and can also be viewed on the website of NSE and BSE i.e. www.nseindia.com and www.bseindia.com respectively
- Prior period/year figures have been regrouped/reclassified wherever necessary.

For and on behalf of Board of Directors

Sd/-

Lt. Col. (Retd.) H. S. Bedi

Managing Director

Place : New Delhi

Date: 30.01.2009

Tulip Telecom Ltd.
(Formerly M/s Tulip IT Services Ltd.)

Regd. Office : C-160, Okhla Industrial Area, Phase-I, New Delhi - 110 020

UNCONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2008

PARTICULARS	Unaudited		Unaudited		Audited
	Quarter Ended		Year to date		Year Ended
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.03.2008
1 (a) Net Sales/ Income from Operations (b) Other Operating Income	43,566.43	33,308.18	114,666.53	80,429.77	121,644.40
2 Expenditure					
a) Increase/(Decrease) in stock in Trade & WIP	1,410.59	(1,462.26)	2,115.22	4,829.11	4,967.17
b) Consumption of raw materials	-	-	-	-	-
c) Purchase of Traded Goods/Services	29,476.46	24,822.71	80,014.54	53,507.15	84,848.05
d) Employees cost	1,709.98	1,462.20	5,130.08	3,021.68	3,963.87
e) Depreciation	943.32	1,242.99	2,779.16	3,045.10	4,181.43
f) Other expenditure	1,848.35	1,609.04	3,760.75	2,744.26	3,301.51
g) Total	35,388.69	27,674.68	93,799.74	67,147.30	101,262.03
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	8,177.74	5,633.50	20,866.78	13,282.47	20,382.37
4 Other Income:	(2,011.06)	837.85	(2,346.10)	1,493.55	2,304.48
5 Profit before Interest & Exceptional Items (3+4)	6,166.68	6,471.35	18,520.68	14,776.02	22,686.85
6 Interest:	977.23	657.70	3,187.72	1,743.49	2,583.09
7 Profit after Interest but before Exceptional Items (5-6)	5,189.45	5,813.65	15,332.96	13,032.53	20,103.76
8 Exceptional Items.	-	-	-	-	(18.24)
9 Profit (+)/Loss (-) from Ordinary Activities before tax	5,189.45	5,813.65	15,332.96	13,032.53	20,085.52
10 Tax expense	322.43	404.57	948.65	1,057.53	1,376.52
11 Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	4,867.02	5,409.08	14,384.31	11,975.00	18,709.00
12 Extraordinary Item:	-	-	-	-	(2.87)
13 Net Profit (+)/Loss (-) for the period (11-12)	4,867.02	5,409.08	14,384.31	11,975.00	18,711.87
14 Paid up equity share capital (Face value of Rs. 10 each)	2,900.00	2,900.00	2,900.00	2,900.00	2,900.00
15 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	41,613.43
16 Earning Per Share					
a) Before Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	16.78	18.65	49.60	41.29	64.58
ii) Diluted Earning Per Share (Rs.)	14.15	15.74	41.81	34.86	54.44
b) After Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	16.78	18.65	49.60	41.29	64.52
ii) Diluted Earning Per Share (Rs.)	14.15	15.74	41.81	34.86	54.44
17 Public Shareholding					
- Number of shares	9,000,300	9,000,300	9,000,300	9,000,300	9,000,300
- Percentage of shareholding	31.04%	31.04%	31.04%	31.04%	31.04%

Place : New Delhi
Date : 30.01.2009

On Behalf of the Board of Directors
Sd/-

Lt. Col. (Retd.) H. S. Bedi
Managing Director

Tulip Telecom Ltd.
(Formerly M/s. Tulip IT Services Ltd.)

Regd. Office : C-160, Okhla Industrial Area, Phase-I, New Delhi - 110 020

UNCONSOLIDATED SEGMENT WISE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31st ,2008

Particulars	Rs. in lacs				
	Unaudited		Unaudited		Audited
	Quarter Ended		Year to date		Year Ended
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.03.2008
1. Segment Revenue					
(Net Sale/ Income for each segment)					
a) Segment A - Network Integration	10,068.68	14,867.77	35,126.36	38,155.55	55,893.66
b) Segment B - Corporate Network/ Data Services	33,497.75	18,440.42	79,540.17	42,274.22	65,750.74
c) Un-allocable	(2,011.06)	837.85	(2,346.10)	1,493.55	2,304.48
Total	41,555.37	34,146.03	112,320.43	81,923.32	123,948.88
Less: Inter Segment Revenue					
Net Sales/Income From Operations	41,555.37	34,146.03	112,320.43	81,923.32	123,948.88
2. Segment Results					
Profit(+)/ Loss(-) before tax and interest for each segment					
a) Segment A - Network Integration	-	-	-	-	-
b) Segment B - Corporate Network/ Data Services	-	-	-	-	-
c) Un-allocable	6,166.68	6,471.35	18,520.68	14,776.02	22,668.61
Total	6,166.68	6,471.35	18,520.68	14,776.02	22,668.61
Less : i) Interest	977.23	657.70	3,187.72	1,743.49	2,583.09
ii) Other un-allocable Expenditure net off	-	-	-	-	-
iii) un-allocable income	-	-	-	-	-
Total Profit Before Tax	5,189.45	5,813.65	15,332.96	13,032.53	20,085.52
3. Capital Employed					
(Segment assets - Segment Liabilities)					
a) Segment A - Network Integration	43,239.38	33,486.49	43,239.38	33,486.49	34,351.08
b) Segment B - Corporate Network/ Data Services	101,268.33	40,927.93	101,268.33	40,927.93	41,984.66
c) Un-allocable	34,679.63	56,398.64	34,679.63	56,398.64	56,924.55
Total	179,187.34	130,813.06	155,304.92	130,813.06	133,260.30

On Behalf of the Board of Directors

Place : New Delhi
Date : 30.01.2009

Sd/-
Lt. Col. (Retd.) H. S. Bedi
Managing Director