



Eros International Plc Reports Strong Revenue and Profit Growth in FY 2018

- *Eros Now paying subscribers grew 276% year-over-year in FY 2018*
- *Operating profit growth of 151.6% year-over-year in FY 2018*
- *41.1% increase in FY 2018 Adjusted EBITDA and margin expansion to 30.1%*
- *Formed new Reliance Eros Productions LLP to co-produce and consolidate content with \$150 million joint fund*
- *Eros Now has the largest market share of premium Indian OTT film content*

Isle of Man - June 27, 2018: Eros International Plc (NYSE: EROS) (“Eros” or “the Company”), a leading global Indian Film and Digital Studio today announced unaudited financial results for the fiscal year and quarter ended March 31, 2018.

Financial Highlights:

FY 2018 Highlights	Q4 FY 18 Highlights
<ul style="list-style-type: none"> • Revenue of \$261.3 million, increase of 3.3% year-over-year • Operating profit of \$63.9 million, increase of 151.6% year-over-year • Operating profit margin expanded to 24.5% • Adjusted EBITDA of \$78.6 million, increase of 41.1% year-over-year • Adjusted EBITDA margin expanded to 30.1% • Consolidated net leverage of 2.41x 	<ul style="list-style-type: none"> • Revenue of \$71.9 million, increase of 36.4% year-over-year • Operating profit of \$21.2 million, increase of 360.9% year-over-year • Operating profit margin expanded to 29.5% • Adjusted EBITDA of \$24.1 million, increase of 156.4% year-over-year • Adjusted EBITDA margin expanded to 33.5%

Key Business Highlights:

- As of March 31, 2018, Eros Now paying subscribers increased 276% to 7.9 million from 2.1 million as of March 31, 2017. Over that same period, registered users have grown to over 100 million.
- Eros Now has the largest market share of premium Indian OTT film content. Eros Now is targeting 16 million paying subscribers by Fiscal Year 2019.

- Eros' Fiscal Year 16 blockbuster Bajarangi Bhaijan was released in China on March 2, 2018, and since that time, has grossed approximately \$45 million in the Chinese box office.
- Reliance Industries Ltd (“RIL” or “Reliance”) agreed to acquire a 5% equity stake in Eros at a price of \$15 per share, an 18% premium to the closing price on February 16, 2018.
- On a pro forma basis including the \$48 million equity investment from RIL, Eros' net debt as of March 31, 2018 is \$141.2 million and the net leverage ratio is 1.8x. The RIL 5% equity investment will fund following final regulatory remittance approval.
- Eros and RIL partnership formed Reliance Eros Productions LLP which will make new strides on the digital and content forefronts, benefitting from the platform synergies across technology, content and digital platforms.
- Eros has strengthened its management team and made several strategic hires across business units. The senior management team consists of over 25 key executives with deep experience in digital media, advertising, finance and accounting.
- Eros raised \$100 million in an equity-linked financing in December 2017. The proceeds were used for general corporate purposes, as well as content acquisitions and increased investment in Eros Now, including series and originals and to refinance an existing credit facility.
- Eros Now recently launched its first worldwide direct-to-digital original film, Meri Nimmo, in association with acclaimed director Aanand L Rai, to positive critical reception.
- From March 2017 to June 27, 2018, Eros Now had 33 exclusive digital premieres on the platform including *Sniff*, *Munna Michael*, *Mukkabaaz*, *Baar Baar Dekho*, *Sarkar 3* and *Tanu Weds Manu*, amongst others.
- Over the next year, Eros Now is planning to launch a stable of feature films, made-for-digital originals films and over 20 original episodic programs, all of which will be available exclusively on Eros Now to paying subscribers. Three original series - *Flip*, *Smoke* and *Side Hero*, will be launched at the beginning of September.

Kishore Lulla, Eros' Group Executive Chairman and Chief Executive Officer, stated: “I am extremely proud of the hard work by the entire team in helping to drive a strong financial and operating performance in Fiscal 2018. This has been a landmark year for Eros for several reasons, including reaching 7.9 million paying subscribers for Eros Now at year end and signing a ground-breaking partnership with Reliance, to name a few.

The digital landscape in India has evolved rapidly over the past few years and, as we have highlighted before, is dominated by the mobile internet and smartphones. Our partnerships with the major Indian mobile operators have enabled us to cast a wide net and reach the majority of the addressable 3G/4G market. This has given us a head-start in the OTT space to engage and entertain millions of consumers eager for premium content at a competitive price. Going forward, our plan is to focus our investments in new, cutting-edge original content to cement our leadership position and grow our direct-to-consumer subscriber base. We are also renewing our efforts to market and reach more consumers outside of India – especially in markets like the US, Europe and Asia.

I believe that our strong balance sheet, market leadership and differentiated business strategy gives us a powerful and sustainable competitive advantage as we consolidate our position within the rapidly growing Indian media and entertainment sector. I want to thank everyone for their continued support on our journey.”

Rishika Lulla, Chief Executive Officer, Eros Now commented: “Over the past 40 years Eros has been entertaining consumers with compelling content, both within India and abroad. With Eros Now serving as a leading OTT film content player, we are well positioned to dominate the global entertainment market, meeting the needs of users worldwide, hungry for fresh ‘Originals’ and bollywood content. We are also focused on bringing ‘all round entertainment’ to consumers. To do this, in the coming few weeks and months you will see the addition of new genres in Eros Now, like tie-ups to use existing famous characters; a broader focus on sports – similar to our alliance with Royal Challengers Bangalore (RCB) in IPL 2018 and other opportunities to fulfil the ever-growing entertainment appetite of global consumers.

Apart from Indian diaspora abroad, in India with internet penetration continuing to grow our aim is to be the source of entertainment in 100 cities across the country, up from our current penetration of 50 cities. This is a significant expansion aimed at capturing an even larger audience, which will in-turn support our continued growth into the future.”

Prem Parameswaran, Group Chief Financial Officer and President of North America, also commented: “I am pleased with our fiscal year 2018 performance, highlighted by strong top-line growth, margin expansion, continued balance sheet strength and solid subscriber additions out of our Eros Now business. Despite a modest release slate of 24 films, we were able to generate revenue growth and margin expansion at the group level largely thanks to growth in Eros Now buoyed by global sales of our film catalogue.

We are excited about our North American marketing campaign for Eros Now, and continue to believe there is significant appeal for our offering in the US given the large non- resident Indian community and our cutting edge content releases. We remain well-capitalized and have adequate liquidity and resources to continue our expansion of Eros Now and invest in compelling content. Pro forma for the effect of the Reliance equity investment we will have over \$135 million of cash on the balance sheet and net leverage of 1.8x.”

Market Share and Demographics

With a population of over 1.3 billion, India has as many as 23 languages spoken across the country. In India and the Indian diaspora abroad, Indian’s have a huge appetite for entertainment and the demand for content in multiple languages is only growing.

Regional films available on OTT platforms in India comprise 93% of the total division while only 7% are foreign language films. Out of the 93% of films, around 60% of films are in Hindi and the remaining portion comprises films from various other regional languages.

Eros Now has the largest market share of premium Indian OTT film content. On average, Eros Now consumers spend 20 minutes per month on the platform. Eros Now holds digital rights to over 11,000 films, of which approximately 5,000 are owned in perpetuity, and offers the most diversified multi-lingual movie library in the Indian OTT segment. Tamil films represent 24% of the entire share apart from Hindi, Telugu, Kannada, Malayalam and other regional languages, satisfying the entertainment needs of Indians across the world.

Subscriber Base

With falling smartphone prices, reduced data costs and increasing mobile data speed, consumers are getting hooked on to streaming content available on VOD platforms. With the flexibility of viewing content at any hour of the day, OTT platforms are fast becoming a favoured entertainment destination for youth. In fact, currently, 80% of the OTT content consumers are under 30 years old and are starting to pay a premium for their choice of content.

- As of March 31, 2018, Eros Now has exceeded 100 million registered users and 7.9 million paying users worldwide across APP, WAP and Web.
- The figures represent a 58% increase over the last reported quarter and a 276% increase from 2.1 million paying subscribers in Fiscal Year 17.
- The paying subscriber base is expected to double over the next 12 months to approximately 16 million by Fiscal Year 2019.

Partnerships and Achievements

- Eros Now made **its IPL debut in Season 11 as the title sponsor of Virat Kohli captained team, Royal Challengers Bangalore (RCB)**. The collaboration was a part of the Company's endeavour to build a truly digital video brand with Indian users and provide the best of entertainment the country has to offer as well as money can't buy experiences for both Eros Now and IPL fans.
- **Dun & Bradstreet Report featured Eros International in 'India's Top 500 Companies'**. Eros International was featured for the third consecutive year in India's Top 500 Companies as a leading Media company.
- Eros Now and Reliance Jio renewed their platform integration deal. With the renewal, Jio subscribers gained access to Eros Now's high-quality content including full-length movies and thematically curated playlists and functions such as multi-language subtitles for movies, music video playlists, regional language filters, video progression and a watch list of titles.
- Beginning in 2015 with Eros Now's groundbreaking *TV se Pehle* digital premiering efforts, Eros Now has digitally premiered 137 films on the platform in nine different languages including Hindi, English, Tamil (*Mo*), Bengali (*Monchora*), Marathi (*Guru*), Gujarati, Malayalam (*White*), Telugu and Punjabi. The digital premieres span a wide range of genres, several high profile digitally-premiered films include: *Bajrangi Bhaijan*, *Bajirao Mastani*, *the Lunchbox*, *Prem Ratan Dhan Payo*, *PK*, *Tanu Weds Manu Returns* and *Aligarh*.
- Eros Now is currently live on Samsung TV.
- Eros Now has entered the Sri Lankan market through a partnership with Dialog Axiata, Sri Lanka's premier connectivity provider, and will be available on the Dialog ViU app.
- Over the past year, Eros Now has successfully been premiering a new film on a bi-monthly basis across Hindi and regional languages.
- Eros Now has a deep library of short-form content, totaling over 4,400 hours of short-form videos including music videos, trailers, original short exclusive interviews and marketing shorts.
- Eros Now launched Eros Now Betz, a unique app created for millions of football lovers globally. With Eros Now Betz, users will be able to earn points for every correct prediction that they make while the matches are being played in real-time.

Technology Update

- Eros is extending its technological expertise in content curation by using world-class technology for Eros Now original content. Each original is/will be given the treatment of a film in terms of technology used and the detailing it requires from cinematography to production at which it is created.
- Eros Now technology gives consumers the ease of maneuverability, which no other OTT platform provides including categorization, search-ability and stacking of content under different domains for easy consumer access.
- Eros Now believes in uninterrupted entertainment. Even though the platform looks at monetizing the business through its subscription services, core to Eros's 40 years legacy and philosophy of non-intrusive advertisement remains to be the chosen way.
- Eros Now is available on App Store, Play Store for download and can be streamed on any device including Android, Amazon Fire TV stick, Android TV, Apple TV, Opera TV, making the entertainment experience platform agnostic. Having tie-ups across payment gateways and financial systems worldwide it gives a seamless experience to the consumers for payments and downloads.

Business Outlook

- Eight films were released in Q4 Fiscal Year 2018, of which one was a medium budget film and seven were low budget films as compared to five films in Q4 Fiscal Year 2017, of which one was medium budget and

four were low budget films. This is in line with the Eros strategy of developing its own intellectual property and concentrating on content-driven films rather than high budget star-driven films.

- *Mukkabaaz* (Hindi), *Raid* (Overseas) (Hindi), *Aamhi Doghi* (Marathi) and *Rong Beronger Kori* (Bengali) were the main revenue contributing films during the quarter.
- Eros has a compelling film slate planned for Fiscal Year 2019, including films such as a trilingual remake of its classic library film “*Haathi Mere Saathi*” directed by Prabhu Salomon, starring Rana Daggubati as well as “*Bhavesh Joshi*”, “*Happy Phir Bhag Jayegi*” starring Sonakshi Sinha. Eros looks forward to releasing Bengali, Marathi, Tamil, Punjabi, and Malayalam films during the year.
- Eros’ Fiscal Year 16 blockbuster *Bajarangi Bhaijan* was released in China on March 2, 2018, and since its release, has grossed approximately \$45 million. Given this success and continued demand for differentiated, premium content in China, Eros is in discussions with its Chinese partners to distribute additional films from its catalogue, as well as to develop and distribute Indo-China co-productions. We are currently targeting to begin the production of two Indo-China co-productions this fiscal year, including *The Zookeeper*.

Eros Now

Eros successfully premiered India’s first straight to digital film, Eros Now original, “*Meri Nimmo*” on the platform and is excited for its slate of originals that are being produced internally in partnership with the best talent. Global concepts that will entertain audiences are being produced internally. A selection of upcoming titles includes:

- ***Smoke***: An unflinching look at the politics within the drug mafia that resides in the intoxicant riddled underbelly of its tropical paradise, Goa. *Smoke* is led by an all-star cast including Jim Sarbh, Gulshan Devaiah, Kalki Koechlin, Mandira Bedi, Tom Alter amongst others. (Target release October 2018)
- ***Blue Oak Academy***: A teen-drama thriller that follows one young boy’s quest to exact revenge with the most prestigious academic institution of the nation.
- ***Side Hero*** with Rohan Sippy: Featuring Kunaal Roy Kapur as a fictionalised version of himself – the less successful younger brother of a hotshot Bollywood producer and star – this comedy-drama follows Kunaal trying to land a leading role in a bid to prove that his profession of acting is not just a ‘hobby.’ (Target release October 2018)
- ***Toffee*** by Tahira Kashyap (Short Film): A coming of age story that looks at the friendship between two girls from opposite ends of the social spectrum and how they look towards the life that lies ahead of them. (Currently live on Eros Now)
- ***August 25th*** starring Rajat Kapoor (Short Film): A sci-fi drama that considers the possibility of time travel and the doors that might open up for mankind. (Currently live on Eros Now)
- ***Flesh*** with Siddharth Anand: An eight-year-old girl goes missing and her NRI parents are forced to seek the help of a suspended female cop in their search for her. An ex-human trafficker is blackmailed to join the search or else risk his sinful past catching with him.
- ***Bhumi with Pavan Kriplani***: *Bhumi* is a survival thriller set in a dystopian version of Delhi which begs the question, how far is our reality from this supposedly fictional dystopia?
- ***Dashavatar***: A mythology series based on the ten incarnations of Lord Vishnu.
- ***Minerva Mills Malady***: Following the Minerva Mills Case in the 1970s through the eyes of the petitioners.
- ***Kurukshetra***: with one of the writers from *Bahubali*: The tribals thought they were Gods. The army thought they were militants. What they turn out to be, are five children with ‘superpowers’ emerging from a genetic mutation. And with destinies that, almost uncannily, resemble the trajectory of the Mahabharata.
- ***Meri Nimmo*** : Straight to digital feature movie. The story revolves around Nimmo (Patil), who is soon to be wed. Her only friend, and constant companion is a little boy (Dave) who also has a massive crush on her. While the little boy's innocence prevents him from understanding the complications of marriage, it does not prevent him from trying some wacky ideas to keep his love from marrying someone else. (Live on Eros Now).

