ITC Limited

One of India's Most Admired and Valuable Companies

Profile

- **One of India's most Admired and Valuable companies**
  - Market Capitalisation: ~Rs. 3.5 lakh crores
- **A US$ 10 billion enterprise by Gross Sales Value^**
  - ~59% of Net Revenue from non-Cigarette segments
- **Leading Fast Moving Consumer Goods (FMCG) marketer** in India
  - Established 25 world-class mother brands within a short span of time
- **10 year Value Addition ~ Rs. 3.1 lakh crores (US$ 55 billion).**
  - Among the top tax payers in the country
- **ITC & its Group Companies employ over 32,000 people directly;** Sustainable development models and value chains have **supported creation of ~6 million sustainable livelihoods**
- **A global exemplar in sustainable business practices**
  - Only enterprise in the world of comparable dimensions to have achieved and sustained the 3 key global indices of environmental sustainability of being 'water positive' (for 16 years), 'carbon positive' (for 13 years), and 'solid waste recycling positive' (for 11 years)

*^ FY18 Reported Gross Revenue (*US$ 7 billion*) not comparable a/c GST transition; Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)*

ITC Performance Track Record

(₹ crs)

	1995-96	2017-18	22-yr Cagr 95-96 to 17-18
Net Revenue	2,536	39,255	*13.3%*
PBT	452	16,439	*17.7%*
PAT	261	10,953	*18.5%*
Capital Employed	1,886	53,336	*16.4%*
Segment ROCE%	36.3	69.0	
Market Capitalisation	5,571	3,12,308	*20.1%*
Total Shareholder Returns %			*22.4%*

Sensex (CAGR 95-96 to 17-18) : 10.9%

Gross Revenue (Rs. 43957 cr.) not comparable a/c GST transition; PBT & PAT for FY18 before exceptional items
Market Cap and TSR based on FY-end prices for FY96 and FY18

ITC's ranking

Amongst all listed private sector cos.

PBT: No. 5

PAT: No. 5

Market Capitalisation: No. 4

Note: Based on Published Results for Q1FY19, Market Capitalisation based on BSE closing as on 30th Sep 2018

ITC's Economic Contribution to the Nation

- **10 year Value addition** ~ Rs. 3.1 lakh crore (US$ 55 billion)
  - Among the top tax payers in the country
  - Over the last five years, the Value-Added by your Company, i.e. the value created by the economic activities of your Company and its employees, aggregated over ₹ 200000 crores of which nearly ₹ 150000 crores accrued to the Exchequer.

- **Foreign exchange earnings** in the last 10 years: US$ 7.1 bln
  - Of which agri exports constituted ~56%

Social Performance

- **Direct employment** ITC Group : over 32,000
- Supported creation of around **6 million sustainable livelihoods**
- **e-Choupal**: world's largest rural digital infrastructure serving more than **4 million farmers**
- **Social and Farm forestry** initiative has greened nearly *683,000 acres* and generated nearly *125 million person days of employment* for rural households, including poor tribal and marginal farmers.
- Significant thrust on **social sector** investments under 'Mission Sunehra Kal' initiatives
  - Natural resource management
  - Sustainable livelihoods
  - Community development programmes in the economic vicinity of operating locations

Environmental Performance

- **Water positive - 16 years in a row**
- **Carbon positive enterprise – 13 years in a row**
  - Sequestering over twice the amount of CO_2 that the Company emits

- **Solid waste recycling positive – 11 years in a row**
- **Over 43% of total energy consumed is from renewable sources**

- **Sustainability Report 2018** can be accessed on **https://www.itcportal.com/sustainability/sustainability-report-2018/sustainability-report-2018.pdf**

Only enterprise in the world of comparable dimensions to have achieved and sustained the 3 key global indices of environmental sustainability of being Carbon positive, Water positive and Solid waste recycling positive

ITC's Vision Statement

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

- **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

- **Focus on the chosen business portfolio**
  - FMCG; Hotels; Paperboards, Paper & 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**

- **Craft appropriate 'Strategy of Organisation' and governance processes to:**
  - Enable focus on each business ***and***
  - Harness diversity of portfolio to create unique sources of competitive advantage

Strategy of Organisation

3-Tiered Governance Structure

Board of Directors

Strategic Supervision

Corporate Management Committee

Strategic Management

Divisional Management Committees

Executive Management

- Enabling Focus on each Business
- Harnessing Diversity of Portfolio

ITC's Business Portfolio

Enduring Value

FMCG

Cigarettes

Classic
GOLD FLAKE
NAVY CUT
FLAKE
SCISSORS
BERKELEY

Foods

Personal Care

Lifestyle Retailing

Education & Stationery

Safety Matches & Incense Sticks

Hotels

Paperboards, Paper & Packaging

Agri Business

Information Technology

ITC's Cigarettes Business

- **Market leadership**
  - Leadership across all segments - geographic & price
- **State-of-the-art technology and world-class products**

Cigarette Industry in India

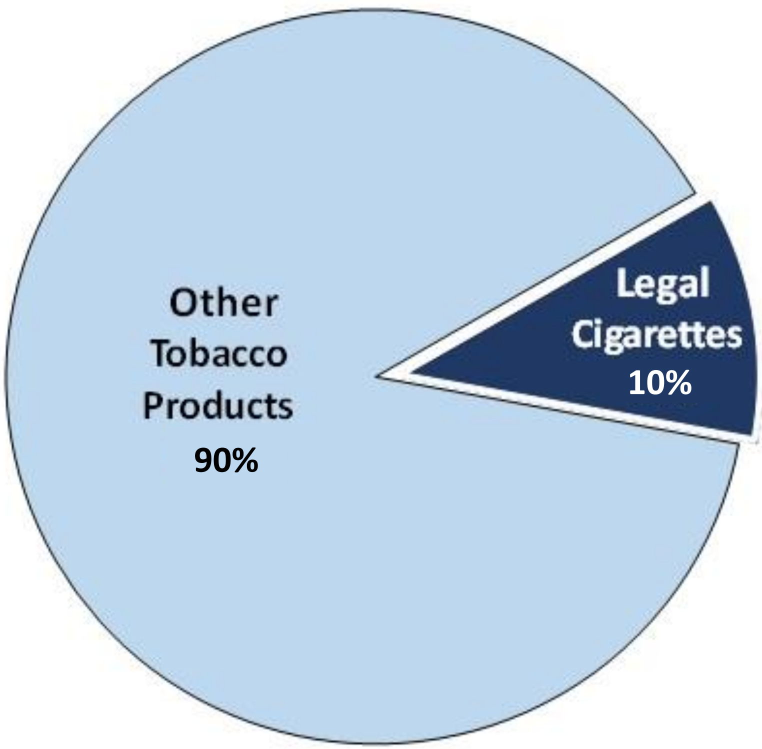
- Legal cigarettes account for only **~10% of tobacco consumed in India** due to a punitive and discriminatory taxation and regulatory regime

- India is the **4th largest illegal cigarette market** in the World; resulting in **Revenue loss of over 13,000 cr. p.a.** to the Exchequer

