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HALF YEARLY REPORT
DECEMBER 31, **2014**
[UN-AUDITED]

HUM Network **10**th Anniversary



HUM NETWORK LIMITED



Mr. Mazhar-ul-Haq Siddiqui
Ms. Sultana Siddiqui

Directors' Report

On behalf of the Board of Directors, I am pleased to present the performance of the half year ended December 31, 2014.

Net revenues recorded for the six months were Rs. 1.8 billion as compared to Rs. 1.35 billion of the corresponding period last year; hence, a positive variation of 33% amounting to Rs. 448M. Moreover, profit after tax increased by Rs. 87M from Rs. 280M to Rs. 367M for the period i.e. increase of 31% resulting in an increase in EPS by Re. 0.09 ; i.e. from Re. 0.30 (Restated) to Re. 0.39.

The semi-annual period was extremely happening with various events and celebrations across the Network. Each segment of the Network outperformed itself, leading to further strengthening of the Network's position in the industry.

HUM TV celebrated its 10th Anniversary this year. The channel continues to provide top quality entertainment content both in the local and the international entertainment industry. In addition to serials, soaps and telefilms, the channel also organized quality musical concerts / events with the top celebrities of South Asia. In line with the same tradition the Network organized a grand musical evening with Rahat Fateh Ali Khan in Lahore during the period.

Masala Family Festival was held in Lahore in September, once again it turned out to be a very successful event in term of the response received from our valued customer as well as advertising partners. The Network also celebrates 8th Anniversary of Masala TV channel in the month of September.

Also in case of HUM Sitaray a new celebrity talk show has been launched that has generated great response from both the viewers as well as the advertisers. We are confident that Hum Sitaray will create a niche for itself in the entertainment genre in the near future.

The second Bridal Couture Week (BCW) of the year was held in Lahore in December. BCW continues to be the biggest bridal event and has huge popularity amongst all of its stake holders. The event show cased collection of internationally recognized Pakistani designers and huge numbers of foreign fashion experts.

In the last quarter, the Company has sub-divided its each ordinary share having face value of Rs. 10/- into 10 ordinary shares of Re. 1/- each. The primary motive of share split was to increase the liquidity and therefore shares seemed more affordable to small investors even though the underlying value of the company has not changed. Such stock split was really appreciated by the stakeholders and shaped optimistic standing in the stock market.

The Network has also acquired "NEWSLINE" magazine Inc. which is among top socio political magazine in Pakistan and is very well respected and received in the academic, intellectual and educated community within the country, over the years "NEWSLINE" has become a very strong brand in socio political journalism.

Based on the results, the Board has announced an interim cash dividend of Re. 0.175 /- per share at the face value of Re.1/- per share.

Consolidated results are as follows:

	<u>Rupees</u>
Revenue – net	1,841,972,863
Gross Profit	847,589,540
Profit for the period – before taxation	447,410,441
Earnings per share – Re.	0.36

Future Outlook

Increasing competitive environment, inflation, volatility of consumer demand will remain a challenge for the business. We will however continue to drive our agenda of growth with sustainability through relevant innovations, building brand equities and exploitation of emerging opportunities.

February 19, 2015
Karachi

For & On behalf of the Board of Directors



Duraid Qureshi
Chief Executive Officer

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **Hum Network Limited** as at **31 December 2014**, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, and unconsolidated 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

Review Engagement Partner : Khurram Jameel

Date: 19 February 2015

Place: Karachi

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014

		December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	252,696,591	212,673,251
Intangible assets		12,168,229	13,315,502
Long term investments	5	131,485,034	97,597,764
Long term deposits		22,908,806	20,732,956
Television program costs	6	267,659,113	248,419,271
Deferred tax asset	7	41,589,333	697,152
		728,507,106	593,435,896
CURRENT ASSETS			
Inventories		6,530,927	5,956,137
Current portion of television program costs	6	335,396,306	304,853,048
Trade debts	8	928,145,402	776,328,171
Advances		193,305,047	145,433,634
Deposits and prepayments		13,207,326	10,422,534
Other receivables	9	107,185,600	11,993,781
Cash and bank balances		70,474,883	106,516,721
		1,654,245,491	1,361,504,026
TOTAL ASSETS		2,382,752,597	1,954,939,922
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital	10	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	11	945,000,000	945,000,000
Unappropriated profit		511,305,042	451,315,585
		1,456,305,042	1,396,315,585
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		16,166,531	2,734,293
CURRENT LIABILITIES			
Trade and other payables		575,589,431	545,007,065
Accrued markup		5,985,722	942,584
Short term borrowings	12	299,699,845	-
Dividend payable		5,848,108	4,250,835
Taxation — net		15,561,064	4,065,180
Current portion of liabilities against assets subject to finance lease		7,596,854	1,624,380
		910,281,024	555,890,044
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		2,382,752,597	1,954,939,922

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAIID QURESHI
Chief Executive

