Q1 FY2012

- **Net revenues at Rs. 653.9 crore; higher by 24.5%**
- **Operating profits up by 30.3% at Rs. 184.7 crore**
  - **EBIDTA Margins higher at 28.5%**
- **PAT grows by 20.2% to Rs. 77.1 crore**

New Delhi, July 28, 2011: Tulip Telecom Limited (Tulip), India's leading Enterprise Data Service provider, today announced its audited financial results for the first quarter ended June 30, 2011.

Highlights

Offering end-to-end connectivity solutions through Fibre connectivity ensures higher wallet share per customer

- Demand outlook robust with over 80% of revenues from new orders continue to be received on fibre
- Focus on increasing the density of fiber network in existing cities whilst prudently exploring opportunities to increase presence in newer cities depending on the customer demand
  - 'Last-mile' fibre network spans over 7,200 kms

National Long Distance fibre between Mumbai and Chennai

- Laying 1,200 kms NLD Fibre at a total capex of Rs. 60 crore
- The route connects the two main landing stations in the country to Tulip's main Data Center at Bengaluru. A leased link between another Service Provider provides redundant ring architecture to that route. The route covers prominent cities like Mumbai, Pune, Belgaum, Bengaluru and Chennai
- Given the Company's existing bandwidth requirement in this trunk route and demand anticipated for its new Data Centre venture, the Company expects a payback of around two years

Takes significant strides in International Data Connectivity by leveraging existing customer relations and strong NNIs

- Adds Reckitt Benckiser, HDFC Bank and Bloomberg as customers for International Bandwidth
- Executed connectivity orders for various companies in North America, Europe and Asia
- Agile execution of orders won in Q4 FY11 for International Data and Voice connectivity executed during the quarter
- Effectively leveraging Hutchison Global Communications' (HGC) network in order to expand global presence

Gaining strong foothold in carrier market

- Strong traction in International Carrier using Tulip's network for their domestic connectivity

Government projects to provide impetus to performance

- Execution of Uttar Pradesh and Gujarat R-APDRP projects well on track – billing expected to commence from Q2 FY12 onwards
- Tulip continues to be a preferred choice for bandwidth provider for R-APDRP programme

Added various customers in Enterprise Data Connectivity

- The Company added several new customers during the quarter including Matrix Cellular, OICL, Karur Vysya Bank, Reliance Life Insurance, Gamesa, Deccan Charter among others
- Continue to gain traction in BFSI segment with being shortlisted for connecting networks as well as providing Data Center services to leading PSU Banks

Focus on growing Managed Services segment & Strengthening of Organization

- Increasing product basket to include services like Convergent solutions for Voice, Data and Video, Network Solutions, Hosting and Managed Security

- Appoints Mr. Sanjay Verma as President – Managed Services to head the Global Managed Services business. Mr. Verma has over 25 years of experience in IT sales, delivery and strategy. Prior to joining Tulip, Mr. Verma has worked with organizations like Wipro (Head of Business Development for North America), Infosys (Head of Healthcare and Insurance) and Satyam (Global Head of Pre-Sales)
- Appoints Mr. Ashu Malhotra as head HR. Mr. Malhotra brings in 20 years of experience in various leadership positions in HR at Bharti Airtel, Alcatel Lucent
- Appoints vertical heads for BFSI and IT/ITES

Emphasis on expanding Data Center (DC) – commitment to Domestic and Overseas customers to support their business needs

- Progress on Bengaluru Data Center as planned – scheduled to go commercially live in Q2 FY12
- Won order with revenue potential up to Rs. 500 crore from a reputed global organization for up to 30,000 sq. spread over 5 years
- Visible funnel of over 150,000 sq. ft.
    - Undertaking aggressive sales and marketing activities to achieve targeted booking
- Functional heads in place to realize the potential of DC venture

Affirmation to debt rating

- In addition to CARE rating in March 2011, ICRA has reaffirmed its A1 rating of Tulip's short term Commercial Paper and has issued A+ (Stable) rating for long term NCDs

