

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 alElecwo

Rs.Lakh

	2009	2008	2009 (Audited)
1 Gross Sales / Revenues from Operations (See Note no.1)	743085	699276	3404504
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	73818	64420	362853
6 Other Income	22276	16139	73978
7	96094	80559	436831
8 Interest expenses (See Note no.5)	10959	5051	42790
9	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			

