



HUM NETWORK LTD



HUM
NETWORK
LTD



COMPANY INFORMATION



BOARD OF DIRECTORS

Chairman
Directors

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

Chief Executive Officer
Chief Financial Officer
Company Secretary
Head of Internal Audit

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

AUDIT COMMITTEE

Chairman
Members

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

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairperson
Members

Mr. Mazhar-ul-Haq Siddiqui
Mr. Munawar Alam Siddiqui
Mrs. Mahtab Akbar Rashdi
Mr. Shunaid Qureshi
Mr. Duraid Qureshi

AUDITORS

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

INTERNAL AUDITORS

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

LEGAL ADVISOR

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

BANKERS

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan
KASB Bank Ltd.
JS Bank Ltd.
Allied Bank Limited
United Bank Limited
Askari Bank Limited
Standard Chartered Bank Limited

REGISTERED & HEAD OFFICE

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

REGISTRAR/TRANSFER AGENT

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

Websites' Information

HUM NETWORK LIMITED:
www.humnetwork.tv
HUM TV: www.hum.tv
MASALA TV: www.masala.tv
Style360: www.style360.tv
HUM2: www.hum2.tv

Directors' Report

On behalf of Board of Directors, I am please to present the un-audited condensed interim financial statements for the quarter ended September 30, 2012.

Net revenue for the reported quarter as compared to the same period last year have increased by Rs. 105M, from Rs. 419M to Rs. 524M i.e. an increase of 25%. Moreover, profit after tax increased by Rs. 28M from 47M to 75M for the quarter i.e. increased of 59% resulting in an increase in EPS by Re. 0.55 from Re. 0.95 to Rs. 1.50.

Despite of growing competition in the market and particularly in the entertainment sector, your Company has managed to maintain its share of revenue. This has been possible only due to the Company's approach to maintain high quality content. The success of Bilqees Kuar, Maat-e-Jan Hai Tu and Durr –e-shawaar are worth noting in this regard.

Masala Channel celebrated its 6th anniversary which received tremendous appreciation from the viewers. The celebration coverage of two hours was telecasted live to make it more interactive. Keeping in view the popularity of your channel among the masses, the Company is also planning to launch recipe books of its renowned chefs.

Your Network believes that despite of recent influx of entertainment channels there is still demand for a channel which offers a more comprehensive mix of programming and can generate additional revenue for the Network. Keeping this in view, Style 360 has been completely revamped and a new channel mix has been introduced in the name of HUM2. The vision behind HUM2 is to encapsulate the whole spectrum of the entertainment genre by offering a wide range of entertaining programming from the world of fashion, lifestyle and reality, to the foundation of our bouquet which is the narratives –our dramatic serials, sitcoms and soaps. HUM2's objective is to achieve this whilst adhering to the cultural sensitivities, high production values and sensibilities that are the benchmark of your Network.

Keeping in view the Company's strategies and efforts, the Board is optimistic about the future performance and growth of the Company.

HUM TV INC., USA

Your subsidiary has started to show its presence in United States and as a part of marketing campaign have given coverage to 14 August independence parade which was well appreciated by viewers.

October 25, 2012
Karachi

For & on behalf of the Board
Duraidd Qureshi
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2012



		September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	181,309,903	182,147,192
Intangible assets		10,802,800	10,784,432
Long term investment	5	18,725,353	8,682,103
Long term deposits		22,541,305	24,170,381
Television program costs		280,383,164	281,055,788
Deferred tax asset		30,079,439	27,008,002
		543,841,964	533,847,898
CURRENT ASSETS			
Inventories		656,732	570,580
Current portion of television program costs		336,149,992	368,979,393
Trade debts	6	521,121,386	473,817,210
Advances - unsecured, considered good	7	52,782,175	50,496,568
Deposits and prepayments		10,012,977	4,626,578
Accrued profit		456,489	725,247
Other receivables - unsecured, considered good	8	20,325,923	4,204,333
Taxation - net		72,154,703	83,422,421
Cash and bank balances		81,527,442	136,260,326
		1,095,187,819	1,123,102,656
TOTAL ASSETS		1,639,029,783	1,656,950,554
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 70,000,000 (June 30, 2012: 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
Reserves		693,573,051	618,533,416
		1,193,573,051	1,118,533,416
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		813,877	1,190,126
Deferred liabilities		77,729,589	78,264,793
		78,543,466	79,454,919
CURRENT LIABILITIES			
Trade and other payables	9	319,820,730	264,896,347
Accrued mark-up		5,650,076	6,371,365
Short term borrowing		40,048,134	186,370,897
Current portion of - liabilities against assets subject to finance lease		1,394,326	1,323,610
		366,913,266	458,962,219
COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		1,639,029,783	1,656,950,554

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAID QURESHI
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

		September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
	Note	----- Rupees -----	
Revenue – net	11	523,679,747	419,423,174
Cost of production	12	(291,209,912)	(242,134,443)
Transmission cost		(23,324,372)	(22,386,021)
		(314,534,284)	(264,520,464)
Gross profit		209,145,463	154,902,710
Distribution costs		(39,592,288)	(35,833,255)
Administrative expenses		(54,558,170)	(46,941,205)
		114,995,005	72,128,250
Other operating income		17,539,884	5,789,105
		132,534,889	77,917,355
Finance costs		(5,886,583)	(9,876,819)
Other charges		(2,532,699)	(1,544,120)
Profit before taxation		124,115,607	66,496,416
Taxation		(49,075,972)	(19,235,508)
Profit after taxation		75,039,635	47,260,907
Earnings per share – basic and diluted		1.50	0.95

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURaid Qureshi
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2012



	September 30, 2012 (Un-audited) ----- Rupees -----	September 30, 2011 (Un-audited) -----
Profit after taxation	75,039,635	47,260,907
Other comprehensive income	-	-
Total comprehensive income for the year	<u>75,039,635</u>	<u>47,260,907</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURaid Qureshi
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	124,115,607	66,496,416
Adjustments for :		
Depreciation	6,115,052	11,360,940
Amortisation of intangible assets	331,632	547,582
Finance costs	5,886,583	9,876,819
Profit on deposit accounts	(3,209,716)	(1,148,184)
Gain on disposal of operating fixed assets	(59,098)	-
Movement in provisions	3,320,658	9,814,468
	12,385,111	30,451,626
Operating profit before working capital changes	136,500,718	96,948,042
Working capital changes		
Decrease / (increase) in current assets		
Inventories	(86,152)	(329,224)
Television program costs	32,829,401	(1,060,136)
Trade debts	(47,304,176)	(30,566,925)
Advances deposit and prepayments	(6,272,006)	(3,630,789)
Other receivables - unsecured, considered good	(16,121,590)	(10,022,324)
	(36,954,523)	(45,609,398)
Increase / (decrease) in current liabilities		
Trade and other payables	55,506,499	36,251,034
Cash generated from operations	155,052,694	87,589,678
Taxes paid	(43,412,391)	(33,113,098)
Finance costs paid	(6,607,872)	(10,551,474)
Profit received on deposit accounts	3,478,474	1,138,067
Long term deposits	229,079	(400,000)
Gratuity paid	(1,323,163)	(1,891,186)
Television program costs	672,624	14,060,136
Net cash generated from operating activities	108,089,442	56,832,123
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,360,895)	(2,759,300)
Long term investment in a subsidiary	(10,043,250)	-
Proceeds from the disposal of operating fixed assets	792,230	-
Net cash used in investing activities	(15,611,915)	(2,759,300)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	(4,666,668)
Repayment of liabilities against assets subject to finance lease	(305,533)	(1,616,273)
Dividends paid	(582,115)	-
Net cash used in financing activities	(887,648)	(6,282,941)
Net increase in cash and cash equivalents	91,589,879	47,789,882
Cash and cash equivalents at the beginning of the year	(50,110,571)	(185,949,671)
Cash and cash equivalents at the end of the year	13 41,479,308	(138,159,789)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAIQ QURESHI
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2012



	Issued, subscribed and paid-up capital	Unappropriated Profit	Total
	-----Rupees-----		
Balance as at July 01, 2011	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
Balance as at September 30, 2011	<u>500,000,000</u>	<u>569,918,538</u>	<u>1,069,918,538</u>
Balance as at July 01, 2012	500,000,000	618,533,416	1,118,533,416
Net profit for the period	-	75,039,635	75,039,635
Other comprehensive income	-	-	-
Total comprehensive income	-	75,039,635	75,039,635
Balance as at September 30, 2012	<u>500,000,000</u>	<u>693,573,051</u>	<u>1,193,573,051</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURaid Qureshi
Chief Executive

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

1. THE COMPANY AND ITS OPERATIONS

- 1.1** HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company 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.
- 1.2** 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, 2012.

