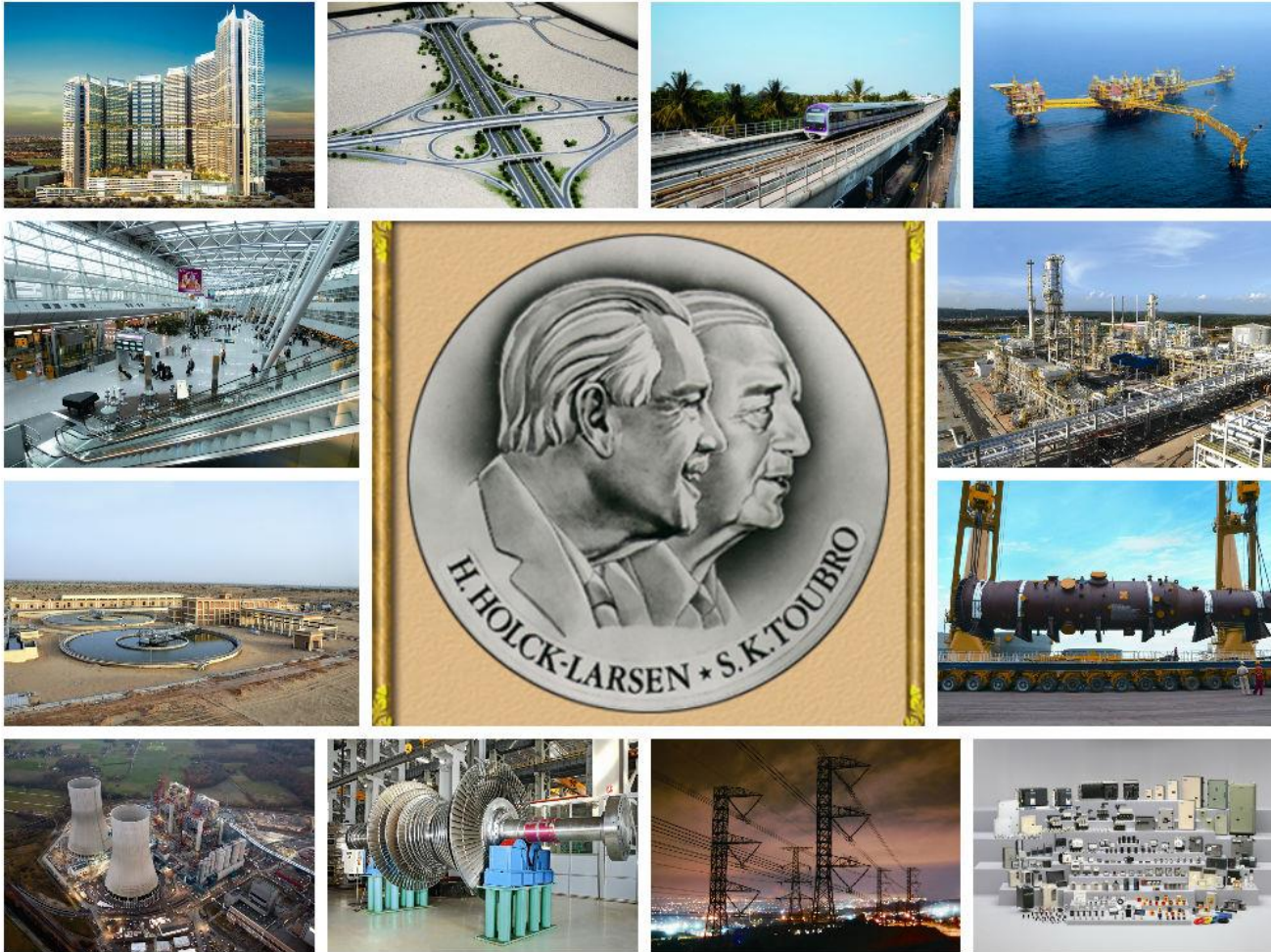


Analyst Presentation - Q3 / 9M FY14



Jan 22, 2014

Disclaimer

This presentation contains certain forward looking statements concerning L&T's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance.

The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

Presentation Outline



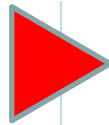
Performance Summary

Segment Analysis

Key Subsidiaries Performance

Outlook

Presentation Outline



Performance Summary

Segment Analysis

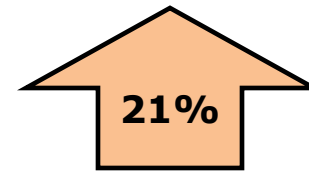
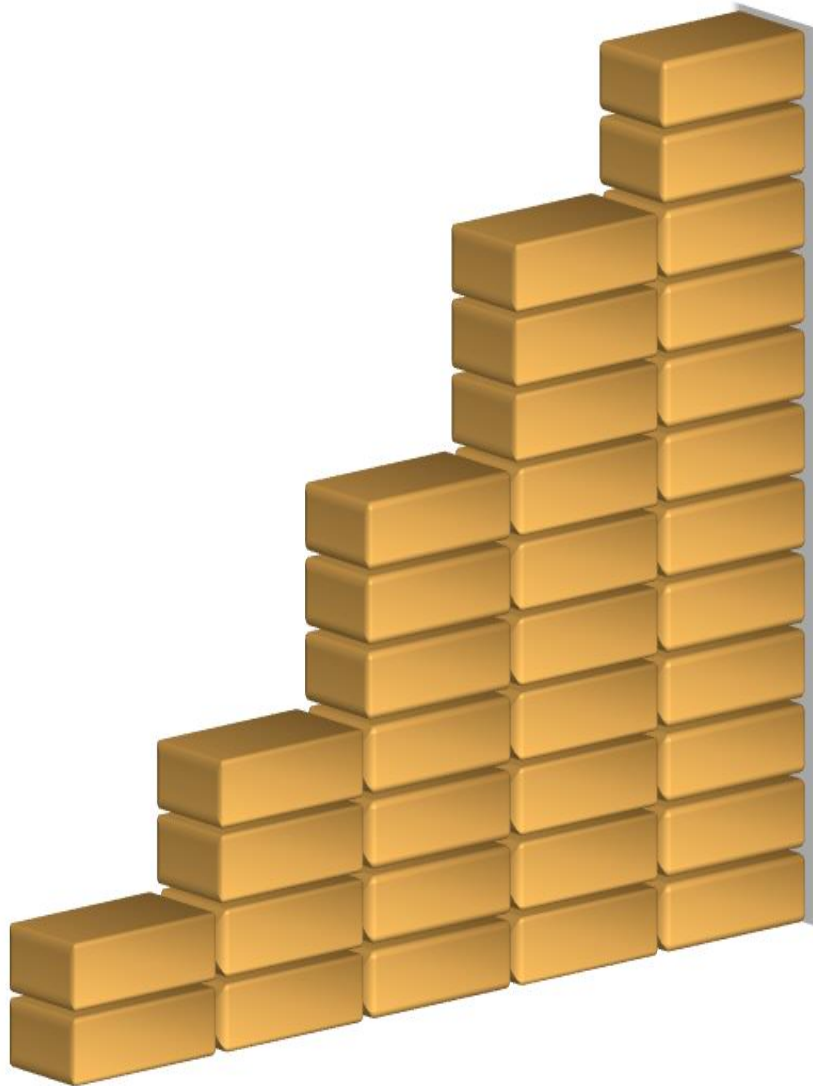
Key Subsidiaries Performance