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

	Note	Half-year ended		Quarter-ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		Rupees	Rupees	Rupees	Rupees
Revenue	14	1,797,134,054	1,349,049,540	896,072,304	713,223,090
Cost of production	15	(901,805,649)	(664,648,186)	(443,653,941)	(366,848,766)
Transmission cost		(41,639,952)	(65,290,187)	(21,077,311)	(43,954,377)
		(943,445,601)	(729,938,373)	(464,731,252)	(410,803,143)
Gross profit		853,688,453	619,111,167	431,341,052	302,419,947
Distribution costs		(222,947,844)	(152,994,979)	(127,419,199)	(88,559,279)
Administrative expenses		(196,488,710)	(149,490,032)	(102,577,595)	(86,170,641)
		434,251,899	316,626,156	201,344,258	127,690,027
Other charges		(9,746,191)	(7,416,765)	(4,650,187)	(3,201,410)
Other income		60,318,974	61,336,861	38,102,099	43,061,825
Finance costs		(7,262,761)	(7,124,770)	(6,938,466)	(5,855,876)
Profit before taxation		477,561,921	363,421,482	227,857,704	161,694,566
Taxation					
- current		(151,339,645)	(93,025,998)	(76,313,266)	(20,930,603)
- deferred		40,892,181	10,133,732	26,555,564	1,970,504
		(110,447,464)	(82,892,266)	(49,757,702)	(18,960,099)
Net profit for the period		367,114,457	280,529,216	178,100,002	142,734,467
Earnings per share			Restated		Restated
basic and diluted	16	Re. 0.39	Re. 0.30	Re. 0.19	Re. 0.15

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAID QURESHI
Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

	Half-year ended		Quarter-ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- Rupees -----		----- Rupees -----	
Net profit for the period	367,114,457	280,529,216	178,100,002	142,734,467
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	367,114,457	280,529,216	178,100,002	142,734,467

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAID QURESHI
Chief Executive

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

	December 31, 2014	December 31, 2013
	———— (Rupees) ————	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	477,561,921	363,421,482
Adjustments for:		
Depreciation	24,036,684	19,223,529
Amortization	1,651,273	1,528,253
Finance costs	7,262,761	7,124,770
Profit on deposit accounts	(4,213,589)	(12,479,717)
Gain on disposal of property, plant and equipment	-	(1,944,400)
Exchange gain	66,668	(5,238,080)
Reversal of provision for doubtful debts	-	(4,869,680)
Worker's Welfare Fund	9,746,191	7,416,765
	38,549,988	10,761,440
Operating profit before working capital changes	516,111,909	374,182,922
(Increase)/decrease in current assets		
Inventories	(574,790)	21,054,780
Current portion of television program costs	(30,543,258)	(3,046,947)
Trade debts	(151,817,231)	90,559,211
Advances, deposits and prepayments	(50,656,205)	(114,339,441)
Other receivables	(95,191,819)	(19,781,165)
	(328,783,303)	(25,553,562)
Increase in current liabilities		
Trade and other payables	20,769,507	178,660,585
Cash generated from operations	208,098,113	527,289,945
Taxes paid	(139,843,761)	(73,654,624)
Finance costs paid	(2,219,624)	(5,459,277)
Profit received on deposit accounts	4,213,590	12,479,718
Long-term deposits	(2,175,850)	3,595,125
Television program costs	(19,239,842)	1,924,947
Net cash generated from operating activities	48,832,626	466,175,834
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles	(64,564,024)	(23,964,988)
Investment made in a subsidiary	(33,887,270)	(31,788,411)
Proceeds from sale of property, plant and equipment	-	4,721,576
Net cash used in investing activities	(98,451,294)	(51,031,823)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(305,527,727)	(403,935,844)
Liabilities against assets subject to finance lease	19,404,712	(1,326,996)
Net cash used in financing activities	(286,123,015)	(405,262,840)
Net (decrease)/increase in cash and cash equivalents	(335,741,683)	9,881,171
Cash and cash equivalents at the beginning of the period	106,516,721	155,726,559
Cash and cash equivalents at the end of the period	(229,224,962)	165,607,730
Cash and cash equivalents		
Cash and bank balances	70,474,883	165,607,730
Short term borrowings	(299,699,845)	-
	(229,224,962)	165,607,730

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAI D QURESHI
Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	Rupees		
Balance as at July 01, 2013	500,000,000	956,330,609	1,456,330,609
Final cash dividend for the year ended June 30, 2013 @ Rs. 6 per share	-	(300,000,000)	(300,000,000)
Issue of bonus shares @ 40%	200,000,000	(200,000,000)	-
Interim cash dividend for the year ended June 30, 2014 @ Rs. 1.5 per share	-	(105,000,000)	(105,000,000)
Net profit for the period	-	280,529,216	280,529,216
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	280,529,216	280,529,216
Balance as at December 31, 2013	700,000,000	631,859,825	1,331,859,825
Balance as at July 01, 2014	945,000,000	451,315,585	1,396,315,585
Final cash dividend for the year ended June 30, 2014 @ Rs. 1.5 per share	-	(141,750,000)	(141,750,000)
Interim cash dividend for the year ending June 30, 2015 @ Rs. 1.75 per share	-	(165,375,000)	(165,375,000)
Net profit for the period	-	367,114,457	367,114,457
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	367,114,457	367,114,457
Balance as at December 31, 2014	945,000,000	511,305,042	1,456,305,042

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAID QURESHI
Chief Executive

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

1. THE COMPANY AND ITS OPERATIONS

Hum Network Limited (the Company) was incorporated in Pakistan on February 25, 2004 as a public limited company 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.

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by auditors, except for the figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013. 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 unconsolidated 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 unconsolidated financial statements for the year ended June 30, 2014.
- 2.2 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiaries is stated at cost less impairment, if any.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those of the previous financial year except as follows:

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – (Amendment)
-Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
-Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
- Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above accounting standards and interpretations did not have any effect on the unconsolidated condensed interim financial statements.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

		December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	Note	----- Rupees -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	235,105,566	195,615,565
Capital work-in-progress		17,591,025	17,057,686
		<u>252,696,591</u>	<u>212,673,251</u>
4.1 Operating assets			
Opening balance – at book value		195,615,565	194,942,693
Additions during the period/year – at cost	4.1.1	63,526,685	41,934,952
		<u>259,142,250</u>	<u>236,877,583</u>
Less:			
Disposals during the period / year - at book value		-	(11,083,360)
Depreciation charged during the period/year		(24,036,684)	(30,223,658)
		<u>(24,036,684)</u>	<u>(41,262,018)</u>
Closing balance – at book value		<u>235,105,566</u>	<u>195,615,565</u>
4.1.1 Additions during the period / year			
Owned			
Leasehold improvements		-	1,090,538
Furniture and fittings		16,068	9,478,016
Motor vehicles		12,238,800	8,180,720
Audio visual equipment		19,498,528	4,930,140
Uplinking equipment		-	1,285,833
Office equipment		2,421,787	1,626,378
Computers		6,447,562	11,972,097
Leased			
Motor vehicles		22,903,940	3,371,230
		<u>63,526,685</u>	<u>41,934,952</u>
5. LONG TERM INVESTMENTS			
Unquoted subsidiaries			
HUM TV, Inc. – USA	Holding		
10,000 Common stock of \$ 0.01 each	100%	8,603	8,603
Advance for future issue of shares		18,716,750	18,716,750
		<u>18,725,353</u>	<u>18,725,353</u>
HUM Network UK Ltd.			
1 Ordinary share of 1 GBP	100%	161	161
Advance for future issue of shares		92,759,550	78,872,250
		<u>92,759,711</u>	<u>78,872,411</u>
Skyline Publications (Private) Ltd.			
1,999,997 Ordinary shares of Rs.10 each	100%	19,999,970	-
		<u>131,485,034</u>	<u>97,597,764</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	----- Rupees -----	
6. TELEVISION PROGRAM COSTS		
Unreleased / released less amortization	592,222,369	546,273,508
In production	<u>10,833,050</u>	<u>6,998,811</u>
	603,055,419	553,272,319
Less: Current portion shown under current assets	<u>335,396,306</u>	<u>304,853,048</u>
	<u>267,659,113</u>	<u>248,419,271</u>
7. DEFERRED TAX ASSET		
Taxable temporary differences		
Accelerated tax depreciation/amortization allowances	(19,651,533)	(15,818,320)
Deductible temporary differences		
Provisions	8,716,140	8,716,140
Royalty	44,682,808	6,049,917
Others	<u>7,841,918</u>	<u>1,749,415</u>
	61,240,866	16,515,472
	<u>41,589,333</u>	<u>697,152</u>
8. TRADE DEBTS		
Considered good	928,145,402	776,328,171
Considered doubtful	<u>26,412,547</u>	<u>26,412,547</u>
	954,557,949	802,740,718
Less: Provision for doubtful debts	<u>26,412,547</u>	<u>26,412,547</u>
	<u>928,145,402</u>	<u>776,328,171</u>
9. OTHER RECEIVABLES		
Receivable from HUM TV, Inc., (a related party)	33,027,329	4,450,578
Receivable from HUM Network UK Ltd (a related party)	50,549,040	-
Receivable in respect of sale of DVDs	4,618,745	4,618,745
Sales tax receivable	12,392,656	2,924,458
Others	<u>6,597,830</u>	<u>-</u>
	<u>107,185,600</u>	<u>11,993,781</u>
10. AUTHORIZED CAPITAL		
During the period, the Company has subdivided its authorized capital from 150,000,000 ordinary shares of Rs. 10/- each amounting to Rs. 1,500,000,000 into 1,500,000,000 ordinary shares of Re. 1/- each amounting to Rs. 1,500,000,000 pursuant to the special resolution passed by the members at Annual General Meeting held on October 27, 2014.		
11. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
During the period, the Company has subdivided its issued, subscribed and paid up share capital from 94,500,000 ordinary shares of Rs. 10/- each amounting to Rs. 945,000,000 into 945,000,000 ordinary shares of Re. 1 each amounting to Rs. 945,000,000 pursuant to the special resolution passed by the members at Annual General Meeting held on October 27, 2014.		

