

GTL Limited
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED SEPTEMBER, 2006

Rs in Crores

Consolidated			Particulars	Stand Alone - Parent Company		
Quarter ended September, 30		15 months Period ended June ,30		Quarter ended September, 30		15 months Period ended June ,30
2006	2005	2006		2006	2005	2006
Unaudited	Unaudited	Audited		Unaudited	Unaudited	Audited
			Net Sales & Services			
109.49	143.41	533.54	- International	18.99	76.05	204.93
126.07	60.23	446.94	- Domestic	126.06	59.01	444.80
235.56	203.64	980.48	Total Net Sales & Services	145.05	135.06	649.73
143.88	104.94	517.07	Cost of Sales & Services	83.58	66.94	327.07
30.04	33.06	139.59	Cost of Delivery	20.96	21.89	93.42
61.64	65.64	323.82	Gross Profit	40.51	46.23	229.24
9.63	8.08	40.61	Selling & Marketing Expenses	6.12	3.37	20.43
22.26	22.76	111.93	Administration Expenses	17.14	15.83	80.95
29.75	34.80	171.28	Operating Profit before Other Income , Interest and Depreciation	17.25	27.03	127.85
(0.02)	2.35	8.17	Interest (Net) and Finance Charges	(0.17)	2.09	5.12
9.89	21.79	101.15	Depreciation	9.60	21.24	99.11
NIL	NIL	(28.92)	Less : Reversal of Depreciation	NIL	NIL	(28.92)
19.88	10.66	90.87	Operating Profit before Other Income and Tax	7.82	3.70	52.54
(0.35)	(0.89)	9.63	Other Income (incl. Exchange Gain / (Loss) (Net))	0.51	2.16	15.14
19.53	9.77	100.51	Profit before Tax & Extra-ordinary Items	8.33	5.86	67.68
1.60	0.82	2.88	Provision for Tax	1.00	0.25	1.51
(0.66)	(1.75)	(9.53)	Deferred Tax	(0.66)	(1.75)	(9.64)
0.35	0.39	1.88	Fringe Benefit Tax	0.35	0.35	1.88
18.24	10.31	105.28	Net Profit after Tax	7.64	7.00	73.94
95.05	80.57	85.57	Paid-up Equity Share Capital	95.05	80.57	85.57
990.97	1,486.65	878.97	Reserves Excluding Revaluation Reserves	917.65	1,449.66	811.42
			EPS excluding extra-ordinary items - Basic (in Rs.)	0.87	0.93	13.60
			EPS excluding extra-ordinary items - Diluted (in Rs.)	0.87	0.88	9.82
			Aggregate of non-promoter shareholding			
			Number of shares	62,453,850	59,312,603	54,463,102
			Percentage of shareholding	65.71%	73.61%	63.65%

Place : Mumbai.

Date : October 17 , 2006

Manoj Tirodkar
Chairman and Managing

Registered Office: "Global Vision", Electronic Sadan No. II, M. I. D. C., T. T. C. Industrial Area, Mahape, Tal. & Dist. Thane, Navi Mumbai - 400 710.

Notes:

The above unaudited results for the quarter ended September 30, 2006 were reviewed by the auditors and audit committee and were taken on record by the Board of Directors in their meeting held on October 17, 2006.

