



CET 21 spol. s r.o.

€170,000,000 9.0% Senior Secured Notes due 2017

Guaranteed on a senior basis by Central European Media Enterprises Ltd. and certain subsidiaries of Central European Media Enterprises Ltd. and CET 21 spol. s r.o.

Issue price: 100%

CET 21 spol. s r.o., a limited liability company incorporated under the laws of the Czech Republic ("CET 21"), is offering €170,000,000 aggregate principal amount of its 9.0% senior secured notes due 2017 (the "notes"). The notes will mature on November 1, 2017. CET 21 is an indirect, wholly owned subsidiary of Central European Media Enterprises Ltd., a company limited by shares under the laws of Bermuda ("CME").

The notes will bear interest at a rate of 9.0% per annum from October 21, 2010. Interest on the notes will be payable semi-annually on May 1 and November 1 of each year, beginning May 1, 2011. CET 21 may redeem all or a portion of the notes at any time on or after November 1, 2014 at the redemption prices set forth in this offering memorandum. On or before November 1, 2013, CET 21 may also redeem up to 35% of the notes using the proceeds of certain equity offerings. CET 21 may also redeem all or a portion of the notes prior to November 1, 2014 by paying a "make-whole" premium. CET 21 may also redeem all of the notes at a price equal to their principal amount plus accrued and unpaid interest, if any, upon the occurrence of certain changes in applicable tax law. If specific kinds of changes of control occur, CET 21 must offer to repurchase the notes.

The notes will be senior secured obligations of CET 21 and will rank equally in right of payment with its obligations under the Secured Revolving Credit Facility (as defined below) to be entered into in connection with this offering, senior in right of payment to all existing and future subordinated obligations of CET 21 and effectively senior to all existing and future unsecured indebtedness of CET 21 to the extent of the assets securing the notes. The notes will be guaranteed on a senior basis by CME and certain of CME's and CET 21's subsidiaries. The Guarantees (as defined below) will be senior obligations of the Guarantors (as defined below) and will rank equally in right of payment with the Guarantors' obligations under the Secured Revolving Credit Facility and senior in right of payment to all existing and future subordinated obligations of the Guarantors. The notes will be secured by a first-priority security interest in (i) the ownership interests in CET 21, (ii) substantially all of the assets of CET 21, including the shares of CME Slovak Holdings B.V., a holding company for CET 21's Slovak Republic businesses, and the 100% ownership interest in Media Pro Pictures s.r.o., and (iii) shareholder loans to the CET Group (as defined below). The notes will share in these first-priority security interests on a *pari passu* basis with the Secured Revolving Credit Facility. The notes will also be secured by a security interest over shares of Central European Media Enterprises N.V. and substantially all of the shares of CME Media Enterprises B.V. This security is shared *pari passu* with certain other senior obligations of CME, as well as with the Secured Revolving Credit Facility, and in the future may be shared with additional obligations. To the extent additional notes are issued under the indenture for the notes (the "Indenture"), the security for the notes will be shared with such additional notes.

See "Risk factors" beginning on page 21 for a discussion of certain risks that you should consider in connection with an investment in the notes.

CET 21 has not registered and will not register the notes under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction. CET 21 is offering the notes only to qualified institutional buyers in accordance with Rule 144A under the U.S. Securities Act and to persons outside the United States in accordance with Regulation S under the U.S. Securities Act. Within the United States, only qualified institutional buyers may hold the notes. See "Transfer restrictions" for additional information about eligible offerees and transfer restrictions.

There is currently no public market for the notes. Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

CET 21 expects that delivery of the notes will be made to investors in book-entry form through Euroclear and Clearstream on or about October 21, 2010.

Sole global coordinator and joint book-running manager

J.P. Morgan

Joint book-running managers

BNP PARIBAS

Citi

ING

Erste Group

Co-managers

Nomura

October 14, 2010

In making your investment decision, you should rely only on the information contained in this offering memorandum. None of CET 21, CME or any of the initial purchasers has authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it.

CET 21 and the initial purchasers are offering to sell the notes only in jurisdictions where offers and sales are permitted.

You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front cover of this offering memorandum.

Table of contents

Notice pursuant to Treasury Circular 230	v
Industry and market data	vii
Presentation of financial information	viii
Currency presentation and exchange rate information	ix
Where you can find more information	xi
Forward-looking statements	xiii
Explanatory note regarding CME's financial statements	xiv
Summary	1
Risk factors	21
Use of proceeds	47
Capitalization of CET 21 and CME	48
CET 21 selected historical financial information	51
CET 21 management's discussion and analysis of results of operations and financial condition	53
CET 21 business	67
Description of other indebtedness	78
Description of the notes	90
Material Czech tax and United States federal income tax considerations	154
Book-entry, settlement and clearance	159
Transfer restrictions	163
Plan of distribution	166
Legal matters	169
Independent auditors	170
Enforcement of judgments	171
Listing and general information	174
Index to financial statements	F-1

Unless the context otherwise indicates, the term “CET 21” refers to CET 21 spol. s r.o. on a stand-alone basis. The term “CET Group” refers to CET 21 and its direct and indirect subsidiaries. Unless the context otherwise requires, the term “CME” refers to Central European Media Enterprises Ltd. and its direct and indirect subsidiaries. The term “notes” refers to the €170 million 9.0% Senior Secured Notes due 2017 offered hereunder. The term “initial purchasers” refers to J.P. Morgan Securities Ltd., BNP Paribas, London Branch, Citigroup Global Markets Limited, ING Bank N.V., London Branch, Erste Group Bank AG and Nomura International plc. The term “Erste Facility” refers to the up to CZK 3.0 billion facility agreement dated December 21, 2009, among CET 21 and Erste Group Bank AG as arranger, Česká Spořitelna, a.s. (“CSAS”) as facility agent and security agent, and each of CSAS, UniCredit Bank Czech Republic, a.s. and BNP Paribas as original lenders. The term “CS Facility” refers to the up to CZK 1.2 billion credit facility with CSAS (the “CS Facility”), which was terminated on January 22, 2010 following repayment with the proceeds from the Erste Facility.

This offering memorandum is being provided only to prospective purchasers of the notes and it may only be used for the purposes for which it has been published. You should read this offering memorandum before making a decision whether to purchase any notes. Prospective purchasers of the notes must not:

- use this offering memorandum for any other purpose; or
- disclose any information in this offering memorandum to any other person.

CET 21 and CME have prepared this offering memorandum and are solely responsible for its content. You are responsible for making your own examination of CET 21 and CME, and your own assessment of the merits and risks of investing in the notes. You may contact CME if you need any additional information. By purchasing any notes, you will be deemed to have acknowledged that:

- you have reviewed this offering memorandum;
- you have had an opportunity to request any additional information that you need from CME; and
- the initial purchasers are not responsible for, and are not making any representations to you concerning the future performance of CET 21 or CME or the accuracy or completeness of this offering memorandum.

Neither CET 21 nor CME is providing you with any legal, business, tax or other advice in this offering memorandum. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase any of the notes.

This offering memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws that apply to you in any place in which you buy, offer or sell any notes or possess this offering memorandum. You must also obtain any consents or approvals that you need in order to purchase any of the notes. CET 21, CME and the initial purchasers are not responsible for your compliance with these legal requirements.

CET 21 is offering the notes in the United States in reliance on exemptions from the registration requirements of the U.S. Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering.

The notes have not been recommended by any federal, state or foreign securities authorities and they have not determined that this offering memorandum is accurate or complete. Any representation to the contrary is a criminal offense in the United States.

This offering memorandum constitutes a prospectus for the purposes of the Luxembourg Law dated July 10, 2005 on Prospectuses for Securities.

The notes have not been and will not be registered under the U.S. Securities Act. The notes are subject to restrictions on resale and transfer as described under "Transfer restrictions" and "Plan of distribution." By purchasing any notes, you will be deemed to have made certain acknowledgements, representations and agreements. You may be required to bear the financial risks of investing in the notes for an indefinite period of time.

IN CONNECTION WITH THIS OFFERING, J.P. MORGAN SECURITIES LTD. (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF A STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

It is expected that delivery of the notes will be made against payment therefor on or about October 21, 2010, which is the fifth business day following the date hereof (such settlement cycle being referred to as "T+5"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, initial purchasers who wish to trade the notes on the date of pricing or the next five succeeding business days will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Initial purchasers of the notes who wish to trade the notes on the date of pricing should consult their own advisors.

Notice pursuant to Treasury Circular 230

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, YOU ARE ADVISED THAT THE SUMMARY HEREIN OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. IT WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Notice to New Hampshire residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A

TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to EEA investors

This offering memorandum has been prepared on the basis that this offering of notes will be made pursuant to an exemption under Directive 2003/71/EC (the "Prospectus Directive") as implemented in member states of the European Economic Area ("EEA"), from the requirement to produce and publish a prospectus which is compliant with the Prospectus Directive, as so implemented, for offers of the notes. Accordingly, any person making or intending to make any offer within the EEA or any of its member states (each a "Relevant Member State") of the notes which are the subject of the placement referred to in this offering memorandum must only do so in circumstances in which no obligation arises for CET 21 to produce and publish a prospectus which is compliant with the Prospectus Directive, including Article 3 thereof, as so implemented for such offer. For EEA jurisdictions that have not implemented the Prospectus Directive, all offers of notes must be in compliance with the laws of such jurisdiction.

Notes may not be offered and will not be offered to the public in any Relevant Member State except that notes may be offered to:

- (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (ii) any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (iii) fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any Relevant Member State subject to obtaining the prior consent of CET 21; or
- (iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall result in a requirement for the publication by CET 21 of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision the expression an "offer of notes to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Notice to U.K. investors

This offering memorandum is directed only at persons ("relevant persons") who (i) fall within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (ii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act

2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated.

This offering memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Recipients of this offering memorandum are not permitted to transmit it to any other person. The notes are not being offered to the public in the United Kingdom.

Notice to Czech investors

The notes and the Indenture are each governed by the laws of the State of New York, and CET 21 is issuing the notes only outside the Czech Republic. The issuance of the notes is not an “issue of bonds in the Czech Republic” as defined in section 2(4) of the Czech Act No. 190/2004 Coll., on bonds, as amended (“Czech Bonds Act”), and the notes will only be notified to the Czech National Bank as a foreign issue under section 3(3) of the Czech Bonds Act and Section 5(1) of the Czech Act No. 219/1995 Coll., the foreign exchange act, as amended (the “Foreign Exchange Act”). The notes may not be offered, transferred or sold in the Czech Republic as part of their initial distribution. Following the initial distribution, the notes may not be offered to the public in the Czech Republic except in reliance on one or more exemptions from the obligation to publish a prospectus under the Czech Act No. 256/2004 Coll., on doing business in capital markets, as amended.

Notice to Slovak investors

This offering does not qualify as a public offer of securities within the meaning of section 120 of the Slovak Securities Act (No. 566/2001 Coll., as amended); nor does it qualify as a public offer within the meaning of section 5(a) of the Slovak Collective Investment Act (No. 594/2003 Coll., as amended). This offer does not constitute a public offer of economic values within the meaning of section 126(1) of the Slovak Securities Act. Accordingly, this offering memorandum has not been nor will be approved by the National Bank of Slovakia nor will any notice, advertisement, poster or other materials relating to the offer of Notes be filed with the National Bank of Slovakia.

This offering memorandum is addressed to the named institutional recipient only and the named recipient or any other person must not pass it on or make it available, directly or indirectly, to any third party other than: (i) qualified investors as defined in section 120(6) of the Slovak Securities Act; or (ii) other investors in circumstances which do not require the publication of a prospectus as set forth in section 120(3) of the Slovak Securities Act. Consequently, this offering memorandum or any notice, advertisement, poster or other materials relating to the offer of notes must not be disseminated in the Slovak Republic in any way, including (without limitation) by any of the following means of communication: addressed or unaddressed printed matter, electronic message or advertisement received via a mobile telephone or pager, standard letter, press advertising with or without order form, catalogue, telephone with or without human intervention, seminars and presentations, radio, videophone, videotext, electronic mail, fax, television, notice, bill, poster, brochure or web posting including internet banners.

Industry and market data

This offering memorandum and the documents incorporated by reference herein rely on and refer to information regarding the CET Group’s and CME’s businesses and the markets in which they operate and compete. This information was obtained from various third-party sources,

discussions with customers and internal estimates. Market and industry data relating to the CET Group's and CME's business was obtained from providers of industry data, including Peoplemeters Taylor Nelson Sofres, Peoplemeters AGB Media Services, Peoplemeters GfK USM, ATO-Mediaresearch/GfK, Global Insight, Zenith, PMT/TNS SK and Informa Telecoms & Media.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. CET 21 and CME believe that these industry publications, surveys and forecasts are reliable, but none of CET 21, CME or the initial purchasers has independently verified them or can guarantee their accuracy or completeness. To the extent these industry publications, surveys and forecasts are accurate and complete, CET 21 and CME accept responsibility only for the correct extraction and reproduction of information from such sources.

In addition, in many cases, statements in this offering memorandum regarding the CET Group's and CME's industry and position in the industry, including television advertising market share data, are based on CME's experience and investigation of market conditions. Moreover, there is no independent source for reliable information on the size of the total television advertising spending per country in the markets in which the CET Group or the other CME businesses operate. None of CET 21, CME or the initial purchasers can assure you that any of these statements are accurate or correctly reflect the CET Group's or CME's position in the industry, and none of the CET Group's or CME's internal surveys or information has been verified by any independent sources.

The industry and market data included and incorporated by reference herein are produced only as of their respective dates, and may be, or have been, superseded with the passage of time.

Presentation of financial information

Unless otherwise indicated, financial information in this offering memorandum has been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The pro forma financial data and adjusted financial information contained herein are unaudited and are based on the historical financial statements of the CET Group and CME which are included or incorporated by reference in this offering memorandum.

The financial information presented herein includes measures which are not accounting measures within the scope of U.S. GAAP, including operating income/(loss) before depreciation and amortization of intangible assets ("OIBDA"). CET 21 and CME believe OIBDA is useful to investors because it provides a more meaningful representation of performance than income alone, as it excludes certain items that either do not impact cash flows or the operating results of operations. OIBDA may not be comparable to similar measures reported by other companies. Non-GAAP financial measures, such as OIBDA, should be evaluated in conjunction with, and are not a substitute for, U.S. GAAP financial measures. OIBDA should not be viewed as an alternative to cash flow from operating activities as a measure of liquidity.

Central European Media Enterprises Ltd. is a holding company whose assets are held through a series of Dutch and Curaçao holding companies. CET 21 is an indirect, wholly owned subsidiary of Central European Media Enterprises Ltd. CET 21 operates CME's Czech Republic businesses. CET 21's indirect, wholly owned subsidiary MARKÍZA-SLOVAKIA, spol. s r.o. operates CME's Slovak Republic businesses. CME's Czech Republic and Slovak Republic operations contribute a majority of CME's net revenues and OIBDA.

Currency presentation and exchange rate information

In this offering memorandum: (i) “€”, “EUR”, or “euro” refer to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; (ii) “US\$”, “\$”, “dollars” or “US dollars” refer to the lawful currency of the United States; and (iii) “CZK” or “Czech koruna” refer to the lawful currency of the Czech Republic.

The following table sets forth, for the periods indicated, certain information regarding the noon buying rate for the euro, expressed in dollars per euro. The rates below may differ from the actual rates used in the preparation of CME’s and CET 21’s consolidated financial statements and other financial information appearing in this offering memorandum. The inclusion of the exchange rates is not meant to suggest that the euro amounts actually represent such dollar amounts or that such amounts could have been converted into dollars or any particular rate, if at all.

Year	Exchange rate at end of period	Average exchange rate during period(1)	Highest exchange rate during the period	Lowest exchange rate during the period
2007	1.46	1.38	1.49	1.29
2008	1.39	1.47	1.60	1.24
2009	1.43	1.39	1.51	1.25
Monthly				
January 2010	1.39	1.43	1.45	1.39
February 2010	1.37	1.37	1.40	1.35
March 2010	1.35	1.36	1.38	1.33
April 2010	1.33	1.34	1.37	1.31
May 2010	1.24	1.26	1.32	1.22
June 2010	1.23	1.22	1.24	1.20
July 2010	1.31	1.28	1.31	1.25
August 2010	1.27	1.29	1.33	1.27
September 2010	1.36	1.31	1.36	1.27
October 2010 (through October 12, 2010)	1.38	1.38	1.39	1.37

(1) The average of the noon buying rates for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the last business day of each month during the applicable period, in respect of monthly information. The average of the noon buying rates on each business day for the relevant one-month period.

The noon buying rate for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York was US\$ 1.38 per euro as of October 12, 2010.

The following table sets forth, for the periods indicated, certain information regarding the exchange rate for the Czech koruna, expressed in dollars per Czech koruna. The Federal Reserve Bank of New York does not report a noon buying rate for Czech korunas. The rates below may differ from the actual rates used in the preparation of CME's and CET 21's consolidated financial statements and other financial information appearing in this offering memorandum. The inclusion of the exchange rates is not meant to suggest that the Czech koruna amounts actually represent such dollar amounts or that such amounts could have been converted into dollars or any particular rate, if at all.

Year	Exchange rate at end of period	Average exchange rate during period(1)	Highest exchange rate during the period	Lowest exchange rate during the period
2007	0.0553	0.0492	0.0566	0.0458
2008	0.0517	0.0587	0.0692	0.0489
2009	0.0544	0.0525	0.0592	0.0423
Monthly				
January 2010	0.0532	0.0546	0.0557	0.0532
February 2010	0.0523	0.0527	0.0537	0.0520
March 2010	0.0530	0.0531	0.0542	0.0522
April 2010	0.0521	0.0530	0.0544	0.0518
May 2010	0.0482	0.0489	0.0518	0.0476
June 2010	0.0477	0.0474	0.0481	0.0461
July 2010	0.0526	0.0505	0.0528	0.0479
August 2010	0.0510	0.0520	0.0535	0.0506
September 2010	0.0555	0.0529	0.0555	0.0514
October 2010 (through October 14, 2010) .	0.0577	0.0567	0.0577	0.0560

(1) The average exchange rate as reported by the Czech National Bank on the last business day of each month during the applicable period, in respect of monthly information. The average of the exchange rates on each business day for the relevant one-month period.

According to the Czech National Bank, the exchange rate for Czech korunas was US\$ 0.0577 per CZK as of October 14, 2010.

Where you can find more information

During any period in which CET 21 is neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from the reporting requirements of the U.S. Exchange Act under Rule 12g3-2(b) thereunder, CET 21 will provide to the holder or beneficial owner of the notes or to any prospective purchaser of the notes designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) of the U.S. Securities Act.

CET 21 is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture and so long as the notes are outstanding, CET 21 and CME will furnish periodic information to holders of the notes. See "Description of the notes—Certain covenants—Reports."

CME files annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the "SEC"), and posts copies of such filings on its website at <http://www.cetv-net.com>. You may read and copy any document CME files at the SEC's public reference room located at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at +1-800-732-0330 for further information on the operation of such public reference room. You also can request copies of such documents, upon payment of a duplicating fee, by writing to the SEC at 100 F Street, NE, Washington, D.C. 20549 or obtain copies of such documents from the SEC's web site at <http://www.sec.gov>.

CME has filed the following documents with the SEC, which are incorporated in this offering memorandum by reference:

- CME's Annual Report on Form 10-K for the year ended December 31, 2009, with the exception of Item 6 Selected Financial Data, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 8 Financial Statements and Supplementary Data and Item 15 Financial Statement Schedule, which are superseded by CME's Current Report on Form 8-K filed on October 8, 2010, and includes CME's updated Item 6 Selected Financial Data, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations, Item 8 Financial Statements and Supplementary Data and Item 15 Financial Statement Schedule, for the year ended December 31, 2009 (as so superseded, the "2009 Annual Report");
- CME's Definitive Proxy Statement on Schedule 14A filed on April 15, 2010;
- CME's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010;
- CME's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010;
- CME's Amendment No.1 on Form 10-Q/A to its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010; and
- CME's Current Reports on Form 8-K filed on January 20, 2010, February 18, 2010, February 26, 2010, March 22, 2010, April 13, 2010, April 23, 2010, May 26, 2010, June 18, 2010, July 28, 2010 and October 8, 2010 (see "Explanatory note regarding CME's financial statements").

All documents that CME files with the SEC under Section 13(a), 13(c), 14 or 15(d) of the U.S. Exchange Act, after the date of this offering memorandum and prior to the termination of the offering of the notes will be incorporated by reference and be a part of this offering memorandum from their respective filing dates. Any statement contained in a document incorporated by reference in this offering memorandum shall be deemed to be modified or superseded for the purposes of this offering memorandum, to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated by reference in this offering memorandum, modifies or supersedes such statement. Any statement

so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. None of CET 21, CME or the initial purchasers will update this offering memorandum for events occurring subsequent to the termination of the offering of the notes.

All documents incorporated by reference herein will be obtainable, free of charge, at the specified office of the listing agent in Luxembourg, The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453, Luxembourg, and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

You may request a copy of these filings (excluding exhibits to those documents unless they are specifically incorporated by reference into those documents) at no cost, by writing or telephoning CME at the following address and phone number:

Central European Media Enterprises Ltd.
Attn : Corporate Secretary
c/o CME Development Corporation
52 Charles Street
London W1J 5EU
United Kingdom
+ 44-20-7127-5800

The information on CME's website is not part of this offering memorandum.

Forward-looking statements

This offering memorandum and the documents incorporated by reference in this offering memorandum contain forward-looking statements with respect to the CET Group's and CME's financial condition, results of operations, plans, objectives, future performance and business. Statements preceded by, followed by or that include words such as "may," "will," "expect," "anticipate," "continue," "estimate," "project," "believe" or similar expressions are intended to identify some of the forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of complying with the safe harbor provisions of that Act. Forward-looking statements include, among others, statements about the CET Group's and CME's future performance, the continuation of historical trends, the sufficiency of the CET Group's and CME's sources of capital for future needs, the effects of acquisitions and the expected impact of recently issued accounting pronouncements. These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the risks and uncertainties described under the heading "Risk factors" in this offering memorandum, as well as under the heading "Risk factors," contained in Part II, Item 1A of CME's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, as amended, which is incorporated by reference in this offering memorandum, and the various factors described below. Since it is not possible to foresee all such factors, you should not consider these factors to be a complete list of all risks or uncertainties. Such risks and uncertainties include:

- the effect of the economic downturn in the CET Group's and CME's markets and the extent and timing of any recovery;
- the extent to which debt service obligations restrict the CET Group's and CME's business;
- the availability of additional financing and the CET Group's and CME's ability to service its debt;
- decreases in television advertising spending and the rate of development of the advertising markets and the pace of any related recovery in the countries in which the CET Group and CME operate;
- the CET Group's and CME's ability to make future investments in television broadcast operations;
- the successful integration of the bTV group (CME's recently acquired Bulgarian operations) and Media Pro Entertainment (CME's content business) into CME;
- changes in the political and regulatory environments where the CET Group and CME operate and application of relevant laws and regulations;
- the timely renewal of broadcasting licenses and the CET Group's and CME's ability to obtain additional frequencies and licenses; and
- the CET Group's and CME's ability to develop or acquire necessary programming and attract audiences.

CET 21 and CME undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

Explanatory note regarding CME's financial statements

Since January 1, 2010, CME has managed its business on a divisional basis, with three operating segments—Broadcast, New Media and Media Pro Entertainment (the CET Group's and CME's content business)—and all historical financial information has been presented on this basis. The new business segments reflect how its operations are managed, how operating performance within its subsidiaries is evaluated by senior management and the structure of its subsidiaries' internal financial reporting.

In connection with preparation of this offering memorandum, CME has recast its prior financial statements to retrospectively reflect the adoption of its current operating segments and to reflect the treatment of CME's former Ukraine business, which was disposed of on April 7, 2010, as a discontinued operation. These recast financial statements and financial statement schedule, together with the related recast selected consolidated financial data, management's discussion and analysis of financial condition and results of operations and financial statement schedule, have been filed with the SEC on a Current Report on Form 8-K, filed on October 8, 2010, and incorporated herein by reference. The financial statements and management's discussion and analysis of financial condition and results of operations included in the Current Report on Form 8-K supersede those included in CME's Annual Report on Form 10-K for 2009, which is incorporated herein by reference.

Summary

This summary highlights certain information about CET 21 and the CET Group, CME and the offering of the notes. It does not contain all information that may be relevant in making your investment decision. You should read the following summary in conjunction with the more detailed information contained or incorporated by reference elsewhere in this offering memorandum, including the "Risk factors" section, and the financial statements and the related notes that are included in the documents incorporated by reference into this offering memorandum.

The CET Group

The CET Group is an entertainment and media company that operates broadcasting, content and new media businesses in the Czech Republic and in the Slovak Republic. The CET Group's main television channels, TV NOVA and TV MARKIZA, have been the market leader in terms of all day and prime time audience share since 1994 in the Czech Republic and 1996 in the Slovak Republic. TV NOVA achieved a 46.8% prime time audience share during the year ended December 31, 2009, which was more than twice the audience share of its next closest competitor. TV MARKIZA achieved a 33.5% prime time audience share during the year ended December 31, 2009. The CET Group has delivered high margins and strong cash flows. In the year ended December 31, 2009, the CET Group generated net revenues of US\$ 377.8 million and OIBDA of US\$ 142.2 million; and in the six months ended June 30, 2010, the CET Group generated net revenues of US\$ 170.5 million and OIBDA of US\$ 52.1 million.

The CET Group is wholly owned by CME and represented 55% of CME's revenue and 123% of its OIBDA for the year ended December 31, 2009. CME is the largest vertically integrated media and entertainment company in Central and Eastern Europe, with 21 free-to-air, cable and satellite television channels located in six Central and Eastern European countries: the Czech Republic, the Slovak Republic, Slovenia, Romania, Bulgaria and Croatia (the first five of which are members of the EU). CME broadcasts to approximately 50 million people across its six markets with an estimated combined television advertising spend of approximately US\$ 1.2 billion in the year ended December 31, 2009. CME is a leading producer of fiction and non-fiction television content in the countries in which it operates.

The CET Group broadcasts to approximately 10.5 million people in the Czech Republic and 5.4 million people in the Slovak Republic, with an estimated combined television advertising spend of approximately US\$ 540 million in the year ended December 31, 2009. Its unique brand strengths, local knowledge and focused strategy are helping the CET Group come through the economic downturn with an OIBDA margin of over 31% during the six months ended June 30, 2010, continued audience share leadership and increased television advertising market share. The CET Group is well placed to take advantage of an expected recovery in gross domestic product ("GDP") in the Czech Republic and the Slovak Republic when it occurs and to benefit from the ongoing convergence of television advertising and consumer spending with Western Europe.

TV NOVA and TV MARKIZA have consistently delivered large prime time audiences in commercially attractive demographics. In the year ended December 31, 2009, TV NOVA had a prime time audience share of 46.8% in its target 15-54 audience group and an advertising market share of 71.2%; and TV MARKIZA had a prime time audience share of 33.5% in its target 12+ audience group and a television advertising market share of 65.1%. The CET Group has successfully translated this high audience share into an even higher share of television advertising spending using its in-house sales team and long-term client relationships. The CET Group's power ratio (which is the ratio of television advertising market share to audience share) reached 1.8x for its Czech Republic operations and 2.0x for its Slovak Republic operations for the year ended December 31, 2009 and they remain at similar levels in 2010.

TV NOVA has achieved a leading audience share in the Czech Republic by developing its own high quality local fiction and non-fiction content in-house to supplement acquired programming from leading Hollywood studios and independent production companies. In the year ended December 31, 2009, approximately 44% of the programming on TV NOVA was produced in-house, including "Televizni noviny" ("TV News"), "Ordinace v ruzove zahrade" ("Rose Garden Medical"), an original Czech series, and "Ulice" ("The Street"), an originally produced Czech soap opera. "TV News," the nightly news program of TV NOVA, achieves the highest ratings among all television shows in the Czech Republic on a regular basis with more than 20% of the adult population of the Czech Republic typically watching it. "Rose Garden Medical" and "The Street" are also among the top-rated shows in the Czech Republic. TV NOVA entertainment formats are popular as well. The local version of Pop Idol, which was produced and broadcast jointly with TV MARKIZA, was one of the highest-rated shows of 2009 in the Czech Republic. In the year ended December 31, 2009, approximately 27% of TV MARKIZA's programming was produced in-house, including "Televizne noviny" ("TV News"), "Sportove noviny" ("Sports News"), "Cesko Slovenska Superstar" ("Pop Idol"), "Ordinacia v Ruzovej zahrade" ("Rose Garden Medical") and "Modre z neba" ("Best Wishes"). These programs are consistently among the top-ranked shows in the Slovak Republic.

The CET Group operates four television channels in the Czech Republic and two television channels in the Slovak Republic. Each channel, excluding NOVA SPORT and NOVA CINEMA, broadcasts 24 hours per day, with programming that is designed to appeal to a broad audience, particularly during prime time, with news, movies, entertainment programs and sports highlights, and to target more specific demographics in off-peak broadcasting hours. In addition to TV NOVA and TV MARKIZA, the CET Group's main television channels, the CET Group also operates the following channels:

- NOVA SPORT, which broadcasts high quality sports and sport-related programming in the Czech Republic and the Slovak Republic. NOVA SPORT reaches approximately 1.71 million subscribers across its combined markets.
- NOVA CINEMA, a niche channel in the Czech Republic focusing on films and series. NOVA CINEMA had an all day audience share of 2.1% in 2009.
- MTV CZECH, which broadcasts 24 hours per day in both the Czech Republic and the Slovak Republic under the well known MTV brand. MTV CZECH was launched in November 2009 and has minimal audience share at present.
- DOMA, which broadcasts 24 hours per day in the Slovak Republic and targets female audiences with programming such as telenovelas, films and soap operas. DOMA, launched in August 2009, achieved an all day audience share of 0.7% in 2009.

CET 21 holds the broadcasting licenses for the CET Group's operations in the Czech Republic, and MARKÍZA-SLOVAKIA, spol. s r.o., an indirect, wholly owned subsidiary of CET 21, holds the broadcasting licenses for its operations in the Slovak Republic.

The CET Group derives revenues principally from the sale of commercial advertising time through media buying groups and independent agencies. Advertisers include large multinational firms such as Danone, Procter & Gamble, Orange, T-Mobile, Nestlé, Henkel, Laboratoires Garnier and Reckitt Benckiser as well as many local companies. The top ten advertisers contributed approximately 27% of the CET Group's net revenues in the year ended December 31, 2009.

The CET Group's competitive strengths

The CET Group believes it has the following competitive strengths.

High barriers to entry. The CET Group's brands, long-term operating licenses, production assets and new media properties constitute a strong asset base that the CET Group believes cannot easily or cheaply be replicated or acquired by its competitors. The CET Group's historic investment in content production and its library of local programming produced in-house, combined with its experience in creating and producing such programming, gives the CET Group an ongoing competitive strength and a significant audience share leadership position in its markets. No competitor has either a similar asset base or audience share in the Czech Republic or the Slovak Republic. The extremely high costs associated with launching and operating new television channels with a comparable offering to the CET Group makes it difficult for new players to enter the market. The CET Group is able to leverage its existing infrastructure and resources to launch new thematic channels at relatively low incremental cost. Entry to the CET Group's markets is further constrained due to the limited size of the markets compared to the fixed costs required to compete. The Czech Republic has approximately 4.1 million television households and the Slovak Republic has approximately 1.6 million television households. The CET Group believes the investment required by new entrants is not attractive relative to the potential returns.

Consistent audience share leadership. The CET Group's main channels have established leadership positions and achieved the highest audience share in their respective markets. In the Czech Republic, TV NOVA has consistently had the highest prime time and all day audience share, and TV MARKIZA in the Slovak Republic has demonstrated the same consistency. Television advertising continues to be the primary focus of advertisers in these markets, and advertising expenditures are generally made with a view to reaching the greatest possible audience. Accordingly, the CET Group's audience share leadership allows the CET Group to hold leading positions in television advertising market share in the Czech Republic and the Slovak Republic. The CET Group believes that advertising clients are more likely to focus television advertising expenditures on leading television channels during periods of economic downturn, as evidenced by the CET Group's increased television advertising market share in the Czech Republic and the Slovak Republic in 2009 compared to 2007.

Leading producer of local content. Audiences in the CET Group's markets have a strong preference for local programming, which is evidenced by the significantly higher audience ratings when compared to foreign acquired programming. With the acquisition by CME of Media Pro Entertainment and the integration of its production operations with the CET Group's existing content production capabilities, the CET Group is in an even stronger position to generate popular local content and to benefit from synergies among CME's several markets. In the three-month period ended June 30, 2010, Media Pro Entertainment contributed 365 hours of new content to the CET Group's large and growing programming library. The CET Group's local content production capability also allows it to negotiate with major programming providers more effectively, as it has the capability to produce its own high quality content as an alternative.

Low leverage and strong cash flow generation. The CET Group has generated significant positive operating cash flows and high margins. In the year ended December 31, 2009, the CET Group achieved an OIBDA margin of 38% and delivered net cash generated from operating activities before interest and taxes of US\$ 131.0 million and a cash conversion ratio (defined as net cash generated from operating activities before interest and income taxes, less purchase of property, plant and equipment, divided by OIBDA) of 75%. CET 21 also benefits from having low leverage with US\$ 133.7 million of gross external debt on its balance sheet as at June 30, 2010.

The CET Group's strategy

The CET Group's strategy for maintaining its audience share and television advertising market share leadership in the Czech Republic and the Slovak Republic includes the following:

Maintain leading position. As the leader in terms of audience share and television advertising market share in the Czech Republic and the Slovak Republic, the CET Group is able to secure a majority of television advertising revenues in these markets. During the economic crisis, the CET Group has been disciplined in monitoring its cost base and controlling costs without putting its market leading positions in jeopardy. The CET Group plans to continue to control its costs in order to permit it to take advantage of a recovery in the Czech Republic and the Slovak Republic and maximize the impact of any increase in revenues on OIBDA. Notwithstanding its cost discipline, the CET Group intends to continue to maintain sufficient investment in programming to protect its audience shares and the strength of its brands.

Promote and grow its thematic channels. TV NOVA and TV MARKIZA reach over 99% of the population of the Czech Republic and the Slovak Republic, respectively. This gives the CET Group the ability to cross-promote thematic digital, cable and satellite channels to a wide audience and thereby grow the audience share of those channels. This is especially important with the increase in digital terrestrial television ("DTT") penetration, which is expected to provide viewers with a wider selection of channels. By offering its viewers additional choices, the CET Group is able to mitigate the risk of potential erosion of audience share and to maintain its overall audience leadership position.

Deliver strong online presence through content and brands. The strength of the CET Group's brands, its news programming and other locally produced content, its relationships with advertisers and the opportunities for cross promotion afforded by the large audiences of its existing broadcast operations put the CET Group in a strong position to develop and eventually monetize leading positions with its new media operations. In the Czech Republic, the CET Group was ranked fourth in terms of real users visiting its websites. The CET Group's strategy is to generate additional online advertising revenues by taking advantage of its own library of highly rated local content.

Continue to develop local content. Guided by its audiences' preference for local content, the CET Group has continued to focus on the development of local in-house productions of both fiction and non-fiction. Good quality, popular, locally produced fiction entertainment programming differentiates the CET Group in an increasingly fragmented market.

Deliver content over multiple distribution platforms. Content, and in particular local content, is fundamental to both the CET Group's broadcast and new media businesses. The number of ways in which viewers can receive television content is rapidly increasing. Developments in mobile and digital technologies will create additional opportunities to utilize content. The CET Group plans to leverage its popular content across multiple distribution platforms, such as new direct-to-home, internet-based and mobile platforms to reach those audiences.

CME

CME operates its businesses in an integrated structure, utilizing significant operational expertise within its operating divisions, with central planning and operational support functions based in Prague. Its three operating divisions—Broadcast, New Media and Media Pro Entertainment, CME's content division—are focused on maximizing the return on investment from its enhanced content capabilities and supporting the development of significant new revenue streams for content and new media sales. This structure enables CME to leverage content, brand awareness and audience share across multiple channels and formats. To support its broadcast operations, CME's content division produced 1,100 hours of original fiction content and 2,100 hours of reality and entertainment content in 2009. CME is growing its content business further to supply its channels and internet sites and increase sales to third parties.

CME competitive strengths

Market leading positions. CME is a market leader in terms of audience share and television advertising market share in all six countries in which it operates. CME operates the leading channel, in terms of all day audience share, in each of the markets in which it operates. In addition, CME supports its main channels with a portfolio of thematic channels targeted at the key audience segments. CME believes that its market leading positions will enable it to take advantage of a gradual recovery of consumer spending in its markets, which is expected to follow a recovery of GDP in such markets.

Strong local content production. The creation of the Media Pro Entertainment content division reflects CME's strategic response to the increasing importance of locally generated content in CME's markets. CME believes that popular local content has become more important in safeguarding market share and allowing CME to diversify its revenue streams. Operating Media Pro Entertainment as a division across all of CME's markets also enables CME to share production resources, equipment and facilities in an efficient manner in order to lower the unit cost of production at a time when increasing competition for popular content is causing price increases of acquired programming. Moreover, having the ability to produce its own local content provides CME with leverage in its negotiations with third-party content providers, which in turn helps to control programming costs.

Strong management and key personnel. CME's senior executives have significant experience in the media industry. CME's operations are managed primarily at the local level by managers that have extensive experience in the relevant market. In addition, CME's expertise in the production of local content provides significant insight into trends and audience preferences.

Significant liquidity headroom. As of June 30, 2010, CME held US\$ 315.3 million in cash and cash equivalents, providing sufficient short term liquidity to operate the business without significant liquidity risk.

Outlook for CET Group and CME

According to data from the European Union statistical agency, Eurostat, GDP in the Czech Republic and the Slovak Republic increased by 3.0% and 4.7%, respectively, in the second quarter of 2010 compared to the same period in 2009. Increases in GDP have historically correlated to subsequent increases in television advertising spending in CME's markets. Currently, CME believes that television advertising spending is lagging behind GDP growth generally. In particular, television advertising spending in the Slovak Republic continues to be lower year-on-year through the third quarter of 2010. As a result, based on management's preliminary financial review, CME currently estimates that its third quarter revenues will be similar to its revenues in the third quarter of 2009 and that CME's OIBDA will be lower by US\$ 3.0 to 6.0 million than its OIBDA in the third quarter of 2009. If GDP in the CET Group's markets continues to grow through the third and fourth quarters of 2010, then CME expects television advertising spending to increase, as CME believes advertisers will gain confidence in the economic recovery in the Czech Republic and the Slovak Republic. Given the focused investment by the CET Group and CME in local and other programming in order to maintain the consistently high audience shares of its leading channels, the CET Group and CME are well positioned to benefit from further improvements in the economies and any subsequent increase in television advertising spending in the markets in which they operate.

CET 21 is a limited liability company incorporated under the laws of the Czech Republic on June 22, 1992 and an indirect, wholly owned subsidiary of CME. Article VI of its Memorandum of Association states that its objectives are to, among other things, engage in the broadcast, production and distribution of audiovisual works, advertising and market activities, and other business activities related thereto. CET 21's registered office is located at Kříženeckého nám. 1078/5, Prague 5, Postal Code 152 00, the Czech Republic, telephone number +420-242-465-523.

Central European Media Enterprises Ltd. is a company limited by shares incorporated under the laws of Bermuda on June 15, 1994. Article VI of its Memorandum of Association states its objectives are to, among other things, act as and perform all of the functions of a holding company and to provide financing and financial services to its subsidiaries and affiliates. Central European Media Enterprises Ltd. is registered with the Registrar of Companies in Bermuda with registration number 19574. CME's website is located at www.cetv-net.com. The information on CME's website is not part of this offering memorandum.

Central European Media Enterprises Ltd.'s registered office is located at Mintflower Place, Fourth Floor, 8 Par-la-Ville Road, Hamilton HM 08 Bermuda, and its telephone number is +1-441-296-1431. Certain of Central European Media Enterprises Ltd.'s subsidiaries maintain offices at 52 Charles Street, London, W1J 5EU, England, telephone number +44-20-7127-5800, and Dam 5b, 1012 JS Amsterdam, the Netherlands.

Summary corporate and financing structure

CET 21 is an indirect, wholly owned subsidiary of CME. CME has senior indebtedness consisting of: €440.0 million aggregate principal amount of 11.625% senior notes due 2016 (the "CME Fixed Rate Notes"), €150.0 million aggregate principal amount of floating rate notes due 2014 (the "CME Floating Rate Notes") and US\$ 475.0 million of 3.50% senior convertible notes due 2013 (the "CME Convertible Notes" and collectively with the CME Fixed Rate Notes and the CME Floating Rate Notes, the "CME Existing Notes"). The CME Existing Notes are secured by the share capital of Central European Media Enterprises N.V. and substantially all of the shares of CME Media Enterprises B.V., which are wholly owned subsidiaries of CME.

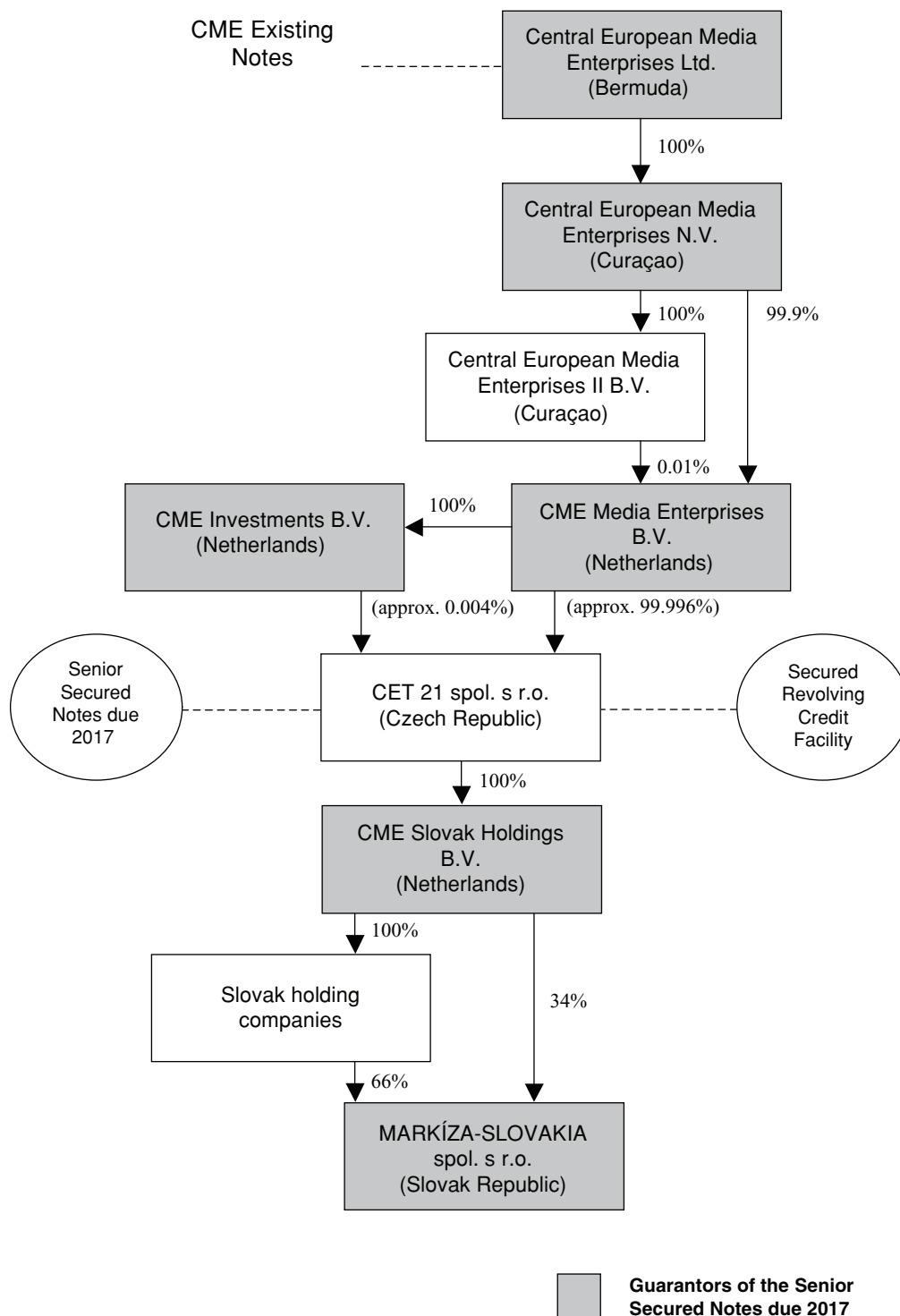
As of June 30, 2010, the CET Group had outstanding indebtedness consisting principally of CZK 2.8 billion under the Erste Facility, CZK 8.1 billion (US\$ 384.5 million) under a shareholder loan from CME Investments B.V., a wholly owned subsidiary of CME, to CET 21 and €21.0 million (US\$ 25.8 million) under a shareholder loan from CME Investments B.V. to MARKÍZA-SLOVAKIA, spol. s r.o.

In connection with this offering, CET 21 intends to use a portion of the proceeds from the offering to repay in full the Erste Facility, including accrued interest and fees, which it currently expects to be approximately €115.0 million (using the Czech National Bank CZK/EUR exchange rate of 24.535 as at October 7, 2010). CET 21 intends to terminate the Erste Facility upon repayment. In connection with the offering of the notes, CET 21 will enter into a new Revolving Credit Facility Agreement (the "Secured Revolving Credit Facility") for up to CZK 1.5 billion (approximately US\$ 84.8 million, using the Czech National Bank CZK/USD exchange rate of 17.689 as at October 7, 2010) with BNP Paribas, S.A., J.P. Morgan plc, Citigroup Global Markets Limited, ING Bank N.V. and CSAS, as mandated lead arrangers, BNP Paribas S.A., JPMorgan Chase Bank N.A., Citibank Europe plc and ING Bank N.V., as original lenders, BNP Paribas S.A., as agent, BNP Paribas Trust Corporation UK Limited, as security agent, and Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Investments B.V., CME Slovak Holdings B.V. and MARKÍZA-SLOVAKIA, spol. s r.o., as the original guarantors. Drawings under the facility by CET 21 are expected to be used for working capital requirements and for general corporate purposes. Prior to utilizing the Secured Revolving Credit Facility, CME is required to apply not less than US\$ 100.0 million of its cash to purchase CME Existing Notes.

The notes will be guaranteed on a senior basis by Central European Media Enterprises Ltd. and its and CET 21's subsidiaries identified below. In addition, the notes will be secured by a first-priority security interest in (i) the ownership interests in CET 21, (ii) substantially all of the assets of CET 21, including the shares of CME Slovak Holdings B.V., a holding company for CET 21's Slovak Republic businesses, and the 100% ownership interest in Media Pro Pictures s.r.o., and (iii) the shareholder loans to CET 21 and MARKÍZA-SLOVAKIA, spol. s r.o. The notes will share in these first-priority security interests on a *pari passu* basis with the Secured

Revolving Credit Facility. The notes will also be secured by a fourth-priority security interest over shares of Central European Media Enterprises N.V. and substantially all of the shares of CME Media Enterprises B.V. This security will be shared *pari passu* with the CME Existing Notes, as well as with the Secured Revolving Credit Facility.

The following diagram shows a simplified corporate and financing structure of CME and the CET Group, after giving effect to the offering of the notes and the application of the use of proceeds thereof. See "Use of proceeds," "Capitalization," "Description of other indebtedness" and "Description of the notes" for more detailed descriptions.



The offering

The following summary of the offering contains basic information about the notes. It is not intended to be complete. For a more complete understanding of the notes, please refer to the section of this offering memorandum entitled "Description of the notes."

Issuer CET 21, a limited liability company incorporated under the laws of the Czech Republic.

Notes €170,000,000 aggregate principal amount of 9.0% Senior Secured Notes due 2017.

CET 21 may issue additional notes in the future, subject to compliance with the covenants in the Indenture and the provisions of CET 21's and CME's other indebtedness.

Issue date October 21, 2010.

Maturity date November 1, 2017.

Interest payment dates May 1 and November 1 of each year, commencing May 1, 2011.

Ranking of the notes The notes will:

- be the senior secured obligations of CET 21;
- rank equally in right of payment with CET 21's obligations under the Secured Revolving Credit Facility;
- rank senior in right of payment to any other existing and future obligations of CET 21 expressly subordinated in right of payment to the notes; and
- be effectively senior to all existing and future unsecured indebtedness of CET 21 to the extent of the assets securing the notes.

As of June 30, 2010, as adjusted to give effect to this offering and the repayment of the Erste Facility, CET 21 would have had no third party indebtedness other than the notes.

Guarantees On the issue date, the notes will be guaranteed on a senior basis (the "Guarantees") by direct and indirect parent companies of CET 21 (Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V. and CME Investments B.V.) and by certain of CET 21's wholly owned direct and indirect subsidiaries (CME Slovak Holdings B.V. and MARKÍZA-SLOVAKIA, spol. s r.o.) (together, the "Guarantors").

Central European Media Enterprises Ltd., the other Guarantors and CET 21 together currently generate a substantial portion of the revenue and OIBDA of Central European Media Enterprises Ltd. and its restricted subsidiaries. On an aggregate basis and without considering consolidation adjustments, as of, and for the twelve months ended June 30, 2010, Central European Media Enterprises Ltd., the other Guarantors and CET 21 represented 53% of the revenues, 66% of the OIBDA and 60% of the assets of Central European Media Enterprises Ltd. and its restricted subsidiaries.

Ranking of the guarantees

The Guarantees will:

- be senior obligations of the Guarantors;
- rank equally with the Guarantors' guarantees of CET 21's obligations under the Secured Revolving Credit Facility; and
- rank senior in right of payment to all existing and future subordinated obligations of the Guarantors. The Guarantees will effectively rank junior to all obligations of subsidiaries of CME (other than CET 21) that are not guarantors.

Security

The notes will be secured by a first-priority security interest in:

- the ownership interests in CET 21;
- substantially all of the assets of CET 21, including the shares of CME Slovak Holdings B.V., a holding company for CET 21's Slovak Republic businesses, and the 100% ownership interest in Media Pro Pictures s.r.o.; and
- a shareholder loan from CME Investments B.V. to CET 21 and a shareholder loan from CME Investments B.V. to MARKÍZA-SLOVAKIA, spol. s r.o. (together, the "CET Collateral").

The notes will share in these first-priority security interests on a *pari passu* basis with the Secured Revolving Credit Facility. The enforcement of this security is governed by the provisions of an intercreditor agreement among the facility agent under the Secured Revolving Credit Facility, the security agent acting in respect of the obligations under the Secured Revolving Credit Facility and the Indenture, the trustee under the Indenture, CET 21 and the Guarantors (the "CET Group Intercreditor Agreement"), which restricts the ability of the noteholders to enforce the security thereunder and requires that such security be ratably shared with the Secured Revolving Credit Facility. See "Description of other indebtedness—CET Group Intercreditor Agreement."

The notes will also be secured by a fourth-priority security interest over shares of Central European Media Enterprises N.V. and substantially all of the shares of CME Media Enterprises B.V. (together, the "CME Collateral" and together with the CET Collateral, the "Collateral"). This security is shared *pari passu* with the CME Existing Notes, as well as with the Secured Revolving Credit Facility, and in the future may be shared with additional obligations. The enforcement of the CME Collateral will be governed by an amended intercreditor agreement between the trustees under the CME Existing Notes, the security agent acting in respect of the obligations under the Secured Revolving Credit Facility and the Indenture and the trustee under the Indenture (the "Existing Intercreditor Agreement"). See "Description of other indebtedness—Other third party indebtedness of CET 21—Existing Intercreditor Agreement."

Certain of the security to be granted for the benefit of the notes will not be delivered, or have the ranking described, on the issue date of the notes. See "Description of the notes—Certain covenants—Delivery of security."

To the extent additional notes are issued under the Indenture, the security for the notes will be shared with such additional notes.

The security interests in certain assets and the Guarantees may be released in certain circumstances. See “Description of the notes—CME Security—Release of CME liens” and “Description of the notes—CET Security—Release of CET liens.”

Optional redemption . . . The notes will be redeemable at the option of CET 21, in whole or in part, at any time on or after November 1, 2014, at the redemption prices set forth in this offering memorandum, together with accrued and unpaid interest, if any, to the date of redemption.

At any time prior to November 1, 2013, CET 21 may redeem up to 35% of the aggregate original principal amount of the notes with the proceeds of one or more CME equity offerings at a redemption price of 109.0% of the principal amount of the notes, together with accrued and unpaid interest, if any, to the date of redemption.

At any time prior to November 1, 2014, CET 21 may also redeem some or all of the notes at a redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to the date of redemption plus a “make-whole” premium.

See “Description of the notes—Optional redemption.”

Mandatory offers to purchase If CME experiences a “change of control” together with a rating decline, you will have the right to require CET 21 to offer to purchase from you all or a portion of your notes at a purchase price equal to 101% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase. See “Description of the notes—Change of control and rating decline.”

Certain asset dispositions by CME and its restricted subsidiaries will be triggering events which may require (i) CET 21 to use the excess proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase and (ii) CME to make an offer to purchase any *pari passu* indebtedness.

See “Description of the notes—Limitation on sales of assets and subsidiary stock.”

Additional amounts; tax redemption All payments under or with respect to the notes or a Guarantee will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge imposed or levied by or on behalf of any Relevant Taxing Jurisdiction (as defined in “Description of the notes”). If withholding or deduction is required by law, subject to certain exceptions, CET 21 (or the relevant Guarantor) will pay additional amounts so that the net amount you receive is no less than that you would have received in the absence of such withholding or deduction. See “Description of the notes—Payment of additional amounts.”

If certain changes in the law of any Relevant Taxing Jurisdiction become effective such that CET 21 (or the relevant Guarantor) would become obligated to pay any additional amounts, and such

obligation cannot be avoided by taking commercially reasonable measures, CET 21 may redeem the notes in whole, but not in part, at any time, at a redemption price of 100% of their principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "Description of the notes—Optional tax redemption."

Covenants CET 21 will issue the notes under the Indenture. The Indenture, among other things, limits CME's and CET 21's ability to:

- incur or guarantee additional indebtedness;
- pay dividends or make other distributions on, or redeem or repurchase CME's stock;
- make other restricted payments, including investments;
- create liens;
- dispose of assets;
- enter into certain transactions with affiliates;
- enter into agreements that restrict the ability of CME's subsidiaries to pay dividends or other distributions or create intercompany indebtedness; and
- consolidate, amalgamate, merge or sell transfer, lease or otherwise dispose of all or substantially all of the assets of CET 21 or the Guarantors.

All of these limitations are subject to a number of important qualifications and exceptions. See "Description of the notes—Certain covenants."

Transfer restrictions The notes have not been registered under the U.S. Securities Act or any other applicable securities laws. The notes may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act and the applicable state securities laws. CET 21 is only offering the notes to qualified institutional buyers under Rule 144A of the U.S. Securities Act and to persons outside the U.S. under Regulation S of the U.S. Securities Act. See "Transfer restrictions."

Denomination The notes will have a minimum denomination of €50,000 and any integral multiple of €1,000 in excess thereof.

Absence of public market for the notes The notes are a new issue of securities and there is currently no established trading market for the notes. Accordingly, there can be no assurance as to the development and liquidity of any market for the notes. The initial purchasers have advised CET 21 that they currently intend to make a market in the notes. However, they are not obligated to do so, and any market making with respect to the notes may be discontinued without notice.

Security agent BNP Paribas Trust Corporation UK Limited.

Trustee Citibank, N.A., London Branch.

Paying agent and transfer agent Citibank, N.A., London Branch.

- Registrar** Citigroup Global Markets Deutschland AG.
- Listing** Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.
- Use of proceeds** CET 21 will use a portion of the net proceeds to fully repay its outstanding indebtedness, including accrued interest and fees, under the Erste Facility, which is currently expected to be approximately €115.0 million (using the Czech National Bank CZK/EUR exchange rate of 24.535 as at October 7, 2010). In addition, CET 21 intends to apply approximately €49.0 million (using the Czech National Bank CZK/EUR exchange rate of 24.535 as at October 7, 2010) of the net proceeds of the notes offered hereby to repay certain intercompany indebtedness, the proceeds of which will be used by CME to fund the redemption or repurchase of a portion of the CME Existing Notes. The selection of which series of notes, the amounts to be repaid within a particular series, the timing of repayment and the particular method by which CME effects repayment, which include redemption calls, open market purchases, privately negotiated transactions with institutional investors or tender offers, or some combination thereof, have not yet been determined and will depend on, with respect to each series of notes, the yield to maturity at the time of repayment, the maturity date, the contractual redemption price and the currency exchange rates. CME will consider each of these criteria with respect to each series of notes at the time of any repayment.
- As of October 14, 2010, CME has received indications of interest for the repurchase of approximately US\$ 46.0 million principal amount of the CME Existing Notes, consisting of US\$ 34.8 million principal amount of CME Convertible Notes at 88.25% of par, €2.0 million principal amount of CME Floating Rate Notes at 81.75% of par and €6.0 million principal amount of CME Fixed Rate Notes at 102.5% of par, plus accrued and unpaid interest on each such series of notes. While CME expects to agree to these repurchases in connection with this offering, there can be no assurance that the repurchases will be consummated on the terms set forth above, or at all.
- Governing law** The Indenture and the notes will be governed by and construed in accordance with the laws of the State of New York. The Existing Intercreditor Agreement and the CET Group Intercreditor Agreement will be governed by the laws of England. The documents governing the security granted in favor of the notes will be governed by and construed in accordance with the laws of the State of New York, England, the Czech Republic, the Netherlands, Curaçao and the Slovak Republic.

In evaluating an investment in the notes, prospective investors should carefully consider, along with the other information contained or incorporated by reference in this offering memorandum, the specific factors set forth under "Risk factors" for risks involved with an investment in the notes.

Summary historical financial information of CET 21

You should read the following financial information together with the information under “CET 21’s management’s discussion and analysis of results of operations and financial condition,” and with CET 21’s consolidated financial statements and related notes to those statements included in this offering memorandum.

The following tables set forth CET 21’s summary consolidated financial data for the six months ended June 30, 2010 and 2009 and each of the years ended December 31, 2009, 2008 and 2007. These consolidated financial statements have been prepared on a “carve-out” basis from the consolidated financial statements of CME to represent the financial position and performance of the CET Group as if it had existed on a stand-alone basis as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007. The consolidated financial statements have been derived by extracting the assets, liabilities, revenues and expenses directly attributable to the CET Group from the assets, liabilities, revenues and expenses reflected in the accounting records of CME on a legal entity basis. The CET Group eliminates from its financial results all intercompany transactions between entities included in the consolidated financial statements.

The consolidated financial statements included herein may not necessarily be indicative of CET 21’s financial position, results of operations, or cash flows had CET 21 operated as a separate entity during the periods presented or for future periods.

CET 21 has derived the consolidated statement of operations data for the years ended December 31, 2009, 2008 and 2007 and the consolidated balance sheet data as of December 31, 2009 and December 31, 2008 from the consolidated financial statements that have been audited by Deloitte Audit s.r.o. and are contained in this offering memorandum. CET 21 has derived the condensed consolidated statement of operations data for the six months ended June 30, 2010 and 2009 and the condensed consolidated balance sheet data as of June 30, 2010 from the unaudited condensed consolidated interim financial statements included in this offering memorandum.

CET 21’s consolidated financial statements are prepared in accordance with U.S. GAAP. In the opinion of CET 21’s management, CET 21’s unaudited consolidated financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods.

The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

(US dollars in thousands)	Unaudited		For the years ended December 31,		
	For the six months ended June 30,		2009	2008	2007
	2010	2009			
Consolidated statement of operations data:					
Net revenues	\$ 170,466	\$ 175,768	\$ 377,808	\$ 510,121	\$ 383,099
Operating expenses:					
Operating costs	25,486	23,383	49,929	55,435	51,194
Cost of programming	74,507	64,790	148,508	157,788	108,766
Depreciation of property, plant and equipment	11,571	11,230	24,899	24,470	14,064
Amortization of broadcast licenses and other intangibles	8,257	7,304	15,694	27,364	21,116
Cost of revenues	119,821	106,707	239,030	265,057	195,140
Selling, general and administrative expenses	19,078	15,513	37,197	37,859	32,724
Operating income	31,567	53,548	101,581	207,205	155,235
Interest expense, net	(25,678)	(24,031)	(50,730)	(56,224)	(40,994)
Foreign currency exchange gain/(loss), net	(3,737)	(1,202)	4,486	(10,918)	7,773
Change in fair value of derivatives	(1,622)	—	—	—	—
Other (expense)/income	294	(279)	(397)	30	(1,285)
Provision for income taxes	(1,334)	(5,486)	(11,181)	(28,794)	(20,911)
Equity in loss of affiliate	—	—	—	(81,160)	—
Net income/(loss)	\$ (510)	\$ 22,550	\$ 43,759	\$ 30,139	\$ 99,818
Net income attributable to noncontrolling interest	—	—	—	—	(3,411)
Net income attributable to CET 21	\$ (510)	\$ 22,550	\$ 43,759	\$ 30,139	\$ 96,407

(US dollars in thousands)	Unaudited		As at December 31,	
	As at June 30, 2010		2009	2008
Consolidated balance sheet data:				
Cash and cash equivalents	\$ 22,954	\$ 24,873	\$ 30,637	\$ 30,637
Other current assets	\$ 137,332	\$ 158,183	\$ 152,588	\$ 152,588
Non-current assets	\$ 1,266,739	\$ 1,452,904	\$ 1,371,929	\$ 1,371,929
Total assets	\$ 1,427,025	\$ 1,635,960	\$ 1,555,154	\$ 1,555,154
Current liabilities	\$ 123,875	\$ 164,968	\$ 80,284	\$ 80,284
Non-current liabilities	\$ 548,316	\$ 604,820	\$ 637,064	\$ 637,064
Total equity	\$ 754,834	\$ 866,172	\$ 837,806	\$ 837,806
Total liabilities and equity	\$ 1,427,025	\$ 1,635,960	\$ 1,555,154	\$ 1,555,154

Other financial data

(US dollars in thousands)	Unaudited				
	As at and for the six months ended June 30,		As at and for the twelve months ended June 30,	As at and for the years ended December 31,	
	2010	2009	2010(1)	2009	2008
Other data:					
Consolidated OIBDA(2)	\$52,054	\$72,082	\$122,146	\$142,174	\$259,039
Principal value of third party debt . . .			\$133,671	\$ 78,942	\$ 12,943
Net debt(3)			\$110,717	\$ 54,069	\$ (17,694)
Third party interest expense(4)	\$ 4,988	\$ 1,091	\$ 6,374	\$ 2,477	\$ 1,148
Net debt to consolidated OIBDA			0.9x	0.4x	(0.1)x
Consolidated OIBDA to third party interest expense			19.2x	57.4x	225.6x

(1) The unaudited consolidated financial data as at and for the twelve months ended June 30, 2010 has been derived by aggregating the financial data for the year ended December 31, 2009 with the unaudited financial data for the six months ended June 30, 2010 and subtracting the unaudited financial data for the six months ended June 30, 2009. This unaudited recomputation may differ from the financial data that would have resulted had a twelve month period been audited.

