

LARSEN & TOUBRO LIMITED

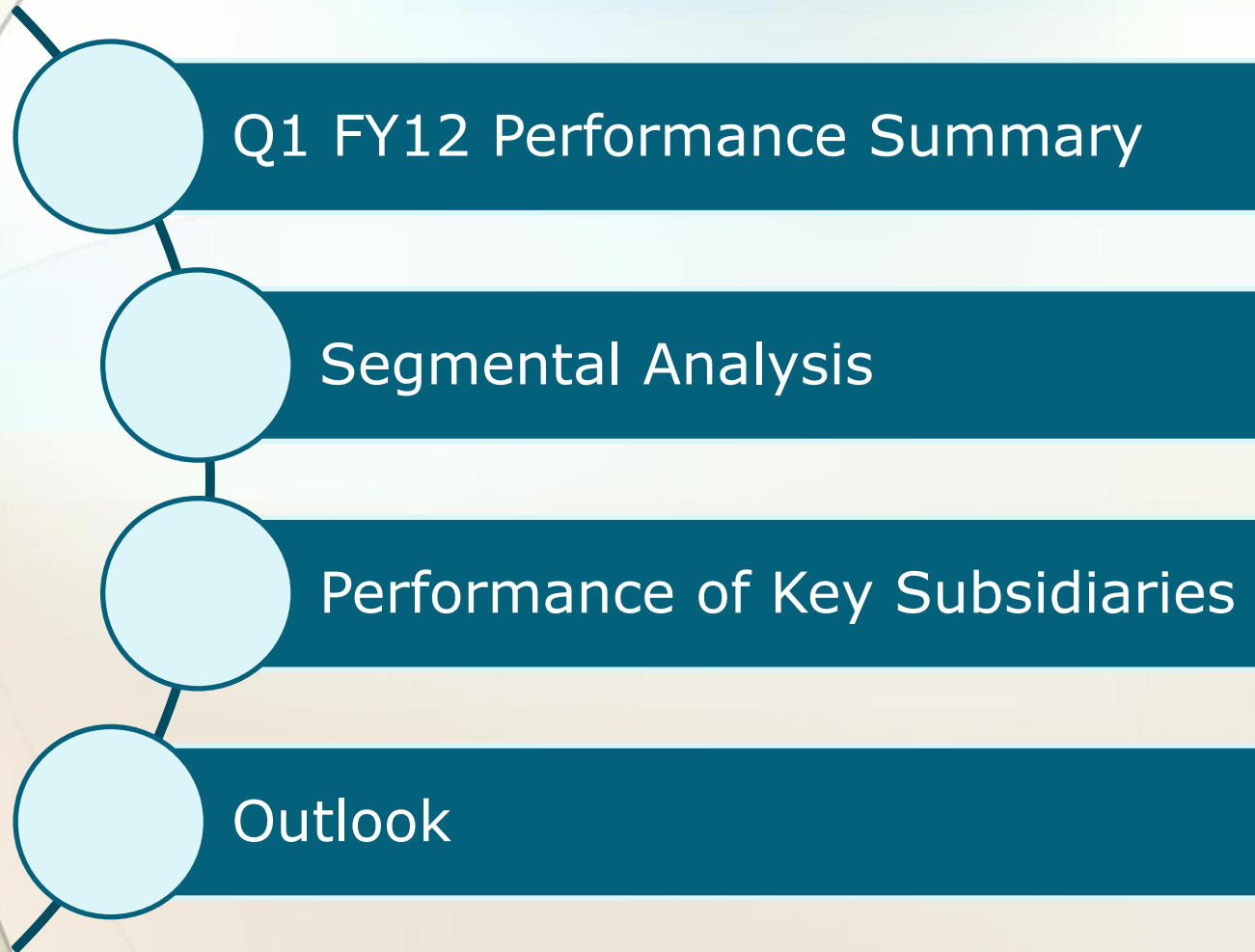
Analyst Presentation – Q1 FY12

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 overruns 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. 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



Presentation Outline



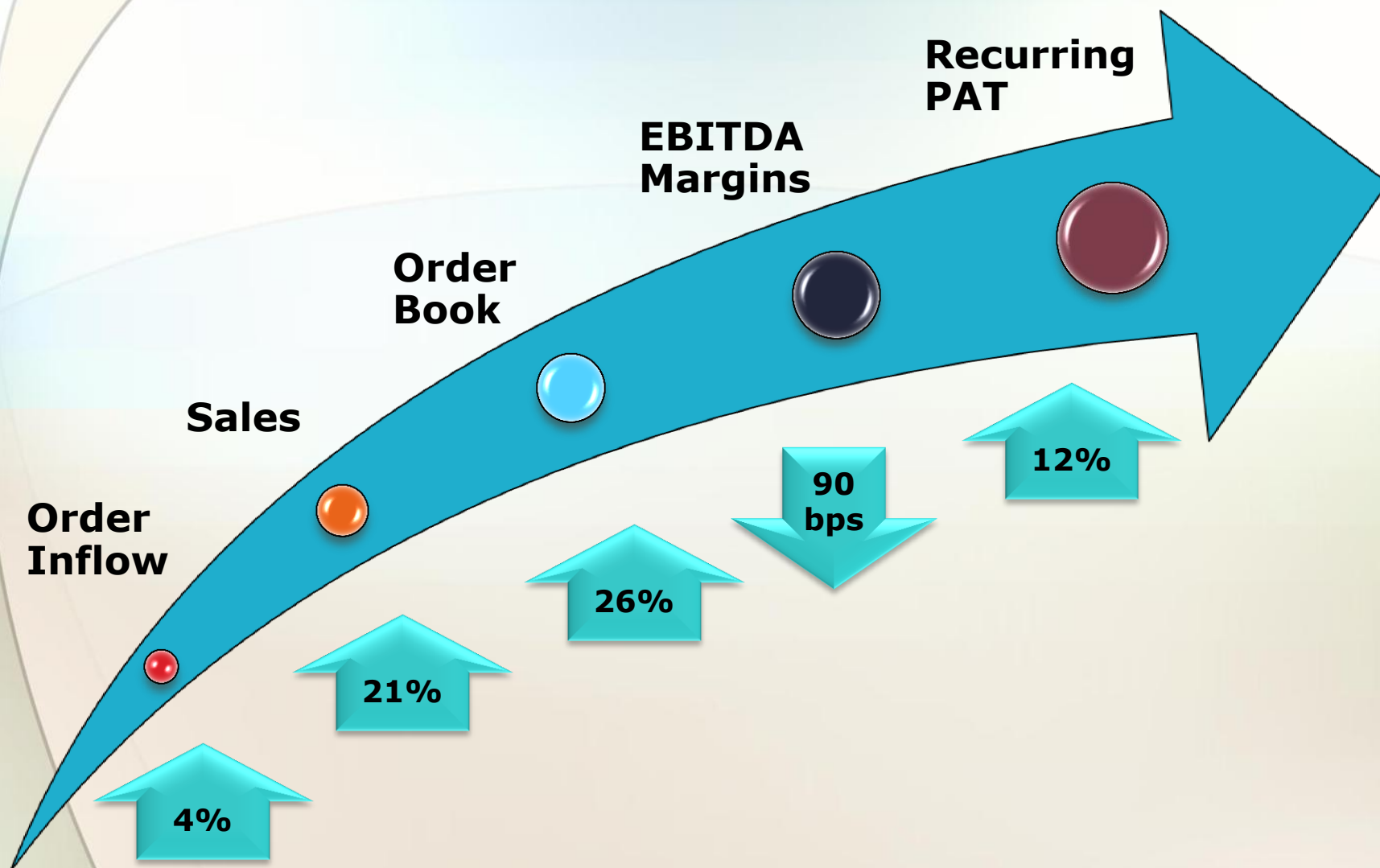
Q1 FY12 Performance Summary

Segmental Analysis

Performance of Key Subsidiaries

Outlook

Performance Highlights – Q1 FY12

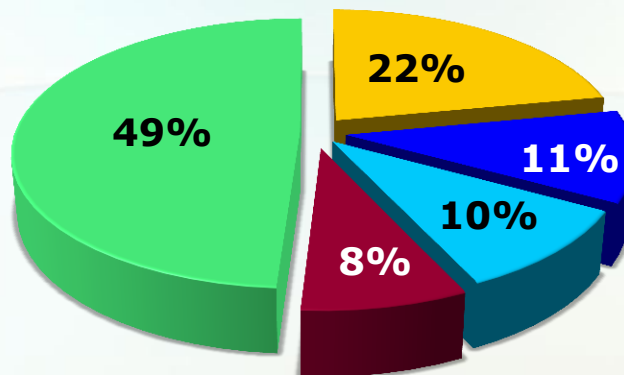


Order Inflow & Order Book – Q1 FY12



Sectoral Break-up

Order Inflow ₹ 161.90 Bn



Infrastructure

- ▶ Roads & Bridges
- ▶ Ports & Harbours
- ▶ Airports
- ▶ Railways
- ▶ Buildings & Factories
- ▶ Urban Infra
- ▶ Water

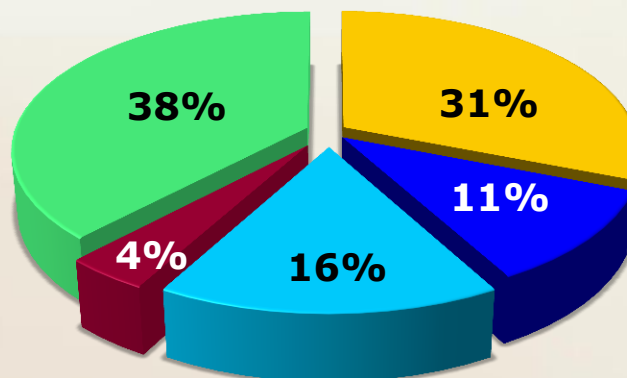
Power

- ▶ Generation
- ▶ Equipment
- ▶ Electrification / Transmission & Distribution

Hydrocarbons

- ▶ Upstream
- ▶ Mid & Downstream
- ▶ Pipelines
- ▶ Fertilizer

Order Book ₹ 1361.72 Bn



Others

- ▶ Shipbuilding
- ▶ Defense & Aerospace
- ▶ Construction & Mining Eqpt.
- ▶ Electrical & Electronic Products
- ▶ Technology Services