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, 2012.

		September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT	Note	----- Rupees -----	
Operating fixed assets	4.1	173,823,254	176,516,790
Capital work-in-progress		7,486,649	5,630,402
		<u>181,309,903</u>	<u>182,147,192</u>
4.1 Operating fixed assets – owned and leased			
Book value at the beginning of the period / year		176,516,790	199,568,794
Additions during the period / year	4.1.1	4,154,648	22,720,904
Less:			
Disposal during the period / year - at WDV	4.1.2	733,132	4,416,351
Depreciation charged during the period / year		6,115,052	41,356,557
		<u>173,823,254</u>	<u>176,516,790</u>
4.1.1 Additions during the period/year			
Leased hold improvement		-	2,709,512
Furniture and fixtures		-	1,719,793
Vehicles		-	1,274,611
Audio visual equipment		2,545,250	2,474,925
Uplinking equipment		318,846	1,215,452
Office equipment		811,379	7,292,049
Computers		479,173	6,034,562
		<u>4,154,648</u>	<u>22,720,904</u>

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012



	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
4.1.2 Disposals during the period/year		
Vehicles	733,132	3,820,009
Computers	-	596,342
	733,132	4,416,351
5. LONG TERM INVESTMENT	Holding 100%	
HUM TV, Inc., unquoted subsidiary - at cost		
10,000 Common stock, \$ 0.01 at par	8,603	8,603
Paid-in-capital	18,716,750	8,673,500
	18,725,353	8,682,103
6. TRADE DEBTS - unsecured		
Considered good	521,121,386	473,817,210
Considered doubtful	31,720,019	31,720,019
	552,841,405	505,537,229
Less: Provision for doubtful debts	31,720,019	31,720,019
	521,121,386	473,817,210
7. ADVANCES - unsecured, considered good		
Includes Rs. 2,880,000/- (June 30, 2012: Rs. Nil) due to a related party, M.D Production (Private) Limited as advance against production.		
8. OTHER RECEIVABLES - unsecured, considered good		
Includes Rs. 14,632,052/- (June 30, 2012: Rs. 45,649/-) receivable from HUM TV, Inc., USA, a subsidiary on account of collection made on Company's behalf.		
	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
9. TRADE AND OTHER PAYABLES		
Creditors	201,925,574	192,524,222
Accrued liabilities	94,574,887	55,294,439
Withholding tax payable	8,181,780	6,477,271
Sales tax payable	3,297,652	2,115,219
Advances from customers	1,289,947	1,289,947
Workers' welfare fund	7,886,558	5,353,859
Unclaimed and unpaid dividend	-	7,800
Others	2,664,332	1,833,590
	319,820,730	264,896,347
9.1	Includes Rs. 18,240,000/- (June 30, 2012: Rs. 6,200,000/-) due to a related party, M.D Production (Private) Limited.	

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

10. COMMITMENTS

- 10.1** Commitment for purchase of television programs with M.D Production (Private) Limited, a related party as at September 30, 2012 amounted to Rs. 25,200,000/- (June 30, 2012: Rs. 38,700,700/-). Commitment for purchase of television programs with other than related parties as at September 30, 2012 amounted to Rs. 109,058,000/- (June 30, 2012: Rs. 107,640,500/-).
- 10.2** Commitment in respect of capital expenditure as at September 30, 2012 amounted to Rs. 1,733,335/- (June 30, 2012: Rs. 2,888,892/-)

- 10.3** Commitment for rentals under Ijarah finance agreement:

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	Rupees	
Within one year	1,019,724	364,896
After one year but not more than five years	1,376,662	364,896
	<u>2,396,386</u>	<u>729,792</u>

Quarter Ended

	September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
	Rupees	
11. REVENUE – net		
Advertisement revenue	747,278,852	660,534,472
Less: Agency commission	94,447,939	75,382,200
Sales tax	100,390,977	80,921,796
Discount to customers	46,716,092	96,542,802
	<u>241,555,008</u>	<u>252,846,798</u>
	505,723,844	407,687,674
Subscription income	15,055,903	11,735,500
Production revenue	2,900,000	-
	<u>523,679,747</u>	<u>419,423,174</u>

