

FY2010

- **Net revenues up 21.8% at Rs. 19,664 million**
- **Operating profits higher at Rs. 5,255 million; up 56.1%**
 - **EBIDTA Margins higher at 26.7%**
- **PBT from Operations (before Other Income) up by 27.9%**
- **PAT increase by 10% at Rs. 2,755 million**
- **Board Recommends a final dividend of 80%**

New Delhi, May 29, 2010: Tulip Telecom (Tulip), one of India's largest Enterprise Data Service providers, has announced its financial results for the fourth quarter and year ended 31 March 2010.

Fibre Update

- Tulip's intra-City fibre network expands to over 4,000 kms in a short span of time
 - One of the largest fibre "last mile" networks in the country
- Expansion in fibre network to continue – to extend network based on customer requirements, linking intra-city central business district's (CBD) and to build redundancies
 - Currently, operating a network across 46 cities with initial presence in key commercial areas of 250 cities
 - Target to further augment network in existing 250 cities at a nominal capex, on a case-to-case basis depending upon real demand scenario over the next year
- Registered healthy growth in connectivity on fibre as a result of new connects and client additions
 - Fibre client base now stands at over 600 in a short span of one year
 - Added several new customers while deepening engagement with existing (wireless) clients. These include Adobe, Aditya Birla Group,

All India Council for Technical Education (AICTE), Eros International, TATA AIG, Verizon, Uninor etc.

- Product and service offering to be extended through International Long Distance (ILD) services
 - Total of 6 POPs to be setup – one each in West coast & East coast of USA, one in London, one in Singapore and two in India which will act as gateways
 - Nominal setup capex of Rs. 150 million

Wireless update

- Enterprise Connectivity on Wireless registered healthy performance in FY2010
 - Client base increases to over 1,600 as on 31 March 2010
- The Company signed on various existing and new customers during the quarter across various verticals including BFSI, Utilities, Manufacturing, Telecom, Logistics etc
- Deeper penetration in the wireless segment through Maharashtra SWAN bandwidth provision
- Frontrunner to provide bandwidth for Accelerated Power Development and Reform Programme (APDRP) projects

Managed Services update

- Won an order worth USD 13 million (approx.) for a 3 years period from a partner in Saudi Arabia
 - Revenue generation has already commenced
 - Tulip plans to use existing manpower and infrastructure to offer these services

Announced Five-For-One Stock Split

- The Company in its Board of Directors meeting held on May 14, 2010, approved the sub-division of equity shares of Rs.10/- each to five equity shares of Rs. 2/- each, subject to the approval of the shareholders
- The split is undertaken with a view to improve the liquidity of the Company's equity shares in the stock market thus making the shares more appealing to retail investors while attracting a broader range of institutional investors

Dividend

- The Company has also proposed a final dividend, subject to approval of shareholders, of 80% which is Rs. 8/- per share, for the financial year ending March 2010

Commenting on the Q4 & FY2010 results, Lt. Col. H.S. Bedi, Chairman & Managing Director of Tulip Telecom, said:

“The projects undertaken during the last eighteen months have started to yield benefits. Our healthy operational as well as financial performance delivered during the year is a testimony to the success of these initiatives.

Our unilateral focus in the Enterprise Data Service market, by offering broader range of products and services to our clients through roll-out of fibre, has enabled us to become a key player in the telecom sector. In a short span of one year, our fibre spreads over 4,000 kms giving us one of the largest fibre last mile networks in the country. Also, we have been able to get on board over 600 clients on fibre while sustaining momentum in the wireless segment.

Overall, our product and service offerings, unmatched reach, extremely high levels of customer satisfaction and state-of-the-art meshed infrastructure, all of which enables a unique customer experience, makes us well poised to take advantage of the opportunities in the Enterprise Data Service market which concurrently would translate into a strong earnings performance going forward.”

