



L&T Press Release

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Performance for the quarter ended December 31, 2008

Sales grow by 35%
216% increase in overall PAT
PAT from normal operations grow by 25%

Mumbai, January 30, 2009: Gross Sales of Larsen & Toubro Limited for the quarter ended December 31, 2008, at Rs. 8700 crore, has grown by 35% over the corresponding quarter of the previous year.

Despite an environment of tight liquidity, cautious investment in the Oil & Gas and the Core sectors, and a general slowdown in domestic infrastructure spending, the Company has been able to secure fresh orders totaling to Rs. 14620 crore during the quarter, exceeding the order inflow of Rs. 13019 crore achieved during the same quarter of the previous year when the economic climate was significantly better.

	Quarter ended December 31, 2008		Nine Month Period ended December 31, 2008	
	Rs. crore	Growth %	Rs. crore	Growth %
Order Inflow	14620	12%	39104	30%
Sales	8700	35%	23468	41%
PAT without Extra-ordinary gain	604	25%	1567	30%
Extra-ordinary gain	916		916	
Overall PAT	1520	216	2483	106
E&C Segment Margin (Y-T-D) sustained at 11.2% Order Book at Rs.68801 crore up by 39% over 31.12.2007				

The Company is well on its way towards consolidating its overseas presence, as reflected in its share of Sales from international business at 18.5% for the quarter.

Profit before Interest and Tax from normal operations for the quarter ended December 31, 2008, at Rs. 1009 crore, has risen by 37%, when compared with the corresponding quarter of the previous year. The Company has reported Profit after Tax at Rs. 604 crore from normal operations during the quarter, recording an increase of 25% y-on-y, after absorbing a higher incidence of borrowing costs.

On a overall basis, Profit after Tax for the quarter ended December 31, 2008 at Rs. 1520 crore, which included an extraordinary gain of Rs. 916 crore (net of tax) from the sale of the Company's Ready Mix Concrete business, grew by 216% y-on-y.

For the nine month period ended December 31, 2008, the Company's Sales at Rs. 23468 crore grew by 41%, and Profit after Tax from normal operations at Rs. 1567 crore went up by 30%, over the corresponding period of the previous year.

Including extraordinary gain from sale of Ready Mix Concrete Business, the Profit after Tax for the nine month period ended December 31, 2008 stood at Rs. 2483 crore, a growth of 106% y-on-y.

Engineering & Construction Segment

Bucking the current industry downturn, the segment has bagged healthy project orders during the quarter, reaffirming the Company's leadership position in turnkey project execution, infrastructure and capital goods sectors. The segment Order Inflow, at Rs. 13379 crore registered a growth of 17% over the corresponding quarter of the previous year. The segment revenues for the quarter at Rs. 7633 crore grew by 54% y-on-y.

Cumulatively for the nine month period, the segment Order Inflow at Rs. 34126 crore rose by 36% and segment revenue at Rs. 19165 crore grew by 51% over the corresponding period of the previous year.

The Segment Order Book as at December 31, 2008 stood at a record high of Rs.67029 crore, providing visibility to the growth trajectory of the segment's performance in the medium term. The share of International orders in the Order Book as on December 31, 2008 was 15%.

For the nine month period, the segment has been able to sustain its margins at the same level as realized during the corresponding period of the previous year, despite pressures of input cost increases witnessed during most part of this period. This was possible due to suitable escalation clauses in a majority of its contracts with the customers, and on-time execution of the projects.

Electrical & Electronics Segment

The Segment posted revenue of Rs. 647 crore for the quarter, marginally exceeding its revenue for the corresponding quarter of the previous year. This was achieved despite a severe credit crunch and deferment of expenditure by the Building and Industrial sectors, which adversely impacted the demand for the segment's products & services. Export efforts were stepped up during the quarter to supplement the sluggish domestic demand, boosting the share of international sales to 18%. The segment profitability for the quarter was under strain due to lower volume, under-utilization of capacity and competitive pressures prohibiting higher price realization.

