

Eros International Media Ltd.



Earnings release for the quarter and nine months ended December 31, 2014

Total Income up by 13.5% to Rs. 4,919.7 million (Q3 FY2015)

Total Income up by 17.6% to Rs. 9,754.4 million (9M FY2015)

PAT up by 18.9% to Rs. 1,093.4 million (Q3 FY2015)

PAT up by 23.4% to Rs. 1,953.2 million (9M FY2015)

Mumbai, February 13, 2015: Eros International Media Limited (Eros International), a leading global Company in the Indian film entertainment industry, today announced its consolidated financial results for the quarter and nine months ended December 31, 2014 (Q3 & 9M FY2015).

Financial Highlights:

CONSOLIDATED RESULTS FOR 9M FY2015

- Total Income increased by 17.6% to Rs. 9,754.4 million (Rs. 8,293.3 million in 9M FY2014)
- EBIT increased by 20.3% to Rs. 2,786.7 million (Rs. 2,316.9 million in 9M FY2014)
- Profit after tax (after minority) increased by 23.4% to Rs. 1,953.2 million (Rs. 1,583.0 million in 9M FY2014)
- Diluted EPS for 9M FY2015 increased by 22.1% to Rs. 20.95 (Rs. 17.16 in 9M FY2014)

CONSOLIDATED RESULTS FOR Q3 FY2015

- Total Income increased by 13.5% to Rs. 4,919.7 million (Rs. 4,336.4 million in Q3 FY2014)
- EBIT increased by 8.4% to Rs. 1,466.3 million (Rs. 1,352.5 million in Q3 FY2014)
- Profit after tax (after minority) increased by 18.9% to Rs. 1,093.4 million (Rs. 919.9 million in Q3 FY2014)
- Diluted EPS for Q3 FY2015 increased by 17.4% to Rs. 11.70 (Rs. 9.97 in Q3 FY2014)

Executive Comment:

Mr. Sunil Lulla, Managing Director, Eros International Media Ltd. said,

“We are pleased to report robust results in the third quarter, which reflect the success of our strategy to invest in high quality film content and monetizing it across existing and emerging revenue streams. In-line with our core de-risking approach, we also registered strong pre-sales from our high-profile Hindi and Tamil films such as Lingaa, Action Jackson and Kaththi. Our content pipeline has seen some impressive signings and we are excited to announce our entry into the Malayalam market enhancing our regional breadth.

ErosNow, our online service showcasing movies, music, music videos and television shows, is developing as a robust offering that carries tremendous potential. Along with improving internet connectivity and forecasts of smartphone user base in India expanding to over 650 million in the next four years, we expect the demand for on-the-go entertainment to grow exponentially. We strongly believe, ErosNow is well-positioned to capitalize on the growing online consumption opportunity in India.

Outlook for the forthcoming quarters remains buoyant backed by a number of high profile Hindi, Tamil and Telugu films as well as robust library monetization. With solid fundamentals in place, we believe the Company is poised to deliver strong growth in the coming years.”

Highlights:

- **Film Release Portfolio:** 42 films released during 9M FY2015: Including 28 Hindi and 14 Tamil/Telugu films as compared to 41 films during 9M FY2014, which included 15 Hindi, 25 Tamil/Telugu and 1 regional language film.
 - 12 films released during Q3 FY2015, including 7 Hindi and 5 Tamil/Telugu films as compared to 15 films during Q3 FY2014, which included 4 Hindi and 11 Tamil/Telugu films.
- The film released in 9M FY2015 comprised of 5 high budget films, 7 medium budget films and 30 low budget films as against 2 high budget films, 18 medium budget films and 21 low budget films in 9M FY2014.
 - Of the total 12 films released in Q3 FY2015, 3 films were high budget, 9 films were medium and low budget films as against 2 high budget films, 13 medium and low budget films in Q3 FY2014.
- **Strong financial performance:** Results during Q3 FY2015 were driven by the success of new releases in multiple languages and library monetization across traditional and emerging platforms.
 - Theatrical revenues during Q3 FY2015 were driven by releases such as ‘Lingaa’ (Multi-lingual), ‘Kaththi’ (Tamil), ‘Action Jackson’, ‘Happy Ending’.
 - Revenues from the satellite segment also contributed towards strong financial performance and were supported by strong pre-sales and valuable contribution from the Company’s extensive film library of over 1,200 films and digital rights to an additional 700-plus films.
- **Eros International continues to strengthen regional presence:** After a successful entry into other regional markets such as Tamil, Telugu, Marathi and Punjabi, Eros International announced its foray into the Malayalam market with leading director Jeethu Joseph’s ‘Life of Josekutty’, reflecting a continued strategy to enter new markets.

