



PRESS RELEASE

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

Tel: 22685786 (Direct), 22685656 Ext: 772
Fax: 91-22-22685607/ 8
E-mail: jkp-ccd@lth.ltindia.com

Larsen & Toubro Seeks Expanding Presence in Oman

Thrust to be on Hydrocarbon, Infrastructure and Power sectors for stepped up involvement

Muscat, May 02, 2005: Mr A.M. Naik, Chairman and Managing Director of Larsen & Toubro Limited (L&T), the USD 3 billion international engineering and technology company said today the Company seeks to build further on its association with Oman through a slew of new projects and business initiatives.

Announcing this at a press conference held in Muscat today, Mr. Naik said, “L&T’s association with Oman is over a decade old. Through our joint venture with the Zubair Group, we have been closely involved in key sectors of Oman’s economy. We are now looking forward to intensifying and expanding this presence in the hydrocarbon, power and infrastructure sectors.” Reflecting on the traditional association between the two countries, Mr Naik said India and Oman are “neighbours across a sea. Our peoples have had traded with each other for centuries. In more recent times, India’s dependability as a trading partner to the entire Gulf region has withstood the uncertainties of global political developments. The geographic proximity, complementary capabilities and cultural affinity that we share with Oman will serve to enhance and accelerate the involvement of L&T in the region”.

Mr. Naik along with a senior management team from L&T is visiting Oman, and is expected to meet several high-ranking government officials, customers and business leaders.

Power Plant ... Infrastructure Projects

L&T and its Omani joint venture are perhaps most widely known here for the turnkey execution of the power plant at Salalah. This 200 MW open cycle power plant with six gas turbines supplies power to the entire Dhofar region. In addition to the plant, L&T set up the 132 kV substations and erected over 50 kilometres of transmission lines. In Muscat itself, motorists can experience the construction capabilities of L&T (Oman). The Company was responsible for completing the ‘Interchange’ at Al Khoud that has contributed significantly to streamlining of traffic in the capital. Other projects executed by L&T-Oman include the Royal Flight Hangar, Raysut Cement expansion works, Al-Hoti cave Tunnel. L&T-Oman has also been active in building of pharmaceutical units, show rooms, steel billet plant, cement projects, commercial and shopping complexes, MEP works at Barr Al Jissah Resorts in Oman. L&T-Oman is presently executing a prestigious project for Diwan of Royal Court at the Royal Estates and a Gas insulated sub-station at Sohar Industrial area for MHEW. The heavy engineering arm of L&T added another dimension by being the principal supplier of critical equipment for both the ammonia and urea sections of OMIFCO - the Oman Fertilizer project.

L&T has recently acquired substantial interest in Zubair Kilpatrick. This company will be executing all MEP works and shall supplement and compliment our other subsidiary L&T-Oman.

Successful Track-record

As a technology-driven engineering powerhouse, L&T's capabilities cover large process-intensive projects, construction, electrical distribution, electronics & information technology. The Company is in a position to offer its customers a single window for meeting a variety of industrial requirements and a single point of responsibility. L&T has a successful track record in building plant and equipment used in the oil & gas sector, refineries, infrastructure and power projects, and has technology relationships with world leaders that have enabled it to execute world class projects in the region.

Scouting Alliances

Elaborating on the Company's emerging role in the Middle East, Mr. Naik said "L&T is scouting for alliances for proposed projects that include an engineering centre, and a fabrication facility for large-sized structures and equipment for the oil and gas, fertilizer, refinery, power, petrochemical and other industries. These facilities will be located within the region and would accelerate the process of project design and engineering, resulting in reduced transportation costs and time." Mr Naik emphasized that the proposed facilities would enable the maximum use of local content and resources.

L&T is also exploring the feasibility of setting up a full-fledged assembly/project-execution facility in the region for low-tension switchgear and custom-engineered power and motor control centres, either through a systems integration partner or through its own venture being set up in Oman. "L&T is committed to making the necessary investments to become a full service provider of electrical and control & automation products in the region," Mr. Naik said.

Lauds Rapid Development

The Chairman and Managing Director of the Company praised the far-sighted leadership of His Majesty Sultan Qaboos Bin Said of Oman and remarked on the all-round growth and development of the country. Mr Naik went on to say "The Gulf region is growing rapidly, and given the nature of L&T's main businesses, i.e., technology, engineering & construction, and infrastructure development, we are well placed to contribute significantly to this growth and development".

Projects in Gulf

Elsewhere in the Gulf, L&T is engaged in the construction of a process platform for Bunduq Company in Abu Dhabi, a gas compression facility for GASCO (the Abu Dhabi Gas Industries Limited), an environment-protection facility for Takreer at Ruwais and gas insulated sub-station, package units and transmission lines for ADWEA. The company is also involved in the construction of four bridges in Palm Jumeraih and high rise buildings in Dubai Marina. Earlier, L&T had carried out mechanical erection and installation of a crude distillation unit at Zirku Island, built a gas insulated sub station at Al Ain and set up power transmission lines for ADWEA and the Fujairah-Dhaid transmission line for UWEC.

L&T has joint ventures with local companies in Saudi and Qatar. L&T is executing a critical section of an oil platform project for Qatar Petroleum. L&T's Construction Division has built two stadiums in Qatar. The company has also built power plants and distribution networks in other parts of the world. In Saudi Arabia, L&T (Saudi) has built hospitals, substations and erected transmission line towers for the Fahad International Airport. It is currently executing a 200-bed hospital, cement plant and school building project. It is also executing gas insulated substation and related works for supplying power to Saudi Aramco's Qatif/Abu sa'fa Field

Development Project in Juymah. Recently, L&T completed sulphur recovery units for KNPC refineries in Kuwait. On-going projects include a technologically challenging 430-metre, six-lane cable stayed bridge in Amman, Jordan and a major hotel in Bahrain.

IT Services

Mr Naik was of the view that the Company's wholly owned subsidiary, Larsen & Toubro Infotech (L&T Infotech) can make a significant contribution by providing high-quality services in the IT sector to customers in Oman. L&T Infotech provides end-to-end software solutions and services to global customers in the domains of manufacturing, utilities, telecom and financial services.

With partners from Oman, L&T is also exploring opportunities in India and in other countries for the joint development of large projects. Such ventures, while yielding profits for both partners, would also help to share and build the knowledge and experience of the partners.

FN: Muscat020505.doc