Improvement in Systems

- As part of initiative to improve the systems and processes, the Company has successfully implemented ERP (SAP). The go-live happened in May-2011 and post go live stabilization is underway. With this, the Company expects to not only improve the robustness of its processes, but also keeps the costs under control

Others

- The Board in its meeting earlier held on August 9th, 2010 had passed a resolution for issuance of Long Term Capital up to Rs. 1,000 crore which was subsequently approved by the shareholders and is valid up to November 26, 2011. The Board considered it necessary and recommended the shareholders to extend the validity of the resolution
- The Board has also approved the issuance of Long Term Capital including warrants to the Promoter(s)/Promoter Group Companies up to 5% of the issued Capital in compliance with SEBI(ICDR) guidelines

Business strategy

Three Pronged Strategy in place – to provide impetus to performance

The Company has embarked upon a 3 pronged strategy for better customer engagement. This has been primarily driven by the Company's objectives of transiting from mere EDC (Enterprise Data Connectivity) to EDS (Enterprise Data Services) and thus aiming at a larger share of the wallet of a customer

- Geographical reach & Coverage
  - Client facing local sales team operational across 4 regional offices and branches in almost all states of the country
- Product reach
  - This team drives focus on key products that are on priority for the Company like ILD, Bulk Internet, Data Centers, Managed services etc.
- Vertical reach – leading Professionals from the Industry have already joined in
  - To drive focus of the Company in vertical business segments like BFSI, Enterprise, Channels, IT&ITeS, Media and Healthcare, Government, Managed services etc.

Commenting on the Q1 FY2012 results, Lt. Col. H. S. Bedi, Chairman & Managing Director of Tulip Telecom, said:

"In line with our vision, we are seeing a visible shift in our profile from being an Enterprise Connectivity provider to an integrated Enterprise Data Service player. The strategy to provide high quality data solutions and thereby maximize earnings from every customer by servicing their end-to-end connectivity needs is paying off. We are focusing on consolidating the management team with a view to reinforcing service delivery and customer satisfaction levels which we believe will not only enable customer stickiness in the longer run but will also enable us to cement our position as the leading player in Enterprise Data Services market over the next few years."

Mr. Sanjay Jain, CEO of Tulip Telecom, further added on the operational and financial performance:

"The efforts of the last few years have started to yield results and are reflected in the operational and financial performance. We are witnessing robust demand for fibre and we expect this momentum to continue in the future. Managed Services and Data Center segments are also witnessing significant traction. We have reported an improvement in operating margins which is a result of our focus on realigning the business model to enhance efficiency.

We believe Tulip is at the beginning of a new phase and we aim to establish ourselves as the leading player in the Enterprise Data Services market in the years to come. We intend to achieve this by deeply mining customer relationships by offering end-to-end data solutions and having a large share of their wallet spend. We are already enthused by the progress so far and are confident of rapid scale up in the future."

Q1 FY2012 financial performance (compared with Q1 FY2011)

- Net revenues increased to Rs. 653.9 crore; up 24.5% from Rs. 525.2 crore
- Operating profits (before Other Income) higher by 30.3% to Rs. 184.7 crore from Rs. 141.8 crore
    - Operating margins increased to 28.5% compared to 27.1%
- PAT improves by 20.2% to Rs.. 77.1 crore as compared to Rs. 64.2 crore
- Diluted EPS at Rs 4.75

Break up of order Input in Q1 across Products and Services

Particulars	% of total
Data Connectivity	60%
Managed Services (including Data Center)	33%
Network Integration	7%

New Order Input across Fiber & Wireless in connectivity in terms of revenue

Particulars	Q1 FY2012
Fiber	80%
Wireless	20%

Capex as a percentage of Revenue & EBIDTA

Particulars (Rs. crore)	FY2009	FY2010	FY2011	Q1FY2012
Revenue	1,608	1,965	2,351	654
EBIDTA	336	526	663	185
Capex	736	453	526	139
Capex as % of EBIDTA	219%	86%	79%	75%
Capex as % of Revenue	46%	23%	22%	21%

