



MPS Limited

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February 17, 2014

National Stock Exchange Limited
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051.

Madras Stock Exchange Ltd,
Exchange Building
Second Line Beach,
Chennai – 600 001

Dear Sir,

Sub: Investors presentation
MPS Limited – Scrip Code: 532440

We are pleased to inform you that the Company will be making a presentation to the Investors on the results of the quarter and nine months ended December 31, 2013 tomorrow i.e. February 18, 2014 at 5 pm.

The presentation to the investors is enclosed for your ready reference. Kindly take the above information on your record and disseminate the same to your members.

Thanking you

Yours faithfully
For MPS Limited

S K Guha
Company Secretary
Encl.: as above.

www.adi-mps.com

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Q3 and 9M 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.”

This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer invitation, or a solicitation of any offer, to purchase or sell, any securities of MPS and should not be considered or construed in any manner whatsoever as a recommendation that any person should subscribe for or purchase any of MPS's securities. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation thereto shall be deemed to constitute an offer of or an invitation by or on behalf of MPS to subscribe for or purchase any of its securities.

- **Q3 and 9M FY'14 Performance**
 - Financial performance for Q3 FY'14.....05
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 - Revenue break-up.....07
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- **Business Overview**.....09-13

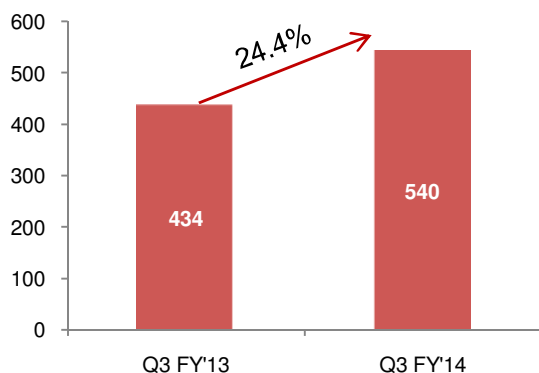
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Q3 and 9M FY'14 Performance

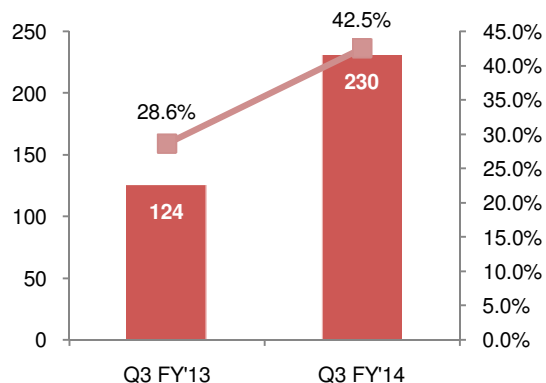
Q3FY14 – Strong top-line growth with margin expansion

MPS

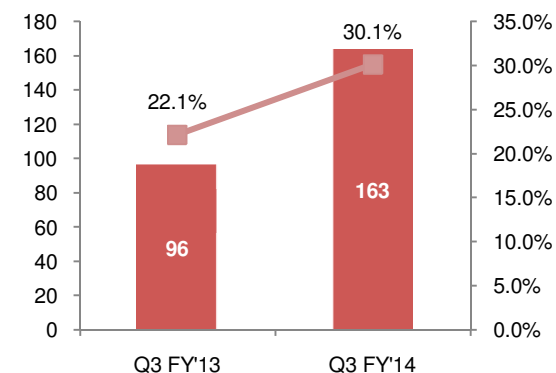
Net Sales (Rs mn)



