

October 22, 2003
Mumbai

GTL Group records 11 % growth in EBITDA International Revenues up 64 % on YoY

Mumbai - Wednesday, 22nd October, 2003: GTL Limited, premier Network Engineering and IT Services Company, announced its audited results for the quarter ended September 30, 2003. Key highlights are reproduced here under:

Rs. Crores

	GTL Consolidated			GTL Stand-Alone		
	Quarter ended September 30,		Growth%	Quarter ended September 30,		Growth%
	2003	2002		2003	2002	
Net Sales and Services	139.30	151.66	(8)	110.26	140.02	(21)
International Revenues	79.39	48.33	64	50.45	36.87	37
Operating Profit before Depreciation (EBITDA)	48.14	43.46	11	40.79	44.50	(8)
Net Profit after Extraordinary Items	17.95	15.92	13	14.96	18.37	(19)

During the current quarter the Company improved its quality of earnings on consolidated level as is evidenced in the increase in the Operating Profit (EBITDA) for the quarter ended September 30, 2003. This was largely due to the improvement in margins, focus on high value adds and overseas market.

Highlights for the quarter ended September 30, 2003 (Consolidated)

Net Sales and Services stood at Rs. 139.30 crores for the quarter ended September 30, 2003 as against Rs. 151.66 crores in the corresponding quarter of the previous year, registering a decline of 8%.

International Revenues for the quarter ended September 30, 2003 grew by 64% to Rs. 79.39 crores as compared to Rs. 48.33 crores in the corresponding quarter of the previous year. The Company has enhanced its Network Engineering and IT Services skills resulting in increased international business.

Operating Profit before Depreciation improved by 11% to Rs. 48.14 crores for the quarter ended September 30, 2003 as compared to Rs. 43.46 crores in the corresponding quarter of the previous year.

Net profit after Tax and before Extra-ordinary Items stood at Rs. 17.95 crores for the quarter ended September 30, 2003 as compared to Rs. 17.70 crores over the corresponding quarter of the previous year.

Other Income during the quarter ended September 30, 2003 to Rs. (0.91) crores as against Rs. 1.03 crores in the corresponding quarter of the previous year. This was largely due to strengthening of Rupee vis-à-vis dollar and falling dollar interest rates.

Highlights for the half year ended September 30, 2003 (Consolidated)

Net Sales and Services stood at Rs. 302.92 crores for the half year ended September 30, 2003 as against Rs. 297.71 crores in the corresponding half year of the previous year, registering a growth of 2%.

International Revenues for the half year ended September 30, 2003 grew by 39% to Rs. 137.83 crores as compared to Rs. 99.00 crores in the corresponding half year of the previous year. The Company has enhanced its Network Engineering and IT Services skills resulting in increased international business.

Operating Profit before Depreciation improved by 11% to Rs. 98.16 crores for the half year ended September 30, 2003 as compared to Rs. 88.76 crores in the corresponding half year of the previous year.

Net profit after Tax and before Extra-ordinary Items stood at Rs. 40.85 crores for the half year ended September 30, 2003 as compared to Rs. 42.28 crores over the corresponding half year of the previous year.

Other Income during the half year ended September 30, 2003 to Rs. (0.47) crores as against Rs. 5.78 crores in the corresponding half year of the previous year. This was largely due to strengthening of Rupee vis-à-vis dollar and falling dollar interest rates.

Business Segments (Consolidated)

Network Engineering (NE):

The Network Engineering division focuses on providing solutions to Telecom Service Providers and other Service Operators. This division has posted revenues of Rs. 44.50 crores during the quarter ended September 30, 2003 as against Rs. 43.60 crores in the corresponding quarter of previous year, registering a growth of 2% on a YoY basis. During the period, the Division continued to strengthen its presence in the Asia-Pacific region. With an increase in the outsourced O&M market, this division is also looking at tapping emerging markets.

Customer Management Solutions (CMS) --(includes BPO)

The CMS division provides Customer Management Services to organisations worldwide. This division has posted revenues of Rs. 34.85 crores during the quarter ended September 30, 2003 as against Rs. 26.69 crores in the corresponding quarter of the previous year, registering a growth of 31% on YoY basis. This division has increased its focus on Business Process Outsourcing (BPO) and its revenues are from customers based out of North America and Europe, primarily from industry verticals such as Banking, Financial and Insurance Services, IT and Telecom and Healthcare.

Enterprise Solutions (ES):

The Revenues of Rs 59.95 crores were posted during the quarter ended September 30, 2003, as against Rs. 81.32 crores in the corresponding quarter of the previous year, registering a decline of 26% on YoY basis.

Other Events during the quarter ended September 30, 2003

Customer Focus Program (CFP)

With the objective to build and evolve customer relationships, the Company initiated the "Customer Focus Program" (CFP) last year. This led to organisation wide initiative requiring thorough understanding of markets and customers' acquisition processes with complete focus on Key Accounts. As part of CFP, business models would be strictly based on cash flows, size and scalability, sustainability of revenues and profitability with global reach. The CFP initiative would

support business practices to increase market penetration, leveraging on technical partners to build technology practices and engaging key customers or prospects through high touch customer' experiences are key components of this "CFP".

Quality

To further strengthen the quality and speed of its deliverables, we have implemented Balanced Score Card and Six-Sigma initiatives, Revolutionary Tools of Quality Management.

Launching of Balanced Score Card (BSC) initiative helped us to communicate our strategies to our people, translating into action and measuring organisation performance. BSC has aligned the Vision and Strategic Objectives of the organisation with the Operational Goals and finally the business processes at different levels of management. Clarity of roles helped in improving cooperation and coordination amongst various functions. It is the most powerful communication and collaboration tool for GTL for achieving its strategic objectives.

ESOPs

For the quarter ended September 30, 2003, the Company has charged Rs. 0.23 crores in accordance with the guidelines issued by SEBI and taken a credit of Rs.0.11 crores for warrants forfeited. The Company has 22,66,743 outstanding warrants issued to its employees as of September 30, 2003 under the ESOP scheme.

About GTL

GTL Group is a leading Network Engineering and IT Services company with annual revenues of Rs. 640.49 crores for the year ended March 31, 2003. The Group's vision is to "Spearhead Technology-driven Business Innovations" and it brings together various technologies to address clients' critical business needs.

Total manpower of GTL Group as on September 30, 2003 stood at 3071 (including contractual) out of which 142 people were employed internationally, as against 2718 (including contractual) out of which 134 people were employed internationally as on September 30, 2002. GTL Group is present in 21 locations in India and 9 locations internationally that include USA, UK, UAE, Saudi Arabia, Germany, Mauritius, Singapore, New Zealand and Australia.

The Group focuses on Industry Verticals such as IT and Telecom, Healthcare and Pharmaceutical, Banking, Finance and Insurance, Manufacturing and Hospitality.

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