FY2009

Revenues up 32.4% to Rs. 16,144.0 million

Operating profits at Rs. 3,367.0 million, improves by 37.1%

PAT increases 33.8% to Rs. 2,505.3 million

Board recommends a final dividend of 40%

New Delhi, 27 June 2009: Tulip Telecom (Tulip), one of India's largest enterprise data service providers, has announced its financial results for the fourth quarter & year ended 31 March 2009.

Key developments:

- Tulip continues its extensive growth in the Enterprise Data Services business during the quarter
  - The growth in the segment has allowed the Company to further consolidate its leadership position
  - The market share in FY2007-08 stood at 37.8% (as per Frost & Sullivan). During the year, Tulip was awarded the Frost & Sullivan Market Leadership Award 2008 for the second time in a row
- The Company is in final stages of completion of its fibre network roll-out in Mumbai and Delhi and is currently in process of further stabilizing the network by implementing complete fiber rings
  - A ring network will enhance redundancy within the network and further improve the quality of service offered to the customers
  - The Company expects healthy business traction through fibre roll-out from Q2 FY2010
- Fibre roll-out in other 8 key Central Business Districts (CBD's) including Bangalore, Chennai Ahmedabad, Pune, etc. is also progressing as per plan
- Tulip expects sizable revenue contribution from the fibre business in the next two years
  - Roll-out allows the Company to offer additional services including Corporate Internet, as well as international and domestic connectivity services thereby Increasing the addressable market five fold

- State Wide Area Network (SWAN) project in West Bengal is close to completion and is expected to add to revenues from Q3 FY2010 onwards
    - SWAN projects in the state of Assam and Madhya Pradesh are currently in the process of implementation
- The Company signed on to new clients from the Media, Government, Manufacturing and Telecom sectors
- FCCB's worth USD 33.39 million were bought back during the year
    - USD 109 million outstanding FCCBs are convertible at a price of Rs. 1,137 which are due by August 2012 and has a 7.375% yield to maturity
    - The Company will evaluate further opportunities to buy-back its outstanding FCCBs only if they are available at an attractive buy-back price

Q4 FY2009 financial performance (compared with Q4 FY2008)

- Net sales grew 12.8% to Rs. 4,677.4 million from Rs. 4,146.8 million
- Operating profits increased by 21.7% at Rs. 1,002.4 million from Rs. 823.9 million
- PAT reported a growth of 60.6% at Rs. 1,066.9 million compared to Rs. 664.4 million
- Diluted EPS increases to Rs. 31.4 from Rs. 19.4, up 62.2%

FY2009 financial performance (compared with FY2008)

- Net sales up 32.8% to Rs. 16,144.0 million from Rs. 12,189.8 million
- Operating income improves 37.1% to Rs. 3,367 million from Rs. 2,456.6 million
- PAT grew to Rs. 2,505.3 million, up 33.8% from Rs. 1872.9 million
- Diluted EPS expands 35.4% to Rs. 73.7 from Rs. 54.4

Notes:

1) The accounting treatment as per AS-11 has been continued as per last year by the Company; the net profit after tax for the quarter and the year ended on 31st March, 2009 is lower by Rs. 218.6 million and Rs. 609.8 million respectively
2) During the quarter, the Company repurchased and cancelled FCCBs of the face value USD 33.39 Million, as per the RBI circular, at a discount which resulted in a saving of Rs. 730.3 million and has been reflected as a part of other income

Commenting on the Q4 & FY2009 results, Lt. Col. H.S. Bedi, Chairman & Managing Director of Tulip Telecom, said:

"Our unilateral focus on the Enterprise Data Market has enabled us to emerge as a key player in this telecom segment. Another year of financial and operating performance demonstrates the success of our business model and we believe the best is still to come. Ever more heartening is the growth we have achieved across our operating matrices which includes addition of clients, connects, POPs etc.

Sometime back we extended our service offering model to include data connectivity through optic fibre network. I am glad to report that the results are encouraging and it is emerging as a key growth driver for future business. The Company has nearly completed laying fibre in Mumbai & Delhi and is in the process of stabilizing the operations.

We believe that the growth in Enterprise Data Market will continue to remain healthy and we will do whatever is required to maximize our benefit from this opportunity and provide our clients with best-in-class country solutions."

– ENDS –

Attached: Financial overview 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 and 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.tulip.net

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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.

Financial Overview

(All rupee figures in Rs. million unless stated otherwise)

During the fourth quarter and year ended March 31, 2009, the Company continued to build on its strengths in the Enterprise Data Services. The focus continues to be on data connectivity segment which is enabling the Company post excellent results.

