

Q1 FY2010

- **Net revenues improves by 33.2% to Rs. 4,429.2 million**
 - **Enterprise Data Connectivity segment delivers 66.2% growth in revenues to Rs. 3,687.2 million**
- **Operating profits at Rs. 1,085.9 million, up 66.1%**
 - **EBIDTA Margins higher at 24.5%**
- **PAT at Rs. 750.4 million, up 63.3%**

New Delhi, July 29, 2009: Tulip Telecom (Tulip), one of India's largest Enterprise Data Service providers, has announced its financial results for the first quarter ended 30 June 2009.

Key developments:

- Fibre network roll-out in 10 of India's key Central Business Districts (CBDs) is in progress, as planned
- To integrate the 'Last Mile' hypothesis successfully implemented in wireless to fibre roll-out; In-line with Company's strategy to fully engage its client by servicing all Data Connectivity needs
 - Allows additional Data service offerings including IPLC, DLC, Corporate Internet, as well as VPN – fibre
 - Plans to target 100% of Enterprise Data Services market which was earlier limited to only VPN on wireless last mile
- The Company signed on various new customers during the quarter across various sectors
 - Client base increases to 1,571 as on 30 June 2009 compared to 984 as on 30 June 2008
 - Being a pure Data Company, Tulip is able to deliver high quality services and address the customers end-to-end Data requirements – Key to Tulip's success in garnering a larger market share
 - Some of the key customers that were added in the current quarter include Aircel, Maruti Suzuki, BNP Paribas, Allied Digital, D-Link, etc
- FCCB's worth USD 7.6 million were bought back during the quarter

- As on June 30, 2009 USD 109 million FCCBs are outstanding
- The Company continues to evaluate options to buy-back its outstanding FCCBs if they are available at an attractive buy-back price
- State Wide Area Network (SWAN) projects are also on schedule with Assam about to be completed in this quarter.

Q1 FY2010 financial performance (compared with Q1 FY2009)

- Net revenues increased to Rs. 4,429.2 million; up by 33.2% from Rs. 3,324.7 million
 - Revenues from Data Connectivity division grew by 66.2% to Rs. 3,687.2 million
 - Network Integration division revenues stood at Rs. 742.1 million
- Operating profits higher by 66.1% at Rs. 1,085.9 million from Rs. 653.9 million
- PAT (Post exceptional item) registered a growth of 63.3% at Rs. 750.4 million compared to Rs. 459.7 million
- Diluted EPS increased to Rs. 21.82 from Rs. 13.37

Note:

During the quarter, the Company repurchased and cancelled FCCBs of the face value USD 7.6 million, as per the RBI circular, at a discount which resulted in a saving of Rs. 144.6 million and has been reflected as a part of other income.

Commenting on the Q1 FY2010 results, Lt. Col. H.S. Bedi, Chairman & Managing Director of Tulip Telecom, said:

“We are delighted to announce an excellent start to the year by growing our business notably along with improvement in operating margins. Our key focus area – Enterprise Data Connectivity continues to show robust prospects and has primarily enabled us to report strong growth which has also translated into excellent earnings.

One of our strategies is to gain superior client trust by offerings highly reliable end-to-end data connectivity services along with excellent service levels. Not only does this provide stickiness to our clients but also enables us to acquire new customers from across sectors.

We are excited about the coming year in which we will see new product launches on the back of the optic fibre roll-out like IPLC, Corporate Internet, VPN – fibre, etc. This collaborated with our various well positioned strategies like providing ‘last mile’ over India’s largest data network, providing 360 degree customer engagement and having a scalable model should enable us register excellent growth and emerge as the largest player in the Enterprise Data Services Market over the next two years.”

– 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 1,415+ locations in India. The Company has a national presence with over 2,100+ employees and more than 1,571 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

For further information please contact:**Dinesh Kaushal**

Tulip Telecom Ltd

Tel: +91 11 4167 8000

Fax: +91 11 4167 8002

E-mail: dineshk@tuliptel.com**Anoop Poojari**

Citigate Dewe Rogerson

Tel.: +91 22 4007 5006

Fax: +91 22 2284 4561

E-mail: anoop@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.

