



PRESS RELEASE

Issued by Corporate Communications Department
LARSEN & TOUBRO LIMITED
L&T House, Ballard Estate, Mumbai 400 001

Tel: 67525772 (Direct), 67525656 Ext: 772
Fax: 91-22-678525607/ 8
E-mail: jkp-ccd@lth.ltindia.com

L&T inks Joint Venture in Kuwait to expand construction prospects in Gulf

Mumbai, June 14, 2006: Larsen & Toubro Limited (L&T), the USD 4 Billion plus engineering, construction and technology major has signed a joint venture agreement with a subsidiary of the widely diversified, Kuwait-based Bader Al Mulla and Brothers Co. W.L.L., wholly owned subsidiary of Al Mulla Group Holding Co. K.S.C.C. To be called 'Larsen & Toubro Kuwait Construction WLL', the new venture will be registered as a local company in Kuwait, and will focus on construction projects in oil & gas, power and infrastructure, with a primary focus on electro-mechanical construction. It is expected that the joint venture will enable the two companies to benefit significantly from the construction boom in Kuwait, specifically in the sectors of oil refining and infrastructure development.

Bader Al Mulla has a strong business presence in Kuwait and possesses insight into the market's requirements, trends and prospects. L&T will bring to the joint venture its impressive track record and technical expertise in construction of projects in various sectors, as well as its project management skills.

The joint venture agreement comes close after Mr. A.M. Naik, Chairman & Managing Director of L&T, had led a high level delegation to Kuwait and declared that the company was keen on developing long-term relationships with the industry in the GCC region, and was actively scouting for alliances with companies that shared its vision and had a complementary capability profile.

Kuwait has grown remarkably in the last three decades, and is an outstanding example of what can be achieved through visionary leadership. It is understood that the Government of Kuwait proposes to invest several billion dollars in the development of the hydrocarbon sector and infrastructure. Given the nature of L&T's main businesses, i.e., technology, engineering and construction, infrastructure development, power plants & distribution, it is well placed to contribute significantly to Kuwait's growth and development.

Across the last several years, various Divisions of L&T have executed major projects in Kuwait. The Construction Division of L&T, ECC, built the Indian Embassy building a few years ago. L&T's Heavy Engineering Division has supplied various units to the oil & gas industry, and has recently bagged a prestigious order of USD 29.3 Million for the supply of an Ethylene Oxide reactor for 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.

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