

Eros International Plc
Condensed Consolidated (unaudited) Interim Financial Statements for the six months ended 30 September 2010

**EROS POSTS STRONG RESULTS FOR FIRST HALF FY 2011
PRE-TAX PROFITS UP BY 33.8% TO \$27.89 MILLION**

London November 12, 2010: Eros International Plc ("Eros" or the "Company"), the largest integrated Indian film studio today announced strong Interim results for the six months ended 30 September 2010.

Financial Highlights

- Group turnover up by 20.3% to US\$ 68.0 million (2009: US\$ 56.5 million)
- Gross Profit up by 21.1% to US\$38.5 million (2009: US\$ 31.8 million)
- Profit before tax up by 33.8% to US\$ 27.9 million (2009: US\$ 20.8 million)
- Cash generated from operations up by 36.5% to US\$ 65.8 million (2009: US\$ 48.2 million)
- Basic EPS up by 22.3% to 20.16 cents (2009: 16.49 cents)
- Net debt at period end US\$106.7 million (31 March 2010: US\$ 104.3 million) with net debt as of 6 October 2010 (post Indian IPO) of US\$ 27.7 million (2009: \$ 138.9 million)

Operating Highlights

- Eros International Media Ltd (Eros International plc's Indian subsidiary) successfully completed a listing on the Bombay & National Stock Exchanges raising close to US\$ 80 million (INR 3500 million) with the issue being 29 times oversubscribed. The Rs 10 equity shares listed at a price of INR 175 per share at the top end of the price range.
- 39 films were released in total in the first half this year (the highest by any player in the sector).
- Content slate - Largest film catalogue of over 2,000 films and unparalleled line up of more than 50 films new releases planned in Hindi and regional.
- Theatrical - Strong theatrical revenues were led by global successes of films such as Housefull and Anjaana Anjaani and equally strong performance from overseas (ex-India) releases led by Dabangg.
- Television - Visibility of consistently robust satellite television revenues backed by pre-sale contracts in excess of US\$50 million that allow exclusive broadcast of catalogue and new films on a range of channels including Star and Zee Network as well as through deals in dubbed markets internationally.
- Music and Digital - Strong performance driven by pre-sales of music and digital rights within India, the continued growth of Comcast and other SVOD services internationally, and ad monetisation from the Internet including the Eros service on YouTube which now delivers over 600 million video views each year.
- Regional - The performance of Ayngaran, the Tamil business, was dominated by the success of Endhiran (Robot) which was released internationally in Tamil and Telegu versions, breaking all previous box office records with gross revenues in excess of US\$ 13.3 million to date. Ayngaran television in Europe continued to grow subscribers.
- EyeQube - EyeQube delivered two prestigious Hollywood top end projects and is working on two of Eros' own titles RA.One and Desi Boyz.

Kishore Lulla, Executive Chairman, said: "It is yet again a matter of great pride to be able to present consistently strong results with revenues up by 20.3% and PBT up by 33.8%. In the past couple of years the focus was on net debt reduction and cash due to the macro-economic environment, yet we delivered by turning cash positive in that period. We are well positioned to achieve substantial incremental growth over the next few years and although maintaining the focus on strong cash flows from operations we will utilise the flexibility provided by capital raised from successful Indian IPO to look at growth opportunities within the Indian filmed entertainment sector. Our ability to cost-effectively lock a strong slate, our valuable 2,000 film library generating high margin annuity income, our unparalleled global distribution network and our pioneering steps in the digital domain have undoubtedly given Eros a huge competitive advantage. We have already emerged a clear market

leader in the filmed entertainment arena and with an even stronger balance sheet and a business based on strong fundamentals we expect to scale further and grow from strength to strength."

Operating Highlights and Growth Drivers Theatrical / Box Office

Theatrical revenues were strong in H1 mainly due to box office successes of global releases for Housefull and Anjaana Anjaani. Housefull is No 3 in the Indian box office charts this year. In India Eros has its own distribution offices in the major circuits of Mumbai, Delhi and Punjab which cover over 65% of the Indian theatrical market and works through sub-distributors in other smaller circuits. In the South of India Eros distributes through the offices of its subsidiary Ayngaran. So typically about 40-50% of theatrical sales are secured through minimum guarantees and advances from sub-distributors. In addition, since in the main circuits sub-distributor commission is saved, it is reflected in higher overall margins. As a trend since more and more releases are 'wide', which means that films go out in close to 2,000 screens simultaneously, the box office is skewed towards the first week performance and over 70% of the box office gross of the first week gets captured in the first weekend itself. Eros enjoys a share of 52.5% of the net box office collections in the first week from the national multiplex chains.

