

MEDIA TIMES LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION**

**FOR THE PERIOD ENDED
30 SEPTEMBER 2010**

(Un-Audited)

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	Salmaan Taseer (Chairman & Chief Executive Officer) Aamna Taseer Shehryar Ali Taseer Shahbaz Ali Taseer Shehribano Taseer Maimanat Mohsin Syed Kashan Hussain Kazmi
Chief Financial Officer	Waseem Raza
Audit Committee	Aamna Taseer (Chairperson of Committee) Shehryar Ali Taseer Shahbaz Ali Taseer
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 first quarter's report together with un-audited financial statements of the Company for the period ended 30 September 2010.

Operating Results

The operating results of the Company for the quarter are summarized as follows:

	30 September	30 September
	2010	2009
	(Rupees)	
Revenue	119,814,426	123,558,732
Gross profit	37,179,301	39,025,821
Operating cost	58,575,623	46,182,988
Operating (loss)	(21,396,322)	(7,157,167)
(Loss) after taxation	(27,061,579)	(14,297,447)
Earnings / loss per share - Basic & diluted	(0.20)	(0.11)

During the quarter under review, the Company's revenues and profits have been squeezed as compared to the corresponding period last year. The revenue for the quarter was Rs. 120 million as compared to Rs. 124 million in the corresponding period, while loss after tax for the current period was Rs. 27 million. The EPS of the Company was Rs. (0.20) as compared to Rs. (0.11) in the corresponding period last year.

The advertising industry was adversely affected by heavy floods in all major provinces which affected the economic growth of industry very badly. At a time when the advertising industry was stabilizing from the impacts of terrorism and global economic recession, the impact of floods further slowed down the growth prospects. This flood has put many major advertisers on back foot especially FMCGs since their major distribution areas were heavily affected. However, continuous cost management and tight operational controls is a top priority for the Company to overcome adverse economic times.

The Company is in process of obtaining the necessary corporate and regulatory approvals for conversion of long term loan of First Capital Securities Corporation Limited into equity. Consequent upon Shareholders approval, in upcoming Annual General Meeting, for issue of shares otherwise than rights the Company shall approach Securities and Exchange Commission of Pakistan for the approval of the same.

Future Outlook

MTL has launched a new cooking based satellite channel, which proved to be a very good decision looking at the viewership and advertising impact it captured. With continuous improvement in programming and distribution, Zaiqa will be a very positive addition in the MTL bouquet. As overall company strategy of rightsizing / cost management as well as improving its product's quality and revenue, MTL is bound to improve its financial position in near future.

Pakistan's advertising industry has survived so many major issues like terrorism, recession and floods, so now it is bound to recover in even slightly better and stable economic situation. Pakistan is a consumer economy of 180 million people and demand of goods is a never-ending phenomenon for such a large economy which provides a large growth potential for advertising in the country.

General

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

For and on behalf of the Board of Directors

Lahore

27 October 2010

Salmaan Taseer

Chairman & Chief Executive Officer

MEDIA TIMES LIMITED

**CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2010**

	Note	(Un-audited) 30 September 2010 (Rupees)	(Audited) 30 June 2010
ASSETS			
NON CURRENT ASSETS			
Tangible fixed assets			
Property, plant and equipment	5	1,293,615,721	1,324,349,538
Intangible assets			
Long term deposits	6	153,107,270	153,173,970
Television program costs		9,914,526	9,984,926
Deferred taxation		46,012,317	52,634,756
		116,622,948	102,981,740
		<u>1,619,272,782</u>	<u>1,643,124,930</u>
CURRENT ASSETS			
Inventories		28,076,396	24,156,017
Current portion of television program costs		75,385,130	73,016,734
Trade debts		213,571,979	196,072,374
Loans and advances		24,757,512	21,106,509
Deposit and prepayments		21,528,458	20,474,481
Other receivables		35,081,494	25,839,092
Cash and bank balances		11,521,288	18,461,424
		409,922,257	379,126,631
		<u>2,029,195,039</u>	<u>2,022,251,561</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital		1,400,000,000	1,400,000,000
140,000,000 ordinary shares of Rs. 10 each.			
Issued, subscribed and paid up capital		1,341,382,580	1,341,382,580
Share premium		76,223,440	76,223,440
Unappropriated (loss)		(79,605,076)	(52,543,497)
Total Equity		<u>1,338,000,944</u>	<u>1,365,062,523</u>
NON CURRENT LIABILITIES			
Long term finances	7	389,929,002	391,629,002
Retirement benefits		48,776,021	45,229,862
Liabilities against assets subject to finance lease		106,657	125,834
		438,811,680	436,984,698
CURRENT LIABILITIES			
Trade and other payables		150,890,011	128,843,485
Interest and mark-up accrued		17,729,647	984,777
Short term borrowings	8	50,000,000	51,262,745
Current maturities of long term liabilities		33,762,757	39,113,333
		252,382,415	220,204,340
Contingencies and commitments	9	-	-
TOTAL EQUITY AND LIABILITIES		<u>2,029,195,039</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 QUARTER ENDED 30 SEPTEMBER 2010**

	Note	30 September 2010 (Rupees)	30 September 2009
Revenue -Net		119,814,426	123,558,732
Direct cost		(82,635,125)	(84,532,911)
Gross profit		<u>37,179,301</u>	<u>39,025,821</u>
Operating cost		(58,575,623)	(46,182,988)
Operating (loss)		<u>(21,396,322)</u>	<u>(7,157,167)</u>
Finance cost		(18,135,144)	(15,360,849)
		(39,531,466)	(22,518,016)
Other operating income		26,824	2,870,720
Loss before taxation		<u>(39,504,642)</u>	<u>(19,647,296)</u>
Taxation		12,443,063	5,349,849
Total comprehensive loss		<u>(27,061,579)</u>	<u>(14,297,447)</u>
Earnings per share - basic and diluted	14	(0.20)	(0.11)

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 STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	<u>30 September 2010</u>	<u>30 September 2009</u>
	(Rupees)	
Loss after taxation	(27,061,579)	(14,297,447)
Other comprehensive income/ (loss) for the year	-	-
Total comprehensive loss for the year	<u>(27,061,579)</u>	<u>(14,297,447)</u>

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

LAHORE:

CHIEF EXECUTIVE

DIRECTOR

11**MEDIA TIMES LIMITED****CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Note	<u>30 September 2010</u>	<u>30 September 2009</u>
		(Rupees)	
Cash flow from operating activities			
Cash generated from operations	10	15,865,087	68,279,351
Decrease in long term deposits		70,400	1,745,950
Television programs costs		(2,368,396)	2,121,860
Retirement benefits paid		(35,000)	(324,600)
Finance cost paid		(1,390,274)	(15,889,486)
Taxes paid		(1,350,524)	(773,058)
Net cash generated from operating activities		<u>10,791,293</u>	<u>55,160,017</u>
Cash flow from investing activities			
Fixed capital expenditure		(9,398,931)	(22,820,751)
Sale proceeds of operating fixed assets		-	318,052
Net cash (used in) investing activities		(9,398,931)	(22,502,699)
Cash flow from financing activities			
Repayment of long term finances-Net		(1,700,000)	2,537,500
Repayment of short term borrowings		(1,262,745)	(19,981,697)
Repayment of finance lease liabilities-Net		(5,369,753)	(12,114,056)
Net cash (used in) financing activities		(8,332,498)	(29,558,253)
Net (decrease) / increase in cash and cash equivalents		(6,940,136)	3,099,065
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		<u>11,521,288</u>	<u>12,277,064</u>

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 QUARTER ENDED 30 SEPTEMBER 2010

	Share Capital	Capital reserves		Revenue reserve		Total
		Share Premium	Share	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	-	-		(14,287,447)		(14,287,447)
Balance as at 30 September 2009	1,341,382,580	76,223,440		6,786,423		1,424,392,443
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	-	-		(27,061,579)		(27,061,579)
Balance as at 30 September 2010	1,341,382,580	76,223,440		(79,605,076)		1,338,000,944

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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 QUARTER ENDED 30 SEPTEMBER 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 "AajKa" 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 Suite No. 302-304, The Plaza, G-7, Block-9, 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 as at and for the year ended 30 June 2009.

4 Significant Accounting policies

The accounting policies adopted for the preparation of these condensed interim 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. Revised International Accounting Standard (IAS) 1 "Presentation of Financial Statements" which is applicable for accounting years beginning on or after 01 January 2009, requires 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

	Note	01 July 10 to 30 September 2010	01 July 09 to 30 June 2010
(Rupees)			
5 Property, Plant and Equipment			
Operating assets	5.1	1,193,872,165	1,234,004,913
Capital work-in-progress-at cost		99,743,556	90,344,625
		1,293,615,721	1,324,349,538

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MEDIA TIMES LIMITED

	01 July 10 to 30 September 2010	01 July 09 to 30 June 2010
	(Rupees)	
5.1 Operating assets		
Owened and leased assets:		
Opening net book value	1,234,004,913	1,133,914,650
Additions / transfers during the period / year	5.1.1 -	235,946,530
	1,234,004,913	1,369,861,180
Disposal during the period / year -NBV	5.1.2 -	(6,459,208)
Depreciation for the period / year	(40,132,748)	(129,397,059)
Closing net book value	1,193,872,165	1,234,004,913
5.1.1 Break-up of additions/transfers		
Leasehold improvements	-	4,296,991
Plant and equipment	-	228,363,749
Office equipment	-	2,376,301
Computers	-	750,967
Furniture and fixtures	-	120,022
Vehicles	-	38,500
	-	235,946,530
5.1.2 Break-up of Disposals		
Plant and equipment	-	2,949,639
Office equipment	-	7,677
Computers	-	436,759
Vehicles	-	3,065,133
	-	6,459,208

6 Intangible Assets

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

	01 July 10 to 30 September 2010	01 July 09 to 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	394,929,002	391,629,002
	399,929,002	401,629,002
Less: current portion shown under current liabilities	(10,000,000)	(10,000,000)
	389,929,002	391,629,002
8 Short term borrowing-secured		

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% per annum, payable on quarterly basis. It is secured by way of first hypothecation charge on certain current and fixed assets of the Company.

9 Contingencies and commitments

There is no contingencies and commitments except for the following:

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	30 September 2010	30 June 2010
	(Rupees)	
9.1 Commitments in respect of capital expenditure	599,524	814,524
9.2 Commitments in respect of content/programs	6,554,919	6,434,709
	30 September 2010	30 September 2009
	(Rupees)	
10 Cash generated from operating activities		
Loss before taxation	(39,504,642)	(19,647,296)
Adjustment for non-cash charges and other items:		
Depreciation	40,132,748	27,071,025
Amortization of intangible assets	66,700	235,501
Provision for doubtful receivables	-	2,600,000
Gain on disposal of operating fixed assets	-	323,574
Retirement benefits	3,581,159	3,843,071
Finance cost	18,135,144	15,360,849
Profit before working capital changes	22,411,109	29,786,724
Effect on cash flow due to working capital changes:		
Inventories	(3,920,379)	33,503,857
Television programs costs	6,622,439	5,000,000
Trade debts	(17,499,605)	4,445,696
Loans and advances	(3,651,003)	5,655,077
Deposit & prepayments	(1,053,977)	1,384,431
Other receivables	(9,090,023)	(1,265,439)
Trade and other payables	22,046,526	(10,230,995)
	(6,546,022)	38,492,627
	15,865,087	68,279,351
11 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:

	30 September 2010	30 September 2009
	(Rupees)	
Associated Companies		
Purchase of goods and services	2,252,685	1,721,037
Sale of goods and services	4,842,832	3,862,910
Interest on loan	15,793,915	19,491,941

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

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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.

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 30 September 2010

	Print Media	Electronic Media	Total
	(Rupees)		
Total revenue - net	100,523,822	19,290,604	119,814,426
Loss before tax and unallocated expenses	(15,673,119)	(23,831,523)	(39,504,642)
Unallocated corporate expenses			
Taxation			12,443,063
Loss after taxation			(27,061,579)
Segment assets and liabilities			
Segment assets	1,436,083,568	476,488,522	1,912,572,090
Unallocated segment assets	-	-	116,622,948
Consolidated total assets			2,029,195,038
Segment liabilities	554,721,232	136,472,863	691,194,095
Segment capital expenditure	-	-	-
Depreciation and amortization	25,687,383	14,512,065	40,199,448

Segment analysis for the period ended 30 September 2009

	Print Media	Electronic Media	Total
	(Rupees)		
Total revenue - net	93,629,147	29,929,585	123,558,732
Loss before tax and unallocated expenses	(3,478,801)	(16,168,495)	(19,647,296)

MEDIA TIMES LIMITED

	Print Media	Electronic Media	Total
	(Rupees)		
Unallocated corporate expenses			
Taxation			5,349,849
Loss after taxation			(14,297,447)
Segment assets and liabilities			
Segment assets	1,491,598,678	589,511,138	2,081,109,816
Unallocated segment assets	-	-	71,161,887
Consolidated total assets			2,152,271,703
Segment liabilities	602,825,982	125,053,278	727,879,260
Segment capital expenditure	8,900,093	13,920,658	22,820,751
Depreciation and amortization	13,312,669	13,993,857	27,306,526

13 Taxation

Provision for taxation for the quarter ended 30 September 2010 has been made on an estimated basis.

	30 September 2010	30 September 2009
	(Rupees)	

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;

Loss after taxation attributable to ordinary share holders -Rupees	(27,061,579)	(14,297,447)
Weighted average number of ordinary shares - Numbers	134,138,258	134,138,258
Earnings per share - Basic Rupees	(0.20)	(0.11)

15 Date of authorization for issue

This un-audited condensed interim financial information for the quarter ended 30 September 2010 was authorized for issue on 27 October 2010 by the Board of Directors of the Company.

16 General

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR