



Eros International Media Ltd.

Registered Office: 201, Kailash Plaza, Plot No. A-12, Opp. Laxmi Industrial Estate, Off New Link Road, Andheri (West), Mumbai – 400053.

Earnings Release for the Quarter ended June 30, 2011

Eros International reports strong performance

Q1 FY2012 PAT up 60.3% at Rs. 233.3 million, PAT margins strong at 14.4%

Q1 FY2012 Total Income up 26.8% at Rs. 1,622.4 million

Mumbai, 10 August 2011: 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 ended June 30, 2011.

Financial highlights (Consolidated)

Q1 FY2012 Financial Performance Highlights (compared to Q1 FY2011)

- Total income up 26.8% to Rs. 1,622.4 million (Q1 FY2011: Rs. 1,279.7 million)
- EBIT increased by 47.4% to Rs. 369.2 million (Q1 FY2011: Rs. 250.5 million)
- Profit before Tax up 46.9% to Rs. 337.9 million (Q1 FY2011: Rs. 230 million)
- Profit after tax up 60.3% to Rs. 233.3 million (Q1 FY2011: Rs. 145.5 million)
- Diluted EPS higher at Rs. 2.37 (Q1 FY2011: Rs. 2.16)

Key Highlights

- In Q1 FY2012, Eros International successfully released a total of 19 films across languages and genres.
 - These include 7 films in Hindi and 12 in Tamil.
- Revenues during the quarter were mainly driven by:
 - Theatrical success of movies like '*Ready*', '*Chalo Dilli*' and Tamil films '*Avan Ivan*', '*Engayum Kadhal*' and '*Ko*'
 - Strong contribution from catalogue portfolio



- Stable revenues from VFX facility
- New media, quite a few noteworthy deals in the area of mobile content exploitation, such as audio cinema there by maximizing the revenues from catalogue films.

Commenting on the results, Mr. Sunil Lulla, Vice-Chairman and Managing Director, Eros International Media Ltd. said:

"I am very pleased to share with you that the Company delivered excellent operational and financial progress for Q1 FY2012. A strong film slate, unparalleled distribution network, a remarkable film catalogue backed by our de-risking of revenues approach has been the backbone of growing profits for the Company. We have created a solid operating platform complete with sustainable competitive strengths, further placing us in a lead position within the sector both in India and globally.

Our zeal and passion has positioned us in the forefront of emerging opportunities in this high opportunity sector of Indian media and entertainment. We see immense potential in this industry that mirrors the historic growth trends witnessed by Hollywood , however at a faster pace and momentum. Going forward, given our distinct business model and expertise in optimally monetizing existing and upcoming content, we expect to deliver further growth in overall performance."

Business Overview

Eros International is a subsidiary of the Eros International Plc, a leading global Company in the Indian film entertainment industry. Over 33 years of presence in Indian cinema has enabled the Company to build a successful business model by co-producing, acquiring and distributing Hindi and other Indian language films across multiple channels such as theatres, television and digital new media platforms. Eros International has a strong library comprising more than 1,100 films, which provides a reliable source of recurring cash flow and enables the Company to adopt a 'bundling' licensing strategy which is a key competitive advantage. Further, Eros International's distribution capabilities enable the Company to market its films to 1.2 billion people in India.

According to FICCI report 2011, the Indian Media and Entertainment sector worth \$17 billion in 2011 is slated to grow at over 14.3% CAGR to \$ 29 billion in 2015, with the film industry expected to grow to \$ 3 billion by 2015. Armed with a strong balance sheet, size and scale and a robust content and distribution strategy, Eros International is well poised to take advantage of the double digit sector growth as well as burgeoning economy within India.

Content Pipeline: Eros has full visibility of its film slate for 2012 as well as some films in 2013.

Some of the major releases are showcased below:

Hindi Films

Film Name	Star Cast/Director	Production House	Tentative Release	Status
<i>Mausam</i>	<i>Shahid Kapur, Sonam Kapoor (Pankaj Kapur)</i>	<i>Cinergy/Vistaar Religare</i>	<i>16th September 2011</i>	<i>Completed</i>
<i>RA.One</i>	<i>Shah Rukh Khan, Kareena Kapoor, Arjun Rampal (Anubhav Sinha)</i>	<i>Red Chillies Entertainment</i>	<i>26th October 2011</i>	<i>Post Production</i>
<i>Rockstar</i>	<i>Ranbir Kapoor, Nargis Fakhri (Imtiaz Ali)</i>	<i>Shree Ashtavinayak Films</i>	<i>11th November 2011</i>	<i>Post Production</i>
<i>DesiBoyz</i>	<i>Akshay Kumar, John Abraham, Deepika Padukone (Rohit Dhavan)</i>	<i>Next Gen Films</i>	<i>25th November 2011</i>	<i>Post Production</i>
<i>Agent Vinod</i>	<i>Saif Ali Khan, Kareena Kapoor (Sriram Raghavan)</i>	<i>Illuminati Films</i>	<i>9th December 2011</i>	<i>Principal Photography</i>
<i>Kunal Kohli – Untitled</i>	<i>Shahid Kapur, Priyanka Chopra (Kunal Kohli)</i>	<i>Kunal Kohli Productions</i>	<i>2012</i>	<i>Principal Photography</i>
<i>Rana (Hindi, Tamil and Telegu)</i>	<i>Rajinikanth, Deepika Padukone (K. S. Ravikumar)</i>	<i>Ocher Studios/Next Gen Films</i>	<i>FY 2013</i>	<i>Principal Photography starts Sept/Oct 2011</i>
<i>Cocktail</i>	<i>Saif Ali Khan, Deepika Padukone (Homi Adjanina)</i>	<i>Illuminati Films/Next Gen Films</i>	<i>FY 2013</i>	<i>Principal Photography</i>

Apart from the above films, the Group also has a slate of regional films in Marathi and Punjabi as well as further Tamil films through its 51% subsidiary Ayngaran and some smaller scale Hindi releases.

The adoption of the co-production model has allowed Eros International to control the cost, quality and mix of the film slate and at the same time scale rapidly.



Key revenue drivers in the business

THEATRICAL

- Eros International released a total of 19 films during the quarter of which a majority were Hindi language films. The Company is gradually moving its Hindi production mix towards A-category high profile films. These movies are produced with high profile star casts, directors and have attractive themes which ensure mass market appeal across a broad spectrum of audiences. This strategy will help the Company to capitalize on the trend where a significant part of the total box office revenue across the run of a film is collected in the opening box office weekends.
- The Indian cinema witnesses one of the highest number of ticket sales across the globe. However, the overall industry size is small owing to low average ticket prices. With the overall increase in average ticket prices, mainly backed by the increase in number of multiplex screens, the Indian cinema should see robust growth in the future.

TELEVISION

- Given the Company's strong release pipeline, FY2012 should be a strong year for television syndication. Eros International enters into pre-licensing deals with channels such as Star Network, Zee TV, Sony and other television broadcasters in India as part of its de-risking business model
- The pre-licensing provides revenue visibility as well as underwriting a significant portion of the movie cost which reduces the risks associated
- The Company's majority owned subsidiary Ayngaran, in addition to syndicating content also distributes Tamil film content in Western Europe through its own television station, Ayngaran TV, which has about 20,000 subscribers

DIGITAL NEW MEDIA AND ANCILLARY LICENSING

- The Company distributes content through both physical formats such as DVD, VCD, Blue-rays, etc as well as the latest digital mediums such as VOD, DTH, Internet, Mobile and in-flight entertainment.
- With changing viewer preferences, higher spend on entertainment and growing technology, the digital platform represents an immense opportunity and focus for the Company to monetize its extensive film library. With this in mind the Company has already implemented the digital platform called 'Digital Asset Management' (DAM) wherein the Company is



currently in the process of completing the digitization and cataloguing the entire film library for optimum monetization

OUTLOOK

- Eros International has continued to enhance and augment the strength of its film slate giving the Company excellent visibility over releases for the next two years. Significant portion of the Company's FY2012 film slate cost has been recovered via pre licensing of television and music licensing contracts
- The increasing television audience in India creates new opportunities for Eros International to license its film content, further creating a wider audience recognition of the Company's brand and film products
- The growth in the Indian market will now mirror the growth of the internet in the Western markets over the last ten years. There are currently 9 million broadband households in India, projected to grow 26% annually to over 25 million households in the next five years
- Subscription of broadband and 3G also indicates a growing market for music as well as film content. Eros International is currently pioneering a strategy to launch India's first multi-platform model which will enable South Asians around the world to access old, new and original exclusive content.