- **Digital Strategy led by ErosNow:** ErosNow, the Company's dedicated online entertainment platform offering full length movies, music, music videos and television shows, continued to gain momentum as it added more free and premium subscribers. We are pleased to announce ErosNow has over 14 million registered users worldwide (a combination of free, transactional and premium users) across all its platforms of which just over 10 million are mobile users in India who we were able to successfully convert through our TechZone relationship. We monetize the traffic from free users through advertising, transactional revenue comes when users consume content on a pay-as-you-go basis (mainly mobile WAP customers) and lastly from premium subscribers who sign up to a monthly subscription plan. The Company is focused towards driving reach and increasing customer acquisition through strategic collaborations.
 - Partnered with RailTel Corporation of India to provide ErosNow broadband streaming services to railway passengers. The tie-up will help facilitate ErosNow in amplifying its reach to a wider range of consumers.
 - Formed a worldwide content partnership with Google Chromecast, which was recently launched in India, to bring entertainment content from ErosNow to Chromecast users on their big screens.
- **Outlook for Q4 FY2015 and FY2016:** We see continued strength in the business for Q4 FY2015 with upcoming releases of Badlapur, NH10, Uttama Villain following the releases of Tevar and Shamitabh. We have a very strong release slate for FY2016 which has a healthy mix of high and medium budget Hindi and regional language films. A select list is as follows:

Film Slate:

A select list of forthcoming releases:

Film Name	Star Cast/(Director)	Tentative Release (Fiscal Year)
Tanu Weds Manu Returns	R. Madhvan, Kangana Ranaut (Anand L. Rai)	FY16
Dil Dhadkne Do (Overseas)	Anil Kapoor, Ranveer Singh, Farhan Akhtar, Priyanka Chopra, Anushka Sharma (Zoya Akhtar)	FY16
Masss (Tamil)	Suriya, Nayantara, Amy Jackson (Venkat Prabhu)	FY16
Life of Josekutty (Malayalam)	Dileep, Jyothi Krishna, Rachana Narayankutty (Jetthu Joseph)	FY16
Bajrangi Bhaijaan	Salman Khan, Kareena Kapoor (Kabir Khan)	FY16
Hero	Sooraj Pancholi, Adheya Shetty (Nikhil Advani)	FY16
Rajini Murugan (Tamil)	Sivakarthikeyan (Ponram)	FY16
Bangistan (Overseas)	Ritesh Deshmukh, Pulkit Samrat, Jaqliene Fernandis (Karan Anshuman)	FY16
Bajirao Mastani	Ranveer Singh, Deepika Padukone (Sanjay Leela Bhansali)	FY16
Gabbar Singh 2 (Telugu)	Pawan Kalyan (K. S. Ravindra)	FY16
Aligarh	Kangana Ranaut (Hansal Mehta)	FY16
Housefull 3	Akshay Kumar, Abhishek Bachchan, Ritesh Deshmukh Nadiadwala Grandson Ent. Pvt Ltd (Director-Sajid-Farhad)	FY16
Shivay	Ajay Devgn (Ajay Devgn)	FY16
Untitled	Kajol (Ajay Devgan Productions)	FY16
Farzi	Shahid Kapoor, Kiriti Sanon (Raj Nidimoru and Krishna D.K.)	FY16
Banjo	Riteish Deshmukh, Nargis Fakhri (Ravi Jadhav)	FY16
Singh is Bling (Overseas)	Akshay Kumar, Kareena Kapoor, Amy Jackson (Prabhu Deva)	FY16
Gabbar (Overseas)	Akshay Kumar, Kareena Kapoor (Krish)	FY16
Untitled	Sushant Singh Rajput, Alia Bhat (Dinesh Vijayan and Homi Adjanina)	FY17

Apart from above films, Eros International also has further films in its slate in Hindi and regional languages.

