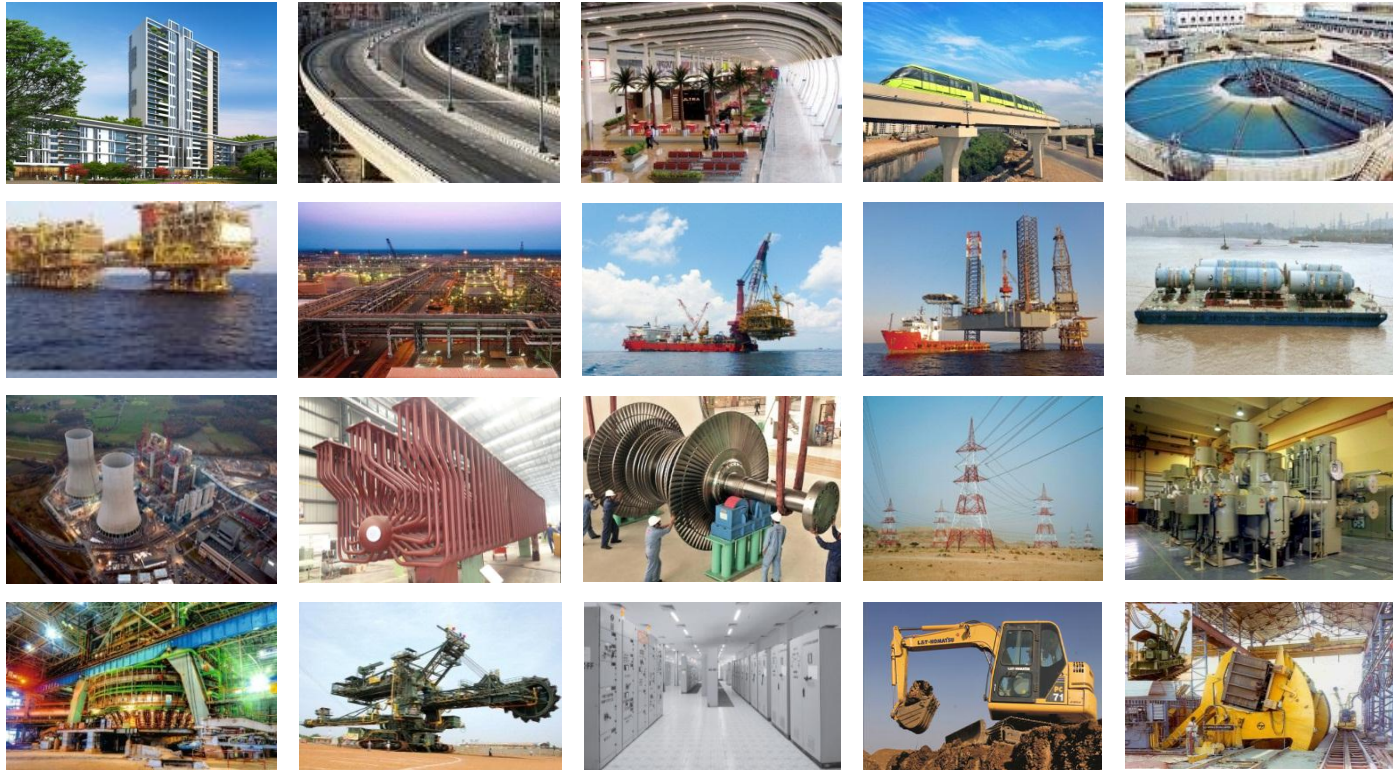




Larsen & Toubro Limited



Analyst Presentation – Q2 / H1 FY13

Disclaimer

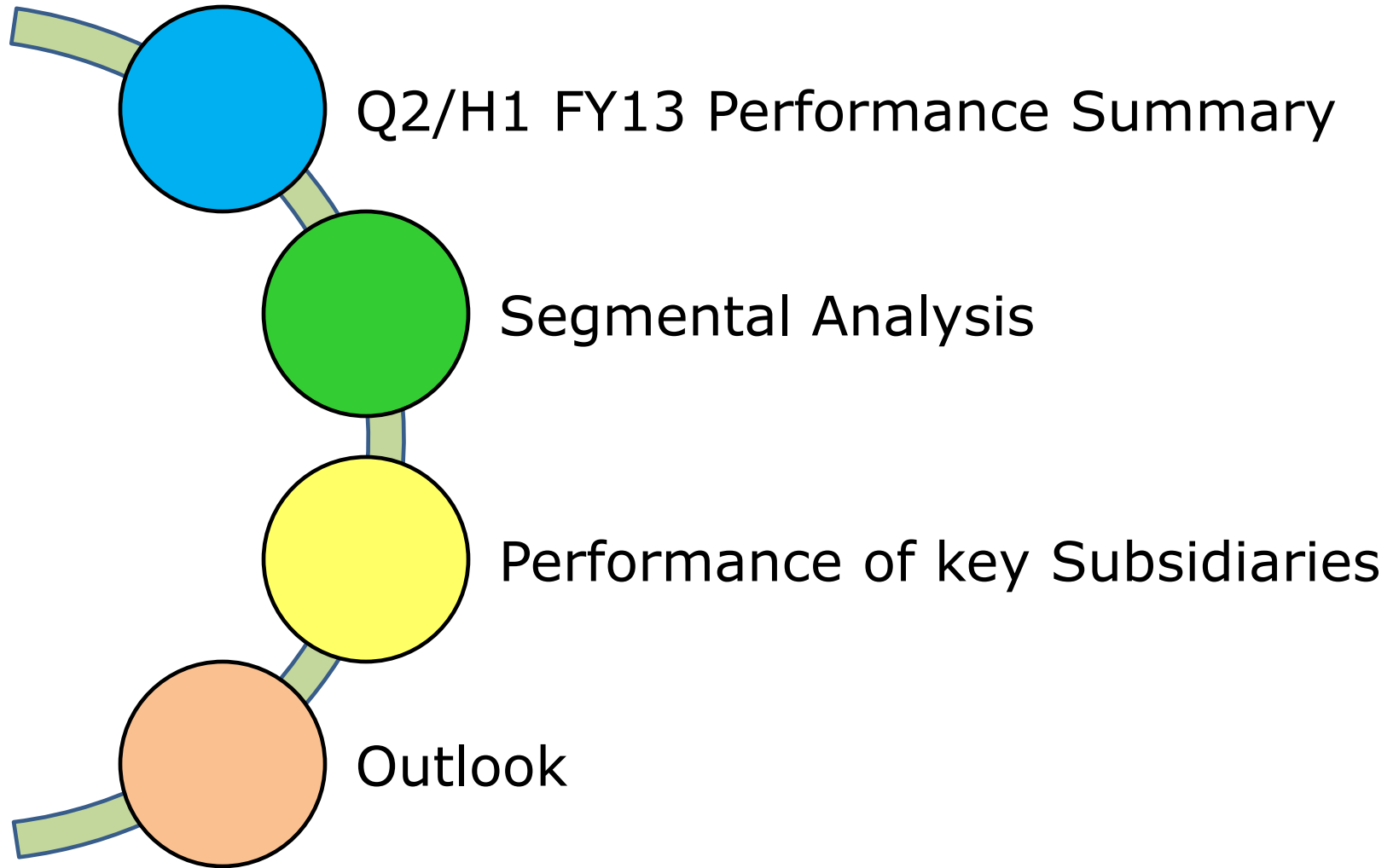


This presentation contains certain forward looking statements concerning L&T's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

