



L&T Press Release

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L&T and Kobe Steel Ink JV for Tyre & Rubber Industry Equipment

Mumbai, January 25, 2011: Larsen & Toubro (L&T) and Kobe Steel, Japan, have entered into a Joint Venture (JV) for the manufacture of internal mixers and twin screw rollerhead extruders for the tyre & rubber industry for global markets, including India.

The joint venture agreement was signed by Mr. J. P. Nayak, Whole-time Director & President (Machinery & Industrial Products), L&T, and Mr. Kazuo Shigekawa, Executive Vice President & Representative Director, Kobe Steel. L&T and Kobe possess complementary strengths and form a strong team in the global rubber machinery market. The agreement is a landmark for both organisations, and the JV aims to provide customers with state-of-the-art products for the tyre industry.

Kobe Steel has been in the development and manufacture of mixing room equipment for tyre and rubber industry for several decades. By virtue of its advanced technology, Kobe today enjoys market leadership for internal mixers in the global tyre industry.

L&T has been in the rubber processing machinery business for over four decades, offering world renowned tyre curing presses and tyre building machines. The Company enjoys global leadership in these segments.

The formation of this JV represents a further strengthening of the capabilities of L&T's Rubber Processing Machinery Business by widening its portfolio offerings to the global tyre industry. The company will offer internal mixers and twin screw rollerhead extruders in addition to its existing range of tyre curing presses and tyre building machines.

The JV will invest around ₹60 crore (₹600 million) for setting up of a manufacturing facility and related infrastructure. The strategic partnership enables the JV to leverage the technology leadership of Kobe in this segment as well as the market reach of L&T through its customer base in India and abroad.

Initially internal mixers of sizes 270 to 430 and extruders of sizes 350 and 450 will be manufactured by the JV and marketed by L&T and Kobe. Additional models will be progressively introduced in the future.

Background

About L&T

L&T is a US\$9.8 billion technology, engineering, construction and manufacturing company with global operations. It is one of the largest and most respected companies in India's private sector.

A strong customer-focused approach and the constant quest for top-class technology and quality have enabled L&T to attain and sustain leadership position in its major lines of business over the past seven decades.

About Kobe Steel

Kobe Steel is a leading Japanese manufacturer with businesses covering iron and steel, welding, aluminium and copper, machinery, natural resources and engineering, environmental solutions, construction equipment, and other businesses. In fiscal 2009 ended March 2010, Kobe Steel had consolidated sales of 1.67 trillion yen (US\$17.96 billion).