Eros International Plc Reports Fourth Quarter And Fiscal Year 2017 Results

Eros Now triples its paying subscribers from a million to 2.9 million in just 15 months

EBIT increased by 16.8% to $39.7 million

Isle of Man– 28 July, 2017: Eros International Plc (NYSE: EROS) ("Eros" or "the Company"), a leading global company in the Indian film entertainment industry, today reported its quarterly financial results for the three and twelve months ended March 31, 2017.

Key Highlights

- As of June 2017, Eros Now paying subscribers increased by 38% to 2.9 million as compared with 2.1 million paying subscribers as of March 2017.
- Eros' library for digital film rights stands at over 10,000 films, with nearly 50% owned in perpetuity. This represents one of the largest offerings of Indian content and significantly boosts the Eros Now offering.
- Reduced its Revolving Credit Facility from $123 million to $85 million in fiscal 2017 and since then have set aside approximately $40 million to pay it down further and bring it to around $45 million.
- Not including the $40 million set aside for the RCF, Eros has over $112 million of cash on balance sheet, availability under existing lines of credit and access to capital markets and the company remains well-capitalized and able to invest in future growth.
- Eros now has long-term contracts in place with Idea, Vodafone, BSNL amongst other telecom operators.
- Eros Now partnered with IIFA (International Indian Film Academy) to be the first exclusive digital platform to air the awards weekend to its millions of subscribers worldwide
- Eros continues to expand global presence and reach with co-production deals signed in China and Turkey. Indo-China co-productions are slated for release FY18-19.
- Catalogue sales have increased meaningfully in the period and contributed to its profitability and strong margins.
- EBIT increased by 16.8% to $39.7 million, compared to $34 million in the prior year period. EBIT margin expanded to 15.7% from 12.4% in prior year.
- Revenues decreased by 7.8% to $253 million, compared to $274.4 million in fiscal 2016.
- Adjusted EBITDA decreased by 21.4% to $55.7 million, compared to $70.9 million in fiscal 2016.
- Net income decreased by 13.5% to $11.5 million, compared to $13.3 million in fiscal 2016.

  Despite releasing a significantly lower number of films compared to last year and specifically fewer high and medium budget Hindi films compared to fiscal year 2016, mainly due to impact and after-effects of Rupee demonetization, the Company delivered reasonably steady revenues. This was achieved through a combination of bundled pre-sales strategy which helps us de-risk our business as well as effective monetization of our library and a strong regional film strategy during the year. Eros' Indian subsidiary, Eros International Media Ltd, signed a significant television syndication multi-film deal with Zee in Q4 FY17, locking in pre-sales for some of the film slate of FY 2018.

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' Group Chief Executive Officer and Managing Director said:

Our Fiscal 2017 financial results reflect the flexibility and robustness of the Eros business model wherein we are able to offset slate volatility as well as impact of extraneous market factors beyond our control with steadily increasing high margin catalogue revenues.

Secondly it reflects our financial strength and stability where in without raising any significant external debt or equity, we not only paid down the RCF significantly but also funded our ongoing future slate as well as Eros Now catalogue purchases and originals and still have around $115 million of cash balance after all that. Over $200 million is already invested in the ongoing slate. While we are in advanced stages of negotiations for a debt refinancing deal as well as expect to file a shelf for a potential capital raise soon after this earnings, even if any of these are delayed we are already well capitalized and have enough cash to continue to grow the business in the short to medium turn.

Peak investments in Eros Now like strengthening the catalogue have already taken place so now we can expect to reap from those investments with extraordinary growth ahead of us. The upside from new markets like China, investments for which are already built into our normal capex can also result in windfall gain in the forthcoming fiscals. Our shareholder support has always been strong and we remain committed to staying focused on consolidating our market leadership position and enhancing the shareholder value.

Prem Parameswaran, Group Chief Financial Officer and President of North America also commented:

We believe these are a strong set of financial results in the context that they were delivered. We have further reduced our net debt by close to a further $ 40 million post balance sheet. We have collected over $25 million of fiscal 2017 trade receivables post balance sheet. We continue to pursue refinancing and capital market transaction and are confident we will go back to being free cash flow positive in fiscal 2018 as we were in fiscal 2016.

Operational Highlights as of March 31, 2017

Eros announced an industry-leading film production pipeline of more than 50 films across eight languages involving over 40 directors. The Company has always thought of itself as a content company and have always been committed to growing the India regional film industry. To this effect, its Indian subsidiary, Eros International Media Ltd, has partnered with Phars Film, UAE's largest film distribution and exhibition network to jointly co-produce and distribute Malayalam films in respective local territories, where each enjoys a dominant market share. The Company is also pleased to announce two Indo-Turkish co-productions with Pana Film, one of the largest Turkish film studios for Indo-Turkish co-productions. Original stories blending Indian and Turkish cultures will be conceptualized and developed by Eros' in-house writers along with top Turkish writers, and both films will be bilingual. This will expand and deepen its presence into Turkey, the Middle East and North African regions.

Eros continues to expand its geographical monetization canvas. With the support of the Indian Government and using its position as a leading overseas distributor of Indian film content, Eros has continued exploring and opening up new markets. Eros is in the process of releasing its recent offering Munna Micheal in Russia.

During the FY2017, the Company released a total of 45 films including 5 high budget, 10 medium budget and 30 low budget films as compared to a total of 63 films including 6 high budget, 16 medium budget and 41 low budget films during the FY2016. Major releases for FY 2017 included: Housefull 3 (Hindi), Ki & Ka (Hindi), Dishoom (Hindi), Baar Baar Dekho (Hindi), Rock On 2 (Hindi), Neel Batte Sannatta (Hindi), Happy Bhaag Jayegi (Hindi), Banjo (Hindi), Kahaani 2 (Hindi), Sardaar Gabbar Singh (Telugu), Janata Garage (Telugu), 24 (Tamil), White (Malayalam), & Zara Hatke (Marathi), Chaar Sahibzaade 2 (Punjabi), Amar Prem (Bengali) and Double Feluda (Bengali).