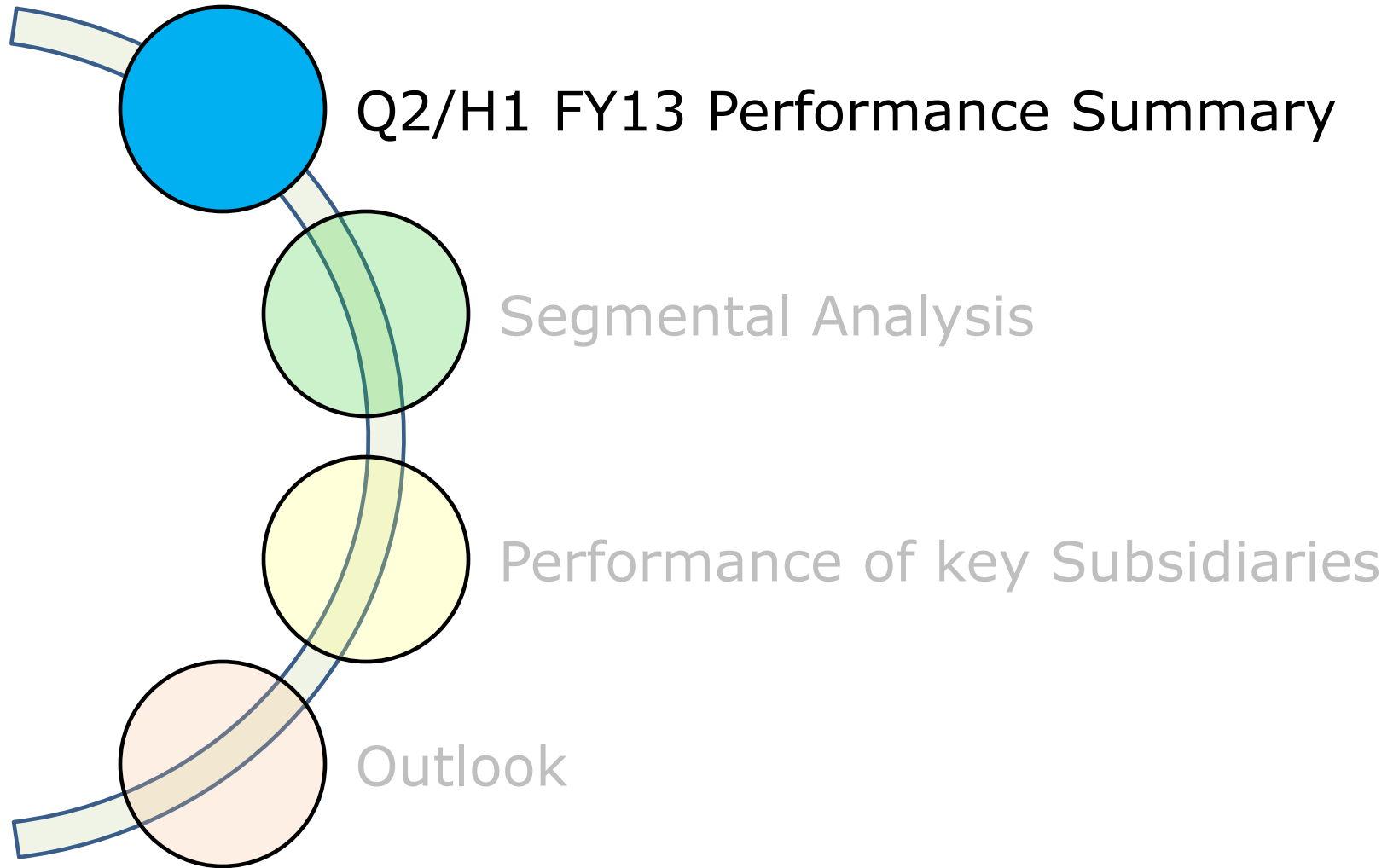
The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to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

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.

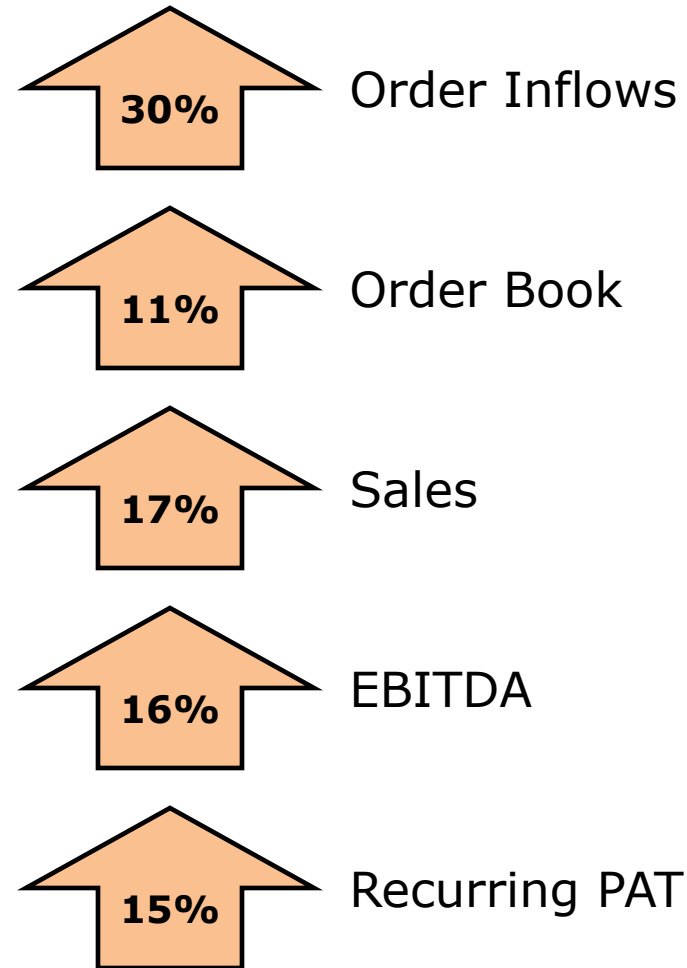
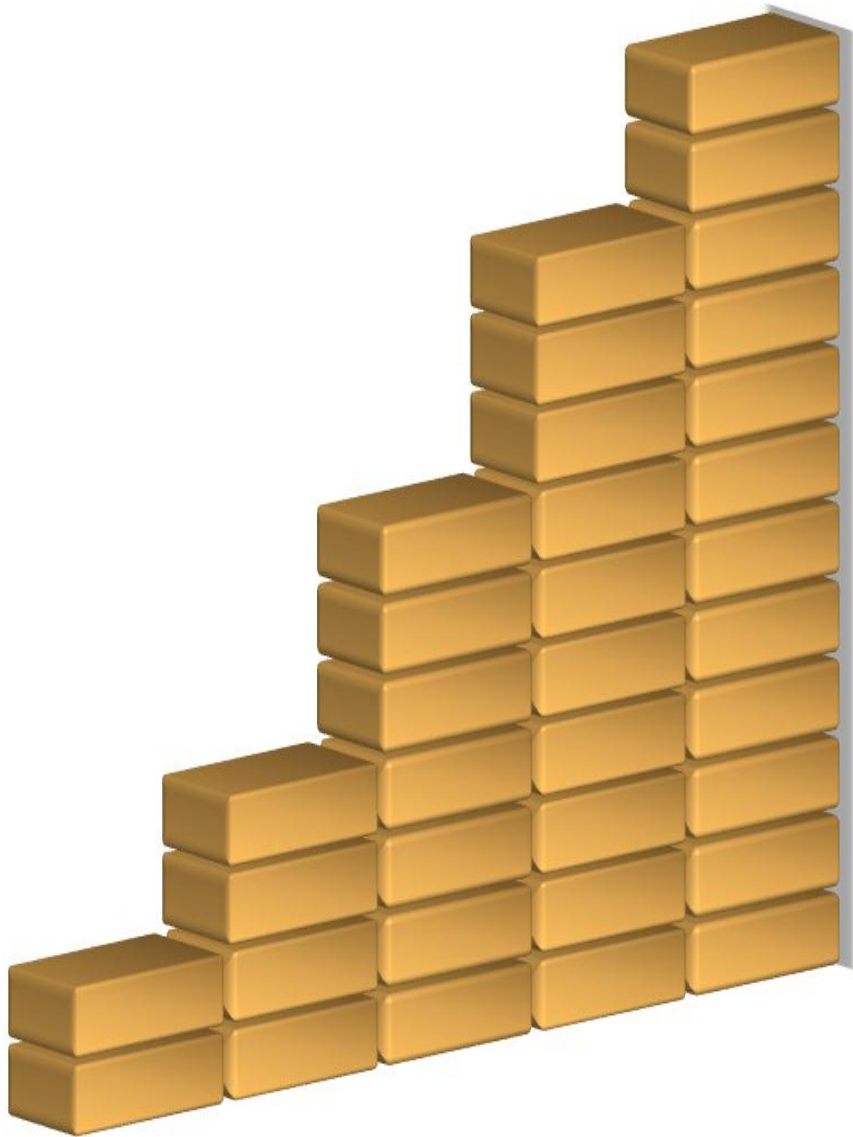
Presentation Outline