12. COST OF PRODUCTION

Cost of outsourced programs	12.1	167,942,717	141,176,336
Cost of in-house programs		20,214,998	24,281,898
Cost of inventory consumed		397,848	535,778
Salaries, wages and benefits		48,258,869	38,519,028
Depreciation		3,780,039	6,572,901
Traveling and conveyance		4,875,966	4,387,983
Utilities		3,647,071	3,121,617
Rent, rates and taxes		616,249	2,981,375
Insurance		1,951,324	869,850
Repair and maintenance		2,122,143	1,984,252
Fee and subscription		583,997	1,450,000
Communication		1,637,346	1,277,495
Security charges		419,459	457,114
Amortisation		249,643	374,465
Consultancy		923,142	1,054,678
Printing and stationery		87,076	89,673
		<u>257,707,887</u>	<u>229,134,443</u>
In production television programs - opening		14,170,763	17,263,445
In production television programs - closing		(13,498,139)	(15,657,309)
		<u>258,380,511</u>	<u>230,740,579</u>
Released / unreleased programs - opening		635,864,418	688,558,450
Released / unreleased programs - closing		(603,035,017)	(677,164,586)
		<u>291,209,912</u>	<u>242,134,443</u>

- 12.1** This includes Rs. 2,279,504/- (September 30, 2011: Rs. 3,751,528/-) in respect of staff retirement benefits.

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012



	Quarter Ended	
	September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	81,527,442	88,211,108
Short term borrowing	(40,048,134)	(226,370,897)
	<u>41,479,308</u>	<u>(138,159,789)</u>

14. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company includes Jahangir Siddiqui & Co. Ltd., HUM TV, Inc., M.D Production (Private) Limited, associated companies, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amount due from and due to related parties, amount due from executives and remuneration of directors are disclosed in the relevant notes to the financial statements. Other material transactions with related parties are given below:

below.

			Quarter Ended	
			September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
			----- Rupees -----	----- Rupees -----
			2012	2011
			----- Rupees -----	----- Rupees -----
Related Party	Nature of relationship	Nature of transactions		
M.D. Production (Private) Limited	Chief Executive's spouse is Chief Executive Officer	Purchase of television programs	<u>30,300,000</u>	<u>23,600,000</u>
HUM TV, Inc.	Wholly owned subsidiary	Investment in a subsidiary	<u>10,043,250</u>	<u>-</u>
HUM TV, Inc.	Wholly owned subsidiary	Collection on behalf of Hum Network Limited	<u>14,586,404</u>	<u>9,689,357</u>
Remuneration and key benefits to key management personnel		Remuneration	<u>51,470,373</u>	<u>27,110,609</u>

15. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on October 02, 2012 have recommended a final cash dividend of Re. 1/- per share @ 10% amounting to Rs. 50,000,000/- (2011: @ 10% amounting to Rs. 50 million) for the year ended June 30, 2012. These condensed interim financial statements do not reflect the payment of final cash dividend.

16. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorised for issue on October 25, 2012 by the Board of Directors of the Company.

17. GENERAL

17.1 Corresponding figures have been rearranged and reclassified, wherever necessary, of the purpose of comparison There were no material reclassifications..

17.2 Figures have been rounded off to the nearest Rupee.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAID QURESHI
Chief Executive

