27 July 2010

Eros International plc ("Eros", "the Company" or "the Group")
Preliminary Results for the year ended 31 March 2010

Kishore Lulla said "I am delighted and proud that Eros has been able to deliver another set of strong results ahead of market expectations and consistently meet the objectives identified when we listed in 2006. We are now poised to take on the next phase of consolidation over the next three to five years".

HIGHLIGHTS

Financial Highlights

- Basic Earnings per share up 4% to 36.5 cents (2009: 35.1 cents)
- Cash flow from operations up 59% to US$ 108.3 m (2009: US$ 68.2 m)
- Net debt reduced by 19% to US $104.3 m (2009:US$ 129.4 m)
- EBITDA up 1% to US$ 110.4 m (2009:US$ 109.3 m)
- Revenues down by 4% to US$ 149.7 m (2009: US$ 156.7)
- Profit before tax up 2% to US$ 49.5 m (2009: US$ 48.4 m)

Operating Highlights

Theatrical

- Revenues grew by 8% to US$50.2m (2009: US$ 46.3m)
- The strong theatrical performance of the films released during the year is highlighted under the backdrop of the standoff with the Indian multiplex chains as a result of which no films were released from April to June 2009
- Being effectively a 9 month year for theatrical releases, the fewer, stronger mix of films was led by the box office performance of Love Aaj Kal, Kambakkht Ishq and De Dana Dan
- 83 films were released in 2010 (2009: 94 films) of which 13 (2009: 22) were released globally including Tamil and other regional films

Television

- Revenues fell by 17% to US$52.9 m (2009: US$ 64.0 m)
- The fall was in line with expectations as the television revenues had grown by a staggering 94% in 2009 from just US$ 33.0 m in 2008. In relation to 2008, the growth this year is still significant, especially in the context of fewer new releases
- Revenues came from new and existing deals with Star, Zee TV, Sony, Sun TV, B4U, Kalaignar TV and other television broadcasters in India as well as dubbed and subtitled markets internationally
- A significant development during the year was the acquisition and subsequent syndication of the television rights of the film 3 Idiots, which is the biggest Indian box office success of all time, and other catalogue films
- Revenues include subscription revenues from the Ayngaran Tamil television network in Europe

Digital and Home Entertainment

- Revenues from Digital and Home Entertainment were up 1% to US$ 46.6 m (2009: US$ 46.2 m)
- Subscription video on demand service partners in North America continued to grow with the addition of Time Warner and Cox to the existing partners of Comcast and Cable Vision

- Digital Music revenues were strong, led by Love Aaj Kal, which was the most successful album overall across physical and digital platforms
- Several films were exploited on the major DTH platforms Dish TV, Tata Sky, Airtel and Reliance in India on Pay Per View basis, marking the beginning of a new revenue stream
- Eros' partner channel on YouTube has grown significantly delivering up to 1.6 million video views a day, monetized through ad clicks with advertising being sold direct or through Google
- EyeQube visual effects studios continued to make a contribution; Aladin and Veer were released during the year for which EyeQube has won several awards, including the IIFA award for best visual effects
- EyeQube has been able to use the award winning work done to date to secure Hollywood and other regional Indian film work
- 11 Blue-Ray titles during the year. In line with expectations DVD sales and pricing to expatriate south Asians continued to decline as we continue to move to digital delivery
- In a significant move within music publishing, the Company entered into an agreement with EMI Music Publishing to push the Eros publishing catalogue internationally through the EMI's network and vice versa for the EMI catalogue in India

Content

- The Company has strong visibility of slate for 2011 and 2012, with the 2011 slate substantially funded
- Content capital expenditure in the year reduced significantly by 37% to US$81.5m (2009: US$129.7 m)
- With declining capex and positive cash flows from operations, 2010 marked an inflection point in group cash flows following the investment associated with the move into global distribution as we came to AIM in 2006. Going forward this normalisation should continue

It is our vision to build on our market leadership position within the filmed entertainment arena and expand within the rapidly growing Indian media and entertainment sector.

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Kishore Lulla - Executive Chairman's Statement

I am pleased to announce a very positive set of results for the fourth year in a row. For what was effectively a 9 month year on account of the multiplex standoff, the underlying business has performed extremely well. This year our objective was less focussed on top line and more focussed on generating cash, controlling capex, reducing net debt and improving margins further and we have delivered on all counts.

We generated cash of US$ 108.3 million from operations, a 59% increase over last year. We have managed to reduce net debt by 19% to US$104.4 million from US$129.4 million. While EBITDA has gone up by just 1% to US$110.4 m, 99% of the EBITDA converted into cash as compared to only 44% in 2009. With turnover dropping marginally by 4% to US$ 149.7 million, Profit before tax went up by 2.3% to US$ 49.5 million as a result of margin improvements and reduced overheads.

Capital market updates

Indian listing - On December 31st 2009, we filed the Draft Red Herring Prospectus with SEBI (Securities and Exchange Board of India) for Eros International Media Limited, our Indian subsidiary, to seek permission to list on the Bombay Stock Exchange and the National Stock Exchange. The DRHP of EIML is pending approval of SEBI.

Main listing - It is our intention that following the completion of the Indian listing, we will begin the process to move from AIM to the Main Market of the London Stock Exchange. We now have over three years of track record of successful growth on AIM and believe that the Main Market represents a natural progression for Eros given our size and maturity as a business. We also hope to access additional pools of investment capital and liquidity as a result of the planned move.

Outlook

It would be fair to say that the last two years have been extremely challenging in the competitive context within the Indian entertainment sector, as well as the general economic and political climate, and I am proud to say that Eros has come out both stronger and wiser. We have stayed focussed on our core competency of content and distribution, built on our competitive advantage and strengths, and successfully executed the first phase of consolidation within the sector. We have scaled investments in content up and down to suit dynamic market conditions and tapped into equity and debt markets as appropriate.

We now find ourselves well positioned to take advantage of the various market opportunities in the broader entertainment space within India and internationally. Armed with a robust balance sheet and with strong free cash flows, the outlook for Eros is extremely encouraging.

OPERATING REVIEW

Our business model is built around securing content through co-productions, acquisitions or output deals and monetizing the content through our global distribution network across formats along with our library of over 2,000 films.

Investment in Content

Since the AIM listing in 2006, the Company has invested US$ 475 million in content advances. We can see the cash flow cycle turning around this year with net cash flow from operations before interest and taxes of US$ 121.3m exceeding the content capital expenditure in the year of US$ 81.5m. Of the investment of US$475 million, film content of US$362 million has been released with 93% or US$ 336 million flowing back following exploitation. The US$ 352 million of released content equates to 256 film releases as well as catalogue investments in line with the Group's portfolio approach strategy.

As an early mover into the market, and anticipating competition to follow, the Group had tied up key talent and secured 2-3 year output deals with the investment peaking in 2008. This strategy has proven successful as 2009 saw content prices increase dramatically for the industry as a whole, but the Company's content capex had already begun to normalise. We expect this content capital expenditure stabilisation to continue in the future. Tying up the right talent and projects at the right time at the right prices has given the Group a considerable advantage.

Content Pipeline

Eros has full visibility of its film slate for 2011 as well as 2012. Some of the major Hindi releases are showcased below:

Film name	**Star Cast/ (Director)**	**Production House**	**Tentative Release date**	**Status**
Housefull	Akshay Kumar, Deepika Padukone (Sajid Khan)	Sajid Nadiawala & Grandson	April 2010	Released
Paathshala	Shahid Kapur, Ayesha Takia	Paperdoll Productions	April 2010	Released
Anjaana	Ranbir Kapur,	Sajid	September	Post

Anjaanee	Priyanka Chopra (Siddharth Anand)	Nadiawala & Grandson	2010	production
Golmaal Returns 3	Ajay Devgan, Kareena Kapur (Rohit Shetty)	Ashtavinayak Films	November 2010 (Diwali)	Post production
No Problem	Anil Kapoor, Sanjay Dutt (Anees Bazmee)	Anil Kapoor Film Company	December 2010	Post production
Toonpoor ka Superhero	Ajay Devgan, Kajol (animation)	Big Screen Entertainment	December 2010	Post production
Mausam	Shahid Kapur, Sonam (Pankaj Kapur)	Cinergy/ Vistaar Religare	February 2011	Principal photography
Agent Vinod	Saif Ali Khan, Kareena Kapoor (Sriram Raghavan)	Illuminati Films	Tbc 2011	Principal photography
Untitled	Saif Ali Khan, TBC	TBC	Tbc 2012	Development
RA. One	Shahrukh Khan, Kareena Kapoor (Anubhav Sinha)	Red Chillies Entertainment	Tbc 2011	Principal photography
Desi Boys	Akshay Kumar, John Abraham, Deepika (Rohit Dhavan)	Next Gen	Tbc 2011	Principal photography October
Untitled	Tbc	Boney Kapoor	Tbc 2012	Development
Untitled	Tbc	Red Chillies	Tbc 2011	Pre-Production
Rockstar	Ranbir Kapoor (Imtiaz Ali) Music A R Rehman	Ashtavinayak Films	Tbc 2011	Principal photography

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

Moving to the co-production model has allowed Eros to control the cost, quality and mix of the film slate and at the same time scale rapidly. Since these are project specific, the working capital cycle is more efficient (12-18 months) and the co-production slate is supported by other acquisitions where the working capital cycle is even shorter (6-8 months with almost 50% of the cost to be funded upon delivery of the film).

The Hindi and Tamil catalogue of over 2,000 films which includes blockbusters of recent times as well as classic and evergreen movies is one of the most valuable assets of Eros. The constant monetization of the catalogue along with the new release portfolio as a bundle is one of the key distribution advantages that Eros has over other players in the market and which makes its business model akin to that of a Hollywood studio.

Financial Review

This financial review is primarily based upon the comparison of our results for the year ended 31 March 2010 with those of 31 March 2009. Unless otherwise stated percentage growth relates to the percentage comparison between these two years.

Management focus is the Group's key performance indicators which are EBITDA and net debt levels, with an awareness of the increasing the value of the Group's content library and earnings per share.

Group Financial Performance

Revenue was US$ 149.7 million (2009: US$ 156.7 million) and EBITDA US$ 110.4 million (2009: US$ 109.3 million). The decline in revenue partially reflects the fallback in television syndication following 94% growth in the previous year and only a modest increase in theatrical revenues which was capped by the multiplex dispute which reflected theatrical releases in the opening quarter of the financial year.

The income statement includes net financing costs of US$2.3 million (2009: US$ 1.3 million), an amortisation charge for content and other intangibles of US$ 57.5 million (2009: US$57.1million) which leads to a pre-tax profit of US$49.5 million (2009: US$48.4 million).

Segmental Performance

As outlined in the 2009 annual report, the Group has moved its film release slate more towards higher end movie releases in terms of star cast and production house. This saw theatrical revenues increase from US$46.3 million to US$50.2 million representing an 8% increase. The year ended 31 March 2010 figures also showed an increase over those of year end 31 March 2008 which had been US$52.1 million.

Following the significant growth in television syndication revenues in 2009, there was a 17% fall in 2010 to US$52.9 million from US$64.0 million. Underlying these figures the general trend is still moving up as Indian television continues to experience growth in advertising and subscriptions.

Digital and Home Entertainment revenues increased by 1% to US$46.6 million from US$46.2 million. Increases from global video on demand, advertising supported platforms and music as well visual effects offset the continuing decline being experienced in the non-resident Indian DVD market.

Geographic Performance

Revenues in India fell by 3% in the year reflecting the fall in Television Syndication which was offset by growth in theatrical revenues and a strengthening Rupee. European and North American revenues fell reflecting the decline in syndication to main stream Indian TV channels overseas operations and a reduced number of releases. In the Rest of the World catalogue sales helped a marginal 1% increases in revenues.

	2010	**2009**	**Change**	**% Change**
	$'000	**$'000**	**$'000**	
India	**96,221**	**99,316**	**(3,095)**	**(3.1)**
Europe	**19,420**	**22,796**	**(3,376)**	**(14.8)**
North America	**8,094**	**8,907**	**(813)**	**(9.1)**
Rest of World	**25,994**	**25,678**	**316**	**1.2**
	-		**-**	
	-		**-**	
Total	**149,729**	**156,697**	**(6,968)**	**(4.5)**

(Based on customer location)

Earnings Per Share

Basic Earnings per share ("EPS") increased by 4% to 36.5 cents (2009: 35.1 cents) reflecting the increase in profit attributable to the shareholders of Eros. The increase in EPS was marginally diluted by the issue of shares to employees during the year of just under 1% of the existing share capital. Diluted EPS increased 3.4%, the differential of 0.6% to the EPS increase being dueto the minority dilution impact of the ESOP plan set up for employees in the Indian subsidiary Eros International Media Limited.

Financing

A key focus of activities in the current year has been a targeted reduction of the Group's net debt which stood at $US 129.4 million at the beginning of year. As the capital expenditure on content reduced and normalised in the year the Group focussed on ensuring that working capital was also kept in line with the prior year and the end result was that net debt has been reduced to US$ 104.3 million at 31 March 2010.

