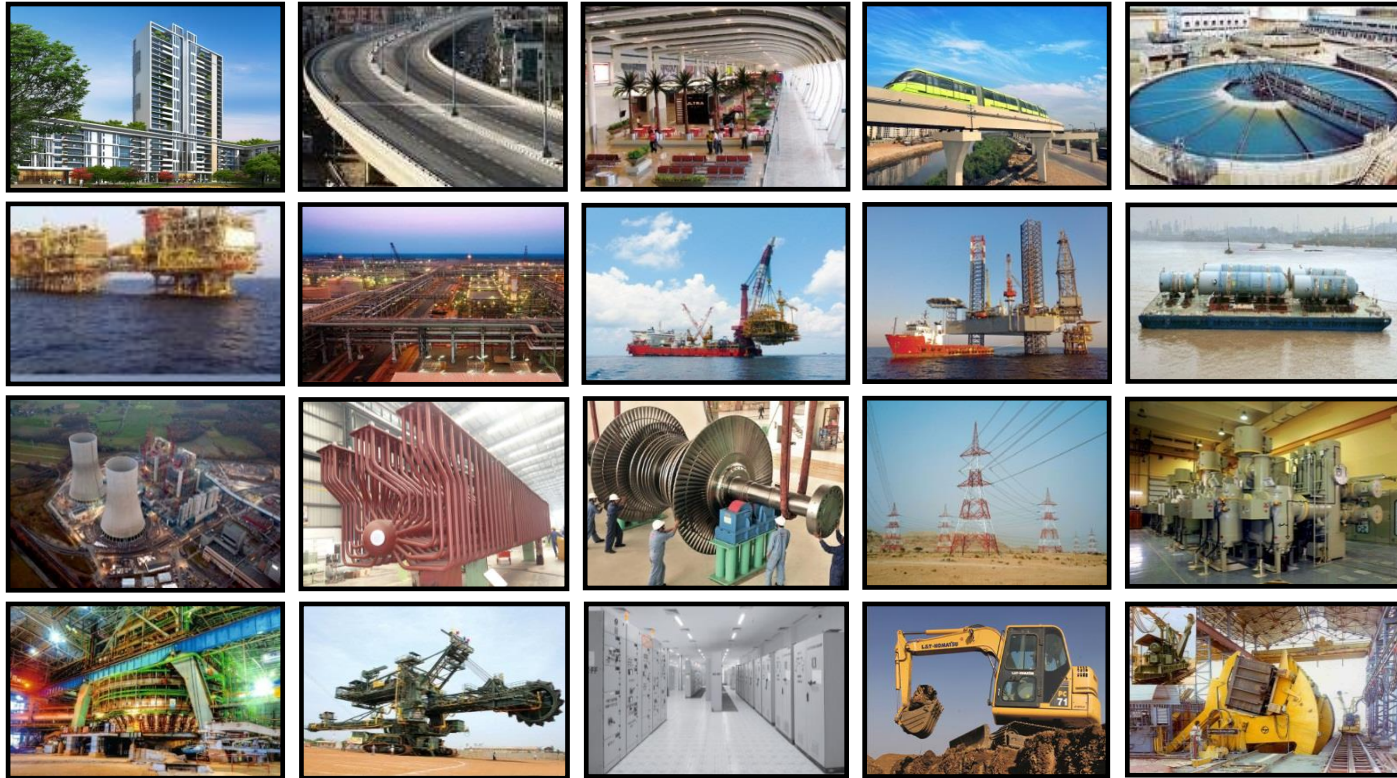


# Analyst Presentation - Q1 FY14



July 22, 2013

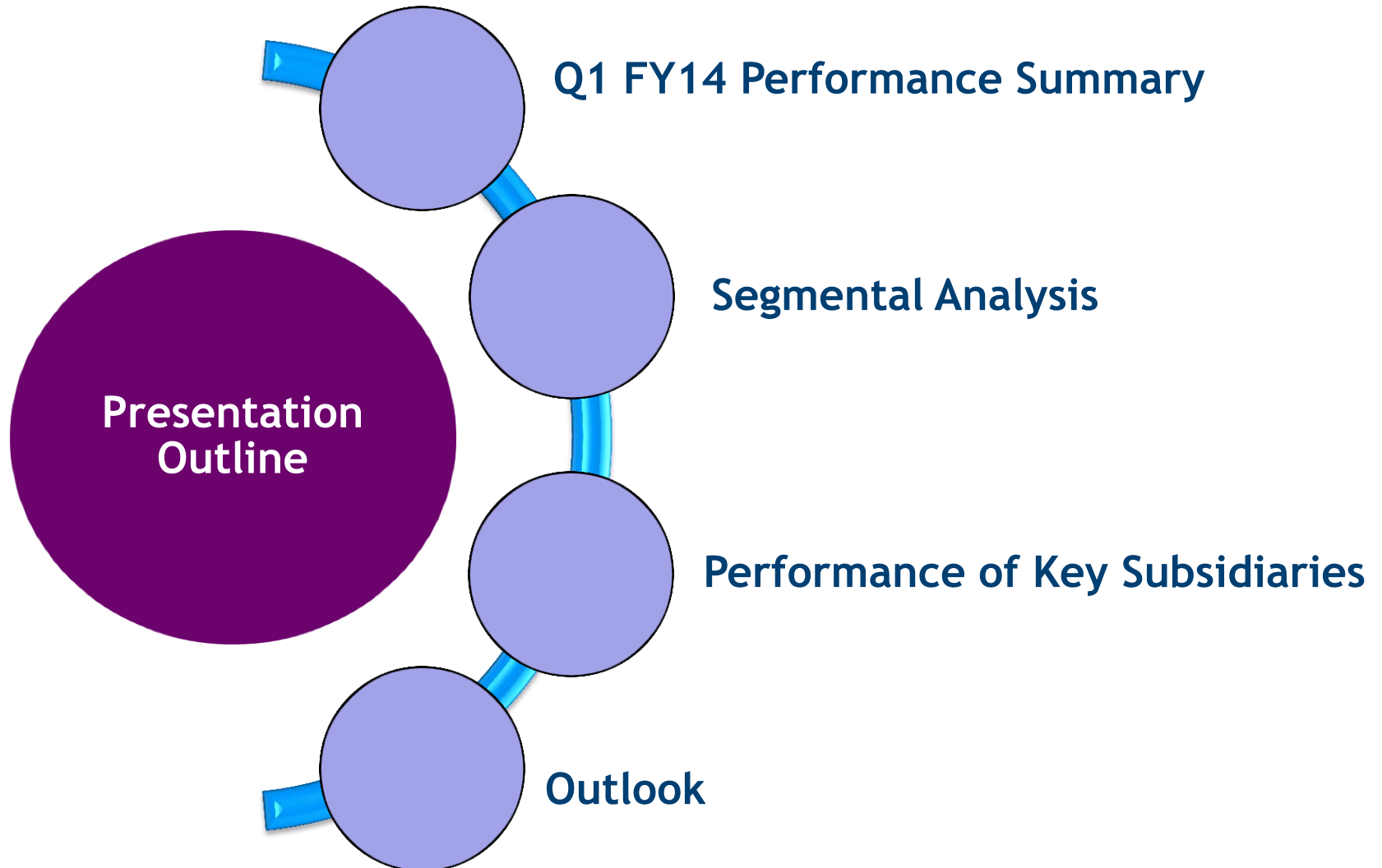
# Disclaimer

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.

