

July 25, 2003
Mumbai

GTL Limited records 22 % growth in Operating Profits (before Dep) over 8% growth in Revenues for the quarter ended June 30, 2003 on a Year on Year basis (YoY).

Mumbai - Friday, 25th July 2003: GTL Limited, premier Network Engineering and IT Services Company, announced its audited results for the quarter ended June 30, 2003. Key highlights are reproduced here under:

	GTL Consolidated			GTL Stand-Alone		
	Quarter ended		Growth	Quarter ended		Growth
	June 30,		%	June 30,		%
	2003	2002		2003	2002	
Net Sales and Services	163.62	146.04	12	140.38	130.24	8
International Revenues	58.44	50.67	15	35.56	35.04	1
Operating Profit before Depreciation (EBITDA)	50.02	45.27	10	49.4	40.53	22

During the current quarter the Company improved its quality of earnings as is evidenced in the increase in the Operating Profit (EBIDTA) for the quarter ended June 30, 2003. This was largely due to the improvement in margins, focus on high value adds and efficient working capital management.

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

Net Sales and Services stood at Rs. 163.62 crores for the quarter ended June 30, 2003 as against Rs. 146.04 crores in the corresponding quarter of the previous year, registering a growth of 12.04 %.

International Revenues for the quarter ended June 30, 2003 grew by 15.33% to Rs. 58.44 crores as compared to Rs. 50.67 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. The personnel cost stood at Rs. 27.74 crores for the quarter ended June 30, 2003 to Rs. 18.18 crores for the corresponding quarter of the previous year.

Operating Profit before Depreciation improved by 10.49 % to Rs. 50.02 crores for the quarter ended June 30, 2003 as compared to Rs. 45.27 crores in the corresponding quarter of the previous year.

Net profit after Tax and before Extra-ordinary Items stood at Rs. 22.92 crores for the quarter ended June 30, 2003 as compared to Rs. 24.55 crores over the corresponding quarter of the previous year.

Other Income during the quarter ended June 30, 2003 declined by 90.53% to Rs.0.45 crores as against Rs. 4.75 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.

Segment Reporting (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. 57.96 crores during the quarter ended June 30, 2003 as against Rs. 38.82 crores in the corresponding quarter of previous year, registering a growth of 49.30% on a YoY basis. During the period, the Division strengthened its presence in the Asia-Pacific region. This division has executed several projects in Nepal, Sri Lanka and Mauritius. With an increase in the outsourced O&M market, this division is also looking at tapping emerging markets.

Customer Management Solutions (CMS):

The CMS and BPO services division provides Customer Management Services to organisations worldwide. This division has posted revenues of Rs. 33.30 crores during the quarter ended June 30, 2003 as against Rs.24.31 crores in the corresponding quarter of the previous year, registering a growth of 36.98% on YoY basis. This division has increased its focus on Business Process Outsourcing and its revenues are from customers based out of US and Europe, primarily from industry verticals such as Banking & Financial Services, Insurance, Telecom and Healthcare.

Enterprise Solutions (ES):

The ES division comprises of Enterprise Networks, Software Services, Managed Services (Network and IT) and ERP services. This division has posted revenues of Rs 72.32 crores during the quarter ended June 30, 2003, as against Rs.82.90 crores in the corresponding quarter of the previous year, registering a decline of 12.76% on YoY basis. This division focuses on Application Development, Business Continuity Services and Managed Network Services. The 'ERP Practices' segment of ES division has become the First Level Support partner (FLS) of Oracle core technology tools, which supports our customers using Oracle technology solutions.

Other Events during the quarter ended June 30, 2003

Quality

Quality has been the focal point all along the way for the success of GTL's diversified business portfolio. In May 2003 GTL's Quality Management Council initiated two Six Sigma programs for this financial year, (a) Reduction in Order Implementation Cycle time and (b) Improvement in the management of Network capacities. At GTL, a team of Six Sigma Green Belts and Black Belts monitor all critical processes, to provide results at low error rate, less time and cost overruns. This ultimately led to better project performance and substantial cost savings.

ESOPs

For the quarter ended June 30, 2003, the Company has charged Rs. 0.30 crores in accordance with the guidelines issued by SEBI and taken a credit of Rs. 0.27 crores for 111,685 warrants surrendered. The Company has 2,266,743 outstanding warrants issued to its employees as of June 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 June 30, 2003 stood at 3101 (including 447 contractual) out of which 138 people were employed internationally, as against 2546 (including 365 contractual) out of which 117 people were employed internationally as on June 30, 2002. GTL Group is present in 21 locations in India and 11 locations internationally that include USA, UK, Germany, Saudi Arabia, Mauritius, Singapore, Middle East, New Zealand and Australia.

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

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