

HUM NETWORK LIMITED



BLANK

Company Information

Board of Directors

Chairman
Directors

Mr Mazhar-ul-Haq Siddiqui
Ms. Sultana Siddiqui
Mr. Munawar Alam Siddiqui
Mr. Shunaid Qureshi
Mrs. Mahtab Akbar Rashdi
Mrs. Khush Bakht Shujaat
Mr. Muhammad Ayub Younus Adhi
Mr. Duraid Qureshi
Mr. Muhammad Abbas Hussain
Mr. Mohsin Naeem
Mr. Kamran Shamshad Ahmed

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

AUDIT COMMITTEE

Chairman
Members

Mr. Muhammad Ayub Younus Adhi
Ms. Sultana Siddiqui
Mrs. Mahtab Akbar Rashdi
Mr. Shunaid Qureshi

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairman
Members

Mrs. Mahtab Akbar Rashdi
Mrs. Khush Bakht Shujaat
Mr. Shunaid Qureshi
Mr. Duraid Qureshi
Mr. Hassan Jawed
M/s. Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Secretary AUDITORS

INTERNAL AUDITORS

7th Floor Progressive Plaza,
Beaumont Road, Karachi
M/s. KPMG Taseer Hadi & Company
Chartered Accountants
1st Floor, Sheikh Sultan Trust Building
No.2, Beaumont Road, Karachi

LEGAL ADVISOR

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

BANKERS

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan
KASB Bank Limited
The Bank of Punjab
Allied Bank Limited
United Bank Limited
Askari Bank Limited
Standard Chartered Bank (Pakistan) Limited
Boston Private Bank & Trust
Barclays Bank PLC
Habibsons Bank Limited
Dubai Islamic Bank

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

M/s. Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400

WEBSITE

www.humnetwork.tv

PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

Director's Report

The Board of Directors of HUM Network Limited (HNL) takes pleasure in presenting the review on the financial and operational performance of the Company for the half year ended December 31, 2015.

Financial Performance:

During the period under review, the Company recorded net revenue of Rs. 1,836 million as compared to net revenue of Rs. 1,797 million during the same period last year. The Company recorded profit after tax of Rs. 166 million compared to Rs. 367 million earned during the same period last year. The results translate into earnings per share of Rs. 0.18. During the period under review, the decrease in the net profit as compared to revenue is mainly attributable to the increase in cost of production due to content acquisition of the newly revamped channel HUM Sitaray. We are optimistic that once the new channel will reach its peak, the profitability will improve.

Operational Performance:

HUM TV celebrated its 11th Anniversary during the period with an ongoing promise to provide quality content to its viewers, Blockbuster dramas like "Dayar-e-Dil", "Sangat", "Mohabbat Aag Si", "Aik Thi Misal" and "Gul-e-Rana" launched during this period surpassed expectations of the audiences and reached new heights of success.

HUM TV won the *Best Urdu Channel Award* at *The Asian Viewers Television Awards (AVTA) 2015* held in London. It is indeed a proud moment for the channel to have won so many hearts not just in its home country but also across Asia.

HUM Sitaray presented an Urdu dubbed Turkish Drama "Dirillis" and launched new serials like "Neelum Kinaray" and "Na Dil Deti" to attract the viewers to the screen.

The second Bridal Couture Week (BCW) of the year was organized by HUM Sitaray in Lahore in December. BCW has become the highest profile fashion event in Pakistan and one of the biggest and most sought-after bridal fashion platforms in South Asia for Pakistan's top bridal wear designers, couture lovers, celebrities, socialites and film and TV stars.

Masala Family Festival was held in Lahore in October, once again the event turned out to be a huge success pulling a massive crowd of food mavens from Lahore and other cities of the province, where they met their favorite Masala TV Chefs, shop to their hearts content, enjoyed live music, watched their chefs cook live, bought autographed copies of their favorite cookbooks etc.

The new venture of the Network HUM Films is making its mark in the film industry. HUM Films was engaged in distribution of films like "Bajrangi Bhaijan", "Bin Roye" and "Dilwale" which received an overwhelming response from viewers and has boasted impressive figures at the box office. The management is now more focused to exploit available opportunities in area of film distribution and marketing.

Consolidated results are as follows:

	Rupees
Revenue – net	1,924,662,950
Gross Profit	588,293,313
Profit for the period – before taxation	187,230,032
Earnings per share	0.15

Future Outlook

In a fast changing media landscape, HUM Network's powerful brands and must have programming continue to lead the way however, the best is yet to come. We will continue to invest in quality content and original content generation in the field of Television Programming and pursue opportunities that position HNL for sustainable growth and value creation.

