



PRESS RELEASE

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L&T inaugurates High-End Electrical & Automation Systems manufacturing unit in Saudi Arabia

Dammam, May 6, 2008, L&T Electricals Saudi Arabia Company Limited (LTESA), the joint venture between Larsen & Toubro International FZE (LTFZE) and Yusuf Bin Ahmed Kanoo, inaugurated its switchboards manufacturing facility in the Kingdom of Saudi Arabia.

LTESA will engage in design, engineering and manufacturing, solution of conventional and intelligent power and motor control systems with automation in the Low Voltage (LV) and Medium Voltage (MV) categories, as well as offer project equipment comprising of allied products, to the fast developing Saudi Arabia's infrastructure, oil and gas, and industrial sectors.

Through LTFZE, Larsen & Toubro Limited (L&T), India's leading engineering and construction company, had joined hands with Saudi Arabia's reputed house of Kanoo in March 2006 to offer a range of high end electrical and automation systems to Saudi Arabia and other markets. LTESA operated from hired premises. The inauguration of L&T's own premises will strengthen operations.

The factory at Dammam Industrial Estate II was inaugurated by chief patrons Mr. R. N. Mukhija, President – Operations & Member of the Board of L&T, and Mr. Abdul Aziz Qassim Kanoo, Deputy Chairman of Saudi Arabia YBA Kanoo. Senior officials present on the occasion included the Directors of LTESA Board, Mr. S. C. Bhargava, Mr. Bader Kanoo and Mr. S. K. Mukherjee.

Speaking on the occasion, Mr. Mukhija said, "LTESA is poised to bring L&T closer to customers and offer solutions and service with enhanced efficiency in the fast growing market of Saudi Arabia. I am sure the association between L&T and Kanoo, two prestigious business institutions, will grow beyond business and strengthen the bonds between Saudi Arabia and India."

The inauguration of the LTESA facility comes close on the heels of L&T completing the integration process of the switchgear facilities of Tamco of Malaysia, which it had acquired in October 2007.

L&T had entered into a share sale agreement in October 2007 with Tamco Corporate Holdings Bhd towards the acquisition of latter's de-merged switchgear business, Tamco Switchgear Malaysia Sdn Bhd along with Tamco's switchgear manufacturing subsidiaries -- Tamco Shanghai Switchgear Co Ltd in China, Tamco Electrical Industries Australia Pty Ltd in Australia and PT Tamco Indonesia in Indonesia.

The Saudi facility along with Tamco's facilities in Malaysia, Indonesia, China and Australia marks the progressive globalisation of L&T electricals business, and ensures that it has a wide footprint to service some of the fastest growing markets in the Asia Pacific region as well as in the Gulf countries.

Facility details

LTESA has built this manufacturing facility on a 15000 sq. meters plot with office and shop floor area of 7000 sq. meters. The facility has three air conditioned modules for manufacturing, having state-of-the-art powder coating plant, CNC punching machine, CNC bending machine, testing kits and assembly area.

Besides auditorium, conference hall, library cum recreation hall, dining hall, there is a prayer room and cloakrooms for workmen.

L&T's Capability Spectrum

Larsen & Toubro Group (L&T) is \$7 billion technology-driven engineering and construction organisation, and one of the largest companies in India's private sector. It has further interests in manufacturing, services and Information Technology. A strong, customer-focused approach and the constant quest for top-class quality have enabled the Company to attain and sustain leadership in its major lines of business across seven decades.

As a technology-driven engineering conglomerate, L&T's capabilities cover large process plants, construction, electrical distribution, electronics and information technology. L&T is in a position to offer its customers a single window for meeting a variety of industrial requirements. L&T has a successful track record in building plant and equipment used in the oil & gas sector, refineries, infrastructure and power projects, and has technology relationships with world leaders that have enabled it to execute world-class projects in the region.

