



2 July 2009

Eros International plc: Full Year Results for the twelve months ended 31 March 2009

Kishore Lulla, Chairman and Chief Executive, said: "I am delighted that Eros International has delivered strong revenue and profit growth for the third successive year, building on our core competency of content and distribution. Against a backdrop of an uncertain macro economic environment and adverse currency movements caused by the significant depreciation of the Indian Rupee to the US Dollar, with over 60% of the Group's turnover coming from India, the underlying business has produced a very robust performance. The Company will continue build its content portfolio and distribution network while focusing on cash conversion, effective management of costs and reducing net debt."

Financial Highlights

- Group turnover up 38.7% to US\$ 156.7m (2008:US\$ 113.0m)
- Gross Profit up 13.4% to US\$ 71.5m (2008: US\$ 63.0m)
- EBITDA up 41% to US\$ 109.5 m (2008:US\$ 77.9 m) with 62% of EBITDA converted to cash
- Profit before tax up 7% to US\$ 48.4m (2008: US\$ 45.5 m)
- Basic EPS per share up 5% to 35.1 cents (2008: 33.5 cents)

Operating Highlights and Growth Drivers

Eros Global Distribution Network

- Theatrical
 - Reflecting the adverse currency impact of the Indian Rupee to the US Dollar and the deferral of four major film releases, revenues fell from \$52.1 million to \$46.3 million; although on a constant currency basis the business showed strong growth.
 - 70 films were released in 2009 out of which 24 were released globally including Tamil and other regional films (2008 : 52 releases).
- Television
 - Revenues from TV syndication grew 94% to \$64.0 million (2008: \$33.0 million).
 - Revenue base further strengthened with new and ongoing television syndication deals with Star, Sony, INX, Viacom, Sahara, B4U and Zee as well as other aggregators for new and catalogue films.
 - Strong growth in revenues from international television networks and aggregators for dubbed and original versions including German, Russian, Arabic and other languages dubbed or subtitled in 24 different languages.
- Digital New Media and Home Entertainment
 - Revenues from New Media grew by 69% to \$46.2million (2008: \$27.7 million).
 - This was driven by growth in VOD subscription video on demand deals with Comcast, Cablevision and other cable platforms, IPTV, mobile deals, DTH and internet platforms.
 - Eros partner channel on YouTube continued to gain popularity by crossing over 100 million video views and driving strong growth in advertising revenues (www.youtube.com/erosentertainment). The Company has internet partner channels with all major platforms including MSN, Yahoo and AOL.
 - Digital Music revenues continued to grow strongly and the Company released 11 music titles in the year which were monetised through ringtones and other revenue streams.
 - EyeQube visual effects studios made a significant contribution working at full capacity on 3 projects during the year.
 - Having already released two titles on Blu Ray format, the Company plans to release at least a further 50 titles on Blu Ray.
- Catalogue and Regional Content
 - Over 50% of the Group's turnover came from catalogue exploitation and regional content distribution, both of which are a key competitive advantage for the Company.

Outlook

With a large slate of global releases planned for 2009-10 like '*Kambakkth Ishq*', '*Love Aaj Kal*', '*Aladin*', '*De Dhana Dhan*' and '*Veer*', whose production costs are already substantially funded, the company expects to generate healthy cash flows and reduce net debt over the next 12 months. The committed slate for 2010-2011 is also substantially funded.

Following the successful conclusion of talks with the national multiplex chains, the Company's Indian and box office revenues are expected to benefit from certainty over revenue sharing terms for the next two years. The Company has also set up its own distribution offices in all key centres known as circuits in India including Mumbai, Delhi, Punjab, Eastern circuit and Tamil Nadu which account for over 80% of the theatrical business activity from India. This should improve margins by giving Eros greater control over the distribution process while reducing commissions paid to sub distributors. As a way forward, advances will be collected directly from the exhibitor chains instead of sub-distributors in these main territories.

The company is building on its core competency of Indian content and distribution and will continue to expand into regional Indian languages like Tamil, Punjabi and Marathi where it has identified a profitable niche. A Marathi film, '*Me Shivaji Raje Bhosale Boltoy*' released by the Company in April 2009 went on to become the highest grossing Marathi film in history at over \$4 million. Further Marathi and Punjabi projects are underway along with the Tamil slate.

Catalogue exploitation across formats and developing new markets generate high EBITDA margins and profitable growth for the Company and will continue to remain a competitive advantage for Eros. The Company will continue to acquire music and other catalogues to augment its strong library and drive its digital and television syndication model globally.

Music Catalogue and Publishing will remain a key focus for the Company, including physical and digital distribution as a record company as well as signing up artists and managing their publishing. To this end, the joint venture with Universal in India for developing music talent should gain momentum in the year. Eros has also signed a sub-publishing deal with EMI for South America.

Video on Demand (VOD), Subscription Video on Demand (SVOD) and New Media are important growth drivers for the business and the Company has taken a major lead in other digital formats such as DTH, IPTV and mobile, establishing distribution across a number of major cable and other platforms around the world with tailor made content offerings.

With a three-year track record on AIM since 2006, the Company is now exploring plans to shift to the main list, the London Stock Exchange and also exploring plans for a listing in India although none of its expansion plans depend upon such a listing.

Kishore Lulla added: "Eros is poised to take the lead in further consolidating its market position in the current economic climate, given the Company's size, scale and liquidity. We will achieve this through a combination of strategic alliances and targeted synergistic EBITDA enhancing acquisitions funded through internal cash generation as well as a potential Indian listing."

Enquiries:

Eros +44 (0)20 8963 8400

Kishore Lulla - Chairman & CEO
Jyoti Deshpande - COO & Commercial Director
Andrew Heffernan - CFO

Brunswick +44 (0)20 7404 5959

Tim Burt /Aideen Lee/ Azhar Khan

Evolution Securities Limited +44 (0) 207 071 4300

Tom Price/ Jeremy Ellis

Chairman and Chief Executive's Review

I am proud that Eros has been consistently able to deliver strong results three years in a row since it became the first Indian entertainment company to list on the AIM market in 2006. The company has built on its strengths and leveraged its competitive advantage to scale up the business significantly.

Strategic Overview

1. Content production, acquisition and output deals

The talent, content and output deals locked in by the Company in 2006 gave the Company a valuable three year release slate and visibility. Importantly the deals agreed have insulated Eros from the rise in content costs between 2007 and 2009 as new players entered the market. The content capex peaked in 2008 at US\$170 million and came down in 2009 to US\$129.7 million.

The Company has consciously moved up the value chain to a co-production model where it secures content at the cost of production.

In 2009 the Company had two co-productions while in 2010 this is expected to rise to at least ten co-productions which are planned for global release. Thereafter, for 2011 the aim is to co-produce at least 12 films annually. This gives the Company greater control over costs, quality, scale and mix of films as well as visibility and control over release dates with the benefits over the intellectual property in perpetuity. Also, co-production reduces the time from commencement to project completion from about two years to 12-18 months, and provides consequential benefits to cash flow and working capital management.

2010 Major Release Slate

- 'Kambakkth Ishq' (Romantic comedy) starring Akshay Kumar, Kareena Kapoor, Co-production with Sajid Nadiadwala, releasing 3rd July 2009
- 'Love Aaj Kal' (Romantic comedy) starring Saif Ali Khan, Deepika Padukone, Co-production with Illuminati Films, releasing 31st July 2009 (complete)
- 'Aladin' (Family, Fantasy, Adventure) starring Amitabh Bachchan, Sanjay Dutt, Ritesh Deshmukh, Home Production in association with Boundscript, releasing tentatively on 16th October 2009 (complete)
- De Dhana Dhan (Romantic Comedy), starring Akshay Kumar, Katrina Kaif, Co-production with Venus Films, releasing tentatively on 26th November 2009 (complete)
- 'Veer' Salman Khan (Romantic Period Drama), starring Sohail Khan, Mithun Chakraborty, Home Production in association with Vijay Gilani Movies, releasing tentatively December 2009 (post production)

Apart from the above major releases, the Company will release at least 10 other niche films during the course of the year as well as releasing regional language films including Marathi, Punjabi and Tamil. A Marathi film, 'Me Shivaji Raje Bhosale Boltoy' released by the Company in April 2009 went on to become the highest grossing Marathi film in history at over \$4 million.

Ayngaran, our Tamil film subsidiary, will have a release slate of at least 5-6 Tamil films globally and over 20 films internationally which have already been committed.

2011 committed slate

- 'Housefull' (Romantic comedy) starring Akshay Kumar, Deepika Padukone Co-production with Sajid Nadiadwala (Principal photography commenced)
- 'Untitled' (Romance) directed by Siddharth Anand starring Ranbir Kapoor, Priyanka Chopra, Co-production with Sajid Nadiadwala (Principal photography October 2009)
- Agent Vinod (romantic action) starring Saif Ali Khan, Kareena Kapoor, Co-production with Illuminati Films (pre-production)
- Khatta Meetha (Romantic comedy) starring Akshay Kumar, directed by Priyadarshan, Co-production with Hari Om Productions (Principal photography October 2009)
- 'Untitled' (Romantic musical) Shahrukh Khan, Red Chillies Entertainment (Pre-production)
- 'Untitled' (Romantic drama) Hritik Roshan, (Scripting)
- 'Untitled' (Action thriller), Sanjay Dutt, Co-production with Sanjay Dutt productions (Scripting)

The above are some of the major line up for 2011 and not an exhaustive list of committed projects.

2. Eros Global Distribution

Sector – Despite the uncertain macro economic backdrop, the Indian entertainment sector is continuing to demonstrate remarkable resilience, delivering double digit growth and is now estimated by KPMG to be worth US\$ 12.8 billion. With KPMG forecasting growth of 12.5% for the next 5 years, the Indian media and entertainment sector would be worth over \$ 22 billion in 2013. The filmed entertainment sector grew at over 13% in 2008, giving revenues of US\$ 2.4 billion. Reflecting the current economic conditions, growth forecasts for the next five years have been revised downwards to 9.1%, but this still means that the sector will be worth over \$3.6 billion annually by 2013.

While 2007 produced a large number of 'hits', 2008-09 had relatively fewer 'hits' across the board. Notwithstanding that, the Diwali and Christmas releases in the second half of the year did exceptional business breaking the previous year's records, which demonstrates that the box office is growing.

Size and Scale - The Company released 70 films in 2009 out of which 24 were released globally compared to 52 releases last year. There were no breakout successes this year which was the general industry trend with the exception of 2 or 3 films overall, while in 2007-08 the Company had five out of the top ten releases, which demonstrates the portfolio approach of the Company.

The deferment of big releases like Kambakkth Ishq, Love Aaj Kal and Aladin adversely impacted the worldwide theatrical revenues of the Company which fell to \$46.3 million (2008: \$52.1 million). This was, however, also impacted significantly by the translation into US Dollars in a year when the Indian Rupee had significantly devalued against the US Dollar. In spite of the above and as India constitutes over 60% of Group turnover, the Indian box office revenues grew by 3.8% on a constant currency basis.

National multiplex chains - Having reached an amicable resolution with the six national multiplex chains in India on revenue sharing terms and control over distribution strategy, the Company expects to benefit from the ultimate release of these titles. The new terms, which are valid for 2 years, guarantee a minimum

of 50% of revenues for the first week and potentially a further upside of 2.5% in the event that the films cross a certain threshold of business.

Own worldwide distribution network - The Company has historically operated a model of using sub-distributors in the six main circuits in India and collecting advances from them in return for commission. The Company has since set up its own distribution offices in Mumbai, Delhi, Punjab, Eastern circuit and Tamil Nadu, which covers over 80% of the Indian market, and gives the Company greater control over the distribution process. While saving on the sub-distributor commission and collecting advances directly from the exhibitor chains, this gives a significant competitive advantage to the Company in securing as well as distributing content with a strong Indian distribution set up as well as its own offices in UK, USA, Canada, Dubai, Singapore, Australia and Fiji for the main international markets.

The emerging markets of South East Asia, Europe, South America and the Middle East continue to grow. With the phenomenal success of Slumdog Millionaire, there is a growing interest for Indian films from many new markets. The Company has been consistently releasing films in Pakistan which is a growing market for films.

3. Television syndication

Sector - Growth estimates for the Indian television sector have been revised downwards by KPMG but still remain at an impressive growth rate of 14.5% CAGR over the next five years, making it the highest growing segment within the Indian media and entertainment sector.

Against a backdrop of the rapidly growing \$5.6 billion Indian television sector and regulatory reforms that have further attracted giants like Reliance, Viacom, Inx, NDTV-NBC, UTV-Disney to join the likes of established players like Zee, Sony, Star and Sahara, the Indian television sector is going through an intensely competitive phase which is further driving the demand for content creating large opportunities for the Group's content syndication. There is also a growing demand for regional content from major players in the market.

The syndication model, which allows different networks to share telecasts, has made the content affordable to networks while the content owners benefit from wider distribution rather than licensing to one player. This model has also attracted new aggregators who aggregate content from major studios and syndicate on their behalf.

Dubbed Markets – The demand for Indian films from established markets Germany, Russia, Poland, Arabic countries, Romania, Indonesia, Thailand and new markets like Brazil, Chile, and Mexico has continued to thrive. On the back of the success of Slumdog Millionaire, the Company saw interest from new markets and new buyers in existing markets. The dubbed and subtitled rights syndication in 24 different languages continue to be a major area of growth with high EBITDA margins.

Accelerated Growth - The Company had pre-sold a large number of films released during the year, which delivers certainty over revenues. Dubbed markets continued to perform well which resulted in revenues from TV syndication being up by 94% to \$64 million (2008: \$33 million).

4. Eros New Media and Digital Distribution

Digital New Media is a growing division for the Company and continues to unlock the value of the Eros catalogue.

VOD / SVOD - The subscription video on demand services on Comcast and Cablevision continued to grow and the Company expanded similar services to other cable networks in USA/Canada and Europe.

Internet - The Eros Google YouTube partner channels gained phenomenal popularity based on the content provided and crossed 100 million video views propelling it towards a significant advertising monetisation threshold. The Eros channel is now ranked in the Top 100 YouTube partner channels. The Company has presence through partner channels on MSN, Yahoo, AOL and such other major platforms.

DTH - The Company licensed films to all major DTH operators in India such as Dish, Tata Sky, Reliance Big and Airtel which gives it an additional window of monetisation prior to the film being broadcast on pay TV channels. The number of DTH homes in India is expected to grow from 10 million in 2008 to 28 million homes by 2013 as per the KPMG 2009 Industry Report.

Music - Music revenues cover Physical CD sales, Digital downloads and ringtones, which is the fastest growing revenue stream, plus public performance, radio and television airplay revenues. The Company experienced early interest from new markets such as South America where one of its music tracks 'Beedi' from the film Omkara was licensed by TV Globo as the title track for its latest big soap opera 'Caminho das Indias'. On the back of this, the Company has licensed a compilation of tracks to EMI Brazil and also struck a sub-publishing deal with EMI for South and Central America.

Music Publishing – The Company has set up a Publishing division to sign up writers, composers and other artists and administer worldwide publishing for a commission. The Music Publishing industry in India is less evolved than in the developed markets and writers have not previously been able to secure the benefits of their creative work through their share of publishing revenues from the various societies. The Company is also considering potential music catalogue acquisitions.

Joint venture with Universal India – The Company has set up a joint venture with Universal in India to undertake a search for new singing- performing talent; which is the first time such a search has been undertaken in India. The joint venture will offer artist management as well as album production of albums with crossover potential by tapping into Universal's international talent roster.

Digital mobile - Revenues continued to grow as further titles were delivered to Hungama mobile under Eros' output deal.

Home Entertainment - Distribution of physical DVDs with partners such as Walmart and Best Buy have seen rising revenues and volumes although we have witnessed price point deflation. BluRay is the winner of the battle over the future format of DVD's and the Company has already released 2 titles on the Blu Ray format. With falling prices of Blu Ray players, the Company intends to release at least 25-50 further titles as a combination of new and catalogue in Blu Ray format in the current year.

EyeQube - Our visual effects studio worked to full capacity during the year on three major productions – Drona, Aladin and Veer and also provided production planning services to several shows.

Revenues from New Media up 69% to \$46.2 million (2008: \$27.7 million).

5. Funding and potential Indian listing

The major investment over the last three years in content acquisition secured for the Company much of its initial aims at the time of our IPO in 2006. The maintenance capex required for committed projects for the next two years is falling in relation to previous years. Furthermore, the Company expects future expansion to be self funded from the strong cash generative nature of the business as well as with the \$100 million five year syndicated financing facility signed with Citigroup in 2008. Citi has also provided a further \$20 million 3 year facility to the Group which matures in 2012. Overall, the Company expects net debt to fall over the coming twelve months driven by a combination of decreased capex and increased cash generation from the release of fully funded films.

The Board continues to actively explore options for a listing in India as a base for accelerating its expansion opportunities within India and increasing and widening its investor base.

The Company expects revenues to continue to expand both in India and internationally but with a continued bias towards India. As was announced in March 2009 the 25% depreciation of the Rupee against the US Dollar, principally between October 2008 and March 2009, continues to adversely impact US\$ reported earnings. However, the underlying growth in Rupee revenues continues very much as anticipated and the recent appreciation of the Rupee since 31 March 2009, if sustained, will enhance earnings in 2010 in US Dollars and on a constant currency basis the underlying business continues to demonstrate strong growth.

While the global economic climate remains uncertain, Eros has made significant strategic progress during the last 36 months and enters 2009-10 with a very strong confirmed release slate, much enhanced visibility in terms of TV syndication and is confident of delivering consistent growth and earnings next year.

Financial Overview

Eros' Business

Eros International is one of the world's leading vertically integrated studios in the rapidly growing Indian media and entertainment sector.

Established in 1977, the business has a growing market share of over 35% and more than three decades of market leadership in creating a global platform for Indian cinema. The company is the first Indian media entertainment company to be listed on AIM, LSE and has diversified assets and worldwide offices across 5 continents in over 50 countries including throughout India, UK, USA, UAE, Singapore, Australia, Fiji and the Isle of Man.

A strong brand with global recognition, extensive network and an unrivalled library of over 1,900 films has given Eros International a steadfast market position today.

Group financial performance

This financial review is based primarily on a comparison of our IFRS results for the year ended 31 March 2009 with those of 31 March 2008. Unless otherwise stated growth relates to the percentage comparison of these two years. In running the business Eros' management focus on earnings before interest, tax, amortisation and impairment which is backed by an awareness of earnings per share and the value of the group's content library both now and in the future.

Revenue was \$156.7 m (2008: \$113.0 m) and the business generated EBITDA of \$ 109.3 million (2008:\$ 77 million). The revenue growth primarily came from growth in the TV syndication business, a full year contribution from Ayngaran (6 months only in 2008) and growth in Digital and home entertainment. The income statement includes net financing costs of \$ 1.3 million (2008:\$0.8 million), a charge for amortisation of content and other intangibles of \$ 57.1 million (2008: \$31.0 million) leading to a pre tax profit of \$ 48.4 million (2008: \$45.5 million).

Segmental Performance

Theatrical revenues decreased by 11.1% from \$52.1 million to \$46.3 million. The revenue drop reflects additional regional film releases offset by the effect of a weaker Indian Rupee.

Television syndication revenues increased by 93.9% due to continued syndication deals with Indian satellite broadcasters and sales in dubbed markets. Revenues were \$64.0 million in 2009 as opposed to \$ 33.0 million in 2008.

Digital and Home entertainment revenue experienced a growth of 66.8% to \$ 46.2 million from \$27.7 million against a background of changing markets. The established non resident Indian market for Home entertainment declined in line with general trends in the sector. However in India the home entertainment market continues to increase and the contribution from digital media such as SVOD, VOD and music increased across the globe.

Geographic Performance

Following the rapid growth experienced in previous years from India due to increased global film releases year on year the growth has slowed in the current year to 38.7% from 75.1% in 2008. This growth is now coming from increased exploitation and regional film growth as well as economic and consumer changes within India which are driving Cinema, Television and Home Entertainment.

In North America revenues of \$ 8.9 million represented like for like growth of 11.3% over the \$8.0 million achieved in the prior year. This growth reflects strong results from new media.

European revenues enjoyed a 105.4% increase to \$22.8 million compared to \$11.1 million in the previous year. This was due to strong demand from Germany and other dubbed markets in Eastern Europe.

In the rest of the world dubbed markets continued to perform well and the non resident Indian audiences in the Gulf States, Australia and Africa amongst others, contributed to a 102.4% rise in revenues to \$ 25.7 million compared to \$12.7 million in the previous year.

Dividend

The group continues to recognise the need to balance the requirements to retain capital to expand the business and shareholders' focus on capital and cash flow returns. In the current market the company is focused on reducing net debt levels and at present there is no expectation of any imminent proposed dividend.