Macro Environment and Competitive Landscape

India is one of the largest mobile handset markets in the world, and being present across all devices is a key strategy for the Company. In Fiscal 2017, Eros Now concluded deals with Samsung to power Bollywood entertainment and Micromax for distribution as a pre-install across all devices.

The Indian film sector has in the recent past attracted significant interest from international majors who are trying to rapidly expand their Indian film libraries and as a result has driven up value of the Indian content. One of Eros' key assets is a large content library which will be a major beneficiary of this trend. At the same time, in order to effectively manage the cost of our future content, Eros has taken active steps over the past two years to develop its own intellectual properties by partnering with both Indian talent and International film companies that offer strategic benefits. Trinity Pictures, the company's visionary venture and in-house franchise label has more than twenty franchises written across new and diverse genres.

Competition within the Indian entertainment industry has always been intense however the market and target audience is broad and diverse in nature. Several SVOD players have been increasing their investment into acquiring and bidding for new content thus making the barriers to entry for new entrants in the Indian OTT landscape very high. The Company strongly believes that linear TV programming in India, although still very large, will slowly be replaced by Internet TV and as a result several OTT services will be successful due to the sheer size, diversity and breadth of the market.

Eros Now and Partnerships

Eros is proud to announce that Eros Now has over 60 million registered users worldwide across WAP, App and Web as of March 31, 2017 and approximately 68 million registered users as of June 30, 2017. Eros Now, having crossed its full year target of a million paying subscribers in the very first quarter of the year, also achieved its year-end target of 2 million paying subscribers before end of FY2017. Continuing with the momentum, as of June 2017, Eros Now has 2.9 million paying subscribers, tripling the base in just 15 months.

Eros Now holds rights to more than 10,000 films, out of which around 5,000 films are owned in perpetuity, across Hindi and regional languages and is launching more original series in the second half of FY 2018 after successfully launching 'Salute Siachen', A first of its kind docu-series shot on mobile phones, India's first ever celebrity high endurance expedition to the Siachen Glacier in FY 2017.

Eros Now was also the number one trending app on the Google Play Store in the month of July. Apple has also featured the Eros Now app in its "App Store Best of 2016," which is a significant testament to Eros' product and service. Demonetization's silver lining is the large addressable market through mobile wallets for Eros Now. Eros expands its reach by having tied up exclusively with SBI Buddy and other e-wallets in India such as Paytm, Mobikwik, Freecharge and Speedpay with an aggregate addressable market of 260 million.

Eros Now partnered with IIFA (International Indian Film Academy) to be the first exclusive digital platform to air the awards weekend to its millions of subscribers worldwide. It also penetrated deeper into the market in Fiscal 2017 by forming long term partnerships across the leading Telecom operators in India including Reliance Jio, Vodafone, Idea, BSNL and Airtel.

Other Corporate Updates

- In September, 2016, Eros International Plc raised approximately $30 million through a private placement from two existing institutional shareholders. 5 out of top 10 Shareholders have now increased their stake in Eros Plc by 62% in aggregate over the last one year.

- Eros is deeply saddened to announce that Shri Naresh Chandra our Independent Director passed away on July 9, 2017. He was 82 years old and an esteemed bureaucrat with a glorious career, including receiving the Padma Bhushan award, but above all he was a prestigious and a great human being who never fails to inspire. The company welcomes to the board Mr Shailendra Swarup who has over 50 years of experience as a corporate attorney in India.

Outlook

Kishore Lulla, Executive Chairman of Eros International Plc commented, “We have made monumental progress with Eros Now touching almost 3 million paying subscribers, a digital library amounting to over 10,000 titles, with catalogue worth more than a billion dollars and landmark distribution deals with some of the world’s largest brands including Apple, Samsung, Vodafone, Etisalat and Verizon just to name a few.

“We look forward to a future where Eros Now will have 100 million subscribers within the next 5 years, with 6 to 8 million paid subscribers in Fiscal Year 2018 therefore driving the profitability and positive cash flows. Having pioneered the Indo China co production model we look forward to replicating this with Turkey Russia Malaysia therefore truly positioning Eros as a global digital player including vertically integrated film studio.”

- Scaling content co-production and ownership in fiscal 2018 with greater dependence on the co-production model through partnerships with Indian and international talent. The launch of Trinity Pictures, our film label for franchise films, investments in our joint venture Colour Yellow Productions and identifying the right films to sequel from its film library are concrete steps taken in this direction. We are excited about these developments and are looking forward to FY2018 which will see the fruition of this strategy in a significant manner. Trinity Writers Room has been established and already completed development on 20 franchises.

- China is a very significant film market and is expected to overtake the US film and Eros expects to release selected films from our slate for wider release into China during FY2018-2019. *Dangal*, a film starring Aamir Khan, was released in China in over 9,000 screens and grossed over $180 million which is more than the film did in India. Eros is now replicating this model for Turkish films with their local market leader Pana Films.

- Eros currently has two Indo-China co-productions which are scheduled for release in FY2018-2019, a first for any Indian studio — Kabir Khan’s travel drama and Siddharth Anand’s cross-cultural romantic comedy *Love In Beijing*.

- Eros Now is on target to achieve 6-8 million paid subscribers at the end of FY2018. Eros Now expects that with encouraging trends in the local markets in the form of crashing data costs and smartphone costs, content consumption through over-the-top (OTT) platforms will benefit tremendously in a growing digital environment.

- Trinity's first franchise Sniff is scheduled for release in Q2FY 2018. Two editions of Sniff comics are already available in stores along with iconic Chacha Choudhary comics which are available in five languages. The video game will also be launched before the movie release along with merchandizing and animation series in the pipeline.

