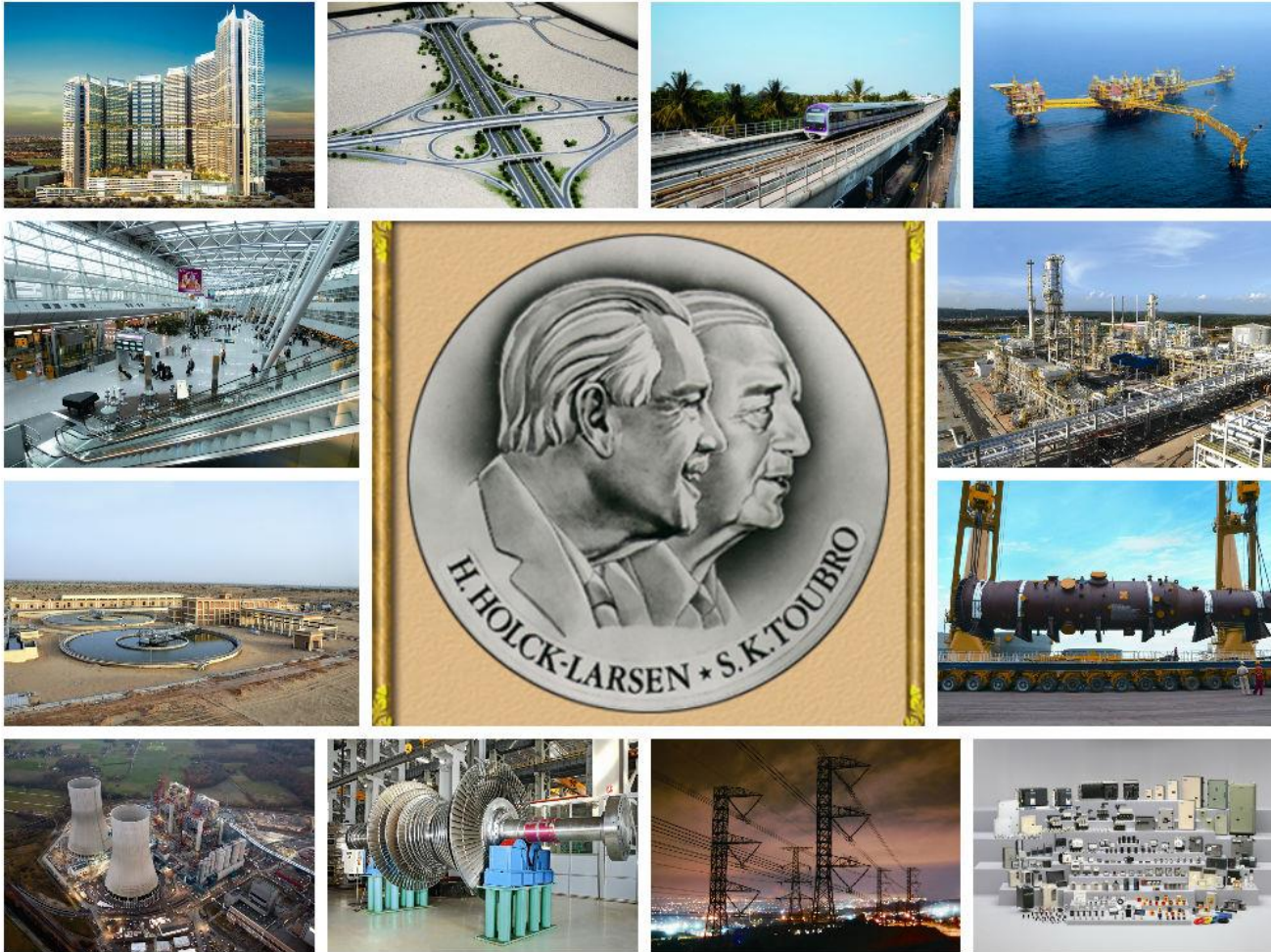


Analyst Presentation - Q1 FY15



July 30, 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

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Group Performance Highlights

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Standalone Performance Summary

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Group Performance Summary

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Segment / Key Subsidiaries' Performance

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Outlook For FY 2014-15

Presentation Outline

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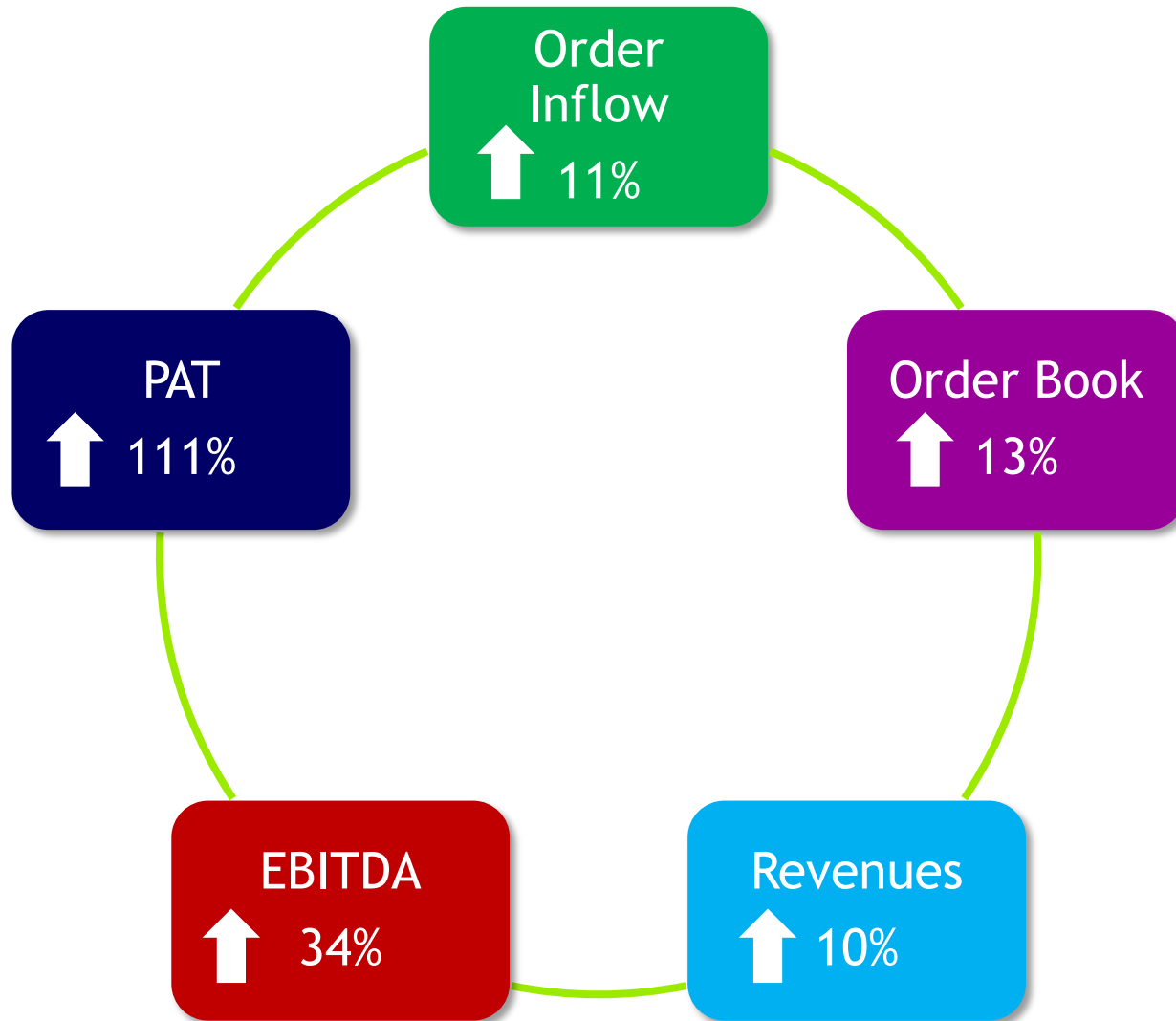
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Outlook For FY 2014-15

Group Performance Highlights - Q1 FY15



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Outlook For FY 2014-15

Standalone P&L Summary - Sales & Costs

₹ Billion	Q1 FY15	Q1 FY14 *	% Change	FY14 *
Net Sales / Revenue from Operations	103.38	98.24	5%	565.99
----International Sales	12.89	15.36	-16%	91.29
Mfg, Cons. & Opex (MCO)	79.47	74.52	7%	433.46
Staff Costs	9.00	9.89	-9%	46.62
Sales, adm. & other Exp.	4.03	4.91	-18%	19.23
Total Opex	92.50	89.32	4%	499.32

* Includes Technology Services (erstwhile IES)

- Like-to-like Revenue growth: 9%; mainly driven by Infra
- Power, Metals & Industrial capex continue to exhibit sluggishness
- MCO expenses marginally higher driven by uptick in certain commodity prices
- Like-to-like Staff cost change: +12%; mainly on account of manpower increase and normal revisions
- SGA gains due to favourable currency movement

