L&T Press Release

Issued by Corporate Communications Department

L&T House, Second Floor
Bellard Estate, Mumbai 400 021
Tel: 91 22 6658 5100
Fax: 91 22 6658 5146/ 150

Performance for the quarter ended 31st December, 2009

Order Inflow grows 22%
Healthy order book at Rs.91104 crore
Operating Margin improves to 12.5%

Mumbai, January 21, 2010 : Larsen & Toubro has garnered a sizeable quantum of fresh orders during the quarter ended 31st December, 2009 registering a growth of 22% in order inflow over the corresponding period of the previous year. The bulk of the new orders came from the Power, Fertilizer, Building & Industrial sectors. The Company has been able to successfully partake in the renewed prospects brought about by the core sectors leading the country's economic recovery.

With this, the Company's order book as on 31st December, 2009 has attained a significant size of Rs.91104 crore.

Gross sales revenue during the quarter ended 31st December, 2009 at Rs.8139 crore is lower by 6% vis-à-vis the corresponding period of the previous year. The sales revenue remained subdued as a result of slower progress of certain jobs due to various extraneous factors as well as the effect of delayed financial closure of a few infrastructure projects. Deferment in release of some high value customers' orders, including those in the Hydrocarbon Upstream sector, also resulted in lower sales during the quarter.

Lower sales notwithstanding, the Company fared well on the quality of execution of several large ongoing projects as also in improving the realization from its product sales. Operating margin registered an y-o-y improvement from 11.2% to 12.5%.

Profit after tax from ordinary activities at Rs.696 crore for the quarter grew 15% over the same period of the previous year.

Engineering & Construction Segment

With a strong presence in core sectors of the economy, the Segment has continued its success in bagging prestigious orders during the quarter. A growth of 23% has been registered in Order Inflow for the quarter y-o-y. The Segment's technological superiority supported by proven execution skills and adherence to challenging cost and time targets helped it win new orders in a fiercely competitive environment.

Though the Segment has recorded lower Sales during the quarter at Rs. 6996 crore, its Operating Margin for the quarter has improved to 13.4% from 12.2% registered during the same period of the previous year. Appropriate risk mitigation strategies, operational efficiency and a closer project monitoring mechanism have enabled the Segment to improve the Operating Margin.

The Segment Order Book stood at Rs. 89375 crore as at December 31, 2009.

Electrical & Electronics Segment

The Segment has reported improved performance by registering an increase of 11% in Gross Sales during the quarter when compared with the revenue of the corresponding quarter of the previous year. It has also been able to sustain its operating margin in the face of stiff competition in an otherwise subdued market, backed by a favourable product-mix, despite rising input prices.

Machinery & Industrial Products Segment

Gross Sales Revenue of the segment for the quarter at Rs. 591 crore shows an improvement of 11% over the corresponding quarter of the previous year. With the construction, mining and tyre manufacturing industries showing signs of recovery, margins have started looking up, registering a satisfactory improvement over the same period of the previous year.

Outlook

The country has embarked on a confident growth path. The growth is likely to be fuelled by increased capacity creation to meet the huge shortage of power and need for building India's infrastructure. The hydrocarbon sector, which witnessed subdued ordering, is also expected to gather momentum. These coupled with the emerging developments in nuclear and defence sectors should augur well for the Company in the medium term. Though the inflationary pressures in the economy may lead to tightening of liquidity in the system, Government's resolve to target a 7-8% growth rate should present many exciting business opportunities. The Company is in readiness to harness much of these prospects to its advantage.

