



L&T Press Release

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Growth momentum continues

Mumbai, May 19, 2011: Larsen & Toubro reported Gross Sales of ₹ 15213 crore, for the quarter ended March 31, 2011, registering a growth of 13% over the corresponding quarter of the previous year. Gross Sales for the full year at ₹ 43886 crore grew by 19 % y-o-y.

An impressive growth of 27% in Order Inflow achieved during the quarter ended March 31, 2011, helped the Company record an Order Book of ₹130217 crore as at March 31, 2011. In spite of deferment of some infrastructure and power project orders, the Company could achieve an increase of 15% in Order Inflow for the year 2010-11.

Profit after Tax (PAT) for the year ended March 31, 2011 excluding exceptional and extraordinary items, at ₹ 3676 crore, grew by 15% over the previous year.

The Board of Directors has recommended a dividend of ₹ 14.50 per equity share.

Engineering & Construction Segment

The Segment achieved Customer Sales of ₹ 37550 crore for the year ended March 31, 2011, registering a growth of 19% over the previous year. Execution of multiple projects progressed well during the year, as scheduled. Execution of Power project orders, in particular, accelerated during the year, contributing significantly to the segment revenue. Customer Sales for the quarter ended March 31, 2011 at ₹ 13317 crore grew by 13% y-o-y.

Order Inflow peaked at ₹ 28526 crore in the quarter ended March 31, 2011, registering a growth of 29 % over the corresponding quarter of the previous year. Major orders during the quarter came from Minerals & Metals and Building & Factories sectors. Order Inflow of the Segment for the year at ₹ 73013 crore grew by 14%.

Order Book of the segment stood at ₹ 128000 crore as on March 31, 2011.

With an Operating Margin of 13.7% achieved during the year, the Segment was able to sustain a record of healthy Operating Margins seen in the recent years, aided by appropriate risk mitigation strategies, superior execution of projects and astute management of costs.

Electrical & Electronics Segment

The Segment Customer Sales at ₹ 2987 crore during the year ended March 31, 2011, recorded a modest growth of 5%. Stiff competition in the

domestic electrical sector coupled with sluggish international demand witnessed by the Electrical Systems & Equipment and Control & Automation businesses, impacted Segment sales during the year. The segment achieved an Operating Margin of 16.8% for the year ended March 31, 2011.

Machinery & Industrial Products Segment

Aided by higher demand from construction, mining and industrial sectors, the Segment registered a good growth of 26% in Customer Sales at ₹ 2699 crore for the year ended March 31, 2011. Segment Operating Margin was at 21.2% for the year, mainly contributed by the Construction and Mining Businesses.

Consolidated Group Financials

The Consolidated Group Total Income at ₹ 52089 crore for the year grew by 18% vis-à-vis ₹ 43970 crore for the previous year. The Consolidated Group Profit After Tax excluding extraordinary and exceptional items, stood at ₹ 4238 crore.

Growth Initiatives

With continued thrust on capacity ramp-up, the Company invested ₹ 1673 crore during the year on capital expenditure programmes.

The Company strengthened its position as a major EPC player in Hydrocarbon upstream sector with the commissioning of the modular fabrication yard at Kattupalli, Tamil Nadu and successful launch of the state-of-the-art heavy-lift-cum-pipe lay vessel during 2010-11. The integrated facilities for the manufacture of Super Critical Boiler and Turbine Generators at Hazira, Gujarat were also commissioned during the year. The Company's other major expansion projects such as shipyard-cum-container port at Kattupalli, manufacturing facilities for Power Auxiliaries and Heavy Forging at Hazira, are well on track and expected to yield returns in the long term.

Outlook

While completion of the several expansion projects underway will strengthen the Company's position of pre-eminence in its various businesses, intense competition and spiraling input costs may exert some pressure on the operating margin going forward.

Despite the continuing threat of rising inflation and hardening interest rates, the growth story of a resilient Indian economy remains encouraging. The Company is well positioned to sustain the revenue growth momentum in the medium term, given its excellent execution capabilities, presence in diverse sectors of the economy, a healthy Order Book and the leadership position it commands in most of the sectors where it operates.