



L&T Press Release

Issued by Corporate Communications Department

L&T House, Second Floor
Ballard Estate, Mumbai 400 001
Tel: 91 22 6752 5656 / 836
Fax: 91 22 6752 5796

Performance for the quarter ended June 30, 2010

Order Inflow grows 63% Profit after Tax from normal operations up 15%

Mumbai, July 27, 2010: Larsen & Toubro has reported a healthy Order Inflow and improved profitability for the quarter ended June 30, 2010. **The Company won Customer Orders worth ₹ 15626 crore, registering a growth of 63% over the corresponding quarter of the previous year.** The project orders were bagged from diverse sectors of the economy, such as Power, Hydrocarbon, Buildings & Factories and Minerals & Metal Industries.

The Company's Order Book stood at ₹ 107816 crore as at June 30, 2010.

Gross Customer Sales for the quarter ended June 30, 2010 stood at ₹ 7913 crore, recording a y-o-y growth of 6.5%. The E&C Segment of the Company, which accounted for 83% of the Sales, is at the initial stage of execution in many of the large-value project orders it secured in the recent past. The Segment will see increased Sales during the second half of the year when the project execution will have advanced to a larger extent. The Company's product businesses are, however, back in their growth trajectory and have reported a healthy growth in Sales during the current quarter.

Standalone Results	Q1 2009-10	Q1 2010-11	Growth
	₹ crore	₹ crore	%
Order Inflow	9571	15626	63%
Sales	7431	7913	6.5%
Profit after Tax from Normal Operations	578	666	15%
Operating Margin %	11.3%	12.9%	160 bps

The Company's Profit after Tax (PAT) for the quarter stood at ₹ 666 crore. **The PAT for the corresponding quarter of the previous year at ₹ 1598 crore included an exceptional gain of ₹ 1020 crore from sale of its long-term investment in UltraTech Cement Limited. Excluding this exceptional gain in the said quarter, PAT from normal operations grew by 15% during the current quarter.** The higher Operating Margin of 12.9% recorded by the Company in the current quarter, contributed to this growth.

Engineering & Construction (E&C) Segment

The E&C Segment witnessed good Order Inflow during the quarter ended June 30, 2010. Fresh orders worth ₹ 13845 crore were booked registering a y-o-y growth of 65%. Many projects received during the second half of last year are at the initial stage of design/engineering and mobilization of resources. The segment recorded Customer Sales at ₹ 6541 crore, predominantly from its opening Order Book. The revenues from these orders are expected to pick up, as scheduled, as the year progresses.

The segment margin at 13.6% grew by 170 basis points, aided by favourable sales-mix during the quarter.

The Segment Order Book stood at ₹ 105554 crore as at June 30, 2010.

Electrical & Electronics (E&E) Segment

The E&E segment recorded healthy rise in its Customer Sales at ₹ 723 crore for the quarter ended June 30, 2010. On the back of a good recovery seen in agricultural and industrial demand, the flagship Electrical Standard Products business registered good growth in its revenues contributing sizably to the segment revenue growth. The segment registered a margin of 12%, even on a significantly larger volume of Sales, and despite a slew of input price increases seen during the quarter. This was possible through a healthy product-mix and improved capacity utilization.

Machinery & Industrial Products (MIP) Segment

With the industrial and infrastructure sectors picking up momentum, the Segment registered a growth of 79% in Order Inflow over the corresponding quarter of the previous year. **Customer Sales for the quarter at ₹ 528 crore grew by 26% y-o-y**, aided by an improvement of 44% in the revenues of Construction Machinery Business (CMB). The higher margin-yielding CMB sales also helped the segment record a margin of 23% for the quarter in spite of input cost increases.

Outlook

The Indian economy continues to grapple with the challenges of inflationary pressure, rising interest and commodity prices, and fallout of the global economic concerns. Nevertheless, the economy is witnessing a number of positive signs such as near normal monsoon, stable fiscal health and an improved index of industrial production during the first two months of the current fiscal. This augurs well for the Government and the Industry to step up the investment in infrastructure development, which is essential to sustain a GDP growth in excess of 8%. The Company is fully geared to participate in the nation building program, through its presence in diverse sectors of the economy spanning Thermal, Hydel & Nuclear Power, Roads, Ports, Railways, Urban Infrastructure, Defence & Heavy Industries and Hydrocarbon. The Company expects to maintain its growth momentum in the medium term.