Theatrical Release Slate

Eros has a solid stable of upcoming theatrical releases covering many genres and regional languages. Selected key titles include:

Film Name	Star Cast/(Director/Producer)	Language	Tentative Release
Good Night City	Rituparna Sengupta, Saswata Chatterjee (Kamaleswar Mukherjee)	Bengali	Q1 FY2019
Bhavesh Joshi	Harshvardhan Kapoor (Vikram Motwane / Phantom Films)	Hindi	Q1 FY2019
Manmarziyaan	Abhishek Bachchan, Vicky Kaushal, Tapsee Pannu (Anurag Kashyap / Colour Yellow Productions)	Hindi	Q2 FY2019
Happy Pill	Ritwick Chakraborty, Sohini Sarkar (Mainak Bhowmick)	Bengali	Q2 FY2019
Happy Phir Bhaag Jayegi	Sonakshi Sinha, Abhay Deol, Jimmy Shergill (Mudassar Aziz / Colour Yellow Productions)	Hindi	Q2 FY2019
Kishore Kumar Jr.	Prosenjit Chatterjee, Aparajita Adhya (Kaushik Ganguly)	Bengali	Q3 FY2019
Mumbai Pune Mumbai 3	Swapnil Joshi, Mukta Barve	Marathi	FY2019
7 Kadam	Amit Sadh, Diksha Seth, Ronit Roy & Others / (Mohit Kumar Jha)	Hindi	FY2019
Haathi Mere Saathi	Rana Dugabatti (Prabhu Soloman)	Hindi / Tamil / Telugu	FY2019
Ticket to Bollywood	Amyra Dastoor, Diganth Manchale / (Eros)	Hindi	FY2019
Kaptan	Saif Ali Khan, Zoya and others (Navdeep Singh / Colour Yellow Productions)	Hindi	FY2019
Nervazhi	Nayanthara (Bharath Krishna)	Tamil	FY2019
Untitled	(Homi Adajania / Maddock Films)	Hindi	FY2019
Jaita	Harman Baweja (Harry Baweja)	Hindi	FY2019
Guru Tegh Bahadur	(Harry Baweja)	Punjabi	FY2019
Kaamiyab	(Drishyam Films)	Hindi	FY2019
Cobra	Gautam Ghulati, Tarun Khanna, Nyra Banerjee, Ruhi Singh (Munesh Rawal)	Hindi	FY2019
Untitled	Ravi Vasudevan	Malayalam	FY2019
Annum Pennum	Rajish Parameshwaran	Malayalam	FY2019

Untitled	(Vijith Nambiar)	Malayalam	FY2019
Panda (Indo-China)	(Kabir Khan)	Hindi	FY2020
Tannu Weds Manu 3	(Anand L Rai)	Hindi	FY2020
Chandamama Door Ke	Sushant Singh Rajput, Nawazuddin Siddiqui (Sanjay Puran Singh)	Hindi	FY2020
Pitch White	(Vipul Shah)	Hindi	FY2020
Untitled	(Rahul Dholakia / Next Gen Films)	Hindi	FY2020
Ankhen 2	Amitabh Bachchan & Others	Hindi	FY2020
Heer	(Colour Yellow Productions)	Hindi	FY2020
Fake	(Raj & DK)	Hindi	FY2020
Re-Union	(Sujoy Ghosh)	Hindi	FY2020
Hera Pheri -3	Suniel Shetty and others	Hindi	FY2020
Phobia 2	(Next Gen Films - Pawan Kriplani)	Hindi	FY2020
Shubh Mangal Savdhan - 2	(Colour Yellow Productions)	Hindi	FY2020
2 Guns	(Krishna Jagarlamudi)	Hindi	FY2020
R. Rajkumar 2	(Prabhu Deva / Next Gen Films)	Hindi	FY2020
Khalifey	Sanjay Dutt, Saif Ali Khan, Arshad Warsi (Prakash Jha)	Hindi	FY2020
Make in India	(Next Gen Films)	Hindi	FY2020
Jugaadu	Harman Baweja	Hindi	FY2020
1234 (Part 2)	Suniel Shetty, Paresh Rawal (Ashwni Dhir)	Hindi	FY2020

Conference Call:

The Company will host a conference call on Wednesday, June 27, 2018, at 8:30 AM Eastern Standard Time.

To access the call please dial 929-477-0324 or 800-289-0571 from the United States, or 44 (0) 330 336 9125 or 44 (0) 800 358 6377 from outside the U.S. The conference call I.D. number is 8689779. Participants should dial in 5 to 10 minutes before the scheduled time.

A replay of the call can be accessed through July 4, 2018 by dialing 719-457-0820 or 888-203-1112 from the U.S., or 44 (0) 207 660 0134 or 44 (0) 808 101 1153 from outside the U.S. The conference call I.D. number is 8689779. The call will be available as a live webcast, which can be accessed at Eros' Investor Relations website.

About Eros International Plc

Eros International Plc (NYSE: EROS) is a leading global company in the Indian film entertainment industry that acquires, co-produces and distributes Indian films across all available formats such as cinema, television and digital new media. Eros International Plc became the first Indian media company to list on the New York Stock Exchange. Eros International has experience of over three decades in establishing a global platform for Indian cinema. The Company has an extensive and growing movie library comprising of over 3,000 films, which include Hindi, Tamil, and other regional language films for home entertainment distribution. The Company also owns the rapidly growing OTT platform Eros Now. For further information, please visit: www.erosplc.com.

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Eros International Plc Financial Highlights:

(dollars in millions)	Three Months Ended March 31			Fiscal Ended March 31		
	2018	2017	% change	2018	2017	% change
Revenue	\$ 71.9	\$ 52.7	36.4	\$ 261.3	\$ 253.0	3.3
Gross profit	37.9	20.4	85.8	126.5	88.8	42.5
Operating profit	21.2	4.6	360.9	63.9	25.4	151.6
Adjusted EBITDA(1)	24.1	9.4	156.4	78.6	55.7	41.1

(1) Reconciliations 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.”

Financial Results for the Three and Twelve Months Ended March 31, 2018

Revenue

In fiscal 2018, Eros film slate comprised 24 films of which one was high budget, four were medium budget and 19 were low budget as compared to 45 films of which five were high budget, ten were medium budget and 30 were low budget in fiscal 2017. In the three months ended March 31, 2018, Eros film slate comprised 8 films of which one was medium budget and seven were low budget as compared 5 films in the three months ended March 31, 2017, of which one was medium budget and four were low budget.

In fiscal 2018, the Company’s slate of 24 films comprised 14 Hindi films, 1 Tamil/Telugu films and 9 regional films as compared to the same period last year where its slate of 45 films comprised 12 Hindi films, 18 Tamil/Telugu films and 15 regional films. In three months ended March 31, 2018, the Company’s slate of 8 films comprised 6 Hindi films and 2 regional film as compared to the same period last year where its slate of 5 films comprised 2 Tamil/Telugu films and 3 regional films.

For the three months ended March 31, 2018, revenue increased by 36.4% to \$71.9 million, compared to \$52.7 million for the three months ended March 31, 2017. For the twelve months ended March 31, 2018, revenue increased by 3.3% to \$261.3 million, compared to \$253.0 million for the twelve months ended March 31, 2017.

For the three months ended March 31, 2018, aggregate theatrical revenues increased by 87.1% to \$23.2 million from \$12.4 million for the three months ended March 31, 2017, mainly due revenues from theatrical release of Bajrangi Bhaijaan in China.-In the twelve months ended March 31, 2018, the aggregate theatrical revenues decreased by 21.7% to \$79.1 million from \$101 million for the twelve months ended March 31, 2017. The decrease in theatrical revenues reflects the mix of films released in each period as reflected in the table below.

For the three months ended March 31, 2018, aggregate revenues from television syndication increased by 22.5% to \$27.2 million from \$22.2 million for the three months ended March 31, 2017, mainly due to higher new release television revenues and strong catalogue revenues. In the twelve months ended March 31, 2018, the aggregate revenues from television syndication increased by 10.5% to \$97.2 million from \$88 million for the twelve months ended March 31, 2017. This was due to strong catalogue sales in fiscal 2018 to offset the weaker new release slate.

For the three months ended March 31, 2018, the aggregate revenues from digital and ancillary increased by 18.8% to \$21.5 million from \$18.1 million for the three months ended March 31, 2017 again reflecting the film slate mix in the comparable periods as well as revenue contribution from Eros Now. In the twelve months ended March 31, 2018, the aggregate revenues from digital and ancillary increased by 32.8% to \$85.0 million from \$64.0 million for the twelve months ended March 31, 2017 mainly driven by catalogue monetization strategy, revenues from Eros Now and contribution from other ancillary revenues streams.

Three months ended	High	Medium	Low	Total
March 31, 2018	-	1	7	8
March 31, 2017	-	1	4	5

Twelve months ended	High	Medium	Low	Total
March 31, 2018	1	4	19	24
March 31, 2017	5	10	30	45

Revenue from India increased by 26.9% to \$25.0 million in the three months ended March 31, 2018, compared to \$19.7 million in the three months ended March 31, 2017 mainly driven by catalogue monetization strategy, and contribution from other ancillary revenues streams. In the twelve months ended March 31, 2018, revenue from India decreased by 19.6% to \$98.1 million, compared to \$122 million in the twelve months ended March 31, 2017. The decrease was mainly due to mix of films released in fiscal 2018 compared to fiscal 2017.

Revenue from Europe decreased by 31.1% to \$7.3 million in the three months ended March 31, 2018, compared to \$10.6 million in the three months ended March 31, 2017. In the twelve months ended March 31, 2018, revenue from Europe increased by 5.1% to \$27 million, compared to \$25.7 million in the twelve months ended March 31, 2017. This was on account of increased catalogue sales and partially offset by decrease in theatrical revenues.

Revenue from North America increased by 400% to \$0.5 million in the three months ended March 31, 2018, compared to \$0.1 million in the three months ended March 31, 2017. In the twelve months ended March 31, 2018, revenue from North America decreased by 52% to \$1.2 million, compared to \$2.5 million in the twelve months ended March 2017. This was on account of relatively lower theatrical revenues from the film slate and lower catalogue revenues.

Revenue from rest of the world increased by 75.7% to \$39 million in the three months ended March 31, 2018, compared to \$22.2 million in the three months ended March 31, 2017. In the twelve months ended March 31, 2018, revenue from the rest of the world increased by 31.2% to \$134.9 million, compared to \$102.8 million in the twelve months ended March 31, 2017, mainly due to increased catalogue revenues and theatrical release of film Bajrangi Bhaijaan in China partially offset by decrease in theatrical revenues.

Cost of sales

For the three months ended March 31, 2018, cost of sales increased by 5.6% to \$34.1 million compared to \$32.3 million in the three months ended March 31, 2017. The increase was mainly because of higher amortisation costs associated with the comparable film mix and lower marketing and advertising costs. For the twelve months ended

March 31, 2018, cost of sales decreased by 18% to \$134.7 million compared to \$164.2 million in twelve months period ended March 31, 2017, primarily due to decrease in cumulative amortization costs of \$20 million in twelve months ended March 2017 associated with less comparable film mix.

Gross profit

For the three months ended March 31, 2018, gross profit increased by 85.8% to \$37.9 million, compared to \$20.4 million in the three months ended March 31, 2017. As a percentage of revenues, the company's gross profit margin was 52.7% in the three months ended March 31, 2018, compared to 38.7% in the three months ended March 31, 2017.

In fiscal 2018 gross profit increased by 42.5% to \$126.5 million, compared to \$88.8 million in fiscal 2017. As a percentage of revenues, our gross profit margin was 48.4% in the fiscal 2018, compared to 35.1% in fiscal 2017. This was mainly due to strong catalogue sales and lower amortization charge associated to lower cost of comparable film mix.

Administrative costs

For the three months ended March 31, 2018, administrative costs increased by 5.1% to \$16.6 million compared to \$15.8 million for the three months ended March 31, 2017. In fiscal 2018, administrative costs decreased by 1.1% to \$62.6 million compared to \$63.3 million for the fiscal, 2017, due to lower share-based compensation cost.

EBIT

For the three months ended March 31, 2018, EBIT decreased to \$(7.8) million compared to \$4.9 million in the three months ended March 31, 2017. In fiscal 2018, EBIT decreased by 56.7% to \$17.2 million, compared to \$39.7 million in fiscal 2017. The decrease in EBIT for the year is primarily on account of occurrence of significant non-cash expenses amounting \$51 million partially offset by increase in gross margin and decrease in administrative costs. Increase in non-cash expenses has mainly arisen on account of loss from de-investment in subsidiaries, issuance of convertible notes accounted at Fair Value Through Profit and Loss (FVTPL), credit impairment loss etc.

Adjusted EBITDA

For the three months ended March 31, 2018, adjusted EBITDA increased by 156.4% to \$24.1 million compared to \$9.4 million in the three months ended March 31, 2017. In fiscal 2018, adjusted EBITDA increased by 41.1% to \$78.6 million, compared to \$55.7 million in fiscal 2017 primarily due to our improved margins reflecting the higher proportionate of catalogue revenues, relative to the lower cost of the mix of new film releases and the resulting lower amortization charge.

Net finance costs

For the three months ended March 31, 2018, net finance costs decreased by 19.4% \$5.0 million, compared to \$6.2 million in the three months ended March 31, 2017. In fiscal 2018, net finance costs increased by 3.5% to \$17.8 million, compared to \$17.2 million in fiscal 2017, mainly due to lower income from financing activities and increased borrowing costs.

Income tax expense

In fiscal 2018, the provisions for income taxes were \$9.1 million, compared to \$11.0 million in fiscal 2017, respectively. Effective income tax rates were 19.6% and 31% for fiscal 2018 and 2017, respectively excluding non-deductible share-based payment charges and other non-taxable expenses. The change in effective rate principally reflects a change in the pattern of the profits subject to income tax amongst our subsidiaries.

Net Income

In fiscal 2018, net income decreased by 184.3% to \$(9.7) million compared to \$11.5 million for the fiscal, 2017 which was mainly on account of non-cash expenses in fiscal 2018 against non-cash (income) of \$ 10 million in fiscal 2017.