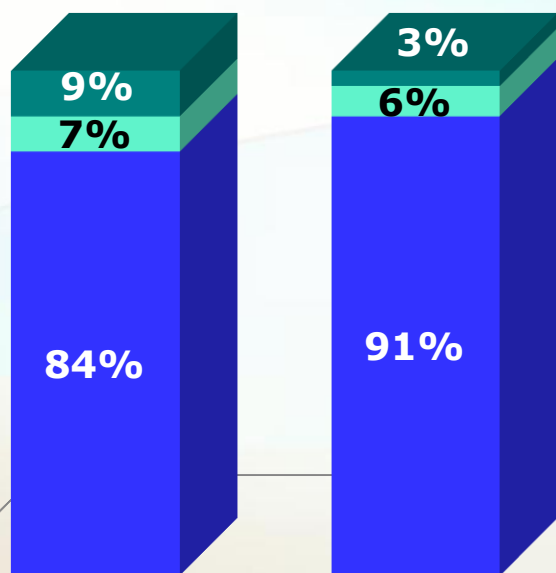
Process

- ▶ Minerals & Metals
- ▶ Bulk Material Handling

Order Inflow & Order Book – Q1 FY12



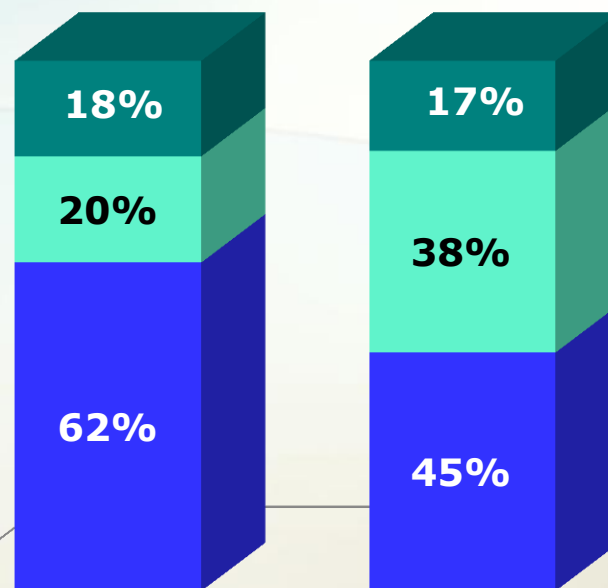
Geographical Break-up



Order Inflow Order Book

■ Domestic ■ Middle East ■ Others

Customer Profile



Order Inflow Order Book

■ Private ■ Public (Incl. PSUs) ■ Devl. Projects - L&T

Performance Summary - Topline



₹ Billion	Q1 FY12	Q1 FY11	% Change	FY11
Order Inflows	161.90	156.24	4%	797.69
--- Export Order Inflows	26.26	17.61		79.61
Order Book	1,361.72	1,078.16	26%	1,302.17
Net Sales / Revenue from Operations	94.83	78.31	21%	439.40
--- Export Revenue	10.59	10.47		46.61

- ▮ Level of Order Inflows reflective of challenging economic environment
- ▮ Export business showing signs of pickup
- ▮ Robust Order Book position around 3x sales
- ▮ Project Execution on track

Performance Summary – Operational Costs



Particulars	Q1 FY12		Q1 FY11	
	₹ Bn	% to Total Net Rev.	₹ Bn	% to Total Net Rev.
Mfg, Cons. & Opex (MCO)	73.08	77.0%	60.39	77.1%
Staff Costs	7.66	8.1%	5.64	7.2%
Sales, adm. & other Exp.	2.82	3.0%	2.23	2.9%
Total Opex	83.56	88.1%	68.26	87.2%

- ▀ MCO expenses are commensurate with activity level
- ▀ Rise in Staff cost led by manpower increase and compensation restructuring
- ▀ Increase in Sales, admin & other exp in line with Revenues

Performance Summary – Profitability



₹ Billion	Q1 FY12	Q1 FY11	% Change	FY11
EBITDA	11.26	10.05	12%	56.52
EBITDA Margins	11.9%	12.8%	-0.9%	12.9%
Interest Expenses	(1.61)	(1.29)	25%	(6.66)
Depreciation	(1.68)	(1.14)	47%	(5.99)
Other Income	2.96	2.15	38%	11.85
Provision for Taxes	(3.47)	(3.11)	12%	(18.96)
Recurring PAT	7.46	6.66	12%	36.76
Extraordinary & Exceptional Items (Net of tax)	-	-		2.82
Profit after Tax	7.46	6.66	12%	39.58

- Drop in EBITDA margins resulting from job-mix change and seasonality of project execution
- Rise in interest expenses influenced by increased interest rates
- Asset additions in previous year driving increase in depreciation
- Increase in Other income primarily due to treasury operations

