



# **ITC Limited**

**One of India's Most Admired and Valuable Companies**

# Performance Track Record

## The last 15 years

(₹ Crs.)

	95-96	10-11	Cagr 95-96 to 10-11
Net Turnover	2,536	21,168	15.2%
PBDIT	584	7,972	19.0%
PBIT	536	7,316	19.0%
PBT	452	7,268	20.3%
PAT	261	4,988	21.7%
EPS ₹/Share *	0.35	6.49	21.4%
Net Worth	1,121	15,953	19.4%
Capital Employed	1,886	16,854	15.7%
Market Capitalisation	5,571	140,408	24.0%
Total Shareholders Returns %			25.6%

\*Adjusted for Bonus Issue and Stock Split

**Sensex (Cagr 95-96 to 10-11): 12.4%**

# **ITC's ranking**

**Amongst all listed private sector cos.**

**PBT: No. 5**

**PAT: No. 5**

**Market Capitalisation: No. 3**

## ITC Consistently in the Market Cap. Top League

	Mar-96 Rank	Jan-12 Rank
Tata Motors Ltd.	1	
Hindustan Unilever Ltd.	2	10
Reliance Industries Ltd.	3	1
Tata Steel Ltd.	4	
Bajaj Holdings & Invst. Ltd.	5	
Larsen & Toubro Ltd.	6	
Hindalco Industries Ltd.	7	
ITC Ltd.	8	3
Grasim Industries Ltd.	9	
HDFC Ltd.	10	7

**New entrants in the list: IT, Financial Services & Telecom**



*ITC ranked 6<sup>th</sup> amongst global consumer goods companies in sustainable value creation during 2005-09*

*(Boston Consulting)*

## One of India's most valuable and admired companies

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- **Rated by BCG amongst top 10 Consumer Goods companies in the world in terms of Total Shareholder Returns (TSR) during 2005-09**
- **One of the foremost in the private sector in terms of :**
  - Sustained value creation (BT-Stern Stewart survey)
  - Operating profits
  - Cash Profits
- **Ranks No. 3 among Indian listed Private Sector Companies by market cap.**
  - No. 1 in FMCG Sector
- **Only Indian FMCG Company to feature in Forbes 2000 List**
  - A comprehensive ranking of world's biggest companies measured by a composite of sales, profits, assets & market value
- **Rated as one of India's Most Respected Companies (IMRB-Businessworld Survey 2006)**

# Awards & Accolades (1)

- ITC Chairman Mr. Y C Deveshwar conferred the **Padma Bhushan**
- Mr. Y C Deveshwar conferred the **Global Leadership Award** by the US India Business Council of the US Chamber of Commerce
- Mr. K Vaidyanath won the **‘Best Performing CFO’ in the FMCG and Retail sector** at the 5th edition of the CNBC TV 18 CFO Awards 2010
- The only Green Luxury Hotel chain in the world where every Hotel is **LEED** (Leadership in Energy and Environmental Design) Platinum Rated
- ITC’s Sustainability Report adjudged as one of the **best global reports in the ‘Carbon Disclosure’** category in Corporate Responsibility Reporting Award’ 10
- ITC featured in Forbes 2010 ‘Asia Fab 50’ – among **Asia- Pacific’s 50 biggest listed companies**
- ITC conferred the **ICC (Indian Chamber of Commerce) Sustainability Vision Award** in the category – “Environmental Sustainability Excellence”
- The FE-EVI **Green Business Leadership Awards** has adjudged ITC PSPD the best performer in the Paper & Pulp category
- ITC awarded the **Best Hotel Chain in the country** by Business World

# Awards & Accolades (2)

- **FICCI Outstanding Vision Corporate Triple Impact Award 2007** for **invaluable contribution to the triple bottom line benchmarks** of building economic, social and natural capital for the nation.
- **Sustainability Leadership Award 2007** conferred on Chairman Y C Deveshwar by the Sustainability Forum, Zurich and SAM/SPG at the International Sustainability Leadership Symposium
- **Ryutaro Hashimoto Incentive Prize 2007** for Environment & Development from the Asia Pacific Forum
- In the first of its kind **S&P Environmental, Social and Corporate Governance (ESG) ratings** released recently, **ITC ranked second among top Indian companies.**
- **Corporate Social Responsibility Crown Award for Water Practices from UNESCO and Water Digest** for its distinguished work carried out in the water sector in India.
- Top **UNIDO award** at the International Conference on Sharing Innovative Agribusiness Solutions 2008 at Cairo in recognition for its initiatives in agri business.
- **ICAI Award for Excellence in Financial Reporting** with its Annual Report and Accounts, adjudged as a commendable entry under the “Manufacturing and Trading Enterprises” category.
- The Best Corporate Social Responsibility Practice Award 2008 jointly instituted by the Bombay Stock Exchange, Times Foundation and the NASSCOM Foundation

# Accolades & Awards (3)

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- **e-Choupal initiative** wins global recognition:
  - **World Development Report 2008 published by World Bank**
  - **Stockholm Challenge Award 2006** in the Economic Development category which recognises initiatives that leverage Information Technology to improve living conditions and foster economic growth in all parts of the world.
  - First Indian Company and second in the world to win the **Development Gateway Award 2005** for its trail-blazing e-Choupal initiative
  - **Corporate Social Responsibility Award** from The Energy and Resources Institute (TERI)
  - **World Business Award 2004**: International Chamber of Commerce & the HRH Prince of Wales & International Business forum
  - **Harvard University** case study
  - **Applauded by President of India Dr APJ Kalam in his “special address during the national symposium to commemorate 60th year of independence”**

