

MEDIA TIMES LIMITED

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

31 DECEMBER 2010

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 (Chief Executive Officer) Shahbaz Ali Taseer Shehribano Taseer Omer Subhan Salamat Syed Kashan Hussain Kazmi Maimanat Mohsin
Chief Financial Officer	Waseem Raza
Audit Committee	Aamna Taseer (Chairman of Committee) Shahbaz Ali Taseer Omer Subhan Salamat
Company Secretary	Nadeem Maqsood
Auditors	Nasir Javed Maqsood Imran Chartered Accountants
Legal Advisers	Ebrahim Hosain Advocates & Corporate Counsel
Bankers	Soneri Bank Limited Faysal Bank Limited Standard Chartered Bank (Pakistan) Limited NIB Bank Limited Habib Metropolitan Bank Limited Arif Habib Rupali Bank Limited Al-Baraka Islamic Bank Bank Alfalah 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 Directors of **Media Times Limited** ("MTL" or "the Company") are pleased to present the auditors' reviewed financial statements of the Company for the six months ended 31 December 2010.

Operating Results

The operating results of the Company are summarized as follows:

	31 December 2010	31 December 2009
	Rupees	Rupees
Revenue	225,174,695	220,750,325
Gross profit	43,076,704	65,436,296
Operating cost	102,261,254	90,755,647
Operating loss	(59,184,550)	(25,319,351)
Loss after taxation	(62,116,994)	(33,189,671)
Earnings / (loss) per share - Basic & diluted	(0.46)	(0.25)

During the current period under review, the Company posted net revenue of Rs. 225.17 million as compared to Rs. 220.7 million in the corresponding period last year, while the loss after tax was Rs. 62.1 million. The EPS of the Company was Rs. (0.46) as compared to Rs. (0.25) in the corresponding period. The media industry is in a continuous struggle to pull out of the terrible economic effects of flood & terrorism. Major media groups are in cost saving and right sizing efforts to minimize the wastage and maximize the profits to sustain difficult times. At MTL, management holds the same approach and major efforts have been made to multi tasking and synergize the resources for optimal output. However, no compromise has been made on Editorial quality of newspapers and production standards of Business plus and Zaiqa TV. Moreover, an aggressive approach has been taken on Newspaper circulation increase, keeping in mind upcoming competition in Print Media.

Strong brand building and aggressive advertising persuasion along with continuous cost effectiveness approach is the key to future success at MTL. Management of MTL is highly committed to cope with the challenging market situation and economic turmoil to grow and sustain on a continuous basis.

Board of Directors

The Board of Directors expresses their heartfelt condolences over the tragic assassination of Mr. Salmaan Taseer; Chairman/Chief Executive Officer of the Company. The Board of Directors also wish to place on record their acknowledgment for the unprecedented stewardship and business acumen of the late Chairman/CEO and admired his work both for raising the businesses and also his social services for the people at large.

The unfortunate demise of Mr. Salmaan Taseer has also lead to a change in the composition of the Board of Directors since last reported. Mr. Omer Subhan Salamat has been appointed as a director in place of Mr. Salmaan Taseer, whereas Mrs. Aamna Taseer has been appointed as Chairman of the Company.

Mr. Shehryar Ali Taseer has been appointed as Chief Executive Officer, he will be entitled for monthly gross salary of Rs. 100,000 along with employee benefits as per the Company policy.

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
25 February 2011

Shehryar Ali Taseer
Chief Executive Officer

Independent Report on Review of Condensed Interim Financial Information to the members of Media Times Limited**INTRODUCTION**

We have reviewed the accompanying condensed interim balance sheet of **Media Times Limited** as at 31 December 2010 and the related condensed interim profit and loss account, statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as "Interim financial information"), and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed 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 condensed 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 condensed interim financial information as at and for the half year ended 31 December 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

The figures for quarter ended 31 December 2010 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion on them.