Particulars*	Q4 FY2009	Q4 FY2008	%	FY2009	FY2008	%
Net Sales	4,677.4	4,146.8	12.8	16,144.0	12,189.8	32.4
Operating Profit	1,002.4	823.9	21.7	3,367.0	2,456.6	37.1
Other Income	579.1	81.1	614.1	344.5	230.4	49.5
PBT	1,301.7	707.4	84.0	2,835.0	2,010.6	41.0
PAT	1,066.9	662.9	60.6	2,505.3	1,871.4	33.9

*Consolidated Numbers

- Net sales for the quarter increased by 12.8% to Rs. 4,677.4 million compared to Rs. 4,162.8 million in Q4 FY2008. During the year, net revenues were up by 32.4% at Rs. 16,144.0 million. Higher revenues during the quarter and year were resultant to recent client acquisition and continuing clients scaling up their requirement for data services witnessed in the VPN segment
- EBIDTA for the quarter and year were higher at Rs. 1,002.4 million and Rs. 3,367.0 million compared to Rs. 823.9 million and Rs. 2,456.6 million respectively in the corresponding periods last year, an increase of 21.7% & 37.1% respectively. This was primarily on account of change in business mix i.e. focus on high margin VPN business which helped the Company enhance profitability considerably during the year
    - Most of the equipments required during installation in VPN segment for a new client are imported. This is reflected in operating margins which were steady on account of Rupee Dollar fluctuation during the second half of the year
- Other Income for the quarter and year stood at Rs. 579.1 & Rs. 344.5 million respectively. During the quarter, the Company repurchased and cancelled FCCBs of the face value USD 33.39 Million, as per the RBI circular, at a discount which resulted in saving of Rs. 730.3 million and has been reflected as a part of other income
- Other Income also consist of the loss on account Foreign currency fluctuation amount to Rs. 609.8 million
- PAT for the quarter, increased by 60.6% to Rs. 1,066.9 million. For the year, PAT was higher by 33.9% at Rs. 2,505.3 million

- o The accounting treatment as per AS-11 has been continued as per last year by the Company; the net profit after tax for the quarter and the year ended on 31st March, 2009 is lower by Rs. 218.6 million and Rs. 609.8 million respectively

Segmental Revenues

Particulars*	Q4 FY2009	Q4 FY2008	%	FY2009	FY2008	%
VPN	3,485.8	2,347.7	48.5	11,439.8	6,575.1	74.0
Network Integration	1,130.4	1,773.8	(36.3)	4,643.0	5,589.4	(16.9)

*Standalone Numbers

VPN Business

- During the quarter, revenues increased by 48.5% at Rs. 3,485.8 million compared to Rs. 2,347.7 million in the corresponding quarter last year. For the year, revenues improved by 74% at Rs. 11,439.8 million compared to Rs. 6,575.1 million in FY2008. This was mainly attributable to strong demand from the Media, Government Manufacturing and Telecom sectors
- The Company's focus on this segment has enabled it to deliver strong earnings growth and expects to deliver sustained performance going forward

Network Integration Business

- The Company's focus on the this business is limited to the projects that have a strong potential for bandwidth connectivity
- During the quarter, revenues stood at Rs. 1,130.4 million. For the year, revenues stood at Rs. 4,643.0 million
- Contribution from West Bengal SWAN project is expected to flow from Q2 FY2010 onwards

Managed Services

- The Company provides complementary managed services which includes Data Centers and Remote Infrastructure management
- Such services compliment other data businesses, in-line with Tulip's strategy of providing end-to-end data services to the customer
- The Company expects this business to deliver steady contribution towards performance from Q2 FY2010

Operational Overview

MPLS VPN Performance

Bandwidth usage (Rs. million)	Q4 FY2009	Q4 FY2008	%	FY2009	FY2008	%
Installations charges	1,045.8	986.0	6.1	3,505.4	2,776.7	26.2
Recurring charges from old Clients	2,075.3	1,216.5	70.6	6,842.8	3,386.7	102.0
Recurring charges from new clients	364.6	145.0	151.4	1,091.5	411.5	165.2

Estimated Annualized ARPU (Rs. in lacs)	Q4 FY2009	Q4 FY2008	FY2009	FY2008
Installations charges	0.42	0.42	0.42	0.42
Recurring charges from old clients	0.63	0.52	0.58	0.42
Recurring charges from new clients	0.58	0.25	0.52	0.41