- Eros has strong pre-sales visibility through television sales for FY 2018 slate. The Company has a compelling slate for FY 2018, including films such as a Colour Yellow Production (directed by Anand Rai), Munna Micheal (Tiger Shroff), Chanda Mama Door Ke (Sushant Singh), untitled directed by Kabir Khan, Reunion (directed by Sujoy Ghosh), Bhavesh Joshi, Farzi, untitled by Rahul Dholakia, Vicky Donor 2, Happy Bhaag Jayegi 2 and Badlapur 2 to name a few Hindi films. In addition, Eros has a number of Tamil, Telugu, Punjabi, Bengali, Marathi and Malayalam films such as Kadaisi Vivasayi (Manikandan - Tamil), Untitled (Vetrimaran - Tamil), Yaanai (Prabhu Solomon – Tamil), Guru Tegh Bahadur (Harry Baweja - Punjabi), Naale (Malayalam), Posto (Bengali), Untitled (Ravi Jadhav – Marathi) to name a few.

Eros International Plc Financial Highlights:

	Three Months Ended March 31			Fiscal Ended March 31		
(dollars in millions)	**2017**	**2016**	**% change**	**2017**	**2016**	**% change**
Revenue	$ 52.7	$ 65.1	-19.0%	$ 253.0	$ 274.4	-7.8%
Gross profit	20.4	21.8	-6.4%	88.8	101.7	-12.8
Operating profit	4.5	6.9	-34.8%	25.4	37.6	-32.4%
Adjusted EBITDA(1)	9.4	14.4	-34.7%	55.7	70.9	-21.4%

(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, 2017

Revenue

In fiscal 2017, Eros film slate comprised 45 films of which five were high budget, ten were medium budget and 30 were low budget as compared to 63 films in fiscal 2016, of which six was high budget, sixteen were medium budget and 41 were low budget. In the three months ended March 31, 2016, Eros film slate comprised 12 films of which six were medium budget and six 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 2017, the Company's slate of 45 films comprised 12 Hindi films, 16 Tamil/Telugu films and 17 regional films as compared to the same period last year where its slate of 63 films comprised 33 Hindi films, 19 Tamil/Telugu films and 11 regional film. In three months ended March 31, 2017, the Company's slate of 5 films comprised 2 Tamil/Telugu films and 3 regional films as compared to the same period last year where its slate of 12 films comprised 3 Hindi films, 4 Tamil/Telugu films and 5 regional films.

For the three months ended March 31, 2017, revenue decreased by 19.0% to $ 52.7 million, compared to $65.1 million for the three months ended March 31, 2016. For the twelve months ended March 31, 2017, revenue decreased by 7.8% to $253.0 million, compared to $274.4 million for the twelve months ended March 31, 2016.

For the three months ended March 31, 2017, aggregate theatrical revenues decreased by 30.7% to $12.4 million from $17.9 million for the three months ended March 31, 2016, mainly due to less number of films, especially High and medium budget Hindi films, since many of the releases were deferred due to adverse market conditions during the Rupee demonetisation by the Indian government in November 2016 which resulted in decreased footfalls in cinemas in India. In the twelve months ended March 31, 2017, the aggregate theatrical revenues decreased by 27.0% to $101.0 million from $138.4 million for the twelve months ended March 31, 2016. The decrease in theatrical revenues reflects the mix of films released in each period as reflected in the table below. Theatrical revenues in the twelve months ended March 31, 2016 comprised revenues from Bajrangi Bhaijaan, Bajirao Mastani, Tanu Weds Manu Returns three out of the top four highest grossing films of 2016 in comparison to a relatively weaker slate in 2017 with Housefull 3 as the only top 10 film so far coupled with the negative impact of demonetisation on the Indian film industry since November 2016.

For the three months ended March 31, 2017, aggregate revenues from television syndication decreased by 16.2% to $22.2 million from $26.5 million for the three months ended March 31, 2016, mainly due to lower new release television revenues partially offset by catalogue revenues. In the twelve months ended March 31, 2017, the aggregate revenues from television syndication increased by 22.1% to $88.0 million from $72.1 million for the twelve months ended March 31, 2016. This was due to resuming catalogue sales since April 2017 after a brief hold back in catalogue sales in the last two quarters of FY 2016 as reported and accelerating the catalogue sales since in the last two quarters of fiscal 2017 post the Rupee demonetization.

For the three months ended March 31, 2017, the aggregate revenues from digital and ancillary decreased by 13% to $18.1 million from $20.8 million for the three months ended March 31, 2016 again reflecting the film slate mix in the comparable periods. In the twelve months ended March 31, 2017, the aggregate revenues from digital and ancillary increased by 0.2% to $64 million from $63.9 million for the twelve months ended March 31, 2016 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, 2017	-	1	4	5
March 31, 2016	_-	6	6	12

Twelve months ended	High	Medium	Low	Total
March 31, 2017	5	10	30	45
March 31, 2016	6	16	41	63

Revenue from India decreased by 37.1% to $19.7 million in the three months ended March 31, 2017, compared to $31.3 million in the three months ended March 31, 2016 mainly due to the negative impact of the rupee demonetisation and subsequent drop in cinema footfalls. In the twelve months ended March 31, 2017, revenue from India decreased by 23.7% to $122 million, compared to $159.9 million in the twelve months ended March 31, 2016. The decrease was mainly due to lower theatrical revenues from a combination of rupee demonetisation impact as well as a weaker slate mix, with 2016 slate comprising of blockbuster hits such as Bajrangi Bhaijaan, Bajirao Mastani and Tanu Weds Manu, and partially offset by a stronger catalogue revenue contribution.

Revenue from Europe decreased by 7% to $10.6 million in the three months ended March 31, 2017, compared to $11.4 million in the three months ended March 31, 2016. In the twelve months ended March 31, 2017, revenue from Europe decreased by 24.9% to $25.7 million, compared to $34.2 million in the twelve months ended March 31, 2016. This was on account of lower theatrical revenues of the comparable film slate but partially offset by some catalogue sales in the current quarter.

Revenue from North America decreased by 83.3% to $0.1 million in the three months ended March 31, 2017, compared to $0.6 million in the three months ended March 31, 2017. In the twelve months ended March 31, 2016, revenue from North America decreased by 82.9% to $2.5 million, compared to $14.6 million in the twelve months ended March 2016. 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 1.8% to $22.2 million in the three months ended March 31, 2017, compared to $21.8 million in the three months ended March 31, 2016. In the twelve months ended March 31, 2017, revenue from the rest of the world increased by 56.5% to $102.8 million, compared to $65.7 million in the twelve months ended March 31, 2016, mainly due to decreased theatrical revenues from the film mix offset by increased catalogue revenues and accelerated catching up on sales held back in the second half of fiscal 2016.