# ITC's Vision

*Sustain ITC's position as one of India's most valuable and admired corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders*

# ITC's Vision

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- **Make a significant and growing contribution towards :**
  - mitigating societal challenges
  - enhancing shareholder rewards
  
- **By**
  - creating **multiple drivers of growth** while **sustaining leadership in tobacco** and
  
  - focusing on **Triple Bottom Line Performance**
    - ✓ **Enlarge contribution to the Nation's**
      - **Financial capital**
      - **Environmental capital**
      - **Social capital**

# Key Corporate Strategies

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- **Focus on the chosen business portfolio**
  - FMCG; Hotels; Paper, Paperboards & Packaging; Agri Business, Information Technology
- **Blend diverse core competencies residing in various businesses to enhance the competitive power of the portfolio**
- **Position each business to attain leadership on the strength of world class standards in quality and costs**
- **Leverage the goodwill of trademarks to:**
  - Capture emerging opportunities
  - Further enhance current brand equity
- **Craft appropriate strategy of organisation and governance process to :**
  - Enable focus on each business *and*
  - Harness diversity of portfolio to create unique sources of competitive advantage

# ITC Business Portfolio

## FMCG

### Cigarettes



### Foods



### Personal Care



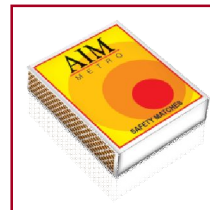
### Lifestyle Retailing



### Education & Stationery



### Matches



### Incense Sticks



### Hotels



### Paper & Packaging



### Agri Business



### Information Technology



# Strategy of Organisation to manage diversity of Portfolio

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## **Formal 3-tiered governance structure:**

### **Board of Directors :**

Comprising executive (4) and non-executive directors (12)

Strategic supervision

### **Corporate Management Committee :**

Comprising executive directors and senior managers

Strategic management

### **Divisional Chief Executive & Divisional Management Committee :**

Executive management

# **FMCG - Cigarettes**

# ITC's Cigarettes Business

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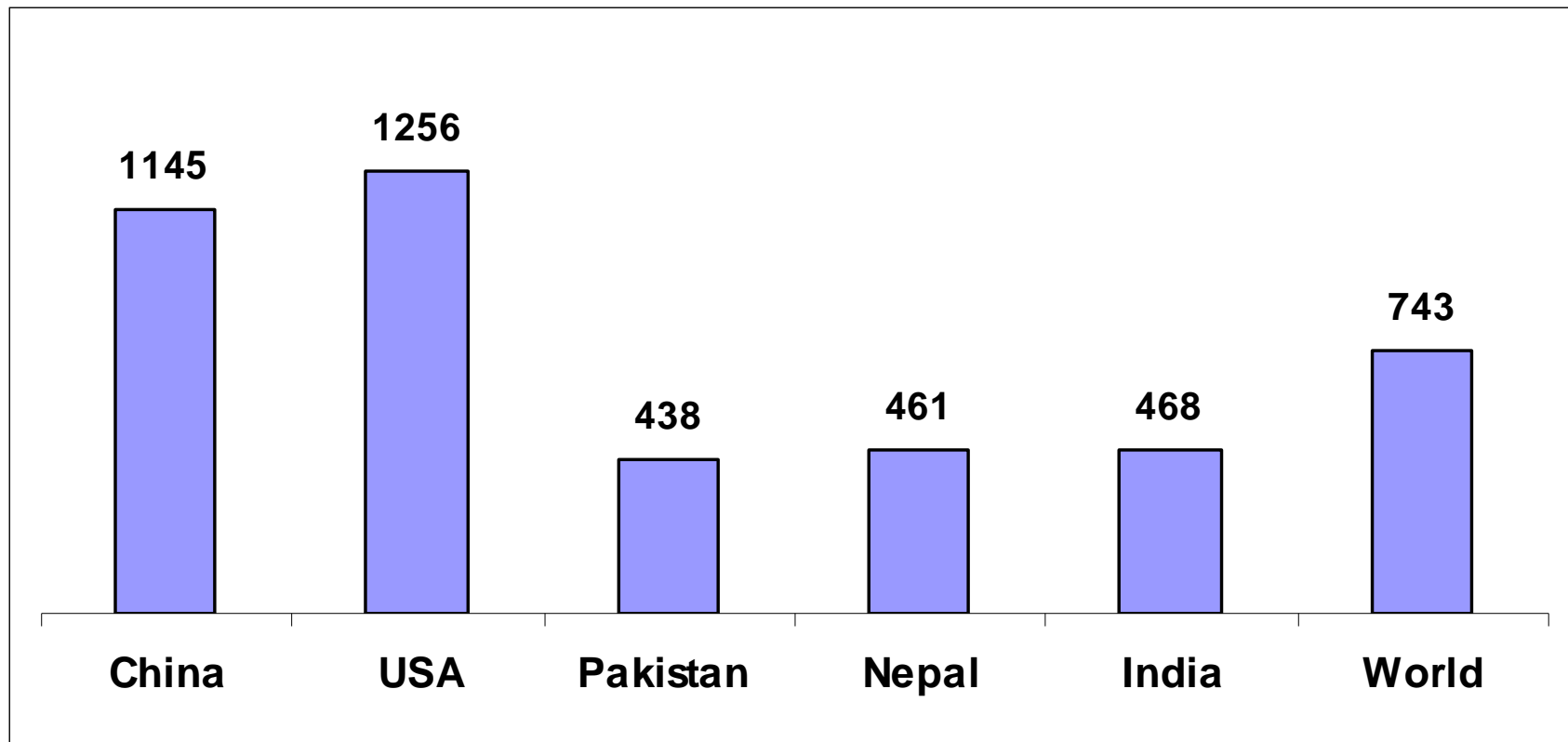
- **Market leadership**
- **Powerful brands across segments**
- **Leadership in all segments - geographic & price**
- **Extensive FMCG distribution network**
  - Direct servicing of 1,00,000 markets & 2 million retail outlets
- **World-class state-of-the-art technology and products**
  - Investment – ₹20 billion in six years
- **Exciting long term growth potential**