**LARSEN & TOUBRO LIMITED**

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

UNAUDITED STAND-ALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2010

Particulars	Rs.Lakh		
	3 months ended June 30		Year ended March 31
	2010	2009	2010 (Audited)
1 Gross Sales / Revenues from Operations	791295	743085	3699593
Less: Excise Duty	7785	6814	32078
Net Sales / Revenues from Operations	783510	736271	3667515
2 Other Operational Income	5021	4558	35965
3 Total Income (1+2)	788531	740829	3703480
4 Expenditure:			
a) (Increase) / decrease in stock -in- trade and work -in -progress	(29476)	26105	42299
b) i) Consumption of raw materials	168038	163988	785430
ii) Sub-contracting charges	166811	186967	866175
iii) Construction materials	179344	120024	747808
iv) Purchase of traded goods	44429	27496	157428
v) Other manufacturing / operating expenses	65254	48645	246215
c) Employee cost	56325	51148	237914
d) Sales, administration and other expenses	37101	33465	138656
e) Depreciation, amortisation and obsolescence	11415	9373	41460
Total Expenditure	699241	667211	3263385
5 Profit from Operations before Other Income, Interest & Exceptional Items (3-4)	89290	73618	440095
6 Other Income	22676	22476	91025
7 Profit before Interest & Exceptional Items (5+6)	111966	96094	531120
8 Interest expenses	14234	10959	50531
9 Profit after Interest but before Exceptional Items (7-8)	97732	85135	480589
10 Exceptional item (See Note no. i)	-	101988	107478
11 Profit from Ordinary Activities before Tax (9+10)	97732	187123	588067
12 Provision for Taxes:			
a) Provision for Current Tax	31105	26491	164425
b) Provision for Deferred Tax	10	812	(338)
Total Provision for Taxes	31115	27303	164087
13 Profit After Tax from Ordinary Activities (11-12)	66617	159820	423980
14 Extraordinary items [net of tax]	-	-	13572
15 Profit After Tax (PAT) (13+14)	66617	159820	437552
16 Paid-up equity share capital (Face value of share:Rs. 2 each)	12063	11725	12044
17 Reserves excluding revaluation reserve			1814282
Earnings Per Share (EPS) - not annualised :			
18 Basic EPS before Extraordinary Items (Rupees)	11.05	27.28	71.49
19 Diluted EPS before Extraordinary Items (Rupees)	10.87	26.83	70.15
20 Basic EPS after Extraordinary Items (Rupees)	11.05	27.28	73.77
21 Diluted EPS after Extraordinary Items (Rupees)	10.87	26.83	72.39
22 Debt Service Coverage Ratio (DSCR) (No.of times)			4.86
23 Interest Service Coverage Ratio (ISCR) (No.of times)			10.51
24 Aggregate of Public Shareholding :			
- Number of Shares ('000s)	584465	568116	585993
- Percentage of Shareholding	96.90%	96.91%	97.31%
25 Promoters and promoter group shareholding (See Note no.v)	Nil	Nil	Nil
26 Profit after Tax from normal operations (i.e. excluding exceptional and extraordinary item)	66617	57832	318456

Notes :

- Exceptional item for the quarter ended June 30, 2009 represented gain of Rs.101988 lakh on sale of the Company's long term investment in UltraTech Cement Limited. During the current quarter ended June 30, 2010, the Company does not have any such exceptional gain. Excluding the exceptional gain, the basic and diluted earning per share ["EPS"] worked out to Rs.9.87 and Rs.9.71 for the quarter ended June 30, 2009 vis-à-vis Rs.11.05 and Rs.10.87 for the quarter ended June 30, 2010, respectively.
- The Company, during the quarter ended June 30, 2010, has allotted 971714 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.
- Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current period.
- There were no pending investor complaints as on April 1, 2010. During the quarter ended June 30, 2010, 15 complaints were received and resolved.
- The promoters and promoter group shareholding is nil and accordingly the information on shares pledged / encumbered is not applicable.
- The results for the quarter ended June 30, 2010 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 July 27, 2010.

for LARSEN & TOUBRO LIMITED

Mumbai
July 27, 2010A. 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 June 30		Year ended March 31 2010 (Audited)
	2010	2009	
Gross Segment Revenue			
1 Engineering & Construction	664382	657291	3231577
2 Electrical & Electronics	74512	57585	298654
3 Machinery & Industrial Products	54820	43697	221953
4 Others	12203	7711	36456
Total	805917	766284	3788640
Less: Inter-segment revenue	9601	18641	53082
Net Segment Revenue	796316	747643	3735558
Segment Result (Profit before Interest and Tax)			
1 Engineering & Construction	81666	69916	409501
2 Electrical & Electronics	7376	6803	39419
3 Machinery & Industrial Products	11300	9536	45190
4 Others	3349	420	4434
Total	103691	86675	498544
Less: Segment margins on internal capitalization	518	859	5835
Less: Interest expenses	14234	10959	50531
Add: Unallocable corporate income net of expenditure	8793	112266	145889
Profit Before Tax (PBT)	97732	187123	588067
Capital Employed (Segment assets less Segment liabilities)			
1 Engineering & Construction	709213	684495	629067
2 Electrical & Electronics	110860	115112	113176
3 Machinery & Industrial Products	17614	29429	22400
4 Others	20276	21538	20348
Total capital employed in Segments	857963	850574	784991
Unallocable corporate assets less corporate liabilities	1852984	1229716	1733995
Total Capital Employed	2710947	2080290	2518986

Notes :

- 1 Segments have been identified in accordance with Accounting Standard (AS) 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 manufacture and/or sale of low and medium voltage switchgear, switchboards, 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 include property development and integrated engineering services.
- 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, sales and 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
July 27, 2010

A. M. NAIK
Chairman & Managing Director