Cost of sales

For the three months ended March 31, 2017, cost of sales decreased by 25.4% to $32.3 million compared to $43.3 million in the three months ended March 31, 2016. The decrease was mainly because of lower amortisation costs associated with the comparable film mix and lower marketing and advertising costs. For the twelve months ended March 31, 2017, cost of sales decreased by 5% to $164.2 million compared to $172.8 million in twelve months period ended March 31, 2016, primarily due to increases in cumulative amortization costs of $7 million in twelve months ended March 2017.

Gross profit

For the three months ended March 31, 2017, gross profit decreased by 6.4% to $20.4 million, compared to $21.8 million in the three months ended March 31, 2016. As a percentage of revenues, the company's gross profit margin was 38.7% in the three months ended March 31, 2017, compared to 33.5% in the three months ended March 31, 2016. This was mainly due to high margin catalogue revenues.

In fiscal 2017 gross profit decreased by 12.8% to $88.8 million, compared to $101.7 million in fiscal 2016. As a percentage of revenues, our gross profit margin was 35.1% in the fiscal 2017, compared to 37.0% in fiscal 2016. This was mainly due to an overall weaker slate mix, reduced theatrical revenues for the films released during the rupee demonetization in India but partially offset by strong catalogue revenues.

EBIT

For the three months ended March 31, 2017, EBIT increased by 250% to $4.9 million compared to $1.4 million in the three months ended March 31, 2016. In fiscal 2017, EBIT increased by 16.8% to $39.7 million, compared to $34 million in fiscal 2016 mainly due to higher catalogue sales since April 2017 after a brief hold back in catalogue sales in the last two quarters of FY 2016 as reported and accelerating the catalogue sales since in the last two quarters of fiscal 2017 post the Rupee demonetization.

Adjusted EBITDA

For the three months ended March 31, 2017, adjusted EBITDA decreased by 34.7% to $9.4 million compared to $14.4 million in the three months ended March 31, 2016. In fiscal 2017, adjusted EBITDA decreased by 21.4% to $55.7 million, compared to $70.9 million in fiscal 2016 mainly due to lower new release revenues due to Rupee demonetization impact offset by significant high margin catalogue revenues.

Administrative costs

For the three months ended March 31, 2017, administrative costs increased by 6.0% to $15.8 million compared to $14.9 million for the three months ended March 31, 2016. In fiscal 2017, administrative costs decreased by 1.1% to $63.3 million compared to $64.0 million for the fiscal, 2016, due to lower share based compensation.

Net finance costs

For the three months ended March 31, 2017, net finance costs increased by 463.6% $6.2 million, compared to $1.1 million in the three months ended March 31, 2017. In fiscal 2017, net finance costs increased by 115.0% to $17.2 million, compared to $8 million in fiscal 2016, mainly due to lower income from financing activities and increased borrowing costs.

Income tax expense

In fiscal 2017, the provisions for income taxes are $11.0 million, compared to $12.7 million in fiscal 2016, respectively. Effective income tax rates were 31% and 21.1% for fiscal 2017 and 2016, respectively excluding non-deductible share-based payment charges. 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 2017 ended March 31, 2017, net income decreased by 13.5% to $11.5 million compared to $13.3 million for the fiscal, 2016.

Trade Receivables

As of March 31, 2017, Trade Receivables increased to $226.8 million from $169.3 million as of March 31, 2016 mainly due to significantly higher catalogue sales in fiscal 2017 compared to fiscal 2016 where Eros had held back at least $40 million of catalogue sales in the last two quarters. Catalogue sales have payment terms that sometimes extend up to a year. We have collected over $25 million of fiscal 2017 trade receivables post balance sheet.

Net Debt

As of March 31, 2017, net debt increased to $157.6 million from $120.4 million as of March 31, 2016 mainly due to Revolving Credit Facility being significantly paid down with internal cash balances offset by relatively lower cash flow from operating activities due to revenue mix being skewed to catalogue revenues that have longer payment cycles.

Conference Call

The Company will host a conference call on Friday, July 28, 2017, at 8:30 AM Eastern Standard Time.

To access the call please dial 646 254 3387 or 855 217 7942 from the United States, or +44(0)20 3427 1931 or +44(0)800 279 4842 from outside the U.S. The conference call I.D. number is 9776352. Participants should dial in 5 to 10 minutes before the scheduled time.

A replay of the call can be accessed through August 3, 2017 by dialing 719 457 0820 or 888 203 1112 from the U.S., or +44(0)207 984 7568 or +44(0)808 101 1153 from outside the U.S. The conference call I.D. number is 9776352. The call will be available as a live webcast, which can be accessed at Eros' Investor Relations website. A replay of the webcast recording will be available until July 28, 2018.

Non-GAAP Financial Measures

Net Income

The Company uses the term Net Income, as the International Financial Reporting Standards ("IFRS") define the term as synonymous with profit for the period.

Adjusted EBITDA

In addition to the results prepared in accordance with IFRS provided in this release, the Company uses Adjusted EBITDA. The company uses Adjusted EBITDA along with other IFRS measures to evaluate operating performance. Adjusted EBITDA is defined by the Company as net income before interest expense, income tax expense and depreciation and amortization (excluding amortization of capitalized film content and debt issuance costs) adjusted for impairments of available-for-sale financial assets, profit/loss on held for trading liabilities (including profit/loss on derivatives) share based payments and transaction costs related to equity transactions.

Adjusted EBITDA, as used and defined by us, may not be comparable to similarly-titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. Adjusted EBITDA provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures and working capital movement or tax position. However, our management team believes that Adjusted EBITDA is useful to investors in evaluating our results of operations because this measure:

• is widely used by investors to measure a company's operating performance without regard to items excluded from the calculation of such, term, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
• help investors to evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure; and
• is used by our management team for various other purposes, including presentations to our board of directors, as a basis for strategic planning and forecasting.

