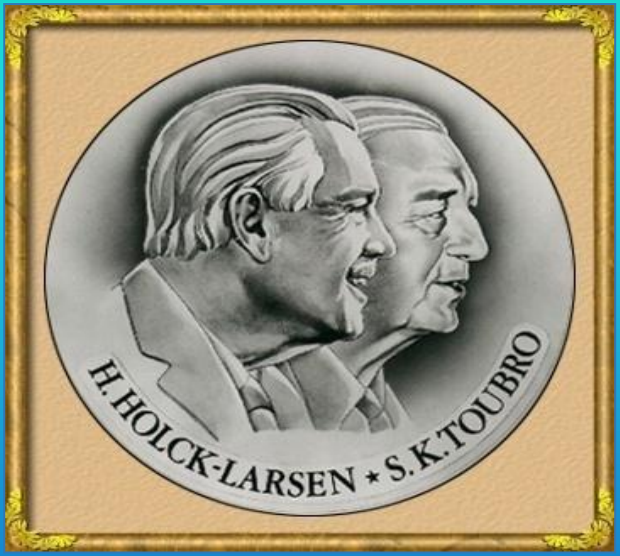


LARSEN & TOUBRO LIMITED

Analyst Presentation - FY12

14th May 2012

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

Standalone Performance

Segmental Performance

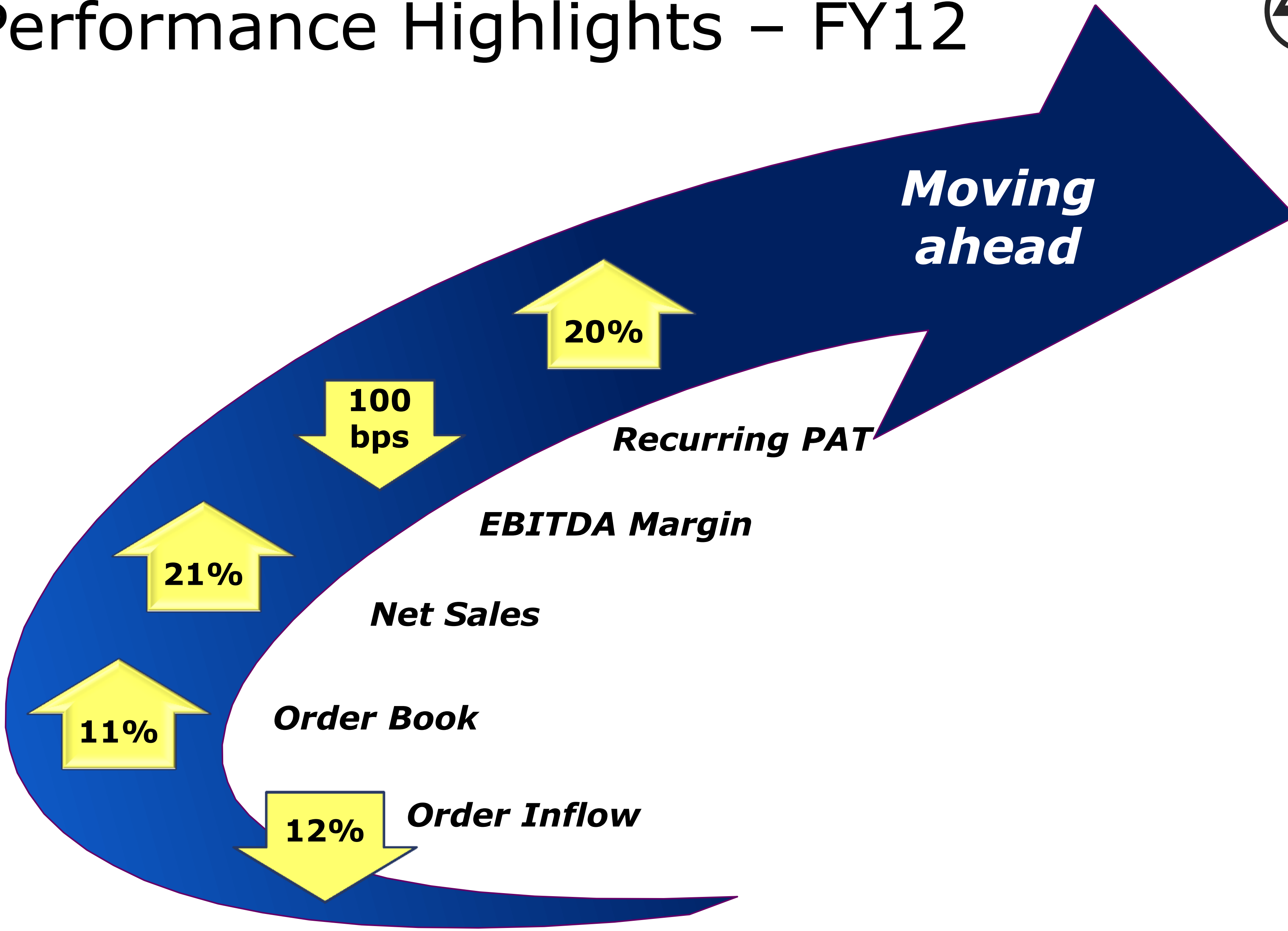
Group Performance

Sectoral Opportunities & Outlook

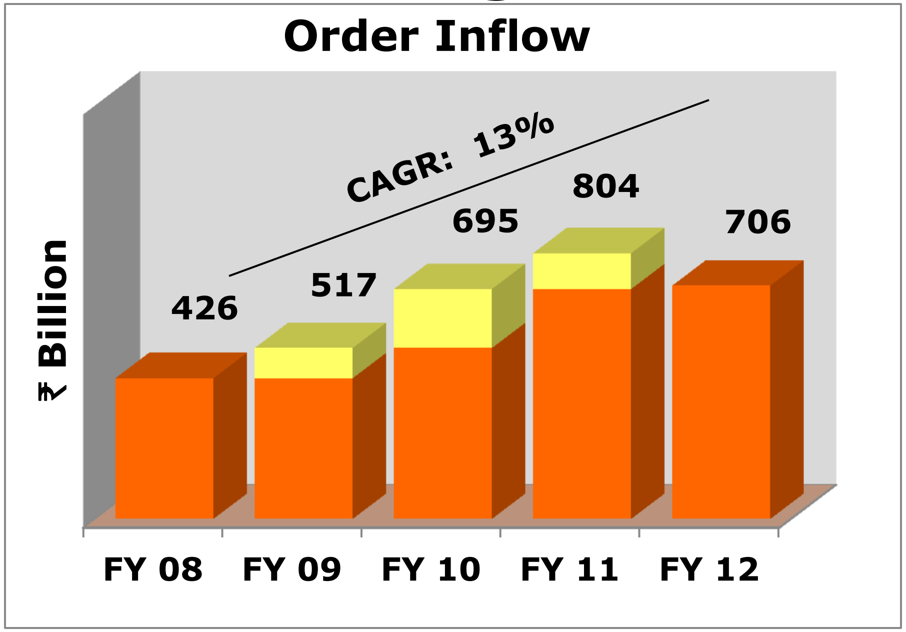
Presentation Outline

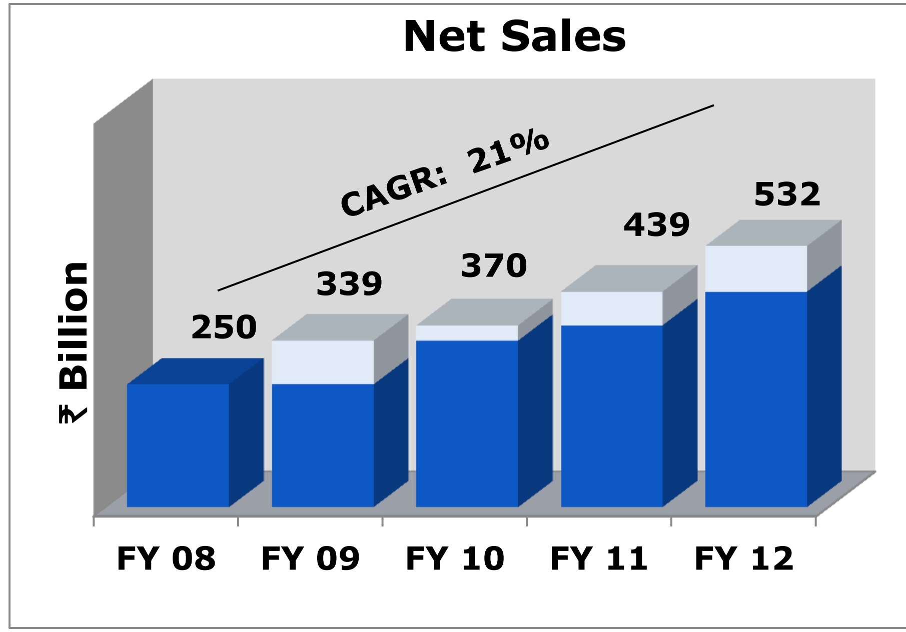
Standalone Performance

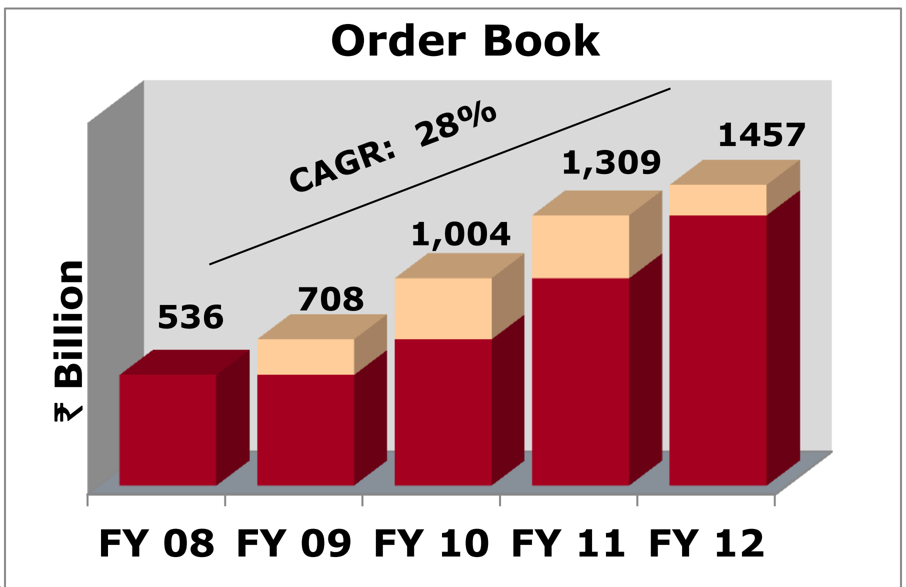
