



L&T Press Release

Issued by Corporate Communications Department

L&T House, Second Floor
Bellard Estate, Mumbai 400 021
Tel: 91 22 6658 5100
Fax: 91 22 6658 5146/ 150

Performance for the quarter ended September 30, 2009

Highlights

- ◆ **Order Inflow registers healthy growth of 47%**
- ◆ **Order Book reaches Rs.81623 crore**
- ◆ **Profit after Tax rises 26%**
- ◆ **Operating Margin improves to 10.6%**

Mumbai, October 22, 2009: Amidst positive sentiments building up within and outside the country, the Engineering and Construction conglomerate Larsen & Toubro, registered a healthy growth in Order Inflow for the quarter ended September 30, 2009 aggregating to Rs. 18365 crore. Order Inflow grew 47% over the corresponding quarter of the previous year.

Gross Sales Revenue of the Company stood at Rs. 7936 crore for the quarter. The corresponding quarter of the previous year had sales of Rs. 275 crore from Ready Mix Concrete (RMC) business which was divested during the second half of the previous year. Excluding the sales from RMC business, Sales for the quarter grew by 6%. The subdued growth in Sales was mainly due to delay in clearances from the clients in case of a few project orders in Infrastructure sector, and also due to lower off-take of industrial products and machineries during this period.

The Company's Order Book stood at Rs. 81623 crore, registering an increase of 30% y-on-y.

Judicious de-risking strategies coupled with efficient treasury operations have enabled the Company improve the Operating Margin to 10.6% for the quarter over 9.3% for the corresponding quarter of the previous year.

Profit after Tax (PAT) from normal operations at Rs. 568 crore grew 23.5% y-on-y. Including the net gain from exceptional items, PAT for the quarter increased by 26% as compared to the corresponding quarter of the previous year.

Engineering & Construction Segment

Buoyed by the accelerated infrastructure-building initiative of the Central Government, the E&C Segment reported a healthy growth in Order Inflow at Rs. 17004 crore during the quarter. Large Orders from the Hydrocarbon & Power

sectors enabled the Segment to register a record 63% growth in Order Inflow y-on-y. The Segment's proven capability to execute mega projects within stiff timeline and challenging cost target, helped it win new orders in the fiercely competitive environment.

The Segment recorded Gross Customer revenue of Rs. 6702 crore during the quarter, which translates into an increase of 11.5% y-on-y. This revenue growth was in line with the plan for the quarter, considering the skewed order Inflows in the earlier quarters and delay in project clearances and financial closure of a few infrastructure sector orders.

Continuing its past track record, the Segment was able to maintain its Operating Margin at 11.3% for the quarter. The Segment's Operating Margin for the six-month period ended September 30, 2009 stands at an improved 11.6% vis-à-vis 11% registered during the same period of the previous year.

The Segment Order Book stood at Rs. 79857 crore as at September 30, 2009.

Electrical & Electronics Segment

The Segment witnessed some recovery in the otherwise sluggish demand for its products, in line with the infrastructure spending ramp up and revival of core industrial sectors. Gross Customer revenue of the Segment for the quarter at Rs. 693 crore was marginally lower when compared with the revenue of the corresponding quarter of the previous year. However, the segment succeeded in improving its Operating Margin by 4 percentage point to 17.1%, due to lower input prices and better product-mix.

Machinery & Industrial Products Segment

Gross Customer revenue of the segment for the quarter remained subdued at Rs. 501 crore on the back of depressed demand for industrial products and equipment. Though recovery signs were seen in the construction equipment business, margins were under strain due to intense competition and persistent demand of customers for higher discounts in prices.

Outlook

The economy has started showing signs of recovery providing the much needed boost to the investment climate and spurring the demand for capital goods. The recently available data on Index of Industrial Production bear a testimony to this improving growth trajectory. The Infrastructure sector is seeing Government's deep commitment to encourage fast-track development and attract private investment. The Power sector is also witnessing increasing investment interest from the private sector. The hardening crude oil price in the recent times augurs well for new opportunities in the hydrocarbon sector as also revival of infrastructure development in the Gulf where the Company has a significant presence.

The Company is well poised to exploit these emerging opportunities to the fullest extent.