Financial Overview and Discussions

(All figures in Rs. Million unless stated otherwise)

(All figures are consolidated unless stated otherwise)

Particulars (in Rs. million)	Q1 FY2012	Q1 FY2011	% Change
Total Income	1,622.4	1,279.7	26.8
EBIT	369.2	250.5	47.4
<i>EBIT Margins (%)</i>	<i>22.8</i>	<i>19.6</i>	<i>-</i>
- Interest	31.3	20.5	-
Profit Before Tax	337.9	230.0	46.9
PAT	233.3	145.5	60.3
<i>PAT Margins (%)</i>	<i>14.4</i>	<i>11.4</i>	<i>-</i>
<i>Basic EPS (Rs.)</i>	<i>2.37</i>	<i>2.16</i>	<i>9.6</i>

Total Income: Eros International's total income has increased by 26.8% in Q1 FY2012 as compared to the previous year, primarily on account of:

- 19 movies released across languages comprising large and medium scale movies
- Blockbuster success of 'Ready' – till date the biggest hit of the year 2011
- Secured healthy satellite revenues for its films released during the quarter
- Digital and catalogue revenues continue to contributor towards performance
- Stable revenues from VFX facility

The Company's approach of De-risking revenues through pre-licensing its film content backed by a unique business model enables optimal monetization of its film content. A robust film slate encourages new syndication deals with cable networks, further facilitating revenue streams.

EBIT: In Q1 FY2012, the Company witnessed healthy operating profits with EBIT at Rs. 369.2 million as compared to Rs. 250.5 million in Q1 FY2011. The corresponding margins stood at 22.8% and 19.6%, respectively. Increase in the operating profits was mainly driven by strong catalogue contributions and the theatrical success of movies released during the quarter



PAT: In Q1 FY2012, Eros International witnessed an increase of 60.3% in PAT to Rs. 233.3 million as against Rs. 145.5 million in Q1 FY2011. The corresponding margins were 14.4% and 11.4%, respectively. Interest during the quarter stood at Rs 31.3 million versus Rs 20.5 million during the corresponding quarter last year.



About Eros International Media Ltd (Eros International)

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 formats such as cinema, television and digital new media. Eros International is part of Eros International Plc which was the first Indian media company to get listed on the Alternative Investment Market of the London Stock Exchange.

Eros International has rich 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 over 1,100 films which include Hindi, Tamil and other regional language films for home entertainment distribution. Eros International has successfully built a robust and dynamic business model by combining the release of new films every year with the exploitation of a valuable film library, making it undisputedly one of the largest content owners in the business.

For further information please visit: www.erosintl.com

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EROS INTERNATIONAL MEDIA LIMITED



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Link Road, Andheri (W), Mumbai - 400 053

