

PRESS RELEASE

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LARSEN & TOUBRO LIMITED

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Larsen & Toubro Limited
Performance for the quarter ended December 31, 2004

Sales for the quarter up 32%
Net Profit for the quarter up 30%

Mumbai, January 24, 2005: Larsen & Toubro Limited (L&T) has recorded Gross Sales & Service revenues of Rs. 3268 crore for the quarter ended

The details of major orders secured by E&C segment during the quarter-ended 31.12.2004 are:

Domestic

	<i>Rs. Crore</i>
Veligonda project - closing of the Gottipadia gap, excavation of Gottipadia canal works and distribution at Markapuram, Prakasam District (Andhra Pradesh) for Government of Andhra Pradesh	380
Mora – Talatheri pipeline for Gujarat State Petronet Limited	352
Material Handling Plant for Neyveli Lignite Corporation Limited	283
EPC contract for Isomerisation Unit of Mangalore Refinery and Petrochemicals Limited	265
Electrical system, steam supply , auxiliary system and common service system for 2 x 1000 MW project at Kudankulam [Tamil Nadu] for Nuclear Power Corporation of India Limited	190
Upgradation of road from Kattumavadi to Ramanathapuram, Tamil Nadu Road Sector Project	143
Supply of equipment, materials, erection and services for coal handling plant for 2 x 210 MW power plant, Units 4 & 5 at Bakreshwar for West Bengal Power Development Corporation Limited	135
Construction of Cyberabad Convent	

E&C Gross Revenues for the quarter amounted to Rs. 2821 crore, up 35% as compared to same period last year. For the nine-month period, the Revenues amounted to Rs. 7659 crore, accounting for around 84% of the Company's revenues. Export Sales for the quarter and for the nine-month period amounted to Rs. 644 crore and Rs.1668 crore respectively.

The order backlog position continues to be strong, with unexecuted order value of Rs. 16701 crore as at 31.12.2004. Of this, export order backlog amounts to Rs. 2472 crore.

Electrical & Electronics

The Electrical & Electronics segment continued its strong performance with gross revenues for the quarter at Rs. 311 crore reflecting a 24% increase over last year. Price realization has improved on the back of strong demand and with higher levels of efficiencies in manufacturing operations and supply chain management, operating margins have improved.

Outlook

Engineering & Construction revenues are expected to report a growth of around 35% for the year and Electrical & Electronics segment is poised to record a revenue growth of around 25% for the year. E&C margins are expected to show good improvement in the last quarter in spite of substantial increase in input costs. Operating margin of Electrical & Electronics segment is expected to be marginally better than the previous year.