Theatrical distribution outside of India is handled by our network of offices in key markets such as UK, USA and Dubai. In addition to the successful global releases of Housefull and Anjaana Anjaani, Eros had successful overseas only-releases such as Dabangg and Endhiran which boosted the overseas revenues.

Increased interest from leading brands to associate with film marketing has significantly reduced the cost of marketing. For example, in Anjaana Anjaani we had five reputed Indian brand tie-ups such as Godrej Interio, Religare Insurance, Go go, Killer and Provogue, which significantly subsidised the cost of marketing the film. Also the increased penetration of digital screens, especially in the single Indian screen cinemas, has brought down the distribution cost of reaching out to incremental audiences without having to invest in physical prints.

The second half has had a very promising start with the massive success of Golmaal 3 which was a Diwali release and has grossed US\$ 15.5 million worldwide in the first weekend. This will be followed by notable releases of Toonpoor, No Problem and Game in the second half of the current financial year.

The 2012 slate is exciting with a fine portfolio of films that has Shah Rukh Khan, Ranbir Kapoor, Hritik Roshan, Akshay Kumar, Saif Ali Khan, Shahid Kapoor, John Abraham, Katrina Kaif, Deepika Padukone and Kareena Kapoor in lead roles. The lineup is expected to have a great opening at the box office and perform well as the market continues to grow rapidly with more screens being added each day.

Television

This was a successful year for television syndication. We were able to pre-sell most of our visible slate for exclusive broadcast on a range of channels including Star and Zee network. The Indian TV networks have seen a huge spike in their ratings as a result of broadcast of premium movies. For example, 3 Idiots which was previously licensed by the Company for broadcast on Sony delivered a rating of 11+ which set a new bar in the world of Indian TV rating points. Television networks are able to monetise the content better with advertisers and market the films better to audiences to drive ratings when there is an early tie-up. Also having a strong slate of films strengthens the cable carriage deals for networks which drives significant revenues for them.

To date the Company has signed over US\$ 50 million worth of syndication deals that have started augmenting revenues and will deliver confirmed earnings at attractive margins in the second half of FY2011 and FY2012.

The Company is also able to syndicate its new and catalogue film content through various terrestrial and other international television channels for viewing by non-South Asians, opening up new markets

such as Russia, Ghana, Korea, and Taiwan, where Eros has been able to increase its revenues through license deals.

Home Entertainment and Music

The Company continues to release new titles and bundle old titles in compilations to generate sustained cash flows from the home entertainment division. Similar to our peers the DVD market is declining however in India DVDs continue to rise and in dubbed non-South Asian markets our DVDs have not suffered the pricing pressures that have been experienced elsewhere outside of India. Blu-Ray sales are encouraging with new and catalogue titles being released, however to date the growth that accompanied the change-over from VHS to DVD has not happened. Looking ahead 3D DVD's will potentially provide a further boost and we have entered into some 3D licensing deals on limited catalogue titles in anticipation of the format growing substantially in the future.

Music revenues continue to thrive, especially digital revenues. During the first half, the Company tied up with T-Series in a strategic alliance to co-distribute some of Eros's forthcoming Hindi music slate. Once again the nature of this deal underpins minimum revenues from music as and when the films get delivered and help underwrite about 10-15% of the total film costs. The first half saw Housefull and Anjaana Anjaani being released which performed well. Eros also exploits the music videos on its own digital platforms and has a tie up with EMI Music Publishing to administer its Western catalogue in India.

Regional

Ayngaran, Eros's 51% subsidiary that specialises in Tamil films, had a strong first half in part driven by the success of Endhiran which was released in the original Tamil version and Telugu version by Ayngaran internationally. Endhiran broke all records and to date has achieved box office takings in excess US\$ 13.3 million in markets outside of India.

The Indian regional market is a rapidly growing market as, with the advent of more multiplex cinemas in India, family audiences are now willing to watch their regional language films in the cinemas. Eros had spotted this opportunity early and not only ventured into Tamil, the largest regional segment after Hindi through Ayngaran, but also enjoyed material successes in Marathi with Me Shivaji Raje Bhosle Boltoy and Shikshanachya Aaicha Go, and released the film Haapus during the current period. Eros plans to scale its regional presence even higher in the next one to two years.