Presentation Outline



Q2 FY13 Performance Highlights

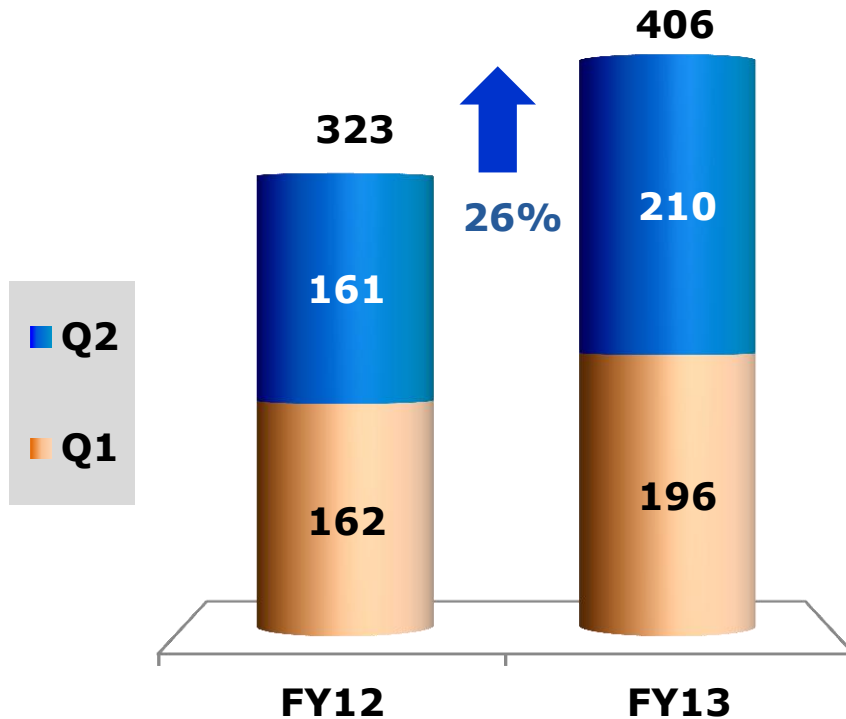


Order Inflow & Order Book – H1 FY13

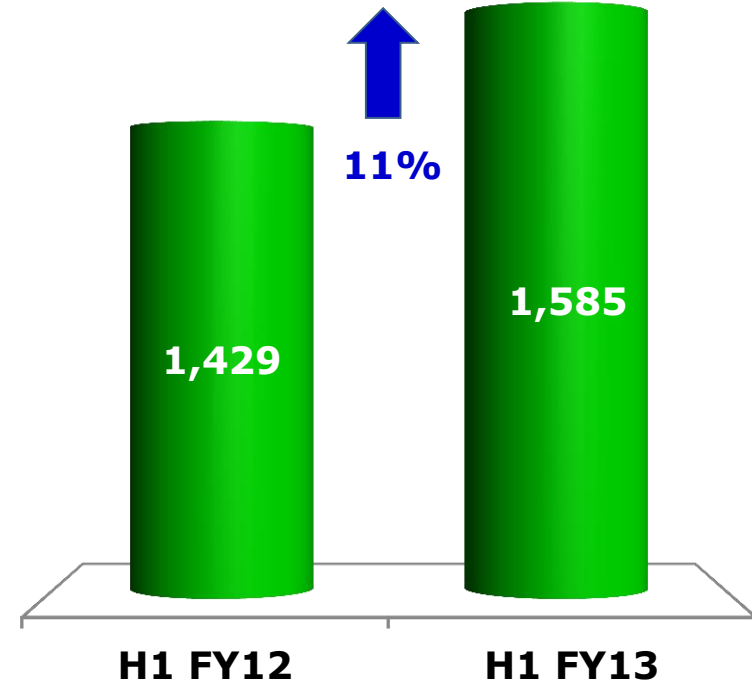


Amount in ₹ Bn

Order Inflow



Order Book

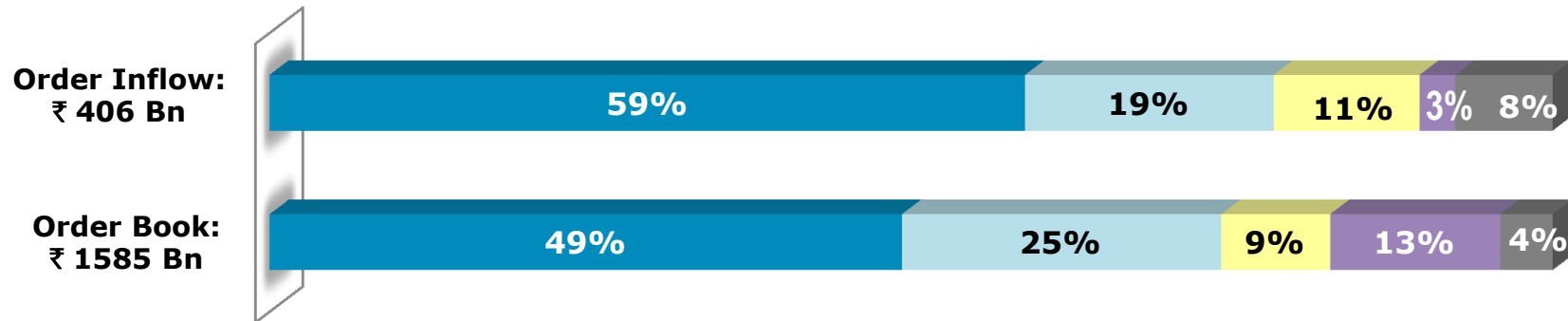


- Core Infrastructure opportunities driving order inflows; Hydrocarbon tendering picking up; broadbased investment momentum in power and industrial capex yet to pick up
- Delay in Investment decision making continues
- Order Book presently at 2x+ revenues

Order Inflow & Order Book – H1 FY13



Sectoral Break-up



■ **Infrastructure** ■ **Power** ■ **Hydrocarbon** ■ **Process** ■ **Others**

Infrastructure

- ▶ Roads and Bridges
- ▶ Ports
- ▶ Airports
- ▶ Railways / Metro Rail
- ▶ Urban Infra
- ▶ Factories
- ▶ Water

Power

- ▶ Generation
- ▶ Equipment
- ▶ Industrial Electrification
- ▶ T&D

Hydrocarbon

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

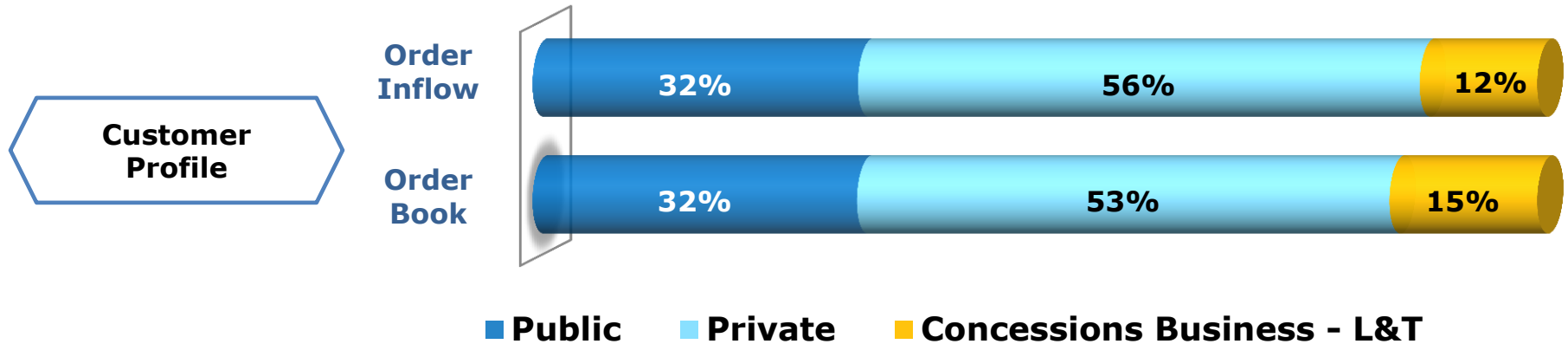
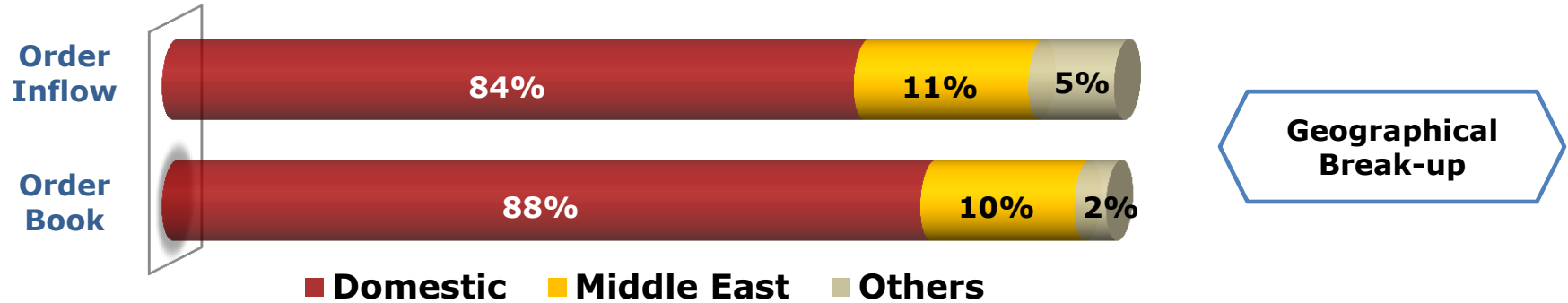
Process