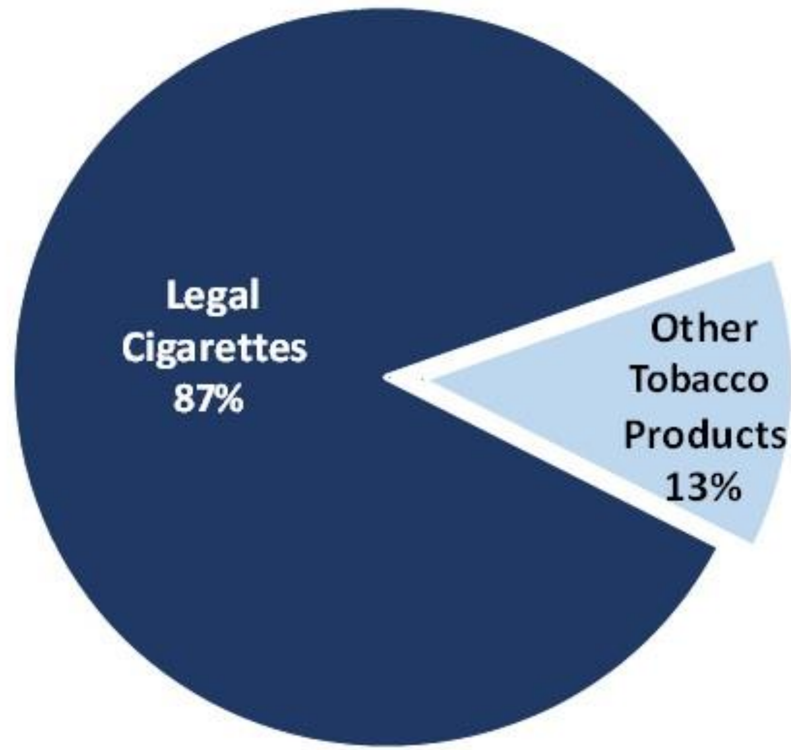
- 42% of adult Indian males consume tobacco. **Only 7% of adult Indian males** smoke cigarettes as compared to 14% who smoke bidis and 30% who use smokeless tobacco *(Source: Global Adult Tobacco Survey India 2016-17)*

- Annual per capita adult cigarette consumption in India is approx. **one-ninth of world average**

Legal Cigarettes contribute 87% of Tax Revenue, despite constituting only 10% of Tobacco consumption



Consumption Share

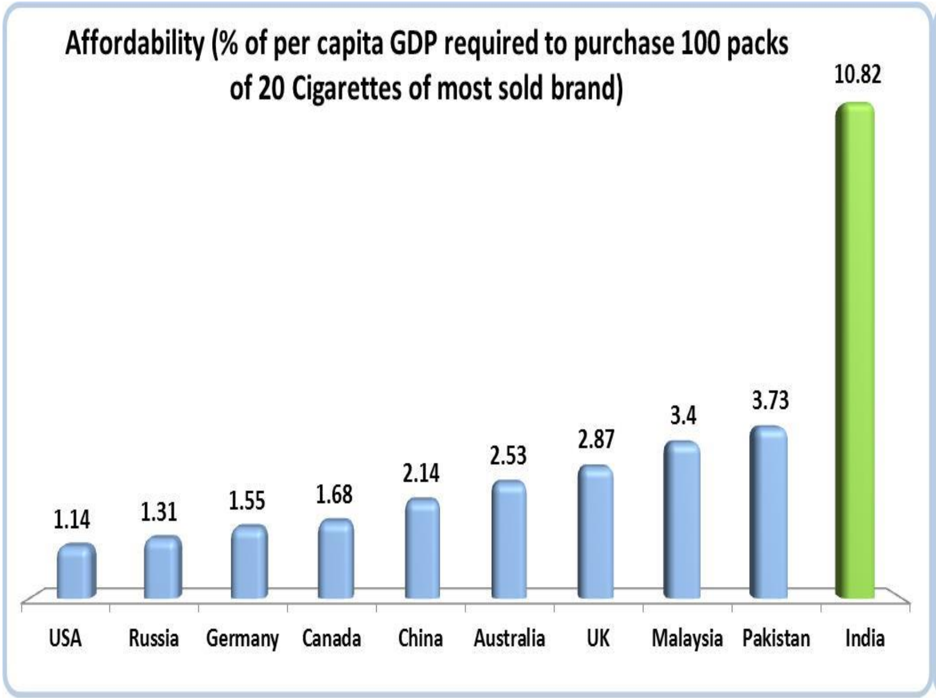


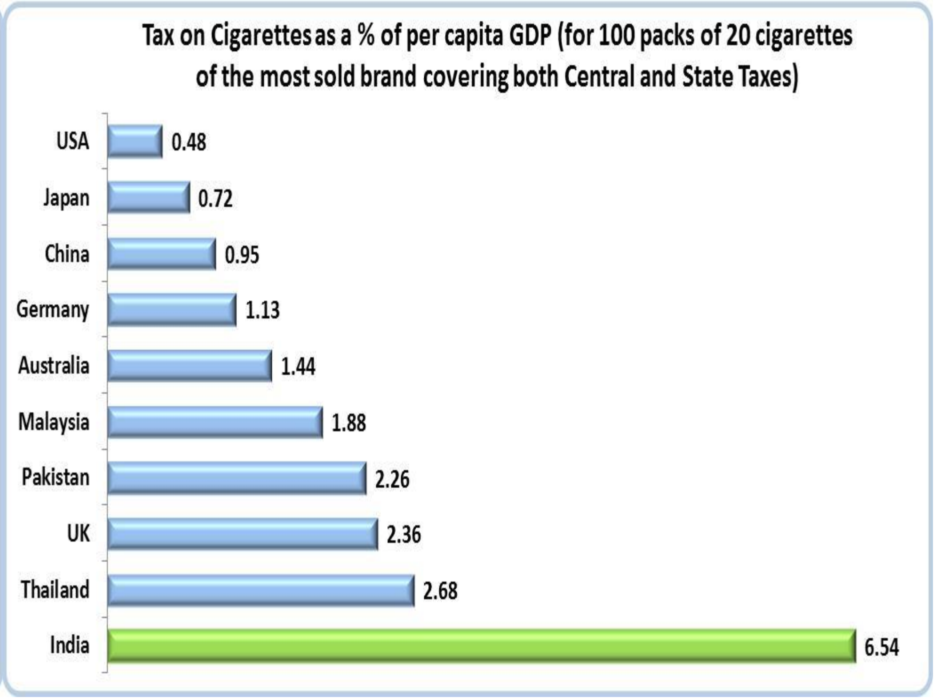
Tax Revenue Share

Cigarette taxes remain, effectively, about 50 times higher than on other tobacco products (on a per Kg basis of tobacco consumption)

Note: Consumption Share based on 2016/17 data

Cigarettes are least affordable in India

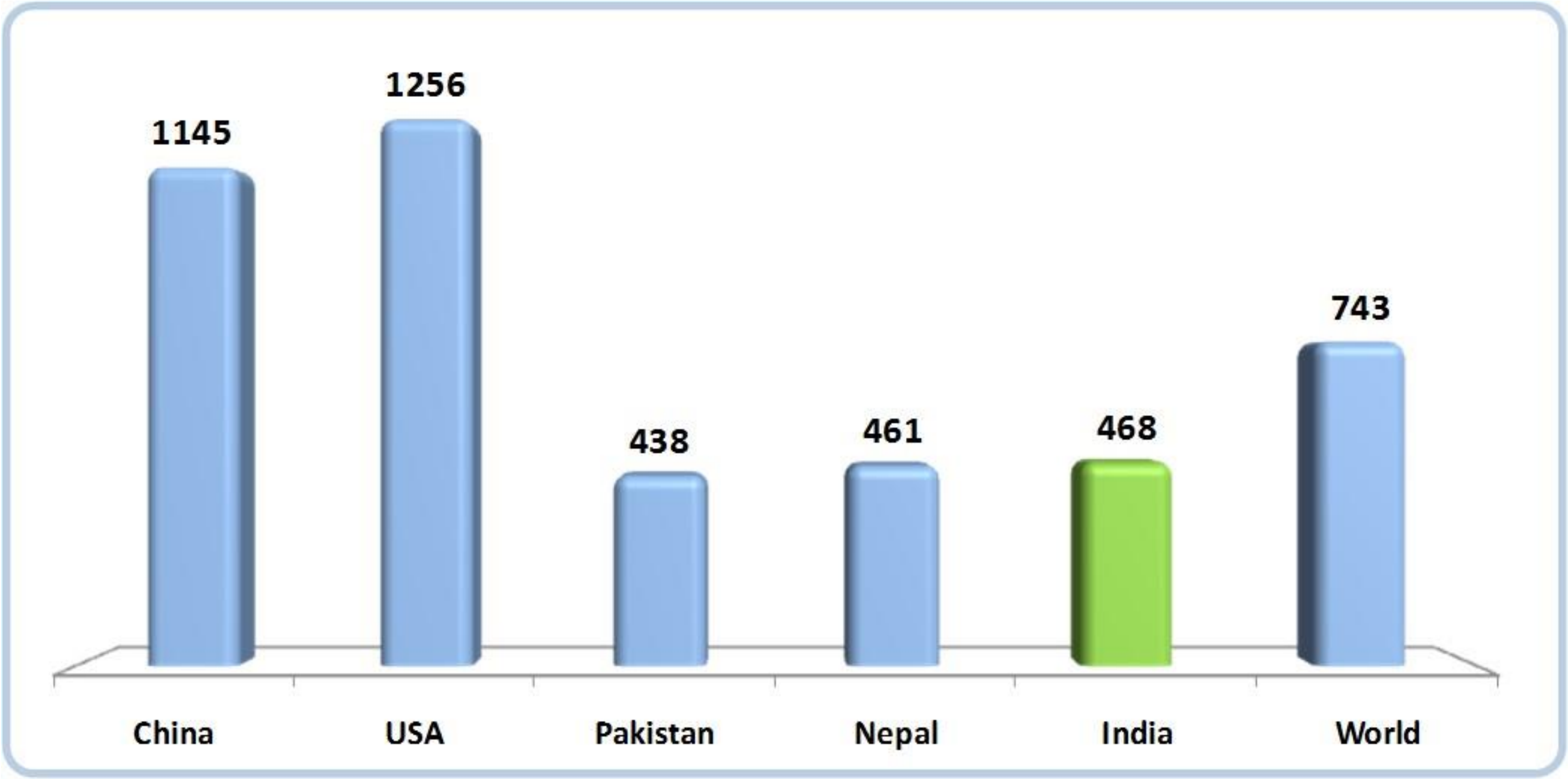




Source : WHO Report on the Global Tobacco Epidemic, 2015-Raising Taxes on Tobacco

- Cigarette taxes in India are 14 times higher than USA, 9 times higher than Japan, 7 times higher than China, 5 times higher than Australia and 3 times higher than Malaysia and Pakistan.

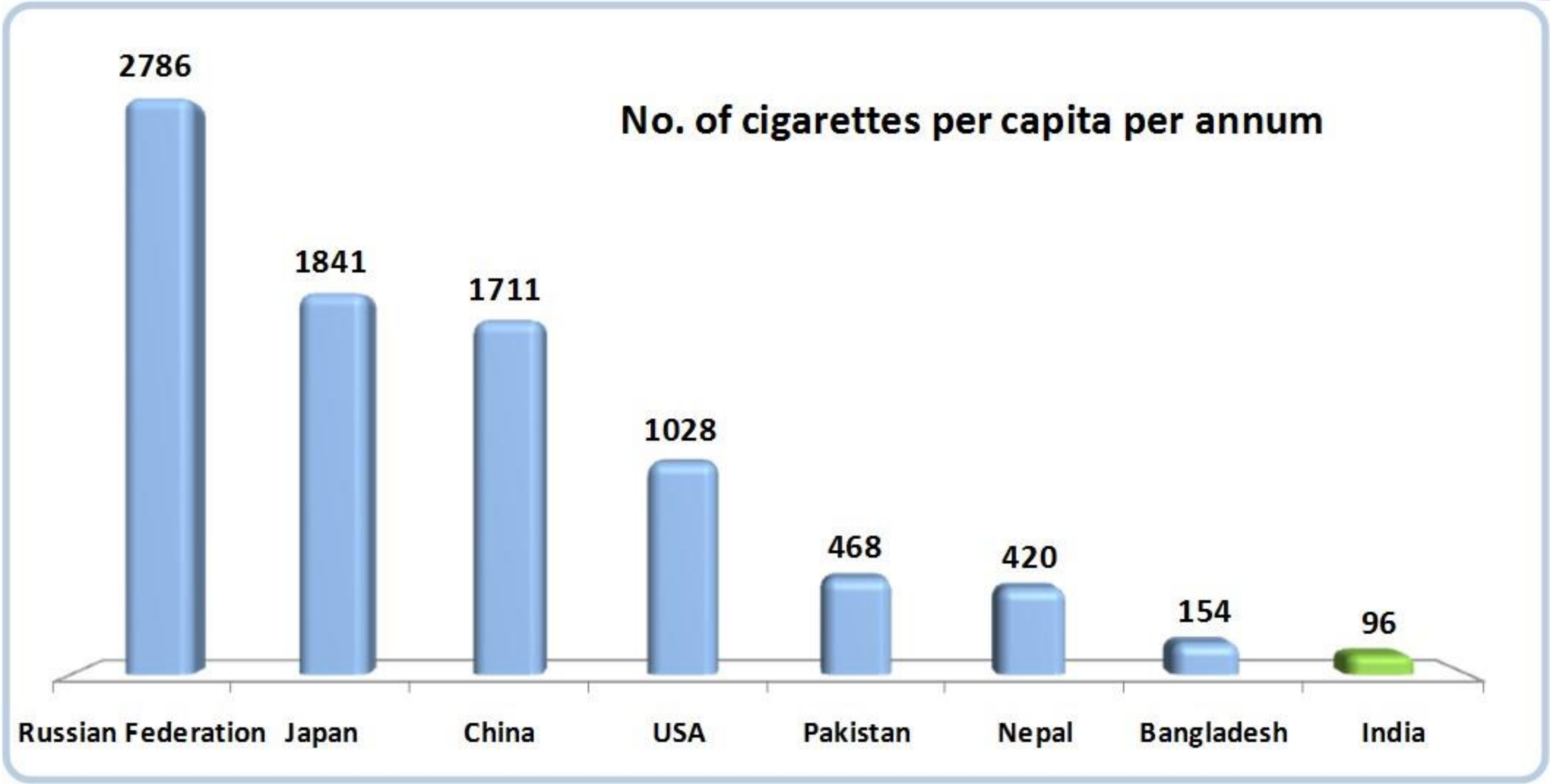
Per Capita Consumption of Tobacco in India (gms per year)



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

Per Capita consumption is ~60% of World Average

Per Capita Cigarette Consumption – 11% of World average



Source: The Tobacco Atlas - 4th Edition (American Cancer Society)

- **Although India accounts for over 17% of world population, its share of world cigarette consumption is less than 2%**
- **Per Capita consumption in India ~11% of World average**

FMCG Cigarettes

- **Legal cigarette industry volumes remain under pressure**
  - While the legitimate cigarette industry has declined steadily since 2010-11 at a compound annual rate of 4.8% p.a., illegal cigarette volumes in contrast have grown at about 5% p.a. during the same period, making India one of the fastest growing illegal cigarette markets in the world.
  - This is also borne out by the fact that there has been a quantum jump in the number of seizures of smuggled cigarette consignments by enforcement agencies across the country over the last few years.

