

MEDIA TIMES LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
(Un-Audited)**

**FOR THE PERIOD ENDED
31 MARCH 2012**

MEDIA TIMES LIMITED

VISION

To be a dynamic and liberal media company with the aim to inform and entertain our target market, keeping in view the truth and authenticity element.

MISSION

As a leading & diversified media company, our mission is to set new standards of customer satisfaction by gaining the higher market share and at the same time fulfilling our obligations towards our employees, vendors, investors and most important our readers and viewers.

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COMPANY INFORMATION

Board of Directors	Aamna Taseer (Chairman) Shehryar Ali Taseer (CEO) Maheen Ghani Taseer Shehribano Taseer Samira Ahmed Zia Imran Hafeez Maimanat Mohsin
Chief Financial Officer	Waseem Raza
Audit Committee	Maheen Ghani Taseer (Chairperson) Aamna Taseer Imran Hafeez
Company Secretary	Nadeem Maqsood
Auditors	Nasir Javed Maqsood Imran Ashfaq Chartered Accountants
Legal Advisers	Ebrahim Hosain Advocates & Corporate Counsel
Bankers	Allied Bank Limited Al-Baraka Islamic Bank Bank Alfalah Limited Faysal Bank Limited Habib Metropolitan Bank Limited NIB Bank Limited Standard Chartered Bank (Pakistan) Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor State Life Building No.3, Dr. Zia-ud-Din Ahmed Road Karachi Tel: (021) 111-000-322
Head Office	103-C/II, Gulberg-III Lahore, Pakistan Tel: (042) 35757591-4 Fax: (042) 35757590, 35877920
Registered & Main Project Office	41-N, Industrial Area, Gulberg-II, Lahore Tel: (042) 35878614-9 Fax: (042) 35878620, 35878626

DIRECTORS' REVIEW

The Board of Directors of **Media Times Limited** ("MTL" or "the Company") is pleased to present the unaudited financial statements of the Company for the nine months period ended 31 March 2012.

Operating Results

The operating results of the Company are summarized as follows:

	31 March 2012	31 March 2011
	Rupees	Rupees
Revenue	195,352,818	312,859,518
Gross profit/(loss)	(203,641,803)	79,246,306
Operating cost	(130,332,922)	(175,358,149)
Operating loss	(333,974,725)	(96,111,843)
Finance Cost	(54,633,404)	(60,419,959)
Taxation	75,836,775	52,208,155
Loss after taxation	(304,863,456)	(99,812,573)
Loss per share - Basic & diluted	(1.80)	(0.74)

During the period under review, the Company posted loss after tax of Rs. 304.86 million as compare to loss of Rs. 99.81 million in corresponding period last year. Increase in loss was mainly due to decrease in revenue to Rs.195.35 million from Rs.312.86 million in corresponding period and charging the program/content cost of discontinued /off air channel to income statement. The EPS of the Company was Rs. (1.80) as compared to Rs. (0.74) to the corresponding period.

Pakistan media industry is getting prepared to encash the upcoming advertisement flow on print as well as electronic media due to election campaigns expected to start in next quarter or so. Few political parties have already started advertising their manifesto and more are preparing to jump in media industry can patch many wounds taken by last two years economic depression by capitalizing over upcoming media spend by political parties of Pakistan. In order to get the maximum, Company is preparing ahead of times by streamlining its content as well as sales team training, other than that an overall improvement in its content on electronic side have been witnessed.

During the period under review the Company has completed the right issue of Rs. 447.106 million divided into 44,712,752 numbers of shares of Rs. 10/- each i.e. in proportion of 1 share for every 3 shares held i.e. 33.33%. The shares were issued to the subscribers/underwriters to the issue accordingly.

Board of Directors

There is no change in the composition of the Board of Directors since last reported in half yearly report of the Company for the period ended 31 December 2011.

Authentication of Balance Sheet

The nine months quarterly accounts have been signed by the two Directors of the Company including Chairperson, in accordance with Section 241 (2) of the Companies Ordinance, 1984 due to the reason that the Chief Executive Officer of the Company is not in Pakistan.

