

ITC Limited

PART I: Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2012

(₹ in Crores)

| Particulars  |      | 3 months ended<br>31.12.2012 | Corresponding 3 months ended<br>31.12.2011<br>in the previous year | Preceding 3 months ended<br>30.09.2012 | 9 Months ended<br>31.12.2012 | 9 Months ended<br>31.12.2011 | Twelve Months ended<br>31.03.2012 |
|--|------|------------------------------|--|--|------------------------------|------------------------------|-----------------------------------|
|  |      | (Unaudited)                  | (Unaudited)  | (Unaudited)                            | (Unaudited)                  | (Unaudited)                  | (Audited)                         |
| GROSS INCOME   |      | 11239.50                     | 9182.83  | 10489.42                               | 31416.26                     | 26443.59                     | 36072.59                          |
| GROSS SALES / INCOME FROM OPERATIONS   |      | 10824.67                     | 8808.73  | 10223.86                               | 30505.07                     | 25535.29                     | 34871.86                          |
| EXCISE DUTIES  |      | 3197.60                      | 2613.30  | 3077.86                                | 9079.79                      | 7598.21                      | 10073.43                          |
| INCOME FROM OPERATIONS   |      |                              |  |  |                              |                              |                                   |
| a) NET SALES / INCOME FROM OPERATIONS (Net of Excise Duty)                       | (1)  | 7627.07                      | 6195.43  | 7146.00                                | 21425.28                     | 17937.08                     | 24798.43                          |
| b) OTHER OPERATING INCOME  | (2)  | 85.03                        | 83.47  | 80.58                                  | 226.47                       | 278.44                       | 375.39                            |
| TOTAL INCOME FROM OPERATIONS (Net) (1+2)   | (3)  | 7712.10                      | 6278.90  | 7226.58                                | 21651.75                     | 18215.52                     | 25173.82                          |
| EXPENSES   |      |                              |  |  |                              |                              |                                   |
| a) Cost of materials consumed  |      | 2374.48                      | 1946.22  | 2079.41                                | 6522.16                      | 5777.82                      | 7660.91                           |
| b) Purchases of stock-in-trade   |      | 646.52                       | 248.57   | 1103.03                                | 2507.46                      | 1443.56                      | 2037.21                           |
| c) Changes in inventories of finished goods, work-in-progress and stock-in-trade |      | 56.00                        | (7.59)   | (318.06)                               | (511.62)                     | (394.42)                     | (65.59)                           |
| d) Employee benefits expense   |      | 346.22                       | 288.70   | 289.24                                 | 1047.91                      | 933.14                       | 1265.41                           |
| e) Depreciation and amortisation expense   |      | 205.22                       | 173.89   | 188.86                                 | 588.87                       | 510.47                       | 698.51                            |
| f) Other expenses  |      | 1431.12                      | 1420.75  | 1384.69                                | 4164.65                      | 3882.55                      | 5427.26                           |
| TOTAL EXPENSES   | (4)  | 5059.56                      | 4070.54  | 4727.17                                | 14319.43                     | 12153.12                     | 17023.71                          |
| PROFIT FROM OPERATIONS BEFORE OTHER INCOME AND FINANCE COSTS (3-4)               | (5)  | 2652.54                      | 2208.36  | 2499.41                                | 7332.32                      | 6062.40                      | 8150.11                           |
| OTHER INCOME   | (6)  | 329.80                       | 290.63   | 184.98                                 | 684.72                       | 629.86                       | 825.34                            |
| PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS (5+6)                       | (7)  | 2982.34                      | 2498.99  | 2684.39                                | 8017.04                      | 6692.26                      | 8975.45                           |
| FINANCE COSTS  | (8)  | 25.15                        | 22.33  | 23.29                                  | 62.20                        | 63.09                        | 77.92                             |
| PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)                                 | (9)  | 2957.19                      | 2476.66  | 2661.10                                | 7954.84                      | 6629.17                      | 8897.53                           |
| TAX EXPENSE  | (10) | 905.34                       | 775.68   | 824.68                                 | 2464.43                      | 2081.16                      | 2735.16                           |
| NET PROFIT FOR THE PERIOD (9-10)   | (11) | 2051.85                      | 1700.98  | 1836.42                                | 5490.41                      | 4548.01                      | 6162.37                           |
| PAID UP EQUITY SHARE CAPITAL<br>(Ordinary shares of ₹ 1/- each)                  | (12) | 787.83                       | 779.62   | 785.63                                 | 787.83                       | 779.62                       | 781.84                            |
| RESERVES EXCLUDING REVALUATION RESERVES  | (13) | -                            | -  | -                                      | -                            | -                            | 17957.00                          |
| EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):                             | (14) |                              |  |  |                              |                              |                                   |
| (a) Basic (₹)  |      | 2.61                         | 2.19   | 2.34                                   | 7.00                         | 5.86                         | 7.93                              |
| (b) Diluted (₹)  |      | 2.57                         | 2.16   | 2.31                                   | 6.91                         | 5.79                         | 7.84                              |