Trade Receivables

As of March 31, 2018, Trade Receivables decreased to \$225.0 million from \$226.8 million as of March 31, 2017.

Net Debt

As of March 31, 2018, net debt increased to \$189.2 million from \$157.6 million as of March 31, 2017, mainly due to decrease in cash and bank balance by \$25 million due to additional investment in film and content rights.

EROS INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2018 AND 2017
(Amounts in thousands)

	Note	March 31, 2018 (Unaudited)	March 31, 2017
ASSETS			
Non-current assets			
Property and equipment		\$ 10,013	\$ 10,354
Goodwill		3,800	4,992
Intangible assets — trade name		14,000	14,000
Intangible assets — content	5	998,543	904,628
Intangible assets — others		5,280	4,360
Available-for-sale financial assets		27,257	29,613
Trade and other receivables	1	9,144	11,443
Income tax receivable		1,269	1,051
Restricted deposits		1,100	335
Deferred income tax assets		351	112
Total non-current assets		\$ 1,070,757	\$ 980,888
Current assets			
Inventories		\$ 353	\$ 214
Trade and other receivables	1	245,079	242,762
Current income tax receivable		—	253
Cash and cash equivalents		87,762	112,267
Restricted deposits		6,368	6,981
Total current assets		339,562	362,477
Total assets		\$ 1,410,319	\$ 1,343,365
LIABILITIES			
Current liabilities			
Trade and other payables		\$ 72,142	\$ 120,082
Acceptances	3	8,898	8,935
Short-term borrowings	2	134,463	180,029
Current income tax payable		6,324	7,055
Total current liabilities		\$ 221,827	\$ 316,101
Non-current liabilities			
Long-term borrowings	2	\$ 142,483	\$ 89,841
Other long-term liabilities		3,073	5,349
Derivative financial instruments		-	12,553

Deferred income tax liabilities		39,519	35,973
Total non-current liabilities		\$ 185,075	\$ 143,716
Total liabilities		\$ 406,902	\$ 459,817
EQUITY			
Share capital	4	\$ 35,334	\$ 31,877
Share premium		453,997	399,686
Reserves		432,821	436,997
Other components of equity		(48,480)	(48,118)
JSOP reserve		(15,985)	(15,985)
Share application money pending allotment		18,000	—
Equity attributable to equity holders of Eros International Plc		\$ 875,687	\$ 804,457
Non-controlling interest		127,730	79,091
Total equity		\$ 1,003,417	\$ 883,548
Total liabilities and shareholder's equity		\$ 1,410,319	\$ 1,343,365

EROS INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except share and per share data)

	Note	Three Months Ended March 31,		Twelve Months Ended March 31,	
		2018		2018	
		(Unaudited)	2017	(Unaudited)	2017
Revenue	8	\$ 71,926	\$ 52,675	\$ 261,253	\$ 252,994
Cost of sales		(34,070)	(32,266)	(134,708)	(164,240)
Gross profit		37,856	20,409	126,545	88,754
Administrative cost		(16,607)	(15,839)	(62,629)	(63,309)
Operating profit		21,249	4,570	63,916	25,445
Financing costs		(5,404)	(6,715)	(19,668)	(19,521)
Finance income		387	541	1,855	2,365
Net finance costs		(5,017)	(6,174)	(17,813)	(17,156)
Other (losses)/gains	9	(29,025)	376	(46,721)	14,205
Profit before tax		(12,793)	(1,228)	(618)	22,494
Income tax		(4,167)	(845)	(9,127)	(11,039)
Profit / (Loss) for the period/year		\$ (16,960)	\$ (2,073)	\$ (9,745)	\$ 11,455
Attributable to:					
Equity holders of Eros International Plc		\$ (20,020)	\$ (2,679)	\$ (22,977)	\$ 3,805
Non-controlling interest		3,060	606	13,232	7,650
Earnings/(loss) per share(cents)					
Basic earnings/(loss) per share	7	(30.7)	(4.4)	(37)	6.4
Diluted earnings/(loss) per share	7	5.2	(4.4)	(7.9)	5.1

EROS INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands, except share and per share data)

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2018		2018	
	(Unaudited)	2017	(Unaudited)	2017
Profit / (Loss) for the period/year	\$ (16,960)	\$ (2,073)	\$ (9,745)	\$ 11,455
Other comprehensive loss:				
Items that will be subsequently reclassified to profit or loss				
Exchange differences on translating foreign operations	(1,370)	9,443	(1,147)	6,591
Reclassification of the cash flow hedge to the statement operations, net of tax	—	202	375	804
Impairment loss on available-for-sale financial assets	—	(384)	—	(384)
Total other comprehensive income/(loss) for the period/year	\$ (1,370)	\$ 9,261	\$ (772)	\$ 7,011
Total comprehensive income/(loss) for the period/year, net of tax	\$ (18,330)	\$ 7,188	\$ (10,517)	\$ 18,466
Attributable to:				
Equity holders of Eros International Plc	\$ (22,040)	\$ 4,242	\$ (23,339)	\$ 8,997
Non-controlling interest	3,710	2,946	12,822	9,469

EROS INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands, except share and per share data)

	Note	Year ended March 31	
		2018	
		(Unaudited)	2017
Cash flow from operating activities			
Profit before tax		\$ (618)	\$ 22,494
Adjustments for:			
Depreciation		1,265	1,082
Share based payments	6	17,918	23,471
Amortization of intangible film and content rights		115,285	135,316
Amortization of other intangible assets		1,726	1,816
Other non-cash items	10	51,051	(10,616)
Net finance costs		17,813	17,156
Gain on sale of available-for-sale financial assets		—	(58)
Movement in trade and other receivables		(91,317)	(72,247)
Movement in inventories		(219)	(412)
Movement in trade and other payables		(1,215)	4,172
Loss/(gain) on sale of property and equipment		(2)	22
Cash generated from operations		111,687	122,196
Interest paid		(20,761)	(18,390)
Income taxes paid		(7,683)	(4,813)
Net cash generated from operating activities		\$ 83,243	\$ 98,993
Cash flows from investing activities			
Proceeds from sale of shares of a subsidiary		\$ 40,221	\$ —
Proceeds from sale of available-for-sale investment		—	288
Purchase of property and equipment		(913)	(678)
Proceeds from disposal of property and equipment		70	2
Proceeds from/(investment in) restricted deposits held with banks		(27)	(4,018)
Purchase of intangible film rights and content rights		(186,766)	(173,481)
Purchase of other intangible assets		(321)	—
Interest received		2,537	2,696
Net cash used in investing activities		\$ (145,199)	\$ (175,191)
Cash flows from financing activities			
Proceeds from issue of share capital, net of transaction costs		\$ 16,645	\$ 30,466

Share application money received pending allotment	18,000	—
Proceeds from issue of shares by subsidiary	556	40
Proceeds from issue out of treasury shares	—	938
(Repayment of)/ proceeds from/ short term debt with maturity less than three months (net)	211	(39,493)
Proceeds from short term debt	48,249	76,310
Repayment of short term debt	(43,785)	(66,404)
Proceeds from long term debt, net of transaction costs	111,278	16,522
Repayment of long term debt	(113,960)	(12,450)
Net cash generated from financing activities	\$ 37,194	\$ 5,929
Net (decrease) in cash and cash equivalents	(24,762)	(70,269)
Effects of exchange rate changes on cash and cash equivalents	257	(238)
Cash and cash equivalents at beginning of year	112,267	182,774
Cash and cash equivalent at the year end	87,762	112,267

