

**Performance for the quarter ended
December 31, 2010**

Mumbai, January 17, 2011: Larsen & Toubro reported Gross Sales of 11418 crore, for the quarter ended December 31, 2010, registering a growth of 40% y-o-y. Execution of various jobs on hand, is on schedule.

Order inflow of

Electrical & Electronics Segment

E&E segment recorded an increase of 11% in its Customer Sales at 759 crore for the quarter ended December 31, 2010. With industrial growth momentum picking up and improved demand from agriculture sector, the flagship Electrical Standard Products business registered a good growth in revenue, contributing to the segment sales growth. The segment recorded Operating Margin of 13.1% for the quarter ended December 31, 2010, despite a steep increase in some of the input costs.

Machinery & Industrial Products Segment

Aided by higher demand from industrial sector, the segment registered a growth of 15% in Customer Sales at 660 crore for the quarter ended December 31, 2010. The segment recorded Operating Margin at 20.9% for the quarter, mainly contributed by the Construction and Mining Businesses.

Thrust on Growth Initiatives

Various expansion projects of the Company are well on track. Recently in a major milestone, the Company commissioned the country's first private sector completely integrated facilities for the manufacture of Super Critical Boiler and Turbine Generators at a single location namely, Hazira, Gujarat.

The Company's other major expansion projects such as shipbuilding facility cum container port and modular fabrication yard at Kattupalli, Tamil Nadu, Heavy Forging Shop and the manufacturing facility for power auxiliaries at Hazira, Gujarat are progressing well as per their respective schedules.

Outlook

The Company expects the pick-up of investment momentum in the economy to coincide with the completion of its expansion projects over the next one to two years. It is well positioned to sustain revenue growth momentum in the medium term given its excellent execution capabilities, presence in diverse sectors of the economy and a healthy Order Book.

	2010	2009	2010	2009	2010 (Audited)
1	1141826	813930	2867343	2350641	3699593
Less: Excise duty	9659	6793	25589	20615	32078
Net sales / revenues from operations	1132167	807137	2841754	2330026	3667515
2 Other operational income	9141	7424	19999	15252	35965
3 Total income (1+2)	1141308	814561	2861753	2345278	3703480
4 Expenditure:					
a) (Increase)/decrease in stock-in-trade and work-in-progress	(15837)	(1652)	(55071)	32716	42299
b) i) Consumption of raw materials	305555	152413	683676	491262	785430
ii) Sub-contracting charges	280583	202255	633711	575264	866175
iii) Construction materials	206601	162771	577979	436582	747808
iv) Purchase of traded goods	49133	40457	144406	103721	157428
v) Other manufacturing/operating expenses	70096	69360	206017	167232	246215
c) Employee cost	67715	54605	206922	176719	237914
d) Sales, administration and other expenses	53673	33670	137491	93369	138656
e) Depreciation, amortisation and obsolescence	12809	10452	36345	29838	41460
Total expenditure	1030328	724331	2571476	2106703	3263385
5	110980	90230	290277	238575	440095
6 Other income	24718	23364	84053	66107	91025
7	135698	113594	374330	304682	531120
8 Interest expenses	17571	13392	51120	36975	50531
9	118127	100202	323210	267707	480589
10 Exceptional items [refer note (i)]	3530	-	3530	104726	107478
11					

**Segment-wise Revenue, Result and Capital Employed
in terms of clause 41 of the listing agreement:**

	2010	2009	2010	2009	(Audited)
Gross segment revenue					
1 Engineering & Construction	1000411	702500	2465174	2043697	3231577
2 Electrical & Electronics	79500	71822	221253	199822	298654
3 Machinery & Industrial Products	68066	59100	192708	153761	221953
4 Others	16813	9502	44937	26409	36456
Total	1164790	842924	2924072	2423689	3788640
Less: Inter-segment revenue	13823	21570	36730	57796	53082
Net segment revenue	1150967	821354	2887342	2365893	3735558
Segment result (Profit before interest and tax)					
1 Engineering & Construction	106469	85539	278155	224845	409501
2 Electrical & Electronics	8677	8733	24735	26132	39419
3 Machinery & Industrial Products	12858	12059	35716	30878	45190
4 Others	2143	2050	7213	4230	4434
Total	130147	108381	345819	286085	498544
Less: Segment margins on internal capitalisation	980	1470	1189	3404	5835
Less: Interest expenses	17571	13392	51120	36975	50531
Add: Unallocable corporate income net of expenditure	10061	6683	33230	126727	145889
Profit before tax	121657	100202	326740	372433	588067
Capital employed					
(Segment assets less segment liabilities)					
1 Engineering & Construction			702934	666904	629067
2 Electrical & Electronics			120396	110206	113176
3 Machinery & Industrial Products			32782	17610	22400
4 Others			21004	18322	20348
Total capital employed in segments			877116	813042	784991
Unallocable corporate assets less corporate liabilities			2018878	1732411	1733995
Total capital employed			2895994	2545453	2518986

Notes: