



PRESS RELEASE

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LARSEN & TOUBRO LIMITED
Bakhtawar, Ground Floor
Nariman Point, Mumbai 400 021

Tel: 91 22 6658 5100
Fax: 91 22 6658 5146/ 150

L&T sells its Ready Mix Concrete Business to Lafarge India

Mumbai, May 14, 2008: Larsen & Toubro Limited (L&T), India's leading Engineering, Technology and Construction Company and Lafarge India have entered into a definitive agreement for sale of L&T's Ready Mix Concrete (RMC) business to Lafarge for an enterprise value of Rs. 14,800 million (Rs. 1,480 crores).

The RMC Business Unit of L&T manufactures and supplies ready mix concrete to all segments of users under the brand name of '**L&T Concrete**'. L&T was one of the first entrants into the RMC business in India and has steadily grown this business over the last 10 years. L&T Concrete enjoys a leadership position with a current market share of about 25%. It operates 66 highly efficient RMC plants across the country covering all metros and major Tier I and Tier II cities, and has a production capacity of around 4.5 million cubic meters per annum.

The exit is in line with L&T's strategy of focusing on core businesses and exiting others. The customer profile and service requirements of RMC business are very different from L&T's Engineering & Construction business. L&T had earlier exited its cement business through a demerger and sale to Grasim in the year 2004.

The sale has been effected through a transfer of the business along with all assets, liabilities and employees connected with the RMC business.

Background:

Larsen & Toubro Group is a USD 7 billion technology, engineering and construction group, with global operations. L&T is one of the largest and most respected companies in India's private sector.

A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business over seven decades.