- ▶ Minerals & Metals
- ▶ Bulk Material Handling

Others

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

Order Inflow & Order Book – H1 FY13



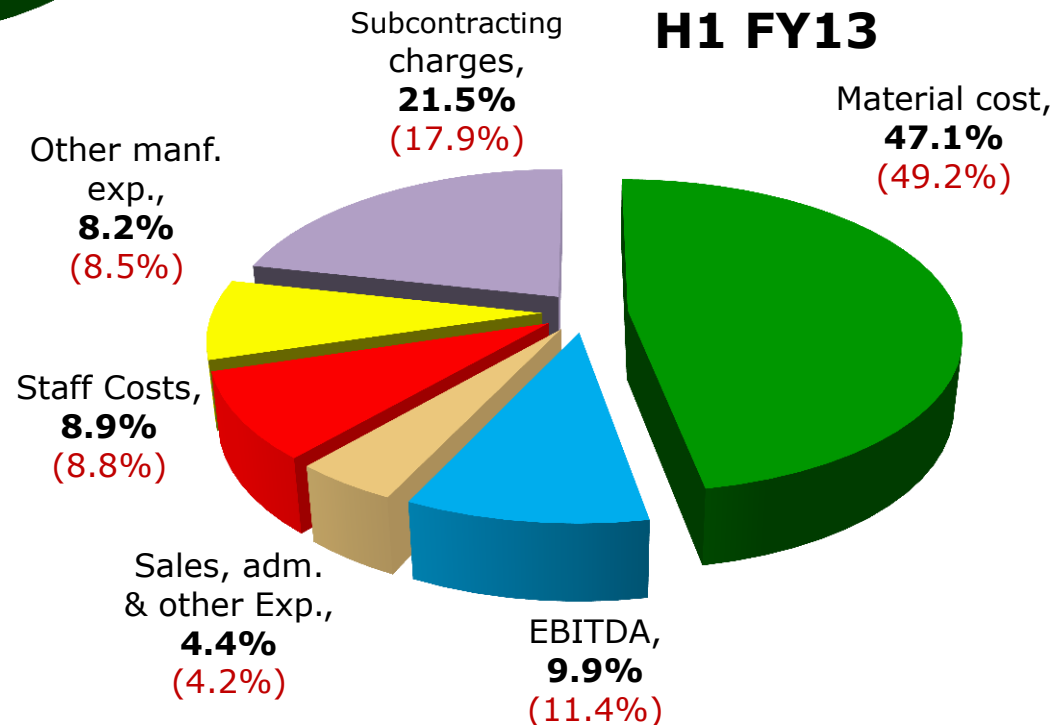
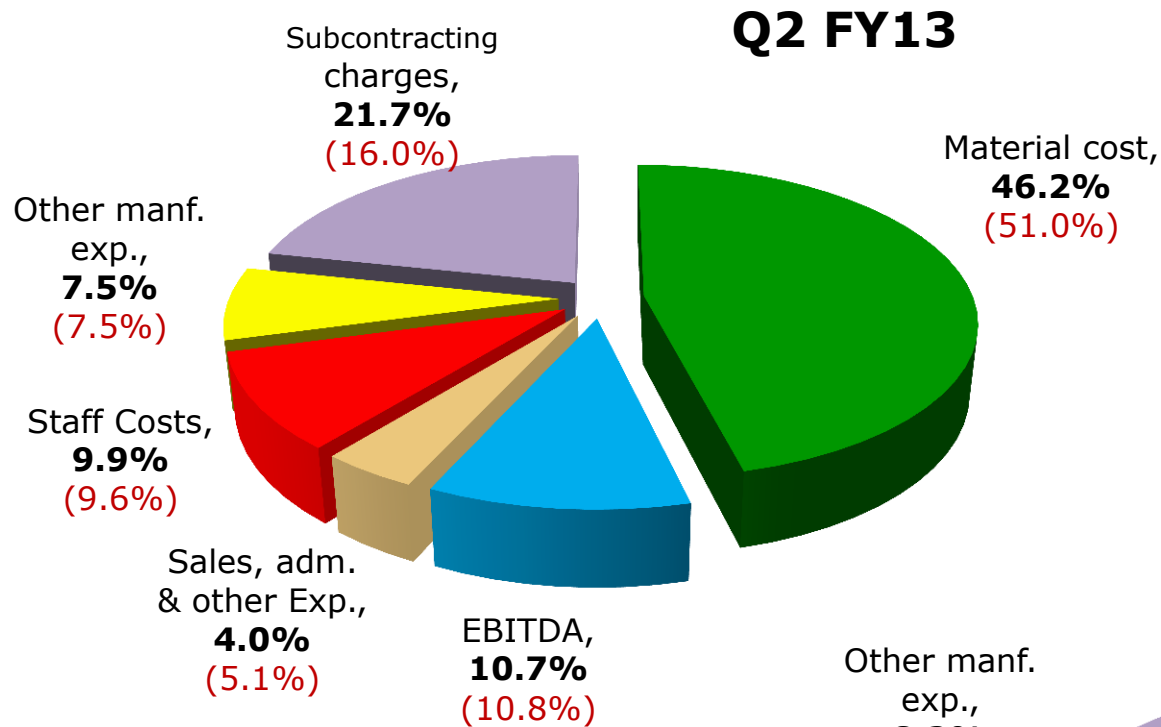
Performance Summary - Sales to EBITDA



Q2 FY13	Q2 FY12	% Change	₹ Billion	H1 FY13	H1 FY12	% Change	FY12
131.95	112.44	17%	Net Sales / Revenue from Operations --- (A)	251.50	207.26	21%	531.71
27.43	13.01	111%	----Export Sales	47.58	23.60	102%	62.11
99.65	83.73	19%	Mfg, Cons. & Opex (MCO)	193.17	156.78	23%	410.19
13.00	10.78	21%	Staff Costs	22.48	18.26	23%	36.63
5.25	5.76	-9%	Sales, adm. & other Exp.	10.93	8.57	27%	22.06
117.90	100.27	18%	Total Opex --- (B)	226.58	183.61	23%	468.88
14.05	12.17	16%	EBITDA --- (A-B)	24.92	23.65	5%	62.83

- Robust Sales growth witnessed across project businesses driven by large order book and efficient execution
- FY12 International Hydrocarbon Orders translating into FY13 Exports Sales growth
- Increased MCO Expenses due to job mix variation , material intensity and higher sub-contracting
- Staff cost increase led by manpower augmentation and normal revisions / increments
- Reduction in Q2 SGA due to lower non-linear provisions, lesser Forex MTM, and expense control

Sales Breakup – Operational Costs & Profitability



Figures in brackets indicate corresponding period of the Previous Year

Performance Summary – EBITDA to PAT



Q2 FY13	Q2 FY12	% Change	₹ Billion	H1 FY13	H1 FY12	% Change	FY12
14.05	12.17	16%	EBITDA	24.92	23.65	5%	62.83
10.7%	10.8%	-0.1%	EBITDA Margins	9.9%	11.4%	-1.5%	11.8%
(2.35)	(1.97)	19%	Interest Expenses	(4.63)	(3.54)	31%	(6.66)
(2.03)	(1.71)	19%	Depreciation	(3.96)	(3.39)	17%	(7.00)
3.29	3.20	3%	Other Income	9.35	5.90	59%	13.38
(3.81)	(3.70)	3%	Provision for Taxes	(7.64)	(7.17)	7%	(18.42)
9.15	7.99	15%	Recurring PAT	18.04	15.45	17%	44.13
2.22	-		Exceptional / Extraordinary Items (Net of tax)	1.97	-		0.43
11.37	7.99	42%	Profit after Tax	20.01	15.45	30%	44.56

- Stable Q2 EBITDA margins in line with execution progress and expense control
- Interest expenses are commensurate with borrowing levels
- Other Income in Q2 mainly on account of treasury gains
- Exceptional / Extraordinary items in Q2 arising out of divestment gains and Satyam provision write back; VRS charge in Q1

