



L&T Press Release

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Performance for the quarter ended June 30, 2009

PAT with exceptional gain grows 218%

Mumbai, July 16, 2009: Larsen & Toubro has reported Gross Sales revenues of Rs.7431 crore for the quarter ended June 30, 2009. The corresponding quarter of the previous year had Sales of Rs.269 crore from Ready Mix Concrete (RMC) business which was subsequently divested during the second half of 2008-09. Excluding the element of sales from RMC business, sales growth for the quarter ended June 30, 2009 works out to 11%.

Even as the Indian Capital Goods and Infrastructure sectors await an acceleration of investments into the core and other growth inducing areas of the economy, the Company was able to bag fresh orders totaling to Rs. 9571 crore during the quarter. The economic buoyancy prevailing in the early part of the previous year transformed into a cautious “wait and watch” approach, resulting in relatively lower Order Inflows during the quarter as compared to the corresponding quarter of the previous year.

The Company has reported an improved operating margin of 11.3% during the quarter. Recurring Profit after Tax (PAT) at Rs. 578 crore for the quarter ended June 30, 2009 grew by 15% as compared to the same period of the previous year.

During the quarter, the Company recorded an exceptional gain of Rs. 1020 crore on divestment of its entire stake in UltraTech Cement Limited. Including this gain, overall PAT of the Company stood at Rs. 1598 crore, an increase of 218%.

Engineering & Construction (E&C) Segment

The Order Inflow of Rs.8373 crore reported by the E&C segment during the quarter ended June 30, 2009, though relatively lower than the previous year, was a creditable achievement considering the stymied investment climate and delay in finalization of several Government sponsored projects.

E&C segment revenue for the quarter ended June 30, 2009 stood at Rs. 6573 crore, which translates into a growth of 18% over the corresponding period of the previous year. The share of export revenues represented 20.6% of the quarter's segment revenues.

The E&C segment Operating Margin for the quarter at 11.9% showed an improvement of 1.4 percentage point over the corresponding quarter of the previous year. Higher proportion of margin yielding sales as also several business de-risking strategies contributed to this improvement.

The segment ended the quarter with a healthy Order Book at Rs. 69952 crore. The international Order Book at Rs. 9608 crore represented 13.7% of the segment's Order Book.

Electrical & Electronics (E&E) Segment

The E&E segment revenue at Rs. 576 crore for the quarter ended June 30, 2009 was maintained almost at the same level as seen in the corresponding quarter of the previous year. The segment operating margin was sustained through improved cost management. This could be achieved despite the slowdown in the industrial sector adversely impacting the segment's business.

Machinery & Industrial Products (MIP) Segment

The recessionary trend witnessed in the manufacturing and the Industrial sectors continued to severely affect the demand for the range of products of MIP segment. As a result, the segment achieved lower revenue at Rs. 437 crore during the quarter. Segment Operating margin, though under pressure, continued to remain healthy.

Outlook

The domestic economy has started showing some indications of a positive sentiment. The new Government at the Centre is seized of its responsibility to ensure greater credit availability at affordable cost to the Infrastructure and Industrial sectors to boost the sagging demand. With crude oil prices showing signs of hardening, renewed interest is expected in oil exploration and production not only in the country, but also in the Gulf. Infrastructure building activity, which severely suffered in the Gulf countries, is likely to revive and generate good business potential for the Company. Given the gradual build-up of optimism, the strategic initiatives taken by the Company to exploit the prospects in some of the promising sectors such as Power and Railways are expected to bear fruits in the medium term.