EyeQube Visual Effects Studio

EyeQube is one of India's leading VFX studios. Set up by Eros in 2008, it is now beginning to show valuable contributions. Led by Creative Director Charles Darby, EyeQube was established in Mumbai to be able to provide high end visual effects and production services comparable to Hollywood standards in India at a fraction of the cost. EyeQube initially serviced Eros's own co-productions such as Aladin and Veer but has now successfully delivered on two prestigious Hollywood projects. It is currently working on some select high end shots for RA.One and Desi Boyz which are scheduled for a release in FY12. EyeQube currently has over 120 employees but this is scaled in line with workload.

New Media

In addition to its subscription video on demand (SVOD) service over Comcast, Eros has also successfully launched its films on Times Warner Cable, the second largest cable provider in the USA, with SVOD service 'Bollywood Hits on Demand'. Outside of this we are noting increases in VOD and SVOD transactions across the third party platforms that we service.

The success of our Eros partner channel on YouTube points to the potential of internet opportunities going forward both within India and around the world. The channel is now achieving over 600 million video views per year which is being ad monetized. However out of this currently only 30% views are coming from India, which we would expect to substantially increase as 3G license services roll out and Internet penetration increases.

Financial Overview

Turnover in the period ended 30 September 2010 of US\$ 68.0 million (2009: US\$ 56.5 million) was up by 20.3% on the comparable period principally as a result of increases from television and theatrical revenues.

A breakdown of revenue by customer location is as follows:

	30 September 2010 (unaudited) \$'000	30 September 2009 (unaudited) \$'000	31 March 2010 (audited) \$'000
Revenue by Geographical locations			
India	32,142	23,220	96,221
Europe	14,910	12,500	19,420
North America	3,606	3,275	8,094
Rest of World	17,319	17,510	25,994
Total	67,978	56,505	149,729

The gross profit margin was 56.6% up marginally from 56.2% in the comparable period. Theatrical margins improvements from digital exploitation and branding tie ups were offset by reduced margins coming through from physical home entertainment. Profit before tax was up by 33.8% to US\$ 27.9 million (2009: US\$ 20.8 million) reflecting increased turnover, maintained margins and administration costs in line with the comparable period.

Balance sheet changes reflected our continued investment into filmed content, short term working capital improvements and office space acquisitions. Cash flow from operating activities remained strong but due to the skew of our filmed content investment and the office space acquisition, the period ended with a minor increase in net debt. As at 30 September 2010 net debt stood at US \$106.7 million an increase of US \$2.4 million in the six months (see also Pro-forma balance sheet attached) however as on October 06 2010 (the Indian IPO) the net debt position was as low as US\$ 27.7 million.

Strong Movie Slate

Having already released Housefull and Anjaana Anjaani globally and Dabangg, Khatta Meetha, Aakrosh, and Endhiran internationally, plus other Hindi, Marathi, Punjabi and Tamil films, with a total of 39 films in the first half, Eros has already released the highest number of films as compared to any other studio.

Eros has visibility of over 50 projects alone that will release by 2012/13 which makes it the largest quality slate in the business. Some of the films are tabled below:

Partners	Film Name	Star Cast	Director	Tentative Release Date
Anil Kapoor Film Company	No Problem	Anil Kapoor, Sanjay Dutt, Akshaye Khanna	Aneez Baazmee	FY 2011
Big Screen	Toonpur Ka Superhero	Ajay Devgan, Kajol	Kirit Patel	FY 2011
Excel Entertainment	Game	Abhishek Bachchan, Kanagana Ranaut	Abhinay Deo	FY 2011
Red Chillies Entertainment	Always Kabhie Kabhie	Zoa Morani	Roshan Abbas	FY 2011
Cinergy	Mausam	Shahid Kapoor, Sonam Kapoor	Pankaj Kapur	FY 2012
	Chalo Delhi	Lara Dutta, Vinay Prasanth Shah Pathak		FY 2012
Red Chillies Entertainment	RA.One	ShahRukh Khan, Anubhav Sinha Kareena Kapoor,		FY 2012

