



PRESS RELEASE

Issued by Corporate Communications Department
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Larsen & Toubro Limited

Performance for the quarter ended June 30, 2005

Order Booking for the quarter up by 45%
PAT for the quarter up by 31%

Mumbai, July 28, 2005: L&T reported a smart increase in Gross Sales & Service income of Rs. 3155 crore for the quarter ended June 30, 2005 as against Rs. 2689 crore for the previous year's quarter. The company's revenues from international operations continue to grow, and is at 17% of the total sales and service income.

Profit before tax and Profit after tax for the quarter is at Rs. 208 crore and Rs. 143 crore respectively. After excluding an extraordinary income of Rs. 49 crore (Rs. 38 crore net of tax) relating to sale of dairy / milk processing equipment business, the Profit before tax and Profit after tax for the quarter at Rs. 159 crore and Rs. 105 crore register an increase of 37% and 31% respectively over the previous year's quarter.

Engineering & Construction Segment

The Engineering & Construction (E&C) Segment booked new orders amounting to Rs. 3154 crore during the quarter, showing an increase of 45% over the previous year's quarter. Of these, export orders accounted for Rs. 814 crore, constituting 26% of the orders booked during the year.

The impressive growth reflects the underlying buoyancy in the infrastructure and core industries auguring well for the company.

The details of the major orders secured during the quarter ended 30th June 2005 are given below:

Domestic

Rs. crore

▶ Construction of 6 lane flyover on NH-1, including widening of existing 4 lanes passing through Panipat, Haryana for National Highway Authority of India Limited	360
▶ RJ-11 road project, [East-West corridor project] on NH-76 stretching between Kota and MP border for National Highway Authority of India Limited	278
▶ Commissioning of 400/220/33 kV Switchyard and 33 kV Substation at Raigarh, Chattisgarh for Jindal Power Limited	90
▶ Erection and commissioning for CCR cyclemax regeneration system package for green fuel and emission control project at Mumbai for Hindustan Petroleum Corporation Limited	79
▶ Upgradation of Dome for early production system and gas collecting system at Tripura, Agartala for Oil & Natural Gas Corporation Limited	67

International

Rs. crore

▶ Construction of cricket stadium at Kensington Oval, West Indies for World Cup Barbados Inc.	201
▶ Construction of Palm Jumeriah Lake Towers, Dubai for Han Worldwide Enterprise Inc.	117
▶ Erection of 3000 tpd Cement grinding plant at Rusayl, Oman for Oman Cement Co (S.A.O.G)	81

The E&C segment recorded revenues of Rs. 2629 crore during the quarter ended 30th June 2005, representing an increase of 15% over previous year's quarter. Export sales for the quarter amounted to Rs. 510 crore.

The Company has a healthy order backlog of Rs. 17814 crore as on June 30, 2005.

Electrical & Electronics

During the quarter, the Electrical & Electronics segment achieved 30% increase in Gross revenues at Rs. 330 crore, reflecting a consistent growth. Export orders during the quarter have risen to Rs. 35 crore, accounting for 10% of the order book.

The good performance of the segment is due to robust sales growth in the Electrical standard products. The segment has benefited by improved production efficiency, cost & resource optimization measures.

Other Diversified Businesses

Among the diversified businesses, the Construction equipment business, Welding systems and Industrial products witnessed good demand growth. The segment recorded sales of Rs. 238 crore, registering 20% growth in its revenues over the previous year quarter.

Realizing the growing potential of Ready Mix Concrete business, the Company is taking suitable initiatives to enlarge its market presence.

Outlook

With a robust Order Backlog supported by the strong fundamentals in the economy, the company is poised for good growth in the medium term. Large capacity build up is expected in Minerals & Metals, Power & Hydrocarbon sectors, both in India & abroad, which the Company plans to exploit. With continued thrust on infrastructure development and improved capacity utilization in the manufacturing sector within the country, the project business is expected to benefit from the investment outlays.

Barring unforeseen circumstances, the Company is hopeful of satisfactory performance in the year.