# Cigarettes: Growth potential

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- **Cigarettes account for less than 15% of tobacco consumed in India unlike world pattern of 85% due to prolonged punitive taxation**
  - Cigarettes (15% of tobacco consumption) contribute the bulk of Revenue to the Exchequer from tobacco sector
- **51% of adult Indian males consume tobacco. Only 11% of adult Indian males smoke cigarettes as compared to 16% who smoke biris and 33% who use smokeless tobacco (Source: Global Adult Tobacco Survey India 2010)**
- **Biri : Cigarettes ratio = 8 : 1**
- **Annual per capita adult cigarette consumption in India is appx. one tenth world average**
- **Future growth depends on relative rates of growth of per capita income and moderation in taxes**

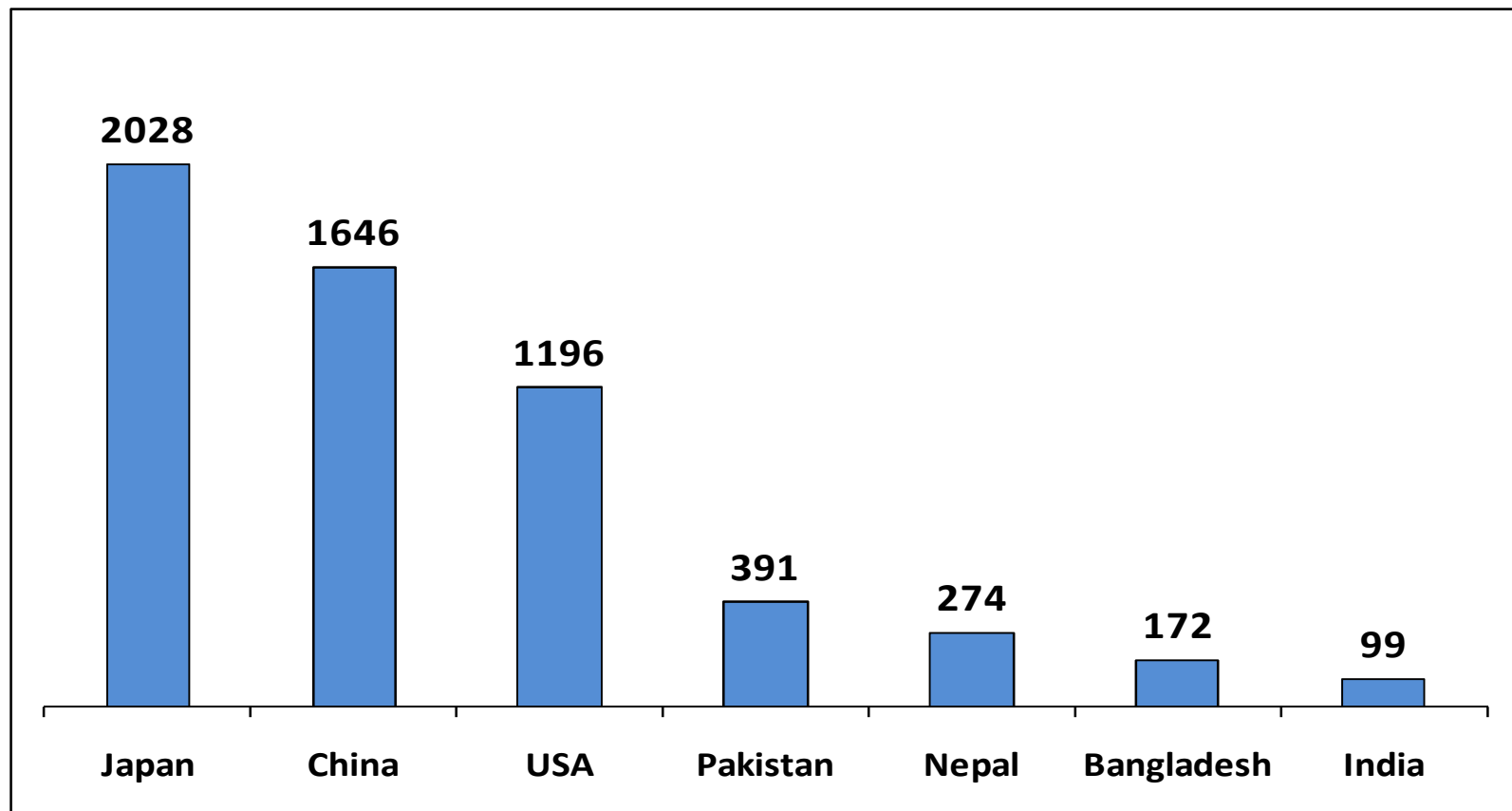
# Per Capita Consumption of Tobacco in India (gms per year)



Source: World Cigarettes – ERC Statistics, Tob Board & Industry Estimates – gms/Yr

**Per Capita consumption is ~ 60% of World Average**

## Per Capita Cigarette Consumption – per annum



Source: *The Tobacco Atlas – 3<sup>rd</sup> Edition*

- **Per Capita consumption in India < 11% of World average**

# Cigarettes: Challenges

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## ➤ **Competitive context**

- Competition including international majors becoming more active
- Domestic illegal volumes still very strong. Along with smuggled contraband, has emerged as substantive competition

## ➤ **Regulatory & Taxation**

- **New graphic health warnings** notified and change to be effective from 1<sup>st</sup> Dec 2011
- VAT hikes in Andhra Pradesh, Karnataka, Rajasthan, Punjab, Haryana, Gujarat, Madhya Pradesh, West Bengal, Tamil Nadu, Jammu & Kashmir, Assam, Nagaland, Odisha- threatening the concept of the 'Indian Common Market'

# **Future Growth & Value Capture**

## **New FMCG Initiatives**

# Strategic Rationale

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- **Blend multiple competencies residing within the ITC Group to create new avenues of growth**
- **Best fit between internal capabilities and emerging market opportunities**
- **Each segment enhances the depth and width of ITC's FMCG distribution capability**
- **Business model retains critical elements of value chains within ITC with other elements outsourced**
  - **Contributing to the competitiveness of SMEs**

# Branded Packaged Foods



**Biscuits, Staples, Snacks, Confectionery, Ready to Eat & Noodles**



# Branded Packaged Foods

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- Amongst one of the fastest growing Foods business in the country in 6 chosen categories
  - **Staples, Biscuits, Snack Food, Noodles, Confectionery and Ready to Eat (RTE)**
  
- Driven by seven brands-
  - **Aashirvaad** – Staples (Wheat flour, Salt, Spices), RTE
  - **Sunfeast** – Biscuits & Pasta
  - **Bingo!** – Snack Food
  - **Yippee!** – Noodles
  - **mint-O & Candyman** – Confectionery
  - **Kitchens of India** – RTE, Premium conserves & chutneys

# Branded Packaged Foods

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- **Atta (wheat flour)**
  - #1 in Branded packaged Atta among national players
- **Biscuits**
  - #3 All India
- **Noodles**
  - #2 All India (Urban)
- **Confectionery**
  - Close #2 in operating segments
- **Ready-to-Eat**
  - #1 in RTE
  - Gourmet & popular cuisines - leveraging cuisine expertise of Hotels business
  - Premium Conserves & Chutneys – a first in India

# Education & Stationery

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## ➤ Products

- Notebooks
- Writing Instruments (Pen, Pencils etc)
- Scholastic products
- Business & Copier paper



## ➤ Brands

- Classmate
- Paperkraft
- Colour Crew



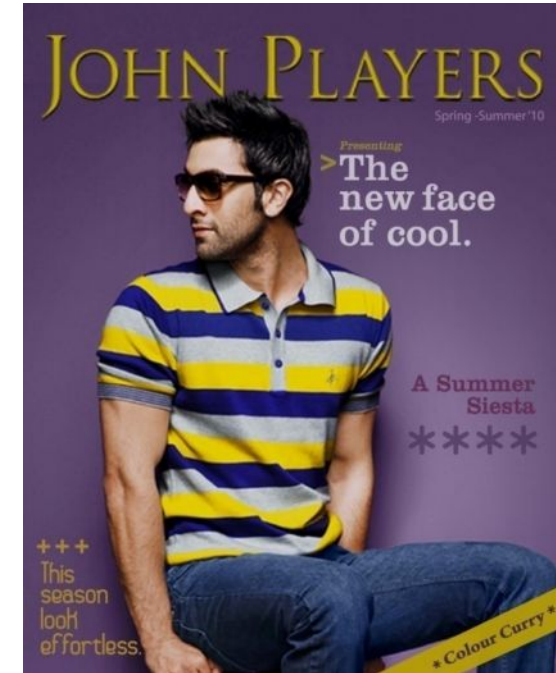
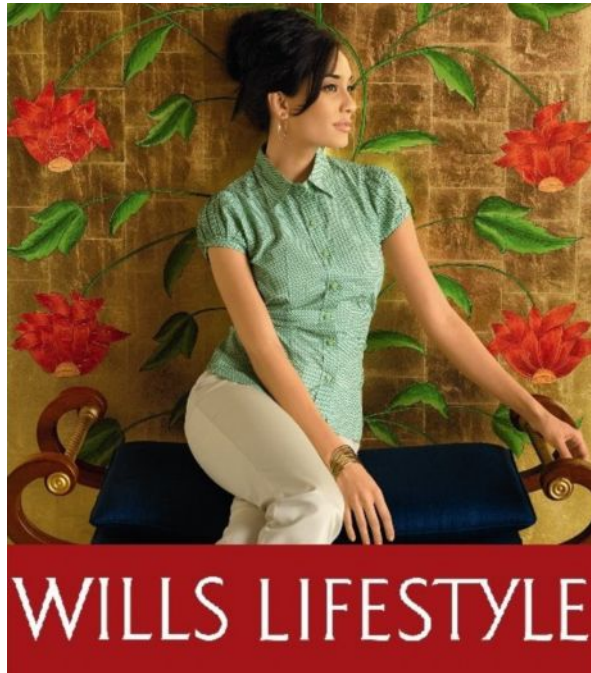


