



PRESS RELEASE

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L&T to expand Mysore campus into growth centre for electronics, IT

Mysore, October 12, 2006: Larsen & Toubro Limited (L&T), India's largest engineering and technology organisation, today unveiled a number of initiatives towards developing new infrastructure at the Mysore campus under its plans of creating growth centres.

Currently on a 40 acre plot, the Mysore campus houses manufacturing facilities for electrical energy meters and medical equipment under the Electrical & Electronics Division (EBG), embedded software systems and IT businesses. L&T has acquired another 15 acres land close to Mysore campus for building additional capacities.

L&T's Chairman & Managing Director, Mr. A M Naik and Mr. R N Mukhija, President of EBG Operations & Member of the Board, unveiled the foundation plaques of a new manufacturing unit of medical equipment, sports complex and training centre. Mr. Naik and Mr. Mukhija also inaugurated the expansion of software development centre and embedded software systems facilities.

Mr. Naik said, "L&T has drawn up an aggressive growth plan, and the infrastructure development steps at existing and new locations are in line with that plan. Mysore is home to electronics and IT industries and the next growth centre in Karnataka. L&T will have a sizeable presence in these segments in the city. We are committed to making required investments in view of opportunities emerging from the current economic upswing and anticipated high growth in many sectors. Our efforts are directed towards scaling up operations and constantly creating value for making L&T a true Indian multinational."

Mr. Mukhija said, "We have registered a growth of over 25% this financial year. The country's economic environment and power reforms programmes indicate a bigger and fast growing market. We will thus have to achieve volumes to meet the market needs and our growth centres will play a major role in catering to such high demands. As for the medical equipment business, the new facility will help expand the products basket and meet the needs of a variety of customers in both, domestic and international market."

The medical equipment facility, to be ready in October 2007, will have 100,000 sq feet space and enhance capacity by five times in the next five years. L&T will grow this business with a focus on international markets with critical healthcare products range that will include multi-parameter patient monitors with enhanced communication and networking features. The medical equipment business is getting ready to launch a range of world-class products in the patient monitoring system in the domestic market.

The energy meters business of EBG is expected to grow two to three times in the next four years. L&T will increase production of its high-end meters from the current half a million units to two million units in 2009-10. This business has shown a growth of 40% in April-September 2006. L&T has almost doubled production of trivector meters from 1.18 lakh units to 2.30 lakh units thereby becoming one of the largest players in the country.

The new training centre, to be built on an area of 60,000 sq feet, will impart technical training for necessary knowledge and skill development of new talent under the human capital development and management programme. The training centre will feature training halls, laboratories and a library.

FN: Mysorecampus.doc