EBITDA and Margin



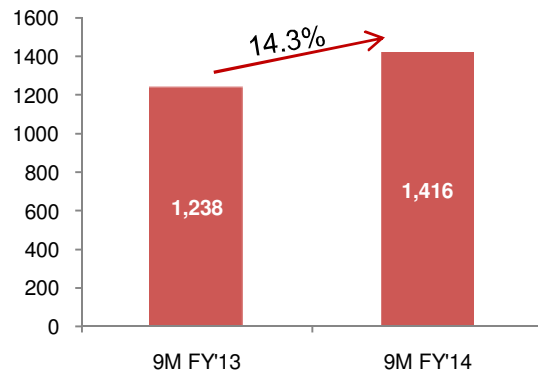
PAT and Margin



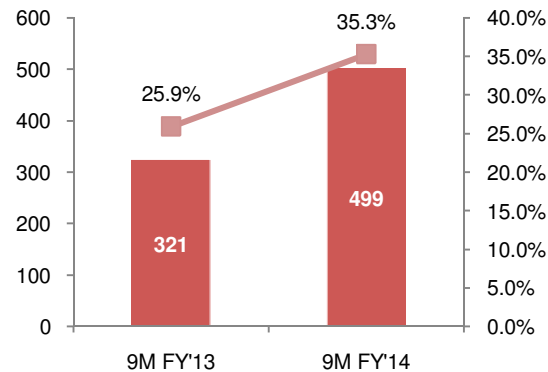
- Net Sales for Q3FY14 up by 24.4% YoY at Rs 540.4 mn
 - Driven by strong growth in Journals (49.1%) and Books (25.2%), including digital and print product development
- EBITDA up by 85.1% YoY at Rs 230 mn; Margin up from 28.6% to 42.5%
 - Other expenditure declines by 5.8% mainly due to relocation of Gurgaon facility to lower rental premises and consolidation of offices in Chennai from 2 to 1 resulting in reduction in rental and maintenance cost
- PBT up by 91.1% YoY at Rs 248.2 mn in Q3 FY14 against Rs 129.9 mn in Q3 FY13
- PAT up by 69.5% YoY at Rs 162.7 mn against Rs 96.0 mn during the same period last year; PAT margin at 30.1% for Q3FY14

Leading to robust 9M FY'14 – Over 35% EBITDA margin **MPS**

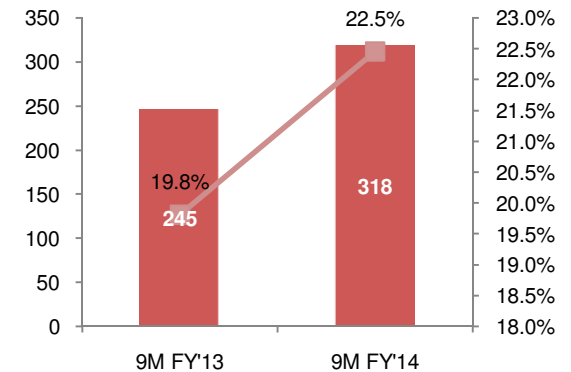
Net Sales (Rs mn)



EBITDA and Margin



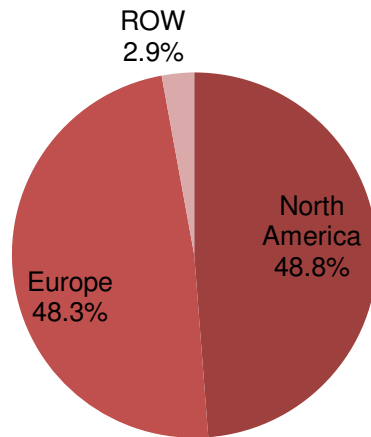
PAT and Margin



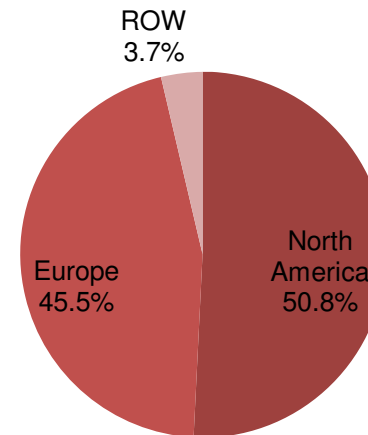
- Net Sales during 9M FY'14 up by 14.3% YoY at Rs 1,415.5 mn
 - Driven by strong growth in Journals (31.6%), Books (20.7%) and MPST (15.1%)
- EBITDA up by 55.6% to Rs 499.3 mn; Margin up from 25.9% to 35.3%
 - Staff cost as a percentage of revenue at 41.5% compared to 47.9% in 9M FY13
- PBT up by 61.5% YoY at Rs 482.1 mn in 9M FY14 against Rs 298.5 mn during the same period last year
- PAT up by 29.6% at Rs 317.9 mn in 9M FY14 against Rs 245.3 mn during the same period last year; PAT margin at 22.5% for 9M FY14

Revenue Break-up by Geography

9M FY'14



9M FY'13



- MPS derives majority of its revenue from North America (49% in 9M FY'14) and Europe (48% in 9MFY'14)
- Revenue from the North American grows by 9.8% YoY in 9M FY14
- The Europe market witnessed growth of 21.4% YoY in 9M FY'14

