

Q3 FY2010

- **Net revenues improves by 15% to Rs. 5,009 million**
 - **Growth of 32% in the Enterprise Data Connectivity segment at Rs. 4,422 million**
- **Operating profits higher at Rs. 1,353 million, up 48%**
 - **EBIDTA Margins higher at 27%**
- **PAT at Rs. 689 million, up by 42%**

New Delhi, January 30, 2010: Tulip Telecom (Tulip), one of India's largest Enterprise Data Service providers, has announced its financial results for the third quarter and nine months ended 31 December 2009.

Key developments:

- Awarded the Frost & Sullivan Growth Leadership award for MPLS/IP VPN 2009 for the third time in a row to acknowledge Tulip's significant contribution to the Data Services Market
 - Ability to deliver services in short span and higher uptimes enabled the Company to attract many customers
 - Achieved highest annual CAGR growth for the last three years
- Tulip's CMD, Lt. Col (retd) H.S.Bedi, VSM, selected as a finalist for the Ernst & Young Entrepreneur of the year 2009
- Maintained momentum in MPLS/VPN on Wireless
 - Client base increases to over 1,571 as on 31 December 2009 compared to 1,200 as on 31 December 2008
 - The Company signed on various existing and new customers during the quarter across various sectors like IDBI Home Finance, Etisalat, Tata AIG, DLF and Dow Corning among others
- Extension of network through roll-out of fibre allowed additional Data Service offerings including IPLC, DLC, Corporate Internet, as well as VPN on fibre

- Registered healthy growth in VPN on fibre as a result of new connects and client addition
 - Tapping existing (wireless) as well as new customers by offering additional services
 - Various existing (wireless) and new customers have also now started availing our fiber based services like Cadbury, Kansai Nerolac, Greaves Cotton, etc.
- Development of base optic fibre network to link intra-city CBD's to be an on-going process
- Last mile fiber access roll-out
 - Phase I of the fiber roll out completed in 10 cities
 - Nominal expansion to continue in these cities to build redundancies and extend network based on customer requirements
 - Phase II of fibre roll-out covers additional 36 cities
 - Fiber roll-out in 20 cities near completion while roll-out for the remaining 16 cities begun
 - Target to expand the fiber last mile network based on customer requirements over the next 2 years
 - This project involves nominal capex, as the Company will only roll-out fibre network based in any new city on a case-to-case basis depending upon real demand scenario
 - In-line with Tulip's key business strategy where capex trails order flow
- State Wide Area Network (SWAN) projects on schedule
 - SWAN in West Bengal is almost complete. The Company expects to recognize revenues in the next financial year
 - Assam & Madhya Pradesh SWAN projects under implementation

Q3 FY2010 financial performance (compared with Q3 FY2009)

- Net revenues increased to Rs. 5,008.5 million; up by 15.0% from Rs. 4,356.6 million
 - Revenues from Data Connectivity division were higher at Rs. 4,422.3 million; up by 32.0%
 - Network Integration division revenues stood at Rs. 586.2 million
- Operating profits higher by 48.3% at Rs. 1,352.8 million from Rs. 912.1 million
 - Operating margins increased to 27.0% compared to 20.9% last year
- PAT registered a growth of 41.5% at Rs. 688.8 million compared to Rs. 486.7 million
- Diluted EPS increased to Rs. 21.20 from Rs. 14.98

9M FY2010 financial performance (compared with 9M FY2009)

- Net revenues up 25.1% to Rs. 14,348.0 million from Rs. 11,466.7 million
 - Data Connectivity division revenues were higher by 54.5% at Rs. 12,286.2 million
 - Revenues from Network Integration division stood at Rs. 2,061.9 million
- Operating income increased by 56.9% to Rs. 3,710.3 million from Rs. 2,364.6 million
- PAT grew to Rs. 1,960.2 million, up 36.3% from Rs. 1,438.4 million
- Diluted EPS higher at Rs. 60.33 from Rs. 44.27

Commenting on the Q3 & 9M FY2010 results, Lt. Col. H.S. Bedi, Chairman & Managing Director of Tulip Telecom, said:

“We are glad to report a consistent growth in our operational and financial performance during the quarter. Offering broader range of products and services to our clients through roll-out of fibre has enabled us to achieve considerable growth across various segments in the Enterprise Data Service market. Also, as per our strategy, where capex trails real customer demand, we extended our base fibre network to additional 36 cities. We foresee increased traction from fibre, given our existing large wireless customer base and are confident of our ability to get these customers on fibre within a short span of time.”

Overall, we believe that we are well poised to take advantage of the immense opportunities arising from the Enterprise Data Market on the back of extended products & service offerings and continuous addition of new customers on both, wireless and optic fiber infrastructure which will enable us to register strong earnings performance going forward.”