LARSEN & TOUBRO LIMITED

Registered Office : L&T House, Ballard Estate, Mumbai 400 001

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31 , 2009

Rs.Lakh

	Particulars	**3 months ended December 31**		**9 months ended December 31**		**Year ended March 31**
		2009	**2008**	**2009**	**2008**	**2009 (Audited)**
1	Gross Sales / Revenues from Operations	813930	869951	2350641	2346848	3404504
	Less: Excise Duty	6793	10555	20615	29089	39847
	Net Sales / Revenues from Operations	**807137**	**859396**	**2330026**	**2317759**	**3364657**
2	Other Operational Income	5079	6228	14802	14557	27980
3	**Total Income (1+2)**	**812216**	**865624**	**2344828**	**2332316**	**3392637**
4	**Expenditure:**					
a)	(Increase) / decrease in stock -in- trade and work -in -progress	(1652)	8996	32716	(17367)	(10511)
b)	i) Consumption of raw materials	156819	197591	493255	558083	745202
	ii) Sub-contracting charges	201903	201669	588223	486145	722359
	iii) Construction materials	156084	178530	415631	516301	777253
	iv) Purchase of traded goods	40457	40252	103721	129438	167869
	v) Other manufacturing / operating expenses	61436	56143	156801	164628	221029
c)	Employee cost	54427	47666	176440	148576	192034
d)	Sales, administration and other expenses	42055	38950	109628	105961	183950
e)	Depreciation, amortisation, obsolescence and impairment	10452	7812	29838	21705	30599
	Total Expenditure	**721981**	**777609**	**2106253**	**2113470**	**3029784**
5	**Profit from Operations before Other Income, Interest & Exceptional Items (3-4)**	**90235**	**88015**	**238575**	**218846**	**362853**
6	Other Income	23359	26808	66107	53731	73978
7	**Profit before Interest & Exceptional Items (5+6)**	**113594**	**114823**	**304682**	**272577**	**436831**
8	Interest expenses	13392	23685	36975	36863	42790
9	**Profit after Interest but before Exceptional Items (7-8)**	**100202**	**91138**	**267707**	**235714**	**394041**
10	Exceptional item (net gain)	-	-	104726	-	-
11	**Profit from Ordinary Activities before Tax (9+10)**	**100202**	**91138**	**372433**	**235714**	**394041**
12	**Provision for Taxes:**					
a)	Provision for Current Tax (incl. Fringe Benefit Tax for previous periods)	30216	30674	83969	76327	122077
b)	Provision for Deferred Tax	359	53	977	2706	1044
	Total Provision for Taxes	**30575**	**30727**	**84946**	**79033**	**123121**
13	**Profit After Tax from Ordinary Activities (11-12)**	**69627**	**60411**	**287487**	**156681**	**270920**
14	Extraordinary items [net of tax] (See Note No.1)	6255	91633	6255	91633	77246
15	**Profit After Tax (13+14)**	**75882**	**152044**	**293742**	**248314**	**348166**
16	Paid-up equity share capital (Face value of share:Rs. 2 each)	**12005**	11707	**12005**	11707	11714
17	Reserves excluding revaluation reserve					1231796
18	Basic EPS before Extraordinary Items (Rupees)	**11.68**	10.32	**48.70**	26.78	46.30
19	Diluted EPS before Extraordinary Items (Rupees)	**11.45**	10.25	**47.77**	26.37	45.68
20	Basic EPS after Extraordinary Items (Rupees)	**12.72**	25.98	**49.76**	42.45	59.50
21	Diluted EPS after Extraordinary Items (Rupees)	**12.48**	25.80	**48.81**	41.80	58.70
22	Debt Service Coverage Ratio (DSCR) (No.of times)					9.83
23	Interest Service Coverage Ratio (ISCR) (No.of times)					10.21
24	Aggregate of Public Shareholding :					
	- Number of Shares ('000s)	**582941**	565398	**582941**	565398	568496
	- Percentage of Shareholding	**97.11%**	96.59%	**97.11%**	96.59%	97.06%
25	Promoters and promotor group shareholding (See Note No.6)			**Nil**	Nil	Nil

Notes :

1 Extraordinary item for the quarter ended December 31, 2009 represents proportionate reversal of the provision made in previous year on the Company's investment in the shares of Satyam Computer Services Limited (SCSL), pursuant to sale of a part of its holding in SCSL during the quarter.

2 The interest element implicit in the actuarial valuation of retirement and other employee benefits, has been classified to Interest Expenses from Employee Cost in the current year. Accordingly, the Interest Expenses for the quarter ended December 31, 2009 and quarter ended December 31, 2008 include Rs. 890 lakh and Rs.13932 lakh respectively towards the said valuation impact.

3 The Company during the quarter ended December 31, 2009 has allotted :

(i) 1,12,86,685 equity shares of Rs. 2 each fully paid up by way of Qualified Institutional Placement.

