



Eros International Plc

**Preliminary Financial Results
for the 12 months ended 31 March 2011**

31 May 2011

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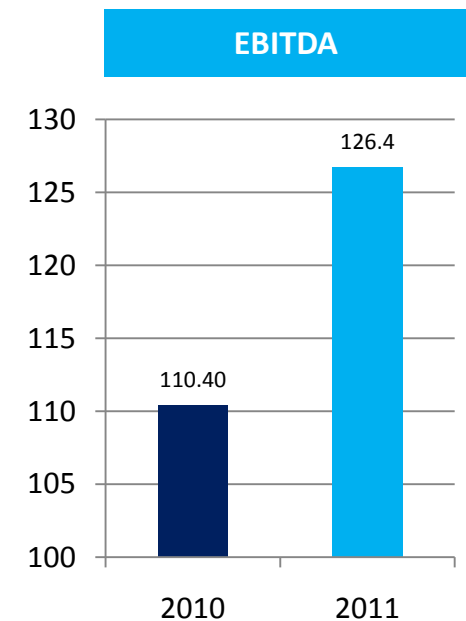
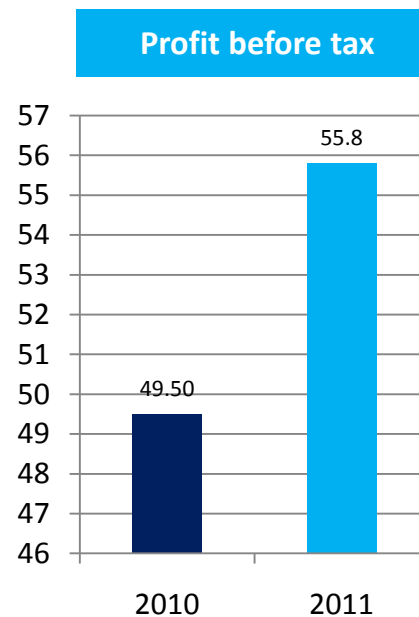
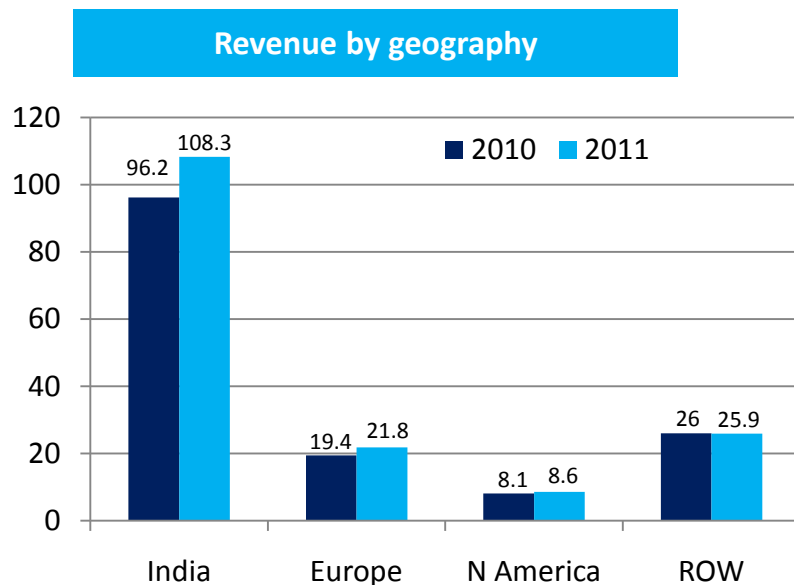
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Section I

Financial & Operating Highlights

Financial highlights

- Turnover up 9.9% to US\$164.6m (2010: US\$149.7m)
- Profit before tax up 12.6% to US\$55.8m (2010: US\$49.5m)
- EBITDA up 14.5% to US\$126.4m (2010: US\$110.4m)
- Basic earnings per share up 5.8% to 38.6 cents (2010: 36.5 cents)
- Net debt reduced by 30.2% to US\$72.8m (2010: US\$104.3m)
- Cash flow from operations to US\$100.6m (2010: US\$108.3 m)



