

May 27, 2016

To,
Mr. Sanjeev Kapoor,
General Manager,
Corporate Services Department,
Bombay Stock Exchange Limited,
Floor 1, Rotunda Building,,
Dalal Street,
Mumbai – 400 001
(SCRIP CODE : 532687)

Fax No. 22723121/2061/2041/2039
K/A: Mr. Shyam Bhagirath/ Mr. Troydon Bird.

Mr. Hari K
Asst. Vice President,
The Listing Department
National Stock Exchange of India
Bandra- Kurla Complex,
Bandra
Mumbai- 400 051
(Scrip Symbol – REPRO)

Fax No. 26598237/38
K/A : Ms. Pramila

Dear Sir / Madam,

Sub: Analyst Presentation post Board Meeting dated 27.05.2016

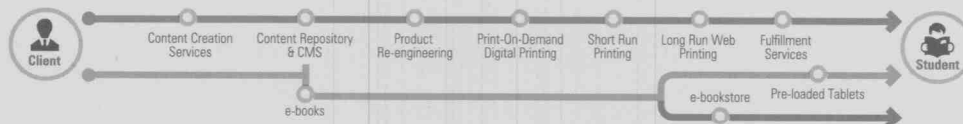
Please find enclosed the copy of the presentation made to the Analysts post the Board Meeting held today May 27, 2016 for the announcement of the Audited Financial Results for the year ended March 31, 2016.

Request you to please upload the details on your website

Thanking you,

Yours faithfully,
For **REPRO INDIA LIMITED,**

S.S. Rava
DIMPLE CHOPRA
COMPANY SECRETARY
Encl : As above



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Repro India - Strategic Direction and Progress : FY 2015-16

Content Aggregation to Effective Dissemination

Repro Financial Results – 2015-16

Executive Summary

Repro – 2015-16 : Key Objectives

E-Retail – Explore, Invest and lay platform for the exponential growth

Rapples – Invest and move towards break-even

Traditional Businesses –

- Focus on consolidation of “Right” customers
- Focus on Financial consolidation
- Focus on cash flows and collections
- Focus on reducing debt
- Focus on improving financial ratios
- Focus on reduction of expenses

The year – 2015-16 Key strategic Progress

1. E-Retail:

- Investments almost completed for phase 1 (Capacity 15,000 per week) and fully expensed out.
- Proof of Concept: Tested and successful.
- Identified and tied up with the best partner: **INGRAM**
- Proof of Execution: Enrolled more than **40** global and local publishers and over **1,00,000** titles in Repository. These titles are available and selling on Amazon, Flipkart and another four E-retail sites.
- Proof of Delivery – Full revenue cycle completed and already achieved over **1000** books per week.

2. RAPPLES:

- Investments completed and fully expensed out.
- 45 publishers on Rapples Platform.
- **Rapples solution** deployed for **CBSE, ICSE, MSEB, IGCSE and IB Boards** in 20 schools.

Annual 2016-17: Rapples on path to **break-even**.

3. TRADITIONAL BUSINESSES:

1. Sales in Q-4 decline by Rs.10 crores to Rs. 79 Crores, due to consolidation of right clients, non execution of over Rs. 20 crores in hand business due to lack of 100% security of collections (Insisted on recovering dues and business only on secured credit)
2. Material costs up by Rs.10.5 crores, due to one time provisioning of non-moving Raw materials / WIP / Finished Goods.
3. Other costs include a one time provision of Rs. 6 crores for Debtors.
4. This has resulted in a loss of Rs. 13.10 crores for Q-4, even though the traditional business for the whole year 2015-16 had a positive annual **EBITA** of Rs. 27.44 crores.

5.

- No. of debtor days are down from 157 to 141.
- Current ratio has improved from 1.02 to 1.30.
- Total Debt is down from Rs. 196 Cr to Rs. 170 Cr

6. Fixed Costs

- Intense rationalization of costs is under process :
- Reduction of fixed costs will be seen in the next quarters
- Also a focus on improvement of efficiencies and reduction of wastages will bear fruit in the improvement of the bottom line the result of which will be felt in the next quarters.

