

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,
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 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 reviewed condensed interim financial statements for the half year ended December 31, 2011.

Net revenue for the period as compared to the same period last year have increased by Rs. 143M, from Rs. 681M to Rs. 824M. However, the net profit after tax declined by Rs. 12.9M from 100.7M to 87.8M for the half year ended, resulting in a decrease in EPS by Re. 0.26 i.e. from Rs. 2.02 in previous period last year to Rs. 1.76 this year same period. The main reason for the decrease in profitability is increased investment in content that is reflected in the cost of production. This investment is necessary to improve channels' viewership ratings as these ratings then determine the channels' position amongst competition and thereafter converted into increased revenues.

In terms of viewership ratings, the last six months have been a magnificent period in HUM TV history. The channel managed to achieve an all time highest ratings on drama serials i.e. HUMSAFAR and MAAT. No Pakistani entertainment contents on any channel has ever touched this mark. These are perhaps the most talked of serials on any channel and definitely the most discussed on almost all social media sites. In addition to that MERA NASEEB and MERAY QATIL MERAY DILDAR also followed with strong ratings.

Masala TV also continued its dominance in the food channel genre. The channel response has also been overwhelming outside Pakistan and is now a recognized brand in south Asian community abroad. Due to the strength of the Masala brand, the Masala magazine is now one of the largest circulated magazines of Pakistan. In order to future strengthen the brand, and recognizing the increased popularity of Masala Channels' Chefs the management has decided to launch their individual cookbooks presenting their most popular recipes.

The vibes of Style360 are also now visible on ratings chart. The brand is now media partner in almost all the major fashion events. The advertisers have also acknowledged the brand and have supported the channel in all major events both in terms of on-ground and on-screen advertising. After the amazing success of the first two Bridal Couture Weeks (BCW), held in 2010 and first half of the year 2011, the third BCW was held in Lahore. BCW has now become the main stream bridal event of the country attracting major designers from Pakistan and abroad to showcase their bridal offering to the buyers and the audiences alike. However, the genre does not generate mass ratings / viewership to get high revenues. The management feel that more content and change in strategy of Style360 is required to make this channel more profitable. This would require more investment in this channel particularly in content and distribution.

The overall popularity of the channels is also creating great demand in different parts of the world creating opportunities for the Company to grow globally. The international operations are expected to grow rapidly in the coming twelve months both in term of greater penetration through distribution and in turn revenue through increased subscription and advertising sales

The Company in compliance with its vision and mission continued focusing its efforts for providing quality entertainment content to its viewers across the globe and is confident that it has enough potential to face challenges and will be able to maintain its profitability for the year.

February 24, 2012
Karachi

For & On behalf of the Board
Duraidd Qureshi
Chief Executive

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Hum Network Limited (Formerly Eye Television Network Limited)** as at **31 December 2011** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Audit Engagement Partner: Riaz A. Rehman Chamdia