Though net debt has been reduced the Group still has retained its overall debt facilities to allow it flexibility as opportunities arise. At 31 March 2010 available facilities stood at US$ 215,979,000 giving headroom of US$ 24,060,000. The debt profile has also changed in the year with now 79%% (2009: 67%) being long term borrowings.

Taxation

The overall effective tax rate was 14.4% (2009: 15.6%) which reflected a marginal movement in the profit profile of the Group within the various tax jurisdictions in which it operates. As in the prior year over 60% of the income tax expense related to temporary deferred tax differences. Going forward this mix of Current and Deferred income tax expense will continue to move in line with content capital expenditure year on year movements.

Personnel

The number of personnel employed by the Group over the year averaged 395 against 315 in the prior year.

Eros International Plc

SUMMARISED CONSOLIDATED INCOME STATEMENT

For the year ended 31 March

		Year ended 31 March	
(in thousands of US Dollars)		**2010**	**2009**
Revenue		**149,729**	**156,697**
Cost of sales		**(81,710)**	**(85,190)**
Gross profit		**68,019**	**71,507**
Administrative costs		**(16,157)**	**(20,501)**
Operating profit		**51,862**	**51,006**
Financing costs		**(3,696)**	**(3,111)**
Finance income		**1,387**	**1,850**
Net finance costs		**(2,309)**	**(1,261)**
Impairment of available-for-sale financial assets		**(6)**	**(1,347)**
Profit before tax		**49,547**	**48,398**
Income tax expense		**(7,152)**	**(7,571)**
Profit for the year		**42,395**	**40,827**
Attributable to:			
Owners of the parent		**42,323**	**40,469**

Non-controlling interest		**72**	**358**
		42,395	**40,827**
Earnings per share (cents)			
Basic earnings per share		**36.5**	**35.1**
Diluted earnings per share		**36.1**	**34.9**

Summarised Consolidated statement of other comprehensive income

(in thousands of US Dollars)		**Year ended 31 March**	
		2010	**2009**
Profit for the year		**42,395**	40,827
Revaluation of freehold buildings		**-**	300
Available for sale securities losses taken to equity		**-**	571
Movement in fair value of available for sale securities		1,181	-
Exchange differences on translating foreign operations		3,991	(5,286)
Change in fair value of financial derivatives		773	(5,900)
Total comprehensive income for the period		48,340	30,512
Attributable to:			
Attributable to owners of Eros International Plc		48,268	30,154

Eros International Plc

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2010

(in thousands of US Dollars)		**As at 31 March**	
		2010	2009
ASSETS			
Non-current assets			
Property, plant and equipment		**5,433**	**5,663**
Goodwill		**1,878**	**1,878**
Intangible assets – trade name		**14,000**	**14,000**
Intangible assets – content		**349,228**	**311,772**
Intangible assets - others		**692**	**933**
Available-for-sale investments		**26,581**	**25,170**
Deferred tax assets		**111**	**212**
		397,923	**359,628**
Current assets			
Inventories		**1,794**	**2,008**
Trade and other receivables		**54,795**	**55,930**
Current tax receivable		**3,452**	**2,122**
Cash and cash equivalents		**87,613**	**55,812**
		147,654	**115,872**
Total assets		**545,577**	**475,500**
LIABILITIES			
Current liabilities			

Trade and other payables		**28,397**	**19,570**
Short-term borrowings		**40,478**	**61,379**
Derivative financial instruments		**5,128**	**5,900**
Current tax payable		**363**	**443**
		74,366	**87,292**
Non-current liabilities			
Long-term borrowings		**151,441**	**123,866**
Deferred tax		**12,581**	**6,916**
		164,022	**130,782**
Total liabilities		**238,388**	**218,074**
Net assets		**307,189**	**257,426**
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		**21,349**	**21,210**
Share premium		**128,296**	**127,321**
Translation reserve		**(270)**	**(4,261)**
Reverse acquisition reserve		**(22,752)**	**(22,752)**
Other reserves		**6,817**	**4,863**
Retained earnings		**171,549**	**128,917**
		304,989	**255,298**
Non controlling interest		**2,200**	**2,128**
Total equity		**307,189**	**257,426**