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

Particulars*	Q1 FY2010	Q1 FY2009	% Shift
Net Sales	4,429.2	3,324.7	33.2
Operating Profit	1,086.2	653.9	66.1
Depreciation	352.7	104.5	237.5
Interest	158.2	89.9	75.9
PBT	575.1	459.5	25.2
PAT	479.2	438.5	9.3
Other Income**	(32.4)	21.4	--
PAT (Pre-exceptional Items)	446.7	459.7	(2.8)
Gain on FCCB Buy Back**	144.6	--	--
Forex (Loss)/Gain**	159.1	--	--
PAT (Post-exceptional Items)	750.4	459.7	63.3
EPS – In Rs. (Diluted)	21.82	13.37	63.1

*Unconsolidated Numbers

**Reflected as other income in the statutory results table attached with this release

Segmental Revenues

Particulars*	Q1 FY2010	Q1 FY2009	%
VPN	3,687.2	2,219.0	66.2
Network Integration	742.1	1,105.7	(32.9)

*Standalone Numbers

- Net sales for the quarter higher at Rs. 4,429.2 million compared to Rs. 3,324.7 million in Q1 FY2009, an increase of 33.2%, mainly on the back of growth reported in the VPN segment. Tulip added 18,122 new connects and 105 new clients in this segment during the period under review assisting overall performance registered by the Company
- EBIDTA for the quarter was higher by 66.07% at Rs. 1,086.2 million compared to Rs. 653.9 million in the corresponding period last year. EBIDTA margins stood at 24.5% compared to 19.7% in the corresponding quarter last year resultant to:

- Led by the Company's enhanced focus on the high growth high margin Data Connectivity segment while limiting focus on the Network Integration to projects complemented with bandwidth requirement
- Depreciation for the quarter was higher at Rs. 352.7 million vis-à-vis Rs. 104.5 million in the previous quarter last year due to the higher capex incurred by the Company and completion of some projects earlier reported as Capital Work in Progress
- Interest cost higher by 75.9% at Rs. 158.1 million compared to Rs. 89.9 million due to debt raised by the Company during the last year to fund its capex plans
- During the quarter, the Company repurchased and cancelled FCCBs of the face value USD 7.6 million, as per the RBI circular, at a discount which resulted in saving of Rs. 144.6 million and has been reflected as a part of other income
- Other Income also consist of the gain on account of foreign currency fluctuation amount to Rs. 159.1 million
- PAT (post exceptional items) for the quarter, increased by 63.3% to Rs. 750.4 million from Rs. 459.7 million in Q1 FY2009

VPN Business

- The Company's enduring focus in this segment enabled it to deliver strong earnings growth. During the quarter, revenues increased substantially by 66.2% at Rs. 3,687.2 million compared to Rs. 2,219.0 million in the corresponding quarter last year
- The contribution from this business increased from 66.7% in the corresponding period last year to 83.3% in Q1 FY2010. This is in-line with the Company's strategy to focus on the high margin Data Connectivity business

Enterprise Data Services – Operational Overview

Bandwidth usage (Rs. million)	Q1 FY2010	Q1 FY2009	%
Installations charges	761.1	637.3	19.4
Recurring charges from old Clients	2,758.8	1,373.3	100.9
Recurring charges from new clients	167.2	208.3	(19.7)

Estimated Annualized ARPU (Rs. in lacs)	Q1 FY2010	Q1 FY2009
Installations charges	0.42	0.42
Recurring charges from old clients	0.55	0.54
Recurring charges from new clients	0.65	0.58

Particulars	Q1 FY2010	Q1 FY2009	%	Q4 FY2009	%
Connects	2,18,763	1,32,278	65.4	200,640	9.0
Clients	1,571	984	59.7	1,366	11.1
POPs	4,035	3,281	23.0	3,923	5.4
Cities Covered	1,415	1,250	13.2	1,415	0.0

Balance Sheet Snapshot

Particulars (Rs. million)	30 June 2009	31 March 2009
Gross block	14,018.6	13,192.6
Net worth	7,554.6	6,803.9
Total debt	11,026.0	11,224.5
Break-up of total debt		
o FCCB	6,301.8	6,083.1
o Forex loan	2,000.0	2,000.0
o NCD	2,000.0	2,000.0
o Rupee Term Loan	286.9	318.6
o Working Capital Loan	437.3	822.7
Cash & Cash Equivalents	2,459.5	3,458.9

– ENDS –

Tulip Telecom Ltd.