Financial Overview and Discussion:

(All figures in Rs. million unless stated otherwise)

(All figures are consolidated unless stated otherwise)

Particulars	Q3 FY2015	Q3 FY2014	% Change	9M FY2015	9M FY2014	% Change
Total Income	4,919.7	4,336.4	13.5	9,754.4	8,293.3	17.6
Direct Cost	3,118.2	2,821.2	10.5	6,269.8	5,528.6	13.4
Other Expenses	317.2	150.1	111.3	647.6	410.0	58.0
EBIT	1,466.3	1,352.5	8.4	2,786.7	2,316.9	20.3
<i>EBIT Margins (%)</i>	<i>29.8</i>	<i>31.2</i>		<i>28.6</i>	<i>27.9</i>	
Interest	97.4	73.9	31.8	300.3	182.0	65.0
Profit Before Tax	1,368.9	1,278.6	7.1	2,486.4	2,134.9	16.5
PAT (after Minority)	1,093.4	919.9	18.9	1,953.2	1,583.0	23.4
<i>PAT Margins (%)</i>	<i>22.2</i>	<i>21.2</i>		<i>20.0</i>	<i>19.1</i>	
Diluted EPS (Rs.)	11.7	9.97	17.4	20.95	17.16	22.1

- **Total Income:** In 9M FY2015, Total Income stood at Rs. 9,754.4 million (Rs. 8,293.9 million in 9M FY2014)
 - The Company reported healthy growth in revenues on the back of new movie releases and robust monetization of catalogue films
 - Eros International released 42 films in 9M FY2015 as compared to 41 films in the corresponding period last year.
 - The film released in 9M FY2015 comprised of 5 high budget films, 7 medium budget films and 30 low budget films as against 2 high budget films, 18 medium budget films and 21 low budget films in 9M FY2014.
 - Strong theatrical performance during the period was driven by the success of global and overseas releases namely ‘Action Jackson’, ‘Happy Ending’, ‘Lingaa’ (Multi-

lingual), 'Kaththi' (Tamil), 'Kochadaiiyaan' (Multi-Lingual), 'Aagadu' (Telugu), 'Singham Returns' (Overseas), 'Mary Kom' (Overseas), 'Ek Villain' (Overseas), 'Main Tera Hero' (Overseas), and other regional language releases

- Additionally, contribution from library monetization to overall revenues funded the overall performance during 9M FY2015, via television satellite revenues and pre-sale of new releases
- **EBIT:** In 9M FY2015, EBIT increased by 20.3% to Rs. 2,786.7 million; (Rs. 2,316.9 million in 9M FY2014)
 - EBIT margin improved to 28.6% in 9M FY2015, led by higher profitability of the film slate released during the period underpinned by the Company's portfolio approach and strong contribution from high margin catalogue sales
- **PAT:** In 9M FY2015, Profit after tax (after minority) increased by 23.4% to Rs. 1,953.2 million (Rs 1,583.0 million in 9M FY2014)

About Eros International Media

Eros International Media Ltd. (BSE Script Code: 533261; NSE Script Code: EROSMEDIA) is a leading global company in the Indian film entertainment industry that acquires, co-produces and distributes Indian films across all available formats such as cinema, television and digital new media. Eros International is part of Eros International Plc, which became the first Indian media Company to raise capital and be listed on the New York Stock Exchange. Eros International has experience of over three decades in establishing a global platform for Indian cinema. The Company has a competitive advantage through its extensive and growing movie library comprising of 1,200+ films and digital rights to additional 700+ films, which include Hindi, Tamil, and other regional language films for home entertainment distribution. Eros International has built a dynamic business model by combining the release of new films every year with the exploitation of its film library. For further information please visit: www.erosintl.com

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause its actual results to differ materially from those contemplated by the relevant forward-looking statements. Eros International Media Ltd. (Eros International) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014

(₹ in lacs, except per share data)