Lahore
25 February 2011

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

MEDIA TIMES LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2010

Note	(Un-Audited) 31 December 2010	(Audited) 30 June 2010	
(Rupees)			
ASSETS			
NON CURRENT ASSETS			
Tangible fixed assets			
Property, plant and equipment	5	1,266,971,019	1,324,349,538
Intangible assets			
Long term deposits	6	153,040,570	153,173,970
Television program costs		9,795,294	9,984,926
Deferred taxation		52,302,947	52,634,756
		139,339,928	102,981,740
		<u>1,621,449,758</u>	<u>1,643,124,930</u>
CURRENT ASSETS			
Inventories		6,599,853	24,156,017
Current portion of television program costs		65,774,852	73,016,734
Trade debts		230,455,238	196,072,374
Loans and advances		28,052,759	21,106,509
Deposit and prepayments		19,735,817	20,474,481
Other receivables		34,079,740	25,839,092
Cash and bank balances		10,095,919	18,461,424
		<u>394,794,178</u>	<u>379,126,631</u>
TOTAL ASSETS		<u>2,016,243,936</u>	<u>2,022,251,561</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital 140,000,000 ordinary shares of Rs. 10 each.		<u>1,400,000,000</u>	<u>1,400,000,000</u>
Issued, subscribed and paid up capital		1,341,382,580	1,341,382,580
Share premium		76,223,440	76,223,440
Unappropriated (loss)		(114,660,491)	(52,543,497)
Total Equity		<u>1,302,945,529</u>	<u>1,365,062,523</u>
NON CURRENT LIABILITIES			
Long term finances	7	413,622,917	391,629,002
Retirement benefits		53,270,479	45,229,862
Liabilities against assets subject to finance lease		-	125,834
		<u>466,893,396</u>	<u>436,984,698</u>
CURRENT LIABILITIES			
Trade and other payables		153,813,167	128,843,485
Interest and mark-up accrued		16,859,752	984,777
Short term borrowings	8	50,000,000	51,262,745
Current maturities of long term liabilities		25,732,092	39,113,333
		<u>246,405,011</u>	<u>220,204,340</u>
Contingencies and commitments	9	-	-
TOTAL EQUITY AND LIABILITIES		<u>2,016,243,936</u>	<u>2,022,251,561</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

LAHORE:

CHIEF EXECUTIVE

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DIRECTOR

MEDIA TIMES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2010

Note	Half year ended		Quarter ended	
	Jul-Dec 2010	Jul-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
(Rupees)				
Revenue -Net	225,174,695	220,750,325	105,360,269	97,191,593
Direct costs	(182,097,991)	(155,314,029)	(99,462,866)	(70,781,118)
Gross profit	<u>43,076,704</u>	<u>65,436,296</u>	<u>5,897,403</u>	<u>26,410,475</u>
Operating costs	(102,261,254)	(90,755,647)	(43,685,631)	(44,572,659)
Operating (loss)	<u>(59,184,550)</u>	<u>(25,319,351)</u>	<u>(37,788,228)</u>	<u>(18,162,184)</u>
Finance costs	(40,212,630)	(24,402,981)	(22,077,486)	(9,042,132)
	(99,397,180)	(49,722,332)	(59,865,714)	(27,204,316)
Other operating Income	3,173,745	904,393	3,146,921	(1,966,327)
Loss before taxation	<u>(96,223,435)</u>	<u>(48,817,939)</u>	<u>(56,718,793)</u>	<u>(29,170,643)</u>
Taxation	34,106,441	15,628,268	21,663,378	10,278,419
Total comprehensive loss	<u>(62,116,994)</u>	<u>(33,189,671)</u>	<u>(35,055,415)</u>	<u>(18,892,224)</u>
Earnings per share - basic and diluted	14	(0.46)	(0.25)	(0.26)
		<u>(0.14)</u>	<u>(0.14)</u>	<u>(0.14)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

LAHORE:

CHIEF EXECUTIVE

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DIRECTOR

MEDIA TIMES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2010

Note	Half year ended		Quarter ended	
	Jul-Dec	Jul-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
	(Rupees)		(Rupees)	
Loss after taxation	(62,116,994)	(33,189,671)	(35,055,415)	(18,892,224)
Other comprehensive income/ (loss) for the period	-	-	-	-
Total comprehensive loss for the period	(62,116,994)	(33,189,671)	(35,055,415)	(18,892,224)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

LAHORE:

CHIEF EXECUTIVE

DIRECTOR

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MEDIA TIMES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2010