Standalone P&L Summary - Profitability

₹ Billion	Q1 FY15	Q1 FY14 *	% Change	FY14 *
EBITDA	10.88	8.92	22%	66.67
EBITDA Margins	10.5%	9.1%	1.4%	11.8%
Interest Expenses	(2.72)	(2.42)	12%	(10.76)
Depreciation	(2.61)	(1.87)	40%	(7.92)
Other Income	4.88	4.87	0.2%	18.81
Provision for Taxes	(3.20)	(2.85)	12%	(17.75)
Recurring PAT	7.22	6.64	9%	49.05
Exceptional Items (Net of Tax)	1.71	-		5.89
Profit after Tax	8.94	6.64	35%	54.93

* Includes Technology Services (erstwhile IES)

- Like-to-like increase in EBITDA: ₹ 2.94 Bn (+37%)
- EBITDA growth aided by improved performance of Shipbuilding and Realty business
- Interest costs in line with borrowing level
- Sharp rise in depreciation charge mainly due to change in estimated useful life of assets
- Exceptional item represents gain on LTFHL stake sale

Standalone Balance Sheet

₹ Billion	Jun-14	Mar-14 *	Incr / (Decr)
Net Worth	345.99	336.62	9.37
Non-Current Liabilities	63.95	62.81	1.14
Current Liabilities	375.57	383.62	(8.05)
Total Sources	785.51	783.05	2.46
Net Fixed Assets	79.89	82.37	(2.49)
Investments / Loans to S&A Cos	184.46	188.91	(4.45)
Consideration Receivable from LTTS	5.49	-	5.49
Other Non- Current Assets	10.44	10.48	(0.04)
Cash and Current Investments	63.59	58.39	5.21
Other Current Assets	441.63	442.90	(1.26)
Total Applications	785.51	783.05	2.46

* Includes Technology Services (erstwhile IES)

- Gross Debt: Jun'14: ₹ 122 Bn; (Mar'14: ₹ 115 Bn)
- Gross D/E: 0.35
- Reduction in support to S&A Co. - mainly due to loan repayment by Dev. Projects
- Segmental NWC: 23% of Sales (Mar'14: 22%)

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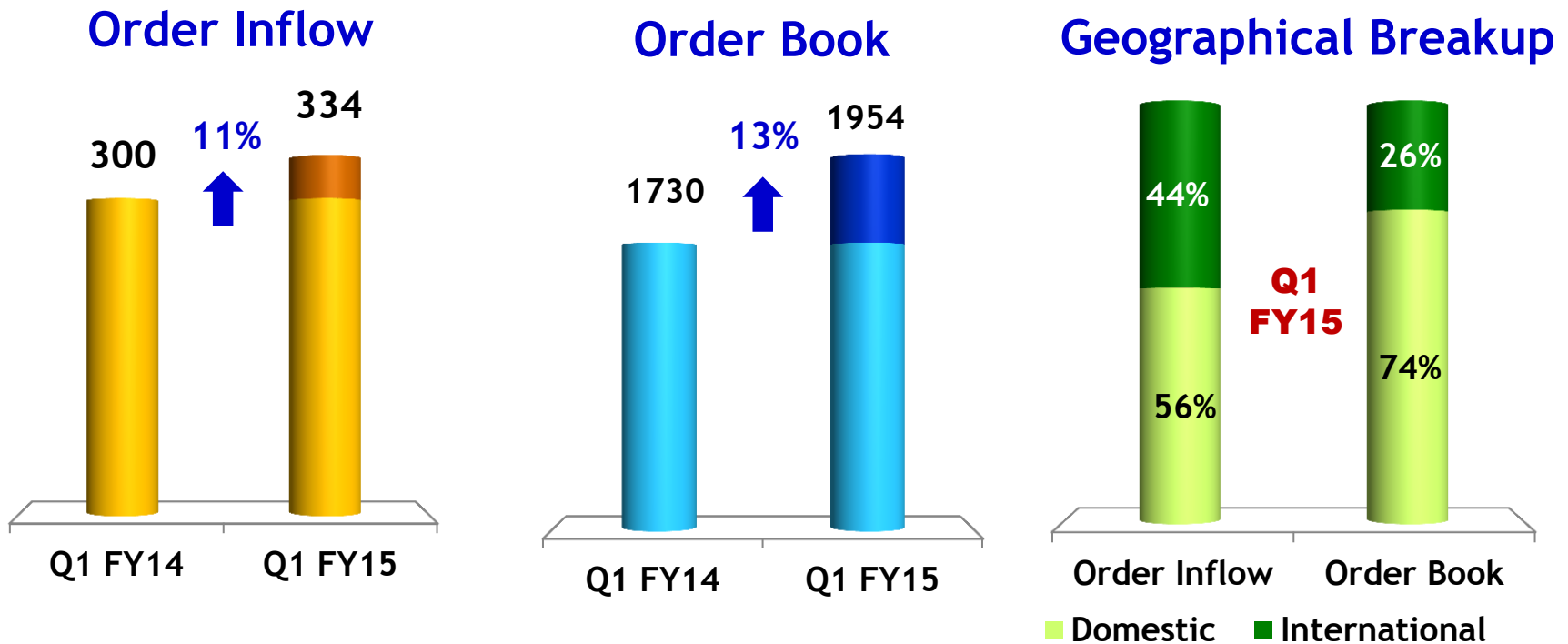
Segment / Key Subsidiaries' Performance

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Outlook For FY 2014-15

Order Inflow & Order Book

Amount in ₹ Bn



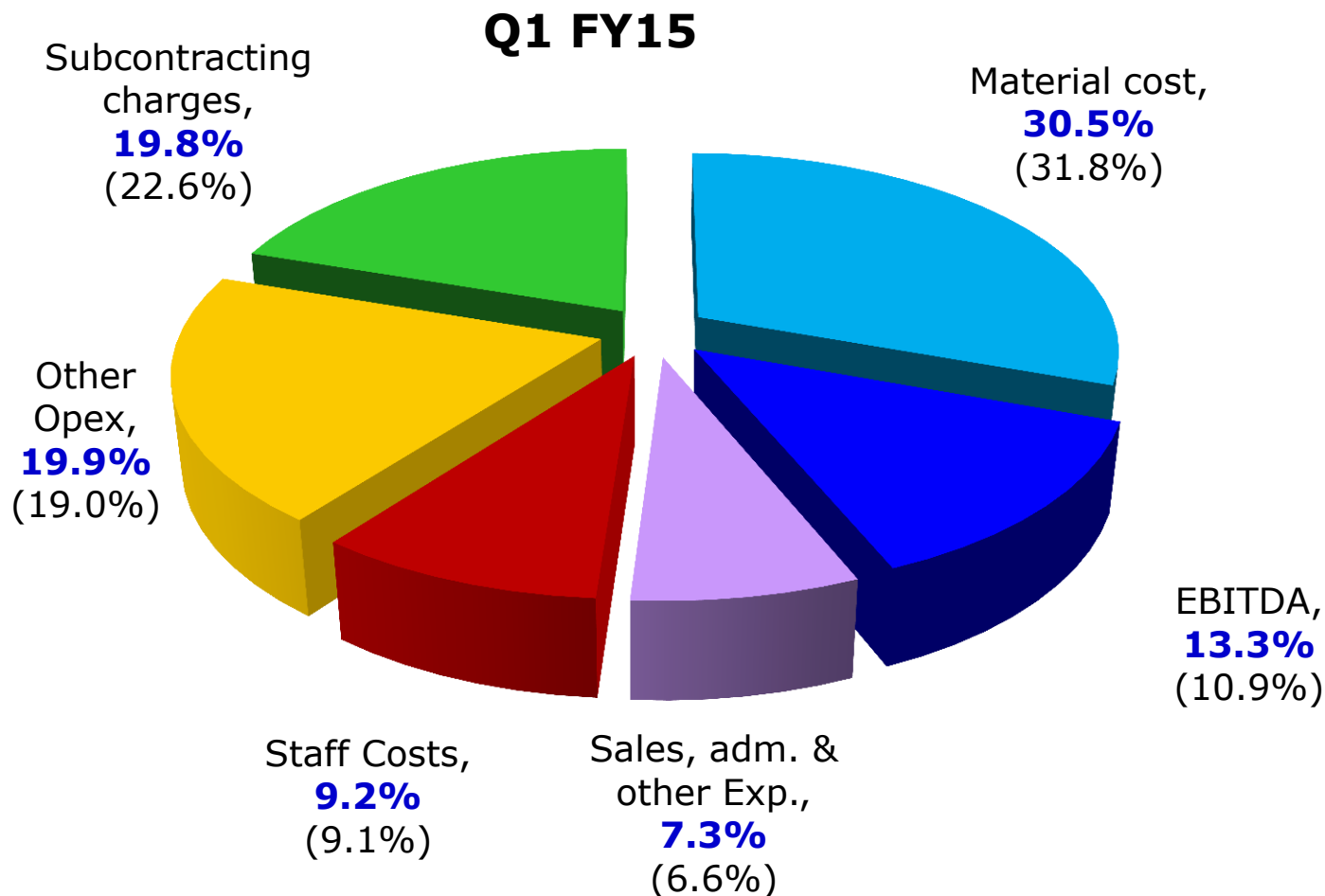
- Order Inflows mainly from infrastructure, hydrocarbon and heavy engineering segment
- Domestic sluggishness persists in Power, Hydrocarbon, Metals and other Industrial capex
- Pace of awards yet to pick up
- Strong unexecuted Order Book provides E&C revenue visibility