The Publishing Industry

DISRUPTION! DISRUPTION! DISRUPTION!!!!



- The traditional model of Educational book Publishing Industry is facing huge challenges
- Most of the education publishers are trying to adapt to the new way of doing business.
- Customers moving to Digital Platforms
 - Demanding **more books....**
 - in a **shorter timeframe**
 - And at a **lower cost!**
- Here are some of the outcomes of the Disruptions that have taken the Industry by storm.....
- And Repro's response to these changes.....

The Publishing Industry

DISRUPTION! DISRUPTION! DISRUPTION!!!!

Internationally :

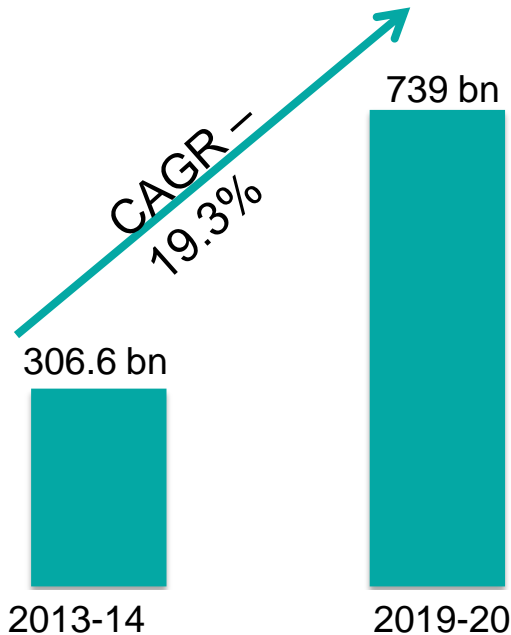
Publishers are consolidating world over, smaller publishing houses are merging with larger multi-national global players due to the following reasons :



- Traditional way of doing business is changing – more customization demanded by customers
- Time to customer reducing as they are more discerning and demanding
- Warehousing, large inventories are becoming more difficult to manage and commercially unfeasible now more than ever
- Age old distribution models being challenged due to the “global” village
- Digital platforms and models are being set up for
 1. Content
 2. Production
 3. Distribution.....

The Publishing Industry

DISRUPTION! DISRUPTION! DISRUPTION!!!!



In India :

While the Government in India is giving a fillip to the Publishing Industry, it faces challenges on many fronts – some of the key points

- **Piracy** – sales realisation and profits greatly affected
- **Cost of RM : Paper.....** Further increase with GST projected
- **Distribution Network** – long credit cycles, returns – Cash flow issues
- The **credit terms** are increasing from 90 to 180 days and beyond.....

The Publishing Industry

DISRUPTION! DISRUPTION! DISRUPTION!!!!

In India :

On a brighter note, the following factors are helping the Industry grow :

- Total Book publishing estimated to have a **CAGR of 19.3%** in 2019-20 (INR 739 bn) over 2013-14 (INR 306.6 bn)
- **Increasing Literacy** rate with an increasing young population buying books!
- **Government Initiatives** – 100% foreign FDI
- **Digital Initiatives** helping the content, manufacturing and distribution of books
- **Outsourcing to India** – exports growing with a CAGR which increased by 10.3% (CAGR) between 2010-11 and 2014-15 across education, academic and Trade books

And in India too, the Publishing Industry is warming upto Mergers and Acquisitions – consolidation among key players for the following reasons:

- Wider customer base, increased market share, diversification of products and services and long-term prospects of the business
- S Chand : Madhubun, Vikas, Saraswati Book House
- Laxmi Publications : Macmillan Higher Education