PART II: Select information for the Quarter and Nine Months ended 31st December, 2012

|  | 3 months ended<br>31.12.2012         | Corresponding 3 months ended<br>31.12.2011<br>in the previous year | Preceding 3 months ended<br>30.09.2012 | 9 Months ended<br>31.12.2012 | 9 Months ended<br>31.12.2011 | Twelve Months ended<br>31.03.2012 |
|--|--------------------------------------|--|--|------------------------------|------------------------------|-----------------------------------|
| <b>A. Particulars of Shareholding</b>          |                                      |  |  |                              |                              |                                   |
| 1. PUBLIC SHAREHOLDING                         |                                      |  |  |                              |                              |                                   |
| - NUMBER OF SHARES                             | 7854708537                           | 7772008729   | 7832583758                             | 7854708537                   | 7772008729                   | 7794273319                        |
| - PERCENTAGE OF SHAREHOLDING                   | 99.70                                | 99.69  | 99.70                                  | 99.70                        | 99.69                        | 99.69                             |
| 2. PROMOTERS AND PROMOTER GROUP SHAREHOLDING   |                                      |  |  |                              |                              |                                   |
| a) Pledged / Encumbered                        | N.A.                                 | N.A.   | N.A.                                   | N.A.                         | N.A.                         | N.A.                              |
| b) Non - encumbered                            | N.A.                                 | N.A.   | N.A.                                   | N.A.                         | N.A.                         | N.A.                              |
| <b>B. Investor Complaints</b>                  | <b>3 months ended<br/>31.12.2012</b> |  |  |                              |                              |                                   |
| Pending at the beginning of the quarter        | Nil                                  |  |  |                              |                              |                                   |
| Received during the quarter                    | Nil                                  |  |  |                              |                              |                                   |
| Disposed off during the quarter                | Nil                                  |  |  |                              |                              |                                   |
| Remaining unresolved at the end of the quarter | Nil                                  |  |  |                              |                              |                                   |

**Notes :**

- (i) The Unaudited Financial Results and Segment Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 18th January, 2013.
- (ii) Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, as per the format revised by SEBI in conformity with the amended Schedule VI to the Companies Act, 1956.
- (iii) The Company does not have any Exceptional or Extraordinary item to report for the above periods.
- (iv) Gross Income comprises Gross Sales / Income from Operations, Other Operating Income and Other Income.
- (v) The launch and rollout costs of the Company's brands 'Fiama Di Wills', 'Vivel' and 'Superia' covering the range of personal care products of soaps, face washes, shower gels, shampoos, conditioners and skin care, and the continuing significant brand building costs of the Foods business are reflected under 'Other expenses' stated above and in Segment Results under 'FMCG-Others'.
- (vi) During the quarter, 2,19,84,270 Ordinary Shares of ₹ 1/- each were issued and allotted under the Company's Employee Stock Option Schemes. Consequently, the issued and paid-up Share Capital of the Company as on 31st December, 2012 stands increased to ₹ 787,82,78,630/-.
- (vii) This statement is as per Clause 41 of the Listing Agreement.

**Limited Review**

The Limited Review, as required under Clause 41 of the Listing Agreement has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the Quarter ended 31st December, 2012 which needs to be explained.

ITC LIMITED

Unaudited Segment-wise Revenue, Results and Capital Employed for the Quarter and Nine Months ended 31st December, 2012