Operating highlights

- Indian IPO ~ US\$80m raised
- Significant theatrical success
 - 77 films released in 2010-11
 - Strong contribution from: Golmaal 3, Housefull, Endhiran and Dabangg
- Strong Television syndication performance
 - High visibility of television revenues supported by pre-sale contracts
- Movement in Digital and Ancillary revenues
 - Higher music and mobile monetisation
 - Further rollout of SVOD services across new platforms internationally
 - EyeQube's VFX and production services
- Investment in content has increased to US\$129.9 million (2010: 81.5 million)
 - Strategy Post-Indian IPO of securing full visibility of pipeline for 2012 & 2013

Section II

Financials

Profit and Loss

	FY 2011	FY 2010	Growth
	US\$ MM	US\$ MM	%
Revenue	164.6	149.7	9.9%
EBITDA	126.4	110.4	14.5%
<i>EBITDA Margin (%)</i>	76.8%	73.7%	4.2%
EBIT	57.4	51.9	10.6%
Gross profit	76.6	68.0	12.6%
Profit before Tax	55.8	49.6	12.5%
Effective Tax rate	14.8%	14.4%	-
Minority Interest	2.8	0.1	N/A
Basic EPS (cents)	38.6	36.5	5.8%

Balance Sheet

	FY 2011	FY 2010
	US\$ MM	US\$ MM
Intangible content assets – film & content rights	258.4	218.2
Content advances	163.5	131.0
Other non-current assets	56.5	48.7
Net debt	(72.8)	(104.3)
Net working capital	42.0	31.7
Other current liabilities	(5.0)	(5.5)
Other non-current liabilities	(17.3)	(12.6)
Net assets	425.3	307.2
Equity	149.6	149.6
Reserves	240.0	155.4
Net Worth	389.6	305.0
Minority	35.7	2.2
Total	425.3	307.2

Cash flow statement

	FY 2011	FY 2010
	US\$ MM	US\$ MM
EBIT	57.4	51.9
Depreciation & Amortisation	69.0	58.5
EBITDA	126.4	110.4
Other Non cash items and share based payments	0.7	1.5
Working capital movement	(10.2)	9.4
Operating cash flow	116.9	121.3
Interest (Net)	(8.0)	(8.4)
Tax	(6.3)	(3.2)
Capital expenditure - Fixed Assets	(9.2)	(0.6)
- Content	(129.9)	(81.5)
Free cash flow	(36.6)	27.6
Disposals and acquisitions	(2.2)	0.1
Increase in Equity by subsidiary (net of costs)	71.1	-
Change in loans	6.4	3.3
Net change in cash	38.8	30.8

Section III

Operating drivers

Business Model: How Eros makes its money



Biggest Bollywood Content Library
Built through
Co-production and Content Acquisition



Core Business

Theatrical Release

- Single and multiplex screens in India and internationally

Home Entertainment

- DVD, Blu-Ray
- Video on Demand (VOD)
- Subscription Video on Demand (SVOD)
- Music

TV Syndication

- Licensing deals with TV stations
 - Terrestrial
 - Satellite
 - Cable

New Media

- Mobile (ringtone, wallpaper)
- Internet (YouTube)
- Internet Portal TV (IPTV)

Ancillary Business

EyeQube

- State of the art Visual Effects studio
- Revenue from Hollywood and Bollywood VFX work

Music Publishing

- Rapidly expanding music library
- Music publishing
- Access to EMI library for India

TV Broadcasting

- Through 24% ownership of B4U

Diversified Global Distribution Channels:

Theatrical

- Theatrical revenues up 13.3% to US\$56.9 million in 2011 (2010: US\$50.2 million)
- Eros released 77 films during the year
 - 'Dabaang' ranked at # 1 in the box office charts, with 'Golmaal 3' at #2, 'Housefull' at #4 and 'Anjaana Anjaani' at #10
 - Regional success was led by the Tamil blockbuster 'Endhiran', which set new records
 - Additional films released in Hindi, Tamil, Marathi and Punjabi
- Shift in focus to stronger mix of high profile films, with well-known star cast and directors and popular themes
- Increase in average number of prints being released
- 360 degree marketing capability and brand tie-ups
- Margins and revenue increases underpinned by Indian theatrical market's growth in multiplex and single screens and digital screens overtaking physical print distribution