Excel Entertainment	Zindagi Na Milegi Dobara	Arjun Rampal Hritik Roshan, Katrina Kaif, Farhaan Akhtar, Abhay Deol	Zoya Akhtar	FY 2012
Illuminati Films	Agent Vinod	Saif Ali Khan, Kareena Kapoor	Sriram Raghavan	FY 2012
Next Gen	Desi Boyz	Akshay Kumar, John Abraham, Deepika	Rohit Dhavan	FY 2012
Ashtavinayak Films	Rockstar	Ranbir Kapoor	Imtiaz Ali	FY 2012
	Bangkok Blues	Irfan Khan, Deepal Shaw, Ranbir Shorey	TBD	FY 2012
Illuminati Films	Untitled	Saif Ali Khan	TBD	FY 2012
Boney Kapoor Productions	Untitled	TBD	TBD	FY 2012
Eros	Untitled	TBD	Prabhudeva	FY2012
Vicki Singh	Untitled	Ranbir Kapoor	TBD	FY 2012
Chasing Ganesha	Untitled	Arjun Rampal	TBD	FY 2012

Tamil Release Slate

Partners/Producers	Film Name	Star Cast	Director	Tentative Release Date
Own production	Kalavadiya Pozhudugal	Prabhudeva	Thangar Bachan	FY 2011
Own production	Nandalala	Mysskin	Mysskin	FY 2011
Amritham Gunanidhi	Murattu Kaalai	Sundar C, Sneha	Selvabharathy	FY 2011
M. Mohan Apparao T. Ramesh	Uthama Puthiran	<u>Dhanush</u> <u>Genelia D'Souza</u> <u>K. Bhagyaraj</u>	<u>Mithran Jawahar</u>	FY 2011
K Balachandar	Krishnaleelai	Jeevan, Meghana	Selvan	FY 2011
Kalpathy S Aghoram	Engeum Kadhal	Jayam Ravi and Hansika Motwani	Prabhu Deva	FY 2011
Gemini Lab produces and Sharanya Telefilms	Poda Podi	Simbu, Varalakshmi	Vignesh Shiva	FY 2011
Bala	Avan Ivan	Vishal/Arya	Bala	FY 2011
Kalpathy S Aghoram	Yutham Sei	Seran	Myskin	FY 2011
Sri Raja Lakshmi Pictures	Ayyanar	Aathi, Meera	Rajamithran	FY 2011

Marathi Film Release Slate

Partners/Producers	Film Name	Star Cast	Director	Tentative Release Date
Everest Entertainment co-production	Idea Chi Kalpana	Sachin, Ashok Saraf, Mahesh Kothari	Sachin	FY 2011
Everest Entertainment co-production	Punha Dhakka	Shivaji Satam	Mahesh Manjrekar, Makrand Anaspure	FY 2011

The new film slate combined with a valuable film library of over 2,000 films with films such as Om Shanti Om, Partner, Cheeni kum, Love Aaj Kal, Omkara, Rangeela and Hum Dil De Chuke Sanam , the largest multi-format library in the Hindi entertainment arena, gives Eros a huge competitive

advantage. It allows us to bundle content and tailor-make offerings for television channels as well as for other licensing deals.

Outlook

As one of the frontrunners in the media and film industry in India, with a firmed slate of film releases over the next two years, revenue visibility, a strong content library and initiatives to take the global brand of Indian films and of Eros further, the Company's outlook is now very positive and it looks forward to the next three to five years with excitement.

We take this opportunity to thank our shareholders and our partners, customers, bankers and above all the Eros team who have been a part of the success of Eros up until now.

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Condensed consolidated income statement

	6 months to 30 September 2010 (unaudited) \$'000	6 months to 30 September 2009 (unaudited) \$'000	Year to 31 March 2010 (audited) \$'000
Continuing operations			
Revenue	67,978	56,505	149,729
Cost of sales	(29,500)	(24,738)	(81,710)
Gross Profit	38,478	31,767	68,019
Administrative costs	(9,319)	(10,258)	(16,157)
Interest paid	(1,729)	(1,210)	(3,696)
Interest received	456	544	1,387
Impairment of available-for-sale financial assets	-	-	(6)
Profit before tax	27,886	20,843	49,547
Income tax expense	(4,437)	(1,708)	(7,152)
Profit for the period	23,449	19,135	42,395
Attributable to:			
Owners of the parent	23,411	19,056	42,323
Minority interest	38	79	72
	23,449	19,135	42,395
Earnings per share (cents)			
Basic earnings per share	20.16	16.49	36.5
Diluted earnings per share	19.87	16.44	36.1

Consolidated statement of other comprehensive income

30 September 2010 (unaudited) \$'000	30 September 2009 (unaudited) \$'000	31 March 2010 (audited) \$'000
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Profit for the period	23,449	19,135	42,395
Movement in fair value of available- for- sale securities			1,181
Exchange differences on translating foreign operations	84	6,885	3,991
Change in fair value of financial derivatives	(803)	772	773
Reversal of revaluation reserve on sale of property	(67)		
Total comprehensive income for the period	22,663	26,792	48,340
Attributable to:			
Attributable to equity shareholders of Eros International Plc	22,619	26,711	48,268

Condensed statement of Consolidated Financial Position

	30 September 2010 (unaudited) \$'000	30 September 2009 (unaudited) \$'000	31 March 2010 (audited) \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9,758	5,893	5,433
Goodwill	1,877	1,878	1,878
Intangible assets-content	385,191	356,566	349,228
Intangible assets-trade name	14,000	14,000	14,000
Intangible assets-others	823	821	692
Available for sale investments	28,618	25,274	26,581
Deferred tax assets	115	336	111
	440,382	404,768	397,923
Current assets			
Inventories	1,557	2,664	1,794
Trade and other receivables	36,574	42,694	49,297
Other current assets	14,508	11,758	8,950
Cash and cash equivalents	81,914	49,964	87,613
	134,553	107,080	147,654
Total assets	574,935	511,848	545,577
LIABILITIES			
Current liabilities			
Trade and other payables	34,903	24,913	28,397
Short-term borrowings	26,119	58,140	40,478
Derivative financial instruments	5,931	5,128	5,128
Current tax payable	188	129	363
	67,141	88,310	74,366
Non-current liabilities			
Long-term borrowings	162,525	130,745	151,441
Deferred tax liabilities	14,898	6,729	12,581
Total non-current liabilities	177,423	137,474	164,022
Total liabilities	244,564	225,784	238,388
Net assets	330,371	286,064	307,189
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	21,349	21,352	21,349
Share premium account	128,296	129,025	128,296
Translation reserve	(192)	2,622	(270)
Reverse acquisition reserve	(22,752)	(22,752)	(22,752)
Other reserve	5,947	5,635	6,817
Retained Earnings	195,479	147,973	171,549
	328,127	283,855	304,989
Minority interest	2,244	2,209	2,200
Total equity	330,371	286,064	307,189
Condensed consolidated statement of cash flows			

	30 September 2010 (unaudited) \$'000	30 September 2009 (unaudited) \$'000	31 March 2010 (audited) \$'000
Cash flow from operating activities			
Profit before tax	27,886	20,843	49,547
Adjustments for			
· Depreciation	402	207	1,030
· Share based payment	518	5	309
· Amortization of intangibles	21,732	15,982	57,464
· Foreign currency translation	-	-	1,114
· Finance charge	1,273	666	2,309
· Impairment for available for sale financial assets	-	-	110
· Loss/(Gain) on sale of property	(120)	-	6
· Movement in trade and other receivables	7,428	4,663	5,049
· Movement in inventories	239	(656)	335
· Movement in trade payables	6,432	6,488	3,990
Cash generated from operations	65,790	48,198	121,263
· Interest paid	(4,875)	(3,594)	(9,757)
· Income taxes paid	(2,553)	(2,857)	(3,230)
Net cash from operating activities	58,362	41,747	108,276
Cash flows from investing activities			
Acquisitions of subsidiaries net of cash acquired	-	-	-
Purchase of property plant and equipment	(4,683)	(567)	(598)
Purchase of intangible film rights and related contents	(54,397)	(51,592)	(81,464)
Purchase of intangible assets others	(148)	-	(58)
Purchase of available for sale assets	(2,020)	(103)	2
Interest received	456	544	1,387
Net cash used in investing activities	(60,792)	(51,718)	(80,731)
Cash flows from financing activities			
Repayment/proceeds of short term borrowings	(14,359)	(3,239)	(20,901)
Proceeds from long-term borrowings	11,084	6,879	24,186
Net cash used in financing activities	(3,275)	3,640	3,285
Net decrease in cash and cash equivalents	(5,705)	(6,331)	30,830
Foreign currency translation	6	483	971
Cash and cash equivalents at beginning of period	87,613	55,812	55,812
Cash and cash equivalents at end of period	81,914	49,964	87,613