See the supplemental financial schedules for a reconciliation of Adjusted EBITDA to Net Income.

Cautionary Statement Concerning Forward-Looking Statements

Some of the information presented in this press release and in related comments by Eros' management contains forward-looking statements. In some cases, these forward-looking statements are identified by terms and phrases such as "aim," ''anticipate,'' ''believe,'' "feel," "contemplate," ''intend,'' ''estimate,'' ''expect,'' ''continue,'' ''should,'' ''could,'' ''may,'' ''plan,'' ''project,'' ''predict,'' ''will,'' "future," "goal," "objective," and similar expressions and include references to assumptions and relate to Eros' future prospects, developments and business strategies. Similarly, statements that describe Eros' strategies, objectives, plans or goals are forward-looking statements and are based on information available to Eros as of the date of this press release. Forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement. Such risks and uncertainties include a variety of factors, some of which are beyond Eros' control, including but not limited to market conditions and economic conditions. Information concerning these and other factors that could cause results to differ materially from those contained in the forward-looking statements is contained under the caption "Risk Factors" in Eros' Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission. Eros undertakes no obligation to revise the forward-looking statements included herein to reflect any future events or circumstances, except as required by law. Eros' actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements.

Seasonality

The Groups' financial position and results of operations for any period fluctuate due to film release schedules. Film release schedules take account of holidays and festivals in India and elsewhere, competitor film releases and sporting events.

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 was 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 a competitive advantage through its extensive and growing movie library comprising of over 3,000 films, which include Hindi, Tamil, and other regional language films for home entertainment distribution. Eros International has built a dynamic business model by combining the release of new films every year with the exploitation of its film library. The company also owns the rapidly growing OTT platform Eros Now. For further information please visit: www.erosplc.com

Eros International Plc

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EROS INTERNATIONAL PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017 AND 2016
(Unaudited; in thousands)

	As at March 31	
	2017	2016 (Recasted)
	(in thousands)	
ASSETS		
Non-current assets		
Property, plant and equipment	$ 10,354	$ 10,686
Goodwill	4,992	5,097
Intangible assets — trade name	14,000	14,000
Intangible assets — content	904,628	795,139
Intangible assets — others	4,360	6,127
Available-for-sale financial assets	29,613	30,147
Trade and other receivables	11,443	9,521
Income tax receivable	1,051	2,645
Restricted deposits	335	867
Deferred income tax assets	112	167
Total non-current assets	**$ 980,888**	**$ 874,396**
Current assets		
Inventories	$ 214	$ 287
Trade and other receivables	242,762	188,361
Current income tax receivable	253	238
Cash and cash equivalents	112,267	182,774
Restricted deposits	6,981	1,822
Total current assets	**362,477**	**373,482**
Total assets	**$ 1,343,365**	**$ 1,247,878**
LIABILITIES		
Current liabilities		
Trade and other payables	$ 120,082	$ 65,178
Acceptances	8,935	8,688
Short-term borrowings	180,029	210,587
Current income tax payable	7,055	6,234
Total current liabilities	**$ 316,101**	**$ 290,687**
Non-current liabilities		
Long-term borrowings	$ 89,841	$ 92,630
Other long - term liabilities	5,350	536
Derivative financial instruments	12,553	22,850
Deferred income tax	35,973	32,002
Total non-current liabilities	**$ 143,717**	**$ 148,018**
Total liabilities	**$ 459,818**	**$ 438,705**
EQUITY		
Share capital	$ 31,877	$ 30,793
Share premium	399,686	356,865
Reserves	436,997	423,230
Other components of equity	(48,119)	(53,310)
JSOP reserve	(15,985)	(17,167)
Equity attributable to equity holders of Eros International Plc	**$ 804,456**	**$ 740,411**
Non-controlling interests	79,091	68,762
Total equity	**$ 883,547**	**$ 809,173**
Total liabilities and shareholder’s equity	**$ 1,343,365**	**$ 1,247,878**

EROS INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCOME
(Unaudited; in thousands, except per share amounts)

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2017	2016	2017	2016
Revenue	**$ 52,675**	**$ 65,142**	**$ 252,994**	$ 274,428
Cost of sales	(32,266)	(43,322)	(164,240)	(172,764)
Gross profit	20,409	21,820	88,754	101,664
Administrative cost	(15,839)	(14,935)	(63,309)	(64,019)
Operating profit	4,570	6,885	25,445	37,645
Finance costs	(6,715)	(3,131)	(19,521)	(13,719)
Finance income	541	2,037	2,365	5,709
Net finance costs	(6,174)	(1,094)	(17,156)	(8,010)
Other losses	376	(5,457)	14,205	(3,636)
Profit before tax	(1,228)	334	22,494	25,999
Income tax benefit/ (expense)	(845)	625	(11,039)	(12,711)
Profit for the period	**$** (2,073)	$ 959	$ 11,455	$ 13,288
Attributable to:				
Equity holders of Eros International Plc	$ (2,679)	$ (211)	$ 3,805	$ 3,797
Non-controlling interest	606	1,170	7,650	9,491
Earnings per share(cents)				
Basic (loss)/earnings per share	(4.4)	(0.4)	6.4	6.6
Diluted (loss)/earnings per share	(4.4)	(0.4)	5.1	5.2

EROS INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND LOSS
(Unaudited; in thousands)

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2017	2016	2017	2016
Profit for the period/year	$ (2073)	$ 959	$ 11,455	$ 13,288
Other comprehensive income:				
Items that will not be subsequently reclassified to profit and loss				
Revaluation of property (net of tax)		399		399
Items that will be subsequently reclassified to profit and loss				
Exchange differences on translating foreign operations	9,444	(66)	6,591	(12,993)
Reclassification of cash flow hedge to the statement of income	201	201	804	804
Unrealized gain on available-for-sale financial assets	(384)	—	(384)	—
Total other comprehensive income/(loss) for the period/year	$ 9,261	$ 534	$ 7,011	$ (11,790)
Total comprehensive income for the period/year net of tax	**$ 7,188**	**$ 1,493**	**18,466**	**$ 1,498**
Attributable to:				
Equity holders of Eros International Plc	$ 4,242	$ (124)	$ 8,997	$ (5,632)
Non-controlling interest	2,946	1,617	9,469	7,130

