

Corporate Information

REGISTERED OFFICE

Plot No.7A, Road No.12,
MLA Colony, Banjara Hills,
Hyderabad – 500 034.
Andhra Pradesh, India
Phone: +91 (40) 4567 8999
Email: ir@ybrantdigital.com
Website: www.ybrantdigital.com

BRANCH OFFICE

1201 West, 5th Street, Suite 300,
Los Angeles, CA 900017, USA.

SUBSIDIARIES

Frontier Data Management Inc (MediosOne)

108 West, 13th Street, Wilmington,
Delaware 19801, USA.

International Expressions Inc (VoloMP)

108 West, 13th Street, Wilmington,
Delaware 19801, USA.

Pennyweb Inc (AddDynamix)

1201, West 5th Street, Suite 300,
Los Angeles, CA 90017, USA.

Online Media Solutions Limited (Oridian)

Sapir 3 Herzlia 46733,
PO Box 12637, Israel.

Ybrant Media Acquisiton LLC

1201, Orange St, Suite 600,
Wilmington, New Castle County,
Delaware, 19801, USA.

BANKERS

ING Vysya Bank Limited,
Banjara Hills, Hyderabad.
Andhra Pradesh, India.

AUDITORS

M/s. P MURALI & CO.,
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad - 500 082.
Andhra Pradesh, India.

COMPANY SECRETARY

Chandra Sekhara Prasad

REGISTRAR AND SHARE TRANSFER AGENT

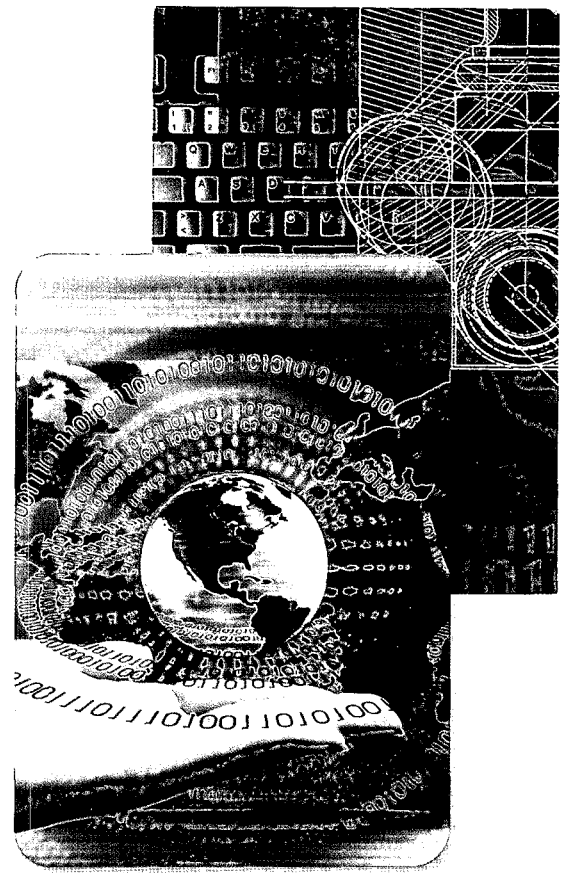
Aarthi Consultants Private Limited,
1-2-285, Domalguda,
Hyderabad-500 029.
Andhra Pradesh, India.
Phone: +91 (40) 2763 8111
Email: info@aarthiconsultants.com
Website: www.aarthiconsultants.com

Contents

Board of Directors	04
Management Team	06
Financial Highlights	08
Letter from the Chairman's Desk	10
Breakthrough Digital Marketing	14
Management Discussion and Analysis	34
Notice	42
Directors' Report	43
Report on Corporate Governance	46
Auditors' Report	51
Annexure to the Auditors' Report	52
Financial Statements	54
Consolidated Financials	65

Ybrant Digital

is a recognized
global leader in
the online



advertising arena, offering
breakthrough digital
marketing solutions to
businesses, agencies, and online
publishers worldwide.

Set up in early 2000s, from a pure technology-led backend digital marketing Company, Ybrant Digital (along with its subsidiaries) has evolved into a fully integrated digital marketing Company. The Company offers end-to-end digital marketing services using various digital communication tools like display advertising, email advertising, search advertising, affiliation advertising, etc. The Company also provides various other related services like digital media planning and buying, digital campaign analysis, optimization of digital advertising campaign, data collection and aggregation, etc. Ybrant Digital also licenses technology software developed in house to other digital marketing companies. The Company's focus is to deliver maximum Return On Investments to advertisers and maximum monetization to publishers through a focused technology-led approach.

Headquartered in India (Hyderabad), Ybrant Digital has a global presence with offices in 16 countries. The Company has a worldwide employee base of over 350, presence across 2000 plus niche destination sites.

Breakthrough Digital Marketing

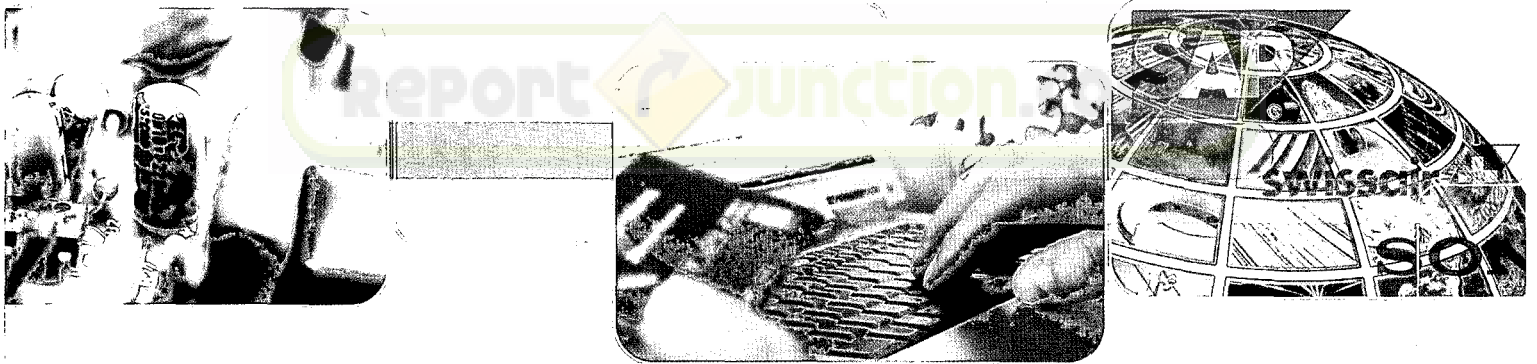
Achieved using sophisticated technology,

Enabled with a deep rooted foundation of an extensive and integrated network capable of delivering 20 Billion impressions a month,

Augmented by our transparent & performance billing models,

Backed by our strong domain and proprietary knowledge base,

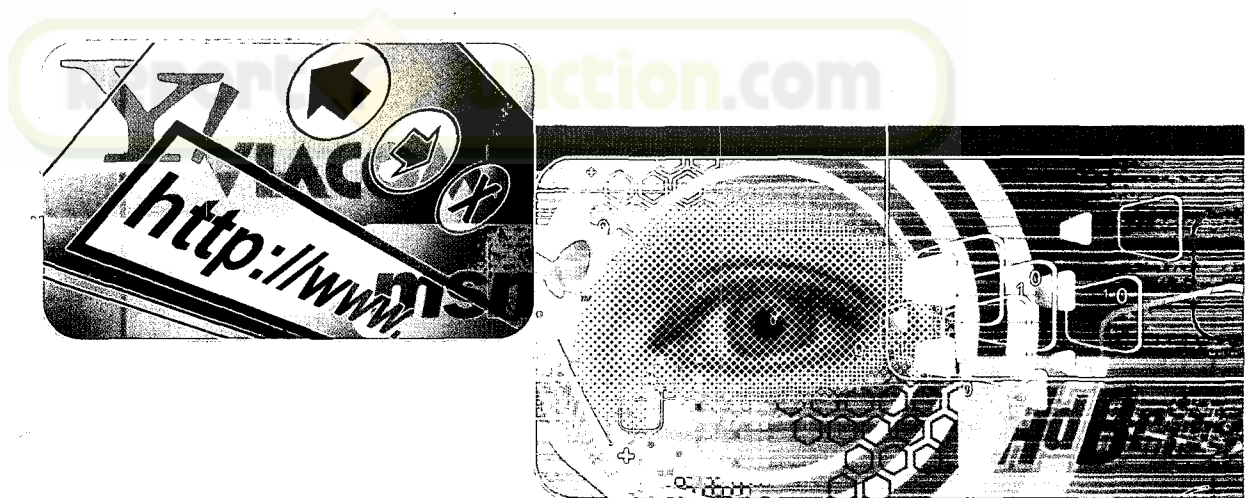
Boosted by our well nurtured agency relationships & agile team,



Enhanced by key complementary acquisitions over the years that have speedily strengthened the technology-led, customized digital marketing services and further integrated our bouquet of services.

Accomplished by our well-entrenched global presence in 16 countries including United States, Argentina, Uruguay, Chile, Mexico, United Kingdom, France, Germany, Italy, Greece, Israel, Serbia, India, Philippines, Australia and with representative offices in the Scandinavian countries.

Endorsed by our partnering leading brands, online publishers from Cisco, SAP, Dell, Hewlett Packard, Porsche, Ford, Jaguar, Toyota, Sony, Nokia, Sony Ericsson, Blackberry to MSN, Yahoo!, Viacom, United Online, Fox News, amongst other leading brands, in addition to over top 100 advertisers. Brands which appreciate and remain confident of our ability to deliver the right advertisement to the right target audiences across the globe and achieve desired marketing objectives.



Board of Directors



Suresh Reddy
Chairman and CEO

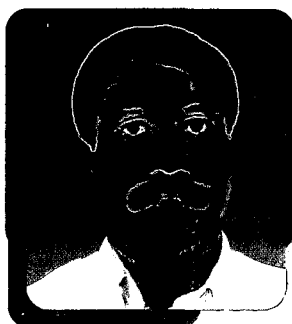
A visionary par excellence, Mr. Suresh Reddy is the co-founder of the highly successful USAGreetings and Ybrant Technologies, and is currently responsible for the strategic direction and expansion efforts at Ybrant Digital. His experience of having worked in various key roles across different industries in Fortune 500 companies, such as Caterpillar, Chrysler, SBC (PacBell) and Charles Schwab has helped him steer Ybrant Digital to new levels of success and leadership. He holds an M. S. in Engineering from the Iowa State University and a B. Tech. from the Indian Institute of Technology, Kharagpur, India.



Vijay Kancharla
Executive Director

With exemplary command on technological operations for the Company, Mr. Vijay Kancharla is responsible for the technology platforms owned by Ybrant Digital. A co-founder of USAGreetings and Ybrant Technologies, he has extensive experience in working with renowned Fortune 500 companies such as Hewlett Packard and Pacific Bell. He holds an M. S. in Computer Science from the University of Louisville and a B. Tech. from the Jawaharlal Nehru Technological University, Hyderabad, India.

Independent Directors



Vijay Bhaskar Reddy

A seasoned marketer with over 19 years of experience, Mr. Vijay Bhaskar Reddy's expertise in management has played a pivotal role in enabling the Company's exceptional growth. In his previous stint as General Manager at Coca-Cola India, he was instrumental in managing the Corporate Affairs. He is currently on the Boards of Nettlinx Limited, Nettlinx Realty (P) Limited, REDI Tropicals and Naturals (P) Limited and FRESH - a NGO involved in Food Safety. He has a Masters in Food Engineering from the Indian Institute of Technology, Kharagpur and has done his Management Development program from the Indian Institute of Management, Ahmedabad.

Raghunath Allamsetty

CEO of Aasra Archiventures Pvt. Ltd. and Director of Apere India Pvt. Ltd., Mr. Raghunath Allamsetty has over 15 years of proven expertise in the areas of project development, technical management and business development. He was previously the Managing Director of Adaptec India Pvt. Ltd, and was the Co-founder and CEO of various organizations prior to joining Adaptec. He is a B.Tech and holds a masters degree in business administration.



