



Entertainment One Ltd.

Interim results for the six months ended 30 September 2011

Underlying EBITDA growth of 77%

Entertainment One Ltd. ("Entertainment One", "the Company" or "the Group"), the leading international independent entertainment content owner and distributor, announces its interim results for the six months ended 30 September 2011.

Financial Highlights – continuing operations¹

Six months to 30 September	Adjusted results			Reported results	
	2011	2010	Change	2011	2010
Revenue (£m)	204.6	202.5	+1.0%	204.6	202.5
Underlying EBITDA ² (£m)	23.6	13.3	+77.4%	23.6	13.3
Profit / (loss) before tax ³ (£m)	18.8	8.5	+121%	9.8	(1.5)
Diluted earnings per share ⁴ (Pence)	6.9	4.3	+60.5%	3.5	(0.5)
Operating cash flow (£m)	38.2	30.6	+24.8%	38.2	30.6
Net debt ⁵ (£m)	62.0	80.7	-23.2%	97.8	103.2

Operational Highlights

- Film business signed exclusive five year licensing deal in the UK with LOVEFiLM, demonstrating the value of the Group's content ownership strategy
- Hopscotch acquisition integrating well and benefits already seen through extensions of output deals with Summit and Lakeshore to Australia
- Continuing success in Television with network premiere of *Hell on Wheels* on AMC alongside third season commissions for *Haven* and *The Walking Dead*
- Family performing strongly with international roll-out of *Peppa Pig* progressing to plan and strong daily broadcast performance in the US
- Independent annual library valuation increased by 40% to \$350 million
- Expanded senior debt facilities to \$196 million and extended term to October 2014
- Strategic review announced on 14 September 2011 is progressing well

Darren Throop, Chief Executive Officer, commented:

"I am pleased to report yet another strong set of results. Our Film businesses performed well and the strength of our release slate continues to improve. In Television we continue to grow our outstanding portfolio of network series and the number of renewals we are seeing is a testament to the quality of our productions. I am also delighted with the progress being made by *Peppa Pig* in the US and internationally.

The Group's ability to extend and expand its lending facilities against the backdrop of the current financial markets is recognition of the strength of our performance over a sustained period and I look forward to a very positive second half of the year."

- 1 Continuing operations excludes the results of the Canadian Retail business which was discontinued in the prior year.
- 2 Underlying EBITDA is earnings from continuing operations before operating one-off items, share-based payment charges, interest, tax, depreciation and amortisation of intangible assets. Underlying EBITDA is reconciled to operating profit in the 'Other Financial Information' section of this interim announcement.
- 3 Adjusted profit before tax is profit before tax from continuing operations before one-off operating items, share-based payment charges, one-off items within net finance charges and amortisation of acquired intangible assets.
- 4 Adjusted diluted earnings per share is adjusted for operating one-off items, share-based payment charges, amortisation of acquired intangible assets, one-off items within net finance charges and the tax effect of these items.
- 5 Adjusted net debt comprises net borrowings under the Group's senior debt facility and, in the prior year, exchangeable notes.

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Cautionary Statement

This Interim Announcement contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Entertainment One Ltd. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Interim Announcement should be construed as a profit forecast.

A copy of this Interim Announcement for the six months ended 30 September 2011 can be found on our website at www.entertainmentonegroup.com.

INTERIM MANAGEMENT REPORT - SIX MONTHS TO 30 SEPTEMBER 2011

OVERVIEW

The Group has again delivered a period of significant growth, with underlying EBITDA increasing by 77% to £23.6 million in the first half of the year. The content ownership strategy continues to drive these strong results, supported by substantial investment in new content, which increased 53% to £67 million in the first half.

The Film business increased revenue, releasing 74 movies theatrically compared to 78 in the prior year, despite there being no Twilight franchise release in the first half. It is anticipated that over 80 films will be released in the second half including *The Twilight Saga: Breaking Dawn - Part 1*, *The Ides of March*, *Tinker, Taylor, Soldier, Spy* and *Man on a Ledge*. The business has also renewed its UK and Canadian output deal with Summit until 2015 and extended it to cover Australia following the acquisition of Hopscotch in May.

In the UK the Group signed an exclusive five year deal to sell subscription video on demand rights to LOVEFiLM, the UK digital streaming business owned by Amazon.com, Inc. Film rights are typically made available for this Pay TV window 12 months following the date of theatrical release. The first half results consequently include delivery of those films now available, including titles such as *The Twilight Saga: Eclipse* and *RED*. The LOVEFiLM deal will have a positive impact on financial performance over the term of the agreement and clearly highlights the success of the Group's content ownership strategy, demonstrating the Company's ability to monetise digital opportunities. Digital revenues, which were higher in all business units and include the impact of this deal, more than doubled to £35 million in the first half and comprised over 17% of Group sales.

The Television business had a strong first half, delivering 73 half hours of programming and increasing revenue by 27% to £34.8 million. The success of the Group's major shows was reinforced with the commission of a third season of *Haven* and renewal for a third season of *The Walking Dead*. New production *Hell on Wheels* premiered on 6 November with AMC's second highest ever viewing figures for an original series (behind *The Walking Dead*). Production on *The Firm*, based on the novel by John Grisham, is progressing well and the first of 22 episodes will be broadcast on NBC in the US and Global in Canada in early 2012.

In Family, *Peppa Pig* licensing and merchandising sales in the UK were strong and viewing figures in the US have been extremely encouraging since the show moved from weekend to daily broadcast on Nick Jr. in June. In other markets *Peppa Pig*'s international presence also continued to grow and it is now showing on the leading children's networks in Australia, where it is already ABC's number one rated pre-school children's show, Canada, Spain and Italy. Further territories are expected to be added in the second half. *Ben & Holly's Little Kingdom* continues to perform strongly in the UK and the business is currently working on a development slate incorporating more than 20 new projects.

Sales in the Distribution division were, as expected, lower than the prior year due to the challenging market conditions for Home Video in Canada with fewer blockbuster theatrical releases flowing through to home entertainment. The business had a stronger September and October and based on the forthcoming release slate anticipates a more robust second half.

The annual independent valuation of the Group's content library increased by 40% to \$350 million (2010: \$250 million) reflecting the increased investment in content over the previous year and the success of the Group's existing library properties.