– 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 1,500 locations in India. The Company has a national presence with over 2,500 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

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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)

Particulars*	Q3 FY2010	Q3 FY2009	% Shift	9M FY2010	9M FY2009	% Shift
Net Sales	5,008.5	4,356.6	15.0	14,348.0	11,466.7	25.1
Operating Profit	1,352.8	912.1	48.3	3,710.3	2364.6	56.9
Other Income	103.6	(201.1)	--	411.5	(234.6)	--
Depreciation	409.2	94.3	333.7	1,197.7	277.9	330.9
Interest	186.2	97.7	90.5	531.4	318.8	66.7
PBT	861.1	518.9	65.9	2,392.8	1,533.3	56.1
PAT	688.8	486.7	41.5	1,960.2	1,438.4	36.3
EPS – In Rs. (Diluted)	21.20	14.98	41.5	60.33	44.27	36.3

* Unconsolidated Numbers

Segmental Revenues

Particulars*	Q3 FY2010	Q3 FY2009	% Shift	9M FY2010	9M FY2009	% Shift
VPN	4,422.3	3,349.8	32.0	12,286.2	7,954.0	54.5
Network Integration	586.2	1,006.9	(41.8)	2,061.9	3,512.6	(41.3)

* Standalone Numbers

- Net sales for the quarter increased to Rs. 5,008.5 million compared to Rs. 4,356.6 million in Q3 FY2009; an increase of 15.0% primarily as a result of growth registered in Enterprise Data Connectivity and high bandwidth fiber services
- EBIDTA for the quarter increased by 48.3% at Rs. 1,352.8 million compared to Rs. 912.1 million in the corresponding period last year
 - EBIDTA margins increased to 27.0% compared to 20.9% in the corresponding quarter last year resultant to:
 - The Company's enhanced focus on the high growth high margin Data Connectivity and higher bandwidth fibre services
 - Also, as the numbers of subscribers keeps increasing on the existing infrastructure, the cost per subscriber keeps going down
- Depreciation for the quarter was higher at Rs. 409.2 million vis-à-vis Rs. 94.3 million in the Q3 FY2009 as a result of higher capex incurred by the Company

which is being capitalized as well as completion of some projects earlier reported as Capital Work in Progress

- Interest cost increased by 90.5% to Rs. 186.2 million compared to Rs. 97.7 million due to debt raised by the Company during the last year to fund its capex plans
- PAT for the quarter, was higher by 41.5% at Rs. 688.8 million from Rs. 486.7 million in Q3 FY2009

VPN Business

- The Company's long-term focus on the high margin Data Connectivity business enabled it to deliver strong earnings growth. During the quarter, revenues were higher considerably by 32.0% at Rs. 4,429.3 million compared to Rs. 3,349.8 million in the corresponding quarter last year
- The contribution from this business increased from 76.9% in Q3 FY2009 to 88.3% in Q3 FY2010

Enterprise Data Services – Operational Overview

Bandwidth usage (Rs. million)	Q3 FY2010	Q2 FY2010	Q1 FY2010	Q4 FY2009
Installations charges	1,004.6	913.3	761.1	1,045.8
Recurring charges from Clients	3,417.4	3,263.2	2,926.0	2,439.9
Total	4,422.0	4,176.5	3,687.1	3,485.7

Balance Sheet Snapshot

Particulars (Rs. million)	31 December 2009	30 September 2009
Gross block	17,169.8	15,149.8
Net worth	8,759.0	8,074.4
Total debt	12,139.0	11,210.1
Break-up of total debt		
o FCCB	4,536.0	4,689.0
o Others	7,603.0	6,521.1
Cash & Cash Equivalents	1,100.0	1,748.4

Outlook

Tulip believes that there are numerous opportunities arising in the wireless segment from the Government Initiatives along with the Alliances and Partnership model that are expected to provide considerable thrust to the data connectivity business.

- One of them would be provision of bandwidth to SWAN projects. The scope is immense as a large pool of customers including banks and private sector organizations seeking rural connectivity can be tapped going forward.
- The Central Government is emphasizing on financial inclusion with strong focus on increasing the financial outreach to rural India. This offers Tulip with an opportunity to offer connectivity solution that is based on a movable framework, while providing banking applications to the rural markets.
- The Ministry of Power launched APDRP under the supervision of Ministry of Power with a view to reduce losses and establish a reliable and automated system for sustained collection of accurate base line data, and the adoption of Information Technology in the areas of energy accounting. This initiative offers Tulip to setup data connectivity will be backbone to support the IT solution.

The Company also sees huge potential in the fibre roll-out business as it allows additional Data service offerings including IPLC, DLC, Corporate Internet, as well as VPN – fibre. With a base roll-out complete in 10 key Central Business Districts (CBD's) in India, Tulip is eyeing at opportunities to extend its network on an ongoing basis.