(2) OIBDA, which includes program rights amortization costs, is determined as operating income (loss) before depreciation and amortization of intangible assets.

OIBDA is not a measure of a company's financial performance or earnings under U.S. GAAP and therefore should not be viewed as an alternative to net income, operating income or other measures of earnings under U.S. GAAP. Nor should OIBDA be viewed as an alternative to cash flow from operating activities as a measure of liquidity.

The following table reconciles OIBDA to operating income as of the periods set forth above.

(US dollars in thousands)	Unaudited				
	As at and for the six months ended June 30,		As at and for the twelve months ended June 30,	As at and for the years ended December 31,	
	2010	2009	2010(1)	2009	2008
Other data:					
Operating income	\$31,567	\$53,548	\$79,600	\$101,581	\$207,205
Depreciation of property, plant and equipment	12,230	11,230	25,899	24,899	24,470
Amortization of broadcast licenses and other intangibles . .	8,257	7,304	16,647	15,694	27,364
Consolidated OIBDA	\$52,054	\$72,082	\$122,146	\$142,174	\$259,039

(3) Net debt is defined as principal value of third party debt less cash and cash equivalents. Excludes fair value of derivatives of US\$ 1.6 million.

(4) Third party interest expense is interest expense as adjusted to exclude any interest payable to other members of the CME Group.

Summary historical financial information of CME

You should read the following financial information together with the information under “Management’s discussion and analysis of financial condition and results of operations” and with CME’s consolidated financial statements and the related notes thereto, each of which are incorporated by reference into this offering memorandum from CME’s 2009 Annual Report and CME’s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010, as amended.

The following tables set forth CME’s summary consolidated financial data for the six months ended June 30, 2010 and 2009 and each of the years ended December 31, 2009, 2008 and 2007.

CME has derived the consolidated statement of operations data for the years ended December 31, 2009, 2008 and 2007 and the consolidated balance sheet data as of December 31, 2009 and December 31, 2008 from the consolidated financial statements that have been audited by Deloitte LLP and are contained in CME’s 2009 Annual Report, which CME has filed with the SEC and which are incorporated by reference in this offering memorandum. CME has derived the consolidated statement of operations data for the six months ended June 30, 2010 and 2009 and the consolidated balance sheet data as of June 30, 2010 from the unaudited consolidated interim financial statements contained in CME’s quarterly reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010, as amended, which are incorporated by reference into this offering memorandum.

CME’s consolidated financial statements are prepared in accordance with U.S. GAAP. In the opinion of CME’s management, CME’s unaudited consolidated financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods.

The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

(US dollars in thousands)	Unaudited				
	For the six months ended June 30,		For the years ended December 31,		
	2010	2009	2009	2008	2007
Consolidated statement of operations data:					
Net revenues	\$345,367	\$319,287	\$ 681,945	\$ 920,476	\$712,018
Operating costs	54,776	52,130	116,575	122,008	97,013
Cost of programming	186,952	147,160	341,201	347,148	252,771
Depreciation of station property, plant & equipment	27,189	23,423	51,591	48,582	29,705
Amortization of broadcast licenses and other intangibles	11,694	10,083	19,919	33,864	24,680
Cost of revenues	280,611	232,796	529,286	551,602	404,169
Selling, general and administrative expenses	58,437	47,176	109,787	120,517	117,619
Impairment charge	—	81,843	81,843	64,891	—
Operating income/(loss)	6,319	(42,528)	(38,971)	183,466	190,230
Interest income/(expense), net	(61,520)	(42,265)	(112,895)	(72,737)	(49,449)
Foreign currency exchange gain/(loss), net . .	(38,167)	82,773	82,920	(35,570)	(34,411)
(Provision)/credit for income taxes	(298)	639	(4,737)	(42,208)	(16,341)
Other(1)	(1,233)	(965)	2,700	8,991	6,084
Net income/(loss) from continuing operations	\$ (94,899)	\$ (2,346)	\$ (70,983)	\$ 41,942	\$ 96,113
Discontinued operations	213,697	(22,488)	(36,824)	(309,421)	9,612
Net income/(loss)	\$118,798	\$ (24,834)	\$(107,807)	\$(267,479)	\$105,725
Net loss/(income) attributable to noncontrolling interests	4,077	4,477	10,650	(2,067)	(17,107)
Net income/(loss) attributable to CME Ltd. .	\$122,875	\$ (20,357)	\$ (97,157)	\$(269,546)	\$ 88,618

(US dollars in thousands)	Unaudited				
	As at June 30,		As at December 31,		
	2010	2009	2009	2008	2007
Consolidated balance sheet data:					
Cash and cash equivalents	\$ 315,257	\$ 493,761	\$ 445,954	\$ 94,423	\$ 128,159
Other current assets	\$ 331,681	\$ 429,078	\$ 435,507	\$ 485,089	\$ 435,387
Non-current assets	\$2,089,324	\$1,804,969	\$1,991,326	\$1,827,104	\$1,774,889
Total assets	\$2,736,262	\$2,727,808	\$2,872,787	\$2,406,616	\$2,338,435
Current liabilities	\$ 259,267	\$ 270,244	\$ 352,118	\$ 248,484	\$ 238,571
Non-current liabilities	\$1,325,693	\$1,271,989	\$1,348,829	\$1,059,687	\$ 676,902
CME Ltd. Shareholders' equity	\$1,131,096	\$1,189,099	\$1,177,589	\$1,095,258	\$1,399,807
Noncontrolling interests	\$ 20,206	\$ (3,524)	\$ (5,749)	\$ 3,187	\$ 23,155
Total liabilities and equity	\$2,736,262	\$2,727,808	\$2,872,787	\$2,406,616	\$2,338,435

Other financial data

CME restricted subsidiaries(2)

(US dollars in thousands)	Unaudited				
	For the six months ended June 30,		As at and for the twelve months ended June 30,	As at and for the years ended December 31,	
	2010	2009	2010(3)	2009	2008
Other data:					
Consolidated OIBDA(4)	\$62,480	\$90,853	\$ 131,775	\$ 160,148	\$ 341,877
Principal value of debt(5)			\$1,353,998	\$1,458,800	\$1,109,862
Net debt(6)			\$1,163,579	\$1,214,686	\$1,002,429
Interest expense			\$ 134,725	\$ 115,709	\$ 82,300
Net debt to consolidated OIBDA			8.8x	7.6x	2.9x
Consolidated OIBDA to interest expense .			1.0x	1.4x	4.2x

CME unrestricted subsidiaries

(US dollars in thousands)	Unaudited				
	For the six months ended June 30,		As at and for the twelve months ended June 30,	As at and for the years ended December 31,	
	2010	2009	2010	2009	2008
Other data:					
Unrestricted OIBDA(4)	\$(15,446)	\$(17,356)	\$ (42,864)	\$ (44,774)	\$ (10,185)
Principal value of debt(5)			\$ 502		
Cash			\$124,838		

(1) "Other" includes changes in fair value of derivatives and other non-operating expenses. CME recognized other income of US\$ 1.4 million, US\$ 2.6 million and US\$ 9.8 million in the years ended December 31, 2009, 2008 and 2007, respectively, relating largely to the unwinding of contract liabilities and the release of provisions against certain historic tax contingencies within CME's Romania operations.

(2) Under the terms of the indentures governing the CME Fixed Rate Notes and the CME Floating Rate Notes, CME is largely restricted from raising debt at the corporate level if the ratio of Consolidated EBITDA to Consolidated Interest Expense (both as defined in the indentures relating to such notes) (the "Coverage Ratio") is less than 2.0 times.

For the purposes of the CME Fixed Rate Notes and the CME Floating Rate Notes, the calculation of the Coverage Ratio includes CME and subsidiaries that are "Restricted Subsidiaries." Subsidiaries may be designated as "Unrestricted Subsidiaries" and excluded from the calculation of the Coverage Ratio by CME's Board of Directors. As of June 30, 2010, the subsidiaries of CME that comprise the PRO.BG business in Bulgaria and CME Development Financing B.V., the entity that funds those operations, continue to be designated as Unrestricted Subsidiaries. In addition, following the disposal of CME's former operations in Ukraine in April 2010, CME retained ownership of CME Austria GmbH, which also remains an Unrestricted Subsidiary and holds cash of US\$ 18.3 million. At June 30, 2010, the only asset of CME Development Financing B.V. was US\$ 105.1 million in cash, which can be used to finance the other Unrestricted Subsidiaries. There is no requirement to maintain a minimum cash balance in CME Development Financing B.V. and the cash balance of approximately US\$ 124.8 million as of June 30, 2010 remains available to CME's Restricted Subsidiaries at any time.

As at June 30, 2010, CME's Coverage Ratio was below 2.0 times. Therefore, CME's Restricted Subsidiaries were restricted from making payments or investments totaling more than €80.0 million (approximately US\$ 98.2 million) to its Unrestricted Subsidiaries or to any other operations that are not Restricted Subsidiaries.

If the Unrestricted Subsidiaries exhaust all available cash it may be possible to re-designate them as Restricted Subsidiaries provided that CME's Coverage Ratio on a pro-forma basis is not below 2.0 times. The Restricted Subsidiaries are not restricted in the manner or amount of funding support they may provide to the Unrestricted Subsidiaries if they are so re-designated. Such a re-designation could have adverse consequences on CME's Coverage Ratio. If a funding need arises, and CME is prevented from re-designating its operations as Restricted Subsidiaries, those operations would be required to raise debt on a stand-alone basis, attract additional equity funding, divest some or all of their assets or enter bankruptcy proceedings.

(3) The unaudited consolidated financial data as at and for the twelve months ended June 30, 2010 has been derived by aggregating the financial data for the year ended December 31, 2009 with the unaudited financial data for the six months ended June 30, 2010 and subtracting the unaudited financial data for the six months ended June 30, 2009. This unaudited recomputation may differ from the financial data that would have resulted had a twelve month period been audited.

(4) OIBDA, which includes program rights amortization costs, is determined as operating income/(loss) before depreciation and amortization of intangible assets.

In the past, CME's definition of EBITDA excluded foreign currency exchange gains and losses and changes in the fair value of derivatives. In effect, the amount arrived at by excluding those two items as well as interest and taxes from earnings is equal to OIBDA. Items that are not allocated to CME's segments for purposes of evaluating their performance and therefore are not included in their OIBDA, include stock-based compensation and certain unusual or infrequent items (e.g., impairments of assets or investments).

OIBDA is not a measure of a company's financial performance or earnings under U.S. GAAP and therefore should not be viewed as an alternative to net income, operating income or other measures of earnings under U.S. GAAP. Nor should OIBDA be viewed as an alternative to cash flow from operating activities as a measure of liquidity.

The following table reconciles OIBDA for CME on a consolidated basis to operating income as of the periods set forth above.

(US dollars in thousands)	Unaudited				
	As at and for the six months ended June 30,		As at and for the twelve months ended June 30, 2010(3)	As at and for the year ended December 31,	
	2010	2009		2009	2008
Other data:					
Operating (loss)/income	\$ 6,319	\$(42,528)	\$ 9,876	\$(38,971)	\$183,466
Depreciation of property, plant and equipment	29,021	24,099	57,505	52,583	49,471
Amortization of broadcast licenses and other intangibles	11,694	10,083	21,530	19,919	33,864
Impairment	—	81,843	—	81,843	64,891
Consolidated OIBDA	\$ 47,034	\$ 73,497	\$ 88,911	\$115,374	\$331,692
Consolidated OIBDA (Restricted Subsidiaries)	\$ 62,480	\$ 90,853	\$131,775	\$160,148	\$341,877
Unrestricted OIBDA	\$(15,446)	\$(17,356)	\$(42,864)	\$(44,774)	\$(10,185)
Consolidated OIBDA	\$ 47,034	\$ 73,497	\$ 88,911	\$115,374	\$331,692

(5) The principal amount of CME's debt is greater than the carrying value shown in CME's Financial Statements. Pursuant to FASB Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1 (ASC 470)"), CME accounts separately for the liability and equity components of the CME Convertible Notes.

(6) Net Debt is defined as principal value of debt less cash and cash equivalents.

Selected financial information for CME: CET 21, the Guarantors and the Non-Guarantors

(US dollars in thousands)	Unaudited			
	For the six months ended June 30, 2010			
	CET 21 and Guarantors	Non-Guarantors	Inter-group eliminations(1)	Total CME Group
Selected statement of operations data:				
Net revenues	\$170,477	\$174,890	—	\$345,367
Depreciation	11,632	15,557	—	27,189
Amortisation	8,322	3,372	—	11,694
Operating income/(loss)	37,094	(30,775)	—	6,319
Net income/(loss) attributable to CME	\$121,031	\$ 1,844	—	\$122,875

(US dollars in thousands)	Unaudited			
	For the six months ended June 30, 2009			
	CET 21 and Guarantors	Non-Guarantors	Inter-group eliminations(1)	Total CME Group
Net revenues	\$176,478	\$ 142,809	—	\$319,287
Depreciation	11,230	12,192	—	23,423
Amortisation	7,368	2,715	—	10,083
Operating income/(loss)	102,102	(144,631)	—	(42,528)
Net income/(loss) attributable to CME	\$150,200	\$(170,557)	—	\$(20,357)

	Unaudited			
	For the twelve months ended December 31, 2009			
(US dollars in thousands)	CET 21 and Guarantors	Non- Guarantors	Inter-group eliminations(1)	Total CME Group
Net revenues	\$383,239	\$ 298,706	—	\$681,945
Depreciation	24,899	26,692	—	51,591
Amortisation	15,959	3,959	—	19,919
Operating income/(loss)	189,449	(228,420)	—	(38,971)
Net income/(loss) attributable to CME .	\$ 17,795	\$(114,952)	—	\$ (97,157)

	Unaudited			
	For the twelve months ended December 31, 2008			
(US dollars in thousands)	CET 21 and Guarantors	Non- Guarantors	Inter-group eliminations(1)	Total CME Group
Net revenues	\$509,237	\$ 411,239	—	\$ 920,476
Depreciation	24,470	24,113	—	48,582
Amortisation	27,684	6,180	—	33,864
Operating income/(loss)	259,296	(75,829)	—	183,466
Net income/(loss) attributable to CME .	\$151,578	\$(421,123)	—	\$(269,546)

	Unaudited			
	For the twelve months ended December 31, 2007			
(US dollars in thousands)	CET 21 and Guarantors	Non- Guarantors	Inter-group eliminations(1)	Total CME Group
Net revenues	\$389,776	\$322,242	—	\$712,018
Depreciation	14,064	15,641	—	29,705
Amortisation	21,530	3,150	—	24,680
Operating income/(loss)	234,790	(44,560)	—	190,230
Net income/(loss) attributable to CME .	\$145,239	\$ (56,621)	—	\$ 88,618

	Unaudited			
	As at June 30, 2010			
(US dollars in thousands)	CET 21 and Guarantors	Non- Guarantors	Inter-group eliminations(1)	Total CME Group
Selected balance sheet data:				
Total assets	\$3,021,981	\$ 1,191,130	\$(1,476,849)	\$2,736,262

	Unaudited			
	As at December 31, 2009			
(US dollars in thousands)	CET 21 and Guarantors	Non- Guarantors	Inter-group eliminations(1)	Total CME Group
Total assets	\$3,305,872	\$ 1,022,406	\$(1,455,491)	\$2,872,787

	Unaudited			
	As at December 31, 2008			
(US dollars in thousands)	CET 21 and Guarantors	Non- Guarantors	Inter-group eliminations(1)	Total CME Group
Total assets	\$2,771,439	\$ 676,624	\$(1,041,447)	\$2,406,616

(1) Inter-group eliminations represent the elimination of intercompany investments, dividends, loans and trade payables and receivables between CET 21 and the Guarantors and the Non-Guarantors.

Risk factors

Before you buy the notes, you should know that making such an investment involves significant risks, including the risks described below or elsewhere in this offering memorandum, such as those set forth under the heading "Forward-looking statements" and in CME's 2009 Annual Report and CME's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010, as amended, each of which are incorporated by reference in this offering memorandum. You should carefully consider the factors described below in addition to the remainder of this offering memorandum and the information incorporated by reference in this offering memorandum before purchasing the notes. If any of the risks actually occur, the business, financial condition or results of operations of the CET Group or CME could be negatively affected.

The CET Group operates CME's Czech Republic and Slovak Republic businesses. The CET Group's operations contributed 55% and 123% respectively of CME's net revenues and OIBDA for the year ended December 31, 2009. Accordingly, the impact of "Risks relating to the CET Group's and CME's financial position" and "Risks relating to the CET Group and CME's operations" may be more pronounced to the extent those risks affect the financial performance, results of operations or cash flows of the CET Group. The CET Group's ability to make payments under the notes will depend on a number of factors, including CME's and the CET Group's financial positions and operations, which are described below.

The Indenture does not restrict the ability of CET 21 to distribute cash up to CME Media Enterprises B.V. as dividends or the ability of CME Media Enterprises B.V. in turn to distribute such cash as dividends to its parent company, nor are there restrictions on the ability of CET 21 to make loans to or investments in other CME entities or to pay any indebtedness owed to CME or its Restricted Subsidiaries (as defined below). Therefore, even if CET 21's business is producing positive cash flow, there is no assurance that such positive cash flow will be available to make payments under the notes. Accordingly, you should consider not only the risks faced by the CET Group but also the risks faced by CME when you are evaluating an investment in the notes.

Risks relating to the CET Group's and CME's financial position

The global recession and credit crisis has adversely affected the CET Group's and CME's financial position and results of operations; CME cannot predict if or when economic conditions in the countries in which it operates will recover, and a failure to recover promptly will continue to adversely affect its results of operations.

The results of CME's operations, including those of the CET Group, rely heavily on advertising revenue, and demand for advertising is affected by prevailing general and regional economic conditions. The economic uncertainty affecting the global financial markets and banking system in 2009 has had an adverse impact on economic growth in CME's operating countries across Central and Eastern Europe, some of which have remained in recession. There has been a widespread withdrawal of investment funding from the Central and Eastern European markets and companies with investments in them, particularly in Bulgaria and Romania. Furthermore, the economic downturn has adversely affected consumer and business spending, access to credit, liquidity, investments, asset values and employment rates. These adverse economic conditions have had a material negative impact on the advertising industries in CME's markets, leading its customers to reduce the amounts they spend on advertising. This has resulted in a decrease in demand for advertising airtime and a negative impact on CME's financial position, results of operations and cash flows. While there are some indications that the decline in economic growth rates in certain of CME's operating countries, including the Czech Republic, have reached the bottom, any recovery in these countries could be uneven or slow to gain momentum, and indications are that any economic recovery in CME's markets will generally lag behind Western Europe. A weak recovery or return to recession in the Czech Republic or the Slovak Republic may adversely affect the CET Group's financial position, results

of operations and cash flows. In addition, the absence of a recovery or a weak recovery in these or CME's other markets will continue to adversely affect CME's financial position, results of operations and cash flows, and CME cannot predict the sustainability of any such recovery should it occur.

The CET Group's and CME's operating results will be adversely affected if they cannot generate strong advertising sales.

The CET Group and CME generate almost all of their revenues from the sale of advertising airtime on their television channels. In addition to general economic conditions, other factors that may affect their advertising sales are the pricing of advertising time as well as audience ratings, changes in programming strategy, changes in audience preferences, their channels' technical reach, technological developments relating to media and broadcasting, competition from other broadcasters and operators of other media platforms, seasonal trends in the advertising market, increased competition for the leisure time of audiences and shifts in population and other demographics. In addition, the occurrence of disasters, acts of terrorism, civil or military conflicts or general political instability may create further economic uncertainty that reduces advertising spending. The reduction in advertising spending in the CET Group's and CME's markets has had a negative effect on the prices at which they sell television advertising because of pressure to reduce prices from advertisers and discounting by competitors. Reduced advertising spending, discounting of the price of television advertising in the CET Group's and CME's markets and competition from broadcasters seeking to attract similar audiences have had and may continue to have an adverse impact on the CET Group's and CME's ability to maintain their advertising sales. The CET Group's and CME's ability to maintain audience ratings and to generate gross rating points, the main unit of sales, depends in part on the CET Group and CME maintaining investments in television programming and productions at a sufficient level to continue to attract these audiences. Significant or sustained reductions in investments in programming, production or other operating costs in response to reduced advertising spending in the CET Group's and CME's markets have had and may continue to have an adverse impact on its television viewing levels. The significant decline in advertising sales has had and could continue to have a material adverse effect on the CET Group's and CME's financial position, results of operations and cash flows.

CME's and CET 21's debt service obligations may restrict their ability to fund their operations.

CME has significant debt service obligations under the CME Existing Notes. See "Description of other indebtedness—Description of CME Indebtedness." After the offering, CET 21 will have significant debt service obligations under the notes and, when drawn, the Secured Revolving Credit Facility. In addition, CME and certain of its subsidiaries will serve as guarantors under the notes and the Secured Revolving Credit Facility. CET 21 intends to use approximately €115.0 million (using the the Czech National Bank CZK/EUR exchange rate of 24.535 as at October 7, 2010) of the net proceeds of the offering of the notes to repay the Erste Facility and approximately €49.0 million (using the Czech National Bank CZK/EUR exchange rate of 24.535 as at October 7, 2010) of the net proceeds to repay certain intercompany indebtedness to CME, which is expected to be applied to fund repurchases of CME Existing Notes. See "Use of proceeds." These transactions will not reduce CME's overall indebtedness but will extend the maturity of its indebtedness.

As a result of its debt service obligations, CME is restricted under the CME Existing Notes and CET 21 will be restricted under the notes and the Secured Revolving Credit Facility in the manner in which their businesses are conducted, including but not limited to their ability to obtain additional financing to fund future working capital, capital expenditures, business opportunities and other corporate requirements. In addition, the covenants contained in the indentures governing the CME Fixed Rate Notes and the CME Floating Rate Notes and the Indenture and the agreements governing the Secured Revolving Credit Facility and the Collateral restrict the manner and extent to which CME and/or CET 21 can provide financial support to certain subsidiaries. Furthermore, CME may have a proportionally higher level of

debt than its competitors, which may put it at a competitive disadvantage. Servicing CME's high level of debt may limit its flexibility in planning for, or reacting to, changes in its business, economic conditions and its industry.

CME may require additional external sources of capital for future debt service and other obligations, which may not be available or may not be available on acceptable terms.

CME's ability to meet its future capital requirements is based on its expected cash resources, including debt facilities, as well as estimates of future operating results. These expectations and assumptions are based on a variety of assumptions, such as those regarding general economic, competitive and regulatory conditions, which may prove to be inaccurate. If economic conditions in CME's markets do not improve, if CME's assumptions regarding future operating results prove to be inaccurate, if CME's costs increase due to competitive pressures or other unanticipated developments or if CME's investment plans change, CME may need to obtain additional financing to fund its operations or acquisitions, and to repay or refinance the CME Existing Notes or, following the issuance of the notes hereunder and the entering into of the Secured Revolving Credit Facility, to fund its guarantees under the notes and the Secured Revolving Credit Facility. Furthermore, if CME's cash flows from operations continue to be insufficient to cover operating expenses and interest payments, and if its cash flow together with other capital resources, including proceeds received from offerings of debt or equity and the disposition of assets were to prove insufficient to fund its debt service obligations as they became due, CME would face substantial liquidity problems.

The tightness of the credit markets and the impact of a slow economic recovery on CME's operations may constrain its ability to obtain financing, whether through public or private debt or equity offerings, proceeds from the sale of assets or other financing arrangements. It is not possible to ensure that additional debt financings will be available within the limitations on the incurrence of additional indebtedness contained in the Indenture, the indentures governing CME's Existing Notes and the agreement governing the Secured Revolving Credit Facility. Moreover, such financings, if available at all, may not be available on acceptable terms. CME's inability to obtain financing as it is needed would mean that it may be obliged to reduce or delay capital or other material expenditures at its channels or dispose of material assets or businesses. If CME cannot obtain adequate capital or obtain it on acceptable terms, this would have an adverse effect on CME's financial position, results of operations and cash flows.

CME and CET 21 may be unable to refinance their existing indebtedness and CME and CET 21 may not be able to obtain favorable refinancing terms.

Both CME and CET 21 face the risk that indebtedness will not be able to be renewed, repaid or refinanced when due, or that the terms of any renewal or refinancing will not be as favorable as the terms of such indebtedness. This risk is exacerbated by the current volatility in the capital markets, which has resulted in tightened lending requirements and in some cases the inability to refinance indebtedness. CET 21 has a CZK 300.0 million (US\$ 14.3 million) factoring facility, which is available until September 30, 2011, and the first series of CME Existing Notes to mature are the CME Convertible Notes, which are due in 2013. If CME and/or CET 21 were unable to refinance their indebtedness on acceptable terms or at all, CME and/or CET 21 might be forced to dispose of assets on disadvantageous terms or reduce or suspend operations, any of which would materially and adversely affect their financial condition and results of operations.

A downgrading of CME's ratings may adversely affect its ability to raise additional financing.

Following a change to its rating outlook on September 9, 2010, CME's corporate credit is currently rated as B2 with a negative outlook by Moody's Investors Services. CME's senior notes and convertible notes are rated B and its corporate credit is rated B with a stable outlook by Standard & Poor's. These ratings reflect each agency's opinion of CME's financial strength, operating performance and ability to meet its debt obligations as they become due. Credit rating agencies now monitor companies much more closely and have made liquidity, and the

key ratios associated with it, such as gross leverage ratio, a particular priority. CME intends to operate with sufficient liquidity to maintain its current ratings. However, this is dependent on a variety of factors, some of which may be beyond CME's control. If CME fails to maintain adequate levels of liquidity, it may be downgraded further. In the event CME's debt or corporate credit ratings are lowered by the ratings agencies, it will be more difficult for CME to raise additional indebtedness, and CME will have to pay higher interest rates, which may have an adverse effect on CME's financial position, results of operations and cash flows.

If CME's or CET 21's goodwill, indefinite-lived intangible assets and long-lived assets become impaired, CME or CET 21 may be required to record significant charges to earnings.

Each of CME and CET 21 reviews its long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill and indefinite lived intangible assets are required to be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of CME's or CET 21's goodwill, indefinite-lived intangible assets or long-lived assets may not be recoverable include slower growth rates in its markets, reduced expected future cash flows and, in the case of CME, a decline in stock price and market capitalization. Each of CME and CET 21 considers available current information in respect of calculating its impairment charge. If there are indicators of impairment, CME's or CET 21's long-term cash flow forecasts for its operations deteriorate, or discount rates increase, CME or CET 21 may be required to recognize impairment charges in later periods.

Fluctuations in exchange rates may adversely affect CME's or CET 21's results of operations.

The reporting currency of CET 21 and CME is the dollar but their consolidated revenues and costs, including programming rights expenses and interest on debt, are divided across a range of currencies. The CME Fixed Rate Notes and CME Floating Rate Notes are denominated in euros and, following the offering, the notes will be denominated in euros. The Secured Revolving Credit Facility will be denominated in Czech koruna. CME has not attempted to hedge the foreign exchange exposure on the principal amount of the CME Existing Notes, and neither CME nor CET 21 expects to hedge the foreign exchange exposure on the outstanding amounts due under the notes or the Secured Revolving Credit Facility. CME may continue to experience significant gains and losses on the translation of its revenues, the CME Existing Notes, the notes or the Secured Revolving Credit Facility into dollars due to movements in exchange rates between the euro, the Czech koruna, the currencies of CME's local operations and the dollar. CET 21 may experience significant gains and losses on the translation of its revenues, the notes or the Secured Revolving Credit Facility into dollars due to movements in exchange rates between the euro, the Czech koruna, and the US dollar.

A default by CET 21 in connection with its obligations under the notes, the Secured Revolving Credit Facility or CME's obligations under the CME Existing Notes could result in CET 21's or CME's inability to continue to conduct its businesses.

CET 21 expects that the ownership interests in CET 21 and substantially all of CET 21's assets, including the shares of CME Slovak Holdings B.V. and the 100% ownership interest in Media Pro Pictures s.r.o., will be pledged as security for the notes and the Secured Revolving Credit Facility. In addition, pursuant to the terms of indentures relating to the CME Existing Notes, CME has pledged shares in Central European Media Enterprises N.V. and CME Media Enterprises B.V., which own substantially all of its interests in its operating subsidiaries, including CET 21, and expects to pledge such shares as security for the notes and the Secured Revolving Credit Facility. If CME were to default under the terms of any of its indentures, or if CET 21 were to default under the terms of the Indenture or the Secured Revolving Credit Facility, the trustees under CME's indentures and the trustee and the security agent acting in respect of the obligations under the notes and the Secured Revolving Credit Facility would have the ability to sell all or a portion of the assets pledged to them in order to pay amounts outstanding under such debt instruments.

Risks relating to the CET Group's and CME's operations

The CET Group's and CME's operating results are dependent on the importance of television as an advertising medium.

The CET Group and CME generate almost all of their revenues from the sale of advertising airtime on television channels in their markets. Television competes with various other media, such as print, radio, the internet and outdoor advertising, for advertising spending. In all of the countries in which the CET Group and CME operate, television constitutes the single largest component of all advertising spending. There can be no assurances that the television advertising market will maintain its current position among advertising media in the CET Group's and CME's markets. Furthermore, there can be no assurances that changes in the regulatory environment or improvements in technology will not favor other advertising media or other television broadcasters. Increases in competition among advertising media arising from the development of new forms of advertising media and distribution could result in a decline in the appeal of television as an advertising medium generally or of the CET Group's or CME's channels specifically. A decline in television advertising spending in any period or in specific markets would have an adverse effect on the CET Group's and CME's financial position, results of operations and cash flows.

CME may seek to make acquisitions of other channels, networks, content providers or other companies in the future, and CME may fail to acquire them on acceptable terms or successfully integrate them or it may fail to identify suitable targets.

CME's business and operations have grown in part through acquisitions, including its acquisition of Media Pro Entertainment in December 2009 and the bTV group in Bulgaria in April 2010. While CME continues to explore acquisition opportunities, prospective competitors may have greater financial resources than CME does, and increased competition for target broadcasters or other media businesses may reduce the number of potential acquisitions that are available on acceptable terms.

As CME succeeds in acquiring new businesses, their integration into CME's existing operations pose significant risks, including:

- additional demands placed on CME's senior management, who are also responsible for managing CME's existing operations;
- increased overall operating complexity of CME's businesses, requiring greater personnel and other resources;
- difficulties in expanding beyond CME's core expertise in the event that it acquires ancillary businesses;
- significant initial cash expenditures to acquire and integrate new businesses; and
- in the event that debt is incurred to finance acquisitions, additional debt service costs related thereto as well as limitations that may arise under the Indenture, the indentures governing the CME Existing Notes and under the Secured Revolving Credit Facility.

To manage CME's growth effectively and achieve pre-acquisition performance objectives, CME will need to integrate Media Pro Entertainment and the bTV group, as well as any other new acquisitions, into its existing businesses, implement financial and management controls and produce required financial statements for those operations. The integration of new businesses may also be difficult due to differing cultures, languages or management styles, poor internal controls and an inability to establish control over cash flows. If any acquisition and integration is not implemented successfully, CME's ability to manage its growth will be impaired and it may have to make significant additional expenditures to address these issues, which could harm its financial position, results of operations and cash flows. Furthermore, even if CME is successful

in integrating new businesses, expected synergies and cost savings may not materialize, resulting in lower than expected cash flows and profit margins.

Programming content may become more expensive to produce or acquire or the CET Group or CME may not be able to develop or acquire content that is attractive to its audiences.

Television programming is one of the most significant components of the CET Group's and CME's operating costs. The ability of programming to generate advertising revenues depends substantially on the CET Group's and CME's ability to develop, produce or acquire programming that matches audience tastes and attracts high audience shares, which is difficult to predict. The commercial success of a program depends on several tangible and intangible factors, including the impact of competing programs, the availability of alternate forms of entertainment and leisure time activities and general economic conditions. Furthermore, the cost of acquiring content attractive to the CET Group's and CME's viewers, such as feature films and popular television series and formats, has increased as a result of greater competition from existing and new television broadcasting channels. The CET Group's and CME's expenditure in respect of locally produced programming may also increase due to the implementation of new laws and regulations mandating the broadcast of a greater number of locally produced programs, changes in audience tastes in the CET Group's and CME's markets in favor of locally produced content, and competition for talent. In addition, the CET Group and CME typically acquire syndicated programming rights under multi-year commitments before they can predict whether such programming will perform well in their markets. In the event any such programming does not attract adequate audience share, it may be necessary to increase the CET Group's and CME's expenditures by investing in additional programming as well as to write down the value of such underperforming programming. Any increase in programming costs or write-downs could have a material adverse effect on the CET Group's and CME's financial condition, results of operations and cash flows.

The transition to digital broadcasting may require substantial additional investments and the timing of and effectiveness of such investments is uncertain.

Countries in which the CET Group and CME have operations are migrating from analog terrestrial broadcasting to DTT broadcasting. Each country has independent plans for digital switchover with its own timeframe and regulatory and investment regime. At present, the digital switchover is expected to be fully completed in the Czech Republic in mid-2012 and in the Slovak Republic by mid-2011. The specific timing and approach to implementing such plans is subject to change. Neither the CET Group nor CME can predict the effect of the migration to digital terrestrial broadcasting on existing operations or the take up of digital terrestrial broadcasting by their audiences. The CET Group and CME also cannot predict whether all of their operations will receive rights or licenses to broadcast any additional channels if such additional rights or licenses should be required under any relevant regulatory regime. TV NOVA, the CET Group's principal channel in the Czech Republic, broadcasts under a license that permits both analog and digital broadcasting and which expires in 2025. TV MARKIZA, the CET Group's principal channel in the Slovak Republic, began digital broadcasting in June 2010 under a digital license that is valid for an indefinite period. The CET Group's and CME's other operations may be required to make substantial additional capital investment and commit substantial other resources to implement digital terrestrial broadcasting and secure distribution, and the availability of competing alternative distribution systems, such as direct-to-home platforms, may require the CET Group and CME to acquire additional distribution rights for content it broadcasts. The CET Group and CME may not have access to resources sufficient to make such investments when required.

The CET Group's and CME's businesses are vulnerable to significant changes in technology that could adversely affect them.

The television broadcasting industry is affected by rapid innovations in technology. The implementation of new technologies and the introduction of broadcasting distribution systems

other than analog terrestrial broadcasting, such as digital terrestrial broadcasting, direct-to-home cable and satellite distribution systems, the internet, video-on-demand, user-generated content sites and the availability of television programming on portable digital devices, have changed consumer behavior by increasing the number of entertainment choices available to audiences. This has fragmented television audiences in more developed markets and could adversely affect the CET Group's and CME's ability to retain audience share and attract advertisers as such technologies penetrate the CET Group's and CME's markets. New technologies that enable viewers to choose when and what content to watch, as well as to fast-forward or skip advertisements, may cause changes in consumer behavior that could impact the CET Group's and CME's businesses. In addition, compression techniques and other technological developments allow for an increase in the number of channels that may be broadcast in CME's markets and expanded programming offerings that may be offered to highly targeted audiences. Reductions in the cost of launching additional channels could lower entry barriers for new channels and encourage the development of increasingly targeted niche programming on various distribution platforms. The CET Group's and CME's television broadcasting operations may be required to expend substantial financial and managerial resources on the implementation of new broadcasting technologies or distribution systems. In addition, an expansion in competition due to technological innovation may increase competition for audiences and advertising revenue as well as the competitive demand for programming. Any requirement for substantial further investment to address competition that arises on account of technological innovations in broadcasting may have an adverse effect on the CET Group's and CME's financial position, results of operations and cash flows.

The CET Group and CME may not be aware of all related party transactions, which may involve risks of conflicts of interest that result in concluding transactions on less favorable terms than could be obtained in arms-length transactions.

In certain of CME's markets, Adrian Sarbu, CME's President and Chief Executive Officer, member of CME's Board of Directors, and a CME shareholder, general directors or other members of the management of CME's operating companies have other business interests, including interests in television and other media related companies. For example, following the completion of the acquisition of Media Pro Entertainment in December 2009, Mr. Sarbu continues to own or control entities involved in print media, internet services and news syndication services, among others. The CET Group and CME may not be aware of all business interests or relationships that exist with respect to entities with which the CET Group's and CME's operating companies enter into transactions. Transactions with companies, whether or not the CET Group or CME are aware of any business relationship between their employees and third parties, may present conflicts of interest which may in turn result in the conclusion of transactions on terms that are not arm's-length. It is likely that CET 21, CME and their subsidiaries will continue to enter into related party transactions in the future. In the event there are transactions with persons who subsequently are determined to be related parties, CME may be required to make additional disclosure and, if such contracts are material, may not be in compliance with certain covenants under the Indenture and the indentures governing the CME Existing Notes. Any related party transaction that is entered into on terms that are not arm's-length may result in a negative impact on the CET Group's and CME's financial position, results of operations and cash flows.

The CET Group's and CME's broadcasting licenses may not be renewed and may be subject to revocation.

The CET Group and CME require broadcasting and, in some cases, other operating licenses as well as other authorizations from national regulatory authorities in the CET Group's and CME's markets, in order to conduct their broadcasting business. The CET Group's licenses in the Czech Republic expire at various times between 2019 and 2025 and TV MARKIZA's analog license in the Slovak Republic expires in 2019, while the digital license for TV MARKIZA and the digital, cable and satellite license for DOMA are valid for indefinite periods. CME's remaining broadcasting licenses expire at various times through 2025. While the CET Group and CME expect that their material licenses and authorizations will be renewed or extended as required

to continue to operate their business, neither the CET Group nor CME can guarantee that this will occur or that they will not be subject to revocation, particularly in markets where there is relatively greater political risk as a result of less developed political and legal institutions. The failure to comply in all material respects with the terms of broadcasting licenses or other authorizations or with applications filed in respect thereto may result in such licenses or other authorizations not being renewed or otherwise being terminated. Furthermore, no assurances can be given that renewals or extensions of existing licenses will be issued on the same terms as existing licenses or that further restrictions or conditions will not be imposed in the future. Any non-renewal or termination of any other broadcasting or operating licenses or other authorizations or material modification of the terms of any renewed licenses may have a material adverse effect on the CET Group's and CME's financial position, results of operations and cash flows.

CME's operations are in developing markets where there is a risk of economic uncertainty, biased treatment and loss of business.

CME's revenue-generating operations are located in Central and Eastern Europe. These markets pose different risks to those posed by investments in more developed markets and the impact in CME's markets of unforeseen circumstances on economic, political or social life is greater. The economic and political systems, legal and tax regimes, standards of corporate governance and business practices of countries in this region continue to develop. Government policies may be subject to significant adjustments, especially in the event of a change in leadership. This may result in social or political instability or disruptions, potential political influence on the media, inconsistent application of tax and legal regulations, arbitrary treatment before judicial or other regulatory authorities and other general business risks, any of which could have a material adverse effect on CME's financial position, results of operations and cash flows. Other potential risks inherent in markets with evolving economic and political environments include exchange controls, higher tariffs and other levies as well as longer payment cycles. The relative level of development of CME's markets and the influence of local political parties also present a potential for biased treatment of CME before regulators or courts in the event of disputes involving CME's investments. If such a dispute occurs, those regulators or courts might favor local interests over CME's interests. Ultimately, this could lead to the loss of one or more of CME's business operations. The loss of a material business would have an adverse impact on CME's financial position, results of operations and cash flows.

CME's success depends on attracting and retaining key personnel.

CME's success depends partly upon the efforts and abilities of its key personnel and CME's ability to attract and retain key personnel. CME's management teams have significant experience in the media industry and have made an important contribution to its growth and success. Although CME has been successful in attracting and retaining such people in the past, competition for highly skilled individuals is intense. There can be no assurance that CME will continue to be successful in attracting and retaining such individuals in the future. The loss of the services of any of these individuals could have an adverse effect on CME's businesses, results of operations and cash flows.

Risks relating to the notes and the offering

Covenant restrictions under the Indenture impose significant operating and financial restrictions on CET 21 and CME and may limit their ability to operate their business and consequently to make payments on the notes.

The Indenture and the indentures relating to the CME Existing Notes contain covenants that restrict CET 21's and CME's ability to finance future operations or capital needs or to take advantage of other business opportunities that may be in their interest. These covenants restrict the ability to, among other things:

- incur or guarantee additional debt;

- pay dividends or make distributions on, or redeem or repurchase, capital stock or subordinated debt;
- make other restricted payments, including investments;
- create liens;
- dispose of assets;
- enter into certain transactions with affiliates;
- enter into agreements restricting the ability of CME's subsidiaries to pay dividends or other distributions or create intercompany indebtedness; and
- consolidate, amalgamate, merge or sell, transfer, lease or otherwise dispose of all or substantially all of the assets of CET 21, CME or certain subsidiaries of CME.

Events beyond the control of CET 21 or CME, including changes in general business and economic conditions, may affect their ability to meet these requirements. A breach of any of these covenants could result in a default under the Indenture, the indentures governing the CME Existing Notes or the Secured Revolving Credit Facility.

CET 21 may not be able to repurchase the notes upon a change of control and ratings decline.

Upon the occurrence of a "change of control" (as defined in the Indenture) and a decline in the ratings of the notes (a "Change of Control Triggering Event"), CET 21 will be required to make an offer to you in cash to repurchase all or any part of your notes at 101% of their principal amount, plus accrued and unpaid interest. If a Change of Control Triggering Event occurs, CET 21 may not have sufficient funds at that time to pay the purchase price for all tendered notes, particularly if that change of control event triggers a similar repurchase requirement for, or results in the acceleration of, any of CET 21's or CME's other debt, including the Secured Revolving Credit Facility and the CME Existing Notes. Any debt agreements CET 21 or CME enter into in the future may contain similar provisions. Certain transactions that constitute a change of control under CME's existing and future debt instruments may not constitute a "Change of Control" under the Indenture.

Despite current debt levels, CET 21 and CME will be able to incur more debt, which could increase the risks described in this section.

CET 21 and CME have the right to incur debt in the future. Although the Indenture and the Secured Revolving Credit Facility will contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of qualifications and exceptions, and additional debt incurred in compliance with these restrictions could be substantial. Any additional debt would likely exacerbate the risks to CET 21 and CME that are described under "Risks relating to the CET Group's and CME's financial position."

You may have difficulty enforcing your rights against CET 21 and its directors and senior management.

CET 21 is organized under the laws of the Czech Republic and does not have any assets in the U.S. None of the members of management and Executive Directors (in Czech: "jednatelé") of CET 21 and its subsidiaries are residents of the United States and all or a majority of their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon CET 21 or its members of management or Executive Directors, or to enforce any judgments obtained in U.S. courts. In addition, CET 21 cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in the Czech Republic. See "Enforcement of judgments."

CET 21 cannot assure you that an active trading market will develop for the notes; your ability to sell the notes will be limited.

The notes will be a new issuance of securities for which there is no established public market. CET 21 cannot assure you as to:

- the liquidity of any market that may develop for the notes;
- your ability to sell your notes; or
- the prices at which you would be able to sell your notes.

Future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, CET 21's and CME's operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The liquidity of a trading market for the notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the notes, regardless of CET 21's and CME's prospects and financial performance. The initial purchasers of the notes have advised CET 21 that they currently intend to make a market in the notes. However, the initial purchasers are not obliged to do so, and they may discontinue any market making activities at any time without notice. As a result, there is no assurance that an active trading market will develop for the notes. If no active trading market develops, you may not be able to resell your notes at the price you expect, if at all.

Although CET 21 will, in the Indenture, agree to use its reasonable efforts to have the notes admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market within a reasonable period after the issue date and to maintain such listing as long as the notes are outstanding, CET 21 cannot assure you that the notes will become or remain listed. Although no assurance is made as to the liquidity of the notes as a result of listing on the Luxembourg Stock Exchange or another recognized listing exchange for high yield issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the notes from the Luxembourg Stock Exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell notes in the secondary market.

The transfer of the notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The notes and the Guarantees have not been registered under, and CET 21 is not obliged to register the notes or the Guarantees under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. CET 21 has not agreed to or otherwise undertaken to register the notes (including by way of an exchange offer), and does not have any intention to do so.

Initially, the notes may only be transferred to people outside the U.S. purchasing in offshore transactions pursuant to Regulation S or to qualified institutional buyers within the U.S. purchasing in reliance on Rule 144A of the U.S. Securities Act.

Risks relating to the collateral and the guarantees

The value of the Collateral securing CET 21's obligations under the notes and the Secured Revolving Credit Facility, as well as CME's obligations under the notes, the CME Existing Notes and the Secured Revolving Credit Facility may not be sufficient to satisfy those obligations, and the ability of the trustee to act with respect to the Collateral may be limited.

CET 21's obligations with respect to the notes and the Secured Revolving Credit Facility are secured by the CET Collateral. The CET Collateral may also be pledged to secure additional

senior indebtedness that CET 21 may incur in the future. Subject to certain permitted enforcements, the noteholders will be restricted from taking certain enforcement action unless such enforcement action is taken by the finance parties under the Secured Revolving Credit Facility in respect of CET 21 or any Guarantor, and the noteholders generally may only take the same or equivalent enforcement action with respect to the CET Collateral as that taken by the relevant finance parties under the Secured Revolving Credit Facility against CET 21 or such Guarantor, as the case may be. The proceeds obtained from enforcement of any of the security is required by the CET Group Intercreditor Agreement to be shared on a ratable basis among the note holders and the lenders under the Secured Revolving Credit Facility. See “Description of other indebtedness—CET Group Intercreditor Agreement.”

In addition, the CME Existing Notes are secured by the CME Collateral, which also secures CET 21’s obligations under the notes and the Secured Revolving Credit Facility. However, under applicable law, the CME Existing Notes, which received their pledge of the Collateral prior in time, have priority under local law. While the Existing Intercreditor Agreement relating to these outstanding notes provides for sharing of the proceeds of any enforcement action on a *pari passu* basis, the Existing Intercreditor Agreement does not give the trustee for the notes the right to compel an enforcement of the collateral by the prior ranking creditors. In the event the trustees under the CME Existing Notes do not participate with the trustee for the notes in such enforcement action, proceeds realized on the sale of such collateral may be limited. Under the Existing Intercreditor Agreement, the trustee for the notes, as a fourth-ranking pledge holder, has agreed to join in any enforcement action commenced by the more senior ranking creditors. See “Description of other indebtedness—Existing Intercreditor Agreement.”

In the event that additional indebtedness is also secured by the Collateral, such indebtedness will also have a right to a *pro rata* share of any enforcement proceeds. CET 21 can give no assurance that the proceeds obtained from enforcement of the security will be sufficient to satisfy the obligations under the notes, the CME Existing Notes or any additional senior secured debt that CME or CET 21 may incur.

Your ability to recover under the Collateral securing the notes may be limited.

The notes will be secured on a first-priority basis by a pledge of ownership interests in CET 21 and substantially all of the assets of CET 21, including a pledge of all of the shares of CME Slovak Holdings B.V., the 100% ownership interest in Media Pro Pictures s.r.o., its immovable assets, its movable assets, its bank accounts, certain insurance, certain advertising receivables and its enterprise as a whole and security interests in certain shareholder loans.

No appraisal of the value of the Collateral has been made in connection with this offering and the value of the Collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. Consequently, liquidating the Collateral securing the notes may not produce proceeds in an amount sufficient to pay any amounts due on the notes, the Secured Revolving Credit Facility and the CME Existing Notes to the extent that they are also secured by the Collateral.

The Collateral securing the notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the trustee and any other creditors that also have the benefit of first liens on the Collateral securing the notes from time to time, whether on or after the date the notes are issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the notes as well as the ability of the security agent to realize or foreclose on such Collateral.

The pledge of CET 21’s enterprise would not be enforceable with respect to CET 21’s broadcast licenses, which are granted in CET 21’s name and are not transferrable. As a result, in the event of an enforcement proceeding, any proposed acquiror of CET 21’s enterprise pursuant to the enterprise pledge would need to obtain new broadcast licenses to operate CET 21’s television

channels. In addition, if prior to the switchover to digital broadcasting in the Czech Republic (expected to occur in mid-2012) there is a change of ownership in CET 21 as a result of an enforcement of the pledge of ownership interests in CET 21, then to fully enforce the pledge, the broadcast license for NOVA CINEMA would have to be surrendered to the Council for Radio and Television Broadcasting in the Czech Republic. Under such circumstances, the acquirers of such ownership interests would need to acquire a new license to operate NOVA CINEMA. There can be no assurance that any such new license could be obtained.

The security interest of the security agent will be subject to practical problems generally associated with the realization of security interests in Collateral. For example, enforcement of the Collateral in the Czech Republic may be time-consuming and the security agent may need to obtain the consent of a third party to obtain or enforce a security interest in a contract. CET 21 cannot assure you that the security agent will be able to obtain any such consent. It also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the security agent may not have the ability to foreclose upon those assets and the value of the Collateral may significantly decrease.

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in Collateral.

Applicable law requires that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the Collateral securing the notes may not be perfected with respect to the claims of the security agent on behalf of the trustee and the holders of the notes if the security agent is not able to take the actions necessary to perfect any of these liens on or prior to the date of the Indenture. For example, applicable law may require that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. CET 21 has limited obligations to perfect the noteholders' security interest in specified Collateral. There can be no assurance that the trustee or the security agent for the notes will monitor, or that CET 21 will inform the trustee or security agent of, the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired Collateral. The security agent for the notes has no obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of any security interest. Such failure may result in the loss of the security interest in the Collateral or the priority of the security interest in favor of the security agent on behalf of the trustee and the holders of the notes against third parties.

Fraudulent conveyance laws and other limitations on the enforceability and the amount of the Guarantees may adversely affect the validity and enforceability of the Guarantees.

The Guarantors have guaranteed the payment of the notes on a senior basis. The Guarantees may be subject to claims that they should be limited, subordinated or voided in favor of existing and future creditors under the laws of the Czech Republic, the Slovak Republic, Bermuda, the Netherlands and Curaçao. The Guarantees will be limited to the maximum amount that can be guaranteed by the Guarantors without rendering the Guarantees voidable or otherwise ineffective under applicable law. Recent case law has called into doubt whether such limitations are valid to permit apportionment of a guarantee that would otherwise be a fraudulent conveyance to survive. Moreover, enforcement of the Guarantees would be subject to certain generally available defenses. Although laws differ among these jurisdictions, in general, these laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. Although laws differ among various jurisdictions, in general, under fraudulent conveyance laws, a court could subordinate or void any guarantee and, if a payment had already been

made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if it found that:

- the guarantee was incurred with actual intent to hinder, delay or defraud current or prospective creditors or shareholders of the guarantor or, in certain jurisdictions, even when the recipient was simply aware that the guarantor was insolvent when it granted the relevant guarantee;
- the guarantor did not receive fair consideration or reasonably equivalent value for incurring the debt represented by the guarantee;
- the guarantor was insolvent or was rendered insolvent because of the guarantee;
- the guarantor was undercapitalized or became undercapitalized because of the guarantee;
- the guarantor intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity;
- the guarantee was held to exceed the corporate objects of the guarantor or not to be in the best interests or for the corporate benefit of the guarantor; or
- the amount paid or payable under the guarantee was in excess of the maximum amount permitted under applicable law.

The measure of insolvency for purposes of fraudulent conveyance laws varies depending on the law applied which may impose different requirements in order for those actions to be successful. Generally, however, a guarantor would be considered insolvent if its liabilities exceeded the fair market value of its assets, it could not pay its debts as they became due or it is demonstrated that it would no longer be able to regularly meet its obligations as they became due, or the present saleable value of its assets were less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they matured or become absolute.

If a court decided that any guarantee was a fraudulent conveyance and voided such guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of the guarantor and would be a creditor solely of CET 21 and the remaining guarantors. An overview of the enforceability issues as they relate to the Guarantees and the Collateral is set forth under “Enforcement of judgments.”

Security over certain assets will not be taken or may not be in place as of the closing date.

Certain of the Collateral securing the notes offered hereby currently secures CET 21’s obligations under the Erste Facility and may only be released upon the payment in full of the Erste Facility. As the Erste Facility will be repaid with the proceeds of the notes offered hereby, security interests in such Collateral will not be able to be granted as of the date of the issuance of the notes. In particular, CET 21 shall use its reasonable best efforts to deliver (i) the pledge over the 100% ownership interest in Media Pro Pictures s.r.o and evidence of the registration thereof within 20 business days after the closing date, (ii) the mortgage over the immovable assets of CET 21 and evidence of the registration thereof within 30 business days after the closing date and (iii) the pledge over the movable assets and enterprise of CET 21 and evidence of registration thereof within 10 Business Days after the Issue Date. CET 21 shall use its best efforts to have the registration of the pledge over all the ownership interests in CET 21 completed within 10 Business Days after the Issue Date. See “Description of the notes—Certain covenants—Delivery of Security.”

Enforcement of your rights as a holder of the notes under the Guarantees and the Collateral across multiple jurisdictions may be difficult.

CET 21 is incorporated under the laws of the Czech Republic and the Guarantors are incorporated under the laws of Bermuda, the Netherlands, Curaçao and the Slovak Republic. In

the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these and other applicable jurisdictions. The rights of the noteholders under the Indenture will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcies, insolvencies and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights.

In addition, in the event of a bankruptcy of CET 21, the Czech Council for Radio and TV Broadcast may revoke the broadcast licenses held by CET 21.

Czech Republic

To secure its obligations under the notes, CET 21, which is incorporated under Czech law, is granting a first-priority security interest in substantially all of CET 21's assets, including a pledge of all of the shares of CME Slovak Holdings B.V., the 100% ownership interest in Media Pro Pictures s.r.o., its immovable assets, its movable assets, its bank accounts, certain insurance, certain advertising receivables and its enterprise as a whole and security interests in certain shareholder loans. Most of these security interests will be governed by Czech law. In addition, CME is granting a first-priority security interest in its ownership interests in CET 21.

Despite recent legislative developments, certain legal obstacles continue to prevent the establishment of a stable system of secured lending in the Czech Republic. Obtaining judicial enforcement of creditors' rights under Czech law is a process potentially lasting several years.

Under Czech law, a security interest is not enforceable for the benefit of a beneficiary who is not a party to the relevant pledge agreement creating such security interest. As a result, the CET Group Intercreditor Agreement provides for the creation of parallel obligations for the purpose of Czech security interests. Pursuant to these parallel obligations, the security interests have been structured such that the security trustee will become an independent and separate creditor, acting on behalf of itself, the lenders under the Secured Revolving Credit Facility and the holders of the notes in respect of each and every obligation owing and incurred by CET 21 under the Indenture, the notes, the Secured Revolving Credit Facility and under the relevant security documents. The parallel obligations procedure has not, however, been tested under Czech law, and CET 21 cannot assure you that it will eliminate or mitigate the risk of unenforceability posed by Czech law.

In addition, under Czech law, the pledge over ownership interests in CET 21 may also need to be released, and a new pledge would need to be executed, in the event that CET 21 incurs additional indebtedness in the future that ranks equally with, and shares in the security interest on a *pari passu* basis with, the notes.

There are also risks related to the grant of any guarantees provided by future Czech subsidiaries of CET 21 under the Indenture. Such guarantees may require a court-appointed expert to issue a valuation report on the relevant guarantees. Czech law presently is unclear as to the content of such valuation reports. The nonexistence of such valuation report may cause the invalidity of such guarantees. In addition, directors of any future subsidiary guarantor may, upon issuance of such guarantee, incur personal liability in the Czech Republic for breaching their statutory obligations of due care. Furthermore, pursuant to the Czech civil and insolvency law, it is also possible to challenge under certain circumstances the particular transactions entered into or payments made by a debtor.

Under Czech law, the investor as creditor is protected, among other means, by the respective provisions of the Czech Civil Code (Act No. 40/1964 Coll.), pursuant to which a creditor may challenge as ineffective a debtor's transaction with a third party if such transaction occurred within the last three years and (i) a debtor had an intention to prejudice a creditor and a third party must have known about such debtor's intention, or (ii) a debtor prejudiced a creditor and such transaction is made between a debtor and the debtor's close persons and/or in favor of such persons, except for the cases when close persons could not have known about a debtor's intention. If a creditor's challenge is successful, a Czech court has the power, among other things, to declare the respective transaction ineffective vis-à-vis the respective creditor and such creditor may request that its receivable be settled against the debtor's property which was transferred under such challenged transaction.

Pursuant to Act No. 182/2006 Coll., on Insolvency and Its Resolution, as amended (the "Insolvency Act"), in case of bankruptcy proceedings, the rights to satisfaction under security concerning the estate property of the debtor (with certain exemptions) which the creditors of the debtor acquired after publication of the public notice regarding the insolvency proceedings initiation in the Insolvency Register, shall be ineffective.

In addition, in general, pursuant to the Insolvency Act, some legal acts (as well as some omissions) of the debtor can further be held ineffective pursuant to the Insolvency Act. Such ineffectiveness (i) may either ensue directly from the respective provisions of the Insolvency Act (e.g. ineffectiveness of the legal acts made by the debtor contrary to its obligation not to dispose of the estate property after publication of the public notice regarding the insolvency proceedings initiation in the Insolvency Register—such acts shall, however, be ineffective only towards the debtor's creditors or (ii) may also be declared by the insolvency court based on a civil action filed by the insolvency administrator (the "Action") (e.g. ineffectiveness of the legal acts made by the debtor which decrease the possibility that its creditors will be satisfied or by which the debtor favors certain creditors over the others).

The insolvency administrator may, subject to certain conditions of the Insolvency Act, challenge the following categories of legal acts of the debtor by the Action:

- legal acts based on which the debtor shall provide the counter party with any performance free of charge or for a consideration the usual price of which is substantially lower than the usual price of the performance the provision of which was undertaken by the debtor;
- legal acts as a result of which a particular creditor shall be satisfied to the prejudice of other creditors to a greater extent than such creditor would have been entitled to within the bankruptcy proceedings; and
- legal acts intentionally decreasing the satisfaction of a particular creditor, provided that such intention was known, or should have been known taking into account all relevant circumstances, to the counter party.

In all of the above cases the Action may be filed by the insolvency administrator within 1 year following the decision on insolvency issued by the insolvency court coming into effect.

The Netherlands and Curaçao

CME Media Enterprises B.V., CME Investments B.V. and CME Slovak Holdings B.V., which are organized under laws of the Netherlands, and Central European Media Enterprises N.V., which is organized under the laws of Curaçao, will be Guarantors. Dutch and Curaçao statutes allow Dutch and Curaçao courts, under specific circumstances, to void guarantees and require note holders to return payments received from guarantors. The issuance of the Guarantees of the notes by the Guarantors may be subject to review under Dutch or Curaçao laws if a bankruptcy, liquidation or reorganization case or a lawsuit, including in circumstances in which bankruptcy is not involved, were commenced at some future date by, or on behalf of, the unpaid creditors of a guarantor. If a Dutch or a Curaçao court voided a guarantee, you would no longer have a claim against such guarantor for amounts owed in respect of such guarantee. In addition, a Dutch or a Curaçao court might direct you to repay any amounts already received from such guarantor. If a Dutch or a Curaçao court were to void any guarantee, funds may not be available from any other source to satisfy CET 21's and CME's obligations under the notes.

The Slovak Republic

MARKÍZA-SLOVAKIA, spol. s r.o., which is organized under the laws of the Slovak Republic, will be a Guarantor. If the Guarantee is deemed to be provided without consideration, such guarantee may be challenged by the trustee or another creditor in bankruptcy proceedings of the guarantor in the Slovak Republic as voidable legal transaction (in Slovak: "odporovateľný

právny úkon") due to being (1) undervalue/without adequate consideration (bez primeraného protiplnenia); (2) an act curtailing other creditors (in Slovak: "*ukracujúci úkon*"); or (3) act preferring certain one or more creditors against other creditors (in Slovak: "*zvýhodňujúci úkon*"). Because the Guarantee provided by MARKÍZA-SLOVAKIA, spol. s r.o. relates to the obligations of a related party, this risk is comparatively higher than if the guarantor and the principal debtor were unrelated.

- A guarantee may be challenged as undervalue if there was no consideration received by the guarantor for providing the guarantee, or if the consideration received was substantially lower than is customary, provided that the guarantee was granted during the time when the guarantor was already technically insolvent or if the guarantee itself (or a claim made under the guarantee) has caused insolvency of the guarantor. It is assumed that the guarantor was insolvent at the time of granting the guarantee if the guarantee is for the obligations of a party related to the guarantor, unless the beneficiary of the guarantee is able to prove to the contrary (i.e. the burden of proof is on the beneficiary of the guarantee). The guarantee guaranteeing obligations of a party related to the guarantor can be challenged as undervalue if it was granted within three years before the commencement of bankruptcy proceedings (in Slovak: "*začatie konkurzného konania*") by the insolvency court.
- A guarantee may be challenged as curtailing other creditors if it is established that by granting it or by performing under it the guarantee the guarantor has curtailed its creditors (other than the direct beneficiary of the guarantee) with an intention to do so, which intention was or must have been known to the beneficiary of the guarantee. Again, in case of a guarantee for obligations of a party related to the guarantor, the intention of the guarantor to curtail its creditors and the awareness of the beneficiary of this intention will be assumed, unless the beneficiary of the guarantee is able to prove to the contrary (i.e. the burden of proof is on the beneficiary of the guarantee). The can be challenged as curtailing other creditors if it was granted within five years before the commencement of bankruptcy proceedings (in Slovak: "*začatie konkurzného konania*") by the insolvency court.
- A guarantee may be challenged as a preferential act if it would be established that by granting it or performing under it (1) one or more creditors of the guarantor have been given unreasonable advantage before its other creditors, or (2) the guarantor has unreasonably put itself into a disadvantageous position to the detriment of its creditors; provided that the guarantee was granted during the time when the guarantor was already technically insolvent or if the guarantee itself (or a claim made under the guarantee) has caused insolvency of the guarantor. It is assumed that the guarantor was insolvent at the time of granting the guarantee if the guarantee is for the obligations of a party related to the guarantor, unless the beneficiary of the guarantee is able to prove to the contrary (i.e. the burden of proof is on the beneficiary of the guarantee). The guarantee guaranteeing obligations of a party related to the guarantor can be challenged as being preferential if it was granted within three years before the commencement of bankruptcy proceedings (in Slovak: "*začatie konkurzného konania*") by the insolvency court.

A petition to challenge and set aside the Guarantee on the above grounds may be filed by the insolvency trustee or by a creditor of the bankrupt guarantor within six months after declaration of bankruptcy (in Slovak: "*vyhlásenie konkurzu*") by filing a petition with the insolvency court against all parties having benefit from the Guarantee (being primarily the beneficiary of the Guarantee and the principal debtor whose obligations have been guaranteed, in this case CET 21), and only if as a result of the granting of or performance under the guarantee satisfaction of a claim duly registered in the bankruptcy proceedings is curtailed.

If the Guarantee is successfully challenged, it would be set aside and declared ineffective. As a result, the parties gaining benefit from it would have to return the benefit (or its equivalent in money terms) into the general bankruptcy estate of the Guarantor to be available to its

general creditors. If the beneficiary of the Guarantee would have to return any payment received under the Guarantee into the bankruptcy estate, its claim under the Guarantee would be automatically reinstated in the amount so returned, and would be subject to satisfaction from the general bankruptcy estate together with the other creditors of the Guarantor.

