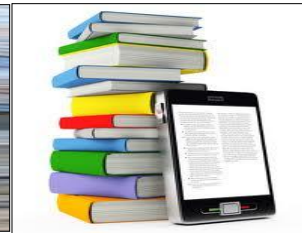


Q2 and H1 FY'14 Earnings Presentation



This presentation and the discussion that follows may contain certain words or phrases that are forward – looking statements, based on current expectations of the management of MPS Limited. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We therefore caution against placing substantial reliance on the forward-looking statements contained in this presentation.

All forward-looking statements included in this presentation are made only as of the date of this presentation and we assume no obligation to update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or other factors.”

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Business Overview

- MPS is a global publishing services company
- Established over 43 years ago in 1971 by Macmillan
- Created by and for the global education publishing industry
- 40 years of service history as Macmillan's back office
- Listed corporation on the Indian Stock Exchange
- 2,600 employees across 6 production facilities
- Purchased from Macmillan by ADI in 2011

A provider of both print and digital publishing services, technology solutions, engaging and interactive media platforms, and customer services for education, trade, and scholarly publishers.

Early Learning & Pre-K

K-12 School

Higher Education

Adult Learning

Professional Development

ESL, ELL & ELT

International

Trade & Journals

Core Product Lines

- Early Learning and Pre-K
- K-12 (All Curriculums)
- Higher Education
- Adult Learning
- Professional Development
- ESL/ELL and ELT

International Education

- North America
- U.K.
- South Africa
- Middle East
- South America
- Asia

Trade & Journals



❑ **Journal Publishing Services**

- End-to-end, print and digital publishing services for STM and academic publishers.

❑ **Book Publishing Services**

- Prepress publishing services including editorial services, typesetting, project management, indexing , etc

❑ **Digital Services**

- Content conversion team for books, journals, directories, and a wide variety of other applications.

❑ **Fulfillment & BPO Services**

- Customer support and fulfillment services for print and online publishing products

❑ **MPS Technology (MPST)**

- Develops and maintains custom and plug-n-play technology platforms for all stages of the publishing

❑ **Learning & New Media Services (LNMS)**

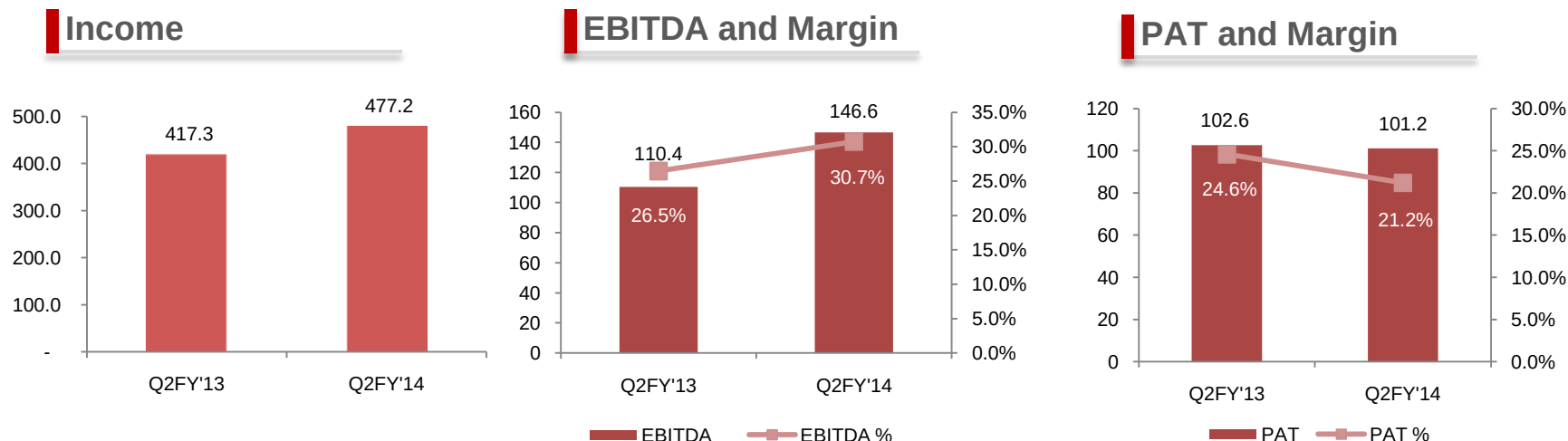
- Focused on powering engaging and interactive learning products for educational publishers.