Performance Summary – Balance Sheet



₹ Billion	Sep-12	Mar-12	Incr / (Decr)
Net Worth	273.92	252.23	21.69
Non-Current Liabilities	68.18	61.14	7.04
Current Liabilities	351.91	363.20	(11.29)
Total Sources	694.01	676.57	17.44
Fixed Assets	87.39	83.64	3.75
Inv./ Advance against equity to S&A Cos	119.61	111.35	8.26
ICDs / Loans to S&A Cos	20.83	16.18	4.65
Other Non- Current Investments / Assets	10.26	8.33	1.93
Liquid Assets	72.21	86.92	(14.71)
Other Current Assets	383.71	370.15	13.56
Total Applications	694.01	676.57	17.44

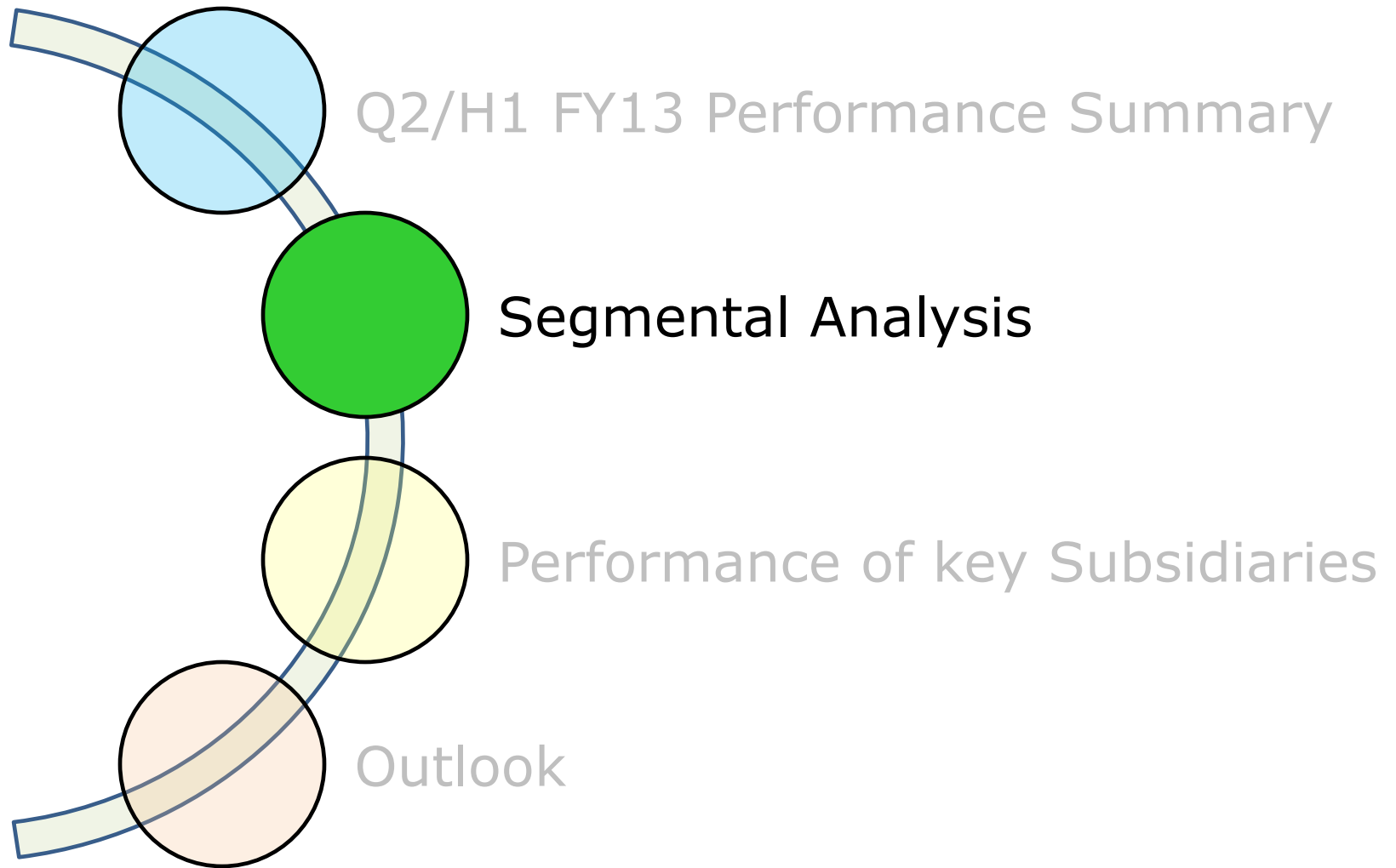
- Total Debt: Sep'12 – ₹ 120 Bn; Jun'12 – ₹ 114 Bn; Mar'12 – ₹ 99 Bn
- Gross D/E: 0.44
- Support to S&A Companies - mainly to Developmental projects
- Segmental NWC as % of Sales: 16.5% (Jun'12: 15.3%) – due to vendor credit

Performance Summary – Cash Flow

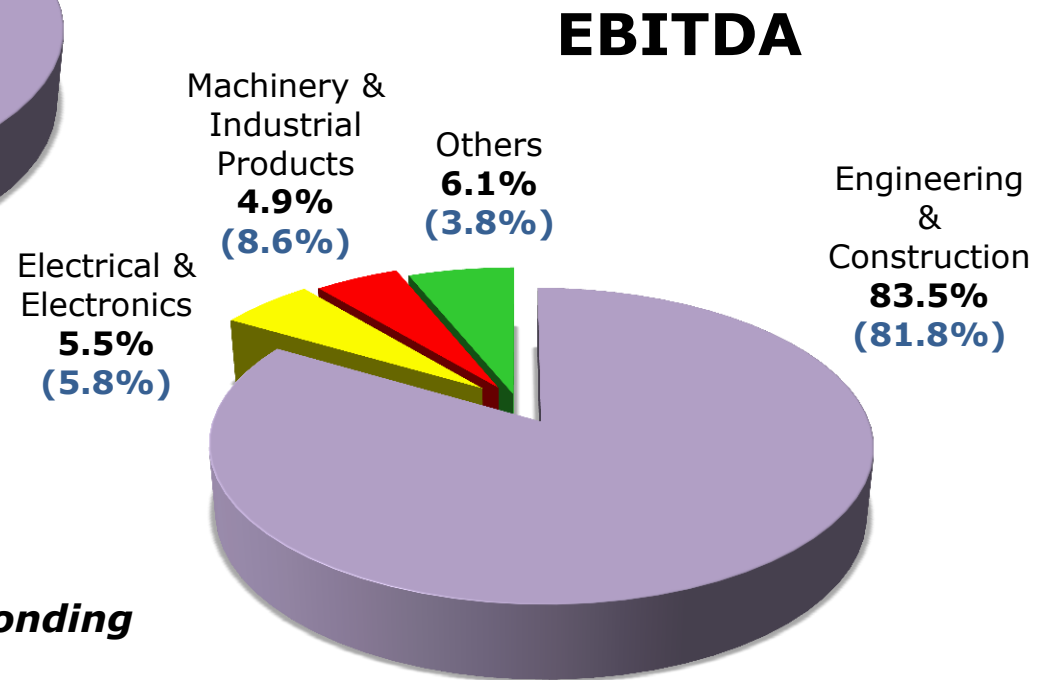
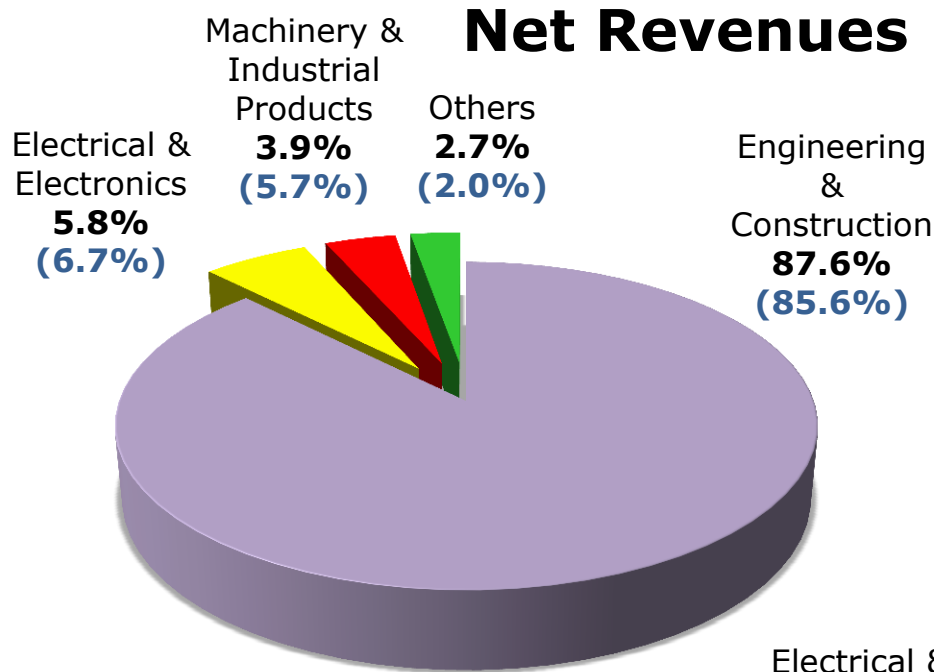