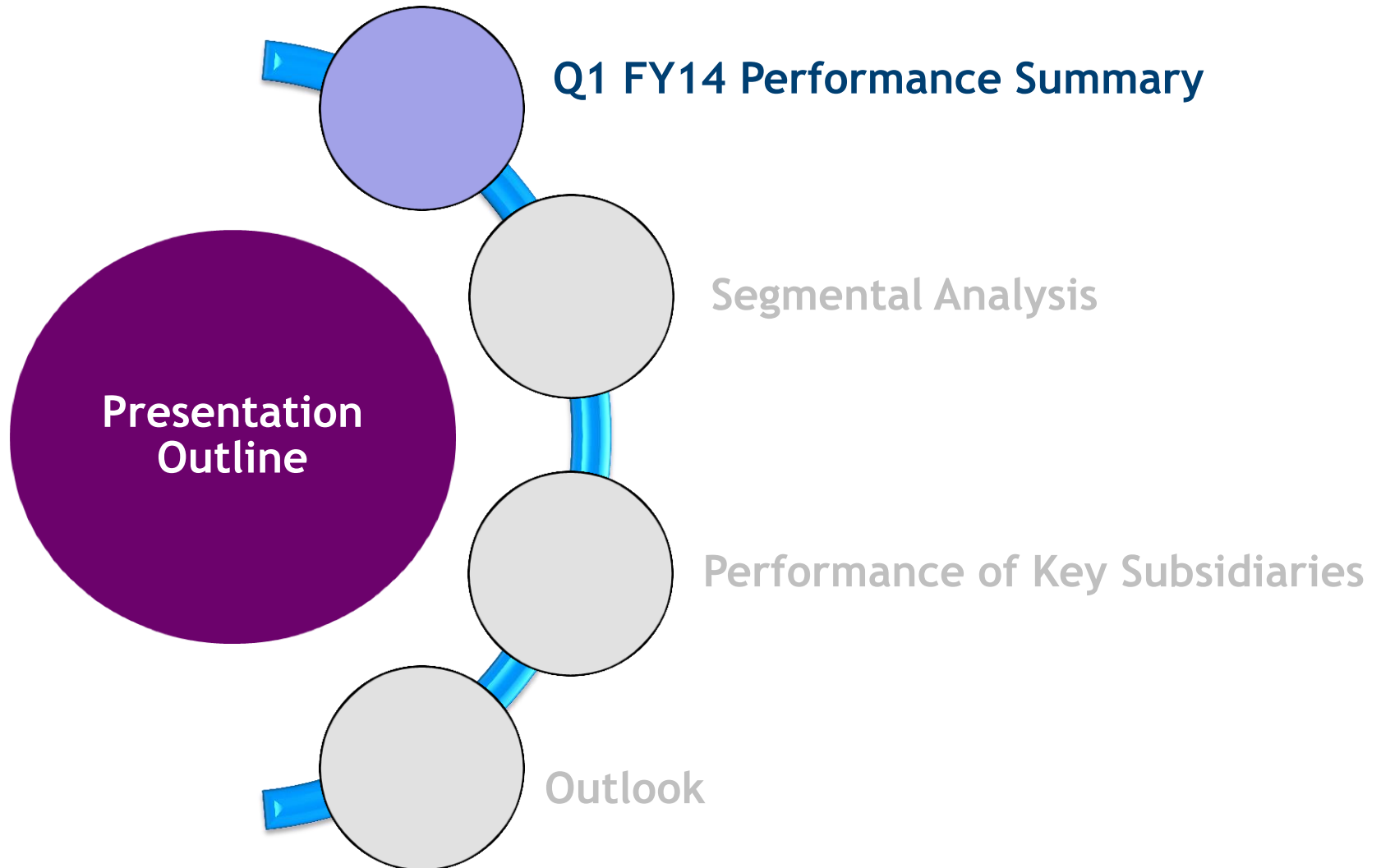
The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to 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.