LARSEN & TOUBRO LIMITED

Registered Office : L&T House, Ballard Estate, Mumbai 400 001

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2009

Particulars	3 months ended September 30		6 months ended September 30		Rs.Lakh Year ended March 31 2009 (Audited)	
	2009	2008	2009	2008		
	1	Gross Sales / Revenues from Operations (See Note no.1)	793626	777621	1536711	1476897
	Less: Excise Duty	7008	9401	13822	18534	39847
	Net Sales / Revenues from Operations	786618	768220	1522889	1458363	3364657
2	Other Operational Income	5266	4287	9824	8331	27980
3	Total Income (1+2)	791884	772507	1532713	1466694	3392637
4	Expenditure:					
a)	(Increase) / decrease in stock -in- trade and work -in -progress	8263	(5358)	34368	(26363)	(10511)
b)	i) Consumption of raw materials	186618	178524	336436	360492	745202
	ii) Sub-contracting charges	193495	138750	386320	284476	722359
	iii) Construction materials	131138	183825	259547	337771	77253
	iv) Purchase of traded goods	35768	48149	63264	89186	167869
	v) Other manufacturing / operating expenses	47686	58891	95216	108487	221029
c)	Employee cost	70865	60413	122013	100910	192034
d)	Sales, administration and other expenses	34327	38090	68637	67016	183950
e)	Depreciation, amortisation, obsolescence and impairment	10013	7308	19386	13893	30599
	Total Expenditure	718173	708592	1385187	1335868	3029784
5	Profit from Operations before Other Income, Interest & Exceptional Items (3-4)	73711	63915	147526	130826	362853
6	Other Income	21755	13280	44034	26928	73978
7	Profit before Interest & Exceptional Items (5+6)	95466	77195	191560	157754	436831
8	Interest expenses	13096	8127	24055	13178	42790
9	Profit after Interest but before Exceptional Items (7-8)	82370	69068	167505	144576	394041
10	Exceptional items (net gain) (See Note No.2)	2738	-	104726	-	-
11	Profit from Ordinary Activities before Tax (9+10)	85108	69068	272231	144576	394041
12	Provision for Taxes:					
a)	Provision for Current Tax (incl. Fringe Benefit Tax for previous periods)	27262	21486	53753	45653	122077
b)	Provision for Deferred Tax	(194)	1556	618	2653	1044
	Total Provision for Taxes	27068	23042	54371	48306	123121
13	Profit After Tax from Ordinary Activities (11-12)	58040	46026	217860	96270	270920
14	Extraordinary items [net of tax]	-	-	-	-	77246
15	Profit After Tax (13+14)	58040	46026	217860	96270	348166
16	Paid-up equity share capital (Face value of share:Rs. 2 each)			11753	5852	11714
17	Reserves excluding revaluation reserve					1231796
18	Basic EPS before Extraordinary Items (Rupees)	9.90	7.87	37.15	16.46	46.30
19	Diluted EPS before Extraordinary Items (Rupees)	9.70	7.74	36.46	16.18	45.68
20	Basic EPS after Extraordinary Items (Rupees)	9.90	7.87	37.15	16.46	59.50
21	Diluted EPS after Extraordinary Items (Rupees)	9.70	7.74	36.46	16.18	58.70
22	Debt Service Coverage Ratio (DSCR) (No.of times)*			5.14	8.95	9.83
23	Interest Service Coverage Ratio (ISCR) (No.of times)**			7.96	11.97	10.21
24	Aggregate of Public Shareholding :					
	- Number of Shares ('000s)			569389	281593	568496
	- Percentage of Shareholding			96.90%	96.24%	97.06%
25	Promoters and promoter group shareholding (See Note no.9)			Nil	Nil	Nil

* DSCR = [Profit before Interest and exceptional & extra-ordinary items ÷ (Interest Expense + Principal repayments of long-term debt during the period)]

** ISCR = [Profit before Interest and exceptional & extra-ordinary items ÷ Interest Expense]

Notes :

