



GTL Limited

PRESS RELEASE

For Immediate Release

GTL Registers Net Profit Growth of 77% on Year on Year Basis

Consolidated results for the quarter ended September 30, 2006

- Consolidated Revenue was Rs. 235.56 crores for the quarter ended September 30, 2006 as against Rs. 203.64 crores for the same period in the previous year; YoY growth 15.67%
- Profit after tax is at Rs. 18.24 crores for the quarter ended September 30, 2006 as against Rs. 10.31 crores for the same period previous year; YoY growth 76.91%
- Revenues from Network services was Rs. 235.56 crores for the quarter ended September 30, 2006 as against Rs.106.64 crores for the same period previous year; YoY growth 120.89%

BSE: 500160	NSE: GTL	Reuters: GTL.BO& GTL.NS	Bloomberg: GTS.IN
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Mumbai, October 17, 2006

GTL Limited today announced unaudited results of the Company (including its subsidiaries on consolidated basis) for the quarter ended September 30, 2006. After restructuring of the Company GTL changed its revenue mix to focus on the opportunities in Network Services business. It has repositioned itself as a “Network Services” provider” and has a vision to become the largest Network Service provider, globally. Starting this quarter, GTL will have a single reporting segment - Network Services instead of the Network Engineering and IT Services segments.

The consolidated revenue for the quarter ended September 30, 2006 was Rs.235.56 crores as against Rs.228.34 crores in the quarter ended June 30, 2006; QoQ growth of 3.16%. The revenue growth remained flat for the quarter in view of GTL’s decision to exit certain businesses in IT Services. However continued buoyancy in Network Services helped it to register an impressive growth of 27.79% over previous quarter.

The gross profit was Rs. 61.64 crores as against Rs. 56.28 crores in the previous quarter. The costs of sales & services and delivery were at Rs.173.92 crores (73.83% of revenues) as against Rs. 172.06 crores (75.35% of revenues) in the previous quarter. Net addition to the headcount during the quarter stood at 382 employees due to greater demand from the Network deployment business. GTL also undertook annual increments in the salary during the quarter. In line with the change in revenue mix GTL witnessed a considerable change in the employee profile from graduates to engineers.

GTL setup a new office in Thailand to strengthen its presence in APAC region. The Selling, General and Administrative expenses increased from Rs. 26.99 crores (11.82% of revenues) in the previous quarter to Rs. 31.89 crores (13.54% of revenues) in the current quarter. The depreciation for the quarter was Rs.9.89 crores (4.20% of revenues) as against Rs. 9.63 crores (4.22% of revenues) in the previous quarter.



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Recent Developments

Today the board of directors of GTL approved the acquisition of Genesis Consultancy Limited, a UK based firm providing Network Management and Professional Services to Telecom Operators and OEMs. The details of the same are as follows:

- a. GTL will acquire Genesis consultancy through IGTL Solutions (UK) Limited, 100% subsidiary of its international arm International Global Tele-Systems Limited (Mauritius). The acquisition is done at a consideration of USD 9 million in all cash deal with 100% buy-out.
- b. Genesis' revenue for the calendar year 2006 is expected to be US\$ 14 million and is likely to grow at a growth rate of around 35% for calendar year 2007. Genesis has zero debt and around USD 1.9 million in cash.
- c. Genesis has a pool of over 100 skilled engineers trained on 3G platform.
- d. The acquisition is expected to contribute significantly to GTL's service offerings in Network Management and Professional Services and strengthen its presence in European market. Genesis enjoys strong relationship with Nokia networks for worldwide support and has presence in European, USA and APAC markets.

About GTL

GTL Limited (GTL) is a leading Network services Company from India. The Company is a recognized leader in serving the Indian telecom industry through a gamut of engineering services. It also serves a marketplace comprising of the next generation globally distributed enterprises, by bringing together various technologies for addressing their networking, communication and infrastructure maintenance needs. By offering integrated end-to-end services in the areas of carrier grade and enterprise network engineering; networked applications and infrastructure management (managed services); converged network systems integration; process implementation solutions; and process fulfillment services, GTL is today a trusted service provider to several international enterprises, including Fortune 500 companies, telecom carriers, large non-profit entities, and public agencies. With approximately 4,200 employees, GTL's presence spans across 16 locations in India and 12 locations internationally.



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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 judgment 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.

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