Outlook

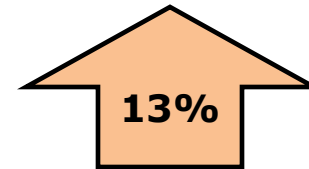
Demerger of Hydrocarbon Business

- Hydrocarbon business demerged (transferred to a separate subsidiary) with effect from April 1, 2013
- Court Order sanctioning the demerger received on December 20, 2013 and certified copy subsequently filed with Registrar of Companies
- Results presented herein excludes Hydrocarbon except where expressly stated

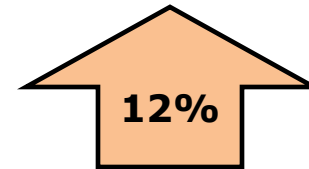
Performance Highlights - Q3 FY14



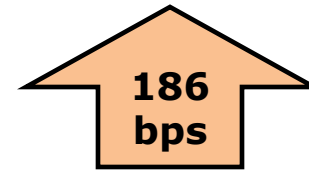
Order Inflows



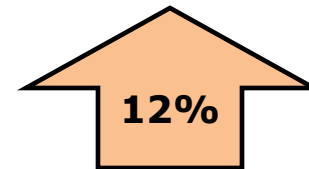
Order Book



Sales



EBITDA Margins

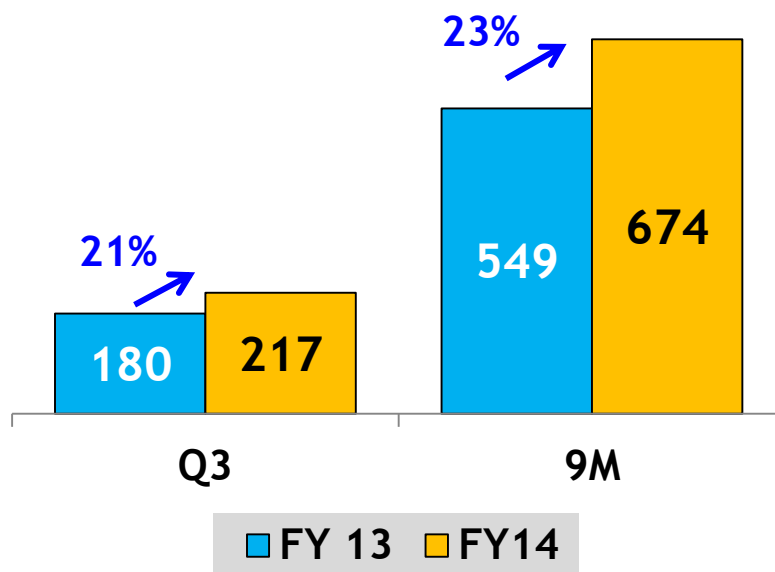