# Education & Stationery Products Business

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- **Leverages print and paper know-how. Forward linkages with new paper capacity (already commissioned).**
- **An emerging (currently ₹ 8100 cr Stationery) market in India - growth driven by increasing cross-cultural exposure, government spending on education**
  - Mostly commoditised. Offers opportunity for branding
- **Robust distribution network in place to scale up the Stationery business significantly**
  - Classmate' brand already the most widely distributed brand in India. Wax Crayons & Colour Pencils have been launched under the brand 'Color Crew' and is being progressively rolled out pan India. Scholastic products, Pens and Pencils launched earlier have received enthusiastic response.
  - Branded Copier Paper 'Paperkraft' footprint being enhanced. Enthusiastic customer response based on green credentials.
- **Comprehensive portfolio approach with new variant/category launches**

# Lifestyle Retailing



- 2 major brands:

**Wills Lifestyle** - a fashion destination, offers a choice of *Wills Signature* designer wear, *Wills Classic* work wear, *Wills Classic 'Luxuria'* super-premium formals for men, *Wills Sport* relaxed wear, *Wills Clublife* evening wear & fashion accessories

**John Players** - offers a complete fashion wardrobe to the youth

- Wills Lifestyle - the title partner of India's most premium fashion event – **Wills Lifestyle India Fashion Week**

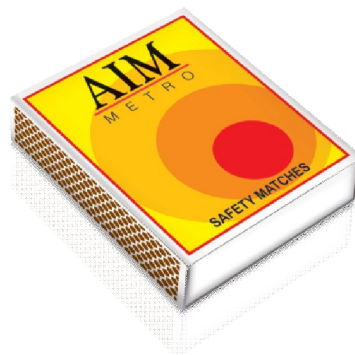
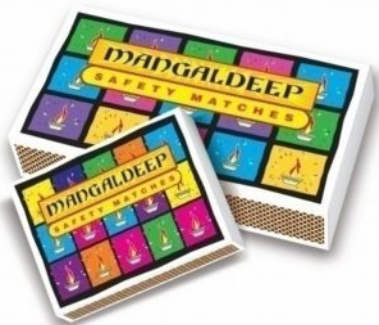
# Lifestyle Retailing

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- **Leverages trademark and services expertise of hotels**
- **Upmarket product range available in exclusive Wills Lifestyle stores (80) and multi-branded outlets/ large format retail stores across the country**
- **Strong distribution network in place for the mid-market brand ‘John Players’**
  - availability in more than 334 Exclusive Branded outlets, 1600 multi branded outlets and departmental stores
- **Wills Lifestyle** rated amongst the top 5 Luxury brands in the country (Global Luxury Survey conducted by TIME Magazine)

# Matches, Incense Sticks

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# Safety Matches

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- **Current industry consumer spend estimated at ₹2250 crores p.a. for 22 billion match boxes**
- **Fragmented supply base arising from policy of reservation for small scale industry**
- **Mass market has moved to ₹ 1.00 price point.**
- **ITC markets its brands with value added products across each price point**
  - Support SMEs with complementary marketing strengths
- **‘AIM’ – India’s largest selling Safety Matches brand**
- **Providing opportunities for employment to over 6000 people**

# Incense sticks (Agarbattis)

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- **Current industry consumer spend estimated at over ₹ 3100 crores p.a.**
- **Fragmented supply base arising from policy of reservation for small scale industry**
- **ITC markets its brands with value added products across each price point**
  - ‘Mangaldeep’ : second largest national brand in the country
  - Support cottage sector with complementary marketing strengths
  - Provides livelihood opportunities to more than 12000 under privileged women

# Personal Care

## ➤ Our brands:

- Essenza Di Wills
- Fiama Di Wills
- Vivel
- Superia



## ➤ Product portfolio:

- Fine fragrances
- Soaps
- Shampoos
- Fairness Cream
- Conditioners
- Shower Gels
- Talc
- Hair Serum



# Personal Care Products

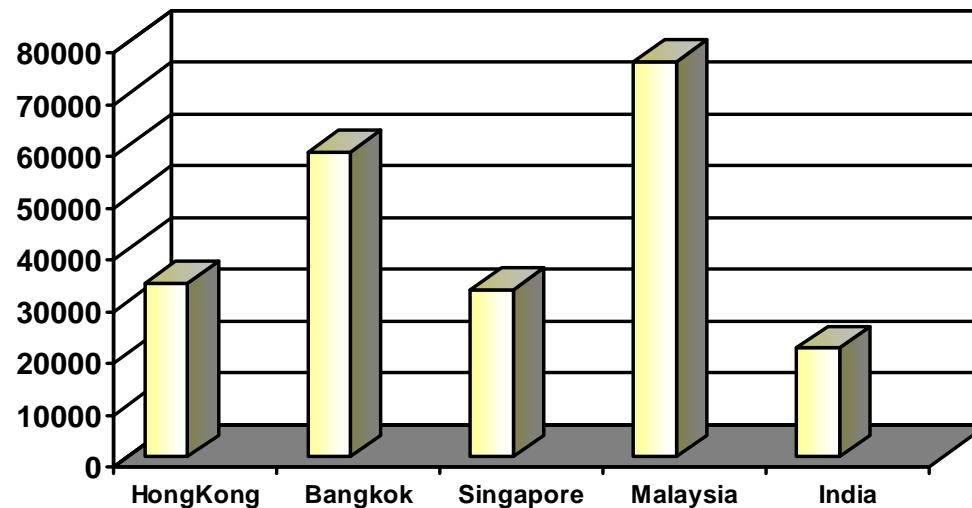
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- Current market size estimated at over ₹ 29,000 crores (growing at 12% p.a.)
- Portfolio approach straddling all consumer segments with 4 umbrella brands
  - Essenza Di Wills (Prestige)
  - Fiama Di Wills (Premium)
  - Vivel (Mid)
  - Superia (Popular)
- Products well received in the market, gaining customer acceptance
- Supported by investments in brands – celebrity endorsements
- Investments being made in Research & Development and strategic manufacturing sites

# **Hotels & Tourism**

# Hotels & Tourism industry

- Foreign arrivals into India: 5.8 million appx. Vs. 55.7 million in China
  - The two nations were on par 2 decades ago
- Today, Beijing alone has as many hotel rooms as the whole of India
- India's luxury rooms availability lower than even smaller East Asian countries
- Huge potential driven by India's diversity and rapid economic growth



Source: Compendium of Tourism statistics, WTO

# Indian Hotel Industry

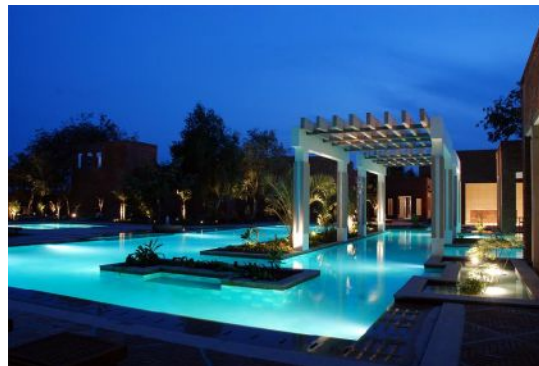
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- Current supply – appx. 140,000 rooms of which 5 Star category accounts for appx. 25%
- India needs an additional 50,000 rooms in the next 2/3 years to service projected tourist arrivals
- Present mismatch between supply and demand expected to persist over the short term
- As infrastructure for trade & commerce improves - growing potential for leisure tourism

# Hotels



- **No 2 in Size**
- **No 1 in Profitability**





Lotus Pavilion, ITC Gardenia, Bengaluru



Private Dining Room , The Peacock Suite, ITC Gardenia

- ITC-Welcomgroup: fastest growing Hospitality chain in India
- Over 100 properties across 80 destinations
  - 4 Brands – ITC Hotels, WelcomHotel, Fortune & WelcomHeritage

No of Hotels		Rooms		
		Owned/ leased	Managed	Total
15	5 Star Deluxe	2732	705	3437
38	Fortune		3088	3088
53	Heritage		1335	1335
<b>106</b>	<b>Total</b>	<b>2732</b>	<b>5128</b>	<b>7860</b>

- Exclusive tie up with Starwood’s Luxury Collection for 8 Hotels.
- The Hotels business achieved the unique distinction of being the first hotel chain in the world to have all its premium luxury hotels certified at the highest LEED (Leadership in Energy and Environmental Design) Platinum Rating

# **Paperboards, Paper & Packaging**

# Paperboards & Packaging Business

- No 1 in Size
- No 1 in Profitability
- No 1 in Environmental Performance



# Indian Paperboard market

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- **Annual paperboard demand – appx. 2 million tonnes**
- **Fragmented capacity & obsolete technology**
- **Low per capita usage at around 9 kgs p.a. (world average – over 55 kgs p.a.)**
- **Indian paperboard market growing at 8% p.a.**
- **Value Added Coated board - the fastest growing segment (15% p.a.) in India driven by the growing sophistication of the consumer**

# ITC's Paperboards Business

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- **Market leader in growth segment - value added coated boards**
- **World-class contemporary technology**
  - Ozone bleached Pulp Mill fully operational – one of its kind in Asia meeting world-class environmental standards
- **Internationally competitive quality and cost**
- **Social farm forestry in mill command area to improve access to cost effective fibre & to attain self-sufficiency**
  - Biotech research based high yielding Clones – effectiveness tested in approx. 1,20,000 hectares
- **Fully integrated operations with in-house pulping capacity at appx. 2.80 lakh MT**

# ITC's Paperboards & Packaging businesses

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- **Capacity expansion projects installed – at optimum capacity utilization**
  - 120000 TPA Pulp Mill – Machine stabilised
  - 100000 TPA paper machine (to support Education & Stationery business growth plans) Machine stabilized
  - Investment in 100,000 TPA paperboards machine underway
- **ITC's packaging SBU -India's largest converter of paperboard into high quality printed packaging**
  - Leading supplier to Indian FMCG and Consumer Electronic segments
  - Provides superior packaging solutions to the cigarettes and new FMCG businesses

**Agri Businesses**  
**- Leaf Tobacco**  
**- Agri Commodities**

# Agri Business



- No. 1 in Leaf Tobacco
- No 2 in Agri commodities
- Pioneer in rural transformation



# Indian Leaf Tobacco industry

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- **India – the second largest producer of tobacco**
- **However, India’s share is only 10% in world tobacco trade**
- **Upgradation of tobacco consumption from other formats to cigarettes will enable:**
  - growing domestic base & larger opportunities for value added exports
- **ITC – India’s largest buyer, processor, consumer & exporter of cigarette tobaccos**
  - 6<sup>th</sup> largest leaf tobacco exporter in the world
- **Pioneering cultivation of flavourful Flue-cured, superior Burley and Oriental tobaccos in India**
- **Export business - robust growth in export volumes in recent years with improvement in realizations**