- With a robust growth through enhancement of service offerings to clients, the Company, in phase II of this fibre roll-out, plans to cover additional 36 cities with a strategy to incur capex that shadows real orders. Further roll-out opportunities will also be evaluated in a similar manner on a case-to-case basis.
- Going forward, with multiple business opportunities in the Enterprise Data Service market, the Company is well poised to become a leading player in this segment within the next two years.

Tulip Telecom Ltd.

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

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 December, 2009 (Rs. in Lacs)

PARTICULARS	UNAUDITED		UNAUDITED		Audited
	Quarter Ended		Year to date		Year Ended
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
1 (a) Net Sales/Income from Operations	50,086.95	44,178.43	143,484.28	115,278.53	161,440.29
(b) Other Operating Income	-	-	-	-	-
Total Revenue	50,086.95	44,178.43	143,484.28	115,278.53	161,440.29
2 Expenditure					
a) Increase/(Decrease) in stock in Trade & WIP	600.00	1,410.59	415.33	2,115.22	2145.04
b) Consumption of raw materials	-	-	-	-	-
c) Purchase of Traded Goods/Services	32,465.00	29,966.06	96,102.46	80,504.14	113,449.37
d) Employees cost	2,047.44	1,711.43	6,029.49	5,133.08	7121.49
e) Depreciation	4,091.64	943.32	11,976.76	2,779.16	4144.00
f) Other expenditure	1,474.07	1,848.35	3,915.28	3,760.75	5054.07
g) Total Expenditure	40,678.16	35,879.74	118,439.32	94,292.34	131,913.96
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	9,408.79	8,298.69	25,044.96	20,986.18	29,526.33
4 Other Income	1,035.53	(2,011.06)	4,114.48	(2,346.10)	3444.92
5 Profit before Interest & Exceptional Items (3+4)	10,444.32	6,287.63	29,159.44	18,640.08	32,971.25
6 Interest	1,861.63	977.33	5,313.57	3,187.95	4621.29
7 Profit after Interest but before Exceptional Items (5-6)	8,582.69	5,310.30	23,845.88	15,452.13	28,349.97
8 Exceptional Items	-	-	-	-	-
9 Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)	8,582.69	5,310.30	23,845.88	15,452.13	28,349.97
10 Tax expense	1,722.10	346.26	4,325.26	972.49	3,297.06
11 Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	6,860.59	4,964.04	19,520.62	14,479.64	25,052.90
12 Extraordinary Item	-	-	-	-	-
13 Net Profit (+)/Loss (-) for the period (11-12)	6,860.59	4,964.04	19,520.62	14,479.64	25,052.90
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	-	-	-	-	65,138.65
16 Debenture Redemption Reserve	-	-	-	-	1,187.50
17 Earning Per Share					
a) Before Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	23.66	17.12	67.31	49.93	86.39
ii) Diluted Earning Per Share (Rs.)	21.11	15.28	60.08	44.56	77.10
b) After Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	23.66	17.12	67.31	49.93	86.39
ii) Diluted Earning Per Share (Rs.)	21.11	15.28	60.08	44.56	77.10
18 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%
19 Promoters and Promoter Group Shareholding					
a) Pledged / Encumbered					
- Number of shares	3,220,000	8,256,625	3,220,000	8,256,625	5,521,625.00
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	16.10%	41.28%	16.10%	41.28%	27.61%
- Percentage of shares (as a % of the total share capital of the company)	11.10%	28.47%	11.10%	28.47%	19.04%
b) Non - encumbered					
- Number of shares	16,779,700	11,743,075	16,779,700	11,743,075	14,478,075.00
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	83.90%	58.72%	83.90%	58.72%	72.39%
- Percentage of shares (as a % of the total share capital of the company)	57.86%	40.49%	57.86%	40.49%	49.92%



Tulip Telecom Ltd.

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

Notes:-

- 1 The above unaudited financial results were duly reviewed by the audit committee and were approved by the Board of Directors in their meeting held on 30th January 2010 respectively.
- 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 31st, December, 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 31st December, 2009 pending as on 01.10.2009- nil, no of cases received during the quarter- 1 (Each of Non receipt of Dividend warrant), No. of cases disposed off during the quarter- 1, pending cases as on 31.12.2009 - nil.