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

12. SHORT TERM BORROWINGS

As of the balance sheet date, running finance facilities from commercial banks amounted to Rs. 500 million (June 30, 2014: Rs. 300 million). These facilities are secured by way of Pari Passu charge on all current assets of the Company and carry mark up rates ranging from 3 Months KIBOR + 1.25%-1.50% (June 30, 2014: 3 months KIBOR + 1.25%).

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

During the period, the Additional Commissioner Inland Revenue has initiated audit for the tax years 2008 to 2013 and raised a demand of Rs. 80,917,889 in respect of non-withholding of tax on agency commission by the Company for the tax year 2008. The Company is currently contesting the said order before the appellate forum as well as the Honorable High Court of Sindh in constitutional petition. The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Company and accordingly no provision has been made in this respect in these unconsolidated condensed interim financial statements.

13.2 Commitments

- i) Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2014 amounted to Rs. 88,490,000/- (June 30, 2014: Rs. 74,810,000/-). Commitment for purchase of television programs with other than related parties as at December 31, 2014 amounted to Rs. 472,633,717/- (June 30, 2014: Rs. 350,748,875/-).
- ii) Commitment for rentals under Ijarah finance agreement:

	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	----- Rupees -----	
Within one year	847,682	1,574,844
After one year but not more than five years	379,225	439,485
	<u>1,226,907</u>	<u>2,014,329</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

14. REVENUE

	Half-year ended		Quarter-ended	
	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)
	Rupees		Rupees	
Advertisement revenue	2,372,983,806	1,764,694,352	1,175,862,951	858,081,874
Less: Agency commission	301,806,826	222,478,919	149,277,319	107,615,867
Sales tax	306,943,661	234,172,041	153,408,495	112,575,984
Discount to customers	146,180,481	102,184,630	74,828,727	52,404,783
	754,930,968	558,835,590	377,514,541	272,596,634
	1,618,052,838	1,205,858,762	798,348,410	585,485,240
Production revenue	37,241,558	30,453,742	21,022,271	24,581,329
Digital sales revenue	5,865,992	2,799,957	1,521,464	669,746
	43,107,550	33,253,699	22,543,735	25,251,075
Less: Agency commission	1,807,790	1,134,156	815,993	1,002,506
Sales tax	5,624,578	5,217,378	2,799,088	4,928,082
	7,432,368	6,351,534	3,615,081	5,930,588
	35,675,182	26,902,165	18,928,654	19,320,487
Subscription income - international operations	143,406,034	116,288,613	78,795,240	108,417,363
	1,797,134,054	1,349,049,540	896,072,304	713,223,090

15. COST OF PRODUCTION

	Half-year ended		Quarter-ended	
	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)
	Rupees		Rupees	
Cost of outsourced programs	643,123,151	432,359,410	325,656,766	222,023,391
Cost of in-house programs	80,208,434	62,163,921	35,083,263	34,938,905
Inventories consumed	251,435	325,480	251,435	-
Salaries and benefits	150,460,346	123,342,224	76,193,990	62,662,896
Depreciation	12,296,319	11,856,094	6,343,237	5,686,884
Amortisation	1,433,554	1,225,054	716,777	704,193
Traveling and conveyance	10,059,849	10,900,608	4,908,776	5,669,175
Utilities	6,590,887	4,728,228	3,240,839	2,195,705
Rent, rates and taxes	25,943,000	3,093,700	24,204,500	1,620,600
Insurance	4,114,063	2,751,914	3,109,167	2,370,098
Repair and maintenance	6,231,597	5,024,614	2,826,265	3,028,677
Fee and subscription	3,251,991	1,387,932	2,553,220	1,139,965
Communication expense	3,283,876	3,149,394	2,050,501	1,446,259
Security charges	2,054,842	1,259,504	1,351,137	895,547
Consultancy	2,106,732	1,768,286	1,404,488	1,010,509
Printing and stationery	178,673	342,333	124,080	95,960
Donation	-	91,490	-	91,490
	951,588,749	665,770,186	490,018,441	345,580,254
In production television programs				
- opening	6,998,811	5,918,111	10,417,411	6,224,111
In production television programs				
- closing	(10,833,050)	(7,040,111)	(10,833,050)	(7,040,111)
	947,754,510	664,648,186	489,602,802	344,764,254
Released / unreleased programs				
- opening	546,273,508	481,135,313	546,273,508	503,219,825
Released / unreleased programs				
- closing	(592,222,369)	(481,135,313)	(592,222,369)	(481,135,313)
	901,805,649	664,648,186	443,653,941	366,848,766