The Company has extended the term of its current debt facilities, which had been due to mature in September 2012, to October 2014. In addition, supported by the Group's consistently strong performance and the increasing value of its rights library, the facilities will increase to \$196 million, ensuring that the business is well placed not only to deliver on its existing plans but also to take full advantage of new opportunities for further growth in the future.

OUTLOOK

The strength of the Group's Film, Television and Family slate provides a solid foundation to maintain the positive momentum into the second half of the year. The directors look forward to delivering another year of growth in line with expectations. The Board's review of strategic options, announced on 14 September, is progressing well and an update will be provided to the market in due course.

SUMMARY FINANCIAL PERFORMANCE

Reported revenues at £204.6 million (2010: £202.5 million) were in line with expectations and 1% ahead of the prior year. Underlying EBITDA increased 77% to £23.6 million (2010: £13.3 million). These strong results were driven mainly by increased digital sales in the UK, the acquisition of Hopscotch in Australia and growth in Television, which more than offset the expected decline in the Distribution division.

Reported profit before tax was £9.8 million compared to a loss of £1.5 million in the prior year, mainly reflecting the growth in underlying EBITDA. On an adjusted basis, excluding amortisation of acquired intangible assets, share-based payment charges and one-off items, the Group reported a £10.3 million increase in profit before tax to £18.8 million (2010: £8.5 million).

Continuing operations - six months to 30 September	Reported			Proforma, Constant Currency *		
	2011 £m	2010 £m	%	2011 £m	2010 £m	%
Revenue	204.6	202.5	1.0%	205.6	205.2	0.2%
Underlying EBITDA	23.6	13.3	77.4%	23.4	13.6	72.1%
Investment in content & programmes	66.6	43.5	53.1%	67.0	45.0	48.9%

* In order to provide like for like comparisons, the above table includes the results and prior year figures on a proforma and constant currency basis. For the purposes of this analysis 'proforma' includes the results of Hopscotch, which was acquired on 13 May 2011, as if that business had been acquired on the first day of the comparative period. Constant currencies have been calculated by retranslating the comparative figures using weighted average exchange rates for the period to 30 September 2011. The impact of currency movements has had an immaterial impact on revenue and underlying EBITDA in the period.

DIVISIONAL REVIEWS

The Group reports its results as two divisions, Entertainment and Distribution. Unless otherwise stated, comparative information in this section is stated on a proforma and constant currency basis. The comparative period is the six months to 30 September 2010.

ENTERTAINMENT

The Entertainment division comprises the Film and Television businesses. On a reported basis revenue increased by 9% to £139.9 million and underlying EBITDA more than doubled to £23.2 million.

Film

The Film business operates in Canada, the UK, Benelux, Australia and the US. Revenue grew by £2.2 million, or 2.1% driven mainly by the impact of digital sales in the UK. Fewer titles were released theatrically in Canada and the UK and the first half in the prior year also benefited from the theatrical release of *The Twilight Saga: Eclipse*. There was no Twilight franchise release in the first half of the current year, with *The Twilight Saga: Breaking Dawn - Part 1* due for release in November 2011.

Underlying Film EBITDA at £16.1 million was £11.5 million higher than the prior year. This is primarily driven by increased digital sales as a result of the LOVEFiLM deal and underlying trading in the UK.

Investment in content was £25.5 million (2010: £32.5 million) and is expected to be higher in the full year due to timing of payment of minimum guarantees in the second half.

Film – six months to 30 September	Reported			Proforma, Constant Currency		
	2011 £m	2010 £m	%	2011 £m	2010 £m	%
Revenue	106.4	101.2	5.1%	107.4	105.2	2.1%
Underlying EBITDA	16.2	4.3	277%	16.1	4.6	250%
Investment in content	25.0	31.4	-20.4%	25.5	32.5	-21.5%

UK

Revenue in the UK was up 6% due mainly to the significant increase in digital sales. The theatrical slate comprised three releases compared to nine in the first half last year. Revenue from Home Video was broadly in line with the prior year supported by releases of prior year theatrical titles *Gnomeo & Juliet* and *The Way Back* and DVD titles such as *The Killing* and *Camelot*. Home Video revenue also benefited from the distribution of the first season of TV zombie drama *The Walking Dead* for which the Group's Television division owns international sales rights.

The second half of the year contains a stronger slate of titles. In addition to *The Twilight Saga: Breaking Dawn - Part 1*, seven theatrical releases are planned including *The Three Musketeers in 3D* (starring Orlando Bloom, Mila Jovovich, Logan Lerman and Matthew Macfadyen), the George Clooney directed political drama *The Ides of March* (George Clooney, Ryan Gosling and Philip Seymour Hoffman), *Ghost Rider 2* (Nicolas Cage and Idris Elba), *Man on a Ledge* (Sam Worthington) and *Hunky Dory* (Minnie Driver, Aneurin Barnard and Robert Pugh). In addition 29 Home Video releases are planned including the theatrical releases and *The Killing 2*, *TT: Closer to the Edge*, *Tactical Force*, *Horrid Henry: The Movie* and animated fairytale *The Gruffalo's Child*.

Canada

Revenue in Canada was 6% lower than the first half last year with 27 titles released theatrically compared to 32 in the comparative period that also included *The Twilight Saga: Eclipse*. Theatrical successes included *Source Code*, *The Lincoln Lawyer*, *Shark Night 3D* and French language comedy, *Starbuck*. Critically acclaimed comedy drama *50/50* and thriller *The Killer Elite* were released at the end of September, with their performance benefiting results in the second half.

Alongside *The Twilight Saga: Breaking Dawn - Part 1*, the Canadian business is planning to release over 30 movies theatrically in the second half, including *Tinker, Taylor, Soldier, Spy* (starring Colin Firth, Gary Oldman and Mark Strong), Lars von Trier's drama *Melancholia* (Kirsten Dunst, Charlotte Gainsbourg, Kiefer Sutherland and Charlotte Rampling), thriller *Man on a Ledge*, *The Rum Diary* and David Cronenberg's *A Dangerous Method* (Viggo Mortensen, Michael Fassbender and Keira Knightley). In addition over 110 titles will be released on DVD including *Universal Soldier IV*, *Gerry*, *What's Wrong with Virginia*, *Faces in the Crowd*, and the UK television success *Downton Abbey*.