Diversified Global Distribution Channels:

Theatrical

Outlook

- Strong visibility over releases for 2012/13
- Content library augmentation
- Success of recent releases and strength of the pipeline facilitating entry into new markets e.g. Taiwan & China
- Pipeline mix change:
 - 'Ready / 'Murder 2' / 'Zindagi na mile dobara' / 'Mausam'
 - 'Rockstar / 'Desi Boyz' / 'Agent Vinod' / 'RA.One'

Diversified Global Distribution Channels:

Television

- Television revenues up 12.7% to US\$60.6 million in 2011 (2010: US\$52.9 million).
- New and existing deals to be shown on: Star, Zee TV, Sony and other TV channels in India as well as dubbed and subtitled markets internationally.
 - International syndication to over 50 channels: TV3 in Malaysia, SABC in South Africa and E-Vision in Dubai
 - New markets opening up: Russia, Ghana, Korea and Taiwan
- Eros was associated with 5 out of the Top 10 films with the highest TV rating points on Indian television networks.
- Demand for premium content driving up television license fees and majority of 2012 television revenue from India underpinned by pre-sales.

Diversified Global Distribution Channels:

Television

Outlook

- Almost 40% of the 2012 slate cost is already contractually committed by television and music licensing pre-sales contracts
- Growth of pay TV and subscription in India and demand for premium content will continue to drive higher TV syndication deals
- Future pipeline of films will continue to drive demand for Eros' content

Diversified Global Distribution Channels:

Digital New media & Ancillary

- Revenues up marginally to US\$47.1 million in 2011 (2010: US\$46.6 million)
- Digital distribution platforms including SVOD, IPTV, Mobile and Online Services grow
- “Bollywood-hits-on-demand” rolled out onto additional networks: Cox, Rogers, Cablevision and Time Warner
- International markets for VOD content in the UK and Middle East continue to grow as well as the addition of new markets :
 - Starhub (Singapore);
 - Etisalat (Middle East); and
 - CCTV (China)
- Physical distribution of ‘Blu-Ray’ & DVDs through major chains as well as internet platforms
- Eros channel on YouTube has received over 1 billion views since it launched in 2008.

Diversified Global Distribution Channels:

Digital New media & Ancillary

Music

- Mobile ringtones, digital downloads, physical sales, radio and TV licensing
- Pre-sales from Licensing agreement signed with T-Series in July 2010
- EMI Music Publishing deal

VFX and Production Planning

- EyeQube has delivered high end visual effects for Hollywood
- Working on 'RA.One', 'Rana' amongst other deals

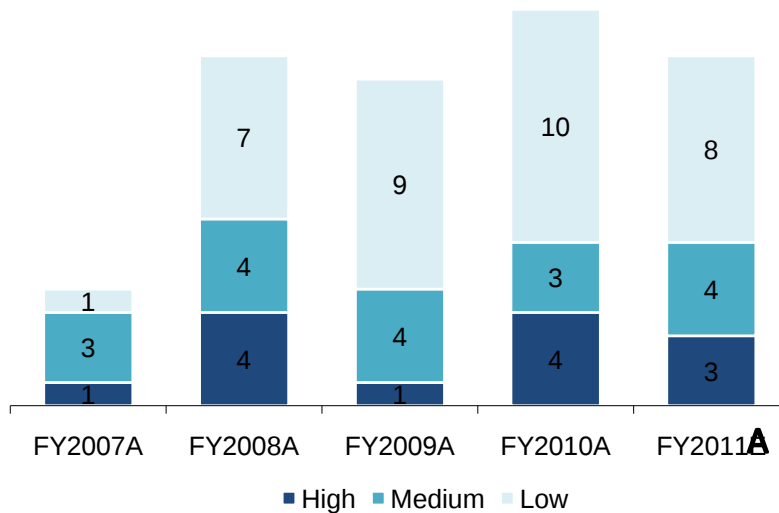
Outlook

- DAM – Digital Asset Management
- Ricky Ghai – new leadership
- Intention to launch B2C model