Business for the Quarter

1. Consolidated Net Sales and Services for the quarter ended September 30, 2006 grew to Rs. 235.56 crores from Rs. 203.64 crores in the corresponding quarter of the previous period registering a growth of 15.67%. Consolidated Net profit after tax for the quarter ended September 30, 2006 grew to Rs. 18.24 crores from Rs. 10.31 crores in the corresponding quarter of the previous period registering a growth of 76.91%.
2. In line with the restructuring process undertaken by the company in the last financial year, GTL changed its revenue mix to focus on the opportunities in Network Services business. It has repositioned itself as a "Network Services' provider" and has a vision to become the largest Network Service provider, globally. Starting this quarter, in terms of AS 17 for Segment Reporting, GTL will have a single reporting segment - "Network Services" instead of the Network Engineering and IT Services segments. The revenue of Rs. 11.31 Crores from BPO business is reclassified as professional services and accordingly included in the total revenue of the quarter under review.
3. The total manpower of the Company as of September 30, 2006 stood at 4,236 as against 4,066 in the corresponding quarter ended September 30, 2005. With the change in the revenue mix, there has also been a considerable change in GTL's employee profile. GTL has been strengthening its pool of skilled engineers in anticipation of greater demand from deployment business globally.

Details of expenses exceeding 10% of the total expenditure:

Particulars	Rs.crores					
	Consolidated			Standalone		
	Quarter ended		15 months Period ended	Quarter ended		15 months Period ended
	Sept 30, 2006	Sept 30, 2005	June 30, 2006	Sept 30, 2006	Sept 30, 2005	June 30, 2006
Staff Costs	38.31	44.41	154.99	25.06	25.54	112.30

Acquisition Activities

1. In September 2006, GTL raised US\$ 150 million ECB led managed and underwritten by Standard Chartered Bank, State Bank of India and Bank of Baroda to fund the company's global expansion and acquisition plans. The facility is unsecured and unsubordinated.
2. GTL's Board of Directors have approved the company's acquisitions strategy on October 5, 2006.

3. GTL has acquired Genesis Consultancy Limited, a UK based firm through IGTL Solutions (UK) Limited, 100% subsidiary of its international arm International Global Tele -Systems Limited (Mauritius). Genesis is in the business of providing Network Management and Professional Services to telecom operators and OEMs. The details of the same are as follows:
 - a. The acquisition is done at a consideration of USD 9 million in all cash deal with 100% buy-out.
 - b. Genesis' revenue for the calendar year 2006 is expected to be US\$ 14 million and is likely to grow at a growth rate of around 35% for calendar year 2007. Genesis has zero debt and around USD 1.9 million in cash.
 - c. Genesis has a pool of over 100 skilled engineers trained on 3G platform. This will enable GTL to strengthen its capabilities on 3G technology and GTL will be able to address business opportunities related to 3G platform globally.
 - d. The acquisition is expected to contribute significantly to GTL's service offerings in Network Management and Professional Services and strengthen its presence in European market. Genesis enjoys strong relationship with Nokia networks for worldwide support and has presence in European, USA and APAC markets.

Other Information

1. The Company had issued Foreign Currency Convertible Bonds aggregating Swiss Francs (SFr) 80 million in the Swiss Capital market in August 2004. The outstanding FCCBs as on September 30, 2006 are worth SFr 19.64 million.
2. The Company has 628,212 outstanding warrants issued to its employees as of September 30, 2006 under the ESOP scheme. During the quarter ended September 30, 2006 warrants aggregating 136,882 (corresponding previous quarter: 696,700) have been converted into equity shares under the said ESOP scheme.

Due to the conversion of FCCBs & ESOPs the paid up equity capital of the company has gone up to Rs. 95.05 crores as on September 30, 2006. On full conversion of FCCB and ESOPs the company's equity capital will go up Rs. 103.86 crores.

3. Status of investor grievances for the quarter ended September 30, 2006:

No. of complaints			
Pending as at 01.07.2006	Received during the quarter	Disposed during the quarter	Lying unresolved as at 30.9.2006
0	14	14	0

4. The Company has considered minority interest of its investment in GTL Infrastructure Ltd as per AS 23 on "Accounting for Investment in Associates in Consolidated Financial Statements " during the quarter ending September 30th, 2006.
5. The figures for the corresponding quarter of the previous year are regrouped/ reclassified wherever necessary to make them comparable with that of the current quarter.

For GTL Limited

Date: October 17th, 2006
Place: Mumbai

Manoj Tirodkar
Chairman and Managing Director