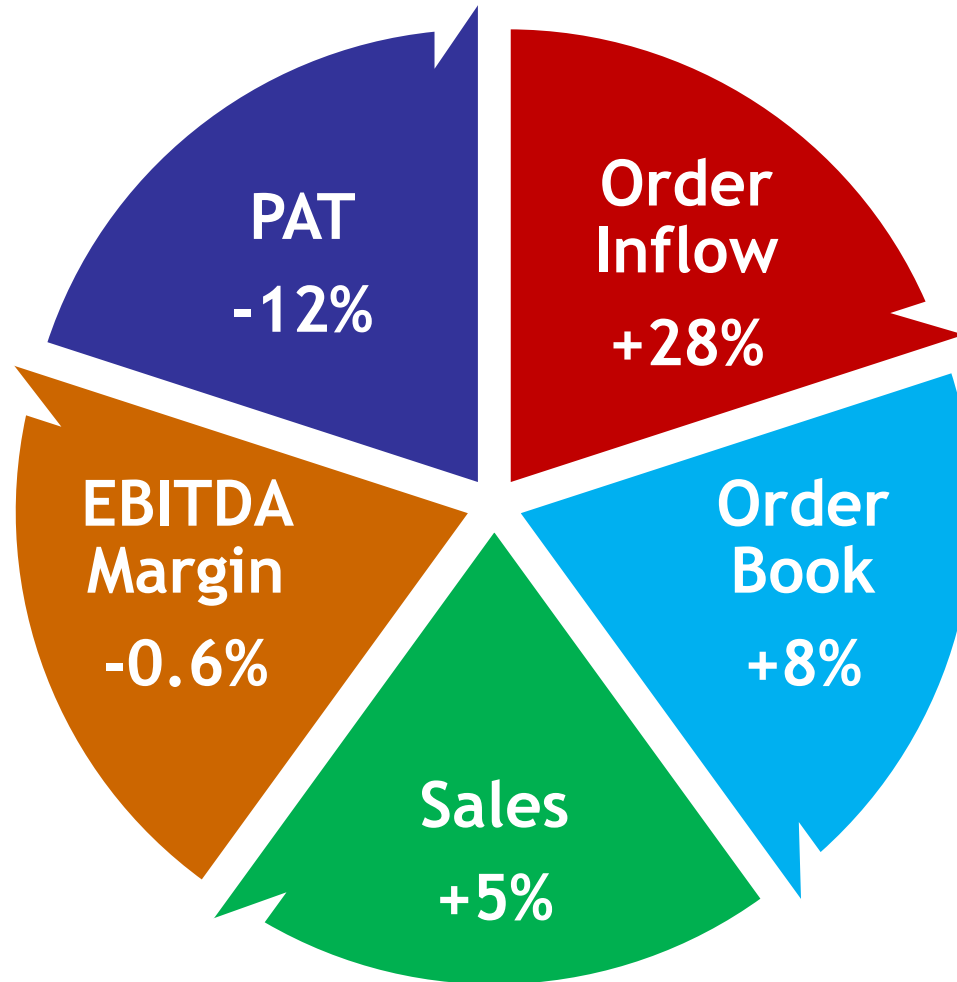
# Presentation Outline



# Presentation Outline



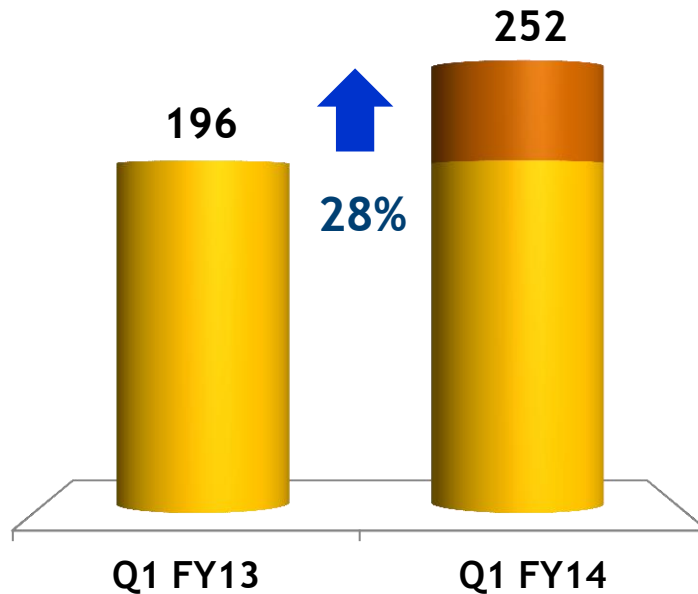
# Performance Highlights - Q1 FY14



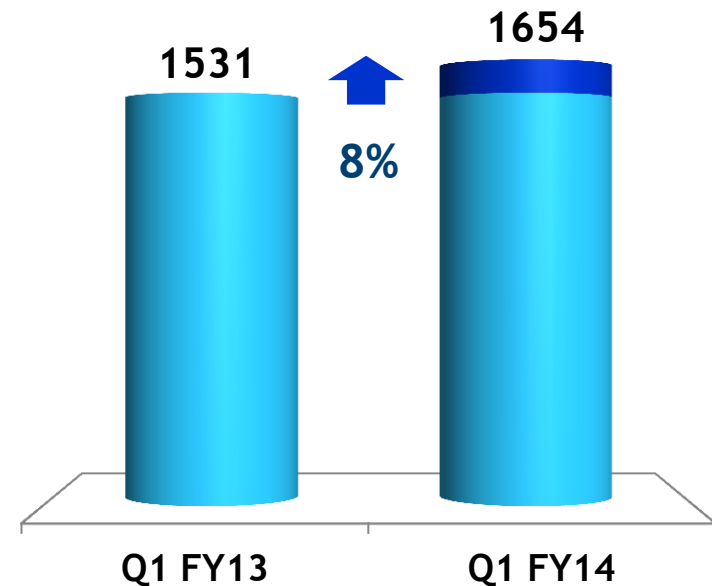
# Order Inflow & Order Book

Amount in ₹ Bn

## Order Inflow

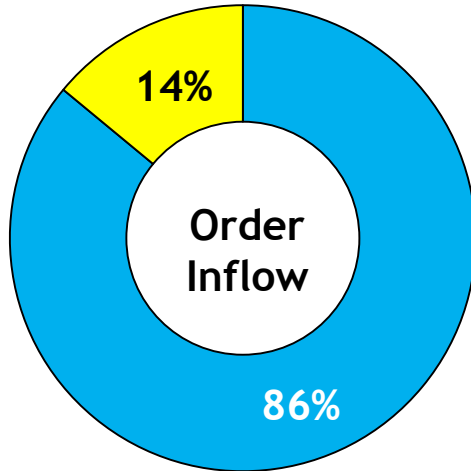


## Order Book

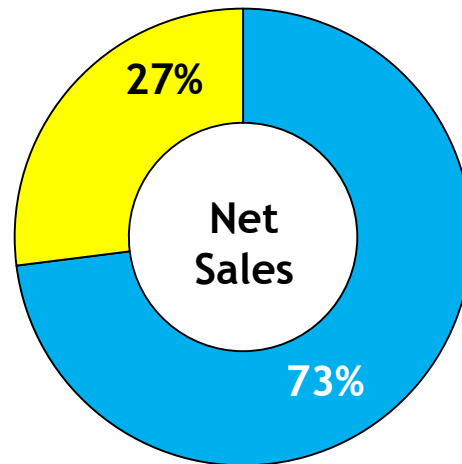


- Early gains in FY14 led by a few big ticket orders
- Order Inflows driven by Infrastructure and Hydrocarbon segments
- Diversity of business portfolio smoothening sectoral cyclicity
- Power, Metals & Industrial sectors continue to witness depressed Investment momentum

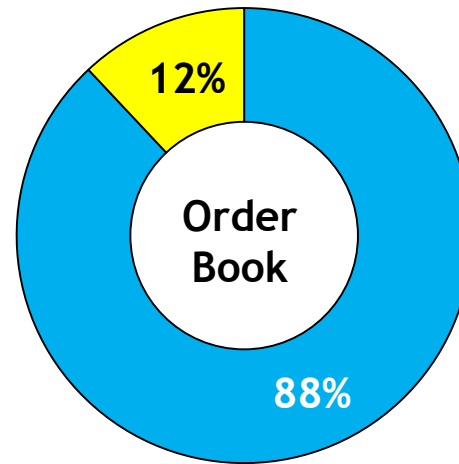
# Order Composition - Q1 FY14



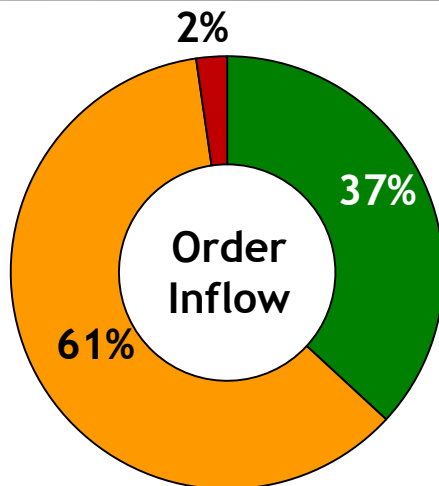
■ Domestic



■ International



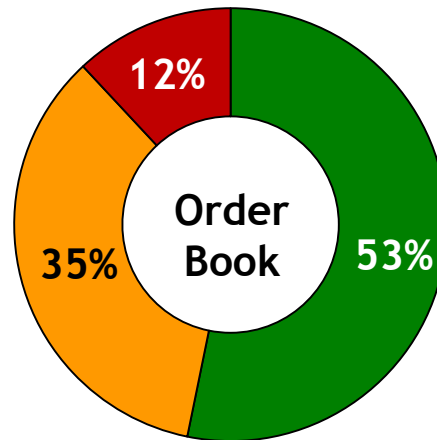
Geographical  
Break-up



■ Private

■ Public

■ Concessions Business - L&T



Customer Profile

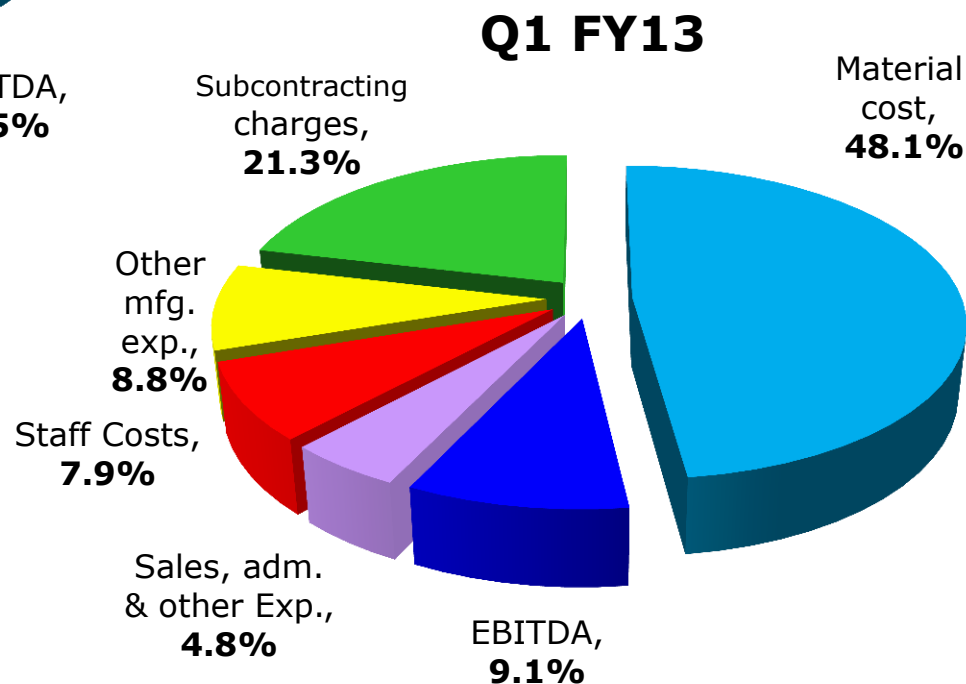
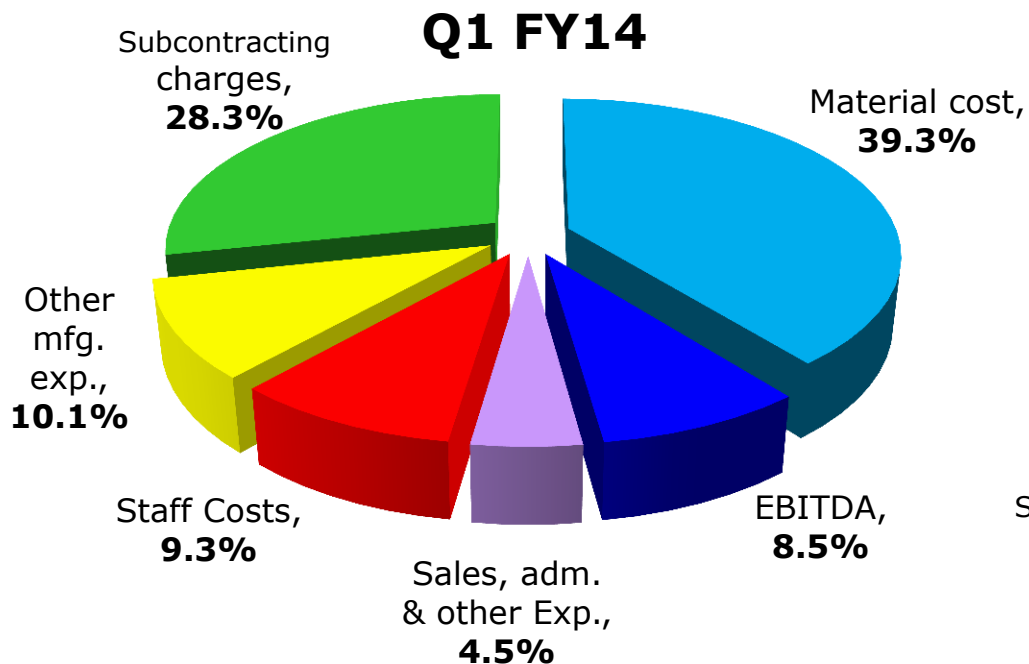
# Performance Summary - Sales to EBITDA