Performance Highlights – FY12

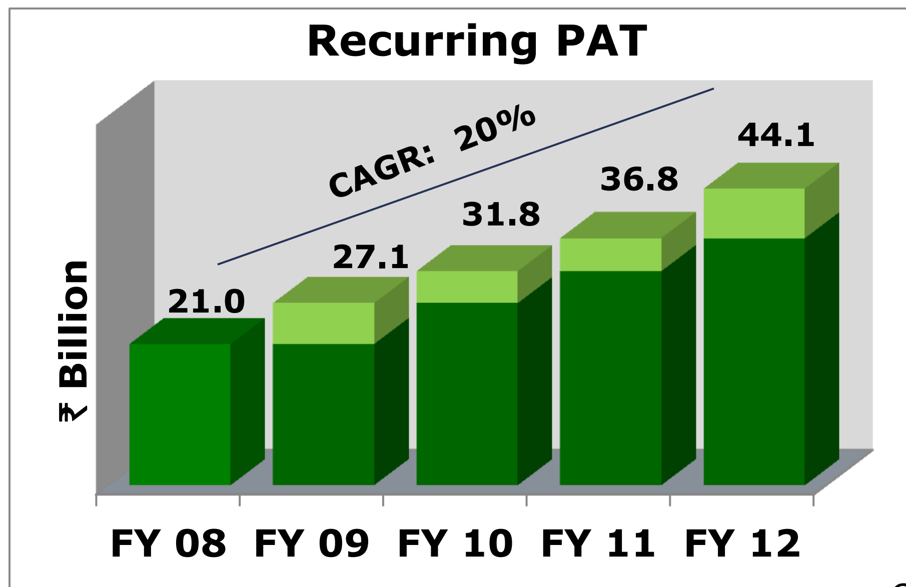


Sustaining Profitable Growth

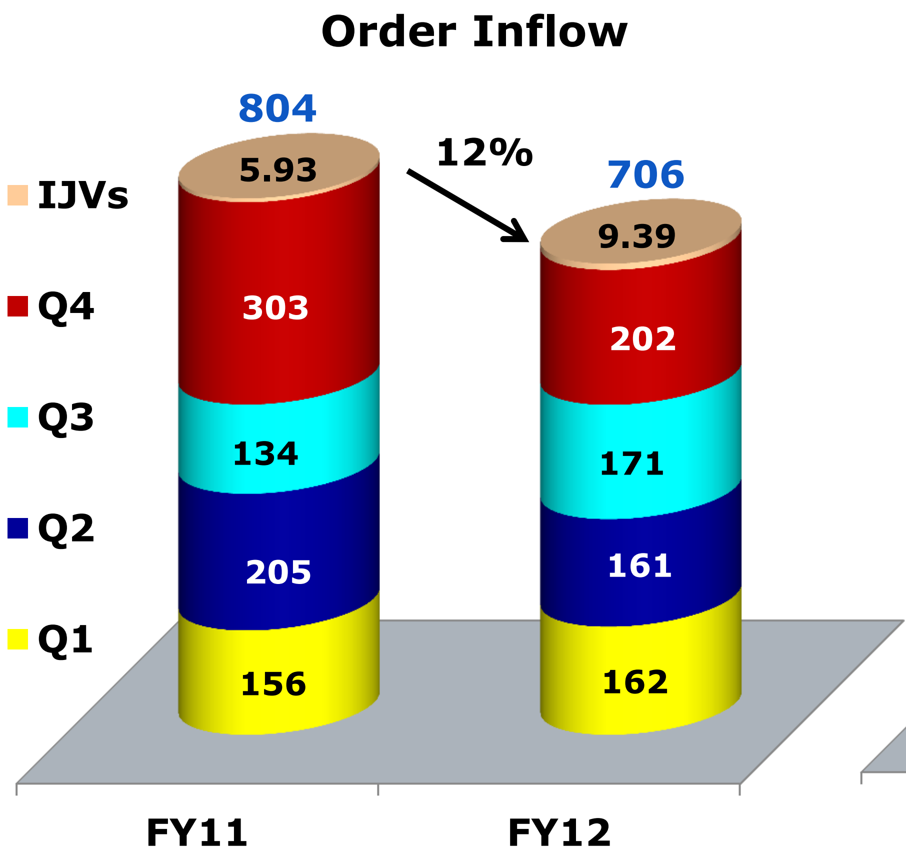


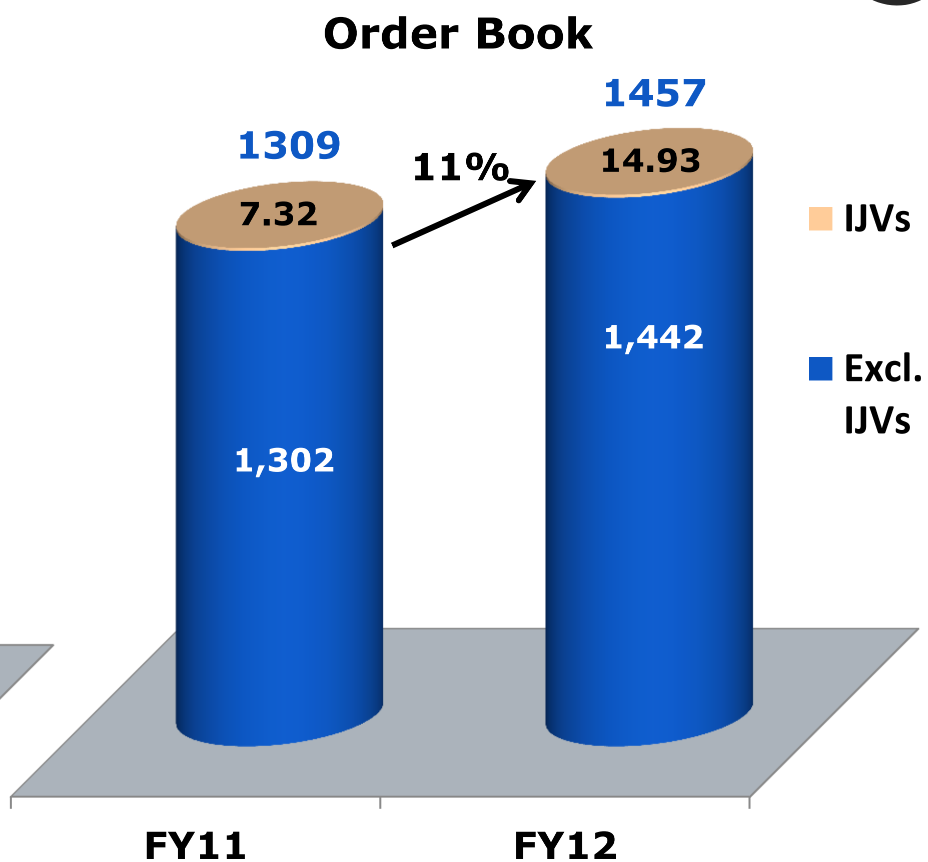






Order Inflow & Order Book



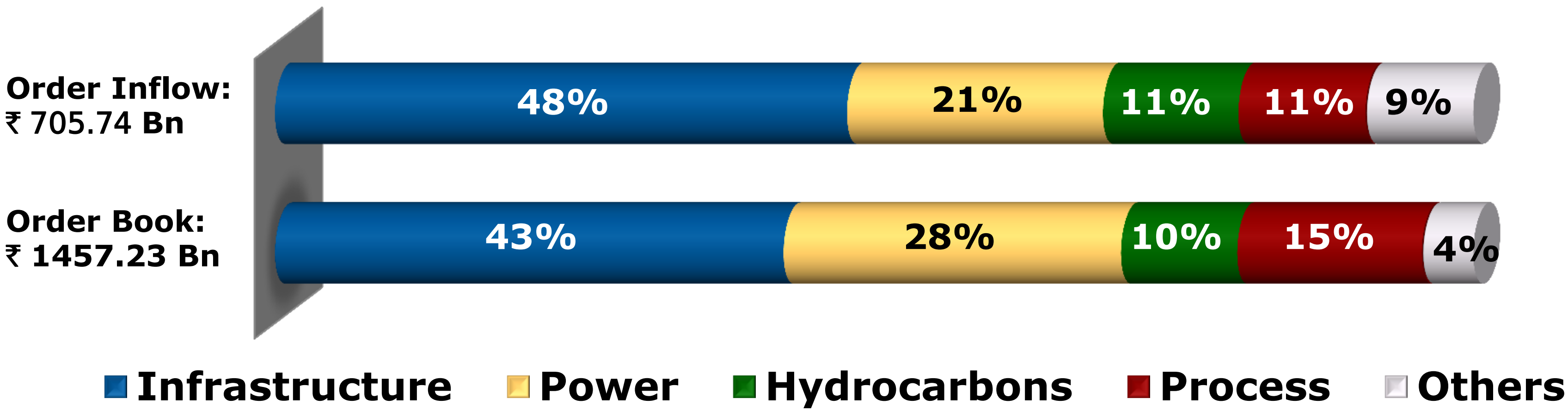


Amount in ₹ Bn

- Muted Order Inflows reflective of challenging environment
- Investment decisions witnessed in Infra, T&D and hydrocarbon
- Robust Order book provides multi year revenue visibility (2x+)