₹ Billion	Q1 FY13	Q2 FY13	H1 FY13	Q1 FY12	Q2 FY12	H1 FY12
Operating Profit	13.15	15.03	28.18	11.71	13.44	25.15
Adjustments for Working Capital Changes	(26.49)	(3.67)	(30.16)	(16.07)	(12.99)	(29.06)
Direct Taxes (Paid) / Refund - Net	(2.66)	(5.51)	(8.17)	(3.53)	(5.08)	(8.61)
Net Cash from Operations	(16.00)	5.85	(10.15)	(7.89)	(4.63)	(12.52)
Investments in Fixed Assets (Net)	(3.98)	(3.72)	(7.70)	(3.54)	(3.53)	(7.07)
(Inv.) / Divestment in S&A and JVs and Adv. towards equity (Net)	(6.74)	0.46	(6.27)	(1.55)	(4.18)	(5.73)
(Purchase) /Sale of Long Term & Current Investments (Net)	9.81	6.96	16.77	(0.53)	19.83	19.30
Loans/Deposits made with S&A / Others	(6.00)	1.35	(4.65)	(1.72)	(1.38)	(3.10)
Interest & Div. Received from Investments	4.70	2.53	7.23	2.28	2.41	4.68
Net Cash from / (used in) Investing Activities	(2.20)	7.58	5.38	(5.05)	13.14	8.08
Proceeds from Issue of Share Capital	0.21	0.53	0.74	0.66	0.58	1.24
Net Borrowings	11.63	6.87	18.50	4.84	3.65	8.49
Dividends & Interests paid	(2.03)	(12.91)	(14.94)	(1.27)	(10.82)	(12.09)
Net Cash from Financing Activities	9.81	(5.51)	4.30	4.23	(6.59)	(2.36)
Net (Dec) / Inc in Cash & Cash Equiv.	(8.39)	7.92	(0.47)	(8.71)	1.91	(6.80)
Cash & Cash Equivalents - Opening	19.05	10.66	19.05	17.30	8.59	17.30
Cash & Cash Equivalents - Closing	10.66	18.58	18.58	8.59	10.50	10.50

Presentation Outline



Segmental Break-up – H1 FY13



Figures in brackets indicate corresponding period of the Previous Year

'Engineering & Construction' Segment



Q2 FY13	Q2 FY12	% Change	₹ Billion	H1 FY13	H1 FY12	% Change	FY12
191.36	146.12	31%	Order Inflows	370.36	291.16	27%	638.48
45.39	50.40	-10%	--- Exports	56.33	73.61	-23%	113.94
			Order Book	1,561.83	1,408.23	11%	1,436.42
			--- Exports	188.86	157.35	20%	168.48
115.83	97.05	19%	Net Revenues	220.32	177.43	24%	467.62
22.79	9.39	143%	--- Exports	38.47	16.77	129%	46.02
14.15	11.63	22%	EBITDA	25.55	21.17	21%	59.46
12.2%	12.0%	0.2%	EBITDA Margins	11.6%	11.9%	-0.3%	12.7%
			Net Segment Assets	144.90	99.70	45%	109.80

- Headway in Transportation, Urban Infra and Water Infra sectors are main drivers of Order Inflow growth; other sectors still witnessing challenging environment
- Sporadicity in export award decisions; some success in Hydrocarbon and Nuclear Power
- Revenue growth driven by large order book and superior project rollout
- Growth in Export sales boosted by FY12 Hydrocarbon wins
- Healthy margins due to execution efficiency
- Y-o-Y Increase in segment assets due to NWC spike

'Electrical & Electronics' Segment



Q2 FY13	Q2 FY12	% Change	₹ Billion	H1 FY13	H1 FY12	% Change	FY12
7.80	7.37	6%	Net Revenues	14.57	13.93	5%	30.67
0.83	0.49	71%	--- Exports	1.54	1.09	41%	3.43
0.87	0.79	10%	EBITDA	1.67	1.50	12%	3.89
11.1%	10.7%	0.4%	EBITDA Margins	11.5%	10.8%	0.7%	12.7%
			Net Segment Assets	14.19	13.86	2%	13.63

- Modest growth in sales due to subdued industrial activity and delayed customer clearances
- Switchboard order wins from Middle East translating into export growth
- Business is focusing on margin recoupment through profitable product mix, shifting of production to low cost regions, and scaling up of international business for value-added products / projects

'Machinery & Industrial Products' Segment



Q2 FY13	Q2 FY12	% Change	₹ Billion	H1 FY13	H1 FY12	% Change	FY12
5.09	5.80	-12%	Net Revenues	9.79	11.68	-16%	23.97
0.90	1.22	-26%	--- Exports	1.86	2.18	-14%	4.44
0.75	1.03	-27%	EBITDA	1.50	2.22	-32%	4.77
14.7%	17.7%	-3.0%	EBITDA Margins	15.4%	19.0%	-3.6%	19.9%
			Net Segment Assets	5.42	5.49	-1%	5.28

- Dampened revenues witnessed across most businesses due to –
 - Sluggish industrial conditions
 - Lower offtake from wind power industry
 - Stress on supply chain
 - Transfer of business to subsidiary for integration purposes
- Mining ban continues to affect Construction and Mining business
- Margins adversely affected due to higher input costs and operating leverage