EROS INTERNATIONAL PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in thousands, except share and per share data)

	Other components of equity						Reserves					Equity		Total equity
	Share capital	Share premium account	Currency translation reserve	Available for sale fair value reserves	Revaluation reserve	Hedging reserve	Reverse acquisition reserve	Merger reserve	Retained earnings	JSOP reserve	Share App. Reserve	of EROS International PLC	Non-controlling interest	
Balance as at April 1, 2017	\$ 31,877	\$399,686	\$ (55,810)	\$ 6,238	\$ 1,829	\$ (375)	\$ (22,752)	\$ 70,275	\$ 389,474	\$ (15,985)	\$ —	\$ 804,457	\$ 79,091	\$ 883,548
(Loss)/Profit for the period	—	—	—	—	—	—	—	—	(22,977)	—	—	(22,977)	13,232	(9,745)
Other comprehensive income/(loss) for the period	—	—	(743)	—	6	375	—	—	—	—	—	(362)	(410)	(772)
Total comprehensive income/(loss) for the period	—	—	(743)	—	6	375	—	—	(22,977)	—	—	(23,339)	12,822	(10,517)
Share based compensation	—	—	—	—	—	—	—	—	17,291	—	—	17,291	627	17,918
Shares issued on exercise of employee stock options and awards	277	8,894	—	—	—	—	—	—	(8,955)	—	—	216	—	216
Changes in ownership interests that do not result in a loss of control	—	—	—	—	—	—	—	10,465	—	—	—	10,465	30,312	40,777
Issue of shares	555	15,874	—	—	—	—	—	—	—	—	—	16,429	—	16,429
Loss of control in a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	4,878	4,878
Share pending for Allotment	—	—	—	—	—	—	—	—	—	—	18,000	18,000	—	18,000
Shares issued in lieu of convertible notes	2,625	29,543	—	—	—	—	—	—	—	—	—	32,168	—	32,168
Balance as at March 31, 2018	\$ 35,334	\$ 453,997	\$ (56,553)	\$ 6,238	\$ 1,835	\$ —	\$ (22,752)	\$ 80,740	\$ 374,833	\$ (15,985)	\$ 18,000	\$ 875,687	\$ 127,730	\$ 1,003,417

EROS INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in thousands, except share and per share data)

	Other components of equity						Reserves				Equity Attributable to Shareholders of EROS International PLC	Non- controlling interest	Total equity
	Share capital	Share premium account	Currency translation reserve	Available for sale fair value reserves	Revaluation reserve	Hedging reserve	Reverse acquisition reserve	Merger reserve	Retained earnings	JSOP reserve			
	(in thousands)												
Balance as at April 1, 2016	\$ 30,793	\$ 356,865	\$ (60,609)	\$ 6,622	\$ 1,856	\$ (1,179)	\$ (22,752)	\$ 69,586	\$ 376,317	\$ (17,167)	\$ 740,332	\$ 68,762	\$ 809,094
Profit for the year	—	—	—	—	—	—	—	3,805	—	—	3,805	7,650	11,455
Other comprehensive income/(loss) for the year	—	—	4,799	(384)	(27)	804	—	—	—	—	5,192	1,819	7011
Total comprehensive income/(loss) for the year	—	—	4,799	(384)	(27)	804	—	—	3,805	—	8,997	9,469	18,466
Issue of shares, net of transaction costs of Nil	808	29,712	—	—	—	—	—	—	—	—	30,520	—	30,520
Share based compensation	—	—	—	—	—	—	—	22,901	—	—	22,901	570	23,471
Shares issued on exercise of employee stock options and awards	276	13,273	—	—	—	—	—	(13,549)	—	—	—	—	—
Issue out of treasury shares	—	(164)	—	—	—	—	—	—	1,182	—	1,018	—	1,018
Changes in ownership interests in subsidiaries that do not result in a loss of control	—	—	—	—	—	—	—	689	—	—	689	290	979
Balance as at March 31, 2017	\$ 31,877	\$ 399,686	\$ (55,810)	\$ 6,238	\$ 1,829	\$ (375)	\$ (22,752)	\$ 70,275	\$ 389,474	\$ (15,985)	\$ 804,457	\$ 79,091	\$ 883,548

EROS INTERNATIONAL PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

1. TRADE AND OTHER RECEIVABLES

	As at March 31	
	2018	2017
	(Unaudited)	
Trade receivables, net	\$ 224,998	\$ 226,822
Other receivables	20,933	25,683
Prepaid charges	2,700	277
Accrued revenues	5,592	1,423
Trade and other receivables	\$ 254,223	\$ 254,205
Current trade and other receivables	245,079	242,762
Non-current trade and other receivables	9,144	11,443
	\$ 254,223	\$ 254,205

EROS INTERNATIONAL PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

2. BORROWINGS

An analysis of long-term borrowings is shown in the table below.

	Nominal Interest Rate	Maturity	As at March 31	
			2018 (Unaudited)	2017
Asset backed borrowings				
Vehicle loan	7.5% - 10.25%	2017-21	\$ 560	\$ 325
Term loan	BPLR+1.8% - 2.75%	2017	—	1,264
Term loan	BPLR+2.75%	2017-18	—	466
Term loan	BPLR+2.85%	2019-20	3,453	5,776
Term loan	BPLR+2.55% - 3.4%	2020-21	8,767	11,945
Term loan	13.75%	2022-23	9,580	—
Retail bond	6.5%	2021-22	\$ 70,055	\$ 62,672
Revolving facility	LIBOR +7.5% and Mandatory Cost	2017-18	—	85,000
Term loan	MCLR+3.45%	2021-22	11,976	14,603
			\$ 104,391	\$ 182,051
Other borrowings	10.5%	2021-22	—	5,853
Convertible notes	14.2%	2020-21	86,010	—
			\$ 86,010	\$ 5,853
Nominal value of borrowings			\$ 190,401	\$ 187,904
Cumulative effect of unamortized costs			(1,210)	(1,665)
Installments due within one year			(46,708)	(96,398)
Long-term borrowings — at amortized cost			\$ 142,483	\$ 89,841

Bank Prime Lending Rate (“BPLR”) and Marginal Cost Based Lending Rate (“MCLR”) is an Indian equivalent to LIBOR. Asset backed borrowings are secured by fixed and floating charges over certain Group assets.

An analysis of short-term borrowings is shown in the table below:

	Nominal interest rate (%)	As at March 31	
		2018 (unaudited)	2017
Asset backed borrowings			
Export credit bill discounting and overdraft	BPLR+1-3.5%	\$ 43,518	\$ 41,687
Export credit and overdraft	LIBOR+4.5%	21,226	24,572

Other short-term loan	13-14.25%	11,537	5,396
Other short-term loan	10.20%	11,474	—
Term loan	MCLR+4.25%	—	4,943
		\$ 87,755	\$ 76,598
Unsecured borrowings			
Other short-term loan	12-14%	—	7,033
Installments due within one year on long-term borrowings		46,708	96,398
Short-term borrowings - at amortized cost		\$ 134,463	\$ 180,029

Fair value of the long-term borrowings as at March 31, 2018 is \$172,788 (2017: \$155,923). Fair values of long-term financial liabilities except retail bonds and Convertibles Notes have been determined by calculating their present values at the reporting date, using fixed effective market interest rates available to the Companies within the Group. As at March 31, 2018, the fair value of retail bond amounting to \$58,218 (2017:43,416) has been determined using quoted prices from the London Stock Exchange and the fair value of senior convertible notes has been determined at \$86,010 by an independent valuation expert. Carrying amount of short-term borrowings are considered a reasonable approximation of fair value.

