

GTL Limited

UNAUDITED FINANCIAL RESULTS
FOR THE HALF YEAR ENDED DECEMBER, 2006

Rs. in Crores.

| Consolidated | | | | | Particulars | Stand Alone - Parent Company | | | | |
|---------------------------|-----------------|-----------------------------|-----------------|---------------------------------|---|------------------------------|-----------------|-----------------------------|-----------------|---------------------------------|
| Quarter ended December,31 | | Half Year ended December,31 | | 15 months Period ended June ,30 | | Quarter ended December,31 | | Half Year ended December,31 | | 15 months Period ended June ,30 |
| 2006 | 2005 | 2006 | 2005 | 2006 | | 2006 | 2005 | 2006 | 2005 | 2006 |
| Unaudited | Unaudited | Unaudited | Unaudited | Audited | | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 89.76 | 91.53 | 199.25 | 234.93 | 533.54 | Net Sales & Services | 13.12 | 44.09 | 32.11 | 120.14 | 204.93 |
| 203.71 | 86.36 | 329.78 | 146.60 | 446.94 | - International | 203.72 | 87.39 | 329.78 | 146.41 | 444.81 |
| 293.47 | 177.89 | 529.03 | 381.53 | 980.48 | - Domestic | 216.84 | 131.48 | 361.89 | 266.55 | 649.74 |
| 190.27 | 90.84 | 334.15 | 195.78 | 517.07 | Total Net Sales & Services | 147.21 | 68.25 | 230.79 | 135.20 | 327.07 |
| 38.36 | 28.21 | 68.40 | 61.27 | 139.59 | Cost of Sales & Services | 23.75 | 18.55 | 44.71 | 40.43 | 93.42 |
| 64.84 | 58.84 | 126.48 | 124.48 | 323.82 | Cost of Delivery | 45.88 | 44.68 | 86.39 | 90.92 | 229.25 |
| 10.77 | 7.80 | 20.40 | 15.88 | 40.61 | Gross Profit | 7.92 | 3.27 | 14.04 | 6.64 | 20.44 |
| 22.24 | 19.83 | 44.50 | 42.59 | 111.93 | Selling & Marketing Expenses | 15.98 | 13.92 | 33.12 | 29.76 | 80.97 |
| 31.83 | 31.21 | 61.58 | 66.01 | 171.28 | Administration Expenses | 21.98 | 27.49 | 39.23 | 54.52 | 127.84 |
| (1.55) | (0.28) | (1.57) | 2.07 | 8.17 | Operating Profit before Other Income , Interest and Depreciation | (1.49) | (0.94) | (1.66) | 1.15 | 5.12 |
| 10.09 | 23.95 | 19.98 | 45.74 | 101.15 | Interest (Net) and Finance Charges | 9.84 | 23.40 | 19.44 | 44.64 | 99.11 |
| NIL | NIL | NIL | NIL | (28.92) | Depreciation | NIL | NIL | NIL | NIL | (28.92) |
| 23.29 | 7.54 | 43.17 | 18.20 | 90.88 | Less : Reversal of Depreciation | 13.63 | 5.03 | 21.45 | 8.73 | 52.53 |
| (0.77) | 2.59 | (1.12) | 1.70 | 9.62 | Operating Profit before Other Income and Tax | (2.90) | 5.10 | (2.39) | 7.26 | 15.14 |
| 22.52 | 10.13 | 42.05 | 19.90 | 100.50 | Other Income (incl. Exchange Gain / (Loss) (Net)) | 10.73 | 10.13 | 19.06 | 15.99 | 67.67 |
| 1.70 | (0.43) | 3.30 | 0.40 | 2.89 | Profit before Tax & Extra-ordinary Items | 1.00 | 0.25 | 2.00 | 0.50 | 1.51 |
| (0.43) | (2.33) | (1.09) | (4.08) | (9.53) | Provision for Tax | (0.57) | (2.51) | (1.23) | (4.26) | (9.64) |
| 0.45 | 0.37 | 0.80 | 0.76 | 1.88 | Deferred Tax | 0.45 | 0.37 | 0.80 | 0.72 | 1.88 |
| 20.80 | 12.52 | 39.04 | 22.82 | 105.26 | Fringe Benefit Tax | 9.85 | 12.02 | 17.49 | 19.03 | 73.92 |
| 95.56 | 81.09 | 95.56 | 81.09 | 85.57 | Net Profit after Tax | 95.56 | 81.09 | 95.56 | 81.09 | 85.57 |
| 1,007.73 | 1,503.58 | 1,007.73 | 1,503.58 | 878.97 | Paid-up Equity Share Capital | 931.49 | 1,460.30 | 931.49 | 1,460.30 | 811.42 |
| | | | | | Reserves Excluding Revaluation Reserves | 1.01 | 1.56 | 1.79 | 2.48 | 9.26 |
| | | | | | EPS excluding extra-ordinary items - Basic (in Rs.) | 0.94 | 1.43 | 1.75 | 2.08 | 7.90 |
| | | | | | EPS excluding extra-ordinary items - Diluted (in Rs.) | | | | | |
| | | | | | Aggregate of non-promoter shareholding | 63,470,728 | 59,972,424 | 63,470,728 | 59,972,424 | 544,653,102 |
| | | | | | Number of shares | 66.42% | 73.96% | 66.42% | 73.96% | 63.65% |
| | | | | | Percentage of shareholding | | | | | |

Place : Mumbai.

Date : January 23,2007

Manoj Tirodkar
Chairman and Managing Director

Notes to Accounts

The above unaudited results for the quarter ended December 31, 2006 were reviewed by the auditors and audit committee and were taken on record by the Board of Directors in their meeting held on January 23, 2007.

Business for the Quarter

1. Consolidated Net Sales and Services for the quarter ended December 31, 2006 grew to Rs.293.47 crores from Rs. 177.89 crores in the corresponding period of the previous year registering a growth of 65%. Operating Profit for the quarter grew to Rs. 23.29 crores, a growth of 209% from Rs. 7.54 crores in the corresponding period of the previous year. Consolidated Net profit after tax for the quarter ended December 31, 2006 grew to Rs. 20.80 crores from Rs. 12.52 crores in the corresponding period of the previous year, a growth of 66%.
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 India's largest Network Service provider, globally. Since last quarter, in terms of AS 17 for Segment Reporting, GTL has a single reporting segment - "Network Services" instead of the Network Engineering and IT Services segments.
3. The total manpower of the Company including Contract Employees as of December 31, 2006 stood at 4,121 as against 3,670 in the corresponding period ended December 31, 2005. The Company made a planned exit from IT Services, to concentrate on its core business areas in Network Services space, which can generate a more sustainable return. The Company also introduced performance-based compensation scheme to bring in greater efficiency in its operational activities.

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 |
| | December 31, 2006 | December 31, 2005 | June 30, 2006 | December 31, 2006 | December 31, 2005 | June 30, 2006 |
| Staff Costs | 47.88 | 36.05 | 154.99 | 30.69 | 30.11 | 112.30 |

Other Information

1. During the quarter, on October 17, 2006, the Company acquired Genesis Consultancy, a UK based firm providing Network Management and Professional Services to operators and vendors. Consequently, Genesis has become subsidiary of the Company. Genesis has a pool of over 100 skilled engineers trained on 3G platforms. Financials of Genesis post the date of acquisition has been consolidated in GTL's current quarterly revenue.
2. In 2004, GTL Ltd issued 8,000 Foreign Currency Convertible Bonds (FCCBs) aggregating Swiss Francs (CHF) 80 million. In terms of the Arrangement and

Reconstruction between GTL Limited, GTL Infrastructure Limited (GIL) and its shareholders, each FCCBs of CHF 10,000 was split between GTL and GIL for CHF 9029.13 and CHF 970.87 respectively. Resultantly the FCCB liability of the Company would be as under.

| | No.of FCCBs (of CHF 9029.13) | No.of Shares |
|--|---------------------------------|-------------------|
| Outstanding as on record date; viz. July 14, 2006 | 4,757 | 17,222,951 |
| Less: Conversion upto September 30, 2006 | 2,581 | 9,344,674 |
| Less: Conversion during the Quarter | 140 | 506,878 |
| Outstanding as on December 31, 2006 | 2,036 | 7,371,475 |

3. The Company has 2,357,846 outstanding warrants issued to its employees as of December 31, 2006 under the ESOP Scheme.

Due to the conversion of FCCBs the paid up equity capital of the Company has gone up to Rs.95.56 crores as on December 31, 2006. On full conversion of FCCB and ESOPs the Company equity capital will go up to Rs.105.29 crores.

4. Status of investor grievances for the quarter ended December 31, 2006:

| No. of complaints | | | |
|------------------------------|--------------------------------|--------------------------------|---------------------------------------|
| Pending as at 01-Oct-2006 | Received during the quarter | Disposed during the quarter | Lying unresolved as at 31-Dec-2006 |
| Nil | 37 | 37 | Nil |

5. 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 December 31, 2006.
6. 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: January 23, 2007
Place: Mumbai

Manoj Tirodkar
Chairman and Managing Director