Bermuda

CME, a Guarantor, is incorporated under the laws of Bermuda. Therefore, any insolvency proceedings by or against CME would likely be based on Bermuda insolvency laws.

There are circumstances under Bermuda insolvency law in which the granting by a Bermuda company of security and guarantees can be challenged. In most cases this will only arise if the company is placed into liquidation within a specified period (as set out in more detail below) of the granting of the guarantee or security. Therefore, if during the specified period a liquidator is appointed to a Bermuda company, he may challenge the validity of the guarantee or security given by such company.

Fraudulent Conveyance

An eligible creditor may set aside a disposition made with the dominant intention to put property beyond the reach of creditors. The disposition must be a disposition at an undervalue. An undervalue means a transaction for either no consideration or where the value of the consideration is in money or monies worth significantly less than the value of the property disposed of.

There are clear limitation periods on bringing an action which depend on the category of creditor making the claim. Broadly the maximum period is 6 years from the date of the disposition.

Effect on the Transaction

The transaction will only be set aside to the extent necessary to satisfy the obligations owed to the eligible creditor claiming. Therefore, if the disposition involves the transfer of a number of assets, it is conceivable that only part of the disposition would be set aside. The transferee, provided that he acted in good faith, may recover costs incurred in the defence of the action to set the transaction aside.

The statute expressly puts the burden of proof upon the person alleging that the transferee did not act in good faith to show that the transferee should not recover the costs set out above.

Fraudulent Preference

Section 237 of Companies Act 1981 of Bermuda provides that "Any conveyance, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against a company within six months before the commencement of its winding up which, had it been made or done by or against an individual within six months before the presentation of a bankruptcy petition on which he is adjudged bankrupt, would be deemed in his bankruptcy a fraudulent preference, shall in the event of the company being wound up be deemed a fraudulent preference of its creditors and be invalid accordingly."

In order to fall foul of this provision, the transfer or disposition must have been made within the six months prior to the commencement of the winding up (in the case of a court ordered winding up this would be the date of the presentation of the petition to the Supreme Court of Bermuda). The transfer will be invalid if it was carried out with the dominant intention of preferring one creditor over others at a time when the company was unable to pay all of its creditors in full.

You may have difficulty enforcing your rights or judgments obtained in U.S. courts against CET 21, the Guarantors and their respective directors and members of senior management.

The notes will be issued under the Indenture, which is governed by New York law. CET 21 is incorporated and organized under the laws of the Czech Republic and the Guarantors are incorporated and organized under the laws of Bermuda, the Netherlands, Curaçao and the Slovak Republic. As of the date of this offering, all assets of CET 21 and the Guarantors are located, and CET 21's cash flow is generated, outside the U.S. As a result, it may not be possible for investors to effect service of process within the U.S. upon the directors and officers of CET 21 and the Guarantors, or to enforce against any of them judgments obtained in U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States.

Furthermore, CET 21 has been advised by Czech counsel that the United States and the Czech Republic do not presently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters in the Czech Republic, nor has the Czech Ministry of Justice declared that reciprocity has been established with the United States in practice. Therefore, judgments rendered by U.S. courts are not currently generally recognized and enforceable in the Czech Republic.

In order to have the foreign arbitral award enforced and executed in the Czech Republic, the requesting party must provide the Czech court with a duly authenticated original of the award, or a duly certified copy thereof, and the original of the agreement containing the arbitration clause, or a duly certified copy thereof. Recognition and enforcement of the award may be refused in the Czech Republic only for reasons specified in the New York Convention on the recognition and enforcement of arbitral awards (1958). Even if reciprocity is established in the future, a judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon the U.S. federal securities laws, will not be recognized and enforced in Czech courts if, among other things:

- the matter falls within the exclusive jurisdiction of the courts of the Czech Republic or in the event that the proceedings on recognition and enforcement could not have been conducted by any authority of a foreign state, should the provisions regarding the jurisdiction of the courts of the Czech Republic be applied for considering the jurisdiction of the foreign authority;
- a Czech court has issued or recognized a final judgment in the same matter or proceedings regarding the same matter are pending before a Czech court;
- the U.S. court has deprived the party against whom the judgment was made of an opportunity to participate in the proceedings before such U.S. court; or
- the recognition of the U.S. judgment would be contrary to the public policy (in Czech: "*veřejný pořádek*") of the Czech Republic.

Nonetheless, the investors have an option to commence proceedings directly in the Czech Republic in which proceedings the respective judgment rendered by a U.S. court would serve as documentary evidence. However, such proceedings could be very lengthy, due to the fact that a Czech court would have to ascertain the U.S. securities law as the substantive law governing the subject matter of proceedings. Moreover, there is no guarantee that a judgment of a Czech court would be identical to the one issued by a U.S. court, as it is not binding on Czech courts.

The recognition and enforcement in Czech courts of judgments rendered by English and Dutch courts in civil and commercial matters will be subject to EC Regulation No. 44/2001 of December 22, 2000, on jurisdiction, recognition and enforcement of court judgments in civil and commercial matters, which is directly applicable in the Czech Republic, according to which judgments issued by court authorities in the respective EU Member State with regard to civil and commercial matters shall be enforceable in the Czech Republic.

CET 21 has been advised by Dutch counsel that there currently is no treaty between the United States and the Netherlands or Curaçao providing for the reciprocal recognition and enforcement of judgments. Under current practice, however, a final judgment rendered by a federal or state court in the United States and enforceable in the United States will usually be followed by a Netherlands or a Curaçao court in a new court procedure in the Netherlands or Curaçao if:

- the U.S. judgment results from proceedings compatible with Dutch concepts of due process;
- the U.S. judgment does not contravene public policy of the Netherlands or Curaçao; and
- the jurisdiction of the federal or state court in the United States has been based on an internationally acceptable ground.

There is also doubt as to whether a Dutch court would have the requisite power and authority to adjudicate or grant remedies sought in an original action brought in the Netherlands or Curaçao (as applicable), on the basis of violations of the U.S. securities laws or other foreign laws.

CET 21 has been advised by Slovak counsel that the United States and the Slovak Republic do not presently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters in the Slovak Republic. Therefore, judgments rendered by U.S. courts are not currently automatically recognized and enforceable in the Slovak Republic. In order to make a judgment of a U.S. court enforceable in the Slovak Republic, the judgment must first undergo a court proceeding for its recognition.

A Slovak court will not recognize and allow enforcement of judgment issued by a U.S. court if:

- the matter is one within the exclusive competence of the courts of the Slovak Republic pursuant to its laws, or is one beyond the competence of any judicial proceedings of the U.S. court, as determined by the laws of the Slovak Republic; or
- the decision is not final or enforceable in the jurisdiction where it has been issued; or
- the decision is not a decision on the merits of the matter; or
- the party against whom such judgement is sought to be enforced has been deprived of an opportunity to participate in the foreign proceedings, especially if the summons or notice of the commencement of the foreign proceedings has not been duly served on the party; this exception does not apply if the party has not filed an appeal against the foreign judgement which has been duly served on it or if the party has waived the applicability of this exception; or
- a final decision in the same matter has previously been issued by a court of the Slovak Republic or by a foreign authority if that foreign authority's decision has been recognised in the Slovak Republic or meets the criteria for being recognised; or
- recognition of the U.S. judgment would be contrary to public policy (in Slovak: "*verejný poriadok*") of the Slovak Republic.

Conversely, if none of the above would apply to the U.S. judgment, it would be recognised and enforced in the Slovak Republic.

Bermuda counsel has advised CME that there is doubt as to whether the Courts of Bermuda would enforce judgments of U.S. courts obtained in actions against CME or its directors or officers predicated upon the civil liability provisions of the U.S. federal securities laws or original actions brought in Bermuda against CME or such persons predicated solely upon U.S. federal securities laws. Further, CME has been advised that there is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a U.S. judgment would be

enforceable in Bermuda against CME or its directors or officers depends on whether the U.S. court that entered the judgment is recognized by the Bermuda court as having jurisdiction over CME or its directors or officers, as determined by reference to Bermuda conflict of law rules. A judgment debt from a U.S. court that is final and for a sum certain based on U.S. federal securities laws will not be enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, and the issue of submission and jurisdiction is a matter of Bermuda (not U.S.) law.

Insolvency laws could negatively affect your ability to enforce your rights under the notes and the Guarantees.

CET 21 is incorporated and organized in the Czech Republic and the Guarantors are incorporated and organized in Bermuda, the Netherlands, Curaçao and the Slovak Republic. The insolvency laws of the Czech Republic, Bermuda, the Netherlands, Curaçao and the Slovak Republic may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of the insolvency law in the Czech Republic, the Netherlands, Curaçao and the Slovak Republic.

The Czech Republic

If the issuer becomes insolvent, there is a risk that holders of the notes will not be able to fully enforce their rights under the notes or that there will be considerable delay in satisfying these claims. In addition, due to new legal regulations governing insolvency in the Czech Republic, certain insolvency administrators in the Czech Republic have developed little expertise or competence, contributing to the unpredictability of the insolvency process.

Insolvency in the Czech Republic is regulated by the Insolvency Act. Pursuant to the Insolvency Act, the debtor shall be insolvent (in Czech: "*úpadek*") if it has multiple creditors (*i.e.* at least two) and has monetary obligations overdue for more than 30 days and is unable to satisfy such obligations. Insolvency proceedings are generally applicable to all persons or entities.

The debtor is deemed unable to satisfy its monetary obligations in the event that (i) it has stopped making payments of a substantial part of its monetary obligations, or (ii) it does not pay such obligations for a period of more than three months following their maturity, or (iii) it is not possible to satisfy any of the overdue monetary receivables towards the debtor through enforcement or execution, or (iv) it fails to submit to the insolvency court lists of its property, obligations and employees (in cases where such lists shall be submitted by the debtor to the insolvency court pursuant to the Insolvency Act).

The debtor who is a legal entity (whether an entrepreneur or not) or a natural person being the entrepreneur is also deemed insolvent if over-indebted (in Czech: "*předlužení*"). Such debtor is over-indebted if it has multiple creditors and the sum of its liabilities exceeds the value of its property.

The Insolvency Act also governs so-called impending insolvency (in Czech: "*hrozící úpadek*") (the "Impending Insolvency"), which means the case when it is justified to assume, in light of all relevant circumstances, that the debtor will be unable to satisfy a substantial part of its monetary obligations in a due and timely manner.

The Insolvency Act stipulates the following manners of insolvency resolution: (i) bankruptcy (in Czech: "*konkurz*"), (ii) reorganization (in Czech: "*reorganizace*") and (iii) debt clearance (in Czech: "*oddlužení*").

The general purpose of *bankruptcy proceedings* is the proportionate satisfaction of creditors from the proceeds acquired within the bankruptcy proceedings from the sale of the debtor's assets forming the estate property (the "Estate Property"). Bankruptcy is the most frequent method of dealing with a debtor's insolvency. Upon declaration of the bankruptcy, claims not

yet due against the debtor shall become due. Further, any court, administrative or other proceedings concerning the Estate Property whose participant is a debtor shall be, upon declaration of the bankruptcy, suspended, unless stipulated otherwise in the Insolvency Act (i.e., for example, criminal proceedings, tax proceedings or proceedings in matters concerning the capital market shall continue even after the declaration of bankruptcy). The Insolvency Act further stipulates specific provisions concerning the termination of particular types of agreements as a result of the declaration of bankruptcy. For example, after the declaration of bankruptcy, the insolvency administrator shall be entitled to terminate the lease or sublease agreement concluded by the debtor by serving a termination notice. With respect to agreements on mutual performances concluded by the debtor which have not been fully performed by either the debtor or the second party at the time of the declaration of bankruptcy, the insolvency administrator shall be entitled to perform such agreement in place of the debtor and request the performance thereof by the second party, or it may withdraw from such agreement. Within the bankruptcy proceedings, the assets of the debtor are realized and the proceeds divided among creditors based on conditions stipulated by the Insolvency Act, and, eventually, the debtor's business shall cease to exist.

The general purpose of *reorganization* is the consecutive satisfaction of creditors while continuing to operate the debtor's enterprise in compliance with the so-called reorganization plan, which shall be approved by the insolvency court and shall subsequently be supervised by the creditors. The reorganization may be declared by the insolvency court solely with respect to debtors being the entrepreneurs (whether legal entities or natural persons) and, with certain exceptions, solely under the condition that the respective debtor has either at least 100 employees in an employment relationship or a total turnover of at least CZK 100,000,000 for the last accounting period preceding the filing of the insolvency petition. Reorganization shall not be declared by the insolvency court with respect to a legal entity in liquidation or a securities broker or trader on the commodity exchange pursuant to specific legal regulations. In the event that the debtor does not comply with the reorganization plan, the reorganization shall be transformed into bankruptcy.

Debt clearance shall be declared by the insolvency court solely with respect to a non-entrepreneur and may be carried out either through the encashment of the Estate Property or through periodic payments made by the debtor to the creditors based on a payment schedule.

Insolvency proceedings may only be initiated upon an insolvency petition being filed by either the debtor or the creditor. Pursuant to the Insolvency Act, the debtor being a legal entity or natural person—entrepreneur shall file the insolvency petition without undue delay after it learns or should have learned, while acting with due care, of its (his/her) insolvency. Such obligation is set forth by the Insolvency Act also with respect to the statutory representatives of the debtor, its statutory body or a liquidator of the legal entity in liquidation. In the event that the obliged person fails to file the insolvency petition, it shall be liable for damage or other detriment caused to the creditor as a result of such failure. Only the debtor shall be entitled to file the insolvency petition for Impending Insolvency.

The insolvency court shall decide on the insolvency petition without undue delay following its delivery to the insolvency court, and in the case of an insolvency petition filed by the debtor, within 15 days following its delivery to the insolvency court. Together with the decision on insolvency, the insolvency court may decide on the manner of insolvency solution (this shall, in particular, be applied in cases where reorganization or debt clearance is not applicable). Otherwise, the insolvency court shall issue a separate decision on the manner of insolvency solution no later than within three months following the decision on insolvency.

Creditors shall register their claims within the time limit stipulated in the insolvency court's decision on insolvency, which, however, shall not be shorter than 30 days and shall not exceed two months. Claims in a foreign currency shall be converted into CZK at the official exchange

rate issued by the the Czech National Bank as at the date of commencement of the insolvency proceedings (i.e. on the date of delivery of the insolvency petition to the insolvency court) or, if the claim became due at an earlier date, as at the due date of the relevant claim. Failure to register claims within the stipulated time limit shall lead to a refusal of the late application and, as a result thereof, the respective creditor shall not be entitled to demand satisfaction of its claim in the insolvency proceedings. If a claim is registered by a creditor in the insolvency proceedings, and the insolvency court later ascertains that the actual amount of such claim is less than 50% of the claim as registered by the creditor, such claim cannot be satisfied in the insolvency proceedings and the creditor is obliged to pay the difference between the actual and registered amount of the claim in favor of the Estate Property. Such payment shall be guaranteed by the person who signed the application for registration of such claim.

Claims of creditors and expenses of the insolvency proceedings shall be satisfied from the Estate Property. For the purpose of ascertainment of the scope of the Estate Property, the debtor shall submit, together with the insolvency petition (in cases where the insolvency petition is filed by the debtor) or based on the decision of the insolvency court, a list of its assets. The debtor shall be limited in disposal of the Estate Property. The manner of such limitation differs and depends on the type of insolvency proceedings and the phase of such proceedings.

Creditors with secured claims (e.g. with a pledge or right of retention) shall be satisfied within the insolvency proceedings with priority over creditors with unsecured claims. In determining the rank of the satisfaction of the secured creditors, the moment when the respective security was established shall be decisive. In the event that the value of the secured claim exceeds the value of its security, the claim in the amount exceeding the value of the security shall be considered an unsecured claim.

Insolvency proceedings in the Czech Republic shall also be governed by Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings of May 29, 2000, with respect to insolvency proceedings across the particular Member States of the European Union.

All information on insolvency proceedings in the Czech Republic is publicly accessible in the Insolvency Register maintained in an electronic form by the Ministry of Justice.

The Netherlands and Curaçao

Dutch insolvency laws differ significantly from the insolvency laws of the United States and may make it more difficult for holders of the notes to recover amounts in respect of the security and guarantees in proceedings in The Netherlands or Curaçao than they would have recovered in a liquidation or bankruptcy proceeding in the United States. There are two corporate insolvency regimes under Dutch insolvency law: suspension of payments (*surseance van betaling*), which is intended to give the debtor temporary relief against pressing creditors in order to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern, and bankruptcy (*faillissement*), which is primarily designed to liquidate the legal entity and distribute the proceeds of the sale of the assets of a debtor to its creditors.

Suspension of payments. Only the (management board of the) debtor itself can apply for suspension of payments if the debtor foresees that it will no longer be able to pay its debts when due and payable. The court will grant the debtor a provisional suspension of payments (in Dutch: "*voorlopige surseance van betaling*") and appoint one or more administrators (*bewindvoerder(s)*) who, together with the debtor's directors, will be in charge of the debtor's assets and co-manage its business undertakings, as well as (in most cases) a supervisory judge (*rechter-commissaris*) who will supervise the activities of the administrator. The courts will grant the debtor a definite suspension of payments unless opposed by a significant group of unsecured and unpreferred creditors. The court may further deny granting a definite suspension of payments, or even revoke the suspension of payments and declare bankruptcy, if there is sufficient reason to assume that the debtor will try to damage the creditors during the

suspension of payments or that the debtor will not be able to satisfy its creditors. A definite suspension of payments is granted for a maximum period of one and a half years and may be extended one or more times for a (new) period of another one and a half years, provided that the request is filed before the end of the prior period. During a definite or provisional suspension of payments, unsecured and unpreferred creditors with preexisting claims will be precluded from attempting to recover their claims from the assets of the debtor.

Unlike Chapter 11 proceedings under U.S. bankruptcy laws, which generally prohibit both secured and unsecured creditors from seeking to recover on their claims, during Dutch suspension of payments proceedings, secured creditors and preferred creditors such as tax and social security authorities may recoup their claims on assets that secure their claims or to which they have preferential rights. However, the court could effect at the request of any interested party or at its own discretion a "freeze period" (*afkoelingsperiode*) for up to four months. During this "freeze period," all creditors (including secured and preferred creditors) are in principle prohibited from recouping their claims on assets of the debtor or demanding the return of their property from the debtor.

During a suspension of payments, a debtor may offer a composition (*akkoord*) to its creditors that are affected by the suspension of payments. A proposed composition must be approved by at least 50% of the debtor's admitted and recognized unsecured and unpreferred creditors who represent at least 50% of the admitted and recognized claims. The court will refuse to ratify the composition if, *inter alia*:

- the liquidation value of the debtor's assets exceeds the amount agreed to be paid pursuant to the composition;
- the performance of the composition is not sufficiently guaranteed;
- the composition was reached by means of a fraudulent act or the preferential treatment of one or more creditors or by other unfair means, regardless of whether or not the debtor or any party cooperated to that effect;
- the fees and expenses of the experts and the administrator(s) have not been paid to the administrator(s), or security has not been issued for them; or
- if the trustee in main proceedings as referred to in the Council regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings withheld his consent to the composition, unless the court is of the opinion that the composition does not adversely affect the financial interests of the creditors in the main proceedings.

The court may also refuse to ratify the composition on other grounds, for example, if there is no provision included in the composition to compensate creditors with unadmitted claims in the event that such claims are recognized at a later stage. The court may declare the debtor bankrupt simultaneously with its refusal to ratify the composition. Under Dutch bankruptcy law, a debtor may only offer a composition once, and if one is offered but not accepted in a suspension of payments procedure, no composition can be offered in any subsequent bankruptcy proceeding.

Please note that under Dutch insolvency law, a successful composition does not release any joint and several co-debtors of their obligation to pay that part of the debt that was not (re)covered by the plan of composition.

Since the suspension of payments does not affect the secured and preferred creditors, these creditors are not allowed to file their claims in order to vote on a plan of composition offered by the debtor. Should they nevertheless file their claims and vote, they lose their security right or right of preference.

Bankruptcy. Any creditor, the debtor itself, or, in exceptional cases, the public prosecutor if the public interest so requires, may initiate bankruptcy proceedings in the Netherlands in respect of a Dutch legal entity or a branch in the Netherlands. The court will declare the debtor bankrupt if the debtor has at least two creditors (one of them being the filing creditor if the filing is involuntary) and at least one of these two debts is due and payable. The court appoints one or more bankruptcy trustees (*curator(en)*), who have the statutory duty to dispose of and administer the estate of the debtor, as well as a supervisory judge (*rechter-commissaris*). The supervisory judge has to approve certain actions of the bankruptcy trustee and, in general, supervises the bankruptcy trustee. The management of the assets of the debtor and the power to dispose of those assets is no longer vested in the debtor but solely in the bankruptcy trustee. Under Dutch insolvency law, there is no concept of one or more secured creditors operating the business of the debtor as a going concern for their benefits. In connection with Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on the basis of the relative priority of the claims of those creditors, and on a *pari passu* basis to the extent claims of certain creditors have equal priority. Secured creditors (including holders of the notes and lenders under the new senior credit facility) have the right to act and to enforce their rights as if there is no bankruptcy at all.

However, the supervisory judge may, at the request of any interested party or at its own discretion, order a "freeze period" (*afkoelingsperiode*) for up to four months. A bankruptcy trustee may require that the secured creditors must enforce their security interests within a certain reasonable period of time. If such secured creditors fail to do so within such period, the bankruptcy trustee may sell the relevant secured assets itself and then distribute the proceeds (net of bankruptcy costs which may be significant), without prejudice to the rights of the secured creditors to the proceeds, at the end of the bankruptcy. Any interest accrued under the notes after the Guarantors have been declared bankrupt cannot be submitted to the trustee in bankruptcy, unless covered by rights of pledge or mortgage. If secured creditors pursue their rights outside of bankruptcy, the proceeds from the sale of collateral (up to the amount of the claim of such creditor) will not become part of the bankruptcy estate. To the extent that secured creditors cannot recover their claim in full with the proceeds of the sale of collateral, any remaining claim will rank alongside claims of ordinary creditors in the bankruptcy proceeding. Proceeds that form part of the bankruptcy estate will be paid first to the estate creditors of the bankruptcy estate in accordance with their respective priority, then to the secured and preferred creditors in accordance with their rank, with any remaining proceeds distributed to unpreferred and unsecured creditors.

In addition, a power of attorney granted by the debtor automatically terminates as a matter of law following placement of the debtor into bankruptcy and will cease being effective upon the debtor being granted a suspension of payments. Insofar as certain provisions of the Guarantees explicitly or implicitly provide for or institute powers of attorney, including the appointment of agents for service of process, such powers of attorney or appointments would not be effective in the event of bankruptcy or suspension of payments.

The Slovak Republic

MARKÍZA-SLOVAKIA, spol. s r.o., a Guarantor, is a limited liability company formed under the laws of the Slovak Republic. If such Guarantor becomes insolvent, the claim under its Guarantee will be an unsecured claim against the Guarantor, and will be subject to satisfaction within the available insolvency proceedings pursuant to the Slovak Act No. 7/2005 Coll. on bankruptcy and restructuring, as amended. Initiation of insolvency proceedings will lead to partial or full (depending on the type and phase of the insolvency proceedings) restrictions on (1) the debtor's ability to enter into legal transactions, (2) creditors' right of set-off, (3) creditors' right to terminate contracts with the debtor, and (4) individual enforcement actions by creditors.

Two types of insolvency proceedings are available under Slovak law—the bankruptcy proceedings (*konkurzné konanie* leading to *konkurz*) and the restructuring proceedings (*reštrukturalizačné konanie* leading to *reštrukturalizácia*).

Bankruptcy. The purpose of bankruptcy proceedings is to resolve the debtor's insolvency by realizing its assets in order to collectively satisfy the debtor's creditors proportionately. Either the debtor itself or its creditors have the right to file a petition for bankruptcy. However, the debtor must apply for its own bankruptcy once within 30 days of the day when it became aware of, or (if it acted with professional care) could become aware of, its insolvency. The same duty applies to the persons authorised to act for and on behalf of the debtor (directors, members of the board of directors etc).

The major effects of the commencement of bankruptcy proceedings are as follows (1) the debtor must restrict its activities to the ordinary legal acts only, (2) automatic stay of individual court or administrative enforcement proceedings in respect of the assets owned by the debtor; and (3) automatic stay of enforcement actions by individual secured creditors (save for enforcement of a security interest over bank accounts, government bonds, transferable securities or continued enforcement of a security right by a public auction).

Only after the commencement decision will the court consider evidence in order to decide whether or not to declare bankruptcy. This in case of a creditor's petition takes approximately 30 days (with possible extensions) and in case of a debtor's petition the period between commencement decision and the declaration decision is even shorter. The effects of the commencement of the proceedings remain in place after the declaration of the bankruptcy—supplemented by some additional ones. In the court resolution by which the bankruptcy is declared, a trustee (*správca podstaty*) is appointed for the purpose of administering and realizing the debtor's estate. After the declaration of the bankruptcy, the trustee then takes full possession and the control over the debtor's assets.

Creditors should register their claims (using a standard registration form prescribed by law) within 45 days from the declaration of bankruptcy. Each claim must be registered on a separate form. The registration forms and all exhibits to them must be delivered to both the trustee and the insolvency court within the said deadline. Claims in a currency other than euros shall be converted into euros at the official exchange rate issued by the European Central Bank as at the date of declaration of bankruptcy (or, if no exchange rate is quoted for the relevant currency by the European Central Bank, the trustee shall convert the claim into euros with professional care). Failure to register claims within the stipulated time limit and in the form prescribed by law shall lead to rejection of the application and, as a result thereof, the respective creditor shall lose its right to satisfaction of its claim in the bankruptcy.

If the bankruptcy is declared by the court, the law draws distinction between the "separated bankruptcy estate" and the "general bankruptcy estate". The former consists of assets which have been encumbered for the benefit of a secured creditor, while the latter consists of all other unencumbered assets. The idea behind this conceptual distinction is to limit situations where the claims of unsecured creditors are satisfied out of the proceeds of sale of secured assets, and therefore at the expense of secured creditors.

Therefore the proceeds of sale of assets constituting "separated bankruptcy estate" may only be used to satisfy the secured claim (after the administrative costs and the costs of maintenance, preservation and sale related to the secured assets have been discharged). The unsecured creditors may be satisfied out of these proceeds only when the secured claim has been paid in full and there are still some proceeds left. This surplus then becomes the part of the "general bankruptcy estate", which is used for the benefit of all unsecured creditors. However, in cases when the debtor's business is operated as a going concern notwithstanding the bankruptcy declaration (see above which parameters the trustee must consider when deciding on the point of continuation of business operations), the ranking of the secured claim and post-insolvency claims may be more complex (as post-insolvency claims of creditors

originating from the continued operation need to be discharged before the secured creditors' claims).

Any material actions in relation to secured assets must be discussed with all the stakeholders in such assets (including not just first-ranking secured creditors, but also any other secured, and possibly unsecured, creditors having an "economic" stake in the residual value of the same assets). Moreover, in some cases (for example, in connection with the realization of the assets in the bankruptcy estate), the trustee has the obligation to seek "binding" instructions from the affected stakeholders in relation to the realization of collateral.

Restructuring. Rather than file for bankruptcy, a petition for restructuring may be filed. In legal terms, the purpose of restructuring is to resolve the debtor's insolvency by gradual satisfaction of the debtor's creditors in the manner agreed in the restructuring plan. The main idea is to rescue financially troubled businesses whenever there is a real chance that this is "economically" achievable and not at the expense of creditors. The key features of the restructuring proceedings (which is in some respects similar to U.S. Chapter 11) are that:

- the feasibility of the restructuring must be supported by an expert opinion prepared by the independent restructuring trustee before the petition for restructuring is filed (the restructuring trustee may be appointed either by a debtor or a creditor);
- there will be a moratorium on creditors' claims against the debtor;
- the debtor remains in the possession of its business (DIP) under the supervision of a restructuring trustee, the court and the creditors;
- the outcome of the restructuring proceedings is the preparation of the restructuring plan that must be approved by "relevant" majorities of the creditors (and in some circumstances, also by the shareholders) and subsequently confirmed by a court;
- there is the option of binding with the plan dissenting creditors ("cram-down"); and
- "new money" provided in the course of the restructuring proceedings enjoys a super-priority ranking (but not at the expense of the existing secured creditors).

Creditors should register their claims (using a standard registration form prescribed by law) within 30 days from the ordering of restructuring. Each claim must be registered on a separate form. The registration forms and all exhibits to them must be delivered to both the trustee and the insolvency court within the said deadline. Claims in a currency other than EUR shall be converted into EUR at the official exchange rate issued by the European Central Bank as at the date of ordering of restructuring (or, if no exchange rate is quoted for the relevant currency by the European Central Bank, the trustee shall convert the claim into EUR with professional care). Failure to register claims within the stipulated time limit and in the form prescribed by law shall lead to rejection of the application and, as a result thereof, the respective creditor shall lose its right to satisfaction of its claim in the restructuring.

The primary purpose of restructuring proceedings is the preparation and entry into of a restructuring plan, which is typically prepared by the debtor and must be approved by the relevant majorities of the creditors (and in some circumstances, also by the shareholders) and subsequently confirmed by a court. In legal terms, the restructuring plan is a document providing for the creation, variation or termination of rights and obligations of persons identified in it as well as the scope and method of satisfaction of those parties to the plan who are either creditors with filed claims or the debtor's shareholders. Once the court approves the plan, the plan is binding on all parties to the plan.

Use of proceeds

CET 21 estimates that the net proceeds from this offering will be approximately €164.0 million, after deducting the initial purchasers' discounts and commissions and other expenses relating to the offering.

CET 21 will use a portion of the net proceeds to fully repay its outstanding indebtedness, including accrued interest and fees, under the Erste Facility, which is currently expected to be approximately €115.0 million (using the Czech National Bank CZK/EUR exchange rate of 24.535 as at October 7, 2010). Interest under the Erste Facility is calculated at a rate per annum of 4.90% above the Prague interbank offered rate. The Erste Facility matures on April 30, 2012.

In addition, CET 21 intends to apply approximately €49.0 million (using the Czech National Bank CZK/EUR exchange rate of 24.535 as at October 7, 2010) of the net proceeds to repay certain intercompany indebtedness, the proceeds of which will be used by CME to fund the redemption or repurchase of a portion of CME's long-term indebtedness, which consists of the CME Existing Notes. The selection of which series of notes, the amounts to be repaid within a particular series, the timing of repayment and the particular method by which CME effects repayment, which include redemption calls, open market purchases, privately negotiated transactions with institutional investors or tender offers, or some combination thereof, have not yet been determined and will depend on, with respect to each series of notes, the yield to maturity at the time of repayment, the maturity date, the contractual redemption price and the currency exchange rates. CME will consider each of these criteria with respect to each series of notes at the time of any repayment. See "Description of other indebtedness."

As of October 14, 2010, CME has received indications of interest for the repurchase of approximately US\$ 46.0 million principal amount of the CME Existing Notes, consisting of US\$ 34.8 million principal amount of CME Convertible Notes at 88.25% of par, €2.0 million principal amount of CME Floating Rate Notes at 81.75% of par and €6.0 million principal amount of CME Fixed Rate Notes at 102.5% of par, plus accrued and unpaid interest on each such series of notes. While CME expects to agree to these repurchases in connection with this offering, there can be no assurance that the repurchases will be consummated on the terms set forth above, or at all.

Capitalization of CET 21 and CME

CET 21 capitalization

For the convenience of the reader, certain euro amounts as of June 30, 2010 have been converted at the rate of US\$ 1.2271 per €1.00 (the European Central Bank exchange rate, dollar per euro, on June 30, 2010) and CZK 20.947 per US\$ 1.00 (the the Czech National Bank exchange rate, Czech koruna per dollar, on June 30, 2010). You should not view such translations as a representation that such euro or Czech koruna amounts actually represent such dollar amounts, or could be or could have been converted into dollars at the rates indicated or at any other rate.

The following table shows CET 21's cash and cash equivalents and capitalization as of June 30, 2010:

- on an actual basis; and
- as adjusted to give effect to:
 - the offer and sale of the notes and the receipt of €164.0 million (approximately US\$ 201.3 million) of net proceeds therefrom;
 - the repayment of CZK 2.8 billion (US\$ 133.7 million) drawn under the Erste Facility plus accrued interest and fees of CZK 18.3 million (approximately US\$ 0.9 million); and
 - the use of the remaining net proceeds of the offering plus cash on hand to repay certain intercompany indebtedness of US\$ 74.2 million plus accrued interest thereon of US\$ 8.9 million, the proceeds of which will be used by CME to fund the redemption or repurchase of a portion of the CME Existing Notes,

each as described in "Use of proceeds."

You should read all of this information in conjunction with CET 21's consolidated financial statements and other financial information contained or incorporated by reference in this offering memorandum. See "CET 21 management's discussion and analysis of results of operations and financial condition" and "CET 21 Selected Historical Financial Statements."

(US dollars in thousands)	As at June 30, 2010	
	Actual	As adjusted
Cash and cash equivalents	\$ 22,954	\$ 6,613
Short-term debt(1)	\$ 40,101	\$ —
Long-term debt:		
Erste Facility	93,570	—
Related party debt(2)	411,129	336,915
Secured Revolving Credit Facility(3)	—	—
Other credit facilities and obligations(4)	1,601	1,601
Senior Secured Notes offered hereby	—	208,607
Total long-term debt	\$ 506,300	\$ 547,123
Shareholders' equity	\$ 754,834	\$ 751,630
Total capitalization	\$1,301,235	\$1,298,753

(1) Short-term debt includes the current portion of the Erste Facility.

(2) The "as adjusted" amounts shown reflect, solely for the purpose of this capitalization table, repayment in full by Media Pro Pictures s.r.o. to CME Media Pro B.V. of a €0.5 million loan and the partial repayment in the amount of CZK 1.5 billion under the CZK 8.1 billion loan to CET 21 from CME Investments B.V. For further details, see note 4 in the CET Group's notes to its unaudited condensed consolidated financial statements.

(3) In connection with this offering, CET 21 will enter into a new Secured Revolving Credit Facility but will not initially draw down on such facility when the notes offered hereby are issued.

(4) Other credit facilities and obligations represent the fair value of the fixed-to-floating interest rate swap entered into in February 2010 taken out to partially hedge the interest risk exposure on the Erste Facility and reflects the impact of mark to market accounting as of June 30, 2010.

CME capitalization

For the convenience of the reader, certain euro amounts as of June 30, 2010 have been converted at the rate of US\$ 1.2271 per €1.00 (the European Central Bank exchange rate, dollar per euro, on June 30, 2010) and CZK 20.947 per US\$ 1.00 (the Czech National Bank exchange rate, Czech koruna per dollar, on June 30, 2010). You should not view such translations as a representation that such euro or Czech koruna amounts actually represent such dollar amounts, or could be or could have been converted into dollars at the rates indicated or at any other rate.

The following table shows CME's cash and cash equivalents and capitalization as of June 30, 2010:

- on an actual basis; and
- as adjusted to give effect to:
 - the offer and sale of the notes and the receipt of €164.0 million (approximately US\$ 201.3 million) of net proceeds therefrom;
 - the repayment of CZK 2.8 billion (US\$ 133.7 million) drawn under the Erste Facility plus accrued interest and fees of CZK 18.3 million (approximately US\$ 0.9 million); and
 - the use of the remaining net proceeds of the offering plus cash on hand to repurchase a portion of CME's outstanding long-term indebtedness,

each as described in "Use of proceeds."

You should read all of this information in conjunction with CME's consolidated financial statements and other financial information contained or incorporated by reference in this offering memorandum. See "Summary—Summary historical financial information of CME."

(US dollars in thousands)	Unaudited	
	As at June 30, 2010	
	Actual	As adjusted
Cash and cash equivalents	\$ 315,257	\$ 280,797
Short-term debt(1)	\$ 40,101	\$ —
Long-term debt:		
Erste Facility	93,570	—
Senior Secured Notes offered hereby	—	208,607
CME Fixed Rate Notes	544,472	544,472
CME Floating Rate Notes	184,065	184,065
CME Convertible Notes(2)	408,719	307,488
Secured Revolving Credit Facility(3)	—	—
Other credit facilities and obligations(4)	20,846	20,846
Total long-term debt	\$1,251,672	\$1,265,478
Shareholders' equity:		
Shares of Class A Common Stock (100,000,000 shares authorized; 56,846,176 shares (actual and as adjusted) issued and outstanding)	4,548	4,548
Shares of Class B Common Stock (15,000,000 shares authorized; 7,490,936 shares (actual and as adjusted) issued and outstanding)	599	599
Additional paid-in capital(2)	1,373,679	1,375,436
Accumulated deficit(2)	(211,118)	(216,592)
Accumulated other comprehensive income	(36,612)	(36,612)
Total shareholders' equity(2)	\$1,131,096	\$1,127,379
Total capitalization	\$2,422,869	\$2,392,857

(1) Short-term debt includes the current portion of the Erste Facility.

(2) The "as adjusted" amounts shown assume, solely for the purpose of this capitalization table, the estimated repurchase of US\$ 117.6 million principal amount of the CME Convertible Notes. These repurchases may be made from time to time either through redemption calls, open market purchases, privately negotiated transactions with institutional investors or tender offers. Pursuant to FASB Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1 (ASC 470)"), CME accounts separately for the liability and equity components of the CME Convertible Notes. A repurchase of the CME Convertible Notes would therefore have the effect of decreasing shareholders' equity, in addition to reducing long-term debt.

Solely for the purposes of this capitalization table, it is assumed that cash of US\$ 101.2 million (including accrued interest of US\$ 1.2 million) will be used to repurchase a portion of the outstanding CME Convertible Notes of US\$ 117.6 million principal amount at a price of US\$ 850 per US\$ 1,000 principal amount:

(U.S. dollars in thousands)	As of June 30, 2010			
	Principal amount of liability component	Unamortized discount	Net carrying value	Equity component
CME Convertible Notes outstanding as at June 30, 2010	\$ 475,000	\$(66,281)	\$ 408,719	\$110,752
Repurchase of CME Convertible Notes	(117,647)	16,416	(101,231)	(1,757)
CME Convertible Notes outstanding as at June 30, 2010, as adjusted	\$ 357,353	\$(49,865)	\$ 307,488	\$108,995

In this presentation, pursuant to the accounting standards discussed above, there would be a net loss of US\$ 2.3 million, which is shown as an increase in accumulated deficit, and a reduction in the equity component of the CME Convertible Notes of US\$ 1.8 million, which is shown as a decrease in additional paid-in capital. The remaining US\$ 3.2 million movement in accumulated deficit relates to extinguishment of Erste Facility costs and repayment fees.

As of October 14, 2010, CME has received indications of interest for the repurchase of approximately US\$ 46.0 million principal amount of the CME Existing Notes, consisting of US\$ 34.8 million principal amount of CME Convertible Notes at 88.25% of par, €2.0 million principal amount of CME Floating Rate Notes at 81.75% of par and €6.0 million principal amount of CME Fixed Rate Notes at 102.5% of par, plus accrued and unpaid interest on each such series of notes. While CME expects to agree to these repurchases in connection with this offering, there can be no assurance that the repurchases will be consummated on the terms set forth above, or at all.

(3) In connection with this offering, CET 21 will enter into a new Secured Revolving Credit Facility but will not draw down on such facility when the notes offered hereby are issued.

(4) Other credit facilities and obligations includes capital leases of US\$ 4.5 million, fair value of derivatives of US\$ 9.7 million and other long-term debt items of US\$ 6.7 million.

CET 21 selected historical financial information

You should read the following selected historical financial information together with the information under "CET 21's management's discussion and analysis of results of operations and financial condition," and with CET 21's consolidated financial statements and related notes to those statements included in this offering memorandum.

The following tables set forth CET 21's selected consolidated financial data for the six months ended June 30, 2010 and 2009 and each of the years ended December 31, 2009, 2008 and 2007. These consolidated financial statements have been prepared on a "carve-out" basis from the consolidated financial statements of CME to represent the financial position and performance of the CET Group as if it had existed on a stand-alone basis as at December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007. The consolidated financial statements have been derived by extracting the assets, liabilities, revenues and expenses directly attributable to the CET Group from the assets, liabilities, revenues and expenses reflected in the accounting records of CME on a legal entity basis. The CET Group eliminates from its financial results all intercompany transactions between entities included in the consolidated financial statements.

The consolidated financial statements included herein may not necessarily be indicative of CET 21's financial position, results of operations, or cash flows had CET 21 operated as a separate entity during the periods presented or for future periods.

CET 21 has derived the consolidated statements of operations data for the years ended December 31, 2009, 2008 and 2007 and the consolidated balance sheet data as at December 31, 2009 and December 31, 2008 from the audited consolidated financial statements audited by Deloitte Audit s.r.o. contained in this offering memorandum. CET 21 has derived the consolidated statement of operations data for the six months ended June 30, 2010 and 2009 and the balance sheet data as of June 30, 2010 from the unaudited consolidated interim financial statements included in this offering memorandum.

CET 21's consolidated financial statements are prepared in accordance with U.S. GAAP. In the opinion of CET 21's management, CET 21's unaudited consolidated financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods.

The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

(US dollars in thousands)	Unaudited		For the years ended		
	For the six months ended June 30,		December 31,		
	2010	2009	2009	2008	2007
Consolidated statement of operations data:					
Net revenues	\$170,466	\$175,768	\$377,808	\$510,121	\$383,099
Operating expenses:					
Operating costs	25,486	23,383	49,929	55,435	51,194
Cost of programming	74,507	64,790	148,508	157,788	108,766
Depreciation of property, plant and equipment	11,571	11,230	24,899	24,470	14,064
Amortization of broadcast licenses and other intangibles	8,257	7,304	15,694	27,364	21,116
Cost of revenues	119,821	106,707	239,030	265,057	195,140
Selling, general and administrative expenses	19,078	15,513	37,197	37,859	32,724
Operating income	31,567	53,548	101,581	207,205	155,235
Interest expense, net	(25,678)	(24,031)	(50,730)	(56,224)	(40,994)
Foreign currency exchange gain/(loss), net	(3,737)	(1,202)	4,486	(10,918)	7,773
Change in fair value of derivatives	(1,622)	—	—	—	—
Other (expense)/income	294	(279)	(397)	30	(1,285)
Provision for income taxes	(1,334)	(5,486)	(11,181)	(28,794)	(20,911)
Equity in loss of affiliate	—	—	—	(81,160)	—
Net income/(loss)	\$ (510)	\$ 22,550	\$ 43,759	\$ 30,139	\$ 99,818
Net income attributable to noncontrolling interests	—	—	—	—	(3,411)
Net income attributable to CET 21	\$ (510)	\$ 22,550	\$ 43,759	\$ 30,139	\$ 96,407

(US dollars in thousands)	Unaudited		
	As at June 30, 2010	As at December 31, 2009 2008	
Consolidated balance sheet data:			
Cash and cash equivalents	\$ 22,954	\$ 24,873	\$ 30,637
Other current assets	\$ 137,332	\$ 158,183	\$ 152,588
Non-current assets	\$1,266,739	\$1,452,904	\$1,371,929
Total assets	\$1,427,025	\$1,635,960	\$1,555,154
Current liabilities	\$ 123,875	\$ 164,968	\$ 80,284
Non-current liabilities	\$ 548,316	\$ 604,820	\$ 637,064
Shareholders' equity	\$ 754,834	\$ 866,172	\$ 837,806
Total liabilities and equity	\$1,427,025	\$1,635,960	\$1,555,154

CET 21 management's discussion and analysis of results of operations and financial condition

The following discussion and analysis is intended to assist in providing an understanding of the CET Group's result of operations and financial condition. The discussion and analysis should be read together with the CET Group's financial statements, including the accompanying notes, set forth elsewhere in this offering memorandum. Some of the information in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. See "Forward-looking statements" and "Risk factors" for a discussion of important factors to be evaluated in connection with a prospective purchase of notes.

You should also refer to CME's management's discussion and analysis of financial condition and results of operations, which is included in CME's 2009 Annual Report and CME's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010, as amended, each of which is incorporated by reference into this offering memorandum.

The CET Group

CET 21 is a media and entertainment company that operates broadcasting, new media and content businesses in the Czech Republic and, through its subsidiaries, in the Slovak Republic. In this "Management's discussion and analysis of results of operations and financial condition", CET 21 and its consolidated subsidiaries are collectively referred to as "the CET Group." The CET Group's main channels, TV NOVA in the Czech Republic and TV MARKIZA in the Slovak Republic, broadcast 24 hours per day with programming that is designed to appeal to a broad audience, especially during prime time, with news, movies, entertainment programs and sports highlights, and to target more specific demographics in off-peak broadcasting hours. In 2009, approximately 44% and 27%, respectively, of TV NOVA's and TV MARKIZA's programming was locally produced. The CET Group's other channels in the Czech Republic and Slovak Republic are niche channels and target specific audience groups.

As a result of the economic recession in 2009, advertising spending declined at a faster rate than the decline in GDP in the Czech Republic and the Slovak Republic. The CET Group estimates that television advertising spending in 2009 was at levels between 23% and 25% lower than in 2008 in each of the Czech Republic and the Slovak Republic. CET 21 believes that its markets have reached the bottom of the cycle and it expects modest recovery to begin towards the end of 2010. A Bloomberg consensus forecast projects low single-digit GDP growth in 2010 in the Czech Republic and the Slovak Republic. Increases in GDP have historically correlated to subsequent increases in television advertising spending in CME's markets. Currently, CME believes television advertising spending is lagging behind GDP growth, generally. If GDP in the CET Group's markets continues to grow through the third and fourth quarters of 2010, then the CET Group expects television advertising spending to increase thereafter, as the CET Group believes advertisers will gain confidence in the economic recovery. The current recovery of the Czech and Slovak economies seen in the first half of 2010 was primarily export-driven, but CET 21 believes that this will be translated to the growth of private consumption over time.

The CET Group took decisive action to strengthen its operations during 2009. These steps included staff reductions, pay constraints, the deferral of certain operating expenditures, the deferral or cancellation of certain capital expenditures and managing the CET Group's broadcast schedules to reduce the rate of programming cost growth. Notwithstanding these cost reductions, the CET Group's goal continues to be to maintain the high audience shares and the strength of its brands as CET 21 believes that this is essential to the long-term value of the CET Group's operations. The CET Group will continue to maintain sufficient investment in programming to protect these strengths.

The CET Group plans to continue to control its costs in order to maximize the impact of any increase in revenues on OIBDA. According to a Bloomberg consensus forecast, the Czech and Slovak economies will see a return to higher levels of GDP growth in 2011 and CET 21 believes that general advertising and television advertising spending growth will follow. CET 21 expects growth rates of television advertising spending in its markets will be higher than in Western European or U.S. markets based on independent forecasts of television advertising expenditures.

Financial overview

Net revenues

(US dollars in thousands)	For the six months ended June 30,			For the years ended December 31,					
	2010	2009	% Change	2009	2008	% Change	2008	2007	% Change
Total net revenues	\$170,466	\$175,768	(3.0)%	\$377,808	\$510,121	(25.9)%	\$510,121	\$383,099	33.2%

Television advertising

The CET Group derives almost all of its revenue from the sale of television advertising, most of which is sold through media houses and independent agencies. Aside from general economic conditions, the primary factor affecting the advertising revenue of television channels is audience share and ratings. Audience share represents the audience watching a channel as a proportion of the total audience watching television and ratings represents the number of people watching a channel expressed as a proportion of the total population measured. Audience share and ratings information is measured in the Czech Republic and Slovak Republic markets by international measurement agencies, using peplemeters, which quantify audiences for different demographics and sub geographies of the population measured throughout the day. The CET Group's channels schedule programming that is intended to attract audiences within specific "target" demographics that it believes will be attractive to advertisers. The all day and prime time audience share and program ratings information for the CET Group's channels and their major competitors are based on the target demographics for the CET Group's channels.

Below is a chart showing the all day audience share of the CET Group channels from whom the CET Group derives television advertising revenues for the six months ended June 30, 2010 and the years ended December 31, 2009, 2008 and 2007.

	For the six months ended	For the years ended December 31,		
	June 30, 2010	2009	2008	2007
TV NOVA	38.0%	41.6%	41.5%	43.0%
NOVA CINEMA	3.1%	2.1%	0.5%	n.a.
Total Czech Republic(1)	41.1%	43.7%	42.0%	43.0%
TV MARKIZA	30.7%	31.2%	35.1%	35.5%
DOMA	2.2%	0.7%	n.a.	n.a.
Total Slovak Republic	32.9%	31.9%	35.1%	35.5%

Source: Czech Republic: ATO—Mediaresearch, Slovak Republic: PMT—TNS SK. The target demographic measured for the Czech Republic is the 15-54 age group and for the Slovak Republic is the 12+ age group (for 2007, 2008 and 2009) and 12-54 age group (for the six months ended June 30, 2010).

(1) NOVA SPORT and MTV CZECH are not included in the standard peplemeter measurements because they are pay channels.

Advertisers include large multinational firms such as Danone, Procter & Gamble, Orange, T-Mobile, Nestlé, Henkel, Laboratoires Garnier and Reckitt Benckiser as well as many local

companies. The top ten advertisers contributed approximately 27% of the CET Group's net revenues in the year ended December 31, 2009.

The CET Group's main unit of advertising sales is the commercial gross rating point ("GRP"). This is a measure of the number of people watching when an advertisement is aired. Generally the CET Group will contract with a client to provide an agreed number of GRPs for an agreed price ("cost per point" or "CPP"). Much less frequently, and usually only for small niche channels, the CET Group may sell on a fixed spot basis where an advertisement is placed at an agreed time for a negotiated price that is independent of the number of viewers. The price per GRP package varies depending on the season and time of day the advertisement is aired, the volume of GRPs purchased, requirements for special positioning of the advertisement, the demographic group that the advertisement is targeting (in a multi-channel environment) and other factors. The CET Group's larger advertising customers generally enter into annual contracts which usually run from April to March and set the pricing for a committed volume of GRPs.

Online advertising

The CET Group operates an integrated internet business in each of its markets, cross-promoted and supported by the audience of its broadcast operations. The CET Group currently has over 12 internet sites generating over 590,000 average daily unique visitors based on the average number of unique visitors during the six months ended June 30, 2010. These internet sites are organized into three categories: online TV, sites & portals and user generated content. The CET Group was ranked fourth and sixth in the number of real users visiting its websites in June 2010 in the Czech Republic and the Slovak Republic, respectively (source: NetMonitor and AIMonitor).

Serving as a second marketing platform for the CET Group's broadcast operations, the new media division focuses on the user experience and the quality of the content on existing internet sites as well as launching targeted services. The CET Group continues to move its content online with multiple distribution (video-on-demand, simulcast with TV, catch-up) and services to attract all types of media audiences, generating revenues from display and video advertising, paid premium content and subscriptions.

The CET Group now sells video advertising embedded in online downloads of its library, and it uses news items shared between internet and broadcast news with feedback from users of one medium to the other. The CET Group intends to leverage its brand strength and audience leadership to promote and grow its online properties. There are significant synergies between broadcasting and online content which the CET Group believes enable it to increase its online audience while maintaining its broadcasting audience share.

Cost of revenues

The CET Group's cost of revenues includes:

- Operating costs (other than those set forth below and selling, general and administrative expenses);
- Cost of programming (consisting of (i) production expenses, such as the cost of in-house productions as well as locally commissioned programming, such as news, current affairs and game shows and (ii) program amortization, which includes the cost of all other programming);
- Depreciation of property, plant and equipment; and
- Amortization of broadcast licenses and other intangible assets.

Set forth below is a table that reflects the components of the CET Group's cost of revenues for the six months ended June 30, 2010 and 2009 and the years ended December 31, 2009, 2008 and 2007.

(US dollars in thousands)	For the six months ended June 30,			For the years ended December 31,					
	2010	2009	% Change	2009	2008	% Change	2008	2007	% Change
Cost of revenues:									
Operating costs	\$ 25,486	\$ 23,383	9.0%	49,929	55,435	(9.9)%	55,435	51,194	8.3%
Cost of programming	74,507	64,790	15.0%	148,508	157,788	(5.9)%	157,788	108,766	45.1%
Depreciation of property, plant and equipment	11,571	11,230	3.0%	24,899	24,470	1.8%	24,470	14,064	74.0%
Amortization of broadcast licenses and other intangibles	8,257	7,304	13.0%	15,694	27,364	(42.6)%	27,364	21,116	29.6%
Total cost of revenues	\$119,821	\$106,707	12.3%	\$239,030	\$265,057	(9.8)%	\$265,057	\$195,140	35.8%

Foreign currency exchange gain (loss), net

The CET Group's foreign currency exchange gains (losses) reflect the revaluation of foreign currency-denominated liabilities, primarily in respect of acquired programming, against the functional currencies of the CET Group's operations.

Other income (expense)

Other income (expense) primarily arise from the gains or losses on sales of fixed assets.

Change in fair value of derivatives

Change in fair value of derivatives reflects the impact of marking to market the fixed-to-floating interest rate derivative entered into in February 2010 taken out to partially hedge the floating interest risk exposure on the Erste Facility.

Factors affecting the CET Group's results of operations

Seasonality

The CET Group, like other television operators, experiences seasonality, with advertising sales tending to be lowest during the third quarter of each calendar year due to the summer holiday period (typically July and August), and highest during the fourth quarter of each calendar year.

Following table shows the percentage of the CET Group's net revenues and OIBDA for the year ended December 31, 2009 recorded by quarter:

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY2009
Net revenues	20%	26%	19%	35%	100%
OIBDA	20%	31%	11%	38%	100%

Effects of exchange rates

The CET Group reports its results in dollars; however, its operations are conducted in Czech korunas in the Czech Republic and euros in the Slovak Republic. As a result, the CET Group's reported results are significantly affected by changes in the exchange rates between the dollar, the Czech koruna and the euro. For example, if the revenues of the CET Group's Czech Republic operations were flat in Czech koruna in the first half of 2010 compared to 2009, then the depreciation of the dollar by 5% against the Czech koruna during this period would result in an increase of revenues by 5% when converted to dollars.

The following table illustrates the change in the exchange rate of the Czech koruna and the euro in relation to the dollar for the years ending December 31, 2009, 2008 and 2007 and for the six months ending June 30, 2010, respectively:

	For the six months ended	For the years ended		
	June 30, 2010	2009	2008	2007
Czech koruna	(5)%	12%	(16)%	(10)%
Euro	1%	5%	(6)%	(8)%

This offering memorandum contains references to “local currency basis.” These references reflect the percentage change of revenues and costs of one period against another after removing of the impact of translation from the Czech koruna into the dollar. Given the significant movement of the Czech koruna against the dollar, the CET Group believes that it is useful to provide percentage movements on a “local currency basis” as well as actual percentage movements which include the effect of the dollar exchange rate movement on the translation of its financial statements.

Results of operations

The following table provides a summary of the CET Group’s consolidated results for the six months ended June 30, 2010 and 2009 and the years ended December 31, 2009, 2008 and 2007:

(US dollars in thousands)	For the six months ended June 30,		For the years ended December 31,		
	2010	2009	2009	2008	2007
<i>TV advertising</i>	\$160,512	\$167,011	\$356,504	\$492,881	\$366,765
<i>Cable subscription</i>	7,851	6,947	16,384	14,430	15,533
<i>Online advertising</i>	2,103	1,810	4,919	2,809	800
Net revenues	170,466	175,768	377,808	510,121	383,099
Cost of revenues	119,821	106,707	239,030	265,057	195,140
Selling, general and administrative expenses	19,078	15,513	37,197	37,859	32,724
Operating income	31,567	53,548	101,581	207,205	155,235
Equity in loss of affiliate	—	—	—	81,160	—
Net income attributable to CET Group .	\$ (510)	\$ 22,549	\$ 43,759	\$ 30,139	\$ 96,407

Six months ended June 30, 2010 compared to six months ended June 30, 2009

Net revenues

Against a background of television advertising market weakness, the CET Group revenues fell by US\$ 5.3 million, or 3.0%, in the six months ended June 30, 2010, compared to the same period in 2009, reflecting weaker advertising demand and increased competition. This was due to a continuing decline in the TV advertising market in both the Czech Republic and the Slovak Republic, which was partially offset by higher revenues in the second quarter of 2010 when the television advertising market in the Czech Republic showed an increase of 3.9%.

Television advertising revenue in the Czech Republic declined by US\$ 1.5 million, or 1.3%, in the six months ended June 30, 2010, compared to the same period in 2009. On a local currency basis, television advertising revenue decreased by 6.0% for the period. Television advertising revenue in the Slovak Republic declined by US\$ 4.8 million, or 10.3% in the six months ended

June 30, 2010, compared to the same period in 2009. On a local currency basis, television advertising revenue decreased by 14.5% for the period.

Cost of revenues

Cost of revenues increased by US\$ 13.1 million, or 12.3%, for the six months ended June 30, 2010 compared to the same period in 2009, primarily as a result of investments in DOMA in the Slovak Republic, which was launched in the second half of 2009, as well as investments in programming in the Czech Republic and the Slovak Republic to maintain audience share against increased competition. The components of cost of revenues are discussed below:

- **Operating costs.** The CET Group's operating costs increased by US\$ 2.1 million, or 9.0%, in the six months ended June 30, 2010, compared to the same period in 2009, mainly due to staff termination payments and costs related to the reorganization of the newly acquired content division. On a local currency basis, operating costs increased by 3.8% for the period.
- **Cost of programming.** The CET Group's cost of programming increased by US\$ 9.7 million, or 15.0%, in the six months ended June 30, 2010, compared to the same period in 2009, reflecting the investment in the DOMA channel in the Slovak Republic, higher production expenses related to a newly acquired news syndication service in the Czech Republic and previously contracted price increases with respect to acquired programming. On a local currency basis, programming costs for the period increased by 9.6%.
- **Depreciation of property, plant and equipment.** Depreciation of property, plant and equipment for the six months ended June 30, 2010 compared to the same period in 2009 increased by US\$ 0.3 million, or 3.0%, reflecting the movement in foreign exchange rates. On a local currency basis, depreciation of property, plant and equipment for the period decreased by 1.8%.
- **Amortization of broadcast licenses and other intangibles.** Amortization of broadcast license and other intangibles increased by US\$ 1.0 million, or 13%, in the six months ending June 30, 2010 compared to the same period in 2009, reflecting the impact of foreign exchange movements and increased amortization of the group's trademarks. On a local currency basis, amortization of broadcast licenses and other intangibles for the period increased by 7.7%.

Selling, general and administrative expenses

In the six months ended June 30, 2010, selling, general and administrative expenses increased by US\$ 3.6 million, or 23.0%, compared to the same period in 2009, reflecting increased investment in corporate planning and support resources. On a local currency basis, selling, general and administrative expenses for the period increased by 17.2%.

Operating income

In the six months ended June 30, 2010, operating income fell by US\$ 22.0 million, or 41.0%, compared to the same period in 2009, reflecting the continued effect of the global economic crisis on revenues and increased costs. The CET Group's operating margin was 18.5% for the six months ended June 30, 2010, compared to 30.5% for the same period in 2009.

Interest income

Interest income decreased by US\$ 0.1 million, or 52.3%, in the six months ended June 30, 2010 compared to the same period in 2009, primarily as a result of CET Group maintaining a lower average cash balance.

Interest expense

Interest expense increased by US\$ 1.5 million, or 6.3%, in the six months ended June 30, 2010 compared to the same period in 2009, which is primarily related to the movement in foreign exchange rates.

Foreign currency exchange gain (loss), net

The CET Group recognized a net foreign currency exchange loss of US\$ 3.7 million in the six months ended June 30, 2010 compared to a loss of US\$ 1.2 million in the same period in 2009.

Change in fair value of derivatives

The CET Group recognized a loss of US\$ 1.6 million in the six months ended June 30, 2010 on the revaluation of the fixed-to-floating interest rate derivative entered into in February 2010 to partially hedge the floating interest risk exposure on the Erste Facility.

Other income (expense)

The CET Group recognized other income of US\$ 0.3 million in the six months ended June 30, 2010 compared to other expense of US\$ 0.3 million in the same period in 2009.

Provision for income taxes

In the six months ended June 30, 2010, the CET Group's provision for income taxes was US\$ 1.3 million. The provision for income taxes for the six months ended June 30, 2009 was US\$ 5.5 million. The reduction in the CET Group's provision for income taxes reflected its reduced profitability. The current corporate income tax rate in both the Czech Republic and the Slovak Republic is 19%.

Year ended December 31, 2009 compared to year ended December 31, 2008

Net revenues

The CET Group net revenues fell by US\$ 132.3 million, or 25.9%, in the year ended December 31, 2009, compared to the same period in 2008, reflecting weaker demand for television advertising and increased competition in the Slovak Republic. Television advertising revenue in the Czech Republic decreased by US\$ 106.8 million, or 29.4%, in the year ended December 31, 2009 compared to the year ended December 31, 2008. On a local currency basis, television advertising revenue decreased by 21.0% for the period. Television advertising revenue in the Slovak Republic decreased by US\$ 27.6 million, or 21.3%, in the year ended December 31, 2009 compared to the year ended December 31, 2008. On a local currency basis, television advertising revenue decreased by 11.9% for the period.

Cost of revenues

Cost of revenues decreased by US\$ 26.0 million, or 9.8%, in the year ended December 31, 2009 compared to the year ended December 31, 2008, as the CET Group responded to the economic recession by reducing costs. The components of cost of revenues are discussed below:

- **Operating costs.** Operating costs decreased by US\$ 5.5 million, or 9.9%, in the year ended December 31, 2009 compared to the year ended December 31, 2008, primarily due to the movement in foreign exchange rates. On a local currency basis, operating costs for the period were substantially flat, as savings were offset by additional costs relating to digital terrestrial broadcasting transmission fees.
- **Cost of programming.** The CET Group's cost of programming decreased by US\$ 9.3 million, or 5.9%, for the year ended December 31, 2009 compared to the year ended December 31, 2008, primarily due to the movements in foreign exchange rates. On a local currency basis, programming costs for the period increased by 5.3%, reflecting the launch of DOMA.

- **Depreciation of property, plant and equipment.** Depreciation of property, plant and equipment increased by US\$ 0.4 million, or 1.8%, in the year ended December 31, 2009 compared to the year ended December 31, 2008. On a local currency basis, depreciation of property, plant and equipment for the period increased by 13.8%, reflecting investments in production equipment assets, primarily in the Czech Republic.
- **Amortization of broadcast licenses and other intangibles.** Amortization of broadcast licenses and other intangibles decreased by US\$ 11.7 million, or 42.6%, in the year ended December 31, 2009 compared to the year ended December 31, 2008. On a local currency basis, amortization of broadcast licenses and other intangibles for the period decreased by 35.8%, reflecting a reduction in amortization following the extension of TV NOVA's terrestrial broadcast license to January 2025.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased by US\$ 0.7 million, or 1.8%, in the year ended December 31, 2009 compared to the year ended December 31, 2008. The decrease was caused by the movement in foreign exchange rates. On a local currency basis, selling, general and administrative expenses increased by 9.9% for the period, primarily due to annual mandatory contributions to the newly introduced audiovisual fund in the Slovak Republic.

Operating income

Operating income decreased by US\$ 105.6 million, or 51.0%, in the year ended December 31, 2009 compared to the year ended December 31, 2008, predominantly due to the global economic crisis and the adverse effect on the television advertising spending in the CET Group's markets. Operating margin was 26.9% for the year ended December 31, 2009, compared to 40.6% for the year ended December 31, 2008.

Interest income

Interest income decreased by US\$ 1.2 million, or 73.9%, in the year ended December 31, 2009 compared to the year ended December 31, 2008, reflecting lower amounts on deposit and a reduction in interest rates.

Interest expense

Interest expense decreased by US\$ 6.7 million, or 11.6%, in the year ended December 31, 2009 compared to the year ended December 31, 2008, primarily as a result of the movement in foreign exchange rates.

Foreign currency exchange gain (loss), net

The CET Group recognized a net foreign currency exchange gain of US\$ 4.5 million in the year ended December 31, 2009 compared to a net foreign currency exchange loss of US\$ 10.9 million in the year ended December 31, 2008, as both the Czech koruna and the euro appreciated against the dollar during the period.

Other income (expense)

The CET Group recognized other expenses of US\$ 0.4 million for the year ended December 31, 2009, compared to no other income in the year ended December 31, 2008, primarily due to losses on disposal of fixed assets.

Provision for income taxes

The CET Group's provision for income taxes for the year ended December 31, 2009 was US\$ 11.2 million compared to a provision of US\$ 28.8 million for the year ended December 31, 2008. The reduction in the CET Group's provision for income taxes reflected its reduced profitability.

Year ended December 31, 2008 compared to year ended December 31, 2007

Net revenues

In the year ended December 31, 2008, net revenue increased by US\$ 127.0 million, or 33.2%, compared to the year ended December 31, 2007, as a result of both the Czech Republic and the Slovak Republic television advertising markets growing strongly. Television advertising revenue in the Czech Republic increased by US\$ 101.4 million, or 38.7%, in the year ended December 31, 2008 compared to the year ended December 31, 2007. On a local currency basis, television advertising revenue increased by 16.3% for the period. Television advertising revenue in the Slovak Republic increased by US\$ 24.3 million, or 23.0%, in the year ended December 31, 2008 compared to the year ended December 31, 2007. On a local currency basis, television advertising revenue increased by 3.2%.

Cost of revenues

Costs of revenues increased by US\$ 69.9 million, or 35.8%, in the year ended December 31, 2008 compared to the year ended December 31, 2007. The components of cost of revenues are discussed below:

- **Operating costs.** Operating costs increased by US\$ 4.2 million, or 8.3%, in the year ended December 31, 2008 compared to the year ended December 31, 2007, mainly due to the impact of foreign exchange rates. On a local currency basis, operating costs for the period decreased by 9.2%.
- **Cost of programming.** Programming costs increased by US\$ 49.0 million, or 45.1%, in the year ended December 31, 2008 compared to the year ended December 31, 2007. On a local currency basis, programming costs for the period increased by 21.7% due to previously contracted price increases with respect to acquired programming.
- **Depreciation of property, plant and equipment.** Depreciation of property, plant and equipment increased by US\$ 10.4 million, or 74.0%, in the year ended December 31, 2008 compared to the year ended December 31, 2007. On a local currency basis, depreciation of property, plant and equipment for the period increased by 45.9%, primarily due to depreciation of broadcast assets in the Czech Republic of US\$ 6.4 million.
- **Amortization of broadcast licenses and other intangibles.** Amortization of broadcast licenses and other intangibles increased by US\$ 6.2 million, or 29.6%, in the year ended December 31, 2008 compared to the year ended December 31, 2007. On a local currency basis, amortization of broadcast licenses and other intangibles increased by 8.7% for the period, primarily as a result of the impact of charging a full year of amortization relating to the acquisition of the 20% ownership interests in its former partner in the Slovak Republic.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by US\$ 5.1 million, or 15.7%, in the year ended December 31, 2008 compared to the year ended December 31, 2007. On a local currency basis, selling, general and administrative expenses for the period decreased by 3.0%.

Operating income

Operating margin reached 40.6% in the year ended December 31, 2008 compared to 40.5% in the year ended December 31, 2007.

Interest income

Interest income decreased by US\$ 6.5 million, or 80.0%, in the year ended December 31, 2008 compared to the year ended December 31, 2007, primarily a result of a reduction in interest earned on loans to other members of CME.

Interest expense

Interest expense increased by US\$ 8.7 million, or 17.8%, in the year ended December 31, 2008 compared to the year ended December 31, 2007, primarily as a result of the movement in foreign exchange rates.

Foreign currency exchange gain (loss), net

The CET Group recognized a net foreign currency exchange loss of US\$ 10.9 million in the year ended December 31, 2008 compared to a net gain of US\$ 7.8 million in the year ended December 31, 2007, reflecting primarily the impact of movements in exchange rates on the value of foreign currency-denominated programming liabilities.

Other income (expense)

The CET Group recorded other expenses of US\$ 1.3 million in the year ended December 31, 2007, compared to no other income in the year ended December 31, 2008. Such other income was primarily derived from losses on the disposal of fixed assets.

Equity in loss of affiliate

The CET Group recorded an impairment charge of US\$ 81.2 million relating to its 40% ownership interest in one of the subsidiaries of CME's former Ukrainian operations in the year ended December 31, 2008.

Provision for income taxes

The CET Group's provision for income taxes increased to US\$ 28.8 million for the year ended December 31, 2008 from US\$ 20.9 million for the year ended December 31, 2007, as a result of improved profitability.

Liquidity and capital resources

Since 2005, the CET Group's broadcast operations have generated positive cash flows sufficient, in conjunction with new debt financings, to fund its operations. During the difficult economic conditions that the CET Group has experienced since the end of 2008, operating cash flows have declined, yet remain positive. The CET Group expects its businesses to continue to generate sufficient cash, in conjunction with its current cash and available facilities, to fund its operations for the next twelve months, as well as to meet its other financial obligations, including under its shareholder loans. As of June 30, 2010, the CET Group had approximately US\$ 23.0 million of cash and cash equivalents.

The CET Group continues to take steps to conserve cash to ensure that it has a sufficiently strong liquidity position to enable it to meet its debt service and other existing financial obligations and to ensure that the CET Group is well placed to take advantage of any economic recovery in the Czech Republic and the Slovak Republic. These steps have included targeted reductions to its operating cost base through headcount reductions and widespread cost optimization programs, the deferral of programming obligations and capital expenditure, and increasing its cash resources through additional debt facilities and refinancing of existing credit facilities.

Summary of cash flows

(US dollars in thousands)	As at and for the six month ended June 30,		As at and for the years ended December 31,		
	2010	2009	2009	2008	2007
Net income/(loss)	\$ (510)	\$ 22,550	\$ 43,759	\$ 30,139	\$ 99,818
Depreciation and amortization	70,731	50,169	114,065	130,248	85,364
Net change in receivables, payables, income tax, other current liabilities, program rights:	(52,083)	(31,298)	(95,207)	(124,725)	(75,800)
Other non-cash movements	5,359	1,497	(3,994)	11,031	(7,773)
Equity in loss of affiliate	—	—	—	81,160	—
Net cash generated from operating activities	23,497	42,918	58,623	127,853	101,609
Net cash used in investing activities . . .	(10,415)	(10,363)	(23,308)	(138,464)	(44,023)
(Payments)/proceeds made on loans from related parties	(84,390)	(50,584)	(51,821)	27,166	(44,353)
Proceeds from credit facilities	150,513	53,945	53,945	—	42,050
Payments made on credit facilities . . .	(78,062)	(39)	(233)	(56)	(43,758)
Distributions paid	—	—	(44,601)	(28,994)	—
Net cash received from financing activities	(11,939)	3,322	(42,710)	(1,884)	(46,061)
Impact of exchange rate fluctuations on cash	(3,062)	1,719	1,631	(3,025)	4,643
Net increase/(decrease) in cash and cash equivalents	(1,919)	37,595	(5,764)	(15,520)	16,167
CASH AND CASH EQUIVALENTS, beginning of period	24,873	30,637	30,637	46,157	29,990
CASH AND CASH EQUIVALENTS, end of period	\$22,954	\$ 68,233	\$ 24,873	\$ 30,637	\$ 46,157

Six months ended June 30, 2010 compared to six months ended June 30, 2009

Operating activities

Cash generated from operating activities by the CET Group in the six months ended June 30, 2010 decreased to US\$ 23.5 million from US\$ 42.9 million for the same period in 2009, reflecting the continued impact of the television advertising market slowdown on the amount of cash generated by the CET Group's operations. While the CET Group continued to generate significant positive cash flow from its broadcast and new media operations in the Czech Republic in the six months ended June 30, 2010, the decrease was attributable in part to the reduced cash flows from its broadcast operations in the Slovak Republic, reflecting the continuing investment in programming for its DOMA channel.

Investing activities

Net cash used by the CET Group in investing activities in the six months ended June 30, 2010 remained broadly in line with the same period of 2009. The amount of net cash used primarily reflects the purchase of property, plant and equipment.

Financing activities

The CET Group used US\$ 11.9 million in financing activities in the six months ended June 30, 2010 compared to generating US\$ 3.3 million in the same period of 2009. The financing cash flows in the six months ended June 30, 2010 reflects a drawdown of the CZK 2.8 billion

(approximately US\$ 150.5 million at the date of payment) Erste Facility, repayment of CZK 1.45 billion (approximately US\$ 78.1 million at the date of payment) of credit facilities as well as a payment under an intercompany loan of CZK 1.6 billion (approximately US\$ 84.4 million).

Year ended December 31, 2009 compared to year ended December 31, 2008

Operating activities

Cash generated by the CET Group in the year ended December 31, 2009 decreased to US\$ 58.6 million from US\$ 127.9 million for the same period in 2008, reflecting the impact of the global economic crisis.

Investing activities

The CET Group incurred capital expenditure (net of proceeds from disposals) of US\$ 23.3 million in the year ended December 31, 2009 compared to US\$ 34.7 million in the same period of 2008. The amount of net cash used in investing activities for the year ended December 31, 2008 of US\$ 138.5 million also included investments in CME's former Ukraine operations of US\$ 103.8 million.

Financing activities

The CET Group used US\$ 42.7 million in financing activities in the year ended December 31, 2009 compared to US\$ 1.9 million in the same period of 2008. Financing activities for the year ended December 31, 2009 includes repayment of shareholder loans in the amount of US\$ 51.8 million, drawing on the CS Facility in the amount of CZK 1.2 billion (US\$ 53.9 million) and a dividend of US\$ 44.6 million.

Year ended December 31, 2008 compared to year ended December 31, 2007

Operating activities

Cash generated by the CET Group in the year ended December 31, 2008 increased to US\$ 127.9 million from US\$ 101.6 million for the same period in 2007.

Investing activities

The CET Group incurred investing cash flows of US\$ 138.5 million in the year ended December 31, 2008 compared to US\$ 44.0 million in the same period of 2007. The amount of net cash used for the year ended December 31, 2008 reflects investment of US\$ 103.8 million in CME's former Ukraine operations.

Financing activities

The CET Group used US\$ 1.8 million in financing activities in the year ended December 31, 2008 compared to US\$ 46.1 million in the same period in 2007. The amount of net cash used in the year ended December 31, 2008 reflects dividend payments of US\$ 29.0 million.

Contractual obligations

As of June 30, 2010, the CET Group had indebtedness of \$133.7 million.

The following table summarizes the CET Group's future contractual obligations as of June 30, 2010:

(US dollars in thousands)	Payments due by period				
	Total	< 1 year	1-3 years	3-5 years	> 5 years
Long-term debt(1)	\$133,671	\$40,101	\$ 93,569	\$ —	\$ —
Long-term debt—interest	13,384	8,194	5,190	—	—
Operating leases(2)	8,531	2,785	2,865	1,819	1,062
Unconditional purchase obligations(3) . . .	122,708	33,752	86,308	2,648	—
Other long-term obligations(4)	53,893	7,409	16,185	16,971	12,728
FIN 48 obligations	49	—	49	—	—
Total contractual obligations(5)	\$332,186	\$92,241	\$204,717	\$21,438	\$13,790

(1) Consists of amounts due under the Erste Facility totaling CZK 2.8 billion (approximately US\$ 133.7 million). Interest payable on the CET Group's Long-Term Debt is calculated using interest rates and exchange rates as at June 30, 2010.

(2) For the six months ended June 30, 2010 and 2009, the CET Group paid an aggregate rent on all facilities of US\$ 1.9 million and US\$ 2.1 million, respectively. Future minimum operating lease payments at June 30, 2010 for non-cancellable operating leases with remaining terms in excess of one year (net of amounts to be recharged to third parties) are shown above.

(3) Primarily comprised of future programming commitments. At June 30, 2010, the CET Group had commitments in respect of future programming of US\$ 115.7 million. This includes contracts signed with license periods commencing after June 30, 2010.

(4) Includes US\$ 53.8 million of digital transmission commitments.

(5) In addition to the amounts included above, as of June 30, 2010, CET 21 and MARKÍZA-SLOVAKIA, spol. s r.o. owed to CME Investments B.V. CZK 8.1 billion (approximately US\$ 384.5 million) and €21.0 million (approximately US\$ 25.8 million), respectively. As of June 30, 2010, Media Pro Pictures s.r.o. owed € 0.5 million (approximately US\$ 0.6 million) to CME Media Pro B.V. This loan was repaid on October 7, 2010.

Off-balance sheet arrangements

The CET Group had no off-balance sheet arrangements as of June 30, 2010.

Market risk (foreign exchange, interest rate and credit risk)

The CET Group adopts a conservative approach to foreign exchange, interest rate and credit risk.

Interest rate hedging

The Erste Facility is a floating rate facility, and the CET Group have exchanged 50% of the interest payments for fixed rate interest payments to reduce interest rate exposures.

Foreign exchange

As at June 30, 2010 the CET Group has no debt denominated in currencies other than CZK (in the Czech Republic) and in EUR (in the Slovak Republic). Its ongoing business requires the purchase of programming and other assets denominated in USD which is not the functional currency of the CET Group, but this expenditure represents under 20% of its overall cost base, so that fluctuations in exchange rates are not critical to the performance of the business. In future, the CET Group may take on debt in EUR, and may choose to hedge some portion of any resultant EUR/CZK exposure.

Credit risk

The CET Group is not materially exposed to any particular client in its markets and conducts regular credit reviews. Overdue and bad debt writeoffs have remained at minimal levels in recent years. The CET Group's key customers are mostly major multinational companies with low risks of non payment.

Critical accounting policies

The preparation of the CET Group's financial statements requires management to make judgments in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. The CET Group bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

As the CET Group's financial statements are prepared on substantially the same basis as CME, the CET Group employs the same critical accounting policies as CME, which include policies relating to program rights, goodwill and intangible assets, impairment or disposal of long-lived assets, revenue recognition, income taxes, foreign exchange and contingencies. These critical accounting policies are described in CME's and the CET Group's financial statements and in CME's 2009 Annual Report.

CET 21 business

The following description of the business of CET 21 and its subsidiaries, all of which are indirect, wholly owned subsidiaries of CME, should be read together with the description of CME's business in its 2009 Annual Report and CME's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010, as amended, which are incorporated by reference in this offering memorandum.

Overview

CET 21

CET 21 is a limited liability company that was incorporated under the laws of the Czech Republic on June 22, 1992. The registered office of CET 21 is Kříženeckého náměstí 1078/5, PSC 152 00, Prague, Czech Republic. CET 21 is registered with the commercial register at the City Court of Prague, part C, register no. 10581. CET 21 is the principal operating company for the CET Group's Czech Republic operations. Its registered capital is fully paid up and amounts to CZK 481,000, consisting of an investment contribution by CME Media Enterprises B.V. of CZK 461,000 and an investment contribution by CME Investments B.V. of CZK 20,000. CME Media Enterprises B.V. has an ownership interest of 30280729576/30282019388 and CME Investments B.V. has an ownership interest of 1289812/30282019388 in CET 21. Article VI of its Memorandum of Association states its objectives are to, among other things, engage in the broadcast, production and distribution of audiovisual works, advertising and market activities, and other business activities related thereto.

The CET Group

The CET Group is an entertainment and media company that operates broadcasting, content and new media businesses in the Czech Republic and in the Slovak Republic. The CET Group's main television channels, TV NOVA and TV MARKIZA, have been the market leader in terms of all day and prime time audience share since 1994 in the Czech Republic and 1996 in the Slovak Republic. TV NOVA achieved a 46.8% prime time audience share during the year ended December 31, 2009, which was more than twice the audience share of its next closest competitor. TV MARKIZA achieved a 33.5% prime time audience share during the year ended December 31, 2009. The CET Group has delivered high margins and strong cash flows. In the year ended December 31, 2009, the CET Group generated net revenues of US\$ 377.8 million and OIBDA of US\$ 142.2 million; and in the six months ended June 30, 2010, the CET Group generated net revenues of US\$ 170.5 million and OIBDA of US\$ 52.1 million.

The CET Group is wholly owned by CME and represented 55% of CME's revenue and 123% of its OIBDA for the year ended December 31, 2009. CME is the largest vertically integrated media and entertainment company in Central and Eastern Europe, with 21 free-to-air, cable and satellite television channels located in six Central and Eastern European countries: the Czech Republic, the Slovak Republic, Slovenia, Romania, Bulgaria and Croatia (the first five of which are members of the EU). CME broadcasts to approximately 50 million people across its six markets with an estimated combined television advertising spend of approximately US\$ 1.2 billion in the year ended December 31, 2009. CME is a leading producer of fiction and non-fiction television content in the countries in which it operates.

The CET Group broadcasts to approximately 10.5 million people in the Czech Republic and 5.4 million people in the Slovak Republic, with an estimated combined television advertising spend of approximately US\$ 540 million in the year ended December 31, 2009. Its unique brand strengths, local knowledge and focused strategy are helping the CET Group come through the economic downturn with an OIBDA margin of over 31% during the six months ended June 30, 2010, continued audience share leadership and increased television advertising market share. The CET Group is well placed to take advantage of an expected recovery in gross domestic

product ("GDP") in the Czech Republic and the Slovak Republic when it occurs and to benefit from the ongoing convergence of television advertising and consumer spending with Western Europe.

TV NOVA and TV MARKIZA have consistently delivered large prime time audiences in commercially attractive demographics. In the year ended December 31, 2009, TV NOVA had a prime time audience share of 46.8% in its target 15-54 audience group and an advertising market share of 71.2%; and TV MARKIZA had a prime time audience share of 33.5% in its target 12+ audience group and a television advertising market share of 65.1%. The CET Group has successfully translated this high audience share into an even higher share of television advertising spending using its in-house sales team and long-term client relationships. The CET Group's power ratio (which is the ratio of television advertising market share to audience share) reached 1.8x for its Czech Republic operations and 2.0x for its Slovak Republic operations for the year ended December 31, 2009 and they remain at similar levels in 2010.

Additional Operational Data

Audience share—all day

	For the six months ended June 30, 2010	For the years ended December 31,		
		2009	2008	2007
TV NOVA	38.0%	41.6%	41.5%	43.0%
NOVA CINEMA	3.1%	2.1%	0.5%	n.a.
Total Czech Republic(1)	41.1%	43.7%	42.0%	43.0%
TV MARKIZA	30.7%	31.2%	35.1%	35.5%
DOMA	2.2%	0.7%	n.a.	n.a.
Total Slovak Republic	32.9%	31.9%	35.1%	35.5%

Source: Czech Republic: ATO—Mediaresearch/GfK, Slovak Republic: PMT/TNS SK. The target demographic measured for the Czech Republic is the 15-54 age group and for the Slovak Republic is the 12+ age group (for 2007, 2008 and 2009) and 12-54 age group (for the six months ended June 30, 2010).

(1) NOVA SPORT and MTV CZECH are not included in the standard peoplemeter measurements because they are pay channels; the main source of revenues of these two channels comes from subscription fees. Commercial space on these channels is sold based on rate cards, not GRPs. See "CET 21 management's discussion and analysis of results of operations and financial position—Financial overview—Net revenues—Television advertising," for an explanation of GRPs.

Audience share—prime time

	For the six months ended June 30, 2010	For the years ended December 31,		
		2009	2008	2007
TV NOVA	44.3%	46.8%	45.8%	46.8%
NOVA CINEMA	3.4%	2.1%	0.5%	n.a.
Total Czech Republic(1)	47.7%	48.9%	46.3%	46.8%
TV MARKIZA	33.2%	33.5%	36.8%	38.5%
DOMA	1.6%	0.4%	n.a.	n.a.
Total Slovak Republic	34.8%	33.9%	36.8%	38.5%

Source: Czech Republic: ATO—Mediaresearch/GfK, Slovak Republic: PMT/TNS SK. The target demographic measured for the Czech Republic is the 15-54 age group and for the Slovak Republic is the 12+ age group (for 2007, 2008 and 2009) and 12-54 age group (for the six months ended June 30, 2010).

(1) NOVA SPORT and MTV CZECH are not included in the standard peoplemeter measurements because they are pay channels; the main source of revenues of these two channels comes from subscription fees. Commercial space on these channels is sold based on rate cards, not GRPs.

CET Group television advertising market share

	2009	2008	2007
Czech Republic	71.2%	72.9%	67.9%
Slovak Republic	65.1%	61.3%	63.5%

Source: CME Internal Estimates

The CET Group power ratio—television advertising market share to all day audience share

	2009	2008	2007
Czech Republic	1.8	1.9	1.7
Slovak Republic	2.0	1.7	1.8

The ratio is calculated using CME's internal estimates of television advertising market share and reports by ATO—Mediaresearch/GfK, in the Czech Republic, and PMT/TNS SK, in the Slovak Republic, for all day audience share (4+ age group).

The CET Group's competitive strengths

The CET Group believes it has the following competitive strengths.

High barriers to entry. The CET Group's brands, long-term operating licenses, production assets and new media properties constitute a strong asset base that the CET Group believes cannot easily or cheaply be replicated or acquired by its competitors. The CET Group's historic investment in content production and its library of local programming produced in-house, combined with its experience in creating and producing such programming, gives the CET Group an ongoing competitive strength and a significant audience share leadership position in its markets. No competitor has either a similar asset base or audience share in the Czech Republic or the Slovak Republic. The extremely high costs associated with launching and operating new television channels with a comparable offering to the CET Group makes it difficult for new players to enter the market. The CET Group is able to leverage its existing infrastructure and resources to launch new thematic channels at relatively low incremental cost. Entry to the CET Group's markets is further constrained due to the limited size of the markets compared to the fixed costs required to compete. The Czech Republic has approximately 4.1 million television households and the Slovak Republic has approximately 1.6 million television households. The CET Group believes the investment required by new entrants is not attractive relative to the potential returns.

Consistent audience share leadership. The CET Group's main channels have established leadership positions and achieved the highest audience share in their respective markets. In the Czech Republic, TV NOVA has consistently had the highest prime time and all day audience share, and TV MARKIZA in the Slovak Republic has demonstrated the same consistency. Television advertising continues to be the primary focus of advertisers in these markets, and advertising expenditures are generally made with a view to reaching the greatest possible audience. Accordingly, the CET Group's audience share leadership allows the CET Group to hold leading positions in television advertising market share in the Czech Republic and the Slovak Republic. The CET Group believes that advertising clients are more likely to focus television advertising expenditures on leading television channels during periods of economic downturn, as evidenced by the CET Group's increased television advertising market share in the Czech Republic and the Slovak Republic in 2009 compared to 2007.

Leading producer of local content. Audiences in the CET Group's markets have a strong preference for local programming, which is evidenced by the significantly higher audience ratings when compared to foreign acquired programming. With the acquisition by CME of Media Pro Entertainment and the integration of its production operations with the CET Group's existing content production capabilities, the CET Group is in an even stronger position

to generate popular local content and to benefit from synergies among CME's several markets. In the three-month period ended June 30, 2010, Media Pro Entertainment contributed 365 hours of new content to the CET Group's large and growing programming library. The CET Group's local content production capability also allows it to negotiate with major programming providers more effectively, as it has the capability to produce its own high quality content as an alternative.

Low leverage and strong cash flow generation. The CET Group has generated significant positive operating cash flows and high margins. In the year ended December 31, 2009, the CET Group achieved an OIBDA margin of 38% and delivered net cash generated from operating activities before interest and taxes of US\$ 131.0 million and a cash conversion ratio (defined as net cash generated from operating activities before interest and income taxes, less purchase of property, plant and equipment, divided by OIBDA) of 75%. CET 21 also benefits from having low leverage with US\$ 133.7 million of gross external debt on its balance sheet as at June 30, 2010.

The CET Group's strategy

The CET Group's strategy for maintaining its audience share and television advertising market share leadership in the Czech Republic and the Slovak Republic includes the following:

Maintain leading position. As the leader in terms of audience share and television advertising market share in the Czech Republic and the Slovak Republic, the CET Group is able to secure a majority of television advertising revenues in these markets. During the economic crisis, the CET Group has been disciplined in monitoring its cost base and controlling costs without putting its market leading positions in jeopardy. The CET Group plans to continue to control its costs in order to permit it to take advantage of a recovery in the Czech Republic and the Slovak Republic and maximize the impact of any increase in revenues on OIBDA. Notwithstanding its cost discipline, the CET Group intends to continue to maintain sufficient investment in programming to protect its audience shares and the strength of its brands.

Promote and grow its thematic channels. TV NOVA and TV MARKIZA reach over 99% of the population of the Czech Republic and the Slovak Republic, respectively. This gives the CET Group the ability to cross-promote thematic digital, cable and satellite channels to a wide audience and thereby grow the audience share of those channels. This is especially important with the increase in digital terrestrial television ("DTT") penetration, which is expected to provide viewers with a wider selection of channels. By offering its viewers additional choices, the CET Group is able to mitigate the risk of potential erosion of audience share and to maintain its overall audience leadership position.

Deliver strong online presence through content and brands. The strength of the CET Group's brands, its news programming and other locally produced content, its relationships with advertisers and the opportunities for cross promotion afforded by the large audiences of its existing broadcast operations put the CET Group in a strong position to develop and eventually monetize leading positions with its new media operations. In the Czech Republic, the CET Group was ranked fourth in terms of real users visiting its websites. The CET Group's strategy is to generate additional online advertising revenues by taking advantage of its own library of highly rated local content.

Continue to develop local content. Guided by its audiences' preference for local content, the CET Group has continued to focus on the development of local in-house productions of both fiction and non-fiction. Good quality, popular, locally produced fiction entertainment programming differentiates the CET Group in an increasingly fragmented market.

Deliver content over multiple distribution platforms. Content, and in particular local content, is fundamental to both the CET Group's broadcast and new media businesses. The number of ways in which viewers can receive television content is rapidly increasing. Developments in

mobile and digital technologies will create additional opportunities to utilize content. The CET Group plans to leverage its popular content across multiple distribution platforms, such as new direct-to-home, internet-based and mobile platforms to reach those audiences.

The CET Group outlook

According to data from the European Union statistical agency, Eurostat, GDP in the Czech Republic and the Slovak Republic increased by 3.0% and 4.7%, respectively, in the second quarter of 2010 compared to the same period in 2009. Increases in GDP have historically correlated to subsequent increases in television advertising spending in CME's markets. Currently, CME believes that television advertising spending is lagging behind GDP growth generally. In particular, television advertising spending in the Slovak Republic continues to be lower year-on-year through the third quarter of 2010. As a result, based on management's preliminary financial review, CME currently estimates that its third quarter revenues will be similar to its revenues in the third quarter of 2009 and that CME's OIBDA will be lower by US\$ 3.0 to 6.0 million than its OIBDA in the third quarter of 2009. If GDP in the CET Group's markets continues to grow through the third and fourth quarters of 2010, then CME expects television advertising spending to increase, as CME believes advertisers will gain confidence in the economic recovery in the Czech Republic and the Slovak Republic. Given the focused investment by the CET Group and CME in local and other programming in order to maintain the consistently high audience shares of its leading channels, the CET Group and CME are well positioned to benefit from further improvements in the economies and any subsequent increase in television advertising spending in the markets in which they operate.

Czech Republic operations

TV NOVA

TV NOVA is the Czech Republic's leading television station in terms of television advertising market share and audience share. TV NOVA broadcasts 24 hours per day and its programming strategy is to appeal to a broad audience, especially during prime time, with news, movies, entertainment programs and sports highlights, and to target more specific demographics in off-peak broadcasting hours.

TV NOVA has achieved a leading audience share in the Czech Republic by developing its own high quality local fiction and non-fiction content in-house to supplement acquired programming from leading Hollywood studios and independent production companies. In the year ended December 31, 2009, approximately 44% of the programming on TV NOVA was produced in-house, including "Televizni noviny" ("TV News"), "Ordinace v ruzove zahrade" ("Rose Garden Medical"), an original Czech series, and "Ulice" ("The Street"), an originally produced Czech soap opera. "TV News," the nightly news program of TV NOVA, achieves the highest ratings among all television shows in the Czech Republic on a regular basis. "Rose Garden Medical" and "The Street" are also among the top-rated shows in the Czech Republic. TV NOVA entertainment formats are also popular. The local version of Pop Idol, which was produced and broadcast jointly with TV MARKIZA, was one of the highest-rated shows of 2009 in the Czech Republic.

TV NOVA has secured exclusive broadcast rights in the Czech Republic to a variety of popular American and European series and films produced by major international studios, including DreamWorks/Paramount, Warner Brothers, Sony Pictures, NBC Universal, Twentieth Century Fox, MGM and independent programming providers like CBS Paramount, EEAP, Grand View Castle and SPI. All foreign language programming is dubbed into the Czech language. Foreign news reports and film footage licensed from CNN, Reuters, APTN, SNTV and ENEX are integrated into news and public affair programs on TV NOVA as required.

TV NOVA's target demographic is 15-54. The chart below summarizes the all day and prime time audience share figures for TV NOVA in that target group:

	2009	2008	2007
All day	41.6%	41.5%	43.0%
Prime time	46.8%	45.8%	46.8%

Source: ATO—Mediaresearch/GfK.

TV NOVA derives its revenues principally from the sale of commercial advertising time through media buying groups and independent agencies. Advertisers include large multinational firms such as Danone, CS Group, Procter & Gamble, T-Mobile, Nestlé, Henkel, Laboratoires Garnier and Reckitt Benckiser. The top ten advertisers on TV NOVA contributed approximately 36% of CET 21's total net revenues in the Czech Republic in the year ended December 31, 2009.

NOVA SPORT

NOVA SPORT broadcasts high quality sports and sport-related programming in the Czech Republic and the Slovak Republic. NOVA SPORT has secured broadcast license rights to some of the most popular sports programming in its markets, including the National Hockey League, the FA Premier League, the FA Cup, the French Football League, Barca TV, the National Basketball Association, ATP Tennis tournaments, Moto GP, KHL (Kontinental Hockey League), Formula One, motorcycle and automobile races, golf tournaments and other competitions. The program schedule also contains sport documentaries on popular sports in the Czech Republic and the Slovak Republic.

NOVA SPORT currently has carriage agreements with the large cable distributors and with all direct-to-home distributors in the Czech Republic and the Slovak Republic. NOVA SPORT reached approximately 1.71 million subscribers out of the approximately 3.07 million households receiving cable in the combined markets as of December 31, 2009. NOVA SPORT derives revenues principally from cable subscription fees and carries a low volume of advertising.

NOVA CINEMA

NOVA CINEMA is a niche channel focusing on films and series. It broadcasts new releases and older movies and popular American series, as well as a mixture of short programs such as cinema news and star profiles. NOVA CINEMA had an all day audience share of 2.1% in 2009.

NOVA CINEMA was a cable and satellite channel through December 2008, when it began broadcasting in Digital Video Broadcasting Terrestrial ("DVB-T"). Prior to being distributed on DVB-T, NOVA CINEMA derived its revenue from cable subscription fees and carried a low volume of advertising. Since January 2009, NOVA CINEMA has derived its revenue solely from advertising.

MTV CZECH

To further expand its multi-channel strategy, CET 21 launched MTV CZECH in November 2009, targeting the youth niche segment. MTV CZECH broadcasts 24 hours per day in both the Czech Republic and the Slovak Republic. It broadcasts music and youth-oriented programming mainly from the MTV library, such as "The Hills," "Cribs" and "Pimp My Ride." Like NOVA SPORT, MTV CZECH derives revenues principally from cable subscription fees and also carries a low volume of advertising.

Slovak Republic operations

TV MARKIZA

TV MARKIZA is the Slovak Republic's leading television channel in terms of all day and prime time television audience share. TV MARKIZA broadcasts 24 hours per day and its programming

strategy is to appeal to a broad audience through news, movies, entertainment and sports programming, with specific groups targeted in off-peak broadcasting hours. Approximately 27% of TV MARKIZA's programming is locally produced, including "Televizne noviny" ("TV News"), "Sportove noviny" ("Sports News"), "Cesko Slovenska Superstar" ("Pop Idol"), "Ordinacia v Ruzovey zahrade" ("Rose Garden Medical") and "Modre z neba" ("Best Wishes"). These programs are consistently the top-ranked shows in the Slovak Republic.

TV MARKIZA has secured exclusive broadcast rights to a variety of popular American and European series, films and telenovellas produced by major international studios including Warner Brothers, NBC Universal, CBS Paramount, Dreamworks/Paramount, Grandview-Castle, and Buena Vista. All foreign language programming (other than those in the Czech language) is dubbed into the Slovak language. Foreign news reports and film footage licensed from CNN, Reuters, APTN and SNTV are integrated into locally produced news programs on TV MARKIZA as required.

TV MARKIZA's target demographic is 12+. The chart below summarizes all day and prime time audience share figures for TV MARKIZA:

	2009	2008	2007
All day	31.2%	35.1%	35.5%
Prime time	33.5%	36.8%	38.5%

Source: PMT/TNS SK.

TV MARKIZA derives revenues principally from the sale of commercial advertising time through media buying groups and independent agencies. Advertisers include large multinational companies such as Slovak Telecom Group, Orange, Reckitt Bensicker, Procter & Gamble, L'Oréal, Slovenska Sporitelna, Telefonica O2, Nestlé and Henkel. TV MARKIZA's top ten advertisers contributed 37% of CET 21's total net revenues in the Slovak Republic in the year ended December 31, 2009.

DOMA

DOMA broadcasts 24 hours per day and targets female audiences with programming such as telenovelas, films and soap operas. DOMA introduced its first local production in the spring of 2010. CET 21 launched DOMA on August 31, 2009 and achieved an all day audience share of 0.7% and prime time audience share of 0.4% in 2009. DOMA's audience demographics compliments TV MARKIZA and provides an attractive advertising platform for advertisers targeting a female audience.

Regulation in television advertising markets

Within the Czech Republic and the Slovak Republic advertising markets, television accounts for approximately 43% and 49% of total advertising spending, respectively. Television in these markets competes for advertising revenues with other media such as print, radio, outdoor advertising, internet and direct mail.

Regulations in the Czech Republic and the Slovak Republic permit privately owned broadcasters to broadcast advertising for up to 12 minutes per hour. Public broadcasters, such as CT in the Czech Republic and STV in the Slovak Republic, both of which are financed through compulsory television license fees, are further restricted in the amount of time which may be devoted to advertising time. From January 1, 2008 until the completion of the transition from terrestrial analog to terrestrial digital broadcasting in the Czech Republic, public broadcaster CT has been restricted to broadcasting advertising for a maximum of 0.75% of its daily broadcast time on its main channel (excluding teleshopping), and 0.5% for its other channel, without the ability to combine. The public broadcaster STV is permitted to broadcast up to 12 minutes per hour (or 8 minutes per hour between 7:00 p.m. and 10:00 p.m.), but not more than 3% of its broadcast time.

In both the Czech Republic and the Slovak Republic there are also restrictions for all broadcasters on the frequency of advertising breaks during and between programs, as well as restrictions that relate to advertising content, including a ban on tobacco advertising and limitations on advertisements of alcoholic beverages.

During the second quarter of 2010, the Czech Republic notified the European Commission that it had adopted regulations implementing the EU Audiovisual Media Services Directive (the "AVMS"). Among other things, the AVMS explicitly permits product placement in programming. Product placement may provide an opportunity for the CET Group to earn additional advertising revenue.

Competition

Czech Republic

In addition to CET 21's channels, the Czech Republic is served by, among others, two national channels operated by the public broadcaster, CT1 and CT2, and by the national privately owned broadcaster TV Prima. The chart below provides a comparison of the technical reach (a measurement of the percentage of a country's population that is able to receive the signals of the indicated channels) and all day audience share in CET 21's target group of its Czech Republic channels to those of their competitors.

Main Television Channels	Ownership	Year of first transmission	Signal distribution	All day audience share (2009)	Technical reach
TV NOVA (Czech Republic) . . .	CME	1994	Terrestrial/satellite	41.6%	99.5%
TV Prima	Modern Times Group/Local owners	1993	Terrestrial/satellite	16.4%	99.6%
CT 1	Public Television	1953	Terrestrial/satellite	15.7%	97.5%
CT 2	Public Television	1970	Terrestrial/satellite	5.1%	96.9%
NOVA CINEMA(1)	CME	2007	Terrestrial/satellite	2.1%	59.0%
NOVA SPORT	CME	2002	Cable/satellite	—	27.3%
Others				19.1%	
				100.0%	

Source: ATO—Mediaresearch/GfK.

(1) Technical reach for NOVA CINEMA includes DVB-T

TV NOVA also competes for audiences with foreign terrestrial television channels in Austria, Germany, the Slovak Republic and Poland whose originating signals reach the Czech Republic, as well as with cable and satellite channels.

Slovak Republic

In addition to TV MARKIZA and DOMA, the Slovak Republic is served by two national public television channels, STV1 and STV2. TV MARKIZA also competes with the privately owned broadcaster TV JOJ. The chart below provides a comparison of the all day audience share in the

CET Group's target group and technical reach of TV MARKIZA and DOMA to those of its competitors:

Main Television Channels	Ownership	Year of first transmission	Signal distribution	All day audience share (2009)	Technical reach
TV MARKIZA	CME	1996	Terrestrial/satellite/cable	31.2%	99.2%
TV JOJ	Local owner	2002	Terrestrial/satellite/cable	20.0%	90.7%
STV 1	Public Television	1956	Terrestrial/satellite/cable	15.0%	99.9%
STV 2	Public Television	1969	Terrestrial/satellite/cable	4.0%	99.5%
DOMA	CME	2009	Cable/satellite	0.7%	54.1%
Others				29.1%	
				100.0%	

Source: PMT/TNS SK

TV MARKIZA also competes for audience share with foreign terrestrial television stations located in Austria, the Czech Republic and Hungary whose originating signals reach the Slovak Republic, as well as cable and satellite stations. These stations do not compete for advertising revenues in the Slovak Republic.

Brand power

The CET Group expects intense competition for audience share and advertising spending from other incumbent terrestrial broadcasters and from cable, satellite and digital terrestrial broadcasters as the coverage of these technologies grows. The CET Group believes that any impact on its advertising share and revenues can be mitigated because the power of its leading brands continues to generate high audience shares on its main channels, which results in a significantly higher return on programming investments than its competitors enjoy.

Licenses

CET 21's channels in the Czech Republic operate under a variety of licenses granted by the Czech Republic Media Council, The Council for Radio and Television Broadcasting. Approximately 75% of the Czech Republic currently receives a digital signal, and digital transmissions will be rolled out to the remaining parts of the country over the next 18 months. The official date for the analog switch-off is November 2011 however, a small percentage of the country will continue to receive analog transmissions until mid-2012. TV NOVA broadcasts under a national terrestrial license that permits both digital and analog broadcasting. This license expires in January 2025, and TV NOVA will continue to broadcast under this license following the completion of the digital switchover. TV NOVA may also broadcast pursuant to a satellite license that expires in December 2020. NOVA CINEMA broadcasts pursuant to a national terrestrial license that permits digital broadcast. This license expires at the time the digital switchover is complete, and at which point the CET Group expects that NOVA CINEMA will receive a new national terrestrial digital license. NOVA CINEMA also broadcasts via satellite pursuant to a license that is valid until November 2019. NOVA SPORT broadcasts under a license that allows for both satellite and cable transmission that expires in October 2020, and MTV CZECH broadcasts under a satellite license that expires in October 2021.

TV MARKIZA broadcasts pursuant to a national analog license that expires in September 2019. The analog switch-off is expected to occur in the Slovak Republic in 2011. The Council for Broadcasting and Transmission, the Slovak Republic Media Council, granted TV MARKIZA a national digital license in January 2010; and such license is valid for an indefinite period. TV

MARKIZA began digital broadcasting in June 2010. DOMA broadcasts under a license that permits digital, cable and satellite transmissions. Similar to the TV MARKIZA license, DOMA's license is valid for an indefinite period. DOMA, which now broadcasts in cable and satellite, intends to begin digital broadcasting at the time of the digital switchover in 2011.

Seasonality

CET 21, like other television operators, experiences seasonality, with advertising sales tending to be lowest during the third quarter of each calendar year due to the summer holiday period (typically July and August), and highest during the fourth quarter of each calendar year. See "CET 21 management's discussion and analysis of results of operations and financial condition—Factors affecting the CET Group's results of operations—Seasonality."

Employees

As of June 30, 2010, CET 21 had a total of approximately 1,260 employees (including contractors). None of CET 21's employees are covered by a collective bargaining agreement. CET 21 believes that its relations with its employees are good.

Certain relationships and related party transactions

Transactions with CME

The CET Group enters into intercompany transactions with the other members of CME in the ordinary course of business. These transactions include the following:

Shareholder loans

As of June 30, 2010, CET 21 owed CZK 8.1 billion (approximately US\$ 384.5 million) to CME Investments B.V. under a loan that bears interest at a fixed rate of 9.0% and matures on May 2, 2015.

As of June 30, 2010, MARKÍZA-SLOVAKIA, spol. s r.o. owed €21.0 million (approximately US\$ 25.8 million) to CME Investments B.V. under a loan that bears interest at a fixed rate of 7.55% and matures on November 23, 2018.

As of June 30, 2010, Media Pro Pictures s.r.o. owed €0.5 million (approximately US\$ 0.6 million) to CME Media Pro B.V., a wholly owned subsidiary of CME, under a loan that bears interest at a fixed rate of 9.75%. This loan was repaid on October 8, 2010.

Sales and purchases

The CET Group purchased programming from CME for approximately US\$ 0.1 million and US\$ 0.3 million in the six months ended June 30, 2010 and 2009, respectively. The total amount due to CME for such programming was US\$ 0.9 million at June 30, 2010 and US\$ nil at December 31, 2009.

Furthermore, the CET Group purchased various services (accounting, management consultancy and other analytical services) from CME for approximately US\$ 3.5 million and US\$ 0.7 million in the six months ended June 30, 2010 and 2009, respectively. The total amount due to CME for such services was US\$ 3.0 million at June 30, 2010 and US\$ 2.8 million at December 31, 2009.

Other related parties

In the ordinary course of business, the CET Group also has transactions with various organizations and individuals that are considered to be related parties including: Adrian Sarbu, an Executive Director of CET 21, CME's President and Chief Executive Officer and a member of

CME's Board of Directors and Time Warner, which is a beneficial owner of approximately 31.0% of CME's outstanding shares.

All non-intercompany related party transactions in which the CET Group and its directors, officers and Executive Directors, or members of their immediate families are participants that are subject to review, ratification or approval by CME under relevant SEC regulations and NASDAQ Marketplace Rules are reviewed to determine whether such persons have a direct or indirect material interest. Management is primarily responsible for the development and implementation of processes and controls to obtain information from the directors, officers and Executive Directors in respect of such related party transactions and for determining, based on the facts and circumstances, whether CME, the CET Group or a related party has a direct or indirect material interest in the transaction.

Adrian Sarbu

The CET Group purchased telecommunications and related services from companies related to or connected with Mr. Sarbu in the six months ended June 30, 2010 and 2009 for approximately US\$ 0.1 million and US\$ 30,000, respectively. The total amount due to Mr. Sarbu for such services at June 30, 2010 was US\$ 0.9 million and US\$ nil at December 31, 2009.

Time Warner

The CET Group purchased programming from companies related to or connected with Time Warner in the six months ended June 30, 2010 and 2009 for approximately US\$ 1.2 million and US\$ 1.6 million, respectively. The total amount due to Time Warner for such programming at June 30, 2010 was US\$ 5.3 million and US\$ 7.0 million at December 31, 2009.

Properties

CET 21 owns and leases properties in the countries in which it operates. These facilities are fully utilized for current operations, are in good condition and are adequately equipped for purposes of conducting broadcasting, content production or such other operations as may be required. CET 21 believes that suitable additional space is available on acceptable terms in the event of an expansion of its businesses. The table below provides a brief description of CET 21's significant properties.

Location	Property	Use
Prague, Czech Republic	Owned and leased buildings	Administrative Centre, corporate Office and studio space, TV NOVA (Czech Republic)
Bratislava, Slovak Republic . . .	Owned buildings	Office and studio space, TV MARKIZA

Description of other indebtedness

Other third party indebtedness of CET 21

Secured Revolving Credit Facility

Concurrently with the closing of this offering, CET 21, as borrower, will enter into a CZK 1.5 billion (approximately US\$ 84.8 million, using the Czech National Bank CZK/USD exchange rate of 17.689 as at October 7, 2010) Secured Revolving Credit Facility with BNP Paribas, S.A., J.P. Morgan plc, Citigroup Global Markets Limited, ING Bank N.V. and CSAS, as mandated lead arrangers, BNP Paribas S.A., JPMorgan Chase Bank N.A., Citibank Europe plc, ING Bank N.V. and CSAS, as original lenders, BNP Paribas S.A., as agent, BNP Paribas Trust Corporation UK Limited, as security agent, and Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Investments B.V., CME Slovak Holdings B.V. and MARKÍZA—SLOVAKIA, spol. s r.o., as the original guarantors. Interest under the facility is calculated at a rate per annum of 4.50% above the Prague interbank offered rate for the relevant interest period. Drawings under the facility by CET 21 are expected to be used for working capital requirements and for general corporate purposes. Prior to CET 21's utilizing the Secured Revolving Credit Facility, CME is required to apply, subsequent to September 30, 2010, not less than US\$ 100 million of its cash to repurchase CME Existing Notes.

The Secured Revolving Credit Facility will be secured by: (i) subsequent to the release of security granted under the Erste Facility, a first-priority security interest in the CET Collateral and (ii) a fourth-priority security interest in the CME Collateral shared on a *pari passu* basis with the CME Existing Notes. The Secured Revolving Credit Facility will share in these security interests on a *pari passu* basis with the notes.

The Secured Revolving Credit Facility will contain customary representations, warranties, events of default and restrictive covenants including, *inter alia*, limitations regarding CET 21's ability to incur certain types of indebtedness, carry out certain types of transactions, create liens and sell assets. In addition, under the Secured Revolving Credit Facility, CET 21 is subject to maintenance covenants, including a cashflow coverage ratio, an interest coverage ratio and a leverage ratio, more fully described below under "—Overview of financial conditions." The ratios are tested on a consolidated basis for the CET Group by reference to the annual audited consolidated and quarterly unaudited consolidated financial statements of CET 21. The Secured Revolving Credit Facility will limit CET 21's ability to issue Additional Notes (as defined in "Description of notes") to an amount which does not exceed €20.0 million.

The lenders under the Secured Revolving Credit Facility may request CET 21 prepay amounts drawn or cancel commitments in the event of specified changes of control. In the event the total commitments (drawn and undrawn) of the Secured Revolving Credit Facility are less than 15% of the sum of the total commitments (drawn and undrawn) and the aggregate principal amount of the notes outstanding, the total commitments under the Secured Revolving Credit Facility will be cancelled and outstanding amounts will become immediately due and payable. In addition, CET 21 is required to prepay amounts outstanding under the Secured Revolving Credit Facility in proportion to the repurchase or repayment of principal of any notes offered hereunder.

On the fourth anniversary of the original date of the Secured Revolving Credit Facility agreement, the total commitments will be reduced to CZK 750 million and any outstanding loans required to be repaid for this reduction to take place will need to be repaid. The facility matures on the fifth anniversary of the original date of the Secured Revolving Credit Facility agreement.

Overview of Financial Conditions

The following description of financial conditions is only a summary. Please refer to the Secured Revolving Credit Facility for a complete description of CET 21's obligations under the

agreement. Under the Secured Revolving Credit Facility, for each twelve-month period ending on the last day of each fiscal quarter (including fiscal year end), CET 21 will be required to ensure that:

- (a) The ratio of Cashflow to Debt Service and Inter-Group Flows shall not be less than 1.15:1.
- (b) The ratio of EBITDA to Finance Charges:
 - (i) shall not be less than 4.5:1 (in respect of periods ending on or prior to December 31, 2011);
 - (ii) shall not be less than 4.75:1 (in respect of periods ending subsequent to December 31, 2011 and on or prior to December 31, 2012); and
 - (iii) shall not be less than 5.00:1 (in respect of subsequent periods).
- (c) The ratio of senior debt (as defined in the Secured Revolving Credit Facility), excluding inter-group loans and any marking to market of treasury transactions, to EBITDA:
 - (i) shall not exceed 2.75:1 (in respect of periods ending on or prior to June 30, 2011);
 - (ii) shall not exceed 2.5:1 (in respect of periods ending subsequent to June 30, 2011 and on or prior to December 31, 2011); and
 - (iii) shall not exceed 2.25:1 (in respect of subsequent periods).

Certain definitions

The financial conditions contained in the Secured Revolving Credit Facility are determined with reference to a number of defined terms also contained in the facility. Certain of such definitions are summarized below.

“Cashflow” means, in respect of any period, EBITDA after (a) adding the amount of any decrease (and deducting the amount of any increase) in working capital; (b) deducting the amount of any cash payments in respect of any exceptional items to the extent taken into account in calculating EBITDA; (c) adding the amount of any cash receipts in respect of any tax rebates or credits and deducting the amount actually paid or due and payable in respect of taxes by any member of the CET Group; (d) deducting the amount of any capital expenditure actually made by any member of the CET Group and the aggregate of any cash consideration paid for, or the cash cost of, any business acquisitions and the amount of any joint venture investments in cash; and (e) deducting the amount of any cash costs of pension items to the extent not taken into account in establishing EBITDA.

“Debt Service and Inter-Group Flows” means, in respect of any period, the aggregate of: (a) Finance Charges for such period, (b) any cash dividends or distributions made by a member of the CET Group to a member of the CME Group or any payments, loans or advances made (including payment of interest) under any inter-group loan by a member of the CET Group in respect of that period (excluding up to €60 million to be paid or distributed to CME and applied to repurchase existing debt of CME) during such period, (c) the capital element of any payments in respect of such period payable under any finance lease entered into by CET 21, and (d) all scheduled and mandatory repayments of borrowings of any member of the CET Group (including any fixed or minimum premium payable, and after deducting any amount raised by any member of the CET Group under any intra-group loan or any inter-group loan) falling due during such period but excluding:

1. any amounts falling due under any overdraft or the Secured Revolving Credit Facility which are available for simultaneous redrawing according to the terms of such overdraft or the Secured Revolving Credit Facility;
2. any such obligations owed to CET 21 or another member of the CET Group;

3. any prepayment of the Secured Revolving Credit Facility which is required to be made under its terms;
4. loan repayments totaling CZK 3,050,000,000 made prior to the date of the Secured Revolving Credit Facility; and
5. repayment of the Erste Facility.

“EBIT” means, in respect of any relevant period, the consolidated operating profit of the CET Group before taxation (excluding the results from discontinued operations):

1. before deducting any Finance Charges whether paid, payable or capitalized by any member of the Group in respect of that relevant period;
2. not including any accrued interest owing to any member of the CET Group;
3. before taking into account any exceptional Items;
4. after deducting the amount of any profit (or adding back the amount of any loss) of any member of the CET Group which is attributable to minority interests;
5. before taking into account any unrealized gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
6. before taking into account any pension items; and
7. excluding the charge to profit represented by the expensing of stock options,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the CET Group before taxation.

“EBITDA” means, in respect of any relevant period, EBIT for that relevant period after adding back any amount attributable to the amortization, or depreciation or impairment of assets of members of the CET Group. For the avoidance of doubt, any losses or gains arising as a result of any purchase by a member of the CET Group of any financial indebtedness owing by the CET Group shall not be included in the calculation of EBITDA.

“Finance Charges” means, for any period, the aggregate amount of the accrued interest, commissions, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of borrowings (deducting any amount raised by any member of the CET Group under any intra-group loan or any inter-group loan) (calculated on a consolidated basis), but excluding any interest cost or expected return on plan assets in relation to any post-employment benefit schemes; and taking no account of any unrealized gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

CET Group Intercreditor Agreement

To establish the relative rights of certain creditors under the Secured Revolving Credit Facility and the notes, CET 21 and CME, certain of its subsidiaries and certain other CET Group subsidiaries as Guarantors, will enter into the CET Group Intercreditor Agreement with, among others, the lenders and agent under the Secured Revolving Credit Facility, the trustee for the notes and the security agent in respect of the notes and the Secured Revolving Credit Facility.

By accepting a note, holders of notes will be deemed to have agreed to and accepted the terms and conditions of the CET Group Intercreditor Agreement.

The following description is a summary of certain provisions, among others, contained in the CET Group Intercreditor Agreement that relate to the rights and obligations of the holders of the notes. It does not restate the CET Group Intercreditor Agreement in its entirety nor does it describe provisions relating to the rights and obligations of holders of other classes of the CET Group's debt.

Ranking

The following debt will rank *pari passu* in right and priority of payment between themselves.

- the “Revolving Credit Facility Debt”, which includes all present and future moneys, debts and liabilities due, owing or incurred under or in connection with the Secured Revolving Credit Facility and related documents; and
- the “Notes Debt”, which means all present and future money, debts and liabilities due, owing or incurred under or in connection with the notes and related documents, including the Indenture.

Additional guarantees and security

No obligor will (and will ensure that no other member of the CME Group will) grant any guarantee or any security in favor of a creditor in respect of the Revolving Credit Facility Debt or the Notes Debt unless the same is granted in favor of all such creditors or, as the case may be, the security agent for and on behalf of the creditors, and where the rights in relation to that guarantee or security are subject to the CET Group Intercreditor Agreement.

Ranking of proceeds of enforcement of security

Except as otherwise provided in the CET Group Intercreditor Agreement, all guarantees and security created pursuant to or in respect of any of the Revolving Credit Facility Debt and the Notes Debt (together, the “Secured Documents” and the debt represented by such documents, the “Secured Debt”) will:

- rank as guarantees and security for the Revolving Credit Facility Debt and the Notes Debt, *pari passu* between themselves, irrespective of the order of execution, creation, registration, notice, enforcement or otherwise; and
- guarantee and secure the Revolving Credit Facility Debt and the Notes Debt, *pari passu* between themselves, irrespective of the date on which the relevant Secured Debt arose, or any fluctuation in the amount, or any intermediate discharge in whole or in part, of any Secured Debt.

Enforcement action

Restrictions on enforcement of Notes Debt

Neither the trustee of the notes, the security agent in respect of the notes and the Secured Revolving Credit Facility nor the holders of the notes (together, the “Notes Creditors”) will take any of the following actions (any such action, an “Enforcement Action”) in relation to any Notes Debt except as permitted under the next succeeding paragraphs (“—Permitted enforcement of Notes Debt” and “—Enforcement of security”):

- demand payment, declare prematurely due and payable or otherwise accelerate payment of or place on demand all or any part of the Notes Debt;
- recover all or any part of the Notes Debt (including by exercising any set-off or combination or accounts);
- exercise or enforce any right under any guarantee or any right in respect of any security, in each case granted in respect of all or any part of the Notes Debt against any member of CME (including under the security documents);
- petition for (or take or support any other step which is likely to result in) an insolvency event in relation to any relevant member of CME; or
- commence legal proceedings against any relevant member of CME,

except that the following will not constitute Enforcement Action:

- bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations;
- allegations of misstatements or omissions made in connection with the offering materials relating to the notes or in reports furnished to the holders of the notes or any exchange on which the notes are listed pursuant to information and reporting requirements under the applicable notes documents;
- the taking of any action above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of the Notes Debt, including the registration of such claims before any court or governmental authority; or
- to the extent entitled by law, the taking of action against any creditor to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation.

Permitted enforcement of Notes Debt

Subject to the paragraph entitled “—Enforcement of security”, the restrictions in the paragraph above entitled “Restrictions on enforcement of Notes Debt” will not apply if:

- an insolvency event in respect of CET 21 or a Guarantor is continuing, except that the Notes Creditors may only take Enforcement Action in relation to CET 21 or that Guarantor, as the case may be;
- an Event of Default as defined in the Indenture (a “Notes Default”) is continuing and the agent under the Secured Revolving Credit Facility has received a notice of the relevant Notes Default specifying the circumstances of that Notes Default from the trustee of the notes and a period (a “Notes Standstill Period”) of not less than 90 days has elapsed from the date that such notice was given to the agent under the Secured Revolving Credit Facility;
- any Enforcement Action is taken by the finance parties under the Secured Revolving Credit Facility in respect of CET 21 or any Guarantor, except that the Notes Creditors may only take the same or equivalent Enforcement Action as that taken by the relevant finance parties under the Secured Revolving Credit Facility against CET 21 or such Guarantor, as the case may be;
- a Notes Default in respect of non-payment has occurred and is continuing in relation to the nonpayment in excess of €500,000 (or its equivalent), following which the Notes Creditors may either take (i) action to demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand all or any part of the Notes Debt (each, an “Acceleration Action”) or (ii) any other proceedings or actions in respect of the unpaid sum only, but not to the extent such action constitutes enforcement of a guarantee or security or the petitioning for (or supporting any other steps likely to result in) an insolvency event; or
- on the originally scheduled maturity date, any amount owing under the notes has not been repaid and remains outstanding.

The Notes Creditors may take Enforcement Action permitted in the immediately preceding paragraph in relation to a relevant Notes Default even if, at the end of any relevant Notes Standstill Period or at any later time, a further Notes Standstill Period has begun as a result of any other Notes Default.

Existing Intercreditor Agreement collateral

Subject to the paragraph headed “—Enforcement of security”, the restrictions in the paragraph above entitled “Restrictions on enforcement of Notes Debt” will not apply in relation to the pledge by CME of the shares of Central European Media Enterprises N.V. and the pledge by

Central European Media Enterprises N.V. of the shares owned by it of CME Media Enterprises B.V. Enforcement of such share pledges will be governed by the Existing Intercreditor Agreement (See "Existing Intercreditor Agreement" below).

Enforcement of security

Enforcement instructions

Subject to the paragraph below, the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility will (i) exercise any right or power vested in it as security agent in accordance with any instructions given to it by the majority lenders under the Secured Revolving Credit Facility and (ii) not be liable for any act or omission if it acts or refrains from taking any action in accordance with an instruction of the majority lenders under the Secured Revolving Credit Facility.

Where (i) the Notes Creditors are permitted to take any Enforcement Action at the end of the Notes Standstill Period and the majority lenders under the Secured Revolving Credit Facility are not in the process of taking (or instructing the security trustee to take) Enforcement Action in relation to the security documents, or (ii) the aggregate commitments (both drawn and under drawn) of the lenders under the Secured Revolving Credit Facility represent less than 15% of the aggregate principal amount of the Revolving Credit Facility Debt and the Notes Debt, the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility will exercise the rights referred to in the previous paragraph on the instructions of those lenders under the Secured Revolving Credit Facility and holders of the notes whose participation aggregate more than 66 $\frac{2}{3}$ % of the total aggregate amount of the Revolving Credit Facility Debt and the Notes Debt (the "Majority Creditors").

Any instructions given in accordance with the two preceding paragraphs will be binding on all the secured parties. No individual secured party may take any Enforcement Action in relation to the security documents other than the security agent, in accordance with the CET Group Intercreditor Agreement, and the trustee of the notes and the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility in accordance with the Existing Intercreditor Agreement.

The security agent may refrain from acting in accordance with any instructions given in accordance with the two immediately preceding paragraphs until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

Release of security and guarantees

If, for the purpose of any (i) Enforcement Action taken or to be taken by the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility (subject to the applicable conditions in the next succeeding paragraph) or (ii) any disposal permitted under the Secured Documents prior to the occurrence of a date on which any Enforcement Action is taken, the security agent acting in respect of the obligations under the notes and the Secured Revolving Credit Facility (or the relevant member of the CET Group in the case of a disposal referred to above) requires any release of any guarantee or security granted by any obligor or other member of CME, each party will promptly enter into any release and/or other document and take any action which the security agent (or the relevant obligor or member of CME in the case of a disposal referred to above) may reasonably require.

Authority of security agent

If in connection with any Enforcement Action (i) the security agent or any receiver sells or otherwise disposes of or proposes to sell or otherwise dispose of any asset under any security document or (ii) an obligor or any other member of the CET Group sells or otherwise disposes of or proposes to sell or otherwise dispose of any asset at the request of the security agent,

the majority lenders under the Secured Revolving Credit Facility or the Majority Creditors (as the case may be), the security agent may and is authorized on behalf of each party to:

- release the security created pursuant to the security documents over the relevant asset;
- if the relevant asset comprises all of the shares in the capital of a relevant member of the CME Group, release that member of the CME Group and any of its subsidiaries from all its or their past, present and future liabilities and/or obligations (both actual and contingent) as a borrower, issuer or guarantor of the whole or any part of the Secured Debt and release any security granted by that member of the CET Group and any of its subsidiaries over any of its or their assets; and
- apply the net proceeds of sale or disposal towards payment of Secured Debt in accordance with the paragraph under the heading “—Application of recoveries”,

in each case without any consent or further confirmation from any secured party or relevant member of the CME Group, provided that, if applicable, the conditions of the next succeeding paragraph are satisfied.

It is a further condition to the release of the guarantees and/or security in respect of the Notes Debt, where the proposed Enforcement Action involves the sale or disposal of shares and/or assets that:

- the sale or disposal is either made pursuant (i) to a public auction, or (ii) to a process or proceedings approved or supervised by or on behalf of any court of law;
- the proceeds of such sale or disposal will be in the form of cash (or substantially all cash); and
- immediately prior to or concurrently with the completion of such sale or disposal, the relevant member of the CME Group and its subsidiaries is simultaneously and unconditionally released from all of its and their obligations in respect of the Revolving Credit Facility Debt (except if and to the extent such debt and/or obligations are transferred to the purchaser or one or more of its affiliates).

Enforcement of the CME Collateral

Before an instruction to the security agent can be given to issue an enforcement notice under the Existing Intercreditor Agreement, the trustee for the notes and the agent for the Secured Revolving Credit Facility will consult in good faith for not less than ten business days before such an instruction is given.

In the event the security agent receives an enforcement notice under the Existing Intercreditor Agreement, the security agent will enforce the security interests following acceleration of the relevant debt in the CME Collateral in accordance with the Existing Intercreditor Agreement.

Application of recoveries

The proceeds of enforcement of the security conferred by the security documents, all recoveries by the security agent under guarantees of the Secured Debt, all recoveries under the Existing Intercreditor Agreement and all other amounts paid to the security agent pursuant to the CET Group Intercreditor Agreement will be applied in the following order:

- first, in or towards payment *pari passu* of fees, costs, expenses and liabilities (including any interest thereon as provided in the security documents) incurred by or on behalf of the trustee of the notes, the security agent and the agent under the Secured Revolving Credit Facility (or any receiver, delegate, attorney or agent) in accordance with the terms of the security documents, the notes documents and the Secured Revolving Credit Facility and related documents;

- second, in or towards payment *pari passu* of the balance of the costs and expenses of each finance party under the Secured Revolving Credit Facility and the Notes Creditors under the notes documents in connection with such enforcement, recovery or other payment;
- third, in or towards payment *pari passu* to the agent under the Secured Revolving Credit Facility for application towards the balance of Revolving Credit Facility Debt and to the trustee of the notes for application towards the balance of the Notes Debt; and
- fourth, after the date on which all Secured Debt has been fully and irrevocably paid or discharged and all commitments in respect of such debt have expired or been cancelled, in payment of the surplus (if any) to the relevant obligor or other person entitled to it.

Amendments to the notes documents

Until the time when the Revolving Credit Facility Debt has been fully and irrevocably paid or discharged and all commitments in respect of such debt, as applicable, have expired or been cancelled, except with the prior consent of the majority lenders under the Secured Revolving Credit Facility, no obligor or other member of the CET Group that is a party to a notes document will amend any notes document in a manner that would result in the maturity of the Notes Debt being earlier than the originally scheduled maturity date in the notes documents entered into on or about the original date of the CET Group Intercreditor Agreement.

Option to purchase Revolving Credit Facility debt

At any time after commencement of Enforcement Action by the majority lenders under the Secured Revolving Credit Facility, the holders of the notes may on 10 business days notice purchase at par, or procure the purchase at par by a nominee, of all (not part) of the rights and obligations of the lenders under the Secured Revolving Credit Facility by way of transfer in accordance with the provisions of the Secured Revolving Credit Facility.

Such purchase will be subject to customary conditions including the provision of an indemnity from the holders of the notes (or from a third party acceptable to the lenders under the Secured Revolving Credit Facility) in respect of all losses which may be sustained or incurred in consequence of any sum received or recovered by a finance party under the Secured Revolving Credit Facility from any person in respect of the Revolving Credit Facility Debt or such transfer being required (or it being alleged that it is required) to be paid back by or clawed back from any finance party under the Secured Revolving Credit Facility for any reason whatsoever.

Existing Intercreditor Agreement

In connection with this offering, CME, Central European Media Enterprises N.V. and CME Media Enterprises B.V. intend to amend the existing intercreditor agreement with the trustees under the CME Existing Notes, the agent under the Secured Revolving Credit Facility and the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility. Such intercreditor agreement was originally dated July 21, 2006, and was last amended September 29, 2009.

Under the amended Existing Intercreditor Agreement, the trustee for the notes is entitled to receive the benefit of the pledge by CME of the shares of Central European Media Enterprises N.V. and the pledge by Central European Media Enterprises N.V. of the shares owned by it of CME Media Enterprises B.V., each on a *pari passu* basis with the trustees of the CME Existing Notes and the security agent under the Secured Revolving Credit Facility.

Under the Amended Existing Intercreditor Agreement, the trustee for the notes, the agent under the Secured Revolving Credit Facility and the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility acknowledge the creation and existence of the security interest of the trustees of the CME Existing Notes and the creation and existence of a security interest in favor of the trustee pursuant to the

Indenture and the Secured Revolving Credit Facility. The Secured Revolving Credit Facility and the CME Existing Notes and the security documents rank *pari passu* with the security interest of the notes in right and priority of payment in respect of the CME Collateral.

Each trustee under the CME Existing Notes and the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility is obliged to notify the other parties at such time (i) such party becomes aware that the security has become enforceable; (ii) the amounts outstanding in respect of the respective notes have become immediately due and payable; and (iii) upon first making demand with respect to all or any part of the respective notes.

If any of the security becomes enforceable, any of the secured parties whose security has become so enforceable may serve a notice to the others. If the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility receives such a notice, it is obligated to join in the enforcement action. However, if the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility delivers an enforcement notice, the other parties may, but are not required to, join the enforcement action. If one or all of the other secured parties do not elect to join in any action commenced by the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility, then the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility may proceed independently, but subject to the prior rights of such other parties.

Following an enforcement of the security by any of the trustees of the CME Existing Notes or by the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility, each of the parties to the Amended Existing Intercreditor Agreement have agreed that the proceeds of such enforcement shall be applied as follows:

- *first*, pro rata in paying all expenses of the trustee for the CME Existing Notes and the security agent acting in respect of the obligations under the Indenture and the Secured Revolving Credit Facility incurred in the enforcement of the security, which will be pro rata to the respective amounts of debt outstanding;
- *second*, pro rata in paying each of the trustees for the CME Existing Notes and the security agent acting in respect of the obligations under the Indenture and the Security Revolving Credit Facility, and to each trustee the amount outstanding that is due and payable to each such party in respect of the obligations secured by the security; and
- *third*, in paying the surplus (if any) to any person entitled thereto.

In the event that the proceeds are insufficient to pay the first and second amounts described above, the Amended Existing Intercreditor Agreement provides that proceeds shall be apportioned for payment under those two categories ratably and without preference or priority among the secured parties in the proportion that the part of the obligations of CME outstanding and due to each secured party bears to the whole amount of such outstanding obligations.

In the event that any of the secured parties receives any proceeds upon any enforcement action with respect to the CME Collateral in excess of its respective entitlement, then the Amended Existing Intercreditor Agreement provides that such party shall promptly notify the remaining parties and hold any such excess moneys in trust for the remaining parties to whom it shall account therefore as soon as the respective entitlement of each of the parties has been established pursuant to the provisions of the Amended Existing Intercreditor Agreement.

Any dispute or controversy or claim relating to the Amended Existing Intercreditor Agreement shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules then in force at the time of the execution of the Existing Intercreditor Agreement.

Erste Facility

On December 21, 2009, CET 21 entered into the Erste Facility for up to CZK 3.0 billion (approximately US\$ 143.2 million) with Erste Group Bank A.G. as arranger, CSAS as facility agent and security agent, and each of CSAS, UniCredit Bank Czech Republic, a.s. and BNP Paribas as original lenders. As of June 30, 2010, an aggregate amount of CZK 2.8 billion (approximately US\$ 133.7 million) had been drawn. Drawings under the Erste Facility were used to refinance certain existing indebtedness of CET 21 to CSAS and to repay certain intra-group indebtedness of CET 21. Interest under the facility is calculated at a rate per annum of 4.90% (floating rate) above the Prague interbank offered rate ("PRIBOR"). The applicable rate at June 30, 2010 was 6.13%. As of June 30, 2010, CET 21 had hedged the interest rate exposure on CZK 1.5 billion (approximately US\$ 71.6 million) principal outstanding under the Erste Facility.

CET 21 will use a portion of the proceeds from the offering to repay the amounts outstanding under the Erste Facility in full. Upon such repayment, CET 21 will terminate the facility and the security thereunder will be released.

Factoring facility

CET 21 maintains a CZK 300.0 million (approximately US\$ 14.3 million) factoring facility with Factoring CSAS, available until September 30, 2011. The facility bears interest at one-month PRIBOR plus 1.40% for the period that actively assigned accounts receivable are outstanding. As of June 30, 2010, there were no drawings outstanding under this facility.

Indebtedness of CME

11.625% Senior Notes due 2016

On September 17, 2009, CME issued €200.0 million (approximately US\$ 245.4 million) of CME Fixed Rate Notes, and on September 29, 2009, CME issued an additional €240.0 million (approximately US\$ 294.5 million) tranche of CME Fixed Rate Notes. These notes mature on September 15, 2016. Interest is payable semi-annually in arrears on each March 15 and September 15.

The CME Fixed Rate Notes are secured senior obligations and rank *pari passu* with all existing and future senior indebtedness of CME and are effectively subordinated to all existing and future indebtedness of CME's subsidiaries. The amounts outstanding are guaranteed by two subsidiary holding companies and are secured by a pledge of shares of those subsidiaries as well as an assignment of certain contractual rights. The terms of the CME Fixed Rate Notes restrict the manner in which CME's business is conducted, including the incurrence of additional interest obligations, the making of investments, the payment of dividends or the making of other distributions, entering into certain affiliate transactions and the sale of assets.

In the event that (A) there is a change in control by which (i) any party other than certain of CME's present shareholders becomes the beneficial owner of more than 35.0% of CME's total voting power; (ii) CME agrees to sell substantially all of its operating assets; or (iii) there is a change in the composition of a majority of CME's Board of Directors; and (B) on the 60th day following any such change of control the rating of these notes is either withdrawn or downgraded from the rating in effect prior to the announcement of such change of control, CME can be required to repurchase the CME Fixed Rate Notes at a purchase price in cash equal to 101.0% of the principal amount of the 11.625% senior notes plus accrued and unpaid interest to the date of purchase.

The CME Fixed Rate Notes are redeemable at CME's option, in whole or in part, at the redemption prices set forth below:

From:	Fixed Rate Notes Redemption Price
September 15, 2013 to September 14, 2014	105.813%
September 15, 2014 to September 14, 2015	102.906%
September 15, 2015 and thereafter	100.000%

Floating Rate Senior Notes due 2014

On May 16, 2007, CME issued €150.0 million (approximately US\$ 184.1 million) of CME Floating Rate Notes, which bear interest at the six-month Euro Inter Bank Offered Rate ("EURIBOR") plus 1.625% (the applicable rate at June 30, 2010 was 2.666%). The CME Floating Rate Notes mature on May 15, 2014. Interest is payable semi-annually in arrears on each May 15 and November 15.

The CME Floating Rate Notes are secured senior obligations of CME and rank *pari passu* with all existing and future senior indebtedness of CME and are effectively subordinated to all existing and future indebtedness of CME's subsidiaries. The amounts outstanding are guaranteed by two subsidiary holding companies and are secured by a pledge of shares of those subsidiaries as well as an assignment of certain contractual rights. The terms of the CME Floating Rate Notes restrict the manner in which CME's business is conducted, including the incurrence of additional indebtedness, the making of investments, the payment of dividends or the making of other distributions, entering into certain affiliate transactions and the sale of assets.

In the event that (A) there is a change in control by which (i) any party other than certain of CME's present shareholders becomes the beneficial owner of more than 35.0% of CME's total voting power; (ii) CME agrees to sell substantially all of CME's operating assets; or (iii) there is a change in the composition of a majority of CME's board of directors; and (B) on the 60th day following any such change of control the rating of the CME Floating Rate Notes is either withdrawn or downgraded from the rating in effect prior to the announcement of such change of control, CME can be required to repurchase the CME Floating Rate Notes at a purchase price in cash equal to 101.0% of the principal amount of the notes plus accrued and unpaid interest to the date of purchase.

The CME Floating Rate Notes are redeemable at CME's option for the remainder of their life, in whole or in part, at 100.0% of their face value.

Senior Convertible Notes due 2013

On March 10, 2008, CME issued US\$ 475.0 million of CME Convertible Notes, which mature on March 15, 2013. Interest is payable semi-annually in arrears on each March 15 and September 15.

The CME Convertible Notes are secured senior obligations of CME and rank *pari passu* with all existing and future senior indebtedness of CME and are effectively subordinated to all existing and future indebtedness of CME's subsidiaries. The amounts outstanding are guaranteed by two subsidiary holding companies and are secured by a pledge of shares of those subsidiaries as well as an assignment of certain contractual rights.

Prior to December 15, 2012, the CME Convertible Notes are convertible following certain events and from that date, at any time, based on an initial conversion rate of 9.5238 shares of CME's Class A common stock per US\$ 1,000 principal amount of CME Convertible Notes (which is equivalent to an initial conversion price of approximately US\$ 105.00 or a 25% conversion premium based on the closing sale price of US\$ 84.00 per share of CME's Class A common stock

on March 4, 2008). The conversion rate is subject to adjustment if CME makes certain distributions to the holders of CME's Class A common stock, undergoes certain corporate transactions or a fundamental change, and in other circumstances specified in the CME Convertible Notes. From time to time up to and including December 15, 2012, CME will have the right to elect to deliver (i) shares of CME's Class A common stock or (ii) cash and, if applicable, shares of CME's Class A common stock upon conversion of the CME Convertible Notes. At present, CME has elected to deliver cash and, if applicable, shares of CME's Class A common stock. As at June 30, 2010, the CME Convertible Notes were not convertible. In addition, the holders of the CME Convertible Notes have the right to put the convertible notes to CME for cash equal to the aggregate principal amount of the CME Convertible Notes plus accrued but unpaid interest thereon following the occurrence of certain specified fundamental changes (including a change of control, certain mergers, insolvency and a delisting).

As of October 14, 2010, CME has received indications of interest for the repurchase of approximately US\$ 46.0 million principal amount of the CME Existing Notes, consisting of US\$ 34.8 million principal amount of CME Convertible Notes at 88.25% of par, €2.0 million principal amount of CME Floating Rate Notes at 81.75% of par and €6.0 million principal amount of CME Fixed Rate Notes at 102.5% of par, plus accrued and unpaid interest on each such series of notes. While CME expects to agree to these repurchases in connection with this offering, there can be no assurance that the repurchases will be consummated on the terms set forth above, or at all.

Other credit facilities

Multicurrency overdraft facility

CME has an uncommitted multicurrency overdraft facility for €5.0 million (approximately US\$ 6.1 million) from Bank Mendes Gans ("BMG"), a subsidiary of ING Bank N.V., as part of a cash pooling arrangement. The cash pooling arrangement with BMG enables CME to receive credit across the group in respect of cash balances which CME's subsidiaries in The Netherlands, Bulgaria, the Czech Republic, Romania, the Slovak Republic and Slovenia deposit with BMG. Cash deposited by CME's subsidiaries with BMG is pledged as security against the drawings of other subsidiaries up to the amount deposited. Under the facility, CME is permitted to draw €5.0 million (approximately US\$ 6.1 million) in excess of amounts deposited.

As at June 30, 2010, CME had deposits of US\$ 88.5 million and drawings of US\$ 5.3 million in the BMG cash pool. Interest is earned on deposits at the relevant money market rate and interest is payable on all drawings at the relevant money market rate plus 2.0%.

Media Pro loans

At June 30, 2010, Media Pro Entertainment had an aggregate principal amount of RON 8.9 million (approximately US\$ 2.5 million) of loans outstanding with the Central National Cinematografei ("CNC"), a Romanian governmental organization which provides financing for qualifying filmmaking projects. Upon acceptance of a particular project, the CNC awards an agreed level of funding to each project in the form of an interest-free loan. Loans from the CNC are typically advanced for a period of ten years and are repaid through the proceeds from the distribution of the film content. At June 30, 2010, CME had 11 loans outstanding with the CNC with maturity dates ranging from 2011 to 2020.

Description of the notes

CET 21 spol. s.r.o. ("CET 21") will issue the Notes offered hereby under an indenture, dated as of or about October 21, 2010 (the "*Indenture*") among itself, CME, the Subsidiary Guarantors (as defined below), Citibank, N.A., London Branch, as trustee (the "*Trustee*"), paying agent and transfer agent, Citigroup Global Markets Deutschland AG will act as registrar. The security documents referred to below under "*Security*" define the terms of the pledges that will secure the obligations of CET 21 under the Notes offered hereby and the obligations of the Guarantors under the Guarantees (as defined below). A copy of the form of the Indenture will be available upon request to CET 21.

The Indenture is unlimited in aggregate principal amount. Subject to compliance with the terms of the Indenture, CET 21 may issue an unlimited principal amount of additional Notes having identical terms and conditions with the Notes offered hereby (the "*Additional Notes*"). CET 21 will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture including the covenant restricting the incurrence of Indebtedness (as described below under "*—Certain covenants—Limitation on indebtedness*"). This Revolving Credit Facility will limit CET 21's ability to issue Additional Notes to an amount which does not exceed €20.0 million. The Notes offered hereby and, if issued, any other Additional Notes will be treated as a single class for all purposes under the Indenture, including with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indenture and the "*Description of the notes*," references to the "*Notes*" include Notes offered hereby and any other Additional Notes that are actually issued.

You will find definitions of capitalized terms used in this "*Description of the notes*" under the heading "*—Certain definitions.*" In this Description of the notes, "*CME*" refers to Central European Media Enterprises Ltd. only; the "*CET Guarantors*" are the respective entities referred to below (including any entities that become CET Guarantors) and not to any of their respective Subsidiaries; the "*CME Guarantors*" are the respective entities referred to below (including any entities that become CME Guarantors) and not to any of their respective Subsidiaries; and the "*Guarantors*" refers to the CET Guarantors and CME Guarantors collectively. "*CET Group*" refers to CET 21 and its Subsidiaries that are Restricted Subsidiaries.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

This "*Description of the notes*" is intended to be a useful overview of the material provisions of the Notes, the Indenture and the Security Documents (as defined below). You should refer to the Indenture and the Security Documents for a complete description of CET 21's and the Guarantors' obligations and your rights. The Note holders are entitled to the benefit of, and are bound by, and are deemed to have notice of, all the provisions of the Indenture.

General

The Notes

The Notes offered hereby:

- will be general senior secured obligations of CET 21;
- will, subject to the CET Group Intercreditor Agreement, rank equally in right of payment to any existing and future senior Indebtedness of CET 21;
- will be entitled to the benefit of the Guarantees (as described below under "*The Guarantees*") and, as a result, effectively rank junior to all obligations of CME's Subsidiaries other than CET 21 that are not Subsidiary Guarantors (as defined below);

- will have the benefit of security (as described under “—Security”) in the form of:
 - (i) first-priority liens and security interests in all of the following, subject to the grant of further Permitted Collateral Liens:
 - (a) all of the ownership interests in CET 21;
 - (b) all of the shares of CME Slovak Holdings B.V., a subsidiary of CET 21;
 - (c) the 100% ownership interest in Media Pro Pictures s.r.o.;
 - (d) substantially all of the assets of CET 21, including its immovable assets, its movable assets, its bank accounts, certain insurance, certain advertising receivables and its enterprise as a whole;
 - (e) all present and future material intercompany loans due to CET 21 and any member of the CET Group from CME or any subsidiary of CME that is not a member of the CET group;
 - (f) the shareholder loan from CME Investments B.V. to MARKÍZA-SLOVAKIA, spol. s r.o.;
 - (g) the shareholder loan from CME Investments B.V. to CET 21; and
 - (ii) a fourth-priority pledge of the shares of Central European Media Enterprises N.V. and 99.9% of the shares of Central Media Enterprises B.V., all of which are also pledged on a prior basis as security for CME’s obligations under CME’s Existing Notes and are subject to the Existing Intercreditor Agreement (which is summarized elsewhere in this offering memorandum), which mandates ratable sharing of the various liens over such shares; and
- will be offered in an aggregate principal amount of €170 million;
- mature on November 1, 2017;
- may be redeemed prior to maturity at times and prices specified herein;
- will be issued in denominations of €50,000 and any integral multiple of €1,000 in excess thereof; and
- will be represented by one or more registered Notes in global form, but in certain circumstances may be represented by registered Notes in definitive form. See “Book-entry, settlement and clearance.”

The Notes are redeemable at maturity at 100.0% of their face value.

The Guarantees

The obligations of CET 21, including the full and punctual payment of principal of, or interest on or in respect of, the Notes when due, whether at Stated Maturity, by acceleration or otherwise, under the Notes and the Indenture (including the repurchase obligation of CET 21 resulting from a Change of Control Triggering Event) has been fully and unconditionally guaranteed on a senior basis by each Guarantor as primary obligor and not merely as a surety, on a joint and several basis. In this “Description of the notes” we refer to the guarantees of the Guarantors as the “*Guarantees*.” The Guarantors have agreed to pay, in addition to the amount stated above, any and all costs and expenses (including counsel fees and expenses) Incurred by the Trustee or the holders of the Notes in enforcing any rights under the Guarantees.

Each Guarantee:

- is a senior obligation of that Guarantor ranking equally in right of payment to any existing and future senior Indebtedness of that Guarantor; and
- effectively ranks junior to all Indebtedness of CME's and CET 21's Subsidiaries that are not Guarantors.

As of the Issue Date, the Guarantors consist of the following entities:

CME Guarantors

- Central European Media Enterprises Ltd.
- Central European Media Enterprises N.V.
- CME Media Enterprises B.V.

CET Guarantors

- CME Slovak Holdings B.V.
- MARKÍZA-SLOVAKIA, spol. s r.o.
- CME Investments B.V.

CME is the issuer of, and the other CME Guarantors have guaranteed, the CME Existing Notes; the CET Guarantors have not guaranteed the CME Existing Notes. Any entity that is a Guarantor from time to time other than CME is referred to as a "*Subsidiary Guarantor*").

CME, the other Guarantors and CET 21 together currently generate a substantial portion of the revenue and OIBDA of CME and its Restricted Subsidiaries. On an aggregate basis and without considering consolidation adjustments, as of, and for the twelve months ended June 30, 2010, CME, the other Guarantors and CET 21 represented 53% of the revenues, 66% of the OIBDA and 60% of the assets of CME and its Restricted Subsidiaries.

Certain non-Material Subsidiaries of CET 21 have not guaranteed the Notes. Claims of creditors of non-Guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those subsidiaries, and claims of preferred and minority stockholders (if any) of those subsidiaries and claims against joint ventures generally will have priority with respect to the assets and earnings of those subsidiaries and joint ventures over the claims of CET 21 under the Notes and the Guarantees. The Notes and each Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of such subsidiaries (other than the Guarantors).

As of June 30, 2010, after giving *pro forma* effect to this offering and the application of the proceeds thereof, the total liabilities of the non-Guarantor Subsidiaries of CET 21 would have been approximately US\$ 3.8 million, including trade payables but excluding intercompany obligations.

Each Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required to comply with corporate benefit, financial assistance and other laws limiting the effectiveness or validity of such Guarantees. A recent judicial decision has called into question the effectiveness of such clauses. By virtue of the limitations that may apply to the Guarantees, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See "Risk factors—Risks relating to the collateral and the guarantees—Insolvency laws could negatively affect your ability to enforce your rights under the notes and the Guarantees."

The Guarantees provide that, in the event of default in the payment of principal of, premium, if any, interest or Additional Amounts, if any, and any other payment obligations in respect of

the Notes (including any obligation to repurchase the Notes), legal proceedings may be instituted directly against the Guarantors without first proceeding against CET 21.

Pursuant to the covenant described under “—Certain covenants—Additional Guarantees,” CME may from time to time be required to procure that additional Restricted Subsidiaries become Guarantors. Any such additional Guarantee shall have such limitations and restrictions as may, in the good faith judgment of CME, be required to comply with applicable laws.

The CME Guarantees

Each CME Guarantee is a senior obligation of the relevant CME Guarantor ranking equally in right of payment to any existing and future senior Indebtedness of that CME Guarantor, including the Revolving Credit Facility and the CME Existing Notes and the guarantees thereof.

The CET Guarantees

Each CET Guarantee is a senior obligation of the relevant CET Guarantor ranking equally in right of payment to any existing and future senior Indebtedness of that CET Guarantor, including the Revolving Credit Facility.

Release of the Guarantees

The Indenture provides that, so long as no Event of Default has occurred and is continuing, the Guarantee of any Guarantor other than of CME (together with any rights of contribution, subrogation or other similar rights against that Guarantor) will be released if the Guarantor is disposed of (whether by merger, amalgamation or consolidation, the sale of its Capital Stock or the sale of all or substantially all of its assets (other than by a lease)) to a Person which is not CME or a Restricted Subsidiary of CME in compliance with clauses (1) and (2) of the covenant described under the caption “—Certain covenants—Limitation on sales of assets and subsidiary stock” and with the covenant described under “—Certain covenants—Limitation on sale of Capital Stock of Restricted Subsidiaries” so long as such Guarantor simultaneously is or promptly thereafter will be unconditionally released from its obligations in respect of any other Indebtedness of CME or any other Restricted Subsidiary. A Guarantee will also be released if CME designates the Guarantor providing such Guarantee as an Unrestricted Subsidiary in compliance with the terms of the Indenture.

The Guarantees of the Guarantors will also be released upon the defeasance of the Notes as provided in “—Defeasance” or upon satisfaction and discharge of the Notes as provided in as provided in “—Satisfaction and discharge”, in each case in accordance with the terms and conditions of the Indenture.

Security

No appraisals of any of the Collateral have been prepared by or on behalf of CME or CET 21 in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral, including after sharing such proceeds with the lenders under the Revolving Credit Facility, the CME Existing Notes and potentially other senior secured debt, would be sufficient to satisfy the amounts owed to the Note holders. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

CME security

CME and Central European Media Enterprises N.V. will provide share pledges as security for the Notes, administered pursuant to the Existing Intercreditor Agreement; this collateral is shared with the CME Existing Notes and the Revolving Credit Facility.

Pursuant to the “*CME Security Documents*” (as defined below), CME will grant to the Security Agent in favor of the lenders under the Revolving Credit Facility and the holders of the Notes,

a fourth-priority pledge of the shares of Central European Media Enterprises N.V. and 99.9% of the shares of CME Media Enterprises B.V. (together with any future assets pledged under the CME Security Documents, the "*CME Collateral*," and together with the CET Collateral (as defined below), the "*Collateral*"), all of which are also pledged on a prior basis as security for CME's obligations under the CME Existing Notes and are subject to the Existing Intercreditor Agreement (which is summarized elsewhere in this offering memorandum). Pursuant to an amendment to the terms of the Existing Intercreditor Agreement, the lenders (or their representatives) that are party thereto will share *pari passu* in the proceeds of enforcement of security over the CME Collateral, irrespective of the ranking of the security documents granting security over such collateral.

Administration of CME security and enforcement of liens

The CME Security Documents and the CME Collateral will be administered by the Security Agent, for the benefit of all holders of secured obligations, subject to the Existing Intercreditor Agreement. For a description of the Existing Intercreditor Agreement see "Description of other indebtedness—Existing Intercreditor Agreement."

The Security Agent's ability to realize upon the CME Collateral will be subject to various bankruptcy law limitations in the event of a pledgor's bankruptcy. See "Risk factors—Risks relating to the collateral and the guarantees—Enforcement of your rights as a holder of the notes under the Guarantees and the Collateral across multiple jurisdictions may be difficult," and "Risk factors—Risks relating to the collateral and the guarantees—Fraudulent conveyance laws and other limitations on the enforceability and the amount of the Guarantees may adversely affect the validity and enforceability of the Guarantees."

Subject to the terms of the CME Security Documents, CME will have the right to remain in possession and retain exclusive control of the CME Collateral (other than as set forth in the CME Security Documents), to freely operate the CME Collateral and to collect, invest and dispose of any income therefrom.

The Trustee has, and by accepting a Note, each holder will be deemed to have:

- irrevocably appointed the Security Agent to act as its agent under the Existing Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the CET Security Documents); and
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Existing Intercreditor Agreement or other documents to which it is a party (including, without limitation, the CME Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document expressed to be executed by the Security Agent on its behalf.

Release of CME liens

The CME Collateral shall be released and the Security Agent and the Trustee will take any action required to effectuate any release of CME Collateral securing the Notes and the Guarantees, as the case may be, required by a CME Security Document:

- (1) upon payment in full of principal, interest and all other obligations under the Indenture or discharge or defeasance thereof;
- (2) upon release of a Guarantee (with respect to the Liens securing such Guarantee granted by such Guarantor);
- (3) in connection with any disposition of CME Collateral to any Person other than CME or any of its Restricted Subsidiaries (but excluding any transaction subject to "—Certain covenants—Merger, amalgamation and consolidation—CME") if such disposition does not violate clauses (1) and (2) of the covenant described under "—Certain covenants—

Limitation on sales of assets and subsidiary stock” or the covenant described under “—Certain covenants—Limitation on sale of Capital Stock of Restricted Subsidiaries;”

- (4) in relation to an enforcement action, as provided in the Existing Intercreditor Agreement;
- (5) as may be permitted pursuant to the covenant described under “—Certain covenants—Impairment of security interest;”
- (6) in accordance with the covenant described under “—Certain covenants—Merger, amalgamation and consolidation;” and
- (7) as may be permitted pursuant to the covenant described under “—Amendments and waivers.”

At the request of CME or any Guarantor, the Security Agent will execute any document reasonably requested to evidence such release.

Each of these releases shall be effected by the Security Agent without the consent of the Note holders, the Trustee or any action on the part of CET 21, except as otherwise specified in the covenants referred to above.

Shared security

The CME Collateral is also pledged in favor of the Revolving Credit Facility and the CME Existing Notes; pursuant to the Existing Intercreditor Agreement, the Revolving Credit Facility and potentially other Indebtedness in the future are entitled to receive proceeds from the realization of the CME Collateral ratably.

Subject to certain conditions, including compliance with the covenant described under “—Certain covenants—Impairment of security interest,” the CME Collateral may be pledged in connection with future issuances of Indebtedness of CME and its Restricted Subsidiaries on terms consistent with the relative priority of such Indebtedness. The CME Collateral will be released in accordance with the terms and conditions of the Indenture, and as further described above under “—Release of CME liens.”

CME Security Documents

Each of the security interests granted over the CME Collateral in relation to the Notes and the Indenture (the “*CME Pledges*”) will be entered into between the relevant pledgor and the Security Agent, under separate security agreements (the “*CME Security Documents*,” and together with the CET Security Documents (as defined below), the “*Security Documents*”). When entering into the CME Pledges, the Security Agent will act in its own name and for its benefit, but also for the benefit of the holders of the Notes, as well as the lenders under the Revolving Credit Facility.

The CME Pledges are governed by the laws of Curaçao and of the Netherlands and provide that the rights with respect to the Notes, the Guarantees and the Indenture must be exercised by the Security Agent and in respect of the entire outstanding amount of the Notes. The Indenture will also provide that the CME Pledges may only be enforced, subject to the Existing Intercreditor Agreement, in respect of amounts owing on the Notes upon an acceleration of the amounts due under the Notes following an Event of Default, or in the event of an acceleration of other indebtedness that is secured by CME Pledges and which is regulated by the Existing Intercreditor Agreements; in the latter case, the amounts owing under the Notes must be accelerated and such security must be enforced. See “Description of other indebtedness—Existing Intercreditor Agreement,” and “Risk factors—Risks relating to the collateral and the guarantees—Enforcement of your rights as a holder of the notes under the Guarantees and the Collateral across multiple jurisdictions may be difficult.”

Enforcement of CME security

The Existing Intercreditor Agreement restricts the ability of the Security Agent and the Trustee and the holders of the Notes to enforce the CME Security Documents, and provide for the release of the CME Collateral in certain circumstances upon enforcement by lenders secured in the CME Collateral. These limitations are described under "Description of other indebtedness—Existing Intercreditor Agreement." Under the Existing Intercreditor Agreement, if one of the tranches of indebtedness that is secured by the CME Collateral on a basis prior to the Notes is accelerated, the other tranches of debt, including the Notes, will also be accelerated.

If the Security Agent or the holders of the Notes receive proceeds of any enforcement of the CME Security Documents while the obligations under the Revolving Credit Facility or any other *pari passu* debt are outstanding, the Security Agent or the holders of the Notes, as applicable, will, subject to certain exceptions, turn over such amounts to the Security Agent to be applied in the order described under "Description of other indebtedness—Existing Intercreditor Agreement." The Security Agent or the holders of the Notes will also be required to turn over proceeds received in violation of the distribution priorities described in the Existing Intercreditor Agreement.

The Indenture will also provide that each holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Existing Intercreditor Agreement.

CET security

Pursuant to various security documents (the "*CET Security Documents*"), CET 21 and each CET Guarantor will grant to the Security Agent in favor of the lenders under the Revolving Credit Facility and the holders of the Notes, first-priority liens and security interests in all of the following, subject to the grant of further Permitted Collateral Liens:

- (a) all of the ownership interests in CET 21;
- (b) all of the shares of CME Slovak Holdings B.V.;
- (c) the 100% ownership interest in Media Pro Pictures s.r.o.;
- (d) substantially all of the assets of CET 21, including its immovable assets, its movable assets, its bank accounts, certain insurance, certain advertising receivables and its enterprise as a whole;
- (e) all present and future material intercompany loans due to CET 21 and any member of the CET Group from CME or any subsidiary of CME that is not a member of the CET Group;
- (f) the shareholder loan from CME Investments B.V. to MARKÍZA-SLOVAKIA, spol. s r.o.; and
- (g) the shareholder loan from CME Investments B.V. to CET 21,

all of the assets referred to in (a) through (g) above and any other asset in the future subject to a lien in favor of the Security Agent to be administered under the CET Group Intercreditor Agreement, the "*CET Collateral*").

All such Liens will be granted pursuant to the covenant described under "—Certain covenants—Delivery of security."

Administration of CET security and enforcement of liens

The CET Security Documents and the CET Collateral will be administered by a Security Agent, pursuant to the CET Group Intercreditor Agreement for the benefit of all holders of secured obligations. The enforcement of the CET Security Documents will be subject to agreed procedures laid out in the CET Group Intercreditor Agreement. For a description of the CET Group Intercreditor Agreement see "Description of other indebtedness—CET Group Intercreditor Agreement."

The ability of the Security Agent, the Trustee or the holders of the Notes to realize upon the CET Collateral will be subject to important limitations. See “Risk factors—Risks relating to the collateral and the guarantees—Enforcement of your rights as a holder of the notes under the Guarantees and the Collateral across multiple jurisdictions may be difficult,” and “Risk factors—Risks relating to the collateral and the guarantees—Fraudulent conveyance laws and other limitations on the enforceability and the amount of the Guarantees may adversely affect the validity and enforceability of the Guarantees.”

Subject to the terms of the CET Security Documents, CET 21 and the CET Guarantors will have the right to remain in possession and retain exclusive control of the CET Collateral securing the Notes (other than as set forth in the CET Security Documents), to freely operate the CET Collateral and to collect, invest and dispose of any income therefrom.

The Trustee has, and by accepting a Note, each holder will be deemed to have:

- irrevocably appointed the Security Agent to act as their agent under the CET Group Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the CET Security Documents); and
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the CET Group Intercreditor Agreement or other documents to which it is a party (including, without limitation, the CET Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document expressed to be executed by the Security Agent on its behalf.

Release of CET liens

The CET Collateral shall be released and the Security Agent and the Trustee will take any action required to effectuate any release of CET Collateral securing the Notes and the Guarantees, as the case may be, required by a Security Document:

- (1) upon payment in full of principal, interest and all other obligations under the Indenture;
- (2) upon release of a Guarantee (with respect to the Liens securing such Guarantee granted by such Guarantor);
- (3) in connection with any disposition of CET Collateral to any Person other than CME or any of its Restricted Subsidiaries (but excluding any transaction subject to “—Certain covenants—Merger, amalgamation and consolidation—CET 21”) if such disposition does not violate clauses (1) and (2) of the covenant described under “—Certain covenants—Limitation on sales of assets and subsidiary stock” or the covenant described under “—Certain covenants—Limitation on sale of Capital Stock of Restricted Subsidiaries;”
- (4) in relation to an enforcement action, as provided in the CET Group Intercreditor Agreement;
- (5) in accordance with the covenant described under “—Certain covenants—Merger, amalgamation and consolidation;”
- (6) as may be permitted pursuant to the covenant described under “—Certain covenants—Impairment of security interest;” and
- (7) as may be permitted pursuant to the covenant described under “—Amendments and waivers.”

At the request of CME or any Guarantor, the Security Agent will execute any document reasonably requested to evidence such release.

Each of these releases shall be effected by the Security Agent without the consent of the Note holders or any action on the part of CET 21, except as otherwise specified in the covenants referred to above.

The CET Security Documents relating to cash accounts will provide that cash may be freely transferred from such accounts without the need for a release until enforcement. The CET Security Documents will generally restrict the transfer of assets that are subject to the CET Security Documents, although the Security Agent will be authorized to release such assets in the circumstances described above (although other documents, such as the Revolving Credit Facility, that are secured in the CET Collateral may not authorize releases in such circumstances). The Indenture will also authorize the Security Agent to allow assets to be released, or relocated, or moved without the need for a release or a consent from the Trustee or the holders of the Notes, if their value does not exceed €10.0 million or its equivalent for each financial year ending December 31, subject to the provisions of the CET Security Documents.

So long as no default is outstanding, the indenture will also authorize CET 21 and the CET Guarantors, without any release or consent by the Security Agent, to conduct ordinary course activities with respect to the CET Collateral consisting of (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien of the CET Security Documents which has become worn out, defective or obsolete or not used or useful in the business; or (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business.

Shared security

The CET Collateral is also pledged in favor of the Revolving Credit Facility; pursuant to the CET Group Intercreditor Agreement, creditors in respect of the Revolving Credit Facility and potentially other senior secured Indebtedness in the future, may receive proceeds from the realization of the CET Collateral ratably.

Subject to certain conditions, including compliance with the covenant described under “—Certain covenants—Impairment of security interest,” the CET Collateral may be pledged in connection with future issuances of Indebtedness of CET 21, CME and its Restricted Subsidiaries on terms consistent with the relative priority of such Indebtedness. The CET Collateral will be released in accordance with the terms and conditions of the Indenture, and as further described above under “—Release of CET liens.”

CET Security Documents

Each of the security interests granted over the CET Collateral in relation to the Notes and the Indenture (the “Pledges”) will be entered into between the relevant pledgor and CET 21, together with the Security Agent, under separate security agreements (the “CET Security Documents”). When entering into the Pledges, each of CET 21 and the Security Agent will act in its own name and for its benefit, but for the benefit of the holders from time to time, as well as the lenders under the Revolving Credit Facility. Under the CET Group Intercreditor Agreement, the Security Agent will also act on behalf of the lenders under the Revolving Credit Facility in relation to the security in favor of such lenders.

The Pledges are governed by the laws of the Czech Republic, the Netherlands, Curaçao and the Slovak Republic and provide that the rights with respect to the Notes, the Guarantees and the Indenture must be exercised by the Security Agent and in respect of the entire outstanding amount of the Notes. The Indenture will also provide that the Pledges may only be enforced, subject to the CET Group Intercreditor Agreement, in respect of amounts owing on the Notes upon an acceleration of the amounts due under the Notes following an Event of Default. See “Risk factors—Risks relating to the collateral and the guarantees—Enforcement of your rights as a holder of the notes under the Guarantees and the Collateral across multiple jurisdictions may be difficult.”

Enforcement of CET security

The CET Group Intercreditor Agreement restricts the ability of the Security Agent, the Trustee and the holders of the Notes to enforce the CET Security Documents and provides for the release of the CET Collateral in certain circumstances upon enforcement by other lenders secured in the CET Collateral. These limitations are described under “Description of other indebtedness—Other third party indebtedness of CET 21—CET Group Intercreditor Agreement.”

If the Trustee or any Note holder receives proceeds of any enforcement of the CET Security Documents while the obligations under the Revolving Credit Facility or any other *pari passu* debt are outstanding, the Trustee or such holder, as applicable, will, subject to certain exceptions, turn over such amounts to the Security Agent to be applied in the order described under “Description of other indebtedness—Other third party indebtedness of CET 21—CET Group Intercreditor Agreement.” CET 21 will also be required to turn over proceeds received in violation of the distribution priorities described in the CET Group Intercreditor Agreement.

Priority among Revolving Credit Facility and the Notes

The relative priority between (a) the lenders under the Revolving Credit Facility, (b) the Trustee and the Note holders and (c) other indebtedness the representatives of which have become party to the Existing Intercreditor Agreement, including the CME Existing Notes, with respect to the CME Collateral is established by an amendment to the terms of the Existing Intercreditor Agreement and the CET Group Intercreditor Agreement, which provide that, in general:

- certain expenses of the representatives of the Trustee shall be discharged from the proceeds of enforcement of security prior to the application of proceeds to the discharge of the indebtedness secured by the Collateral; and
- thereafter, amounts shall be applied to the secured obligations, including the Revolving Credit Facility, the Existing Notes, the Notes or the Guarantees, together with any other indebtedness entitled to be secured on a *pari passu* basis with the Notes or the Guarantees pursuant to the terms of the Indenture.

See “Description of other indebtedness—Existing Intercreditor Agreement” and “Description of other indebtedness—Other third party indebtedness—CET Group Intercreditor Agreement.”

The enforcement of the Notes, the Guarantees and the security over the CET Collateral is also subject to important limitations under Czech and other laws. See “Risk factors—Risks relating to the collateral and the guarantees—Enforcement of your rights as a holder of the notes under the Guarantees and the Collateral across multiple jurisdictions may be difficult.”

Restricted Subsidiaries and Unrestricted Subsidiaries

All of the Subsidiaries of CME are currently Restricted Subsidiaries except for certain Subsidiaries that own, operate or fund assets related to certain Bulgarian operations of CME, namely: Top Tone Media S.A., Zopal S.A., PRO BG MEDIA EOOD, LG Consult EOOD, Ring TV EAD and CME Development Financing B.V. On a consolidated basis, CME and its Restricted Subsidiaries contributed revenues representing 97.7% of the CME Group revenues for the 12 months ended June 30, 2010. The consolidated OIBDA of the Unrestricted Subsidiaries for the same period was negative.

Interest

Each Note offered hereby will bear interest at a rate of 9.0% per annum and interest on the Notes will be payable semi-annually in arrears on May 1 and November 1, commencing on May 1, 2011. Interest on the Notes offered hereby will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date. Interest will be computed on the basis of a 360-day year composed of twelve 30-day months.

Form of Notes

The Notes offered hereby will be represented initially by global Notes in registered form. Notes offered hereby initially offered and sold in reliance on Rule 144A under the U.S. Securities Act ("*Rule 144A*") will be represented by one global note (the "*U.S. Global Note*"), without interest coupons, and Notes initially offered and sold in reliance on Regulation S under the U.S. Securities Act ("*Regulation S*") will be represented by a second global note (the "*International Global Note*"), without interest coupons. The combined principal amounts of the U.S. Global Note and the International Global Note (together, the "*Global Notes*") will at all times equal the outstanding principal amount of the Notes represented thereby.

The Global Notes will be deposited with and registered in the name of a common depository (the "*Common Depository*") for Euroclear and for Clearstream or its nominee. Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream. Such beneficial interests in the Notes are referred to as "*Book-Entry Interests*."

Holders of Book-Entry Interests will be entitled to receive definitive Notes in registered form ("*Definitive Notes*") in exchange for their holdings of Book-Entry Interests only in the limited circumstances set forth in "*Book-entry, settlement and clearance—Certificated notes*." Title to the Definitive Notes will pass upon registration of transfer in accordance with the provisions of the Indenture. In no event will Definitive Notes in bearer form be issued.

Payments on the Notes

Principal of, premium, if any, and interest on the Global Notes will be payable at the specified office or agency of one or more paying agents, except that, at the option of CET 21, payment of interest may be made by check mailed to the address of the holders of the Notes as such address appears in the note register. Payment of principal of, premium, if any, and interest on the Global Notes will be made in immediately available funds to the Common Depository or its nominee, as the case may be, as the registered holder of the Global Notes.

Global clearance and settlement under Book-Entry system

Initial settlement for the Notes offered hereby will be made in euro.

Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the Business Day following the settlement date against payment for value on the settlement date.

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds.

Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Paying agent and registrar

Citibank, N.A., London Branch, will initially act as transfer agent and paying agent for the Notes. CET 21 has undertaken, to the extent possible, to maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC regarding the taxation of savings income. Citigroup Global Markets Deutschland AG will initially act as registrar. CET 21 may change the paying agent or registrar for the Notes without prior notice to the holders of the Notes, and CET 21, or any of its subsidiaries, may act as paying agent or registrar for the Notes. In the event that a

paying agent or the registrar is replaced, CET 21 will provide notice thereof in accordance with the procedures described below under “—Notices.”

Any paying agent, transfer agent and registrar for the Notes shall act solely for and as agents of CET 21 and the Guarantors and shall not have any obligations towards or relationship of agency or trust for any Note holder and shall be responsible only for the performance of the duties and obligations expressly imposed upon them in the Indenture and this “Description of the notes” and any duties necessarily incidental to them.

Transfer and exchange

A holder of Notes may transfer or exchange Notes in accordance with the Indenture. The registrar and the Trustee for the Notes may require a holder of a Note, among other things, to furnish appropriate endorsements and transfer documents, and CET 21 may require such holder to pay any taxes and fees required by law or permitted by the Indenture. CET 21 is not required to transfer or exchange any Note selected for redemption. Also, CET 21 is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed. The registered holder of a Note will be treated as the owner of such Note for all purposes. No service charge will be made to any holder of Notes for any registration of transfer or exchange of Notes, but CET 21 may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

In case of a partial transfer of a Definitive Note, a holder will receive new Notes through any transfer agent.

Book-Entry Interests will be subject to certain restrictions on transfer and certification requirements as described under “Transfer restrictions.”

All transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants. See “Book-entry, settlement and clearance.”

Subject to the restrictions on transfer described under “Transfer restrictions,” Notes may be transferred, in whole or in part, in denominations of €50,000 and any integral multiple of €1,000 in excess thereof. In connection with any such transfer, the Indenture requires the transferor to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee with Euroclear or Clearstream, to furnish certain certificates and to pay any taxes, duties and governmental charges in connection with such transfer.

Notwithstanding the foregoing, CET 21 is not required to register the transfer of any Definitive Note in registered form:

- (1) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a payment period of 15 calendar days prior to the record date with respect to any interest payment date; or
- (4) that the registered holder of such Definitive Note has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

Optional redemption

Except as described below or under “—Optional tax redemption,” the Notes are not redeemable until November 1, 2014. On and after November 1, 2014, CET 21 may redeem all

or, from time to time, a part of the Notes upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest on the Notes, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest, if any, due on the relevant interest payment date), if redeemed during the periods indicated below:

Year	Percentage
November 1, 2014 to October 31, 2015	104.500%
November 1, 2015 to October 31, 2016	102.250%
November 1, 2016 and thereafter	100.000%

Prior to November 1, 2013, CET 21 may on any one or more occasions redeem up to 35% of the original principal amount of the Notes with the Net Cash Proceeds of one or more Equity Offerings subsequent to the Issue Date at a redemption price of 109.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

- (1) at least 65% of the original principal amount of the Notes remains outstanding after each such redemption; and
- (2) the redemption occurs within 90 days after the closing of such Equity Offering and is made in accordance with certain procedures set forth in the Indenture.

Any redemption notice given in respect of such redemption may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at CET 21's discretion, be subject to the satisfaction of one or more conditions precedent, including but not limited to the completion of the related Equity Offering.

In addition, prior to November 1, 2014, CET 21 may redeem all or, from time to time, a part of the Notes upon not less than 30 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount thereof plus the Applicable Fixed Rate Premium and accrued and unpaid interest to, but not including, the applicable redemption date. Any such redemption and notice may, at the discretion of CET 21, be subject to the satisfaction of one or more conditions precedent.

"Applicable Fixed Rate Premium" means with respect to any Note on any redemption date prior to November 1, 2014 the greater of (A) 1% of the principal amount of such Note and (B) the excess of:

- (1) the present value at such redemption date of (i) the redemption price of such Note at November 1, 2014 (such redemption price (expressed in percentage of principal amount) being set forth in the table above under the first paragraph of this section) (excluding accrued but unpaid interest), plus (ii) all required interest payments due on such Note to and including November 1, 2014 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over
- (2) the outstanding principal amount of such Note,

as calculated by CET 21 or on behalf of CET 21 by such Person as CET 21 shall designate.

"Bund Rate" means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a

price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (1) "Comparable German Bund Issue" means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to November 1, 2014 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to November 1, 2014; *provided*, however, that, if the period from such redemption date to November 1, 2014 is less than one year, a fixed maturity of one year shall be used;
- (2) "Comparable German Bund Price" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if CET 21 obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) "Reference German Bund Dealer" means any dealer of German *Bundesanleihe* securities appointed by CET 21 in consultation with the Trustee; and
- (4) "Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by CET 21 of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to CET 21 by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third business day in Frankfurt preceding the relevant date.

Notice of early redemption will be published in accordance with the procedures under "—Notices."

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Notes are registered at the close of business on such record date, and no additional interest will be payable to beneficial holders whose Notes will be subject to redemption by CET 21.

In the case of any partial redemption, the Trustee will select the Notes for redemption in compliance with the requirements of the principal securities exchange (currently expected to be the Luxembourg Stock Exchange), if any, on which the Notes are listed or, if the Notes are not listed, then on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion will deem to be fair and appropriate, although no Note of €50,000 in original principal amount or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to that Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued and delivered to the Common Depository, or in the case of Definitive Notes, issued in the name of the holder thereof upon cancellation of the original Note.

Payment of additional amounts

All payments under or with respect to the Notes or a Guarantee will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (hereinafter "*Taxes*") imposed or levied by or on behalf of the government of the countries in which each of CET 21, the relevant Guarantor and, in each case, any successor thereof (each, a "*Payor*") is organized, or any other jurisdiction in which the relevant Payor is organized or is otherwise resident for tax purposes, or any jurisdiction from or

through which payment is made, in each case, including any political subdivision or any authority or agency therein or thereof having power to tax (each a "*Relevant Taxing Jurisdiction*"), unless the relevant Payor is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

If a Payor is so required to withhold or deduct any amount for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or a Guarantee, as applicable, such Payor will be required to pay such additional amounts ("*Additional Amounts*") as may be necessary so that the net amount received by any holder after such withholding or deduction (including any such withholding or deduction in respect of such Additional Amounts) will be equal to the amount the holder would have received if such Taxes had not been withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or beneficial owner of a Note (or between a fiduciary, settlor, member, partner or shareholder of, or possessor of power over the relevant holder, if the relevant holder is an estate, nominee, trust, partnership or corporation) and the Relevant Taxing Jurisdiction including, without limitation, such holder or beneficial owner being or having been a domiciliary, national or resident thereof, or being or having been present or engaged in a trade or business therein or having had a permanent establishment or fixed based therein (other than a connection resulting from the mere receipt of such payment, the ownership or holding of such Note or enforcement of rights thereunder or under the Guarantee);
- (2) any estate, inheritance, gift, sales, excise, transfer, personal property tax or similar tax, assessment or other governmental charge;
- (3) any Taxes which are payable otherwise than by withholding from payments of (or in respect of) principal of (or premium, if any, on), or any interest on, the Notes;
- (4) any Taxes that are imposed, deducted or withheld by reason of the failure to comply by the holder or the beneficial owner of a Note with a written request from CET 21, after reasonable notice (provided that such notice must be given at least 30 days prior to the first payment date with respect to which this item applies), (A) to provide information concerning the nationality, residence, identity or connection to the Relevant Taxing Jurisdiction of the holder or such beneficial owner or (B) to make any declaration or other similar claim or satisfy any information or reporting requirement, which, in the case of (A) or (B), is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from or refund of all or part of such Tax;
- (5) any Taxes that are required to be withheld or deducted on a payment to an individual pursuant to any European Union Council Directive regarding the taxation of savings income (including European Council Directive 2003/48/EC) or pursuant to any law implementing, or introduced in order to conform to, any such Directive;
- (6) if the payment could have been made without deduction or withholding if the beneficiary of the payment had presented (where presentation is required) the Note for payment within 30 days after the date on which such payment or such Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of the 30-day period);
- (7) any payment of principal of (or premium, if any, on) or interest on such Note to any holder who is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a

member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(8) a Note presented for payment (where presentation is required) by or on behalf of a holder or beneficial owner who would have reasonably been able to avoid a withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; or

(9) any combination of items (1) through (8) above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to each holder. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Notes. Copies of such documentation will be available for inspection during ordinary business hours at the office of the Trustee by the holders of the Notes upon request and will be made available at the offices of the Paying Agent.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the Notes or a Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the paying agent to pay Additional Amounts to holders on the relevant payment date unless such obligation to pay Additional Amounts arises less than 30 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date.

Whenever in the indenture there is mentioned, in any context:

- (1) the payment of principal;
- (2) redemption prices or purchase prices in connection with a redemption or purchase of Notes, as applicable;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Notes or the Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

CET 21 will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery, enforcement or original registration of the Notes, the Guarantees, the indenture or any other related document or instrument (excluding such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, unless they result from, or are required to be paid in connection with, the enforcement of the Notes, the Guarantees or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes) and CET 21 and each Guarantor will agree to indemnify the holders for any such taxes paid by such holders.

The obligations described under this heading will survive any termination, defeasance or discharge of the indenture or any Guarantee and will apply *mutatis mutandis* to any

jurisdiction in which any successor Person to CET 21 or a Guarantor is organized or any political subdivision or taxing authority or agency thereof or therein.

Optional tax redemption

CET 21 is entitled to redeem the Notes, at its option, at any time in whole but not in part, upon not less than 30 nor more than 60 days' notice (which notice shall be irrevocable), at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest (if any) to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), in the event a Payor has become or would become obligated to pay, on the next date on which any amount would be payable with respect to the Notes, any Additional Amounts, in each case as a result of:

- (1) a change in or an amendment to the laws or treaties (including any regulations, protocols or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction affecting taxation; or
- (2) any change in or amendment to the official application, administration or interpretation of such laws or treaties (including the decision of any court, governmental agency or tribunal),

which change or amendment is announced or becomes effective on or after the date of the offering memorandum (or if later, the date on which a Payor becomes a company organized under the laws of such jurisdiction) and the Payor cannot avoid such obligation by taking commercially reasonable measures available to it.

No such notice of redemption may be given (a) earlier than 90 days prior to the earliest date on which a Payor would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due and payable and (b) unless at the time such notice is given such obligation to pay such Additional Amounts remains in effect.

Before CET 21 publishes or mails notice of redemption of the Notes as described above, it will deliver to the Trustee an Officers' Certificate to the effect that CET 21 cannot avoid its obligation to pay Additional Amounts by taking commercially reasonable measures available to it. CET 21 will also deliver to the Trustee an opinion of an independent tax advisor of nationally recognized standing reasonably satisfactory to the Trustee to the effect that the circumstances referred to above exist. The Trustee will accept such opinion as sufficient existence of the satisfaction of the conditions precedent described above, which shall be conclusive and binding on the holders.

Mandatory redemption

CET 21 is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, CET 21 may be required to offer to purchase the Notes as described under "—Certain covenants—Change of control and rating decline" and "—Certain covenants—Limitation on sales of assets and subsidiary stock" below.

Ranking

The Notes are general obligations of CET 21 that rank senior in right of payment to all existing and future Indebtedness that is expressly subordinated in right of payment to the Notes. Subject to the terms of the CET Group Intercreditor Agreement, the Notes rank equally in right of payment with all existing and future liabilities of CET 21 that are not so subordinated, including the Revolving Credit Facility. The Notes will be effectively subordinated in right of payment to any future secured Indebtedness of CET 21 to the extent of the value of the assets

securing such Indebtedness (unless the Notes are also secured on an equal and ratable basis). The Notes have the benefit of the security as described above under “—Security.”

Change of control and rating decline

If a Change of Control Triggering Event occurs, each holder of Notes will have the right to require CET 21 to repurchase all or any part (equal to €50,000, and any integral multiple of €1,000 in excess thereof) of such holder’s Notes at a purchase price per Note in cash equal to 101% of the principal amount of such Note plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), although no Note of €50,000 in original principal amount or less will be redeemed in part.

Within 30 days following any Change of Control Triggering Event, CET 21 will provide notice (the “*Change of Control Offer*”) in accordance with the procedures described under “—Notices” stating:

- (1) that a Change of Control Triggering Event has occurred and that holders have the right to require CET 21 to purchase such holder’s Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest, if any, and premium, if any, to the date of purchase (the “*Change of Control Payment*”);
- (2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “*Change of Control Payment Date*”);
- (3) the circumstances and relevant facts regarding the Change of Control; and
- (4) the procedures determined by CET 21, consistent with the Indenture that a holder must follow in order to have its Notes repurchased.

On the Change of Control Payment Date, CET 21 will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes (in denominations of €50,000 and any integral multiple of €1,000 in excess thereof) properly tendered under the Change of Control Offer;
- (2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes so tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers’ Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by CET 21.

The paying agent will promptly either (x) pay to the holder against presentation and surrender (or, in the case of partial payment, endorsement) of the Notes in global form or (y) in the event that the Notes are in the form of Definitive Notes, mail to each holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and deliver (or cause to be transferred by book entry) to the holder of Notes in global form a new Note or Notes in global form or, in the case of Definitive Notes, mail to each holder a new Note in definitive form equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of €50,000 and any integral multiple of €1,000 in excess thereof.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to holders who tender pursuant to the Change of Control Offer.

The provisions described above that require CET 21 to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the holders to require that CET 21 repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

CET 21 will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if another party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by CET 21 and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

To the extent that the provisions of any securities or other applicable laws or regulations conflict with provisions of the Indenture, compliance with the applicable laws and regulations and will not be deemed to be in breach of the obligations described in the Indenture by virtue of the conflict.

CET 21's ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors.

CET 21's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. Certain existing and future Indebtedness of CME, CET 21 or their respective Subsidiaries contain or may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of CME and its Restricted Subsidiaries taken as a whole or of CET 21 and its Restricted Subsidiaries taken as a whole to another Person unless certain conditions are satisfied. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. In addition, it should be noted that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, issuers may nevertheless avoid triggering a change of control under a clause similar to clause (3) of the definition of "Change of Control", if the outgoing directors were to approve the new directors for the purpose of such change of control clause. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require CET 21 to make an offer to repurchase the Notes as described above.

Certain covenants

Limitation on Indebtedness

CME will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness; *provided, however*, that CME, CET 21 and any Guarantor may, subject to the fourth paragraph of this covenant, Incur Indebtedness if on the date thereof, giving *pro forma* effect to such incurrence, the Consolidated Coverage Ratio for CME and its Restricted Subsidiaries is at least 2.00 to 1.00.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Indebtedness of CME and of its Restricted Subsidiaries Incurred under one or more Credit Facilities in an aggregate principal amount up to €40 million at any time outstanding, including amounts outstanding under the Revolving Credit Facility;
- (2) Indebtedness of CME owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by CME or any Restricted Subsidiary; *provided, however*, that

- (a) if any member of the CET Group is an obligor on such Indebtedness and such Indebtedness constitutes Material Intercompany Debt, the lender's claim in respect thereof is or forthwith is constituted as Permitted Intercompany Debt; and
 - (b) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being held by a Person other than CME or a Restricted Subsidiary; and
 - (ii) any sale or other transfer of any such Indebtedness to a Person other than CME or a Restricted Subsidiary of CMEshall be deemed, in each case, to constitute an Incurrence of such Indebtedness by CME or such Restricted Subsidiary, as the case may be;
- (3) Indebtedness represented by the Notes (excluding any Additional Notes) and by any Guarantees of the Notes;
 - (4) Indebtedness represented by (a) any Indebtedness (other than the Indebtedness described in clauses (1), (2), (3), (6), (7), (8), (9), and (10)) outstanding on the Issue Date and (b) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clauses (3) or (5) or Incurred pursuant to the first paragraph of this covenant;
 - (5) Indebtedness of a Restricted Subsidiary Incurred and outstanding on the date on which such Restricted Subsidiary was acquired by CME (other than Indebtedness Incurred (a) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by CME or (b) otherwise in connection with, or in contemplation of, such acquisition); *provided, however*, that at the time such Restricted Subsidiary is acquired by CME, CME would have been able to Incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to such acquisition and the Incurrence of such Indebtedness pursuant to this clause (5);
 - (6) Indebtedness under Currency Agreements and Interest Rate Agreements; *provided* that in the case of Currency Agreements, such Currency Agreements are related to business transactions of CME or its Restricted Subsidiaries entered into in the ordinary course of business and not for speculative purposes and in the case of Currency Agreements and Interest Rate Agreements, such Currency Agreements and Interest Rate Agreements are entered into for bona fide hedging purposes of CME or its Restricted Subsidiaries (in each case, as determined in good faith by the Board of Directors or senior management of CME);
 - (7) Indebtedness of CME or any of its Restricted Subsidiaries represented by Capitalized Lease Obligations, mortgage financings or purchase money obligations with respect to assets other than Capital Stock or other Investments, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvements of property used in the business of CME or such Restricted Subsidiary, in an aggregate principal amount not to exceed €50 million at any time outstanding less the amount of any such Indebtedness incurred prior to the Issue Date in reliance on the corresponding provision by the 2009 Notes;
 - (8) Indebtedness Incurred in respect of workers' compensation claims, self-insurance obligations, performance, surety and similar bonds and completion guarantees provided by CME or a Restricted Subsidiary in the ordinary course of business;
 - (9) Indebtedness arising from agreements of CME or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary, *provided* that the maximum aggregate liability in respect of all such

Indebtedness shall at no time exceed the gross proceeds actually received by CME and its Restricted Subsidiaries in connection with such disposition;

(10) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, *provided, however*, that such Indebtedness is extinguished within five Business Days of Incurrence;

(11) in addition to the items referred to in clauses (1) through (10) above, Indebtedness of CME and its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed €40 million at any time outstanding; and

(12) customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business.

In each case above, debt permitted to be incurred also is permitted to include any "parallel debt" or similar obligations created in respect thereof.

Notwithstanding the first two paragraphs of this covenant, CME will procure that no Restricted Subsidiary that is a member of the CET Group shall directly or indirectly Incur Indebtedness (other than Refinancing Indebtedness or Indebtedness Incurred under clauses (1), (8), (9), (10) or (11) of the previous paragraph, any Indebtedness of the CET Group existing on the Issue Date and any debt that is or is forthwith constituted as Permitted Intercompany Debt), if on the date thereof, giving *pro forma* effect to such incurrence, the CET Leverage Ratio would exceed 2.25 to 1.00.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, CME, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence, and may from time to time reclassify such item of Indebtedness, and only be required to include the amount and type of such Indebtedness in one of such clauses;

(2) all Indebtedness outstanding on the Issue Date under any Credit Facility (including the Revolving Credit Facility) shall be deemed initially Incurred on the Issue Date under clause (1) of the second paragraph of the description of this covenant and not the first paragraph or clause 4(b) of the second paragraph of the description of this covenant, and may not be reclassified pursuant to clause (1) of this fourth paragraph of the description of this covenant; and

(3) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP.

Accrual of interest, accrual of dividends, the accretion of accreted value, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value of the Indebtedness in the case of any Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of CME as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this "Limitation on indebtedness" covenant, CME shall be in Default of this covenant).

For purposes of determining compliance with any euro denominated restriction on the Incurrence of Indebtedness, the euro equivalent principal amount of Indebtedness denominated in a currency other than the euro shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than the euro, and such refinancing would cause the applicable euro dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro dominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that CME may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

CME will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any distribution (including any payment in connection with any merger, amalgamation or consolidation involving CME or any Subsidiary of CME) on or in respect of its Capital Stock except:
 - (a) dividends or distributions payable solely in Capital Stock of CME (other than Disqualified Stock) or in options or warrants or other rights to purchase such Capital Stock of CME; and
 - (b) dividends or distributions payable to CME or a Restricted Subsidiary of CME (and, if such Restricted Subsidiary has shareholders other than CME or other Restricted Subsidiaries, to its other shareholders on a pro rata basis);
- (2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of CME held by Persons other than CME or a Restricted Subsidiary (other than in exchange for Capital Stock of CME (other than Disqualified Stock));
- (3) purchase, repurchase, prepay, repay, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than the purchase, repurchase, prepayment or repayment redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition); or
- (4) make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) shall be referred to herein as a "*Restricted Payment*"), if at the time CME or such Restricted Subsidiary makes such Restricted Payment:
 - (a) a Default shall have occurred and be continuing (or would result therefrom); or

- (b) CME is not able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph under the “—Limitation on indebtedness” covenant after giving effect, on a pro forma basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to September 17, 2009 (the issue date of CME’s 2009 Notes) would exceed the sum of:
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from September 17, 2009 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which financial statements are in existence (or, in the event Consolidated Net Income for such period is a deficit then, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds received by CME from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to September 17, 2009 (other than Net Cash Proceeds received from an issuance or sale of such Capital Stock to a Subsidiary of CME or an employee stock ownership plan, option plan or similar trust established by CME or any of its Subsidiaries to the extent such sale to an employee stock ownership plan, option plan or similar trust is financed by loans from or guaranteed by CME or any of its Subsidiaries unless such loans have been repaid with cash on or prior to the date of determination);
 - (iii) the amount by which Indebtedness of CME is reduced on CME’s balance sheet upon the conversion or exchange (other than by a Subsidiary of CME) subsequent to September 17, 2009 of any Indebtedness of CME convertible or exchangeable for Capital Stock (other than Disqualified Stock) of CME (less the amount of any cash, or other property, distributed by CME upon such conversion or exchange); and
 - (iv) the amount equal to the net reduction in Restricted Investments made after September 17, 2009 by CME or any of its Restricted Subsidiaries in any Person resulting from:
 - (A) repurchases or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment to an unaffiliated purchaser, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to CME or any Restricted Subsidiary of CME not to exceed, in the case of any Person, the amount of Restricted Investments previously made by CME or any Restricted Subsidiary in such Person; or
 - (B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of “Investment”) not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by CME or any Restricted Subsidiary in such Unrestricted Subsidiary,
 which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments; *provided, however*, that no amount will be included under this clause (iv) to the extent it is already included in Consolidated Net Income.

The provisions of the preceding paragraph will not prohibit:

- (1) any purchase or redemption of Capital Stock or Subordinated Obligations of CME made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of CME (other than Disqualified Stock and other than Capital Stock issued or sold to a

Subsidiary or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or guaranteed by CME or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination); *provided, however*, that (a) such purchase or redemption will be excluded in subsequent calculations of the amount of Restricted Payments and (b) the Net Cash Proceeds from such sale will be excluded from clause (c) (ii) of the preceding paragraph;

- (2) any purchase or redemption of Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations that is permitted to be Incurred pursuant to the covenant described under “—Limitation on Indebtedness” and that qualifies as Refinancing Indebtedness; *provided, however*, that such purchase or redemption will be excluded in subsequent calculations of the amount of Restricted Payments;
- (3) so long as no Default or Event of Default has occurred and is continuing, any purchase or redemption of Subordinated Obligations from Net Available Cash to the extent permitted under “—Limitation on sales of assets and subsidiary stock” below; *provided, however*, that such purchase or redemption will be excluded in subsequent calculations of the amount of Restricted Payments;
- (4) dividends paid within 60 days after the date of declaration if at such date of declaration such dividends would have been permitted under this covenant; *provided, however*, that such dividends will be included in subsequent calculations of the amount of Restricted Payments;
- (5) so long as no Default or Event of Default has occurred and is continuing, the purchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock of CME or any Restricted Subsidiary of CME or any parent of CME held by any existing or former employees or management of CME or any Subsidiary of CME or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees; *provided* that such redemptions or repurchases pursuant to this clause will not exceed €3 million in the aggregate during any calendar year and €10 million in the aggregate for all such redemptions and repurchases; *provided, however*, that the amount of any such repurchase or redemption will be included in subsequent calculations of the amount of Restricted Payments;
- (6) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible securities if such Capital Stock represents a portion of the exercise price thereof or withholding tax thereon; *provided, however*, that such repurchases will be excluded from subsequent calculations of the amount of Restricted Payments;
- (7) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by CME of dividends or distributions on the common stock of CME in an amount not to exceed in any fiscal year 6% of Net Cash Proceeds received by CME from any Equity Offering;
- (8) so long as no Default has occurred or is continuing or would be caused thereby, other Restricted Payments in an aggregate amount not to exceed €40 million since the Issue Date, less the amount of any Restricted Payments made prior to the Issue Date in reliance on the corresponding provision of the 2009 Notes; *provided, however*, that such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by CME or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined conclusively by the Board of Directors acting in good faith, such determination to be based upon a written opinion of an independent and reputable accounting, appraisal or investment banking firm of internationally recognized standing if the fair market value of such Restricted Payment is estimated to exceed €75 million.

Limitation on Liens

CME will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur or suffer to exist any Lien (other than Permitted Collateral Liens, in the case of Liens on assets constituting Collateral, or Permitted Liens, in the case of Liens on assets not constituting Collateral) upon any of its property or assets (including Capital Stock of Restricted Subsidiaries of CME), whether owned on the Issue Date or acquired after that date, which Lien is securing any Indebtedness of CME or any Restricted Subsidiary; *provided* that, in the case of Liens granted over assets that are not CET Collateral or assets owned by a member of the CET Group, such Liens may be granted if contemporaneously with the Incurrence of the Liens effective provision is made to secure the Indebtedness due under the Indenture and the Notes or, in respect of Liens on any Restricted Subsidiary's property or assets, any Guarantee of such Restricted Subsidiary, equally and ratably with (or prior to in the case of Liens with respect to Subordinated Obligations) the Indebtedness secured by such Lien for so long as such Indebtedness is so secured.

Limitation on restrictions on distributions from Restricted Subsidiaries

CME will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to CME or any Restricted Subsidiary;
- (2) make any loans or advances to CME or any Restricted Subsidiary; or
- (3) transfer any of its property or assets to CME or any Restricted Subsidiary.

The preceding provisions will not prohibit:

- (i) any encumbrance or restriction pursuant to the Indenture, the Revolving Credit Facility or any agreement in effect on the Issue Date;
- (ii) any encumbrance or restriction with respect to a Restricted Subsidiary or its property or assets in existence on or before the date on which such Restricted Subsidiary or its property or assets was acquired (directly or indirectly) by CME (other than encumbrances or restrictions relating to Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by CME or in contemplation of the transaction) and outstanding on such date;
- (iii) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement effecting a refunding, replacement or refinancing of Indebtedness referred to in clause (i) or (ii) of this paragraph or this clause (iii) or contained in any amendment to an agreement relating to any Indebtedness referred to in clause (i) or (ii) of this paragraph or this clause (iii); provided, however, that any such restrictions contained in any such amendments or any agreement effecting refunding, replacement or refinancing

referred to above, are not materially more restrictive taken as a whole than the encumbrances and restrictions contained in the agreements relating to the Indebtedness referred to in clauses (i) or (ii) of this paragraph in existence on the Issue Date or the date such Restricted Subsidiary became a Restricted Subsidiary, whichever is applicable;

- (iv) in the case of clause (3) of the first paragraph of this covenant, any encumbrance or restriction:
 - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract;
 - (b) contained in mortgages, pledges or other security agreements permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements; or
 - (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of CME or any Restricted Subsidiary;
- (v) (a) purchase money obligations for property acquired in the ordinary course of business and (b) Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions of the nature described in clause (3) of the first paragraph of this covenant on the property so acquired;
- (vi) any restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (vii) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, including applicable corporate law restrictions on the payment of dividends;
- (viii) net worth provisions in leases and other agreements entered into by CME or any Restricted Subsidiary in the ordinary course of business; and
- (ix) any encumbrance or restriction in any agreement or instrument relating to Indebtedness of CME or a Restricted Subsidiary permitted to be incurred after the Issue Date under the covenant entitled “—Limitation on Indebtedness” if the encumbrances or restrictions contained in the relevant agreement, taken as a whole, are not materially more disadvantageous to the Note holders than is customary in comparable financings or agreements (for which a determination in good faith by the Board of Directors shall be conclusive) and either (a) the Board of Directors has determined in good faith that such encumbrance or restriction will not materially affect CET 21’s ability to make payments of principal, interest and Additional Amounts on the Notes when they become due and payable or (b) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness.

Limitation on sales of assets and subsidiary stock

CME will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition *unless*:

- (1) CME or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Disposition at least equal to the fair market value, as determined in good faith by the Board of Directors at the time of entering into an agreement to effect such Asset Disposition (including as to the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;

- (2) at least 75% of the consideration from such Asset Disposition received by CME or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents or Additional Assets or a combination thereof; and
- (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by CME or such Restricted Subsidiary, as the case may be:
 - (a) *first*, to the extent CME or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness), to prepay, repay or purchase Indebtedness (other than Disqualified Stock or Subordinated Obligations) of CME or of a Subsidiary Guarantor (in each case other than Indebtedness owed to CME or an Affiliate of CME) within 360 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), CME or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; and *provided further*, that if the assets disposed of constitute CET Collateral, the Net Available Cash in respect thereof may only be used to prepay, repay or repurchase the Notes or Pari Passu Indebtedness, and other Pari Passu Indebtedness may be prepaid, repurchased or repaid only to the extent that Net Available Cash also is applied to ratably prepay, repay or repurchase Notes prior to or substantially concurrently therewith; and
 - (b) *second*, to the extent CME or such Restricted Subsidiary elects, to invest in Additional Assets within 360 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash;

provided pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, CME and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest in such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in the preceding paragraph will be deemed to constitute "Excess Proceeds." On the 361st day after an Asset Disposition, if the aggregate amount of Excess Proceeds exceeds €15 million, CET 21 will be required to make an offer ("*Asset Disposition Offer*") to all holders of Notes and, to the extent required by the terms of other Pari Passu Indebtedness, make an offer to all holders of other Pari Passu Indebtedness outstanding with similar provisions requiring CET 21 to make an offer to purchase or repay such Pari Passu Indebtedness with the proceeds from any Asset Disposition, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies, respectively, that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes, pari passu Notes and other Pari Passu Indebtedness plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, in denominations of €50,000 and any integral multiple of €1,000 in excess thereof in the case of the Notes.

To the extent that the aggregate amount of Notes and other Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, such remaining Excess Proceeds shall no longer constitute Excess Proceeds and may be used for any purpose not prohibited in the Indenture. If the aggregate principal amount of Notes surrendered by holders thereof and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness.

Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

Notice of the Asset Disposition Offer will be given in accordance with the Indenture. The Asset Disposition Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), CET 21 will purchase the principal amount of Notes and Pari Passu Indebtedness, required to be purchased pursuant to this covenant (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to holders of the Notes who tender Notes pursuant to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, CET 21 will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness, respectively, or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn, in case of the Notes in denominations of €50,000 and any integral multiple of €1,000 in excess thereof. CET 21 will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by CET 21, in accordance with the terms of this covenant and, in addition, CET 21 will deliver all certificates and Notes required, if any, by the agreements governing the Pari Passu Indebtedness. CET 21 or the paying agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering holder of Notes or holder or lender of Pari Passu Indebtedness, as the case may be, an amount equal to the purchase price of the Notes or Pari Passu Indebtedness so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by CET 21 for purchase, and CET 21 will promptly issue a new Note, and the Trustee, upon delivery of an Officers' Certificate from CET 21 will authenticate and mail or deliver such new Note to such holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided that* each such new Note will be in a principal amount of €50,000 and any integral multiple of €1,000 in excess thereof. Any Note not so accepted will be promptly mailed or delivered by CET 21 to the holder thereof. CET 21 will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

For the purposes of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness (other than Subordinated Obligations or Disqualified Stock) of CME or Indebtedness (other than Disqualified Stock) of any Guarantor and the release of CME or such Guarantor from all liability on such Indebtedness in connection with such Asset Disposition (in which case CME will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with clause (a) above); *provided that* to the extent that the assets that are the subject of an Asset Disposition are CET Collateral, only the assumption and release of Indebtedness that is Pari Passu Indebtedness shall be qualify as "cash" under this clauses (a); and

- (2) securities, Notes or other obligations received by CME or any Restricted Subsidiary from the transferee that are converted within 90 days by CME or such Restricted Subsidiary into cash.

To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, compliance with the applicable securities laws and regulations will not be deemed to be in breach of CME's and CET 21's obligations under the Indenture and the terms of any Pari Passu Indebtedness, as applicable by virtue of any conflict.

Limitation on Affiliate Transactions

CME will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of CME (an "*Affiliate Transaction*") unless:

- (1) the terms of such Affiliate Transaction are no less favorable to CME or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm's length dealings with a Person who is not such an Affiliate;
- (2) in the event such Affiliate Transaction involves an aggregate amount in excess of €20 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors and by a majority of the members of the Board of Directors having no personal stake in such transaction, if any (and such majority or majorities, as the case may be, determines that such Affiliate Transaction satisfies the criteria in clause (1) above); and
- (3) in the event such Affiliate Transaction involves an aggregate amount in excess of €75 million, CME has received a written opinion from an independent investment banking firm of internationally recognized standing that such Affiliate Transaction is not materially less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arms-length basis from a Person that is not an Affiliate.

CME will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of a Restricted Subsidiary of CME (a "*Restricted Subsidiary Affiliate Transaction*") unless:

- (1) the terms of such Restricted Subsidiary Affiliate Transaction are no less favorable to CME or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm's length dealings with a Person who is not such an Affiliate; and
- (2) in the event such Restricted Subsidiary Affiliate Transaction involves an aggregate amount in excess of €5 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors and by a majority of the members of the Board of Directors having no personal stake in such transaction, if any (and such majority or majorities, as the case may be, determines that such Restricted Subsidiary Affiliate Transaction satisfies the criteria in clause (1) above).

The preceding paragraphs will not apply to:

- (1) any Restricted Payment (other than a Restricted Investment) permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*";
- (2) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans and other reasonable fees, compensation, benefits and indemnities

paid or entered into by CME or its Restricted Subsidiaries in the ordinary course of business to or with members of the Board of Directors, officers or employees of CME and its Restricted Subsidiaries approved by the Board of Directors;

- (3) loans or advances to employees in the ordinary course of business of CME or any of its Restricted Subsidiaries and consistent with past practice of CME or such Restricted Subsidiary; *provided* that such loans or advances do not exceed US\$ 2 million in the aggregate outstanding at any one time;
- (4) any transaction between CME and a Restricted Subsidiary or between Restricted Subsidiaries and Guarantees issued by CME or a Restricted Subsidiary for the benefit of CME or a Restricted Subsidiary as the case may be in accordance with “—Limitation on Indebtedness”;
- (5) the payment of reasonable and customary fees paid to, and indemnity provided on behalf of, directors of CME or any Restricted Subsidiary of CME; and
- (6) the performance of obligations of CME or any of its Restricted Subsidiaries under the terms of any agreement to which CME or any of its Restricted Subsidiaries is a party as of or on the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided, however*, that any future amendment, modification supplement, extension or renewal entered into after the Issue Date will be permitted to the extent that its terms are not materially more disadvantageous to the holders of the Notes taken as a whole than the terms of the arrangements in place on the Issue Date.

CME will procure that none of CET 21 or any member of the CET Group shall directly or indirectly enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with CME or any Restricted Subsidiary of CME that is not a member of the CET Group (each a “*Related CME Person*”) unless the terms of such transaction are not materially less favorable to the CET Group than those that could be obtained in a comparable transaction at the time of such transaction in arms length dealings with a Person that is not a Related CME Person.

The preceding paragraph will not apply to (1) any dividend or redemption of capital of CET 21; or (2) compliance by any member of the CET Group or CME or any of CME’s Restricted Subsidiaries with the terms of any agreement to which it is a party as of or on the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided, however*, that any future amendment, modification supplement, extension or renewal entered into after the Issue Date will be permitted to the extent that its terms are not materially more disadvantageous, taken as a whole, to the holders of the Notes than the terms of the arrangements in place on the Issue Date.

Limitation on sale of Capital Stock of Restricted Subsidiaries

CME will not, and will not permit any Restricted Subsidiary of CME to, transfer, convey, sell, lease or otherwise dispose of any Voting Stock of any Restricted Subsidiary or to issue any of the Voting Stock of a Restricted Subsidiary (other than, if necessary, shares of its Voting Stock constituting directors’ qualifying shares) to any Person except:

- (1) to CME or a Subsidiary; or
- (2) in compliance with clauses (1) and (2) of the covenant described under “—Limitation on sales of assets and subsidiary stock” and immediately after giving effect to such issuance or sale such Restricted Subsidiary would continue to be a Restricted Subsidiary or would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would be permitted to be made under the covenant described under the caption “—Limitation on Restricted Payments.”

Notwithstanding the preceding paragraph, CME may sell all the Voting Stock of a Restricted Subsidiary as long as CME complies with the terms of the covenant described under “—Limitation on sales of assets and subsidiary stock.”

Additional Guarantees

CME will cause each Restricted Subsidiary that after the Issue Date, guarantees Indebtedness under the Revolving Credit Facility or any other Indebtedness of CET 21 or a Guarantor to simultaneously or prior thereto provide a Guarantee on substantially the same terms and conditions as those set forth in the Indenture.

CME shall cause any Restricted Subsidiary that is a Material Subsidiary to provide a Guarantee within 60 Business Days of delivery of CME’s audited annual reports to the Trustee pursuant to the Indenture.

Each such additional guarantee of the Notes is an “*Additional Guarantee*.”

Notwithstanding the foregoing, CME shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent that the grant of such Guarantee would not be consistent with applicable laws, would be reasonably likely to result in any liability for officers, directors or shareholders of such Restricted Subsidiary or would result in any material current or future cost, tax or expense that cannot be avoided by reasonable measures available to CME.

Notwithstanding the foregoing and the other provisions of the Indenture, any Additional Guarantee by a Restricted Subsidiary of CME of the Notes shall provide by its terms, and the Indenture shall provide, that it shall be automatically and unconditionally released and discharged in the circumstances described under “—Guarantees.” Any Additional Guarantee shall be considered a “Guarantee” as described in “—Guarantees.”

Payments for consent

CME will not, and will not permit any of its Subsidiaries or Affiliates to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of the Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Reports

CME will file with the Commission and provide to CET 21 and the Trustee, and make available to the holders of the Notes, without cost to the Trustee or the holders of the Notes, within 10 days after it files them with the Commission, the information required to be contained in the following reports (or required in such successor or comparable form), including any guarantor financial information required by Regulation S-X:

- (1) within 90 days after the end of CME’s fiscal year (or such shorter period as may be required by the Commission), annual reports on Form 10-K (or any successor or comparable form) containing the information required to be contained therein (or required in such successor or comparable form);
- (2) within 45 days after the end of each of the first three fiscal quarters in each fiscal year of CME (or such shorter period as may be required by the Commission) reports on Form 10-Q (or any successor or comparable form); and
- (3) promptly from time to time after the occurrence of an event required to be therein reported (and in any event within the time period specified for filing of current reports on Form 8-K by the Commission), such other reports on Form 8-K (or any successor or comparable form).

If CME has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of CME, then the annual and quarterly information required by the first two paragraphs of this covenant shall include a presentation, either on the face of the financial statements or in the footnotes thereto, of the net revenues, depreciation, amortization, operating income, net income, cash, third-party debt, total assets and total equity of CME and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of CME.

CET 21 will provide to the Trustee and make available to the holders of the Notes, without cost to the Trustee or the holders of the Notes, the information required to be contained in the following reports (or required in such successor or comparable form):

- (1) within 90 days after the end of CET 21's fiscal year, three years of consolidated financial statements for the CET Group, audited in accordance with GAAP, accompanied by the auditor's report thereon; and
- (2) within 75 days after the end of each of the first three fiscal quarters in each fiscal year of CET 21 quarterly financial statements in relation to the CET Group, consisting of a condensed consolidated balance sheet, statement of operations and comprehensive income, statement of equity and statement of cashflows prepared in accordance with GAAP (without notes).

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, and the rules of that exchange so require, copies of CET 21's organizational documents and the Indenture and the most recent consolidated financial statements published by CET 21 may be inspected and obtained at the office of the Paying Agent. See "Listing and general information."

Merger, amalgamation and consolidation

CME

CME will not consolidate with, amalgamate or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, *unless*:

- (1) the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized and existing under the laws of Bermuda, any member state of the European Union that was a member of the European Union as of the Issue Date, or of the United States of America, any State thereof or the District of Columbia, and not a natural Person, and the Successor Company (if not CME) will expressly assume by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of CME under the Notes, the Indenture, the Security Documents, the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement;
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction, the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the "*—Limitation on Indebtedness*" covenant; and
- (4) CME shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of CME, which properties and assets, if held by CME instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of CME on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of CME.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, CME under the Indenture, the Security Documents, the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement and any other agreement to which the predecessor was a party and the predecessor shall be released from those obligations, but, in the case of a lease of all or substantially all its assets, CME will not be released from the obligation to pay the principal or premium, if any, and interest on the Notes.

Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Notwithstanding the preceding clause (3) and clause (4), any Restricted Subsidiary of CME that is not a member of the CET Group may consolidate with, amalgamate, merge into or transfer all or part of its properties and assets to CME.

CET 21

CET 21 will not, and CME will procure that CET 21 will not, consolidate with, amalgamate or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, *unless*:

- (1) the Successor Company will be a Person organized and existing under the laws of the Czech Republic, and not a natural Person, and the Successor Company (if not CET 21) will expressly assume by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of CET 21 under the Notes, the Indenture, the Security Documents, the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement;
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
- (3) any Indebtedness of the CET Group resulting from the transaction could have been incurred in compliance with the fourth paragraph of the covenant described under “—Limitation on Indebtedness,” and
- (4) CET 21 shall have delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of CET 21, which properties and assets, if held by CET 21 instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of CET 21 on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of CET 21.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, CET 21 under the Indenture, the Security Documents, the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, CET 21 under the Indenture, the Security Documents, the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement, and any other document to which the predecessor was a party, and the predecessor company shall be released from those obligations but, in the case of a lease of all or substantially all its assets, CET 21 will not be released from the obligation to pay the principal or premium, if any, and interest on the Notes.

Guarantors

In addition, CME will not permit any Subsidiary Guarantor to consolidate with, amalgamate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or a series of related transactions to, another Person whether or not affiliated with such Subsidiary Guarantor *unless*:

- (1) (a) the resulting, surviving or transferee Person will be a Person organized and existing under the laws of Bermuda, any member state of the European Union that was a member of the European Union as of the Issue Date, or the United States of America, any State thereof or the District of Columbia, and not a natural Person, and such Person (if not the Subsidiary Guarantor) will expressly assume all the obligations of such Subsidiary Guarantor under its Guarantee and the Indenture, including the Guarantee of such Guarantor pursuant to a supplemental indenture executed and delivered to the Trustee in the form and substance reasonably satisfactory to the Trustee, as well as the Security Documents, the CET Group Intercreditor Agreement and (if applicable) the Existing Intercreditor Agreement; (b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the resulting, surviving or transferee Person or any Restricted Subsidiary as a result of such transaction as having been Incurred by such Person or Restricted Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing; (c) if the transaction includes a member of the CET Group, any Indebtedness of the CET Group resulting from the transaction could have been incurred in compliance with the fourth paragraph of the covenant described under “—Limitation on Indebtedness;” and (d) CME will have delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation merger or transfer and such supplemental indenture (if any) comply with the Indenture; or
- (2) the transaction constitutes a disposal to a Person other than CME or a Restricted Subsidiary is made in compliance with the covenant described under “—Limitation on sales of assets and subsidiary stock.”

The Person formed by or surviving such consolidation, amalgamation or merger (if other than the Subsidiary Guarantor) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made will succeed to, and be substituted for, and may exercise every right and power of, such Subsidiary Guarantor under the Indenture, its Guarantee, the Security Documents and each other document to which the predecessor was a party, and such predecessor Subsidiary Guarantor shall be released from those obligations but in the case of a lease of all or substantially all of its assets, such Subsidiary Guarantor will not be released from its obligation under its Subsidiary Guarantee to pay the principal of, premium, if any, and interest on the Notes in the event of a default as described above.

The following additional conditions will apply to each transaction described in the above paragraphs:

- (1) to the extent required, CME, the Guarantors or the relevant Successor Company, as applicable, will cause such amendments or other instruments to be filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Liens under the Security Documents on the Collateral owned by or transferred to such Person, together with such financing statements or similar documents as may be required to

perfect any security interests in such Collateral which may be perfected by the filing of a financing statement under any applicable law;

- (2) the Collateral owned by or transferred to CME, a Guarantor, or the Successor Company, as applicable, will (A) continue to constitute Collateral under the Security Documents; and (B) not be subject to any Lien other than Liens permitted by the Indenture; and
- (3) the Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the relevant obligor under the Indenture, but, in the case of a lease of all or substantially all of CME's or a Guarantor's assets, CME or, as applicable, such Guarantor will not be released from the obligation to pay the principal of, premium, if any, and interest, and Additional Amounts, if any, on the Notes.

Limitation on lines of business

CME will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business.

Restrictions on business activities of CET Group

The CET Group shall not conduct any activity or own any asset or incur any liability except those activities, assets or liabilities related to the operation of the business of the CME Group in the Czech Republic and the Slovak Republic, except for activities, assets or liabilities that are a reasonable extension thereof, ancillary or complementary thereto or which do not represent a substantial portion of the activities, assets or liabilities of the CET Group, taken as a whole.

Delivery of security

CME shall deliver, or cause to be delivered, on the Issue Date all of the Collateral (subject to filing and registration requirements), except that (i) in the case of the pledge over the ownership interests in Media Pro Pictures s.r.o, CET 21 shall use its reasonable best efforts to deliver such pledge and evidence of the registration thereof within 20 Business Days after the Issue Date, (ii) in the case of the mortgage over the immovable assets of CET 21, CET 21 shall use its reasonable best efforts to deliver such mortgage and evidence of the registration thereof within 30 Business Days after the Issue Date, (iii) in the case of the pledge over the movable assets and enterprise of CET 21, CET 21 shall use its reasonable best efforts to deliver such pledge and evidence of registration thereof within 10 Business Days after the Issue Date and (iv) in the case of the pledge over all the ownership interests in CET 21, CET 21 shall use its best efforts to have the registration of such pledge completed within 10 Business Days after the Issue Date.

Impairment of security interest

CME shall not, and shall not permit any of its Restricted Subsidiaries to, take or omit to take any action which action or omission would have the result of materially impairing the security interests with respect to the Collateral (it being understood that the incurrence of Permitted Collateral Liens in accordance with this covenant, including the release and re-taking of one or more liens in connection therewith, and any actions permitted under “—Limitation on Liens,” any disposal of assets that is a Permitted Transaction and any release of assets authorized by the Indenture, shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) created by the Security Documents for the benefit of the Note holders and CME shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Trustee, the Security Agent and the beneficiaries of the Security Documents any interest whatsoever in any of the Collateral, except pursuant to any Permitted Collateral Liens, as permitted by “—Limitation on Liens”; *provided*, however, that any Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, if contemporaneously with any such action, CME delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an independent financial advisor confirming the solvency of CME and its Subsidiaries, taken as

a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, and an Opinion of Counsel (subject to any necessary qualifications relating to hardening periods and other qualifications customary for this type of Opinion of Counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security so amended, extended, renewed, restated, supplemented, modified or replaced are valid Liens or (2) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the Security so amended, extended, renewed, restated, supplemented, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement. In the event that CME complies with the requirements of this covenant, the Trustee shall (subject to customary protections and indemnifications) consent to any such amendment, extension, renewal, restatement, supplement, modification or replacement and shall direct the Security Agent to give effect to any such amendment, extension, renewal, restatement, supplement, modification or replacement.

Additional intercreditor agreements

The Indenture will provide that at the request of CET 21, at the time of, or prior to, the Incurrence by CET 21 or any Guarantor of any Indebtedness permitted pursuant to the Indenture, CET 21, the relevant Guarantors and the Trustee shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*" and, together with the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement, the "*Intercreditor Agreements*") on substantially the same terms as the CET Group Intercreditor Agreement (or terms more favorable to CET 21); *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the CET Group Intercreditor Agreement.

At the request of CET 21, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by CET 21 or a Guarantor of Indebtedness permitted to be incurred pursuant to the preceding paragraph, CET 21 or the relevant Guarantor and the Trustee shall enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (i) cure any ambiguity, omission, defect or inconsistency in any of the Intercreditor Agreements, (ii) increase the amount of Indebtedness of the types covered by any of the Intercreditor Agreements that may be incurred by CET 21 or a Guarantor that is subject to any of the Intercreditor Agreements in a manner not prohibited by the Indenture and in a manner substantially consistent with the ranking and other terms of the CET Group Intercreditor Agreement, (iii) add Guarantors to any of the Intercreditor Agreements, (iv) further secure the Notes, (v) make provision for the security securing any Notes, (vi) to provide for the discharge of any of the Intercreditor Agreements to the extent that Indebtedness thereunder has been discharged or is to be refinanced, or (vii) make any other such change to any of the Intercreditor Agreements that does not adversely affect the holders of the Notes in any material respect. CET 21 shall not otherwise direct the Trustee to enter into any amendment to any intercreditor agreement without the consent of holders of the Notes except as otherwise permitted by CET Group Intercreditor Agreement and CET 21 may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or any Intercreditor Agreements.

Each Note holder shall be deemed to have agreed to and accepted the terms and conditions of each of the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement or an Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein). A copy of any of the Intercreditor Agreements shall be available for inspection during normal business hours on any Business Day upon prior written request at the office of CET 21.

Events of Default

Each of the following is an "Event of Default":

- (1) default in any payment of interest or Additional Amounts, if any, on any Note when due, continued for 30 days;
- (2) default in the payment of principal of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by CME, CET 21 or any of the Subsidiary Guarantors to comply with the provisions described under "—Merger, amalgamation and consolidation";
- (4) failure by CME or any of its Subsidiaries to comply for 30 days after notice with any of the provisions described under the covenants described under "—Change of control and rating decline" above or under the covenants described under "—Certain covenants" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above and other than a failure to comply with "—Merger, amalgamation and consolidation" which is covered by clause (3));
- (5) failure by CME or any of its Subsidiaries to comply for 60 days after notice with any of the other agreements contained in the Indenture;
- (6) default under any charge, mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by CME or any of its Significant Subsidiaries (or the payment of which is guaranteed by CME or any of its Significant Subsidiaries), other than Indebtedness owed to CME or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the Issue Date, which default:
 - (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness ("payment default"); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*");and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates US\$ 25 million or more;
- (7) certain events of bankruptcy, insolvency or reorganization of CME or a Significant Subsidiary (the "*bankruptcy provisions*");
- (8) failure by CME or any Significant Subsidiary to pay final judgments aggregating in excess of €25 million (net of any amounts that a reputable and creditworthy insurance company has acknowledged liability for in writing), which judgments are not paid, discharged or stayed for a period of 60 days (the "*judgment default provision*");
- (9) except as permitted by the Indenture, a Guarantee is held in one or more judicial proceedings to be unenforceable or invalid or shall cease for any reason to be in full force

and effect or any Guarantor, or any Person acting on behalf of CME or a Guarantor, shall deny or disaffirm its obligations under the Indenture or the Guarantee;

- (10) any security interest under the Security Documents over any Collateral having a fair market value in excess of €5 million, individually or in the aggregate, shall, at any time, cease to be in full force and effect (other than in accordance with the relevant Security Documents or the Indenture) for any reason other than satisfaction in full of all obligations of CME and its Subsidiaries under the Indenture or the release of any such security interest in accordance with the Security Documents or the Indenture or any such security interest created thereunder shall be declared invalid or unenforceable or CME shall assent that any such security is invalid or unenforceable or any pledgor disaffirms its obligations under the Security Documents and any such default continues for 20 days;
- (11) default under any other Indebtedness that is secured by the Collateral if such default results in the creditors under such Indebtedness commencing an enforcement action of their security rights over the Collateral; or
- (12) CME or any Restricted Subsidiary receives an Enforcement Notice under the Existing Credit Facility.

However, a default under clauses (4) and (5) of this paragraph will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding Notes notify CET 21 of the default and such default is not cured within the time specified in clauses (4) and (5) hereof after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (7) above) occurs and is continuing, the Trustee by notice to CET 21, or the holders of at least 25% in principal amount of the outstanding Notes by notice to CET 21 and the Trustee, may, and the Trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured by CME or a Restricted Subsidiary of CME or waived by the holders of the relevant Indebtedness within 20 days after the declaration of acceleration with respect thereto and if (a) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (b) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived. If an Event of Default described in clause (7) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Pursuant to the terms of the Existing Intercreditor Agreement, in the event that any indebtedness that is a beneficiary of the Existing Intercreditor Agreement and which is secured on a prior basis to the Notes delivers an Enforcement Notice, the other indebtedness benefitting from the Existing Intercreditor Agreement that is secured on a subsequent basis (which will include the Notes and the Revolving Credit Facility) is required to be automatically accelerated.

The holders of a majority in principal amount of the outstanding Notes may waive all past defaults (except with respect to nonpayment of principal of, premium, if any, interest or Additional Amounts, if any) and rescind any such acceleration with respect to the Notes and its consequences if (x) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (y) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity or security against any loss, liability or expense satisfactory to the Trustee. Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes *unless*:

- (1) such holder has previously given the Trustee notice that an Event of Default is continuing;
- (2) holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;
- (3) such holders have offered the Trustee security or indemnity against any loss, liability or expense satisfactory to the Trustee;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) the holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture will provide that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Indenture provides that if a Default occurs and is continuing and is known to the Trustee, the Trustee must mail to each holder a notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as the Trustee in good faith determines that withholding notice is in the interests of the holders. In addition, CET 21 is required to deliver to the Trustee, within 120 days after the end of each fiscal year or at any time at the request of the Trustee, an Officers' Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. CET 21 also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events which would constitute certain Defaults, their status and what action CET 21 is taking or proposes to take in respect thereof.

Amendments and waivers

Subject to certain exceptions, the Indenture, the Security Documents and any intercreditor agreement (in so far as relating to the Notes) and the Notes may be amended with the consent of the holders of a majority in principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, without

the consent of each holder of an outstanding Note affected, no amendment may, among other things:

- (1) reduce the amount of Notes whose holders must consent to an amendment;
- (2) reduce the stated rate of or extend the stated time for payment of interest, including default interest and Additional Amounts, on any Note;
- (3) reduce the principal of or extend the Stated Maturity of any Note;
- (4) reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may be redeemed or repurchased as described above under “—Optional redemption,” “—Certain covenants—Change of control and rating decline,” “—Certain covenants—Limitation on sales of assets and subsidiary stock” or any similar provision, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;
- (5) make any Note payable in money other than that stated in the Note;
- (6) impair the right of any holder to receive payment of premium, if any, Additional Amounts, if any, principal of and interest on such holder’s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder’s Notes;
- (7) release any Guarantor from its obligations under the Guarantee or the Indenture, except in accordance with the Indenture;
- (8) directly or indirectly release the Collateral except as permitted by the terms of the Indenture, the Security Documents or the Intercreditor Agreements; or
- (9) make any change in the amendment provisions which require each holder’s consent or in the waiver provisions.

Without the consent of any holder, CET 21, the Guarantors and the Trustee may amend the Indenture, the Security Documents (in relation to a Technical Amendment only) and any intercreditor agreement (in so far as it relates to the Notes), and the Notes to:

- (1) cure any ambiguity, omission, mistake, defect or inconsistency;
- (2) provide for the assumption by a successor corporation or limited liability company of all of CET 21’s obligations under the Indenture in the case of merger, amalgamation or consolidation or sale of all or substantially all of CET 21’s assets;
- (3) provide for the assumption by a successor corporation or limited liability company of all of the obligations of any Guarantor under the Indenture and the Guarantees in the case of merger, amalgamation or consolidation or sale of all or substantially all of any Guarantor’s assets;
- (4) provide for uncertificated Notes in addition to or in place of certificated Notes;
- (5) add Guarantees with respect to the Notes;
- (6) secure the Notes, the Guarantees or any other Guarantee of the Notes;
- (7) add to the covenants of CET 21, CME or its Restricted Subsidiaries for the benefit of the holders of the Notes or surrender any right or power conferred upon CET 21, CME or its Restricted Subsidiaries;
- (8) make any change that does not adversely affect the rights of any holder of the Notes;
- (9) to conform the text of the Indenture or the Notes to any provision of this “Description of the notes” to the extent that such provision in this “Description of the notes” was intended

to be a verbatim or substantially verbatim recitation of a provision of any of the foregoing;

- (10) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture and to make such changes as may be required to the Notes to accommodate and implement such issuance of Additional Notes;
- (11) to enter into, amend or supplement any intercreditor agreement with the holder, and/or any agent in respect thereof, of any other Indebtedness permitted to be incurred under the Indenture; *provided* that no such intercreditor agreement shall provide that the Notes are subordinated to any such Indebtedness or subject to any payment blockage or enforcement standstill or that any Lien securing the Notes ranks behind any Lien securing such Indebtedness;
- (12) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirement thereof; or
- (13) to the extent provided for under the covenant described under “—Certain covenants— Impairment of security interest;” *provided* that, in each case, such amendment, supplement, modification, extension, renewal, restatement or replacement does not violate such covenant.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. After an amendment under the Indenture becomes effective, CET 21 is required to mail to the holders of the Notes a notice briefly describing such amendment and will provide a copy of such amendment to the Luxembourg Stock Exchange. However, the failure to give such notice to all the holders, or any defect in the notice, will not impair or affect the validity of the amendment.

Defeasance

CET 21 at any time may terminate all its obligations under the Notes and the Indenture and all obligations of CME and the Guarantors with respect to the Guarantees (“*legal defeasance*”), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

In addition, CET 21 at any time may terminate its obligations and those of the Guarantors under covenants described under “Certain covenants” (other than “—Merger, amalgamation and consolidation”), the operation of the cross default upon a payment default, any cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, and the judgment default provision (“*covenant defeasance*”).

CET 21 may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If CET 21 exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If CET 21 exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (4), (5), (6), (7) (with respect only to Significant Subsidiaries, (8), (9) or (10) under “—Events of default” above.

In order to exercise either defeasance option, CET 21 must irrevocably deposit in trust (the “*defeasance trust*”) with the Trustee euro or euro-denominated Government Obligations for the payment of principal, premium, if any, interest and Additional Amounts, if any, on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

- (a) an Opinion of Counsel (subject to customary exceptions and exclusions) to the effect that holders of the Notes will not recognize income, gain or loss for U.S. federal income tax

purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable U.S. federal income tax law; and

- (b) an Opinion of Counsel in the Czech Republic (subject to customary exceptions and exclusions), to the effect that no Czech income tax will be payable by holders of the Notes.

Satisfaction and discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder when either (i) all such Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes whose payment money has theretofore been deposited in trust and thereafter repaid to CET 21) have been delivered to the Trustee for cancellation or (ii) (A) all such Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or will become due and payable within one year and CET 21 has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust an amount of money sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued and unpaid interest and Additional Amounts, if any, to the date of maturity or redemption, (B) no Default with respect to the Indenture or the Notes shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which CET 21 is a party or by which it is bound, (C) CET 21 has paid, or caused to be paid, all sums payable, under the Indenture, and (D) CET 21 has delivered irrevocable instructions to the Trustee under the Indenture to give the notice of redemption and apply the deposited money toward the payment of such Notes at maturity or the redemption date, as the case may be. In addition, CET 21 must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Currency indemnity

The euro is the sole currency of account and payment for all sums payable by CET 21 or any Guarantor under the Indenture. Any amount received or recovered in a currency other than euro in respect of the Notes or any Guarantee (whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of CME, any Guarantor or otherwise) by the holder in respect of any sum expressed to be due to it from CET 21 or any Guarantor will constitute a discharge of CET 21 only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under any Note, or any Guarantee, CET 21 or the Guarantors will indemnify the recipient against any loss sustained by it as a result. In any event CET 21 will indemnify the recipient against the cost of making any such purchase.

For the purposes of this indemnity, it will be sufficient for the holder to certify that it would have suffered a loss had an actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on such date had not been practicable, on the first date on which it would have been practicable). These indemnities constitute a separate and independent obligation from the other obligations of CET 21 and the Guarantors will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder and will continue in full force and

effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any Guarantee or any other judgment or order.

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

No personal liability of directors, officers, employees and stockholders

No director, officer, employee, incorporator or stockholder, as such, shall have any liability for any obligations of CET 21, CME or any Subsidiary Guarantor under the Notes and the Guarantees, respectively, or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the Commission that such a waiver is against public policy. In addition, such waiver and release may not be effective under the laws of the Czech Republic or Bermuda.

Consent to jurisdiction and service of process

CET 21, CME and the Subsidiary Guarantors have each irrevocably appointed CT Corporation as its respective agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Subsidiary Guarantees, as the case may be, brought in any federal or state court located in the Borough of Manhattan in the City of New York and that each of the parties submit to the non-exclusive jurisdiction of the federal and state courts located in the Borough of Manhattan in the City of New York and the courts of England and Wales. If for any reason CT Corporation is unable to serve in such capacity, CET 21, CME and the Subsidiary Guarantors shall appoint another agent reasonably satisfactory to the Trustee.

Concerning the Trustee

Citibank, N.A., London Branch, is the trustee under the Indenture, Citibank, N.A., London Branch, will be appointed by CET 21 as transfer agent and paying agent with regard to the Notes. Citigroup Global Markets Deutschland AG will be appointed by CET 21 as Registrar.

The Trustee may resign at any time. CET 21 or the holders of a majority in principal amount of the Notes may remove the Trustee on not less than 30 days' written notice. CET 21 may remove the Trustee if it is adjudged bankrupt or insolvent and in certain other limited cases. Such resignation or removal shall become effective only upon a successor trustee's acceptance of appointment.

Any certificate or report of, or information provided by CET 21, CME or a Subsidiary Guarantor, its auditors, accountants or advisers or any other expert, whether or not addressed to the Trustee, in accordance with or for the purposes of this "Description of the notes" or the Indenture may be relied upon by the Trustee as sufficient and conclusive evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limitation on or an exclusion of the liability of such persons in respect thereof.

Governing law

The Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York. The Existing Intercreditor Agreement and the CET Group Intercreditor Agreement are governed by the laws of England. CET 21 Security Documents are governed by the laws of the Czech Republic, the Netherlands, Curaçao and the Slovak Republic.

Notices

Notices regarding the Notes will be (a) sent to a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) (and, if and so long as Notes are listed on the Luxembourg Stock Exchange and the rules of such Stock Exchange shall so require, published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in addition, (b) in the event the Notes are in the form of Definitive Notes, sent, by first class mail, with a copy to the Trustee, to each holder of the Notes at such holder's address as it appears on the registration books of the registrar. If and so long as such Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. If and so long as any Notes are represented by one or more Global Notes and ownership of Book-Entry Interests therein are shown on the records of Euroclear, Clearstream or any successor clearing agency appointed by the Common Depositary at the request of CET 21, notices will be delivered to such clearing agency for communication to the owners of such Book-Entry Interests. Notices given by publication will be deemed given on the first date on which publication is made and notices given by first class mail, postage prepaid, will be deemed given five calendar days after mailing.

Certain definitions

"2007 Notes" means CME's €150.0 million aggregate principal amount of floating rate notes due 2014.

"2008 Convertible Notes" means CME's US\$ 475.0 million of 3.50% senior convertible notes due 2013.

"2009 Notes" means CME's €440.0 million aggregate principal amount of 11.625% senior notes due 2016.

"Additional Assets" means:

- (1) any property or assets (other than Indebtedness and Capital Stock) to be used by CME or a Restricted Subsidiary in a Permitted Business;
- (2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by CME or a Restricted Subsidiary of CME; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of CME;

provided, however, that, in the case of clauses (2) and (3), such Restricted Subsidiary is primarily engaged in a Permitted Business.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control and *provided* further that PPF shall not be deemed an affiliate of CME or its Restricted Subsidiaries so long as its beneficial ownership in CME does not exceed 15% of the Voting Stock of CME.

"Asset Disposition" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common

plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by CME or any of its Restricted Subsidiaries, including any disposition by means of a merger, amalgamation, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to CME or by CME or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) the sale of Cash Equivalents in the ordinary course of business;
- (3) a disposition of inventory or other assets in the ordinary course of business;
- (4) a disposition of obsolete or worn out equipment or equipment that is no longer useful in the conduct of the business of CME and its Restricted Subsidiaries and that is disposed of in each case in the ordinary course of business;
- (5) transactions permitted under "—Merger, amalgamation and consolidation";
- (6) an issuance of Capital Stock by a Restricted Subsidiary of CME to CME or to a Restricted Subsidiary;
- (7) for purposes of "—Certain covenants—Limitation on sales of assets and subsidiary stock" only, the making of a Permitted Investment or a disposition subject to "—Certain covenants—Limitation on Restricted Payments";
- (8) in addition to dispositions covered by the other clauses of this paragraph, dispositions of assets in a single transaction or series of related transactions with an aggregate fair market value in any calendar year of not more than €5 million;
- (9) dispositions in connection with Permitted Liens;
- (10) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of CME and its Restricted Subsidiaries;
- (11) dispositions of assets or Capital Stock by CME or any Restricted Subsidiary in connection with the making of an Investment permitted under clause (11) of the definition of "Permitted Investments"; and
- (12) foreclosure on assets.

"Attributable Indebtedness" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Notes, compounded semi-annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"Board of Directors" means the board of directors of CME or any committee thereof duly authorized to act on behalf of such board.

“Business Day” means a day other than a Saturday, Sunday or other day on which banking institutions in the State of New York, Bermuda, London or Prague or a place of payment are authorized or required by law to close.

“Capital Stock” of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligations” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“Cash Equivalents” means:

- (1) securities issued or directly and fully guaranteed or insured by the United States Government, or the government of any member state of the European Union or any agency or instrumentality thereof (each a “Qualified Country A”) (*provided* that the full faith and credit of the Qualified Country A is pledged in support thereof), having maturities of not more than one year;
- (2) securities issued or directly and fully guaranteed or insured by Croatia or Ukraine or any agency or instrumentality thereof (each a “Qualified Country B”) (*provided* that the full faith and credit of the Qualified Country B is pledged in support thereof), having maturities of not more than 30 days;
- (3) marketable general obligations issued by any political subdivision of any Qualified Country A or any public instrumentality thereof maturing within one year from the date of acquisition thereof (*provided* that the full faith and credit of the Qualified Country A is pledged in support thereof) and, at the time of acquisition, having a credit rating of “A” or better from either Standard & Poor’s Ratings Services or Moody’s Investors Service, Inc.;
- (4) marketable general obligations issued by any political subdivision of any Qualified Country B or any public instrumentality thereof maturing within 30 days from the date of acquisition thereof (*provided* that the full faith and credit of the Qualified Country B is pledged in support thereof) and, at the time of acquisition, having a credit rating of “A” or better from either Standard & Poor’s Ratings Services or Moody’s Investors Service, Inc.;
- (5) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any bank the long-term debt of which is rated at the time of acquisition thereof at least “A” or the equivalent thereof by Standard & Poor’s Ratings Services, or “A” or the equivalent thereof by Moody’s Investors Service, Inc., and having combined capital and surplus in excess of US\$ 500 million;
- (6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1), (2) and (3) entered into with any bank meeting the qualifications specified in clause (5) above;
- (7) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by Standard & Poor’s Ratings Services or “P-2” or the equivalent thereof by Moody’s Investors Service, Inc., or carrying an equivalent rating by an internationally recognized rating agency, if both of the two named rating agencies cease publishing

ratings of investments, and in any case maturing within one year after the date of acquisition thereof; and

- (8) interests in any investment company or money market fund which invests solely in instruments of the type specified in clauses (1) through (5) above.

“CET Consolidated EBITDA” means “Consolidated EBITDA” calculated in respect of the CET Group.

“CET Consolidated Indebtedness” means Indebtedness of any member of the CET Group, other than Permitted Intercompany Debt or that is secured on the CET Collateral, calculated on a consolidated basis.

“CET Group” means CET 21 and its subsidiaries, other than subsidiaries in liquidation on the Issue Date.

“CET Group Intercreditor Agreement” means the CET Group Intercreditor Agreement dated the Issue Date between CET 21, the Guarantors, the Trustee, the Facility Agent in respect of the Revolving Credit Facility and the Security Agent.

“CET Leverage Ratio” means, for CET 21 as of any date of determination, the ratio of (x) CET Consolidated Indebtedness at such date to (y) the aggregate amount of CET Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which consolidated financial statements of the CET Group are available, provided, however, that for the purposes of calculating CET Consolidated EBITDA for such period, if, as of such date of determination:

- (1) since the beginning of such period CET 21 or any Restricted Subsidiary thereof will have disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the CET Leverage Ratio is such a Sale, CET Consolidated EBITDA for such period will be reduced by an amount equal to the CET Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the CET Consolidated EBITDA (if negative) attributable thereto for such period;
- (2) since the beginning of such period CET 21 or any Restricted Subsidiary thereof (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “Purchase”) including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, CET Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and
- (3) since the beginning of such period any other Person (that became a Restricted Subsidiary or was merged with or into the first Person or any Restricted Subsidiary thereof since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the first Person or a Restricted Subsidiary thereof since the beginning of such period, CET Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For purposes of this definition in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness on such date.

“Change of Control” means the occurrence of any of the following events:

- (1) any “person” or “group” of related persons, other than one or more Permitted Holders, is or becomes the beneficial owner, directly or indirectly, of more than 35% of the total voting power of the Voting Stock of CME, and the Permitted Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of CME than such person or group;
- (2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of (i) CME and its Restricted Subsidiaries or (ii) CET 21, in each case, taken as a whole, to any “person” other than the Permitted Holders;
- (3) the first day on which a majority of the members of the Board of Directors are not Continuing Directors;
- (4) the adoption by the shareholders of CME of a plan relating to the liquidation or dissolution of CME;
- (5) the adoption by the shareholders of CET 21 of a plan relating to the liquidation or dissolution of CET 21; or
- (6) CME ceases to beneficially own, directly or indirectly, 100% of the Capital Stock of CET 21.

For the purposes of this definition: (a) “person” and “group” have the meanings they have in Sections 13(d) and 14(d) of the U.S. Exchange Act; (b) “beneficial owner” is used as defined in Rules 13d-3 and 13d-5 under the U.S. Exchange Act, except that a person shall be deemed to have “beneficial ownership” of all shares that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time; (c) a person will be deemed to beneficially own any Voting Stock of an entity held by a parent entity, if such person is the beneficial owner, directly or indirectly, of more than 35% of the voting power of the Voting Stock of such parent entity and the Permitted Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent entity; and (d) a “Continuing Director” means any member of the Board of Directors who was a member of such Board of Directors on the Issue Date or was nominated for election or was elected to the Board of Directors with the approval of the majority of Continuing Directors who were members of the Board of Directors at the time of such nomination or election.

“Change of Control Triggering Event” means the occurrence of a Change of Control; *provided*, however, that if the Change of Control is an event described in clauses (1) through (4) (other than sub-clause (ii) of clause (2)) of the definition thereof, it shall not constitute a Change of Control Triggering Event unless and until a Ratings Decline also shall have occurred.

“Clearstream” means Clearstream Banking, société anonyme.

“CME Existing Notes” means the 2007 Notes, 2008 Convertible Notes and 2009 Notes, in each case, outstanding on the Issue Date.

“CME Group” means CME and its subsidiaries (excluding CET 21 and its subsidiaries).

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Collateral” has the meaning given to it under “—Security.”

“Commission” means the United States Securities and Exchange Commission, as from time to time constituted, created under the U.S. Exchange Act, or if at any time after the execution of the Indenture such Commission is not existing and performing the duties now assigned to it under the U.S. Securities Act and the U.S. Exchange Act, then the body performing such duties at such time.

“Common Stock” means with respect to any Person, any and all shares, interest or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person’s common stock whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock.

“Consolidated Coverage Ratio” means as of any date of determination, with respect to any Person, the ratio of (x) the aggregate amount of Consolidated EBITDA of such Person for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements are in existence to (y) Consolidated Interest Expense for such four fiscal quarters, *provided, however*, that:

- (1) if CME or any Restricted Subsidiary:
 - (a) has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation) and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period; or
 - (b) has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of the period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a discharge of Indebtedness (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated), Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the first day of such period;
- (2) if since the beginning of such period CME or any Restricted Subsidiary will have made any Asset Disposition or disposed of any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is such an Asset Disposition:
 - (a) the Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period; and
 - (b) Consolidated Interest Expense for such period will be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of CME or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to CME and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the

Indebtedness of such Restricted Subsidiary to the extent CME and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

- (3) if since the beginning of such period CME or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary or is merged with or into CME) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period; and
- (4) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into CME or any Restricted Subsidiary since the beginning of such period) will have Incurred any Indebtedness or discharged any Indebtedness, made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by CME or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto as if such Asset Disposition or Investment or acquisition of assets occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of CME (including pro forma expense and cost reductions calculated on a basis consistent with Regulation S-X under the Securities Act). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Indebtedness that is being given pro forma effect bears an interest rate at the option of CME, the interest rate shall be calculated by applying such optional rate chosen by CME.

“Consolidated EBITDA” for any period with respect to any specified Person means, without duplication, the Consolidated Net Income for such period of such Person, plus the following to the extent deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense;
- (2) Consolidated Income Taxes;
- (3) consolidated depreciation expense;
- (4) consolidated amortization of intangibles (other than amortization of programming assets);
- (5) other non-cash charges reducing Consolidated Net Income (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period not included in the calculation); and
- (6) minority interest in (income)/loss of consolidated subsidiaries,

in each case on a consolidated basis and in accordance with GAAP.

“Consolidated Income Taxes” means, with respect to any Person for any period, taxes imposed upon such Person or other payments required to be made by such Person by any governmental authority which taxes or other payments are calculated by reference to the income or profits of

such Person or such Person and its Restricted Subsidiaries (to the extent such income or profits were included in computing Consolidated Net Income for such period), regardless of whether such taxes or payments are required to be remitted to any governmental authority.

“Consolidated Interest Expense” means, for any period, the total interest expense of CME and its consolidated Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense:

- (1) interest expense attributable to Capitalized Lease Obligations and the interest portion of rent expense associated with Attributable Indebtedness in respect of the relevant lease giving rise thereto, determined as if such lease were a capitalized lease in accordance with GAAP and the interest component of any deferred payment obligations;
- (2) amortization of debt discount and debt issuance cost;
- (3) non-cash interest expense;
- (4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing;
- (5) interest actually paid by CME or any such Restricted Subsidiary under any guarantee of Indebtedness or other obligation of any other Person;
- (6) net costs associated with Hedging Obligations (including amortization of fees);
- (7) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period;
- (8) all dividends paid or payable in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of such Person or on Preferred Stock of its Restricted Subsidiaries payable to a party other than CME or a Restricted Subsidiary; and
- (9) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than CME) in connection with Indebtedness Incurred by such plan or trust; *provided, however,* that there will be excluded therefrom any such interest expense of any Unrestricted Subsidiary to the extent the related Indebtedness is not guaranteed or paid by CME or any Restricted Subsidiary.

Notwithstanding the foregoing, any capitalized or other costs incurred by CME and its Restricted Subsidiaries relating to the early extinguishment of Indebtedness shall not be included in the calculation of Consolidated Interest Expense.

For purposes of the foregoing, total interest expense will be determined after giving effect to any net payments made or received by CME and its Subsidiaries with respect to Interest Rate Agreements.

“Consolidated Net Income” means, for any period, the net income (loss) of CME and its consolidated Restricted Subsidiaries determined in accordance with GAAP; *provided, however,* that there will not be included in such Consolidated Net Income:

- (1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that:
 - (a) subject to the limitations contained in clauses (3), (4) and (5) below, CME’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to CME or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

- (b) CME's equity in a net loss of any such Person (other than an Unrestricted Subsidiary) for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from CME or a Restricted Subsidiary;
- (2) any net income (but not loss) of any Restricted Subsidiary if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to CME, except that:
 - (a) subject to the limitations contained in clauses (3), (4) and (5) below, CME's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to CME or another Restricted Subsidiary as a dividend or distribution paid or permitted to be paid, directly or indirectly, by loans, advances, intercompany transfers or otherwise (for so long as permitted) to CME or a Restricted Subsidiary (subject, in the case of such a dividend or distribution to another Restricted Subsidiary, to the limitation contained in this clause); and
 - (b) CME's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;
- (3) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of CME or its consolidated Restricted Subsidiaries (including pursuant to any Sale/Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and any gain (loss) realized upon the sale or other disposition of any Capital Stock of any Person;
- (4) any extraordinary gain or loss;
- (5) any foreign exchange gains or losses; and
- (6) the cumulative effect of a change in accounting principles.

"Credit Facility" means one or more debt facilities (including the existing credit facilities) in the form of loan agreements, revolving credit facilities, overdraft facilities, working capital facilities, syndicated credit facilities, letters of credit and other facilities provided by commercial banks and other financial institutions as each such facility may be amended, restated, modified, renewed, refunded, replaced, restructured or refinanced in whole or in part from time to time.

"Currency Agreement" means in respect of a Person any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party or a beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of CME or a Restricted Subsidiary); or
- (3) is redeemable at the option of the holder of the Capital Stock thereof, in whole or in part, in each case on or prior to the date that is 91 days after the date (a) on which the Notes mature or (b) on which there are no Notes outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable

or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further*, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require CME to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that CME may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by CME with the provisions of the Indenture described under the captions “—Certain covenants—Change of control and rating decline,” “—Certain covenants—Limitation on sales of assets and subsidiary stock” and “—Certain covenants—Limitation on sale of Capital Stock of Restricted Subsidiaries” and such repurchase or redemption complies with “—Certain covenants—Limitation on Restricted Payments.”

“Equity Offering” means any private or public sale by CME of Equity Interests (other than Disqualified Stock) of CME.

“Euroclear” means Euroclear Bank S.A./N.V.

“Existing Intercreditor Agreement” means the Intercreditor Agreement originally dated July 21, 2006, between CME, the trustees in respect of the CME Existing Notes and the other parties thereto, as amended and restated on the Issue Date.

“GAAP” means generally accepted accounting principles in the United States of America as in effect from time to time, including those set forth in the opinions and the pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession. All ratios and computations based on GAAP contained in the Indenture will be computed in conformity with GAAP. Notwithstanding the foregoing, CME (and its Subsidiaries) or CET 21 (and its Subsidiaries), or both of them, may elect to apply International Financial Reporting Standards (“IFRS”), in lieu of GAAP, for purposes of reports, ratios, computations and definitions identified or determined with reference to CME and its Restricted Subsidiaries or CET 21 and its Restricted Subsidiaries, respectively, and, upon such election, references herein to GAAP that relate to any such report, ratio, computation or definition shall thereafter be construed to mean IFRS to the extent so adopted, as in effect from time to time after such election; *provided* that any such election once made shall be notified to the Trustee and shall be irrevocable.

“Government Obligations” means direct non-callable and non-redeemable obligations (in each case, with respect to the issuer thereof) of any member state of the European Union that is a member of the European Union as of the Issue Date or of the United States of America (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is secured by the full faith and credit of the applicable member state or of the United States of America, as the case may be.

“guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Incur" means issue, create, assume, guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;
- (2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, Notes or other similar instruments;
- (3) the principal component of all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of Incurrence);
- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto;
- (5) Capitalized Lease Obligations and all Attributable Indebtedness of such Person;
- (6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;
- (8) the principal component of Indebtedness of other Persons to the extent guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

In addition, “*Indebtedness*” of any Person shall include Indebtedness described in the preceding paragraph that would not appear as a liability on the balance sheet of such Person if:

- (1) such Indebtedness is the obligation of a partnership or Joint Venture that is not a Restricted Subsidiary;
- (2) such Person or a Restricted Subsidiary of such Person is a general partner of the Joint Venture (a “*General Partner*”); and
- (3) there is recourse, by contract or operation of law, with respect to the payment of such Indebtedness to property or assets of such Person or a Restricted Subsidiary of such Person; and then such Indebtedness shall be included in an amount not to exceed:
 - (a) the lesser of (i) the net assets of the General Partner and (ii) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Restricted Subsidiary of such Person; or
 - (b) if less than the amount determined pursuant to clause (a) immediately above, the actual amount of such Indebtedness that is recourse to such Person or a Restricted Subsidiary of such Person, if the Indebtedness is evidenced by a writing and is for a determinable amount and the related interest expense shall be included in Consolidated Interest Expense to the extent actually paid by CME or its Restricted Subsidiaries.

“Interest Rate Agreement” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan (other than advances to customers in the ordinary course of business) or other extension of credit (including by way of guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; *provided* that none of the following will be deemed to be an Investment:

- (1) Hedging Obligations entered into in the ordinary course of business and in compliance with the Indenture;
- (2) endorsements of negotiable instruments and documents in the ordinary course of business; and
- (3) an acquisition of assets, Capital Stock or other securities by CME or a Subsidiary for consideration to the extent such consideration consists of common equity securities of CME.

For purposes of “—Certain covenants—Limitation on Restricted Payments”:

- (1) “Investment” will include the portion (proportionate to CME’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of CME at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, CME will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) CME’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to CME’s equity interest in such

Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors in good faith) of such Subsidiary at the time that such Subsidiary is so redesignated a Restricted Subsidiary; and

- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors. If CME or any Restricted Subsidiary of CME sells or otherwise disposes of any Voting Stock of any Restricted Subsidiary of CME such that, after giving effect to any such sale or disposition, such entity is no longer a Subsidiary of CME, CME shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value (as conclusively determined by the Board of Directors in good faith) of the Capital Stock of such Subsidiary not sold or disposed of.

“Issue Date” means the date on which the Notes are originally issued, which will be October 21, 2010.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership that is not a Restricted Subsidiary in which CME or any Subsidiary has an interest from time to time.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“Material Intercompany Debt” means a loan made pursuant to clause (2) of the second paragraph of the comment described under “—Limitation on Indebtedness” if the principal amount thereof exceeds in the aggregate €4.0 million.

“Material Subsidiary” means any Restricted Subsidiary of CET 21 whose gross assets or earnings before interest, taxes, depreciation and amortization calculated on the same basis as Consolidated EBITDA (in each case excluding intra-group items) are equal to or exceed 7.5% of the consolidated gross assets or Consolidated EBITDA of CET 21 and its Restricted Subsidiaries, in each case excluding intragroup items, and as determined by reference to the most recently delivered audited accounts delivered to the Trustee pursuant to the Indenture.

“Moody’s” means Moody’s Investor Service, Inc. or its successor.

“Net Available Cash” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a Note or installment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses incurred, and all national, provincial, and local taxes required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or Joint Ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the assets disposed of in such

Asset Disposition and retained by CME or any Restricted Subsidiary after such Asset Disposition.

“Net Cash Proceeds” with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred and paid in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“Non-Recourse Debt” means Indebtedness:

- (1) as to which neither CME nor any Restricted Subsidiary (a) provides any guarantee or credit support of any kind (including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise); and
- (2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of CME or any Restricted Subsidiary to declare a default under such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity.

“OIBDA” means operating income/(loss) before depreciation and amortization of intangible assets, which includes program rights amortization costs and excludes foreign currency exchange gains and losses and changes in the fair value of derivatives, as well as interest and taxes from earnings.

“Officer” means the Chief Executive Officer, Chief Operating Officer, the Chief Financial Officer, the Deputy Chief Financial Officer, any Vice President, any Executive Director or the Secretary of CME or CET 21, as applicable.

“Officers’ Certificate” means a certificate signed by two Officers or by an Officer and either an Assistant Treasurer or an Assistant Secretary of CME, or in the case of an Officers’ Certificate of CET 21, by two Officers of CET 21.

“Opinion of Counsel” means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to CME or the Trustee.

“Pari Passu Indebtedness” means Indebtedness that ranks equally in right of payment to the Notes and, in relation to the application of proceeds of Asset Dispositions of CET Collateral, is secured on a basis that is entitled to share ratably in the proceeds of such CET Collateral.

“Permitted Business” means (a) any business conducted by CME and any of its Restricted Subsidiaries on the Issue Date, (b) any reasonable extension of such business and (c) any business reasonably related, ancillary or complementary thereto.

“Permitted Collateral Liens” means:

(A) Liens on the CET Collateral:

- (i) arising by operation of law that are described in one or more of clauses (3), (4), (5), (7), (10), (12) or (14) of the definition of “Permitted Liens” and any extension, renewal or replacement, in whole or in part, of any such Lien; *provided* that any such extension, renewal or replacement will not interfere with the Trustee’s ability to enforce the Notes, the Guarantees or the security over the CET Collateral;
- (ii) to secure Indebtedness of a member of the CET Group, which Indebtedness is permitted to be Incurred under clauses (1), (3) or (11) of the second paragraph of the covenant described under “—Certain covenants—Limitation on Indebtedness” and any Refinancing Indebtedness in respect of such Indebtedness; *provided that* the lenders of

such Indebtedness or their duly authorized representatives accede to the CET Group Intercreditor Agreement;

- (iii) to secure Indebtedness incurred under the first paragraph, and subject to the fourth paragraph, of “—Certain covenants—Limitation on Indebtedness;” *provided that* after giving pro forma effect to such incurrence on that date and the application of the proceeds thereof, the CET Leverage Ratio is less than 2.25:1; and *provided further that* the lenders of such Indebtedness or their duly authorized representatives accede to the CET Group Intercreditor Agreement;

(B) Liens on the CME Collateral:

- (i) arising by operation of law that are described in one or more of clauses (3), (4) or (5) of the definition of “Permitted Liens;”
- (ii) to secure Indebtedness of CME or any Restricted Subsidiary of CME, which Indebtedness is permitted to be Incurred under clauses (1), (3) or (11) of the second paragraph of the covenant described under “—Certain covenants—Limitation on Indebtedness”, or which is in existence on the Issue Date, and any Refinancing Indebtedness in respect of such Indebtedness; *provided that* the lenders of such Indebtedness or their duly authorized representatives become party to the Existing Intercreditor Agreement;
- (iii) to secure Indebtedness incurred under the first paragraph, and subject to the fourth paragraph, of “—Certain covenants—Limitation on Indebtedness;” *provided that* the lenders of such Indebtedness or their duly authorized representatives become party to the Existing Intercreditor Agreement.

“Permitted Holders” means (a) each beneficial holder of CME’s Class B Common Stock on the Issue Date, (b) family members of any beneficial holder of CME’s Class B Common Stock on the Issue Date, (c) trusts, the only beneficiaries of which are persons or entities described in (a) and (b) above, and (d) partnerships, corporations, or limited liability companies which are controlled by the persons or entities described in (a) and (b) above.

“Permitted Intercompany Debt” means any Indebtedness as to which a member of the CET Group is an obligor and CME or any Restricted Subsidiary is the lender; *provided that* if such Indebtedness is also Material Intercompany Debt, the lender’s claim has been validly pledged to the Trustee for the benefit of holders of the Notes or the Indebtedness (i) does not mature and is not redeemable at the option of the member of the lender prior to the fifth anniversary of the Issue Date, (ii) is not amortizing, and (iii) allows for interest payments to be capitalized (and does not require payment of interest in cash) by the borrower or recipient of the loan or extension of credit prior to the fifth anniversary of the Issue Date.

“Permitted Investment” means an Investment by CME or any Restricted Subsidiary in:

- (1) CME or a Restricted Subsidiary or a Person which will, upon the making of such Investment, become a Restricted Subsidiary; *provided, however,* that the primary business of such Restricted Subsidiary is a Permitted Business;
- (2) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, CME or a Restricted Subsidiary; *provided, however,* that such Person’s primary business is a Permitted Business;
- (3) cash and Cash Equivalents;
- (4) receivables owing to CME or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however,* that such trade terms may include such concessionary trade terms as CME or any such Restricted Subsidiary deems reasonable under the circumstances;

- (5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) loans or advances to employees (other than executive directors) made in the ordinary course of business consistent with past practices of CME or such Restricted Subsidiary;
- (7) Capital stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to CME or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with “—Certain covenants—Limitation on sales of assets and subsidiary stock”;
- (9) Investments in existence on the Issue Date;
- (10) Currency Agreements, Interest Rate Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with “—Certain covenants—Limitation on indebtedness”;
- (11) Investments by CME or a Restricted Subsidiary in Joint Ventures with another Person for the purpose of engaging in a Permitted Business; *provided* that CME is able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph under the “—Certain covenants—Limitation on Indebtedness” covenant after giving effect, on a pro forma basis, to such Investment;
- (12) Investments by CME or any of its Restricted Subsidiaries, together with all other Investments pursuant to this clause (12), in an aggregate amount at the time of such Investment not to exceed €40 million outstanding at any one time; and
- (13) guarantees issued in accordance with “—Certain covenants—Limitations on Indebtedness.”

“Permitted Liens” means, with respect to any Person:

- (1) Liens securing Indebtedness and other obligations under a Credit Facility permitted to be Incurred under clause (1) under the “—Certain covenants—Limitation on Indebtedness” covenant, provided that such Indebtedness is not also secured on the Collateral;
- (2) Liens securing Indebtedness and other obligations Incurred under clause (11) under the “—Certain covenants—Limitation on Indebtedness” covenant, provided that such Indebtedness is not also secured on the Collateral;
- (3) pledges or deposits by such Person under workmen’s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or Government Obligations to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;
- (4) Liens imposed by law, including carriers’, warehousemen’s and mechanics’ Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings if a reserve or other appropriate provisions, if any, as shall be required by GAAP, shall have been made in respect thereof;
- (5) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings, provided appropriate reserves required pursuant to GAAP have been made in respect thereof;

- (6) Liens in favor of issuers of surety or performance bonds or letters of credit or bankers' acceptances issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided, however*, that such letters of credit do not constitute Indebtedness;
- (7) encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (8) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under the Indenture, secured by a Lien on the same property securing such Hedging Obligation;
- (9) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of CME or any of its Restricted Subsidiaries;
- (10) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (11) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations with respect to, assets or property acquired or constructed in the ordinary course of business; *provided* that:
 - (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and does not exceed the cost of the assets or property so acquired or constructed; and
 - (b) such Liens are created within 180 days of construction or acquisition of such assets or property and do not encumber any other assets or property of CME or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;
- (12) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository institution; *provided* that such deposit account is not intended by CME or any Restricted Subsidiary to provide collateral to the depository institution;
- (13) Liens arising from United States Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by CME and its Restricted Subsidiaries in the ordinary course of business;
- (14) Liens existing on the Issue Date;
- (15) Liens on property or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary; *provided, however*, that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary; *provided further, however*, that any such Lien may not extend to any other property owned by CME or any Restricted Subsidiary;
- (16) Liens on property at the time CME or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger, amalgamation or consolidation with or into CME or any Restricted Subsidiary; *provided, however*, that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such acquisition; *provided further, however*, that such Liens may not extend to any other property owned by CME or any Restricted Subsidiary;

- (17) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to CME or another Restricted Subsidiary;
- (18) Liens securing the Notes or any Guarantees;
- (19) Liens securing Refinancing Indebtedness incurred to refinance Indebtedness that was previously so secured, *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, replacement accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;
- (20) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease; and
- (21) Liens securing Indebtedness Incurred in respect of any customary cash management, cash pooling or netting or setting off arrangements (notional or otherwise) entered into in the ordinary course of business.

“Permitted Transaction” means the relocation or movement, within the CET Group, of assets of any member of the CET Group that form part of the CET Collateral in an aggregate annual amount not to exceed €10.0 million or its equivalent per annum.

“Person” means any individual, corporation, partnership, joint venture, association, company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“Preferred Stock,” as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

“Rating Agencies” means Moody’s or S&P and if Moody’s or S&P shall not make a rating of the Notes publicly available, an internationally recognized securities rating agency or agencies, as the case may be, which shall be substituted for Moody’s or S&P or each of them as the case may be.

“Rating Date” means the date which is the day prior to the initial public announcement by CME and/or CET 21 or the proposed acquirer that (i) the acquirer has entered into one or more binding agreements with CME, CET 21 and/or shareholders of CME and/or CET 21 that would give rise to a Change of Control or (ii) the proposed acquirer has commenced an offer to acquire outstanding Voting Stock of CME and/or CET 21.

“Rating Decline” shall be deemed to occur if on the 60th day following the occurrence of a Change of Control the rating of the Notes by either Rating Agency shall have been (i) withdrawn or (ii) downgraded, by one or more degradations, from the ratings in effect on the Rating Date.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) (collectively, “refinance,” “refinances,” and “refinanced” shall have a correlative meaning) any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture (including Indebtedness of CME that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary or of CME) including Indebtedness that refinances Refinancing Indebtedness; *provided, however, that:*

- (1) (a) if the Stated Maturity of the Indebtedness being refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Notes, the

Refinancing Indebtedness has a Stated Maturity at least 91 days later than the Stated Maturity of the Notes;

- (2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced;
- (3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees incurred in connection therewith);
- (4) if the Indebtedness being refinanced is subordinated in right of payment to the Notes, such Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;
- (5) "Refinancing Indebtedness" shall not include Indebtedness of a Restricted Subsidiary that is not a Guarantor incurred to refinance Indebtedness of a Guarantor; and
- (6) "Refinancing Indebtedness" shall not include Indebtedness of a CET Guarantor or a member of the CET Group incurred to refinance Indebtedness of CME or a Restricted Subsidiary of CME that is not a member of the CET Group or a CET Guarantor, except to the extent that the Indebtedness being refinanced was guaranteed by such CET Guarantor or such member of the CET Group.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Subsidiary" means any Subsidiary of CME other than an Unrestricted Subsidiary.

"Revolving Credit Facility" means the facility provided pursuant to an agreement dated on or about the Issue Date among CET 21, as borrower, BNP Paribas, S.A., J.P. Morgan plc, Citigroup Global Markets Limited, ING Bank N.V. and Česká spořitelna, a.s., as mandated lead arrangers, BNP Paribas S.A., JPMorgan Chase Bank N.A., Citibank Europe plc, ING Bank N.V. and Česká spořitelna, a.s., as original lenders, BNP Paribas S.A., as agent, BNP Paribas Trust Corporation UK Limited, as security agent, and Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Investments B.V., CME Slovak Holdings B.V. and MARKÍZA—SLOVAKIA, spol. s r.o., as the original guarantors, as such facility may be amended, restated, modified, renewed, refunded, replaced, restructured or refinanced in whole or in part from time to time.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired whereby CME or a Restricted Subsidiary transfers such property to a Person and CME or a Restricted Subsidiary leases it from such Person.

"Security Agent" means BNP Paribas Trust Corporation UK Limited, as security agent under the CET Group Intercreditor Agreement.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of CME within the meaning of Rule 1-02 under Regulation S-X promulgated by the Commission as of the Issue Date.

"S&P" means Standard and Poor's Ratings Group and its successors.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent

obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligations” means any Indebtedness of CME or any Subsidiary Guarantor (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to obligations under the Indenture pursuant to a written agreement.

“Subsidiary” of any Person means (i) any corporation, association, partnership, joint venture, limited liability company or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership and joint venture interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person or (ii) any corporation, association, partnership, joint venture, limited liability company or other business entity which is consolidated with CME and its Subsidiaries in accordance with GAAP. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of CME.

“Subsidiary Guarantee” means, individually, any guarantee of payment of the Notes by a Subsidiary Guarantor pursuant to the terms of the Indenture and any supplemental indenture thereto, and collectively, all such Subsidiary Guarantees. Each such Subsidiary Guarantee will be in a form prescribed by the Indenture.

“Technical Amendment” means any amendment to a Security Document in respect of the Notes pursuant to the provisions described in the second paragraph of “Amendments and waivers,” *provided* that in relation to any such amendment either (i) the covenant entitled “Certain covenants—Impairment of security interest” has been complied with or (ii) CME delivers to the Trustee an Officers’ Certificate, in form and substance reasonably satisfactory to the Trustee, confirming the solvency of the Person granting such security interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, and an Opinion of Counsel (subject to any necessary qualifications relating to hardening periods and other qualifications customary for this type of Opinion of Counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement (followed by an immediate retaking of a lien of at least equivalent ranking (after giving effect to the deletion or removal of the replaced lien) over the same assets), the Lien or Liens created under the Security so amended are valid Liens.

“Unrestricted Subsidiary” means:

- (1) as of the Issue Date each of Top Tone Media S.A., Zopal S.A., PRO BG MEDIA EOOD, LG Consult EOOD, Ring TV EAD and CME Development Financing B.V., provided, however, that each of the foregoing shall only be considered to be Unrestricted Subsidiaries on and after the Issue Date to the extent they continue to meet all requirements for being designated as Unrestricted Subsidiaries as set forth below in this definition;
- (2) any Subsidiary of CME that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below; and
- (3) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Subsidiary of CME (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, amalgamation or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of CME which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;

- (2) all the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Non-Recourse Debt;
- (3) such designation and the Investment of CME in such Subsidiary complies with “—Certain covenants—Limitation on Restricted Payments”;
- (4) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of CME and its Subsidiaries;
- (5) such Subsidiary is a Person with respect to which neither CME nor any of its Restricted Subsidiaries has any direct or indirect obligation:
 - (a) to subscribe for additional Capital Stock of such Person; or
 - (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results;
- (6) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with CME or any Restricted Subsidiary with terms substantially less favorable to CME than those that might have been obtained from Persons who are not Affiliates of CME.

Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors giving effect to such designation and an Officers’ Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and CME could incur at least €1.00 of additional Indebtedness under the first paragraph of the covenant described under “—Certain covenants—Limitation on Indebtedness” on a pro forma basis taking into account such designation.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

“Voting Stock” of a corporation means all classes of Capital Stock of such corporation then outstanding and normally entitled to vote in the election of members of the management board, directors or persons acting in a similar capacity on similar corporate bodies.

Material Czech tax and United States federal income tax considerations

Material Czech tax considerations

The following is a general description of the material Czech Republic tax considerations relating to the notes. This discussion deals only with beneficial owners who purchase the notes in this offering at the offering price shown on the cover of this offering memorandum and does not purport to be a complete analysis of all of the tax considerations relating to the notes. It does not take into account or discuss the tax laws of any country other than the Czech Republic nor does it take into account specific double taxation treaties nor the individual circumstances, financial situation or investment objectives of an investor in the notes.

Prospective purchasers of notes should consult their own tax advisers as to the consequences under the tax laws of the country in which they are resident for tax purposes and the tax laws of the Czech Republic of acquiring, holding and disposing of notes and receiving payments of interest, principal and/or other amounts under the notes. This summary is based upon the law as in effect on the date of this offering memorandum and is subject to any change in law that may take effect after such date.

Under the existing laws and regulations of the Czech Republic and their prevailing interpretations, interest income on the notes (issued abroad) of an individual who is not for tax purposes treated as a resident of the Czech Republic or of a legal person which is not for tax purposes treated as a resident of the Czech Republic (together, "Non-Czech Holders"), not holding the notes through a permanent establishment in the Czech Republic, will not be subject to taxation in the Czech Republic, and no withholding of any Czech tax will be required on any such payments.

In addition, income or gains realized by Non-Czech Holders (not holding the notes through a permanent establishment in the Czech Republic) from the sale or exchange of the notes to a Non-Czech Holder (not acquiring the notes through a permanent establishment in the Czech Republic) will not be subject to any Czech income or capital gains tax. Income or gains realized by Non-Czech Holders (not holding the notes through a permanent establishment in the Czech Republic) from the sale or exchange of the notes (a) to an individual who is for tax purposes treated as a resident of the Czech Republic or to a legal person which is for tax purposes treated as a resident of the Czech Republic (together, the "Czech Holders") or (b) to a permanent establishment of another Non-Czech Holder will not be subject to any Czech income or capital gains tax provided that (i) the Non-Czech Holder realizing the income or gains is "resident" in a country within the meaning of a double taxation treaty between that country and the Czech Republic, pursuant to the terms of which the Czech Republic may not impose (subject to compliance by the Non-Czech Holder realizing the gains with the conditions of such treaty) any income or capital gains tax on capital gains realized by the Non-Czech Holder from the sale or exchange of the notes to such Czech Holder or a permanent establishment of such other Non-Czech Holder, or (ii) the income or gains realized by the Non-Czech Holder, being an individual, will be exempted from the income tax in the Czech Republic. No Czech stamp duty, registration, transfer or similar taxes will be payable in connection with the acquisition, ownership, sale or disposal of the notes by Non-Czech Holders.

EU Savings Directive

Under Directive 2003/48/EC (the "Savings Directive"), which was implemented into Czech tax law, a person paying interest income (the issuer), is obliged to notify its local tax authority on interest income of each individual resident in another EU member state or in Switzerland, Andorra, Liechtenstein, San Marino or Monaco. For the purposes of this notification, the payer of the income (the issuer), would require the recipient to present a passport or another identification certificate and possibly further documents to verify the recipient's name,

surname, place of residence and tax identification number, or date and place of birth in respect of those recipients who have not been assigned a tax identification number.

Material U.S. federal income tax considerations

THIS DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS OFFERING MEMORANDUM AND IS NOT INTENDED TO BE AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES. YOU MUST CONSULT AN INDEPENDENT TAX ADVISOR REGARDING THE CONSEQUENCES TO YOU OF AN INVESTMENT IN THE NOTES IN LIGHT OF YOUR PERSONAL CIRCUMSTANCES.

The following are the material United States federal income tax consequences of the acquisition, ownership and disposition of the notes as of the date hereof. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), existing Treasury regulations thereunder and current administrative rulings and court decisions. All of the foregoing is subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. CET 21 has not sought any ruling from the Internal Revenue Service ("IRS") with respect to the statements made and conclusions reached in the following summary, and there can be no assurance that the IRS will agree with CET 21's statements and conclusions. This discussion deals only with beneficial owners who purchase the notes in this offering at the offering price shown on the cover of this offering memorandum. This discussion also does not address the U.S. federal income tax consequences of owning notes not held as capital assets within the meaning of Section 1221 of the Code, or the U.S. federal income tax consequences to investors subject to special treatment under the U.S. federal income tax laws, such as dealers in securities or foreign currency, tax-exempt entities, banks, financial institutions, regulated investment companies, real estate investment trusts, insurance companies, persons who are not "U.S. Holders," as defined below, persons who hold the notes as part of a "straddle," a "hedge" or a "conversion transaction," persons who have a "functional currency" other than the U.S. dollar, persons liable for alternative minimum tax, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, investors in pass-through entities, "controlled foreign corporations," "passive foreign investment companies" or United States expatriates.

As used herein, the term "U.S. Holder" means a beneficial owner of notes, that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) the trust was in existence on August 20, 1996 and has a valid election in effect under applicable U.S. Treasury regulations to continue to be treated as a U.S. person.

In the case of an entity treated as a partnership for U.S. federal income tax purposes that is a beneficial owner of a note, the treatment of its partners generally will depend upon the status of the partner and the activities of the partnership. A beneficial owner that is a partnership or a partner in such partnership should consult its tax advisors about the U.S. federal income tax consequences of acquiring, holding and disposing of notes.

Payments of stated interest

It is anticipated that the notes will be issued at par or at a discount that is "*de minimis*" for U.S. federal income tax purposes. Assuming that is the case, subject to the discussions below under "*—Additional payments*", payments of stated interest on the notes generally will be taxable to a U.S. Holder as ordinary income at the time such payments are received or accrued, in accordance with the U.S. Holder's method of tax accounting.

Interest payments on the notes will be made in euros. If you are a U.S. Holder who uses the cash method of accounting for tax purposes, you must include as ordinary income the U.S. dollar value of the euro payment (determined on the date the payment is received) when you receive an interest payment, regardless of whether the payment is in fact converted to U.S. dollars at such time (and you therefore will not recognize foreign currency exchange gain or loss on your receipt of the euro payment). This U.S. dollar amount establishes your income tax basis in the euros you receive to determine foreign currency gain or loss upon disposition of the euros.

If you are a U.S. Holder who uses the accrual method of accounting for tax purposes, you must include as ordinary income the U.S. dollar value of the interest payments that accrue on your note during an accrual period. The U.S. dollar value of such accrued income is determined by translating such income at the average applicable exchange rate for the accrual period, or, with respect to an accrual period that spans two taxable years, at the average applicable exchange rate for the partial period within the taxable year. You will recognize additional ordinary income or an ordinary loss if and to the extent that the U.S. dollar value of the accrued interest income, as so determined, is less than or exceeds the U.S. dollar value of the euro payment of interest when made (or when you dispose of the note, if earlier). Alternatively, you may elect to translate interest income into U.S. dollars at the spot rate on the last day of the interest accrual period (or in the case of an accrual period spanning two taxable years, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of an interest accrual period, the spot rate on the date of receipt. You should consult your tax advisor as to the benefit of this election, inasmuch as the election applies to all debt obligations you hold from year to year and is irrevocable without the consent of the IRS.

In addition to interest on the notes (which includes any foreign tax withheld from the interest payments you receive), you will be required to include in income any Additional Amounts (as defined in "*Description of the notes—Payment of additional amounts*") paid in respect of such foreign tax withheld. Interest income (including any Additional Amounts) earned by you with respect to a note will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating your foreign tax credit limitation. Foreign currency gain or loss, however, will be treated as U.S. source income or loss. The limitation on foreign taxes eligible for credit against your U.S. income tax liability is calculated separately with respect to specific classes of income. For this purpose, interest (including any Additional Amounts) paid on the notes will generally constitute "*passive category income.*" As an alternative to the tax credit, a U.S. Holder may elect to deduct such taxes (the election would then apply to all foreign income taxes such U.S. Holder paid in that taxable year). You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits.

Additional payments

Certain debt instruments that provide for contingent payments are subject to special rules under U.S. Treasury regulations relating to "*contingent payment debt instruments*" (the "*CPDI regulations*"). In certain circumstances (see, for example, "*Description of the notes—Optional*"),

redemption”), CET 21 may be obligated to make payments on the notes in excess of stated principal and interest. Under the CPDI regulations, the possibility of an additional payment on a note may be disregarded for purposes of determining the timing and amount of interest or original issue discount income to be recognized by a U.S. Holder in respect of such note if the likelihood of the payment, as of the date the notes are issued, is remote or the amount of potential payments is incidental or certain other exceptions apply. CET 21 does not intend to treat potential additional payments on the notes as contingent payments under the CPDI regulations. This position is based in part on assumptions regarding the likelihood, as of the date the notes are issued, that such additional payments on the notes will have to be paid. It is possible, however, that the IRS may take a different position regarding the possibility of such additional payments, in which case, if the position of the IRS were sustained, the timing, amount and character of income recognized with respect to a note may be different than described herein and a U.S. Holder may be required to recognize income in excess of stated interest on the note and may be required to treat as interest income all or a portion of any gain recognized on the disposition of a note. This summary assumes that the IRS will not take a different position, or, if it takes a different position, that such position will not be sustained. Prospective purchasers should consult their own tax advisors as to the tax considerations that relate to the possibility of additional payments.

Sale or retirement of the notes

Upon the sale or retirement or other taxable disposition of a note, you will recognize taxable gain or loss equal to the difference between the amount of cash and the fair market value of any property you receive upon such disposition, other than amounts attributable to accrued and unpaid stated interest (which will be taxed as ordinary interest income under the rules discussed above), and your adjusted tax basis in the note. Your adjusted tax basis in your note is generally the U.S. dollar value of the euro purchase price paid by you for the note, determined on the date of purchase. If you purchase your note with previously owned euros, you will recognize ordinary income or loss equal to the difference between your tax basis in the euros and the U.S. dollar value thereof on the date of purchase. If your note is sold, exchanged or retired for an amount denominated in euros, then your amount realized generally will be based on the U.S. dollar value of the euros on the date of sale, exchange or retirement. Except for any resulting foreign currency gain or loss, which will be ordinary, the gain or loss you recognize on the sale, retirement or other taxable disposition of the notes generally will be capital gain or loss. The gain or loss will be long-term capital gain or loss if you held the notes for more than 12 months. Long-term gain is subject to reduced federal income tax rates for U.S. Holders other than corporations. Capital losses generally cannot be applied to offset ordinary income. Your capital gain or loss will be treated as U.S. source gain or loss for foreign tax credit purposes. Consequently, you may not be able to claim a credit for any foreign tax imposed upon a disposition of a note unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

A portion of your gain or loss with respect to the principal amount of a note may be treated as exchange gain or loss. Exchange gain or loss will be treated as ordinary income or loss and generally will be U.S. source gain or loss. For these purposes, the principal amount of a note is your purchase price for the note calculated in euros on the date of purchase, and the amount of exchange gain or loss is equal to the difference between (i) the U.S. dollar value of the principal amount determined on the sale, exchange, retirement or other disposition of the note and (ii) the U.S. dollar value of the principal amount determined on the date you purchased the note. The amount of exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of the note.

Backup withholding and information reporting

Unless you are an “exempt recipient”, you generally will be subject to information reporting with respect to payments of principal and interest on the notes, and proceeds from the sale, exchange or other disposition of the notes. You will also be subject to backup withholding on such payments at the applicable statutory rate (currently, 28% and scheduled to increase to 31% for 2011 and thereafter) if you fail to supply an accurate taxpayer identification number or otherwise fail to comply with applicable certification requirements. Backup withholding tax is not an additional tax and may be credited against your regular U.S. federal income tax liability or refunded by the IRS. You should consult your tax advisor regarding the application of these rules.

In addition, for taxable years beginning after March 18, 2010, recently enacted legislation requires certain U.S. Holders who are individuals to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions).

Reportable transactions

Treasury regulations issued under the Code intended to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a specified threshold amount. If you are considering the purchase of the notes, you should consult with your own tax advisors to determine your tax reporting obligations, if any, with respect to an investment in the notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

3.8% Medicare tax on “net investment income”

For taxable years beginning after December 31, 2012, certain U.S. Holders, including individuals, estates, and trusts, will be subject to an additional 3.8% Medicare tax on unearned income. For individual U.S. Holders, the additional Medicare tax applies to the lesser of (i) “net investment income,” or (ii) the excess of “modified adjusted gross income” over US\$ 200,000 (US\$ 250,000 if married and filing jointly or US\$ 125,000 if married and filing separately). “Net investment income” generally equals the taxpayer’s gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income such as interest, dividends, annuities, royalties, rents, and capital gains. U.S. Holders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in the notes.

THE ABOVE DISCUSSION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

Book-entry, settlement and clearance

The global notes

The notes offered hereby will be issued in the form of two registered notes in global form, without interest coupons (the “global notes”), as follows:

- notes sold to qualified institutional buyers under Rule 144A will be represented by the Rule 144A global note; and
- notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by the Regulation S global note.

Upon issuance, each of the global notes will be deposited with and registered in the name of a common depository for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”). The notes will not be eligible for clearance through the facilities of The Depository Trust Company.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with Euroclear and/or Clearstream (“participants”) or persons who hold interests through participants (“indirect participants”). CET 21 expects that under procedures established by Euroclear and Clearstream:

- upon deposit of each global note with the common depository, Euroclear and Clearstream will credit, on their respective book-entry registration and transfer systems, portions of the principal amount of the global note to the accounts of the Euroclear or Clearstream participants designated by the initial purchasers; and
- ownership of beneficial interests in each global note will be shown on, and transfers of ownership of those interests will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Each global note and beneficial interests in each global note will be subject to restrictions on transfer as described under “Transfer restrictions”.

Exchanges between the global notes

The distribution compliance period will begin on the date of delivery of the notes offered hereby and end 40 days after the date of delivery of the notes offered hereby. During the distribution compliance period, beneficial interests in the Regulation S global note may be transferred only to non-U.S. persons under Regulation S or qualified institutional buyers under Rule 144A.

Beneficial interests in one global note may generally be exchanged for interests in another global note. Depending on whether the transfer is being made during or after the 40-day distribution compliance period, and to which global note the transfer is being made, the registrar or any transfer agent may require the seller to provide certain written certifications in the form provided in the Indenture.

A beneficial interest in a global note that is transferred to a person who takes delivery through another global note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Book-entry procedures for the global notes

All interests in the global notes will be subject to the operations and procedures of Euroclear and Clearstream. CET 21 provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither CET 21, CME nor the initial purchasers are responsible for those operations or procedures.

CET 21 understands the following with respect to Euroclear and Clearstream:

- Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of those participants;
- Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing;
- Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations; and
- indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear and Clearstream participant, either directly or indirectly.

So long as the notes are outstanding in global form and the common depositary for Euroclear and Clearstream is the registered owner of a global note, the common depositary will be considered the sole owner or holder of the notes represented by that global note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the notes under the Indenture for any purpose including with respect to the giving of any direction, instruction or approval to the trustee under the Indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of Euroclear and Clearstream to exercise any rights of a holder of notes under the Indenture (and, if the investor is not a participant in Euroclear or Clearstream, on the procedures of the participant or indirect participant through which the investor owns its interest). Euroclear and Clearstream have advised CET 21 that they will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account a beneficial interest in the global notes is credited and only in respect of the portion of the aggregate principal amount of notes for which the participant or participants has or have given direction.

Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the global notes. However, if there is an event of default under the Indenture, each of Euroclear and Clearstream reserves the right to exchange the global notes for registered notes in physical, certificated form, and to distribute those certificated notes to its participants as provided below.

Payments of principal, premium (if any) and interest with respect to the notes represented by a global note will be made by CET 21 in euros to the paying agent, which will pay such amounts to the common depositary for Euroclear and Clearstream, as the registered holder of a global note. The common depositary will, in turn, distribute those payments to Euroclear and

Clearstream according to the respective principal amounts of the global notes held by each of them on behalf of their respective participants, and Euroclear and Clearstream will distribute the payments received from the common depository to their participants in accordance with their respective procedures.

Neither CET 21 nor the paying agent nor the trustee nor the common depository will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by Euroclear, Clearstream or any of their participants or indirect participants, or for maintaining, supervising or reviewing any records of Euroclear, Clearstream or any participant or indirect participant relating to those interests.

Payments by participants and indirect participants of Euroclear and Clearstream to the owners of beneficial interests in a global note will be the responsibility of those participants or indirect participants.

Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications relating to the notes through Clearstream and/or Euroclear on days when those systems are open for business. Those systems may not be open for business on certain days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be complications in connection with completing transactions through Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer a beneficial interest in a global note or to receive or make a payment or delivery of such an interest on a particular day may find that the transaction will not be performed until the next business day in Brussels (if the investor holds its interest through Euroclear) or in Luxembourg (if the investor holds its interest through Clearstream).

In the event that the notes represented by a global note (or any portion thereof) are redeemed, Euroclear or Clearstream, as applicable, will redeem an equal amount of the beneficial interests in that global note from the amount received by it in respect of the redemption of the global note. The redemption price payable in connection with the redemption of the beneficial interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of the global note (or any portion thereof). CET 21 understands that, under existing practices of Euroclear and Clearstream, if fewer than all of the notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on any other basis that they deem fair and appropriate; *provided* that no beneficial interest of less than €50,000 principal amount may be redeemed in part.

Euroclear and Clearstream are not obligated to perform any of the above procedures and may discontinue or change these procedures at any time. Neither CET 21 nor the paying agent nor the trustee nor the common depository will have any responsibility for the performance by Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated notes

Under the terms of the Indenture, notes in physical, certificated form will be issued and delivered to each person that Euroclear and Clearstream identifies as a beneficial owner of the related notes only if:

- Euroclear or Clearstream notifies CET 21 at any time that it is unwilling or unable to continue as depository for the global notes and a successor depository is not appointed within 90 days;
- an event of default under the Indenture has occurred and is continuing, and Euroclear or Clearstream so requests;
- an event of default under the Indenture has occurred and is continuing, and the owner of a beneficial interest in a global note requests such exchange in writing delivered through either Euroclear or Clearstream; or
- CET 21, at its option, notifies the registrar and the trustee that it elects to cause the issuance of certificated notes.

Transfer restrictions

The notes offered hereby are subject to restrictions on transfer as summarized below. By purchasing the notes, you will be deemed to have made the following acknowledgments, representations to and agreements with CET 21 and the initial purchasers:

- (1) You understand and acknowledge that:
 - the notes have not been registered under the U.S. Securities Act or any other applicable securities laws;
 - the notes are being offered for resale in transactions that do not require registration under the U.S. Securities Act or any other securities laws; and
 - unless so registered, the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.
- (2) You represent that you are not an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of CET 21’s, that you are not acting on CET 21’s behalf and that either:
 - you are a “qualified institutional buyer” (as defined in Rule 144A) and are purchasing notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the notes to you in reliance on Rule 144A; or
 - you are not a “U.S. person” (as defined in Regulation S under the U.S. Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing notes in an offshore transaction in accordance with Regulation S.
- (3) You acknowledge that neither CET 21, CME, the initial purchasers, nor any person representing CET 21, CME, or the initial purchasers, has made any representation to you with respect to CET 21 or the offering of the notes, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning CET 21 and the notes as you have deemed necessary in connection with your decision to purchase the notes, including an opportunity to ask questions of and request information from us.
- (4) You represent that you are purchasing the notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes in violation of the U.S. Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the U.S. Securities Act. If you are a qualified institutional buyer who is purchasing notes in the United States in reliance on Rule 144A, you agree on your own behalf and on behalf of any investor account for which you are purchasing the notes, and each subsequent holder of the notes by its acceptance of the notes will agree, that until the end of the Resale Restriction Period (as defined below), the notes may be offered, sold or otherwise transferred only:
 - (a) to CET 21;
 - (b) under a registration statement that has been declared effective under the U.S. Securities Act;

- (c) for so long as the notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;
- (d) through offers and sales that occur outside the United States to a non-U.S. person within the meaning of Regulation S under the U.S. Securities Act;
- (e) to an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act) that is not a qualified institutional buyer and that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of notes equal to an equivalent amount of US\$ 250,000; or
- (f) under any other available exemption from the registration requirements of the U.S. Securities Act; subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or account's control and in compliance with applicable state and other securities laws.

You also acknowledge that:

- the above restrictions on resale will apply from the closing date until the date that is one year (in the case of Rule 144A notes) or 40 days (in the case of Regulation S notes) after the later of the date of delivery of the notes offered hereby and the last date on which CET 21 or any of its affiliates was the owner of the notes or any predecessor of the notes (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends;
- if a holder of notes offered hereby proposes to resell or transfer notes under clause (4)(e) above before the Resale Restriction Period ends, the seller must deliver to CET 21 and the registrar a letter from the purchaser in the form set forth in the Indenture which must provide, among other things, that the purchaser is an institutional accredited investor that is acquiring the notes not for distribution in violation of the Securities Act;
- CET 21 and the registrar reserve the right to require in connection with any offer, sale or other transfer of notes offered hereby before the Resale Restriction Period ends under clauses (4)(d), (e) or (f) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to CET 21 and the trustee; and
- each note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OR REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A

REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE U.S. SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES EQUAL TO AN EQUIVALENT AMOUNT OF US\$ 250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

- (5) You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes offered hereby is no longer accurate, you will promptly notify CET 21 and the initial purchasers. If you are purchasing any notes offered hereby as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

Plan of distribution

Subject to the terms and conditions in the purchase agreement, dated October 14, 2010, among CET 21, CME and the initial purchasers, CET 21 has agreed to sell to the initial purchasers, and the initial purchasers have agreed to purchase from CET 21, the entire principal amount of the notes offered hereby.

The obligations of the initial purchasers under the purchase agreement, including their agreement to purchase notes offered hereby from CET 21, are several and not joint. The purchase agreement provides that the initial purchasers will purchase all the notes offered hereby if any of them are purchased.

The initial purchasers initially propose to offer the notes offered hereby for resale at the issue price that appears on the cover of this offering memorandum. After the initial offering, the initial purchasers may change the offering price and any other selling terms. The initial purchasers may offer and sell notes through certain of their affiliates including U.S. broker dealer affiliates of the initial purchasers.

In the purchase agreement, each of CET 21 and CME has agreed that:

- each of CET 21 and CME will not offer, sell, contract to sell, issue or otherwise dispose of any debt securities issued or guaranteed by CET 21 or any of the Guarantors and having a tenor of more than one year (other than the notes) for a period of 90 days after the date of this offering memorandum without the prior consent of J.P. Morgan Securities Ltd.; and
- each of CET 21 and CME will indemnify the initial purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or contribute to payments that the initial purchasers may be required to make in respect of those liabilities.

United States

The notes have not been registered under the U.S. Securities Act or the securities laws of any other place. In the purchase agreement, each initial purchaser has agreed that:

- the notes offered hereby may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from the registration requirements of the U.S. Securities Act or in transactions not subject to those registration requirements; and
- during the initial distribution of the notes offered hereby, it will offer or sell notes only to qualified institutional buyers in compliance with Rule 144A and outside the United States to non-U.S. persons in compliance with Regulation S.

In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the U.S. Securities Act.

United Kingdom

In the purchase agreement, each initial purchaser has also agreed that:

- it has not offered or sold and will not offer or sell any notes offered hereby to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA");

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes offered hereby in, from or otherwise involving the United Kingdom; and
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes offered hereby in circumstances in which Section 21(1) of the FSMA does not apply to CET 21.

European Economic Area (other than the Czech Republic)

In the purchase agreement, each initial purchaser has also agreed that it has not offered or sold and will not offer or sell any notes offered hereby to persons in any member state of the European Economic Area except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any measure implementing the Prospectus Directive in that Relevant Member State).

Notes may not be offered and will not be offered to the public in any Relevant Member State except that notes may be offered to:

- (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (ii) any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (iii) fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any Relevant Member State subject to obtaining the prior consent of CET 21; or
- (iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of notes shall result in a requirement for the publication by CET 21 of a prospectus pursuant to Article 3 of the Prospectus Directive.

Czech Republic

The notes may not be offered, transferred or sold in the Czech Republic as part of their initial distribution. Following the initial distribution, the notes may not be offered to the public in the Czech Republic except in reliance on one or more exemptions from the obligation to publish a prospectus under the Czech Act No. 256/2004 Coll., on doing business in capital markets, as amended.

General

The notes are a new issue of securities, and there is currently no established trading market for the notes. In addition, the notes offered hereby are subject to certain restrictions on resale and transfer as described under "Transfer restrictions" above. CET 21 does not intend to apply for the notes to be listed on any securities exchange other than the Luxembourg Stock Exchange or to arrange for the notes to be quoted on any quotation system. The initial purchasers have advised CET 21 that they intend to make a market in the notes, but they are not obligated to do so. The initial purchasers may discontinue any market making in the notes at any time in their sole discretion. In addition, such market-making activities will be subject to the limits

imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, CET 21 cannot assure you that a liquid trading market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities.

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Certain of the initial purchasers and their affiliates perform various financial advisory, investment banking and commercial banking services from time to time for CME, CET 21 and their affiliates for which they have received (and expect to continue to receive) customary fees and reimbursement of expenses. J.P. Morgan plc, an affiliate of J.P. Morgan Securities Ltd, BNP Paribas S.A., an affiliate of BNP Paribas London Branch, Citibank Global Markets Limited, an affiliate of Citigroup Global Markets Limited and ING Bank N.V., an affiliate of ING Bank N.V., London Branch, are acting as mandated lead arrangers under the Secured Revolving Credit Facility. In addition, BNP Paribas S.A., JPMorgan Chase Bank N.A., Citibank Europe plc and ING Bank N.V. are acting as original lenders under the Secured Revolving Credit Facility. BNP Paribas S.A. is also acting as agent under the Secured Revolving Credit Facility and BNP Paribas Trust Corporation UK Limited is acting as security agent in respect of the obligations under the Indenture and the Secured Revolving Credit Facility.

It is expected that delivery of the notes will be made against payment therefor on or about October 21, 2010, which is the fifth business day following the date hereof (such settlement cycle being referred to as "T+5"). Under Rule 15c6-1 under the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, initial purchasers who wish to trade the notes on the date of pricing or the next five succeeding business days will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Initial purchasers of the notes who wish to trade the notes on the date of pricing should consult their own advisors.

Legal matters

Various legal matters will be passed upon for CET 21 and CME by Dewey & LeBoeuf LLP, New York, United States, as to matters of United States federal and New York state law, by Dewey & LeBoeuf, London, United Kingdom, as to matters of English law, by Katten Muchin Rosenman LLP, New York, United States, as to certain matters of United States federal and New York State law, and by Kotlík Bourgeault Andruško, Prague, Czech Republic, as to matters of Czech law. Certain legal matters will be passed upon for the initial purchasers by Simpson Thacher & Bartlett LLP, London, United Kingdom, as to matters of United States federal and New York state law, and by White & Case LLP, Prague, Czech Republic, as to matters of Czech law.

Independent auditors

Independent audit firm

CET 21

The consolidated balance sheets of CET 21 spol. s r.o. and its subsidiaries as of and for the years ended December 31, 2009 and 2008, and the related consolidated statements of operations and comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2009 included in this offering memorandum have been audited by Deloitte Audit s.r.o., independent audit firm, as stated in their report appearing herein.

Independent registered public accounting firm

CME

The consolidated balance sheets of Central European Media Enterprises Ltd. and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations and comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2009 and the effectiveness of internal control over financial reporting as of December 31, 2009 incorporated by reference in this offering memorandum have been audited by Deloitte LLP, an independent registered public accounting firm as stated in their reports which are incorporated herein by reference.

Enforcement of judgments

CET 21 is incorporated in the Czech Republic. None of the members of its management and its Executive Directors (in Czech: "*jednatelé*") are residents of the United States as of the date of this offering memorandum, and all or a majority of CET 21's assets are located outside the United States. The guarantors are incorporated in Bermuda, the Netherlands, Curaçao and the Slovak Republic. The members of their boards of directors and management are not residents of the United States as of the date of this offering memorandum, and all of the assets of the guarantors are located outside of the United States. As a result, it may be difficult or impossible for U.S. investors to effect service of process within the United States upon CET 21's management or Executive Directors or to enforce judgments obtained in U.S. courts predicated upon the federal securities laws of the United States or the securities or blue sky laws of any state within the United States, against CET 21 or CET 21's management or Executive Directors.

Enforcement of judgments in the Czech Republic

Czech counsel has advised CET 21 that, under applicable principles of Czech law, a judgment rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would only be recognized and enforced by the courts in the Czech Republic if, among other things, actual reciprocity has been established regarding recognition and enforcement of judgments rendered by Czech courts in the United States. As is the case of the Netherlands, the United States and the Czech Republic do not currently have a bilateral treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters.

In addition, the Czech Ministry of Justice may, subject to consultations with the Czech Ministry of Foreign Affairs (among others), declare that reciprocity has been established with respect to a particular foreign country. Such a declaration is binding upon Czech courts and other state authorities of the Czech Republic. No such declaration of reciprocity has been issued by the Czech Ministry of Justice with respect to the United States. Therefore, judgments rendered by federal or state courts in the United States are not currently generally recognized and enforceable in the Czech Republic.

Even if reciprocity has been established and declared by the Czech Ministry of Justice with respect to decisions issued by federal or state courts in the United States, such decisions may not be recognized and enforced under applicable provisions of Czech law, including, without limitation, if: (a) the matter falls within the exclusive jurisdiction of the courts of the Czech Republic or in the event that the proceedings on recognition and enforcement could not have been conducted by any authority of a foreign state, should the provisions regarding the jurisdiction of the courts of the Czech Republic be applied for considering the jurisdiction of the foreign authority; (b) a Czech court has issued or recognized a final judgment in the same matter or proceedings regarding the same matter are pending before a Czech court; (c) the U.S. court has deprived the party against whom the judgment was made of an opportunity to participate in the court proceedings before such U.S. court; or (d) the recognition of the U.S. judgment would be contrary to the public policy (in Czech: "*veřejný pořádek*") of the Czech Republic.

Nonetheless, the investors have an option to commence proceedings directly in the Czech Republic in which proceedings the respective judgment rendered by a U.S. court would serve as documentary evidence. However, such proceedings could be very lengthy, due to the fact that a Czech court would have to ascertain the U.S. securities law as the substantive law governing the subject matter of proceedings. Moreover, there is no guarantee that a judgment of a Czech court would be identical to the one issued by a U.S. court, as it is not binding on Czech courts.

Judgments rendered by English and Dutch courts in civil and commercial matters will be recognized and enforced by Czech courts, subject to EC Regulation No. 44/2001 of

December 22, 2000, on jurisdiction, recognition and enforcement of court judgments in civil and commercial matters, which is directly applicable in the Czech Republic.

Enforcement of judgments in the Netherlands and Curaçao

Dutch counsel has advised CET 21 that the United States, the Netherlands and Curaçao do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not be enforceable in the Netherlands, and the matter would need to be relitigated in the Dutch courts. However, a final judgment rendered by a federal or state court in the United States and enforceable in the United States will, under current practice, usually be followed by a Netherlands court and a Curaçao court (as applicable) in a new court procedure in the Netherlands or Curaçao (as applicable), if (1) that judgment results from proceedings compatible with Dutch or Curaçao concepts of due process (as applicable), (2) that judgment does not contravene public policy of the Netherlands or Curaçao (as applicable) and (3) the jurisdiction of the federal or state court in the United States has been based on internationally acceptable principles of private international law. CET 21 notes that it is doubtful whether this practice extends to default judgments as well. Additionally, there is doubt as to whether a Dutch court or Curaçao court would have the requisite power and authority to adjudicate or grant remedies sought in an original action brought in the Dutch courts or the Curaçao courts, based solely upon the federal securities laws of the United States. See "Risk factors—You may have difficulty enforcing your rights or judgments obtained in U.S. courts against CET 21, the Guarantors and their respective directors, Executive Directors and members of senior management."

Enforcement of judgments in the Slovak Republic

Judgments issued by a U.S. court

The United States and the Slovak Republic do not presently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters in the Slovak Republic. Therefore, judgments rendered by U.S. courts are not currently automatically recognized and enforceable in the Slovak Republic.

In order to make a judgment of a U.S. court enforceable in the Slovak Republic, the judgment must first undergo a court proceeding for its recognition.

A Slovak court will not recognise and allow enforcement of judgment issued by a U.S. court if:

- the matter is one within the exclusive competence of the courts of the Slovak Republic pursuant to its laws, or is one beyond the competence of any judicial proceedings of the U.S. court, as determined by the laws of the Slovak Republic; or
- the decision is not final or enforceable in the jurisdiction where it has been issued; or
- the decision is not a decision on the merits of the matter; or
- the party against whom such judgement is sought to be enforced has been deprived of an opportunity to participate in the foreign proceedings, especially if the summons or notice of the commencement of the foreign proceedings has not been duly served on the party; this exception does not apply if the party has not filed an appeal against the foreign judgement which has been duly served on it or if the party has waived the applicability of this exception; or
- a final decision in the same matter has previously been issued by a court of the Slovak Republic or by a foreign authority if that foreign authority's decision has been recognised in the Slovak Republic or meets the criteria for being recognised; or

- recognition of the U.S. judgment would be contrary to public policy (in Slovak: “verejný poriadok”) of the Slovak Republic.

Conversely, if none of the above would apply to the U.S. judgment, it would be recognised and enforced in the Slovak Republic.

Nonetheless, the investors always have an option to commence proceedings against the Slovak Guarantor directly in courts of the Slovak Republic in which proceedings the respective judgment rendered by a U.S. court would serve as documentary evidence. However, such proceedings could be very lengthy, due to the fact that the acting Slovak court would have to ascertain the applicable U.S. law as the substantive law governing the subject matter of proceedings. Moreover, there is no guarantee that a judgment of a Czech court would in its substance be identical to the one issued by a U.S. court, as the Slovak court would not be bound by the U.S. judgment evaluated only as a piece of documentary evidence. Furthermore, in such case the Slovak court may even completely refuse to apply foreign law, if application of such foreign law would create a result that would be contrary to the basic principles of Slovak law including, but not limited to, public policy (in Slovak: “verejný poriadok”), in which case the court would apply Slovak law instead (with unpredictable consequences).

In any case, enforcement of a recognised U.S. judgment in the Slovak Republic against the Slovak Guarantor and its assets located in the Slovak Republic would be subject to, and limited by, the applicable Slovak law regulating enforcement of domestic court judgments.

Enforcement of judgments in Bermuda

Bermuda counsel has advised CME that there is doubt as to whether the Courts of Bermuda would enforce judgments of U.S. courts obtained in actions against CME or its directors or officers predicated upon the civil liability provisions of the U.S. federal securities laws or original actions brought in Bermuda against CME or such persons predicated solely upon U.S. federal securities laws. Further, CME has been advised that there is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a U.S. judgment would be enforceable in Bermuda against CME or its directors or officers depends on whether the U.S. court that entered the judgment is recognized by the Bermuda court as having jurisdiction over CME or its directors or officers, as determined by reference to Bermuda conflict of law rules. A judgment debt from a U.S. court that is final and for a sum certain based on U.S. federal securities laws will not be enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, and the issue of submission and jurisdiction is a matter of Bermuda (not U.S.) law.

In addition, and irrespective of jurisdictional issues, the Bermuda courts will not enforce a U.S. federal securities law that is either penal or contrary to public policy. CME has been advised that an action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, will not be entertained by a Bermuda court. Some remedies available under the laws of U.S. jurisdictions, including some remedies under U.S. federal securities laws, would not be available under Bermuda law or enforceable in a Bermuda court as they would be contrary to Bermuda public policy. Further, no claim may be brought in Bermuda against CME or its directors or officers in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on CME or its directors or officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

Listing and general information

Listing

Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF in accordance with the rules of that exchange. All notices to holders of notes, including any notice of any additional redemption, change of control or any change in the rate of interest payable on the notes will be published in a Luxembourg newspaper of general circulation which is expected to be the *Luxemburger Wort* or on the website of the Luxembourg Stock Exchange at www.bourse.lu. Changes in the rate of interest on the notes will also be communicated to the Luxembourg Stock Exchange no later than the date on which such change is effective.

For so long as the notes are listed on the Luxembourg Stock Exchange and the rules of that exchange require, copies of the following documents may be inspected and obtained at the specified office of the listing agent in Luxembourg, The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453, Luxembourg, free of charge, during normal business hours on any weekday, and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu):

- the organizational documents of CET 21 and the Guarantors;
- CET 21's most recent audited consolidated financial statements;
- the Indenture relating to the notes (which includes the Guarantees and the form of the notes);
- the purchase agreement relating to the notes among CET 21, the Guarantors and the initial purchasers; and
- the Security Documents.

CET 21 has appointed Citibank N.A., London Branch as its paying and transfer agent. CET 21 reserves the right to change this appointment, and CET 21 will publish notice of such change of appointment in a newspaper having general circulation in the Grand Duchy of Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Application may be made to the Luxembourg Stock Exchange to have the notes removed from listing on the Luxembourg Stock Exchange, including if necessary to avoid any new withholding taxes in connection with the listing.

There has been no material adverse change in the issuer's financial condition since the date of its financial statements dated June 30, 2010, except as disclosed in this offering memorandum.

Clearing information

The notes sold pursuant to Regulation S and the notes sold pursuant to Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under common codes 055048029 and 055048266, respectively. The international securities identification number for the notes sold pursuant to Regulation S is XS0550480296 and the international securities identification number for the notes sold pursuant to Rule 144A is XS0550482664.

Legal information

CET 21 is a limited liability company that was incorporated under the laws of the Czech Republic on June 22, 1992. The registered office of CET 21 is Kříženeckého náměstí 1078/5, PSC 152 00, Prague, Czech Republic. CET 21 is registered with the commercial register at the City Court of Prague, part C, register no. 10581. CET 21 is the principal operating company for

the CET Group's Czech Republic operations. Its registered capital is fully paid up and amounts to CZK 481,000, consisting of an investment contribution by CME Media Enterprises B.V. of CZK 461,000 and an investment contribution by CME Investments B.V. of CZK 20,000. CME Media Enterprises B.V. has an ownership interest of 30280729576/30282019388 and CME Investments B.V. has an ownership interest of 1289812/30282019388 in CET 21. Article VI of its Memorandum of Association states its objectives are to, among other things, engage in the broadcast, production and distribution of audiovisual works, advertising and market activities, and other business activities related thereto.

Central European Media Enterprises Ltd. is a company limited by shares and was incorporated under the laws of Bermuda on June 15, 1994. The registered office of Central European Media Enterprises Ltd. is Mintflower Place, 4th Floor, 8 Par-La-Ville Road, Hamilton, HM 08 Bermuda. Its authorized capital consists of 5,000,000 shares of Preferred Stock, 100,000,000 shares of Class A Common Stock and 15,000,000 shares of Class B Common Stock, of which 56,846,176 shares of Class A Common Stock and 7,490,936 shares of Class B Common Stock were outstanding at June 30, 2010. No Preferred Stock was outstanding at June 30, 2010. All shares are fully paid up. Central European Media Enterprises Ltd. publishes quarterly unaudited and annual audited financial statements with the U.S. Securities and Exchange Commission.

Central European Media Enterprises N.V. is a limited liability company and was incorporated under the laws of the Netherlands Antilles on July 14, 1994. The registered office of Central European Media Enterprises N.V. is Schottegatweg Oost 44, Curaçao. Central European Media Enterprises N.V. is registered with the commercial register of the Curacao Chamber of Commerce & Industry under number 67248. Central European Media Enterprises N.V. is an intermediate holding company whose sole asset is the shares of CME Media Enterprises B.V. Its nominal capital amounts to US\$ 0.03 million, consisting of 300 hundred shares with a par value of US\$ 100 each, of which 61 shares were issued and outstanding at December 31, 2009. All shares are fully paid up and owned by Central European Media Enterprises Ltd. As an intermediate holding company, Central European Media Enterprises N.V. reports no significant profits or losses and it does not publish financial statements.

CME Media Enterprises B.V. is a private limited liability company and was incorporated under the laws of the Netherlands on August 3, 1994. The registered office of CME Media Enterprises B.V. is Dam 5B, 1012 JS Amsterdam, the Netherlands. CME Media Enterprises B.V. is registered with the trade register of the Chamber of Commerce of Amsterdam, The Netherlands under number 33246826. CME Media Enterprises B.V. is a holding company whose assets consist of the share capital of the operating companies for Central European Media Enterprises Ltd. Its authorized capital amounts to 1,000,000 Dutch Guilders consisting of 1,000,000 shares with a par value of one Dutch Guilder each, of which 200,000 shares were issued and outstanding at December 31, 2009. All shares are fully paid up; 199,999 shares are owned by Central European Media Enterprises N.V. and one share is owned by Central European Media Enterprises II B.V., a wholly owned subsidiary of Central European Media Enterprises N.V. CME Media Enterprises B.V. does not publish financial statements. CME Media Enterprises B.V. deposits its financial statements with the trade register of the Chamber of Commerce of Amsterdam, the Netherlands. Its net income is substantively similar to that of Central European Media Enterprises Ltd. due to its role as a holding company for that company's operating entities.

CME Investments B.V. is a private limited liability company and was incorporated under the laws of the Netherlands on April 29, 1997. The registered office of CME Investments B.V. is Dam 5B, 1012 JS Amsterdam, the Netherlands. CME Investments B.V. is registered with the trade register of the Chamber of Commerce of Amsterdam, the Netherlands under number 33289326. CME Investments B.V. is a holding company whose assets consist of intercompany receivables and the share capital of the companies of the Romanian broadcasting operations of Central European Media Enterprises Ltd. Its authorized capital amounts to €90,000 consisting of 200,000 shares with a par value of €0.45 each, of which 40,005 shares

were issued and outstanding at December 31, 2009. All shares are fully paid up and owned by CME Media Enterprises B.V. CME Investments B.V. does not publish financial statements. CME Investments B.V. deposits its financial statements with the trade register of the Chamber of Commerce of Amsterdam, the Netherlands.

CME Slovak Holdings B.V. is a private limited liability company and was incorporated under the laws of the Netherlands on May 24, 2007. The registered office of CME Slovak Holdings B.V. is Dam 5B, 1012 JS Amsterdam, the Netherlands. CME Slovak Holdings B.V. is registered with the trade register of the Chamber of Commerce of Amsterdam, the Netherlands under number 34274606. CME Slovak Holdings B.V. is a holding company whose material assets consist of the Slovak subsidiaries of the CME Group. Its authorized capital amounts to €90,000 consisting of 90,000 shares with a par value of €1 each, of which 18,001 shares were issued and outstanding at December 31, 2009. All shares are fully paid up and owned by CET 21. CME Slovak Holdings B.V. does not publish financial statements.

CME Slovak Holdings B.V. deposits its financial statements with the trade register of the Chamber of Commerce of Amsterdam, the Netherlands.

MARKÍZA—SLOVAKIA, spol. s r.o. is a private limited liability company and was incorporated under the laws of Slovakia on November 11, 1993. The registered office of MARKÍZA—SLOVAKIA, spol. s r.o. is Bratislavská 1/a, 843 56 Bratislava—Záhorská Bystrica, Slovakia. MARKÍZA—SLOVAKIA, spol. s r.o. is registered with the Commercial Register at the District Court of Bratislava I, Slovakia, under number 31 444 873. MARKÍZA—SLOVAKIA, spol. s r.o. is the principal operating company of the CET Group's Slovak operations. Its authorized capital amounts to EUR 6,640 and is fully paid up. CME Slovak Holdings B.V. has a participation interest in the amount of €2,258 in MARKÍZA—SLOVAKIA, spol. s r.o. and A.R.J. a.s. and MEDIA INVEST, spol. s r.o., each wholly owned subsidiaries of CME Slovak Holdings B.V., have participation interests in MARKÍZA—SLOVAKIA, spol. s r.o. in the amount of €3,054 and €1,328, respectively. MARKÍZA—SLOVAKIA, spol. s r.o. does not publish annual audited financial statements. It deposits its financial statements with the trade register at the Commercial Register in Bratislava I, Slovakia.

CET 21, is, from time to time, party to litigation that arises in the normal course of its business operations. However, each of CET 21, Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Investments B.V., CME Slovak Holdings B.V. and MARKÍZA—SLOVAKIA, spol. s r.o. is not presently a party to any such litigation which could reasonably be expected to have a material adverse effect on its business or operations.

The creation and issuance of the notes has been authorized by a resolution of the general meeting of CET 21 dated October 14, 2010.

The Guarantees have been authorized by resolution of the board of directors or managing directors or the general meeting, as applicable, of each of the Guarantors on October 13, 2010 (save for resolutions authorized by CME's board of directors which occurred on September 14, 2010).

The Indenture governing the notes provides that the notes will be governed by, and construed in accordance with, New York law. Claims in respect of principal and interest will be prescribed unless made within a period of six years of the date on which such payment first becomes due.

Any reference to websites and website addresses (and the contents thereof) do not form part of this offering memorandum.

Officer and director information

The names and addresses of the Executive Directors of CET 21 are set out below:

Name	Address
Petr Dvořák	Prague 7, Pod Havránkou 657/10B 170 00 Czech Republic
Oliver Martin Meister	17 Iveley Road, London SW4 0EN, United Kingdom
Adrian Sarbu	4A Modrogan Street, Bucharest, Romania

Index to financial statements

Contents	Page
Consolidated financial statements as at December 31, 2009 and for the three years then ended:	
Independent auditor's report	F-2
Consolidated balance sheets	F-4
Consolidated statements of operations and comprehensive income	F-5
Consolidated statements of equity	F-6
Consolidated statements of cash flows	F-7
Notes to the consolidated financial statements	F-8
Unaudited condensed consolidated financial statements as at June 30, 2010 and for the six months then ended:	
Unaudited condensed consolidated balance sheets	F-26
Unaudited condensed consolidated statements of operations and comprehensive income	F-27
Unaudited condensed consolidated statements of equity	F-28
Unaudited condensed consolidated statements of cash flows	F-29
Notes to the unaudited condensed consolidated financial statements	F-30

Independent auditor's report

To the Owners of CET 21 spol. s r.o.

We have audited the accompanying consolidated financial statements of CET 21 spol. s r.o. and subsidiaries ("the CET Group"), which comprise the balance sheet as of 31 December 2009 and 2008, and the statements of operations and comprehensive income, statements of equity and statements of cash flows for the years ended 31 December 2009, 2008 and 2007, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of the CET Group is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards generally accepted in the United States of America. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the CET Group as of 31 December 2009 and 2008, and of their financial performance and their cash flows for the years ended 31 December 2009, 2008 and 2007 in accordance with accounting standards generally accepted in the United States of America.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 2 to the consolidated financial statements. The consolidated financial statements have been prepared on a carve-out basis and may not necessarily be indicative of the CET Group's financial position, results of operations or cash flows had the CET Group and subsidiaries operated as a separate entity apart from Central European Media Enterprises Ltd.

In Prague on 30 September 2010

Audit firm:

Deloitte Audit s.r.o

Represented by:

Martin Tesař
statutory executive

CET 21 spol. s r.o.
Consolidated balance sheets
(US\$ 000's)

	December 31, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 24,873	\$ 30,637
Accounts receivable, net (Note 7)	75,918	85,649
Program rights, net	29,382	21,563
Prepaid programming	31,567	25,491
Other current assets (Note 8)	21,316	19,885
Total current assets	183,056	183,225
Non-current assets		
Investments (Note 5)	—	9,480
Property, plant and equipment, net (Note 9)	103,528	100,988
Program rights, net	101,366	65,238
Goodwill (Note 4)	1,000,941	950,578
Broadcast licenses and other intangible assets, net (Note 4)	241,065	245,513
Other non-current assets (Note 8)	6,004	132
Total non-current assets	1,452,904	1,371,929
Total assets	\$1,635,960	\$1,555,154
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 78,972	\$ 63,242
Current debt—third parties (Note 6)	78,942	12,943
Other current liabilities (Note 11)	7,054	4,099
Total current liabilities	164,968	80,284
Non-current liabilities		
Long-term debt—related parties (Note 6)	555,896	587,219
Other non-current liabilities (Note 11)	48,924	49,845
Total non-current liabilities	604,820	637,064
Commitments and contingencies (Note 14)		
EQUITY		
Share capital	22	22
Additional paid in capital	529,699	521,293
Retained earnings	140,141	164,783
Accumulated other comprehensive income	196,310	151,708
Total equity	866,172	837,806
Total liabilities and equity	\$1,635,960	\$1,555,154

The accompanying notes are an integral part of these consolidated financial statements.