February 24, 2012
Karachi

HUM NETWORK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2011

| | | 31 December 2011 (Un-audited) | 30 June 2011 (Audited) |
|--|------|-------------------------------------|------------------------------|
| | Note | ----- Rupees ----- | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 184,067,852 | 199,568,794 |
| Intangible assets | | 11,434,877 | 11,737,034 |
| Long term investment | | 8,603 | 8,603 |
| Long term deposits and prepayments | | 21,562,531 | 21,078,071 |
| Television program costs | 5 | 308,909,920 | 309,054,278 |
| Deferred tax asset | | 23,041,935 | 15,253,641 |
| | | <u>549,025,718</u> | <u>556,700,421</u> |
| CURRENT ASSETS | | | |
| Inventories | | 701,854 | 252,652 |
| Current portion of television program costs | 5 | 374,291,734 | 396,767,617 |
| Trade debts | 6 | 523,984,874 | 468,324,289 |
| Advances - unsecured, considered good | | 21,042,493 | 25,755,656 |
| Deposits and prepayments | | 11,265,704 | 6,101,556 |
| Accrued profit | | 213,902 | 227,964 |
| Other receivables - unsecured, considered good | 7 | 25,853,850 | 47,257,954 |
| Taxation - net | | 66,483,989 | 47,171,235 |
| Cash and bank balances | | 83,087,143 | 45,421,226 |
| | | <u>1,106,925,543</u> | <u>1,037,280,149</u> |
| TOTAL ASSETS | | <u><u>1,655,951,261</u></u> | <u><u>1,593,980,570</u></u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| 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 |
| Unappropriated profit | | <u>560,492,392</u> | <u>522,657,630</u> |
| | | <u>1,060,492,392</u> | <u>1,022,657,630</u> |
| NON-CURRENT LIABILITIES | | | |
| Liabilities against assets subject to finance lease | | 2,743,558 | 2,938,636 |
| Deferred liabilities | | <u>62,949,133</u> | <u>52,708,977</u> |
| | | <u>65,692,691</u> | <u>55,647,613</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 289,953,772 | 254,021,043 |
| Accrued mark-up | | 8,447,277 | 9,283,954 |
| Short term borrowings | | 216,370,897 | 231,370,897 |
| Current portion of: | | | |
| - long term financing | | 4,666,662 | 13,999,997 |
| - liabilities against assets subject to finance lease | | 2,830,565 | 4,619,315 |
| Unclaimed dividend | | 7,497,005 | 2,380,121 |
| | | <u>529,766,178</u> | <u>515,675,327</u> |
| CONTINGENCIES AND COMMITMENTS | 9 | | |
| TOTAL EQUITY AND LIABILITIES | | <u><u>1,655,951,261</u></u> | <u><u>1,593,980,570</u></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 HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | Note | Half Year Ended | | Quarter Ended | |
|---------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | December 31 | December 31 | December 31 | December 31 |
| | | 2011 | 2010 | 2011 | 2010 |
| | | ----- Rupees ----- | ----- Rupees ----- | ----- Rupees ----- | ----- Rupees ----- |
| Revenue – net | 10 | 823,939,330 | 681,289,395 | 404,516,156 | 364,300,262 |
| Cost of production | 11 | (476,389,305) | (301,333,784) | (234,254,862) | (154,225,267) |
| Transmission cost | | (58,896,429) | (61,951,437) | (36,510,408) | (30,984,713) |
| | | (535,285,734) | (363,285,221) | (270,765,270) | (185,209,980) |
| Gross profit | | 288,653,596 | 318,004,174 | 133,750,886 | 179,090,282 |
| Distribution costs | | (84,566,852) | (70,141,470) | (48,733,597) | (43,292,801) |
| Administrative expenses | | (91,438,711) | (78,068,175) | (44,497,506) | (38,744,805) |
| | | 112,648,033 | 169,794,529 | 40,519,783 | 97,052,676 |
| Other operating income | | 17,545,510 | 14,188,279 | 11,756,405 | 7,262,110 |
| | | 130,193,543 | 183,982,808 | 52,276,188 | 104,314,786 |
| Finance costs | | (18,782,982) | (19,339,386) | (8,906,163) | (9,808,774) |
| Other charges - Workers' welfare fund | | (1,958,136) | (3,747,362) | (414,016) | (2,125,689) |
| Profit before taxation | | 109,452,425 | 160,896,060 | 42,956,009 | 92,380,323 |
| Taxation | | | | | |
| - current | | (31,294,635) | (64,267,252) | (5,324,982) | (36,455,556) |
| - prior | | 1,888,678 | - | 1,888,678 | - |
| - deferred | | 7,788,294 | 4,133,926 | 1,054,149 | (10,973,186) |
| | | (21,617,663) | (60,133,326) | (2,382,155) | (47,428,742) |
| Profit after taxation | | 87,834,762 | 100,762,734 | 40,573,854 | 44,951,581 |
| Earnings per share – basic | | 1.76 | 2.02 | 0.81 | 0.90 |

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 HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | Half Year Ended | | Quarter Ended | |
|--|--------------------------|--------------------|--------------------------|--------------------|
| | December 31 | December 31 | December 31 | December 31 |
| | 2011 | 2010 | 2011 | 2010 |
| | ----- Rupees ----- | ----- Rupees ----- | ----- Rupees ----- | ----- Rupees ----- |
| Profit after taxation | 87,834,762 | 100,762,734 | 40,573,854 | 44,951,581 |
| Other comprehensive income - net of taxation | - | - | - | - |
| Total comprehensive income for the period – net of taxation | <u>87,834,762</u> | <u>100,762,734</u> | <u>40,573,854</u> | <u>44,951,581</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 HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | Half Year Ended | |
|--|----------------------|---------------------|
| | 31 December 2011 | 31 December 2010 |
| | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 109,452,425 | 160,896,060 |
| Adjustments for: | | |
| Depreciation | 22,378,537 | 26,934,081 |
| Amortisation of intangible assets | 1,059,658 | 1,071,052 |
| Finance costs | 18,782,982 | 19,339,386 |
| Profit on deposit accounts | (2,356,013) | (4,428,579) |
| Gain on disposal of operating fixed assets | (152,696) | (915,000) |
| Unrealized exchange gain | (4,938,858) | (131,570) |
| Movement in provisions | 14,463,228 | 12,349,006 |
| | 49,236,838 | 54,218,376 |
| Operating profit before working capital changes | 158,689,263 | 215,114,436 |
| Increase in current assets | | |
| Inventories | (449,202) | 677,187 |
| Television program costs | 22,475,883 | (58,655,119) |
| Trade debts | (53,689,633) | (39,155,810) |
| Advances - unsecured, considered good | 4,713,163 | (15,441,804) |
| Deposits and prepayments | (5,164,148) | (4,302,405) |
| Other receivables - unsecured, considered good | 24,245,275 | (599,684) |
| | (7,868,662) | (117,477,635) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 39,936,038 | (54,432,866) |
| Net cash generated from operations | 190,756,639 | 43,203,935 |
| Taxes paid | (54,943,350) | (61,445,519) |
| Finance costs paid | (19,619,659) | (17,047,740) |
| Profit received on deposit accounts | 2,370,075 | 4,374,313 |
| Long term deposits and prepayments | 324,468 | 1,526,289 |
| Gratuity paid | (2,264,936) | - |
| Television program costs | 144,358 | (5,588,234) |
| Net cash generated from / (used in) operating activities | 116,767,595 | (34,976,956) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of operating fixed assets | (6,334,899) | (18,638,598) |
| Proceeds from the disposal of operating fixed assets | - | 1,306,350 |
| Additions to intangible assets | (757,500) | (3,187,550) |
| Net cash used in investing activities | (7,092,399) | (20,519,798) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of long term financing | (9,333,335) | (9,333,334) |
| Repayment of liabilities against assets subject to finance lease | (2,792,828) | (4,496,250) |
| Dividend paid | (44,883,116) | - |
| Net cash used in financing activities | (57,009,279) | (13,829,584) |
| Net increase / (decrease) in cash and cash equivalents | 52,665,917 | (69,326,338) |
| Cash and cash equivalents at the beginning of the period | (185,949,671) | (104,014,283) |
| Cash and cash equivalents at the end of the period | (133,283,754) | (173,340,621) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 83,087,143 | 68,030,276 |
| Short term borrowings | (216,370,897) | (241,370,897) |
| | (133,283,754) | (173,340,621) |

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

DURAIQ QURESHI
Chief Executive

SULTANA SIDDIQUI
Director

HUM NETWORK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | Issued, subscribed and paid-up share capital | Unappropriated profit | Total |
|---|---|--------------------------|----------------------|
| | -----Rupees----- | | |
| Balance as at July 01, 2010 | 500,000,000 | 333,855,294 | 833,855,294 |
| Profit for the half year ended December 31, 2010 | - | 100,762,734 | 100,762,734 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | 100,762,734 | 100,762,734 |
| Balance as at December 31, 2010 | 500,000,000 | 434,618,028 | 934,618,028 |
| Balance as at July 01, 2011 | 500,000,000 | 522,657,630 | 1,022,657,630 |
| Profit for the half year ended December 31, 2011 | - | 87,834,762 | 87,834,762 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | 87,834,762 | 87,834,762 |
| Final cash dividend for the year ended June 30, 2011 : Rs. 1 per share | - | (50,000,000) | (50,000,000) |
| Balance as at December 31, 2011 | 500,000,000 | 560,492,392 | 1,060,492,392 |

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 STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Hum Network Limited (the Company) was incorporated in Pakistan as a public limited company on February 25, 2004 under the Companies Ordinance, 1984. 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.
- 1.2** These condensed interim financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of cost and are not consolidated.

2. BASIS OF PREPARATION

These condensed interim financial statements are unaudited but subject to limited scope review by auditors. These 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" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. 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. SIGNIFICANT 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 except as follows:

The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
IAS 24 - Related Party Disclosures (Revised)
IFRIC 14 - Prepayments of a Minimum Funding Requirement

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to remove inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures - Clarification of disclosures
IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
IAS 34 - Interim Financial Reporting - Significant events and transactions
IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the condensed interim financial statements.

| | | December 31, 2011 (Un-audited) | June 30, 2011 (Audited) |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- Rupees ----- | |
| 4. PROPERTY, PLANT AND EQUIPMENT | | | |
| Book value at the beginning of the period / year | | 199,568,794 | 206,264,648 |
| Additions during the period / year | 4.1 | 7,143,899 | 45,259,359 |
| Less: | | | |
| Disposal during the period / year – at book value | 4.2 | 266,304 | 1,860,667 |
| Depreciation charged during the period / year | | 22,378,537 | 50,094,546 |
| | | 22,644,841 | 51,955,213 |
| | | 184,067,852 | 199,568,794 |

| | December 31, 2011 (Un-audited) | June 30, 2011 (Audited) |
|---|--------------------------------------|-------------------------------|
| | ----- Rupees ----- | |
| 4.1 Additions during the period / year | | |
| <u>Owned:</u> | | |
| Building on leasehold land | - | 145,400 |
| Leasehold improvements | 1,459,482 | 7,152,147 |
| Furniture and fittings | 363,867 | 184,972 |
| Vehicles | - | 9,107,240 |
| Audio visual equipment | 669,988 | 13,783,015 |
| Uplinking equipment | - | 1,500,625 |
| Office equipment | 22,800 | 3,810,209 |
| Computers | 3,818,762 | 5,326,751 |
| | <u>6,334,899</u> | <u>41,010,359</u> |
| <u>Leased:</u> | | |
| Vehicles | 809,000 | 4,249,000 |
| | <u>7,143,899</u> | <u>45,259,359</u> |

4.2 Disposals during the period / year

| | | |
|-----------------------|----------------|------------------|
| <u>Owned:</u> | | |
| Vehicles | - | 281,311 |
| Office equipment | 266,304 | - |
| Computers | - | 48,069 |
| <u>Leased:</u> | | |
| Vehicles | - | 1,531,287 |
| | <u>266,304</u> | <u>1,860,667</u> |

5. TELEVISION PROGRAM COSTS

| | | |
|---|--------------------|--------------------|
| Unreleased / released less amortisation | 669,154,569 | 688,558,450 |
| In production | 14,047,085 | 17,263,445 |
| | <u>683,201,654</u> | <u>705,821,895</u> |
| Less: Current portion of television program costs | 374,291,734 | 396,767,617 |
| | <u>308,909,920</u> | <u>309,054,278</u> |

6. TRADE DEBTS - unsecured

| | | |
|------------------------------------|--------------------|--------------------|
| Considered good | 523,984,874 | 468,324,289 |
| Considered doubtful | 31,900,792 | 31,900,792 |
| | <u>555,885,666</u> | <u>500,225,081</u> |
| Less: Provision for doubtful debts | 31,900,792 | 31,900,792 |
| | <u>523,984,874</u> | <u>468,324,289</u> |

7. OTHER RECEIVABLES - unsecured, considered good

This includes Rs. 21,269,176/- (June 30, 2011: Rs. 44,041,125/-) receivable from HUM TV, Inc., USA, a subsidiary on account of collection made on Company's behalf.

8. TRADE AND OTHER PAYABLES

This includes Rs 14,932,000/- (June 30, 2011: Rs. Nil) due to a related party M.D Production (Private) Limited.

9. CONTINGENCIES AND COMMITMENTS

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2011 amounts to Rs. 19,400,000/- (June 30, 2011: Rs. 7,150,000/-). Purchase of television programs commitments as at December 31, 2011 with other than related parties amounted to Rs. 103,628,060/- (June 30, 2011: Rs.134,573,780/-) and Capital commitments as at December 31, 2011 amounted to Rs. 630,000/- (June 30, 2011 : Nil)

| Note | Half Year Ended | | Quarter Ended | |
|--------------------------|--|--|--|--|
| | December 31, | December 31, | December 31, | December 31, |
| | 2011 (Un-audited) ----- Rupees ----- | 2010 (Un-audited) (Un-audited) ----- Rupees ----- | 2011 (Un-audited) (Un-audited) ----- Rupees ----- | 2010 (Un-audited) (Un-audited) ----- Rupees ----- |
| 10. REVENUE – net | | | | |
| Advertisement revenue | 1,253,690,229 | 1,021,428,046 | 593,155,757 | 557,503,440 |
| Less: Agency commission | 147,258,852 | 123,707,935 | 71,876,652 | 66,091,916 |
| Sales tax | 157,606,190 | 130,406,540 | 76,684,394 | 69,976,040 |
| Discount to customers | 160,076,163 | 111,397,115 | 63,533,361 | 70,640,774 |
| | 464,941,205 | 365,511,590 | 212,094,407 | 206,708,730 |
| | 788,749,024 | 655,916,456 | 381,061,350 | 350,794,710 |
| Subscription income | 24,252,096 | 24,301,499 | 12,516,596 | 12,505,552 |
| Production revenue | 10,938,210 | 1,071,440 | 10,938,210 | 1,000,000 |
| | 823,939,330 | 681,289,395 | 404,516,156 | 364,300,262 |

