



PRESS RELEASE

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L&T launches ship building venture with Rs 440 crore export order

Mumbai, May 2, 2006: Larsen & Toubro Limited (L&T) – India’s leading engineering and construction organization – has won a key contract for construction of four ships valued at over Rs. 440 crores from Zadeko Ship Management CV of the Netherlands. The order marks the formal launch of L&T’s venture into shipbuilding. The vessels will be built at a new shipyard that will form part of the Company’s state-of-the-art engineering complex at Hazira, Surat.

Mr. A.M. Naik, Chairman & Managing Director, L&T, said shipbuilding would significantly expand the Company’s high technology manufacturing capabilities, and represented another major step forward in meeting L&T’s strategic growth objectives. He added that the new venture would also be aligned with the national priority for extending India’s shipbuilding capabilities and enhancing the country’s share of the global shipbuilding market.

Zadeko, the Rotterdam-based shipping company, caters to special purpose cargo movements. Its management had expressed the desire to continue the company’s association with L&T for its future vessel acquisition programme across a series of vessels. Other leading shipping companies across the globe are also in touch with L&T for their fleet augmentation requirements.

Production of the ships is scheduled to commence in July, 2006. In line with contemporary global shipbuilding trends, L&T will adopt modular construction and seamless work flow techniques at its shipyard to meet the stringent delivery schedules.

Described in technical terminology as RO-RO/LO-LO semi-submersible, heavy lift container cargo ships, these highly specialized vessels are among the only ones of its kind to be made in India. The vessels have a deadweight capacity of over 8250 tonnes, 17000 cubic metres of cargo hold and can carry 830 TEU of containerized cargo.

L&T’s shipyard at Hazira will focus on construction of commercial vessels and warships for the navy as well as the coast guard. The yard will have the capacity to construct high technology vessels of up to 150-metre length and displacement of 20000 tonnes. Further expansion programmes envisage installation of ship lift system for new construction, repairs and refit of ships including defense and paramilitary vessels.