

Tulip announces Q3 FY 12 Revenues of Rs686.6 Crores up by 14% and Operating Profit of Rs 199.1 Crores up by 16.1%

Highlights – Q3 2012

- Posted Revenue of **Rs 686.6 Crores**, up by 13.9% over corresponding quarter of previous year
- Posted operating profit of Rs199.1 Crores, up by 16.1% over corresponding quarter of previous year
- EBITDA margin improved to 29% as compared to 28.5% over corresponding quarter of previous year
- Net Profit of Rs 77.3 Crores for the current quarter
- Declared basic EPS at Rs5.33

New Delhi, February 8, 2012: Tulip Telecom Ltd (Tulip), India's leading Enterprise Data Services provider, today announced its unaudited financial results for the third quarter ended December 31, 2011. The company posted revenues of Rs 686.6 Crores against revenue of Rs 602.2 Crores in the corresponding of the previous fiscal, registering an increase of 13.9% and an operating profit of Rs199.1Crores against Rs171.5Crores in corresponding quarter of the previous fiscal, registering an increase of 16.1%. The company posted Net Profit of Rs 77.3 crores and a basic EPS atRs5.33 in the quarter. Better utilization of the existing fiber infrastructure led to an improvement in the EBITDA margin from 28.5% to29% in the quarter.

Tulip, earlier also announced the commercial launch of its Bengaluru Data Center, Tulip Data City, which is India's largest and world'sthird largest single site Data Center. The subsidiary has also achieved financial closure and is now a fully operating independent entity with a strong organization and operational infrastructure. Tulip already has booked orders from reputed organizations which amount to a potential value of up toRs600crores for a period of 5 years for the data centre.

Tulip also saw an increasing product basket to include services like Convergent solutions for Voice, Data and Video, Network Solutions, Hosting and Managed Security. Density of the fiber network also continues to expand in existing cities and increasing presence in newer cities depending on the customer demands.

Lt Col HS Bedi, Chairman and Managing Director, VSM, Tulip Telecom Ltd said,“It gives me immense pleasure to report that our Bengaluru Data Center is operational and has achieved financial closure. Honorable Minister of State, Department of Communication and IT, Mr. Sachin Pilot inaugurated the facility on February 6, 2012. With this, the Data Center is now a completely independent operational subsidiary with a strong financial backbone, operational infrastructure and a robust organization. We strongly believe that this is an outstanding asset, which will deliver superior annuity returns on a sustained basis over the long term.

The performance during the quarter is reflective of headwinds faced in the macro-economic environment. However, the rapid development of the Company's business over the past few quarters is a testimony to the progress over the long-term horizon. Also, various strides undertaken by the Company to realign the business model in order to enhance efficiency has resulted in improvement in operating margins.

While the demand for fibre connectivity, managed services and data center remains undiminished, our focus is on enhancing client engagement by deeply mining customer relationships through our end-to-end data service offerings. We are already enthused by the progress so far and are confident of rapid scale up once the macro environment improves.”

Key highlights for Q3, FY 2012 are as follows:

Operational Highlights:

- **Laying of 1,200 kms of National Long Distance (NLD) fibre between Mumbai and Chennai on schedule**
 - Expected to be completed by Q4 FY2012
- **Government projects to provide further impetus to performance**
 - Won order from Rajasthan State Crime and Criminal Tracking Network and Systems (CCTNS) for a turnkey network implementation across 1,172 locations which includes all Police Stations and higher offices across State of Rajasthan and

Press Release

Won 6th R-APRDP project in Bihar. The Company is now the Network Bandwidth Service Provider for offering services in Bihar, Andhra Pradesh, Punjab, Uttarakhand, Uttar Pradesh and Gujarat with a cumulative project value of about Rs 275 crores

- Launched Digital Video Surveillance Solutions on Cloud in partnership with MindTree and Iomega
- Company added several reputed customers during the quarter including NTT Communications, Sahara Para Banking, Axis Bank, Tata Mutual Fund and Tata Interactive Systems among others.

Awards and Recognitions

- Awarded Business Innovation and Best Talent Managed Company Award at the Asian Leadership Awards 2011

To view Q3 results, please click on: www.tulip.net

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