Machinery & Industrial Products Segment

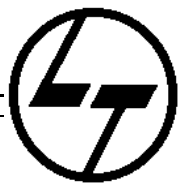
The Segment reported a drop in revenue at Rs. 529 crore for the quarter ended December 31, 2008 severely impacted by a sharp drop in capital expenditure by the Indian Industry, especially the Construction sector. Low fund availability in the hands of the prospective customers worsened the situation. The segment also saw a drop in margins primarily due to squeeze on end-product prices and under-recovery of the fixed costs. The performance of the segment on the export front was encouraging with exports touching 23% of its total revenue for the quarter.

Outlook

The Indian economy is going through a challenging phase during the current financial year. While the year began with a spurt in oil prices and high inflationary conditions, the current trend indicates a slowdown in the economy. Despite the best efforts of the government to shore up the investment climate, the capital goods industry is expected to grapple with the impact of slowdown, which is likely to continue through 2009-10.

The Company is constantly assessing the emerging developments in the country and abroad, and monitoring their impact on its growth strategy in the medium term. The Company's foray into the new Railway business has resulted in a few important order inflows, with more prospects on the anvil. Its renewed venture into Power business also holds significant potential. Its current initiatives on building a business opportunity in the nuclear power sector, are likely to bear fruit over the longer term.

In the near term, the Company expects to meet its growth projections backed by a healthy Order Book.


LARSEN & TOUBRO LIMITED

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

UNAUDITED STAND-ALONE FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31 , 2008

Particulars	3 months ended December 31		9 months ended December 31		Rs. Lakh Year ended March 31, 2008 (Audited)	
	2008	2007	2008	2007		
	1	Gross Sales / Revenues from Operations	869951	646180	2346848	1660993
	Less: Excise Duty	10555	7912	29089	22210	33278
	Net Sales / Revenues from Operations	859396	638268	2317759	1638783	2485470
2	Other Operational Income	2163	531	3044	797	2315
3	Total Income (1+2)	861559	638799	2320803	1639580	2487785
4	Expenditure:					
a)	(Increase) / decrease in stock -in- trade and work -in -progress	8996	(16107)	(17367)	(50135)	(74617)
b)	i) Consumption of raw materials	174441	153500	534933	439195	652242
	ii) Sub-contracting charges	201668	137603	486145	309701	449044
	iii) Construction materials	201679	141489	539450	345194	561032
	iv) Purchase of traded goods	40252	40640	129438	108123	157835
	v) Other manufacturing / operating expenses	57777	44977	165524	116813	167510
c)	Employee cost	60555	39968	162155	115722	153544
d)	Sales, administration and other expenses	38206	32755	106628	84993	137417
e)	Depreciation, amortisation, obsolescence and impairment	7812	5270	21705	14343	21160
	Total Expenditure	791386	580095	2128611	1483949	2225167
5	Profit from Operations before Other Income, Interest & Exceptional Items (3-4)	70173	58704	192192	155631	262618
6	Other Income	30718	15142	63999	33558	56472
7	Profit before Interest & Exceptional Items (5+6)	100891	73846	256191	189189	319090
8	Interest expenses	9753	4384	20477	7280	12266
9	Profit after Interest but before Exceptional Items (7-8)	91138	69462	235714	181909	306824
10	Exceptional item : gain on disposal of stake in a subsidiary company	-	-	-	-	8723
11	Profit from Ordinary Activities before Tax (9) + (10)	91138	69462	235714	181909	315547
12	Provision for Taxes:					
a)	Provision for Current Tax (including wealth tax)	28535	20539	72052	58654	89279
b)	Provision for Deferred Tax	53	(282)	2706	(525)	1995
c)	Provision for Tax on Fringe Benefits	2139	1026	4275	3114	6931
	Total Provision for Taxes	30727	21283	79033	61243	98205
13	Profit from Ordinary Activities after Tax (11) - (12)	60411	48179	156681	120666	217342
14	Extraordinary item - [net-of-tax of Rs. 26268 lakh]	91633	-	91633	-	-
15	Profit After Tax for the period (13)+(14)	152044	48179	248314	120666	217342
16	Paid-up equity share capital (Face value of share:Rs. 2 each)	11707	5837	11707	5837	5847
17	Reserves excluding revaluation reserve					947071
18	Basic EPS (Rupees) before Extraordinary Item	10.32	8.33	26.78	21.09	37.80
19	Diluted EPS (Rupees) before Extraordinary Item	10.25	8.11	26.37	20.10	36.38
20	Basic EPS (Rupees) after Extraordinary Item	25.98	8.33	42.45	21.09	37.80
21	Diluted EPS (Rupees) after Extraordinary Item	25.80	8.11	41.80	20.10	36.38
22	Aggregate of Public Shareholding:					
	- Number of Shares ('000s)	565398	278291	565398	278291	280245
	- Percentage of Shareholding	96.59%	95.36%	96.59%	95.36%	95.87%

