



## Eros International Plc Reports Free Cash Flow Positive Fiscal Year 2016 Results

**Isle of Man, UK – June 28, 2016:** Eros International Plc (NYSE: EROS) (“Eros” or “the Company”), a leading global company in the Indian film entertainment industry, today reported financial results for the fourth quarter and fiscal year ended March 31, 2016.

### Financial Highlights

#### Fiscal Year Ended March 31, 2016

- Generated positive Free Cash Flow of \$21.8 million in Fiscal 2016 compared to a loss of \$159.6 million in Fiscal 2015, primarily due to significant increase in operating cash flows of 98.8%
- Net Debt reduced 19.8% to \$129.1 million in Fiscal 2016 as compared \$161.0 million in Fiscal 2015 primarily due to increased free cash flow from operations
- Revenues of \$274.4 million in Fiscal 2016, compared to \$284.2 million in Fiscal 2015, a marginal decrease of 3.4%
- Adjusted EBITDA of \$70.9 million in Fiscal 2016, compared to \$101.2 million in Fiscal 2015<sup>(1)</sup> a decrease of 29.9%

#### Fourth Quarter Ended March 31, 2016

- Revenues of \$65.1 million, compared to \$88.5 million in the prior year period, a decrease of 26.4%
- Adjusted EBITDA of \$14.4 million, compared to \$30.0 million in the prior year period<sup>(1)</sup>, a decrease of 52%

(1) A reconciliation of the non-GAAP financial measures discussed within this release to our GAAP operating results are included at the end of this release. See also “Non-GAAP Financial Measures.”

### Management Comments:

Jyoti Deshpande, Eros’ Managing Director and Group Chief Executive Officer, said:

“We delivered very strong results during Fiscal 2016, underscoring our market leadership and solid business fundamentals. Importantly, we generated positive free cash flow and significantly strengthened our balance sheet by reducing net debt and our trade receivables. During the year, we continued to dominate the box office with three out of the top four films and seven out of the top 15 hits.

“We released 63 films in Fiscal 2016 of which six were high budget films. We are planning to release at least seven high budget films in Fiscal 2017. We saw continued momentum in the first quarter of Fiscal 2017 with three high budget films, *Sardaar Gabbar Singh (Telugu)*, *24 (Tamil)* and *Housefull 3 (Hindi)*, which are all performing well. We have strong television pre-sales for the rest of the new release slate along with catalogue for Fiscal 2017 such as *Dishoom (Hindi)*, *Shivaay (Hindi)*, *Baar Baar Dekho (Hindi)*, *Rock On 2 (Hindi)* and *Banjo (Hindi)*. We also already have deals with Zee, Star and Viacom and Sony that cover a significant part of the product cost, demonstrating the strength of our portfolio de-risking model.

“As of the end of Fiscal 2016, Eros Now has garnered over 44 million registered users as compared to 19 million registered users last year. We are well on our way to achieve our target of one million paying subscribers by the end of Fiscal 2017. Eros Now premiered 26 new release films and a total of 72 digital premieres during the year and has now successfully launched its flagship product feature of download or offline viewing to create subscriber stickiness. Platform distribution across major telecom operators such as Bharti Airtel and Idea Cellular is gaining traction as well as integration deals with OEMs such as Micromax and LeEco are also pushing customer acquisition. We continue to believe and demonstrate that Eros Now is a game-changer for the Company and for online Indian entertainment, especially given the rapidly growing internet and mobile penetration within India.

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2016 AND 2015**  
**(Unaudited; in thousands)**