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
<b>Net Sales / Revenue from Operations (A)</b>	<b>125.55</b>	<b>119.55</b>	<b>5%</b>	<b>608.73</b>
----Export Sales	33.78	20.14	68%	121.98
Mfg, Cons. & Opex (MCO)	97.49	93.52	4%	479.52
Staff Costs	11.69	9.47	23%	44.36
Sales, adm. & other Exp.	5.66	5.71	-1%	20.78
<b>Total Opex (B)</b>	<b>114.84</b>	<b>108.70</b>	<b>6%</b>	<b>544.66</b>
<b>EBITDA (A-B)</b>	<b>10.71</b>	<b>10.85</b>	<b>-1%</b>	<b>64.07</b>

- Modest Sales growth - outcome of non-linear project execution, declining order book in power and metal sectors, and lower growth in product businesses
- Export Sales acceleration led by Hydrocarbon
- MCO expenses in line with project execution and job mix
- Spike in staff costs - result of manpower increase and compensation revisions
- SGA charge in line with level of operations



# Performance Summary - Operational Costs & Profitability

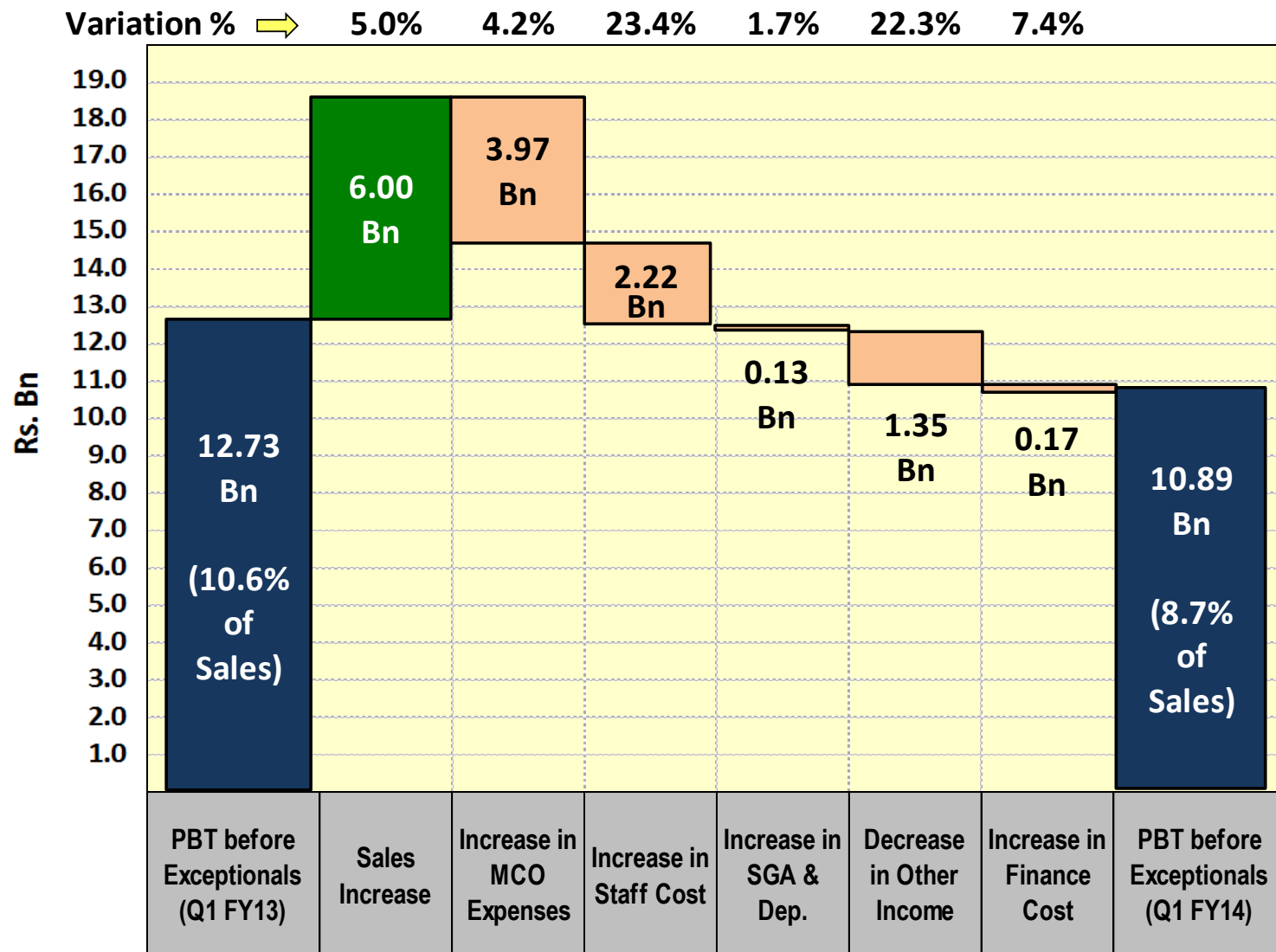


# Performance Summary - Profitability

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
EBITDA	10.71	10.85	-1%	64.07
<b>EBITDA Margins</b>	<b>8.5%</b>	<b>9.1%</b>	<b>-0.6%</b>	<b>10.5%</b>
Interest Expenses	(2.45)	(2.28)	7%	(9.82)
Depreciation	(2.10)	(1.92)	10%	(8.19)
Other Income	4.73	6.08	-22%	18.51
<b>Profit Before Taxes</b>	<b>10.89</b>	<b>12.73</b>	<b>-14%</b>	<b>64.57</b>
Provision for Taxes	(3.33)	(3.83)	-13%	(17.62)
<b>Recurring PAT</b>	<b>7.56</b>	<b>8.90</b>	<b>-15%</b>	<b>46.95</b>
Exceptional / Extraordinary Items (Net of tax)	-	(0.26)		2.16
<b>Profit after Tax</b>	<b>7.56</b>	<b>8.64</b>	<b>-12%</b>	<b>49.11</b>

- EBITDA Margins affected by capacity underutilisation, job mix and costs provisions
- Interest expenses increase reflects higher borrowing costs
- Increase in Depreciation due to fixed assets additions in FY13
- Drop in other income due to lower dividends and interest earnings
- Q1 FY13 Exceptional item - VRS charge

