



Press Release

Orange Business Services acquires GTL's IT services Business

Mumbai, July 11th, 2007

Orange Business Services, the business communications arm of France Telecom, has entered into an agreement with GTL Limited, the leading Network Services from India, for acquiring the Enterprise Network Services and Managed Services business of GTL in an all cash deal.

The Acquisition of GTL's IT services would provide Orange Business Services with a blue chip customer base, dedicated sales force, skilled professionals and relationships with leading technology providers to address enterprise networks space in India. Standard Chartered played the role of advisor for GTL, and BMR Advisors, was the advisor and due diligence partner for France Telecom.

Commenting on the agreement Mr. Manoj Tirodkar, CMD, GTL Limited, said, " Our enterprise business has the finest customer base, most dedicated and performance oriented work force. We have built world class Enterprise and Managed Services business and the fact that Orange Business Services, a leading global brand owned by France Telecom is acquiring the business speaks for the quality of assets we have built. The hiving of the enterprise business is part of our efforts to focus on Network Services for Telecom carriers. We are happy to find a partner in Orange Business Services, who will add value to the business and would take care of our employees as well".

GTL as part of its IT services business offers, Enterprise Solutions and Managed Services to medium and large Corporates. It has over 450 customers, comprising of blue chip companies, with major presence in the BFSI and ITES segments. Some of clients are Citibank, Standard Chartered, Deloitte, WNS, First Source etc. The company also has relationships with leading technology providers such as Alcatel –



Lucent, Nortel, Juniper, Patchlink, Arc Sight and Verint in the Enterprise space. GTL is one of the oldest partners for Nortel, and has a leadership position in the Contact Center space. The business serves the customers from 13 locations in India and internationally in countries like US, UK, Singapore, and Sri Lanka.

Speaking on the occasion, Barbara Dalibard, CEO, Orange Business Services said, "India is a key growth market for our customers. The acquisition of GTL's Enterprise and Managed Services divisions broadens our ability to deliver best-in-class enterprise services and solutions for our customers throughout the region, including customers in India." She added, "This investment strengthens significantly our presence in Network Related Services and in the Asia-Pacific region, two major areas of growth in Orange Business Services strategy to be a leading global communication provider."

The acquisition would help Orange Business Services further grow its business in India, and facilitate the delivery of Network Management Services to its global customer base. The acquisition will also help Orange Business Services to reinforce its local presence and to serve better European, American and Asian multinationals who need network related services in India and in the region.

The Enterprise and Managed Services business has revenue of over Rs. 140 Cr (as on March 31, 2007) and has over 590 employees. The employees consist of more than 200 engineers, trained in various skill sets of converged solutions, data technologies and Infrastructure management. GTL's Managed Services is BS 15000 and ISO 27001 certified, which are the highest certifications for information security. The division also was judged by Nortel as the best partner for 2005 and had won several other awards as well.

The proposed divestment is not likely to impact the revenue growth of GTL. According to Mr. Charudatta Naik, COO, GTL "The growth guidance given of 30% is based on the Network services in telecom domain and does take into account the hive off of enterprise segment. We have already shared our Order visibility of Rs. 1600 crores, which is also purely based on telecom services".



The hive of the IT Services business is part of the ongoing restructuring program, through which the company wants to focus solely on Network Services, and intends to add capabilities across the entire spectrum of the Network Life Cycle of Telecom Operators and Technology Providers (OEM's).

About GTL Limited

GTL is a leading Network Services company, offering services and solutions to address the Network Life Cycle requirements of Telecom Carriers and Technology providers (OEMs).

GTL's consolidated Revenues for FY 2006-07 (trailing twelve months) ending March 31, 2007 stood at Rs. 11562.8 million (USD 258 million). GTL has executed projects in over 25 countries, built over 35 cellular networks, installed and commissioned over 20000 cell sites, connecting over 20 million subscribers, set up over 500 corporate networks, and built over 51000 BPO seats.

For more than a decade, leading wireless carriers, equipment manufacturers, service providers and enterprises have trusted GTL's talented and trained engineering professionals to plan, design, deploy, optimize, manage, and maintain their networks and applications. Our trained and skilled manpower of over 3,390 associates offer assured quality to customers through integrated end-to-end services.

For more information on GTL, kindly visit www.gtllimited.com



About Orange

Orange is the key brand of France Telecom, one of the world's leading telecommunications operators with more than 161 million customers in five continents.

In June, 2006, as part of the France Telecom integrated operator strategy (NExT programme) to deliver simple, convergent products, Orange became the single brand for mobile, internet and tv offers in France, the United Kingdom, The Netherlands and in Spain, strengthening Orange's position as the number two mobile and internet services brand in Europe. In addition, Orange Business Services, which operates in 220 countries or territories, became the new banner for business communications solutions and services.

France Telecom (NYSE:FTE) is listed on Euronext Paris Eurolist market and on the New York Stock Exchange. At March 31, 2007, the group had more than 100 million mobile customers, about 12.5 million Internet customers and 48.5 million fixed line customers.

Orange Business Services represents the business communications solutions and services provided by the France Telecom Group. Orange Business Services provides converged voice, data and mobile services as well as IT expertise and managed services. It is present in 166 countries and territories and serves customers in 220. In 2006, France Telecom had consolidated sales of 51.7 billion euros.

Further information about Orange and France Telecom can be found on the Orange website at www.orange.com, www.orange-business.com or France Telecom at www.francetelecom.com.

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