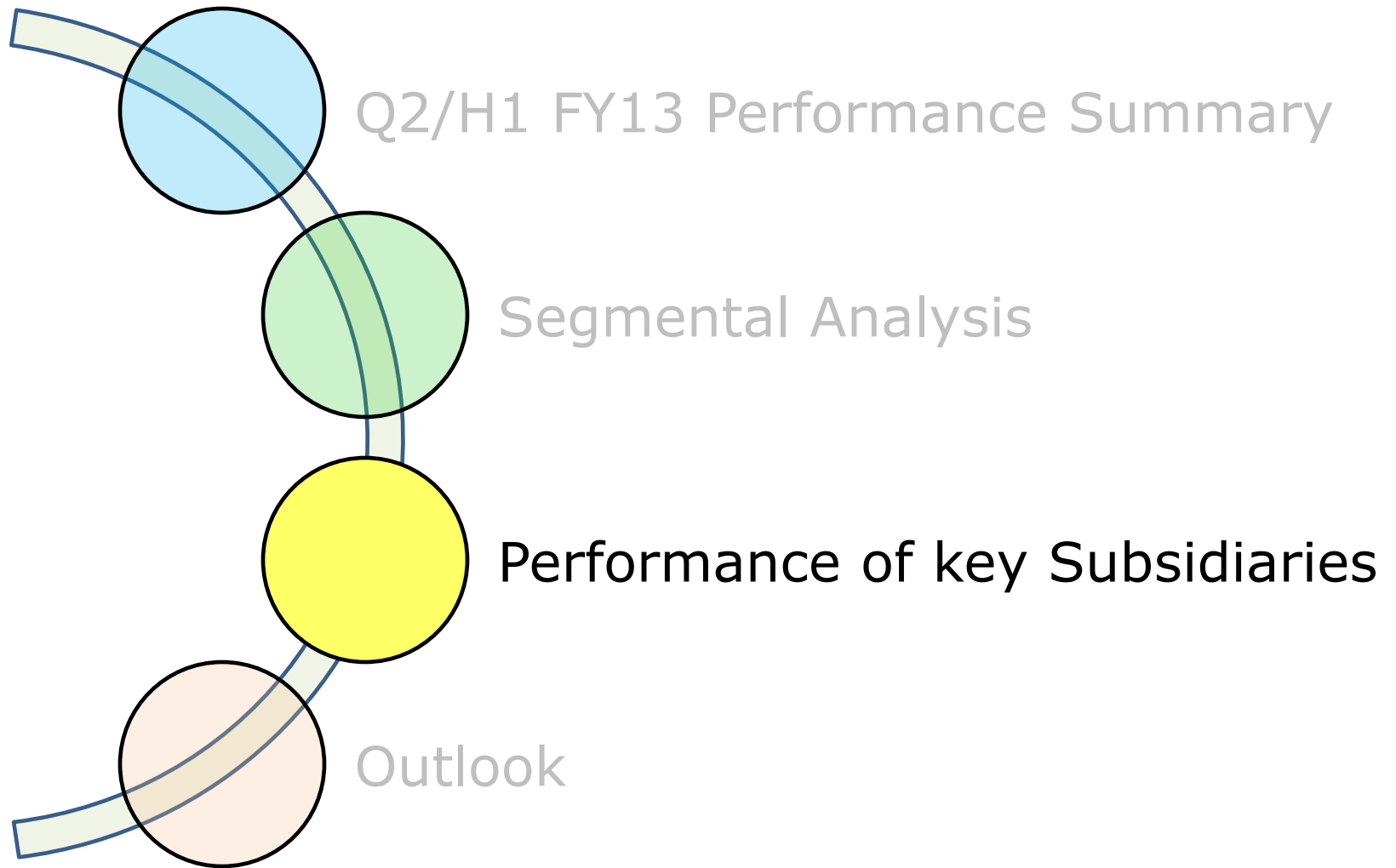
'Others' Segment



Q2 FY13	Q2 FY12	% Change	₹ Billion	H1 FY13	H1 FY12	% Change	FY12
3.25	2.22	46%	Net Revenues	6.83	4.21	62%	9.45
2.92	1.92	52%	--- Exports	5.70	3.57	60%	8.22
0.76	0.53	45%	EBITDA	1.87	0.99	89%	2.11
23.5%	23.8%	-0.3%	EBITDA Margins	27.4%	23.5%	3.9%	22.4%
			Net Segment Assets	7.18	6.30	14%	6.00

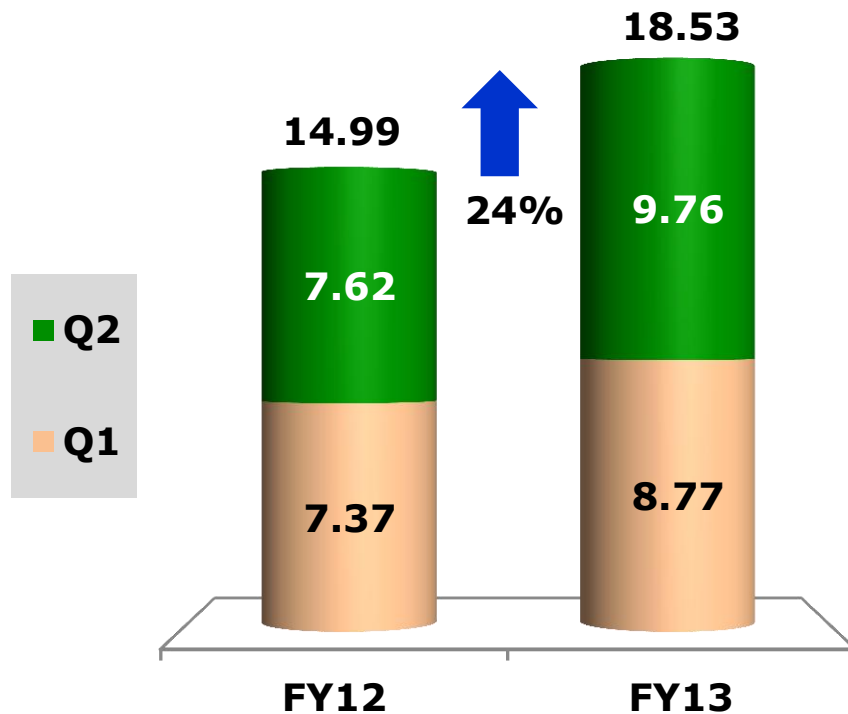
- Major revenue contributed by Integrated Engineering Services (business derived mainly from North America and European markets)
- Revenue growth in Q2 and H1 aided by INR depreciation
- IES currently in ramp-up phase
- Margin expansion achieved through operational efficiencies and aided by currency movements

Presentation Outline

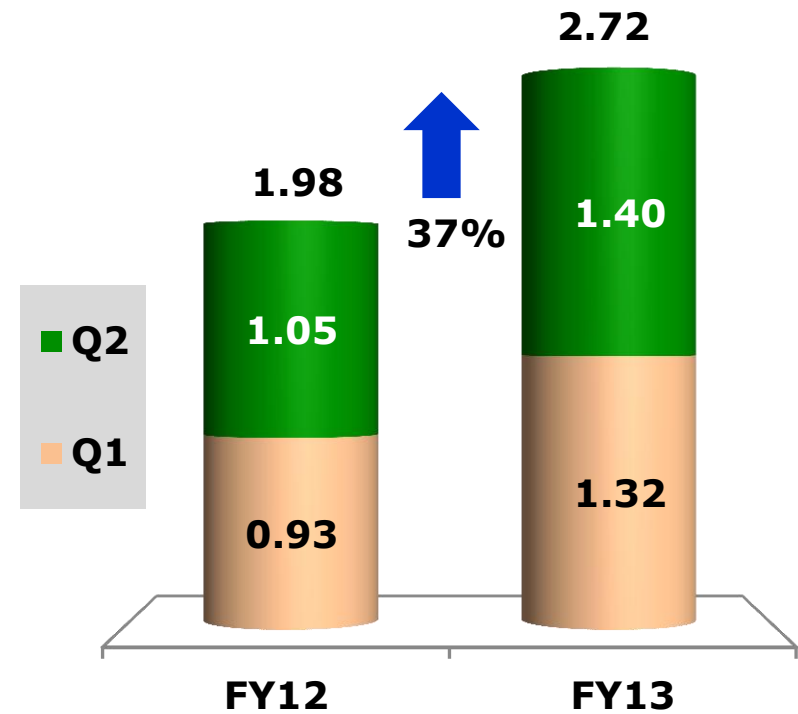




Total Income



Profit after Tax



- Robust revenue growth of 28% in Q2 and 24% in H1 seen across all business segments and industry verticals
- Earnings aided by currency movement
- Positive outlook



Amt. ₹ Billion	H1 FY13	H1 FY12	% Change	FY12
NBFCs				
Loans and Advances	276.64	217.42	27%	256.71
Disbursements	89.00	98.05	-9%	216.74
NIM (%)	5.52%	5.47%	0.05%	5.4%
Gross NPA (%)	1.56%	1.10%	0.46%	1.3%
Net NPA (%)	1.14%	0.74%	0.40%	0.9%
L&T Finance Holdings (Consolidated)				
Total Income	18.56	13.70	35%	30.07
PAT	2.64	2.21	20%	4.55

- Diversified business portfolio has been an enabler of healthy growth
- Lower disbursements are mainly due to drop in Infra Finance disbursements and reflect the sluggishness in the current infra environment
- Rural segment witnessing strong growth
- Focus is on credit quality and sustaining NIM's

Concessions Business Portfolio



Roads and Bridges:

Portfolio: 19 projects; 10 operational, 9 under implementation
Development: 2092 km
Project Outlay: ₹217 Bn

Power:

Portfolio: 5 projects; under development / implementation
Capacity: 2842 MW
Project Outlay: ₹ 212 Bn



Metro:

Portfolio: 1 project; under implementation
Development: 71.16 km
Project Outlay: ₹ 164 Bn

Ports:

Portfolio: 3 projects; 2 operational, 1 under implementation
Capacity: 45 Mn TPA
Project Outlay: ₹ 57 Bn