# Profit (PBT) Reconciliation



# Performance Summary - Balance Sheet

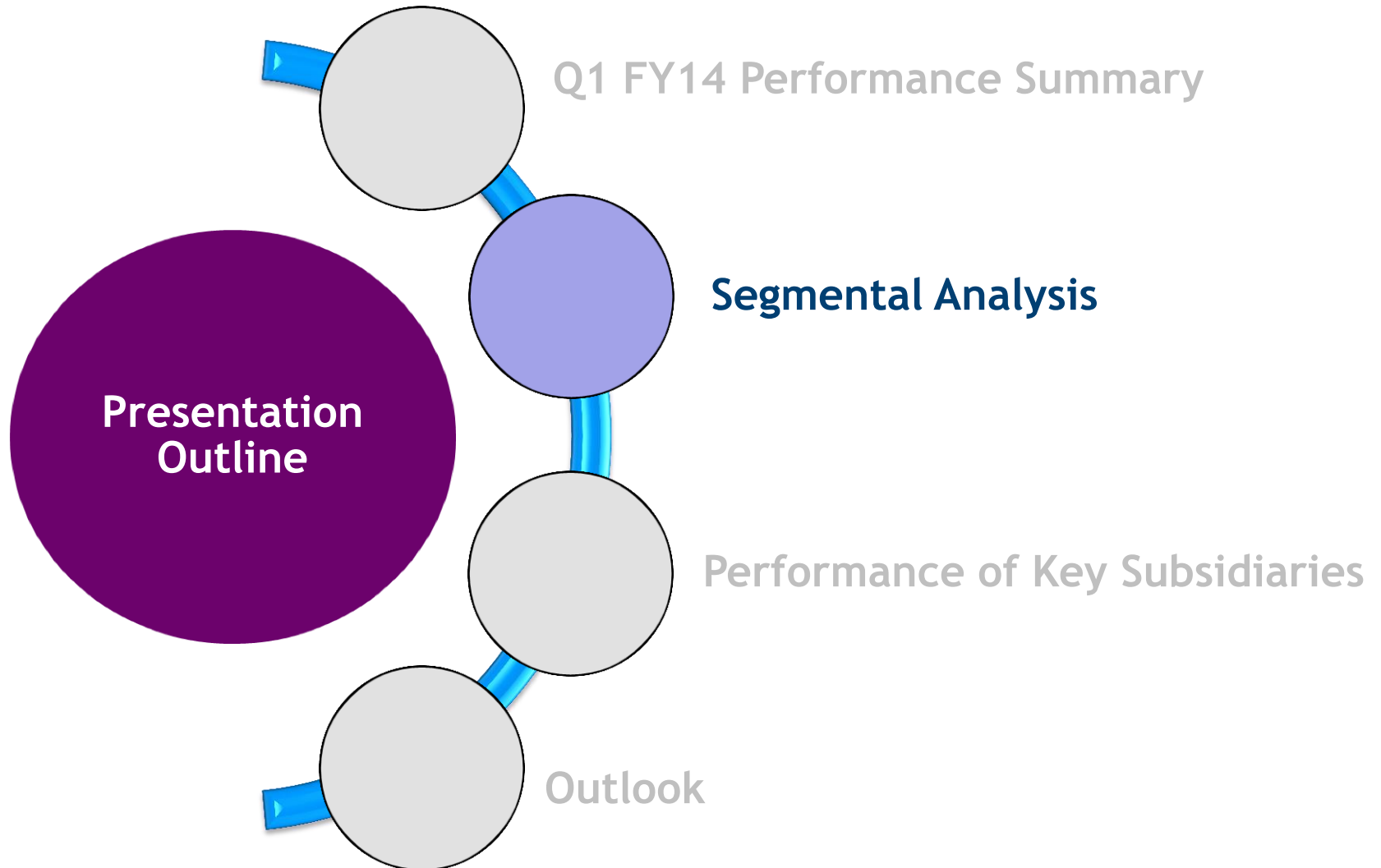
₹ Billion	Jun-13	Mar-13	Incr / (Decr)
Net Worth	298.70	291.43	7.27
Non-Current Liabilities	89.56	83.01	6.55
Current Liabilities	356.92	347.66	9.26
<b>Total Sources</b>	<b>745.18</b>	<b>722.10</b>	<b>23.08</b>
Net Fixed Assets	89.57	89.02	0.55
Investments / Loans to S&A Cos	147.54	141.31	6.23
Other Non- Current Investments / Assets	9.73	9.05	0.68
Liquid Assets	71.42	70.75	0.67
Other Current Assets	426.92	411.97	14.95
<b>Total Applications</b>	<b>745.18</b>	<b>722.10</b>	<b>23.08</b>

- Total Debt: Jun'13 - ₹ 109.39 Bn; Mar'13 - ₹ 88.34 Bn
- Gross D/E: 0.37
- Support to S&A Cos - mainly to Rajpura & Seawoods projects
- Net Working Capital at 17.3% of Sales (Mar'13: 15.4 %)

# Cash Flow Statement

₹ Billion	Q1 FY14	Q1 FY13
Operating Profit	13.27	13.15
Adjustments for NWC	(23.52)	(26.49)
Direct Taxes (Paid) / Refund - Net	(2.94)	(2.66)
<b>Net Cash from Operations</b>	<b>(13.19)</b>	<b>(16.00)</b>
Investments in Fixed Assets (Net)	(2.41)	(3.98)
Investments / Loans to S&A Cos (Net)	(6.34)	(12.73)
(Purchase) / Sale of Current Investments (Net)	(6.07)	9.81
Interest & Div. Received from Investments	3.31	4.70
<b>Net Cash from / (used in) Investing Activities</b>	<b>(11.51)</b>	<b>(2.20)</b>
Proceeds from Issue of Share Capital	0.48	0.21
Borrowings (Net)	20.75	11.63
Interests paid	(2.61)	(2.03)
<b>Net Cash from Financing Activities</b>	<b>18.62</b>	<b>9.81</b>
<b>Net (Dec) / Inc in Cash &amp; Cash Equiv.</b>	<b>(6.08)</b>	<b>(8.39)</b>

# Presentation Outline

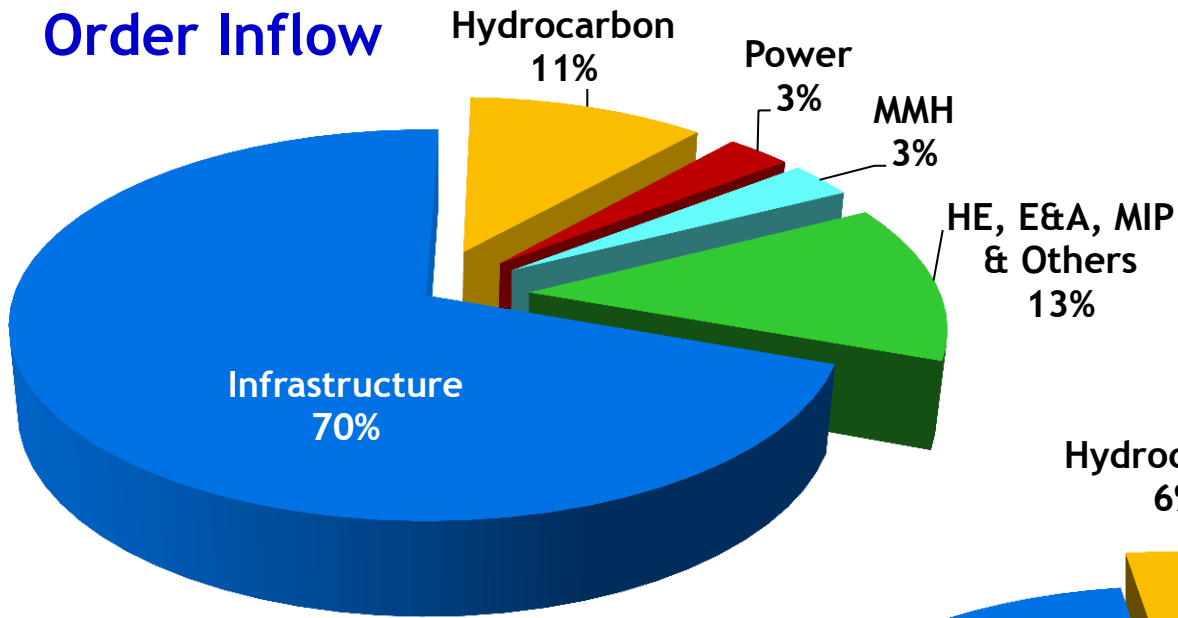


# The New Segments - what they mean . . .

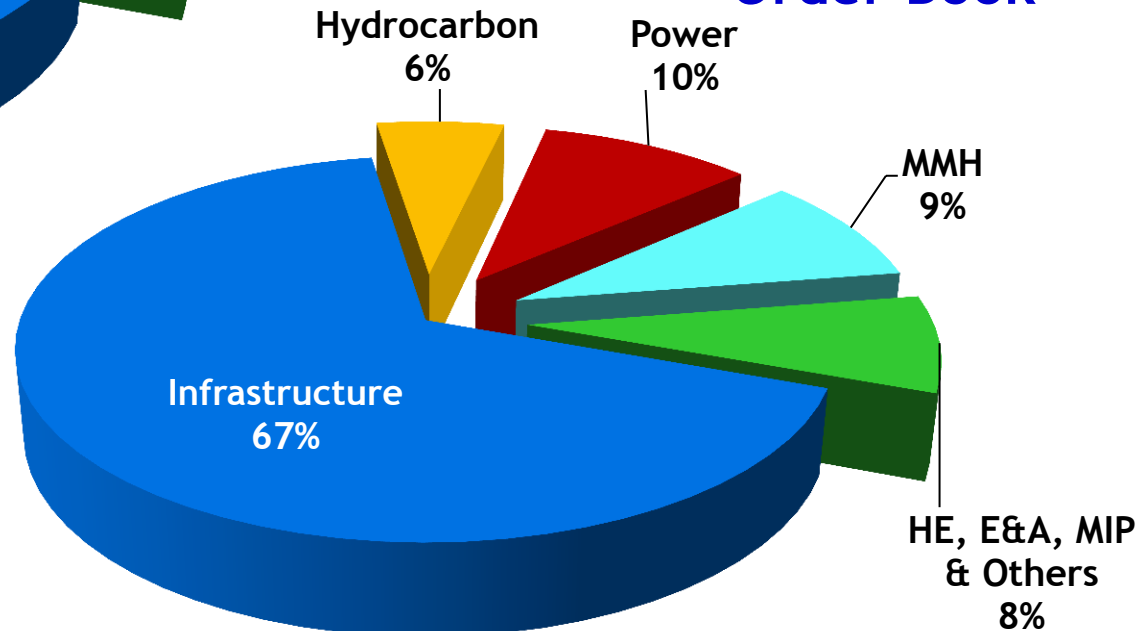
<b>Infrastructure</b> Building & Factories Transportation Infra Heavy Civil Infra Water & Renewable Energy Power T&D	<b>Hydrocarbon</b> Upstream Mid & Downstream Construction & Pipelines	<b>Power</b> EPC - Coal & Gas Thermal Power Plant Constr. Critical Piping Electrostatic Precipitators	<b>Metallurgical &amp; Material Handling</b> Ferrous Non Ferrous Bulk Material Handling
<b>Heavy Engineering</b> Process Plant Equipment Nuclear Power Plant Equipment Defence & Aerospace	<b>Electrical &amp; Automation</b> Electrical Standard Products Metering & Protection Electrical Systems & Equipment Control & Automation	<b>Machinery &amp; Ind. Products</b> Construction & Mining Equipment Industrial Machinery Industrial Products	<b>Others</b> Technology Services Ship-Building Realty