- The Company disposed of its Ready Mix Concrete (RMC) business in October 2008. Accordingly, gross sales during the current quarter ended September 30, 2009 are not comparable with that of the corresponding quarter of the previous year since the same included sales from RMC business of Rs.27525 lakh.
- Exceptional items for the quarter ended September 30, 2009 comprise (a) gain of Rs.6761 lakh on sale of Company's stake in an associate company and (b) provision for diminution of Rs.4023 lakh in investment in another associate company.
- The Company has issued 11286685 fully paid up equity shares of Rs.2 each on October 15, 2009 by way of Qualified Institutions Placement (QIP) at a price of Rs.1659.30 per equity share (including a premium of Rs.1657.30 per share) in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- The Company has mobilised USD 200 million by issue of 3.5% Foreign Currency Convertible Bonds on October 21, 2009. The bonds are redeemable after 5 years and are convertible into equity shares at the option of the bondholders at a conversion price of Rs. 1908.20 per share.
- The EPS data for the quarter and half year ended September 30, 2008 have been adjusted for the issue of bonus shares in the ratio of 1:1 allotted on October 8, 2008.
- The Company, during the quarter ended September 30, 2009, has allotted 1379768 equity shares of Rs. 2 each, fully paid up, on exercise of stock options by employees, in accordance with the Company's stock option schemes.
- Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- There were no pending investor complaints as on July 1, 2009. During the quarter ended September 30, 2009, 25 complaints were received and resolved.
- The promoter and promoter group shareholding is nil. Hence, the disclosure of information on shares pledged / encumbered is not applicable.
- The above results have been subjected to Limited Review by the Statutory Auditors, reviewed by the Audit Committee, and approved by the Board of Directors at its meeting held on October 22, 2009.

for LARSEN & TOUBRO LIMITED

Mumbai
October 22, 2009

A. M. NAIK
Chairman & Managing Director

**Segment-wise Revenue, Result and Capital Employed
in terms of Clause 41 of the listing agreement :**

Particulars	Rs.Lakh				
	3 months ended September 30		6 months ended September 30		Year ended March 31 2009 (Audited)
	2009	2008	2009	2008	
Gross Segment Revenue					
1 Engineering & Construction	685409	602414	1342700	1160007	2870512
2 Electrical & Electronics	70882	76224	128467	134011	277789
3 Machinery & Industrial Products	50955	68686	94652	132267	247506
4 Others	9231	40227	16942	77836	108670
Total	816477	787551	1582761	1504121	3504477
Less: Inter-segment revenue	17585	5643	36226	18893	71993
Net Segment Revenue	798892	781908	1546535	1485228	3432484
Segment Result (Profit before Interest and Tax)					
1 Engineering & Construction	69390	65254	139306	119322	347677
2 Electrical & Electronics	10596	8636	17399	15446	32366
3 Machinery & Industrial Products	9283	13793	18819	28516	47142
4 Others	1760	2202	2180	4707	5260
Total	91029	89885	177704	167991	432445
Less: Segment margins on internal capitalization	1075	1452	1934	2600	5639
Less: Interest expenses	13096	8127	24055	13178	42790
Add: Unallocable corporate income net of expenditure	8250	(11238)	120516	(7637)	10025
Profit Before Tax (PBT)	85108	69068	272231	144576	394041
Capital Employed (Segment assets less Segment liabilities)					
1 Engineering & Construction			710776	567600	661461
2 Electrical & Electronics			113005	114296	124658
3 Machinery & Industrial Products			19350	40597	41274
4 Others			16797	41131	18788
Total capital employed in Segments			859928	763624	846181
Unallocable corporate assets less corporate liabilities			1323072	781722	1060238
Total Capital Employed			2183000	1545346	1906419

Notes :

- 1 Segments have been identified in accordance with Accounting Standard 17 on Segment Reporting, considering the risk / return profiles of the businesses, their organisational structure and the internal reporting systems.
- 2 Segment definitions : **Engineering & Construction** comprises execution of engineering and construction projects to provide solutions in civil, mechanical, electrical and instrumentation engineering (on turnkey basis or otherwise) to core / infrastructure sectors including Railways, ship building and supply of complex plant and equipment to core sectors. **Electrical & Electronics** include manufacture and/or sale of low & medium voltage switchgear, switchboards, petroleum dispensing pumps and systems, energy metering protection systems, control & automation and medical equipment. **Machinery & Industrial Products** comprise industrial machinery & equipment, marketing of industrial valves, construction equipment and welding / industrial products. **Others** comprise property development and integrated engineering services. **Others** for previous periods also included ready-mix concrete.
- 3 Segment Revenue comprises Sales & Operational Income allocable specifically to a segment. Unallocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses. Unallocable income primarily includes interest income, dividends and profit on sale of investments. Corporate assets mainly comprise investments.
- 4 In the Engineering & Construction segment, margins do not accrue uniformly during the year. Hence, the operational / financial performance of aforesaid segment can be discerned only on the basis of figures for the full year.

for LARSEN & TOUBRO LIMITED

Mumbai
October 22, 2009

A. M. NAIK
Chairman & Managing Director