LARSEN & TOUBRO LIMITED

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30 , 2009

Particulars	3 months ended June 30		Rs.Lakh Year ended March 31 2009 (Audited)	
	2009	2008		
	1	Gross Sales / Revenues from Operations (See Note no.1)	743085	699276
	Less: Excise Duty	6814	9133	39847
	Net Sales / Revenues from Operations	736271	690143	3364657
2	Other Operational Income	4558	4044	27980
3	Total Income (1+2)	740829	694187	3392637
4	Expenditure:			
a)	(Increase) / decrease in stock -in- trade and work -in -progress	27744	(21005)	(10511)
b)	i) Consumption of raw materials	139346	181969	745202
	ii) Sub-contracting charges	192825	145726	722359
	iii) Construction materials	137235	153946	777253
	iv) Purchase of traded goods	27496	41037	167869
	v) Other manufacturing / operating expenses	47537	49838	221029
c)	Employee cost	51148	39742	192034
d)	Sales, administration and other expenses	34307	31927	183950
e)	Depreciation, amortisation, obsolescence and impairment	9373	6587	30599
	Total Expenditure	667011	629767	3029784
5	Profit from Operations before Other Income, Interest & Exceptional Items (3-4)	73818	64420	362853
6	Other Income	22276	16139	73978
7	Profit before Interest & Exceptional Items (5+6)	96094	80559	436831
8	Interest expenses (See Note no.5)	10959	5051	42790
9	Profit after Interest but before Exceptional Items (7-8)	85135	75508	394041
10	Exceptional gain (See Note no. 2)	101988	-	-
11	Profit from Ordinary Activities before Tax (9+10)	187123	75508	394041
12	Provision for Taxes:			
a)	Provision for Current Tax (including Fringe Benefit Tax)(see Note no.7)	26491	24167	122077
b)	Provision for Deferred Tax	812	1097	1044
	Total Provision for Taxes	27303	25264	123121
13	Profit After Tax from Ordinary Activities (11-12)	159820	50244	270920
14	Extraordinary items [net of tax]	-	-	77246
15	Profit After Tax (13+14)	159820	50244	348166
16	Paid-up equity share capital (Face value of share:Rs. 2 each)	11725	5848	11714
17	Reserves excluding revaluation reserve			1231796
18	Basic EPS before Extraordinary Items (Rupees)	27.28	8.60	46.30
19	Diluted EPS before Extraordinary Items (Rupees)	26.83	8.45	45.68
20	Basic EPS after Extraordinary Items (Rupees)	27.28	8.60	59.50
21	Diluted EPS after Extraordinary Items (Rupees)	26.83	8.45	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)	568116	280309	568496
	- Percentage of Shareholding	96.91%	95.86%	97.06%
25	Promoters and promotor group shareholding (See Note no.9)	Nil	Nil	Nil

Notes :

- Gross sales for the quarter ended June 30, 2009 does not include sales from Ready Mix Concrete (RMC) business, which was disposed of during the previous year in October 2008. Sales from this business was Rs.26918 lakh for the quarter ended June 30, 2008. Excluding the said sales from RMC business, gross sales for the quarter ended June 30, 2008 stood at Rs.672358 lakh.
- Exceptional gain for the quarter ended June 30, 2009 represents profit of Rs.101988 lakh on sale of the Company's long term investment in UltraTech Cement Limited. Excluding this exceptional gain, the basic and diluted earning per share ["EPS"] for the quarter ended June 30, 2009 works out to Rs.9.87 and Rs.9.71 per share respectively.
- The EPS data for the quarter ended June 30, 2008 have been adjusted for the issue of bonus shares in the ratio of 1:1 allotted on October 8, 2008.
- The Company, during the quarter ended June 30, 2009, has allotted 561620 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.
- The interest element implicit in the actuarial valuation of retirement and other employee benefits, hitherto considered in the Employee Cost, has been classified under interest expenses. Accordingly, the interest expenses for the quarter ended June 30, 2009 are higher by Rs. 520 lakh and employee cost is lower by the like amount.
- Figures for the previous periods have been re-grouped / re-classified to conform to the figures of the current periods.
- No provision has been made for Fringe Benefit Tax (FBT) for the quarter ended June 30, 2009, as the same has been abolished in the Finance (no. 2) Bill, 2009. The provision for FBT for the quarter ended June 30, 2008 and for the year ended March 31, 2009 was Rs.1040 lakh and Rs. 5374 lakh respectively.
- There were no pending investor complaints as on April 1, 2009. During the quarter ended June 30, 2009, 31 complaints were received and resolved.
- The promoter 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, 2009 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 16, 2009.

for LARSEN & TOUBRO LIMITED

Mumbai
July 16, 2009

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 June 30		Year ended March 31 2009 (Audited)
	2009	2008	
Gross Segment Revenue			
1 Engineering & Construction	657291	557593	2870512
2 Electrical & Electronics	57585	57787	277789
3 Machinery & Industrial Products	43697	63581	247506
4 Others	7711	37609	108670
Total	766284	716570	3504477
Less: Inter-segment revenue	18641	13250	71993
Net Segment Revenue	747643	703320	3432484
Segment Result (Profit before Interest and Tax)			
1 Engineering & Construction	69916	54068	347677
2 Electrical & Electronics	6803	6810	32366
3 Machinery & Industrial Products	9536	14723	47142
4 Others	420	2505	5260
Total	86675	78106	432445
Less: Segment margins on internal capitalization	859	1148	5639
Less: Interest expenses	10959	5051	42790
Add: Unallocable corporate income net of expenditure	112266	3601	10025
Profit Before Tax (PBT)	187123	75508	394041
Capital Employed (Segment assets less Segment liabilities)			
1 Engineering & Construction	697895	481413	661461
2 Electrical & Electronics	115112	105264	124658
3 Machinery & Industrial Products	29429	40751	41274
4 Others	21538	30474	18788
Total capital employed in Segments	863974	657902	846181
Unallocable corporate assets /less corporate liabilities	1216316	819091	1060238
Total Capital Employed	2080290	1476993	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 manufacture 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** include property development, e-engineering services and embedded systems. Others for previous periods also include 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
July 16, 2009

A. M. NAIK
Chairman & Managing Director