Taxation

Taxation as a percentage of profit before tax has increased in the year in line with expectations as the group's operations have expanded in India whose standard rate of corporation tax is 33.9 %. The tax charge for the year is \$ 7.6 million (2008: \$6.0 million) which represents an effective rate of 16 % (2008: 13.2 %). The charge represents current taxation of \$ 2.7 million (2008: \$3.0 million). Deferred taxation which arises on timing differences on the tax treatment of certain items was \$ 4.9 million (2008:\$ 3.0 million).

Personnel

The number of people in the Group averaged 315 against 205 in the year ended March 2008, an increase of 54 %. The increases have arisen principally within India and is principally attributable to staff recruited within EyeQube.

Intangible assets

The Group has aggressively sought to secure content for future releases whether this is through production, co-production, new release films acquisition or catalogue acquisition. Securing this content has meant that Eros has invested \$147.0 million (2008: \$114.9 million) as advances in films to be released and has further content commitments of \$ 77 million (2008: \$178.5 million).

Earnings per share

Basic earnings per share was 35.1 cents (2008: 33.5 cents). The basic weighted average number of shares in issue in the year ended 31 March 2009 increased from 112.5 million to 115.2 million.

The basic earnings per share based on the weighted average number of shares was up 4.8 %. Full details are set out in note 8 of the financial statements.

Impairment

Available for sale investments include an investment in New Medium Enterprises Inc ("NME"). The directors having taken account of the nature of NME's operations, its current trading and the potential for dilution if recapitalised, have impaired the carrying value. The accumulated fair value adjustments of \$1,347,000 based on the quoted market price of \$0.0007, which includes \$571,000 provided in 2008 and previously recognised in equity, have been transferred to the Income Statement and recognised as an impairment loss.

Eros International Plc
Summarised Consolidated Income Statement
For the year ended 31 March 2009

(in thousands of US Dollars)

	Note	Year ended 31 March	
		2009	2008
Revenue		156,697	112,981
Cost of sales		(85,190)	(49,940)
		<hr/>	<hr/>
Gross profit		71,507	63,041
Administrative costs		(20,501)	(16,725)
		<hr/>	<hr/>
Operating profit		51,006	46,316
Financing costs		(3,111)	(3,137)
Finance income		1,850	2,315
		<hr/>	<hr/>
Net finance costs		(1,261)	(822)
Impairment of available-for-sale financial assets		(1,347)	-
		<hr/>	<hr/>
Profit before tax		48,398	45,494
Income tax expense		(7,571)	(6,014)
		<hr/>	<hr/>
Profit for the year		40,827	39,480
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Equity holders of the parent		40,469	37,729
Minority interest		358	1,751
		<hr/>	<hr/>
		40,827	39,480
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share: (cents)			
Basic earnings per share	2	35.1	33.5
		<hr/> <hr/>	<hr/> <hr/>
Diluted earnings per share		34.9	33.3
		<hr/> <hr/>	<hr/> <hr/>

All transactions arise from continuing operations.

Eros International Plc
Summarised Consolidated Balance Sheet at 31 March 2009

(in thousands of US Dollars)

	As at 31 March	
	2009	2008
ASSETS		
Non-current assets		
Property, plant and equipment	5,663	5,530
Goodwill and Intangible trade name	15,878	15,878
Intangible assets – content	311,772	239,238
Intangible assets- others	933	1,005
Available-for-sale investments	25,170	2,285
Investments accounted for using the equity method	-	-
Deferred tax assets	212	65
	<hr/>	<hr/>
	359,628	264,001
	<hr/>	<hr/>
Current assets		
Inventories	2,008	2,264
Trade and other receivables	55,930	30,470
Current tax receivable	2,122	1,718
Cash and cash equivalents	55,812	87,701
	<hr/>	<hr/>
	115,872	122,153
	<hr/>	<hr/>
Total assets	475,500	386,154
	<hr/> <hr/>	<hr/> <hr/>
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Trade and other payables	19,570	21,193
Short-term borrowings	61,379	34,769
Derivative financial instruments	5,900	-
Current tax payable	443	855
	<hr/>	<hr/>
	87,292	56,817
	<hr/>	<hr/>
Non-current liabilities		
Long-term borrowings	123,866	111,687
Deferred tax	6,916	2,700
	<hr/>	<hr/>
	130,782	114,387
	<hr/>	<hr/>
Total liabilities	218,074	171,204
	<hr/>	<hr/>
Net assets	257,426	214,950
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EQUITY