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS**

HUM NETWORK LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2012



		September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	Note	----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	183,894,455	184,974,649
Goodwill		1,229,585	1,242,569
Intangible assets		10,802,800	10,784,432
Long term deposits		22,541,305	24,170,381
Television program costs		280,383,164	281,055,788
Deferred tax asset		33,251,700	28,613,561
		532,103,009	530,841,380
CURRENT ASSETS			
Inventories		656,732	570,580
Current portion of television program costs		336,149,992	368,979,393
Trade debts	5	527,061,538	476,949,088
Advances - unsecured, considered good	6	54,250,025	50,975,068
Deposits and prepayments		11,090,190	5,715,166
Accrued profit		456,489	725,247
Other receivables - unsecured, considered good		5,734,386	4,158,684
Taxation - net		72,154,703	83,422,421
Cash and bank balances		98,886,994	136,440,625
		1,106,441,049	1,127,936,272
TOTAL ASSETS		1,638,544,058	1,658,777,652
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised capital 70,000,000 (June 30, 2012: 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
Reserves		688,917,306	617,078,388
		1,188,917,306	1,117,078,388
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		813,877	1,190,126
Deferred liabilities		77,729,589	78,264,793
		78,543,466	79,454,919
CURRENT LIABILITIES			
Trade and other payables	7	323,990,750	268,178,473
Accrued mark-up		5,650,076	6,371,365
Short term borrowing		40,048,134	186,370,897
Current portion of - liabilities against assets subject to finance lease		1,394,326	1,323,610
		371,083,286	462,244,345
COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		1,638,544,058	1,658,777,652

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAID QURESHI
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

		September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
	Note	----- Rupees -----	
Revenue – net	9	527,952,497	419,423,174
Cost of production	10	(291,209,912)	(242,134,443)
Transmission cost		(25,460,747)	(22,386,021)
		(316,670,659)	(264,520,464)
Gross profit		211,281,838	154,902,710
Distribution costs		(43,200,388)	(35,833,255)
Administrative expenses		(57,752,200)	(48,462,480)
		110,329,250	70,606,975
Other operating income		17,539,884	5,788,908
		127,869,134	76,395,883
Finance costs		(5,889,906)	(9,877,862)
Other charges		(2,532,699)	(1,544,120)
Profit before taxation		119,446,529	64,973,901
Taxation		(47,488,313)	(18,717,927)
Profit after taxation		71,958,216	46,255,974
Earnings per share – basic and diluted		1.44	0.93

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAID QURESHI
Chief Executive

**HUM NETWORK LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**



	September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
	----- Rupees -----	
Profit after taxation	71,958,216	46,255,974
Other comprehensive income – net taxation	(119,298)	990,017
Total comprehensive income for the year	<u>71,838,918</u>	<u>47,245,991</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURaid Qureshi
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	119,446,529	64,973,901
Adjustments for :		
Depreciation	6,328,409	11,360,940
Amortisation of intangible assets	331,632	547,582
Exchange gain	(55,809)	933,805
Finance costs	5,889,906	9,876,819
Profit on deposit accounts	(3,209,716)	(1,148,184)
Gain on disposal of operating fixed assets	(59,098)	-
Movement in provisions	3,320,658	9,814,468
	12,545,982	31,386,671
Operating profit before working capital changes	131,992,511	96,360,572
Working capital changes		
Decrease / (increase) in current assets		
Inventories	(86,152)	(329,224)
Television program costs	(32,829,401)	(1,060,136)
Trade debts	(50,112,450)	(30,566,925)
Advances deposit and prepayments	(8,649,981)	(3,630,789)
Other receivables - unsecured, considered good	(1,575,702)	(332,967)
	(27,594,884)	(35,920,041)
Increase / (decrease) in current liabilities		
Trade and other payables	56,394,393	36,948,188
Cash generated from operations	160,792,020	97,388,719
Taxes paid	(43,412,391)	(33,113,098)
Finance costs paid	(6,611,195)	(10,552,517)
Profit received on deposit accounts	3,478,474	1,138,067
Long term deposits	1,629,076	(400,000)
Gratuity paid	(1,323,163)	(1,891,186)
Television program costs	672,624	14,060,136
Net cash generated from operating activities	115,225,445	66,630,121
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,360,895)	(2,759,300)
Proceeds from the disposal of operating fixed assets	792,230	-
Net cash used in investing activities	(5,568,665)	(2,759,300)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	(4,666,668)
Repayment of liabilities against assets subject to finance lease	(305,533)	(1,616,273)
Dividends paid	(582,115)	-
Net cash used in financing activities	(887,648)	(6,282,941)
Net increase in cash and cash equivalents	108,769,132	57,587,880
Cash and cash equivalents at the beginning of the year	(49,930,272)	(142,217,353)
Cash and cash equivalents at the end of the year	11 58,838,860	(84,629,473)