Group Performance Summary - Sales & Costs

₹ Billion	Q1 FY15	Q1 FY14	% Change	FY14
Net Sales / Revenue from Operations	189.75	172.41	10%	851.28
---- <i>International Sales</i>	<i>47.81</i>	<i>56.90</i>	<i>-16%</i>	<i>240.04</i>
Mfg, Cons. & Opex (MCO)	133.24	126.54	5%	625.74
Staff Costs	17.51	15.65	12%	71.40
Sales, adm. & other Exp.	13.85	11.49	21%	46.81
Total Opex	164.60	153.68	7%	743.95

- Revenue growth sustained through execution of Infra Order Book, improved performance in Services business and value monetisation in IDPL
- International orders bagged in FY14 are in early stages of execution
- MCO charge in line with activity levels
- Staff costs increase due to manpower augmentation and normal revisions
- SGA spike mainly on account of costs and credit provisions

Performance Summary - Operational Costs & Profitability



Figures in bracket represent nos. for Q1 FY14

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Group Performance Summary

₹ Billion	Q1 FY15	Q1 FY14	% Change	FY 14
EBITDA	25.15	18.73	34%	107.33
EBITDA Margins	13.3%	10.9%	2.4%	12.6%
Interest Expenses	(7.79)	(7.11)	10%	(31.41)
Depreciation	(8.07)	(5.57)	45%	(14.46)
Other Income	2.77	2.64	5%	9.82
Exceptional Items	2.49	-		3.62
Provision for Taxes	(4.49)	(4.72)	-5%	(26.28)
Profit After Tax (after minority interest)	9.67	4.59	111%	49.02

- Increased depreciation charge mainly due to change in depreciation rates
- Exceptional items represent LTFHL and City Union Bank stake sales

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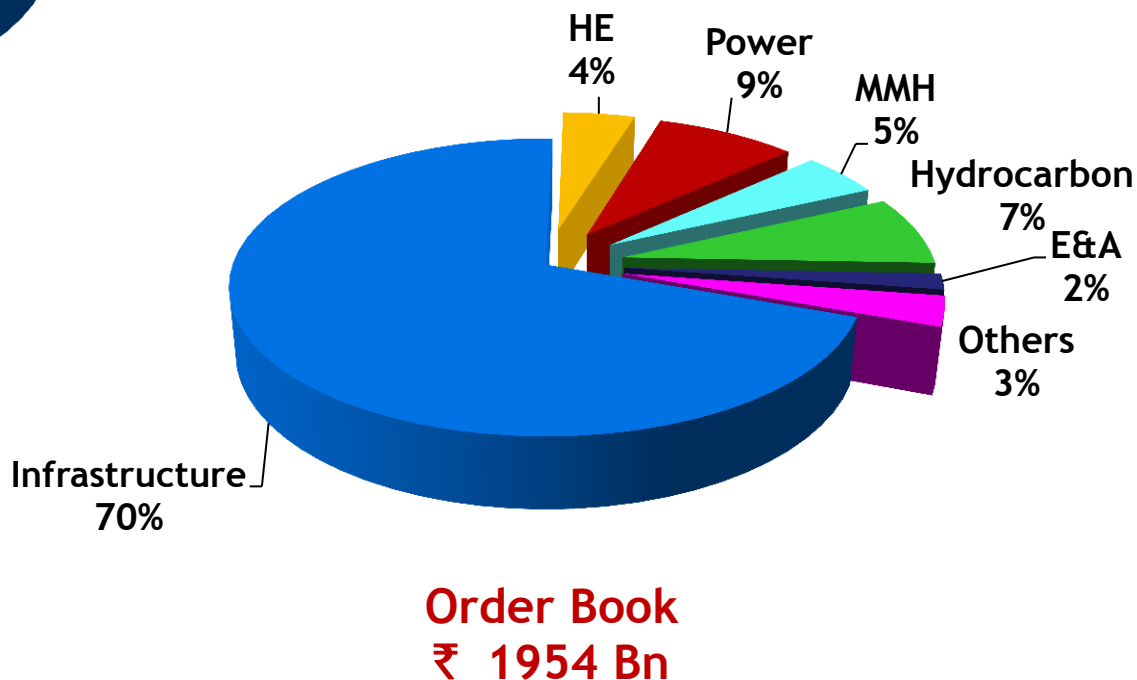
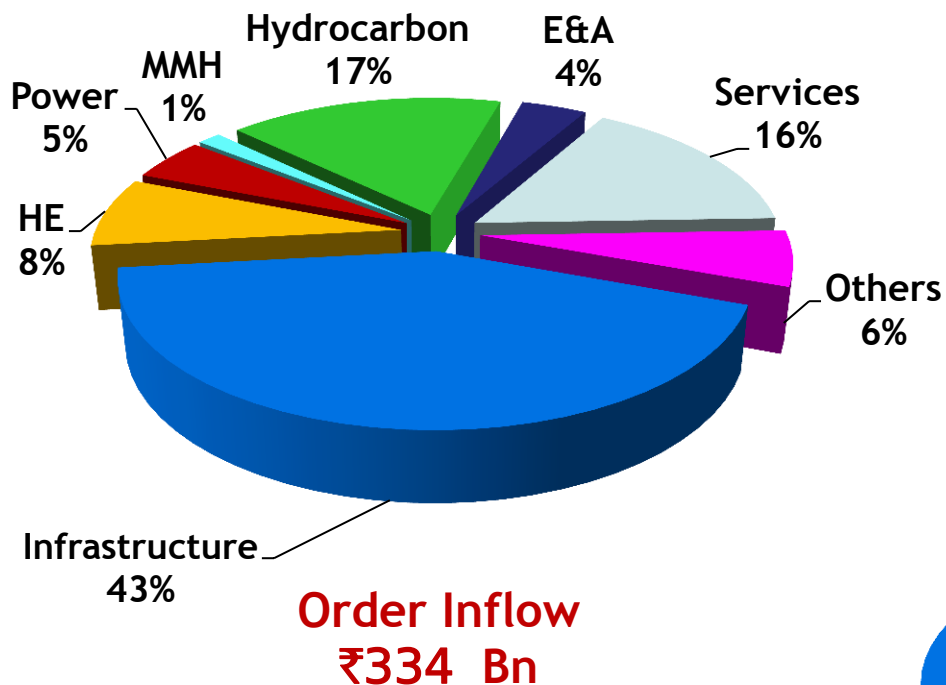
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Outlook For FY 2014-15

Segment Composition

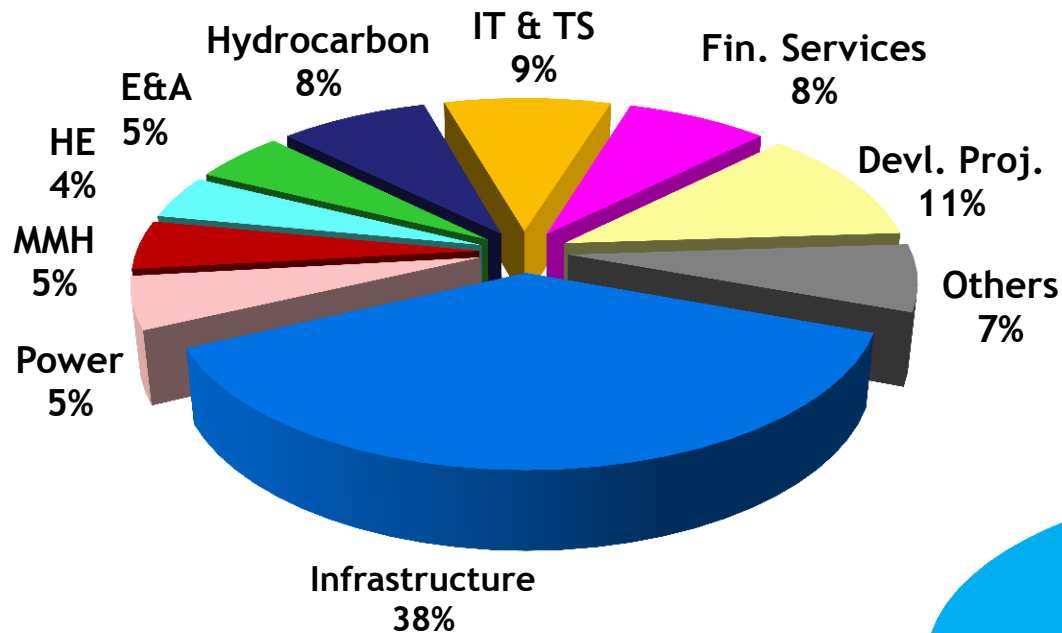
Infrastructure Building & Factories Transportation Infra Heavy Civil Infra Water & Renewable Energy Power T&D	Power EPC - Coal & Gas Thermal Power Plant Construction Critical Piping Electrostatic Precipitators	Metallurgical & Material Handling Ferrous Non Ferrous Bulk Material Handling	Heavy Engineering Process Plant Equipment Nuclear Power Plant Equipment Defence & Aerospace	Hydrocarbon Upstream Mid & Downstream Construction & Pipelines
Electrical & Automation Electrical Standard Products Electrical Systems & Equipment Metering & Protection Control & Automation	Developmental Projects Roads Metros Ports Power	IT & TS Information Technology Integrated Engineering Services	Financial Services Retail & Corporate Infrastructure General Insurance Mutual Fund Asset Management	Others Shipbuilding Realty Construction & Mining Equipment Industrial Machinery & Products

Segmental Breakup of Orders - Q1 FY15

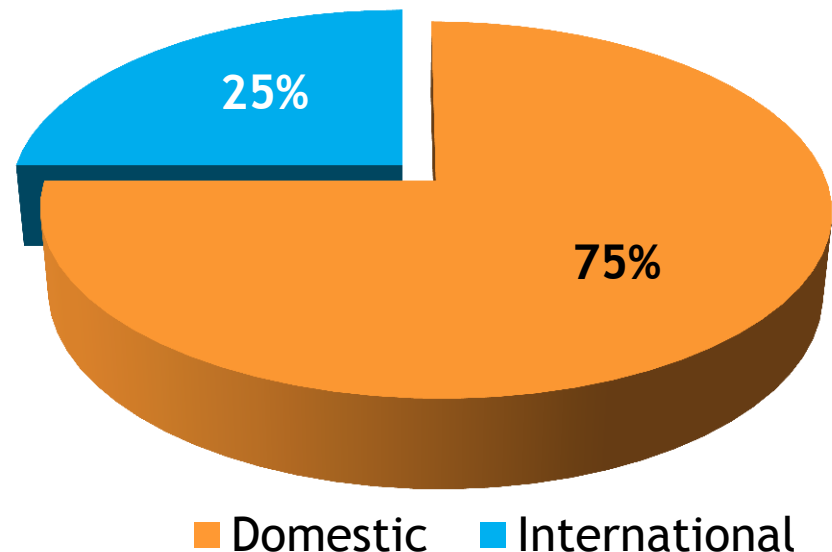


Revenue Breakup - Q1 FY15

Segmental Breakup

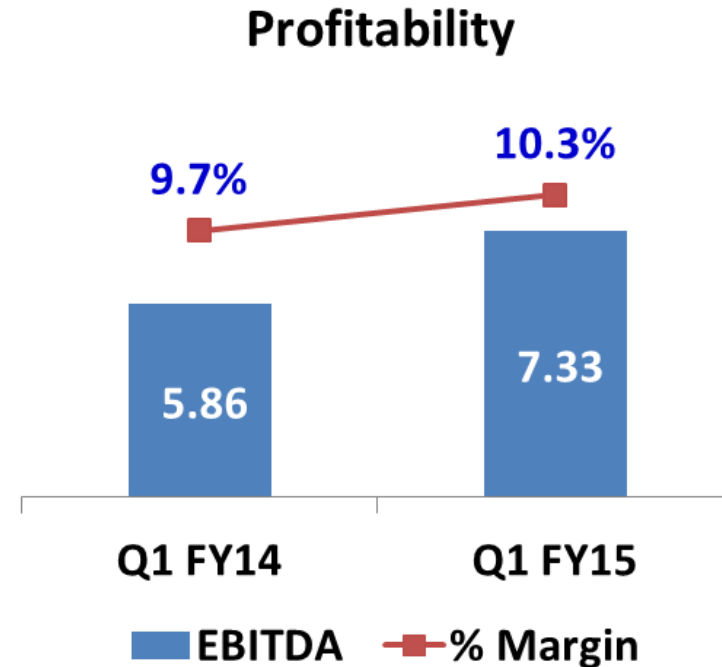
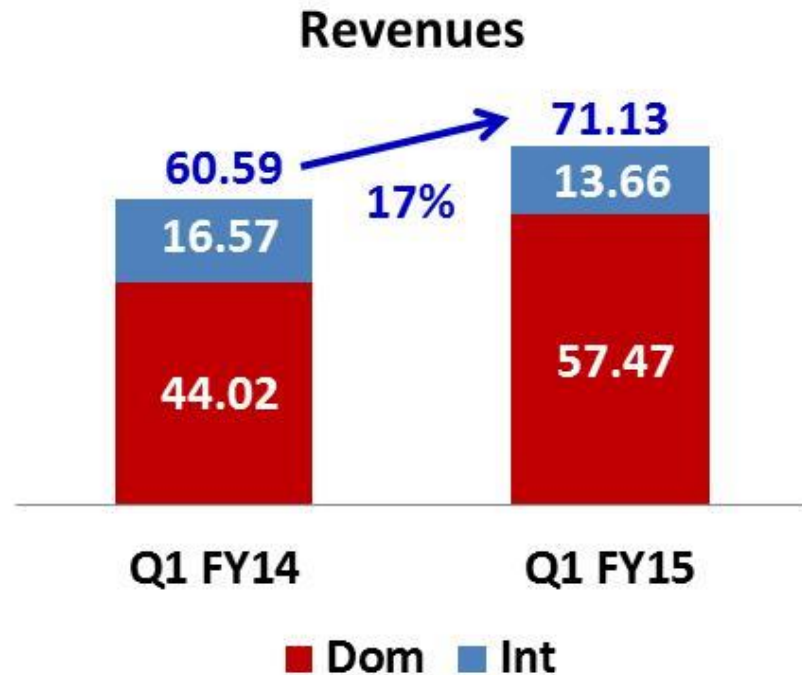


Geographical breakup



Infrastructure Segment

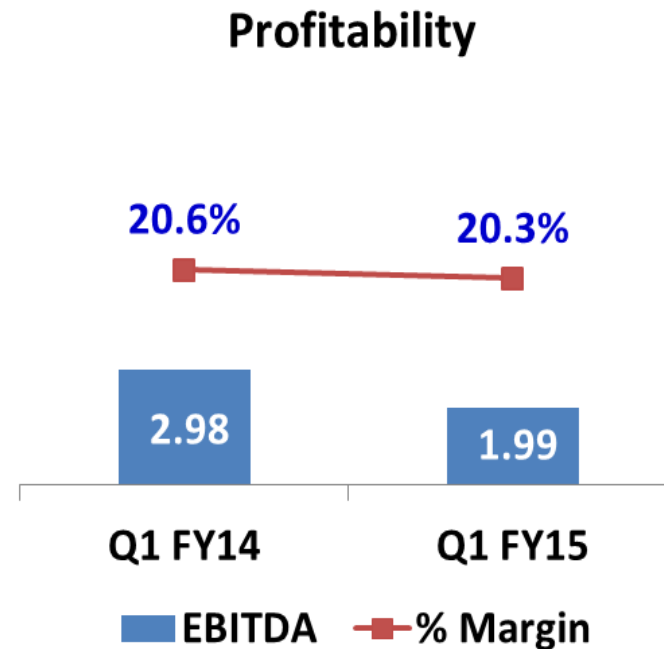
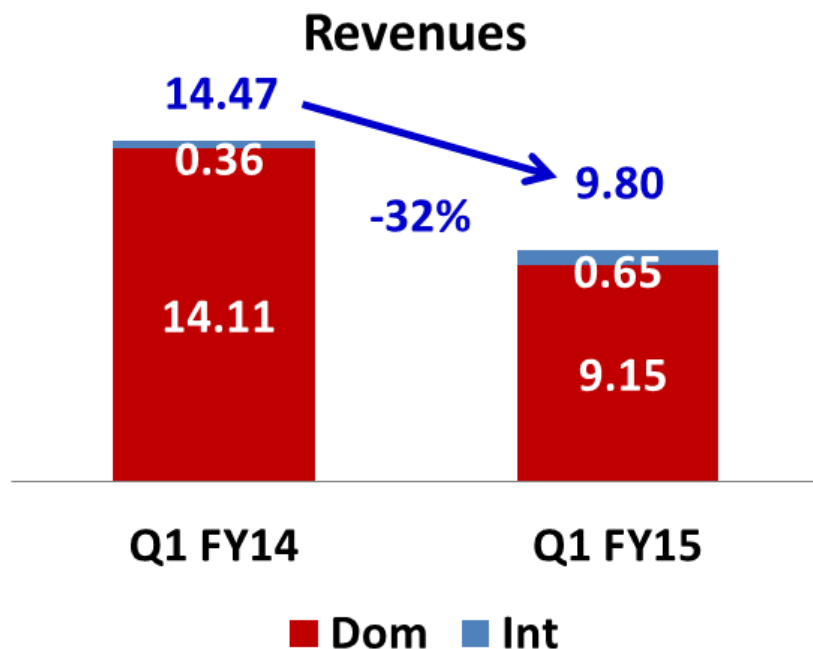
Amount in ₹ Bn



- Robust Revenue growth driven by large order backlog
- Large International Orders received in FY14 in preliminary stages
- Growth in EBITDA margins reflective of execution progress

Power Segment

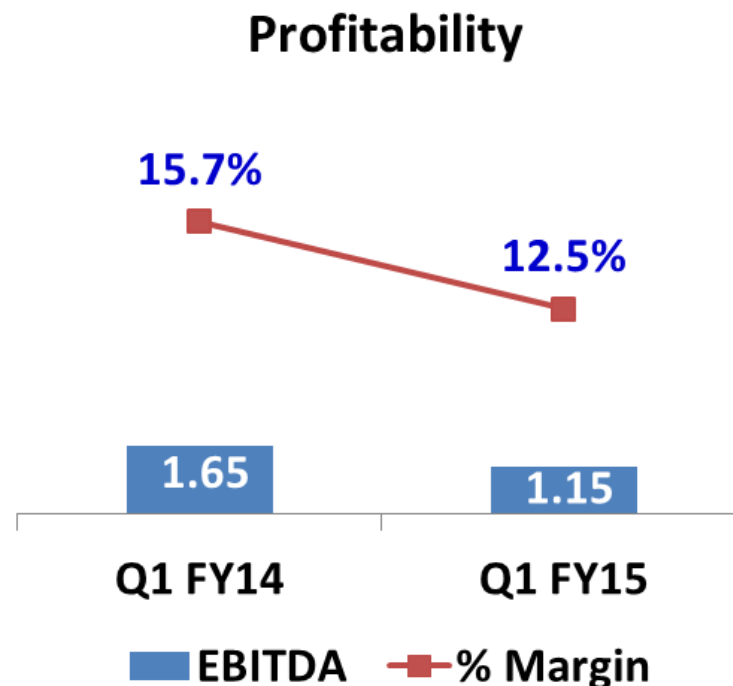
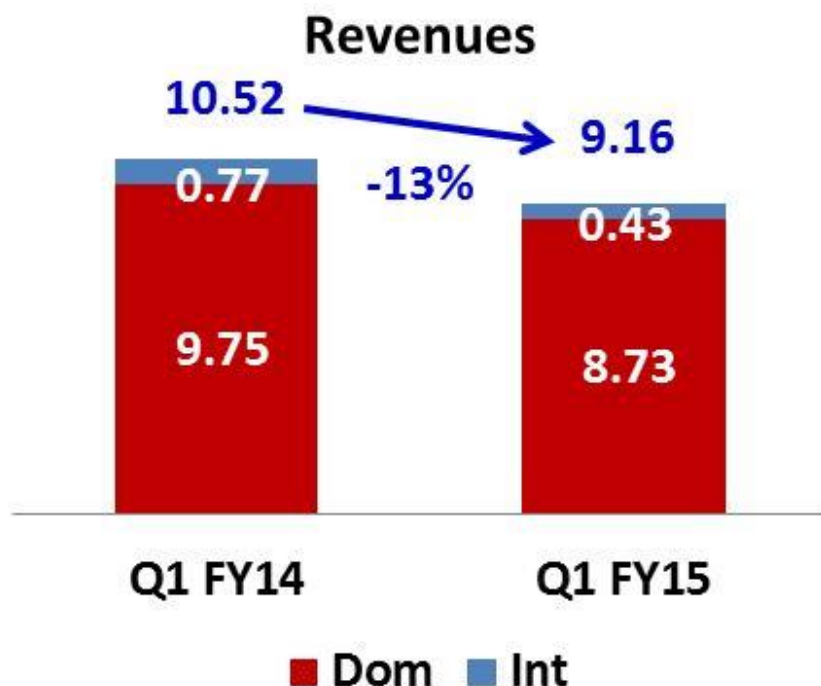
Amount in ₹ Bn



- Revenue dip due to depleting Order book in an investment constrained sector
- Strong EBITDA margins mainly contributed by profitable boiler manufacturing
- EBITDA brought down by high depreciation component

Metallurgical & Material Handling (MMH) Segment

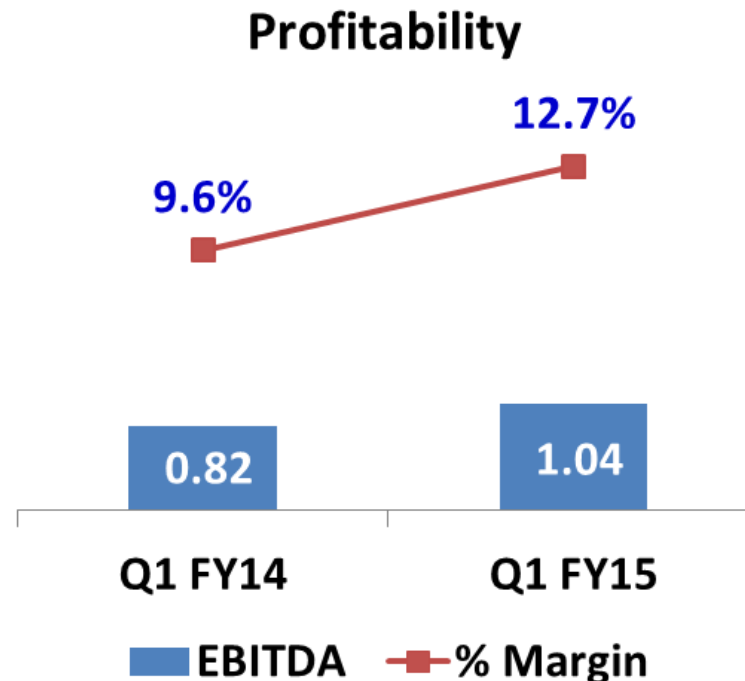
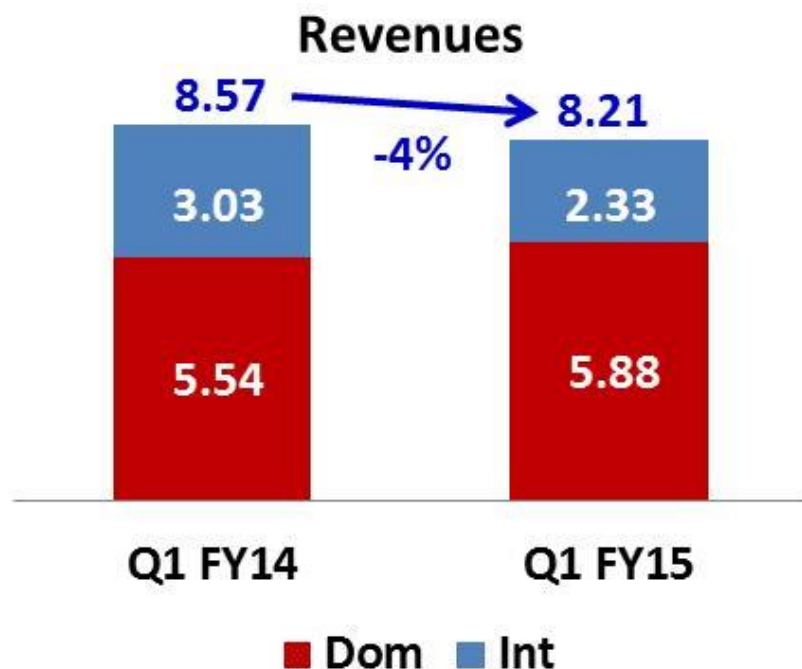
Amount in ₹ Bn



- Fall in Revenue - pass through effect of a diminished executable Order Book in a challenging environment
- EBITDA margin weakness affected by under-utilisation

