



PRESS RELEASE

Issued by Corporate Communications Department
LARSEN & TOUBRO LIMITED
L&T House, Ballard Estate, Mumbai 400 001

Tel: 67 525 656 Ext: 832/645/649/856/853
Fax: 91-22-67525 607/ 8

L&T builds China order book further with US \$ 86 million order - China order book rises to US \$ 300 million

Mumbai, December 14, 2006: Larsen & Toubro Limited (L&T) won two major contracts of an aggregate value of US\$ 86 million from the leading Chinese petrochemical company Sinopec. L&T has been contracted to design, manufacture and supply of three ethylene oxide reactors, each weighing in excess of 1000 tonnes. The reactors will form part of the Methyl Ethyl Glycol (MEG) unit in a petrochemical plant.

Secured against competition from Japanese and German firms, the latest orders reflect the strong credibility built by L&T in international markets for high technology manufacture. In the last two years, L&T has supplied to China equipment valued over US\$300 million, including the world's largest coal gasifier, and advanced acronitrile reactors.

L&T is continuing multiple engagements with Chinese industry. The Company has recently set up a factory for the manufacture of switchgear in Wuxi, Jiangsu, for valves in Yangcheng, Jiangsu, and will soon have manufacturing facilities for rubber processing machinery in Jionan, Qingdao. L&T is among the few companies in the world which has been approved by the Chinese Heavy Industry Ministry with SQL certification for supply of critical equipment.

FN: 86millionorder.doc