11. COST OF PRODUCTION

| | | | | |
|---|----------------------|---------------|----------------------|---------------|
| Cost of outsourced programs | 277,828,358 | 196,855,172 | 136,652,022 | 107,716,147 |
| Cost of in-house programs | 50,502,084 | 44,460,721 | 26,220,186 | 12,041,989 |
| Cost of inventory consumed | 621,200 | 2,558,602 | 85,422 | 397,551 |
| Salaries, wages and benefits | 75,967,518 | 77,789,691 | 37,448,490 | 39,883,537 |
| Depreciation | 12,880,232 | 15,711,539 | 6,307,331 | 6,685,847 |
| Traveling and conveyance | 8,681,810 | 7,076,200 | 4,293,827 | 3,740,135 |
| Utilities | 7,071,060 | 7,221,206 | 3,949,443 | 3,243,050 |
| Rent, rates and taxes | 4,141,711 | 3,608,794 | 1,160,336 | 1,818,532 |
| Backup storage charges | 1,960,444 | 712,314 | 905,766 | 409,287 |
| Insurance | 1,798,069 | 1,552,442 | 928,219 | 813,897 |
| Repair and maintenance | 4,580,685 | 3,750,625 | 2,596,433 | 1,899,502 |
| Fee and subscription | 3,089,996 | 944,646 | 1,639,996 | 594,649 |
| Communication expense | 2,902,846 | 2,010,701 | 1,625,351 | 1,415,655 |
| Security charges | 882,379 | 655,091 | 425,265 | 374,777 |
| Amortisation of intangible assets | 728,930 | 509,552 | 354,465 | 334,465 |
| Printing and stationery | 131,742 | 159,840 | 42,069 | 72,471 |
| | 453,769,064 | 365,577,137 | 224,634,621 | 181,441,491 |
| In production television programs - opening | 17,263,445 | 13,900,802 | 15,657,309 | 9,570,434 |
| In production television programs - closing | (14,047,085) | (11,896,714) | (14,047,085) | (11,896,714) |
| | 456,985,424 | 367,581,225 | 226,244,845 | 179,115,211 |
| Released / unreleased programs - opening | 688,558,450 | 571,653,065 | 677,164,586 | 613,010,562 |
| Released / unreleased programs - closing | (669,154,569) | (637,900,506) | (669,154,569) | (637,900,506) |
| | 476,389,305 | 301,333,784 | 234,254,862 | 154,225,267 |

11.1 This includes Rs. 7,503,056/- (December 31, 2010: Rs. 7,782,459/-) in respect of staff retirement benefits.

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company includes Jahangir Siddiqui & Company Limited, HUM TV, Inc., M.D Production (Private) Limited and MD production - 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, are disclosed in the relevant notes to the condensed interim financial statements. Other material transactions with related parties are given below:

| Relationship | Nature of relationship | Nature of transactions | December 31, 2011 | December 31, 2010 |
|---|---|---------------------------------|----------------------|----------------------|
| | | | ----- Rupees ----- | ----- Rupees ----- |
| Related Party | | | | |
| MD Production | Chief Executive's spouse is owner | Purchase of television programs | - | 36,150,000 |
| M.D Production (Private) Limited | Chief Executive's spouse is Chief Executive Officer | Purchase of television programs | 58,400,000 | - |
| Remuneration and benefits to key management personnel | | Remuneration | 85,051,125 | 68,841,215 |

13. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorised for issue on February 24, 2012 by the Board of Directors.

14. GENERAL

14.1 The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2011 and December 31, 2010 and notes forming part thereof have not been reviewed by the auditors of the Company as scope of the review covered only the cumulative figures for the half year ended December 31, 2011 and December 31, 2010.

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 (UN-AUDITED)
AS AT DECEMBER 31, 2011

| | Note | 31 December 2011 ----- Rupees ----- | 30 June 2011 ----- |
|--|------|---|-----------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 184,067,852 | 199,568,794 |
| Goodwill | | 1,161,419 | 1,109,271 |
| Intangible assets | | 11,434,877 | 11,737,034 |
| Long term deposits and prepayments | | 21,562,531 | 21,078,071 |
| Television program costs | 5 | 308,909,920 | 309,054,278 |
| Deferred tax asset | | 25,199,895 | 16,320,930 |
| | | <u>552,336,494</u> | <u>558,868,378</u> |
| CURRENT ASSETS | | | |
| Inventories | | 701,854 | 252,652 |
| Current portion of television program costs | 5 | 374,291,734 | 396,767,617 |
| Trade debts | 6 | 523,984,874 | 468,324,289 |
| Advances - unsecured, considered good | | 21,042,493 | 25,755,656 |
| Deposits and prepayments | | 11,265,704 | 6,101,556 |
| Accrued profit | | 213,902 | 227,964 |
| Other receivables - unsecured, considered good | | 4,584,674 | 3,216,829 |
| Taxation - net | | 66,483,989 | 47,171,235 |
| Cash and bank balances | | 102,022,241 | 89,153,544 |
| | | <u>1,104,591,465</u> | <u>1,036,971,342</u> |
| TOTAL ASSETS | | <u>1,656,927,959</u> | <u>1,595,839,720</u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| 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 | | <u>500,000,000</u> | <u>500,000,000</u> |
| Unappropriated profit | | <u>557,375,927</u> | <u>521,695,213</u> |
| | | <u>1,057,375,927</u> | <u>1,021,695,213</u> |
| NON-CURRENT LIABILITIES | | | |
| Liabilities against assets subject to finance lease | | 2,743,558 | 2,938,636 |
| Deferred liabilities | | 62,949,133 | 52,708,977 |
| | | <u>65,692,691</u> | <u>55,647,613</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 293,957,644 | 256,842,610 |
| Accrued mark-up | | 8,447,277 | 9,283,954 |
| Short term borrowings | | 216,370,897 | 231,370,897 |
| Current portion of: | | | |
| - long term financing | | 4,666,662 | 13,999,997 |
| - liabilities against assets subject to finance lease | | 2,830,565 | 4,619,315 |
| Unclaimed dividend | | 7,497,005 | 2,380,121 |
| | | <u>533,770,050</u> | <u>518,496,894</u> |
| CONTINGENCIES AND COMMITMENTS | 8 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>1,656,838,668</u> | <u>1,595,839,720</u> |

The annexed notes from 1 to 13 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 HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | | <u>Half Year Ended</u> <u>December 31</u> <u>2011</u> | <u>Quarter Ended</u> <u>December 31</u> <u>2011</u> |
|---------------------------------------|------|---|---|
| | Note | ----- Rupees ----- | |
| Revenue – net | 9 | 823,939,330 | 404,516,156 |
| Cost of production | 10 | (476,389,305) | (234,254,862) |
| Transmission cost | | (58,896,429) | (36,510,408) |
| | | (535,285,734) | (270,765,270) |
| Gross profit | | 288,653,596 | 133,750,886 |
| Distribution costs | | (84,566,852) | (48,733,597) |
| Administrative expenses | | (94,430,645) | (45,968,165) |
| | | 109,656,099 | 39,049,124 |
| Other operating income | | 17,545,510 | 11,756,602 |
| | | 127,201,609 | 50,805,726 |
| Finance costs | | (18,784,123) | (8,906,261) |
| Other charges - Workers' welfare fund | | (1,958,136) | (414,016) |
| Profit before taxation | | 106,459,350 | 41,485,449 |
| Taxation | | | |
| - current | | (31,294,635) | (5,324,982) |
| - prior | | 1,888,678 | 1,888,678 |
| - deferred | | 8,805,903 | 1,554,177 |
| | | (20,600,054) | (1,882,127) |
| Profit after taxation | | 85,859,296 | 39,603,322 |
| Earnings per share – basic | | 1.72 | 0.79 |

The annexed notes from 1 to 13 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 HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | Half Year Ended December 31 2011 ----- Rupees ----- | Quarter Ended December 31 2011 ----- Rupees ----- |
|--|--|--|
| Profit after taxation | 85,859,296 | 39,603,322 |
| Other comprehensive income - net of taxation | (89,291) | (1,079,308) |
| Total comprehensive income for the period – net of taxation | <u>85,770,005</u> | <u>38,524,014</u> |

The annexed notes from 1 to 13 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 HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | Half Year Ended 31 December 2011 ----- (Rupees) ----- |
|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Profit before taxation | 106,459,350 |
| Adjustments for: | |
| Depreciation | 22,378,537 |
| Amortisation of intangible assets | 1,059,658 |
| Finance costs | 18,784,123 |
| Profit on deposit accounts | (2,356,013) |
| Gain on disposal of operating fixed assets | (152,696) |
| Unrealized exchange gain | (5,153,359) |
| Movement in provisions | 14,463,228 |
| | 49,023,478 |
| Operating profit before working capital changes | 155,482,828 |
| Increase in current assets | |
| Inventories | (449,202) |
| Television program costs | 22,475,883 |
| Trade debts | (53,689,633) |
| Advances - unsecured, considered good | 4,713,163 |
| Deposits and prepayments | (5,164,148) |
| Other receivables - unsecured, considered good | 1,473,326 |
| | (30,640,611) |
| Increase / (decrease) in current liabilities | |
| Trade and other payables | 41,118,343 |
| Net cash generated from operations | 165,960,560 |
| Taxes paid | (54,943,350) |
| Finance costs paid | (19,620,800) |
| Profit received on deposit accounts | 2,370,075 |
| Long term deposits and prepayments | 324,468 |
| Gratuity paid | (2,264,936) |
| Television program costs | 144,358 |
| Net cash generated from / (used in) operating activities | 91,970,375 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of operating fixed assets | (6,334,899) |
| Proceeds from the disposal of operating fixed assets | - |
| Additions to intangible assets | (757,500) |
| Net cash used in investing activities | (7,092,399) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Repayment of long term financing | (9,333,335) |
| Repayment of liabilities against assets subject to finance lease | (2,792,828) |
| Dividend paid | (44,883,116) |
| Net cash used in financing activities | (57,009,279) |
| Net increase / (decrease) in cash and cash equivalents | 27,868,697 |
| Cash and cash equivalents at the beginning of the period | (142,217,353) |
| Cash and cash equivalents at the end of the period | (114,348,656) |
| CASH AND CASH EQUIVALENTS | |
| Cash and bank balances | 102,022,241 |
| Short term borrowings | (216,370,897) |
| | (114,348,656) |

The annexed notes from 1 to 13 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 HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

| | Issued, subscribed and paid-up share capital | Foreign exchange translation reserve | Unappropriated profit | Total |
|---|---|---|--------------------------|----------------------|
| | -----Rupees----- | | | |
| Balance as at July 01, 2011 | 500,000,000 | (18,296) | 521,713,509 | 1,021,695,213 |
| Profit for the half year ended December 31, 2011 | - | - | 85,859,296 | 85,859,296 |
| Other comprehensive income | - | (89,291) | (89,291) | (89,291) |
| Total comprehensive income for the period | - | (89,291) | 85,770,005 | 85,770,005 |
| Final cash dividend for the year ended June 30, 2011 : Rs. 1 per share | - | - | (50,000,000) | (50,000,000) |
| Balance as at December 31, 2011 | 500,000,000 | (107,587) | 557,483,514 | 1,057,465,218 |

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial statements.

DURAID QURESHI
Chief Executive

SULTANA SIDDIQUI
Director

HUM NETWORK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 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 PREPARATION

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" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2011.

3. SIGNIFICANT 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 consolidated financial statements for the year ended June 30, 2011 except as follows:

The Group has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to remove inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the condensed interim consolidated financial statements.

| | | December 31, 2011 (Un-audited) | June 30, 2011 (Un-audited) |
|--|------|--------------------------------------|----------------------------------|
| | Note | ----- Rupees ----- | |
| 4. PROPERTY, PLANT AND EQUIPMENT | | | |
| Book value at the beginning of the period / year | | 199,568,794 | 206,264,648 |
| Additions during the period / year | 4.1 | 7,143,899 | 45,259,359 |
| Less: | | | |
| Disposal during the period / year – at book value | 4.2 | 266,304 | 1,860,667 |
| Depreciation charged during the period / year | | 22,378,537 | 50,094,546 |
| | | <u>22,644,841</u> | <u>51,955,213</u> |
| | | <u>184,067,852</u> | <u>199,568,794</u> |
| 4.1. Additions during the period / year | | | |
| <u>Owned:</u> | | | |
| Building on leasehold land | | - | 145,400 |
| Leasehold improvements | | 1,459,482 | 7,152,147 |
| Furniture and fittings | | 363,867 | 184,972 |
| Vehicles | | - | 9,107,240 |
| Audio visual equipment | | 669,988 | 13,783,015 |
| Uplinking equipment | | - | 1,500,625 |
| Office equipment | | 22,800 | 3,810,209 |
| Computers | | 3,818,762 | 5,326,751 |
| | | <u>6,334,899</u> | <u>41,010,359</u> |
| <u>Leased:</u> | | | |
| Vehicles | | 809,000 | 4,249,000 |
| | | <u>7,143,899</u> | <u>45,259,359</u> |
| 4.2. Disposals during the period / year | | | |
| <u>Owned:</u> | | | |
| Vehicles | | - | 281,311 |
| Office equipment | | 266,304 | - |
| Computers | | - | 48,069 |
| <u>Leased:</u> | | | |
| Vehicles | | - | 1,531,287 |
| | | <u>266,304</u> | <u>1,860,667</u> |
| 5. TELEVISION PROGRAM COSTS | | | |
| Unreleased / released less amortisation | | 669,154,569 | 688,558,450 |
| In production | | 14,047,085 | 17,263,445 |
| | | <u>683,201,654</u> | <u>705,821,895</u> |
| Less: Current portion of television program costs | | 374,291,734 | 396,767,617 |
| | | <u>308,909,920</u> | <u>309,054,278</u> |
| 6. TRADE DEBTS - unsecured | | | |
| Considered good | | 523,984,874 | 468,324,289 |
| Considered doubtful | | 31,900,792 | 31,900,792 |
| | | <u>555,885,666</u> | <u>500,225,081</u> |
| Less: Provision for doubtful debts | | 31,900,792 | 31,900,792 |
| | | <u>523,984,874</u> | <u>468,324,289</u> |
| 7. TRADE AND OTHER PAYABLES | | | |
| This includes Rs 14,932,000/- (June 30, 2011: Rs. Nil) due to a related party M.D Production (Private) Limited. | | | |
| 8. CONTINGENCIES AND COMMITMENTS | | | |
| Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2011 amounts to Rs. 19,400,000/- (June 30, 2011: Rs. 7,150,000/-). Purchase of television programs commitments as at December 31, 2011 with other than related parties amounted to Rs. 103,628,060/- (June 30, 2011: Rs.134,573,780/-) and Capital commitments as at December 31, 2011 amounted to Rs. 630,000/- (June 30, 2011 : Nil) | | | |