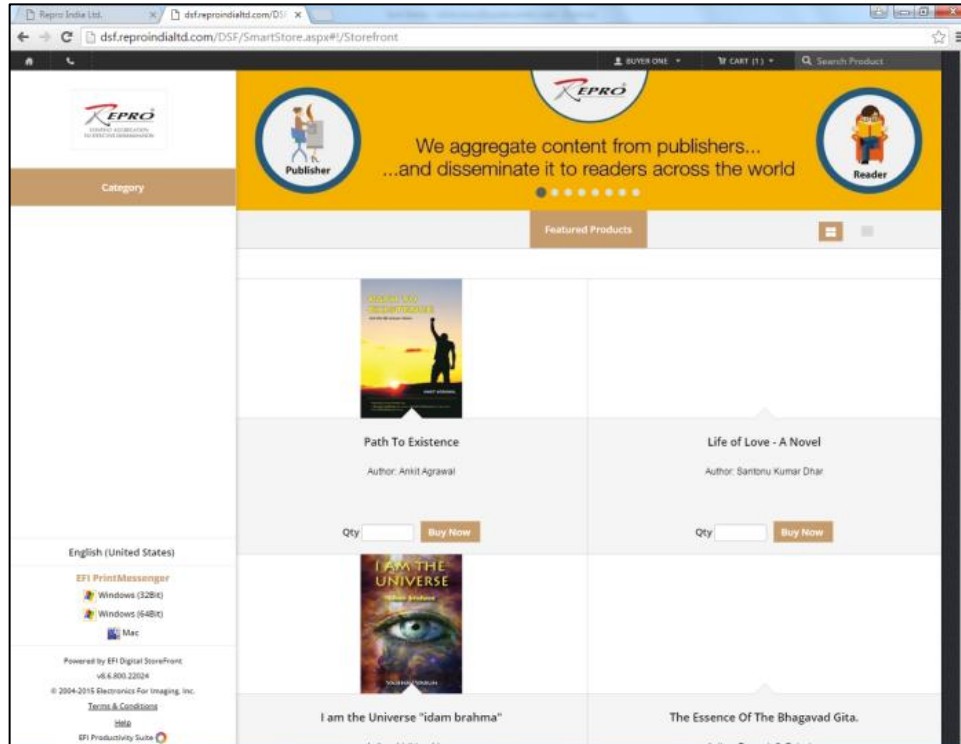
Repro's Response to the DISRUPTION!!!!

Some of the key strategies are as follows :

1. Transformation of the Business Model by investing in **the e-Future** and consolidation of the current business
2. **Focusing on receivables and cashflows** – even at cost of turnover
3. Initiating **intense cost reduction** of the non-core overheads and costs
4. **Changing the services and infrastructure** to meet the needs
 1. Content Repository for clients
 2. Manufacturing customisation – One to a million
 3. Focus on adapting to a digital distribution service as required



Repro's Response to the **DISRUPTION!!!!**



5. Focusing on the **exciting and fast growing e-tail segment** to meet the changing customer needs

This model leads to the following advantages for the publisher:

- Zero Upfront investment
- Zero inventory
- Zero Obsolescence
- Zero Forecasting
- Zero book returns
- Zero freight Costs

Reaching out to customers through a Digital Storefront

2. Exports and Domestic Business : Strategy of consolidation and Financially Secure Business



CONTENT AGGREGATION TO EFFECTIVE DISSEMINATION



- Following the corporate strategy of consolidation and prudent financial business :
- **Africa : Focus on Outstanding payments**
 - The objective has been to consolidate and retain the best customers working towards the security of funds
- **India : Focus on MNC Business**
 - Focus on MNC companies, moving away from smaller local players.... Even at the cost of turnover

3. New Initiatives : Rapples, enhancing digital education

Rapples : break-even in FY 2017

- **Rapples - Providing an architecture for active learning** inside the classroom & self learning outside the classroom (employ the architecture of Flip delivery) using
 - School selected / teacher determined enriched text-book with teacher resources
 - Attached Ideal Questions and Answers, Teachers work, Practice Questions
 - Creating own content on book, Issue resolution and Practice through books
- Publisher-driven school penetration successful with Cambridge. Similar strategy being pursued with other publishers.



Rapples Junior at SE International



4. The Exciting e-tail opportunity : The Key Focus – expected to grow exponentially



E-tail : The Progress

- **The initial investments in this segment are complete..... In terms of infrastructure, setting up the channels etc.**
- **Proof of concept and delivery done with all cycles going live.**
- **Over 1 lakh titles in repository.**

THANKS