Recurring PAT

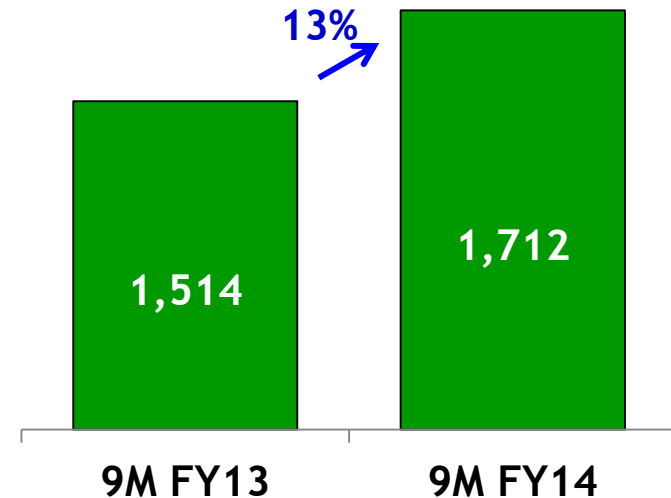
Order Inflow & Order Book

Amount in ₹ Bn

Order Inflow

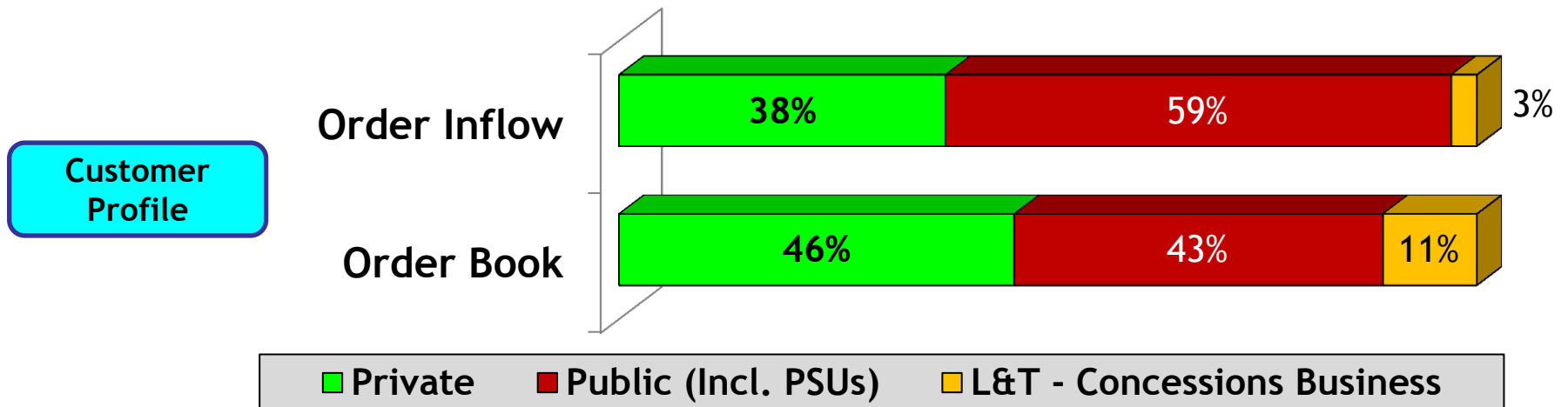
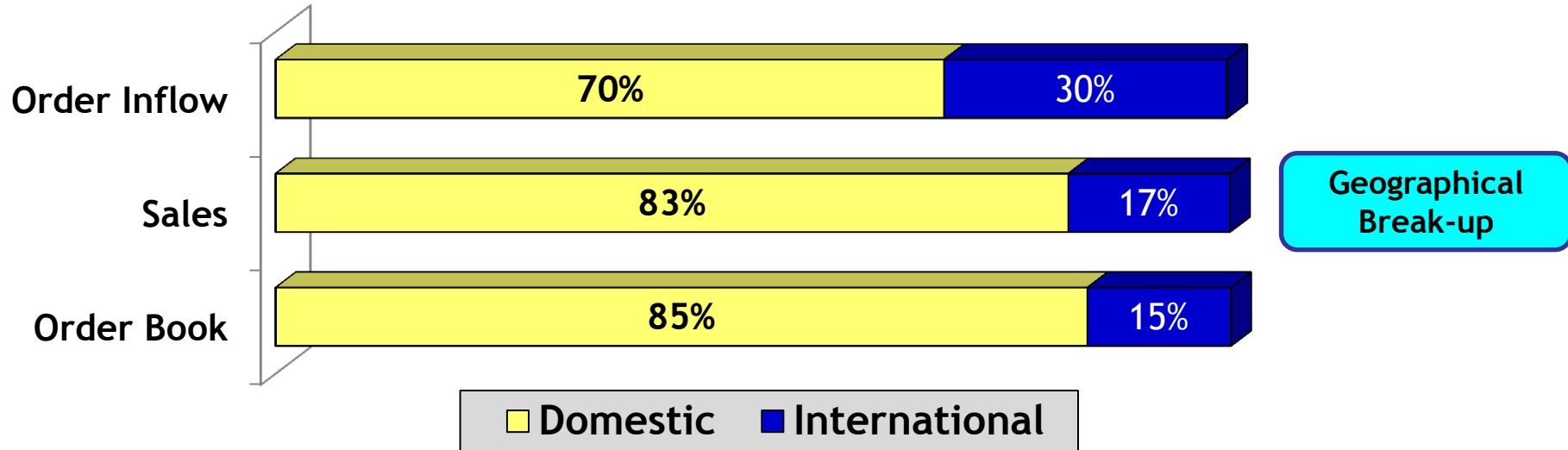


Order Book



- Strong Order Inflow growth led by Infrastructure segment
- Weakness and uncertainty in the macro environment still affecting other sectors (notably Power and Metals)
- International focus has started yielding results
- Large Order Book (~3x TTM Revenues) provides multi-year revenue visibility

Composition (Inflows/Sales/Order Book) - 9M FY14

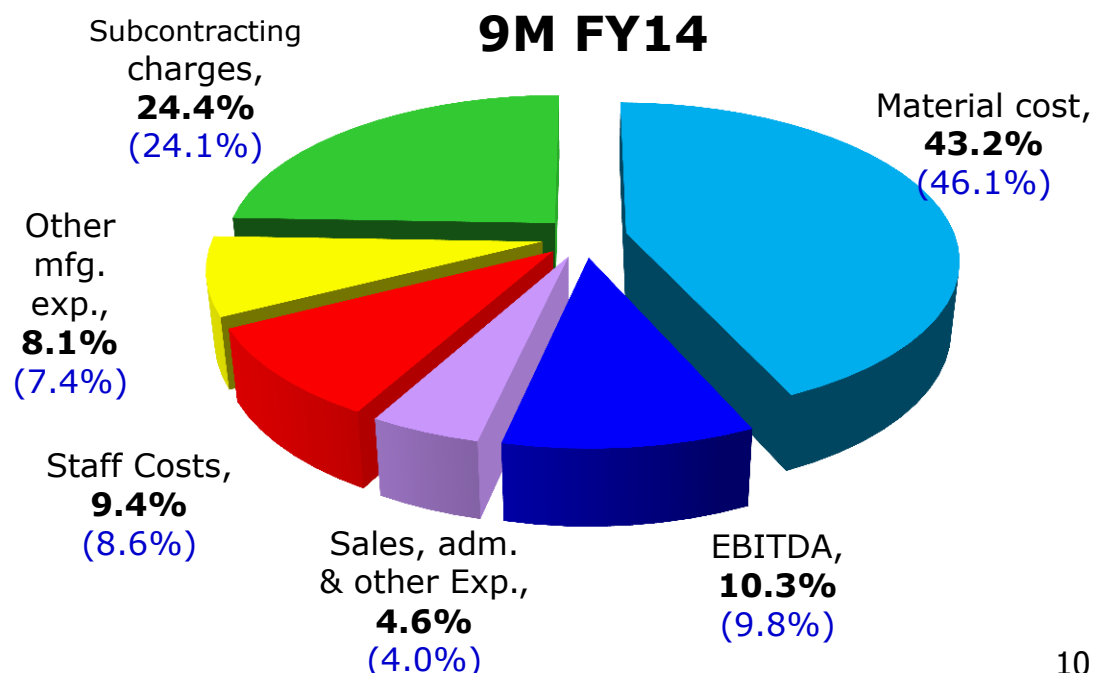
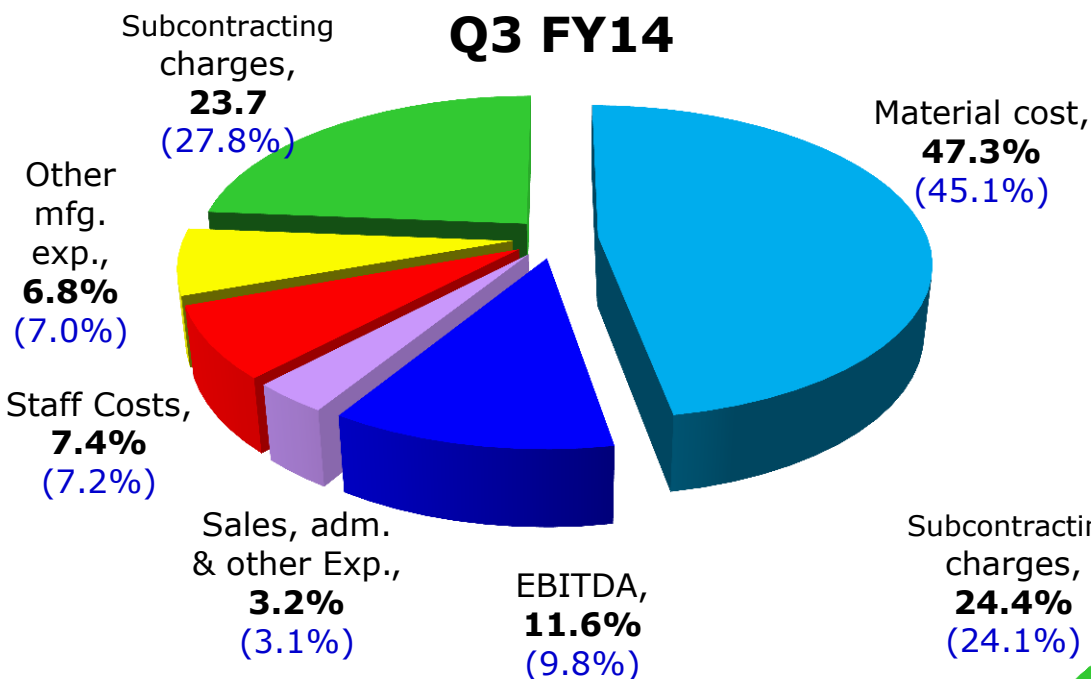