Equity attributable to equity holders of the parent

Share capital	21,210	20,858
Share premium	127,321	127,321
Translation reserve	(4,261)	1,025
Reverse acquisition reserve	(22,752)	(22,752)
Other reserves	4,863	(571)
Retained earnings	128,917	87,318
	<hr/>	<hr/>
	255,298	213,199
Minority interest	2,128	1,751
	<hr/>	<hr/>
Total equity	257,426	214,950
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Eros International Plc

Summarised Consolidated Cash Flow Statement

(in thousands of US Dollars)	Year ended 31 March	
	2009	2008
Cash flow from operating activities		
Profit before tax	48,398	45,494
Adjustments for:		
Depreciation	1,196	527
Share based payment	1,130	1,316
Amortisation of intangibles	57,099	31,007
Non cash items	81	(15)
Net Finance charge	1,261	822
Impairment of available-for –sale financial assets	1,347	-
Movement in trade and other receivables	(32,184)	6,115
Movement in inventories	37	(888)
Movement in trade payables	2,141	5,020
	<hr/>	<hr/>
Cash generated from operations	80,506	89,398
Interest paid	(8,000)	(5,375)
Income taxes paid	(4,319)	(4,254)
	<hr/>	<hr/>
Net cash from operating activities	68,187	79,769
	<hr/>	<hr/>
Cash flows from investing activities		
Acquisition of subsidiaries net of cash acquired	-	(1,040)
Purchase of property, plant and equipment	(1,775)	(2,627)
Purchase of intangible film rights and related contents	(129,694)	(170,168)
Purchase of intangible assets others	(226)	(202)
Purchase of available for sale financial assets	(13,221)	(2,856)
Interest received	1,785	2,315
	<hr/>	<hr/>
Net cash used in investing activities	(143,131)	(174,578)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from issue of share capital	19	33,386
Repayment/proceeds of short-term borrowings	12,179	(8,995)
Proceeds from long-term borrowings	33,353	111,687
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Net cash from financing activities	45,551	136,078
Net increase in cash and cash equivalents	(29,393)	41,269
Effects of exchange rate changes on cash and cash equivalents	(2,496)	15
Cash and cash equivalents at beginning of period	87,701	46,417
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Cash and cash equivalents at end of period	55,812	87,701
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1. NATURE OF OPERATIONS, GENERAL INFORMATION AND BASIS OF PREPARATION

Eros International Plc (“Eros”) and its subsidiaries’ (“the Group”) principal activities include the distribution and production of Indian films and related content which have been discussed earlier in the Operating and Financial Review. Eros International Plc is the Group’s ultimate parent company. It is incorporated and domiciled in the Isle of Man. The address of Eros International Plc’s registered office is 15-19 Athol Street, Douglas, Isle of Man, IM1 1LB. Eros International Plc’s shares are listed on the Alternative Investment Market of the London Stock Exchange.

The consolidated financial statements of the Group and the Group’s interest in jointly controlled entities have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and the Isle of Man Companies Acts 1931 to 2004. The financial statements have been prepared under the historical cost convention, with the exception of certain non-current assets and financial derivatives both of which are carried at fair value in accordance with the Group’s Accounting Policies.

2. EARNINGS PER SHARE

	Year ended 31 March			
	2009		2008	
	Basic	Diluted	Basic	Diluted
Earnings (in thousands of US Dollars)				
Earnings attributable to the equity holders of the parent	<u>40,469</u>	<u>40,469</u>	<u>37,729</u>	<u>37,729</u>
Number of shares (in thousands)				
Weighted average number of shares	115,234	115,234	112,547	112,547
Potential dilutive effect related to share based compensation	<u>-</u>	<u>838</u>	<u>-</u>	<u>703</u>
Adjusted weighted average number of shares	<u>115,234</u>	<u>116,072</u>	<u>112,547</u>	<u>113,250</u>
Earnings per share (in US cents)				
Earnings attributable to the equity holders of the parent per share	<u>35.1</u>	<u>34.9</u>	<u>33.5</u>	<u>33.3</u>

3. Publication of non-statutory accounts

The financial information relating to the year ended 31 March 2009 set out in this preliminary announcement above does not constitute the Company's statutory accounts for that year, but has been extracted from the statutory accounts which received an unqualified auditors' report. The financial information relating to the period ended 31 March 2008 is extracted from the statutory accounts which incorporated an unqualified audit report.