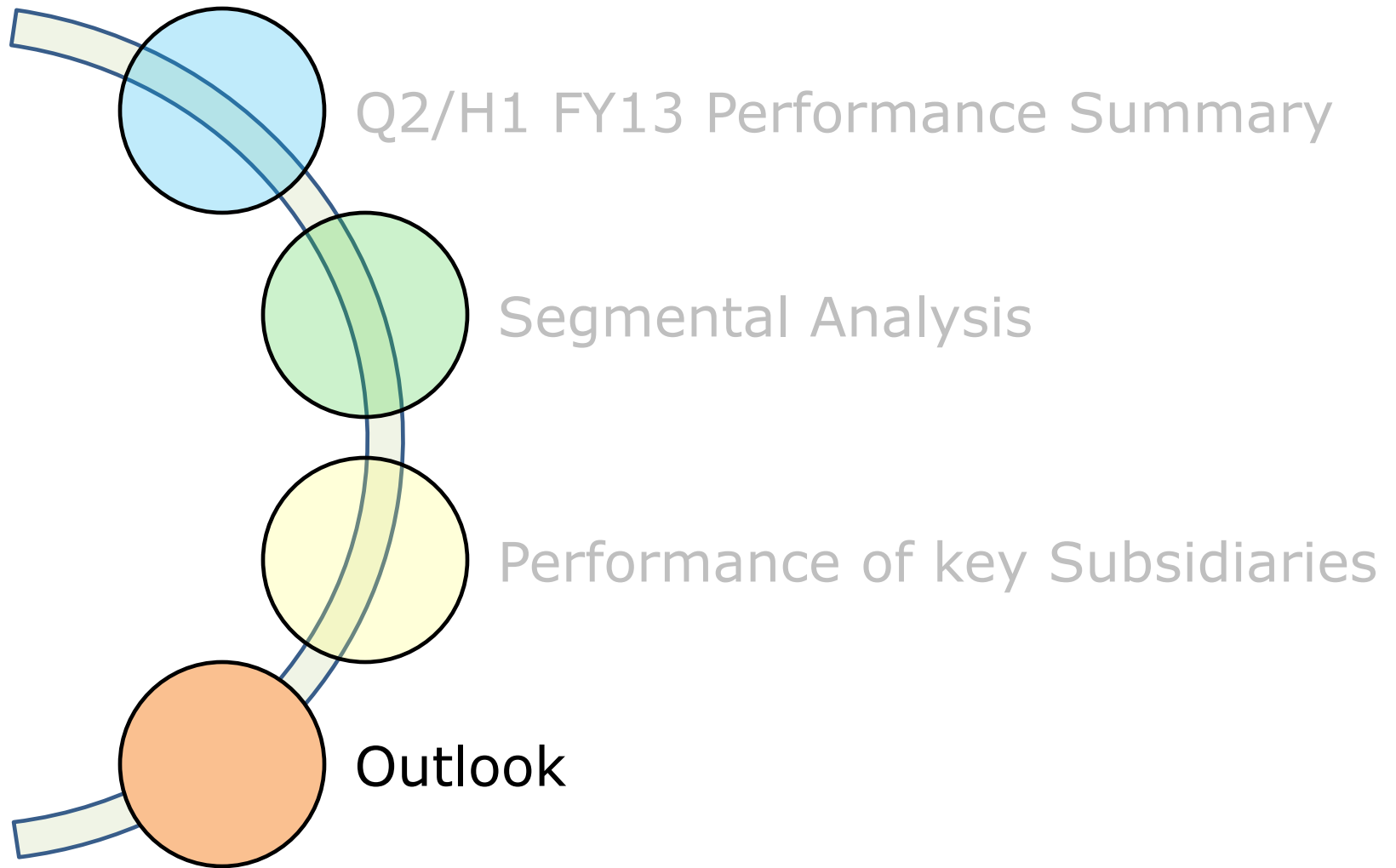


Total Project Cost (Sept 2012): ₹ 650 Bn

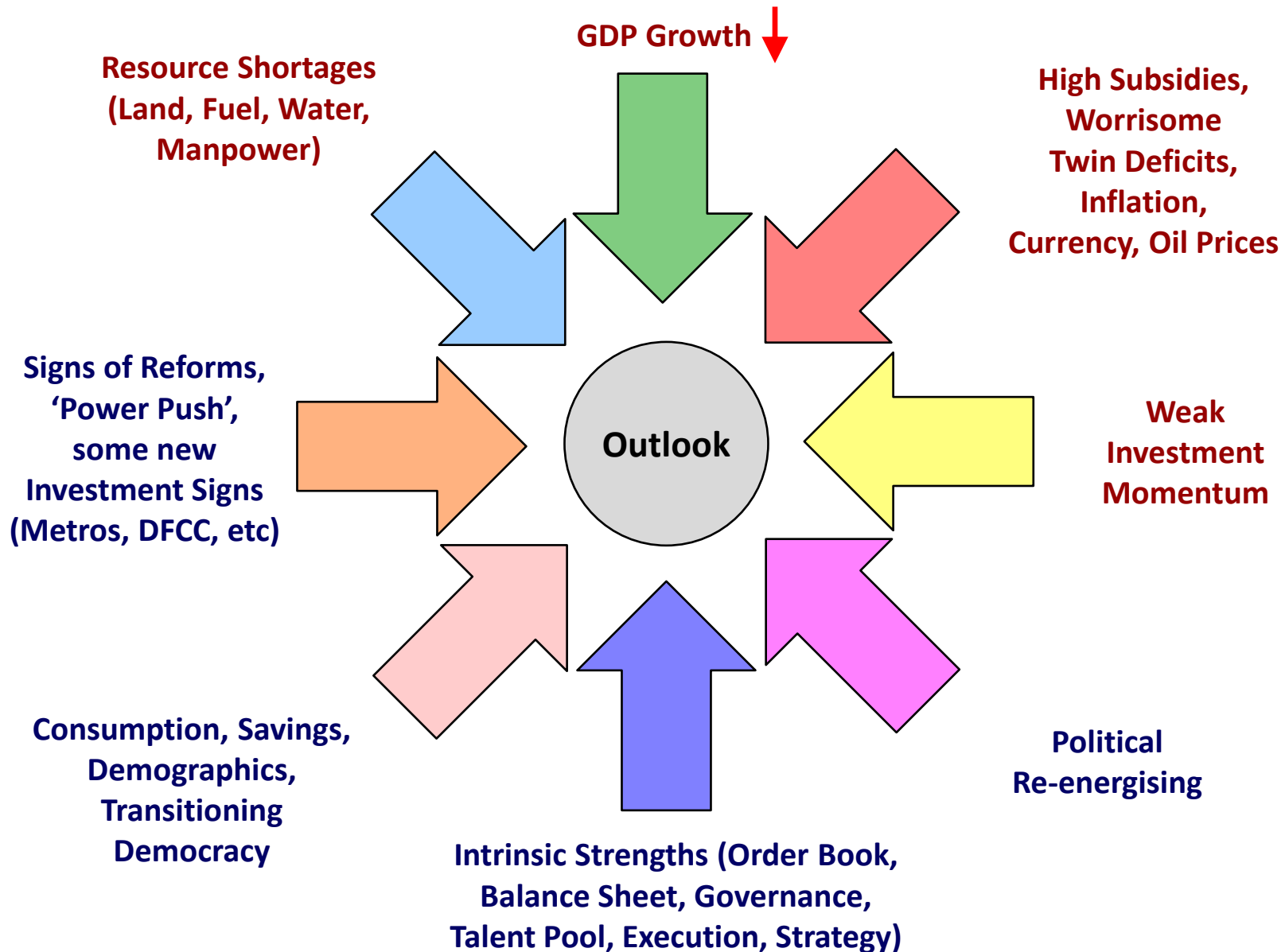
Equity Invested (Sept 2012): ₹ 49 Bn

Balance Equity Commitment (Sept 2012): ₹ 93 Bn

Presentation Outline



Headwinds & Tailwinds





Thank You

Annexure 1: Major Orders Booked in Q2 FY13



Project Details	₹ Bn
Domestic	
Design & Engineering, Civil, Inland Transportation, Installation, Planning, Testing and Commissioning & Allied works for Lata Tapovan Hydro Electric Project, Uttarakhand	7.81
EPC contract for four Well Head Platforms (B 127) for ONGC	7.49
EPC contract for construction of significant stretches of Kishangarh - Udaipur - Ahmedabad Highway, a part of NHDP Phase V from GMR Group	6.45
Railway electrification works between Guntakal -Raichur -Wadi stations of South Central Railway and railway construction, track work, signaling & telecommunication in the Lucknow and Izatnagar divisions of North Eastern Railway	5.44
Construction of 74 MLD water treatment plant, associated civil and Electro Mechanical & Instrumentation works for 111 villages and one town on a DBOM model, and drinking water supply project in Rajasthan	5.18
Design and Construction of Elevated Viaduct, Elevated Ramp & Five Elevated Stations etc. as part of Phase III of DMRC	3.77
Construction of 23 multistoreyed towers for a residential project	3.60
Design and construction of four lane flyover, rail overbridges and viaduct at various locations in Kolkata	2.75
Doubling of lines on Rewari - Manheru section on Bikaner division of North Western Railway	2.12
International	
EPC contract for Saih Rawl depletion compression project for PDO, Oman	13.02
Supply & Installation of New 220/33 kV Grid Station and all Related 220 kV Cable/ Overhead Line works in UAE	2.58
Construction of 11 kV distribution network and all associated HV equipment including backup generators and replacement of W42 switching station in UAE	1.68

Annexure 2: Details of Other Income



Q2 FY13	Q2 FY12	% Change	₹ Billion	H1 FY13	H1 FY12	% Change
1.60	1.51	6%	Interest Income	3.41	2.87	19%
0.57	0.50	13%	Income & Profit on sale of Inv.	1.00	0.96	5%
0.63	0.89	-29%	Dividend from S&A Companies	3.56	1.45	145%
0.49	0.30	64%	Miscellaneous Income	1.38	0.62	123%
3.29	3.20	3%	Total - Other Income	9.35	5.90	59%