- **New graphic health warnings with even more gruesome images have been introduced from 1st September 2018**

Creating World-class brands for Indian Consumers

ITC
Enduring Value

Sunfeast
AASHIRVAAD
BINGO!
Kitchens of India
Sunfeast YiPPee! noodles
B Natural
Dark Fantasy
MOM'S MAGIC
CANDYMAN
mint-o
GumOn
FABELLE Exquisite CHOCOLATES
SUNBEAN GOURMET COFFEE
AASHIRVAAD svasti

Fiama
Vivel
Superia
ENGAGE
ESSENZA DI WILLS
DERMAFIQUE cell by cell
Savlon
Shower to Shower
Skin Essential CHARMIS
nimyle

WLS
JOHN PLAYERS

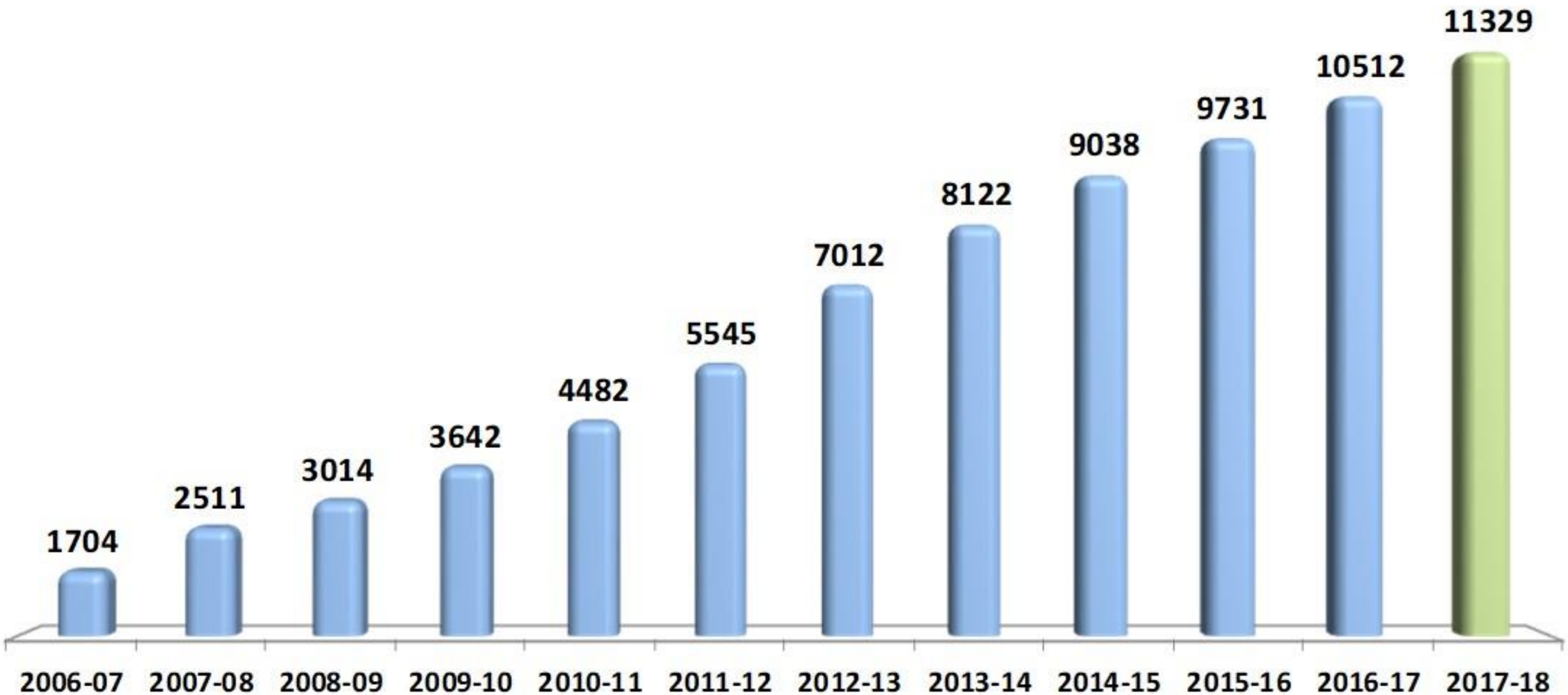
classmate
Paperkraft

MANGALDEEP
AIM

Farmland SAFE AND NUTRITIOUS
ITC MASTER CHEF

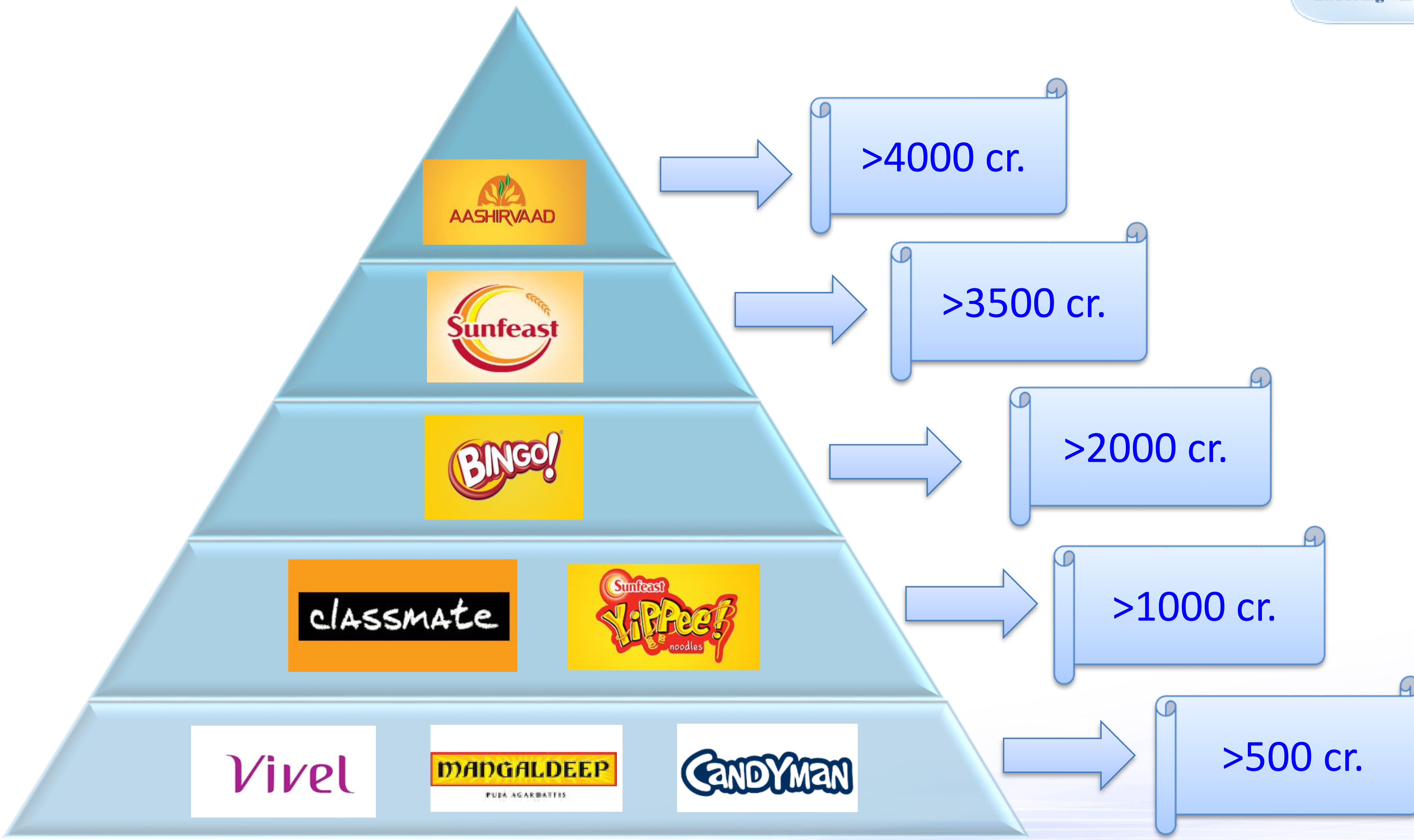
Rapid scale up of FMCG businesses

(₹ crs)



Note: Reported Gross Revenue for FY18 not comparable a/c GST transition; Comparable FMCG Business growth for FY18 at 11.3% as compared to reported growth of 7.8%

Annual Consumer Spends of ~16000 cr. (FY18)



Branded Packaged Foods Portfolio

Biscuits, Staples, Snacks, Noodles & Pasta, Confectionery, Ready to Eat, Juices, Dairy, Chocolates and Coffee

Fabelle Chocolate

Ganache

Fabelle Chocolate Boutique at ITC Gardenia

Gianduja

Fabelle Luxury Bars

Fabelle Société de Chocolat

Fabelle Diwali Gift Hampers

Branded Packaged Foods: Some recent launches (1)