Particulars	Q4 FY2009	Q4 FY2008	%	Q3 FY2009	%
Connects	200,640	117,176	71.2	175,463	14.3
Clients	1,366	855	59.8	1,200	13.8
POPs	3,923	3,206	22.4	3,711	5.7

Balance Sheet Snapshot

Particulars (Rs. million)	31 March 2009	31 March 2008
Gross block	13,192.6	5,837.5
Net worth	6,803.5	4,450.8
Total debt	11,224.5	8,938.2
Break-up of total debt		
o FCCB	6,083.1	5,995.5
o Forex loan	2,000.0	--
o NCD	2,000.0	1,000.0
o Rupee Term Loan	318.6	450.5
o Working Capital Loan	822.8	1,492.2
Cash & Cash Equivalents	3,457.9	5,932.3

Outlook

Demand for data services is growing at a rapid pace in India. Having developed one of the largest wireless networks in the country, Tulip is well poised to sustain and grow its market leadership in the MPLS/VPN segment. Following the addition of fibre network to its portfolio in data connectivity, the Company is positioned to gather a larger pie of the Enterprise Data Market by offering a basket of product and service offerings. Tulip's initiative to further improve its market share by rolling-out fibre across 10 key Central Business Districts has taken off well and it expects this segment to provide considerable impetus to performance in the next two years.

SWAN projects across 4 states in India are expected to generate steady performance on completion in the coming quarters. However, the Company expects to significantly increase data connectivity business from such SWAN projects in the future by providing bandwidth to these states. This benefit should accrue to the VPN segment and enable the Company to considerably improve earnings.

Given the various Central Government initiatives, Tulip believes there is there is a huge untapped potential in the rural markets for data connectivity. The key customers would be the State Governments, Banks, Financial Inclusion, Education, CSCs, SEBs, and Corporates. Additionally, the Company will operate in the un-licensed band which would imply low cost and no spectrum constraint.

– ENDS –

Tulip Telecom Ltd.

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

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 March, 2009 (Rs. in Lacs)

	PARTICULARS	UNAUDITED		AUDITED	
		Quarter Ended		Year to date	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
1	(a) Net Sales/Income from Operations	46,773.77	41,468.24	161,440.29	121,898.01
	(b) Other Operating Income	-	-	-	-
	Total Revenue	**46,773.77**	**41,468.24**	**161,440.29**	**121,898.01**
2	**Expenditure**				
	a) Increase/(Decrease) in stock in Trade & WIP	29.82	138.06	2,145.04	4,967.17
	b) Consumption of raw materials	-	-	-	-
	c) Purchase of Traded Goods/Services	33,434.83	31,583.72	113,449.37	85,090.87
	d) Employees cost	1,991.41	943.74	7,121.49	3,965.42
	e) Depreciation	1,364.84	1,136.33	4,144.00	4,181.43
	f) Other expenditure	1,293.32	564.03	5,054.07	3,308.29
	g) Total Expenditure	**38,114.22**	**34,365.88**	**131,913.96**	**101,513.18**
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	8,659.55	7,102.36	29,526.33	20,384.83
4	Other Income	5,791.02	810.93	3,444.92	2,304.48
5	**Profit before Inerest & Exceptional Items (3+4)**	**14,450.57**	**7,913.29**	**32,971.25**	**22,689.31**
6	Interest	1,433.44	839.73	4,621.29	2,583.22
7	**Profit after Interest but before Exceptional Items (5-6)**	**13,017.13**	**7,073.56**	**28,349.97**	**20,106.09**
8	Exceptional Items	-	-	-	-
9	**Profit (+)/Loss (-) from Ordinary Activities before tax**	**13,017.13**	**7,073.56**	**28,349.97**	**20,106.09**
10	Tax expense	2,348.41	429.18	3,297.06	1,376.71
11	**Net Profit (+)/Loss (-) from Ordinary Activites after tax (9-10)**	**10,668.73**	**6,644.38**	**25,052.90**	**18,729.38**
12	Extraordinary Item	-	(15.37)	-	(15.37)
13	**Net Profit (+)/Loss (-) for the period (11-12)**	**10,668.73**	**6,629.01**	**25,052.90**	**18,714.01**
14	Paid up equity share capital (Face value of Rs. 10 each)	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			65,138.65	41,637.92
16	Debenture Redemption Reserve	1,187.50		1,187.50	
17	Earning Per Share				
	a) Before Extraordinary Items for the period				
	i) Basic Earning Per Share (Rs.)	36.79	22.86	86.39	64.53
	ii) Diluted Earning Per Share (Rs.)	31.38	19.35	73.69	54.44
	b) After Extraordinary Items for the period				
	i) Basic Earning Per Share (Rs.)	36.79	22.86	86.39	64.53
	ii) Diluted Earning Per Share (Rs.)	31.38	19.39	73.69	54.44
18	Debt Equity Ratio	1.65	1.52	1.65	1.52
19	Interest Service Coverage Ratio	9.39	10.27	7.32	9.87
20	Public Shareholding				
	- Number of shares	9,000,300	9,000,300	9,000,300	9,000,300
	- Percentage of shareholding	31.04%	31.04%	31.04%	31.04%
21	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	5,521,625	2,525,000	5,521,625	2,525,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	27.61%	12.63%	27.61%	12.63%
	- Percentage of shares (as a % of the total share capital of the company)	19.04%	8.71%	19.04%	8.71%
	b) Non - encumbered				
	- Number of shares	14,478,075	17,474,700	14,478,075	17,474,700
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	72.39%	87.37%	72.39%	87.37%
	- Percentage of shares (as a % of the total share capital of the company)	49.92%	60.26%	49.92%	60.26%