	Particulars	Quarter ended 31 December 2014 (Unaudited)	Quarter ended 30 September 2014 (Unaudited)	Quarter ended 31 December 2013 (Unaudited)	Nine months ended 31 December 2014 (Unaudited)	Nine months ended 31 December 2013 (Unaudited)	Year ended 31 March 2014 (Audited)
1	Income from operations						
	Net sales/income from operations	49,073	23,990	43,268	97,212	82,005	113,466
	Total income from operations (net)	49,073	23,990	43,268	97,212	82,005	113,466
2	Expenses						
a)	Purchases/operating expenses	39,534	14,602	28,285	71,182	55,044	76,768
b)	Changes in inventories of finished goods	(8,352)	(127)	(73)	(8,484)	242	557
c)	Employee benefits expense	959	672	799	2,416	2,141	2,820
d)	Depreciation expense	180	168	127	503	378	502
e)	Other expenses	2,213	1,504	702	4,060	1,959	3,346
	Total expenses	34,534	16,819	29,840	69,677	59,764	83,993
3	Profit from operations before other income, finance costs and exceptional items (1-2)	14,539	7,171	13,428	27,535	22,241	29,473
4	Other income	124	40	97	332	928	498
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	14,663	7,211	13,525	27,867	23,169	29,971
6	Finance costs (net)	974	1,092	739	3,003	1,820	3,274
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	13,689	6,119	12,786	24,864	21,349	26,697
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7-8)	13,689	6,119	12,786	24,864	21,349	26,697
10	Tax expense	2,757	1,106	3,741	5,334	5,940	7,370
11	Profit from ordinary activities after tax (9-10)	10,932	5,013	9,045	19,530	15,409	19,327
12	Extraordinary items	-	-	-	-	-	-
13	Net profit for the period (11-12)	10,932	5,013	9,045	19,530	15,409	19,327
14	Share of profit / (loss) of associates	-	-	-	-	-	-
15	Minority interest	(2)	(1)	(154)	(2)	(421)	(642)
16	Net profit after taxes, minority interest and share of profit / (loss) of associates	10,934	5,014	9,199	19,532	15,830	19,969
17	Paid up equity share capital (Face value of ₹ 10 each)	9,251	9,237	9,192	9,251	9,192	9,197
18	Reserves excluding revaluation reserve						111,665
19.i	Earnings per share (EPS) (before extraordinary items) (of ₹ 10 each) (not annualised)						
	Basic	11.83	5.44	10.01	21.18	17.22	21.72
	Diluted	11.70	5.41	9.97	20.95	17.16	21.63
19.ii	Earnings per share (EPS) (after extraordinary items) (of ₹ 10 each) (not annualised)						
	Basic	11.83	5.44	10.01	21.18	17.22	21.72
	Diluted	11.70	5.41	9.97	20.95	17.16	21.63
20	Public shareholding						
	Number of shares	23,673,984	23,537,617	23,088,050	23,673,984	23,088,050	23,139,900
	Percentage of shareholding	25.59%	25.48%	25.12%	25.59%	25.12%	25.17%
21	Promoters and promoter group shareholding						
a)	Pledged / encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b)	Non-encumbered						
	- Number of shares	68,833,290	68,833,290	68,833,290	68,833,290	68,833,290	68,833,290
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	74.41%	74.52%	74.88%	74.41%	74.88%	74.83%

Notes :

- 1 The accompanying statement of unaudited consolidated financial results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13 February 2015 and has been subjected to a limited review by the statutory auditors of the Company.
- 2 The financial results for the quarter and nine months ended 31 December 2014 have been prepared on the basis of accounting policies followed in the preparation of annual financial statements for the year ended 31 March 2014 and quarters ended 30 September 2014 and 30 June 2014.
- 3 The consolidated financial results have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standard 21, 'Consolidated financial statements', issued by the Institute of Chartered Accountants of India.
- 4 The Group operates on a single reportable segment, which is co-production, acquisition and distribution of Indian language films in multiple formats, being governed by similar risks and returns, forming the primary business segment. Accordingly, no segment information within the meaning of Accounting standard 17 – 'Segment reporting' has been submitted as a part of the quarterly financial results presented.
- 5 Operating expenses include all direct costs such as film rights related cost, printing and publicity costs as well as marketing and other related costs.
- 6 Status of Investor complaints (Nos): Opening as at 1 October 2014 (2), received during the quarter (1), disposed during the quarter (3), remaining unresolved as at 31 December 2014 (Nil).
- 7 The Group's financial results for any period fluctuate due to film release schedules which take into account holidays and festivals in India and elsewhere, competitor film releases and sporting events.
- 8 On 9 June 2014, the Company executed a term sheet to acquire controlling stake in Universal Power Systems Private Limited, a company in mobile Value Added Services that has billing integration in place with major telecom operators in India, trading by the name Techzone. It is expected that the transaction will conclude within 31 March 2015 through execution of the definitive agreement, subject to finalisation of the percentage of holdings along with the purchase consideration and obtaining shareholder and regulatory approvals.

9 Standalone information :

	Particulars	Quarter ended 31 December 2014 (Unaudited)	Quarter ended 30 September 2014 (Unaudited)	Quarter ended 31 December 2013 (Unaudited)	Nine months ended 31 December 2014 (Unaudited)	Nine months ended 31 December 2013 (Unaudited)	Year ended 31 March 2014 (Audited)
1	Net sales/income from operations	38,440	14,590	30,836	73,103	57,615	85,712
2	Profit before tax	7,155	3,163	8,206	14,233	13,304	18,514
3	Profit after tax	4,393	2,058	5,018	8,895	7,912	11,367

- 10 Previous period figures have been regrouped or reclassified, wherever necessary.

For and on behalf of Board of Directors

Place: Mumbai
Date: 13 February 2015

Mr Sunil Lulla
Executive Vice Chairman and Managing Director