Acknowledgement

The Board would like to take this opportunity to thank and appreciate employees, customers and strategic partners for their dedication, commitment and contributions towards helping us achieve our objectives. The Board also extends its appreciation to shareholders for their unwavering support and cooperation.

February 29, 2016
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 2015**, 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.

Sd/-

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Engagement Partner: Khurram Jameel

Date: February 29, 2016

Place: Karachi

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2015

		December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	270,925,472	258,798,586
Intangible assets		15,777,699	15,119,943
Long term investments	5	207,151,445	134,649,074
Long term deposits		30,330,032	29,422,616
Television program costs	6	583,760,939	434,836,050
Deferred tax asset		56,690,934	46,976,371
		1,164,636,521	919,802,640
CURRENT ASSETS			
Inventories		2,740,282	4,479,119
Current portion of television program costs	6	485,809,664	521,455,464
Trade debts	7	1,094,571,906	1,036,543,895
Advances	8	161,768,867	240,606,668
Trade deposits and short term prepayments		13,557,164	19,077,919
Other receivables	9	23,512,201	33,393,487
Cash and bank balances		13,052,417	13,860,087
		1,795,012,501	1,869,416,639
TOTAL ASSETS		2,959,649,022	2,789,219,279
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		945,000,000	945,000,000
Unappropriated profit		726,970,770	726,066,536
		1,671,970,770	1,671,066,536
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		33,024,934	39,939,206
CURRENT LIABILITIES			
Trade and other payables		678,404,735	648,804,270
Accrued markup		6,528,795	6,088,472
Short term borrowings	10	453,184,316	299,538,538
Unclaimed dividend		6,285,980	5,516,923
Taxation – net		89,419,451	99,961,316
Current portion of liabilities against assets subject to finance lease		20,830,041	18,664,018
		1,254,653,318	1,078,213,537
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		2,959,649,022	2,789,219,279

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



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAIQ QURESHI
Chief Executive

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)

	Note	Half-year ended		Quarter-ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		Rupees	Rupees	Rupees	Rupees
Revenue	12	1,835,997,155	1,797,134,054	1,004,051,941	896,072,304
Cost of production	13	(1,196,727,318)	(901,805,649)	(720,853,454)	(443,653,941)
Transmission cost		(43,418,337)	(41,639,952)	(21,579,671)	(21,077,311)
		(1,240,145,655)	(943,445,601)	(742,433,125)	(464,731,252)
Gross profit		595,851,500	853,688,453	261,618,816	431,341,052
Distribution costs		(217,049,980)	(222,947,844)	(121,412,949)	(127,419,199)
Administrative expenses		(187,141,101)	(196,488,710)	(91,692,260)	(102,577,595)
Other income		36,870,752	60,318,974	25,923,993	38,102,099
Other expenses		(268,344)	(9,746,191)	(268,344)	(4,650,187)
Finance costs		(17,813,731)	(7,262,761)	(8,875,836)	(6,938,466)
Profit before taxation		210,449,096	477,561,921	65,293,420	227,857,704
Taxation					
- current		(53,884,425)	(151,339,645)	(16,488,869)	(76,313,266)
- deferred		9,714,563	40,892,181	10,164,416	26,555,564
		(44,169,862)	(110,447,464)	(6,324,453)	(49,757,702)
Profit after taxation		166,279,234	367,114,457	58,968,967	178,100,002
Earnings per share – basic and diluted		0.18	0.39	0.06	0.19

The annexed notes from 1 to 17 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, 2015
(UN-AUDITED)

	Half-year ended		Quarter-ended	
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
	----- Rupees -----		----- Rupees -----	
Profit after taxation	166,279,234	367,114,457	58,968,967	178,100,002
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>166,279,234</u>	<u>367,114,457</u>	<u>58,968,967</u>	<u>178,100,002</u>

The annexed notes from 1 to 17 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, 2015
(UN-AUDITED)**