	Note	As at March 31	
		2016	2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		\$ 10,686	\$ 9,272
Goodwill		1,878	1,878
Purchase price pending allocation		5,561	—
Intangible assets — trade name		14,000	14,000
Intangible assets — content	5	795,139	719,214
Intangible assets — others		2,546	2,204
Available-for-sale financial assets		30,147	29,917
Trade and Other receivables	1	9,521	5,692
Tax Receivable		2,645	—
Restricted deposits		867	613
Deferred tax assets		167	151
<b>Total non-current assets</b>		<b>\$ 873,157</b>	<b>\$ 782,941</b>
<b>Current assets</b>			
Inventories		\$ 287	\$ 475
Trade and other receivables	1	188,361	209,676
Current tax receivable		238	455
Cash and cash equivalents		182,774	153,664
Restricted deposits		1,822	2,322
<b>Total current assets</b>		<b>373,482</b>	<b>366,592</b>
<b>Total assets</b>		<b>\$ 1,246,639</b>	<b>\$ 1,149,533</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		\$ 65,178	\$ 29,453
Short-term borrowings	2	219,275	96,397
Current tax payable		6,234	2,631
<b>Total current liabilities</b>		<b>\$ 290,687</b>	<b>\$ 128,481</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2	\$ 92,630	\$ 218,273
Other long term liabilities		536	354
Derivative financial instruments		22,850	19,284
Deferred tax		30,842	27,086
<b>Total non-current liabilities</b>		<b>\$ 146,858</b>	<b>\$ 264,997</b>
<b>Total liabilities</b>		<b>\$ 437,545</b>	<b>\$ 393,478</b>
<b>EQUITY</b>			
Share capital	3	\$ 30,793	\$ 30,622
Share premium		356,865	345,385
Reserves		423,151	389,682
Other components of equity		(53,310)	(43,881)
JSOP reserve		(17,167)	(24,474)
<b>Equity attributable to equity holders of Eros International Plc</b>		<b>\$ 740,332</b>	<b>\$ 697,334</b>
Non-controlling interests		68,762	58,721
<b>Total equity</b>		<b>\$ 809,094</b>	<b>\$ 756,055</b>
<b>Total liabilities and shareholder's equity</b>		<b>\$ 1,246,639</b>	<b>\$ 1,149,533</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2016, AND 2015**  
(Unaudited; in thousands)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Cash flow from operating activities</b>			
Profit before tax		\$ 25,999	\$ 62,508
Adjustments for:			
Depreciation		1,154	1,089
Share based payment	4	30,992	21,915
Amortization of intangible film and content rights		128,303	117,254
Amortization of other intangible assets		1,131	608
Other non-cash items	9	4,562	17,005
Net finance costs		8,010	5,861
Movement in trade and other receivables		19,690	(93,975)
Movement in inventories		189	67
Movement in trade and other payables		31,457	1,361
(Gain) on sale of property, plant and equipment		(3)	(9)
Cash generated from operations		251,484	133,684
Interest paid		(12,536)	(6,929)
Income taxes paid		(4,349)	(8,800)
<b>Net cash generated from operating activities</b>		<b>\$ 234,599</b>	<b>\$ 117,955</b>
<b>Cash flows from investing activities</b>			
Advance given to an undertaking		\$ —	\$ (2,465)
Purchase of available for sale investment		(230)	—
Purchase of property, plant and equipment		(2,710)	(529)
Proceeds from disposal of property, plant and equipment		56	29
Investment in restricted deposits held with banks		77	(2,935)
Acquisition of cash and cash equivalent in subsidiary		263	—
Purchase of intangible film rights and content rights		(211,253)	(276,216)
Purchase of other intangible assets		(1,500)	(1,322)
Interest received		2,935	4,198
<b>Net cash used in investing activities</b>		<b>\$ (212,362)</b>	<b>\$ (279,240)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital, net of transaction costs		\$ 5,414	\$ 110,027
Proceeds from issue of shares by subsidiary		137	1,477
Proceeds from issue out of treasury shares		6,294	888
Proceeds from/(Repayment of) short term debt with maturity less than three months (net)		1,918	(2,983)
Proceeds from short term debt		79,695	69,815
Repayment of short term debt		(72,746)	(65,296)
Proceeds from long term debt net of transaction costs of \$139 (2015: \$1,909)		13,847	91,206
Repayment of long term debt		(26,962)	(27,573)
<b>Net cash generated from financing activities</b>		<b>\$ 7,597</b>	<b>\$ 177,561</b>
Net increase in cash and cash equivalents		29,834	16,276
Effects of exchange rate changes on cash and cash equivalents		(724)	(8,061)
Cash and cash equivalents at beginning of year		153,664	145,449
<b>Cash and cash equivalents at the end of year</b>		<b>\$ 182,774</b>	<b>\$ 153,664</b>