Notes :

- Extraordinary item for the quarter ended December 31, 2008 represents gain on sale of the Company's Ready Mix Concrete business.
- On October 8, 2008, the Company has allotted bonus equity shares of Rs. 2 each, fully paid up, in the ratio of 1:1, to all registered shareholders as on the record date [October 3, 2008]. The earnings per share data for all the periods disclosed above have been adjusted for the issue of bonus shares as per the Accounting Standard 20 on Earnings Per Share.
- The Company, during the quarter ended December 31, 2008, has allotted 153772 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.
- There were no pending investor complaints as on October 1, 2008. During the quarter ended December 31, 2008, 42 complaints were received and resolved.
- Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- 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 on January 30, 2009.

for LARSEN & TOUBRO LIMITED

 Mumbai
 January 30, 2009

Chairman & Managing Director

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

Rs. Lakh

Particulars	3 months ended December 31		9 months ended December 31		Year ended March 31, 2008 (Audited)
	2008	2007	2008	2007	
Gross Segment Revenue					
1 Engineering & Construction	763255	496559	1916507	1272014	1937654
2 Electrical & Electronics	64692	61567	198501	182849	266292
3 Machinery & Industrial Products	52930	58956	184739	160400	241091
4 Others	17558	38148	95359	90575	130725
Total	898435	655230	2395106	1705838	2575762
Less: Inter-segment revenue	26321	8519	45214	44048	54699
Net Segment Revenue	872114	646711	2349892	1661790	2521063
Segment Result (Profit before Interest and Tax)					
1 Engineering & Construction	79477	56832	197969	131916	233281
2 Electrical & Electronics	6761	9579	21866	28431	39873
3 Machinery & Industrial Products	6620	11560	34944	29245	43101
4 Others	1156	1788	5823	4648	9829
Total	94014	79759	260602	194240	326084
Less: Segment margins on internal capitalization	1231	1442	3831	3382	5503
Less: Interest expenses	9753	4384	20477	7280	12266
Add: Unallocable corporate income net of expenditure	8108	(4471)	(580)	(1669)	7232
Profit Before Tax (PBT)	91138	69462	235714	181909	315547
Capital Employed					
(Segment assets less Segment liabilities)					
1 Engineering & Construction			636962	369720	410721
2 Electrical & Electronics			115733	85910	101413
3 Machinery & Industrial Products			41992	37187	43851
4 Others			23074	20533	33610
Total capital employed in Segments			817761	513350	589595
Unallocable corporate assets less corporate liabilities			1040347	643514	730449
Total Capital Employed			1858108	1156864	1320044

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 sectors / infrastructure industries, 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** include ready mix concrete (upto the date of sale), property development, e-engineering services and embedded systems.
- 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
January 30, 2009

A. M. NAIK
Chairman & Managing Director