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAID QURESHI
Chief Executive

HUM NETWORK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2012



	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Reserves		Total
			Unappropriated Profit	Sub-total	
Balance as at July 01, 2011	500,000,000	(18,296)	521,713,509	521,695,213	1,021,695,213
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
Balance as at September 30, 2011	<u>500,000,000</u>	<u>971,721</u>	<u>567,969,483</u>	<u>568,941,204</u>	<u>1,068,941,204</u>
Balance as at July 01, 2012	500,000,000	259,809	616,818,579	617,078,388	1,117,078,388
Profit for the period	-	-	71,958,216	71,958,216	71,958,216
Other comprehensive income	-	(119,298)	-	(119,298)	(119,298)
Total comprehensive income	-	(119,298)	71,958,216	71,838,918	71,838,918
Balance as at September 30, 2012	<u>500,000,000</u>	<u>140,511</u>	<u>688,776,795</u>	<u>688,917,306</u>	<u>1,188,917,306</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAID QURESHI
Chief Executive

**HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

1. THE COMPANY AND ITS OPERATIONS

The 'Group' consists of

1.1 Holding Company

HUM 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 Holding Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.

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.

1.2 Subsidiary Company

HUM TV, Inc. (the subsidiary company), having registered office at 4546 El Camino Real, #223 Los Altos, CA 94022, 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, 2012.

3. ACCOUNTING POLICES

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, 2012.

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012



		September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT	Note	----- Rupees -----	
Operating fixed assets	4.1	176,407,806	179,344,247
Capital work-in-progress		7,486,649	5,630,402
		<u>183,894,455</u>	<u>184,974,649</u>
		September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
4.1 Operating fixed assets – owned and leased			
Book value at the beginning of the period / year		179,344,247	199,568,794
Additions during the period / year	4.1.1	4,154,648	25,687,413
Less:			
Disposal during the period / year - at WDV	4.1.2	733,132	4,416,351
Depreciation charged during the period / year		6,357,957	41,495,609
		<u>176,407,806</u>	<u>179,344,247</u>
4.1.1 Additions during the period/year			
Leased hold improvement		-	5,133,880
Furniture and fixtures		-	2,261,934
Vehicles		-	1,274,611
Audio visual equipment		2,545,250	2,474,925
Uplinking equipment		318,846	1,215,452
Office equipment		811,379	7,292,049
Computers		479,173	6,034,562
		<u>4,154,648</u>	<u>25,687,413</u>
4.1.2 Disposals during the period/year			
Vehicles		733,132	3,820,009
Computers		-	596,342
		<u>733,132</u>	<u>4,416,351</u>
5. TRADE DEBTS - unsecured			
Considered good		521,121,386	476,949,088
Considered doubtful		31,720,019	31,720,019
		<u>552,841,405</u>	<u>508,669,107</u>
Less: Provision for doubtful debts		31,720,019	31,720,019
		<u>521,121,386</u>	<u>476,949,088</u>
6. ADVANCES - unsecured, considered good			
Includes Rs. 2,880,000/- (June 30, 2012: Rs. Nil) due to a related party, M.D Production (Private) Limited as advance against production.			

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

		September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
7. TRADE AND OTHER PAYABLES			
Creditors	7.1	201,925,574	192,524,222
Accrued liabilities		94,574,887	58,561,637
Withholding tax payable		8,181,780	6,477,271
Sales tax payable		3,297,652	2,115,219
Advances from customers		1,289,947	1,289,947
Workers' welfare fund		7,886,558	5,353,859
Unclaimed and unpaid dividend		-	7,800
Others	7.2	2,664,332	1,848,519
		<u>319,820,730</u>	<u>268,178,474</u>

7.1 Includes Rs. 18,240,000/- (June 30, 2012: Rs. 6,200,000/-) due to a related party, M.D Production (Private) Limited.

7.2 Includes Rs. Nil (June 30, 2012: Rs. 14,929/-) due to a related party, Ms. Malika Junaid.

8. COMMITMENTS

8.1 Commitment for purchase of television programs with M.D Production (Private) Limited, a related party as at September 30, 2012 amounted to Rs. 25,200,000/- (June 30, 2012: Rs. 38,700,700/-). Commitment for purchase of television programs with other than related parties as at September 30, 2012 amounted to Rs. 109,058,000/- (June 30, 2012: Rs. 107,640,500/-).

8.2 Commitment in respect of capital expenditure as at September 30, 2012 amounted to Rs. 1,733,335/- (June 30, 2012: Rs. 2,888,892/-).