	December 31, 2015	December 31, 2014
	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	210,449,096	477,561,921
Adjustments for:		
Depreciation	30,428,261	24,036,684
Amortization	2,152,244	1,651,273
Finance costs	17,813,731	7,262,761
Profit on deposit accounts	(1,592,670)	(4,213,589)
Gain on disposal of property, plant and equipment	(1,833)	-
Exchange loss	268,344	66,668
Worker's Welfare Fund	-	9,746,191
	49,068,077	38,549,988
Operating profit before working capital changes	259,517,173	516,111,909
(Increase)/decrease in current assets		
Inventories	1,738,837	(574,790)
Current portion of television program costs	35,645,800	(30,543,258)
Trade debts	(58,028,011)	(151,817,231)
Advances	78,837,801	(47,871,413)
Trade deposits and short - term prepayments	5,520,755	(2,784,792)
Other receivables	9,881,286	(95,191,819)
	73,596,468	(328,783,303)
Increase in current liabilities		
Trade and other payables	29,332,121	20,769,507
Cash generated from operations	362,445,762	208,098,113
Taxes paid	(64,426,290)	(139,843,761)
Finance costs paid	(17,373,408)	(2,219,624)
Profit received on deposit accounts	1,592,670	4,213,590
Long-term deposits	(907,416)	(2,175,850)
Television program costs	(148,924,889)	(19,239,842)
Net cash generated from operating activities	132,406,429	48,832,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(42,605,314)	(58,064,024)
Purchase of intangible assets	(2,810,000)	(6,500,000)
Proceeds from sale of property, plant and equipment	52,000	-
Investment made in subsidiaries	(72,502,371)	(33,887,270)
Net cash used in investing activities	(117,865,685)	(98,451,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(164,245,943)	(305,527,727)
Lease rentals paid	(4,748,249)	19,404,712
Short term borrowings obtained	153,645,778	299,699,845
Net cash (used in) / generated from financing activities	(15,348,414)	13,576,830
Net decrease in cash and cash equivalents	(807,670)	(36,041,838)
Cash and cash equivalents at the beginning of the period	13,860,087	106,516,721
Cash and cash equivalents at the end of the period	13,052,417	70,474,883

The annexed notes from 1 to 17 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 CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)**

	Issued, subscribed and paid-up share capital	Unappropriated profit Rupees	Total
Balance as at July 01, 2014	945,000,000	451,315,585	1,396,315,585
Final cash dividend for the year June 30, 2014 @ Rs. 1.5 per share	-	(141,750,000)	(141,750,000)
Interim cash dividend for the year June 30, 2015 @ Rs. 1.75 per share	-	(165,375,000)	(165,375,000)
Profit after taxation	-	367,114,457	367,114,457
Other comprehensive income	-	-	-
Total comprehensive income	-	367,114,457	367,114,457
Balance as at December 31, 2014	<u>945,000,000</u>	<u>511,305,042</u>	<u>1,456,305,042</u>
Balance as at July 01, 2015	945,000,000	726,066,536	1,671,066,536
Final cash dividend for the year June 30, 2015 @ Rs. 0.175 per share		(165,375,000)	(165,375,000)
Profit after taxation	-	166,279,234	166,279,234
Other comprehensive income	-	-	-
Total comprehensive income	-	166,279,234	166,279,234
Balance as at December 31, 2015	<u>945,000,000</u>	<u>726,970,770</u>	<u>1,671,970,770</u>

The annexed notes from 1 to 17 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, 2015

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 Company is listed on Pakistan Stock Exchange (formerly 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, 2015 and December 31, 2014. 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, 2015.

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.

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 standards which became effective during the period:

IFRS 10 – Consolidated Financial Statement

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interest in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above standards did not have any material effect on these unconsolidated condensed interim financial statements.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

		December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	Note	Rupees	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	270,925,472	238,826,688
Capital work-in-progress		-	19,971,898
		<u>270,925,472</u>	<u>258,798,586</u>
4.1 Operating fixed assets			
Opening balance – at book value		238,826,688	195,615,565
Additions during the period / year – at cost	4.1.1	<u>62,577,212</u>	<u>111,438,966</u>
		301,403,900	307,054,531
Less:			
Disposals during the period / year - at book value		(50,167)	(16,083,605)
Depreciation charged during the period / year		<u>(30,428,261)</u>	<u>(52,144,238)</u>
		<u>(30,478,428)</u>	<u>(68,227,843)</u>
Closing balance – at book value		<u>270,925,472</u>	<u>238,826,688</u>
4.1.1 Additions during the period / year – at cost			
Owned			
Leasehold improvements		22,209,542	19,392,440
Furniture and fittings		-	132,990
Motor vehicles		2,396,299	14,969,972
Audio visual equipment		13,145,192	28,897,538
Office equipment		6,777,302	3,271,587
Computers		13,167,877	16,831,639
Leased			
Motor vehicles		4,881,000	27,942,800
		<u>62,577,212</u>	<u>111,438,966</u>
5. LONG TERM INVESTMENTS – Unquoted subsidiaries			
HUM TV, Inc. – USA			
10,000 Common stock of \$ 0.01 each	100%	8,603	8,603
Advance for future issue of shares		<u>18,716,750</u>	<u>18,716,750</u>
		18,725,353	18,725,353
HUM Network UK Ltd.			
1 Ordinary share of 1 GBP	100%	161	161
Advance for future issue of shares		<u>95,923,590</u>	<u>95,923,590</u>
		95,923,751	95,923,751
Skyline Publications (Private) Ltd.			
1,999,997 Ordinary shares of Rs.10 each	100%	<u>19,999,970</u>	<u>19,999,970</u>
Advance for future issue of shares		<u>2,700,000</u>	<u>-</u>
		22,699,970	19,999,970
HUM Network FZ LLC – UAE			
Advance for future issue of shares	100%	69,802,371	-
		<u>207,151,445</u>	<u>134,649,074</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