General

The Board of Directors wishes to express its pleasure and gratefulness to the shareholders for their continued support and to all the employees for their ongoing dedication and commitment to the Company.

For and on behalf of the Board of Directors

Lahore
24 April 2012

Chairman/Director

Director

MEDIA TIMES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

		(Un-Audited) 31 March 2012	(Audited) 30 June 2011
(Rupees)			
ASSETS			
NON CURRENT ASSETS			
	4	1,206,810,431	1,333,004,815
Property, plant and equipment			
	5	152,707,070	152,907,170
Intangible assets			
Long term deposits		18,360,906	14,537,706
Television program costs		-	50,170,535
Deferred taxation		248,227,087	170,328,653
		<u>1,626,105,494</u>	<u>1,720,948,879</u>
CURRENT ASSETS			
Inventories		7,602,631	7,154,508
Current portion of television program costs		25,836,704	76,953,897
Trade debts		132,327,992	134,580,854
Loans and advances		13,016,532	19,210,116
Deposit and prepayments		6,434,214	5,730,724
Other receivables		14,163,865	17,438,125
Cash and bank balances		5,076,606	7,824,258
		<u>204,458,544</u>	<u>268,892,482</u>
TOTAL ASSETS		<u>1,830,564,038</u>	<u>1,989,841,361</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital		1,800,000,000	1,800,000,000
180,000,000 ordinary shares of Rs. 10 each.			
Issued, subscribed and paid up capital		1,788,510,100	1,341,382,580
Share premium		76,223,440	76,223,440
Unappropriated (loss)		(520,569,611)	(215,706,155)
Total Equity		<u>1,344,163,929</u>	<u>1,201,899,865</u>
NON CURRENT LIABILITIES			
Long term finances	6	57,832,183	441,484,904
Retirement benefits		56,445,899	54,438,208
Liabilities against assets subject to finance lease		7,654,236	10,644,946
		<u>121,932,318</u>	<u>506,568,058</u>
CURRENT LIABILITIES			
Trade and other payables		285,857,933	215,305,749
Interest and mark-up accrued		17,224,636	3,956,128
Short term borrowings	7	50,000,000	50,000,000
Current maturities of long term liabilities		11,385,222	12,111,561
		<u>364,467,791</u>	<u>281,373,438</u>
Contingencies and commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		<u>1,830,564,038</u>	<u>1,989,841,361</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors including chairman in accordance with section to 241(2) of the Companies Ordinance, 1984.

LAHORE:

DIRECTOR

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DIRECTOR

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2012

		Nine months ended		Quarter ended	
		Jul - Mar	Jul - Mar	Jan - Mar	Jan - Mar
		2012	2011	2012	2011
(Rupees)					
Revenue -Net		195,352,818	312,859,518	73,436,591	87,684,823
Direct costs		(398,994,621)	(233,613,212)	(132,757,313)	(51,515,221)
Gross profit/(loss)		(203,641,803)	79,246,306	(59,320,722)	36,169,602
Operating costs		(130,332,922)	(175,358,149)	(31,576,298)	(73,096,895)
Operating loss		(333,974,725)	(96,111,843)	(90,897,020)	(36,927,293)
Finance costs		(54,633,404)	(60,419,959)	(7,719,701)	(20,207,329)
		(388,608,129)	(156,531,802)	(98,616,721)	(57,134,622)
Other operating Income		7,907,898	4,511,074	4,865,017	1,337,329
Loss before taxation		(380,700,231)	(152,020,728)	(93,751,704)	(55,797,293)
Taxation		75,836,775	52,208,155	(780,932)	18,101,714
Loss after taxation		(304,863,456)	(99,812,573)	(94,532,636)	(37,695,579)
Loss per share - basic and diluted	13	(1.80)	(0.74)	(0.56)	(0.28)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors including chairman in accordance with section to 241(2) of the Companies Ordinance, 1984.

