



PRESS RELEASE

Issued by Corporate Communications Department
LARSEN & TOUBRO LIMITED
Bakhtawar, Ground Floor
Nariman Point, Mumbai 400 021

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

L&T Acquires Switchgear Company in Malaysia

Mumbai, Oct 11, 2007- Larsen & Toubro Limited (L&T), India's leading engineering, construction and technology company, has entered into a share sale agreement with Malaysia-based Tamco Corporate Holdings Bhd towards the acquisition of the latter's de-merged switchgear business, Tamco Switchgear Malaysia Sdn Bhd.

The two parties propose to enter into three other share sale agreements for acquisition of three of Tamco's switchgear manufacturing subsidiaries -- Tamco Shanghai Switchgear Co Ltd in China, Tamco Electrical Industries Australia Pty Ltd in Australia and PT Tamco Indonesia in Indonesia. The deal was signed today in Kuala Lumpur by Tamco's Deputy Chairman, Mr. Dato Siew Ka Wei & Group Managing Director, Mr. Abdul Latif Mahamud and L&T's President Operations & Member of the Board, Mr. R. N. Mukhija.

Speaking on the buyout, Mr. Mukhija said, "This is a significant move forward in L&T's plans of reinforcing its position as a major player in switchgear business. Tamco has a strong presence in the medium voltage (MV) category. With this acquisition, L&T will be able to offer a comprehensive range of MV switchgear in India and international market. This deal meets our requirements on both fronts of technology acquisition and market access. L&T's process improvement initiatives will help achieve cost efficiency and contribute to synergy benefits."

Tamco is a major player in MV Switchgear in Malaysia. The Middle East and Malaysia, together contribute to over 50% of its revenue.

With this acquisition, L&T will have access to the fast growing MV Switchgear markets like the Middle East and the EPC contractors that have approved use of Tamco's products. This synergistic acquisition will enhance L&T's capability in both LV with MV categories, and will allow it to offer turnkey solutions to customers.

The domestic MV Switchgear market is currently growing at 15% per annum. This growth rate is expected to increase further in the next five years on account of initiatives like the Electricity Bill of 2003, and power sector reforms. The national focus on the fast tracked incremental power generation programme will provide a strong impetus to spur the demand for MV switchgear leading to an increase in the growth rate of these products.

Besides natural growth in Malaysia, in other international markets Middle East and China offer attractive business opportunities due to their high growth rates. Indonesia, too, could be the next emerging market due to growth in the Oil & Gas sector. The Chinese market is expected to grow at 15%, while the Middle East markets are growing at about 18%.

L&T is one of the leading global manufacturers of low voltage switchgear, with the scale, sophistication and product range that meet international standards. It has a track record that includes the supply of intelligent switchboards, systems and service to major industrial projects. In addition to its leadership position in the Indian market, L&T has a growing presence in overseas markets. It has four manufacturing facilities for switchgear operations in India and one each in China and Saudi Arabia.
