

Punj Lloyd announces Annual Results

New Delhi, June 26, 2006

Engineering and construction major, Punj Lloyd Limited (PLL) has recorded consolidated income of Rs 1716.59 crore and net profit of Rs 55.46 crore for the financial year 2005-06. This is against consolidated income of Rs 1920.32 crore and net profit of Rs 100.60 crore in the previous fiscal.

The EBIDTA (Earnings before interest, depreciation, taxes and amortisation) for the fiscal was Rs 222.8 crore as against Rs 336.7 crore in the previous fiscal. The EBITDA margin in FY06 was 12.98%.

On the expanded equity of Rs 52.21 crore, the basic EPS works out to Rs 12.74 while diluted EPS works out to Rs 12.06. The board of directors have recommended a dividend of 10% for FY06, subject to the approval of shareholders.

The management expects that in the current fiscal, PLL (other than SembCorp Engineers & Constructors) would be able to generate income between Rs 3500 crore to Rs 3750 crore with similar EBITDA margins.

The lower turnover in FY06 was on account of slow progress in obtaining Right of Way (RoW) for road orders worth Rs 1200 crore in Rajasthan and Assam . This has since been obtained and the effect of the same would be evident in current fiscal.

During the year, PLL had a cautious bidding approach and consciously avoided BOT and annuity projects. This has been reflected in the improved quality of the order book, which would translate into increased revenue in the current fiscal.

"The stakeholders would be pleased to note that we started the last fiscal with an order backlog of Rs 1227 crore and we have ended the fiscal with an order book of Rs 4282 crore. As of this date, we are holding unexecuted orders worth Rs 5502 crore. We have a geographically and segment-wise diversified order backlog, which reduces overall business risk. Over 37% of our order backlog is now represented from projects based outside India . I would like to emphasize that our project schedules are maintained and most of the delays are behind us", said Mr Atul Punj, CMD, PLL.

The last financial year was marked by several landmarks. PLL successfully raised Rs 584.86 crore through an IPO and US \$ 125 million through FCCBs (Foreign Currency Convertible Bonds), reflecting confidence of international institutional investors and domestic investors in us.

Two notable events in the recent past have been acquisition of SembCorp

Engineers & Constructors, a Singapore \$ 1 billion company and Dayim-Punj Lloyd, a JV with His Royal Highness Prince Khalid Bin Bandar Bin Sultan of Saudi Arabia. These would be the building blocks for Punj Lloyd, whose impact would be seen, beginning this year.

SembCorp (in which PLL has 88% stake) would be complementing PLL in offering complete portfolio of EPC solutions which now include airports, jetties, MRT/LRT, tunneling, sewerage, water treatment, land reclamation, high spec buildings, process facilities for petrochemicals and refineries, pharmaceutical, nuclear and power. SembCorp Engineers has been primarily in engineering and procurement services while PLL is primarily a construction company. With the acquisition, PLL group will be able to provide single point EPC solutions for all business segments in which the group is present. There would be lot of offshoring opportunities from SembCorp as it shifts its high cost activities to India . Over 1000 experienced engineers including about 200 in UK would get added to the group's talent pool.

Dayim- Punj Lloyd would focus on urban infrastructure, township development etc. apart from onshore and offshore EPC contracts in Kingdom of Saudi Arabia . The infrastructure opportunity in Saudi Arabia for the Punj Lloyd Group would get additional fillip with SembCorp being part of the group.

"With the increased bandwidth coupled with immense opportunities in the construction space, I am confident that PLL will become amongst the largest EPC companies in the world. We are grateful to all our stakeholders, who have increased our confidence by reposing their faith in us", said Mr Atul Punj, CMD, PLL.

Forward - Looking Statements:- This report contains forward -looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, market position, expenditures, and financial results, are forward -looking statements. Forward -looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward - looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

About Punj Lloyd

Punj Lloyd is amongst the largest engineering and construction companies in India providing integrated design, engineering, procurement, construction and

project management services for energy and infrastructure sector projects with operations spread across many regions in the Middle East, Caspian, Asia Pacific, Africa and South Asia. With a presence in 14 countries, Punj Lloyd has executed as many as 180 projects: onshore and offshore pipelines, cryogenic tanks and terminals, process plants, highways, bridges, railways and infrastructure services, plant & facility management and power plants. The Company has recently acquired a majority stake in SembCorp Engineers & Constructors, a Singapore \$ 1 billion company. Punj Lloyd also entered into a JV with Saudi Prince to form 'Dayim-Punj Lloyd Engineering Limited'. Punj Lloyd JV has recently bagged an order worth Rs. 428 crore for the completion of Dabhol LNG Terminal. Further information about the Company is available at www.punjllloyd.com.

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