

Q2 Operating Margins of GTL Limited record over 17% growth YoY

Mumbai: October 25, 2002 - GTL Limited, premier Network Engineering and IT Services Company, announced its audited results for the Quarter ended September 30, 2002 with Revenues of Rs.151.66 crores and Operating Profit before Depreciation grew by 17.05% to Rs. 43.46 crores on a consolidated basis.

Highlights for the Quarter ended September 30, 2002 (Consolidated)

The performance of Business Operations improved during the Quarter ended September 30, 2002.

Net Sales and Services stood at Rs. 151.66 crores for the Quarter ended September 30, 2002 as against Rs. 144.89 crores in the corresponding quarter of the previous year, registering a growth of 4.67%.

Operating Profit before Depreciation improved by 17.05% to Rs. 43.46 crores for the quarter ended September 30, 2002 as compared to Rs. 37.13 crores in the corresponding quarter of the previous year, largely on account of improvement in margin and strategic customer focus.

Other Income during the Quarter ended September 30, 2002 declined substantially by 93.70% to Rs. 1.03 crores as against Rs. 16.36 crores in the corresponding quarter of the previous year. This was primarily because of forex loss of Rs. 5.29 crores in the quarter ended September 30, 2002 as against forex gain of Rs. 9.43 crores in the corresponding quarter of the previous year on account of strengthening of Rupee vis-à-vis dollar and falling dollar interest rates.

Consequently, **Net profit after Tax and before Extra-ordinary Items** stood at Rs. 17.70 crores for the quarter ended September 30, 2002 as compared to Rs. 27.36 crores over the corresponding quarter of the previous year.

International Revenues for the quarter ended September 30, 2002 grew by 26.39% to Rs. 48.33 crores as compared to Rs. 38.24 crores in the corresponding quarter of the previous year.

Highlights for the Half-year ended September 30, 2002 (Consolidated)

Net Sales and Services stood at Rs. 297.71 crores for the half-year ended September 30, 2002 as against Rs. 269.52 crores in the corresponding half-year of the previous year, registering a growth of 10.46%.

Operating Profit before Depreciation improved by 25.17% to Rs. 88.76 crores for the half-year ended September 30, 2002 as compared to Rs. 70.91 crores in the corresponding half-year of the previous year, largely on account of improvement in margin and strategic customer focus.

Other Income during the half-year ended September 30, 2002 declined sharply by 82.07% to Rs. 5.78 crores as against Rs. 32.24 crores in the corresponding half-year of the previous year. This was largely due to exchange losses and lower Interest income on account of strengthening of Rupee vis-à-vis dollar and falling dollar interest rates.

Consequently, Net profit after Tax and before Extra-ordinary Items stood at Rs. 42.28 crores for the half-year ended September 30, 2002 as compared to Rs. 56.87 crores over the corresponding half-year of the previous year.

International Revenues for the half-year ended September 30, 2002 stood at Rs. 99.00 crores as compared to Rs. 103.70 crores in the corresponding half-year of the previous year.

Segment Reporting (Consolidated)

The figures for the corresponding periods in the previous year cannot be given as these were not mandatory for that period and accordingly not compiled.

Enterprise Solutions (ES):

The division comprises of Enterprise Business Infrastructure, Enterprise Networks, Software Services and Security Services. This division contributed revenues of Rs 81.32 crores during the Quarter ended September 30, 2002 and Rs. 164.22 crores during the Half-year ended September 30, 2002.

During the half year ended September 30, 2002 this division refocused on businesses that drive positive cash flows, are sustainable over longer time frames and are globally scalable. To achieve this objective, the erstwhile businesses, as described above, were consolidated. Customer focus initiatives also helped this division to realign its service offerings-mix. This helped the Division to strategically evolve into a compelling business model that would foster growth and profitability in future.

Network Engineering (NE):

This division focusing on providing solutions to Telecom Service Providers and other Service Operators has shown tremendous growth. It posted revenues of Rs. 43.60 crores during the Quarter ended September 30, 2002 and Rs. 82.43 crores during the Half-year ended September 30, 2002.

During the period, the Division strengthened its presence in the overseas markets and is well positioned to leverage the expertise in Network Engineering and existing relationships with Technology Solution providers and Service Operators.

Customer Management Solutions (CMS):

This division focusing on Call Center Services has shown substantial growth over that of the previous year, posting revenues of Rs. 26.69 crores during the Quarter ended September 30, 2002 and Rs. 51.00 crores during the Half-year ended September 30, 2002. The revenues of this business segment

come from Industry Verticals such as Banking & Financial Services, Insurance, Telecom and Healthcare from customers based out of US and European markets.

Other Events during the Quarter ended September 30, 2002

Mr. Manoj Tirodkar, Chairman & MD of GTL Limited was awarded the 'Young Entrepreneur's Trophy' in recognition of the entrepreneurial spirit and innovativeness by Confederation of Indian Industry's (CII).

Prof. S.C. Sahasrabudde, whose tenure is expiring on 31st December, 2002 has been re-appointed as a Whole-time Director for a tenure of 3 years from 1st January, 2003.

In its quest for quality, the company has achieved another milestone during this quarter by getting ISO 9001: 2000 certification for its CMS Division by KPMG.

RBI has approved the increase in the Investment Limit of Foreign Institutional Investors upto 74% of its Paid-up Equity Share Capital.

About GTL Limited

GTL Limited is a leading Network Engineering and IT Services company with an annual turnover of Rs. 532.81 crores, for the year ended March 31, 2002. GTL's vision is to "Spearhead Technology-driven Business Innovations". GTL brings together various technologies to address clients' critical business imperatives.

With employees strength over 2700, GTL 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.

GTL has a focus on Industry Verticals such as IT & Telecom, Healthcare & Pharmaceutical, Banking, Finance & Insurance, Manufacturing and Hospitality.

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