Place : New Delhi
Date : 30-01-2010

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 31 December, 2009 (Rs. in Lacs)

PARTICULARS	UNAUDITED		UNAUDITED		Audited
	Quarter Ended		Year to date		Year Ended
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
1 (a) Net Sales/Income from Operations	50,085.09	43,566.43	143,480.42	114,666.53	160,828.29
(b) Other Operating Income	-	-	-	-	-
2 Expenditure					
a) Increase/(Decrease) in stock in Trade & WIP	600.00	1,410.59	415.33	2,115.22	2,145.04
b) Consumption of raw materials	-	-	-	-	-
c) Purchase of Traded Goods/Services	32,465.00	29,476.46	96,102.46	80,014.54	112,959.77
d) Employees cost	2,023.69	1,709.98	5,959.21	5,130.08	7,118.49
e) Depreciation	4,091.64	943.32	11,976.76	2,779.16	4,144.00
f) Other expenditure	1,468.30	1,848.35	3,899.98	3,760.75	5,054.07
g) Total	40,648.64	35,388.69	118,353.74	93,799.74	131,421.36
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	9,436.45	8,177.74	25,126.68	20,866.78	29,406.93
4 Other Income:	1,035.53	(2,011.06)	4,114.48	(2,346.10)	3,444.92
5 Profit before Interest & Exceptional Items (3+4)	10,471.98	6,166.68	29,241.16	18,520.68	32,851.85
6 Interest:	1,861.53	977.23	5,313.47	3,187.72	4,621.06
7 Profit after Interest but before Exceptional Items (5-6)	8,610.45	5,189.45	23,927.70	15,332.96	28,230.80
8 Exceptional Items:	-	-	-	-	-
9 Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)	8,610.45	5,189.45	23,927.70	15,332.96	28,230.80
10 Tax expense	1,722.10	322.43	4,325.26	948.65	3,273.23
11 Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	6,888.35	4,867.02	19,602.44	14,384.31	24,957.57
12 Extraordinary Item:	-	-	-	-	-
13 Net Profit (+)/Loss (-) for the period (11-12)	6,888.35	4,867.02	19,602.44	14,384.31	24,957.57
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	-	-	-	-	65,138.65
16 Debenture Redemption Reserve	-	-	-	-	1,187.50
17 Earning Per Share					
a) Before Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	23.75	16.78	67.59	49.60	86.06
ii) Diluted Earning Per Share (Rs.)	21.20	14.98	60.33	44.27	76.81
b) After Extraordinary Items for the period					
i) Basic Earning Per Share (Rs.)	23.75	16.78	67.59	49.60	86.06
ii) Diluted Earning Per Share (Rs.)	21.20	14.98	60.33	44.27	76.81
18 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%
19 Promoters and Promoter Group Shareholding					
a) Pledged / Encumbered					
- Number of shares	3,220,000	8,256,625	3,220,000	8,256,625	5,521,625
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	16.10%	41.28%	16.10%	41.28%	27.61%
- Percentage of shares (as a % of the total share capital of the company)	11.10%	28.47%	11.10%	28.47%	19.04%
b) Non - encumbered					
- Number of shares	16,779,700	11,743,075	16,779,700	11,743,075	14,478,075
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	83.90%	58.72%	83.90%	58.72%	72.39%
- Percentage of shares (as a % of the total share capital of the company)	57.86%	40.49%	57.86%	40.49%	49.92%

Place : New Delhi
Date : 30-01-2010

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 SEGMENT WISE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 December, 2009

(Rs. in lacs)

	UNAUDITED		UNAUDITED		AUDITED
	QUARTER ENDED		YEAR TO DATE		YEAR ENDED
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
1. Segment Revenue (net sale/ income for each segment)					
a) Segment A - Network Integration	5,862.23	10,068.68	20,618.67	35,126.36	46,430.10
b) Segment B - Corporate Network/ Data Services	44,222.86	33,497.75	122,861.76	79,540.17	114,398.20
c) Un-allocable	1,035.53	(2,011.06)	4,114.48	(2,346.10)	3,444.92
Total	51,120.62	41,555.37	147,594.90	112,320.43	164,273.22
Less: Inter Segment Revenue	-	-	-	-	-
Net Sales/Income From Operations	51,120.62	41,555.37	147,594.90	112,320.43	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	10,471.98	6,166.68	29,241.16	18,520.68	32,851.85
c) Un-allocable	-	-	-	-	-
Total	10,471.98	6,166.68	29,241.16	18,520.68	32,851.85
Less: i) Interest	1,861.53	977.23	5,313.47	3,187.72	4,621.06
ii) Other un-allocable Expenditure net off	-	-	-	-	-
iii) un-allocable income	-	-	-	-	-
Total Profit Before Tax	8,610.45	5,189.45	23,927.70	15,332.96	28,230.80
3. Capital Employed (Segment assets - Segment Liabilities)					
a) Segment A - Network Integration	75,893.75	43,239.38	75,893.75	43,239.38	54,619.32
b) Segment B - Corporate Network/ Data Services	165,292.57	101,268.33	165,292.57	101,268.33	126,072.08
c) Un-allocable	253.56	34,679.63	253.56	34,679.63	25,241.91
Total	241,439.89	179,187.34	241,439.89	179,187.34	205,933.31

Place : New Delhi
Date : 30-01-2010

On Behalf of the Board of Directors


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