LAHORE:

DIRECTOR

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DIRECTOR

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2012

	Nine months ended		Quarter ended	
	Jul - Mar	Jul - Mar	Jan - Mar	Jan - Mar
	2012	2011	2012	2011
	(Rupees)		(Rupees)	
Loss after taxation	(304,863,456)	(99,812,573)	(94,532,636)	(37,695,579)
Other comprehensive income/ (loss) for the period	-	-	-	-
Total comprehensive loss for the period	<u>(304,863,456)</u>	<u>(99,812,573)</u>	<u>(94,532,636)</u>	<u>(37,695,579)</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors including chairman in accordance with section to 241 (2) of the Companies Ordinance, 1984.

LAHORE:

DIRECTOR

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DIRECTOR

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	Note	Nine months ended	
		31 March	31 March
		2012	2011
		(Rupees)	
Cash flow from operating activities			
Cash used in operations	9	(84,158,132)	132,399,638
Long term deposits		(3,823,200)	289,632
Television programs costs		50,170,535	(8,806,032)
Retirement benefits paid		(3,676,000)	(1,788,000)
Finance cost paid		(41,364,896)	(40,908,012)
Taxes paid		(1,145,165)	(3,199,450)
Net cash (used in)/generated from operating activities		(83,996,858)	77,987,776
Cash flow from investing activities			
Fixed capital expenditure		12,798,003	(126,615,514)
Sale proceeds of operating fixed assets		8,693,453	7,598,790
Net cash generated from/ (used in) investing activities		21,491,456	(119,016,724)
Cash flow from financing activities			
Repayment of long term finances-Net		(385,016,356)	(396,629,002)
Repayment of short term borrowings		-	430,354,617
Issuance of right shares		447,127,520	-
Repayment of finance lease liabilities-Net		(2,353,414)	(10,877,376)
Net cash generated from financing activities		59,757,750	22,848,239
Net decrease in cash and cash equivalents		(2,747,652)	(18,180,709)
Cash and cash equivalents at the beginning of the period		7,824,258	18,461,424
Cash and cash equivalents at the end of the period		<u>5,076,606</u>	<u>280,715</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors including chairman in accordance with section to 241(2) of the Companies Ordinance, 1984.

LAHORE:

DIRECTOR

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DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012**

MEDIA TIMES LIMITED

	Capital reserves			Revenue Reserve Unappropriated profit/(loss)	Total
	Share capital	Share premium	(Rupees)		
Balance as at 30 June 2010	1,341,382,580	76,223,440		(52,543,497)	1,365,062,523
Net loss for the period	-	-		(99,812,573)	(99,812,573)
Balance as at 31 March 2011	1,341,382,580	76,223,440		(152,356,070)	1,265,249,950
Balance as at 30 June 2011	1,341,382,580	76,223,440		(215,706,155)	1,201,899,865
Net loss for the period	-	-		(304,863,456)	(304,863,456)
Right issue of 44,712,752 ordinary shares of Rs. 10 each	447,127,520	-		-	447,127,520
Balance as at 31 March 2012	1,788,510,100	76,223,440		(520,569,611)	1,344,163,929

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The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors including chairman in accordance with section 241(2) of the Companies Ordinance, 1984.

LAHORE

DIRECTOR

DIRECTOR

MEDIA TIMES LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012**

1 The Company and its operations

Media Times Limited (the "MTL" and or "Company") was incorporated in Pakistan on 26 June 2001 as a Private Limited Company under the Companies Ordinance, 1984 and was converted into Public Limited Company on 06 March 2007. The Company is listed on Karachi and Lahore Stock Exchanges. The registered office of the Company is located at 41-N, Industrial Area, Gulberg II, Lahore and is engaged in printing and publishing daily English and Urdu news papers by the name of "Daily Times" and "AajKal" respectively and also engaged in production, promotion, advertisement, distribution and broadcasting of television programs through satellite channels by the name of "Business Plus" and "Zaiqa" (formerly Wikkid Plus) respectively. The principal places of the business for "Business Plus" and "Zaiqa" is situated at F-49, Block-8, KDA Scheme 5, Clifton, Karachi and for Newspapers is at 41-N, Industrial Area, Gulberg II, Lahore. The company has also applied to (PEMRA) for grant of license for entertainment channel which is under the process of approval.

2 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

3 Significant accounting judgments and estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended 30 June 2011.

4 Property, Plant and Equipment

	Note	31 March 2012	30 June 2011
(Rupees)			
Operating assets	4.1	1,113,287,982	1,115,046,655
Capital work-in-progress-at cost		93,522,449	217,958,160
		<u>1,206,810,431</u>	<u>1,333,004,815</u>

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Note	31 March 2012	30 June 2011
(Rupees)		
4.1 Operating assets		
Owned and leased assets:		
Opening net book value	1,115,046,654	1,234,004,913
Additions / transfers during the period	4.1.1 96,950,477	532,310
	1,211,997,131	1,234,537,223
Disposal during the period -NBV	4.1.2 (2,952,999)	(2,862,370)
Depreciation for the period	(95,756,150)	(116,628,199)
Closing net book value	<u>1,113,287,982</u>	<u>1,115,046,655</u>
4.1.1 Break-up of additions/transfers		
Leasehold improvements	89,656	-
Plant and equipment	95,192,314	174,000
Office equipment	949,577	341,510
Computers	179,600	16,800
Furniture and fixtures	275,000	-
Vehicles	264,330	-
	<u>96,950,477</u>	<u>532,310</u>
4.1.2 Break-up of Disposals		
Office equipment	216,786	-
Furniture & Fixture	103,315	-
Vehicles	2,632,898	2,862,370
	<u>2,952,999</u>	<u>2,862,370</u>
5 Intangible Assets		
This represents goodwill arised on merger of Total Media Limited with Media Times Limited and licenses cost.		
	31 March 2012	30 June 2011
	(Rupees)	
6 Long term finances		
Banking companies and other financial institutions		
First National Bank Modarba - Secured	3,181,820	4,545,455
Associated Companies - Unsecured	57,832,183	441,484,904
	<u>61,014,003</u>	<u>446,030,359</u>
Less: current portion shown under current liabilities	(3,181,820)	(4,545,455)
	<u>57,832,183</u>	<u>441,484,904</u>
7 Short term borrowing-secured		
Running Finance facility available from commercial bank under mark up arrangements amounts to Rs. 50 million (June 2011: Rs. 50 million). Mark up is charged at 6 months KIBOR plus 3.5 % per annum, payable on half yearly basis. It is secured by way of exclusive charge on present and future current and fixed assets of the Company.		

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8 Contingencies and commitments

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended 30 June 2011 except for the following:

	31 March 2012	30 June 2011
(Rupees)		
8.1 Commitments in respect of capital expenditure	<u>1,745,600</u>	<u>-</u>
8.2 Commitments in respect of content/programs	<u>-</u>	<u>1,160,709</u>

	31 March 2012	31 March 2011
(Rupees)		

9 Cash flow from operating activities

Loss before taxation	(380,700,231)	(152,020,728)
Adjustment for non-cash charges and other items:		
Depreciation	95,756,150	85,355,839
Amortization of intangible assets	200,100	200,100
Provision for doubtful receivables	-	65,050,805
Amortization of deferred cost	14,951,560	-
Gain on disposal of operating fixed assets	(6,004,783)	(4,426,364)
Retirement benefits	5,683,691	16,102,435
Finance cost	54,633,405	60,419,959

(Loss)/profit before working capital changes **(215,480,108)** 70,682,046

Effect on cash flow due to working capital changes:

Inventories	(448,123)	17,430,422
Television programs costs	51,117,193	6,513,209
Trade debts	2,252,862	(95,288,070)
Loans and advances	6,193,584	2,176,718
Deposit & prepayments	(703,490)	6,786,415
Other receivables	2,357,766	(1,507,898)
Trade and other payables	70,552,184	125,606,796
	<u>131,321,976</u>	<u>61,717,592</u>
	<u>(84,158,132)</u>	<u>132,399,638</u>

