

## COMPANY INFORMATION



### BOARD OF DIRECTORS

Chairman  
Directors

Mr. Mazhar-ul-Haq Siddiqui  
Ms. Sultana Siddiqui  
Mr. Munawar Alam Siddiqui  
Mrs. Mahtab Akbar Rashdi  
Mr. Shunaid Qureshi  
Mr. Abdul Hamid Dagia  
Mr. Muhammad Ayub Younus Adhi

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Mr. Duraid Qureshi  
Mr. Islam Ahmed Khan  
Mr. Nasir Jamal

### AUDIT COMMITTEE

Chairman  
Members

Mr. Shunaid Qureshi  
Ms. Sultana Siddiqui  
Mr. Muhammad Ayub Younus Adhi

### AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants,  
7<sup>th</sup> Floor Progressive Plaza,  
Beaumont Road, Karachi.

### INTERNAL AUDITORS

KPMG Taseer Hadi & Company  
Chartered Accountants,  
1<sup>st</sup> Floor, Sheikh Sultan Trust Building  
No.2, Beaumont Road, Karachi

### LEGAL ADVISOR

Ijaz Ahmed & Associates  
No.7, 11<sup>th</sup> Zamzama Street, Phase-V,  
D.H.A. Karachi.

### BANKERS

Bank Alfalah Limited  
Faysal Bank Limited  
National Bank of Pakistan  
KASB Bank Limited  
JS Bank Limited  
Allied Bank Limited  
United Bank Limited  
Askari Bank Limited

### REGISTERED & HEAD OFFICE

Hum TV, Plot No. 10/11,  
Hassan Ali Street, Off. I.I. Chundrigar  
Road, Karachi -74000  
UAN 111-486-111

### REGISTRAR/TRANSFER AGENT

Technology Trade (Private) Limited.  
Dagia House, 241-C, Block-2,  
P.E.C.H.S, Off: Shahrah-e-Quaideen,  
Karachi.  
Tel: 34391316-7 Fax: 34391318



## Directors' Report

On behalf of the Board of Directors, I am pleased to present the Un-audited condensed interim financial statements for the quarter ended September 30, 2011.

The Company in compliance with its vision and mission continued focusing its efforts for providing quality entertainment content to its viewers across the globe. With increasing popularity of its channels and to cater the demand and supply gap the Company is now directing its efforts for the launching of its channels in different regions worldwide.

Net revenues for the reported quarter as compared to the same period last year have increased by Rs 102 M, from Rs. 317M to Rs. 419M. However, the net profit after tax declined by 8.5M from 55.8M to 47.2M for the quarters, resulting in a decrease in EPS by Re.0.17 i.e. from Rs.1.12 in previous quarter last year to Re. 0.95 this year same quarter.

The market conditions in the quarter remain unfavorable for the business sector however the Company managed to maintain its share of revenue growth by maintaining close watch on the industry patterns for higher ratings. Further the Company has switched its approach for the quarter from extensive marketing to more research oriented work in order to maintain the more favorable cost benefit ratio. After major advertising expected to be cut in the next half year, the Company is expected to face difficult times ahead.

The rise in cost is mainly attributable to the heavy investment in entertainment content by the Company. Due to increased competition it's difficult to achieve higher ratings without substantial investment on content. During the quarter the Company launched mega serials like Maat, Humsafar, Mujhay Rothnay Na Dena & Bin Teray on its flag ship channel i.e. HUM TV. The channel ratings remain consistent during the period and continue to dominate the rating charts.

Masala continues to lead the viewers' choice amongst the food channel and magazine. This quarter the channel celebrated its fifth anniversary with industry celebrities and renowned chefs. The coverage of the anniversary was telecasted live to make it more interactive for the audiences.

Style 360 has now entered the next phase and viewers as well as industry recognition for the channel can be seen on rating charts. With the introduction of ground events like Bridal Couture Week and major fashion events the channel is attracting the masses as well as contributing towards the increase in revenues of the Company.

During the quarter the Company, recognizing its responsibility for the alleviation of conditions faced by people affected by severe floods in the country, telecasted 3 Hours of live telethon for flood victims simulcast on all the three channels of the Company. In another move to generate more funds for the Government, it allocated 3 more hours of its transmission for a joint fund raiser by HUM TV and PTV.

The Board is confident that, given its inherent strengths the Company will continue to overcome all the challenges imposed by market and will be able to maintain its profitability for the year.

October 27, 2011  
Karachi

For & On behalf of the Board  
Duraid Qureshi  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2011**

		<b>September 30, 2011 (Un-audited)</b>	<b>June 30, 2011 (Audited)</b>
	<b>Note</b>	<b>----- Rupees -----</b>	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	191,746,154	199,568,794
Intangible assets		11,219,453	11,737,034
Long Term Investment		8,800	8,603
Long term deposits		21,478,071	21,078,071
Television program costs		294,994,142	309,054,278
Deferred tax asset		21,987,785	15,253,641
		<u>541,434,405</u>	<u>556,700,421</u>
<b>CURRENT ASSETS</b>			
Inventories		581,876	252,652
Current portion of television program costs		397,827,753	396,767,617
Trade debts	5	498,891,214	468,324,289
Advances-unsecured, considered good		23,993,677	25,755,656
Deposits and prepayments		11,494,324	6,101,556
Interest accrued		237,884	227,964
Other receivables		57,280,278	47,257,954
Taxation - net		48,090,040	47,171,235
Cash and bank balances		88,211,108	45,421,226
		<u>1,126,608,154</u>	<u>1,037,280,149</u>
<b>TOTAL ASSETS</b>		<u><b>1,668,042,559</b></u>	<u><b>1,593,980,570</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 70,000,000 (June 30, 2011: 70,000,000) ordinary shares of Rs.10/- each		700,000,000	700,000,000
Issued, subscribed and paid-up capital		500,000,000	500,000,000
Accumulated profit		569,918,538	522,657,630
		<u>1,069,918,538</u>	<u>1,022,657,630</u>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		3,129,969	2,938,636
Deferred liabilities		57,070,337	52,708,977
		<u>60,200,306</u>	<u>55,647,613</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	289,989,481	256,401,164
Short term borrowings		226,370,897	231,370,897
Accrued markup		8,609,299	9,283,954
Current portion of:			
- Long term financing		9,333,329	13,999,997
- Liabilities against assets subject to finance lease		3,620,709	4,619,315
		<u>537,923,715</u>	<u>515,675,327</u>
<b>COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,668,042,559</b></u>	<u><b>1,593,980,570</b></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**DURAID QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

		<b>September 30, 2 0 1 1 (Un-audited)</b>	<b>September 30, 2 0 1 0 (Un-audited)</b>
	<b>Note</b>	<b>----- Rupees -----</b>	
<b>Revenue – net</b>	8	<b>419,423,174</b>	316,989,133
Cost of production	9	<b>(242,134,443)</b>	(147,108,517)
Transmission cost		<b>(22,386,021)</b>	(30,966,724)
		<b>(264,520,464)</b>	(178,075,241)
<b>Gross profit</b>		<b>154,902,710</b>	138,913,892
Distribution cost		<b>(35,833,255)</b>	(26,848,669)
Administrative expenses		<b>(46,941,205)</b>	(39,323,370)
		<b>72,128,250</b>	72,741,853
Other operating income		<b>5,789,105</b>	6,926,169
		<b>77,917,355</b>	79,668,022
Finance cost		<b>(9,876,819)</b>	(9,530,612)
Other charges		<b>(1,544,120)</b>	(1,621,673)
<b>Profit before taxation</b>		<b>66,496,416</b>	68,515,737
Taxation		<b>(19,235,508)</b>	(12,704,584)
<b>Net profit for the period</b>		<b>47,260,908</b>	55,811,153
Earnings per share – basic and diluted		<b>0.95</b>	1.12

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**DURaid Qureshi**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

	<b>September 30, 2 0 1 1 (Un-audited)</b>	<b>September 30, 2 0 1 0 (Un-audited)</b>
<b>Note</b>	<b>----- Rupees -----</b>	
<b>Profit for the period after tax</b>	<b>47,260,908</b>	55,811,153
Other comprehensive income - net of taxation	-	-
<b>Total comprehensive income for the period - net of taxation</b>	<b><u>47,260,908</u></b>	<b><u>55,811,153</u></b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**DURAID QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

	Issued, subscribed and paid-up share capital	Unappropriated Profit	Total
	-----Rupees-----		
<b>Balance as at July 01, 2010</b>	500,000,000	333,855,294	833,855,294
Net profit for the period	-	55,811,153	55,811,153
Other comprehensive income	-	-	-
Total comprehensive income		55,811,153	55,811,153
<b>Balance as at September 30, 2010</b>	<u>500,000,000</u>	<u>389,666,447</u>	<u>889,666,447</u>
<b>Balance as at July 01, 2011</b>	500,000,000	522,657,630	1,022,657,630
Net profit for the period	-	47,260,908	47,260,908
Other comprehensive income	-	-	-
Total comprehensive income		47,260,908	47,260,908
<b>Balance as at September 30, 2011</b>	<u>500,000,000</u>	<u>569,918,538</u>	<u>1,069,918,538</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**DURAID QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

	September 30, 2 0 1 1 Un-Audited	September 30, 2 0 1 0 Un-Audited
Note	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	66,496,416	68,515,737
<b>Adjustments for :</b>		
Depreciation	11,360,940	15,975,968
Amortisation of intangible assets	547,582	455,837
Gain on disposals of fixed assets	-	(915,000)
Finance cost	9,876,819	9,530,612
Interest income	(1,148,184)	(2,904,702)
Movement in provisions	9,814,468	4,843,754
	<u>30,451,626</u>	<u>26,986,469</u>
<b>Operating profit before working capital changes</b>	<u>96,948,042</u>	<u>95,502,206</u>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Inventories	(329,224)	395,636
Television program costs	(1,060,136)	(31,134,428)
Trade debts	(30,566,925)	(30,199,130)
Advances, deposits and prepayments	(3,630,789)	(17,203,741)
Other receivables	(10,022,324)	(3,741,320)
	<u>(45,609,398)</u>	<u>(81,882,983)</u>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	36,251,034	(61,077,306)
<b>Cash generated from operations</b>	<u>87,589,678</u>	<u>(47,458,083)</u>
Taxes paid	(33,113,098)	(27,068,395)
Finance cost paid	(10,551,474)	(7,534,431)
Interest received	1,138,067	3,063,418
Long term deposits	(400,000)	(200,466)
Gratuity paid	(1,891,186)	(353,569)
Television program cost	14,060,136	(5,892,701)
<b>Net cash generated from/ (used in) operating activities</b>	<u>56,832,123</u>	<u>(85,444,227)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of operating fixed assets	-	915,000
Addition to capital work in progress	-	(3,467,000)
Purchase of property, plant & equipment	(2,759,300)	(4,737,633)
<b>Net cash used in investing activities</b>	<u>(2,759,300)</u>	<u>(7,289,633)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of long term loan	(4,666,668)	(9,333,334)
Payment of liabilities under finance lease	(1,616,273)	(2,520,956)
<b>Net cash used in financing activities</b>	<u>(6,282,941)</u>	<u>(11,854,290)</u>
Net Increase / (decrease) in cash and cash equivalents	<u>47,789,882</u>	<u>(104,588,150)</u>
Cash and cash equivalents at the beginning of the period	<u>(185,949,671)</u>	<u>(104,014,283)</u>
Cash and cash equivalents at the end of the period	<u><u>(138,159,789)</u></u>	<u><u>(208,602,433)</u></u>

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The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**DURAID QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

**1. THE COMPANY AND ITS OPERATIONS**

Hum Network Limited (Formerly Eye Television Network Limited) (the Company) was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on Karachi Stock Exchange. The registered office of the Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.

The Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society.

**2. BASIS OF PRESENTATION**

These condensed interim financial statements are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting", as applicable in Pakistan. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

**3. ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2011.

		September 30, 2011 (Un-audited)	June 30, 2011 (Audited)
	Note	----- Rupees -----	
<b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Operating assets	4.1	<u>191,746,154</u>	<u>199,568,794</u>
<b>4.1 Operating Assets -owned and leased</b>			
Book value at the beginning of the period / year		199,568,794	206,264,648
Additions during the period / year	4.1.1	3,538,300	45,259,359
Less:			
Disposal during the period / year - at cost	4.1.2	-	15,964,257
Depreciation charged during the period / year		<u>11,360,940</u>	<u>35,990,956</u>
		<u>191,746,154</u>	<u>199,568,794</u>
<b>4.1.1 Additions during the period/year</b>			
<b><u>Owned Assets:</u></b>			
Leasehold building		-	145,400
Leasehold improvements		1,323,482	7,152,147
Furniture & fittings		33,320	184,972
Motor vehicles		-	9,107,240
Audio visual equipment		119,150	13,783,015
Uplinking equipment		-	1,500,625
Office equipment		22,800	3,810,209
Computers		<u>1,230,548</u>	<u>5,326,751</u>
		<u>2,729,300</u>	<u>41,010,359</u>
<b><u>Leased Assets:</u></b>			
Vehicles		<u>809,000</u>	<u>4,249,000</u>
		<u>3,538,300</u>	<u>45,259,359</u>
<b>4.1.2 Disposal during the period / year - at cost</b>			
<b><u>Owned Assets:</u></b>			
Vehicle		-	8,080,919
Computers		-	2,779,046
		-	<u>10,859,965</u>
<b><u>Leased Assets:</u></b>			
Vehicle		-	5,104,292
		-	<u>15,964,257</u>



	September 30, 2011 (Un-audited)	June 30, 2011 (Audited)
Note	----- Rupees -----	
<b>5. TRADE DEBTS - unsecured</b>		
Considered good	498,891,214	468,324,289
Considered doubtful	31,900,792	31,900,792
	<u>530,792,006</u>	<u>500,225,081</u>
Less: Provision for doubtful debts	31,900,792	31,900,792
	<u>498,891,214</u>	<u>468,324,289</u>

**6. TRADE AND OTHER PAYABLES**

Creditors	6.1	166,784,699	160,370,273
Accrued liabilities		98,665,888	82,360,368
Withholding tax payable		7,623,605	2,641,438
Sales tax payable		2,282,610	195,165
Workers welfare fund payable		7,768,759	6,224,639
Advances from customers		1,225,447	1,179,618
Unclaimed dividend		2,376,521	2,380,121
Other liabilities		3,261,952	1,049,542
		<u>289,989,481</u>	<u>256,401,164</u>

6.1 Includes Rs.7,440,000/- (June 30,2011: Rs. Nil) due to M.D. Production (Private) Limited, a related party.

**7. COMMITMENTS**

Purchase of television programs commitments as at September 30, 2011 amounted to Rs 261,545,000/- (June 30, 2011: Rs.141,723,789/-).

**8. REVENUE – net**

	Quarter Ended	
	September 30, 2011 (Un-audited)	September 30, 2010 (Un-audited)
Note	----- Rupees -----	
Advertisement revenue	660,534,472	463,924,606
Less: Agency commission	75,382,200	57,616,019
Sales tax	80,921,796	60,430,500
Sales discount	96,542,802	40,756,341
	<u>252,846,798</u>	<u>158,802,860</u>
	407,687,674	305,121,746
Subscription Income	11,735,500	11,795,947
Production Revenue	-	71,440
	<u>419,423,174</u>	<u>316,989,133</u>

		Quarter Ended	
		September 30, 2011	September 30, 2010
	Note	(Un-audited)	(Un-audited)
		----- Rupees -----	
9.	COST OF PRODUCTION		
		</	

9.1 These include Rs.3,751,528/- (Sept 30, 2010: Rs 4,330,863/-) in respect of staff retirement benefits.

	Quarter Ended	
	September 30, 2011 (Un-audited)	September 30, 2010 (Un-audited)
	----- Rupees -----	
10. CASH AND CASH EQUIVALENTS		
Cash and bank balances	88,211,108	32,768,464
Running finance under markup arrangement	(226,370,897)	(241,370,897)
	<u>(138,159,789)</u>	<u>(208,602,433)</u>

#### 11. TRANSACTIONS WITH RELATED PARTIES

Relationship	Nature of relationship	Nature of transactions		
<b>Related Party</b>				
MD Production	Chief Executive's spouse is owner	Purchase of television programs	-	13,200,000
M.D. Production (Private) Limited	Chief Executive's spouse is Chief Executive Officer	Purchase of television programs	<u>23,600,000</u>	-
<b>Remuneration and benefits to key management personnel</b>				
		Remuneration	<u>27,110,609</u>	<u>29,635,470</u>

#### 12. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorised for issue on October 27, 2011 by the Board of Directors of the Company.

#### 13. NON-ADJUSTING EVENT AFTER BALANCE SHEET

The Board of Directors in their board meeting held on October 06, 2011 have recommended a final cash dividend of Re.1/- 10% per ordinary share amounting to Rs. 50 million for the year ended June 30, 2011. These interim condensed financial statements do not reflect the payment of cash dividend which will be approved by the shareholders in Annual General Meeting to be held on October 28, 2011.

#### 14. GENERAL

14.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no major reclassifications.

14.2 Amounts have been rounded off to the nearest rupee.

**DURAID QURESHI**  
Chief Executive

**SULTANA SIDDIQUI**  
Director

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2011**

		<b>September 30, 2011 (Un-audited)</b>	<b>June 30, 2011 (Audited)</b>
	<b>Note</b>	<b>----- Rupees -----</b>	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	191,746,154	199,568,794
Goodwill		1,134,672	1,109,271
Intangible assets		11,219,453	11,737,034
Long term deposits		21,478,071	21,078,071
Television program costs		294,994,142	309,054,278
Deferred tax asset		23,603,466	16,320,930
		<u>544,175,958</u>	<u>558,868,378</u>
<b>CURRENT ASSETS</b>			
Inventories		581,876	252,652
Current portion of television program costs		397,827,753	396,767,617
Trade debts	5	498,891,214	468,324,289
Advances-unsecured, considered good		23,993,677	25,755,656
Deposits and prepayments		11,494,324	6,101,556
Interest accrued		237,884	227,964
Other receivables		3,549,796	3,216,829
Taxation - net		48,090,040	47,171,235
Cash and bank balances		141,741,424	89,153,544
		<u>1,126,407,988</u>	<u>1,036,971,342</u>
<b>TOTAL ASSETS</b>		<u><b>1,670,583,946</b></u>	<u><b>1,595,839,720</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 70,000,000 (June 30, 2011: 70,000,000) ordinary shares of Rs.10/- each		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		500,000,000	500,000,000
Accumulated profit		<u>568,941,204</u>	<u>521,695,213</u>
		<u><b>1,068,941,204</b></u>	<u><b>1,021,695,213</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		3,129,969	2,938,636
Deferred liabilities		<u>57,070,337</u>	<u>52,708,977</u>
		<u><b>60,200,306</b></u>	<u><b>55,647,613</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	293,508,202	259,222,731
Short term borrowings		226,370,897	231,370,897
Accrued markup		8,609,299	9,283,954
Current portion of:			
- Long term financing		9,333,329	13,999,997
- Liabilities against assets subject to finance lease		<u>3,620,709</u>	<u>4,619,315</u>
		<u><b>541,442,436</b></u>	<u><b>518,496,894</b></u>
<b>COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,670,583,946</b></u>	<u><b>1,595,839,720</b></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

**DURAID QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

		September 30, 2011 (Un-audited)
	Note	----- Rupees -----
<b>Revenue – net</b>	8	419,423,174
Cost of production	9	(242,134,443)
Transmission cost		(22,386,021)
		(264,520,464)
<b>Gross profit</b>		<u>154,902,710</u>
Distribution cost		(35,833,255)
Administrative expenses		(48,462,480)
		<u>70,606,975</u>
Other operating income		5,788,908
		<u>76,395,883</u>
Finance cost		(9,877,862)
Other charges		(1,544,120)
<b>Profit before taxation</b>		<u>64,973,901</u>
Taxation		(18,717,927)
<b>Net profit for the period</b>		<u><u>46,255,974</u></u>
Earnings per share – basic and diluted		<u><u>0.93</u></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

**DURAID QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

**September 30,**  
**2 0 1 1**  
**(Un-audited)**  
**Note ----- Rupees -----**

<b>Profit for the period after tax</b>	<b>46,255,974</b>
Other comprehensive income - net of taxation	<b>990,017</b>
<b>Total comprehensive income for the period - net of taxation</b>	<b><u>47,245,991</u></b>

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

**DURAID QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**



**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

		Reserves			
	Issued, subscribed and paid-up share capital	Foreign exchange translation reserve	Unappropriated Profit	Sub - total	Total
	Rupees				
<b>Balance as at July 01, 2011</b>	500,000,000	(18,296)	521,713,509	521,695,213	1,021,695,213
Net profit for the period	-	-	46,255,974	46,255,974	46,255,974
Other comprehensive income	-	990,017	-	990,017	990,017
Total comprehensive income	-	990,017	46,255,974	47,245,991	47,245,991
<b>Balance as at September 30, 2011</b>	500,000,000	971,721	567,969,483	568,941,204	1,068,941,204

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

**DURAID QURESHI**  
Chief Executive

**SULTANA SIDDIQUI**  
Director

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**  
**UN-AUDITED**

	September 30, 2 0 1 1 Un-Audited ----- Rupees -----
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before taxation	64,973,901
<b>Adjustments for :</b>	
Depreciation	11,360,940
Amortisation of intangible assets	547,582
Exchange Gain	933,805
Finance cost	9,877,862
Interest income	(1,147,987)
Movement in provisions	9,814,468
	31,386,671
<b>Operating profit before working capital changes</b>	96,360,572
<b>Working capital changes</b>	
<b>(Increase) / decrease in current assets</b>	
Inventories	(329,224)
Television program costs	(1,060,136)
Trade debts	(30,566,925)
Advances, deposits and prepayments	(3,630,789)
Other receivables	(332,967)
	(35,920,041)
<b>Increase / (decrease) in current liabilities</b>	
Trade and other payables	36,948,188
<b>Cash generated from operations</b>	97,388,719
Taxes paid	(33,113,098)
Finance cost paid	(10,552,517)
Interest received	1,138,067
Long term deposits	(400,000)
Gratuity paid	(1,891,186)
Television program cost	14,060,136
<b>Net cash generated from operating activities</b>	66,630,121
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant & equipment	(2,759,300)
<b>Net cash used in investing activities</b>	(2,759,300)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payment of long term loan	(4,666,668)
Payment of liabilities under finance lease	(1,616,273)
<b>Net cash used in financing activities</b>	(6,282,941)
Net Increase in cash and cash equivalents	57,587,880
Cash and cash equivalents at the beginning of the period	(142,217,353)
Cash and cash equivalents at the end of the period	(84,629,473)

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The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

**DURAIQ QURESHI**  
**Chief Executive**

**SULTANA SIDDIQUI**  
**Director**

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

**1. CORPORATE INFORMATION AND OPERATIONS**

The 'Group' consists of

**Holding Company**

- 1.1** Hum Network Limited (Formerly Eye Television Network Limited) (the Holding Company) was incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on Karachi Stock Exchange. The registered office of the Holding Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
- 1.2** The Holding Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society.

**Subsidiary Company**

HUM TV, Inc. (the subsidiary company), having registered office at 36-01, 37th Avenue, Long Island City, New York, III06, has been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA) and Canada. The subsidiary company will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA and Canada and will establish relations with advertisers, as well as develop US-based media materials, such as dramas, documentaries and other entertainment shows and events.

The subsidiary company is a wholly owned subsidiary of the Holding Company with effect from April 01, 2011.

**2. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting", as applicable in Pakistan. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

**3. ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2011.

		September 30, 2011 (Un-audited)	June 30, 2011 (Audited)
	Note	----- Rupees -----	
<b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Operating assets	<b>4.1</b>	<b>191,746,154</b>	<b>199,568,794</b>
<b>4.1 Operating Assets -owned and leased</b>			
Book value at the beginning of the period / year		<b>199,568,794</b>	206,264,648
Additions during the period / year	<b>4.1.1</b>	<b>3,538,300</b>	45,259,359
Less:			
Disposal during the period / year - at cost	<b>4.1.2</b>	-	15,964,257
Depreciation charged during the period / year		<b>11,360,940</b>	35,990,956
		<b>191,746,154</b>	<b>199,568,794</b>
<b>4.1.1 Additions during the period/year</b>			
<b><u>Owned Assets:</u></b>			
Leasehold building		-	145,400
Leasehold improvements		<b>1,323,482</b>	7,152,147
Furniture & fittings		<b>33,320</b>	184,972
Motor vehicles		-	9,107,240
Audio visual equipment		<b>119,150</b>	13,783,015
Uplinking equipment		-	1,500,625
Office equipment		<b>22,800</b>	3,810,209
Computers		<b>1,230,548</b>	5,326,751
		<b>2,729,300</b>	41,010,359
<b><u>Leased Assets:</u></b>			
Vehicles		<b>809,000</b>	4,249,000
		<b>3,538,300</b>	<b>45,259,359</b>
<b>4.1.2 Disposal during the period / year - at cost</b>			
<b><u>Owned Assets:</u></b>			
Vehicle		-	8,080,919
Computers		-	2,779,046
		-	10,859,965
<b><u>Leased Assets:</u></b>			
Vehicle		-	5,104,292
		-	<b>15,964,257</b>

		September 30, 2011 (Un-audited)	June 30, 2011 (Audited)
	Note	----- Rupees -----	
<b>5. TRADE DEBTS - unsecured</b>			
Considered good		498,891,214	468,324,289
Considered doubtful		31,900,792	31,900,792
		<u>530,792,006</u>	<u>500,225,081</u>
Less: Provision for doubtful debts		31,900,792	31,900,792
		<u>498,891,214</u>	<u>468,324,289</u>
<b>6. TRADE AND OTHER PAYABLES</b>			
Creditors	6.1	170,303,420	160,370,273
Accrued liabilities		98,665,888	83,650,818
Withholding tax payable		7,623,605	2,641,438
Sales tax payable		2,282,610	195,165
Workers welfare fund payable		7,768,759	6,224,639
Advances from customers		1,225,447	1,179,618
Unclaimed dividend		2,376,521	2,380,121
Other liabilities		3,261,952	2,580,659
		<u>293,508,202</u>	<u>259,222,731</u>

6.1 Includes Rs.7,440,000/- (June 30,2011: Rs. Nil) due to M.D. Production (Private) Limited, a related party.

## 7. COMMITMENTS

Purchase of television programs commitments as at September 30, 2011 amounted to Rs 261,545,000/- (June 30, 2011: Rs.141,723,789/-).

	Quarter Ended September 30, 2011 (Un-audited) ----- Rupees -----
<b>8. REVENUE – net</b>	
Advertisement revenue	660,534,472
Less: Agency commission	75,382,200
Sales tax	80,921,796
Sales discount	96,542,802
	<u>252,846,798</u>
	407,687,674
Subscription Income	11,735,500
	<u>419,423,174</u>

		Quarter Ended September 30, 2011 (Un-audited) ----- Rupees -----
<b>9.</b>	<b>COST OF PRODUCTION</b>	
	Cost of outsourced programs	141,176,336
	Cost of in-house programs	24,281,898
	Cost of inventory consumed	535,778
	Salaries, wages and benefits	9.1 38,519,028
	Insurance	869,850
	Repair and maintenance	1,984,252
	Rent, rates and taxes	2,981,375
	Utilities	3,121,617
	Depreciation	6,572,901
	Amortisation of intangible assets	374,465
	Consultancy	1,054,678
	Printing and stationery	89,673
	Communication expense	1,277,495
	Traveling and conveyance	4,387,983
	Security charges	457,114
	Fees and subscription	1,450,000
		<u>229,134,443</u>
	In production television programs - opening	17,263,445
	In production television programs - closing	<u>(15,657,309)</u>
		230,740,579
	Released / unreleased programs - opening	688,558,450
	Released / unreleased programs - closing	<u>(677,164,586)</u>
		<u>242,134,443</u>

9.1 These include Rs.3,751,528/- (Sept 30, 2010: Rs 4,330,863/-) in respect of staff retirement benefits.

		Quarter Ended September 30, 2011 (Un-audited) ----- Rupees -----
<b>10.</b>	<b>CASH AND CASH EQUIVALENTS</b>	
	Cash and bank balances	141,741,424
	Running finance under markup arrangement	<u>(226,370,897)</u>
		<u>(84,629,473)</u>
<b>11.</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>	
	Relationship	Nature of relationship
	Related Party	Nature of transactions
	M.D. Production (Private) Limited	Chief Executive's spouse is Chief Executive Officer
		Purchase of television programs
		<u>23,600,000</u>
	Remuneration and benefits to key management personnel	Remuneration
		<u>27,110,609</u>

**12. DATE OF AUTHORIZATION**

These condensed interim consolidated financial statements have been authorised for issue on October 27, 2011 by the Board of Directors of the Holding Company.

**13. NON-ADJUSTING EVENT AFTER BALANCE SHEET**

The Board of Directors of the Holding Company in their board meeting held on October 06, 2011 have recommended a final cash dividend of Re.1/- 10% per ordinary share amounting to Rs. 50 million for the year ended June 30, 2011. These interim condensed consolidated financial statements do not reflect the payment of cash dividend which will be approved by the shareholders in Annual General Meeting to be held on October 28, 2011.

**14. GENERAL**

**14.1** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no major reclassifications.

**14.2** Amounts have been rounded off to the nearest rupee.

**14.3** Since the subsidiary was acquired during the forth quarter ended June 30, 2011, there are no comparative figures to report for the interim condensed consolidated profit and loss account, statement of comprehensive income and cash flow statement.

**DURAID QURESHI**  
Chief Executive

**SULTANA SIDDIQUI**  
Director