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

	Year ended March 31		
	2017	2016	2015
		(in thousands)	
Cash flow from operating activities			
Profit before tax	**$ 22,494**	**$ 25,999**	**$ 62,508**
Adjustments for:			
Depreciation	1,082	1,154	1,089
Share based payment	23,471	30,992	21,915
Amortization of intangible film and content rights	135,316	128,303	117,254
Amortization of other intangible assets	1,816	1,131	608
Other non-cash items	(10,616)	4,562	17,005
Net finance costs	17,156	8,010	5,861
Gain on sale of Investments	(58)	--	
Movement in trade and other receivables	(72,247)	19,690	(93,975)
Movement in inventories	(412)	189	67
Movement in trade and other payables	4,141	31,457	1,361
(Gain)/loss on sale of property, plant and equipment	53	(3)	(9)
Cash generated from operations	122,196	251,484	133,684
Interest paid	(18,390)	(12,536)	(6,929)
Income taxes paid	(4,813)	(4,349)	(8,800)
Net cash generated from operating activities	**$ 98,993**	**$ 234,599**	**$ 117,955**
Cash flows from investing activities			
Advance given to an undertaking	$ —	$ —	$ (2,465)
Purchase of available for sale investment		(230)	—
Proceeds from sale of available-for-sale investment	288	—	—
Purchase of property, plant and equipment	(678)	(1,702)	(529)
Proceeds from disposal of property, plant and equipment	2	56	29
Proceeds from/(investment in) restricted deposits held with banks	(4,018)	76	(2,935)
Acquisition of cash and cash equivalent in subsidiary	—	263	—
Purchase of intangible film rights and content rights	(173,481)	(211,253)	(276,216)
Purchase of other intangible assets	—	(1,500)	(1,322)
Interest received	2,696	2,935	4,198
Net cash used in investing activities	**$ (175,191)**	**$ (211,355)**	**$(279,240)**
Cash flows from financing activities			
Proceeds from issue of share capital, net of transaction costs	$ 30,466	$ 5,414	$ 110,027
Proceeds from issue of shares by subsidiary	40	137	1,477
Proceeds from issue out of treasury shares	938	6,294	888
Proceeds from/(repayment of) short term debt with maturity less than three months (net)	(39,493)	1,918	(2,983)
Proceeds from short term debt	76,310	79,695	69,815
Repayment of short term debt	(66,404)	(72,746)	(65,296)
Proceeds from long term debt, net of transaction costs of $384 (2016:$139, 2015: $1,909)	16,522	13,847	91,206
Repayment of long term debt	(12,450)	(26,962)	(27,573)
Net cash generated from financing activities	**$ 5,929**	**$ 7,597**	**$ 177,561**
Net (decrease)/increase in cash and cash equivalents	(70,269)	30,841	16,276
Effects of exchange rate changes on cash and cash equivalents	(238)	(1,731)	(8,061)
Cash and cash equivalents at beginning of year	182,774	153,664	145,449
Cash and cash equivalents at the end of year	**$ 112,267**	**$ 182,774**	**$ 153,664**

Supplemental Financial Data

1. TRADE AND OTHER RECEIVABLES

	As at March 31	
	2017	2016
	(in thousands)	
Trade accounts receivables	$ 226,985	$ 169,413
Trade accounts receivables reserve	(163)	(130)
Trade accounts receivables net	$ 226,822	$ 169,283
Other receivables	25,683	18,493
Prepaid charges	277	1,071
Unbilled revenue	1,423	9,035
Trade and other receivables	$ 254,205	$ 197,882
Current Trade and other receivables	242,762	188,361
Non-Current Trade and other receivables	11,443	9,521
	$ 254,205	$ 197,882

The age of trade accounts receivables past due but not impaired is as follows:

	As at March 31	
	2017	2016
	(in thousands)	
Not more than three months	$ 23,593	$ 38,593
More than three months but not more than six months	16,729	41,448
More than six months but not more than one year	43,920	27,594
More than one year	58,516	2,882
	$ 142,758	$ 110,517

2. BORROWINGS

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

	Nominal Interest Rate	Maturity	As at March 31 2017	2016
			(in thousands)	
Asset backed borrowings				
Vehicle loan	10 -12%	2017-21	$ 325	$ 260
Term loan	BPLR+1.8 - 2.75%	2016-17	1,264	6,244
Term loan	BPLR+2.75%	2017-18	466	1,579
Term loan	BPLR+2.85%	2019-20	5,776	7,932
Term loan	BPLR+2.55 – 3.4%	2020-21	11,945	12,945
Term loan	MCLR+3.45%	2021-22	14,603	
			$ 34,379	$ 28,960
Unsecured borrowings				
Retail bond	6.5%	2021-22	$ 62,672	$ 71,901
Revolving facility	LIBOR +7.5% and Mandatory Cost	2016-17	85,000	123,750
Other borrowings	10.5%	2021-22	5,853	6,933
			$ 153,525	$ 202,584
Nominal value of borrowings			$ 187,904	$ 231,544
Cumulative effect of unamortized costs			(1,665)	(2,109)
Installments due within one year			(96,398)	(136,805)

Long-term borrowings — at amortized cost	$	89,841	$	92,630

Bank prime lending rate and marginal cost lending rate (“BPLR” & “MCLR”) is the Indian equivalent to LIBOR. Asset backed borrowings are secured by fixed and floating charges over certain Group assets.

Analysis of short-term borrowings

	Nominal interest rate (%)	As at March 31			
		2017		2016	
		(in thousands)			
Asset backed borrowings					
Export credit, bill discounting and overdraft	BPLR+1-3.5%	$	41,687	$	12,028
Export credit and overdraft	LIBOR+3.5%		24,572		26,586
Term loan*	13% - 14.25%		5,396		-
Term loan	MCLR+4.25%		4,943		
		$	76,598	$	38,614
Unsecured borrowings					
Commercial paper	10.0% 13.0%		-		1,511
Other short term loan	1.75% - 2.6%		-		32,871
Other short term loan**	12% - 14%		7,033		786
Installments due within one year on long-term borrowings			96,398		136,805
Short-term borrowings - at amortized cost		$	180,029	$	210,587

*Secured by pledge of shares held in the group’s majority owned Subsidiary Eros International Media Limited, India.

**Includes loan of $6,417 from Eros Television Private Limited, a related party.

Fair value of the long - term borrowings as at March 31, 2017 is $155,923 (2016: $195,924). Fair values of long-term financial liabilities except retail bonds 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, 2017, the fair value of retail bond amounting to $43,416 has been determined using quoted prices from the LSE. Carrying amount of short - term borrowings are considered a reasonable approximation of fair value.

3 ACCEPTANCES

	As at March 31			
	2017		2016	
	(in thousands)			
Payable under the film financing arrangements	$	8,935	$	8,688
	$	8,935	$	8,688

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

4. ISSUED SHARE CAPITAL

	Number of Shares	GBP
		(in thousands)
Authorized		
Ordinary shares of 30p each at March 31, 2017 and March 31, 2016	83,333,333	25,000

	Number of Shares		USD
Allotted, called up and fully paid	A Ordinary 30p Shares	B Ordinary 30p Shares	
As at March 31, 2015	**31,982,488**	**25,555,220**	**30,622**

Issue of shares on July 16, 2015	300,000	—	138
Issue of shares on August 18, 2015	3,500	—	2
Issue of shares in February 2016	57,860	—	26
Issue of shares in March 2016	10,900	—	5
Transfer of B Ordinary to A Ordinary share	594,566	(594,566)	—
As at March 31, 2016	**32,949,314**	**24,960,654**	**30,793**
Issue of shares on April 4, 2016	1,750	—	1
Issue of shares on July 29, 2016	20,813	—	8
Issue of shares on August, 2016	387,613	—	153
Issue of shares on September, 2016	2,107,010	—	825
Issue of shares on October, 2016	98,500	—	36
Issue of shares on November, 2016	117,963	—	45
Issue of shares on December, 2016	14,580	—	6
Transfer of B Ordinary to A Ordinary share	5,581,272	(5,581,272)	—
Issue of shares of on January, 2017	4,200	—	2
Issue of shares of on February, 2017	17,437	—	5
Issue of shares of on March, 2017	11,750	—	3
As at March 31, 2017	**41,312,202**	**19,379,382**	**31,877**

In July, August and November 2016, the Company issued 62,439 'A' ordinary shares to certain executive directors and ex-employee out of IPO 2006 Plan. As at March 31, 2017, all the share options have been exercised and issued.

On June 9, 2015, the Board of Directors approved a grant of 580,000 'A' ordinary shares to certain executive directors with a fair market value of $21.34 per share. Subject to continued employment, these awards with Nil exercise price, vest over a period of three years. In August 2016, 360,000 shares of 580,000 share awards were issued of which 180,000 shares were issued with restriction. Further, in October 2016, 60,000 shares out of the remaining 220,000 share awards were issued.

The Board of Directors approved grant of 24,500 share awards to certain employees on various dates between the months of August to October 2016. These awards with Nil exercise price and fair market value of $ 15.91 -$ 17.01 vested on grant date and were issued immediately on vesting dates.

On September 8, 2016, the Board of Directors approved a grant of 100,000 'A' ordinary share awards to a certain employee with Nil value exercise price and a fair market value of $16.2. These awards vested on grant date and were issued on September 23, 2016.

In September 2016, the Company issued 2,000,310 'A' ordinary shares to two of its existing institutional shareholders for an aggregate consideration of $30 million.

On October 12, 2016 & January 23, 2017, permitted Class B shares aggregating to 3,247,939 and 2,333,333 Class B shares respectively, were converted into Class A shares. This was effected through the cancellation of 5,581,272 Class B shares and subsequent issuance of the equivalent amount of Class A shares.

On June 5, 2014, the Board of Directors had approved a grant of 525,000 'A' ordinary share awards with a fair market value of $14.95 per share, to certain executive directors and members of senior management. These awards vest subject to certain share price conditions being met on or before May 31, 2015 and the employee remaining in service until May 31, 2015. On fulfilment of share price condition, 487,500 restricted shares were issued on December 1, 2014. All these awards have since vested and shares issued. In case of except 30,000 share awards for which shares were issued on November 2, 2016.

On September 4, 2015, the Company entered into an employment exit agreement with an employee pursuant to which the Board approved a grant of 20,000 'A' ordinary share awards with Nil exercise price and a fair market value of $33.66 per share. These shares were issued on November 2, 2016.

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 April 2016, 1,750 shares were issued with further issuances of 35,050 in October 2016, November 2016, and January 2017.

On June 28, 2016, the Board of Directors approved a grant of 197,820 'A' ordinary 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 Fiscal 2017, 61,380 shares were issued.

On February 13, 2017, the Company entered into an employment exit agreement with an employee pursuant to which the management approved a grant of 17,437 'A' ordinary share awards with Nil exercise price and a fair market value of $11.5 per share. These shares were issued on February 24, 2017.

As at March 31, 2017, none of the awards were forfeited.

5. ACQUISITION

On August 1, 2015, Eros' subsidiary Eros International Media Limited ("EIML") acquired 100% of the shares and voting interests in Techzone. In accordance with the terms of the agreement between the parties, EIML issued 900,970 equity shares to the shareholders of Techzone at an acquisition date fair value of INR 586 ($9.16) per share. Up to March 31, 2016, pending completion of valuation of assets, including intangible assets, the purchase price was allocated on a preliminary basis to net assets based on initial estimates. On July 31, 2016 the valuation has been completed and purchase price allocation has been finalized and changes recognized with retrospective effect. The impact of the final allocation is not material to the Group's financial position or results of operations.