Condensed consolidated interim statement of changes in equity

	Share Capital \$ '000	Share premium account \$ '000	Translation reserve \$ '000	Retained earnings \$ '000	Reverse acquisition reserve \$ '000	Other reserves \$ '000	Total \$ '000	Minority Interest \$ '000	Total equity \$ '000
Balance sheet at 31 March 2010	21,349	128,296	(270)	171,549	(22,752)	6,817	304,989	2,200	307,189
Exchange differences on translation of foreign operations	-	-	78	-	-	-	78	6	84
Cash flow hedges	-	-	-	-	-	(803)	(803)	-	(803)
Reversal of						(67)	(67)		(67)

revaluation reserves

on sale of property

Net income

recognised directly in equity	-	-	78	-	-	(870)	(792)	6	(786)
Profit for the period	-	-	-	23,411	-	-	23,411	38	23,449
Total comprehensive income for the period	-	-	78	23,411	-	(870)	22,619	44	22,663
Share based options	-	-	-	519	-	-	519	-	519
Balance at 30 September 2010	21,349	128,296	(192)	195,479	(22,752)	5,947	328,127	2,244	330,371

Condensed consolidated interim statement of changes in equity

	Share Capital	share premium account	Translation reserve	Retained earnings	Reverse acquisition reserve	Other reserves	Total	Minority Interest	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance sheet at 31 March 2009	21,210	127,321	(4,261)	128,917	(22,752)	4,863	255,298	2,128	257,426
Exchange differences on translation of foreign operations	-	-	6,883	-	-	-	6,883	2	6,885
Cash flow hedges	-	-	-	-	-	772	772	-	772
Net income recognised directly in equity	-	-	6,883	-	-	772	7,655	2	7,677
Profit for the period	-	-	-	19,056	-	-	19,056	79	19,135
Total comprehensive income for the period	-	-	6,883	19,056	-	772	26,711	81	26,792
Issue of share capital	142	1,704	-	-	-	-	1,846	-	1,846
Balance at 30 September 2009	21,352	129,025	2,622	147,973	(22,752)	5,635	283,855	2,209	286,064

Condensed consolidated interim statement of changes in equity

	Share Capital	Share premium account	Translation reserve	Retained earnings	Reverse acquisition reserve	Other reserves	Total	Non Controlling Interest	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance sheet at 31 March 2009	21,210	127,321	(4,261)	128,917	(22,752)	4,863	255,298	2,128	257,426
Revaluation of Investments	-	-	-	-	-	1,181	1,181	-	1,181
Hedging reserves	-	-	-	-	-	773	773	-	773
Currency translation	-	-	3,991	-	-	-	3,991	-	3,991
Net income recognised directly in equity	-	-	3,991	-	-	1,954	5,945	-	5,945

Profit for the period	-	-	-	42,323	-	-	42,323	72	42,395
Total comprehensive income for the period	-	-	3,991	42,323	-	1,954	48,268	72	48,340
Share issued	139	975	-	-	-	-	1,114	-	1,114
Share based payment	-	-	-	309	-	-	309	-	309
Balance at 31 March 2010	21,349	128,296	(270)	171,549	(22,752)	6,817	304,989	2,200	307,189

Publications of non-statutory accounts

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 9 of the Companies Act 1982. The Group's statutory financial statements for the year ended 31 March 2010, prepared under IFRS, have been filed with the Isle of Man Financial Supervision Commission. The auditor's report on those financial statements was unqualified and did not contain statements under Section 15 of the Companies Act 1982.

Basis of preparation

These unaudited condensed consolidated interim financial statements ('the interim financial statements') are for the six months ended 30 September 2010. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2010.

These interim financial statements have been prepared in accordance with accounting policies under the historical cost convention, except for revaluation of certain properties and financial instruments. They are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU).

The principal accounting policies have remained unchanged from those set out in the consolidated financial statements of the Group for the year ended 31 March 2010.

Post Balance Sheet event

Proforma Balance Sheet as at September 30, 2010

Set out below is the unaudited proforma aggregated balance sheet of the Eros International PLC for the six months ended September 30, 2010. The unaudited pro forma aggregated Balance Sheet has been prepared to illustrate the effect on the original balance sheet had the placing of the issue of Eros International Media Limited, a 100% subsidiary company of Eros International PLC taken place before September 30, 2010.