The company has placed time deposits of \$7,468 (2017: 7,316) which has been disclosed as restricted deposits.

3. ACCEPTANCES

	March 31, 2018 (Unaudited)	March 31, 2017
	<u> </u>	<u> </u>
Payable under the film financing arrangements	\$ 8,898	\$ 8,935
	\$ 8,898	\$ 8,935

Acceptances comprise of credit availed from financial institutions for payment to film producers for film co-production arrangement entered by the group. The carrying value of acceptances are considered a reasonable approximation of fair value.

EROS INTERNATIONAL PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

4. ISSUED SHARE CAPITAL

	Number of Shares*	GBP
Authorized		
Ordinary shares of 30p each at March 31, 2017	83,333,333	25,000
Ordinary shares of 30p each at March 31, 2018	<u>100,000,000</u>	<u>30,000</u>

*The company increased number of authorized share capital from 83,333,333 shares to 100,000,000 shares.

	Number of Shares		USD
	A Ordinary 30p Shares	B Ordinary 30p Shares	
Allotted, called up and fully paid			
As at March 31, 2016	<u>32,949,314</u>	<u>24,960,654</u>	\$ 30,793
Issue of shares in the quarter ended June 30, 2016	1,750	—	1
Issue of shares in the quarter ended September 30, 2016	2,515,436	—	986
Issue of shares in the quarter ended December 31, 2016	231,043	—	87
Issue of shares in the quarter ended March 31, 2017	33,387	—	10
Transfer of B Ordinary to A Ordinary share	5,581,272	(5,581,272)	—
As at March 31, 2017	<u>41,312,202</u>	<u>19,379,382</u>	\$ 31,877
Issue of shares in the quarter ended June 30, 2017	12,000	—	5
Issue of shares in the quarter ended September 30, 2017	288,291	—	114
Issue of shares in the quarter ended December 31, 2017	1,681,520	—	657
Issue of shares in the quarter ended March 31, 2018	2,757,743	—	2,681
Transfer of B Ordinary to A Ordinary share	9,666,667	(9,666,667)	—
As at March 31, 2018 (Unaudited)	<u>55,718,423</u>	<u>9,712,715</u>	\$ 35,334

On May 11, 2017, the Company entered into an exit agreement with an employee pursuant to which the Board approved a grant of 12,000 'A' ordinary share awards with Nil exercise price and a fair market value of \$10.8 per share. The Shares were issued in May 2017.

In May 2017, the Company entered into an exit agreement with an employee pursuant to which the Board approved a grant of 90,000 'A' ordinary share awards with Nil exercise price and a fair market value of \$10 per share. These shares were issued in July and August 2017.

Between the months of May to December, permitted Class B shares aggregating to 9,666,667 were converted into Class A shares. This was effected through the cancellation of 9,666,667 Class B shares and subsequent issuance of the equivalent amount of Class A shares.

In June 2015, 300,000 'A' ordinary shares awards were granted to the Group CFO with a fair market value of \$21.34 per share. Subject to continued employment, these awards with nominal value exercise price vest annually in three tranches beginning June 9, 2016. Out of which, 200,000 shares were issued in September 2017.

On September 24, 2014, the Board approved a grant of 116,730 'A' ordinary share awards to certain employees. These awards, granted to the employees on October 21, 2014 with \$Nil exercise price, subject to continued employment, vest annually in three equal tranches from the date of grant. Fair value of each award was \$17.07. In October, November 2017 and January 2018, a total of 26,550 shares were issued by the Company.

On October 6, 2017, 25,000 'A' ordinary shares were issued to a consultant with a fair value of \$14.3 per share.

On October 24, 2017, 148,895 'A' ordinary shares were issued to employee as a settlement compensation with a fair value of \$12.2 per share.

In November 2017 and March 2018, a total of 10,208 'A' ordinary shares were exercised by an employee.

On June 28, 2016, the Board of Directors approved a grant of 197,820 share awards to certain employees with a fair value of \$ 14.68 per share. Subject to continued employment, these awards with Nil exercise price vest over a period of two and half years with first tranche vesting on November 11, 2016. In November 2017, December 2017 and January 2018, 54,846 shares were issued by the Company.

On November 22, 2017, the Board of Directors approved to offset loan and advances of Founder Group to the Company by approving the issuance of 1,421,520 'A' ordinary shares with a fair value of \$11.6 per share which were issued in November 2017 in accordance with the resolution.

On February 17, 2017, the Board of Directors approved, 50,000 'A' ordinary share awards to an employee with a fair market value of \$12.5 per share. Subject to continued employment, these awards with Nil exercise price, vest over a period of three years. In February 2018, 16,667 shares were vested and issued.

On November 22, 2017, 243,300 'A' ordinary share awards to certain employees with \$Nil exercise price, subject to continued employment, first vest immediately and remaining two tranches vest annually from the date of grant. Fair value of each award was \$13.25. In February 2018, 9,200 shares were vested and issued.

On June 28, 2016 620,000, 'A' ordinary share awards to certain executive directors with a fair value of \$14.68 per share. Subject to continued employment these awards with Nil exercise price, vest over a period of three years. In March 2018, 100,000 shares were vested and issued to the executive directors.

Between January and March 2018, 2,624,668 'A' ordinary shares were issued against repayment towards monthly instalment of convertible notes.

5. INTANGIBLE CONTENT ASSETS

	Gross Content Assets	Accumulated Amortization	Net Content Assets
As at March 31, 2018 (Unaudited)			
Film and content rights	\$ 1,493,099	\$ (854,991)	\$ 638,108
Content advances	349,568	—	349,568
Film productions	10,867	—	10,867
Non-current content assets	\$ 1,853,534	\$ (854,991)	\$ 998,543
As at March 31, 2017			
Film and content rights	\$ 1,430,523	\$ (796,058)	\$ 634,465
Content advances	266,232	—	266,232
Film productions	3,931	—	3,931
Non-current content assets	\$ 1,700,686	\$ (796,058)	\$ 904,628

EROS INTERNATIONAL PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

6. SHARE BASED COMPENSATION PLANS

The compensation cost recognized with respect to all outstanding plans and by grant of shares, which are all equity settled instruments, is as follows:

	Three months ending March 31,		Twelve months ending March 31,	
	2018		2018	
	(Unaudited)	2017	(Unaudited)	2017
IPO India Plan	\$ 342	\$ 353	\$ 1,572	\$ 2,140
JSOP Plan	—	906	615	3,622
Option award scheme 2012	—	100	197	699
2014 Share Plan*	61	299	(22)	1,427
2015 Share Plan	14	33	100	328
Other share option awards	1,412	2,743	7,283	4,405
Management scheme (staff share grant)	2,587	392	8,173	10,850
	\$ 4,416	\$ 4,826	\$ 17,918	\$ 23,471

In the meeting date November 22, 2017, the Board of Directors approved the following grants:

243,300 'A' ordinary share awards to certain employees with \$Nil exercise price, subject to continued employment, first vest immediately and remaining two tranches vest annually from the date of grant. Fair value of each award was \$13.25.

525,095 'A' ordinary share awards to certain employees and the Group CFO with \$Nil exercise price, subject to continued employment vest annually in three equal tranches from the date of grant. Fair value of each award was \$13.25.