- Sectoral Opportunities identified for FY13; award decisions critical for growth

Order Inflow & Order Book – FY12

Sectoral Break-up



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

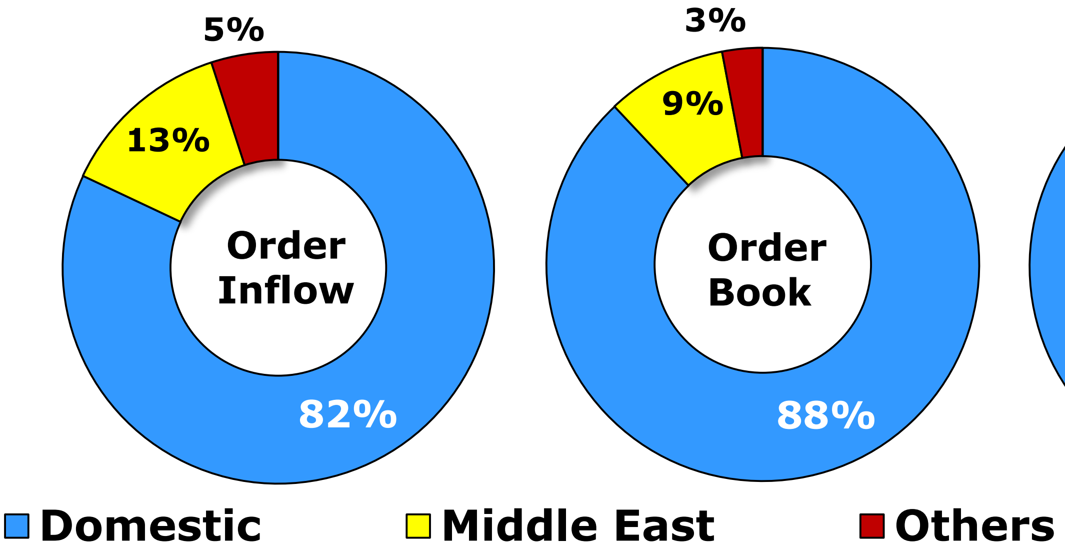
Power
- Generation
- Equipment
- Industrial Electrification
- T&D

Hydrocarbons
- Upstream
- Mid & Downstream
- Pipelines
- Fertilizer

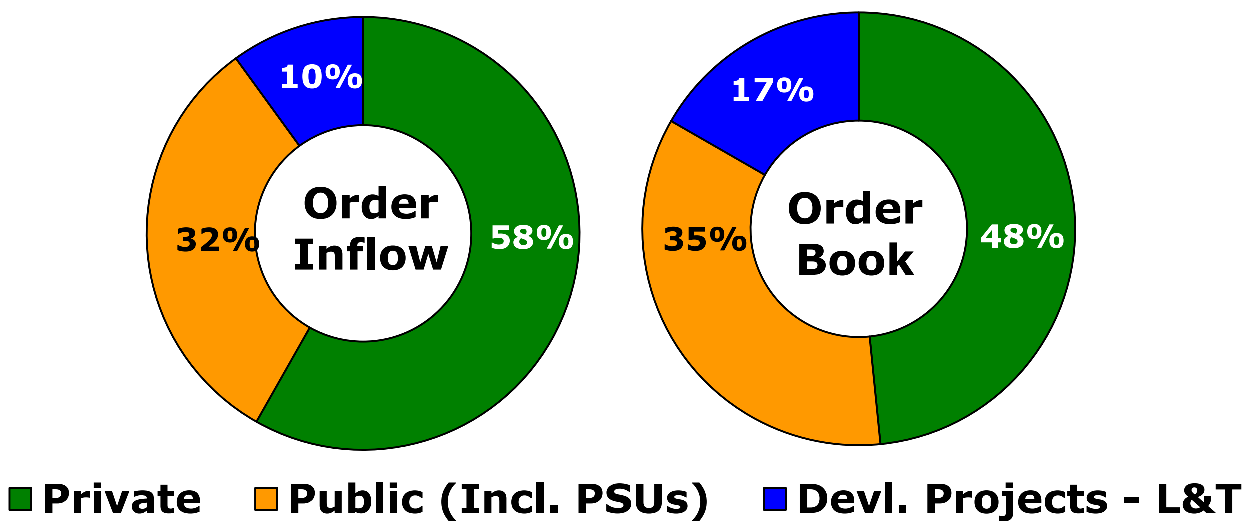
Process
- Minerals & Metals
- Bulk Material Handling