❑ **Database and Directory Services (Ad Studio)**

- Advertisement design and production services via print, online, and mobile platforms for database & directory publishers.

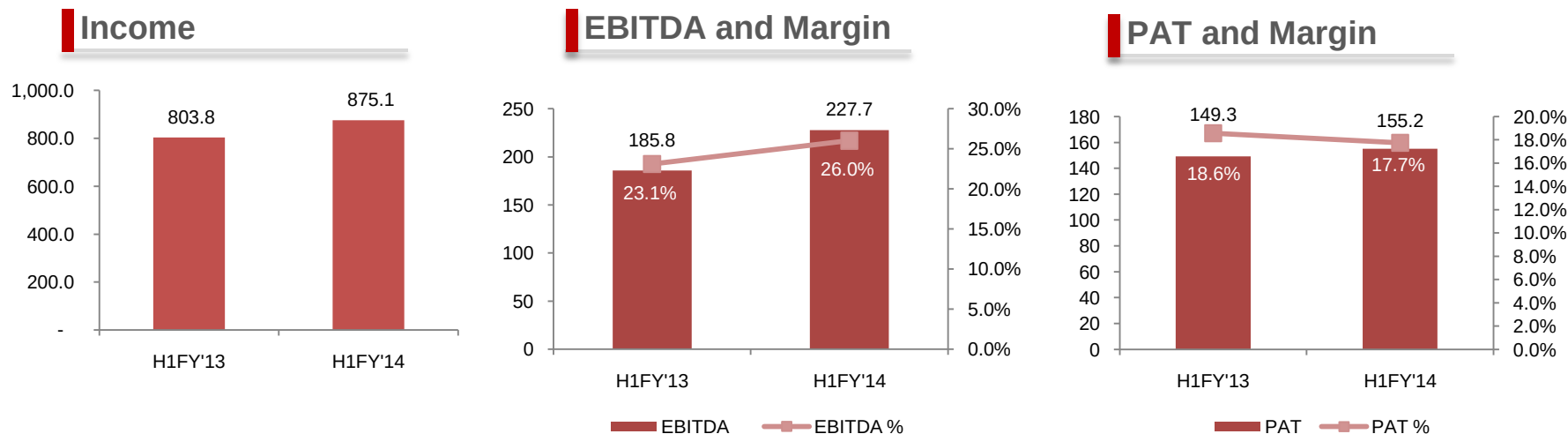
Q2 and H1 FY'14 Performance

All figures in Rs Mn



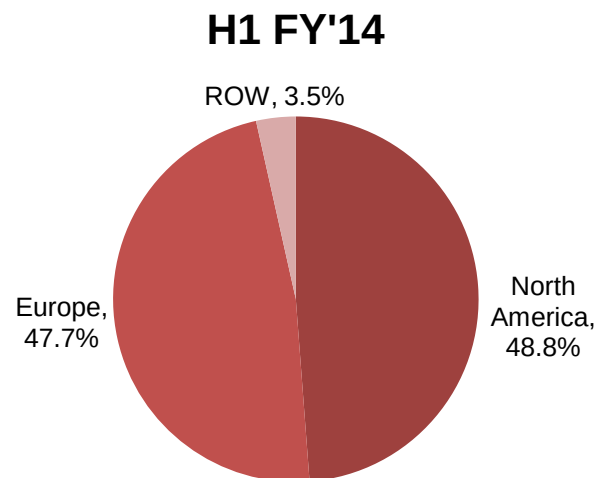
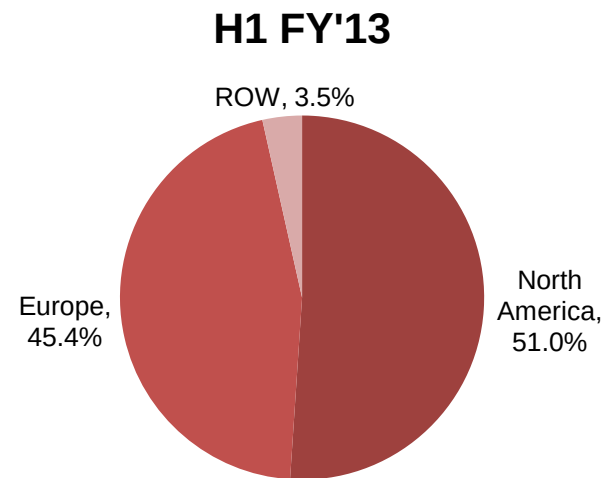
- Total Income during the quarter up by 14.4% YoY to reach Rs 477.2mn
 - Driven by strong growth in Journals (22%), Books (30%) and MPST (18%) divisions.
- EBITDA grows by 32.8% YoY; Margin up from 26.5% to 30.7%
 - Employee cost down 5.7% YoY due to reduction in gratuity and leave encashment liability due to valuation realignments.
 - Other expenses during Q2FY'14 include forex loss of Rs. 31.3 mn.
- PAT level similar YoY, even though tax substantially higher by around Rs. 50 mn
 - The company availed MAT credit in Q2FY'13 which led to lower tax at Rs. 0.7mn compared to Rs. 51 mn in the current quarter.

All figures in Rs Mn



- Total Income during H1FY'14 up by 8.9% YoY
 - Driven by growth in Journals (23%), Books (18%) and MPST (12%) divisions
- EBITDA grows by 22.6% to Rs 227.7mn; Margin up from 23.1% to 26.0%
 - Employee cost down 1.5% YoY
- PAT grows by 4% despite tax increase of Rs. 59 mn
 - Increase in other income by 63.7% YoY mainly due to write-back of debtors provision and other liabilities no longer payable.

Revenue Break-up by Geography



- MPS derives majority of its revenue from North America (49% in H1FY'14) and Europe (48% in H1FY'14)
- The Europe market witnessed growth of 14% YoY in H1FY'14