Performance Summary - Sales to EBITDA

Q3 FY14	Q3 FY13	% Change	₹ Billion	9M FY14	9M FY13	% Change	FY13
143.88	128.69	12%	Net Sales / Revenue from Operations (A)	365.20	334.91	9%	515.71
23.73	21.38	11%	----International Sales	61.62	51.33	20%	75.12
111.86	102.78	9%	Mfg, Cons. & Opex (MCO)	276.67	259.84	6%	402.63
10.68	9.27	15%	Staff Costs	34.33	28.82	19%	38.61
4.59	4.07	13%	Sales, adm. & other Exp.	16.68	13.32	25%	20.28
127.13	116.11	9%	Total Opex (B)	327.68	301.98	9%	461.52
16.75	12.58	33%	EBITDA (A-B)	37.52	32.93	14%	54.19

- Sales growth reflects challenging environment in some sectors (Power, Metals, Industrial Equipment, etc.)
- MCO expenses in line with execution progress
- Staff cost increase arising out of higher manpower base and normal revisions
- SGA expenses are commensurate with business volumes

Performance Summary - Operational Costs & Profitability



Figures in brackets indicate corresponding period of the Previous Year

Performance Summary - Profitability

Q3 FY14	Q3 FY13	% Change	₹ Billion	9M FY14	9M FY13	% Change	FY13
16.75	12.58	33.1%	EBITDA	37.52	32.93	14%	54.19
11.64%	9.78%	1.86%	EBITDA Margins	10.27%	9.83%	0.44%	10.51%
(2.91)	(2.34)	24%	Interest Expenses	(7.71)	(6.91)	12%	(9.55)
(1.99)	(1.78)	12%	Depreciation	(5.78)	(5.31)	9%	(7.28)
4.47	5.60	-20%	Other Income	13.99	15.48	-10%	19.42
(4.95)	(3.93)	26%	Provision for Taxes	(11.37)	(10.42)	9%	(15.09)
11.37	10.13	12%	Recurring PAT	26.65	25.77	3%	41.69
1.04	-		Exceptional / Extraordinary Items (Net of tax)	1.04	1.97		2.16
12.41	10.13	22%	Profit after Tax	27.69	27.74	-0.2%	43.85

- EBITDA Margin improvement is a result of execution progress
- Interest expense in line with increased levels and higher cost of borrowings
- Depreciation commensurate with level of capex
- Q3 FY13 Other Income boosted by gain on sale of surplus assets
- Exceptional Gain - from sale of investment in Subsidiary Co.

Performance Summary - Balance Sheet

₹ Billion	Dec-13	Mar-13 *	Incr / (Decr)
Net Worth	322.41	291.43	30.98
Non-Current Liabilities	76.78	83.01	(6.23)
Current Liabilities	338.37	347.49	(9.12)
Total Sources	737.56	721.93	15.63
Net Fixed Assets	81.15	89.02	(7.87)
Investments / Loans to S&A Cos	158.01	141.31	16.70
Consideration Receivable from Hydrocarbon Subsidiary	17.60	-	17.60
Other Non- Current Assets	10.44	9.10	1.34
Cash and Cash Equivalent	61.00	70.75	(9.75)
Other Current Assets	409.36	411.75	(2.39)
Total Applications	737.56	721.93	15.63

* Includes Hydrocarbon

- Total Debt: Dec'13 - ₹ 122 Bn; Mar'13 - ₹ 88 Bn
- Gross D/E: 0.38
- Support to S&A Cos - mainly to Development projects
- Segment NWC at 21.3% of Sales; (17.7% as of 1st Apr, 2013)

Cash Flow Statement

₹ Billion	Q3 FY14	9M FY14	Q3 FY13	9M FY13
Operating Profit	17.34	43.26	14.65	38.71
Adjustments for NWC	(12.76)	(44.10)	(9.47)	(34.94)
Direct Taxes (Paid) / Refund - Net	(4.56)	(12.85)	(5.58)	(13.04)
Net Cash from Operations	0.02	(13.69)	(0.40)	(9.27)
Investments in Fixed Assets (Net)	(2.03)	(6.19)	0.08	(6.69)
Investments / Loans to S&A Cos (Net)	(0.65)	(14.01)	3.20	(7.72)
(Purchase) / Sale of Liquid Investments (Net)	(7.96)	5.83	3.26	20.03
Interest & Div. Received from Investments	3.79	10.33	2.15	9.38
Cash Rec. from sale of Valves BU	0.30	0.90		-
Net Cash from / (used in) Investing Activities	(6.55)	(3.14)	8.69	15.00
Proceeds from Issue of Share Capital	0.31	1.15	0.65	1.39
Borrowings (Net)	8.94	31.25	(13.44)	3.20
Interest & Dividend paid	(3.03)	(19.92)	(2.38)	(17.31)
Net Cash from Financing Activities	6.22	12.48	(15.17)	(12.72)
Net Cash from Discontinued Operations	-	-	4.34	3.97
Net (Dec) / Inc in Cash & Cash Equiv.	(0.31)	(4.35)	(2.54)	(3.02)