680,000 'A' ordinary shares to certain executive directors. with \$Nil exercise price, subject to continued employment vest annually in three equal tranches from the date of grant. Fair value of each award was \$13.25.

20,000 'A' ordinary shares to certain non- executive directors with a fair market value of \$13.25 per share. Subject to continued directorship, with nominal exercise price, vest on November 22, 2018.

*Above includes reversal of charges on account of forfeiture of 100,000 shares.

7. EARNINGS PER SHARE

	Three months ended March 31,				Twelve months ended March 31,			
	2018		2017		2018		2017	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings/(loss) attributable to the equity holders of the parent	\$ (20,020)	(20,020)	\$ (2,679)	(2,679)	\$ (22,977)	(22,977)	\$ 3,805	3,805
Potential dilutive effect of convertible notes and share based compensation scheme in subsidiary undertaking	—	24,184	—	—	—	18,178	—	—
Potential dilutive effect related to share based compensation scheme in subsidiary undertaking	—	(127)	—	(106)	—	(475)	—	(673)
Adjusted earnings/(loss) attributable to equity holders of the parent	\$ (20,020)	4,037	\$ (2,679)	(2,785)	\$ (22,977)	(5,274)	\$ 3,805	3,132
Number of shares								
Weighted average number of shares	65,271,238	65,271,238	60,568,257	60,568,257	62,151,155	62,151,155	59,410,292	59,410,292
Potential dilutive effect of convertible notes and share based compensation scheme in subsidiary undertaking	—	12,357,201	—	1,617,476	—	4,907,368	—	1,532,839
Adjusted earnings/(loss) attributable to equity holders of the parent	65,271,238	77,628,439	60,568,257	62,185,733	62,151,155	67,058,523	59,410,292	60,943,131

Earnings per share

Earning attributable to the equity holders of the parent per share (cents)	(30.7)	5.2	(4.4)	(4.4)	(37.0)	(7.9)	6.4	5.1
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The above table does not split the earnings per share separately for the 'A' ordinary 30p shares and the 'B' ordinary 30p shares as there is no variation in their entitlement to participate in undistributed earnings.

EROS INTERNATIONAL PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

8. BUSINESS SEGMENTAL DATA

	Three months ended March 31,		Twelve months ended March 31,	
	2018		2018	
	(Unaudited)	2017	(Unaudited)	2017
Revenue by customer's location				
India	\$ 28,693	\$ 19,719	\$ 109,986	\$ 129,251
Europe	5,442	364	7,739	7,695
North America	1,444	877	5,147	10,132
Rest of the world	36,347	31,715	138,381	105,916
Total Revenue	<u>\$ 71,926</u>	<u>\$ 52,675</u>	<u>\$ 261,253</u>	<u>\$ 252,994</u>
	Three months ended March 31,		Twelve months ended March 31,	
	2018		2018	
	(Unaudited)	2017	(Unaudited)	2017
Revenue by group's operation				
India	\$ 25,049	\$ 19,718	\$ 98,073	\$ 121,966
Europe	7,330	10,633	27,028	25,686
North America	542	88	1,244	2,549
Rest of the world	39,005	22,236	134,908	102,793
Total Revenue	<u>\$ 71,926</u>	<u>\$ 52,675</u>	<u>\$ 261,253</u>	<u>\$ 252,994</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. OTHER LOSSES/ (GAINS)

	Three months ended March 31,		Twelve months ended March 31,	
	2018		2018	
	(Unaudited)	2017	(Unaudited)	2017
Foreign exchange loss/(gain),net	\$ 2,631	\$ 1,269	\$ 6,250	\$ (3,872)
(Gain)/loss on sale of property and equipment	(20)	53	(2)	22
Credit impairment loss/(reversal), net	(138)	—	4,308	—
(Gain) on sale of available- for- sale financial assets	—	—	—	(58)
Impairment charge on available -for- sale financial assets	2,436	—	2,436	—
Loss on de-recognition of financial assets measured at amortized cost, net	854	—	3,562	—
Mark to market gain on derivative financial instrument measured at FVTPL	—	(1,698)	—	(10,297)
Loss on financial liability (convertible notes) at FVTPL	20,816	—	13,840	—
Loss on de- investment in Ayngaran group	1,355	—	14,649	—
Impairment charge on Goodwill	1,205	—	1,205	—
Others	(114)	—	473	—
	<u>\$ 29,025</u>	<u>\$ (376)</u>	<u>\$ 46,721</u>	<u>\$ (14,205)</u>

The net (losses)/gains on held for trading financial liabilities in the three months ended March 31,2018 and 2017, respectively, principally relate to derivative instruments not designated in a hedging relationship.

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10. NON-CASH EXPENSE/(INCOME)

Significant non-cash expenses except loss on sale of assets, share based compensation, depreciation, derivative interest and amortization were as follows:

	Twelve months ended March 31,	
	2018	2017
	(Unaudited)	
Unrealised foreign exchange loss/(gain),net	\$ 5,466	\$ (3,838)
Credit impairment loss/(reversal), net	4,308	—
Impairment charge on available -for- sale financial assets	2,436	—
Loss on de-recognition of financial asset smeasured at amortized cost, net	3,562	—
Mark to market gain on derivative financial instrument measured at FVTPL	—	(10,297)
Loss on financial liability (convertible notes) measured at FVTPL	13,840	—
Loss on de- investment in ayngaran group	14,649	—
Provisions for trade and other receivables	5,093	2,430
Balance no longer required, written-back	(124)	(798)
Impairment loss on content advances	—	1,887
Impairment charge on goodwill	1,205	—
Others	616	—
	\$ 51,051	\$ (10,616)

EROS INTERNATIONAL PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

11. NON GAAP-FINANCIAL MEASURES

Adjusted EBITDA(Non-GAAP)

	Three months ended		Twelve months ended	
	March 31		March 31	
	2018		2018	
	(unaudited)	2017	(unaudited)	2017
Net income (GAAP)	\$ (16,960)	\$ (2,073)	\$ (9,745)	\$ 11,455
Income tax expense	4,167	845	9,127	11,039
Net finance costs	5,017	6,174	17,813	17,156
Depreciation	427	492	1,265	1,082
Amortization ⁽¹⁾	614	787	1,726	1,816
EBITDA (Non-GAAP)	(6,735)	6,225	20,186	42,548
Share based payments ⁽²⁾	4,416	4,826	17,918	23,471
(Gain) on sale of available – for – sale financial assets	—	—	—	(58)
(Gain) on sale of property and equipment	(20)	—	(2)	—
Impairment charge on available -for- sale financial assets	2,436	—	2,436	—
Loss on de-recognition of financial asset smeasured at amortized cost, net	854	—	3,562	—
Credit impairment loss/(reversal), net	(138)	—	4,308	—
Mark to market gain on derivative financial instrument measured at FVTPL	—	(1,698)	—	(10,297)
Loss on financial liability (convertible notes) measured at FVTPL	20,816	—	13,840	—
Loss on de- investment in ayngaran group	1,355	—	14,649	—
Impairment charge on goodwill	1,205	—	1,205	—
Others	(114)	—	473	—
Adjusted EBITDA (Non-GAAP)	<u>\$ 24,075</u>	<u>\$ 9,353</u>	<u>\$ 78,575</u>	<u>\$ 55,664</u>

(1) Includes only amortization of intangible assets other than intangible content assets.

(2) Consists of compensation costs recognized with respect to all outstanding plans and all other equity settled instruments.