# Segmental Breakup of Orders - Q1 FY14

## Order Inflow



## Order Book

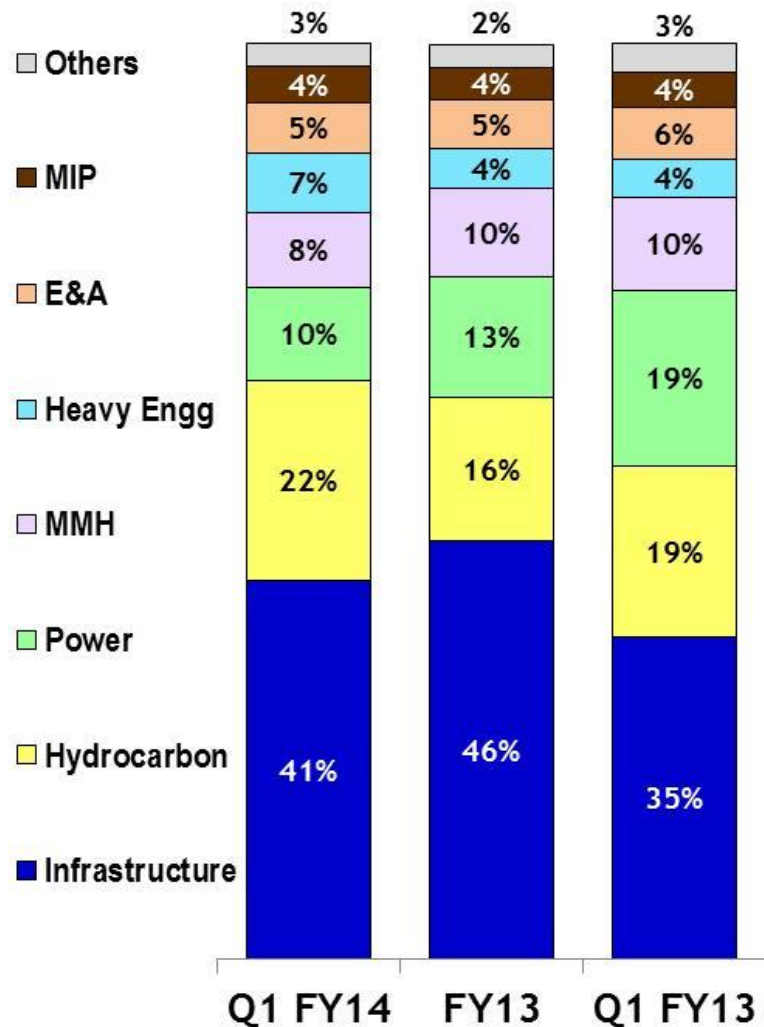




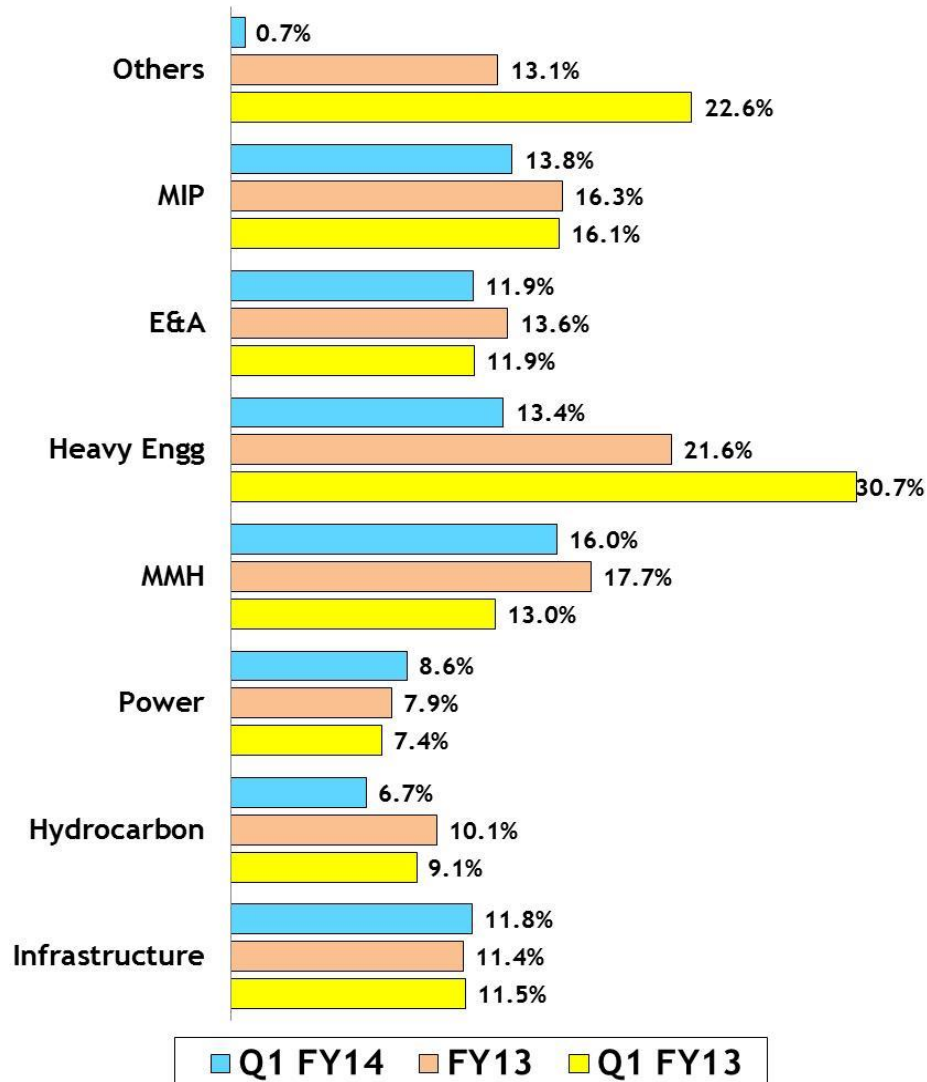
# Segmental Break-up

## Net Segment Revenue

₹ 126 Bn   ₹ 609 Bn   ₹ 120 Bn



## EBITDA Margins



# 'Infrastructure & MMH' Segments

## Infrastructure

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
<b>Net Segment Revenue</b>	<b>51.86</b>	<b>42.11</b>	<b>23%</b>	<b>277.85</b>
--- Exports	8.35	7.59	10%	44.94
EBITDA	6.13	4.84	27%	31.68
<b>EBITDA Margins</b>	<b>11.8%</b>	<b>11.5%</b>	<b>0.3%</b>	<b>11.4%</b>
Capital Employed	95.04	68.01	40%	81.92

## MMH

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
<b>Net Segment Revenue</b>	<b>10.16</b>	<b>12.21</b>	<b>-17%</b>	<b>58.52</b>
--- Exports	0.40	0.06		0.53
EBITDA	1.63	1.58	3%	10.35
<b>EBITDA Margins</b>	<b>16.0%</b>	<b>13.0%</b>	<b>3.0%</b>	<b>17.7%</b>
Capital Employed	27.22	22.18	23%	26.02