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,	
	2017	**2016**	**2017**	**2016**
IPO India Plan	$ 353	569	2,140	1,736
JSOP Plan	906	904	3,622	2,696
Option award scheme 2012	100	253	699	1,610
2014 Share Plan	299	541	1,427	2,361
2015 Share Plan	33	380	328	932
Other share option awards	2,743	3,652	4,405	894
Management scheme (staff share grant)	392	189	10,850	20,763
	$ 4,826	$ 6,488	**$ 23,471**	$ 30,992

In the meeting date June 28, 2016, the Board of Directors approved the following grants:

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.

197,820 'A' ordinary share awards to certain employees with a fair market value of $14.68 per share. Subject to continued employment, these awards with Nil exercise price, vest over a period of three years.

On September 8, 2016, the Board of Directors approved, 100,000 'A' ordinary share awards to an employee with a fair market value of $16.2 per share. These awards vested on grant date.

On September 22, 2016, the Board of Directors approved a grant of 18,915 'A' ordinary share awards to certain employees with Nil value exercise price and a fair market value of $16.2. These awards vest over a period of three years.

The Board of Directors approved grant of 24,500 'A' ordinary share awards to certain employees on various dates between the months of August to October 2016. These awards with Nil exercise value and a fair market value of $ 15.91 - $ 17.01 on grant date.

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.

7. INTANGIBLE CONTENT ASSETS

	Gross Content Assets	Accumulated Amortization	Content Assets
		(in thousands)	
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
As at March 31, 2016			
Film and content rights	$ 1,158,737	$ (652,651)	$ 506,086
Content advances	284,817	—	284,817
Film productions	4,236	—	4,236
Non-current content assets	$ 1,447,790	$ (652,651)	$ 795,139

8. EARNINGS PER SHARE

	Three months ended March 31,				Twelve months ended March 31,			
	2017		2016		2017		2016	
	(in thousands, except number of shares and earnings per share)							
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
(Loss)/earnings attributable to the equity holders of the parent	$ (2679)	$ (2679)	$ (211)	$ (211)	$ 3,805	3,805	$ 3,797	3,797
Potential dilutive effect related to share based compensation scheme in subsidiary undertaking	—	**(106)**	—	—	—	(673)	—	(732)
Adjusted (loss)/earnings attributable to equity holders of the parent	$ (2679)	$ (2,785)	$ (211)	$ (211)	$ 3,805	3,132	$ 3,797	3,065
Number of shares								
Weighted average number of shares	60,568,257	60,568,257	57,908,086	57,908,086	59,410,292	59,410,292	57,731,839	57,731,839
Potential dilutive effect related to share based compensation scheme		1,617,476	—	—		1,532,839	—	1,304,185
Adjusted weighted average number of shares (loss)/earnings per share	60,568,257	62,185,733	57,908,086	57,908,086	59,410,292	60,943,131	57,731,839	59,036,024
Earnings attributable to the equity holders of the parent per share (cents)	(4.4)	(4.4)	(0.4)	(0.4)	6.4	5.1	6.6	5.2

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.

9. BUSINESS SEGMENTAL DATA

Revenues are presented based on customer location:

	Three months ended March 31,		Twelve months ended March 31,	
	2017	2016	2017	2016
Revenue by customer's location				
India	$ 19,719	$ 31,164	$ 129,251	$ 158,843
Europe	365	10,447	7,695	24,367
North America	877	4,413	10,132	19,865
Rest of the world	31,714	19,118	105,916	71,353

Total Revenue	**$ 52,675**	**$ 65,142**	**$ 252,994**	**$ 274,428**

	Three months ended March 31,		Twelve months ended March 31,	
	2017	**2016**	**2017**	**2016**
Revenue by group's operation				
India	$ 19,718	$ 31,306	$ 121,966	$ 159,855
Europe	10,633	11,352	25,686	34,209
North America	88	639	2,549	14,622
Rest of the world	22,236	21,845	102,793	65,742
Total Revenue	**$ 52,675**	**65,142**	**$ 252,994**	**$ 274,428**

10. Other (Gains)/Losses

	Three months ended March 31,		Twelve months ended March 31,	
	2017	**2016**	**2017**	**2016**
		(in thousands)		
(Gains) on disposal of property, plant and equipment	**$** 53	$ —	$ 53	$ (3)
Net foreign exchange(gains)/ losses	1,269	(132)	(3,903)	73
Net losses on held for trading financial liabilities	—	5,589	-	3,566
Transaction costs related to equity transactions	—	—	(58)	—
Impairment loss on available-for-sale financial assets	(1,698)	—	(10,297)	—
	$ (376)	$ 5,457	$ (14,205)	$ 3,636

The net gains/(losses) on held for trading financial liabilities in the three and twelve months ended March 31, 2017 and 2016, respectively, principally relate to derivative instruments not designated in a hedging relationship.

11. NON-CASH EXPENSES

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

	As at March 31	
	2017	**2016**
	(in thousands)	
Net loss/(gain) on held for trading financial liabilities	$ (10,297)	$ 3,566
Provisions for trade and other receivables	2,430	1,315
Balances written back	(798)	
Impairment loss on content advances	1,887	2,545
Unrealized foreign exchange (gain)/loss	(3,838)	(2,864)
	$ (10,616)	$ 4,562

12. NON GAAP-FINANCIAL MEASURES

Adjusted EBITDA

	Three months ended March 31,		Twelve months ended March 31,	
	2017	2016	2017	2016
	(in thousands)			
Net income	$ (2073)	$ 959	$ 11,455	$ 13,288
Income tax (benefit)/expense	845	(625)	11,039	12,711
Net finance costs	6174	1,094	17,156	8,010
Depreciation	492	444	1,082	1,154
Amortization (1)	788	426	1,816	1,131
Share based payments (2)	4,826	6,488	23,471	30,992
Net losses on held for trading financial liabilities	(1,698)	5,589	(10,297)	3,566
Gain on sale of available-for-sale financial assets	—	—	(58)	—
Adjusted EBITDA	$ 9,354	$ 14,375	$ 55,664	$ 70,852

(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.