



## CHAIRMAN'S MESSAGE

Dear Shareholders,

It has been a landmark year which has seen your company making excellent progress, marked by impressive financial achievements. In the current context of the economic slowdown, the Direct to Home (DTH) industry in India is in the throes of multifarious challenges and opportunities. Direct to Home technology is emerging as the leading digital TV transmission platform. Enhanced picture quality and advanced video services have become catalysts for driving demand for DTH TV services throughout India.

At present, there are 135 million TV households in India, out of which only a little over 12 million have DTH. Since the penetration of DTH is just 9%, there is a huge untapped potential. The DTH category experienced 300% growth in FY'09, with over 7 million new subscribers committing themselves to DTH revolution. The outlook for the industry remains positive and the year ahead promises to be an exciting one for dishtv.

In FY'09 dishtv achieved the landmark of 5 million subscribers, which is not just a significant one for your company but also symbolizes the successful growth of the Indian Pay TV market. dishtv added 2.06 million new subscribers in FY'09 as compared to 1.04 million subscribers added during the previous year, hence registering an increase of 98%. Your company consolidated its leadership position with a very strong 42% market share despite launch of two new major players and with one existing regional player spreading its presence pan India.

With dishtv continuing to sustain its strong growth momentum, India is now set to become Asia's leading DTH market. Unprecedented subscriber acquisition at dishtv is a testimony of our distribution network as well as our focus on providing affordable services to all.

It is my pleasure to report your company's robust performance, for the year ending 31st March, 2009, in the face of extreme competitive environment. The total revenues for FY'09 stood at Rs.7390 million, an increase of 79% over the previous year. The increase in revenue coupled with a stringent control on costs, lead your company to break even at the operating profit level by the fourth quarter of the year.

This zeal to excel and outdo competition was successfully demonstrated by launch of aggressive and innovative marketing initiatives, the volumes increased tremendously from interplay of Set Top Box Free, Recharge Free, Happy Home etc.

In the true spirit of a pioneer and market leader, your company drives the growth through several path breaking consumer friendly yet profitable initiatives. A-la-carte Packs is one such initiative that empowers the customer with choice and provides the ability to customize their content consumption, while adding up to the ARPU for the company. These packs have been designed genre-wise for subscriber convenience and offer maximum entertainment options, at every price point.

Your company's focus on ensuring customer delight through continuous innovation has led to evolution of value-added services, a potent tool for consumer engagement. Your company launched a Premiere Channel on its Movie on Demand Service to broadcast Hollywood and Bollywood movies within weeks of their theatrical release. The innovative Interactive Banking Service enables dishtv viewers to access information on Bank's products and services, from the convenience of their home. Combining education and fun through Quizzy and other interesting games, Value Added Services at dishtv have truly come of age.

Working further on the consumer convenience and delight factor your company added many new payment modes like drop box, easy bill, ITZ Cash Cards, online payment, recharge free now website, banking portals, credit card, etc.

With brand strength and a strong pan-India distribution network, we are confident of continuing to lead the DTH growth story. Further keeping consumer support on top priority, the management has introduced rigid performance-metrics to manage service delivery through a highly task and consumer oriented field service team. The field service team is in turn supported at the backend by 1600 call center agents speaking 11 different languages from 7 different locations.

Your company is associated with the business that has positive impact on many lives, especially on those subscribers who are in cable dry areas. For this population, DTH is the best last mile connectivity solution. We not only provide them entertainment but also information and news to help them stay connected with the outside world, thus, playing a vital role in an all inclusive growth of the society.

Going forward, times will no doubt be more demanding. But with our growth-oriented strategies complemented with execution excellence, we at dishtv have prepared well to lead the digitization of TV entertainment in India. On this positive note, I would like to thank all stakeholders for their continuing support and encouragement. I assure you that our commitment remains towards building a strong, sustainable and value-creating company.

Subhash Chandra  
Chairman