# ITC's Agri Commodity Business

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- **Farm linkages in 14 States covering Soya, Wheat, Marine products, Coffee etc. Focus on value added agri commodities**
- **Unique Customer Relationship Management programme in commodity exports & for domestic customers**
- **Leveraging Information Technology for the transformational 'e-Choupal' initiative**
  - Rural India's largest Internet-based intervention
  - Over 40000 villages linked through around 6500 e-Choupals servicing over 3.5 million farmers
- **Distinctive sourcing capability for ITC's Foods business**

# e-choupal: Strategic Thrust

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## ➤ **Procurement: cost & quality optimisation**

- strategic sourcing support to the Foods business (support creation of verticals in wheat, corn, potato etc.)
- cost-effective sourcing for exports/domestic external business

## ➤ **Financial Services**

- insurance (focus: weather)
- credit (focus: Kisan Credit Card scheme)

## ➤ **Rural retail**

- 24 Choupal Saagars operational



# **“Triple Bottom Line” Performance**

## ITC - Key Financials – 2010/11

₹ crs	FY 10/11 Actuals	FY 09/10 Actuals	<i>Goly %</i>
<b>Gross Turnover</b>	30604	26260	<i>16.5</i>
<b>Net Turnover</b>	21168	18153	<i>16.6</i>
<b>PBDIT</b>	7454	6313	<i>18.1</i>
<b>PBIT</b>	7316	6080	<i>20.3</i>
<b>PBT</b>	7268	6015	<i>20.8</i>
<b>PAT</b>	4988	4061	<i>22.8</i>

# 2010/11: Segment Revenues

₹ crores

	Full Year		
	2010-11	2009-10	<i>Goly</i>
<b>Segment Revenue (Net)</b>			
a) FMCG - Cigarettes	10574	9321	<i>13.4</i>
- Others	4472	3634	<i>23.1</i>
<b>Total FMCG</b>	<b>15045</b>	<b>12955</b>	<i>16.1</i>
b) Hotels	1001	851	<i>17.6</i>
c) Agri Business	4748	3862	<i>22.9</i>
d) Paperboards, Paper & Packaging	3507	3108	<i>12.9</i>
<b>Total</b>	<b>24301</b>	<b>20776</b>	<i>17.0</i>
Less : Inter segment revenue	3134	2623	<i>19.5</i>
<b>Net sales / income from operns.</b>	<b>21168</b>	<b>18153</b>	<i>16.6</i>

# 2010/11: Segment Results

₹ crores

	Full Year		
	2010-11	2009-10	Goly
<b>Segment Results</b>			
a) FMCG - Cigarettes	5767	4938	16.8
- Others	(298)	(350)	14.9
<b>Total FMCG</b>	<b>5469</b>	<b>4589</b>	<b>19.2</b>
b) Hotels	267	217	23.0
c) Agri Business	566	448	26.5
d) Paperboards, Paper & Packaging	819	684	19.7
<b>Total</b>	<b>7121</b>	<b>5937</b>	<b>19.9</b>
Less : i) Interest (Net)	48	65	-25.7
ii) Other net un-allocable expenditure/ income	(195)	(143)	-36.6
<b>Profit Before Tax</b>	<b>7268</b>	<b>6015</b>	<b>20.8</b>

# 2010/11: Segment Capital Employed

₹ crores

	Full Year		
	2010-11	2009-10	<i>Goly</i>
<b>Capital Employed</b>			
a) FMCG - Cigarettes *	3062	2961	<i>3.4</i>
- Others	1897	1666	<i>13.8</i>
<b>Total FMCG</b>	<b>4959</b>	<b>4627</b>	<i>7.2</i>
b) Hotels	2728	2457	<i>11.0</i>
c) Agri Business	1562	1580	<i>-1.1</i>
d) Paperboards, Paper & Packaging	3770	3711	<i>1.6</i>
<b>Total Segment Capital Employed</b>	<b>13019</b>	<b>12375</b>	<i>5.2</i>
<b>* Local Tax Provision not incl.</b>	<b>756</b>	<b>629</b>	<i>20.1</i>

## ITC - Key Financials – Q3 2011/12

₹ Crs

	Q3 11/12 Actuals	Q3 10/11 Actuals	<i>Goly %</i>
<b>Gross Turnover</b>	8841	7936	<i>11.4</i>
<b>Net Turnover</b>	6195	5424	<i>14.2</i>
<b>PBDIT</b>	2666	2210	<i>20.6</i>
<b>PBIT</b>	2492	2042	<i>22.0</i>
<b>PBT</b>	2477	2031	<i>21.9</i>
<b>PAT</b>	1701	1389	<i>22.5</i>

# Q2 2011/12: Segment Revenues

₹ crores

Q2		Q3		Q3 GOLY(%)
2011-12		Actual 2011-12	Last Year 2010-11	
	<b>Segment Revenue (Net)</b>			
2968	a) FMCG - Cigarettes	3233	2773	<b>16.6</b>
1341	- Others	1371	1102	<b>24.4</b>
<b>4309</b>	<b>Total FMCG</b>	<b>4604</b>	<b>3875</b>	<b>18.8</b>
211	b) Hotels	279	282	<b>(1.0)</b>
1435	c) Agri Business	1139	1038	<b>9.8</b>
1005	d) Paperboards, Paper & Packaging	978	877	<b>11.5</b>
<b>6960</b>	<b>Total</b>	<b>7000</b>	<b>6071</b>	<b>15.3</b>
986	Less : Inter segment revenue	805	647	<b>24.4</b>
<b>5974</b>	<b>Net sales / income from operations</b>	<b>6195</b>	<b>5424</b>	<b>14.2</b>

