

GTL's business outlook for FY2005-06

Mumbai, 2 September 2005

In a Board meeting of the Company held on September 2, 2005, the management considered business outlook for the year ending March 31, 2006.

Based on the performance of the first quarter and outlook for the current quarter and the next two quarters, barring any unforeseen circumstances such as extreme foreign exchange fluctuations and extra-ordinary items, the Company on a consolidated basis is likely to achieve the following financial performance:

Year ending March 31, 2006

Revenue is expected to be in the range of Rs.825 crores and Rs.890 crores

Net Profit is expected to be in the range of Rs.38 crores and Rs.45 crores

In the short-run during the current year, as the Company's IT services business is undergoing a transition, we expect the operating margins to remain under pressure. The Indian Call-Center industry is at a critical juncture and the intense competition in this sector has led to lower billing rates, especially in voice-based business. We are in a transition phase and are re-evaluating some of our voice-based business. We have initiated steps to mitigate the adverse effects viz. re-alignment of marketing costs in US & UK; exit from certain voice-based programs and reduction of manpower in the call-centre business resulting in lower revenues & profits.

For the network engineering division we have an order book of approximately Rs.500 crores, which we expect to execute during the current year.

About GTL

In response to changes in technology and its operating space, GTL Limited has dynamically re-aligned its businesses, to emerge as a leading Network Engineering & IT Services Company. During the course, the Company created infrastructure facilities commensurate with its business operations. However, considering the low return on capital employed, it is felt that the utility value of the assets created by GTL over a period require critical re-evaluation for rationalizing and re-deploying.

Our customer engagements include the public and private sectors in banking, finance and insurance; IT and telecommunications; retail and logistics; FMCG; and health care.

Safe Harbor

This release contains certain predictions, estimates or other information regarding the Company's operations, which are forward looking in nature. While these forward looking statements represent our best current judgement on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially and may involve risk and uncertainty. This release does not have any regard to the specific investment objectives, financial situation and particular needs of any specific person. No liability for any loss will arise with the company as a result of the action taken on the basis of information contained herein.

Contact:

Pinakin Gandhi

Vice President

GTL Limited

Tel: +91 (22) 22613010

Fax: +91 (22) 22655555

Cell: +91 98201 42200

Email: pinaking@gtllimited.com