Q4 FY2010 financial performance (compared with Q4 FY2009)

- Net revenues increased to Rs. 5,306.6 million; up by 13.5% from Rs. 4,677.3 million
- Operating profits higher by 54.1% at Rs. 1,544.9 million from Rs. 1,002.4 million
 - Operating margins increased to 29.1% compared to 21.4% last year
- Profit from Operations (before Other Income) up by 66.8% at Rs. 1,205.1 compared to Rs. 722.6
- PAT stood at Rs. 794.9 million
- Diluted EPS at Rs. 24.47

FY2010 financial performance (compared with FY2009)

- Net revenues up 21.8% to Rs. 19,664.0 million from Rs. 16,144.0 million
- Operating income increased by 56.1% to Rs. 5,254.8 million from Rs. 3,367.0 million
 - Operating margins increased to 26.7% compared to 20.9% last year
- Profit from Operations (before Other Income) grew to Rs. 3185.9 million as compared to Rs. 2490.5 million, growth of 27.9%
- PAT grew to Rs. 2,754.7 million, up 10.0% from Rs. 2,505.0 million
- Diluted EPS higher at Rs. 84.78 from Rs. 77.10

– 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 1,700 locations in India. The Company has a national presence with over 2,600 employees and more than 1,600 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*	Q4 FY2010	Q4 FY2009	% Shift	FY2010	FY2009	% Shift
Net Sales	5,306.6	4677.4	13.5	19,664.0	16,144.0	21.8
Operating Profit	1,544.9	1,002.4	54.1	5,254.8	3,367.0	56.1
Depreciation	155.3	136.5	13.8	1,353.0	414.0	226.8
Interest	184.6	143.3	28.8	715.9	462.1	55.0
PBT (Operating)	1,205.1	722.6	66.8	3,185.9	2,490.5	27.9
Other Income	56.8	579.1	(90.2)	468.2	344.9	35.9
PBT (Total)	1,261.8	1,301.7	(3.1)	3,654.1	2,835.0	28.9
PAT	794.9	1,066.9	(25.5)	2,754.7	2,505.3	10.0
EPS – In Rs. (Diluted)	27.41	32.83	(25.5)	84.78	77.10	10.0

* Consolidated Numbers

- Net sales for the quarter and year increased by 13.5% & 21.8% respectively; primarily as a result of growth registered in high bandwidth fiber services and conventional wireless business segment
- EBIDTA margins improve to 29.1% & 26.7% during the quarter and year as a result of:
 - Enhanced focus on the high growth high margin Data Connectivity segment
 - Gradually achieving economies of scale - as the numbers of subscribers keeps increasing on the existing infrastructure, the cost per subscriber keeps going down
 - Improving contribution from high margin fibre business
 - Bulk purchase of bandwidth on account of fibre roll-out
- Depreciation during the quarter and year stood at Rs. 155.3 million and Rs. 1,353.0 million respectively
 - The revised depreciation charge considers the Company's changing asset profile including the ownership of a vast fibre infrastructure which has a long useful life. This is also in line with sector practices
 - The depreciation policy has been arrived at in consultation with the auditors during annual closing of accounts for which reason the Q4 deprecation charge adjusts the depreciation for the entire year

- The Company's overall cost of funds is below 9%
- Other income for the year higher by 35.9% primarily on account of a 14% rise in Rupee vis-à-vis USD
- PAT growth during the quarter and year was muted due to:
 - Increase in Tax outflow consequent to completion of first leg of 80 I (A) benefit post 5 years of operations – Effective tax rate at 24.6%
 - Also, In Q4 FY2009, the Company repurchased and cancelled FCCBs of face value USD 33.39 Million at a discount which resulted in a saving of Rs. 730.3 million and reflected in PAT
- Return on Capital Employed (ROCE) is approx. 18.4%, up as compared to 16.4% last year. As against that, the cost of capital is around 12.3%; making the Company EVA positive – enhancing shareholder value through EVA generation of 6.1%
 - Tulip would continue to focus on increasing its ROCE