Debt Profile

Debt	Quarter Ended June 30, 2010	Quarter Ended June 30, 2011
Long Term Debt as a % of Total Debt	86%	88%
Short Term Debt as a % of Total Debt	14%	12%
Average Cost of Debt (%)	8.6%	10.2%

– 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 2,000 locations in India and partnerships to reach every part of the world. The Company has a global presence with over 3,565 employees and more than 2,200 customers. 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* or contact:

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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 (Consolidated)
(All figures in Rs. crore unless stated otherwise)

Particulars	Q1 FY2012	Q1 FY2011	% Shift
Net Sales	653.9	525.2	*24.5*
Operating Profit	184.7	141.8	*30.3*
Operating Margin (%)	***28.5***	***27.1***	*-*
Depreciation	49.5	37.5	*32.0*
Interest	31.9	18.5	*72.4*
PBT (Operating)	103.2	85.8	*20.4*
Other Income*	(1.1)	(1.3)	-
PBT (Total)	102.2	84.5	*20.9*
Tax Expense	25.1	20.3	*23.6*
PAT	77.1	64.2	*20.2*
EPS – In Rs. (Diluted)	4.75	3.95	*20.2*

* Reflected as Other Income in the statutory results table attached with this release

- **Net sales** increased during the quarter primarily on account of rise in order input from high bandwidth fibre services
- **EBIDTA margins** improve during the quarter as a result of:
  - Improving contribution from fiber and managed services/DC business
  - Bulk purchase of bandwidth lowering cost per 64K
  - Adding new subscribers on the existing infrastructure resulting in lower cost per subscriber - enabling economies of scale
- **Interest expense** for the quarter stood at Rs. 31.9 crore
  - Overall cost of funds is about 10.2% - increase in interest rates in the last few months has resulted in higher finance cost
- **PAT** growth on the back of combination of higher operating margins and steady interest cost and depreciation charge
  - The Company is now in the third leg of 80 I (A) benefit post 5 years of operations
  - Effective tax rate at 24.5%

Balance Sheet Snapshot (Consolidated)

Particulars (Rs. crore)	June 30, 2011	March 31, 2011	June 30, 2010
Gross block/CWIP	2,449.4	2,310.8	1,656.8
Net worth	1,290.0	1,212.5	998.4
Total debt	1,922.0	1,776.9	1,239.1
Break-up of total debt			
- FCCB	434.0	439.0	450.7
- Others	1,488.0	1,337.9	788.4
Cash & Cash Equivalents	276.0	250.4	283.4
Total Debt to Equity (times)	1.50	1.47	1.24
Net Debt to Equity (times)	1.28	1.26	0.96
Total Debt to EBIDTA (times)	2.60	2.68	2.19
ROCE (%) Annualized*	19.0	18.7	18.6

*excluding Qualcomm and SADA related investments

Financial Snapshot of Tulip Data Center Services Pvt. Ltd.

Particulars (Rs. crore)	Q1 FY2012
Operating Profit	(1.4)
Fixed Assets	99.5
Goodwill	124.4
Net Current Assets	18.0
P&L Debit balance / Misc. Expenses	4.0
Capital Employed	246.0
Shareholder's funds	214.0

– ENDS –

Tulip Telecom Ltd.

(Formerly M/sTulip IT Services Ltd.)

