

Press Release Issued by Corporate Communications Department

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L&T MHI JV Inaugurates Twin Facilities for Power Equipment Manufacture at Hazira, Surat

Supercritical Technology to Reduce Carbon Footprint

Hazira, January 11, 2011: In a major milestone for power plant manufacture in India, a joint venture of Larsen & Toubro and Mitsubishi Heavy Industries inaugurated the country's first private sector facilities for the manufacture of supercritical boilers and turbine generators at Hazira, Surat. The inaugural function for the supercritical boiler facility was attended by Mr. Vilasrao Deshmukh, Union Minister of Heavy Industry & Public Enterprises, Mr. Sushil Kumar Shinde, Union Minister of Power and Mr. Bharatsinh Solanki, Minister of State for Power. Later in the day, the Chief Minister of Gujarat, Mr. Narendra Modi attended the inaugural function of the facility for supercritical turbine generators. Both facilities were formally dedicated to the nation at the inaugural functions.

Supercritical technology for coal-fired power plants is globally recognized as one of the most eco-friendly solutions to power generation. The technology ensures higher fuel efficiency leading to higher plant efficiency. Carbon emissions are reduced by as much as 5%. The L&T-MHI facilities are among the largest of their kind in the world, with a present annual capacity of manufacturing 5,000 MW of equipment, to be expanded to 6,000 MW by 2012.

Speaking on the occasion Mr. A. M. Naik, Chairman and Managing Director, L&T, said, "We are proud to be the first private sector company to set up such a facility in India. It is imperative that India builds domestic capacity for such critical equipment for the power sector. The L&T-MHI facilities are a step in that direction. It is a world class facility that will produce world class products".

Speaking on the occasion, Mr. Ravi Uppal, President (Power) and Member, L&T Board, said: "The commissioning of L&T-MHI JV's manufacturing facilities in Hazira are a landmark achievement for India as it becomes the second local 'Power plant manufacturing' unit in the country enabling the country to meet its enhanced requirement of the power generation equipment and move towards self sufficiency. The JV represents the confluence of a global technology leader with India's largest engineering and infrastructure organisation. The two JV factories equipped with the state-of-art facilities have been built and put into operation in a record time of less than 18 months. The Hazira facility is India's largest integrated manufacturing complex for the production of fuel efficient and environmentally friendly super critical generation equipment".

Mr. Hideaki Omiya, President, MHI, commented, "Mitsubishi Heavy Industries is one of the leading companies in the world with proven designs for high-capacity supercritical boilers and turbine generators. MHI's boilers and turbine generators are among the world's best for supercritical ratings of 660 MW and above. MHI's boilers and turbine generators have established worldwide working references spanning over 25 years. In India, we see a nation that is poised to take a strategic position in international business in the coming years. And in L&T, we have a company which has the drive, ambition and ability to shape that dream to reality. Our partnership with L&T for this venture essentially is all about the coming together of two organizations that are world leaders in engineering excellence as well as committed to the cause of reducing the environmental burden."

L&T's association with the construction of gas and coal based power plants in India and abroad spans six decades. The company delivers the widest spectrum of engineering solutions; full EPC or customized offerings, Supercritical BTG Island, Supercritical Boiler Island, Supercritical Turbine Generator Island and Complete BoP. In addition to an excellent track record of timely completion of projects with good quality and safety records, the company has been lauded for its efforts in the field of Occupational Health and Safety with several domestic as well as international awards. L&T has successfully executed projects for public sector units, state electricity boards and independent power producers.

Background:

Larsen & Toubro is a USD 9.8 billion technology, engineering, construction & manufacturing group with global operations. It is one of the largest and most respected companies in the power sector. A strong customer-focused approach and constant quest for top class quality has enabled L&T to attain and sustain leadership position in its major lines of business for over seven decades.

Mitsubishi Heavy Industries (MHI) Limited is a USD 34 billion diversified global engineering behemoth. The company has a very dominating presence in the energy sector and is committed to engineering excellence in manufacturing and construction, green and safe ecosystems for the coming generations while taking up new challenges in uncharted terrains.