Balance Sheet Snapshot *

Particulars (Rs. million)	31 March 2010	31 March 2009
Gross block	15,443.0	13,199.5
Net worth	9,275.9	6,803.9
Total debt	11,885.7	11,224.5
Break-up of total debt		
- FCCB	4,365.1	6,083.0
- Others	7,520.6	5,141.5
Cash & Cash Equivalents	3,455.6	3,457.9
Debt to Equity (times)	1.28	1.65
Net Debt to Equity (times)	0.91	1.14

*Standalone Numbers

- The Net Debt to Equity of the company has come down to below 1 with Net Debt to EBIDTA multiple at 1.6
- Final Dividend proposed for FY 2009-10, subject to shareholders' approval, is 80% - Rs. 8 per equity share of Rs. 10/- each (previous year 40% - Rs. 4 per equity share of Rs. 10/- each). The pay-out ratio stands at 8%

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, 2010 (Rs. in Lacs)

PARTICULARS	UNAUDITED		AUDITED	
	Quarter Ended		Year Ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
1 (a) Net Sales/Income from Operations	53,065.99	46,773.77	196,639.96	161,440.29
(b) Other Operating Income	-	-	-	-
Total Revenue	53,065.99	46,773.77	196,639.96	161,440.29
2 Expenditure				
a) Increase/(Decrease) in stock in Trade & WIP	(2,700.56)	29.82	(2,285.23)	2,145.04
b) Consumption of raw materials	-	-	-	-
c) Purchase of Traded Goods/Services	35,710.86	33,434.83	131,813.32	113,449.37
d) Employees cost	2,229.73	1,991.41	8,245.41	7,121.49
e) Depreciation	1,552.88	1,364.84	13,529.64	4,144.00
f) Other expenditure	2,376.82	1,293.32	6,318.56	5,054.07
g) Total Expenditure	39,169.73	38,114.22	157,621.69	131,913.96
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	13,896.27	8,659.55	39,018.27	29,526.33
4 Other Income	567.49	5,791.02	4,681.98	3,444.92
5 Profit before Interest & Exceptional Items (3+4)	14,463.76	14,450.57	43,700.25	32,971.25
6 Interest	1,845.59	1,433.44	7,159.06	4,621.29
7 Profit after Interest but before Exceptional Items (5-6)	12,618.17	13,017.13	36,541.19	28,349.97
8 Exceptional Items	-	-	-	-
9 Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)	12,618.17	13,017.13	36,541.19	28,349.97
10 Tax expense	4,668.79	2,348.41	8,994.06	3,297.07
11 Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	7,949.38	10,668.73	27,547.13	25,052.90
12 Extraordinary Item	-	-	-	-
13 Net Profit (+)/Loss (-) for the period (11-12)	7,949.38	10,668.73	27,547.13	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
15 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	89,858.80	65,138.65	89,858.80	65,138.65
16 Debenture Redemption Reserve	7,520.83	1,187.50	7,520.83	1,187.50
17 Earning Per Share				
a) Before Extraordinary Items for the period				
i) Basic Earning Per Share (Rs.)	27.41	36.79	94.99	86.39
ii) Diluted Earning Per Share (Rs.)	24.47	32.83	84.78	77.10
b) After Extraordinary Items for the period				
i) Basic Earning Per Share (Rs.)	27.41	36.79	94.99	86.39
ii) Diluted Earning Per Share (Rs.)	24.47	32.83	84.78	77.10
18 Debt Equity Ratio	1.28	1.65	1.28	1.65
19 Interest Service Coverage Ratio	6.15	9.39	6.74	7.32
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	3,320,000	5,521,625	3,320,000	5,521,625
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	16.60%	27.61%	16.60%	27.61%
- Percentage of shares (as a % of the total share capital of the company)	11.45%	19.04%	11.45%	19.04%
b) Non - encumbered				
- Number of shares	16,679,700	14,478,075	16,679,700	14,478,075
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	83.40%	72.39%	83.40%	72.39%
- Percentage of shares (as a % of the total share capital of the company)	57.52%	49.92%	57.52%	49.92%

Tulip Telecom Ltd.

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Notes:-

- 1 The above audited financial results were duly reviewed by the audit committee and were approved by the Board of Directors in their meeting held on 29th May, 2010 respectively.
- 2 The Board of Directors has recommended a dividend @ Rs. 8/- per share for the Financial Year 2009-10 aggregating to Rs. 2320 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, 2010 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 The status of investors grievance for the quarter ended 31st March, 2010 pending as on 01.01.2010- nil, no of cases received during the quarter- nil, pending cases as on 31.03.2010 - nil.
- 7 The accounting treatment as per AS-11 has been continued as per last year by the Company.
- 8 During the year, the Company has repurchased and cancelled FCCBs of the face value USD 19.6 Million, as per the RBI circular, at a discount. This has resulted in saving of Rs. 2181.94 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.
- 9 The company operates in single segment i.e., 'Telecom' and therefore separate segment reporting is not applicable.

**Place : New Delhi
Date : 29-05-2010**

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 AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 March, 2010 (Rs. in Lacs)

PARTICULARS	UNAUDITED		AUDITED	
	Quarter Ended		Year Ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
1 (a) Net Sales/Income from Operations	53,030.99	46,161.77	196,511.42	160,828.29
(b) Other Operating Income	-	-	-	-
2 Expenditure				
a) Increase/(Decrease) in stock in Trade & WIP	(2,700.56)	29.82	(2,285.23)	2,145.04
b) Consumption of raw materials	-	-	-	-
c) Purchase of Traded Goods/Services	35,710.86	32,945.23	131,813.32	112,959.77
d) Employees cost	2,207.53	1,988.41	8,166.75	7,118.49
e) Depreciation	1,552.88	1,364.84	13,529.64	4,144.00
f) Other expenditure	2,362.70	1,293.32	6,262.68	5,054.07
g) Total	39,133.41	37,621.62	157,487.15	131,421.36
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	13,897.59	8,540.15	39,024.27	29,406.93
4 Other Income:	567.49	5,791.02	4,681.98	3,444.92
5 Profit before Interest & Exceptional Items (3+4)	14,465.08	14,331.17	43,706.25	32,851.85
6 Interest:	1,845.59	1,433.34	7,159.06	4,621.06
7 Profit after Interest but before Exceptional Items (5-6)	12,619.49	12,897.83	36,547.19	28,230.80
8 Exceptional Items:	-	-	-	-
9 Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)	12,619.49	12,897.83	36,547.19	28,230.80
10 Tax expense	4,668.79	2,324.58	8,994.06	3,273.23
11 Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	7,950.70	10,573.26	27,553.13	24,957.57
12 Extraordinary Item:	-	-	-	-
13 Net Profit (+)/Loss (-) for the period (11-12)	7,950.70	10,573.26	27,553.13	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
15 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	89,858.80	65,138.65	89,858.80	65,138.65
16 Debenture Redemption Reserve	7,520.83	1,187.50	7,520.83	1,187.50
17 Earning Per Share				
a) Before Extraordinary Items for the period				
i) Basic Earning Per Share (Rs.)	27.42	36.46	95.01	86.06
ii) Diluted Earning Per Share (Rs.)	24.47	32.54	84.80	76.81
b) After Extraordinary Items for the period				
i) Basic Earning Per Share (Rs.)	27.42	36.46	95.01	86.06
ii) Diluted Earning Per Share (Rs.)	24.47	32.54	84.80	76.81
18 Debt Equity Ratio	1.28	1.65	1.28	1.65
19 Interest Service Coverage Ratio	6.15	9.33	6.74	7.30
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	3,320,000	5,521,625	3,320,000	5,521,625
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	16.60%	27.61%	16.60%	27.61%
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- Number of shares	16,679,700	14,478,075	16,679,700	14,478,075
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	83.40%	72.39%	83.40%	72.39%
- Percentage of shares (as a % of the total share capital of the company)	57.52%	49.92%	57.52%	49.92%

Place : New Delhi
Date : 29-05-2010

On Behalf of the Board of Directors

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