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

Order Inflow & Order Book – FY12



Geographical Break-up



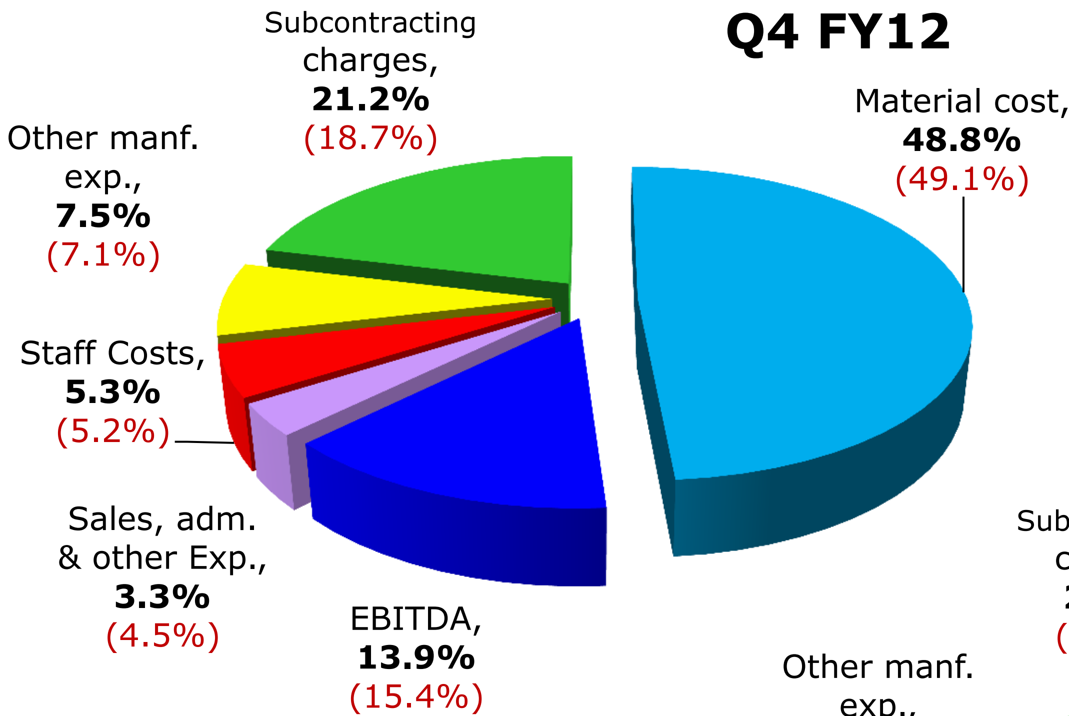
Customer Profile

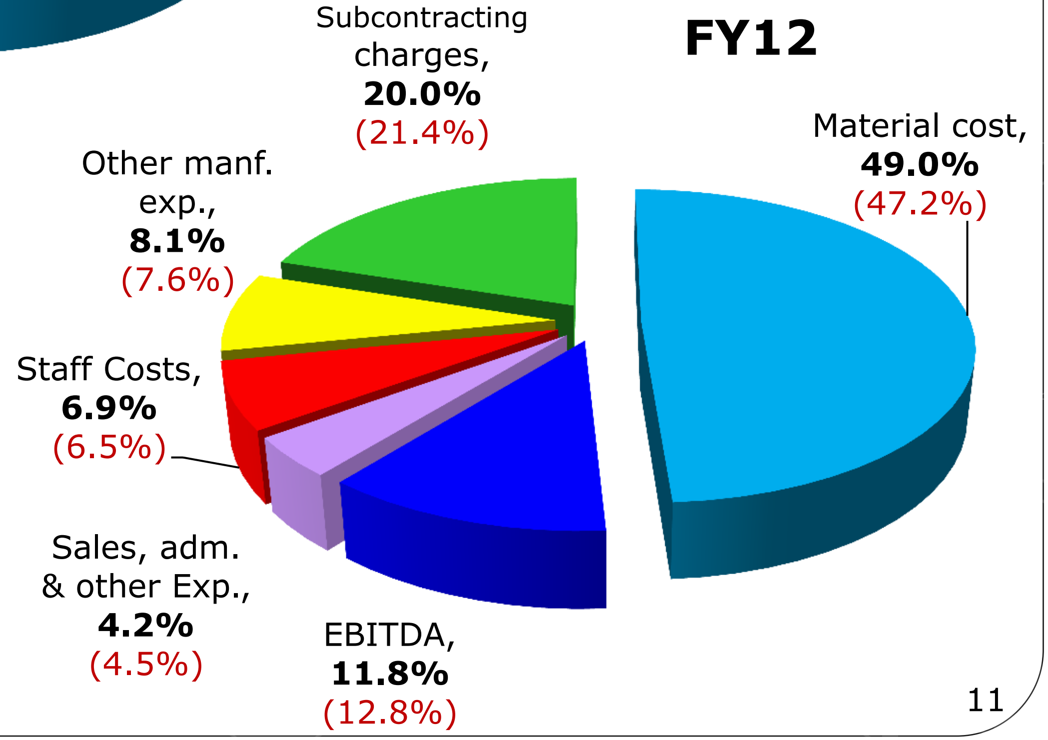
Performance Summary – Sales to EBITDA

Q4 FY12	Q4 FY11	% Change	₹ Billion	FY12	FY11	% Change
184.61	152.61	21%	Net Sales / Revenue from Operations ---(A)	531.71	439.06	21%
143.15	114.32	25%	Mfg, Cons. & Opex (MCO)	410.20	334.68	23%
9.75	8.02	22%	Staff Costs	36.64	28.30	29%
6.10	6.84	-11%	Sales, adm. & other Exp.	22.04	19.68	12%
159.00	129.18	23%	Total Opex ---(B)	468.88	382.66	23%
25.61	23.43	9%	EBITDA ---(A-B)	62.83	56.40	11%
13.9%	15.4%	-1.5%	EBITDA Margins	11.8%	12.8%	-1.0%

- Robust Execution – mainly on track, sporadic delays in front clearances, damped industrial offtake
- MCO expenses impacted by higher input costs
- Staff cost increase primarily due to compensation restructuring and manpower buildup
- SGA in line with level of operations; higher MTM valuations partly mitigated by expense control