		December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	Note	----- Rupees -----	
6. TELEVISION PROGRAM COSTS			
Unreleased / released less amortization		1,017,411,719	863,517,050
In production		52,158,884	92,774,464
		<u>1,069,570,603</u>	<u>956,291,514</u>
Less: Current portion		<u>485,809,664</u>	<u>521,455,464</u>
		<u>583,760,939</u>	<u>434,836,050</u>
7. TRADE DEBTS			
Considered good	7.1	1,094,571,906	1,036,543,895
Considered doubtful		26,412,547	26,412,547
		<u>1,120,984,453</u>	<u>1,062,956,442</u>
Less: Provision for doubtful debts		26,412,547	26,412,547
		<u>1,094,571,906</u>	<u>1,036,543,895</u>
7.1 Include amount receivable from the following related parties:			
Hum TV, Inc – USA		23,239,699	3,090,442
Hum Network UK Ltd		104,466,589	61,605,730
		<u>127,706,288</u>	<u>64,696,172</u>
8. ADVANCES – considered good			
Include advance given to a related party M.D Productions (Private) Limited amounting to Rs. 31,258,253 (June 30, 2015: Rs. 8,887,155).			
		December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	Note	----- Rupees -----	
9. OTHER RECEIVABLES – considered good			
Receivable in respect of sale of DVDs		1,142,538	4,618,745
Sales tax receivable		8,866,306	24,120,862
Others	9.1	13,503,357	4,653,880
		<u>23,512,201</u>	<u>33,393,487</u>
9.1 Include amount receivable from the following related parties:			
Hum TV, Inc - USA		3,062,813	2,025,624
Hum Network FZ LLC – UAE		4,446,966	-
		<u>7,509,779</u>	<u>2,025,624</u>
10. SHORT TERM BORROWINGS – secured			
Running finance		399,000,316	299,538,538
Short term loan	10.1	54,184,000	-
		<u>453,184,316</u>	<u>299,538,538</u>
10.1	Represents, short term loan obtained from a financial institution, repayable in 3 equal installments by June 2016 and is secured by way of equitable mortgage over the building of the Company. This carries mark-up rate of 6 months KIBOR plus 4.50% per annum.		

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The Additional Commissioner Inland Revenue had 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.

11.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2015 amounted to Rs. 203,808,774 (June 30, 2015 Rs. 207, 497,500). Commitment for purchase of television programs with other than related parties as at December 31, 2015 amounted to Rs. 355,336,529 (June 30, 2015 Rs. 435,464,193).

	Half-year ended		Quarter-ended	
	December 31, 2015 (Un-audited) ----- Rupees -----	December 31, 2014 (Un-audited)	December 31, 2015 (Un-audited) ----- Rupees -----	December 31, 2014 (Un-audited)
12. REVENUE				
Advertisement revenue	2,174,698,290	2,372,983,806	1,068,747,744	1,175,862,951
Less: Sales tax	263,894,032	306,943,661	129,511,759	153,408,495
Agency commission	280,039,049	301,806,826	137,459,503	149,277,319
Discount to customers	144,384,000	146,180,481	65,715,412	74,828,727
	688,317,081	754,930,968	332,686,674	377,514,541
	1,486,381,209	1,618,052,838	736,061,070	798,348,410
Production revenue	59,252,747	37,241,558	47,016,685	21,022,271
Digital sales revenue	28,533,635	5,865,992	22,596,469	1,521,464
	87,786,382	43,107,550	69,613,154	22,543,735
Less: Sales tax	11,063,547	5,624,578	8,552,536	2,799,088
Agency commission	2,304,764	1,807,790	1,251,294	815,993
	13,368,311	7,432,368	9,803,830	3,615,081
	74,418,071	35,675,182	59,809,324	18,928,654
Subscription income	90,680,079	143,406,034	46,967,465	78,795,240
Film distribution revenue	184,517,796	-	161,214,082	-
	1,835,997,155	1,797,134,054	1,004,051,941	896,072,304

