



PRESS RELEASE

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59th Annual General Meeting of L&T September 23, 2004

I have great pleasure in extending to you a warm welcome to this 59th Annual General Meeting of your Company.

Five years ago, we set out with a vision to transform your Company into an Indian multinational, committed to customer satisfaction and enhancing shareholder value. The Company has made significant progress during the last few years in this direction. In our pursuit to become more focused, we successfully de-merged the cement business, and discontinued the packaging business. We are looking to divest glass container business shortly. We will now concentrate on our core businesses of Construction, Turnkey Project Execution, Heavy Engineering, Industrial Machinery, Electrical & Electronics, and, at the same time, accelerate our growth in IT, Engineering & Technology Services.

The Company has achieved an all round improvement in its performance. The Company, without the Cement Business, not only bridged the gap, but also

consolidated Revenue of about Rs. 11,300 crores as compared to Rs. 10,500 crores of last year (including Cement). On a like to like basis, the sales grew by 32% and the order booking by 22% over last year, while the order backlog stood at a healthy Rs. 17,131 crores.

the Sales. In its efforts to further internationalise the business, your Company has set up offices in Kazakhstan, Nigeria and China. As you might be aware, your Company has already received orders in excess of Rs. 600 crores from China. On my recent visit, I found that there is an enormous value which your Company can derive by engaging with the Chinese industry.

Our major business segment, Engineering & Construction, reported revenues of Rs. 8252 crores, which translates into a growth of more than 34% over the previous year. The E&C segment booked orders valued at Rs. 11,656 crores, an increase of 23 % over the previous year. The order booking opportunities were available in Oil & Gas, Power, Metals & Mining and other infrastructure projects.

The most significant part about E&C financial performance was that the closing order backlog at Rs. 16,961 crores

Transfer basis. The pioneering work which was done a few years ago has now started yielding results. Most of the Special Purpose Vehicles have turned around and become more profitable.

place, the Company has established another water front fabrication facility at Mangalore and is contemplating to create one more facility on the East Coast plant and equipment.

The Company is also expanding its Hazira facilities which will support its initiative Power and Aerospace are other areas with significant potential.

While these steps will lead to increase in asset base, we have also identified asset-light knowledge businesses to balance our portfolio. Two businesses, e-

talent. This will help us in creating value for our stake holders as well as
only excited, empowered and motivated
employees will make L&T truly multinational.