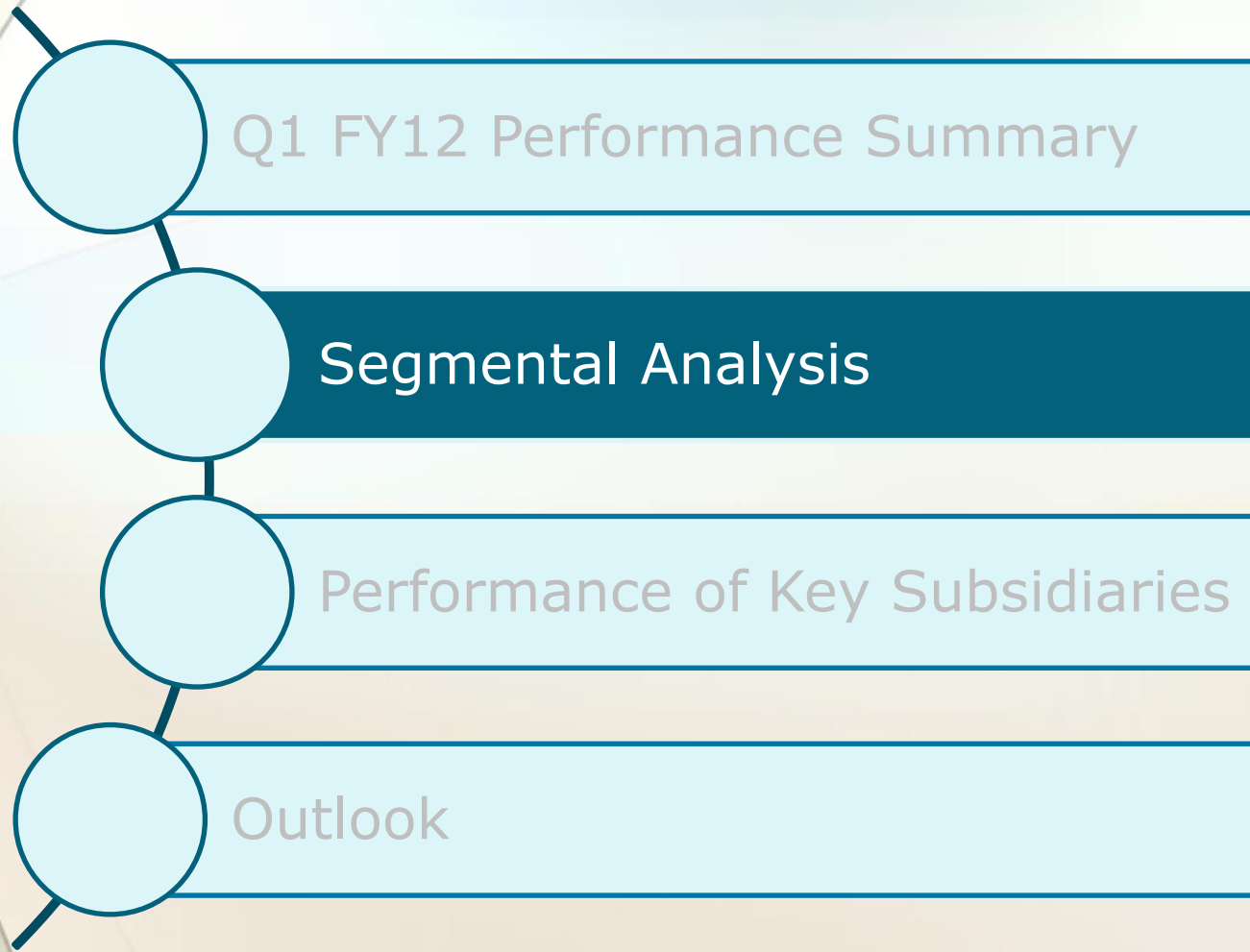


Performance Summary – Balance Sheet

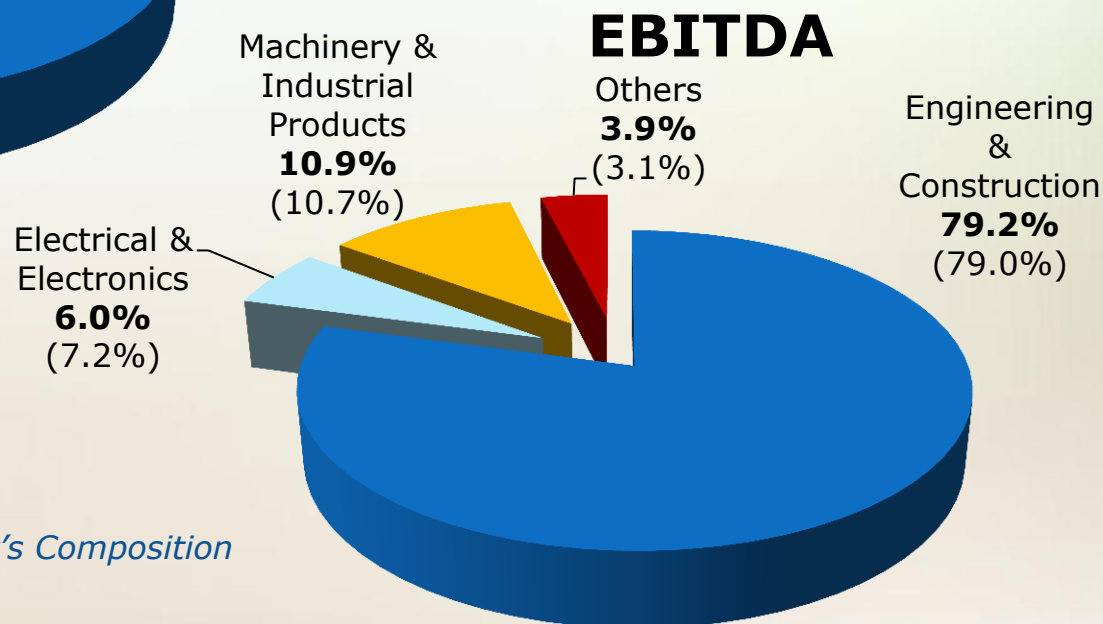
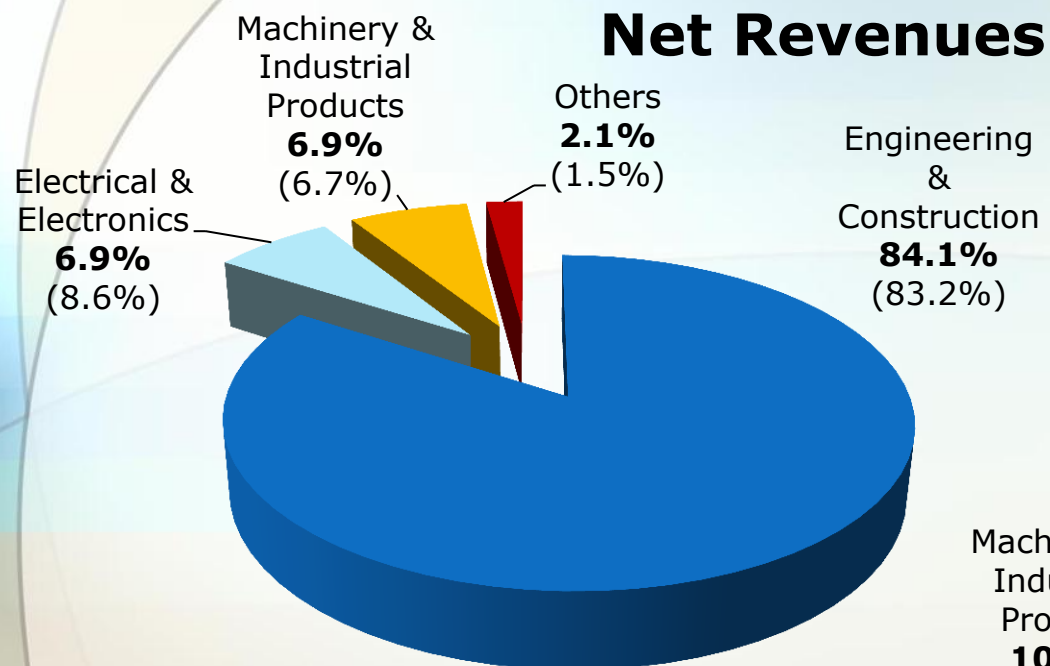
₹ Billion	Jun -11	Mar-11	Incr / (Decr)
Net Worth	227.11	218.46	8.65
Non-Current Liabilities	70.59	64.06	6.53
Current Liabilities	279.79	288.47	(8.68)
Total Sources of Fund	577.49	570.99	6.50
Fixed (Non-Current) Assets	75.72	74.16	1.56
Other Non- Current Investments	3.07	2.45	0.62
Invst./ICDs/Loans & Advances to S&A Cos	107.16	106.00	1.16
Current Investments	73.53	72.84	0.69
Cash & Bank Balances	8.59	17.30	(8.71)
Long term loans and advances	12.51	8.73	3.78
Other Current Assets	296.91	289.51	7.40
Total Application of Fund	577.49	570.99	6.50

- Well capitalised Balance sheet
- Gross Debt Equity: 0.34
- Capex outlay: ₹ 3.58 Bn
- Robust Cash position to fund future growth
- Increase in Segmental NWC (from 7.9% to 10.3% of Sales) – support to vendors in a tight liquidity environment

Presentation Outline



Segmental Break-up – Q1 FY12



Figures in the bracket indicate Previous Year's Composition

'Engineering & Construction' Segment



₹ Billion	Q1 FY12	Q1 FY11	% Change	FY11
Total Order Inflows	144.16	138.45	4%	730.13
--- Exports	23.18	14.61		67.01
Total Order Book	1,337.39	1,055.12	27%	1,280.00
--- Exports	112.15	75.37		92.57
Total Net Revenues	79.77	65.12	22%	377.78
--- Exports	7.37	8.50		37.31
EBITDA	9.47	8.94	6%	51.78
EBITDA Margins	11.9%	13.7%	-1.8%	13.7%
Net Segment Assets	88.30	70.52	25%	75.33

- Ordering environment still witnessing deferral of award decisions and stiff competition
- Execution of existing orders in line with forecast
- Power EPC execution ramp up continues
- Drop in EBITDA margins arising out of input costs and non-linear margin accruals
- Increase in Net Segment assets due to higher NWC

'Electrical & Electronics' Segment



₹ Billion	Q1 FY12	Q1 FY11	% Change	FY11
Total Net Revenues	6.56	6.77	-3%	28.36
--- Exports	0.61	0.53		2.04
EBITDA	0.71	0.82	-13%	4.75
EBITDA Margins	10.8%	12.1%	-1.3%	16.8%
Net Segment Assets	12.78	11.09	15%	11.86