Eros media has, successfully placed its equity shares with an Initial Public Offer of 20,000,000 equity shares aggregating INR 3,500 million (US\$ 79 million). The public issue was done by book building, the book was opened on September 17, 2010 and closed on September 21, 2010. The issue was oversubscribed 29.6 times, and the funds were deposited in the Escrow account of the company. The oversubscribed monies were refunded, and the company retained the issue proceeds of INR 3,500 million (US\$ 79 million) and Eros International PLC would retain 78.1% of the share capital of Eros media post issue.

While the monies were received into the escrow account of the company, since the allotment of the shares was done subsequent to September 30, 2010, the issue proceeds do not form a part of the original Balance Sheet of the company and has been aggregated in the proforma balance sheet of the company as on 30th September 2010, for information purposes only.

Proforma Condensed statement of Consolidated Financial Position

	30 September 2010 (unaudited) \$'000	Adjustments on IPO of Eros Intl Media, India \$'000	Proforma as on 30 September 2010 (unaudited) \$'000
ASSETS			
Non-current assets	440,382	-	440,382
Current assets other than cash & cash equivalent	52,639	-	52,639
Cash and cash equivalents	81,914	79,007	160,921
	134,553	79,007	213,560
Total assets	574,935	79,007	653,942
LIABILITIES			
Current liabilities other than borrowings	41,022	7,545	48,567
Short-term borrowings	26,119	-	26,119
	67,141	7,545	74,686
Non-current liabilities			
Long-term borrowings	162,525	-	162,525
Deferred tax liabilities	14,898	-	14,898
Total non-current liabilities	177,423	-	177,423
Total liabilities	244,564	7,545	252,109
Net assets	330,371	71,462	401,833
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	21,349	-	21,349
Share premium account	128,296	-	128,296
Translation reserve	(192)	-	(192)
Reverse acquisition reserve	(22,752)	-	(22,752)
Other reserve	5,947	52,299	58,246
Retained Earnings	195,479	(10,725)	184,754
	328,127	41,574	369,701
Minority interest	2,244	29,888	32,132
Total equity	330,371	71,462	401,833

Notes to above

1. The increase in cash and cash equivalent of \$ 79.007 million represents the funds raised from the IPO equivalent INR 3,500 million.
2. The increase in creditors of \$ 7.545 million represents public issue expenses due representing 9.0% of the total funds raised from the placement.
3. The increase in other reserves of US\$ 52.299 million represents the Group's 78.12% interest in the share premium received by the Indian subsidiary less the public issue expenses.
4. The decrease in retained earnings of \$ 10.725 million represents the transfer of existing retained earnings of the Indian subsidiary, to the minority interest of 21.88%
5. The increase in minority interest of \$ 29.888 million represents the aggregate of the minority interests in EIML post the allotment of shares.

Segmental Reporting

The board has reviewed the operating segments. The revenues of films are earned over various formats. However all such formats are functional activities of filmed entertainment and these activities take place on integrated basis. The management team primarily monitors performance based on individual films or catalogues and resources are allocated on this basis. Certain resources such as publicity and advertising, and the cost of a film are also reviewed globally. The senior executive team review the financial information on an integrated basis for the group as a whole, with respective heads of business who are geographically located and in accordance with IFRS 8, the Company will be providing only a geographical split as it considers that all activities fall within one segment of business which is filmed entertainment. This is a change to previous periods where segmental

information has been provided geographically and split between Theatrical, Television and Digital and New Media, in making this change the Board have also taken account of peer group disclosures.

Called up share capital

	6 months to 30 September 2010	\$ '000
At 1 April 2010	Number	
Issue of Shares	116,133,758	21,349
At 30 September 2010	-	-
	116,133,758	21,349

Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

	Half year ended 30 September				Year ended 31 March 2010	
	2010		2009			
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in thousands of US\$)	23,449	23,449	19,135	19,135	42,395	42,395
Earnings attributable to the equity holders of the parent	23,411	23,413	19,056	19,056	40,323	40,323
Potential dilutive effect related to share - based compensation scheme in subsidiary undertaking		(298)				(412)
Adjusted earnings attributable to equity holders of the parent	23,411	23,113	19,056	19,056	40,323	39,911
Weighted average number of shares (in thousands)	116,134	116,134	115,536	115,536	115,834	115,834
Potential dilutive effect related to share based compensation		187		350		187
Adjusted weighted average no of shares	116,134	116,321	115,536	115,886	115,834	116,021
Earnings per share (in US Cents)	20.19	20.16	16.56	16.51	36.6	36.5
Earnings attributable to the equity holders of the parent per share	20.16	19.87	16.49	16.44	36.5	36.1

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