10 Related party transactions

The related parties comprise associated companies, related group companies, directors of the Company, companies where directors also hold directorship, and key management employees. Significant transactions with related parties are as follows:

	31 March 2012	31 March 2011
(Rupees)		
Associated Companies		
First Capital Securities Corporation Limited		
Sale of goods and services	20,800	93,600
Interest on loan	46,479,874	50,999,579
Repayment of loan	426,794,204	-

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	31 March 2012	31 March 2011
	(Rupees)	
Pace Pakistan Limited		
Building Rent	7,695,000	6,450,000
Sale of vehicle	340,000	323,486
Sale of goods and services	866,900	4,378,200
Advance against advertisement	1,649,670	1,510,000
Worldcall Telecom Limited		
Sale of goods and services	1,170,000	7,020,000
Building Rent	1,431,306	-
Purchase of goods & services	915,715	1,164,991

All transactions with related parties have been carried out on commercial terms and conditions.

11 Segment reporting

Segment information is presented in respect of the Company's business. The primary format, business segment, is based on the Company's management reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Company's operations comprise of the following main business segments:

-Print media which comprises of "Daily Times" and "AajKal" being the Daily English and Urdu newspapers respectively.

-Electronic media comprises of "Business Plus", and "Zaiqa" being the two satellite channels.

Segment analysis for the period ended 31 March 2012.

	Print Media	Electronic Media	Total
	(Rupees)		
Total revenue - net	159,115,298	36,237,520	195,352,818
Loss before tax and unallocated expenses	(173,627,667)	(207,072,564)	(380,700,231)
Unallocated corporate expenses			
Taxation			75,836,775
Loss after taxation			(304,863,456)
			(304,863,456)
			(304,863,456)
	Print Media	Electronic Media	Total
	(Rupees)		
Segment assets and liabilities			
Segment assets	1,313,218,460	269,118,491	1,582,336,951
Unallocated segment assets	-	-	248,227,087
Consolidated total assets			1,830,564,038

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	Print Media	Electronic Media	Total
	(Rupees)		
Segment liabilities	320,201,649	166,198,460	486,400,109
Segment capital expenditure	106,000	96,844,477	96,950,477
Depreciation and amortization	49,567,699	46,388,551	95,956,250

Segment analysis for the period ended 31 March 2011.

	Print Media	Electronic Media	Total
	(Rupees)		
Total revenue - net	266,336,865	46,522,653	312,859,518
Loss before tax and unallocated expenses	(132,375,068)	(19,645,660)	(152,020,728)
Unallocated corporate expenses			
Taxation			52,208,155
Loss after taxation			(99,812,573)
			(99,812,573)
			(99,812,573)
Segment assets and liabilities			
Segment assets	1,422,573,624	523,828,291	1,946,401,915
Unallocated segment assets	-	-	158,318,491
Consolidated total assets			2,104,720,406
Segment liabilities	659,843,678	179,626,778	839,470,456
Segment capital expenditure	87,860	217,000	304,860
Depreciation and amortization	42,389,462	43,166,478	85,555,940

12 Taxation

The provision for taxation for the nine months ended 31 March 2012 has been made on an estimated basis.

13 Loss per share - basic & diluted

There is no dilutive effect on the basic loss per share of the Company, which is based on:

	31 March 2012	31 March 2011
	(Rupees)	
Loss after taxation attributable to ordinary share holders -Rupees	(304,863,456)	(99,812,573)
Weighted average number of ordinary shares - Numbers	169,616,855	134,138,258
Loss per share - Basic Rupees	(1.80)	(0.74)

14 Date of authorization for issue

This un-audited condensed interim financial information for the nine months ended 31 March 2012 was authorized for issue on 24 April 2012 by the Board of Directors of the Company.

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors including chairman in accordance with section 241(2) of the Companies Ordinance, 1984.

15 General

15.1 Figures have been rounded off to the nearest of rupee.