The business recently acquired Vivendi Entertainment's home entertainment catalogue and from January 2012 will be the exclusive distributor in Canada for key labels including Navarre, Funimation, Shout! Factory, Classic Media, Mill Creek and National Geographic.

Benelux

The Benelux business grew revenue by 4% in the first half driven mainly by an increase in theatrical releases to 27 from 22 in the comparative period. Theatrical titles in the first half included *Scream 4*, *Source Code*, *Blitz* and *The Lincoln Lawyer* while Home Video releases included *The Next Three Days*, *Eagle of the Ninth*, *Buried* and *The Way Back*.

The second half slate includes a number of multi-territory titles including *Tinker, Taylor, Soldier, Spy*, *Man on a Ledge*, *The Rum Diary* and *The Killer Elite*. Other releases include action movies *Abduction* (starring Taylor Lautner, Alfred Molina and Sigourney Weaver), *Machine Gun Preacher* (Gerard Butler and Michelle Monaghan) and the next film in the successful *Sinterklaas* ('Santa Claus') family series. In total 33 theatrical releases and more than 70 DVD releases are planned for the second half.

Australia

The Group completed the acquisition of Hopscotch in Australia in May 2011. Integration of the business has been swift and benefits of the acquisition have already been demonstrated with the extension of the Group's output deals with Summit and Lakeshore to Australia.

The business released 17 films theatrically in the first half including *Source Code*, *Incendies*, *Beginners*, *Little White Lies* and *Barney's Version*. 18 theatrical releases are planned for the second half including Woody Allen's new film *Midnight in Paris*, thriller *Don't be Afraid of the Dark* (starring Guy Pearce and Katie Holmes) and *We Need to Talk About Kevin* (starring Tilda Swinton). More than 60 DVD releases are planned for the second half.

US

The US Film business released a similar number of titles compared to the prior year although revenues were down, partly reflecting the liquidation of Borders and lower sales to Blockbuster following its entry into bankruptcy protection and subsequent store closure programme. Releases in the first half included South African apartheid drama *The Bang Bang Club* (starring Ryan Phillippe), the third series of TV drama *Sanctuary* and the home video release of the first seasons of the Group's hit network TV shows *Rookie Blue* and *Haven*. Second half releases include *Attack on Leningrad* (starring Mira Sorvino), *Age of Heroes* (starring Sean Bean), the first season of the US version of TV drama *Being Human* and the classic NBC TV series *It Takes a Thief*.

The Group recently announced its intention to expand the US Film business through increased acquisition of limited release theatrical titles and expansion of the video label business. A dedicated management team has been appointed to implement this initiative.

Film also incorporates the results of the Group's US music label where underlying EBITDA was slightly ahead of the prior year and represents only 4% of Film business EBITDA.

Television

Television comprises the Group's Canadian-based Television and UK-based Family businesses. Revenues were up by 26.1% compared to last year and underlying EBITDA increased £0.2 million to £6.9 million (2010: £6.7 million). At the half year contracted sales not yet recognised as revenue, relating to programmes in production, were £37 million (2010: £20 million).

Television – six months to 30 September	2011 Reported	2010 Reported		2010 Constant Currency	
	£m	£m	%	£m	%
Revenue	34.8	27.5	26.5%	27.6	26.1%
Underlying EBITDA	6.9	6.7	3.0%	6.7	3.0%
Investment in content & programmes	41.6	12.1	244%	12.5	233%

Television - Canada

Production in Canada increased significantly with £40.0 million of investment in new programming compared to £11.6 million in the first half last year. 73 half hours were delivered compared to 115 in the corresponding period, generating 26.5% more revenue as the business continues to focus on higher profile programming with higher revenues per episode. The number of deliveries for the full year is expected to be similar to 2011 but investment in programming will be significantly higher as the quality and scale of productions increases.

Deliveries in the first half included the final episodes of the second season of police drama *Rookie Blue*. The show continues to be well received, with viewing figures for the second season exceeding the first season. Additional deliveries included the second season of mystery drama *Haven*, the first episodes of AMC's new primetime contemporary western *Hell on Wheels* and the first episodes of the third season of successful comedy show *Hung*. Other deliveries included new seasons of reality show *Party Mamas*, true crime series *Devil You Know* and Kenny Hotz's *Triumph of the Will* and television movies *To the Mat* and *Reel Love* (starring LeAnn Rimes).

The Group's pipeline of new programmes remains strong. The remainder of the current financial year will see delivery of the eagerly anticipated crime drama *The Firm*, based on the novel by John Grisham, for broadcast in early 2012. The show is already selling well internationally and will be broadcast on Sony Entertainment's AXN networks in multiple territories. Additional deliveries will include a third season of *Rookie Blue*, new seasons of non-scripted shows including *Mega Builders* and *Mary Mary* and two sequels to last year's extremely successful television movie *Goodnight for Justice*, a drama set in the US wild west starring Luke Perry. A third season of *Call me Fitz* (starring Jason Priestley), which recently won a number of categories at this year's Gemini awards in Canada, will also be delivered while a third season of *Haven* has recently been commissioned and is expected to commence production in the second half, with delivery expected in the next financial year.

The Group's Television International Sales business is continuing to expand driven by the success of Entertainment One's North American network shows developed over the last three years. The second season of the international hit zombie show *The Walking Dead* is now being broadcast in a number of territories. It continues to sell well and has recently been re-commissioned for a third season.

Television - Family

The Family business also continues to grow and revenue in the first half was up 9% due principally to strong licensing renewals in the UK. In the US *Peppa Pig* moved from a weekend to a daily broadcast slot on Nick Jr. in June and viewing figures remain extremely positive. The plans to launch *Peppa Pig* licensing and merchandising in the US in late 2012 remain on track, underpinned by the master toy license with Fisher-Price announced in May. The business has also indentified a number of leading US licensors in clothing, books, magazines and home entertainment to form the basis of an expansion of its *Peppa Pig* licensing programme. Progress is also being made in rolling out the licensing programme internationally in particular in Europe, Australia and the Far East.

Ben & Holly's Little Kingdom licensing sales also grew well and the range of merchandising in the UK continues to expand. Outside of *Peppa Pig* and *Ben & Holly's Little Kingdom*, the development slate continues to gain momentum with over 20 shows currently in the pipeline.

DISTRIBUTION

The Distribution division comprises the Group's physical home entertainment wholesale business in Canada and the music and video distribution business in the US. Revenues of £87.7 million were down 11.4% and underlying EBITDA fell £1.6 million to £2.4 million.

Distribution - six months to 30 September	2011	2010		2010	
	Reported	Reported	%	Constant Currency	
	£m	£m	%	£m	%
Revenue	87.7	101.3	-13.4%	99.0	-11.4%
Underlying EBITDA	2.4	4.0	-40.0%	4.0	-40.0%

Revenues in the Canadian business were lower, partly due to the absence of sales to the discontinued Retail chain, which the Group closed in the second half of the previous financial year, and also due to fewer DVD releases in the first half that related to larger box-office titles (particularly titles that had generated more than \$100 million of revenues at the box office). Underlying EBITDA was lower driven primarily by the lower sales. Full year results are anticipated to be broadly in line with management expectations due to the stronger release schedule anticipated in the second half. The U.S. distribution business performed ahead of last year driven mainly by good performance of the titles from the Group's own music label.

GROUP COSTS

Group costs at £1.9 million (2010: £1.9 million) were in line with the prior year.

OTHER FINANCIAL INFORMATION

A summary of adjusted financial information is presented, at reported exchange rates, in order to provide useful information to investors and excludes the following: one-off items, amortisation of acquired intangible assets, share-based payment charges and non-recurring items within net finance charges.

Adjusted Operating Profit increased 83% to £22.5 million (2010: £12.3 million) mainly reflecting the increase in underlying EBITDA while Adjusted Profit Before Tax more than doubled to £18.8 million (2010: £8.5 million).

Continuing operations	Adjusted		Reported	
	2011 £m	2010 £m	2011 £m	2010 £m
Underlying EBITDA	23.6	13.3	23.6	13.3
One-off items	-	-	(0.9)	(1.8)
Amortisation of intangible assets	(0.4)	(0.2)	(8.0)	(7.9)
Depreciation	(0.7)	(0.8)	(0.7)	(0.8)
Share-based payment charges	-	-	(0.8)	(0.5)
Operating profit	22.5	12.3	13.2	2.3
Net finance charges	(3.7)	(3.8)	(3.4)	(3.8)
Profit before tax	18.8	8.5	9.8	(1.5)
Taxation	(4.6)	(1.1)	(2.5)	0.7
Profit/(loss) after tax	14.2	7.4	7.3	(0.8)

One-off Items

One-off items in the current year comprise the final costs incurred on the acquisition of the Hopscotch group of companies and costs relating to the strategic review of the Company which is currently underway. The strategic review is ongoing and additional costs are expected in the second half.

Amortisation of Intangible Assets and Depreciation

Amortisation of acquired intangible assets, arising from the corporate activity undertaken by the Group since 2007 including the Hopscotch acquisition, decreased from £7.7 million to £7.6 million. Depreciation was broadly in line with the prior year at £0.7 million (2010: £0.8 million) as capital expenditure remained consistent at less than £1.0 million in the first half.

Share-based payment charge

Share-based payment charges increased from £0.5 million to £0.8 million mainly due to grants made in the second half of the prior year and grants relating to the Hopscotch acquisition.

Net Finance Charges

Net finance charges decreased 3% on an adjusted basis from £3.8 million to £3.7 million with the impact of lower net debt levels partly offset by the adverse impact on exchange translation of interest on non-sterling borrowings.

Tax

On a reported basis the Group's tax charge of £2.5 million represents an effective rate of 26% compared to 47% in the comparative period and 35% for the year to 31 March 2011. On an adjusted basis the effective rate is 25% compared to 13% in the comparative period and 27% in the year to 31 March 2011. The adjusted effective rate for the full year is anticipated to be around 28%, broadly in line with management's expectations.

Earnings per Share

The reported diluted earnings per share improved to 3.5 pence (2010: loss 0.5 pence) reflecting the reported profit after tax of £7.3 million (2010: loss of £0.8 million). On an adjusted basis the diluted earnings per share was up 60.5% to 6.9 pence (2010: 4.3 pence).

Financing and Cash flow

Net debt balances at 30 September 2011 comprise the following:

	30 September 2011 £m	30 September 2010 £m	31 March 2011 £m
JP Morgan – Senior Revolving Credit Facility	77.1	88.4	66.4
Cash and other items (excl. TV Production)	(15.1)	(13.7)	(27.8)
Senior Net Debt	62.0	74.7	38.6
Exchangeable notes	-	6.0	-
Adjusted Net Debt	62.0	80.7	38.6
Television Production Net Debt	35.8	22.5	22.1
	97.8	103.2	60.7

Net debt reduced by £5.4 million compared to 30 September 2010 driven by a £18.7 million decrease in Adjusted Net Debt (which excludes Television Production Net Debt). Since 31 March 2011 net debt is higher, as expected, due mainly to the significant increase in investment in programmes.

	Six months to 30 September 2011 £m	Six months to 30 September 2010 £m
Net debt at 31 March	(60.7)	(86.1)
Net cash from operating activities	38.2	30.6
Investment in content rights and TV programmes	(66.6)	(43.5)
Purchase of other non-current assets *	(1.0)	(0.4)
Free cash flow	(29.4)	(13.3)
Acquisition of subsidiaries	(6.3)	(3.1)
Net interest paid	(2.6)	(2.8)
Other items (including foreign exchange)	1.2	2.1
Net debt at 30 September	(97.8)	(103.2)

* Other non-current assets comprise property, plant and equipment and intangible software.

Cash flow from operating activities of £38.2 million was up 25% compared to £30.6 million in the prior period reflecting strong trading in the first half. The Group invested £66.6 million in content rights and television programmes in the period, up 53% (2010: £43.5 million). The increase represents significantly higher investment in the Television business.

Acquisition of subsidiaries of £6.3 million represents amounts paid to the Hopscotch vendors net of cash acquired. The prior year comprises the final deferred payments relating to the acquisition of the Television businesses in September 2008.

Adjusted Net Debt

The Adjusted Net Debt balance was £62.0 million, down £18.7 million on the previous year and up £23.4 million since the year end. This movement is consistent with the same period in the prior year after excluding the impact of acquisitions. At 30 September 2011, using prevailing exchange rates, the total available senior facility was US\$168 million. The Group does not anticipate drawing on these additional amounts but they provide the Group with capital to pursue its strategic objectives should opportunities become available. On 10 November 2011 the Company signed an extension to its existing senior credit facility setting a new maturity date of October 2014 and increasing the amount available from September 2012 to \$196 million.

Television Production Net Debt

Television Production Net Debt increased by £13.7m since 31 March 2011 to £35.8 million to support the large number of shows in production. This financing is independent of the Group's senior credit facility and is not secured over all of the Group's assets. It is attributable to the Television production companies within the Television business and represents shorter-term working capital financing that is arranged and secured on a production-by-production basis.

Exchangeable Notes

There are no outstanding exchangeable notes in issue as the option to convert the notes into shares of the Company was exercised by the holders in November 2010.

Financial Position and Going Concern Basis

The Group's net assets were £202.1 million at 30 September 2011 (31 March 2011: £190.9 million).

The directors consider it appropriate to prepare the interim statements on a going concern basis, as set out in Note 2 to this interim announcement.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors confirm to the best of their knowledge that:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;
- (b) the Interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure and Transparency Rules of the Financial Services Authority.

The directors of Entertainment One Ltd. are listed in the 2011 Annual Report.

By order of the Board,

Giles Willits
Chief Financial Officer
14 November 2011

Condensed Consolidated Income Statement
For the six months ended 30 September 2011

		Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m	Year ended 31 March 2011 (Audited) £m
	Note			
Continuing operations				
Revenue	3	204.6	202.5	469.7
Cost of sales		(146.7)	(156.8)	(357.6)
Gross profit		57.9	45.7	112.1
Administrative expenses		(44.7)	(43.4)	(91.8)
Operating profit		13.2	2.3	20.3
Analysed as:				
Underlying EBITDA		23.6	13.3	42.5
Amortisation of intangible assets		(8.0)	(7.9)	(15.3)
Depreciation		(0.7)	(0.8)	(1.7)
Share-based payment charge		(0.8)	(0.5)	(2.5)
One-off items	4	(0.9)	(1.8)	(2.7)
		13.2	2.3	20.3
Finance income	5	0.3	0.1	0.7
Finance costs	5	(3.7)	(3.9)	(9.6)
Profit / (loss) before tax		9.8	(1.5)	11.4
Income tax (charge) / credit	6	(2.5)	0.7	(4.0)
Profit / (loss) for the period from continuing operations		7.3	(0.8)	7.4
Loss for the period from discontinued operations	9	-	(0.7)	(3.8)
Profit / (loss) for the period attributable to equity holders of the parent company		7.3	(1.5)	3.6
Continuing earnings/(loss) per share (pence)				
Basic	8	4.0	(0.5)	4.5
Diluted	8	3.5	(0.5)	4.1
Earnings/(loss) per share (pence)				
Basic	8	4.0	(0.9)	2.2
Diluted	8	3.5	(0.9)	2.0

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2011

		Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m	Year ended 31 March 2011 (Audited) £m
Profit / (loss) for the period		7.3	(1.5)	3.6
Exchange differences on foreign operations		(4.5)	(5.3)	(1.9)
Fair value movements on cash flow hedges		1.1	(0.4)	(0.1)
Reclassification of cash flow hedges		0.3	(0.2)	(1.2)
Tax on cash flow hedges		(0.3)	0.2	0.3
Total comprehensive income/(loss) for the period attributable to equity holders		3.9	(7.2)	0.7

Condensed Consolidated Balance Sheet
As at 30 September 2011

	Note	30 September 2011 (Unaudited) £m	30 September 2010 (Unaudited) £m	31 March 2011 (Audited) £m
Assets				
Non-current assets				
Intangible assets		168.8	169.2	165.7
Investment in programmes		52.1	31.9	32.4
Property, plant and equipment		3.9	4.6	4.0
Other receivables		2.2	1.9	2.0
Deferred tax assets		4.1	2.0	4.2
Total non-current assets		231.1	209.6	208.3
Current assets				
Inventories		45.2	43.2	56.5
Investment in content rights		87.5	76.8	77.3
Trade and other receivables		110.2	101.1	108.9
Current tax assets		1.1	0.9	-
Other financial assets		1.4	-	-
Cash and cash equivalents		20.4	16.0	29.2
Total current assets		265.8	238.0	271.9
Total assets		496.9	447.6	480.2
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings		-	96.5	70.7
Other payables		1.3	0.2	1.2
Deferred tax liabilities		9.9	9.9	9.5
Total non-current liabilities		11.2	106.6	81.4
Current liabilities				
Trade and other payables		158.7	156.6	179.4
Current tax liabilities		5.1	1.7	5.4
Interest bearing loans and borrowings		118.2	22.7	19.2
Provisions		0.8	0.4	2.1
Other financial liabilities		0.8	2.3	1.8
Total current liabilities		283.6	183.7	207.9
Total liabilities		294.8	290.3	289.3
Equity				
Stated capital	10	173.9	142.6	167.2
Treasury shares		(7.7)	(7.8)	(7.8)
Other reserves		10.4	9.9	9.3
Currency translation reserve		32.3	33.4	36.8
Retained earnings		(6.8)	(20.8)	(14.6)
Total equity		202.1	157.3	190.9
Total liabilities and equity		496.9	447.6	480.2

Condensed Consolidated Cash Flow Statement
Six months ended 30 September 2011

	Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m	Year ended 31 March 2011 (Audited) £m
Operating activities			
Operating profit – continuing operations	13.2	2.3	20.3
Operating loss – discontinued operations	-	(1.0)	(5.4)
Operating profit – total Group	13.2	1.3	14.9
Adjustments for:			
Depreciation	0.7	0.9	1.7
Amortisation of other intangible assets	7.8	7.7	14.9
Amortisation of content rights	21.4	17.7	43.0
Amortisation of television programmes	16.7	12.2	31.4
Foreign exchange movements	0.1	(0.2)	(0.5)
Share-based payment charge	0.8	0.5	2.5
Loss on disposal of property, plant and equipment	-	-	0.4
Decrease/(increase) in inventories	9.6	2.3	(9.0)
(Increase)/decrease in trade and other receivables	(1.3)	6.2	6.9
(Decrease)/increase in trade and other payables	(25.5)	(15.5)	1.2
(Decrease)/increase in provisions	(1.3)	-	1.6
Net cash inflow from trading activities	42.2	33.1	109.0
Income tax paid	(4.0)	(2.5)	(4.1)
Net cash from operating activities	38.2	30.6	104.9
Investing activities			
Acquisition of subsidiaries (net of cash acquired)	(6.3)	(3.1)	(3.1)
Investment in content rights	(25.1)	(31.6)	(52.4)
Investment in television programmes	(41.5)	(11.9)	(38.9)
Purchases of property, plant and equipment	(0.4)	(0.3)	(1.0)
Purchases of intangible software assets	(0.6)	(0.1)	(0.6)
Net cash used in investing activities	(73.9)	(47.0)	(96.0)
Financing activities			
Proceeds on issue of shares (net of costs)	-	-	16.3
Increase in interest bearing loans and borrowings	33.8	30.7	63.8
Repayment of interest bearing loans and borrowings	(20.8)	(13.2)	(71.3)
Net drawdown/(repayment) of production financing	16.8	(0.2)	(1.6)
Interest paid	(2.6)	(2.8)	(5.2)
Net cash from financing activities	27.2	14.5	2.0
Net (decrease)/increase in cash and cash equivalents	(8.5)	(1.9)	10.9
Cash and cash equivalents at beginning of the period	29.2	18.6	18.6
Effects of exchange rate fluctuations on cash held	(0.3)	(0.7)	(0.3)
Cash and cash equivalents at end of period	20.4	16.0	29.2

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 September 2011

	Stated Capital £m	Treasury shares £m	Other reserves £m	Currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2010	142.6	(7.8)	10.3	38.7	(19.8)	164.0
Total comprehensive income for the period	-	-	(0.4)	(5.3)	(1.5)	(7.2)
Share-based payment charge	-	-	-	-	0.5	0.5
At 30 September 2010 (Unaudited)	142.6	(7.8)	9.9	33.4	(20.8)	157.3
Total comprehensive income for the period	-	-	(0.6)	3.4	5.1	7.9
Shares issued during the period	24.6	-	-	-	-	24.6
Share-based payment charge	-	-	-	-	1.1	1.1
At 31 March 2011 (Audited)	167.2	(7.8)	9.3	36.8	(14.6)	190.9
Total comprehensive income for the period	-	-	1.1	(4.5)	7.3	3.9
Shares issued during the period	6.7	-	-	-	-	6.7
Share-based payment charge	-	0.1	-	-	0.5	0.6
At 30 September 2011 (Unaudited)	173.9	(7.7)	10.4	32.3	(6.8)	202.1

Notes to the Condensed Consolidated Financial Statements

For the Six Months ended 30 September 2011

1. General information

Entertainment One Ltd. and subsidiaries ("the Group") is a leading independent entertainment group focused on the acquisition, production and distribution of film and television content rights across all media throughout the world. Entertainment One Ltd. ("the Company") is the Group's ultimate Parent Company and is incorporated and domiciled in Canada. The Company has a standard listing on the London Stock Exchange. Segmental information is disclosed in note 3.

Entertainment One Ltd. presents its condensed consolidated interim financial statements in Pounds Sterling (£), which is also the functional currency of the Parent Company. These condensed interim financial statements were approved for issue by the directors on 14 November 2011.

2. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and IAS 34 'Interim Financial Reporting' as adopted by the European Union (EU). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2011 which were prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union (EU).

The condensed consolidated financial statements have also been prepared in accordance with the accounting policies and methods of computation which the Group expects to adopt for the 2012 year end. These policies are consistent with the principal accounting policies which were set out in the Group's latest annual audited financial statements, which can be found on the Group's website, www.entertainmentonegroup.com.

The condensed consolidated financial statements for the six months to 30 September 2011 have been reviewed by the auditors and their review opinion is included at the end of these statements.

Use of additional performance measures

The Group presents one-off items, underlying EBITDA, adjusted profit before tax and adjusted earnings per share information. These measures are used by the Group for internal performance analysis and incentive compensation arrangements for employees. The terms "one-off items", "underlying" and "adjusted" may not be comparable with similarly titled measures reported by other companies. The term "underlying EBITDA" refers to operating profit or loss excluding operating one-off items, share-based payment charges, depreciation and amortisation of intangible assets. The terms "adjusted profit before tax" and "adjusted earnings per share" refer to the reported measures excluding operating one-off items, amortisation of intangible assets arising on acquisition, one-off items relating to the Group's financing arrangements and share-based payment charges.

Going concern

As part of their ongoing assessment of the Group and its future prospects the directors review regular updates to the forecasts and plans prepared by management. The most recent forecasts, which extend at least 12 months from the date of signing of this report and take account of reasonable possible changes in trading performance (and mitigating actions), show that the Group will be able to operate within the expected limits of its financing facilities and provide headroom against its banking covenants for the foreseeable future. For this reason the directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the interim financial statements.

3. Segmental Analysis

For internal reporting and management purposes the Group is organised into two main reportable segments based on the types of products and services from which each segment derives its revenue - Entertainment and Distribution. These divisions are the basis on which the Group reports its operating segment information. The types of products and services from which each reportable segment derives its revenues are as follows:

- Entertainment: the acquisition and exploitation of filmed entertainment and music rights across all media and the production of television content.
- Distribution: the ownership of physical distribution channels to retailers in territories and media where the Group can capture additional margin and improve delivery of products to consumers.

Segment information for the six months to 30 September 2011 is as follows:

	Entertainment £m	Distribution £m	Eliminations £m	Consolidated £m
Segment revenues				
External sales	117.5	87.1	-	204.6
Inter-segment sales	22.4	0.6	(23.0)	-
Total segment revenues	139.9	87.7	(23.0)	204.6
Segment results				
Segment underlying EBITDA	23.2	2.4	(0.1)	25.5
Group costs				(1.9)
Underlying EBITDA				23.6
Depreciation and amortisation				(8.7)
Share-based payment charge				(0.8)
One-off items				(0.9)
Operating profit				13.2
Finance income				0.3
Finance costs				(3.7)
Profit before tax				9.8
Tax				(2.5)
Profit for the period attributable to equity holders				7.3

Segment information for the six months to 30 September 2010 is as follows:

	Entertainment £m	Distribution £m	Eliminations £m	Consolidated £m
Segment revenues				
External sales	107.3	95.2	-	202.5
Inter-segment sales	21.5	6.1	(27.6)	-
Total segment revenues	128.8	101.3	(27.6)	202.5
Segment results				
Segment underlying EBITDA	11.0	4.0	0.2	15.2
Group costs				(1.9)
Underlying EBITDA				13.3
Depreciation and amortisation				(8.7)
Share-based payment charge				(0.5)
One-off items				(1.8)
Operating profit				2.3
Finance income				0.1
Finance costs				(3.9)
Loss before tax				(1.5)
Tax				0.7
Loss for the period from continuing operations				(0.8)
Loss for the period from discontinued operations				(0.7)
Loss for the period attributable to equity holders				(1.5)

Segment information for the year to 31 March 2011 is as follows:

	Entertainment £m	Distribution £m	Eliminations £m	Consolidated £m
Segment revenues				
External sales	251.3	218.4	-	469.7
Inter-segment sales	46.7	8.9	(55.6)	-
Total segment revenues	298.0	227.3	(55.6)	469.7
Segment results				
Segment underlying EBITDA	34.1	13.0	0.1	47.2
Group costs				(4.7)
Underlying EBITDA				42.5
Depreciation and amortisation				(17.0)
Share-based payment charge				(2.5)
One-off items				(2.7)
Operating profit				20.3
Finance income				0.7
Finance costs				(9.6)
Profit before tax				11.4
Tax				(4.0)
Profit for the year from continuing operations				7.4
Loss for the year from discontinued operations				(3.8)
Profit for the year attributable to equity holders				3.6

4. One-off items

		Six months ended 30 September 2011 £m	Six months ended 30 September 2010 £m	Year ended 31 March 2011 £m
Strategic review	(a)	0.7	-	-
Acquisition costs	(b)	0.2	-	0.8
Corporate restructuring	(c)	-	1.8	1.9
		0.9	1.8	2.7

- (a) Strategic review costs in the current period comprise £0.7 million and represent the initial costs incurred as part of the Company's strategic review. This review is ongoing and additional costs are anticipated in the second half of the year.
- (b) Acquisition costs in the current period comprise £0.2 million for the final costs of acquiring the Hopscotch group of companies ("Hopscotch") further detailed in note 11. Costs in the financial year ended 31 March 2011 mainly relate to the initial costs of acquiring Hopscotch.
- (c) Restructuring costs in the financial year ended 31 March 2011 and in the six months ended 30 September 2010 comprise the final costs incurred as part of the step up to a standard listing on the Main Market of the London Stock Exchange and concurrent corporate reorganisation.

5. Finance income and finance costs

Finance income and finance costs comprise:

	Six months ended 30 September 2011 £m	Six months ended 30 September 2010 £m	Year ended 31 March 2011 £m
Finance income			
Gain in fair value of derivative instruments	0.3	0.1	0.7
	0.3	0.1	0.7
Finance costs			
Interest expense on bank loans and overdrafts	(2.6)	(2.6)	(5.5)
Amortisation of deferred finance charges	(0.9)	(0.8)	(1.8)
Interest expense on exchangeable notes	-	(0.4)	(0.5)
Loss on exercise of exchangeable notes option	-	-	(1.8)
Net foreign exchange losses	(0.2)	(0.1)	-
	(3.7)	(3.9)	(9.6)
Net finance charges	(3.4)	(3.8)	(8.9)

6. Tax

	Six months ended 30 September 2011 £m	Six months ended 30 September 2010 £m	Year ended 31 March 2011 £m
Current tax	2.7	(0.5)	6.9
Deferred tax	(0.2)	(0.2)	(2.9)
Tax charge/(credit)	2.5	(0.7)	4.0

The reported effective income tax rate for the six months ended 30 September 2011 is 25.5% (30 September 2010: 46.7%; 31 March 2011: 35.1%). The rate is calculated by applying the estimated annual effective income tax rate by tax jurisdiction to the pre-tax profits and losses of each jurisdiction for the six month period.

7. Dividends

The directors are not recommending payment of an interim dividend (30 September 2010: £nil; 31 March 2011: £nil).

8. Earnings per share

	Six months ended 30 September 2011 Pence	Six months ended 30 September 2010 Pence	Year ended 31 March 2011 Pence
Continuing operations			
Basic earnings/(loss) per share	4.0	(0.5)	4.5
Diluted earnings/(loss) per share	3.5	(0.5)	4.1
Adjusted basic earnings per share	7.8	4.6	14.3
Adjusted diluted earnings per share	6.9	4.3	13.0
Total operations			
Basic earnings/(loss) per share	4.0	(0.9)	2.2
Diluted earnings/(loss) per share	3.5	(0.9)	2.0

Basic earnings/(loss) per share has been calculated by dividing the earnings/(loss) attributable to shareholders by the weighted average number of shares in issue during the period after deducting Treasury shares.

The adjusted basic earnings per share calculation is based on the basic earnings per share calculation after allowing for adjusted items. It is shown in order to highlight the underlying performance of the Group.

Diluted and adjusted diluted earnings per share have been calculated after adjusting the weighted average number of shares used in the basic and adjusted calculation to assume the conversion of all potentially dilutive shares.

Reconciliations of the profit and loss used in the basic and diluted earnings/(loss) calculations to profit and loss used in the adjusted earnings per share calculations are set out below.

	Six months ended 30 September 2011 £m	Six months ended 30 September 2010 £m	Year ended 31 March 2011 £m
For basic and diluted earnings/(loss) per share			
Profit/(loss) for the financial period	7.3	(0.8)	7.4
For adjusted basic and adjusted diluted earnings/(loss) per share			
Profit for the financial period	7.3	(0.8)	7.4
Add back:			
One-off items	0.9	1.8	2.7
Amortisation of acquired intangibles	7.6	7.7	14.6
Share-based payment charge	0.8	0.5	2.5
Financing net fair value movements	(0.2)	(0.1)	(0.7)
One-off financing movements	-	-	1.8
Direct tax effect of above items	(2.2)	(1.7)	(4.8)
Adjusted earnings after tax	14.2	7.4	23.5
Weighted average number of shares in issue			
Basic	million 183.2	million 160.2	million 163.9
Dilution for share options	22.9	10.4	16.2
Adjusted diluted	206.1	170.6	180.1

9. Discontinued operations

Discontinued operations refer to the non-core retail operation in Canada that was closed in the 31 March 2011 financial year.