- ▀ Dip in revenues – outcome of muted industrial demand and tight money conditions
- ▀ Margins under pressure from high input cost, increased competition and lower volumes

'Machinery & Industrial Products' Segment

₹ Billion	Q1 FY12	Q1 FY11	% Change	FY11
Total Net Revenues	6.51	5.22	25%	26.66
--- Exports	0.97	0.31		2.16
EBITDA	1.31	1.20	9%	5.64
EBITDA Margins	20.1%	23.0%	-2.9%	21.2%
Net Segment Assets	5.60	1.76	218%	4.70

- ▀ Sales growth driven by industrial machinery and valves
- ▀ Revival seen in valves and rubber processing machinery export markets
- ▀ Margin drop due to price pressures and product mix
- ▀ Increase in Net Segment assets on account of higher NWC

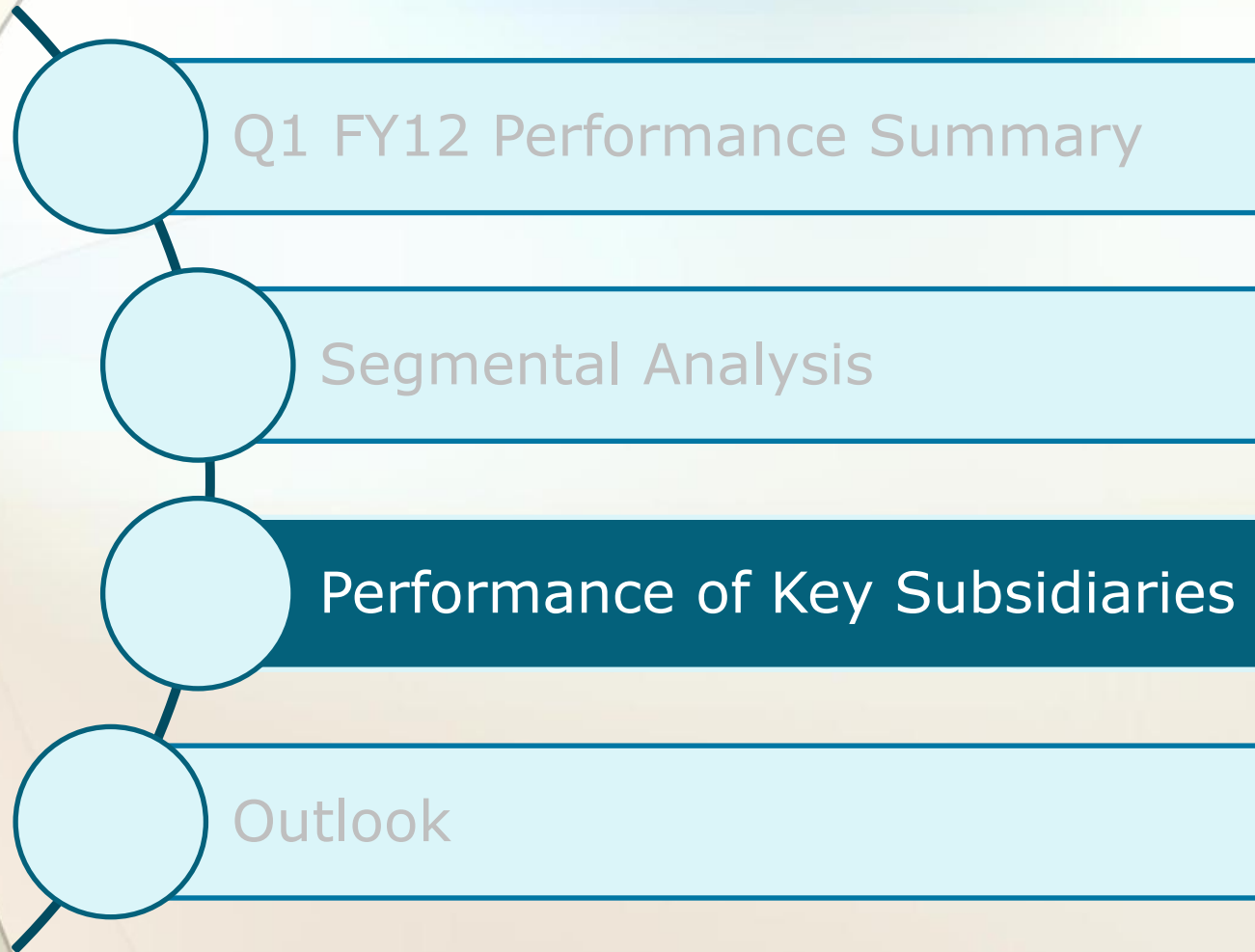
'Others' Segment



₹ Billion	Q1 FY12	Q1 FY11	% Change	FY11
Total Net Revenues	1.99	1.20	66%	6.60
--- Exports	1.65	1.12		5.11
EBITDA	0.46	0.35	31%	1.30
EBITDA Margins	23.2%	29.4%	-6.2%	19.7%
Net Segment Assets	5.68	3.97	43%	5.43

- ▀ Steady increase in North American & Europe revenues of Integrated Engineering services
- ▀ Margins reflect investment in capacity