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

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 June, 2011 (Rs. in Lacs)

	PARTICULARS	UNAUDITED		AUDITED
		Year To Date		Year Ended
		30.06.2011	30.06.2010	31.03.2011
1	(a) Net Sales/Income from Operations	65,388.30	52,517.80	235,105.04
	(b) Other Operating Income	-	-	-
	Total Revenue	**65,388.30**	**52,517.80**	**235,105.04**
2	**Expenditure**			
	a) Increase/(Decrease) in stock in Trade & WIP	12.20	1,030.97	3,045.47
	b) Consumption of raw materials	-	-	-
	c) Purchase of Traded Goods/Services	41,779.71	33,714.97	148,836.60
	d) Employees cost	2,989.45	2,149.49	9,464.21
	e) Depreciation	4,950.62	3,749.86	17,138.88
	f) Other expenditure	2,125.92	1,448.21	7,450.59
	g) Total Expenditure	**51,857.89**	**42,093.50**	**185,935.74**
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	13,530.41	10,424.30	49,169.30
4	Other Income	(107.82)	(133.78)	9.86
5	**Profit before Interest & Exceptional Items (3+4)**	**13,422.59**	**10,290.53**	**49,179.16**
6	Interest	3,191.34	1,848.14	8,531.60
7	**Profit after Interest but before Exceptional Items (5-6)**	**10,231.25**	**8,442.39**	**40,647.56**
8	Exceptional Items	-	-	-
9	**Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)**	**10,231.25**	**8,442.39**	**40,647.56**
10	Tax expense	2,509.24	2,026.77	10,006.83
	Tax Paid/ Excess Provisions Written back for the previous year	-	-	(18.24)
	Deferred Tax Charge	-	-	12.00
	Current Tax	-	-	1300.65
	Fringe Benefit Tax	-	-	64.06
11	**Net Profit (+)/Loss (-) from Ordinary Activites after tax (9-10)**	**7,722.01**	**6,415.62**	**30,640.73**
12	Extraordinary Item	-	-	-
13	**Net Profit (+)/Loss (-) for the period (11-12)**	**7,722.01**	**6,415.62**	**30,640.73**
14	Paid up equity share capital (Face value of Rs. 2 each)	2,900.00	2,900.00	2,900.00
15	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	118,353.02
16	Debenture Redemption Reserve	-	-	5,104.17
17	Earning Per Share			
	a) Before Extraordinary Items for the period			
	i) Basic Earning Per Share (Rs.)	5.33	4.42	21.13
	ii) Diluted Earning Per Share (Rs.)	4.75	3.95	18.86
	b) After Extraordinary Items for the period			
	i) Basic Earning Per Share (Rs.)	5.33	4.42	21.13
	ii) Diluted Earning Per Share (Rs.)	4.75	3.95	18.86
18	Debt Equity Ratio	1.49	1.24	1.47
19	Debt Service Coverage Ratio			-
19	Interest Service Coverage Ratio	4.97	6.50	6.60
20	Public Shareholding			
	- Number of shares	45,001,500	45,001,500	45,001,500
	- Percentage of shareholding	31.04%	31.04%	31.04%
21	Promoters and Promoter Group Shareholding			
	a) Pledged / Encumbered			
	- Number of shares	16,660,000	16,850,000	17,417,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	16.54%	16.85%	17.42%
	- Percentage of shares (as a % of the total share capital of the company)	11.49%	11.62%	12.01%
	b) Non - encumbered			
	- Number of shares	84,053,936	83,148,500	82,581,500
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	83.46%	83.15%	82.58%
	- Percentage of shares (as a % of the total share capital of the company)	57.97%	57.34%	56.95%

Place : New Delhi
Date : 28-07-2011

For and on Behalf of Audit Committee

Chandrahas Kutty
Chairman

Tulip Telecom Ltd.

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

UNCONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 June, 2011 (Rs. in Lacs)