Notes:-

1 The above audited financial results were duly reviewed by the audit committee in their meeting held on 26th June, 2009 and were approved by the Board of Directors at their meeting held on 27th June 2009.

2 The Board of Directors has recommended a final dividend @ Rs. 4/- per share for the Financial Year 2008-09 aggregating to Rs. 1160 Lacs (excluding tax on Dividend), subject to shareholders approval.

3 Prior period/year figures have been regrouped/reclassified wherever necessary.

4 The subsidiaries considered in the consolidated financial statement as on 31st, March, 2009 are wholly owned subsidiaries, namely M/s Tulip IT Services Singapore Pte Ltd., Tulip SWAN IT Services Ltd & Tulip Telecom Inc.

5 The stand alone Audited 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

6 During the quarter, the company has raised an External Commercial Borrowing (ECB) of US$ 40,000,000/- for the purpose of buyback of the FCCBs. As on 31.03.2009, the company has bought back FCCBs worth US$ 33.39 million.

7 The status of investors grievance for the quarter ended 31st March , 2009 pending as on 01.01.2009- nil, no of cases received during the quarter- 1, no of cases disposed of during the quarter- 1, pending cases as on 31.03.2009 - nil. (1 Complaint was

8 The accounting treatment as per AS-11 has been continued as per last year by the Company, the net profit after tax for the quarter and the year ended on 31st March, 2009 is lower by Rs. 2185.96lacs and Rs. 6097.98 lacs respectively.

9 During the quarter, the Company has repurchased and cancelled FCCBs of the face value USD 33.39 Million, as per the RBI circular, at a discount. This has resulted in saving of Rs.7302.67 lacs which has been reflected as a part of other income. Consequent upon such repurchase and cancellation, the Company's obligation to convert the said FCCBs into shares, if so claimed by the FCCB Holders and / or to redeem the same in the foreign currency, have come to an end vis-a vis the cancelled FCCBs.

Place : New Delhi **On Behalf of the Board of Directors**

Date : 27-06-2009

Deepinder Singh Bedi
Executive Director

Tulip Telecom Ltd.

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

UNCONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 March, 2009 (Rs. in Lacs)

