



## ***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](mailto:jkp-ccd@lth.ltindia.com)

# **L&T Sells Stake In JV, Exits Dairy sinBuses**

**Mumbai, May 26, 2005:** Larsen & Toubro Limited (L&T) has decided to sell its 50% stake in the joint venture, L&T-Niro Limited and simultaneously transfer the related business of building plants for the dairy industry to its partner Niro A/S, Denmark. Niro is a part of GEA – the Euro 3 billion major based in Germany.

Mr. A. M. Naik, Chairman & Managing Director of L&T, said, “In line with our desire to focus on core sectors with large opportunities for growth, we accepted a proposal from our JV partners and decided to exit this business. Over the years we have developed the brand and the people and generated goodwill which will help in capturing future potential for the business. It is heartening that our people will be associated with a committed and respectable institution, similar to ours.”

Mr. Niels Graugaard, President, GEA Process Engineering Division, said, “We have had a key relationship with L&T, and we will always remain thankful for the brand and market that the collaboration with L&T has created for us in India. We are keen to invest in the Indian market further and assure our valuable customers that their interest is uppermost in our minds. We will ensure the availability of the full range of GEA technologies besides integrating the Indian operations into our global activities.”

The collaboration with Niro was one of the earliest fostered by L&T in India. Across six decades, the relationship grew from strength to strength, and led to the formation of the joint venture in 1992. L&T had achieved leadership position for the powder plants and the liquid milk plants of Niro technology in India, with some references overseas. L&T believes that dairy plant business will be well integrated into GEA’s Process Engineering Division and would generate a global market for the Indian operations. GEA Process Engineering specializes in liquid processing, drying, evaporation and crystallization in the dairy, chemicals, food, pharmaceuticals and other industries.

The Indian economy and international markets offer good opportunities in the areas of hydrocarbon, power, infrastructure construction, electricals and electronics and technology services. L&T aims to consolidate its position in these businesses. This divestment is part of the Company’s strategy to focus on larger businesses with high growth opportunities.

-----  
FN: *Nironew.doc*