



**PRESS RELEASE**

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**Excellent Performance for the quarter  
ended June 30, 2007**

**Profit after Tax up by 140%  
Order Inflow grew by 32% & Sales rise by 30%**

**Mumbai, July 19, 2007:** Larsen & Toubro Limited (L&T) has produced an impressive performance registering a y-o-y growth of 30% in Gross Sales & Service revenue from operations at Rs. 4574 crore for the quarter ended June 30, 2007. The share of revenue from international operations constituted 15% of the Gross Revenue.

Order Inflow during the quarter at Rs. 9881 crore grew by 32% over the same period of the previous year reflecting the growing confidence of the customers on the Company's superior project execution capabilities and quality of its products.

Profit after Tax (PAT) at Rs. 377 crore for the quarter ended June 30, 2007 surged by 140% over the corresponding quarter of the previous year.

Excluding gains from exchange differences on foreign currency denominated borrowings and deposits, PAT for the quarter ended June 30, 2007 grew by 57%.

Profit before Depreciation, Interest and Tax (PBDIT) for the quarter at Rs. 635 crore, registered 105% growth over the corresponding quarter of the previous year. Backed by a constant endeavor to improve operational efficiency, the Company has been able to register an improvement in the Operating Margins by 1.1 percentage point (excluding above mentioned exchange gains) over the corresponding quarter of the previous year.

Strong economic fundamentals, a fast growing capital goods sector, judicious selection and faster execution of orders - all these factors together contributed to the robust growth in Revenue & Profitability during the quarter.

**Engineering & Construction (E&C) Segment**

The E&C segment reported a healthy growth in its Order Inflow during the quarter over the corresponding quarter of the previous year. Accelerated activity in the Hydro-carbon, manufacturing & infrastructure sectors in the country helped the Segment bag quality orders. The Order Inflow at Rs. 8218 crore for the quarter ended June 30, 2007 posted an increase of 30% over the

corresponding quarter of the previous year. The share of international orders booked during the quarter was 20% of the segment's total Order Inflow.

E&C segment revenue for the quarter ended June 30, 2007 at Rs. 3492 crore registered an increase of 33% when compared to the same period of the previous year. The share of export revenue represented 15 % of the segment revenue.

The Segment Operating Margin recorded an improvement of about one percentage point attributable to smarter execution and project management.

The segment had a healthy Order Book as on June 30, 2007 at Rs. 39690 crore. The international Order Book at Rs. 6318 crore represented 16% of the segment's Order Book.

### **Electrical & Electronics Segment**

Electrical & Electronics segment reported a robust growth in its Order Inflow and Sales, reflecting the Company's strong position in this sector. The segment revenue at Rs. 541 crore for the quarter ended June 30, 2007 was higher by 28 % when compared to the corresponding quarter of the previous year. Electrical Standard Products & Systems, Control & Automation businesses continued on their growth trajectory in the current quarter.

### **Machinery & Industrial Products Segment**

Total revenue from the businesses under this segment during the quarter ended June 30, 2007 was Rs. 423 crore, posting a healthy increase of 25% over the same period of the previous year. Increased activity in the domestic industrial, infrastructure and construction sectors continues to benefit the businesses of this segment. Besides increased volumes, higher price-differentials and improved manufacturing efficiency contributed to better profitability in this business segment.

### **Outlook**

The Company's leadership position in the construction, projects & manufacturing-led businesses has enabled it to reap full benefits of the surging economy. The capacity expansion programs of the Company are on stream and are expected to support its growth ambitions in the medium term. With a healthy Order Book, the Company is confident to maintain the growth momentum both in terms of Revenue and Profitability in the near to medium term.