	PARTICULARS	UNAUDITED		AUDITED
		Year To Date		Year Ended
		30.06.2011	30.06.2010	31.03.2011
1	(a) Net Sales/Income from Operations	65,383.97	52,517.80	235,066.42
	(b) Other Operating Income	-	-	-
2	**Expenditure**			
	a) Increase/(Decrease) in stock in Trade & WIP	12.20	1,030.97	3,045.47
	b) Consumption of raw materials	-	-	-
	c) Purchase of Traded Goods/Services	41,777.99	33,714.97	148,829.74
	d) Employees cost	2,937.26	2,148.09	9,387.47
	e) Depreciation	4,850.90	3,749.86	17,053.58
	f) Other expenditure	2,053.62	1,447.11	7,269.54
	g) Total	**51,631.96**	**42,091.00**	**185,585.80**
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	13,752.01	10,426.81	49,480.61
4	Other Income:	(107.84)	(133.78)	9.77
5	**Profit before Interest & Exceptional Items (3+4)**	**13,644.17**	**10,293.03**	**49,490.38**
6	Interest:	3,191.30	1,848.14	8,529.99
7	**Profit after Interest but before Exceptional Itmes (5-6)**	**10,452.87**	**8,444.89**	**40,960.39**
8	Exceptional Items.	-	-	-
9	**Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)**	**10,452.87**	**8,444.89**	**40,960.39**
	Frindge Benefit Tax			
10	Tax expense	2,509.24	2,026.77	10,006.83
11	**Net Profit (+)/Loss (-) from Ordinary Activites after tax (9-10)**	**7,943.63**	**6,418.12**	**30,953.56**
12	Extraordinary Item:	-	-	-
13	**Net Profit (+)/Loss (-) for the period (11-12)**	**7,943.63**	**6,418.12**	**30,953.56**
14	Paid up equity share capital (Face value of Rs. 2 each)	2,900.00	2,900.00	2,900.00
15	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	118,751.49
16	Debenture Redemption Reserve	-	-	5,104.17
17	Earning Per Share			
	a) Before Extraordinary Items for the period			
	i) Basic Earning Per Share (Rs.)	5.48	4.43	21.35
	ii) Diluted Earning Per Share (Rs.)	4.89	3.95	19.05
	b) After Extraordinary Items for the period			
	i) Basic Earning Per Share (Rs.)	5.48	4.43	21.35
	ii) Diluted Earning Per Share (Rs.)	4.89	3.95	19.05
18	Debt Equity Ratio	1.44	1.24	1.44
19	Debt Service Coverage Ratio			
19	Interest Service Coverage Ratio	5.01	6.50	6.63
20	Public Shareholding			
	- Number of shares	45,001,500	45,001,500	45,001,500
	- Percentage of shareholding	31.04%	31.04%	31.04%
21	Promoters and Promoter Group Shareholding			
	a) Pledged / Encumbered			
	- Number of shares	16,660,000	16,850,000	17,417,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	16.54%	16.85%	17.42%
	- Percentage of shares (as a % of the total share capital of the company)	11.49%	11.62%	12.01%
	b) Non - encumbered			
	- Number of shares	84,053,936	83,148,500	82,581,500
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	83.46%	83.15%	82.58%
	- Percentage of shares (as a % of the total share capital of the company)	57.97%	57.34%	56.95%

For and on Behalf of Audit Committee

Place : New Delhi
Date : 28-07-2011

Chandrahas Kutty
Chairman

Notes:-

1 The above un-Audited financial results were duly reviewed by the audit committee and were approved by the Board of Directors in their meeting held on 28th July 2011 respectively.

2 The above Un - Audited financial results were duly reviewed by the Statutory Auditors of the Company.

3 Prior period/year figures have been regrouped/reclassified wherever necessary to conform to this period's classification.

4 The subsidiaries considered in the consolidated financial statement as on 30th June , 2011 are wholly owned subsidiaries, namely M/s Tulip Data Center Services Pvt. Ltd. M/s Tulip IT Services Singapore Pte Ltd., Tulip SWAN IT Services Ltd & Tulip Telecom Inc.

5 The standalone un- 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 had received 3 no. of investor complaints . All the investors complaints have been resolved to the satisfaction of the investors. No complaints were pending for resolution either at the beginning or at the end of the June quarter.

7 The company operates in single segment i.e., 'Telecom' and therefore separate segment reporting is not applicable.

8 The text of the above statement was approved by the Board of Directors at their meeting held on July 28, 2011.

For more details, visit our website at http://www.tulip.net

For and on Behalf of Audit Committee

Place : New Delhi
Date : 28-07-2011

Chandrahas Kutty
Chairman