

H1 profit after tax Rs 650.8 mln, up 59% on year

Q2 net sales and services Rs 1.81 bln, up 30% on-year

Q2 profit after tax Rs 191 mln, up 6% on-year

Q2 Network Engineering net sales up 52% at Rs 862 mln

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Mumbai, 28 October 2004: GTL Limited today announced that profit after tax for the half-year ended 30 September 2004 was Rs 650.8 million, up 59% over Rs 408.5 million in the same period a year ago.

H1 consolidated net sales and services from geographies outside India were Rs 1.61 billion, up 17% from Rs 1.38 billion.

Consolidated profit after tax for the quarter-year ended 30 September 2004 was Rs 190.9 million, up 6% over Rs179.5 million a year ago.

Improvement in margins, focus on value addition and efficient working capital management led to consolidated Q2 operating profit after depreciation rise by 51% to Rs 297.2 million; consolidated profit before tax and extraordinary items was Rs 223.6 million, up 19% from a year ago. The company provided for Rs 45.20 million and Rs 28.4 million owing to fluctuations in the interest and foreign exchange rates, respectively.

Q2 consolidated sales and services from geographies outside India rose 7% to Rs 817.1 million, 45% of total sales, while that from India were up 59% at Rs 993.8 million. This was owing to increased demand from GTL's main target segments – wireless telecom providers, contact centers and enterprises.

Q2 consolidated sales of the network engineering business?telecom engineering services and converged networking solutions to international telecom carriers, telecom OEMs, contact centers, and global enterprises?rose to Rs 862.0 million, up 52% from Rs 566.2 million a year ago. This impressive performance was owing to the sharp increase in telecom infrastructure spending and contact center deployments—India, in particular.

Q2 consolidated sales of managed services, process implementation, and process fulfilment services rose 15% to Rs 948.8 million, from Rs 826.8 million a year ago, on increased sales from the Oracle process implementation practice and managed infrastructure services.

Michael Clark, Ph.D, takes charge as GTL CEO

Effective 4 July 2004, Dr. Michael Clark has taken the overall charge of GTL's business operations, including activities supported from GTL's principal global offices in Singapore, Dubai, Mauritius, London and New York.

As CEO, Dr. Clark is responsible for developing the organizational and strategic framework for GTL's businesses and nearly 4000 employees. His seasoned perspective on a wide range of issues influencing communications policy regulation and technology adoption is the key input for GTL's strategy into new services markets, and for deepening existing and new technology partnerships.

Before joining GTL, Dr. Clark was Executive Director of the U.S.-India Business Council, an association of 100 U.S. companies with significant business interests in India. During Dr. Clark's tenure, the USIBC emerged as a leading voice of American business on all major policy issues concerning bilateral trade and investment.

Dr. Clark's 25-year career includes: professor of international relations at Johns Hopkins University; Wendy and Emery Reves Scholar in Residence at the College of William and Mary; managing editor of Johns Hopkins Foreign Policy Institute; and adviser to four Central American ambassadors.

Dr. Clark holds a Ph.D in international relations from the Johns Hopkins University; an M.A in Latin American studies and international economics from Johns Hopkins SAIS; and an A.B. in government (cum laude general studies) from Harvard University.

In his previous charge, Dr. Clark was a leading proponent of Indo-US Free Trade Agreement (FTA) in services and a key partner in the Indo-US Hi-Technology Co-operation Group (HTCG).

Foreign Currency Convertible Bonds Issue

GTL successfully completed an international issue of FCCBs aggregating 80 million Swiss Francs (approx US\$ 64.5 million). GTL had proposed to offer bonds worth 70 million Swiss francs. The green shoe option of 10 million Swiss francs was exercised by the issue's lead manager.

The bonds bearing coupon of 1 % p.a (61 month tenure) was launched in the Swiss capital market on 17 August 2004 and concluded on 20 August 2004.

The issue was lead managed by Bank Julius Baer & Co. Ltd, Switzerland. RP & C International, Inc., UK were the Advisors to the issue.

About GTL

GTL is a provider of global enabling services—network engineering, managed services, process implementation solutions, and process fulfilment services—to international telecom carriers, utilities, and Fortune 500 organizations. Our service framework consists of nearly 4000 associates working out of global delivery nodes that include New York, Singapore, Melbourne, Dubai, Riyadh, Surrey (UK), Torrance (California), Mauritius, Colombo, and Mumbai.

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

For further information contact:

L Y Desai
Head- Capital Markets & CIRO
GTL Limited
Tele : +91 (22) 22613010
Fax : +91 (22) 22655555
Email : lydesai@gtllimited.com