Heavy Engineering Segment

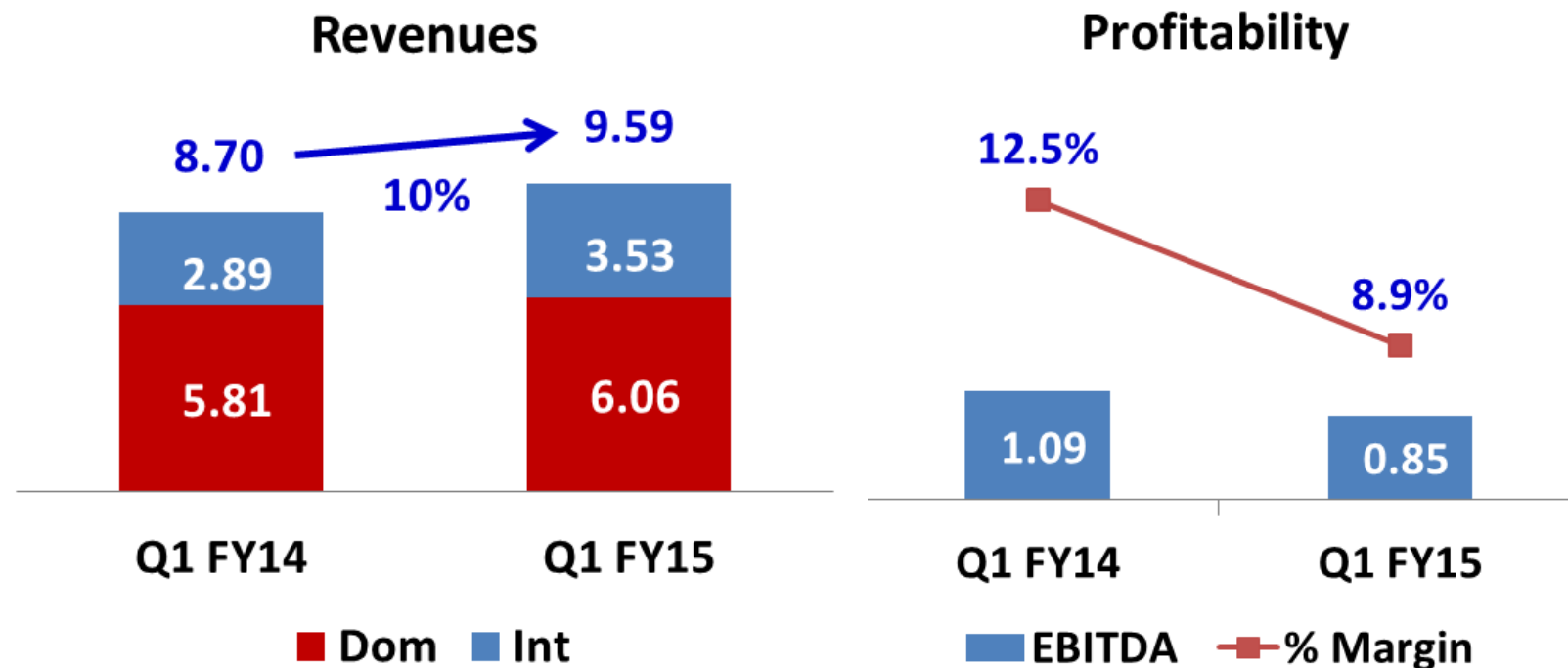
Amount in ₹ Bn



- Muted Revenues due to static Order Book
- Margin increase through Improved performance of Process plant business
- EBITDA eroded by under-utilisation of Forgings Plant

Electrical & Automation (E&A) Segment

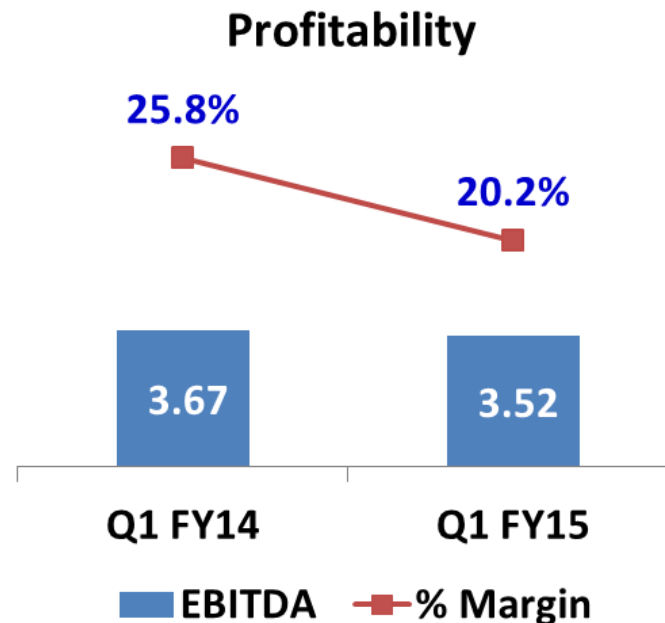
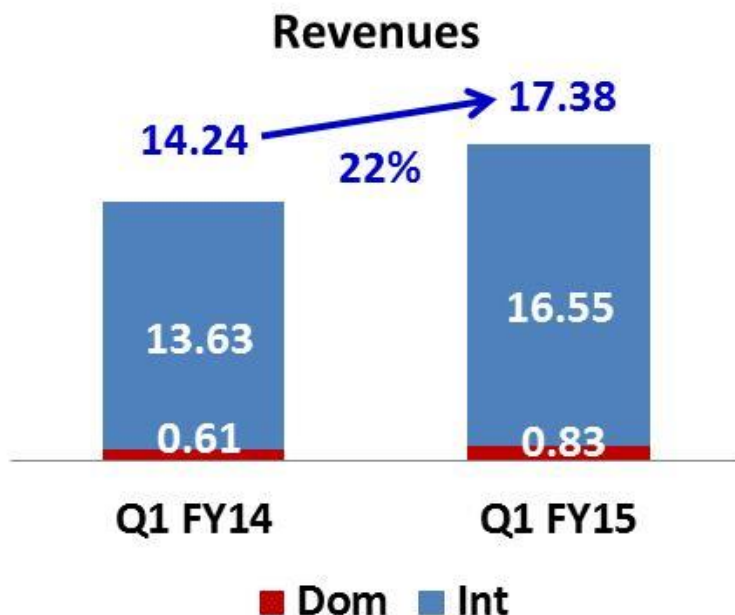
Amount in ₹ Bn



- Increase in Sales mainly driven by LV and MV Switchboards
- Industrial slowdown dampening growth in Standard Products sales
- EBITDA margins impacted by one-off item, sales mix and relocations

IT & Technology Services Segment

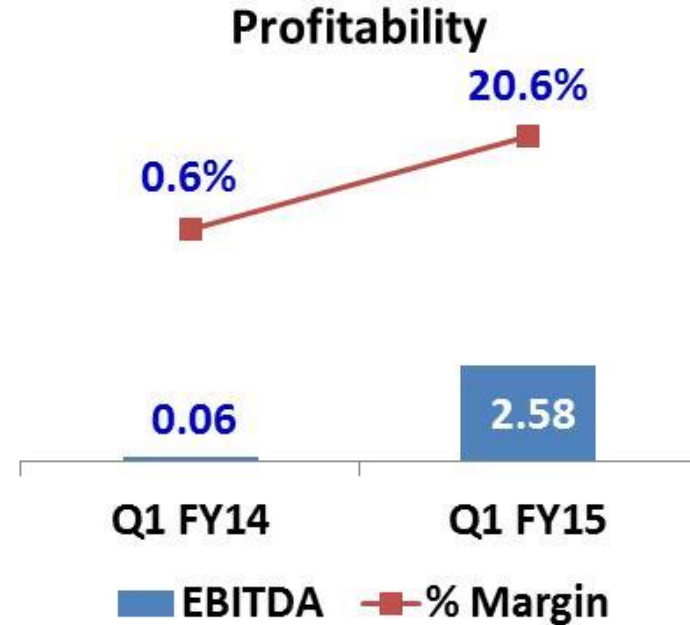
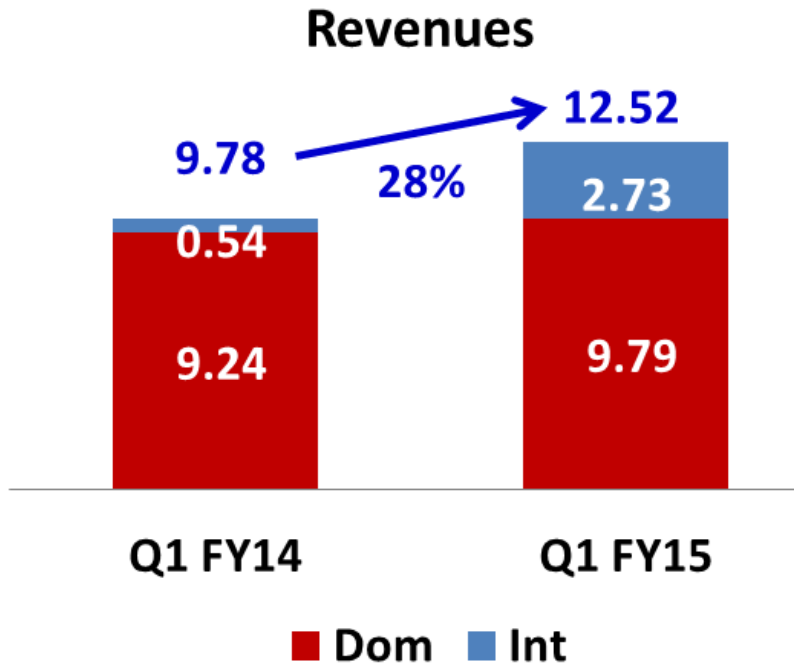
Amount in ₹ Bn



- Robust Revenue growth through improved North American markets and new customer acquisitions
- Focus is on breadth & depth of client relationships; improving utilisation, optimising onshore-offshore mix and deeper skillsets
- EBITDA margins impacted by Sales Force ramp up and new US compliance norms in CY