Enduring Value

Bounce Minis Strawberry

Sunfeast Bounce Cakes

Dark Fantasy Choco Jellifills Cake

Sunfeast Marie Light Vita

Fabelle Visible Inclusions

Bingo! Mad Angles Very Peri Peri

Bingo! Mad Angles Fillos

Bingo! Tedhe Medhe Wakhra Style

Sunfeast YiPPee! Wow Chicken

Candyman Fruity Delite

Branded Packaged Foods: Some recent launches (2)

Fabelle luxury bars

Bingo! No Rulz

Sunfeast YiPPee! Mood Masala

Sunfeast Farmlite Protein Power

Candyman Crunchy Peanut

Chatpata Phalsa

Masala Jamun Juice

Sharpening communication & consumer engagement

Dark Fantasy – Can't Wait Wont Wait Campaign

B Natural Campaigns

YiPPee! Mood Masala campaign

Mom's Magic – Mother's Day & Teacher's Day campaign

Integrated Manufacturing and Logistics facilities

– **Commissioned state-of-the-art consumer good manufacturing facility at Trichy, Tamil Nadu in Sep'18.**

– Capacity Utilisation at Kapurthala, Panchla, Uluberia, Mysuru and Guwahati being progressively ramped up.

– Steady progress is being made towards development of other such facilities which are expected to be commissioned in the near to medium term.

Trichy, Tamil Nadu

Kapurthala, Punjab

Personal Care Products

- The Business continues to **enhance market standing** in the **Fragrance** and **liquids** (handwash & bodywash) categories.

- **‘Engage’** range of deodorants continue to strengthen its market standing.
  - Clear No. 2 brand in the category; No. 1 in Women’s segment.
  - ‘Pocket Perfume’ range drive robust growth.
  - Range augmented with the launch of unique slider-flip pack.

- **Recent category launches**
  - Premium skin care range – ‘**Dermafique’**
  - Premium bath care range – ‘**Fiama’**
  - Moisturising skin cream - **‘Charmis’**
  - Floor cleaner - **‘Nimyle’**
  - Essential Oils – **‘Fiama’**

Personal Care: Some recent launches

Vivel Bodywash

Dermafique range of Premium Skincare

Engage On Flip pack

Savlon Chota Bheem Handwash

Nimyle Herbal Floor Cleaner

Savlon Hand Sanitizer Gel

Fiama Bath Essentials

Fiama Essential Oil

Sharpening communication & consumer engagement

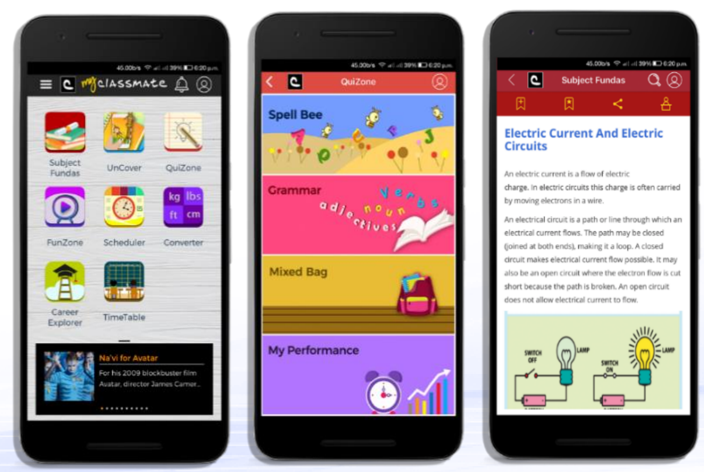
Deepening consumer engagement in Vivel anchored on Women's Empowerment through 'AbSamjhautaNahin' & 'Know Your Rights' initiatives

Savlon 'Healthy Hands Chalk Sticks' initiative won 7 Lions at Cannes 2017 & Grand Prix for Creative Effectiveness at Cannes 2018.

Savlon on World Sight Day (11th October) introduced Braille enabled packs of Savlon Antiseptic liquid to help the visually impaired to identify & access the product easily.

Education & Stationery Products Business

- **Leverage Company's paper & printing expertise and distribution network**
  - Classmate, Saathi and Paperkraft brands continue to enhance market standing
- Industry growth driven by increasing literacy and enhanced scale of government and public-private education initiatives
- **Classmate** is the Market leader in Notebooks segment
  - Deepening consumer engagement through Classmateshop.com and MyClassmate app to deliver customized notebooks
- Increase presence in **writing instruments and scholastic products** segment leveraging the Classmate brand

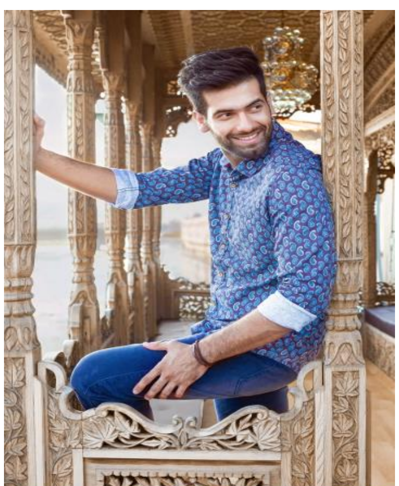
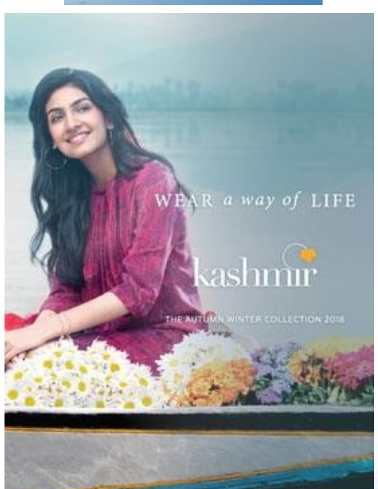


MyClassmate APP

Lifestyle Retailing

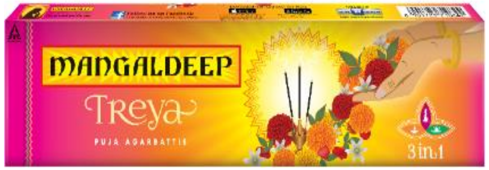
- **'WLS'** brand positioned at the premium end of the market
  - The brand is available in ~300 outlets across multiple channels including six exclusive boutique stores across ITC Hotels

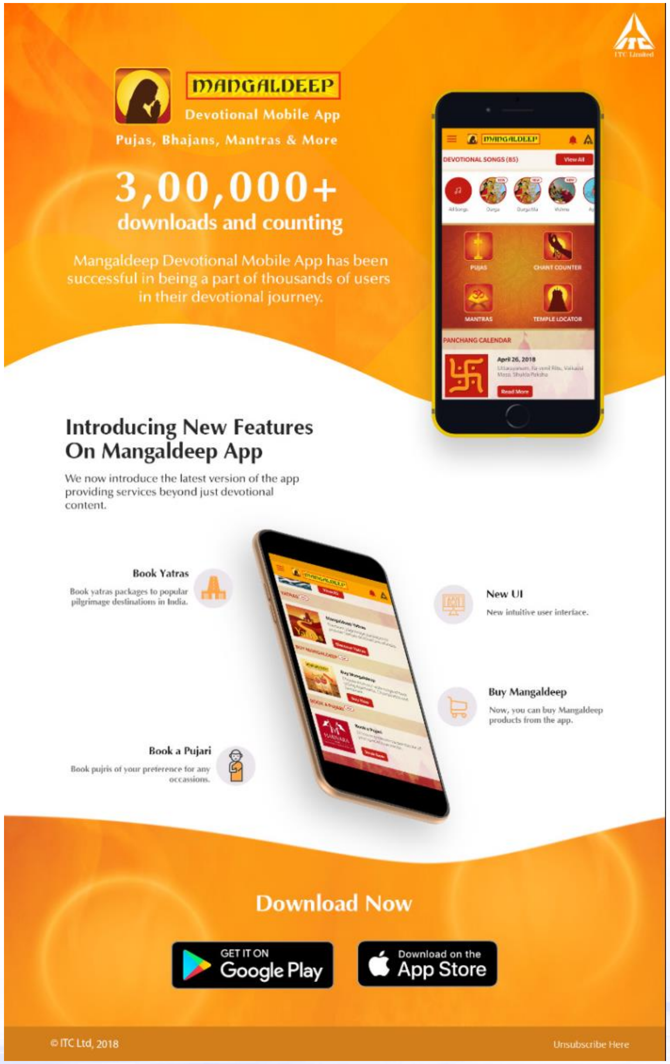
- **'John Players'** brand positioned in the youth fashion segment
  - The brand is available in ~750 points-of-sale across leading national and regional department stores, exclusive stores and multi-brand outlets