Presentation Outline



Performance Summary

Segment Analysis

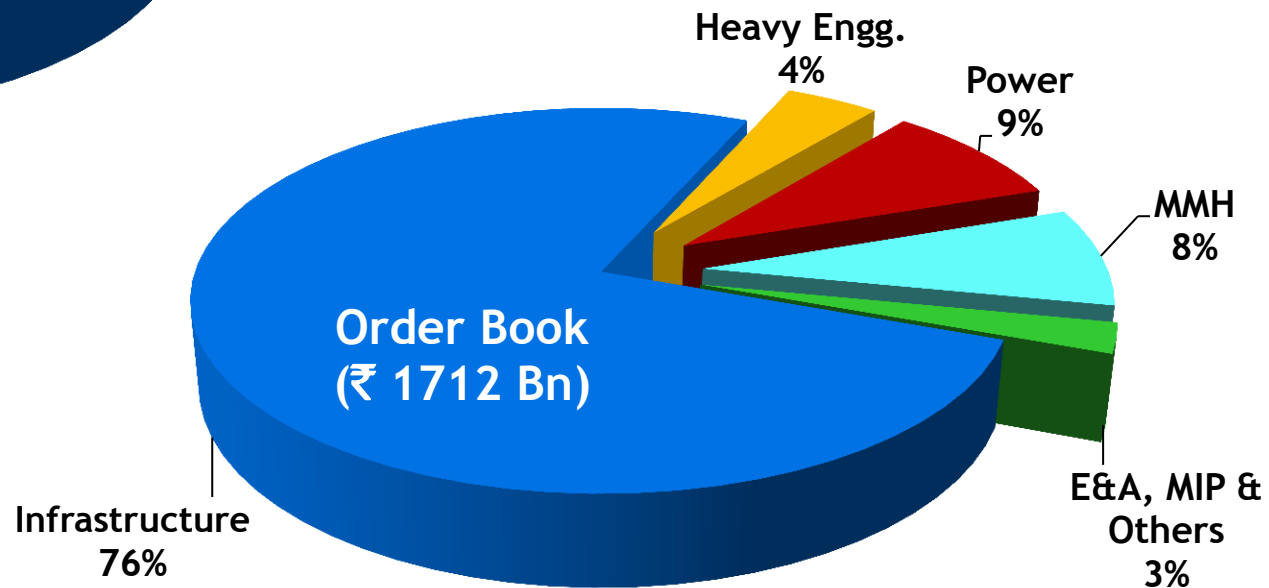
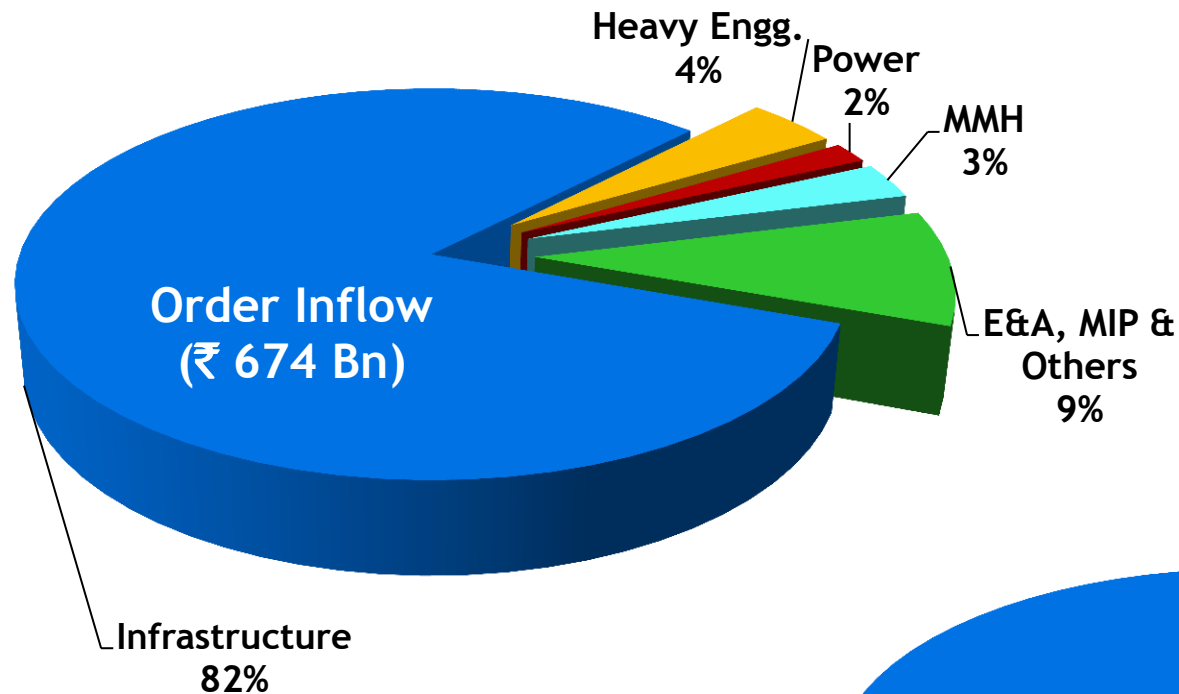
Key Subsidiaries Performance

Outlook

Segment Composition

Infrastructure Building & Factories Transportation Infra Heavy Civil Infra Water & Renewable Energy Power T&D	Power EPC - Coal & Gas Thermal Power Plant Construction Critical Piping Electrostatic Precipitators	Metallurgical & Material Handling Ferrous Non Ferrous Bulk Material Handling	Heavy Engineering Process Plant Equipment Nuclear Power Plant Equipment Defence & Aerospace
Electrical & Automation Electrical Standard Products Metering & Protection Electrical Systems & Equipment Control & Automation	Machinery & Ind. Products Construction & Mining Equipment Industrial Machinery	Others Engineering Services Shipbuilding Realty	