Presentation Outline



₹ Billion	Q1 FY12	Q1 FY11	% Change
Total Income	7.37	5.66	30%
Profit After Tax	0.95	0.81	18%
PAT Margins	12.9%	14.2%	-1.3%

- Revenue growth mainly from North American markets
- PAT Margins affected by expiry of STPI Tax benefits

Developmental Projects



Roads & Bridges

- 16 projects
- 6677 Lane Km
- Proj. Cost: ₹ 156 Bn



Power

- 5 projects
- 2828 MW
- Proj. Cost: ₹ 211 Bn



Ports

- 3 projects
- 45 MTPA
- Proj. Cost: ₹ 57 Bn



Metro Rails

- 1 project
- 71.16 Km
- Proj. Cost: ₹ 164 Bn



Urban Infra

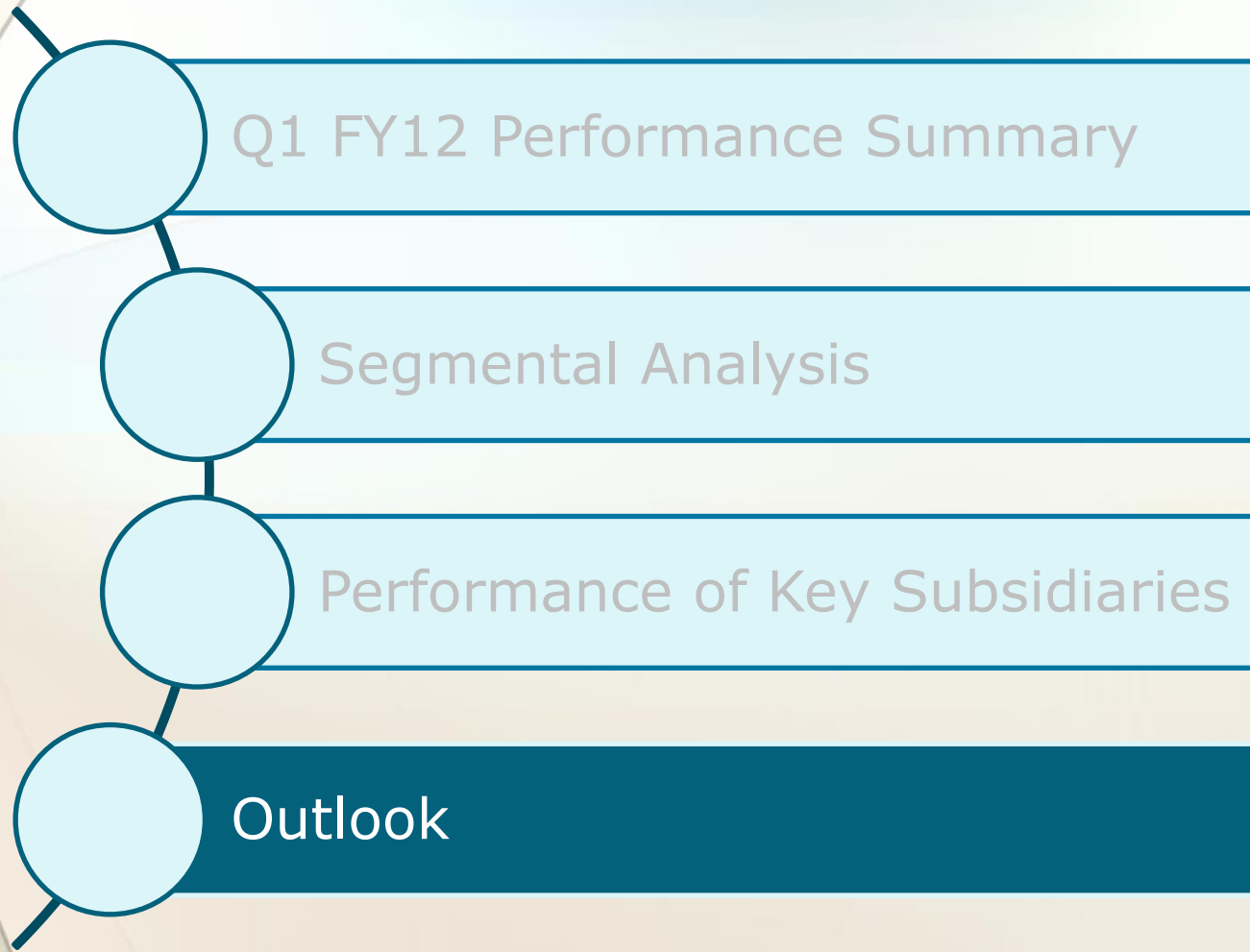
- 12 projects
- 19.2 Million sq.ft
- Proj. Cost: ₹ 65 Bn