L&T in Saudi Arabia

L&T's local joint venture L&T Saudi Arabia LLC has an impressive track record in the infrastructure and energy sectors with completion of the following prestigious Projects:

- Improvement of 69 kV power supply to King Fahad International Airport, Dammam including overhead transmission line and remote end substation modification works.
- Turnkey construction of 115/13.8 kV substation at Abu Ghanimah, reinforcement works for the 115/13.8 kV Mutayrifi substation and reactive power compensation work for the 115 kV substation in Southern Area at Al Hassa
- Power supply to Saudi ARAMCO's Field Development Projects at Qatif and Abu Safah in Ras Tanura. Turnkey construction of 220/115 kV gas insulated substations at Juaymah and remote end protection and communication modifications at seven sub-stations including Gazlan power plant substation.
- Construction of three 100 bed hospitals at Rafha, Domat and Khafji
- Civil & Electromechanical works of a 200 bed hospital at Al Dawadmi
- Civil, mechanical, electrical and instrumentation works for R3 Skid in Polypropylene Pilot Plant for Saudi Basic Industries Corporation's (SABIC) R&T facility at Riyadh
- Civil, structural steel works in expansion of existing cement plant (1.6 mtpa) for Qassim Cement, near Buradayah.
- Construction of eight Schools in Eastern Region & Northern Borders for Ministry of Education , Saudi Arabia

In addition, L&T's heavy engineering arm has, in association with Saudi Arabian industry, set a record by manufacturing a 104-m long product splitter in a single piece along with 8 catofin reactors. This massive 2000 MT consignment was directly shipped from L&T's works at Hazira on India's western seaboard to the petrochemical plant in Saudi Arabia.

The heavy engineering division, ranked among the top five in the world, has supplied several critical high-end equipment to Saudi Arabia such as waste heat boilers, reactors and high pressure heat exchangers since 1994. L&T's Electricals arm has also supplied switchboards and allied products to many critical installations including various paper plants and chemical industries.

L&T in the Middle East

L&T is focusing on the Gulf region in its globalization drive for projects in the infrastructure, power and hydrocarbon sectors. It also provides its switchgear & IT services to the region. The focus is on the requirements of the six Gulf Cooperation Council (GCC) member countries.

Demonstrating its long term commitment to the region, by building a strong local presence, L&T has taken the initiative of forming joint venture companies with local partners. It has already established several joint venture companies in the United Arab Emirates, Qatar, Kingdom of Saudi Arabia, Kuwait and the Sultanate of Oman. Today, L&T is involved in the construction of prestigious residential and commercial complexes in Dubai and other parts of the UAE.

L&T is setting up turnkey projects in several sectors such as hydrocarbon (upstream, midstream, downstream), power (generation, transmission, distribution) and cement plants, as well as civil and infrastructure projects. L&T has also entered into the ready mix concrete business in UAE.

As a long term commitment to the region, L&T is establishing state-of-the-art fabrication facilities for the manufacture of modular structures, heavy jackets and offshore oil & gas platforms at Sohar in Sultanate of Oman, and has recently also entered into a joint venture agreement to establish a green field plant in Sohar for the manufacture of high-tech equipment for the process industry.

For engineering services, L&T has offices in the Gulf to offer stand alone design and engineering consultancy services in oil & gas, as well as civil works in UAE.

In addition, L&T offers information technology related services, and has made a breakthrough in providing IT services to clients such as Aramco, Qatar Petroleum, etc.

L&T's exports are approximately 20% of its total revenue, and the majority of this comes from Gulf / Middle East region. The company has plans to increase this business to about 25 per cent of its total revenue.

L&T created history by receiving the world's single largest order for reactors from the Kuwait National Petroleum Corporation against stiff global competition. It will manufacture and supply 22 Hydrocracker & Atmospheric Residue Desulphurisation (ARDS) Reactors for Kuwait National Petroleum Company's (KNPC) prestigious "Clean Fuel Project 2020" at an order value of USD 421 million.