



Rating Action

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PACRA MAINTAINS ENTITY RATINGS OF EYE TELEVISION NETWORK LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and the short-term entity ratings of Eye Television Network Limited (ETNL) at “A” (Single A) and “A1” (A One), respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect the company’s strong financial profile emanating from a low-leveraged capital structure and sound coverages. The ratings also incorporate ETNL’s strengthening position amongst General Entertainment Channels (GECs) supported by an experienced management team and quality technological infrastructure, translating into healthy advertisement revenue generation. However, the inherent cyclical nature of the electronic media industry, its relatively nascent phase, and intense competition in the sector engender high business risk.

About the Company: ETNL, the first listed media company of Pakistan on the KSE, was incorporated on February 25, 2004. Majority shareholding in the company is held by sponsor directors (40%), while JS & Co. Ltd. has 14% stake. Financial institutions, mutual funds, and general public hold the remaining (46%) shareholding. The eight-member BoD includes three executive directors.

The company has launched four channels to date, namely 1) HUM TV, 2) Masala TV, 3) Style 360, and 4) OYE. HUM TV, ETNL’s first, full-fledged entertainment channel, telecasts various entertainment programs, including talk shows, dramas and reality shows, etc., while Masala TV is a leading food channel. Style 360 is a fashion and life style channel and OYE is a music channel for youth. The company also publishes two magazines, namely HUMSAY and MASALA MAG. During 2009, it also launched HUMARA FM 94.6, a radio channel, in the major cities of Pakistan. Meanwhile, the senior management team at ETNL is well-qualified and experienced in the media industry. The CEO and Chairperson, both belonging to the sponsoring family, have extensive experience in television production and media marketing.

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