| | Note | Half Year Ended December 31, 2011 (Un-audited) Rupees | Quarter Ended December 31, 2011 (Un-audited) Rupees |
|---|------|---|---|
| 9. REVENUE – net | | | |
| Advertisement revenue | | 1,253,690,229 | 593,155,757 |
| Less: Agency commission | | 147,258,852 | 71,876,652 |
| Sales tax | | 157,606,190 | 76,684,394 |
| Discount to customers | | 160,076,163 | 63,533,361 |
| | | <u>464,941,205</u> | <u>212,094,407</u> |
| | | 788,749,024 | 381,061,350 |
| Subscription income | | 24,252,096 | 12,516,596 |
| Production revenue | | 10,938,210 | 10,938,210 |
| | | <u>823,939,330</u> | <u>404,516,156</u> |
| 10. COST OF PRODUCTION | | | |
| Cost of outsourced programs | | 277,828,358 | 136,652,022 |
| Cost of in-house programs | | 50,502,084 | 26,220,186 |
| Cost of inventory consumed | | 621,200 | 85,422 |
| Salaries, wages and benefits | 10.1 | 75,967,518 | 37,448,490 |
| Depreciation | | 12,880,232 | 6,307,331 |
| Traveling and conveyance | | 8,681,810 | 4,293,827 |
| Utilities | | 7,071,060 | 3,949,443 |
| Rent, rates and taxes | | 4,141,711 | 1,160,336 |
| Backup storage charges | | 1,960,444 | 905,766 |
| Insurance | | 1,798,069 | 928,219 |
| Repair and maintenance | | 4,580,685 | 2,596,433 |
| Fee and subscription | | 3,089,996 | 1,639,996 |
| Communication expense | | 2,902,846 | 1,625,351 |
| Security charges | | 882,379 | 425,265 |
| Amortisation of intangible assets | | 728,930 | 354,465 |
| Printing and stationery | | 131,742 | 42,069 |
| | | <u>453,769,064</u> | <u>224,634,621</u> |
| In production television programs - opening | | 17,263,445 | 15,657,309 |
| In production television programs - closing | | <u>(14,047,085)</u> | <u>(14,047,085)</u> |
| | | 456,985,424 | 226,244,845 |
| Released / unreleased programs - opening | | 688,558,450 | 677,164,586 |
| Released / unreleased programs - closing | | <u>(669,154,569)</u> | <u>(669,154,569)</u> |
| | | <u>476,389,305</u> | <u>234,254,862</u> |

10.1 This includes Rs. 7,503,056/- (December 31, 2010: Rs. 7,782,459/-) in respect of staff retirement benefits.

11. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company includes Jahangir Siddiqui & Company Limited, HUM TV, Inc., M.D Production (Private) Limited and MD production - 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, are disclosed in the relevant notes to the condensed interim financial statements. Other material transactions with related parties are given below:

| | | | December 31, 2011 Rupees |
|--|---|------------------------------------|--------------------------------|
| Relationship | Nature of relationship | Nature of transactions | |
| Related Party | | | |
| MD Production | Chief Executive's spouse is owner | Purchase of television programs | - |
| M.D Production (Private) Limited | Chief Executive's spouse is Chief Executive Officer | Purchase of television programs | 58,400,000 |
| Remuneration and benefits to key management personnel | | Remuneration | 85,051,125 |

12. DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on February 24, 2012 by the Board of Directors of the Holding Company.

13. GENERAL

13.1 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.

13.2 Amounts have been rounded off to the nearest Rupee.

DURAIQ QURESHI
Chief Executive

SULTANA SIDDIQUI
Director