In Rs Mn	9M FY'14	YoY
North America	690.8	9.8%
Europe	684.0	21.4%
ROW	40.8	-10.2%

Client Details

Client concentration	9M FY13	9M FY14
Revenue % from Top 5 clients	54%	58%
Revenue % from Top 10 clients	70%	75%

- MPS has been a trusted vendor for publishing groups across the globe including Elsevier, Nature Publishing Group, McGraw Hill, Wiley, and Cengage Learning. During 9M FY14, revenue share of top 10 clients aggregated 75% and top 5 clients aggregated 58%.
- Total number of clients as on 31st December'13: 62

Manpower & Facilities

- Total Manpower: 2,752
- 6 production facilities: Bangalore (1), Chennai (1), Gurgaon (1), Delhi (1), Dehradun (1) and Noida (1)
- 2 content development and project management offices in the US – Portland and Orlando
- Corporate and sales & marketing office at Noida
- Sales force in US and UK

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
- Over 2,700 employees across 7 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

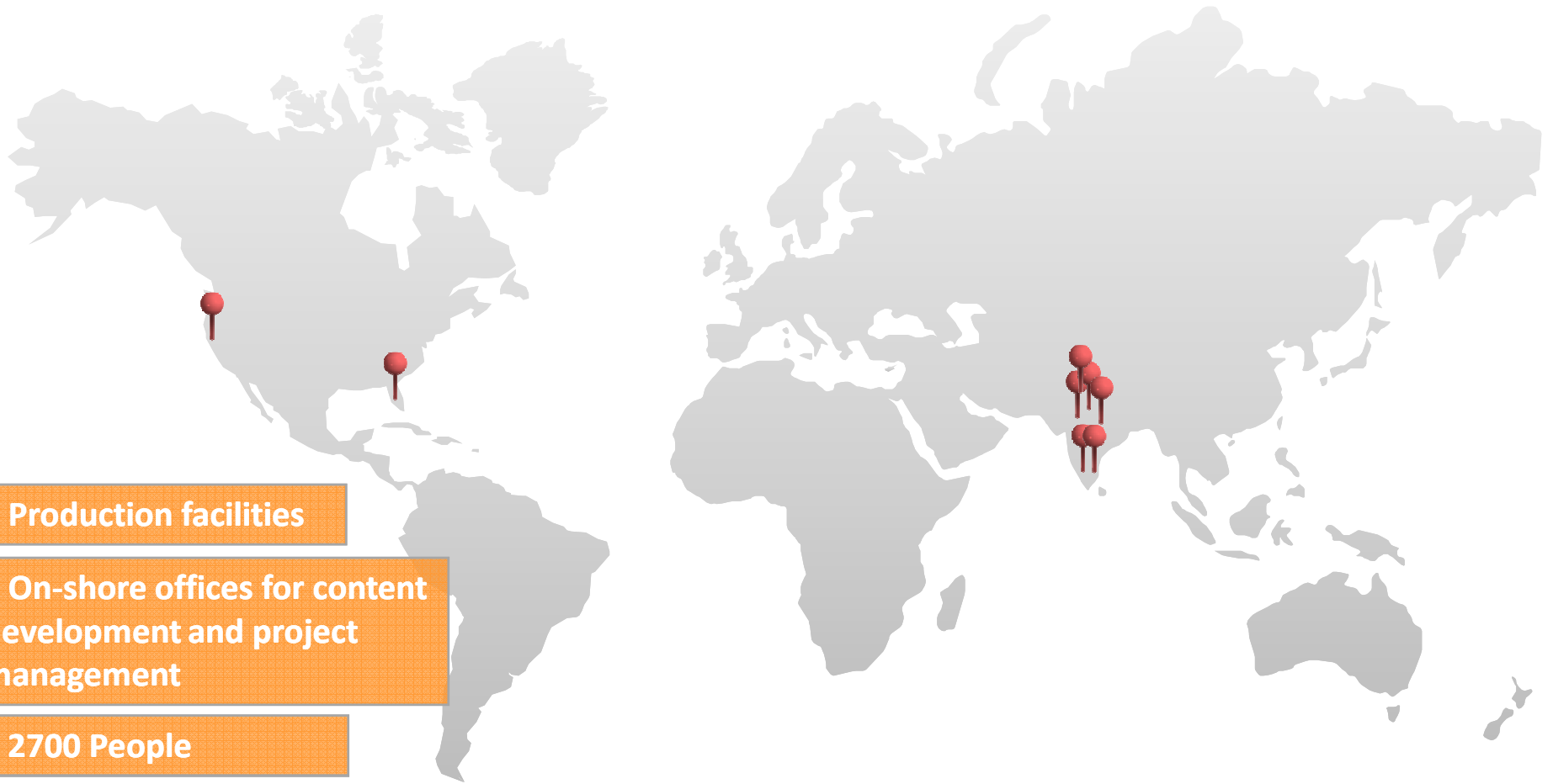
Core Product Lines

- 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



6 Production facilities

2 On-shore offices for content development and project management

~ 2700 People

❑ **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.