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

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 June, 2009 (Rs. in Lacs)

PARTICULARS		UNAUDITED		Audited
		Quarter Ended		Year Ended
		30.06.2009	30.06.2008	31.03.2009
1	(a) Net Sales/Income from Operations	44,292.31	33,247.37	161,440.29
	(b) Other Operating Income	-	-	-
	Total Revenue	44,292.31	33,247.37	161,440.29
2	Expenditure			
	a) Increase/(Decrease) in stock in Trade & WIP	(1,584.51)	595.12	2145.04
	b) Consumption of raw materials	-	-	-
	c) Purchase of Traded Goods/Services	31,951.32	23,692.72	113449.37
	d) Employees cost	1,853.68	1,546.94	7121.49
	e) Depreciation	3,526.92	1,045.10	4144.00
	f) Other expenditure	1,212.52	873.59	5054.07
	g) Total Expenditure	36,959.92	27,753.47	131,913.96
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	7,332.38	5,493.90	29,526.33
4	Other Income	2,712.69	213.90	3444.92
5	Profit before Interest & Exceptional Items (3+4)	10,045.07	5,707.80	32,971.25
6	Interest	1,581.59	899.04	4621.29
7	Profit after Interest but before Exceptional Items (5-6)	8,463.48	4,808.76	28,349.97
8	Exceptional Items	-	-	-
9	Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)	8,463.48	4,808.76	28,349.97
10	Tax expense	959.23	212.04	3,297.06
11	Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	7,504.25	4,596.73	25,052.90
12	Extraordinary Item	-	-	-
13	Net Profit (+)/Loss (-) for the period (11-12)	7,504.25	4,596.73	25,052.90
14	Paid up equity share capital (Face value of Rs. 10 each)	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
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.)	25.88	15.85	86.39
	ii) Diluted Earning Per Share (Rs.)	22.07	13.36	73.69
	b) After Extraordinary Items for the period			
	i) Basic Earning Per Share (Rs.)	25.88	15.85	86.39
	ii) Diluted Earning Per Share (Rs.)	22.07	13.36	73.69
18	Public Shareholding			
	- Number of shares	9,000,300	9,000,300	9,000,300
	- Percentage of shareholding	31.04%	31.04%	31.04%
19	Promoters and Promoter Group Shareholding			
	a) Pledged / Encumbered			
	- Number of shares	5,516,625	2,525,000	5,521,625.00
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	27.58%	12.63%	27.61%
	- Percentage of shares (as a % of the total share capital of the company)	19.02%	8.71%	19.04%
	b) Non - encumbered			
	- Number of shares	14,483,075	17,474,700	14,478,075.00
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	72.42%	87.37%	72.39%
	- Percentage of shares (as a % of the total share capital of the company)	49.94%	60.26%	49.92%

Tulip Telecom Ltd.

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Notes:-

- 1 The above unaudited financial results were duly reviewed by the audit committee in their meeting held on 28th July, 2009 and were approved by the Board of Directors at their meeting held on 29th July 2009.
- 2 The above unaudited financial results are subject to limited review by the statutory auditors.
- 3 Prior period/year figures have been regrouped/reclassified wherever necessary.
- 4 The subsidiaries considered in the consolidated financial statement as on 30th June, 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 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
- 6 The status of investors grievance for the quarter ended 30th June, 2009 pending as on 01.04.2009- nil, no of cases received during the quarter- Nil, No. of cases disposed of during the quarter- Nil, pending cases as on 30.06.2009 - nil.
- 7 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 ended on 30th June, 2009 is higher by Rs 1591. lacs .
- 8 During the quarter, the Company has repurchased and cancelled FCCBs of the face value USD 7.6. Million, as per the RBI circular, at a discount. This has resulted in saving of Rs. 1446 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
Date : 29-07-2009**

On Behalf of the Board of Directors

**Lt. Col. (Retd.) H.S. Bedi
Chairman & Managing Director**

Tulip Telecom Ltd.