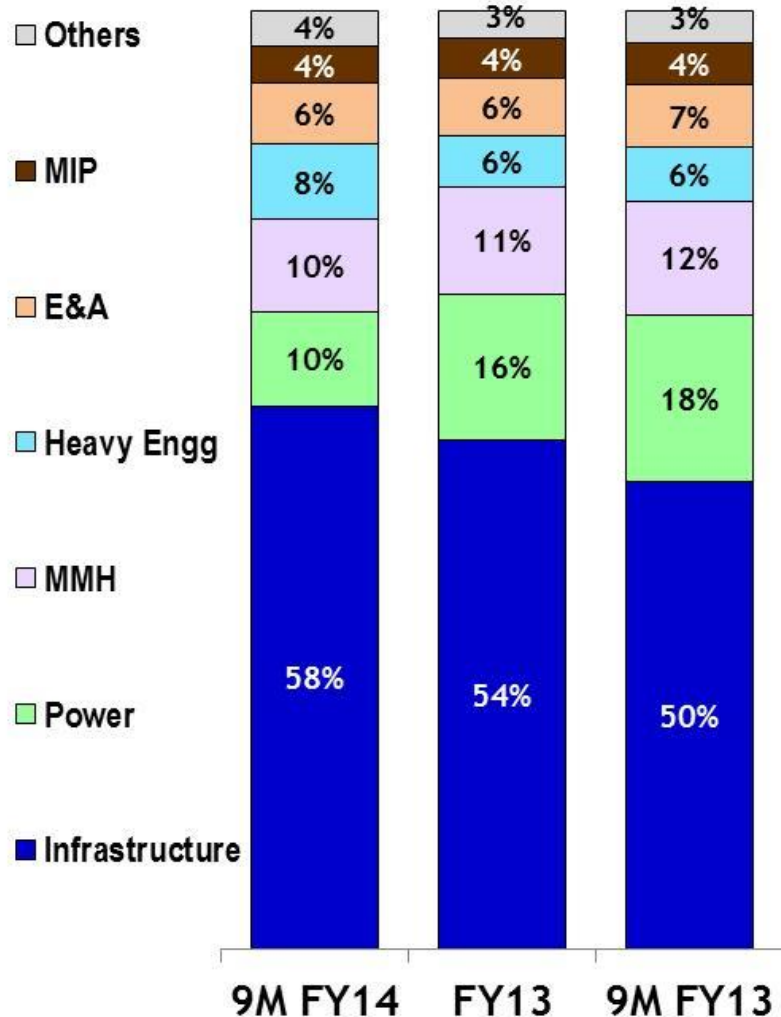
Segmental Breakup of Orders - 9M FY14



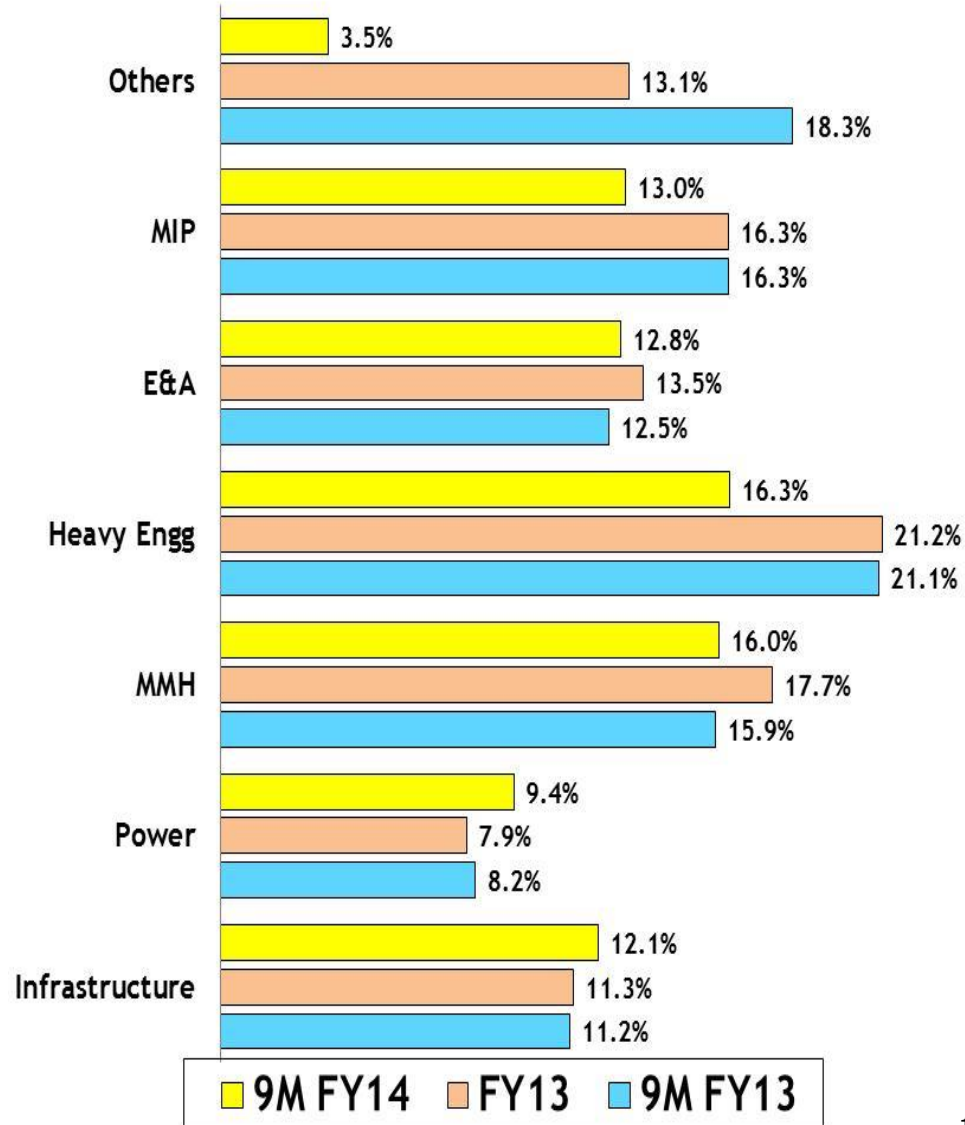
Segmental Break-up

Net Segment Revenue

₹ 365 Bn ₹ 516 Bn ₹ 335 Bn



EBITDA Margins



Infrastructure Segment

Infrastructure

Q3 FY14	Q3 FY13	% Change	₹ Billion	9M FY14	9M FY13	% Change	FY13
87.84	71.10	24%	Net Segment Revenue	211.57	166.84	27%	279.59
13.81	12.21	13%	--- International	33.89	29.13	16%	44.97
10.00	7.35	36%	EBITDA	25.63	18.69	37%	31.67
11.4%	10.3%	1.1%	EBITDA Margins	12.1%	11.2%	0.9%	11.3%
			Capital Employed	109.40	80.21	36%	81.92

■ Infra

- Strong revenue growth mainly contributed by Urban Infra, Transportation Infra, Water and Power T&D
- International revenues poised to pick up consequent on steady increase in Order Inflows
- Improvement in EBITDA Margins arising out of execution progress
- Increase in Capital Employed triggered by Increase in NWC

'MMH & Heavy Engineering' Segments

MMH

Q3 FY14	Q3 FY13	% Change	₹ Billion	9M FY14	9M FY13	% Change	FY13
15.12	14.98	1%	Net Segment Revenue	35.96	40.40	-11%	58.52
0.26	0.12		--- International	0.88	0.20		0.51
2.43	2.63	-8%	EBITDA	5.76	6.41	-10%	10.35
16.1%	17.6%	-1.5%	EBITDA Margins	16.0%	15.9%	0.1%	17.7%
			Capital Employed	29.34	22.45	31%	26.02