Pulla Reddy S

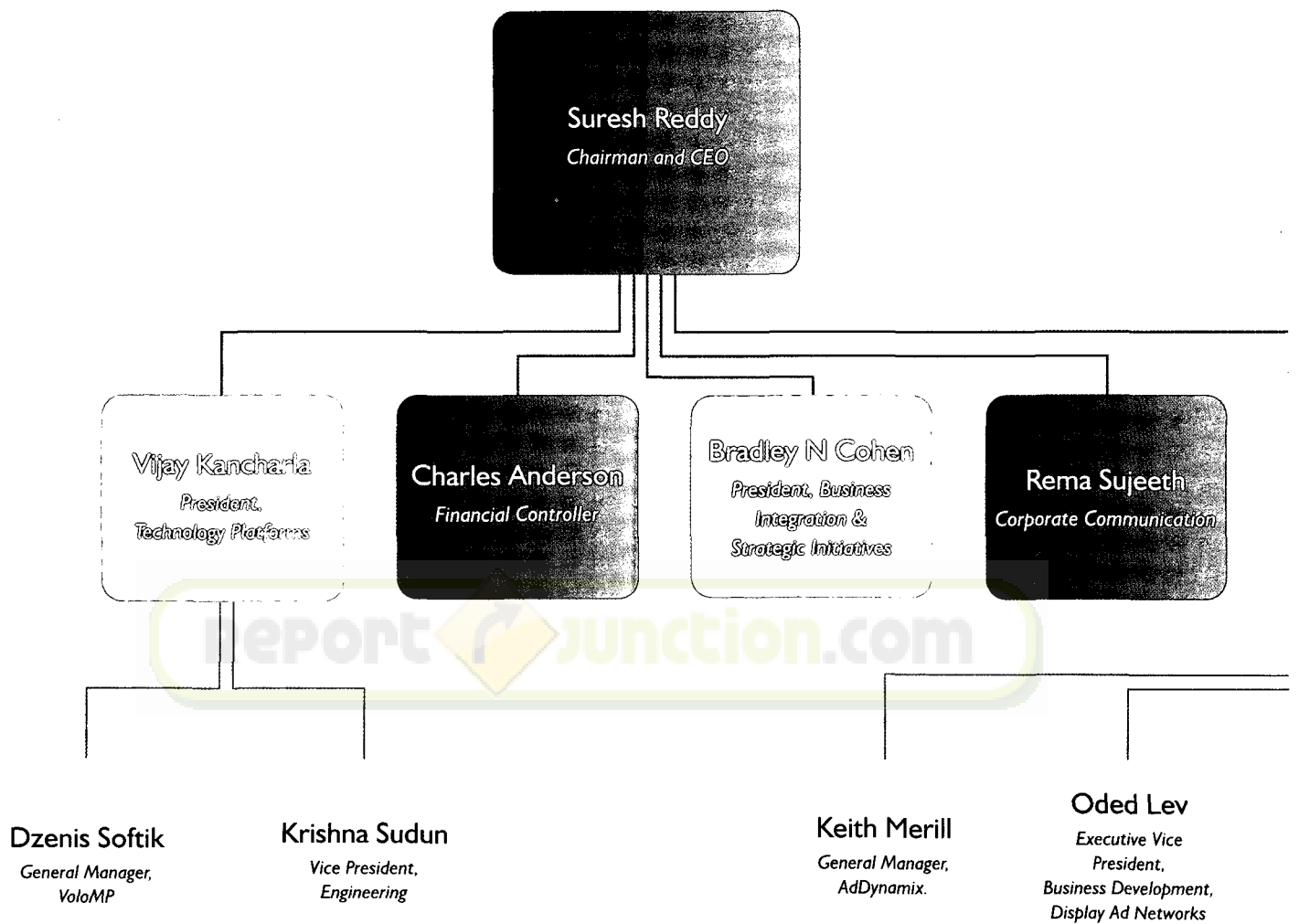
Chairman and Managing Director of SP Software Private Limited since 1995, Mr. Pulla Reddy's excellent contribution to the Company is evidenced in the two prestigious awards that he won. He is the recipient of the Bharat Nirman Excellence Award, and more recently, the Rashtriya Rattan Award for his role in the Socio-Economic Development of the Company. His earlier stint was as a partner in a software distribution company in New Delhi (1990-95). He is a B.Tech in Computer Science from Nagarjuna University, Andhra Pradesh, India.

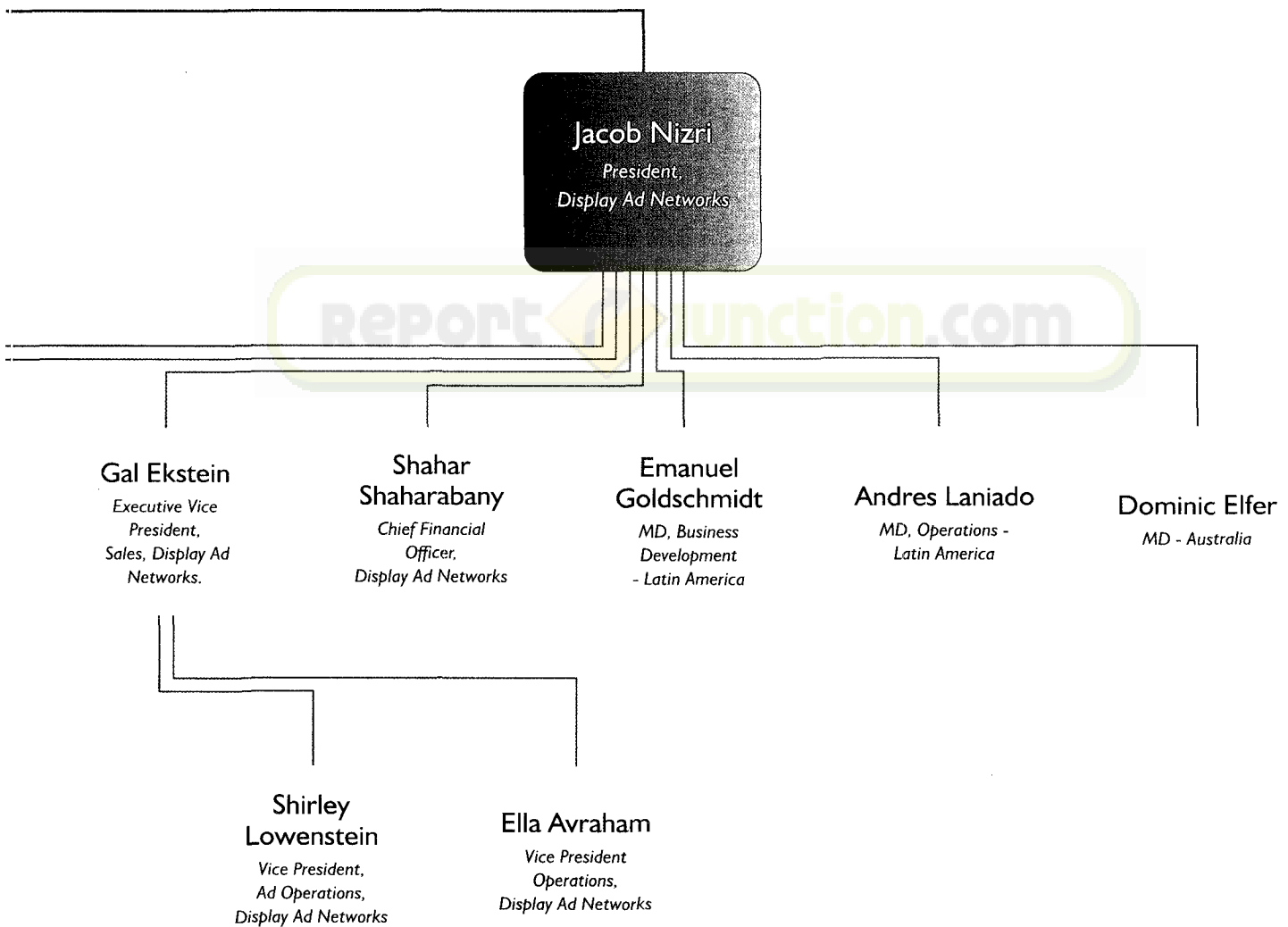
Y. Ramesh Reddy

The Company's financial brain, Mr. Y. Ramesh Reddy heads the finance Department at Cambridge Technology Enterprises Limited (CTE). Prior to joining CTE, he was with Virinchi Technologies Ltd., a Hyderabad-based start-up in e-Business and web-based analytical solutions. He was the Strategic Business Unit head for its operations in Malaysia, with full accountability for all project deliverables through multiple project teams, onsite and offshore. He is a Chemical Engineer from Indian Institute of Technology, Chennai, and holds a Management Degree in Finance & Marketing from XLRI, Jamshedpur.



Management Team





Financial Highlights

Particulars

	FY 2008 (USD in Millions)	FY 2009 (USD in Millions)
Revenues	55.39	58.70
COGS	20.70	25.57
Gross Profit	34.69	33.13
Operating Expenses	18.62	16.10
EBITDA	16.08	17.03
Depreciation	1.98	1.65
Interest Expenses	0.08	0.29
Profit Before Tax	14.02	15.09
Tax	2.29	3.37
Profit After Tax	11.73	11.72
Deferred Tax Liability	1.05	1.55
Profit After Tax and Deferred Tax	10.68	10.17
EPS (USD per Share)	0.55	0.52
Diluted EPS (USD per Share)	0.55	0.52
Dividend	-	-
Financial Debt	-	-
Net Worth	52.77	76.70

BREAK UP OF REVENUES - ACQUISITION-WISE

Ybrant India	11.22	10.16
Oridian	23.57	26.93
AdDynamix	5.33	5.80
MediosOne	11.74	11.86
VoloMP	3.52	3.94
	55.39	58.70