In Rs Mn	H1FY'14	YoY
North America	427.3	4.2%
Europe	417.1	14.2%
ROW	30.7	8.9%

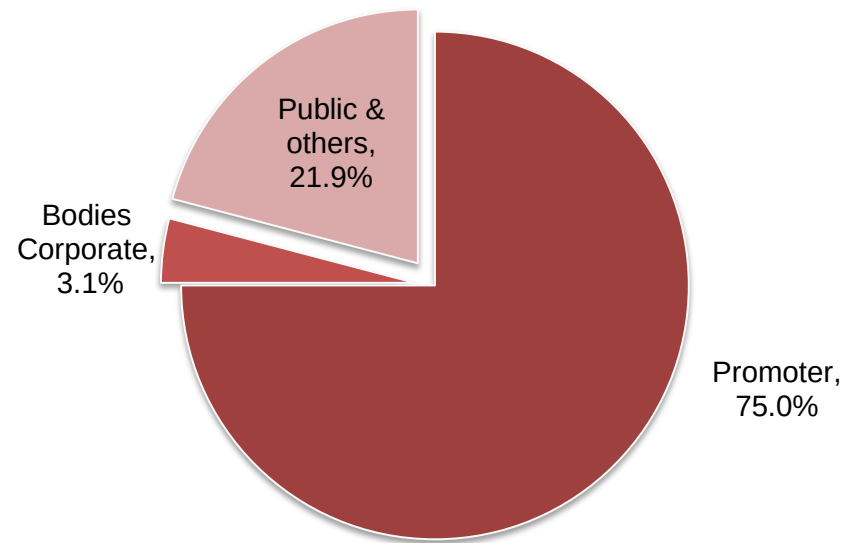
Annexure

Particulars (Rs mn)	Q2 FY'14	Q2 FY'13	Q1 FY'14	% Chg YoY	% Chg QoQ	H1 FY'14	H1 FY'13	% Chg YoY
Total Operating Income	477.2	417.3	397.9	14.4%	19.9%	875.1	803.8	8.9%
Total Expenditure	330.6	306.9	316.8	7.7%	4.4%	647.4	618.0	4.8%
(Increase) / Decrease In Stock In Trade & WIP	(6.9)	(2.8)	(1.4)	NM	NM	(8.3)	(3.0)	NM
Employees Cost	187.0	198.4	206.4	-5.7%	-9.4%	393.4	399.5	-1.5%
Other Expenditure	150.5	111.3	111.8	35.2%	34.6%	262.3	221.5	18.4%
EBITDA	146.6	110.4	81.1	32.8%	80.8%	227.7	185.8	22.6%
Depreciation and Amortization	10.7	17.3	14.4	-38.2%	-25.7%	25.1	33.8	-25.7%
EBIT	135.9	93.1	66.7	46.0%	103.7%	202.6	152.0	33.3%
Interest & Finance charges	0.2	1.5	1.4	-86.7%	-85.7%	1.6	3.5	-54.3%
Other Income	16.3	11.7	16.6	39.3%	-1.8%	32.9	20.1	63.7%
PBT	152.0	103.3	81.9	47.1%	85.6%	233.9	168.6	38.7%
Tax Expense	50.8	0.7	27.9	NM	82.1%	78.7	19.3	307.8%
PAT	101.2	102.6	54.0	-1.4%	87.4%	155.2	149.3	4.0%
Basic & Diluted EPS (Rs.)	6.02	6.10	3.21	-1.4%	87.4%	9.23	8.88	4.0%

Key Ratios	Q2 FY'14	Q2 FY'13	Q1 FY'14	H1 FY'14	H1 FY'13
EBITDA Margin	30.7%	26.5%	20.4%	26.0%	23.1%
Net Margin	21.2%	24.6%	13.6%	17.7%	18.6%
Total Expenditure/ Total Income	69.3%	73.5%	79.6%	74.0%	76.9%
Staff Cost/ Total Income	39.2%	47.5%	51.9%	45.0%	49.7%
Other Expenditure/ Total Income	31.5%	26.7%	28.1%	30.0%	27.6%

Rs Mn	As on 30th Sep 2013 (Unaudited)	As at 31st Mar 2013 (Audited)
A. Equity & Liabilities:	1,217.3	1,133.9
Shareholders Funds	784.8	826.5
Share Capital	168.2	168.2
Reserves and Surplus	616.6	658.3
Non-Current Liabilities	1.9	2.2
Long-term borrowings	0.5	1.3
Other long-term liabilities	1.4	0.9
Current Liabilities	430.6	305.2
Short-term borrowings	39.1	44.1
Trade payables	142.1	194.8
Other current liabilities	64.2	64.6
Short-term provisions	185.2	1.7
B. Assets:	1,217.3	1,133.9
Non-current assets	493.6	404.3
Fixed Assets	199.9	217.7
Non-current investments	104.7	
Deferred tax assets (net)	13.5	6.6
Long-term loans and advances	173.7	178.3
Other non-current assets	1.8	1.7
Current assets	723.7	729.6
Investments	181.5	177.3
Inventories	97.3	89.0
Trade receivables	317.5	273.1
Cash and cash equivalents	72.9	111.0
Short-term loans and advances	54.4	67.3
Other current assets	0.1	11.9

As on September 30, 2013
Outstanding shares – 16.82 mn



About MPS Ltd: Over the 42 years of its dominant presence, MPS has evolved to be a trusted partner for publishers at every stage of the publishing process. Our service portfolio includes print and digital publishing services, transformation of content for usability across multiple platforms, custom and plug-n-play technology platforms for different stages of the publishing process, engaging and interactive media products, and customer support services for educational, academic, trade, and directory publishers.

For more information about us, please visit www.adi-mps.com or contact:

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