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half-year ended		Quarter-ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	
13. COST OF PRODUCTION				
Cost of outsourced programs	915,851,660	643,123,151	518,673,132	325,656,766
Cost of in-house programs	109,434,657	80,208,434	42,620,392	35,083,263
Inventories consumed	-	251,435	-	251,435
Salaries and benefits	222,164,656	150,460,346	107,387,048	76,193,990
Depreciation	14,193,506	12,296,319	7,638,113	6,343,237
Amortisation	1,826,943	1,433,554	866,449	716,777
Traveling and conveyance	13,780,173	10,059,849	7,119,066	4,908,776
Utilities	6,543,226	6,590,887	3,357,605	3,240,839
Rent, rates and taxes	4,689,631	25,943,000	2,329,478	24,204,500
Insurance	2,818,221	4,114,063	1,324,682	3,109,167
Repair and maintenance	9,593,117	6,231,597	5,609,987	2,826,265
Fee and subscription	2,528,156	3,251,991	1,596,985	2,553,220
Communication expense	3,218,175	3,283,876	1,250,139	2,050,501
Security charges	1,329,005	2,054,842	1,065,468	1,351,137
Consultancy	1,827,367	2,106,732	698,968	1,404,488
Printing and stationery	207,914	178,673	140,373	124,080
	<u>1,310,006,407</u>	<u>951,588,749</u>	<u>701,677,885</u>	<u>490,018,441</u>
In production television programs				
- opening	92,774,464	6,998,811	73,775,981	10,417,411
In production television programs				
- closing	<u>(52,158,884)</u>	<u>(10,833,050)</u>	<u>(52,158,884)</u>	<u>(10,833,050)</u>
	<u>1,350,621,987</u>	<u>947,754,510</u>	<u>723,294,982</u>	<u>489,602,802</u>
Released / unreleased programs				
- opening	863,517,050	546,273,508	1,014,970,191	546,273,508
Released / unreleased programs				
- closing	<u>(1,017,411,719)</u>	<u>(592,222,369)</u>	<u>(1,017,411,719)</u>	<u>(592,222,369)</u>
	<u>1,196,727,318</u>	<u>901,805,649</u>	<u>720,853,454</u>	<u>443,653,941</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

14. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprises subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

Related parties	Nature of transactions	December 31, 2015 ----- (Un-audited)	December 31, 2014 ----- (Un-audited)
		Rupees	
Subsidiaries	Investments made	75,502,371	33,887,270
	Receipts on behalf of the Company	54,393,488	15,612,661
	Payments on behalf of the Company	31,707,312	14,489
	Subscription income	69,816,250	59,661,840
	Management Fee	1,037,189	-
Associates	Purchase of television programs	225,043,908	112,875,720
	Receipts on behalf of associates	68,372,218	-
Retirement fund	Contribution	10,299,284	8,036,889
Key management personnel	Remuneration	224,717,903	229,660,691

15. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorised for issue on February 29, 2016 by the Board of Directors.

16. NON - ADJUSTING SUBSEQUENT EVENT

The Board of Directors in its meeting held on February 29, 2016, declared an interim cash dividend of Rs. Nil per share.

17. GENERAL

Amounts have been rounded off to the nearest rupee.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAIQURESHI
Chief Executive

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2015

		December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	275,366,923	264,079,326
Intangible assets		47,051,701	47,951,207
Long term deposits		32,520,889	31,575,692
Television program costs	5	583,760,939	434,836,050
Deferred tax asset		57,314,918	47,583,838
		<u>996,015,370</u>	<u>826,026,113</u>
CURRENT ASSETS			
Inventories		2,740,282	4,479,117
Current portion of television program costs	5	485,809,664	521,455,464
Trade debts	6	1,173,698,620	1,099,372,556
Advances	7	161,768,867	240,649,168
Trade deposits and short term prepayments		40,334,705	34,806,311
Other receivables		16,002,421	31,367,863
Cash and bank balances		95,989,463	26,450,936
		<u>1,976,344,022</u>	<u>1,958,581,415</u>
TOTAL ASSETS		<u>2,972,359,392</u>	<u>2,784,607,528</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		945,000,000	945,000,000
Reserves		649,367,806	671,233,709
		<u>1,594,367,806</u>	<u>1,616,233,709</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		33,024,933	39,939,206
CURRENT LIABILITIES			
Trade and other payables		758,350,782	700,541,805
Accrued markup		6,528,795	6,088,472
Short term borrowing	8	453,184,316	299,538,538
Unclaimed dividend		6,285,980	5,156,923
Taxation – net		99,786,739	98,444,857
Current portion of liabilities against assets subject to finance lease		20,830,041	18,664,018
		<u>1,344,966,653</u>	<u>1,128,434,613</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>2,972,359,392</u>	<u>2,784,607,528</u>

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


MAZHAR-UL-HAQ SIDDIQUI
Chairman


DURAID QURESHI
Chief Executive

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)

	Note	Half-year ended		Quarter-ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		Rupees	Rupees	Rupees	Rupees
Revenue – net	10	1,924,662,950	1,841,972,863	1,054,117,482	922,177,272
Cost of production	11	(1,237,054,344)	(902,296,199)	(754,899,241)	(444,144,491)
Transmission cost		(99,315,293)	(92,087,124)	(61,845,880)	(49,807,523)
		(1,336,369,637)	(994,383,323)	(816,745,121)	(493,952,014)
Gross profit		588,293,313	847,589,540	237,372,361	428,225,258
Distribution costs		(219,404,725)	(227,754,792)	(122,734,505)	(130,031,776)
Administrative expenses		(200,725,783)	(215,689,619)	(97,621,220)	(114,124,418)
		168,162,805	404,145,129	17,016,636	184,069,064
Other operating income		37,246,066	60,349,777	25,560,000	38,132,902
		205,408,871	464,494,906	42,576,636	222,201,966
Finance costs		(17,910,495)	(7,338,274)	(8,942,166)	(6,946,613)
Other charges		(268,344)	(9,746,191)	(268,344)	(4,650,187)
Profit before taxation		187,230,032	447,410,441	33,366,126	210,605,166
Taxation					
- current		(53,884,425)	(151,339,645)	(16,488,869)	(76,313,266)
- deferred		9,714,563	40,892,181	10,164,416	26,555,564
		(44,169,862)	(110,447,464)	(6,324,453)	(49,757,702)
Net profit for the period		143,060,170	336,962,977	27,041,673	160,847,464
Earnings per share – basic and diluted		0.15	0.36	0.03	0.17

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


MAZHAR-UL-HAQ SIDDIQUI
Chairman


DURAID QURESHI
Chief Executive

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)**

	Half-year ended		Quarter-ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Net profit for the period	143,060,170	336,962,977	27,041,673	160,847,464
Other comprehensive income	448,927	(2,895,211)	2,646,883	(6,626,135)
Total comprehensive income for the period	143,509,097	334,067,766	29,688,556	154,221,329

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



MAZHAR-UL-HAQ SIDDIQUI
Chairman





DURAID QURESHI
Chief Executive

**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)**

	December 31, 2015	December 31, 2014
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	187,230,032	447,410,441
Adjustments for:		
Depreciation	31,267,550	25,386,209
Amortization	2,173,493	2,012,517
Finance costs	17,910,495	7,338,274
Profit on deposit accounts	(1,592,670)	(4,213,590)
Gain on disposal of property, plant and equipment	(1,833)	-
Exchange gain	268,344	66,668
Exchange difference on translation of foreign currency	1,984,938	(2,895,211)
Reversal of provision for doubtful debts	144,750	-
Worker's Welfare Fund	-	9,746,191
	52,155,067	37,441,058
Operating profit before working capital changes	239,385,099	484,851,499
(Increase)/decrease in current assets		
Inventories	1,738,835	(574,790)
Current portion of television program costs	35,645,800	(30,543,258)
Trade debts	(74,470,814)	(210,326,756)
Advances, deposits and prepayments	73,351,907	(50,007,366)
Other receivables	15,365,441	(11,377,894)
	51,631,169	(302,830,064)
Increase in current liabilities		
Trade and other payables	57,540,633	43,537,107
Cash generated from operations	348,556,901	225,558,542
Taxes paid	(52,559,060)	(140,847,987)
Finance costs paid	(17,470,172)	(2,295,136)
Profit received on deposit accounts	1,592,670	4,213,590
Long-term deposits	(945,197)	(3,159,276)
Television program costs	(148,924,889)	(19,239,842)
Net cash generated from operating activities	130,250,253	64,229,891
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles	(45,415,311)	(66,332,524)
Excess cash paid over net assets acquired on acquisition	-	(11,803,791)
Proceeds from sale of property, plant and equipment	52,000	-
Net cash used in investing activities	(45,363,311)	(78,136,315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(164,245,943)	(305,527,727)
Payment of liabilities against assets subject to finance lease	(4,748,250)	19,404,712
Short term borrowings obtained	153,645,778	299,699,845
Net cash used in financing activities	(15,348,415)	13,576,830
Net increase / (decrease) in cash and cash equivalents	69,538,527	(329,594)
Cash and cash equivalents at the beginning of the period	26,450,936	120,518,338
Cash and cash equivalents at the end of the period	95,989,463	120,188,744