Others Segment

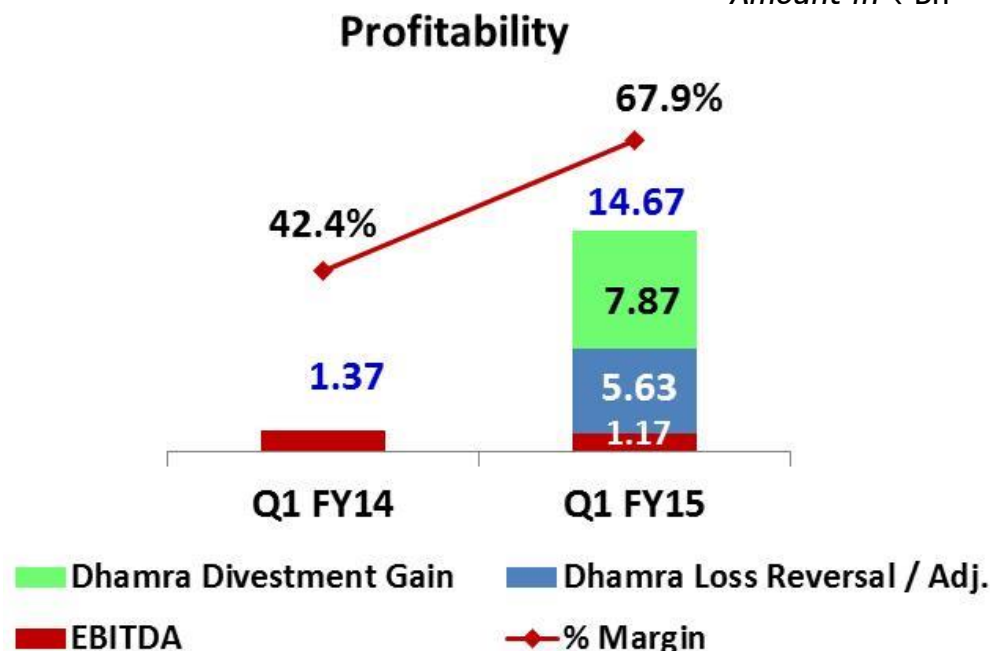
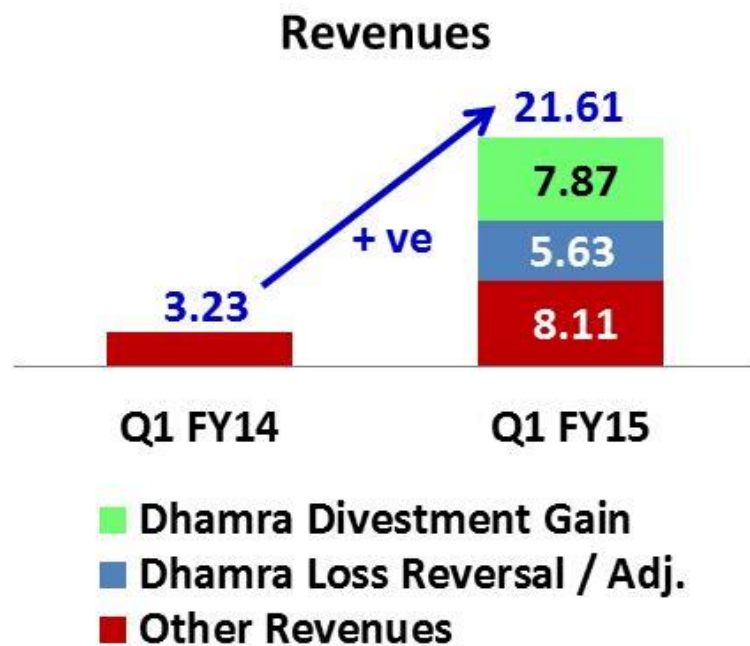
Amount in ₹ Bn



- Increase in Revenues led by Realty and Shipbuilding business
- Growth in margins due to higher volumes in Realty business and improved Shipbuilding operations

Developmental Projects Segment

Amount in ₹ Bn



- Step up in Revenues & Margin due to value monetisation of stake in port concession (Dhamra) in line with business plan
- Step up in 'Other Revenues' obtained from newly commissioned thermal power plant & operational Road concessions

Concessions Business Portfolio - 28 SPVs



Roads and Bridges:

Portfolio: 19 projects (2248 Km); 11 Operational
Project Cost: ₹232 Bn

Power:

Portfolio: 5 projects (2270 MW); 1 Operational
Project Cost: ₹176 Bn



Ports:

Portfolio: 2 projects (18 MTPA) - Operational
Project Cost: ₹21 Bn

Metros:

Portfolio: 1 project (71.16 Km) - Under-implementation
Project Cost: ₹170 Bn



Transmission Lines:

Portfolio: 1 project (482 Km) - Under-implementation
Project Cost: ₹14 Bn

Total Project Cost (Jun 2014): ₹ 613 Bn

Equity Invested (Jun 2014): ₹ 70 Bn

Balance Equity Commitment (Jun 2014): ₹ 64 Bn

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L&T Finance Holdings

₹ Billion	Q1 FY15	Q1 FY14	% Change	FY14
Lending Businesses (Retail & Mid-Market, Wholesale, Housing Finance)				
Disbursements	64.78	58.59	11%	259.59
NIM (%)	5.5%	5.6%	-0.1%	5.5%
Loans and Advances	407.64	343.40	19%	400.82
Gross NPA (%)	3.6%	2.5%	1.0%	3.2%
Net NPA (%)	2.7%	1.7%	1.0%	2.3%
Investment Management				
Average AUM	198.95	137.82	44%	182.55
L&T Finance Holdings (Consolidated)				
Total Income	14.69	11.78	25%	52.37
PAT (before exceptional items)	1.67	1.45	15%	5.97
Networth (Excl. Preference Cap.)	61.05	56.13	9%	58.26
Borrowings	362.76	292.54	24%	358.54

- Growth in Loan Assets and Disbursements continues; emphasis on high yielding sectors in Retail and operating projects in wholesale segment
- NIM stable on blended basis
- AUM of AMC business continues to grow
- Rise in NPA due to impact of seasonality in Retail segments and stressed Infrastructure sector

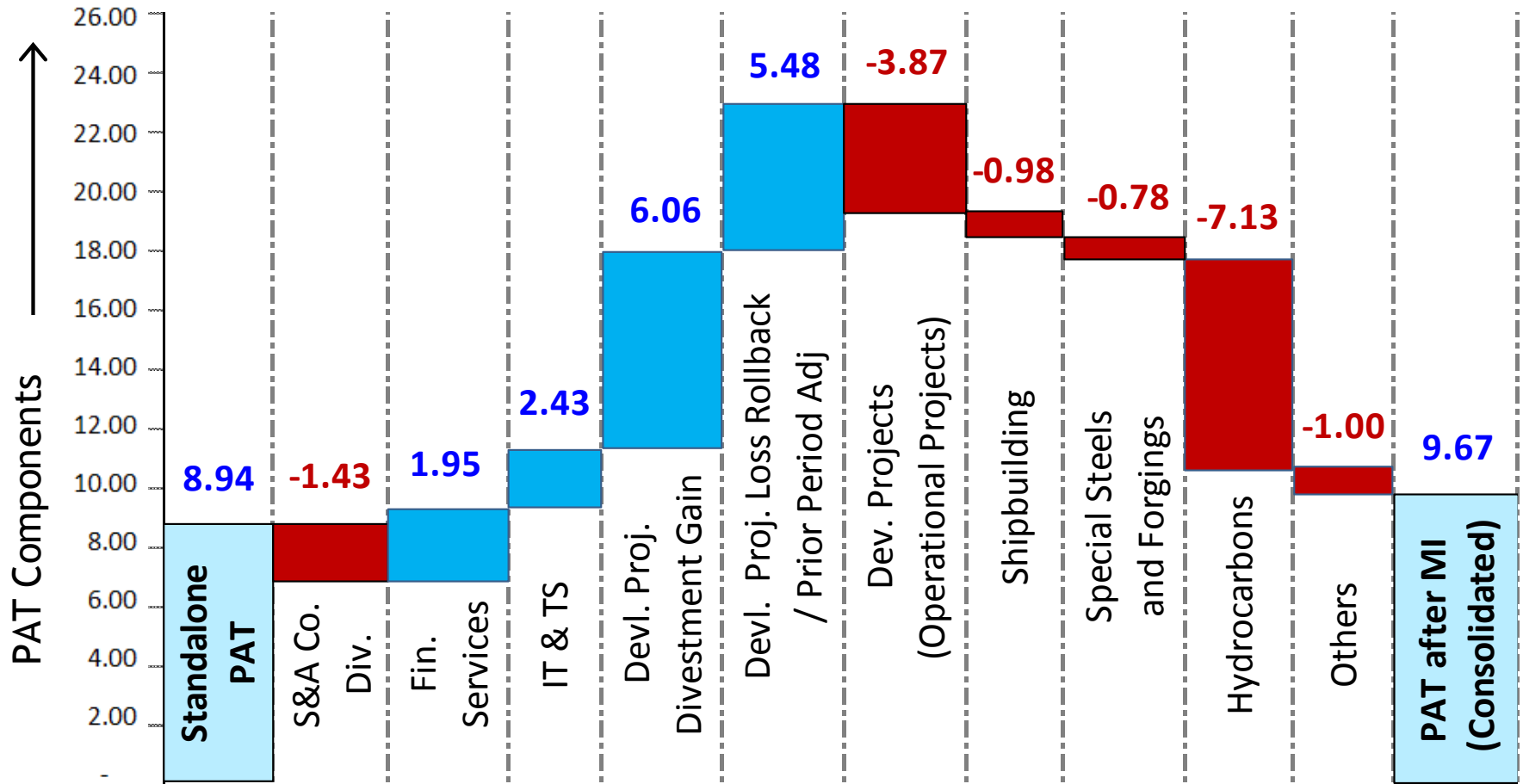
Hydrocarbon Segment

₹ Billion	Q1 FY15	Q1 FY14	% Change
Net Segment Revenue	15.53	30.41	-49%
--- International	7.93	19.12	-59%
EBITDA	(8.91)	1.72	-ve
EBITDA Margins	-ve	5.7%	-ve