Note	July-Dec 2010	July-Dec 2009
	(Rupees)	
Cash flow from operating activities		
Cash generated from operations	10 20,732,432	80,578,789
Decrease in long term deposits	189,632	9,751,469
Television programs costs	7,241,882	25,055,790
Retirement benefits paid	(53,000)	(4,905,530)
Finance cost paid	(24,337,655)	(27,805,687)
Taxes paid	(1,778,055)	(1,756,279)
Net cash generated from operating activities	1,995,236	80,918,552
Cash flow from investing activities		
Fixed capital expenditure	(23,116,836)	(87,416,091)
Sale proceeds of operating fixed assets	5,532,000	38,518,926
Proceed from Sale of short term investment	-	45,000,077
Net cash used in investing activities	(17,584,836)	(3,897,088)
Cash flow from financing activities		
Long term finances-Net	16,993,915	(26,327,497)
Repayment of short term borrowings	(1,262,745)	(27,607,298)
Repayment of finance lease liabilities-Net	(8,507,075)	(22,553,661)
Advance for issue of shares	-	-
Net cash generated / (used in) financing activities	7,224,095	(76,488,456)
Net (decrease) / increase in cash and cash equivalents	(8,365,505)	533,008
Cash and cash equivalents at the beginning of the period	18,461,424	9,177,999
Cash and cash equivalents at the end of the period	10,095,919	9,711,007

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

LAHORE:

CHIEF EXECUTIVE

DIRECTOR

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MEDIA TIMES LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Share Capital	Capital reserves		Revenue Reserve		Total
		Share Premium	Unappropriated Profit/(loss)	Unappropriated Profit/(loss)		
Balance as at 30 June 2009	1,341,382,580	76,223,440	21,083,870	1,438,689,890		
Net loss for the period	-	-	(33,189,671)	(33,189,671)		
Balance as at 31 December 2009	<u>1,341,382,580</u>	<u>76,223,440</u>	<u>(12,105,801)</u>	<u>1,405,500,219</u>		
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	-	-	(62,116,994)	(62,116,994)		
Balance as at 31 December 2010	<u>1,341,382,580</u>	<u>76,223,440</u>	<u>(114,660,491)</u>	<u>1,302,945,529</u>		

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The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

MEDIA TIMES LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

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 Basis of preparation

The condensed interim financial information have been presented in accordance with the requirements of the "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan and are unaudited. This condensed interim financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2010. Further, these accounts are being circulated to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance 1984.

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 2010.

4 Significant Accounting policies

Accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2010.

	Note	31 December 2010	30 June 2010
(Rupees)			
5 Property, Plant and Equipment			
Operating assets	5.1	1,153,806,417	1,234,004,913
Capital work-in-progress-at cost		113,164,602	90,344,625
		<u>1,266,971,019</u>	<u>1,324,349,538</u>
5.1 Operating assets			
Owned and leased assets:			
Opening net book value		1,234,004,913	1,133,914,650
Additions / transfers during the period / year	5.1.1	296,860	235,946,530
		<u>1,234,301,773</u>	<u>1,369,861,180</u>
Disposal during the period / year -NBV	5.1.2	(2,398,096)	(6,459,208)
Depreciation for the period / year		(78,097,260)	(129,397,059)
		<u>1,153,806,417</u>	<u>1,234,004,913</u>
Closing net book value			

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	31 December 2010	30 June 2009
	(Rupees)	
5.1.1 Break-up of additions/transfers		
Leasehold improvements	-	4,296,991
Plant and equipment	-	228,363,749
Office equipment	296,860	2,376,301
Computers	-	750,967
Furniture and fixtures	-	120,022
Vehicles	-	38,500
	296,860	235,946,530
5.1.2 Break-up of Disposals		
Plant and equipment	-	2,949,639
Office equipment	-	7,677
Computers	-	436,759
Vehicles	2,398,096	3,065,133
	2,398,096	6,459,208

6 Intangible Assets

This represents goodwill arised on merger of Total Media Limited with Media Times Limited and licenses cost.

	31 December 2010	30 June 2010
	(Rupees)	

7 Long term finances

Banking companies and other financial institutions

First National Bank Modarba - Secured	5,000,000	10,000,000
Associated Companies - Unsecured	413,622,917	391,629,002
	418,622,917	401,629,002

Less: current portion shown under current liabilities (5,000,000) (10,000,000)

	413,622,917	391,629,002
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8 Short term borrowing-secured

Banking companies and other financial institutions

Running finance	8.1	50,000,000	50,000,000
Unsecured- Book Overdraft		-	1,262,745

	50,000,000	51,262,745
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8.1 This includes short term finance facility available from commercial bank under mark up arrangement. Mark up is charged at 3 months KIBOR plus 3.5% (June 2010: 3 months KIBOR plus 3.5%) per annum, payable on quarterly basis. It is secured by way of first hypothecation charge on certain current and fixed assets of the Company.

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9 Contingencies and commitments

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended 30 June 2010 except for the following:

	31 December 2010	30 June 2010
	(Rupees)	
9.1 Commitments in respect of capital expenditure	-	814,524
9.2 Commitments in respect of content/programs	-	6,434,709

10 Cash generated from operating activities

	31 December 2010	31 December 2009
	(Rupees)	
Loss before taxation	(96,223,435)	(48,817,939)
Adjustment for non-cash charges and other items:		
Depreciation	78,097,260	58,413,061
Amortization of intangible assets	133,400	471,000
Provision for doubtful receivables	-	3,255,109
(Gain)/loss on disposal of operating fixed assets	(3,133,905)	4,784,465
Retirement benefits	8,093,617	8,714,944
Finance cost	40,212,631	24,402,981
Profit before working capital changes	27,179,568	51,223,621
Effect on cash flow due to working capital changes:		
Inventories	17,556,164	61,639,262
Television programs costs	331,809	(8,689,098)
Trade debts	(34,382,865)	(34,003,588)
Loans and advances	(6,946,250)	10,012,434
Deposit & prepayments	738,664	(671,434)
Other receivables	(8,714,340)	(3,357,797)
Trade and other payables	24,969,682	4,425,389
	(6,447,136)	29,355,168
	20,732,432	80,578,789

11 Related parties transactions

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

	31 December 2010	31 December 2009
	(Rupees)	
Associated Companies		
Purchase of goods and services	4,174,914	7,351,351
Sale of goods and services	12,477,700	7,585,529
Interest on loan	33,188,360	36,348,891
Building Rent	3,300,000	3,000,000

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

12 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.

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

-Print media which comprises of "Daily Times" and "AajKa" 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 December 2010.

	Print Media	Electronic Media (Rupees)	Total
Total revenue - net	186,909,526	38,265,169	225,174,695
Loss before tax and unallocated expenses	(46,689,052)	(49,534,383)	(96,223,435)
Unallocated corporate expenses - Taxation			34,106,441
Loss after taxation			(62,116,994)
Segment assets and liabilities			
Segment assets	1,407,672,936	469,231,072	1,876,904,008
Unallocated segment assets	-	-	139,339,928
Consolidated total assets			<u>2,016,243,936</u>
Segment liabilities	<u>558,380,134</u>	<u>154,918,273</u>	<u>713,298,407</u>
Segment capital expenditure	<u>79,860</u>	<u>217,000</u>	<u>296,860</u>
Depreciation and amortization	<u>49,223,000</u>	<u>29,007,660</u>	<u>78,230,660</u>

Segment analysis for the period ended 31 December 2009.

	Print Media	Electronic Media (Rupees)	Total
Total revenue - net	182,898,488	37,851,837	220,750,325
Loss before tax and unallocated expenses	(4,250,733)	(44,567,206)	(48,817,939)
Unallocated corporate expenses Taxation			15,628,268
Loss after taxation			<u>(33,189,671)</u>
Segment assets and liabilities			
Segment assets	1,438,717,197	577,261,279	2,015,978,476
Unallocated segment assets	-	-	82,544,059
Consolidated total assets			<u>2,098,522,535</u>
Segment liabilities	<u>563,820,184</u>	<u>129,202,131</u>	<u>693,022,315</u>
Segment capital expenditure	<u>36,238,399</u>	<u>51,177,692</u>	<u>87,416,091</u>
Depreciation and amortization	<u>30,789,910</u>	<u>28,094,151</u>	<u>58,884,061</u>

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13 Taxation

The provision for taxation for the half year ended 31 December 2010 has been made on an estimated basis.

14 Earnings per share - basic and diluted

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

	31 December 2010	31 December 2009
	(Rupees)	
Loss after taxation attributable to ordinary share holders -Rupees	<u>(62,116,994)</u>	<u>(33,189,671)</u>
Weighted average number of ordinary shares - Numbers	<u>134,138,258</u>	<u>134,138,258</u>
Earnings per share - Basic Rupees	<u>(0.46)</u>	<u>(0.25)</u>

15 Date of authorization for issue

This un-audited condensed interim financial information for the half year ended 31 December 2010 was authorised for issue on 25 February 2010 by the Board of Directors of the Company.

16 General

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