(₹ in Crores)

|   | STANDALONE                |  |                                     |                           |                           |                                |
|---|---------------------------|--|-------------------------------------|---------------------------|---------------------------|--------------------------------|
|   | 3 Months ended 31.12.2012 | Corresponding 3 Months ended 31.12.2011 in the previous year | Preceding 3 Months ended 30.09.2012 | 9 Months ended 31.12.2012 | 9 Months ended 31.12.2011 | Twelve Months ended 31.03.2012 |
|   | (Unaudited)               | (Unaudited)  | (Unaudited)                         | (Unaudited)               | (Unaudited)               | (Audited)                      |
| <b>1. Segment Revenue</b>   |                           |  |                                     |                           |                           |                                |
| a) FMCG - Cigarettes - Gross  | 6808.49                   | 5809.70  | 6418.61                             | 19288.47                  | 16565.57                  | 22250.41                       |
| - Net   | 3657.36                   | 3232.83  | 3385.15                             | 10346.75                  | 9074.53                   | 12324.41                       |
| - Others - Gross  | 1789.47                   | 1375.16  | 1700.36                             | 4969.12                   | 3921.51                   | 5544.55                        |
| - Net   | 1782.70                   | 1370.72  | 1690.80                             | 4946.55                   | 3909.14                   | 5525.64                        |
| <b>Total FMCG - Gross</b>   | <b>8597.96</b>            | <b>7184.86</b>   | <b>8118.97</b>                      | <b>24257.59</b>           | <b>20487.08</b>           | <b>27794.96</b>                |
| <b>- Net</b>  | <b>5440.06</b>            | <b>4603.55</b>   | <b>5075.95</b>                      | <b>15293.30</b>           | <b>12983.67</b>           | <b>17850.05</b>                |
| b) Hotels - Gross   | 309.47                    | 278.75   | 216.98                              | 758.84                    | 720.40                    | 1006.30                        |
| - Net   | 309.46                    | 278.72   | 216.96                              | 758.77                    | 720.32                    | 1006.16                        |
| c) Agri Business - Gross  | 1630.97                   | 1139.41  | 2023.88                             | 5346.27                   | 4281.09                   | 5695.31                        |
| - Net   | 1630.97                   | 1139.41  | 2023.88                             | 5346.27                   | 4281.09                   | 5695.31                        |
| d) Paperboards, Paper & Packaging - Gross   | 1129.62                   | 1030.19  | 1121.68                             | 3379.44                   | 3096.87                   | 4129.79                        |
| - Net   | 1061.55                   | 978.42   | 1059.00                             | 3179.25                   | 2943.41                   | 3923.35                        |
| <b>Total - Gross</b>  | <b>11668.02</b>           | <b>9633.21</b>   | <b>11481.51</b>                     | <b>33742.14</b>           | <b>28585.44</b>           | <b>38626.36</b>                |
| <b>- Net</b>  | <b>8442.04</b>            | <b>7000.10</b>   | <b>8375.79</b>                      | <b>24577.59</b>           | <b>20928.49</b>           | <b>28474.87</b>                |
| Less : Inter-segment revenue - Gross  | 843.35                    | 824.48   | 1257.65                             | 3237.07                   | 3050.15                   | 3754.50                        |
| - Net   | 814.97                    | 804.67   | 1229.79                             | 3152.31                   | 2991.41                   | 3676.44                        |
| <b>Gross sales / Income from operations</b>   | <b>10824.67</b>           | <b>8808.73</b>   | <b>10223.86</b>                     | <b>30505.07</b>           | <b>25535.29</b>           | <b>34871.86</b>                |
| <b>Net sales / Income from operations</b>   | <b>7627.07</b>            | <b>6195.43</b>   | <b>7146.00</b>                      | <b>21425.28</b>           | <b>17937.08</b>           | <b>24798.43</b>                |
| <b>2. Segment Results</b>   |                           |  |                                     |                           |                           |                                |
| a) FMCG - Cigarettes  | 2233.54                   | 1844.20  | 2080.17                             | 6213.52                   | 5149.79                   | 6907.67                        |
| - Others  | (23.98)                   | (46.63)  | (30.31)                             | (93.13)                   | (178.81)                  | (195.49)                       |
| <b>Total FMCG</b>   | <b>2209.56</b>            | <b>1797.57</b>   | <b>2049.86</b>                      | <b>6120.39</b>            | <b>4970.98</b>            | <b>6712.18</b>                 |
| b) Hotels   | 55.49                     | 101.74   | 15.30                               | 97.02                     | 196.49                    | 279.37                         |
| c) Agri Business  | 172.63                    | 141.67   | 259.74                              | 603.74                    | 537.59                    | 643.15                         |
| d) Paperboards, Paper & Packaging   | 228.58                    | 224.32   | 282.53                              | 775.82                    | 740.98                    | 936.78                         |
| <b>Total</b>  | <b>2666.26</b>            | <b>2265.30</b>   | <b>2607.43</b>                      | <b>7596.97</b>            | <b>6446.04</b>            | <b>8571.48</b>                 |
| Less i) Interest (including other finance costs)  | 25.15                     | 22.33  | 23.29                               | 62.20                     | 63.09                     | 77.92                          |
| ii) Other un-allocable (income) net of un-allocable expenditure   | (316.08)                  | (233.69)   | (76.96)                             | (420.07)                  | (246.22)                  | (403.97)                       |
| <b>Profit Before Tax</b>  | <b>2957.19</b>            | <b>2476.66</b>   | <b>2661.10</b>                      | <b>7954.84</b>            | <b>6629.17</b>            | <b>8897.53</b>                 |
| Tax Expense   | 905.34                    | 775.68   | 824.68                              | 2464.43                   | 2081.16                   | 2735.16                        |
| <b>Profit After Tax</b>   | <b>2051.85</b>            | <b>1700.98</b>   | <b>1836.42</b>                      | <b>5490.41</b>            | <b>4548.01</b>            | <b>6162.37</b>                 |
| <b>3. Capital Employed</b>  |                           |  |                                     |                           |                           |                                |
| a) FMCG - Cigarettes *  | 4525.03                   | 4186.19  | 4167.85                             | 4525.03                   | 4186.19                   | 3599.31                        |
| - Others  | 2358.33                   | 1852.48  | 2359.40                             | 2358.33                   | 1852.48                   | 1988.99                        |
| <b>Total FMCG</b>   | <b>6883.36</b>            | <b>6038.67</b>   | <b>6527.25</b>                      | <b>6883.36</b>            | <b>6038.67</b>            | <b>5588.30</b>                 |
| b) Hotels   | 3415.54                   | 3060.80  | 3386.68                             | 3415.54                   | 3060.80                   | 3237.59                        |
| c) Agri Business  | 1476.35                   | 1559.24  | 1098.40                             | 1476.35                   | 1559.24                   | 1701.65                        |
| d) Paperboards, Paper & Packaging   | 4719.18                   | 4082.27  | 4674.46                             | 4719.18                   | 4082.27                   | 4353.89                        |
| <b>Total Segment Capital Employed</b>   | <b>16494.43</b>           | <b>14740.98</b>  | <b>15686.79</b>                     | <b>16494.43</b>           | <b>14740.98</b>           | <b>14881.43</b>                |
| * Segment Liabilities of FMCG-Cigarettes is before considering ₹ 810.68 Crores (31.12.2011 - ₹ 831.41 Crores; 30.09.2012 - ₹ 783.16 Crores) in respect of disputed Taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'. |                           |  |                                     |                           |                           |                                |

