



## ***PRESS RELEASE***

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# **Larsen & Toubro Plans Thrust in Qatar's Hydrocarbon & Infrastructure Sectors**

## **Chairman eyes prospects in Engineering, Construction, Fabrication & Manufacture**

**Doha, June 05, 2005:** Mr A.M. Naik, Chairman and Managing Director of Larsen & Toubro Limited (L&T), a USD 3.3 billion international engineering and technology company, said today that the Company was looking forward to widening its participation in Qatar's accelerated development efforts through a slew of new projects and business initiatives.

At a press conference in Doha, Mr. Naik said "L&T would like to build stable, long-term relationships with the industry in the GCC region. We are already a significant player in the country both directly and through our local, Doha-based subsidiary Larsen & Toubro Qatar LLC. We are now looking to expand our presence in the hydrocarbon, power and infrastructure sectors." Reflecting on the traditional association between the two countries, Mr Naik said "Our peoples have had trade links with each other for centuries. In more recent times, India's dependability as a trading partner to the entire Gulf region has withstood the uncertainties of global political developments. The geographic proximity, complementary capabilities and cultural affinity that we share with the Arab world will serve to enhance the involvement of L&T in the region".

Mr. Naik along with a senior management team from L&T is on a visit to Qatar, and is expected to meet several high-ranking government officials, customers and business leaders during the visit.

### **Varied Projects in Qatar**

L&T's involvement in the Qatar spans execution of high end engineering projects like oil and gas platforms and supply of critical equipment to Qatar Petroleum, and process plant equipment to Qatar Fertilizer Company. L&T's Construction Division has built two stadia in Qatar and currently associated in projects like building of a section of the Asian Games Village, the 36-storied Al Jazeera Tower in the upscale West Bay Area of Doha and the construction of a power plant in Ras Laffan.

### **Alliances in Gulf**

Elaborating on L&T's commitment to the region, Mr. Naik said "L&T is scouting for alliances for proposed projects in the Gulf countries that include an engineering centre and a fabrication facility for large-sized equipment for the oil and gas, fertilizer, refinery, power, petrochemical and other industries. These facilities will be located in the area, and would accelerate the process

of project design and engineering, and would result in reduced transportation costs and time. They would also serve to improve adherence to delivery schedules while enabling the maximum use of local content and resources". L&T has a successful track record in building plant and equipment used in the oil & gas sector, refineries, infrastructure and power projects, and has technology relationships with world leaders that will enable it to execute world class projects in the region.

L&T is also exploring the feasibility of setting up a full-fledged assembly/project-execution facility in the region for low-tension switchgear and custom-engineered power and motor control centres, either through a systems integration partner or through its own venture. "L&T is committed to making the necessary investments to become a full service provider of electrical and control & automation products in the region" Mr. Naik said.

### **Progressive leadership**

Citing the country's high per capita index, Mr Naik said Qatar was a remarkable example of how far-sighted leadership could result in a vibrant quality of life for the people. Mr. Naik went on to say "Qatar has enormous prospects in the LNG sector and is well on its way to becoming a capital-surplus nation of global significance. Given the nature of L&T's main businesses, ie. technology, engineering and construction, infrastructure development, power plants & distribution, we are well placed to contribute significantly to this high trajectory of growth and development".

As a business conglomerate with interests and capabilities in engineering, technology, construction, electrical switchgear, electronics & information technology, L&T has the unique advantage of offering its customers a single window for meeting their requirements and a single point of responsibility.

### **Track Record in Gulf**

Across the region, L&T is currently engaged in the construction of a process platform for Bunduq Company in Abu Dhabi, a gas compression facility for GASCO (the Abu Dhabi Gas Industries Limited), an environment-protection facility for Takreer at Ruwais and gas insulated sub-station, package units and transmission lines for ADWEA. The company is also involved in the construction of four bridges in Palm Jumeraih, and high rise buildings in Dubai Marina. Earlier, L&T had carried out mechanical erection and installation of a crude distillation unit at Zirku Island, built a gas insulated sub station at Al Ain, and set up power transmission lines for ADWEA and the Fujairah-Dhaid transmission line for UWEC. The Construction Division of L&T, ECC, built the Indian Embassy building in Kuwait a few years ago. L&T's Heavy Engineering Division which has supplied various units to the oil & gas industry over past few years, and against stiff global competition, has recently bagged a prestigious order of USD 29.3 Million for the supply of an EO Reactor from Kuwait Olefins Company. L&T's E&C Division has successfully executed two Sulphur Recovery Projects for Kuwait National Petroleum Co. (KNPC) for which it has achieved an Excellent Grade rating - the highest rating on safety performance given to foreign EPC contractors.

L&T also has joint ventures with local companies in Oman and Saudi. In Oman, L&T has supplied equipment to fertilizer projects and L&T (Oman) has built pharmaceutical units, steel billet plant, cement factories, commercial and shopping complexes. In Muscat, L&T (Oman) recently completed a 'road-bridge interchanger' that will contribute greatly to streamlining of traffic in the capital city.

A 200 MW open cycle power plant with six gas turbines was built by L&T at Salalah in Oman. The package included building of 132 kV substations and the erection of transmission lines. The company has also built power plants and distribution networks in other parts of the world. In Saudi Arabia, L&T (Saudi) has built hospitals, substations and erected transmission line towers for the Fahad International Airport. It is currently executing a 200-bed hospital, cement plant and school building project. It is also executing gas insulated substation and related works for supplying power to Saudi Aramco's Qatif/Abu sa'fa Field Development Project in Juymah. Ongoing projects include a technologically challenging 430-metre, six-lane cable stayed bridge in Amman, Jordan and a major hotel in Bahrain.

### **Prospects Ahead**

Mr Naik was of the view that besides E&C business in Hydrocarbon & Infrastructure sectors, its wholly owned subsidiary, Larsen & Toubro Infotech (L&T Infotech) can also make a significant contribution by providing high-quality services in the IT area to various customers in Qatar. L&T Infotech provides end-to-end software solutions and services to global customers in the domains of manufacturing, utilities, telecom and financial services.

With partners from Qatar, L&T can also explore opportunities in India and in other countries for the joint development of large projects. Such ventures, while yielding profits for both partners, would also help to share and build the knowledge and experience of the partners.

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