Total Project Cost (June 2011): ₹ 653 Bn

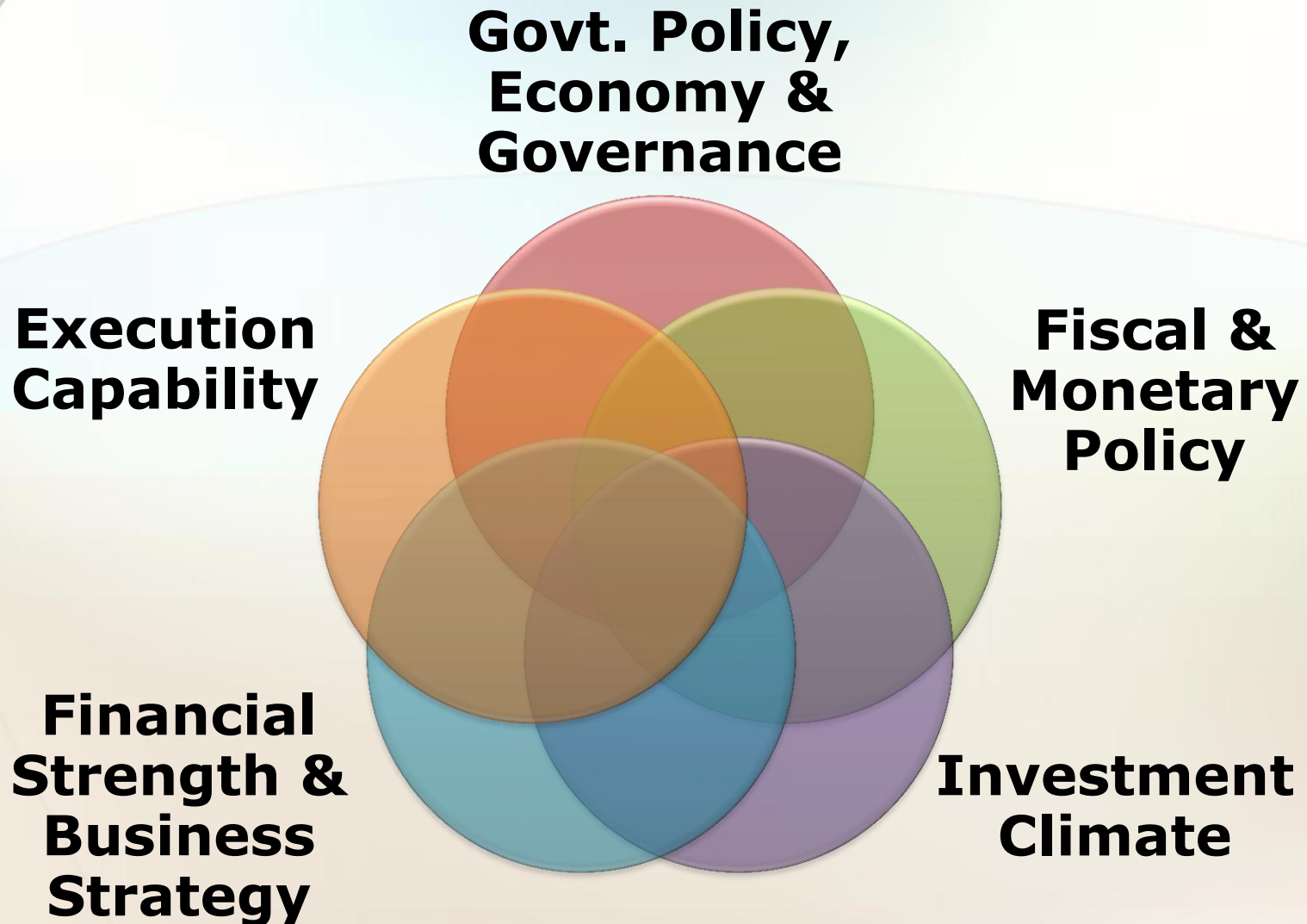
Total Equity Commitment (June 2011): ₹ 130 Bn

Total Equity Invested (June 2011): ₹ 44 Bn

Presentation Outline



FACTORS AFFECTING OUTLOOK





Thank You

Annexure 1: Major Order Inflows in Q1 FY12

Project Details	₹ Bn
Domestic:	
Four Laning of 244 km stretch of NH 14 between Beawar & Pindwara, Rajasthan for L&T BPP Tollway Private Limited	17.10
EPC for 1 X 360 MW Gas based Combined Cycle Power Plant at Tamilnadu for PPN Power Generating Co. Pvt. Ltd.	14.00
Civil Works for L&T Metro Rail (Hyderabad) Ltd	12.00
Coke Oven Battery & By-Products Plant for Tata Steel Limited at Kalinganagar, Orissa	8.25
Design & Expansion works at Bengaluru International Airport - Terminal I, Karnataka for Bangalore International Airport Limited	7.96
LSTK Contract for Construction of Hosur Krishnagiri Road (NH 7), Tamilnadu for Reliance Infrastructure Ltd.	5.09
International:	
EPC contract for Zawtika Wellhead Platforms for PTTEP-International LTD of Thailand	10.09
Supply, Installation, Erection & Commissioning of 5 nos 33/11KV Electrical Substations & associated 33KV Substation (Project Contract No: 1001-272) for Abudhabi Ports Company, UAE	4.19
Construction of PO and LDPE plant for Technimont-Samsung JV at UAE	3.25



Annexure 2: Details of Other Income

₹ Billion	Q1 FY12	Q1 FY11
Interest Income	1.36	0.65
Dividend from S&A Companies	0.56	0.49
Income from Other Investments	0.28	0.56
Profit on sale of investments	0.17	0.01
Miscellaneous Income	0.59	0.44
Total - Other Income	2.96	2.15