	PARTICULARS	UNAUDITED Quarter Ended		AUDITED Year to date	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
1	(a) Net Sales/Income from Operations (b) Other Operating Income	46,161.77	41,214.63	160,828.29	121,644.40
2	**Expenditure**				
	a) Increase/(Decrease) in stock in Trade & WIP	29.82	138.06	2,145.04	4,967.17
	b) Consumption of raw materials	-	-	-	-
	c) Purchase of Traded Goods/Services	32,945.23	31,340.90	112,959.77	84,848.05
	d) Employees cost	1,988.41	942.19	7,118.49	3,963.87
	e) Depreciation	1,364.84	1,136.33	4,144.00	4,181.43
	f) Other expenditure	1,293.32	557.25	5,054.07	3,301.51
	g) Total	**37,621.62**	**34,114.73**	**131,421.36**	**101,262.03**
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	8,540.15	7,099.90	29,406.93	20,382.37
4	Other Income:	5,791.02	810.93	3,444.92	2,304.48
5	**Profit before Interest & Exceptional Items (3+4)**	**14,331.17**	**7,910.83**	**32,851.85**	**22,686.85**
6	Interest:	1,433.34	839.60	4,621.06	2,583.09
7	**Profit after Interest but before Exceptional Itmes**	**12,897.83**	**7,071.23**	**28,230.80**	**20,103.76**
8	Exceptional Items.	-	-	-	-
9	**Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)**	**12,897.83**	**7,071.23**	**28,230.80**	**20,103.76**
10	Tax expense	2,324.58	428.99	3,273.23	1,376.52
11	**Net Profit (+)/Loss (-) from Ordinary Activites after tax (9-10)**	**10,573.26**	**6,642.24**	**24,957.57**	**18,727.24**
12	Extraordinary Item:	-	(15.37)	-	(15.37)
13	**Net Profit (+)/Loss (-) for the period (11-12)**	**10,573.26**	**6,626.87**	**24,957.57**	**18,711.87**
14	Paid up equity share capital (Face value of Rs. 10	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	-	-	65,138.65	41,613.43
16	Debenture Redemption Reserve	1,187.50	-	1,187.50	-
17	Earning Per Share				
	a) Before Extraordinary Items for the period				
	i) Basic Earning Per Share (Rs.)	36.46	22.90	86.06	64.58
	ii) Diluted Earning Per Share (Rs.)	30.74	19.31	72.55	54.44
	b) After Extraordinary Items for the period				
	i) Basic Earning Per Share (Rs.)	36.46	22.85	86.06	64.52
	ii) Diluted Earning Per Share (Rs.)	30.74	19.26	72.55	54.39
18	Debt Equity Ratio	1.65	1.52	1.65	1.52
19	Interest Service Coverage Ratio	9.33	10.26	7.30	9.87
20	Public Shareholding				
	- Number of shares	9,000,300	9,000,300	9,000,300	9,000,300
	- Percentage of shareholding	31.04%	31.04%	31.04%	31.04%
21	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	5,521,625	2,525,000	5,521,625	2,525,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	27.61%	12.63%	27.61%	12.63%
	- Percentage of shares (as a % of the total share capital of the company)	19.04%	8.71%	19.04%	8.71%
	b) Non - encumbered				
	- Number of shares	14,478,075	17,474,700	14,478,075	17,474,700
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	72.39%	87.37%	72.39%	87.37%
	- Percentage of shares (as a % of the total share capital of the company)	49.92%	60.26%	49.92%	60.26%

On Behalf of the Board of Directors

Place : New Delhi
Date : 27-06-2009

Deepinder Singh Bedi
Executive Director

Tulip Telecom Ltd.

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

UNCONSOLIDATED SEGMENT WISE FINANCIAL RESULTS FOR THEYEAR ENDED 31 March, 2009

	UNAUDITED		AUDITED	
	QUARTER ENDED		YEAR ENDED	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
1. Segment Revenue				
(net sale/ income for each segment)				
a) Segment A - Network Integration	11,303.73	17,738.11	46,430.10	55,893.66
b) Segment B - Corporate Network/ Data Services	34,858.03	23,476.52	114,398.20	65,750.74
c) Un-allocable	5,791.02	810.93	3,444.92	2,304.48
Total	**51,952.79**	**42,025.56**	**164,273.22**	**123,948.88**
Less: Inter Segment Revenue				
Net Sales/Income From Operations	**51,952.79**	**42,025.56**	**164,273.22**	**123,948.88**
2. Segment Results				
Profit)(+)/Loss(-) before tax and interest for each				
a) Segment A - Network Integration	-	-	-	-
b) Segment B - Corporate Network/ Data Services	-	-	-	-
c) Un-allocable	14,331.17	7,910.83	32,851.85	22,686.85
Total	**14,331.17**	**7,910.83**	**32,851.85**	**22,686.85**
Less : i) Interest	1,433.34	839.60	4,621.06	2,583.09
ii) Other un-allocable Expenditure net off	-	-	-	-
iii) un-allocable income	-	-	-	-
Total Profit Before Tax	**12,897.83**	**7,071.23**	**28,230.80**	**20,103.76**
3. Capital Employed				
(Segment assets – Segment Liabilities)				
a) Segment A - Network Integration	54,619.32	34,351.08	54,619.32	34,351.08
b) Segment B - Corporate Network/ Data Services	126,072.08	41,984.66	126,072.08	41,984.66
c) Un-allocable	25,241.91	56,924.55	25,241.91	56,924.55
Total	**205,933.31**	**133,260.29**	**205,933.31**	**133,260.29**

On Behalf of the Board of Directors

Place : New Delhi
Date : 27-06-2009

Deepinder Singh Bedi
Executive Director