Annexure

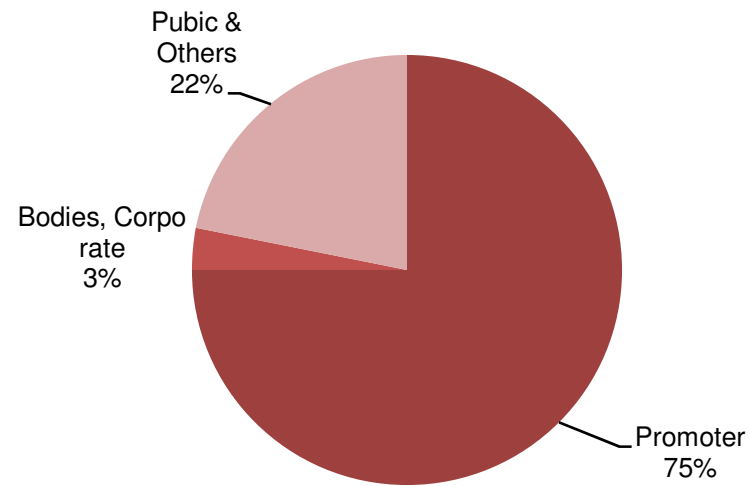
Income statement – Q3 and 9M FY'14

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Particulars (₹ mn)	Q3 FY'14	Q3 FY'13	Q2 FY'14	% Chg YoY	% Chg QoQ	9M FY'14	9M FY13	% Chg YoY
Net sales	540.4	434.3	477.2	24.4%	13.2%	1,415.5	1,238.1	14.3%
Total Expenditure	310.7	310.2	299.3	0.2%	3.8%	916.2	917.2	-0.1%
(Increase) / Decrease In Work in Process	13.9	8.0	-6.9	-	-	5.6	5.0	12.0%
Employees Cost	194.7	193.8	187.0	0.5%	4.1%	588.1	593.3	-0.9%
Other Expenditure	102.1	108.4	119.2	-5.8%	-14.3%	322.5	318.9	1.1%
EBITDA	229.7	124.1	177.9	85.1%	29.1%	499.3	320.9	55.6%
Depreciation and Amortization	13.0	19.0	10.7	-31.6%	21.5%	38.1	52.8	-27.8%
EBIT	216.7	105.1	167.2	106.2%	29.6%	461.2	268.1	72.0%
Interest & Finance charges	2.1	1.4	0.2	50.0%	950.0%	3.7	4.9	-24.5%
Other Income	16.0	8.1	16.3	97.5%	-1.8%	48.9	28.2	73.4%
Forex (gain) / loss	-17.6	-18.1	31.3	-	-	24.3	-7.1	-
PBT	248.2	129.9	152.0	91.1%	63.3%	482.1	298.5	61.5%
Tax Expense	85.5	33.9	50.8	152.2%	68.3%	164.2	53.2	208.6%
PAT	162.7	96.0	101.2	69.5%	60.8%	317.9	245.3	29.6%
Basic & Diluted EPS (Rs.)	9.7	5.7	6.0	69.5%	60.8%	18.9	14.6	29.6%

Key Ratios	Q3 FY'14	Q3 FY'13	Q2 FY'14	9M FY'14	9M FY13
EBITDA Margin	42.5%	28.6%	37.3%	35.3%	25.9%
Net Margin	30.1%	22.1%	21.2%	22.5%	19.8%
Total Expenditure/ Total Income	57.5%	71.4%	62.7%	64.7%	74.1%
Staff Cost/ Total Income	36.0%	44.6%	39.2%	41.5%	47.9%
Other Expenditure/ Total Income	18.9%	25.0%	25.0%	22.8%	25.8%
Effective Tax Rate	34.4%	26.1%	33.4%	34.1%	17.8%

As on December 31, 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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