(ii) 13,56,878 equity shares of Rs. 2 each fully paid up on exercise of stock options by employees, in accordance with the Company's stock option schemes.

4 Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.

5 There were no pending investor complaints as on October 1, 2009. During the quarter ended December 31, 2009, 47 complaints were received and resolved.

6 The promoter and promoter group shareholding is nil. Hence, the disclosure of information on shares pledged / encumbered is not applicable.

7 The above results have been subjected to Limited Review by the Statutory Auditors, reviewed by the Audit Committee, and approved by the Board of Directors at its meeting held on January 21, 2010.

for LARSEN & TOUBRO LIMITED

Mumbai
January 21, 2010

A.M.NAIK
Chairman & Managing Director

Segment-wise Revenue, Result and Capital Employed
in terms of Clause 41 of the listing agreement :

Rs.Lakh

Particulars	**3 months ended December 31**		**9 months ended December 31**		**Year ended March 31**
	2009	**2008**	**2009**	**2008**	**2009 (Audited)**
Gross Segment Revenue					
1 Engineering & Construction	699797	766975	2042395	1926980	2870512
2 Electrical & Electronics	72135	64768	200602	198779	277789
3 Machinery & Industrial Products	59108	53179	153761	185446	247506
4 Others	9539	17578	26481	95414	108670
Total	**840579**	**902500**	**2423239**	**2406619**	**3504477**
Less: Inter-segment revenue	21570	26321	57796	45214	71993
Net Segment Revenue	**819009**	**876179**	**2365443**	**2361405**	**3432484**
Segment Result (Profit before Interest and Tax)					
1 Engineering & Construction	85539	86043	224845	205365	347677
2 Electrical & Electronics	8733	7962	26132	23408	32366
3 Machinery & Industrial Products	12059	7615	30878	36131	47142
4 Others	2050	1376	4230	6083	5260
Total	**108381**	**102996**	**286085**	**270987**	**432445**
Less: Segment margins on internal capitalization	1470	1231	3404	3831	5639
Less: Interest expenses	13392	23685	36975	36863	42790
Add: Unallocable corporate income net of expenditure	6683	13058	126727	5421	10025
Profit Before Tax (PBT)	**100202**	**91138**	**372433**	**235714**	**394041**
Capital Employed					
(Segment assets less Segment liabilities)					
1 Engineering & Construction			666904	636962	661461
2 Electrical & Electronics			110206	115733	124658
3 Machinery & Industrial Products			17610	41992	41274
4 Others			18322	23074	18788
Total capital employed in Segments			**813042**	**817761**	**846181**
Unallocable corporate assets *less* corporate liabilities			1732411	1040347	1060238
Total Capital Employed			**2545453**	**1858108**	**1906419**

Notes :

1 Segments have been identified in accordance with Accounting Standard 17 on Segment Reporting, considering the risk / return profiles of the businesses, their organisational structure and the internal reporting systems.

2 Segment definitions **: Engineering & Construction** comprises execution of engineering and construction projects to provide solutions in civil, mechanical, electrical and instrumentation engineering (on turnkey basis or otherwise) to core / infrastructure sectors including Railways, ship building and supply of complex plant and equipment to core sectors. **Electrical & Electronics** include manufacure and/or sale of low & medium voltage switchgear, switchboards, petroleum dispensing pumps and systems, energy metering protection systems, control & automation and medical equipment. **Machinery & Industrial Products** comprise industrial machinery & equipment, marketing of industrial valves, construction equipment and welding / industrial products. **Others** comprise property development and integrated engineering services. **Others** for previous periods also included ready-mix concrete.

3 Segment Revenue comprises Sales & Operational Income allocable specifically to a segment. Unallocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses. Unallocable income primarily includes interest income, dividends and profit on sale of investments. Corporate assets mainly comprise investments.

4 In the Engineering & Construction segment, margins do not accrue uniformly during the year. Hence, the operational / financial performance of aforesaid segment can be discerned only on the basis of figures for the full year.

For LARSEN & TOUBRO LIMITED

Mumbai
January 21, 2010

A. M. NAIK
Chairman & Managing Director