

# **Exhibit 7**

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## Eros Tanks as Wells Fargo Analyst Questions Company Metrics (1)

- Shares have retreated more than 54 percent since Oct. 12
- Twitter user claims United Arab Emirates sales are fraudulent

(Updates with closing stock price in second paragraph.)

By Alex Sherman

(Bloomberg) -- Eros International Plc fell for a fifth straight day after analysts at Wells Fargo & Co. said they weren't satisfied by answers the Bollywood film producer and distributor gave investors on a call held Friday to combat accusations of fraud posted on Twitter.

Eros slid 17 percent to \$14.65 at the close in New York, bringing its loss for the week to 45 percent. Wells Fargo analyst Eric Katz cut his rating on the shares to market perform, saying he wasn't comfortable with explanations about the company's growing business in the United Arab Emirates. Eros, based in Secaucus, New Jersey, distributes Indian-made films.

"We still don't know the largest content buyers driving this increase, and we aren't fully comfortable with the fact nearly half of the revenue originates outside of India," Katz wrote in a note.

Eros management spoke with analysts on Friday in an attempt to assuage fears that a spike in revenue booked in the UAE was fraudulent. A Twitter user called Market Farce, whose profile reads, "Focused on uncovering farcical, fraudulent and dishonest financial market activity," has claimed UAE sales aren't legitimate and has questioned the company's ErosNow registered users.



Eros wouldn't disclose the counterparties driving the UAE sales, citing contract confidentiality.

"We are not going to comment on an unknown person who hides behind an alias on social media to make ridiculous and outrageous accusations," said Whit Clay, an outside spokesman for Eros.

The stock has been sinking since mid-October, when Market Farce, who declined to reveal his identity when reached by Bloomberg, began Tweeting about Eros.

Eros reported fiscal 2015 UAE revenue of \$103.8 million, up from \$45.6 million in 2014 and \$14.5 million in 2013. The sales are based on a customer's domiciled location, according to a company filing. Market Farce claimed on Twitter the company boosted UAE sales in quarters when "their movies don't work." Eros produces, acquires and distributes Indian language films and has a market capitalization of \$843 million.

The company has 30.5 million registered users for Eros Now, its Netflix Inc.-like product that streams Bollywood movies and music, according to a person familiar with the matter. The company hasn't disclosed how many of these users pay for the service or how many are monthly active users.

“We’re still feeling uncertain about the ErosNow user count,” Katz wrote. “Public websites that track app downloads (i.e. App Annie) show relatively low rankings for ErosNow vs. other Indian streaming services with lower user counts. We can’t reconcile the disparity and it’s a red flag for investors.”

Wells Fargo dropped its price target on Eros to between \$20 and \$22 per share from \$48 to \$50. Shares have fallen more than 54 percent since Oct. 12.

Analyst Tim Nollen at Macquarie Research said the shares were oversold for “no good reason.” In a note, Nollen said he spoke with Eros executives “who say nothing has changed and nothing is amiss.”

The company has been in talks with Singapore-based Fullerton Fund Management Co. on a deal that would value Eros Now at as much as \$800 million, people familiar with the matter said in July. Those talks are still ongoing and a deal could be announced this month, one of the people said.

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