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

UNCONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 June, 2009 (Rs. in Lacs)

PARTICULARS	UNAUDITED		Audited
	Quarter Ended		Year Ended
	30.06.2009	30.06.2008	31.03.2009
1 (a) Net Sales/Income from Operations	44,292.31	33,247.37	160,828.29
(b) Other Operating Income			
2 Expenditure			
a) Increase/(Decrease) in stock in Trade & WIP	(1,584.51)	595.12	2,145.04
b) Consumption of raw materials			
c) Purchase of Traded Goods/Services	31,951.32	23,692.72	112,959.77
d) Employees cost	1,852.13	1,545.39	7,118.49
e) Depreciation	3,526.92	1,045.10	4,144.00
f) Other expenditure	1,211.32	873.59	5,054.07
g) Total	36,957.17	27,751.92	131,421.36
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	7,335.13	5,495.45	29,406.93
4 Other Income:	2,712.69	213.90	3,444.92
5 Profit before Interest & Exceptional Items (3+4)	10,047.82	5,709.35	32,851.85
6 Interest:	1,581.49	898.91	4,621.06
7 Profit after Interest but before Exceptional Items (5-6)	8,466.33	4,810.44	28,230.80
8 Exceptional Items.			
9 Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)	8,466.33	4,810.44	28,230.80
10 Tax expense	959.23	211.85	3,273.23
11 Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	7,507.10	4,598.60	24,957.57
12 Extraordinary Item:			
13 Net Profit (+)/Loss (-) for the period (11-12)	7,507.10	4,598.60	24,957.57
14 Paid up equity share capital (Face value of Rs. 10 each)	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
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.)	25.89	15.86	86.06
ii) Diluted Earning Per Share (Rs.)	21.82	13.37	72.55
b) After Extraordinary Items for the period			
i) Basic Earning Per Share (Rs.)	25.89	15.86	86.06
ii) Diluted Earning Per Share (Rs.)	21.82	13.37	72.55
18 Public Shareholding			
- Number of shares	9,000,300	9,000,300	9,000,300
- Percentage of shareholding	31.04%	31.04%	31.04%
19 Promoters and Promoter Group Shareholding			
a) Pledged / Encumbered			
- Number of shares	5,516,625	2,525,000	5521625
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	27.58%	12.63%	27.61%
- Percentage of shares (as a % of the total share capital of the company)	19.02%	8.71%	19.04%
b) Non - encumbered			
- Number of shares	14,483,075	17,474,700	14478075
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	72.42%	87.37%	72.39%
- Percentage of shares (as a % of the total share capital of the company)	49.94%	60.26%	49.92%

On Behalf of the Board of Directors

Place : New Delhi
Date : 29-07-2009

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

Tulip Telecom Ltd.

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

UNCONSOLIDATED SEGMENT WISE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 June, 2009

	Rs. in lakhs		
	UNAUDITED		Audited
	QUARTER ENDED		Year Ended
	30.06.2009	30.06.2008	31.03.2009
1. Segment Revenue			
(net sale/ income for each segment)			
a) Segment A - Network Integration	7,420.60	11,057.35	46,430.10
b) Segment B - Corporate Network/ Data Services	36,871.71	22,190.02	114,398.20
c) Un-allocable	2,712.69	213.90	3,444.92
Total	47,004.99	33,461.27	164,273.22
Less: Inter Segment Revenue			
Net Sales/Income From Operations	47,004.99	33,461.27	164,273.22
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	10,047.82	5,709.35	32,851.85
Total	10,047.82	5,709.35	32,851.85
Less : i) Interest	1,581.49	898.91	4,621.06
ii) Other un-allocable Expenditure net off	-	-	-
iii) un-allocable income	-	-	-
Total Profit Before Tax	8,466.33	4,810.44	28,230.80
3. Capital Employed			
(Segment assets – Segment Liabilities)			
a) Segment A - Network Integration	62,331.72	58,865.87	54,619.32
b) Segment B - Corporate Network/ Data Services	134,235.72	71,947.18	126,072.08
c) Un-allocable	16,149.10	-	25,241.91
Total	212,716.54	130,813.05	205,933.31

On Behalf of the Board of Directors

Place : New Delhi
Date : 29-07-2009

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