Performance Summary – Operational Costs & Profitability





Figures in brackets indicate Previous Year's Composition

Performance Summary – Profitability

Q4 FY12	Q4 FY11	% Change	₹ Billion	FY12	FY11	% Change
25.61	**23.43**	**9%**	EBITDA	**62.83**	**56.40**	**11%**
13.9%	**15.4%**	**-1.5%**	**EBITDA Margins**	**11.8%**	**12.8%**	**-1.0%**
(1.21)	**(1.26)**	**-4%**	Interest Expenses	**(6.66)**	**(6.19)**	**8%**
(1.80)	**(2.36)**	**-24%**	Depreciation	**(7.00)**	**(5.99)**	**17%**
3.14	**3.57**	**-12%**	Other Income	**13.38**	**11.47**	**17%**
(6.97)	**(8.34)**	**-16%**	Provision for Taxes	**(18.42)**	**(18.93)**	**-3%**
18.77	**15.04**	**25%**	**Recurring PAT**	**44.13**	**36.76**	**20%**
0.43	**1.82**		Extraordinary & Exceptional Items (Net of tax)	**0.43**	**2.82**	
19.20	**16.86**	**14%**	**Profit after Tax**	**44.56**	**39.58**	**13%**

- Modest margin compression along expected lines
- Interest charge contained through superior liquidity management
- Depreciation in line with capex programs and realignment of asset useful life
- Other Income mainly comprises of Treasury earnings and S&A Co dividend
- FY11 tax charge included prior year items

Performance Summary – Balance Sheet

₹ Billion	Mar-12	Mar-11	Incr / (Decr)
Net Worth	252.23	218.46	33.77
Non-Current Liabilities	61.14	59.64	1.50
Current Liabilities	363.56	293.00	70.56
Total Sources	**676.93**	**571.10**	**105.83**
Fixed Assets	83.64	74.16	9.48
Non- Current Investments	90.85	74.01	16.84
Long term loans and advances	40.43	33.17	7.26
Current Investments	67.87	72.84	(4.97)
Cash & Cash equivalent	19.05	17.30	1.75
Other Current Assets	375.09	299.62	75.47
Total Applications	**676.93**	**571.10**	**105.83**

- Total Debt: ₹ 98.96 Bn ; Gross D/E: 0.39 (Net: 0.05)
- Capex Cash flow: ₹ 16 Bn
- Segmental NWC: 11.8% of Sales (Mar’11: 7.9%)
- Increase in Non-Current Investments mainly represents equity support to Developmental SPVs

Cash Flow Statement (Standalone Co)

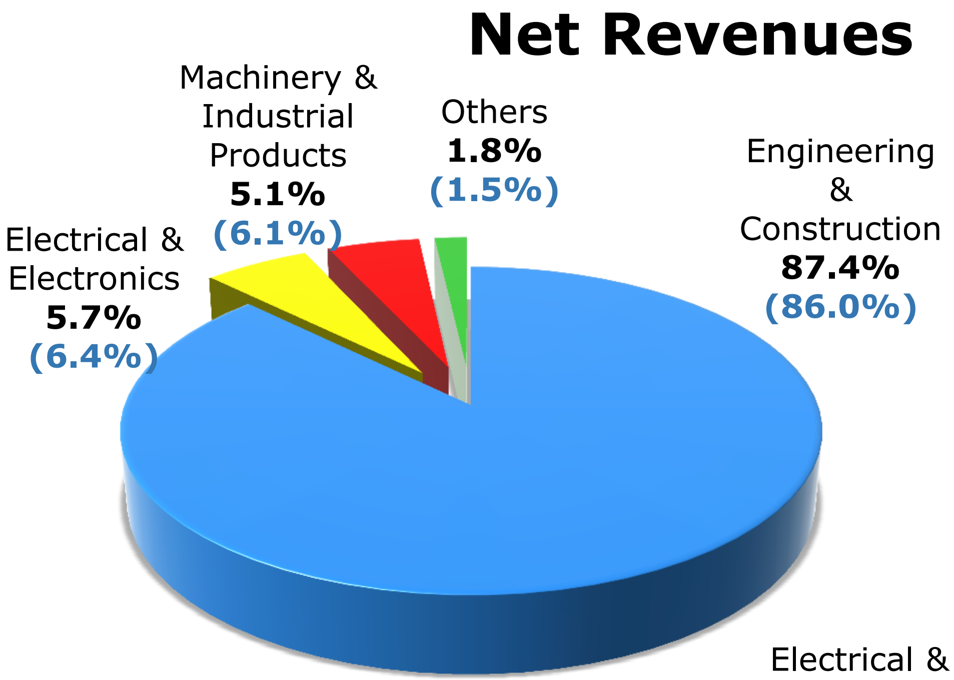
₹ Billion	FY12	FY11
Operating Profit	**67.75**	**60.94**
Adjustments for Working Capital Changes	**(35.08)**	**(2.60)**
Direct Taxes (Paid) / Refund - Net	**(21.85)**	**(20.01)**
Net Cash from Operations	**10.82**	**38.33**
Investments in Fixed Assets (Net)	**(15.97)**	**(15.19)**
(Investment) / Divestment in S&A and JVs (Net)	**(16.27)**	**(16.40)**
(Purchase) /Sale of Long Term & Current Investments (Net)	**6.47**	**10.36**
Adv. towards equity/Loans/Deposits made with S&A / Others	**(3.86)**	**(9.61)**
Interest & Dividend Received from Investments	**10.41**	**6.74**
Net Cash used in Investing Activities	**(19.22)**	**(24.10)**
Proceeds from Issue of Share Capital	**1.92**	**3.47**
Net Borrowings	**23.87**	**(0.21)**
Dividends & Interests paid	**(15.64)**	**(14.51)**
Net Cash from Financing Activities	**10.15**	**(11.25)**
Net (Dec) / Inc in Cash & Cash Equivalents	**1.75**	**2.98**
Cash & Cash Equivalents - Opening	**17.30**	**14.32**
Cash & Cash Equivalents - Closing	**19.05**	**17.30**

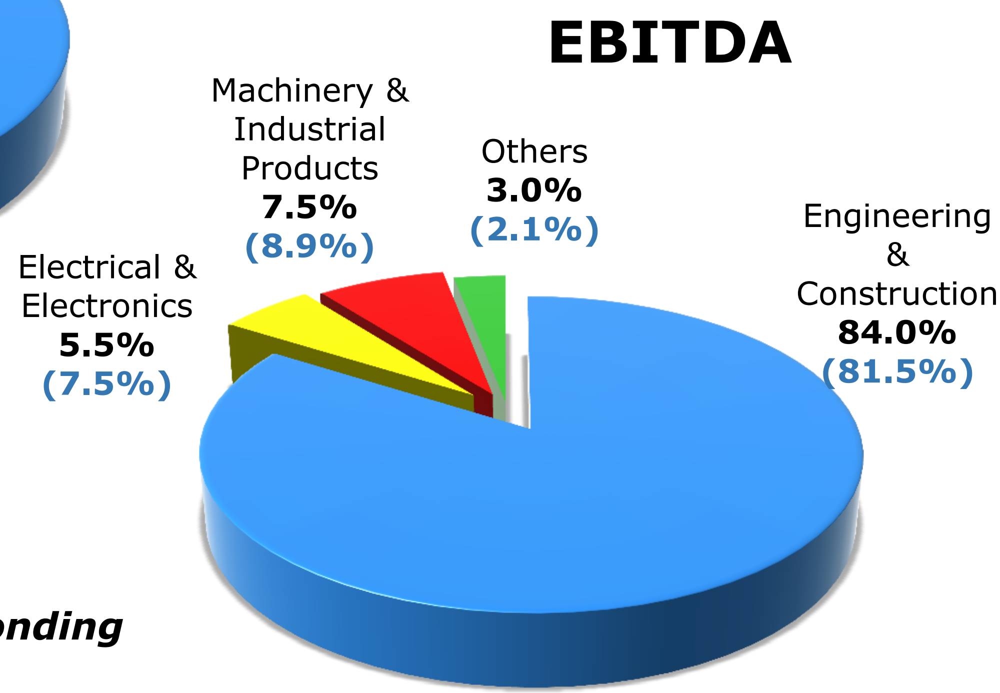
Net Cash Generation and Borrowings mainly used to fund capex and equity infusion in Dev SPV's