# Q3 2011/12: Segment Results

₹ crores

Q2		Q3		Q3 GOLY(%)
		Actual 2011-12	Last Year 2010-11	
<b>2011-12</b>				
	<b>Segment Results</b>			
1729	a) FMCG - Cigarettes	1844	1533	<b>20.3</b>
(56)	- Others	(47)	(74)	<b>36.6</b>
<b>1673</b>	<b>Total FMCG</b>	<b>1798</b>	<b>1459</b>	<b>23.2</b>
43	b) Hotels	102	89	<b>14.8</b>
239	c) Agri Business	142	129	<b>9.7</b>
290	d) Paperboards, Paper & Packaging	224	191	<b>17.2</b>
<b>2245</b>	<b>Total</b>	<b>2265</b>	<b>1869</b>	<b>21.2</b>
14	Less: i) Interest (Net)	16	11	<b>41.4</b>
15	ii) Other net un-allocable expenditure/ income	(227)	(174)	<b>30.6</b>
<b>2215</b>	<b>Profit Before Tax</b>	<b>2477</b>	<b>2031</b>	<b>21.9</b>

# YTD Dec'11: Segment Revenues

₹ crores

	YTD Dec '11		
	2011-12	2010-11	Goly(%)
<b>Segment Revenue (Net)</b>			
a) FMCG - Cigarettes	9075	7806	<b>16.2</b>
- Others	3909	3159	<b>23.7</b>
<b>Total FMCG</b>	<b>12984</b>	<b>10965</b>	<b>18.4</b>
b) Hotels	720	700	<b>2.8</b>
c) Agri Business	4281	3666	<b>16.8</b>
d) Paperboards, Paper & Packaging	2943	2590	<b>13.6</b>
<b>Total</b>	<b>20928</b>	<b>17922</b>	<b>16.8</b>
Less : Inter segment revenue	2991	2591	<b>15.5</b>
<b>Net sales / income from operations</b>	<b>17937</b>	<b>15331</b>	<b>17.0</b>

# YTD Dec'11: Segment Results

₹ crores

	YTD Dec '11		
	2011-12	2010-11	Goly(%)
<b>Segment Results</b>			
a) FMCG - Cigarettes	5150	4296	<b>19.9</b>
- Others	(179)	(230)	<b>22.2</b>
<b>Total FMCG</b>	<b>4971</b>	<b>4066</b>	<b>22.2</b>
b) Hotels	196	167	<b>17.7</b>
c) Agri Business	538	467	<b>15.2</b>
d) Paperboards, Paper & Packaging	741	626	<b>18.5</b>
<b>Total</b>	<b>6446</b>	<b>5325</b>	<b>21.0</b>
Less: i) Interest (Net)	46	34	<b>35.7</b>
ii) Other net un-allocable expenditure/ i	(229)	(140)	<b>63.8</b>
<b>Profit Before Tax</b>	<b>6629</b>	<b>5431</b>	<b>22.1</b>

# YTD Dec'11: Segment Capital Employed

₹ crores

Q2		Q3		Q3 GOLY(%)
2011-12		Actual 2011-12	Last Year 2010-11	
	<b>Capital Employed</b>			
3899	a) FMCG - Cigarettes*	4176	3394	<b>23.0</b>
1924	- Others	1852	1719	<b>7.8</b>
<b>5823</b>	<b>Total FMCG</b>	<b>6028</b>	<b>5113</b>	<b>17.9</b>
2989	b) Hotels	3061	2600	<b>17.7</b>
1487	c) Agri Business	1559	1479	<b>5.4</b>
4006	d) Paperboards, Paper & Packaging	4082	3734	<b>9.3</b>
<b>14306</b>	<b>Total Segment Capital Employed</b>	<b>14731</b>	<b>12927</b>	<b>13.9</b>
<b>797</b>	<b>* Local Tax Provision not incl.</b>	<b>821</b>	<b>724</b>	<b>13.4</b>

# Social Impact

- **Direct employment** ITC Group : 29,000
- **Indirect employment** across the value chain : 5 million
- **e-choupal**: world's largest rural digital infrastructure serving nearly **4 million farmers**
- **Social and Farm forestry** initiative has greened over *125,000 hectares* & provided approx. *51 million person-days of employment* among tribals & marginal farmers
- Significant thrust on **social sector** investments
  - Natural resource management
  - Sustainable livelihoods
  - Community development programmes in the economic vicinity of operating locations

# Environmental Impact

- **Carbon positive enterprise – 6<sup>th</sup> year in a row**
  - Sequestering/storing twice the amount of CO<sub>2</sub> that the company emits
- **Water positive - 9<sup>th</sup> year in a row**
  - Creating three times more rainwater harvesting potential than ITC's net consumption
- **Solid waste recycling positive – 4<sup>th</sup> year in a row**
- **Nearly 35% of total energy consumed is from renewable sources**

*Only Company in the world to achieve all 3 key indices of environmental sustainability*

# Forward-looking Statements

*Statements in this presentation describing the Company's objectives, future prospects, estimates, expectations etc. may be "forward looking statements" within the meaning of applicable securities laws and regulations. Investors are cautioned that "forward looking statements" are based on certain assumptions of future events over which the Company exercises no control. Therefore there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be projected or implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various businesses in the Company's portfolio, changes in Government regulations, tax regimes and other statutes, and the ability to attract and retain high quality human resource.*