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half-year ended		Quarter-ended	
	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)
16. EARNINGS PER SHARE – basic and diluted				
Profit after taxation (Rupees)	367,114,457	280,529,216	178,100,002	142,734,467
		(Restated)		(Restated)
Weighted average number of Ordinary shares	945,000,000	945,000,000	945,000,000	945,000,000
Earnings per share (Re)	0.39	0.30	0.19	0.15

During the period, the Company has subdivided its issued, subscribed and paid up share capital from 94,500,000 ordinary shares of Rs. 10/- each amounting to Rs. 945,000,000 into 945,000,000 ordinary shares of Re. 1 each amounting to Rs. 945,000,000 pursuant to the special resolution passed by the members at Annual General Meeting held on October 27, 2014. Accordingly, the earnings per share for the half year and quarter ended December 31, 2013 have been restated based on the revised number of outstanding shares.

17. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company include subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, are as follows:

Related parties	Nature of transactions	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)
		Rupees	
Subsidiaries	Investments made	33,887,270	31,788,411
	Collection / payment on behalf of the Company	15,598,172	16,645,548
	Remittance from subsidiaries	-	20,331,298
	Subscription income	59,661,840	15,936,250
	Purchase of television programs	112,875,720	169,950,000
Associates			
Retirement fund	Contribution to fund	8,036,889	5,221,597
Key management personnel	Remuneration	229,660,691	131,530,540

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

18. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorised for issue on February 19, 2015 by the Board of Directors.

19. SUBSEQUENT EVENT

The Board of Directors in its meeting held on February 19, 2015 has recommended an interim cash dividend of Re.0.175/- per share @ 17.5% amounting to Rs. 165,375,000/-

20. GENERAL

Amounts have been rounded off to the nearest rupee.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAI D QURESHI
Chief Executive

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2014

		December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	257,540,040	216,066,054
Goodwill		13,110,631	1,288,013
Intangible assets		31,063,376	33,622,108
Long term deposits		25,020,632	21,861,356
Television program costs	5	267,659,113	248,419,271
Deferred tax asset		42,091,421	3,945,022
		636,485,213	525,201,824
CURRENT ASSETS			
Inventories		6,530,927	5,956,137
Current portion of television program costs	5	335,396,306	304,853,048
Trade debts	6	1,000,732,219	790,405,463
Advances		193,355,944	145,433,634
Deposits and prepayments		26,187,748	24,102,692
Other receivables		23,709,232	12,331,622
Cash and bank balances		120,188,744	120,518,338
		1,706,101,120	1,403,600,934
TOTAL ASSETS		2,342,586,333	1,928,802,758
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital	7	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	8	945,000,000	945,000,000
Reserves		439,099,335	412,156,569
		1,384,099,335	1,357,156,569
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		16,166,531	2,734,293
CURRENT LIABILITIES			
Trade and other payables		609,032,662	555,682,697
Accrued markup		5,985,722	942,584
Short term borrowing	9	299,699,845	-
Dividend payable		5,848,108	4,250,835
Taxation – net		14,157,276	6,411,400
Current portion of liabilities against assets subject to finance lease		7,596,854	1,624,380
		942,320,467	568,911,896
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		2,342,586,333	1,928,802,758

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

MAZHAR-UL-HAQ SIDDIQUI
Chairman

DURAID QURESHI
Chief Executive

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

	Note	Half-year ended		Quarter-ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Revenue – net	11	1,841,972,863	1,398,371,550	922,177,272	735,962,846
Cost of production	12	(902,296,199)	(664,648,186)	(444,144,491)	(366,848,766)
Transmission cost		(92,087,124)	(83,512,360)	(49,807,523)	(53,343,340)
		(994,383,323)	(748,160,546)	(493,952,014)	(420,192,106)
Gross profit		847,589,540	650,211,004	428,225,258	315,770,740
Distribution costs		(227,754,792)	(154,716,877)	(130,031,776)	(89,096,777)
Administrative expenses		(215,689,619)	(193,967,196)	(114,124,418)	(114,206,856)
		404,145,129	301,526,931	184,069,064	112,467,107
Other operating income		60,349,777	61,336,861	38,132,902	43,061,825
		464,494,906	362,863,792	222,201,966	155,528,932
Finance costs		(7,338,274)	(7,199,012)	(6,946,613)	(5,917,659)
Other charges		(9,746,191)	(7,416,765)	(4,650,187)	(3,201,410)
Profit before taxation		447,410,441	348,248,015	210,605,166	146,409,863
Taxation					
- current		(151,339,645)	(93,025,998)	(76,313,266)	(20,930,603)
- deferred		40,892,181	10,133,732	26,555,564	1,970,504
		(110,447,464)	(82,892,266)	(49,757,702)	(18,960,099)
Net profit for the period		336,962,977	265,355,749	160,847,464	127,449,764
Earnings per share basic and diluted	13	Re. 0.36	Re. 0.28	Re. 0.17	Re. 0.13