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2011

Eros International Media Limited - Standalone Results				Eros International Media Limited - Consolidated Results			
Quarter Ended 30 June 2011 (Unaudited)	Quarter Ended 30 June 2010 (Unaudited)	Year Ended 31 March 2011 (Audited)	Gr No.	Particulars	Quarter Ended 30 June 2011 (Unaudited)	Quarter Ended 30 June 2010 (Unaudited)	Year Ended 31 March 2011 (Audited)
13,949	11,681	47,766	1	Income			
13,949	11,681	47,766		Net Sales / Income from Operations	15,381	12,630	70,697
				Total Income	15,381	12,630	70,697
(45)	59	31	2	Expenditure			
10,400	8,509	33,578	a)	(Increase) / Decrease in Stock	(100)	17	84
358	384	1,688	b)	Operating expenses	11,165	8,956	49,513
97	37	170	c)	Employee remuneration and other benefits	551	584	2,528
582	411	2,035	d)	Depreciation	139	78	382
			e)	Other expenses	777	657	2,956
11,382	9,400	37,502		Total Expenditure	12,532	10,292	55,465
2,567	2,281	10,204	3	Profit from Operations before other income, interest and	2,849	2,338	15,232
843	39	610	4 a)	Exceptional Items (1-2)			
-	101	212	b)	Other income	841	39	600
3,400	2,421	11,088	5	Exchange difference	2	128	295
284	187	840	6	Profit before Interest and Exceptional Items (3+4)	3,692	2,505	16,127
3,116	2,234	10,246	7	Interest and financial charges (net)	313	205	939
-	-	-	8	Profit after Interest but before Exceptional Items (5 - 6)	3,379	2,300	15,188
3,116	2,234	10,246	9	Exceptional Items	-	-	-
1,050	852	3,314	10	Profit Before Tax (7+8)	3,379	2,300	15,188
2,066	1,382	6,932	11	Tax expenses	1,046	845	3,394
-	-	(24)	12	Profit After Tax (9-10)	2,333	1,455	11,794
2,066	1,382	6,956	13	Tax adjustment in respect of previous year	-	-	(27)
-	-	-	14	Net Profit from Ordinary Activities After Tax (11-12)	2,333	1,455	11,821
2,066	1,382	6,956	15	Extraordinary Items	-	-	-
-	-	-	16	Net Profit for the period / year	2,333	1,455	11,821
2,066	1,382	6,956	17	Minority Interest	165	(96)	98
				Net Profit after Minority Interest	2,168	1,551	11,723
9,141	7,141	9,141	18	Paid-up Equity Share Capital (Face Value of Rs.10 each)	9,141	7,141	9,141
-	-	46,095	19	Reserves Excluding revaluation reserves as per Balance Sheet of	-	-	57,353
2,26	1.94	8.58	20	previous accounting year			
2,26	1.93	8.55	a)	Earnings Per Share (EPS)			
			b)	Basic EPS before Extraordinary Items (Not Annualised)	2.37	2.17	14.45
20,000,000	Nil	20,000,000	21	Diluted EPS before Extraordinary Items (Not Annualised) (**)	2.37	2.16	14.41
21.88%	Nil	21.88%	-	Public Share Holdings			
Nil	Nil	Nil	-	Number of Shares	20,000,000	Nil	20,000,000
Nil	Nil	Nil	-	Percentage of Share Holding	21.88%	Nil	21.88%
Nil	Nil	Nil	22	Promoters and Promoter Group Shareholding			
Nil	Nil	Nil	a)	Pledged / Encumbered	Nil	Nil	Nil
Nil	Nil	Nil	-	Number of Shares	Nil	Nil	Nil
Nil	Nil	Nil	-	Percentage of Shares (as a % of total Shareholding of Promoter	Nil	Nil	Nil
Nil	Nil	Nil	-	and Promoter Group)	Nil	Nil	Nil
			-	Percentage of Shares (as a % of total total Share Capital of the	Nil	Nil	Nil
			b)	Company)			
71,407,000	71,407,000	71,407,000	-	Non Encumbered			
100%	100%	100%	-	Number of Shares	71,407,000	71,407,000	71,407,000
78.12%	100%	78.12%	-	Percentage of Shares (as a % of total Shareholding of Promoter	100%	100%	100%
			-	and Promoter Group)			
			-	Percentage of Shares (as a % of total total Share Capital of the	78.12%	100%	78.12%
				Company)			

(**) Diluted EPS Figures for Quarter ended 30 June 2010 and Financial Year ended 31 March 2011 have been restated

Notes :

- The Consolidated Financial Results of Eros International Media Limited ('the Company' or 'the Group') are compiled from the Consolidated Financial Statements prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in the Accounting Standard 21 on 'Consolidation of Financial Statements' as notified under the Companies Act, 1956.
- The Group operates in the business of film production and exploitation. The entire operations are governed by the same set of risks and returns and hence have been considered as representing a single primary segment. Further, the risks and rewards under various geographies where the Group operates are similar in nature.
- Operating expenses include all direct costs such as film rights related costs, print and publicity costs, marketing and other costs.
- Other income for the quarter ended 30 June 2011 includes reversal of Rs 253 lacs in relation to lapsation of Employee Stock Options granted to a director on resignation.
- Pursuant to the provisions of Clause 43A of the Listing Agreement with the Exchanges, the utilization of the net proceeds of the IPO as stated in the Prospectus dated 23 September 2010 and aggregating Rs. 35,000 lacs is as follows.

Description	(Rs in Lacs)		
Gross proceeds of the Issue			35,000
Issue Expenses			2,940
Service Tax Credit			206
Net Proceeds of the Issue			31,854

Description	Projected	Actuals	(Rs in Lacs) Balance
Acquiring and co-producing, Indian films including primarily Hindi language films as well as certain Tamil and Other regional language films	28,000	22,113	5,887
General Corporate Purposes	3,854	1,718	2,136
Total	31,854	23,831	8,023

The unutilised proceeds from IPO have been held under debt mutual funds.

- Information on investor complaints pursuant to clause 41 of the Listing agreement for the quarter ended 30 June 2011 :
Opening : Nil, Received : 25, Disposed off: 25, Pending : Nil.
- The above financial results, which have been subjected to Limited Review by the Statutory Auditors, have also been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10 August 2011.
- Previous period / year figures have been reclassified/ regrouped wherever necessary.

For and on behalf of the Board of Directors

SD/-

Place : Mumbai
Date: 10 August 2011

Mr Sunil A Lulla
Executive Vice Chairman and Managing Director