Eros International Plc

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2010

(in thousands of US Dollars)		Year ended 31 March	
		2010	2009
Cash flow from operating activities			
Profit before tax		**49,547**	**48,398**
Adjustments for:			
Depreciation		**1,030**	**1,196**
Share based payment		**309**	**1,130**
Amortisation of intangibles		**57,464**	**57,099**
Non cash items		**1,114**	**81**
Net finance charge		**2,309**	**1,261**
Impairment of available-for –sale financial assets		**6**	**1,347**
Movement in trade and other receivables		**5,049**	**(32,184)**
Movement in inventories		**335**	**37**
Movement in trade payables		**3,990**	**2,141**
Loss on sale of property, plant and equipment		**110**	**-**
Cash generated from operations		**121,263**	**80,506**
Interest paid		**(9,757)**	**(8,000)**
Income taxes paid		**(3,230)**	**(4,319)**
Net cash from operating activities		**108,276**	**68,187**
Cash flows from investing activities			
Purchase of property, plant and equipment		**(598)**	**(1,775)**
Purchase of intangible film rights and related contents		**(81,464)**	**(129,695)**
Purchase of intangible assets others		**(58)**	**(226)**
Sale/(Purchase) of available for sale financial assets		**2**	**(13,220)**
Interest received		**1,387**	**1,785**
Net cash used in investing activities		**(80,731)**	**(143,131)**
Cash flows from financing activities			
Proceeds from issue of share capital		**-**	**19**
(Repayment)/proceeds of short-term borrowings		**(20,901)**	**12,179**
Proceeds from long-term borrowings		**24,186**	**33,353**
Net cash from financing activities		**3,285**	**45,551**
Net increase/(decrease) in cash and cash equivalents		**30,830**	**(29,393)**
Effects of exchange rate changes on cash and cash equivalents		**971**	**(2,496)**
Cash and cash equivalents at beginning of year		**55,812**	**87,701**
Cash and cash equivalents at end of year		**87,613**	**55,812**

Eros International Plc

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2010

(in thousands of US Dollars)

	Share Capital	**Share premium account**	**Translation Reserve**	**Retained Earnings**	**Reverse acquisition reserve**	**Other Reserves**	**Total**	**Non-controlling interest**	**Total Equity**
Balance 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 year	-	-	-	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**

Eros International Plc

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2010

	Share Capital	**Share premium account**	**Translation Reserve**	**Retained Earnings**	**Reverse acquisition reserve**	**Other Reserves**	**Total**	**Non-controlling interest**	**Total Equity**
Balance at 31 March 2008	20,858	127,321	1,025	87,318	(22,752)	(571)	213,199	1,751	214,950

Available for sale securities losses taken to equity	-	-	-	-		571	571	-	571
Revaluation of freehold buildings	-	-	-	-	-	300	300	-	300
Hedging reserves	-	-	-	-	-	(5,900)	(5,900)	-	(5,900)
Currency translation	-	-	(5,286)	-	-	-	(5,286)	-	(5,286)
Net income recognised directly in equity	-	-	(5,286)	-	-	(5,029)	(10,315)	-	(10,315)
Profit for the year	-	-	-	40,469	-	-	40,469	358	40,827
Total comprehensive income for the period	**-**	**-**	**(5,286)**	**40,469**	**-**	**(5,029)**	**30,154**	**358**	**30,512**
Share based payment	**-**	**-**	**-**	**1,130**	**-**	**-**	**1,130**	**-**	**1,130**
Shares issued to minority	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19**	**19**
Shares issued on acquisition	352	-	-	-	-	10,463	10,815	-	**10,815**
Balance at 31 March 2009	**21,210**	**127,321**	**(4,261)**	**128,917**	**(22,752)**	**4,863**	**255,298**	**2,128**	**257,426**

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 on a going concern basis, 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.

EARNINGS PER SHARE

	Year ended 31 March			
	2010		2009	
	Basic	**Diluted**	Basic	Diluted
Earnings (in thousands of US Dollars)				
Earnings attributable to the equity holders of the parent	**42,323**	**42,323**	**40,469**	**40,469**
Potential dilutive effect related to share based compensation scheme in subsidiary undertaking	**-**	**(412)**	**-**	**-**
Adjusted earnings attributable to equity holders of the parent	**42,323**	**41,911**	**-**	**-**
Number of shares (in thousands**)**				
Weighted average number of shares	**115,834**	**115,834**	**115,234**	**115,234**
Potential dilutive effect related to share based compensation scheme	**-**	**187**	**-**	**838**
Adjusted weighted average number of shares	**115,834**	**116,021**	**115,234**	**116,072**
Earnings per share (in US cents)				
Earnings attributable to the equity holders of the parent per share	**36.5**	**36.1**	**35.1**	**34.9**

Publication of non-statutory accounts

The financial information relating to the year ended 31 March 2010 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 2009 is extracted from the statutory accounts which incorporated an unqualified audit report.