Presentation Outline

Segmental Performance

Segmental Break-up – FY12





Figures in brackets indicate corresponding period of the Previous Year

‘Engineering & Construction’ Segment

Q4 FY12	Q4 FY11	% Change	₹ Billion	FY12	FY11	% Change
193.21	285.36	-32%	Order Inflows	635.73	736.02	-14%
24.81	16.20	53%	--- Exports	113.83	66.98	70%
			Order Book	1,434.48	1,287.32	11%
			--- Exports	168.40	92.57	82%
165.33	134.13	23%	Net Revenues	464.62	377.45	23%
18.29	12.27	49%	--- Exports	45.98	36.51	26%
23.88	21.35	12%	EBITDA	58.98	51.50	15%
14.4%	15.9%	-1.5%	EBITDA Margins	12.7%	13.6%	-0.9%
			Net Segment Assets	108.07	75.33	43%

- Slowdown in domestic orders partially compensated by growth in international markets (predominantly Hydrocarbon and T&D)
- Scheduled project execution reflected in healthy revenue growth
- Input cost rise mainly contained through superior materials management, contractual safeguards and expense control
- Increase in Segment Assets largely on account of receivables

'Electrical & Electronics' Segment

Q4 FY12	Q4 FY11	% Change	₹ Billion	FY12	FY11	% Change
9.44	8.21	15%	Net Revenues	30.67	28.35	8%
1.58	0.54	191%	--- Exports	3.43	2.03	69%
1.59	2.06	-23%	EBITDA	3.89	4.75	-18%
16.9%	25.1%	-8.2%	EBITDA Margins	12.7%	16.8%	-4.1%
			Net Segment Assets	13.63	11.86	15%

- Modest topline growth due to sluggish industrial offtake and tight liquidity in SME market
- Margin variation due to FY11 recast of asset useful life
- Portion of margin compression due to higher input costs, changed product mix and aggressive competition; improvement plans under way
- Segment asset increase due to capacity creation in low cost zones

‘Machinery & Industrial Products’ Segment

Q4 FY12	Q4 FY11	% Change	₹ Billion	FY12	FY11	% Change
7.14	8.18	-13%	Net Revenues	26.97	26.66	1%
1.06	0.80	34%	--- Exports	4.48	2.02	121%
1.41	1.84	-23%	EBITDA	5.25	5.64	-7%
19.8%	22.5%	-2.7%	EBITDA Margins	19.5%	21.2%	-1.7%
			Net Segment Assets	7.01	4.70	49%

- Flat revenues – fallout of sluggish environment
- Exports increase primarily through valves business
- Fall in margins is a result of input costs, competitive price pressures and product mix
- Spike in Net Segment Assets due to pressure on NWC

'Others' Segment

Q4 FY12	Q4 FY11	% Change	₹ Billion	FY12	FY11	% Change
2.70	**2.09**	**29%**	Net Revenues	**9.45**	**6.60**	**43%**
2.41	**1.52**	**59%**	--- Exports	**8.22**	**5.11**	**61%**
0.39	**0.51**	**-25%**	EBITDA	**2.11**	**1.30**	**63%**
14.3%	**24.6%**	**-10.3%**	EBITDA Margins	**22.4%**	**19.7%**	**2.7%**
			Net Segment Assets	**6.00**	**5.43**	**11%**

- Spurt in revenues arising from scale-up of Integrated Engineering Services; growth driven by North American and European markets
- Margins in Q4 affected by INR volatility, scale up costs and execution patterns
- Increase in Segment Assets due to capacity creation

Presentation Outline

Group Performance

Consolidated P&L Statement

L&T	₹ Billion	Devl. Projects	Fin. Services	L&T & Other S&A	L&T Group		
FY12					FY12	FY11	% Change
531.71	Income from Operations	10.67	29.97	602.49	**643.13**	**520.44**	**24%**
62.83	EBITDA	5.29	5.72	76.69	**87.70**	**76.77**	**14%**
11.8%	**EBITDA Margins**	**49.6%**	**19.1%**	**12.7%**	**13.6%**	**14.8%**	**-1.2%**
(6.66)	Interest Expenses	(4.58)	-	(6.44)	**(11.02)**	**(8.03)**	**37%**
(7.00)	Depreciation	(3.12)	(0.76)	(11.92)	**(15.80)**	**(13.19)**	**20%**
13.38	Other Income	-	0.60	7.69	**8.29**	**9.69**	**-14%**
(18.42)	Provision for Taxes	(0.35)	(2.29)	(20.15)	**(22.79)**	**(22.99)**	**-1%**
44.13	**PAT (before Exceptional Items)**	**(2.77)**	**3.27**	**45.88**	**46.38**	**42.25**	**10%**
-	Share of profits in Associate Cos.	0.02	-	0.44	**0.46**	**0.87**	**-47%**
-	Adjustment for Minority Interest	0.12	(0.61)	0.15	**(0.35)**	**(0.74)**	**-53%**
44.13	**PAT after Minority Interest (before Exceptional Items)**	**(2.63)**	**2.65**	**46.47**	**46.49**	**42.38**	**10%**
0.43	Extraordinary & Exceptional Items (Net of tax & Minority Interest)	-	-	0.45	**0.45**	**2.18**	**-79%**
44.56	**Profit After Tax**	**(2.63)**	**2.65**	**46.92**	**46.94**	**44.56**	**5%**

Consolidated Balance Sheet

L&T	₹ Billion	L&T Group		
Mar-12		Mar-12	Mar-11	Inc/(Dec)
	Net Worth:			
-	Dev. Projects	95.40	65.73	29.67
-	Fin. Services (Including Insurance)	41.76	38.89	2.87
252.23	Others	253.81	223.75	30.07
	Elimination (Dev. Proj. & Fin. Serv)	(97.10)	(77.86)	(19.24)
-	Minority Interest (Consolidated)	17.53	10.26	7.27
	Non-Current & Current Liabilities:			
-	Dev. Projects	88.41	67.48	20.94
-	Fin. Services	208.56	149.78	58.78
-	Deferred Payment Liabilities (Dev. Proj.)	44.18	45.12	(0.94)
424.70	Others (Curr. & Non-Curr. Liab.)	537.38	424.20	113.18
676.93	**Total Sources**	1,189.94	947.34	242.60
83.64	Fixed Assets	155.21	124.70	30.50
90.85	Non-Current Investments	15.65	15.03	0.62
-	Fund infusion in Dev. Proj. & Fin. Serv	97.10	77.86	19.24
-	Elimination (Dev. Proj. & Fin. Serv)	(97.10)	(77.86)	(19.24)
-	Other Non-Current Assets	3.31	1.16	2.15
67.87	Current Investments	62.70	69.03	(6.34)
19.05	Cash & Cash Equivalent	35.22	36.45	(1.23)
415.52	Long Term loans & advances & Other Current Assets	437.55	336.21	101.34
-	Dev. Projects Assets	223.03	179.55	43.48
-	Financial Services Loan Book / Investments	257.28	185.20	72.09
676.93	**Total Applications**	1,189.94	947.34	242.60