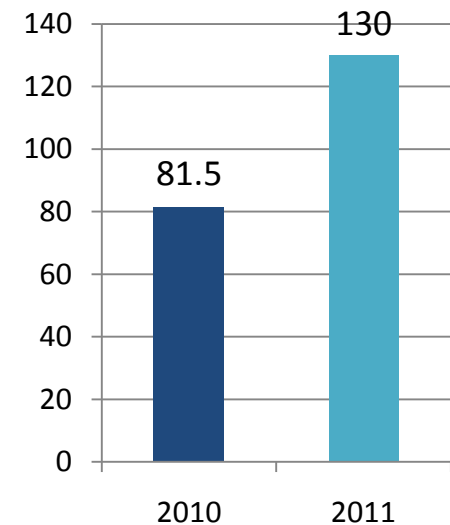
Portfolio Approach to Film Distribution Provides Attractive Returns

- De-risks business through diversification and allows Eros to provide unique content
 - Mix of big, medium and small budget films
 - Mix of established and upcoming talent
 - Mix of language and target audience
- Not a 'hit' driven business

Number of Hindi films by film budget



Content capex



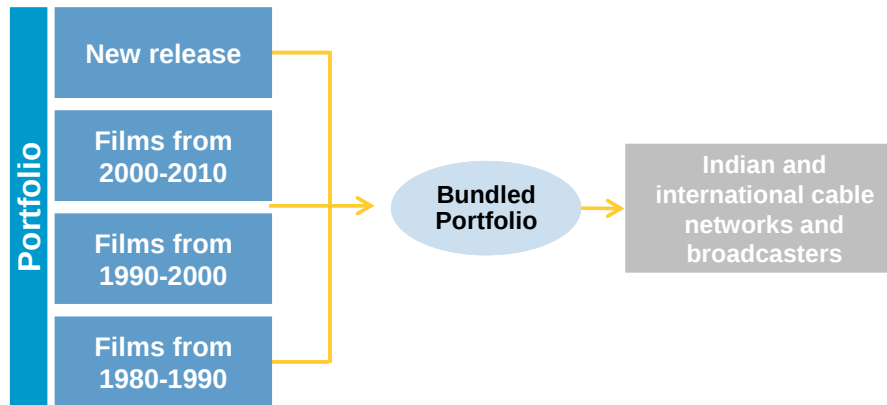
High Profile 2012/2013 Slate

Strong visibility of film slate for 2012 as well as 2013.

Film name	Star Cast/ (Director)	Production House	Tentative Release date	Status
Ready	Salman Khan, Asin	T-Series	Q1 FY 2012	Completed
Always Kabhi Kabhi	Ali Fazal, Zoa Morani	Red Chillies	Q1 FY 2012	Completed
BOL	Atif Aslam, Iman Ali	Homan Productions	Q1 FY 2012	Completed
Murder 2	Emraan Hashmi, Yana Gupta	Vishesh Films	Q2FY 2012	Completed
Zindagi Na Milenge Dobra	Hrithik Roshan, Katrina Kaif, Farhaan Akhtar, Abhay Deol	Excel Entertainment	Q2FY 2012	Completed
Mausam	Shahid Kapur, Sonam (Pankaj Kapur)	Cinergy / Vistaar Religare	Q2 FY 2012	Completed
Rockstar	Ranbir Kapoor (Imtiaz Ali) Music A R Rehman	Ashtavinayak Films	Q2 FY 2012	Post production
RA. One	Shahrukh Khan, Kareena Kapoor (Anubhav Sinha)	Red Chillies Entertainment	Q3 FY 2012	Post production
Dezi Boys	Akshay Kumar, John Abraham, Deepika (Rohit Dhavan)	Next Gen	Q3 FY 2012	Post production
Agent Vinod	Saif Ali Khan, Kareena Kapoor (Sriram Raghavan)	Illuminati Films	Q3 FY 2012	Principal photography
RANA (Tamil, Telugu and Hindi)	Rajinikanth, Deepika Pandukone	Harra Pictures / Next Gen	FY 2013	Pre-production

Extensive Library Provides Cash Flow Stability

- 2,000+ title library built up over 34 years
- Scale of slate allows Eros to combine new releases and existing content into a single portfolio for distribution
 - Maximizes sales and monetizes under exploited portions of the library
 - Provides scale and helps diversify revenue mix
- Future exploitation of extensive library increases margins
- 2nd cycle of TV deals upcoming

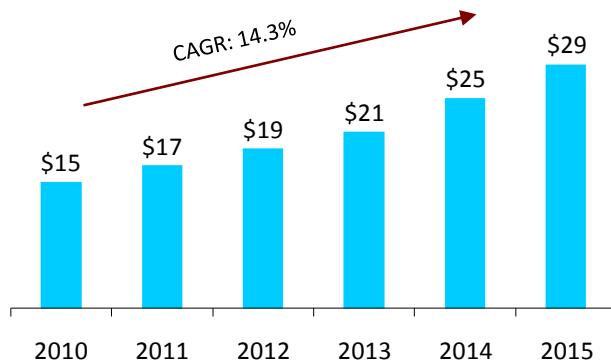


Section IV

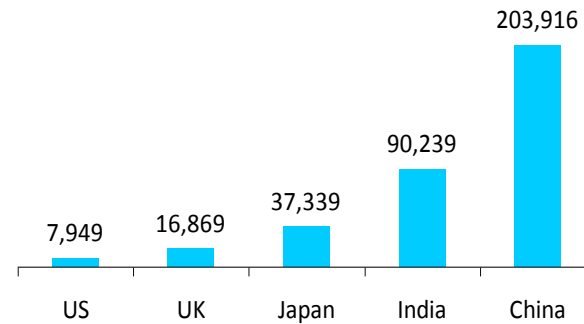
Industry Growth Trends

Rapid growth markets

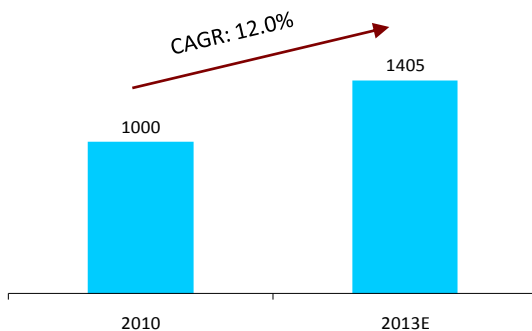
Indian M&E Revenue Outlook (\$bn)



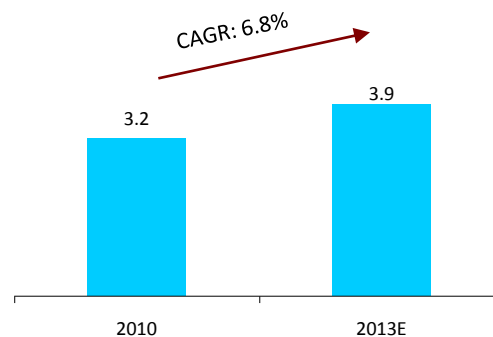
Total Population per theatre



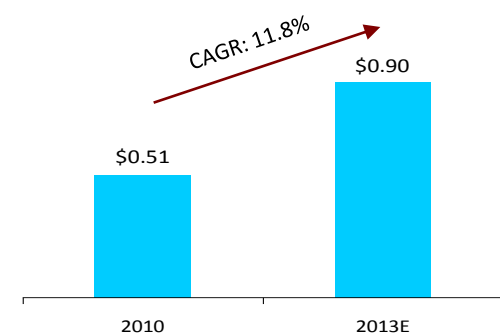
Number of multiplex screens



Number of tickets (bn)