**Notes :**

- (1) The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper & Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following :
- |                                |   |            |   |   |
|--------------------------------|---|------------|---|---|
| FMCG                           | : | Cigarettes | - | Cigarettes, Cigars and Smoking Mixtures.  |
|                                | : | Others     | - | Branded Packaged Foods (Staples, Biscuits, Confectionery, Snack Foods, Pasta & Noodles, Ready to Eat Foods), Garments, Educational and other Stationery products, Matches, Agarbattis and Personal Care products. |
| Hotels                         |   |            | - | Hoteliering.  |
| Paperboards, Paper & Packaging |   |            | - | Paperboards, Paper including Specialty Paper & Packaging including Flexibles.   |
| Agri Business                  |   |            | - | Agri commodities such as soya, spices, coffee and leaf tobacco.   |
- (3) Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of Branded Packaged Foods and Personal Care Products businesses.
- (4) ITC Grand Chola, the Company's 600-key super premium integrated luxury hotel complex in Chennai was inaugurated on 15th September, 2012. The Hotel has been accredited as the World's largest LEED Platinum rated hotel, in the new construction category. The segment results of 'Hotels' for the quarter and nine months reflect the gestation cost of the newly opened property.
- (5) The Company's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods Business and sources leaf tobacco for the Cigarettes Business. The segment results for the quarter/nine months are after absorbing costs relating to the strategic e-Choupal initiative.
- (6) Figures for the previous periods are re-arranged, wherever necessary, to conform to the figures of the current period.

For and on behalf of the Board

Registered Office :  
Virginia House, 37 J.L. Nehru Road,  
Kolkata 700 071, India  
Dated : 18th January, 2013  
Place : Kolkata, India

|                    |                |
|--------------------|----------------|
| P.V. Dhobale       | Y.C. Deveshwar |
| Executive Director | Chairman       |