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


MAZHAR-UL-HAQ SIDDIQUI
Chairman


DURAIQ QURESHI
Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Reserves		Total
			Unappropriated Profit	Sub-total	
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
Balance as at July 01, 2015	945,000,000	(4,360,306)	675,594,015	671,233,709	1,616,233,709
Profit for the period	-	-	143,060,170	143,060,170	143,060,170
Other comprehensive income	-	448,927	-	448,927	448,927
Total comprehensive income	-	448,927	143,060,170	143,509,097	143,509,097
Final cash dividend for the year ended June 30, 2015 @ Rs. 0.175 per share	-	-	(165,375,000)	(165,375,000)	(165,375,000)
Balance as at December 31, 2015	945,000,000	(3,911,379)	653,279,185	649,367,806	1,594,367,806

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


MAZHAR-UL-HAQ SIDDIQUI
Chairman


DURaid QURESHI
Chief Executive

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

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 suit 505, Fiargate house, 205, Kings road, Tyseley, Birmingham, B11, 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.

The company also have a wholly owned subsidiary in the name of Skyline Publication (private) Limited which is engaged in the publication of books and magazines.

During the year, the network has started process of incorporation of 100% owned subsidiary in UAE with the name of "HUM Network FZ-LLC". Over the last decade UAE has become a global hub of media business. Therefore, it is strategically important for the network to have an independent entity in UAE.

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, 2015.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

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 standards which became effective during the period:

IFRS 10 – Consolidated Financial Statement

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interest in Other Entities

IFRS 13 – Fair Value Measurement

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

		December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	Note	Rupees	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	275,366,923	244,107,428
Capital work-in-progress		-	19,971,898
		<u>275,366,923</u>	<u>264,079,326</u>
4.1 Operating assets			
Opening balance – at book value		244,107,428	199,008,368
Additions during the period/year	4.1.1	62,577,212	151,765,562
		<u>306,684,640</u>	<u>350,773,930</u>
Less:			
Disposals during the period / year - at book value		50,167	52,353,605
Depreciation charged during the period/year		31,267,550	54,312,897
		<u>31,317,717</u>	<u>106,666,502</u>
Closing balance – at book value		<u>275,366,923</u>	<u>244,107,428</u>
4.1.1 Additions during the period / year			
Owened			
Leasehold improvements		22,209,542	19,392,440
Furniture and fittings		-	554,661
Vehicles		2,396,299	14,969,972
Audio visual equipment		13,145,192	28,897,538
Office equipment		6,777,302	5,785,873
Computers		13,167,877	17,952,278
Leased			
Vehicles		4,881,000	35,112,800
Audio visual equipment		-	19,440,000
Uplinking equipment		-	9,660,000
		<u>62,577,212</u>	<u>151,765,562</u>
5. TELEVISION PROGRAM COSTS			
Unreleased / released less amortization		1,017,411,719	863,517,050
In production		52,158,884	92,774,464
		<u>1,069,570,603</u>	<u>956,291,514</u>
Less: Current portion shown under current assets		485,809,664	521,455,464
		<u>583,760,939</u>	<u>434,836,050</u>
6. TRADE DEBTS			
Considered good		1,173,698,620	1,099,372,556
Considered doubtful		26,557,297	26,557,297
		<u>1,200,255,917</u>	<u>1,125,929,853</u>
Less: Provision for doubtful debts		26,557,297	26,557,297
		<u>1,173,698,620</u>	<u>1,099,372,556</u>
7. ADVANCES – considered good			

Include advance given to a related party M.D Productions (Private) Limited amounting to Rs. 31,258,253 (June 30, 2015: Rs. 8,887,155).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

		December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
		----- Rupees -----	
8 SHORT TERM BORROWINGS- secured			
Running finance		399,000,316	299,538,538
Short term loan	8.1	54,184,000	-
		<u>453,184,316</u>	<u>299,538,538</u>

- 8.1 Represents, short term loan obtained from a financial institution, repayable in 3 equal installments by June 2016 and is secured by way of equitable mortgage over the building of the Company. This carries mark-up rate of 6 months KIBOR plus 4.50% per annum.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

The Additional Commissioner Inland Revenue had 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 consolidated condensed interim financial statements.

9.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2015 amounted to Rs. 203,808,774 (June 30, 2015 Rs. 207,497,500). Commitment for purchase of television programs with other than related parties as at December 31, 2015 amounted to Rs. 355,336,529 (June 30, 2015 Rs. 435,464,193).

	Half-year ended		Quarter-ended	
	December 31, 2015 (Un-audited)	December 31, 2014 (Un-audited)	December 31, 2015 (Un-audited)	December 31, 2014 (Un-audited)
	----- Rupees -----		----- Rupees -----	
10. REVENUE – net				
Advertisement revenue	2,365,955,023	2,483,246,133	1,169,621,227	1,255,163,637
Less: Agency commission	312,813,737	306,833,504	153,172,945	152,141,197
Sales tax	263,894,032	306,943,661	129,511,759	153,408,495
Discount to customers	144,384,000	146,180,481	65,715,412	74,828,727
	<u>721,091,769</u>	<u>759,957,646</u>	<u>348,400,116</u>	<u>380,378,419</u>
	1,644,863,254	1,723,288,487	821,221,111	874,785,218
Production revenue	59,252,747	37,241,558	47,016,685	21,022,271
Digital sales revenue	28,533,635	5,865,992	22,596,469	1,521,464
	<u>87,786,382</u>	<u>43,107,550</u>	<u>69,613,154</u>	<u>22,543,735</u>
Less: Agency commission	2,304,764	1,807,790	1,251,294	815,993
Sales tax	11,063,547	5,624,578	8,552,536	2,799,088
	<u>13,368,311</u>	<u>7,432,368</u>	<u>9,803,830</u>	<u>3,615,081</u>
	1,719,281,325	1,758,963,669	881,030,435	893,713,872
Subscription Income - international operations	20,863,829	83,009,194	11,872,965	28,463,400
Film Distribution Revenue	184,517,796	-	161,214,082	-
	<u>1,924,662,950</u>	<u>1,841,972,863</u>	<u>1,054,117,482</u>	<u>922,177,272</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half-year ended		Quarter-ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	
11. COST OF PRODUCTION				
Cost of outsourced programs	943,342,016	643,123,151	546,163,488	325,656,766
Cost of in-house programs	109,434,657	80,208,434	42,620,392	35,083,263
Inventories consumed	-	251,435	-	251,435
Salaries and benefits	230,355,391	150,821,016	111,695,593	76,554,660
Depreciation	14,471,530	12,319,277	7,777,125	6,366,195
Amortisation	1,837,568	1,434,811	871,761	718,034
Traveling and conveyance	13,780,173	10,059,849	7,119,066	4,908,776
Utilities	6,696,157	6,600,925	3,418,874	3,250,877
Rent, rates and taxes	5,382,631	26,017,516	2,675,978	24,279,016
Insurance	2,822,194	4,114,063	1,326,668	3,109,167
Repair and maintenance	9,640,049	6,238,080	5,625,488	2,832,748
Fee and subscription	2,606,540	3,256,731	1,635,919	2,557,961
Communication expense	3,218,175	3,283,876	1,250,139	2,050,501
Security charges	1,329,005	2,054,842	1,065,468	1,351,137
Consultancy	1,827,367	2,106,732	698,968	1,404,488
Training	20,302	5,198	20,302	5,198
Printing and stationery	3,569,678	183,363	1,758,443	128,769
	1,350,333,433	952,079,299	735,723,672	490,508,991
In production television programs				
- opening	92,774,464	6,998,811	73,775,981	10,417,411
In production television programs				
- closing	(52,158,884)	(10,833,050)	(52,158,884)	(10,833,050)
	1,390,949,013	948,245,060	757,340,769	490,093,352
Released / unreleased programs				
- opening	863,517,050	546,273,508	1,014,970,191	546,273,508
Released / unreleased programs				
- closing	(1,017,411,719)	(592,222,369)	(1,017,411,719)	(592,222,369)
	1,237,054,344	902,296,199	754,899,241	444,144,481

12. 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, 2015	December 31, 2014
		----- Rupees -----	-----
		(Un-audited)	(Un-audited)
Transactions during the period			
Related parties	Nature of transactions		
Associates	Purchase of television programs	252,534,264	112,875,720
	Receipt on behalf of associate	68,372,218	-
Retirement fund	Contribution to fund	10,299,284	8,036,889
Key management personnel	Remuneration	235,072,344	241,629,431

13. DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorized for issue on February 29, 2016 by the Board of Directors of the Holding Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

14. SUBSEQUENT EVENT

The Board of Directors of the Holding Company in its meeting held on February 29, 2016, declared an interim cash dividend of Rs. Nil per share.

15. GENERAL

Amounts have been rounded off to the nearest rupee.



MAZHAR-UL-HAQ SIDDIQUI
Chairman



DURAID QURESHI
Chief Executive

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Printed Matter

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