Incense sticks (Agarbattis) & Safety Matches

- **'Mangaldeep'** continues to fortify its market standing in the Agarbatti and Dhoop segment.
- **'AIM'** continues to be the largest selling safety matches brand in India.
- Launched in September 2016 on both Android & iOS platforms the **Mangaldeep App is** currently available in nine languages and caters to the everyday devotional needs of consumers.





Hotels

- One of the fastest growing hospitality chains in India
- Trailblazer in Green Hoteliering
- Leader in Profitability

Hotels & Tourism industry

- Foreign Tourist Arrivals (FTA) growth has picked up in the last few quarters.
  - FTA into India crossed the 10 million mark but remains far behind China (~59 million)

    [Source: Ministry of Tourism, UNWTO Tourism Highlights 2017 edition]
  - Going forward, as economic conditions and infrastructure improve, leisure tourism and business related travel is also projected to grow faster

- Industry: Current Room inventory ~240,000 rooms, of which ~66,000 rooms are in the Luxury and Upper-Upscale segments

Hotels Business

- **The Chain:** 108 properties across 74 locations
  - 4 Brands: **ITC Hotels, WelcomHotel, Fortune & WelcomHeritage**
    - 26 Five-Star Deluxe/ Five-Star Properties with over 5100 rooms
    - 46 Fortune Hotels with over 3600 rooms
    - 36 WelcomHeritage Properties with over 900 rooms

- **Projects** underway:
  - ITC Hotels at Kolkata, Ahmedabad
  - WelcomHotels at Bhubaneswar, Guntur and Amritsar.

- Company's first **overseas project** in **Colombo**, being undertaken by a wholly-owned subsidiary in Sri Lanka
  - Construction activity is progressing as per schedule

ITC Royal Bengal

ITC One Colombo 1

ITC Kohenur continued to receive excellent response from discerning guests

Restaurants & Banquet

Ottimo

Dum Pukht-Begum's

Yi Jing

Deccan State room

ITC Grand Goa launched on 15th October 2018



Restaurants

Ottimo Cucina Italiana

Kebabs & Kurries

Tempero

Pavilion at the Village Square

ITC Hotels: Trailblazer in Green Hoteliering

U.S. GREEN BUILDING COUNCIL
LEED PLATINUM
USGBC

All ITC Luxury Hotels LEED Platinum certified

ITC HOTELS
RESPONSIBLE LUXURY

“**Responsible Luxury**” ethos woven into the Brand Identity

Paperboards & Packaging Business

Enduring Value

- No. 1 in Size
- No. 1 in Profitability
- World-class Environmental Performance

Indian Paperboard market

- Annual paperboard demand over 3.1 million tonnes
- Low per capita usage of paper at around 13 kgs p.a. (world average – over 57 kgs p.a.)
- Indian paperboard market growing at 7.2% p.a.
- Value-added Paperboards - the fastest growing segment (10.5% p.a.) in India driven by :
  - Increasing demand for branded packaged products
  - Growth in organised retail
  - Use of packaging as a key differentiator, especially in the FMCG sector

ITC's Paperboards, Paper & Packaging businesses

- **Market leader in Value-Added Paperboards segment**
- **World-class technology & quality**
  - Fully integrated Ozone bleached Pulp Mill (3.5 lakh TPA) – one of its kind in Asia meeting world-class environmental standards
  - India's first Bleached Chemical Thermo Mechanical Pulp (BCTMP) mill, commissioned in Q4FY17 – lower dependence on imported pulp and source of competitive advantage.
  - Décor Machine at Tribeni unit completely refurbished incorporating latest technology features along with capacity expansion.
  - Value Added Paperboard (1.5 lakh TPA) line commissioned in Aug'18.

Décor Machine

Value Added Paperboard Machine

- **ITC's packaging SBU** - India's largest converter of Paperboard into high quality packaging
  - Provides superior packaging solutions to cigarettes and other FMCG businesses
  - Leading supplier to Indian FMCG industry
  - Strengthened its capabilities as a one-stop-shop for packaging solutions with the addition of a rigid box and a flexo corrugation line

TPA: Tonnes per annum

Agri Business

- Leading Agri Business player in India
- Pioneer in rural transformation
- No. 1 in Leaf Tobacco

ITC's Agri Commodity Business

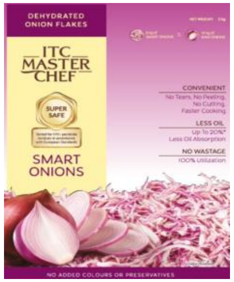
- **Distinctive sourcing capability for ITC's Branded Packaged Foods Businesses**
  - Identity-preserved superior quality wheat for 'Aashirvaad' atta
  - Superior quality fruit pulp for 'B Natural' range of juices
  - Sourcing support for spices, chip stock potatoes
- **Farm linkages in 17 States covering Wheat, Soya, Potato, Coffee etc.**
- **Unique Customer Relationship Management programme for commodity customers in both domestic and international markets**
- **Leveraging Information Technology for the transformational 'e-Choupal' initiative**
  - Rural India's largest Internet-based intervention
  - Over 35000 villages linked through around 6100 e-Choupals servicing around 4 million farmers

ITC's Agri Commodity Business- Value-Added Agriculture

- **Augmented presence in Value-Added Agriculture space**
  - Wide range of **Frozen Snacks** launched in retail segment in Sep'18

ITC Master Chef Frozen Snacks

ITC Master Chef prawns



ITC Master Chef Super Safe Smart Onions

ITC Master Chef Mango Puree

Farmland Apples

Farmland Potatoes

e-Choupal: Strategic Thrust

- **Procurement: cost & quality optimisation**
  - strategic sourcing support to the Branded Packaged Foods Businesses
  - cost-effective sourcing for exports/domestic external business
- **Rural retail**
  - 23 Choupal Saagars operational

ITC e-Choupal – 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 2004** 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 the then President of India Dr APJ Abdul Kalam in his special address during the national symposium to commemorate 60th year of Independence.**

ITC's Leaf Tobacco Business

- **India – the second largest producer of tobacco (World excl. China)**

- **However, India's share is only at 9% of world tobacco trade**
  - Leaf exports declined 4th year in a row to ~178 million Kgs.

- **ITC – India's largest buyer, processor, consumer & exporter of cigarette tobaccos**
  - 5th largest leaf tobacco exporter in the world

- **Pioneering cultivation of flavourful Flue-cured and superior Burley tobaccos in India**

- Pressure on legal cigarette industry volumes, adverse quality and leaf cost escalation pertaining to Andhra 2017 crop, and lower export incentives weighed on the business performance.

ITC - Key Financials – Q2 2018/19

Enduring Value

₹ Crs

	Q2 CY	Q2 LY	GOLY
Gross Revenue	11,095	9,676	***14.7%***
EBITDA	4,206	3,762	***11.8%***
PBT	4,369	3,944	***10.8%***
PAT	2,955	2,640	***11.9%***
Other Comprehensive Income (net of tax)	(200)	(29)	
Total Comprehensive Income	2,755	2,611	***5.5%***

Gross Segment Revenue – Q2 18/19

(₹ crs)

Q1		Q2		
2018-19		2018-19	2017-18	*Goly(%)*
	Segment Revenue (Gross)			
5128	a) FMCG - Cigarettes	5026	4554	*10.4*
2870	- Others	3160	2804	*12.7*
7998	**Total FMCG**	**8186**	**7358**	***11.3***
341	b) Hotels	363	300	*20.8*
3151	c) Agri Business	2220	1968	*12.8*
1356	d) Paperboards, Paper & Packaging	1424	1309	*8.8*
12846	**Total**	**12193**	**10936**	***11.5***
2124	Less : Inter segment revenue	1098	1260	*(12.8)*
10722	**Gross Revenue from sale of products & services**	**11095**	**9676**	***14.7***

- **FMCG Cigarettes:** Growth in Volumes on a soft base
- **FMCG Others:** Revenue growth driven by Staples, Snacks & Meals, Biscuits, Notebooks, Fragrancing Products & Liquids (handwash & bodywash) *partly offset by* ongoing restructuring in Apparel.
- **Hotels**: Higher room rates, increase in Occupancy and strong F&B Sales
- **Agri Business:** Trading opportunities in Wheat, Pulses, Oilseeds and Spices *partly offset by* pressure on legal cigarette industry volumes
- **Paperboards, Paper & Packaging:** Enriched mix, higher realisation and higher volumes – strong demand and capacity augmentation in Value added Paperboard and Décor segments

Segment Results – Q2 18/19

(₹ crs)

Q1		Q2		
2018-19		2018-19	2017-18	*Goly(%)*
	Segment Results			
3558	a) FMCG - Cigarettes	3579	3292	*8.7*
50	- Others	58	20	*185.3*
3609	**Total FMCG**	**3638**	**3312**	***9.8***
13	b) Hotels	16	4	*267.0*
195	c) Agri Business	236	256	*(7.9)*
296	d) Paperboards, Paper & Packaging	311	274	*13.4*
4112	**Total**	**4200**	**3847**	***9.2***
7	Less : i) Finance Cost	14	29	
(195)	ii) Other un-allocable (income) net of un-allocable expenditure	(183)	(127)	
4300	**Profit Before Tax**	**4369**	**3944**	***10.8***

- **FMCG-Others: Segment EBITDA at 159 cr. (+77%)** driven by enhanced scale, mix enrichment, cost management initiatives; despite sustained brand building investments and gestation of new categories
- **Hotels:** Margin expansion driven by higher room rates & operating leverage; gestation cost of ITC Kohenur and WH Coimbatore absorbed
- **Agribusiness:** Margin compression in leaf tobacco exports & lower export incentives
- **Paperboards, Paper & Packaging** margin expansion driven by enriched mix, higher realisation, scale up of in-house pulp utilisation, improvement in pulp yield and benefits of cost-competitive fibre chain.

Segment Capital Employed Q2 18/19

(₹ crs)

Q1		Q2		
2018-19		2018-19	2017-18	*Mvt*
	Segment Capital Employed			
3211	a) FMCG - Cigarettes *	3847	3973	*(126)*
6711	- Others	6388	5995	*393*
9923	**Total FMCG**	**10235**	**9968**	***267***
5092	b) Hotels	5193	4877	*316*
2561	c) Agri Business	2373	1731	*642*
6097	d) Paperboards, Paper & Packaging	6108	6025	*83*
23673	**Total Segment Capital Employed**	**23909**	**22602**	***1307***
121	*** Local Tax Provision not incl.**	**122**	**638**	***(516)***

Increase in Segment Capital Employed primarily a/c

- **FMCG-Others:** Capacity augmentation and business expansion
- **Hotels:** Investments in new/upcoming Hotels
- **Agri Business:** Higher working capital in-line with Agri Commodities business expansion
- **Paperboards, Paper & Packaging:** Investment in Value Added Paperboard and Décor capacity augmentation

Key Financials – H1 2018/19

Enduring Value

Gross Revenue for six months ended Sep'18 is not comparable with the previous period a/c GST transition

₹ Crs

	H1 CY	H1 LY	GOLY
Gross Sales Value^	36,616	32,402	***13.0%***
Gross Revenue	21,817	23,398	***-6.8%***
EBITDA	8,408	7,508	***12.0%***
PBT	8,669	7,889	***9.9%***
PAT	5,773	5,200	***11.0%***
Other Comprehensive Income (net of tax)	(122)	128	
Total Comprehensive Income	5,652	5,328	***6.1%***

^Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)

Segment Revenue – H1 18/19

Gross Revenue not comparable with the previous period a/c GST transition

(₹ crs)

	H1		
	2018-19	**2017-18**	*Goly(%)*
Segment Revenue (Gross)			
a) FMCG - Cigarettes	10154	13328	*(23.8)*
- Others	6030	5405	*11.6*
Total FMCG	**16184**	**18733**	***(13.6)***
b) Hotels	704	605	*16.3*
c) Agri Business	5371	4729	*13.6*
d) Paperboards, Paper & Packaging	2780	2669	*4.2*
Total	**25039**	**26736**	*(6.3)*
Less : Inter segment revenue	3222	3338	*(3.5)*
Gross Revenue from sale of products & services	**21817**	**23398**	*(6.8)*

Segment Results – H1 18/19

(₹ crs)

	H1		
	2018-19	**2017-18**	***Goly(%)***
Segment Results			
a) FMCG - Cigarettes	7137	6566	***8.7***
- Others	109	26	
Total FMCG	**7246**	**6592**	***9.9***
b) Hotels	29	10	***201.4***
c) Agri Business	431	491	***(12.4)***
d) Paperboards, Paper & Packaging	607	531	***14.1***
Total	**8312**	**7624**	***9.0***
Less : i) Finance Cost	21	39	
ii) Other un-allocable (income) net of un-allocable expenditure	(378)	(304)	
Profit Before Tax	**8669**	**7889**	***9.9***

Headline Financials : FY 17-18

Gross Revenue for the year ended Mar'18 is not comparable with the previous period a/c GST transition.

(₹ crs)

	2018	2017	Goly %
Gross Sales Value ^	67082	64174	***4.5***
Gross Revenue	43957	55002	***-20.1***
PBDIT	15541	14578	***6.6***
PBT (before exceptional items)	16439	15503	***6.0***
Exceptional items	413		
PBT	16852	15503	***8.7***
PAT	11223	10201	***10.0***
Other Comprehensive Income	382	77	-
Total Comprehensive Income	11606	10278	***12.9***

- **Gross Sales Value** up 4.5% amidst a sharp slowdown in the economy, steep increase in tax incidence on cigarettes, subdued demand conditions in the FMCG industry, shortage of tobacco crop in Andhra Pradesh and lack of trading opportunities in the Agri Business
- Reversal of TN Entry Tax provision pursuant to favourable Supreme Court judgement reported as **Exceptional item (413 cr.)**

^Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)

Gross Segment Revenue – FY 17-18

Gross Revenue for the year ended Mar'18 is not comparable with the previous period a/c GST transition.