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



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAID QURESHI
Chief Executive

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)**

	Half-year ended		Quarter-ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Rupees		Rupees	
Net profit for the period	336,962,977	265,355,749	160,847,464	127,449,764
Other comprehensive income	(2,895,211)	(26,148)	(6,626,135)	(1,465,191)
Total comprehensive income for the period	334,067,766	265,329,601	154,221,329	125,984,573

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



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAI D QURESHI
Chief Executive

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

	December 31, 2014	December 31, 2013
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	447,410,441	348,248,015
Adjustments for:		
Depreciation	25,386,209	19,681,521
Amortization	2,012,517	1,528,253
Finance costs	7,338,274	7,199,012
Profit on deposit accounts	(4,213,590)	(12,479,718)
Gain on disposal of property, plant and equipment	-	(1,944,400)
Exchange gain	66,668	(5,331,098)
Exchange difference on translation of foreign currency	(2,895,211)	-
Reversal of provision for doubtful debts	-	(4,869,680)
Worker's Welfare Fund	9,746,191	7,416,765
	<u>37,441,058</u>	<u>11,200,655</u>
Operating profit before working capital changes	484,851,499	359,448,670
(Increase)/decrease in current assets		
Inventories	(574,790)	21,054,780
Current portion of television program costs	(30,543,258)	(3,046,947)
Trade debts	(210,326,756)	83,503,875
Advances, deposits and prepayments	(50,007,366)	(112,780,120)
Other receivables	(11,377,894)	(37,496,609)
	<u>(302,830,064)</u>	<u>(48,765,021)</u>
Increase in current liabilities		
Trade and other payables	43,537,107	165,037,685
Cash generated from operations	225,558,542	475,721,334
Taxes paid	(140,847,987)	(73,831,589)
Finance costs paid	(2,295,136)	(5,533,519)
Profit received on deposit accounts	4,213,590	12,479,718
Long-term deposits	(3,159,276)	1,385,144
Gratuity paid	-	-
Television program costs	(19,239,842)	1,924,947
Net cash generated from operating activities	<u>64,229,891</u>	<u>412,146,035</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles	(66,332,524)	(23,964,989)
Excess cash paid over net assets acquired on acquisition	(11,803,791)	-
Proceeds from sale of property, plant and equipment	-	4,721,576
Net cash used in investing activities	<u>(78,136,315)</u>	<u>(19,243,413)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(305,527,727)	(403,935,844)
Payment of liabilities against assets subject to finance lease	19,404,712	(1,326,996)
Net cash used in financing activities	<u>(286,123,015)</u>	<u>(405,262,840)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(300,029,439)</u>	<u>(12,360,218)</u>
Cash and cash equivalents at the beginning of the period	120,518,338	232,725,438
Cash and cash equivalents at the end of the period	<u>(179,511,101)</u>	<u>220,365,220</u>
Cash and cash equivalents		
Cash and bank balances	120,188,744	220,365,220
Short term borrowings	(299,699,845)	-
	<u>(179,511,101)</u>	<u>220,365,220</u>

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



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAID QURESHI
Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Reserves		Total
			Unappropriated Profit	Sub-total	
Balance as at July 01, 2013	500,000,000	1,039,365	951,814,213	952,853,578	1,452,853,578
Net profit for the period	-	-	265,355,749	265,355,749	265,355,749
Other comprehensive income	-	(26,148)	-	(26,148)	(26,148)
Total comprehensive income	-	(26,148)	265,355,749	265,329,601	265,329,601
Final cash dividend for the year ended June 30, 2013	-	-	(300,000,000)	(300,000,000)	(300,000,000)
Issue of two bonus ordinary shares for every five ordinary shares	200,000,000	-	(200,000,000)	(200,000,000)	-
Interim cash dividend for the year ended June 30, 2014 @ Rs. 1.5 per share	-	-	(105,000,000)	(105,000,000)	(105,000,000)
Balance as at December 31, 2013	700,000,000	1,013,217	612,169,962	613,183,179	1,313,183,179
Balance as at July 01, 2014	945,000,000	(2,512,152)	414,668,721	412,156,569	1,357,156,569
Profit for the period	-	-	336,962,977	336,962,977	336,962,977
Other comprehensive income	-	(2,895,211)	-	(2,895,211)	(2,895,211)
Total comprehensive income	-	(2,895,211)	336,962,977	334,067,766	334,067,766
Final cash dividend for the year ended June 30, 2014 @ Rs. 1.5 per share	-	-	(141,750,000)	(141,750,000)	(141,750,000)
Interim cash dividend for the year ending June 30, 2015 @ Rs. 1.75 per share	-	-	(165,375,000)	(165,375,000)	(165,375,000)
Balance as at December 31, 2014	945,000,000	(5,407,363)	444,506,698	439,099,335	1,384,099,335

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



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAID QURESHI
Chief Executive

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

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 Companies

HUM TV, Inc. (the subsidiary company), having registered office at 4546 El Camino Real, #223 Los Altos, CA 94022 and HUM Network UK LTD having registered office at Office Suite 505, Fairgate House, 205, Kings Road, Tyseley, Birginham, Bll, 24-A, United Kingdom have been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA), Canada and UK respectively. The subsidiary companies will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA, Canada and UK and will establish relations with advertisers, as well as develop US and UK based media materials, such as dramas, documentaries and other entertainment shows and events.

HUM TV, Inc is a wholly owned subsidiary of the Holding Company with effect from April 01, 2011. HUM Network UK LTD is a wholly owned subsidiary of the Holding Company and was incorporated in United Kingdom on August 22, 2013.

During the year, Hum Network Limited formed Skyline Publications (Private) Limited which is a private limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 on 17th July 2014. The principal activity of the company is publication of books and magazines. The registered office of the company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.

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, 2014.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

3. ACCOUNTING POLICES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year except as follows:

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – (Amendment)
-Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
-Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
- Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above accounting standards and interpretations did not have any effect on the condensed interim consolidated financial statements

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

		December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	Note	Rupees	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	239,949,015	199,008,368
Capital work-in-progress		17,591,025	17,057,686
		<u>257,540,040</u>	<u>216,066,054</u>
4.1 Operating assets			
Opening balance – at book value		199,008,368	199,401,075
Additions during the period/year	4.1.1	66,326,856	42,324,219
		<u>265,335,224</u>	<u>241,725,294</u>
Less:			
Disposals during the period / year - at book value		-	3,311,508
Depreciation charged during the period/year		25,386,209	39,405,418
		<u>25,386,209</u>	<u>42,716,926</u>
Closing balance – at book value		<u>239,949,015</u>	<u>199,008,368</u>
4.1.1 Additions during the period / year			
Owned			
Leasehold improvements		-	1,090,538
Furniture and fittings		425,404	9,478,016
Motor vehicles		12,238,800	8,180,720
Audio visual equipment		20,372,763	5,319,407
Uplinking equipment		-	1,285,833
Office equipment		2,421,787	1,626,378
Computers		7,964,162	11,972,097
Leased			
Motor vehicles		22,903,940	3,371,230
		<u>66,326,856</u>	<u>42,324,219</u>
5. TELEVISION PROGRAM COSTS			
Unreleased / released less amortization		592,222,369	546,273,508
In production		10,833,050	6,998,811
		<u>603,055,419</u>	<u>553,272,319</u>
Less: Current portion shown under current assets		335,396,306	304,853,048
		<u>267,659,113</u>	<u>248,419,271</u>
6. TRADE DEBTS			
Considered good		1,000,732,219	790,405,463
Considered doubtful		26,412,547	26,412,547
		<u>1,027,144,766</u>	<u>816,818,010</u>
Less: Provision for doubtful debts		26,412,547	26,412,547
		<u>1,000,732,219</u>	<u>790,405,463</u>
7. AUTHORIZED CAPITAL			

During the period, the Holding Company has subdivided its authorized capital from 150,000,000 ordinary shares of Rs. 10/- each amounting to Rs. 1,500,000,000 into 1,500,000,000 ordinary shares of Re. 1/- each amounting to Rs. 1,500,000,000 pursuant to the special resolution passed by the members at Annual General Meeting held on October 27, 2014.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

8. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

During the period, the Holding Company has subdivided its issued, subscribed and paid up share capital from 94,500,000 ordinary shares of Rs. 10/- each amounting to Rs. 945,000,000 into 945,000,000 ordinary shares of Re. 1 each amounting to Rs. 945,000,000 pursuant to the special resolution passed by the members at Annual General Meeting held on October 27, 2014.

9. SHORT TERM BORROWINGS

As of the balance sheet date, running finance facilities from commercial banks amounted to Rs. 500 million (June 30, 2014: Rs. 300 million). These facilities are secured by way of PariPassu charge on all current assets of the Company and carrymark up rates ranging from 3 Months KIBOR + 1.25%-1.50% (June 30, 2014: 3 months KIBOR + 1.25%).

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

During the period, the Additional Commissioner Inland Revenue has initiated audit for the tax years 2008 to 2013 and raised a demand of Rs. 80,917,889 in respect of non-withholding of tax on agency commission by the Company for the tax year 2008. The Company is currently contesting the said order before the appellate forum as well as the Honorable High Court of Sindh in constitutional petition. The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Company and accordingly no provision has been made in this respect in these condensed interim consolidated financial statements.