Heavy Engineering (HE)

Q3 FY14	Q3 FY13	% Change	₹ Billion	9M FY14	9M FY13	% Change	FY13
10.27	7.99	29%	Net Segment Revenue	28.96	19.09	52%	27.99
3.40	3.77	-10%	--- International	10.52	7.52	40%	9.57
1.77	1.22	45%	EBITDA	4.73	4.03	17%	5.95
17.2%	15.3%	1.9%	EBITDA Margins	16.3%	21.1%	-4.8%	21.2%
			Capital Employed	22.65	20.57	10%	20.62

■ MMH

- Revenues indicative of current business environment and delay in customer clearances
- Drop in EBITDA margins due to job mix and input costs provisions
- NWC driving increase in Capital Employed

■ HE

- Robust Sales growth led by execution progress in various sub-segments
- Margin variation linked to job progress and schedules

'Power and E&A' Segments

Power

Q3 FY 14	Q3 FY 13	% Change	₹ Billion	9M FY 14	9M FY 13	% Change	FY 13
12.11	17.21	-30%	Net Segment Revenue	36.66	59.69	-39%	80.57
0.02	0.00		--- International	0.03	0.01		0.01
0.78	1.23	-37%	EBITDA	3.46	4.89	-29%	6.36
6.4%	7.2%	-0.8%	EBITDA Margins	9.4%	8.2%	1.2%	7.9%
			Capital Employed	2.29	9.42	-76%	6.74

E&A

Q3 FY 14	Q3 FY 13	% Change	₹ Billion	9M FY 14	9M FY 13	% Change	FY 13
8.70	7.71	13%	Net Segment Revenue	23.92	22.29	7%	31.74
1.18	0.95	24%	--- International	3.08	2.49	24%	3.53
1.30	1.10	17%	EBITDA	3.07	2.78	10%	4.30
14.9%	14.3%	0.6%	EBITDA Margins	12.8%	12.5%	0.3%	13.5%
			Capital Employed	13.76	13.84	-1%	12.81

■ Power

- Drop in Sales due to declining Order Book
- Margins affected by capacity under-utilisation and costs provisions

■ E&A

- Sales growth contributed by Standard Products (ESP), Control & Automation and Metering & Protection Systems businesses
- International Sales growth in ESP and Customised switchboards
- Margins supported by better realisations and savings in input costs

'MIP and Others' Segments

MIP

Q3 FY14	Q3 FY13	% Change	₹ Billion	9M FY14	9M FY13	% Change	FY13
4.20	5.51	-24%	Net Segment Revenue	14.12	15.32	-8%	22.25
1.13	1.29	-12%	--- International	3.76	3.14	20%	5.33
0.64	0.99	-35%	EBITDA	1.84	2.49	-26%	3.62
15.2%	17.9%	-2.7%	EBITDA Margins	13.0%	16.3%	-3.3%	16.3%
			Capital Employed	5.66	5.62	1%	5.96

Others

Q3 FY14	Q3 FY13	% Change	₹ Billion	9M FY14	9M FY13	% Change	FY13
5.63	4.19	34%	Net Segment Revenue	13.99	11.28	24%	15.03
3.94	3.05	29%	--- International	9.45	8.84	7%	11.20
1.06	0.59	79%	EBITDA	0.48	2.07	-77%	1.97
18.7%	14.1%	4.6%	EBITDA Margins	3.5%	18.3%	-14.8%	13.1%
			Capital Employed	11.60	12.11	-4%	11.41

- MIP
 - Drop in Sales due to construction, mining and industrial machinery, and business transfer
 - Margins reflective of lower level of operations
- Others
 - Growth in Sales mainly contributed by IES following new customer acquisitions
 - EBITDA growth contributed by IES and Realty businesses