(₹ crs)

	2018	2017	Goly (%)
a) FMCG - Cigarettes	22894	34002	*-32.7*
- Others	11329	10512	*7.8*
Total FMCG	**34223**	**44514**	***-23.1***
b) Hotels	1418	1342	*5.6*
c) Agri Business	8068	8265	*-2.4*
d) Paperboards, Paper & Packaging	5250	5363	*-2.1*
Total	**48957**	**59483**	***-17.7***
Less : Eliminations	5001	4481	*11.6*
Gross Revenue from Sale of Products & Services	**43957**	**55002**	***-20.1***

- Legal **Cigarette** industry volumes impacted; steep increase in tax incidence
- **FMCG Others**: comparable Revenue growth at 11.3% driven by Foods, Personal Care and Education business; Apparel sales impacted by ongoing restructuring of retail & trade footprint
- **Hotels**: higher ARRs and F&B revenue
- **Agri Business:** limited trading opportunities, high base effect (imported Wheat in LY), shortage & adverse quality of Andhra tobacco crop
- **Paperboards, Paper & Packaging**: Subdued Cigarette/FMCG/Liquor demand, cheap imports and surplus capacity continue to weigh on demand

Segment Results – FY 17-18

(₹ crs)

	2018	2017	Goly (%)
a) FMCG - Cigarettes	13341	12514	***6.6***
- Others	164	28	***483.6***
Total FMCG	**13505**	**12542**	***7.7***
b) Hotels	140	111	***26.0***
c) Agri Business	849	906	***-6.3***
d) Paperboards, Paper & Packaging	1042	966	***7.9***
Total	**15536**	**14525**	***7.0***
Less: i) Finance Cost	87	23	
ii) Unallocated corporate expenditure - Net	(990)	(1001)	
Profit Before Exceptional items & Tax	**16439**	**15503**	***6.0***

- **FMCG Others:** aided by enhanced scale, mix enrichment and cost management initiatives; notwithstanding stepped up marketing expenses, gestation cost of new categories and ongoing restructuring of Apparel
- **Hotels** growth driven by higher room rates and F&B revenue
- **Agribusiness** impacted by increase in leaf prices, lower export incentives & limited trading opportunities
- **Paperboards, Paper & Packaging** margin expansion driven by benign wood cost, structural cost saving initiatives and improved mix

Awards & Accolades (1)

- **One of the foremost in the private sector in terms of** :
  - Sustained value creation
  - Operating profits
  - Cash Profits
  - Contribution to Exchequer

- **ITC won the prestigious Porter Prize 2017** for **'Excellence in Corporate Governance and Integration'** and for its exemplary contribution in **'Creating Shared Value'.**

- **ITC ranked 3rd amongst leading corporates in India in terms of Corporate Reputation** *(Nielsen Corporate Image Monitor 2014-15)*

- **ITC** ranked as **the most admired company** in India in 2014 (*Fortune-Hay Group survey*)

- **ITC recognised amongst the Top 10 employers in India** by Randstad Employer Brand Research survey 2018. **ITC recognised amongst Top 5 most preferred employer** in ‘Campus Track’. *(Nielsen survey, 2017)*

Awards & Accolades (2)

Harvard Business Review ranked ITC Chairman Y C Deveshwar as the 7th Best Performing CEO in the World.

Chairman Y C Deveshwar conferred the Indian Visionary - Business Leader Award by The Economic Times, for being the country's most visionary corporate leader.

Chairman Y C Deveshwar was conferred the Padma Bhushan by the Government of India (2011).

Chairman Y C Deveshwar conferred the Management Man of the Year Award by the Bombay Management Association (BMA).

Chairman Y C Deveshwar conferred 'CII President's Award for Lifetime Achievement' for the year 2018.

Chairman Y C Deveshwar has been conferred the Lifetime Achievement Award by 4 eminent media houses including Economic Times, Business Standard, Business Today and CNBC.

Chairman Y C Deveshwar conferred the prestigious Banga Bibhushan award, the highest civilian honour instituted by the Government of West Bengal.

ITC conferred the prestigious 'World Business and Development Award 2012' at the Rio+20 UN Summit for its Social and Farm Forestry Initiatives.

Awards & Accolades (3)

Rainforest Alliance awarded ITC's Bhadrachalam Unit, the Forest Stewardship Council Forest Management certification

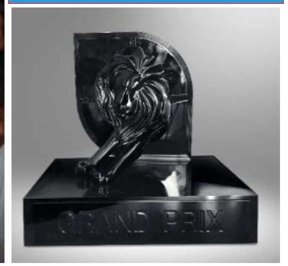
Businessworld FICCI CSR award in Large Enterprise category

AIM Asian CSR Award by the Asian Forum on Corporate Social Responsibility

ITC Hotels awarded the ‘Most Trusted Hotel brand’ in the Public Choice Honours category at the Times Travel Honours

Best Overall Corporate Social Responsibility Performance: Institute of Public Enterprise

Recent Awards & Accolades (1)



‘Savlon Healthy Hand Chalk Sticks’ the first Indian brand to win the Grand Prix for ‘Creative Effectiveness’ at the Cannes Lions

The campaign had also won 7 Lions at Cannes 2017 and also recognised as one of the top 10 PR Campaigns in the World at Global SABRE Awards.

‘Engage’ won a Gold at Abby (India's biggest advertising and creative award) for its social and digital campaign. The ‘Engage’ campaign on social media also won two Golds at the Content Marketing Awards, South Asia.

INDIA'S BUZZIEST BRANDS
13th Edition, 2018

ITC Hotels named India's 'Buzziest' brand in the Hotels segment by afaqs!, the country's leading media portal.

Engage featured among the Top 5 in the Personal Care segment.

ITC Foods won the SABRE Diamond Award for its campaign – ‘A Viral Truth – As pure as a Blessing’ to protect the trust of millions of Indian consumers on Aashirvaad Atta.

Classmate bloggers campaign won the SABRE Gold Award.

‘Winning with India First’ & Vivel’s ‘Know your Right’ campaign won certificate of excellence.

Recent Awards & Accolades (2)

ITC Limited was recognised and felicitated as the 'Corporate Trailblazer' at the India Today Safaigiri Awards. ITC was the only Corporate to have been presented the Safaigiri Award by India Today.

ITC HOTELS
RESPONSIBLE LUXURY

ITC Hotels received global accolades and recognition at The Global Social Hotel Awards for 'Best Use Of A Visual Network' & '2nd Best Online Reputation Management' for 2017.

ITC Hotels featured as the 'Sectoral Leader', for the fourth time in the Business World 'Most Respected Companies' listing.

ITC Grand Bharat was ranked amongst the top resorts in Asia for the third year in a row in the coveted Conde Nast Traveler U.S. Readers' Choice Awards.

ITC Maurya was adjudged the 'Most Eco Friendly Hotel' by the Ministry of Tourism at the National Tourism Awards.

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. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. 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.

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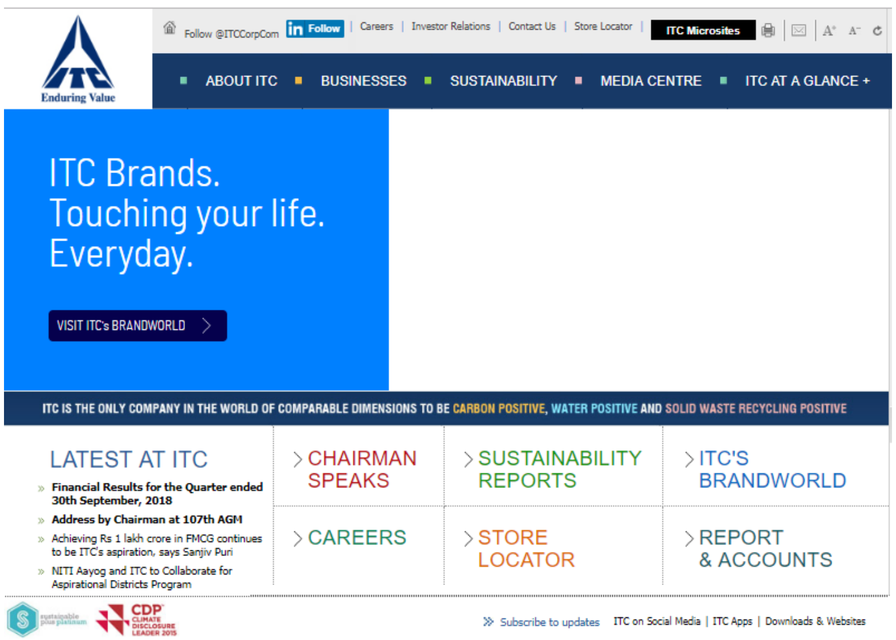

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