

PRESS RELEASE

XL TELECOM & ENERGY LIMITED

Revenues of RS.5.23 Billion for the FY 2006-07

Net Profit at Rs.201.77 Million for the FY 2006-07

Annual Audited Results

XL TELECOM & ENERGY LIMITED (“XL”), a NSE and BSE listed entity (BSE: XLTELENE; NSE: XLTL) with focus in TELECOM and ENERGY sectors reported Revenues of Rs. 5,231 million for the year ending 30.06.2007 and the Net Profit for the same period is at Rs.201.77 million. The Telecom Segment has contributed Rs.4,318.40 millions, while Energy segment contributed about Rs.913.03 million out of the total Gross revenues.

Overall Revenues of the Company at Rs.5,231.43 Million, showed a growth of 31.54% over previous year revenues of Rs.3977.04 Million.

The Net Profit of the company for the year is Rs.201.77 million. Compared to the previous year Net Profit of Rs.106.71 Million, the company has recorded an impressive growth of 89.07%. This growth has been made possible due to the enlargement of operations and consequent economies as well as improved management of costs.

Mr.Dinesh Kumar, Managing Director said “XL has had a very good year and is poised to continue its growth trend during the current year. The expansion of capacity in solar division was completed in April, 2007 and is expected to contribute to revenues from this financial year. We have planned a slew of initiatives, particularly in Ethanol and Solar divisions to rapidly take advantage of emerging opportunities in these areas. These initiatives shall make us leaders in each area in terms of capacity, technology and revenue potential in the next 12 months.”

Growth Plans

XL has good order book of over Rs.3 Billion in Ethanol Division for supplies to be effected till 2010 March, Rs.480 Million in Telecom Division and Rs.2.2 Billion in Solar Division for Export of Modules. These orders collectively add upto Rs. Rs.5.68 Billion as on date. XL, has also initiated several projects, which would ensure continued growth of the company both in terms of Revenues and Net profits.

Ethanol Division – New Initiative

In view of long term contracts and committed business in Ethanol Division, XL has decided to invest in a project to manufacture Special Denatured Spirit which is a feedstock for our Ethanol production. This would ensure continuous supply of raw material and also improve overall margins significantly. The Project is expected to be on stream by April, 2008. It is going to be located close to sources of Raw Material (Molasses), so as to have better logistics. Land acquisition for the project has been completed and other project activities have commenced.

Solar Division

XL had invested significantly in development of this business for last two years. It has taken major strides in establishing a presence in the European Market for Solar Modules and this has resulted in a good order book of Rs. 2.2 billion. XL has invested in a state-of-the-art plant, funded with capital raised in the IPO as a 100% Export Oriented Unit with an annual Capacity of 24 MW. The Company started production from April, 2007 and is in the process of obtaining the TuV approvals, a pre requisite for exports to several buyers in Europe. XL would be able to start dispatches all over Europe once we get TuV (German Agency) certification

Solar Market is growing exponentially world wide given the high price of crude oil and the emphasis on non-conventional sources of energy. During the calendar year 2006 the demand for Solar Photovoltaic Products has grown by 41% and reached about US\$16 Billion. The demand for the Solar Products is expected to grow further in view of the surge in demand for generating Power using Grid Connected Solar Energy (GCSE) generation rather than the conventional stand alone solar systems. According to the Clean Edge Report, the demand for solar products should grow from the current annual demand of US\$16 Billion to US\$ 40 Billion by 2010 and US\$65 by 2015. These demand estimates yet do not consider additional initiatives in the state of California, US, which would add even more demand for solar panels.

In view of this excellent global opportunity, XL has decided to put all its efforts to acquire a significant market share in next 5 years and become a global player in the field. It has hence decided to invest:

1. Rs.265 Crores in Solar Cell Manufacturing Plant with an annual capacity of 120 MW. This plant would be based on the state-of-the-art technology being sourced from global industry leaders from Germany, when completed, this would make XL, the largest producer of solar cells in the country and one of the largest players in the world.
2. Rs.40 Crores in expanding the Solar Module making capacity to 65 MW

The Company has already negotiated for supply of Machinery on a Turnkey basis and the project should start commercial production by June/July 2008.

It expects to continue strengthen its position in the market and double its solar cell manufacturing capacity to 240 MW in three years. This would enable XL to remain in the forefront of solar energy devices and, coupled with other initiatives make it a leading global player.

Funding:

To part finance the above projects XL has decided to raise US\$40 Million through an appropriate instruments floated on the global financial markets. It expects to complete the fund raising by October, 2007.

In case of questions, please contact:

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Enclosure : Results