Presentation Outline

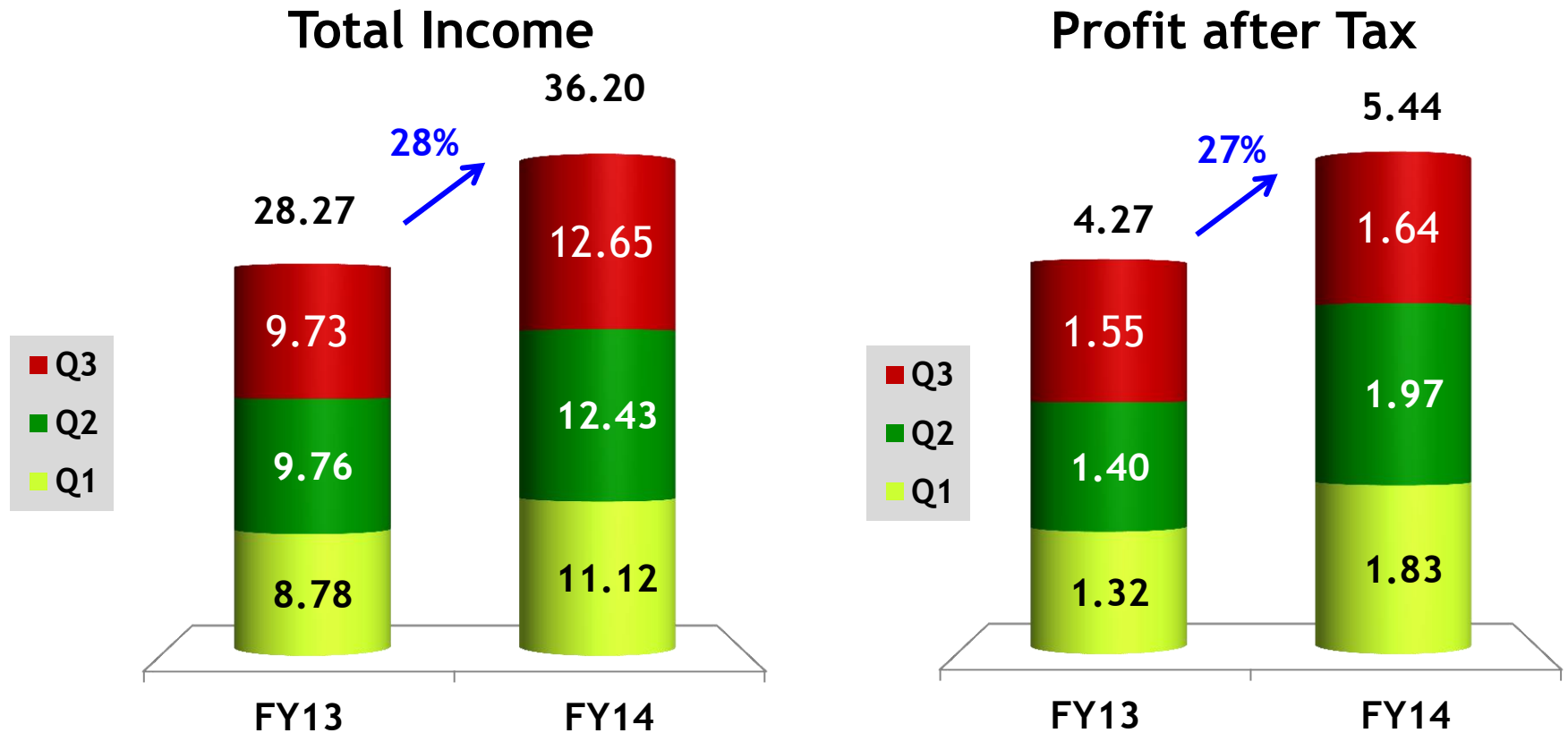


Performance Summary

Segment Analysis

Key Subsidiaries Performance

Outlook



- Robust growth in Total Income through improved operations and INR depreciation
- Profit growth in line with revenues

Concessions Business Portfolio - 29 SPVs



Roads and Bridges:

Portfolio: 19 projects (2251 Km)

Project Cost: ₹232 Bn

Power:

Portfolio: 5 projects (2270 MW)

Project Cost: ₹174 Bn



Ports:

Portfolio: 3 projects (45 MTPA)

Project Cost: ₹57 Bn

Metros:

Portfolio: 1 project (71.16 Km)

Project Cost: ₹170 Bn



Transmission Lines:

Portfolio: 1 project (482 Km)

Project Cost: ₹14 Bn

Total Project Cost (Dec 2013): ₹ 647 Bn

Equity Invested (Dec 2013): ₹ 67 Bn

Balance Equity Commitment (Dec 2013): ₹ 69 Bn

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Presentation Outline



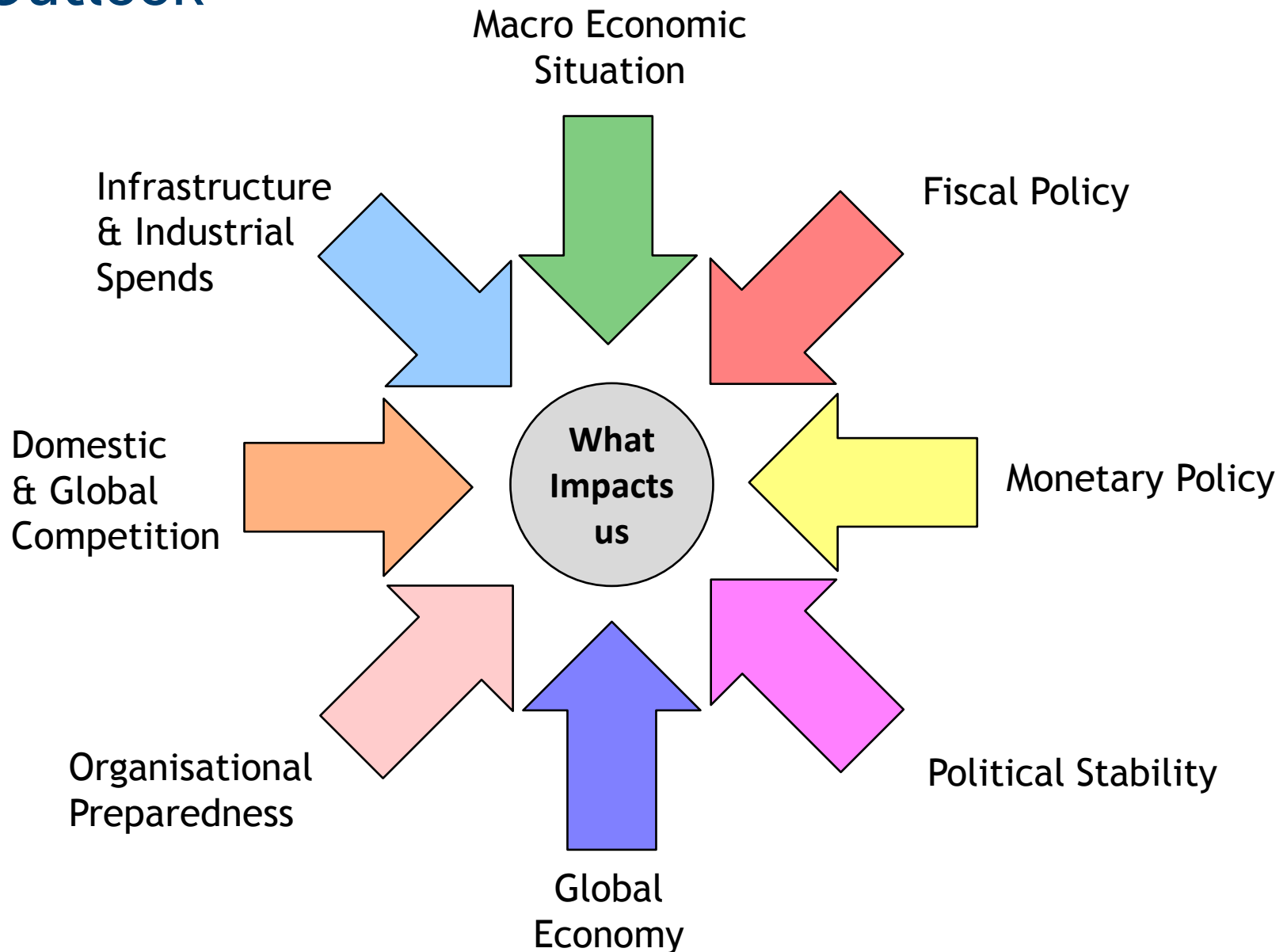
Performance Summary

Segment Analysis

Key Subsidiaries Performance

Outlook

Outlook



Thank You

Annexure: Details of Other Income

Q3 FY 14	Q3 FY 13	% Change	₹ Billion	9M FY 14	9M FY 13	% Change
1.37	1.02	34%	Interest Income	3.78	4.43	-15%
0.02	0.61	-96%	Income on Investments	1.11	1.62	-31%
2.20	0.94	135%	Dividend from S&A Companies	6.70	4.49	49%
0.88	3.03	-71%	Miscellaneous Income	2.40	4.94	-51%
4.47	5.60	-20%	Total - Other Income	13.99	15.48	-10%