



L&T Press Release

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Larsen & Toubro and Howden establish Joint Venture for Axial Fans and Air-Heaters business in India

Mumbai, May 04, 2010: Larsen & Toubro (L&T) and Howden have signed a Joint Venture (JV) to design, engineer, manufacture and supply axial fans and air pre-heaters to Indian thermal power plants ranging between 100 MW to 1200 MW. These products form vital components of energy efficient thermal power plants.

The JV will invest around Rs. 100 crore (Rs. 1000 million) for setting up of the industrial facility and related infrastructure. The manufacturing unit will be setup in Hazira, Gujarat, and its operations are expected to commence in 2011. This strategic partnership allows L&T to join forces with a global technology leader, and offers Howden access to the fast growing Indian power plant equipment market.

The establishment of the JV represents a further strengthening of capabilities of L&T Power, a wholly owned subsidiary of L&T, which provides a one stop-solution for the Indian power generation sector. L&T also has joint ventures with MHI for the manufacturing of Super Critical Boilers, Steam Turbines and Generators. The manufacture of fans and air-heaters augments L&T Power's portfolio of products from its own operations and operations of its existing joint ventures. With the combination of these three joint ventures, L&T Power will have a distinct edge in the market for power plants.

The joint venture agreement was signed by Mr Ravi Uppal, MD & CEO, L&T Power and Mr Bob Cleland, CEO – Howden Global at Mumbai on May 04, 2010 in the presence of the Mr A M Naik, Chairman and Managing Director, Larsen & Toubro.

Commenting on joint venture, Mr. A. M. Naik said, "This JV marks another milestone for L&T Power. L&T is poised to emerge as India's premier power sector company.

Mr Ravi Uppal, on signing the JV agreement said, "L&T and Howden possess complementary strengths and make a winning combination in the Indian power generation market. The agreement is a landmark for both organizations, and the JV will aim at delighting its customers with steadfast project management and products of superior technology. We are very happy to join hands with a global technology leader like Howden, and I'm sure this partnership will go a long way forward."

Mr Bob Cleland said, "India provides one of the major growth opportunities in the power generation market worldwide over the coming years, and Larsen & Toubro is one of the most respected companies in India. Further, Howden, with over one hundred years of experience in supplying fans and rotary heat exchangers to the power market, is the global market leader and supplies to over a hundred countries with a brand name respected the world over.

The combination of Larsen & Toubro and Howden in this new joint venture is a completely natural fit and opens up wonderfully exciting opportunities into the future.”

Background – Notes to Editors

Larsen & Toubro is an \$8.5 billion technology, engineering, construction and manufacturing company, with global operations. It is one of India’s most respected companies, widely admired for its technological achievements, its professional value systems and high standards of corporate governance. L&T Power, headquartered at Vadodara, is a wholly owned subsidiary of Larsen & Toubro, with a mandate to integrate L&T’s varied offerings in the thermal power sector. The company is uniquely positioned to combine rich and diverse strands of experience in engineering, manufacturing and project execution with strong management focus on providing turnkey solutions.

Howden was established in 1854 as an engineering firm, and has grown to become a worldwide organisation which has its global headquarters in Renfrew, UK, and employs nearly 3,800 people in 17 countries. The company supplies fans, rotary heat exchangers, compressors and gas cleaning equipment throughout the world to key industries including power generation, petrochemicals, steel making, mining and cement production. Howden is one of the two leading international engineering businesses owned by Charter International plc, which is headquartered in Dublin and listed on the London Stock Exchange.

The VARIAX® variable pitch axial fan combines one of the highest efficiency levels available today with an exceptionally flexible, customer focused design, manufacturing and aftermarket service. With almost 3000 units sold worldwide, the VARIAX® fan is the proven, reliable and robust choice across a wide range of applications. All VARIAX® fans are designed to work within an operational temperature range up to 200°C/392°F. They are available in single and two-stage versions to suit a wide range of pressures and volumes.

Power boilers require highly efficient and reliable air pre-heaters to ensure optimum performance. The core of the pre-heater, the heat exchange surface, is composed of several hundred tonnes of metal plates known as elements. As the pre-heater slowly rotates, at around 1-2rpm, the elements collect heat in the hot gas stream being discharged to the chimney and then transfer it to the cold air stream entering the boiler. This reduces fuel consumption and CO₂ emissions from the boiler by around 10%.