



MediaOne Global Entertainment Limited



Annual Report
2008 - 09



JAYAMRAVIL
JEEVA'S

DHAAM DHOOM®

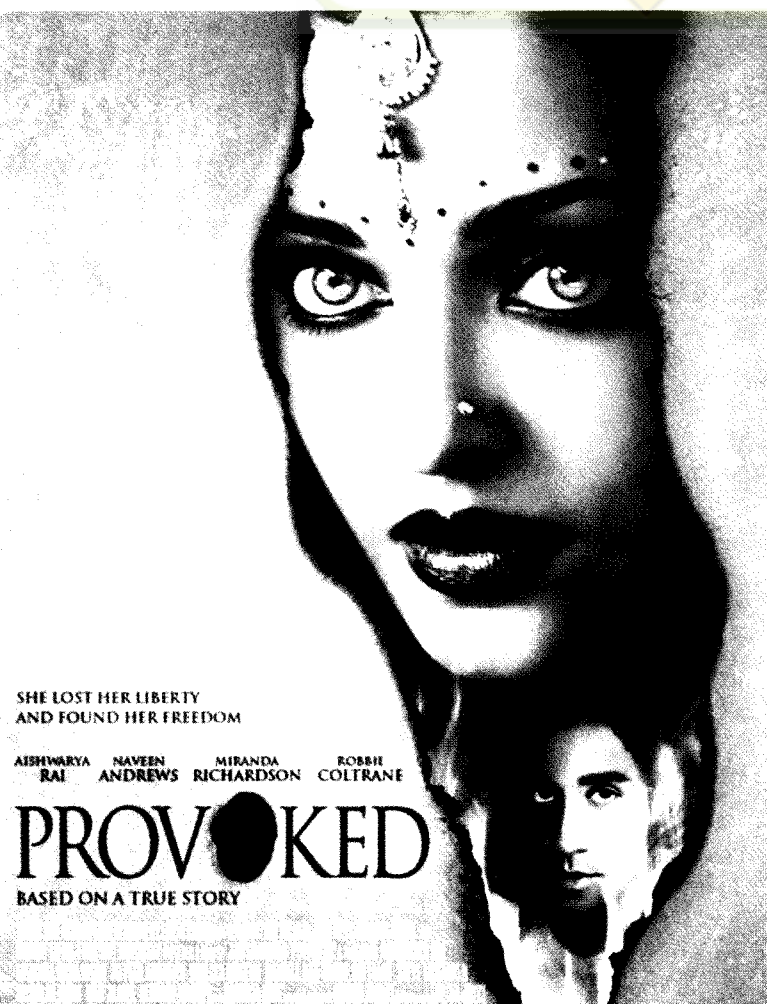
HARRIS JA

V.T.VENKAT THOTA THARANI S.RAMAKR

CHRIS ANDERSON KANAK KANNAN B. THIYAGARAJAN RAJU SUNDARAM REKHA CHINNIPRAKASH SHOBH G.K. MANIKANDAN B.R.A.
A.S. LAKSHMI NARAYANAN PAVITRA NAMUTHUKUMAR ANEEZ JHONSON MITR



MediaOne Global Entertainment Limited Production

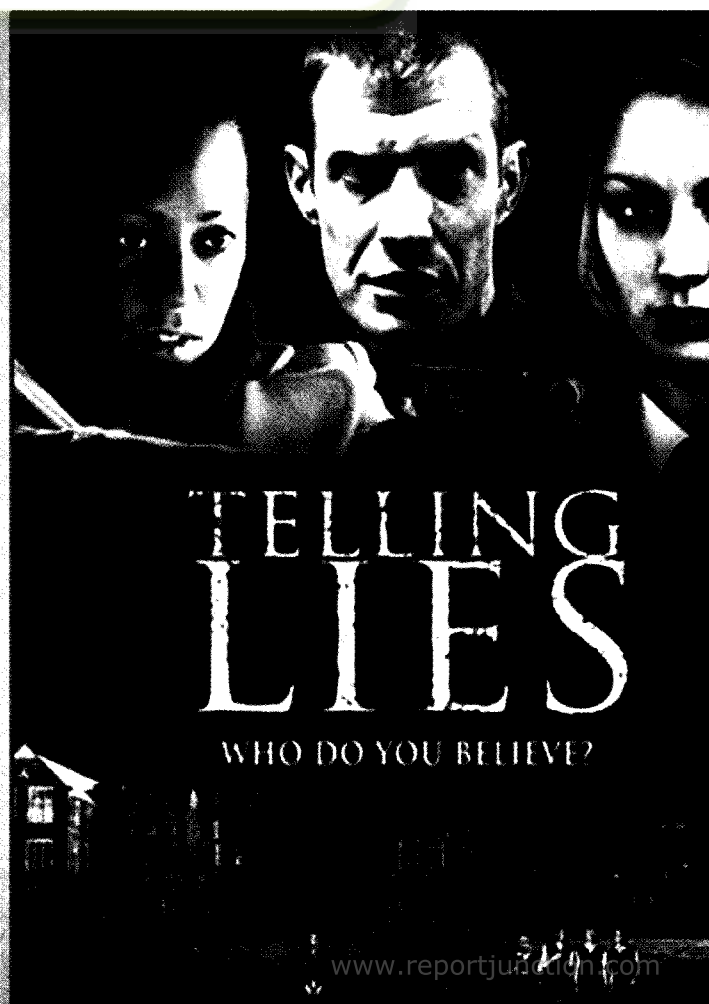


SHE LOST HER LIBERTY
AND FOUND HER FREEDOM

AISHWARYA NAVEEN MIRANDA ROBBIE
RAI ANDREWS RICHARDSON COLTRANE

PROVOKED

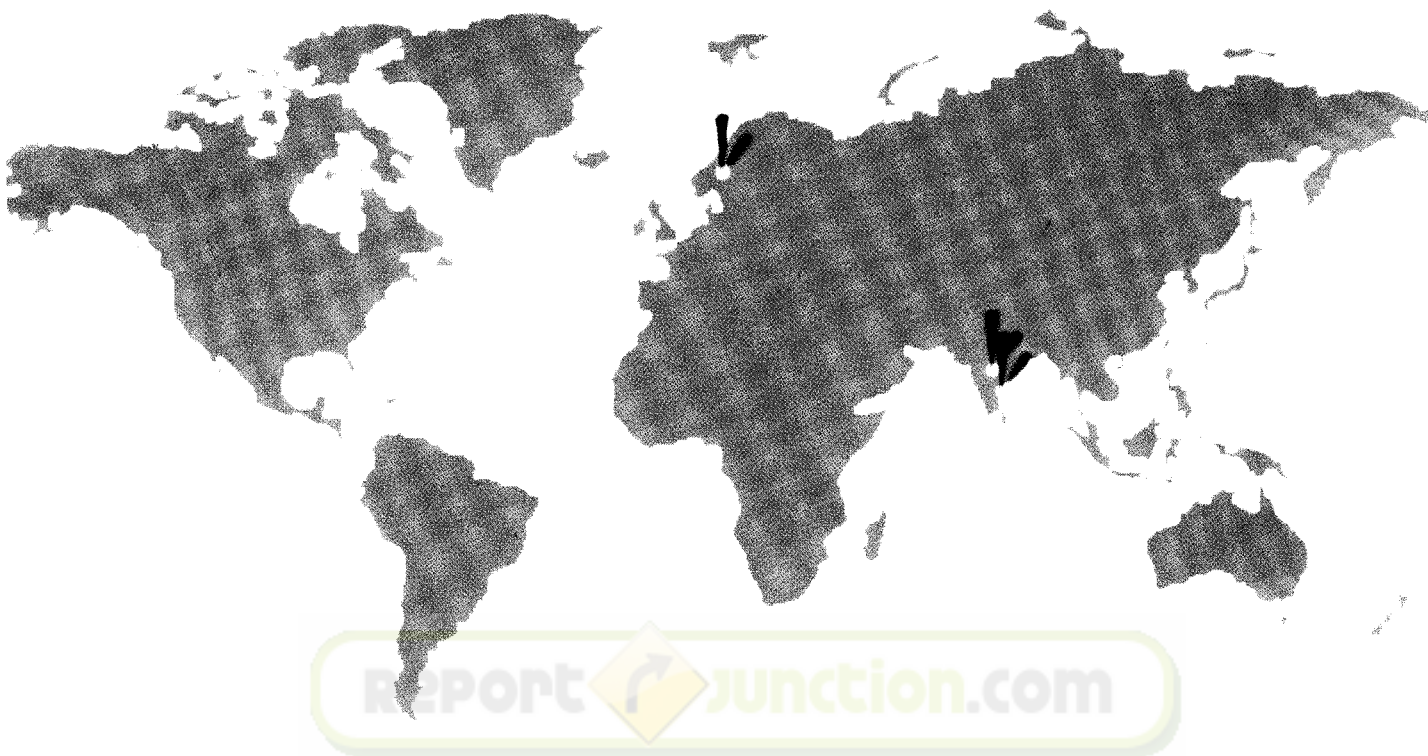
BASED ON A TRUE STORY



TELLING LIES

WHO DO YOU BELIEVE?

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Registered Office :

MEDIAONE Global Entertainment Limited
No.59, Vijayaraghava Road,
T.Nagar, Chennai - 600 017.
India.

Branch Office:

MEDIAONE Global Entertainment Limited,
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Bangalore - 560 009.



Overseas Subsidiary:

MEDIAONE Global Limited
8th Floor Crown House
North Circular Road,
London, NW 10-7 PN

Distribution Office:

MEDIAONE Global Entertainment Limited
19. Cheran Palace,
Door No.9, Gopalapuram,
Coimbatore - 641 018.

www.mediaoneglobal.in

Board Directors

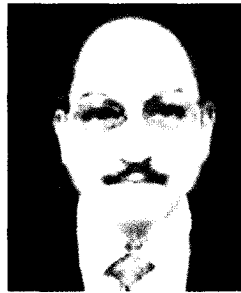


Mr. Suryaraj Kumar
Chairman & Managing Director

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Mr. T. Venkateswara Rao
Independent Director



Mr. Bomi Kavina
Independent Director



Mr. Thomas Kuruvilla
Independent Director

Management



Mr. Suryaraj Kumar
Chairman & Managing Director



Mr. J. Kumara Swamy
COO

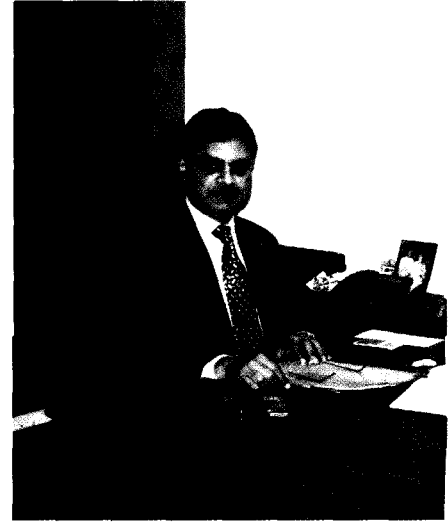


Mr. G. Benedict Victor
CFO & Company Secretary

Management Staff



Chairman Statement



Dear Shareholders,

Greetings!

Report

It gives me immense pleasure to present my views on the Media & Entertainment Industry and the achievements of your Company for the financial year 2007-08.

Overall Industry Scenario

The Indian media and entertainment industry is one of the fastest growing sectors of the Indian economy. It has benefitted from the economic growth and rising income levels in the country, and is in a crucial phase of transformation.

The financial year 2007-08 was a good year for the industry and it was characterized by consolidation, realignment and growth in most segments of the industry. Further, the media and entertainment industry is expected to grow faster than India's GDP growth and consequently more expenditure are also expected upgrading this sector.

India is seen as a source of intellectual capital. In the last few years, Government has been very keen in promoting public private partnerships in exploring new opportunities for intensifying the rapid growth in the various sectors of the Indian Economy. Competing with the world economy, India has been one of the world's fastest growing economies, with an average GDP growth rate of close to 7%. We are excited that India is poised to maintain this growth rate and this innovative approach would enable media and entertainment sector to open doors for global investment.



A joint report on this industry by the Federation of Indian Chambers of Commerce and Industry (FICCI) and Pricewaterhouse (PWC) stated: "In 2007-08, the Indian media and entertainment industry grew 17 percent over the previous year touching the \$11.92 billion mark". According to an expert in the industry that is the largest in the world in terms of the number of films produced, worth \$2.12 billion in 2006. It is estimated to grow at a CAGR of 16 percent to \$4.42 billion by 2011. Other entertainment content areas like music and television also have huge potential in the international market. According to an estimate, the total value of Indian content sold overseas is over \$20 crores in a year. This is expected to grow over 20% every year."

Media & Entertainment Industry – in the near Future

The media and entertainment industry has been witnessing a transformation empowered by technological advancements, new delivery platforms and increasing diversity in content. Digital technology is advancing at an ever-increasing pace. Innovative technologies have boosted the media industry to bring a turnaround whereby remarkable achievements have been made by many leading DTH (Direct to Home) operators in competing among themselves for providing the best package for the consumer, which could lead to a driving challenge for the industry.

Consumer expectations are also changing fast. Although consumers are likely to spend more on media and entertainment in the future, they are increasingly going to be attracted to products that give them more control, choice and pricing flexibility. Consumers are becoming more aware on the pricing methodology and the quality content which would indeed enable only novel media and entertainment companies to sustain in this global competitiveness.

Review of Performance

I am happy to report that we have posted a 63% growth in revenues this year. Our consolidated revenues for the year have increased from Rs.59 crores to Rs.96 crores for the year ended 30th June 2008. Our consolidated operating profit has increased by 54% to Rs. 5.45 crores from Rs.3.55 crores as compared to the previous year. Profit after tax increased by a phenomenal 96% year on year to touch Rs.4.90 crores versus last year's figure of Rs.2.50 crores. Acknowledging this significant growth, the Board has recommended a dividend of 6% for the financial year ended June 30th 2008. The outflow on account of dividend and allied distribution tax would be Rs.0.13 Crores.

Our Business Divisions

In order to map our specialised offerings better with the market opportunities, we have streamlined our business divisions into Production, Distribution, Exhibition and Events.

Production

Under Production, we have been actively producing Feature Films and Television Content for leading TV Channels. During the year the company has produced "DHAAM DHOOM", a Tamil feature film starring Jayam Ravi, Kangana Ranaut, Laxmi Rai, Directed by Late. Jeeva and Music which was composed by Harris Jayaraj has been a great success. Another feature film has been "TELLING LIES" (English Film), starring Melony Brown (Spice Girl), Jason Fleming and Directed by Antra Bharadwaj, has also been a successful production. These films has been in addition to our past productions like PROVOKED – (English) 2007 RAMJI LONDONWALE – (Hindi) 2005 SAJNI – (Kannada) 2007. Apart from film productions, we have also been successful in producing content for leading channels and to name a few would be "Alaipayuthe" for Jaya TV, "Keladi Kanmani" and "Vegam Vivegam" for Vasanth TV, "Avalukun Oru Manam" for ZEE (tamil), "Theem Tarikita" for Kalaingar TV, were some of the programmes done during the year. Our past Television programmes, have been "Visswarupam " for Raj TV, Geetanjali for ZEE (Kanada), "Kichchu" for E TV Kanada,

“Swabhimana” for ZEE (Kanada), “Krishnapaksham” for Surya TV – SUN Network. Many more such programmes are on the anvil and our company is in the process of signing contacts with a few more channels early next year.

Distribution

Your company's core competency has been distribution and this has certainly helped the company in taking up distribution of English and Hindi films during the year. To name a few English Films like “Hancock”, “Forbidden Kingdom”, “Mummy III” have done successfully well, apart from some Hindi Films distributed. The company now plans to focus more in distributing more English Films and has tied up with a leading company, for distributing new releases of English films. The company is confident of bringing a turnaround in its Distribution Business

Exhibition

Mediaone's ultimatum lies in becoming an “Asset Based Media & Entertainment Company” and has ventured into acquiring theatres in and around B1 and B2 centres, with a prime focus of converting these theatres into modern digital theatres with state of the art viewing experience, coupled with exquisite ambiance and ample parking facilities. This innovative approach would enable Mediaone to screen new movies simultaneously in “B1 and B2 centers” at par with “A centers” by extending an opportunity to viewers across various categories of centers in Tamil Nadu to view the movie on the same day of release. The idea behind such new venture would be in beating piracy, encashing on the initial publicity and connectivity through digital network. Mediaone's first owned “Balaji theatre” is nearing completion and will start generating revenue early next year. Apart from this, a few more theatres have also been shortlisted and will be finalised in the due course.

Events

During the year Mediaone had actively partnered with Spellbound-an event management company in sponsoring “Snow Ball”, a unique event of its own which took place during the peak summer season at Island Ground in Chennai and at Jail Ground Gandhipuram, Coimbatore. Mediaone has active plans line-up for current year in sponsoring many more events like film-fare awards, Bravo awards, etc. Mediaone is also in active talks with leading Event Management Companies for conducting of many more events during the year.

Corporate Governance

The Company adheres with Corporate Governance Code as laid down by SEBI and Stock Exchanges. To further strength our Corporate Governance, a set of guidelines has been laid down and the same followed by the Board of Directors and the Management of the Company to create value for the stakeholders. Your Company respects and strives hard to meet the objectives of good corporate governance. Our Commitments and social responsibility in all dealings with customers, Government authorities, suppliers, employees and other stakeholders enable us to achieve our objectives of good Corporate Governance.

Outlook for the future

With the Indian Media and Entertainment (M&E) industry poised to enter a golden era, I am confident that India would become one of the largest markets in the world, seeing a potential growth of over 18%-19% per cent against 6% -7% globally.



The Indian film industry, with over 3 billion admissions per annum, is the largest in the world, in terms of number of films produced per year. This industry, which was worth US\$ 2.12 billion in 2006, is estimated to grow at a CAGR of 16 per cent to US\$ 4.42 billion by 2011.

Advancements in technology along with a rise in consumer income and change in consumption patterns has led a massive shift in all spheres of the film industry - production, exhibition, distribution and marketing. One perceptible change has been the rapid growth of multiplexes, which meets consumer demand for quality entertainment and has also helped boost production of niche films targeted at niche audiences.

Simultaneously, Television Channels have been competing among themselves to give the best for the viewers', wherein most of the Indians have a 'Home - Office - Home' life and that wouldn't change much. Hence Television is something that would not stop growing and there is sort of mimicking localization effect which seems to work very well. One successful show in Hindi or English - converts into a regional show and attracts the local audience glued to the TV. Even with poor service from cable operators or DTH, people can live without food but not without TV. Moreover, the Indian Television form part of the top ten advertising categories and the penetration rate of cable TV in Indian householder has been one of the key drivers for the boom in the Indian Television Industry.

Mediaone plans to encash on this opportunity and will ensure in bringing out good films and focus more in creating content for the most popular channels. Apart from its existing business of Production, Distribution and Content generation for TV Channels, Mediaone also focuses in acquiring chain of theatres in the market as a "Value for Money" proposition, differentiating itself from the other theatres by providing the state of art technology and ambience to the deserving audience and branding these theatres the umbrella of "Mediaone", which will be a standout from other theatres in terms of best Interiors, upgraded canteen facility, unique digital movie experience at an economical cost.

Our Commitment

The key for our success has been our people, comprising of a team of young creative, dynamic & innovative professionals determined to excel. We as a team are always committed to our shareholders, bankers, customers and to everyone associated with our company. We do hope that with your continued support, we would be able to rise up and deliver to your expectation always.

With best wishes,

Suryaraj Kumar
Chairman & Managing Director

Mission

- Positioning Mediaone in the Global Map by setting a benchmark for quality and innovative content to discerning audience worldwide.
- To be a stand out in the Exhibition Theatre business.
- State of the Art technology in renovating and refurbishing of existing theatres in Upcoming center.
- Distribution of worldwide releases of films through improvised distribution Network.

Vision

***"Unique media content with end to end solution in
Entertainment' industry to compete globally"***