- Strong Infra revenue growth driven by sub segments across the board (Buildings, Transportation, T&D, Water)
- Increase in Infra Capital Employed mainly on account of vendor payments
- MMH revenue dip symptomatic of sectoral challenges (mining, environmental, etc.)
- Healthy MMH margin reflects nature of jobs

# 'Hydrocarbon & Heavy Engineering' Segments

## Hydrocarbon (HC)

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
<b>Net Segment Revenue</b>	<b>27.56</b>	<b>22.32</b>	<b>23%</b>	<b>95.40</b>
--- Exports	18.42	6.37	189.0%	46.86
EBITDA	1.84	2.04	-10%	9.63
<b>EBITDA Margins</b>	<b>6.7%</b>	<b>9.1%</b>	<b>-2.4%</b>	<b>10.1%</b>
Capital Employed	17.59	9.32	89%	10.90

## Heavy Engineering (HE)

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
<b>Net Segment Revenue</b>	<b>8.26</b>	<b>4.95</b>	<b>67%</b>	<b>27.48</b>
--- Exports	2.93	1.64	78%	9.57
EBITDA	1.11	1.52	-27%	5.95
<b>EBITDA Margins</b>	<b>13.4%</b>	<b>30.7%</b>	<b>-17.3%</b>	<b>21.6%</b>
Capital Employed	21.57	20.85	3%	20.62

- Rise in Q1 HC revenues along planned lines
- HC Margin dip due to job mix
- HE Quarterly revenue swing due to inherent nature of uneven revenue accruals
- HE overall margin profile reflective of higher engineering content - non-linear payout over quarters

# 'Power and E&A' Segments

## Power

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
Net Segment Revenue	12.74	22.81	-44%	80.57
EBITDA	1.10	1.69	-35%	6.36
EBITDA Margins	8.6%	7.4%	1.2%	7.9%
Capital Employed	4.43	9.17	-52%	6.74

## E&A

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
Net Segment Revenue	6.75	6.77	-0.3%	31.65
--- Exports	0.82	0.71	16%	3.53
EBITDA	0.80	0.81	-1%	4.30
EBITDA Margins	11.9%	11.9%	0.0%	13.6%
Capital Employed	14.29	13.35	7%	12.81

- Fall in Power segment revenues is a consequence of constraints stifling the sector; Margins reflective of current conditions
- Flat E&A sales and margins due to sluggish industrial demand

# ‘MIP and Others’ Segments

## MIP

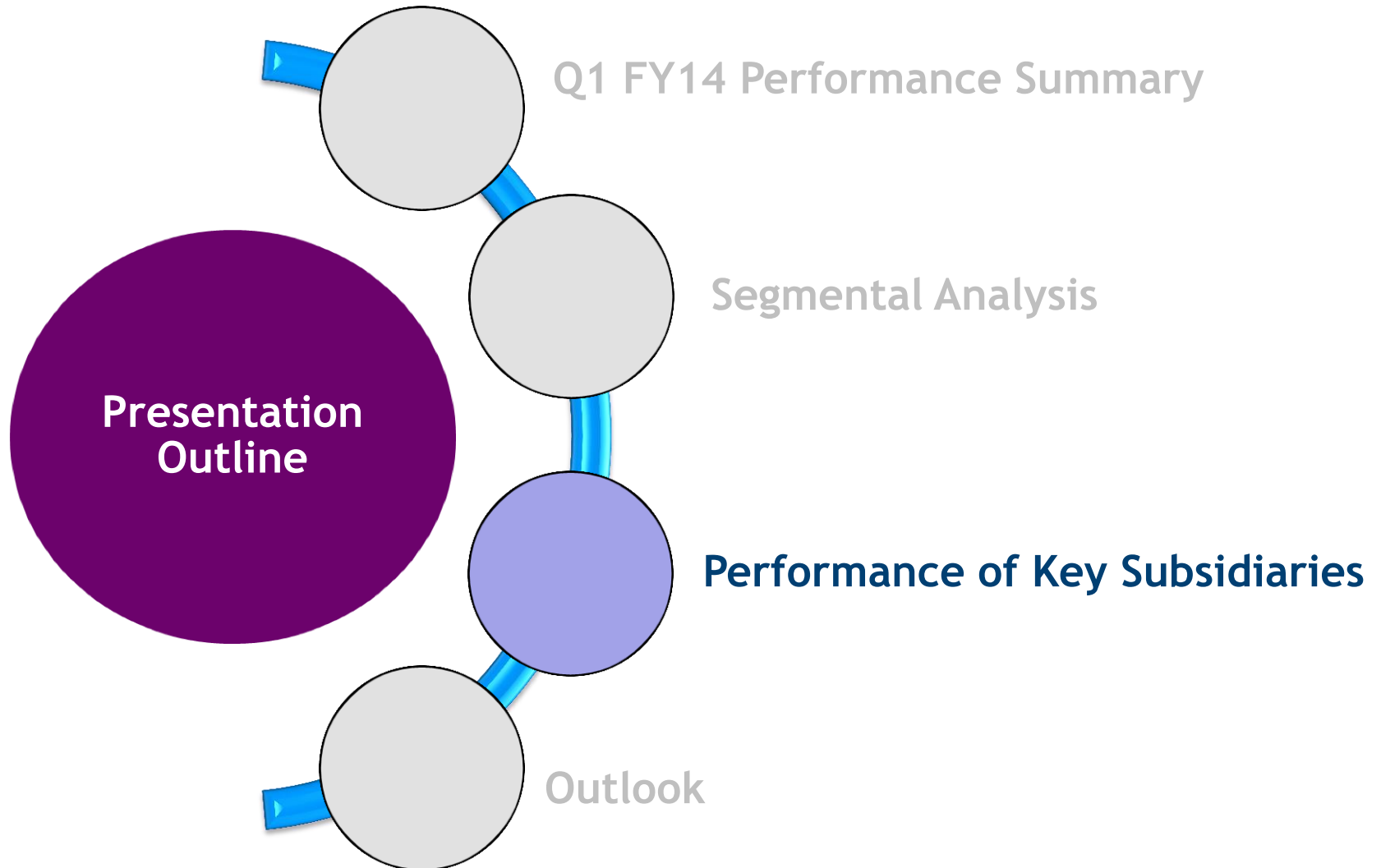
₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
<b>Net Segment Revenue</b>	<b>5.09</b>	<b>4.70</b>	<b>8%</b>	<b>22.23</b>
--- Exports	1.22	0.97	26%	5.33
EBITDA	0.70	0.76	-7%	3.62
<b>EBITDA Margins</b>	<b>13.8%</b>	<b>16.1%</b>	<b>-2.3%</b>	<b>16.3%</b>
Capital Employed	4.16	4.86	-14%	5.96

## Others

₹ Billion	Q1 FY14	Q1 FY13	% Change	FY13
<b>Net Segment Revenue</b>	<b>3.13</b>	<b>3.68</b>	<b>-15%</b>	<b>15.03</b>
--- Exports	1.64	2.80	-41%	11.20
EBITDA	0.02	0.83	-97%	1.97
<b>EBITDA Margins</b>	<b>0.7%</b>	<b>22.6%</b>	<b>-21.9%</b>	<b>13.1%</b>
Capital Employed	11.01	11.21	-2%	11.41

- MIP revenues mainly contributed by valves
- MIP business pickup likely after revival of industrial, construction and mining demand
- Others - Revenue & margin dip in Shipbuilding neutralised by IES growth

# Presentation Outline



₹ Billion	Q1 FY14	Q1 FY13	% Change
Total Income	11.12	8.78	27%
Profit after Tax	1.82	1.32	38%
PAT Margins	16.4%	15.1%	1.3%

- Strong Revenues contributed by all major geographies and major business verticals
- Focus on deepening existing customer relationships
- Healthy PAT margins effected through operational efficiency and currency gains

# Concessions Business Portfolio - 27 SPVs



## ***Roads and Bridges:***

Portfolio: 18 projects; 10 operational, 8 under implementation

Development: 2086 km

Project Outlay: ₹ 216 Bn

## ***Power:***

Portfolio: 5 projects; under development / implementation

Capacity: 2970 MW

Project Outlay: ₹ 219 Bn



## ***Metro:***

Portfolio: 1 project; under implementation

Development: 71.16 km

Project Outlay: ₹ 164 Bn

## ***Ports:***

Portfolio: 3 projects (all operational)

Capacity: 45 Mn TPA

Project Outlay: ₹ 57 Bn



**Total Project Cost (Jun 2013): ₹ 656 Bn**

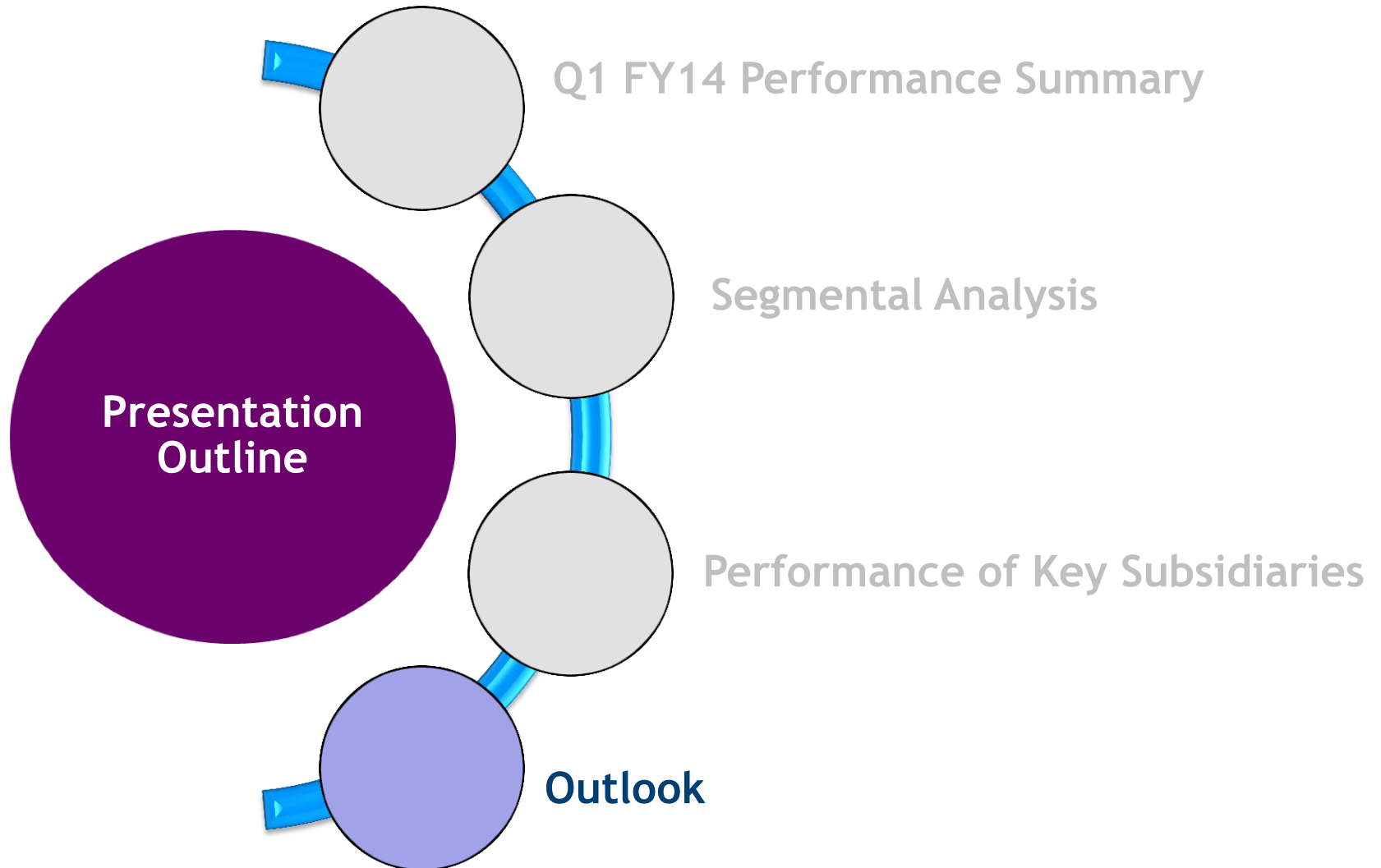
24

**Equity Invested (Jun 2013): ₹ 60 Bn**

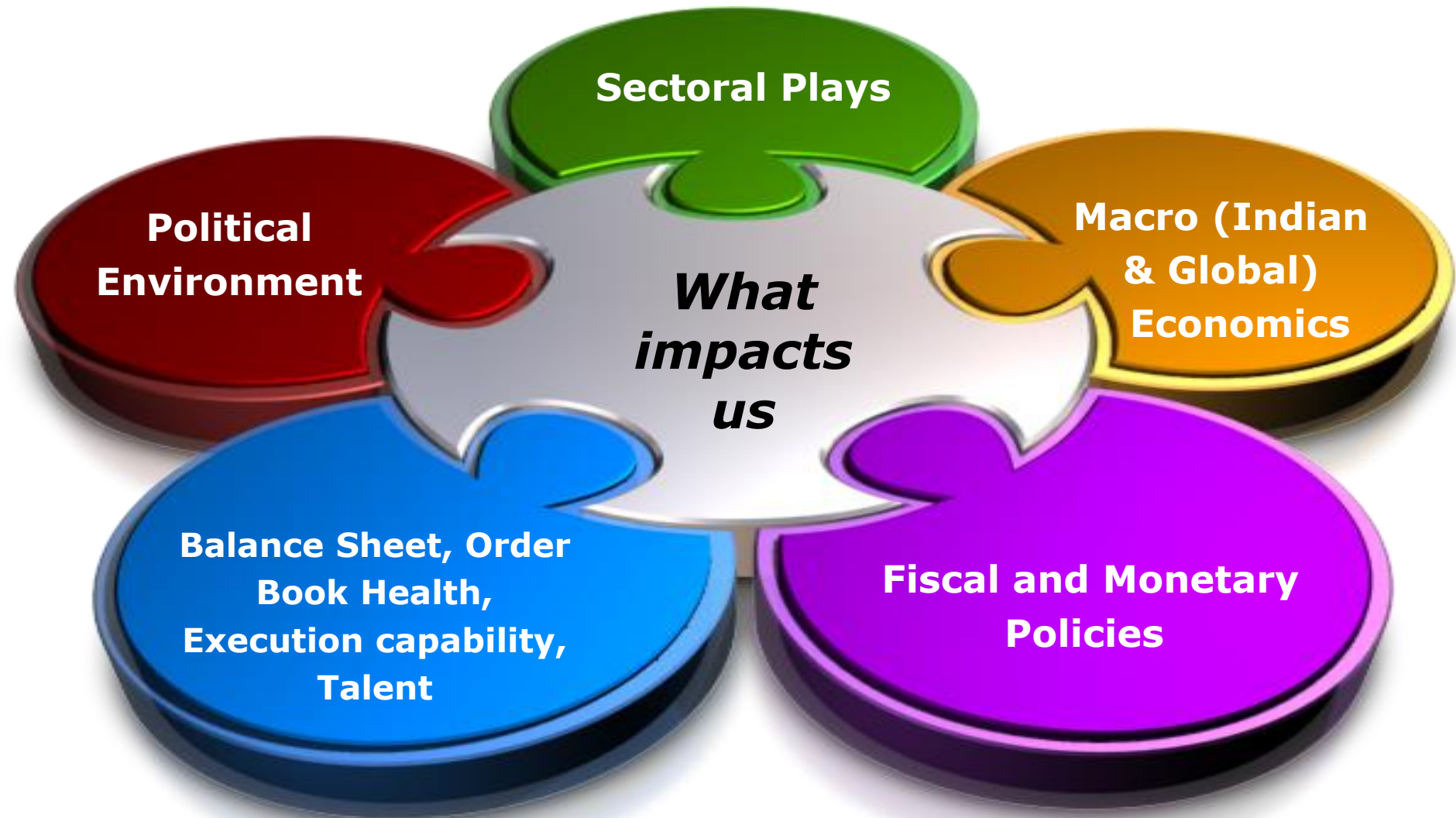
**Balance Equity Commitment (Jun 2013): ₹ 83 Bn**



# Presentation Outline



# Outlook



# Thank You

# Annexure: Details of Other Income

₹ Billion	Q1 FY14	Q1 FY13	% Change
Interest Income	1.16	1.81	-36%
Income & Profit on sale of Inv.	0.76	0.44	73%
Dividend from S&A Companies	2.20	2.92	-25%
Miscellaneous Income	0.61	0.91	-34%
<b>Total - Other Income</b>	<b>4.73</b>	<b>6.08</b>	<b>-22%</b>