- Revenue drop due to lower opening Order book and execution challenges
- Losses include estimated future losses and prior years profit/sales reversals
- Major reasons for drop in margins -
 - First of its kind execution (customers, scale, complexity and terrain)
 - Significant increase in local wages and localisation content
 - Spec changes (split installation instead of parallel, Stick Built instead of Modular, etc)
 - Unforeseen stringency in QA/QC and HSE norms,
 - Time overruns and some delays from client side
 - Under-utilisation of yards and engineering centres (diminished Order book)
- Losses expected to be stemmed going forward
- Learnings from experience incorporated in current bids and execution procedures

Putting it all together

Amount in ₹ Bn



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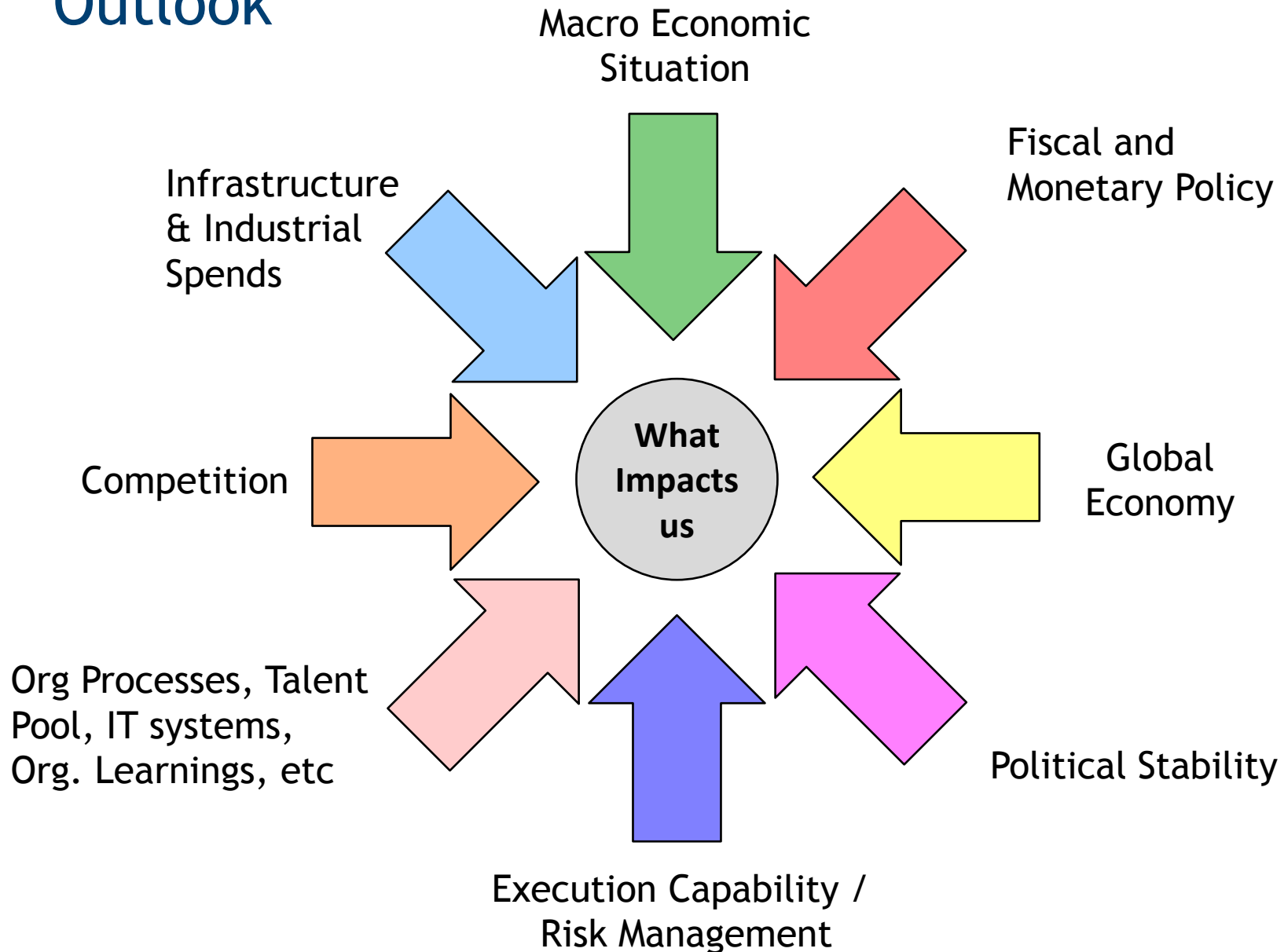
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Outlook For FY 2014-15

Outlook



Thank You

Annexure 1: Other Income - Standalone

₹ Billion	Q1 FY15	Q1 FY14	% Change	FY14
Interest Income	1.52	1.16	31%	4.95
Income on Investments	0.98	0.76	29%	2.00
Dividend from S&A Companies	1.43	2.20	-35%	8.65
Miscellaneous Income	0.95	0.75	27%	3.21
Total - Other Income	4.88	4.87	0.2%	18.81

Annexure 2: Group P&L Summary

₹ Billion	Devl. Projects	IT & TS	Fin. Services *	L&T Parent & Others	L&T Group		
					Q1 FY15	Q1 FY14	% Change
Revenue from Operations	21.61	17.38	14.82	135.94	189.75	172.41	10%
EBITDA	14.66	3.52	2.07	4.90	25.15	18.73	34%
Interest Expenses	(3.03)	(0.01)	-	(4.75)	(7.79)	(7.11)	10%
Depreciation	(2.36)	(0.56)	(0.34)	(4.82)	(8.07)	(5.57)	45%
Other Income	0.03	0.00	0.38	2.35	2.77	2.64	5%
Exceptional Items	-	-	1.44	1.05	2.49	-	
Provision for Taxes	(1.53)	(0.52)	(0.95)	(1.49)	(4.49)	(4.72)	-5%
PAT from Ordinary Activities	7.78	2.44	2.60	(2.75)	10.07	3.97	154%
Share of profits in Associate Cos.	0.01	-	0.003	0.004	0.02	0.02	
Adjustment for Minority Interest	(0.11)	(0.01)	(0.65)	0.35	(0.41)	0.60	
Extraordinary Items	-	-	-	-	-	-	
Profit After Tax	7.68	2.43	1.95	(2.40)	9.67	4.59	111%

* Includes Insurance Business

Annexure 3: Group Balance Sheet

₹ Billion	Devl. Projects	Fin. Services *	IT & TS	L&T & Others	L&T Group	
					June-14	Mar14
Net Worth:						
Gross	89.27	46.30	26.49	318.43	387.33	377.12
Elimination	-	-	-	(93.17)		
Minority Interest	0.95	28.32	0.00	6.27	35.54	31.79
Borrowings	207.48	359.53	1.64	236.46	805.10	801.53
Deferred Payment Liabilities	30.01	-	-	4.09	34.10	34.82
Total Sources	327.71	434.15	28.13	472.08	1,262.07	1,245.26
Net Segment Assets	327.71	434.15	28.13	472.08	1,262.07	1,245.26
Total Applications	327.71	434.15	28.13	472.08	1,262.07	1,245.26

For Devl. Projects & Financial Services - Segment Assets mainly comprises of Business Assets

Annexure 4: Group Cash Flow (Summarised)

₹ Billion	Q1 FY15	Q1 FY14
Operating Profit	23.74	21.45
Increase in NWC	(4.26)	(31.59)
Direct Taxes (Paid) / Refund - Net	(5.19)	(6.61)
Net Cash from Operations	14.29	(16.76)
Investments in Fixed Assets (Net)	(20.97)	(21.21)
Loan Repayment from Assc. Co. / Others	6.40	(0.10)
(Purchase) / Sale of Liquid Investments (Net)	(16.12)	(8.54)
Interest & Div. Received from Investments	1.06	1.48
Net Consideration paid on acquisition of Subs.	(0.05)	0.06
Net Cash from / (used in) Investing Activities	(29.68)	(28.31)
Issue of Share Capital / Minority Interest	5.01	0.67
Net Borrowings	20.17	51.69
Loans towards financing activities*	(6.74)	(7.05)
Interest & Dividend paid	(9.34)	(7.78)
Net Cash from Financing Activities	9.10	37.53
Net (Dec) / Inc in Cash & Bank	(6.29)	(7.55)

- included under Net Cash from operations under statutory financial statements