The following presents the results of the discontinued operations which have been included in the consolidated income statement:

	Six months ended 30 September 2011 £m	Six months ended 30 September 2010 £m	Year ended 31 March 2011 £m
Revenue	-	9.5	18.4
Cost of sales	-	(6.7)	(13.9)
Gross profit	-	2.8	4.5
Administrative expenses (including one-off items)	-	(3.8)	(9.9)
Operating loss and loss before tax	-	(1.0)	(5.4)
Income tax credit	-	0.3	1.6
Loss from discontinued operations	-	(0.7)	(3.8)

10. Stated capital

Stated capital as at 30 September 2011 amounted to £173.9 million (30 September 2010:£142.6 million; 31 March 2011: £167.2 million).

During the period, the Group issued 4,126,636 common shares as part of the consideration for the acquisition of Hopscotch, as detailed in note 11. The Group also issued 269,334 shares as a result of the exercise of share options. The total number of shares in issue increased from 187,457,513 at 31 March 2011 to 191,853,483 at 30 September 2011.

11. Business combinations

On 13 May 2011 the Group acquired 100% of the issued share capital of the Hopscotch group of companies ("Hopscotch"). Hopscotch is an Australian film distribution group based in Sydney focused on independent international titles alongside Australian content. Hopscotch was acquired in line with the Group's strategy to expand internationally thereby enhancing its multi-territory offering.

Provisional values for the assets and liabilities arising from the acquisition are set out below.

	Net book Value £m	Fair Value £m
Acquired intangible assets	-	8.5
Property, plant and equipment	0.2	0.2
Inventories	0.2	0.2
Trade and other receivables	1.1	1.1
Investment in content	4.9	4.9
Cash and cash equivalents	5.4	5.4
Trade and other liabilities	(7.4)	(7.4)
Net deferred income tax assets / (liabilities)	1.8	(0.7)
Net assets acquired at fair value	6.2	12.2
Goodwill		5.8
Total		18.0
Satisfied by:		
Cash		11.7
Ordinary shares of Entertainment One Ltd.		6.3
Total consideration		18.0
Net cash outflow arising on acquisition:		
Cash consideration		11.7
Cash and cash equivalents acquired		(5.4)
Total cash consideration		6.3

Goodwill of £5.8 million arising from the acquisition is attributable to anticipated profitability arising from the Group's enhanced access to the Australian market and future operating synergies from the combination. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs included in administration costs in the Group's condensed consolidated income statement, for the period ended 30 September 2011 amounted to £0.2 million and principally comprise professional fees.

Hopscotch contributed £6.3 million to the Group's revenue and £0.9 million to the Group's profit before tax for the period between the date of acquisition and 30 September 2011. If the acquisition of Hopscotch had been completed on the first day of the financial year, Group revenue and Group profit for the period would not have been materially different.

12. Seasonality

The Group's exposure to seasonality varies by division. The results of the Entertainment division are impacted by the number and timing of film releases. Release dates are not entirely in the control of the Group and are determined largely by the production and releasing schedules of the film's producers. Revenues from television productions are driven mainly by contracted delivery dates with primary broadcasters and can fluctuate significantly from period to period. Results of the Distribution division reflect seasonal patterns with the fourth calendar quarter providing the highest sales due to the increased consumer spending that accompanies the holiday season.

13. Risks and uncertainties

The Board considers risk assessment, identification of mitigating actions and internal control to be fundamental to achieving the Group's strategic objectives. The Corporate Governance report on pages 41 and 42 of the Annual Report & Accounts for the year ended 31 March 2011 describes the systems and processes through which the directors manage and mitigate risks. The Board considers that the principal risks to achieving its objectives are set out below. The Board recognises that the nature and scope of the risks can change and so reviews the risks faced by the Group as well as the systems and processes to mitigate them.

- Attracting and retaining the best people
- Strategy execution
- Acquisition effectiveness
- Content investment opportunities
- Financial risk management

As part of financial risk management the Group monitors foreign currency movements. The movement in foreign currency exchange rates during the period has an impact on the reporting of the financial performance of the Group. In particular, the different functional currencies of the Group (USD, CAD, EUR, GBP, AUD) result in consolidation translation gains and losses as the Group reports its financial results in GBP. During the period the balance sheet translation reserve showed a loss of £4.5 million, reflecting the impact of the stronger GBP on translation of the Group's non-sterling net assets. The Group looks to balance local currency borrowings with the net assets of individual operating units to help mitigate the impact of currency movements in relation to the Group's consolidated net assets.

The financial results of individual businesses within the Group are not significantly impacted by foreign currency movements other than in relation to the investment in film content which is generally transacted in USD. The Group reduces its exposure to risk in relation to foreign currency movements in these circumstances through hedging instruments and internal currency offsets where available.

In the view of the Board there is no material change in risk factors since 31 March 2011. Further details of these risks are provided on page 29 of the Annual Report & Accounts for the year ended 31 March 2011, a copy of which is available on the Company's website at www.entertainmentonegroup.com.

14. Related parties

The nature of related parties disclosed in the consolidated financial statements for the Group as at and for the year ended 31 March 2011 has not changed. There have been no other significant related party transactions in the six month period ended 30 September 2011.

15. Contingent liabilities

There have been no material changes in the Group's contingent liabilities since 31 March 2011 and the disclosures in those annual financial statements remain appropriate at 30 September 2011. The Company has an out-performance plan for which no provision has yet been recognised that allocates up to £5 million in total to an incentive pool to be paid to executive directors in the future, conditional on the sale of the Company for no less than £2.25 per share or the Company's share price achieving a 180 day Bloomberg volume weighted average of £2.25 per share.

16. Events after the balance sheet date

In November 2011 the Group extended its current multi-currency revolving credit facility to October 2014, on similar terms. In addition the facilities will be increased from September 2012 to \$196 million. As the extension to the facilities had not been finalised at 30 September 2011 and the maturity date of the facility was 18 September 2012, the borrowings have been reclassified as current liabilities in these interim statements as at 30 September 2011 they fell due within 12 months.

INDEPENDENT REVIEW REPORT TO ENTERTAINMENT ONE LTD.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 which comprises the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed statement of changes in equity, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement and related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom
14 November 2011