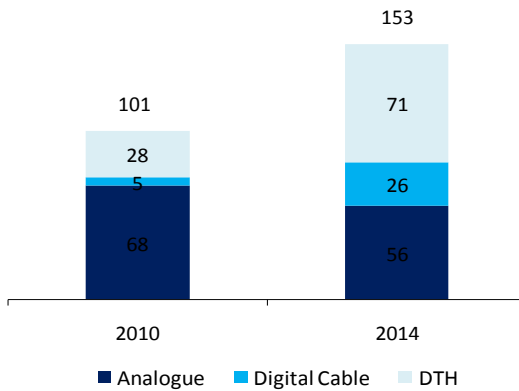


Ticket price growth

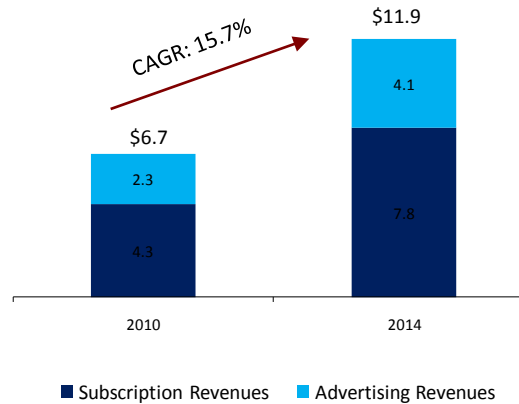


Rapid growth markets

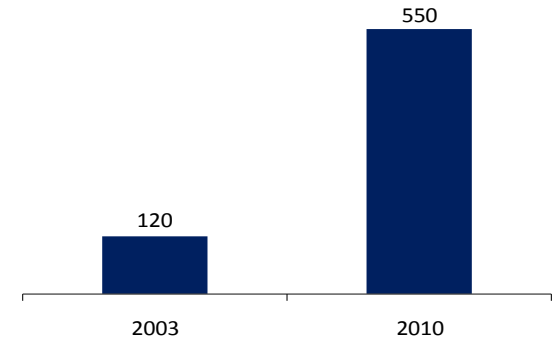
Pay TV subscriber base



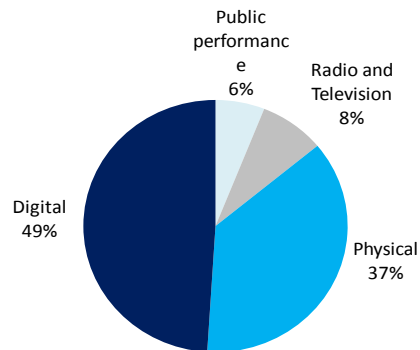
TV industry size



Number of TV channels

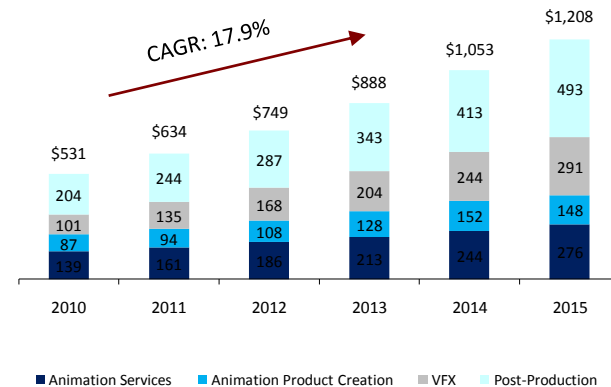


2010 music industry distribution



2010 total revenue: \$191.2 million

Size of animation and VFX industry



Section V

Strengths, Strategy & Outlook

Outlook

Strengths

- Content Library and global distribution network
- Three decades of successful track record
- Management expertise
- Leadership within a growth sector
- Strong Balance Sheet

Strategies

- Portfolio approach to content sourcing growing including Hindi and regional
- Bundling and pre-sales strategy to de-risk the model
- Maintaining diversified revenue streams so no reliance on any one format of distribution

Outlook

- Strong slate of films with improved mix of high profile films
- Significant slate costs contractually underwritten by music and television pre-sales
- Positive macro-economic and sector trends propelling underlying growth
- Next phase of consolidation