10.2 Commitments

- i) Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2014 amounted to Rs. 88,490,000/- (June 30, 2014: Rs. 74,810,000/-). Commitment for purchase of television programs with other than related parties as at December 31, 2014 amounted to Rs. 472,633,717/- (June 30, 2014: Rs. 350,748,875/-).
- ii) Commitment for rentals under Ijarah finance agreement:

	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	----- Rupees -----	
Within one year	847,682	1,574,844
After one year but not more than five years	379,225	439,485
	<u>1,226,907</u>	<u>2,014,329</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half-year ended		Quarter-ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees		Rupees	
11. REVENUE – net				
Advertisement revenue	2,483,246,133	1,818,616,872	1,255,163,637	896,172,259
Less: Agency commission	306,833,504	227,079,429	152,141,197	109,575,871
Sales tax	306,943,661	234,172,041	153,408,495	112,575,984
Discount to customers	146,180,481	102,184,630	74,828,727	52,404,783
	759,957,646	563,436,100	380,378,419	274,556,638
	1,723,288,487	1,255,180,772	874,785,218	621,615,621
Production revenue	37,241,558	30,453,742	21,022,271	24,581,329
Digital sales revenue	5,865,992	2,799,957	1,521,464	669,746
	43,107,550	33,253,699	22,543,735	25,251,075
Less: Agency commission	1,807,790	1,134,156	815,993	1,002,506
Sales tax	5,624,578	5,217,378	2,799,088	4,928,082
	7,432,368	6,351,534	3,615,081	5,930,588
	1,758,963,669	1,282,082,937	893,713,872	640,936,108
Subscription Income - international operations	83,009,194	116,288,613	28,463,400	95,026,738
	1,841,972,863	1,398,371,550	922,177,272	735,962,846

	Half-year ended		Quarter-ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees		Rupees	
12. COST OF PRODUCTION				
Cost of outsourced programs	643,123,151	432,359,410	325,656,766	222,023,391
Cost of in-house programs	80,208,434	62,163,921	35,083,263	34,938,905
Inventories consumed	251,435	325,480	251,435	-
Salaries and benefits	150,821,016	123,342,224	76,554,660	62,662,896
Depreciation	12,319,277	11,856,094	6,366,195	5,686,884
Amortisation	1,434,811	1,225,054	718,034	704,193
Traveling and conveyance	10,059,849	10,900,608	4,908,776	5,669,175
Utilities	6,600,925	4,728,228	3,250,877	2,195,705
Rent, rates and taxes	26,017,516	3,093,700	24,279,016	1,620,600
Insurance	4,114,063	2,751,914	3,109,167	2,370,098
Repair and maintenance	6,238,080	5,024,614	2,832,748	3,028,677
Fee and subscription	3,256,731	1,387,932	2,557,961	1,139,965
Communication expense	3,283,876	3,149,394	2,050,501	1,446,259
Security charges	2,054,842	1,259,504	1,351,137	895,547
Consultancy	2,106,732	1,768,286	1,404,488	1,010,509
Training	5,198	-	5,198	-
Printing and stationery	183,363	342,333	128,769	95,960
Donation	-	91,490	-	91,490
	952,079,299	665,770,186	490,508,991	345,580,254
In production television programs				
- opening	6,998,811	5,918,111	10,417,411	6,224,111
In production television programs				
- closing	(10,833,050)	(7,040,111)	(10,833,050)	(7,040,111)
	948,245,060	664,648,186	490,093,352	344,764,254
Released / unreleased programs				
- opening	546,273,508	481,135,313	546,273,508	503,219,825
Released / unreleased programs				
- closing	(592,222,369)	(481,135,313)	(592,222,369)	(481,135,313)
	902,296,199	664,648,186	444,144,491	366,848,766

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half-year ended		Quarter-ended	
	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)	December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)
13. EARNINGS PER SHARE – basic and diluted				
Profit after taxation (Rupees)	336,962,977	265,355,749	160,847,464	127,449,764
		(Restated)		(Restated)
Weighted average number of Ordinary shares	945,000,000	945,000,000	945,000,000	945,000,000
Earnings per share (Re.)	0.36	0.28	0.17	0.13

14. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company includes subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, are as follows:

		December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)
		Rupees	Rupees
Transactions during the period		(Un-audited)	(Un-audited)
Related parties	Nature of transactions		
Associates	Purchase of television programs	112,875,720	169,950,000
Spouse of a Director	Managerial Remuneration	4,252,500	4,447,800
	Repayment of amount due	-	2,535,600
Retirement fund	Contribution to fund	8,036,889	5,221,597
Key management personnel	Remuneration	237,376,931	146,144,740

15. DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on February 19, 2015 by the Board of Directors of the Holding Company.

16. SUBSEQUENT EVENT

The Board of Directors of the Holding Company in its meeting held on February 19, 2015 has recommended an interim cash dividend of Re.0.175/- per share @ 17.5% amounting to Rs. 165,375,000/-

17. GENERAL

Amounts have been rounded off to the nearest rupee.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAI D QURESHI
Chief Executive

Printed Matter

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