

PRESS RELEASE

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LARSEN & TOUBRO LIMITED

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Larsen & Toubro Limited Performance for the year ended March 31, 2006

**PAT for the year up at Rs. 1012 crore
40% increase in PAT for the quarter ended March 31, 2006
Group profits for the year up by 25%
Dividend declared at Rs. 22.00 per equity share**

Mumbai, May 25, 2006: Larsen & Toubro Limited (L&T) reported a 12% increase in Gross Revenues from operations of Rs. 14884 crore for the financial year ended March 31, 2006 as against Rs. 13255 crore for the previous year. The share of revenues from international operations constituted 18% of the total gross revenues.

Inclusive of extraordinary items and gains from divestments, Profit after Tax ["PAT"] for the quarter and year ended March 31, 2006 has increased to Rs. 467 crore and Rs. 1012 crore respectively.

PAT, excluding extraordinary items and gains from divestments at Rs. 863 crore for the year ended March 31, 2006 increased by 37% over the previous year. Similarly, the PAT for the quarter ended March 31, 2006, excluding extraordinary items and gains from divestments has increased by 37 % over the corresponding quarter of the previous year.

The provision for current tax is higher at Rs. 365

Other Diversified Businesses

Total revenues from the Company's other businesses for the year ended March 31, 2006 was Rs. 1111 crore, posting a healthy increase of 33% over the previous year. Large investments in the domestic infrastructure and construction

The details of major orders