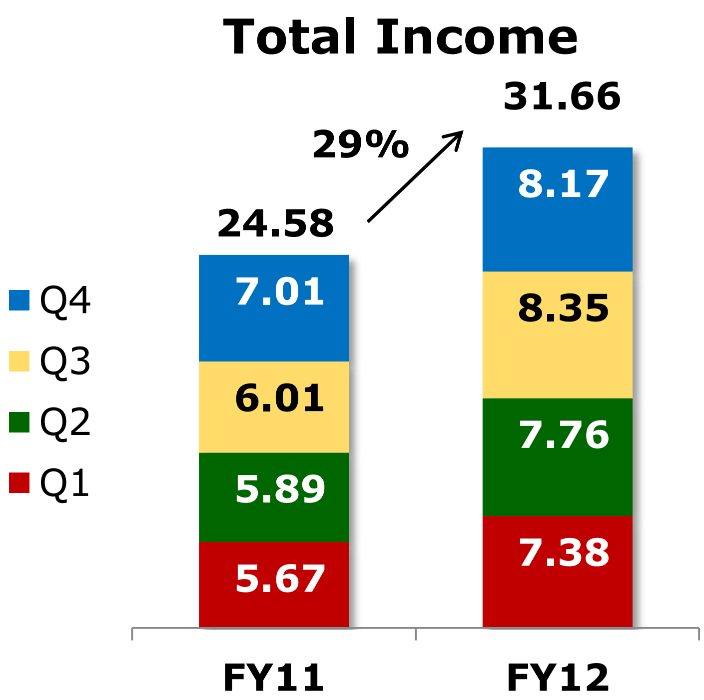
Consolidated Cash Flows

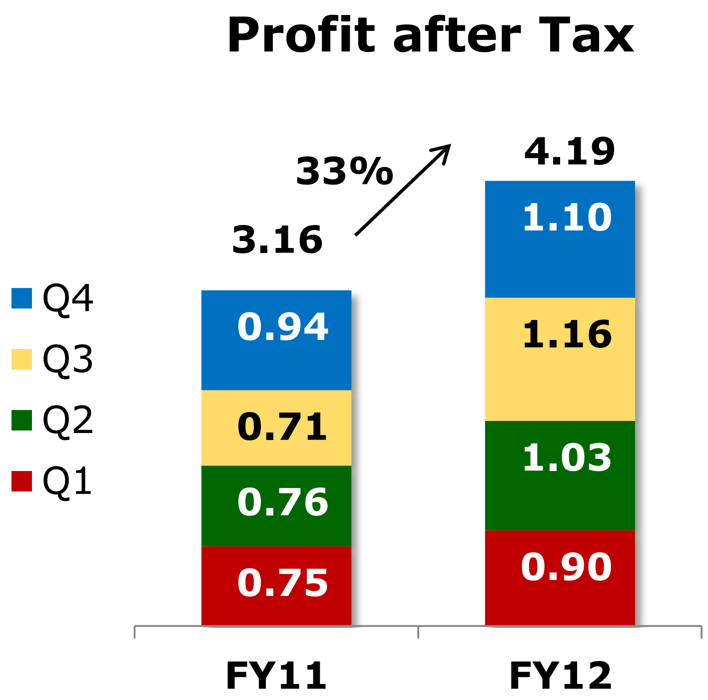
₹ Billion	FY 12	FY 11
Operating Profit	93.06	80.37
Changes in Working Capital	(57.32)	(7.94)
Direct Taxes (Paid) / Refund - Net	(28.52)	(26.69)
Net Cash from Operations	**7.22**	**45.74**
Investments in Fixed Assets (Net) - Devl. Projects	(34.57)	(27.31)
- Others	(36.47)	(41.36)
(Purchase) /Sale of Long Term & Current Investments (Net)	6.53	10.14
Loans/Deposits made with Associate Co. / Others	(0.91)	(1.45)
Interest & Dividend Received from Investments	6.35	4.66
Net Consideration on acquisition / disposal of subs. / business	0.43	(3.97)
Net Cash used in Investing Activities	**(58.64)**	**(59.29)**
Proceeds from Issue of Share Capital	1.93	3.47
Financial Services IPO proceeds	14.95	-
Net Borrowings - Financial Services	58.78	57.33
- Devl. Projects	20.46	13.07
- Others	56.75	26.56
Loans towards financing activities (Financial Services)*	(70.63)	(61.90)
Dividends paid (Incl. Dividend tax)	(10.63)	(9.09)
Interests paid	(21.42)	(12.65)
Net Cash from Financing Activities	**50.19**	**16.79**
Net (Dec) / Inc in Cash & Cash Equivalents	**(1.23)**	**3.24**
Cash & Cash Equivalents - Opening	36.45	33.22
Cash & Cash Equivalents - Closing	**35.22**	**36.45**

** Loans towards financing activities are included under Net Cash from operations under statutory financial statements.*

L&T Infotech

Amount in ₹ Bn





- Robust growth driven by North American business and INR depreciation
- Healthy PAT margins in spite of STPI benefit withdrawal in FY12

Financial Services

Amount in ₹ Bn

L&T Finance Holdings	Q4 FY12	Q4FY11	Y-o-Y	FY12	FY11	Y-o-Y
NBFCs						
Loans and Advances	**254.42**	**182.43**	**39%**	**254.42**	**182.43**	**39%**
Total Income	**8.52**	**6.03**	**41%**	**30.07**	**21.17**	**42%**
NIM (%)	**5.95%**	**6.57%**	**-**	**5.38%**	**6.84%**	**-**
PAT	**1.39**	**1.11**	**25%**	**4.66**	**4.32**	**8%**
Gross NPA (%)	**1.80%**	**1.07%**	**-**	**1.80%**	**1.07%**	**-**
Credit Losses * (%)	**0.69%**	**0.75%**	**-**	**0.94%**	**1.16%**	**-**
L&T Finance Holdings (Consolidated)						
PAT	**1.41**	**0.97**	**45%**	**4.55**	**3.91**	**16%**
Average Networth	**38.23**	**26.19**	**46%**	**38.23**	**26.19**	**46%**

** Includes Provisions, write-offs and foreclosure losses*

- Broadbased, diversified business portfolio has enabled a successful growth platform
- Focus on Asset quality and holding on to NIMs
- Positive outlook for FY13

Developmental Projects

Roads & Bridges
- 19 projects (10 operational)
- 2090 Km
- Proj. Cost: ₹ 216 Bn

Power
- 5 projects
- 2828 MW
- Proj. Cost: ₹ 210 Bn

Ports
- 3 projects (2 operational)
- 45 MTPA
- Proj. Cost: ₹ 57 Bn

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

Urban Infra
- 17 projects
- 28.6 Million sq.ft
- Proj. Cost: ₹ 207 Bn

Total Project Cost (Mar 2012): ₹ 854 Bn

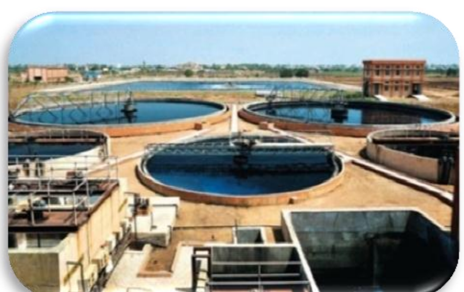
Total Equity Commitment (Mar 2012): ₹ 159 Bn

Total Equity Invested (Mar 2012): ₹ 60 Bn

Presentation Outline

Sectoral Opportunities & Outlook

Opportunities and Challenges - Infrastructure



- **Opportunities –**
  - Transportation Infra –NHAI awards, Metro Rails in Tier-II cities, Railways (DFC) orders, airports (domestic + international), port expansion
  - Residential (incl. low cost housing), Office Space & other urban infra (tourism, health and education) prospects increasing
  - Water projects (urban, rural and private) slated for push
- **Challenges –**
  - Overall Macro Challenges (inflation, interest rates, liquidity, commodity & oil prices, governance) impacting investment plans
  - Increasing Competition in all sectors
  - Land acquisition – increasingly sensitive issue
  - Political instability, Govt. ability to fund infrastructure

Opportunities and Challenges - Hydrocarbon



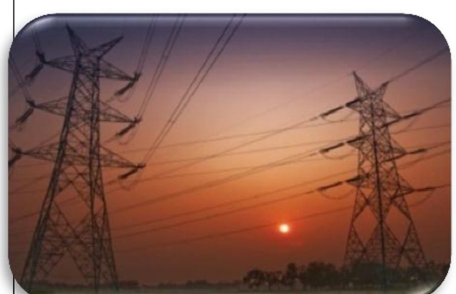


- **Opportunities –**
  - Good mix of Domestic and International opportunity
  - Market for new-build Jack-up Rigs & FPSOs looking up
  - With firm crude prices, capex in MENA set for revival
  - Refining units expanding into downstream petchem for value addition
  - Opportunities for Fertilizer EPC (dependent on gas)
  - Increasing prospects in Gas transportation pipelines
- **Challenges –**
  - Uncertain ordering timelines
  - Aggressive competition from domestic and international players
  - Lower Domestic Gas production could affect fertilizer expansion

Opportunities and Challenges - Process

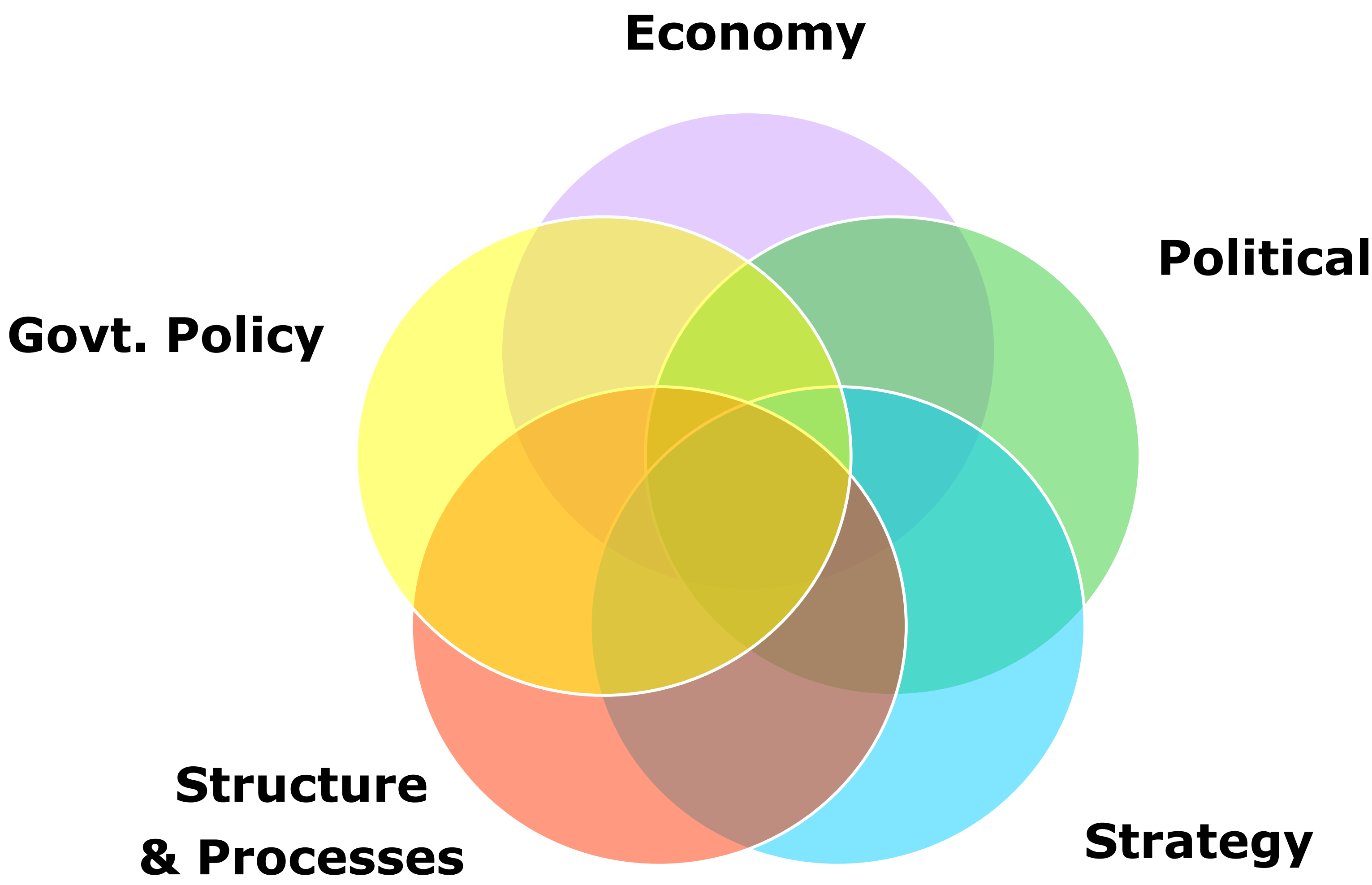
- **Opportunities –**
  - Under-capacity in Indian market is leading to capacity addition in ferrous metals sector
  - Non-Ferrous growth catalyzed by low per capita consumption & industrial capex
  - Railways (DFC and Railway sidings), Mining, Ports and Power likely to drive better demand for Material Handling business
  - Rapidly increasing quantum of coal imports
- **Challenges –**
  - Land acquisition, environment clearances and mining leases impacting metals business
  - Pricing pressure from competition

Opportunities and Challenges - Power



- **Opportunities –**
  - Large capacity additions (Govt./ Pvt) targeted in Thermal power during XII Plan; Govt. push to policies and reforms aimed at sector revival
  - Hydel projects capex lined up
  - T&D spends slated to increase (including HSTC corridors)
  - Conducive policies in Middle East for T&D growth
- **Challenges –**
  - Similar Macro Challenges as in infra
  - Capex plans deferred due to fuel and tariff impasses
  - Aggressive Competition – many new domestic players + Chinese
  - Land acquisition – increasingly sensitive issue
  - Emergent local opposition delaying Nuclear initiatives

Factors Influencing Outlook



Thank You

Annexure 1: Major Orders Booked in Q4 FY12

Project Details	₹ Bn
Domestic:	
Design & Build road package (Shivpuri - Dewas Section of NH-3 in Madhya Pradesh) for GVK Projects and Technical Services Limited	**19.37**
Hot Strip Mill & Steel Melting Shop and 2x200 TPH CDQ packages for Tata Steel, Kalinganagar	**17.71**
Providing CWSS (Combined Water Supply Scheme) to Vellore Corporation and Attur section for Tamil Nadu Water Supply and Drainage Board	**5.61**
Construction of 148km, 400 KV DC Transmission Line for Tamil Nadu Electricity Board at Chennai	**4.81**
Design, Supply, Testing & Commissioning of 765 KV D/C Varanasi-Kanpur Transmission Line for PGCIL, Uttar Pradesh	**4.29**
Construction of Viaduct including ramp for Badarpur-Faridabad Corridor of Delhi Metro Rail Corporation Limited	**3.80**
EPC package of Bulk Water Transmission main for Gujarat Water Infrastructure Ltd at Gujarat	**3.47**
Supply, Erection, Testing and Commissioning of Coal Handling Plant for Adani Mining Private Limited at Udaipur, Chhattisgarh.	**2.61**
Modernisation of Jhansi Workshop, Construction of Coach Mid Life Rehabiliation Workshop & Spring Coiling Line for North Central Railway at UP & MP	**2.57**
Export:	
Overhead Line works and Power supply works for Abu Dhabi Transmission & Despatch Company	**6.26**
Supply & Installation of 132/11 KV Eight Main Substations for Ministry of Electricity & Water at Kuwait	**3.20**

Annexure 2: Details of Other Income

Q4 FY12	Q4 FY11	% Change	₹ Billion	FY12	FY11	% Change
1.50	0.88	69%	Interest Income	5.69	3.36	69%
0.49	0.79	-38%	Income & Profit on sale of Investments	1.79	2.84	-37%
0.51	0.81	-37%	Dividend from S&A Companies	4.08	2.29	78%
0.64	1.09	-41%	Miscellaneous Income	1.82	2.98	-39%
3.14	3.57	-12%	Total - Other Income	13.38	11.47	17%