8.3 Minimum future lease payments under the non-cancellable operating lease for rental premises as of September 30, 2012 amounted to Rs. 4,623,728/-(June 30, 2012: Rs. 1,431,959/-).

8.4 Commitment for rentals under Ijarah finance agreement:

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- Rupees -----	
Within one year	1,019,724	364,896
After one year but not more than five years	1,376,662	364,896
	<u>2,396,386</u>	<u>729,792</u>

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012



	Quarter Ended	
	September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
	----- Rupees -----	
9. REVENUE – net		
Advertisement revenue	752,975,852	660,534,472
Less: Agency commission	95,872,189	75,382,200
Sales tax	100,390,977	80,921,796
Discount to customers	46,716,092	96,542,802
	242,979,258	252,846,798
	509,996,594	407,687,674
Subscription income	15,055,903	11,735,500
Production revenue	2,900,000	-
	<u>527,952,497</u>	<u>419,423,174</u>

10. COST OF PRODUCTION

Cost of outsourced programs	10.1 167,942,717	141,176,336
Cost of in-house programs	20,214,998	24,281,898
Cost of inventory consumed	397,848	535,778
Salaries, wages and benefits	48,258,869	38,519,028
Depreciation	3,780,039	6,572,901
Traveling and conveyance	4,875,966	4,387,983
Utilities	3,647,071	3,121,617
Rent, rates and taxes	616,249	2,981,375
Insurance	1,951,324	869,850
Repair and maintenance	2,122,143	1,984,252
Fee and subscription	583,997	1,450,000
Communication	1,637,346	1,277,495
Security charges	419,459	457,114
Amortisation	249,643	374,465
Consultancy	923,142	1,054,678
Printing and stationery	87,076	89,673
	257,707,887	229,134,443
In production television programs - opening	14,170,763	17,263,445
In production television programs - closing	(13,498,139)	(15,657,309)
	258,380,511	230,740,579
Released / unreleased programs - opening	635,864,418	688,558,450
Released / unreleased programs - closing	(603,035,017)	(677,164,586)
	<u>291,209,912</u>	<u>242,134,443</u>

10.1 This includes Rs. 2,279,504/- (September 30, 2011: Rs. 3,751,528/-) in respect of staff retirement benefits.

	Quarter Ended	
	September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
11. CASH AND CASH EQUIVALENTS		
Cash and bank balances	98,886,994	141,741,424
Short term borrowing	(40,048,134)	(226,370,897)
	<u>58,838,860</u>	<u>(84,629,473)</u>

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group includes Jahangir Siddiqui & Co. Ltd., HUM TV, Inc., M.D Production (Private) Limited, associated companies, directors and executives. The Group in the normal course of business carries out transactions with various related parties. Amount due from and due to related parties, amount due from executives and remuneration of directors are disclosed in the relevant notes to the financial statements. Other material transactions with related parties are given below:

			Quarter Ended	
			September 30, 2012 (Un-audited)	September 30, 2011 (Un-audited)
			----- Rupees ----- 2012	----- Rupees ----- 2011
Related Party	Nature of relationship	Nature of transactions		
M.D. Production (Private) Limited	Chief Executive's spouse is Chief Executive Officer	Purchase of television programs	30,300,000	23,600,000
Ms. Malika JUnaid	Director of HUM TV, Inc.	Repayment of amount due	14,929	-
Remuneration and key benefits to key management personnel		Remuneration	53,611,256	27,110,609

13. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Holding in their meeting held on October 02, 2012 have recommended a final cash dividend of Re. 1/- per share @ 10% amounting to Rs. 50,000,000/- (2011: @ 10% amounting to Rs. 50 million) for the year ended June 30, 2012. These condensed interim consolidated financial statements do not reflect the payment of final cash dividend.

14. DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on October 25, 2012 by the Board of Directors of the Holding Company.

15. GENERAL

15.1 Corresponding figures have been rearranged and reclassified, wherever necessary, of the purpose of comparison There were no material reclassifications.

15.2 Figures have been rounded off to the nearest Rupee.

Printed Matter

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HUM NETWORK LIMITED
HUM TV, Plot No. 10/11,
Hassan Ali Street, Off. I.I. Chundrigar Road,
Karachi - 74000, Pakistan.