CET 21 spol. s r.o.
Consolidated statements of operations
and comprehensive income
(US\$ 000's)

	For the year ended December 31,		
	2009	2008	2007
Net revenues	\$377,808	\$510,121	\$383,099
Operating expenses:			
Operating costs	49,929	55,435	51,194
Cost of programming	148,508	157,788	108,766
Depreciation of property, plant and equipment	24,899	24,470	14,064
Amortization of broadcast licenses and other intangibles (Note 4)	15,694	27,364	21,116
Cost of revenues	239,030	265,057	195,140
Selling, general and administrative expenses	37,197	37,859	32,724
Operating income	101,581	207,205	155,235
Interest income	424	1,627	8,134
Interest expense (Note 13)	(51,154)	(57,851)	(49,128)
Foreign currency exchange gain/(loss), net	4,486	(10,918)	7,773
Other (expense)/income	(397)	30	(1,285)
Income before provision for income taxes and equity in loss from unconsolidated affiliate	54,940	140,093	120,729
Provision for income taxes	(11,181)	(28,794)	(20,911)
Equity in loss of affiliate	—	(81,160)	—
Net Income	43,759	30,139	99,818
Net income attributable to noncontrolling interest	—	—	(3,411)
Net Income attributable to CET 21 Group	\$ 43,759	\$ 30,139	\$ 96,407
Net income	43,759	30,139	99,818
Currency translation adjustment	44,602	(39,090)	122,043
Comprehensive income/(loss)	\$ 88,361	\$ (8,951)	\$221,861
Comprehensive (income)/loss attributable to noncontrolling interest	—	—	(884)
Comprehensive income/(loss) attributable to CET 21 Group . .	\$ 88,361	\$ (8,951)	\$220,977

The accompanying notes are an integral part of these consolidated financial statements.

CET 21 spol. s r.o.
Consolidated statements of equity
(US\$ 000's)

	Share capital	Additional paid in capital	Retained earnings	Accumulated other comprehensive income	Noncontrolling interest	Total Equity
BALANCE, December 31, 2006	\$ 336,174	\$234,899	\$ 67,231	\$ 74,639	\$ 6,633	\$719,576
Acquisition of Markiza (note 3) . . .	—	(49,758)	—	—	(10,268)	(60,026)
Adjustment to share capital for statutory merger	(116,360)	116,360	—	—	—	—
Net income	—	—	96,407	—	3,411	99,818
Currency translation adjustment . .	—	—	—	116,159	224	116,383
BALANCE, December 31, 2007	\$ 219,814	\$301,501	\$163,638	\$190,798	\$ —	\$875,751
Adjustment to share capital for statutory merger	(219,792)	219,792	—	—	—	—
Distributions	—	—	(28,994)	—	—	(28,994)
Net income	—	—	30,139	—	—	30,139
Currency translation adjustment . .	—	—	—	(39,090)	—	(39,090)
BALANCE, December 31, 2008	\$ 22	\$521,293	\$164,783	\$151,708	—	\$837,806
Sale of Investment in Innova (note 5)	—	\$ 12,540	—	—	—	\$ 12,540
Acquisition of Media Pro Pictures s.r.o. (note 3)	—	(4,134)	—	—	—	(4,134)
Distributions	—	—	(68,401)	—	—	(68,401)
Net income	—	—	43,759	—	—	43,759
Currency translation adjustment . .	—	—	—	44,602	—	44,602
BALANCE, December 31, 2009	\$ 22	\$529,699	\$140,141	\$196,310	\$ —	\$866,172

The accompanying notes are an integral part of these consolidated financial statements.

CET 21 spol. s r.o.
Consolidated statements of cash flows
(US\$ 000's)

	For the year ended December 31,		
	2009	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 43,759	\$ 30,139	\$ 99,818
Adjustments to reconcile net income to net cash generated from operating activities:			
Depreciation and amortization	114,065	130,248	85,364
Equity in loss of affiliate (Note 5)	—	81,160	—
Loss on disposal of fixed assets	492	113	—
Foreign currency exchange (gain)/loss, net	(4,486)	10,918	(7,773)
Net change in (net of effects of acquisitions of businesses):			
Accounts receivable	14,291	(1,724)	(11,917)
Program rights costs	(65,346)	(59,543)	(45,617)
Other assets	(378)	(9,394)	(2,568)
Accounts payable and accrued liabilities	(33,345)	(38,575)	(23,387)
Income taxes payable	(8,132)	(12,425)	18,170
Other current liabilities	(2,297)	(3,064)	(10,481)
Net cash generated from operating activities	58,623	127,853	101,609
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(24,115)	(34,909)	(44,916)
Proceeds from disposal of property, plant and equipment	807	243	893
Investment in associated companies	—	(103,798)	—
Net cash used in investing activities	(23,308)	(138,464)	(44,023)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from credit facilities	53,945	—	42,050
Payments made on credit facilities	(233)	(56)	(43,758)
Loans extended to related party	—	—	(53,800)
Repayments received on loans extended to related party	—	32,293	29,867
Proceeds of loans from related party	—	—	2,207
Repayment of loans from related party	(51,821)	(5,127)	(22,627)
Distributions paid	(44,601)	(28,994)	—
Net cash used in financing activities	(42,710)	(1,884)	(46,061)
Impact of exchange rate fluctuations on cash	1,631	(3,025)	4,643
Net (decrease)/increase in cash and cash equivalents	(5,764)	(15,520)	16,167
CASH AND CASH EQUIVALENTS, beginning of period	30,637	46,157	29,990
CASH AND CASH EQUIVALENTS, end of period	\$ 24,873	\$ 30,637	\$ 46,157
SUPPLEMENTAL CASH FLOW DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Contribution of interest in subsidiaries (Note 3)	\$ (4,134)	\$ —	\$ 121,238
Loans receivable offset in connection with contribution of interest in subsidiaries (Note 3)	\$ —	\$ —	\$ 128,401
Investment in affiliate sold (Note 5)	\$ 11,260	\$ —	\$ —
Dividend payable offset in connection with sale of investment in affiliate (Note 5)	\$ 23,800	\$ —	\$ —
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for interest	\$ 53,084	\$ 57,922	\$ 48,870
Cash paid for income taxes	\$ 19,272	\$ 49,634	\$ 15,285

The accompanying notes are an integral part of these consolidated financial statements.

CET 21 spol. s r.o.

Notes to the consolidated financial statements

(Tabular amounts in US\$ 000's)

1. Organization and business

CET 21 spol. s r.o. (including its consolidated subsidiaries the "CET Group") is 99.996% owned by CME Media Enterprises B.V. ("CME BV") and 0.004% owned by CME Investments B.V. ("CME Investments"), which are both wholly owned subsidiaries of Central European Media Enterprises Ltd. ("CME Ltd.").

The CET 21 Group was comprised of the following significant legal entities as at December 31, 2009:

Group name	Effective voting interest	Jurisdiction of organization	Type of affiliate
CET 21 spol. s r.o. ("CET 21")		Czech Republic	Parent
Jyxo, s.r.o. ("Jyxo")	100.00%	Czech Republic	Subsidiary
BLOG Internet, s.r.o. ("BLOG")	100.00%	Czech Republic	Subsidiary
Media Pro Pictures s.r.o. ("MPP Praha")	100.00%	Czech Republic	Subsidiary
CME Slovak Holdings B.V. ("CME Slovak Holdings") . . .	100.00%	Netherlands	Subsidiary
A.R.J., a.s.	100.00%	Slovak Republic	Subsidiary
MARKÍZA-SLOVAKIA, spol. s r.o. ("Markiza")	100.00%	Slovak Republic	Subsidiary
MEDIA INVEST, spol. s r.o.	100.00%	Slovak Republic	Subsidiary

All subsidiaries have been consolidated in the financial statements.

CME Ltd., the ultimate parent of the CET Group is a Bermuda corporation that was formed in June 1994 and its assets are held through a series of Dutch and Netherlands Antilles holding companies. CME Ltd. is a vertically integrated media group operating leading broadcasting, internet and TV content businesses in Central and Eastern Europe.

Background

CME Ltd. acquired a 97.5% voting and economic interest in CET 21 in May 2005 for total consideration of approximately US\$ 909.5 million. Following approval from the Czech Republic Media Council in April 2006, the remaining 2.5% minority interests in CET 21 were transferred to the CET Group for nominal consideration and CME Ltd. had a voting and economic interest in CET 21 of 100.0%. CME Ltd. applied push-down accounting in the separate financial statements of CET 21 and as a result, the goodwill recorded as part of the business combination accounting along with the other assets acquired and liabilities assumed were pushed down and reflected in the separate financial statements of CET 21.

As of January 1, 2007, CME Ltd. owned an 80.0% controlling interest in Markiza. On July 13, 2007, CME Ltd. acquired the remaining 20.0% interest in Markiza through its wholly owned subsidiary, CME Slovak Holdings, which by then held a 100.0% interest in Markiza. CME Slovak Holdings was transferred to CET 21 on October 11, 2007, and in exchange, the CET Group offset CZK 2.5 billion (approximately US\$ 128.4 million) of indebtedness due from CME Ltd. and its other wholly owned subsidiaries. The consolidated financial statements of the CET Group include the operations and the assets and liabilities of Markiza as if the transfer of 80.0% of the net assets had occurred as of January 1, 2007.

As part of CME Ltd.'s buyout of its minority interest partners in Ukraine, the CET Group acquired an initial 23.3% interest in Innova Film GmbH ("Innova") on June 30, 2008 of which 21.7% was acquired from Igor Kolomoisky, a CME Ltd. shareholder and a member of CME Ltd.'s Board of Directors. The CET Group acquired a further 16.7% interest on October 17,

2008 at which point CME Ltd. held a 100.0% interest in its Ukraine operations. The CET Group sold its 40.0% investment in Innova to CME BV on November 16, 2009 in exchange for the offset of CZK 422.4 million (approximately US\$ 23.8 million) of dividends payable to CME BV. (See Note 5, "Investments").

On December 9, 2009, CME Ltd, through its wholly owned subsidiary CME Media Pro BV acquired the Media Pro Entertainment Group of companies ("MPE") from companies connected with Adrian Sarbu, an Executive Director of CET 21, CME Ltd.'s President and Chief Executive Officer and a member of CME Ltd.'s Board of Directors, for a total consideration of US\$ 98.4 million. The Czech Republic operations of MPE, namely Media Pro Pictures s.r.o. ("MPP Praha") were subsequently transferred to CET 21. Goodwill of US\$ 47.0 million was recognized by CME Ltd on acquisition of MPE, of which US\$ 1.7 million was allocated to MPP Praha. The consolidated financial statements of the CET Group include the operations and the assets and liabilities of MPP Praha as if the transfer had occurred as of December 9, 2009.

CET 21 holds the broadcast licenses for and operates two national television channels in the Czech Republic, TV NOVA (Czech Republic) and NOVA CINEMA, and two cable/satellite channels, NOVA SPORT and MTV CZECH. In addition, the CET Group holds the broadcast licenses for and operates the national television channel in the Slovak Republic, TV MARKIZA and a female-orientated cable channel, DOMA.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The functional currency of the CET Group is the Czech Koruna. The consolidated financial statements are presented in US Dollars (US\$).

The significant accounting policies are summarized as follows:

Basis of presentation

The CET Group is an integrated part of CME Ltd. These consolidated financial statements have been prepared on a "carve-out" basis from the consolidated financial statements of CME Ltd. to represent the financial position and performance of the CET Group as if it had existed on a stand-alone basis as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007. The consolidated financial statements have been derived by extracting the assets, liabilities, revenues and expenses directly attributable to the CET Group from the assets, liabilities, revenues and expenses reflected in the accounting records of CME Ltd. on a legal entity basis. The CET Group eliminates from its financial results all intercompany transactions between entities included in the consolidated financial statements.

The consolidated financial statements included herein may not necessarily be indicative of the CET Group's financial position, results of operations, or cash flows had the CET Group operated as a separate entity during the periods presented or for future periods.

These consolidated financial statements reflect all of the assets, liabilities, revenues, expenses, and cash flows of the CET Group after the elimination of intergroup accounts and transactions. The CET Group consolidates the financial statements of entities in which it holds at least a majority voting interest and entities in which it holds less than a majority voting interest but over which it has the ability to exercise control. Entities in which the CET Group holds less than a majority voting interest but over which it exercises significant influence are accounted for using the equity method. Other investments are accounted for using the cost method. The CET Group's investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the investment may not be recoverable.

Revenue recognition

Revenue is recognized when there is persuasive evidence of an arrangement, delivery of products has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured. A bad debt provision is maintained for estimated losses resulting from customers' inability to make payments.

Revenues are recognized net of discounts and customer sales incentives. The CET Group's principal revenue streams and their respective accounting treatments are discussed below:

Advertising revenue

Revenues primarily result from the sale of advertising time. Television advertising revenue is recognized as the commercials are aired. In certain countries, the CET Group commits to provide advertisers with certain rating levels in connection with their advertising. Revenue is recorded net of estimated shortfalls, which are usually settled by providing the advertiser additional advertising time. Discounts and agency commissions are recognized at the point when the advertising is broadcast and are reflected as a reduction to gross revenue.

Program distribution revenue

Program distribution revenue is recognized when the relevant agreement has been entered into, the product is available for delivery, the license period has begun, collectability of the cash is reasonably assured and all of the CET Group's contractual obligations have been satisfied.

Subscription revenues

Subscriber fees from cable operators and direct-to-home broadcasters are recognized as revenue over the period for which the channels are provided and to which the fees relate. Subscriber revenue is recognized as contracted, based upon the level of subscribers.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and marketable securities with original maturities of three months or less.

Property, plant and equipment

Property, plant and equipment is carried at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives assigned to each major asset category as below:

Asset category	Estimated useful life
Land	Indefinite
Buildings	25 years
Machinery, fixtures and equipment	3 - 5 years
Other equipment	3 - 5 years
Software licenses	3 years

Construction-in-progress is not depreciated until put into use. Leasehold improvements are depreciated over the shorter of the related lease term or the life of the asset. Costs of repairs and maintenance are expensed as incurred. Assets to be disposed of are reported at the lower of carrying value or fair value, less costs of disposal.

Long-lived assets including intangible assets with finite lives

Long-lived assets include property, plant, equipment and intangible assets with finite lives.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The carrying values of long-lived assets are considered impaired when the anticipated undiscounted cash flows from such assets are less than their carrying values. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value.

Program rights

Purchased program rights

Purchased program rights and the related liabilities are recorded at their gross value when the license period begins and the programs are available for broadcast.

Purchased program rights are classified as current or non-current assets based on anticipated usage, while the related program rights liability is classified as current or non-current according to the payment terms of the license agreement.

Program rights are evaluated to determine if expected revenues are sufficient to cover the unamortized portion of the program. To the extent that expected revenues are insufficient, the program rights are written down to their net realizable value.

Program rights are amortized on a systematic basis over their expected useful lives, depending on their categorization. The appropriateness of the amortization profiles are reviewed regularly and are as follows:

Type of programming	Amortization %				
	Run 1	Run 2	Run 3	Run 4	Run 5
Special blockbuster	30%	25%	20%	15%	10%
Films and series, 2 runs	65%	35%	—	—	—
Films and series, 3 runs	60%	30%	10%	—	—
Concerts, documentaries, sports events, etc.	100%	—	—	—	—

A “special blockbuster” must meet specific requirements to be classified as such, while the number of runs in other films and series is generally described in the license agreement.

Produced program rights

Self-produced program rights consist of deferred film and television costs including direct costs, production overhead and development costs. Program rights are amortized on an individual production basis using the ratio of the current period’s gross revenues to estimated remaining total gross revenues from such programs. Such program rights are stated at the lower of cost less accumulated amortization or net realizable value. Program rights are evaluated to determine if expected revenues are sufficient to cover the unamortized portion of the program. To the extent that expected revenues are insufficient, the program rights are written down to their net realizable value.

Produced program rights are classified as current or non-current assets based on anticipated usage.

Goodwill and indefinite-lived intangible assets

Goodwill represents the excess of the fair value of consideration paid over the fair value of net tangible and other identifiable intangible assets acquired in a business combination. The carrying value of goodwill is evaluated for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill is evaluated for impairment in the fourth quarter of each year, or more frequently if events or changes in circumstances indicate that the asset might be impaired. An impairment exists when the carrying value of a reporting unit (including its goodwill), exceeds its fair value after adjusting for any impairments of long-lived assets or indefinite life intangible assets. Goodwill

impairment is measured as the excess of the carrying value of goodwill over its implied fair value which is calculated by deducting the fair value of all assets, including recognized and unrecognized intangible assets from the fair value of the reporting unit.

Indefinite-lived intangible assets are evaluated for impairment by comparing the fair value of the asset to its carrying value. Any excess of the carrying value over the fair value is recognized as an impairment charge.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to our estimate of the undiscounted future cash flows we expect that asset group will generate. If the carrying amount of an asset exceeds our estimate of its undiscounted future cash flows, an impairment charge is recognized equal to the amount by which the carrying amount exceeds the fair value of the respective asset.

Indefinite-lived intangible assets consist of certain acquired broadcast licenses and trademarks. Broadcast licenses are assigned indefinite lives after consideration of the following conditions:

- the CET Group’s intention to renew the licenses into the foreseeable future;
- the CET Group’s precedents of renewals or reasonable expectation of renewals;
- the CET Group does not expect any substantial cost to be incurred as part of a future license renewal and no costs have been incurred in the renewals to date; and
- the CET Group has not experienced any historical evidence of a compelling challenge to our holding these licenses.

Indefinite-lived intangible assets are not amortized. Indefinite-lived intangible assets are evaluated for impairment in the fourth quarter of each year, or more frequently if events or changes in circumstances indicate that the asset might be impaired. An impairment loss is recognized if the carrying value of an indefinite-lived intangible asset exceeds its fair value.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to our estimate of the undiscounted future cash flows we expect that asset group will generate. If the carrying amount of an asset exceeds our estimate of its undiscounted future cash flows, an impairment charge is recognized equal to the amount by which the carrying amount exceeds the fair value of the respective asset.

In evaluating our goodwill, indefinite-lived intangible assets and long-lived assets for impairment we use the following valuation methods:

Measurement	Valuation method
Recoverability of cash flows	Undiscounted future cash flows
Fair value of broadcast licenses	Build-out method
Fair value of trademarks	Relief from royalty method
Fair value of reporting units	Discounted cash flow model

Income taxes

Income taxes are accounted for using the asset and liability method as set out in Accounting Standards Codification (“ASC”) 740, “Accounting for Income Taxes”. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to amounts which are more likely than not to be realized. In evaluating the realizability of our deferred tax assets, we consider available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations.

In accordance with ASC 740, those tax positions that are determined to be “more likely than not” of being sustained upon examination, based on the technical merits of the positions, are recognized in the consolidated financial statements.

The CET Group recognizes, when applicable, both accrued interest and penalties related to uncertain tax positions in income tax expense in the accompanying Consolidated Statements of Operations.

Foreign currency

Translation of financial statements

The CET Group’s functional currency is the Czech Koruna, which is the local currency of the country in which the majority of the CET Group’s operations are located. The financial statements of the CET Group’s operations with a functional currency other than the Czech Koruna are translated from such functional currency to the Czech Koruna at the exchange rates in effect at the balance sheet date for assets and liabilities, and at weighted average rates for the period for revenues and expenses, including gains and losses.

These financial statements are translated from the Czech Koruna to the reporting currency of US Dollars at the exchange rates in effect at the balance sheet date for assets and liabilities and at average rates for the period for revenues and expenses, including gains and losses.

Translational gains and losses are charged or credited to Accumulated Other Comprehensive Income/(Loss), a component of Equity.

Transactions in foreign currencies

Gains and losses from foreign currency transactions are included in foreign currency exchange gain/(loss), net in the Consolidated Statement of Operations in the period during which they arise.

Foreign currency

The main exchange rates against the US Dollar used in the preparation of the Consolidated Balance Sheets and Consolidated Statements of Operations are:

	Consolidated balance sheets		Consolidated statement of operations		
	As of December 31,		For the year ended December 31,		
	2009	2008	2009	2008	2007
CZK	18.37	19.35	19.06	17.04	20.31
EUR	0.69	N/A	0.72	N/A	N/A
SKK	N/A	22.45	N/A	21.21	24.67

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Leases

Leases are classified as either capital or operating. Those leases that transfer substantially all benefits and risks of ownership of the property to us are accounted for as capital leases. All other leases are accounted for as operating leases. As of December 31, 2009 and 2008, the CET Group did not have any capital leases.

Operating lease costs are expensed on a straight-line basis over the term of the lease.

Financial instruments

Fair value of financial instruments

The carrying value of financial instruments, including cash, accounts receivable, accounts payable, accrued liabilities, and credit facilities approximate their fair value due to the short-term nature of these items. The fair value of our long-term debt is included in Note 6, "Debt".

Contingencies

Contingencies are recorded in accordance with ASC 450 "Contingencies". The estimated loss from a loss contingency such as a legal proceeding or claim is recorded in the Consolidated Statement of Operations if it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. Disclosure of a loss contingency is made if there is at least a reasonable possibility that a loss will be incurred.

Advertising costs

Advertising costs are expensed as incurred. Advertising expense incurred for the years ending December 31, 2009, 2008 and 2007 totaled US\$ 5.3 million, US\$ 8.0 million and US\$ 5.7 million, respectively.

3. Acquisitions and disposals

2007 acquisition of Markiza

As of January 1, 2007, CME Ltd. owned an 80.0% controlling interest in Markiza. On July 13, 2007, CME Ltd., through CME Slovak Holdings, acquired the remaining 20.0% interest in Markiza, which by then held a 100.0% interest in Markiza. CME Ltd. transferred CME Slovak Holdings to the CET Group on October 11, 2007. In accordance with ASC 805, "Business Combinations", net assets were transferred to the CET Group at historical cost, which was US\$ 121.2 million, of which US\$ 42.6 million is included in the CET Group's financial statements as if the transfer had occurred as of January 1, 2007 and US\$ 78.6 million was related to the purchase of the 20.0% interest in 2007. In exchange, the CET Group offset CZK 2.5 billion (approximately US\$ 128.4 million) of loans receivable due from CME BV in October 2007 and the shortfall was included within Additional paid-in capital.

2008 acquisition of Jyxo and Blog

In order to enhance the CET Group's internet offering and its software delivery capabilities in the Czech Republic, the Group purchased 100.0% of both Jyxo, an information technology provider, and Blog, the operator of the leading blog site in the Czech Republic, blog.cz, on May 27, 2008.

Initial cash consideration was approximately US\$ 9.4 million. In addition, the CET Group had an obligation to pay a further CZK 27.0 million (approximately US\$ 1.4 million) in June 2010, which has been recorded as consideration payable at December 31, 2008 and 2009. This amount was paid in June 2010 and was recorded as an additional cost of acquiring Jyxo.

We performed a fair value exercise to allocate the purchase price to the acquired assets and liabilities and separately identifiable intangible assets as at May 27, 2008. The following table

summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition:

	Fair value on acquisition
Cash and cash equivalents	\$ 727
Other net assets	618
Property, plant and equipment	3,744
Intangible assets not subject to amortization(1)	9,124
Contingent consideration liability(2)	(160)
Deferred tax liability	(2,462)
Total purchase price(3)	\$11,591

(1) Intangible assets comprise trademarks. Following a review of useful economic lives, on October 1, 2009 the blog.cz trademark was changed from a indefinite lived asset to an asset with a useful economic life of 5 years.

(2) Since the aggregate value of the assets and liabilities acquired exceeds the purchase price without considering any additional amounts we may have to pay that are contingent upon meeting operational targets, we have recognized this excess, which is lower than the maximum amount of contingent consideration that may become payable, as if it were a liability.

(3) The total purchase price includes US\$ 0.5 million of capitalized acquisition costs, initial cash payments of approximately US\$ 9.4 million and consideration payable of CZK 27.0 million (approximately US\$ 1.7 million at the date of acquisition).

2009 acquisition of MPP Praha

On December 9, 2009, CME Ltd, through its wholly owned subsidiary CME Media Pro BV acquired the Media Pro Entertainment Group of companies ("MPE") from companies connected with Adrian Sarbu, an Executive Director of CET 21, CME Ltd.'s President and Chief Executive Officer and a member of CME Ltd.'s Board of Directors, for a total consideration of US\$ 98.4 million. The Czech Republic operations of MPE, namely MPP Praha were subsequently transferred to CET 21 for nominal consideration. Goodwill of US\$ 47.0 million was recognized by CME Ltd on acquisition of MPE, of which US\$ 1.7 million was allocated to MPP Praha.

4. Goodwill and indefinite-lived intangible assets

Goodwill:

Goodwill as at December 31, 2009 and 2008 is summarized as follows:

Net balance, December 31, 2007	\$1,008,921
Foreign currency movement	(58,343)
Net balance, December 31, 2008	\$ 950,578
Acquisition of Media Pro Pictures s.r.o	1,683
Foreign currency movement	46,680
Net balance, December 31, 2009	\$1,001,941

The CET Group did not record any impairment on goodwill as of December 31, 2009, 2008 and 2007. No goodwill is expected to be deductible for tax purposes.

Broadcast licenses and other intangible assets:

The net book value of the CET Group's broadcast licenses and other intangible assets as at December 31, 2009 and 2008 is summarized as follows:

	Broadcast licenses	Trademarks	Customer relationships	Other	Total
Balance, December 31, 2007	\$185,742	\$28,404	\$58,849	\$470	\$273,465
Additions	—	9,124	—	—	9,124
Amortization	(21,155)	(461)	(5,690)	(58)	(27,364)
Foreign currency movements	(8,757)	(3,103)	2,122	26	(9,712)
Balance, December 31, 2008	\$155,830	\$33,964	\$55,281	\$438	\$245,513
Amortization	(9,936)	(412)	(5,298)	(48)	(15,694)
Foreign currency movements	7,523	1,777	1,921	25	11,246
Balance, December 31, 2009	\$153,417	\$35,329	\$51,904	\$415	\$241,065

Broadcast licenses have an economic useful life of, and are amortized on a straight-line basis over, 12 - 23 years.

CET 21's application for the extension of its existing broadcast licences until January 2025 was approved in the first quarter of 2009. As a result, the amortization period for CET 21's broadcast licenses was changed accordingly from that date.

Customer relationships are deemed to have an economic useful life of, and are amortized on a straight-line basis over, 5 to 20 years. Trademarks have an indefinite life, with the exception of those acquired trademarks which we do not intend to use, which have an economic life of, and are being amortized over, between two and five years using the declining balance method and the blog.cz acquired trademark which is being amortized over its useful economic life of 5 years.

The gross value and accumulated amortization of broadcast licenses and other intangible assets was as follows at December 31, 2009 and December 31, 2008:

	December 31, 2009	December 31, 2008
Gross value	\$ 342,156	\$325,961
Accumulated amortization	(101,091)	(80,448)
Total broadcast licenses and other amortized intangible assets, net	\$ 241,065	\$245,513

The estimated future amortization expense for the CET Group's intangible assets with finite lives as of December 31, 2009 is as follows:

2010	\$16,417
2011	16,293
2012	16,293
2013	16,293
2014	15,920

5. Investments

As part of CME Ltd.'s buyout of its minority partners in Ukraine, the CET Group acquired an initial 23.3% interest in Innova Film GmbH ("Innova") on June 30, 2008 for cash consideration of US\$ 45.6 million, of which 21.7% was purchased from Igor Kolomoisky, a CME Ltd.

shareholder and a member of CME Ltd.'s Board of Directors for US\$ 40.9 million. The CET Group acquired a further 16.7% interest for cash consideration of US\$ 48.3 million on October 17, 2008 at which point CME Ltd. held a 100.0% interest in its Ukraine operations. Innova held an indirect interest of 30.0% in Studio 1+1 LLC, the principal operating company for the Ukraine operations, and thus the CET Group held an effective interest of 12.0% in Studio 1+1 LLC. The other 60.0% controlling interest of Innova was owned by other wholly-owned subsidiaries of CME Ltd.

In the fourth quarter of 2008, the outlook for the Ukraine economy in general, and the advertising market in particular, worsened significantly. This was both as a result of the global economic crisis and factors unique to Ukraine, such as the need for assistance from the International Monetary Fund ("IMF"), increasing political instability and a dispute with Russia over supplies of natural gas. The rapid decline in the Ukraine economy along caused us to conclude that the future cash flows to be generated by the Ukraine operations had decreased and the risk associated with Studio 1+1 had increased substantially. As a result, the Group recorded an impairment charge of CZK 1.4 billion (approximately US\$ 81.2 million) to write down the investment to its fair value of CZK 183.4 million (approximately US\$ 9.5 million). The decline in fair value was deemed to be other than temporary.

The CET Group sold its investment in Innova to CME BV on November 16, 2009. The difference of CZK 239.0 million (US\$ 12.5 million) between the book value of CZK 183.4 million (US\$ 11.3 million) and the purchase price of CZK 422.4 million (US\$ 23.8 million) is included in Additional paid-in capital. The CET Group offset the purchase price of CZK 422.4 million (US\$ 23.8 million) against dividends owed to CME BV.

	Type of affiliate	Interest	Carrying value	
			December 31, 2009	December 31, 2008
Innova	Equity Method Investment	40.0%	—	\$ 9,480

6. Debt

The CET Group's total debt comprised the following as at December 31, 2009 and 2008:

Total debt

	Carrying value		Fair value	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Credit facilities(a - d)	\$ 78,942	\$ 12,943	\$ 78,942	\$ 12,943
Long-term debt to related parties	555,896	587,219	556,331	460,618
	\$634,838	\$600,162	\$635,273	\$473,561

Current debt—third parties

	December 31, 2009	December 31, 2008
Credit facilities(a - d)	\$78,942	\$12,943
Total current debt—third parties	\$78,942	\$12,943

(a) As at December 31, 2009, CET 21 had drawn, in CZK, the full CZK 1.2 billion (approximately US\$ 65.3 million) of a credit facility with Česká Spořitelna, a.s. ("CS"). Interest was payable on this facility at a rate of 3.19% at December 31, 2009. Drawings under this facility were secured by a pledge of receivables, which are also subject to a factoring arrangement with Factoring Ceska Sporitelna, a.s. ("FCS"), a subsidiary of CS. The facility was repaid in full on February 22, 2010 and subsequently cancelled.

(b) As at December 31, 2009, CZK 250.0 million (approximately US\$ 13.6 million), the full amount of the facility had been drawn by CET 21 under a working capital facility agreement with CS. Interest was payable on the facility at a rate of 3.19% at

December 31, 2009 and 5.28% at December 31, 2008. Drawings under this facility were secured by a pledge of receivables, which are also subject to a factoring arrangement with FCS. The facility was repaid in full on February 22, 2010 and subsequently cancelled.

(c) As at December 31, 2009 and 2008, there were no drawings under a CZK 300.0 million (approximately US\$ 16.3 million) factoring facility with FCS that is available until September 30, 2011. The facility bears interest at one-month PRIBOR (Prague Interbank Offered Rate) plus 1.40% for each period that actively assigned accounts receivable are outstanding.

(d) On December 21, 2009, CET 21 entered into a Facility Agreement (“the “Erste Facility”) for up to CZK 3.0 billion (approximately US\$ 163.3 million) with Erste Group Bank A.G. as arranger, CS as facility agent and security agent, and each of CS, UniCredit Bank Czech Republic, a.s. and BNP Paribas as original lenders. CME Ltd. and certain of its subsidiaries, namely CME Slovak Holdings, CME BV, CME Investments and Markiza, are guarantors under the Erste Facility (together, the “Original Guarantors”). The facility became available for drawing on January 18, 2010. On February 16, 2010, the aggregate commitment by the lenders under the Erste Facility to CET 21 increased from CZK 2.5 billion (approximately US\$ 136.1 million) to CZK 2.8 billion (approximately US\$ 152.4 million). As of September 23, 2010, CZK 2.8 billion (approximately US\$ 152.4 million) has been drawn. The facility matures on April 30, 2012, subject to a potential extension of one year. Interest under the facility is calculated at a rate per annum of 4.90% above PRIBOR. The repayment of the loan will commence 12 months from the date of the Erste Facility, in four semi-annual instalments of 15.0% each and one instalment of 40.0% on the maturity date (assuming no extension). CET 21 may be required to prepay amounts drawn in the event of specified changes of control. The Original Guarantors have agreed to guarantee the obligations of CET 21 under the Erste Facility by entering into an interest rate swap agreement (see Note 16, “Subsequent Events”). As security for the facility, CET 21 has pledged substantially all of its assets, including its 100.0% ownership interest in CME Slovak Holdings and its ownership interest in 100.0% of the registered capital of Jyxo and BLOG. In addition, CME Investments has granted security over the receivables under inter-group loans made to CET 21 and Markiza, respectively. The Erste Facility contains customary representations, warranties, covenants and events of default. The covenants include limitations on CET 21’s ability to carry out certain types of transactions, incur additional indebtedness, make disposals and create liens.

Long-term debt—related parties

	December 31, 2009	December 31, 2008
Long-term debt—related parties(e - g)	\$555,896	\$587,219
Total long-term debt—related parties	\$555,896	\$587,219

(e) As of December 31, 2009, CET 21 owed CZK 9.7 billion (approximately US\$ 528.1 million) to CME Investments under a loan that bears interest at a fixed rate of 9.0% and has a maturity date of May 2, 2015. Previously, the debt was owed to CME BV and at December 31, 2008 the principal owed was CZK 10.7 billion (approximately US\$ 553.0 million). Interest of CZK 883.7 million (approximately US\$ 46.4 million), CZK 961.8 million (approximately US\$ 56.3 million) and CZK 961.8 million (approximately US\$ 47.4 million) was incurred on this loan in 2009, 2008 and 2007, respectively.

Accrued interest of CZK 217.2 million (approximately US\$ 11.7 million) and CZK 240.5 million (approximately US\$ 12.3 million) was included within accounts payable and accrued liabilities as at December 31, 2009 and 2008, respectively.

(f) As of December 31, 2009, Markiza owed EUR 21.0 million (approximately US\$ 27.8 million) to CME Investments under a loan that bears interest at a fixed rate of 7.55% and has a maturity date of November 23, 2013. The balance as of December 31, 2008 was EUR 25.0 million (approximately US\$ 34.2 million). Interest of EUR 1.7 million (approximately US\$ 2.3 million) and EUR 0.1 million (approximately US\$ 0.1 million) was incurred on this loan in 2009 and 2008, respectively. Accrued interest of EUR 0.1 million (approximately US\$ 0.1 million) was included within accounts payable and accrued liabilities as at December 31, 2009 and 2008.

(g) As of January 1, 2008, Markiza owed SKK 114.2 million (approximately US\$ 5.0 million) to CME BV under a loan that bore a fixed interest rate of 2.0%. The loan was fully repaid in February 2008. Interest of SKK 1.2 million (approximately US\$ 56 thousand) and SKK 34.6 million (approximately US\$ 1.4 million) was incurred on this loan in 2008 and 2007, respectively.

BMG

CME BV has an uncommitted multicurrency overdraft facility for EUR 5.0 million (approximately US\$ 7.2 million) from Bank Mendes Gans (“BMG”), a subsidiary of ING Bank N.V. (“ING”), as part of a cash pooling arrangement. The cash pooling arrangement with BMG enables CME BV and its wholly owned subsidiaries, which include all members of the CET 21 Group, to receive credit in respect of cash balances which the wholly owned subsidiaries deposit with BMG. Cash deposited by CME BV’s subsidiaries with BMG is pledged as security against the drawings of other subsidiaries up to the amount deposited.

As at December 31, 2009, the net deposits made by the CET Group in the BMG cash pool was US\$ 3.3 million.

Debt maturities for the next five years are as follows:

2010	\$ 78,942
2011	—
2012	—
2013	27,804
2014	—
Thereafter	528,092
Total	\$634,838

7. Accounts receivable

Accounts receivable comprised the following at December 31, 2009 and December 31, 2008:

	December 31, 2009	December 31, 2008
Third-party customers	\$77,530	\$87,744
Less allowance for bad debts and credit notes	(2,201)	(2,110)
Related parties	589	15
Less allowance for bad debts and credit notes	—	—
Total accounts receivable	\$75,918	\$85,649

Bad debt expense for the year ending December 31, 2009 and 2008 was US\$ 0.2 million and US\$ 0.1 million, respectively and in 2007, a net recovery of US\$ 0.3 million of amounts previously written off.

As at December 31, 2009, CZK 713.5 million (approximately US\$ 38.8 million) of receivables were pledged as collateral subject to a factoring agreement.

8. Other assets

Other current and non-current assets comprised the following at December 31, 2009 and December 31, 2008:

	December 31, 2009	December 31, 2008
Current:		
Productions in progress	\$10,989	\$13,690
Other prepaid expenses	1,984	5,111
Income taxes recoverable	4,648	10
Deferred tax	328	485
VAT recoverable	1,638	391
Capitalized debt costs	1,449	—
Other	280	198
Total other current assets	\$21,316	\$19,885

	December 31, 2009	December 31, 2008
Non-current:		
Deferred tax	286	—
Productions in progress	3,631	—
Capitalized debt costs	1,932	—
Other	155	132
Total other non-current assets	\$6,004	\$132

9. Property, plant and equipment

Property, plant and equipment comprised the following at December 31, 2009 and December 31, 2008:

	December 31, 2009	December 31, 2008
Land and buildings	\$ 67,586	\$ 55,450
Machinery, fixtures and equipment	134,061	116,273
Other equipment	9,196	10,987
Software licenses	14,191	11,751
Construction in progress	8,167	10,711
Total cost	\$ 233,201	\$ 205,172
Less: Accumulated depreciation	(129,673)	(104,184)
Total net book value	\$ 103,528	\$ 100,988

Depreciation expense for the years ending December 31, 2009, 2008 and 2007 was US\$ 24.9 million, US\$ 24.5 million and US\$ 14.1 million, respectively.

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities comprised the following at December 31, 2009 and December 31, 2008:

	December 31, 2009	December 31, 2008
Accounts payable	\$19,665	\$15,751
Programming liabilities	19,317	9,596
Duties and other taxes payable	5,253	5,098
Accrued staff costs	4,810	8,818
Accrued interest payable	12,017	12,620
Income taxes payable	168	3,478
Accrued production costs	2,723	2,915
Accrued legal and professional fees	975	683
Authors' rights	1,349	991
Other accrued liabilities	12,695	3,292
Total accounts payable and accrued liabilities	\$78,972	\$63,242

11. Other liabilities

Other current and non-current liabilities comprised the following as at December 31, 2009 and 2008:

	December 31, 2009	December 31, 2008
Current:		
Deferred revenue	\$2,648	\$3,855
Consideration payable	1,470	—
Deferred tax	678	91
Other	2,258	153
Total other current liabilities	\$7,054	\$4,099

	December 31, 2009	December 31, 2008
Non-current:		
Deferred tax	\$48,924	\$47,810
Programming liabilities	—	516
Consideration payable	—	1,396
Other	—	12
Total other non-current liabilities	\$48,924	\$49,845

12. Income taxes

The Czech Republic and non-Czech Republic components of income before income taxes are:

	For the years ended December 31,		
	2009	2008	2007
Domestic	\$55,192	\$53,314	\$ 87,953
Foreign	(252)	5,619	32,776
Total	\$54,940	\$58,933	\$120,729

In 2008, we recognized an impairment loss against our equity method investment for which there was no tax credit.

The Czech Republic and non-Czech Republic components of the provision for income taxes consists of:

	For the years ended December 31,		
	2009	2008	2007
Current income tax expense:			
Domestic	\$10,613	\$25,022	\$22,905
Foreign	1,367	8,615	7,334
	\$11,980	\$33,637	\$30,239
Deferred tax expense/(benefit):			
Domestic	\$ 298	\$ (3,585)	\$ (8,850)
Foreign	(1,097)	(1,258)	(478)
	(799)	(4,843)	(9,328)
Provision for income taxes	\$11,181	\$28,794	\$20,911

Components of deferred tax assets and liabilities

The following table shows the significant components included in deferred income taxes as at December 31, 2009 and 2008:

	December 31, 2009	December 31, 2008
Assets:		
Tax benefit of loss carry-forwards and other tax credits	\$ 596	\$ 866
Programming rights	869	1,332
Other	566	763
Gross deferred tax assets	2,031	2,961
Valuation allowance	(596)	(866)
Net deferred tax assets	1,435	2,095
Liabilities:		
Broadcast licenses, trademarks and customer relationships	\$43,068	\$43,969
Property, plant and equipment	4,801	5,308
Other	2,552	234
Total deferred tax liabilities	\$50,421	\$49,511
Net deferred income tax liability	\$48,986	\$47,416

The CET Group had the following movements on valuation allowances:

Balance at December 31, 2007	\$ 933
Credit to costs and expenses	(67)
Balance at December 31, 2008	\$ 866
Credit to costs and expenses	(270)
Balance at December 31, 2009	\$ 596

As of December 31, 2009 the CET Group has operating loss carry-forwards that will expire in the following periods:

Year	2010	2011	2012	2013	2014
Czech Republic	\$3,059	\$31	\$43	\$5	\$12

The losses are subject to examination by the tax authorities and to restriction on their utilization. In particular the losses can only be utilized against profits arising in the legal entity in which they arose. The CET Group has provided valuation allowances against the above operating loss carry-forwards as management considers it more likely than not that the CET Group will fail to utilize these tax benefits.

The CET Group's subsidiaries file income tax returns in the Czech Republic and the Slovak Republic. As at December 31, 2009, the CET Group's subsidiaries are generally no longer subject to income tax examinations for years before:

Country	Year
Czech Republic	2006
Slovak Republic	2004

13. Interest expense

Interest expense comprised the following for the years ended December 31, 2009, 2008 and 2007:

	For the year ended December 31,		
	2009	2008	2007
Interest on long-term debt—related parties	\$48,677	\$56,703	\$48,774
Interest on credit facilities—third parties	2,477	1,148	354
Total interest expense	\$51,154	\$57,851	\$49,128

14. Commitments and contingencies

Commitments

(a) Station programming rights agreements

At December 31, 2009, the CET Group had US\$ 95.6 million of commitments in respect of future programming, including contracts signed with license periods starting after the balance sheet date. Of this amount, US\$ 38.6 million is payable within one year.

(b) Operating lease commitments

For the years ended December 31, 2009, 2008 and 2007 the CET Group incurred aggregate rent on all facilities of US\$ 5.9 million, US\$ 6.9 million and US\$ 6.9 million, respectively. Future minimum operating lease payments at December 31, 2009 for non-cancellable operating leases with remaining terms in excess of one year (net of amounts to be recharged to third parties) are payable as follows:

	December 31, 2009
2010	3,172
2011	2,626
2012	1,927
2013	1,272
2014	868
2015 and thereafter	2,079
Total	\$11,944

Factoring of trade receivables

CET 21 has a working capital credit facility of CZK 250 million (approximately US\$ 13.6 million) with CS. This facility is secured by a pledge of receivables under the factoring agreement with FCS (see Note 6, "Debt").

15. Related party transactions

Related party transactions

CME Ltd. and subsidiaries

The CET Group enters into transactions with other subsidiaries of CME Ltd.

Acquisitions and disposals

On November 10, 2007 CET 21 acquired CME Slovak Holdings BV from CME Ltd. and on December 9, 2009 CET 21 acquired Media Pro Pictures s.r.o. from CME Media Pro BV. (See note 3, "Acquisitions and Disposals").

The CET Group sold its investment in Innova to CME BV on November 16, 2009. (See note 5, "Investments").

Debt

The CET Group has entered into a variety of loan agreements with other companies owned by CME Ltd. These agreements (as well as outstanding balances under the agreements) are described in Note 6, "Debt".

Loans receivable

In 2006, CET 21 lent CZK 3.0 billion (approximately US\$ 143.7 million) to CME BV at a fixed interest rate of 9.0%. This amount was repaid in full in October 2007 and CZK 150.4 million (approximately US\$ 7.4 million) of interest income was recognized on this loan in 2007.

Sales and purchases

The CET Group purchased programming from other members of the CME Ltd. group with a value of approximately US\$ 1.3 million in 2009. There were no such transactions in 2008 or 2007.

The CET Group purchased various services from other members of the CME Ltd. group with a value of approximately US\$ 3.8 million, US\$ 0.9 million and US\$ 1.6 million in 2009, 2008 and 2007, respectively. The total amount payable was US\$ 2.8 million and US\$ 0.8 million at December 31, 2009 and 2008, respectively.

The CET Group provided services to other members of the CME Ltd. group with a value of approximately US\$ 0.9 million, US\$ 0.1 million and US\$ 0.1 million in 2009, 2008 and 2007, respectively. The total amount receivable for these services was US\$ 0.5 million and US\$ 16 thousand as at December 31, 2009 and 2008, respectively.

Other related parties

The CET 21 Group has entered into transactions with various organizations and individuals that are considered to be related parties: Adrian Sarbu, an Executive Director of CET 21, CME Ltd.'s President and Chief Executive Officer and a member of CME Ltd.'s Board of Directors; Time Warner, beneficial owners of approximately 31.0% of CME Ltd.'s outstanding shares with the right to nominate two members of CME Ltd.'s Board of Directors; Igor Kolomoisky, beneficial owner of approximately 2.5% of CME Ltd.'s shares of Class A common stock and a member of CME Ltd.'s Board of Directors.

Adrian Sarbu

The CET Group purchased programming from companies related to or connected with Mr. Sarbu with a value of approximately US\$ 0.5 million, US 4.6 million and US\$ 0.7 million in 2009, 2008 and 2007, respectively. The total amount payable as at December 31, 2009 and 2008 was US\$ nil and US\$ 0.4 million, respectively.

Time Warner

The CET Group purchased programming from companies related to or connected with Time Warner with a value of approximately US\$ 3.5 million, US\$ 71.1 million and US\$ 5.0 million in 2009, 2008 and 2007, respectively. The total amount payable as at December 31, 2009 and 2008 was US\$ 7.0 million and US\$ 3.6 million, respectively.

Igor Kolomoisky

The CET Group acquired a 21.7% interest in Innova on June 30, 2008 from Igor Kolomoisky for cash consideration of US\$ 40.9 million.

16. Subsequent events

Credit facilities

On February 16, 2010 the aggregate commitment by the lenders under the Erste Facility to CET 21 increased from CZK 2.5 billion (approximately US\$ 136.1 million) to CZK 2.8 billion (approximately US\$ 152.4 million). As of February 22, 2010, CET 21 had drawn CZK 2.8 billion (approximately US\$ 152.4 million) under the Erste Facility which remains outstanding as at September 30, 2010. Drawings were used to refinance certain existing indebtedness of CET 21 to CS and to repay certain indebtedness of CET 21.

On February 9, 2010, CET 21 entered into an interest rate swap agreement with Unicredit and CS until 2013 to convert CZK 1.5 billion (approximately US\$ 81.7 million) of the Erste Facility from a floating rate of 3 month PRIBOR (plus margin) to a fixed interest rate of 2.730% per annum (plus margin). The notional amounts swapped decline in line with the planned amortisation of the loan and extension option. The fair value of the interest rate swap will be recorded on the Consolidated Balance Sheet and any adjustments to the fair value will be recorded in the Consolidated Statement of Operations.

The CET Group has evaluated subsequent events through September 30, 2010 the date on which the CET Group's financial statements were available to be issued.

CET 21 spol. s r.o.
Unaudited condensed consolidated balance sheets
(US\$ 000's)

	June 30, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 22,954	\$ 24,873
Accounts receivable, net (Note 5)	69,818	75,918
Program rights, net	29,224	29,382
Prepaid programming	21,300	31,567
Other current assets (Note 6)	16,990	21,316
Total current assets	160,286	183,056
Non-current assets		
Property, plant and equipment, net (Note 7)	84,555	103,528
Program rights, net	101,163	101,366
Goodwill (Note 3)	876,075	1,001,941
Broadcast licenses and other intangible assets, net (Note 3)	202,272	241,065
Other non-current assets (Note 6)	2,674	6,004
Total non-current assets	1,266,739	1,452,904
Total assets	\$1,427,025	\$1,635,960
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 69,566	\$ 78,972
Current portion of Long-term debt—third parties (Note 4)	40,101	78,942
Other current liabilities (Note 9)	14,208	7,054
Total current liabilities	123,875	164,968
Non-current liabilities		
Long-term debt—related parties (Note 4)	411,129	555,896
Long-term debt—third parties (Note 4)	93,570	—
Other non-current liabilities (Note 9)	43,617	48,924
Total non-current liabilities	548,316	604,820
Commitments and contingencies (Note 12)		
EQUITY		
Share capital	22	22
Additional paid in capital	529,684	529,699
Retained earnings	139,631	140,141
Accumulated other comprehensive income	85,497	196,310
Total equity	754,834	866,172
Total liabilities and equity	\$1,427,025	\$1,635,960

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CET 21 spol. s r.o.
Unaudited condensed consolidated statements of operations
and comprehensive income
(US\$ 000's)

	For the six months ended June 30,	
	2010	2009
Net revenues	\$ 170,466	\$175,768
Operating expenses		
Operating costs	25,486	23,383
Cost of programming	74,507	64,790
Depreciation of property, plant and equipment	11,571	11,230
Amortization of broadcast licenses and other intangibles (Note 3)	8,257	7,304
Cost of revenues	119,821	106,707
Selling, general and administrative expenses	19,078	15,513
Operating income	31,567	53,548
Interest income	109	230
Interest expense (Note 10)	(25,787)	(24,261)
Foreign currency exchange loss, net	(3,737)	(1,202)
Change in fair value of derivatives (Note 11)	(1,622)	—
Other income/(expense)	294	(279)
Income before tax	824	28,036
Provision for income taxes	(1,334)	(5,486)
Net (loss)/income	\$ (510)	\$ 22,550
Net (loss)/income	(510)	22,550
Currency translation adjustment	(110,813)	42,191
Comprehensive (loss)/income	\$(111,323)	\$ 64,741

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CET 21 spol. s r.o.
Unaudited condensed consolidated statements of equity
(US\$ 000's)

	Share capital	Additional paid in capital	Retained earnings	Accumulated other comprehensive income	Total Equity
BALANCE, December 31, 2008	\$22	\$521,293	\$164,783	\$151,708	\$837,806
Distributions	—	—	(43,674)	—	(43,674)
Net income	—	—	22,550	—	22,550
Currency translation adjustment	—	—	—	42,191	42,191
BALANCE, June 30, 2009	\$22	\$521,293	\$143,659	\$193,899	\$858,873

	Share capital	Additional paid in capital	Retained earnings	Accumulated other comprehensive income	Total Equity
BALANCE, December 31, 2009	\$22	\$529,699	\$140,141	\$ 196,310	\$ 866,172
Adjustment to Media Pro Pictures s.r.o. purchase accounting	—	(15)	—	—	(15)
Net loss	—	—	(510)	—	(510)
Currency translation adjustment	—	—	—	(110,813)	(110,813)
BALANCE, June 30, 2010	\$22	\$529,684	\$139,631	\$ 85,497	\$ 754,834

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CET 21 spol. s r.o.
Unaudited condensed consolidated statements of cash flows
(US\$ 000's)

	For the six months ended June 30,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)/income	\$ (510)	\$ 22,550
Adjustments to reconcile net (loss)/income to net cash generated from operating activities:		
Depreciation and amortization	70,731	50,169
Loss on disposal of fixed assets	—	295
Change in fair value of derivatives (Note 11)	1,622	—
Foreign currency exchange loss, net	3,737	1,202
Net change in:		
Accounts receivable	(3,246)	12,653
Program rights	(31,580)	(29,579)
Other assets	4,877	(3,074)
Accounts payable and accrued liabilities	(21,559)	(3,620)
Income taxes payable	(1,204)	(8,194)
Other current liabilities	629	516
Net cash generated from operating activities	23,497	42,918
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,119)	(11,028)
Proceeds from disposal of property, plant and equipment	—	665
Payment of deferred consideration	(1,296)	—
Net cash used in investing activities	(10,415)	(10,363)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from credit facilities	150,513	53,945
Payments made on credit facilities	(78,062)	(39)
Payments made on loans from related parties	(84,390)	(50,584)
Net cash (used in)/received from financing activities	(11,939)	3,322
Impact of exchange rate fluctuations on cash	(3,062)	1,719
Net (decrease)/increase in cash and cash equivalents	(1,919)	37,595
CASH AND CASH EQUIVALENTS, beginning of period	24,873	30,637
CASH AND CASH EQUIVALENTS, end of period	\$ 22,954	\$ 68,233

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CET 21 spol. s r.o.
Notes to unaudited condensed consolidated
financial statements
(Tabular amounts in US\$ 000's)

1. Organization and business

Central European Media Enterprises Ltd. ("CME Ltd."), a Bermuda corporation, was formed in June 1994 and its assets are held through a series of Dutch and Netherlands Antilles holding companies. CME Ltd. is a vertically integrated media group operating leading broadcasting, internet and TV content businesses in Central and Eastern Europe.

CET 21 spol. s r.o. (including its consolidated subsidiaries, the "CET Group") is 99.996% owned by CME Media Enterprises BV ("CME BV") and 0.004% owned by CME Investments BV ("CME Investments"), which are both wholly owned subsidiaries of CME Ltd.

The CET Group was comprised of the following significant legal entities as at June 30, 2010:

Group Name	Effective voting interest	Jurisdiction of organization	Type of affiliate
CET 21 spol. s r.o. ("CET 21")		Czech Republic	Parent
Jyxo, s.r.o. ("Jyxo")	100.00%	Czech Republic	Subsidiary
BLOG Internet, s.r.o. ("BLOG Internet")	100.00%	Czech Republic	Subsidiary
Media Pro Pictures s.r.o.	100.00%	Czech Republic	Subsidiary
CME Slovak Holdings B.V. ("CME Slovak Holdings") . . .	100.00%	Netherlands	Subsidiary
A.R.J., a.s.	100.00%	Slovak Republic	Subsidiary
MARKÍZA-SLOVAKIA, spol. s r.o. ("Markiza")	100.00%	Slovak Republic	Subsidiary
MEDIA INVEST, spol. s r.o.	100.00%	Slovak Republic	Subsidiary

All subsidiaries have been consolidated in the financial statements.

CET 21 holds the broadcast licenses for and operates two national television channels in the Czech Republic, TV NOVA (Czech Republic) and NOVA CINEMA, and two cable/satellite channels, NOVA SPORT and MTV CZECH. In addition, the CET Group holds the broadcast licenses for and operates the national television channel in the Slovak Republic, TV MARKIZA and a female-orientated cable channel, DOMA.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The functional currency of the CET Group is the Czech Koruna. The consolidated financial statements are presented in US Dollars (US\$).

The main exchange rates against the US Dollar used in the preparation of the consolidated balance sheets and consolidated statements of operations are:

	Consolidated balance sheets		Consolidated statements of operations	
	June 30, 2010	December 31, 2009	For the six months ended June 30,	
			2010	2009
CZK	20.95	18.37	19.44	20.41
EUR	0.81	0.69	0.75	0.75

The significant accounting policies are summarized as follows:

Basis of presentation

The CET Group has historically operated as an integrated part of CME Ltd. These consolidated financial statements have been prepared on a "carve-out" basis from the consolidated financial statements of CME Ltd. to represent the financial position and performance of the CET Group as if it had existed on a stand-alone basis as of December 31, 2009 and June 30, 2010 and for the six months ended June 30, 2010 and 2009. The consolidated financial statements have been derived by extracting the assets, liabilities, revenues and expenses directly attributable to the CET Group from the assets, liabilities, revenues and expenses reflected in the accounting records of CME Ltd. on a legal entity basis. The CET Group eliminates from its financial results all intercompany transactions between entities included in the consolidated financial statements.

The consolidated financial statements included herein may not necessarily be indicative of the CET Group's financial position, results of operations, or cash flows had the CET Group operated as a separate entity during the periods presented or for future periods.

These consolidated financial statements reflect all of the assets, liabilities, revenues, expenses, and cash flows of the CET Group after the elimination of intergroup accounts and transactions. The CET Group consolidates the financial statements of entities in which it holds at least a majority voting interest and entities in which it holds less than a majority voting interest but over which it has the ability to exercise control. Entities in which the CET Group holds less than a majority voting interest but over which it exercises significant influence are accounted for using the equity method. Other investments are accounted for using the cost method.

The accompanying unaudited condensed consolidated financial statements for the six months ended June 30, 2010 do not include all of the information and note disclosures required by US GAAP. Amounts as of December 31, 2009 included in the unaudited condensed consolidated financial statements have been derived from audited consolidated financial statements as of that date. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the CET Group for the year ended December 31, 2009. The significant accounting policies have not changed since December 31, 2009, except as noted below.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring items, necessary for their fair presentation in conformity with US GAAP. The consolidated results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Financial instruments

Derivative financial instruments

The CET Group uses derivative financial instruments for the purpose of mitigating interest rate risks, which exist as part of the CET Group's financing arrangements. As a policy, the CET Group does not engage in speculative or leveraged transactions, nor does it hold or issue derivative financial instruments for trading purposes.

These contracts are marked to market at the balance sheet date, and the resultant unrealized gains and losses are recorded in the Condensed Consolidated Statement of Operations, together with realized gains and losses arising on settlement of these contracts.

The CET Group adopted Accounting Standard Update (“ASU”) 2010-6, “Improving Disclosures on Fair Value Measurements” on January 1, 2010. There was no impact on the carrying value of the assets or liabilities recognized or results of operations and the relevant disclosure of inputs and valuation techniques is provided in Note 11, “Financial Instruments and Fair Value Measurements” to comply with this ASU.

Income taxes

The Group accounts for income taxes in interim periods in accordance with Accounting Standards Codification (“ASC”) 740-270. For interim income tax reporting purposes applicable to ordinary income, the Group generally determines its best estimate of an annual effective tax rate and applies that rate on a year-to-date basis. The Group’s calculated estimated annual effective tax rate excludes significant, unusual or infrequently occurring items, jurisdictions for which a reliable estimate cannot be made or where the estimated benefit of losses cannot be recognized, and certain other items excluded in the US GAAP authoritative guidance. The income tax (or benefit) related to all other items is individually computed and recognized when the items occur.

In the six months ended June 30, 2010, the reason for the variation in the customary relationship between income tax expense and pre-tax income for the CET Group is due to the impact of disallowable expenses in the Slovak Republic.

3. Goodwill and intangible assets

Changes in the carrying amount of the goodwill for the six months ended June 30, 2010 are as follows:

Goodwill:

Net balance, December 31, 2009	\$1,001,941
Foreign currency movement	(125,866)
Net balance, June 30, 2010	\$ 876,075

The Group did not record any impairment of goodwill as of June 30, 2010 and December 31, 2009.

No goodwill is expected to be deductible for tax purposes.

Broadcast licenses and other intangible assets:

The net book value of the CET Group’s broadcast licenses and other intangible assets as at June 30, 2010 and December 31, 2009 is summarized as follows:

	Amortized broadcast licenses	Trademarks	Customer relationships	Other	Total
Balance, December 31, 2009	\$153,417	\$35,329	\$51,904	\$415	\$241,065
Amortization	(4,920)	(749)	(2,564)	(24)	(8,257)
Foreign currency movements	(18,885)	(4,447)	(7,216)	12	(30,536)
Balance, June 30, 2010	\$129,612	\$30,133	\$42,124	\$403	\$202,272

Broadcast licenses have an economic useful life of, and are amortized on a straight-line basis over, 12 - 23 years.

Customer relationships are deemed to have an economic useful life of, and are amortized on a straight-line basis over, five to eight years. Trademarks have an indefinite life, with the exception of those acquired trademarks which we do not intend to use, which have an

economic life of, and are being amortized over, between two and five years using the declining balance method and the blog.cz acquired trademark which is being amortized over its useful economic life of 5 years.

The gross value and accumulated amortization of broadcast licenses and other intangible assets was as follows at June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Gross value	\$298,014	\$ 342,156
Accumulated amortization	(95,742)	(101,091)
Total broadcast licenses and othe amortized intangible assets, net . . .	\$202,272	\$ 241,065

4. Debt

Our total debt comprised the following as at June 30, 2010 and December 31, 2009:

Total debt

	Carrying value		Fair value	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
Credit Facilities (a - d)	\$133,671	\$ 78,942	\$133,671	\$ 78,942
Long-term debt to related parties	411,129	555,896	409,477	556,331
	\$544,800	\$634,838	\$543,148	\$635,273

Long-term debt—third parties

	June 30, 2010	December 31, 2009
Credit Facilities (a - d)	\$133,671	\$ 78,942
Less current	(40,101)	(78,942)
Total long-term debt—third parties	\$ 93,570	\$ —

(a) On December 21, 2009, CET 21 entered into a Facility Agreement (“the “Erste Facility”) for up to CZK 3.0 billion (approximately US\$ 143.2 million) with Erste Group Bank A.G. as arranger, CS as facility agent and security agent, and each of CS, UniCredit Bank Czech Republic, a.s. and BNP Paribas as original lenders. CME Ltd. and certain of its subsidiaries, namely CME Slovak Holdings, CME BV, CME Investments and Markiza, are guarantors under the Erste Facility (together, the “Original Guarantors”). The facility became available for drawing on January 18, 2010. On February 16, 2010, the aggregate commitment by the lenders under the Erste Facility to CET 21 increased from CZK 2.5 billion (approximately US\$ 136.1 million) to CZK 2.8 billion (approximately US\$ 152.4 million). As of June 30, 2010, CZK 2.8 billion (approximately US\$ 152.4 million) had been drawn. The facility matures on April 30, 2012, subject to a potential extension of one year. Interest under the facility is calculated at a rate per annum of 4.90% above PRIBOR. The repayment of the loan will commence 12 months from the date of the Erste Facility, in four semi-annual instalments of 15.0% each and one instalment of 40.0% on the maturity date (assuming no extension). CET 21 may be required to prepay amounts drawn in the event of specified changes of control. The Original Guarantors have agreed to guarantee the obligations of CET 21 under the Erste Facility by entering into an interest rate swap agreement (see Note 11, “Fair Value Measurements”). As security for the facility, CET 21 has pledged substantially all of its assets, including its 100.0% ownership interest in CME Slovak Holdings and its ownership interest in 100.0% of the registered capital of Jyxo and BLOG. In addition, CME Investments has granted security over the receivables under inter-group loans made to CET 21 and Markiza, respectively. The Erste Facility contains customary representations, warranties, covenants and events of default. The covenants include limitations on CET 21’s ability to carry out certain types of transactions, incur additional indebtedness, make disposals and create liens.

(b) As at June 30, 2010 and December 31, 2009, there were no drawings under a CZK 300.0 million (approximately US\$ 14.3 million) factoring facility with Factoring Ceska Sporitelna (“FCS”) available until September 30, 2011. The facility bears interest at one-month PRIBOR plus 1.40% for the period that actively assigned accounts receivable are outstanding.

(c) A CZK 1.2 billion (approximately US\$ 64.6 million at the date of repayment) (December 31, 2009: CZK 1.2 billion (US\$ 65.3 million) credit facility granted to CET 21 by CS was repaid in full with the drawings under the Erste Facility on February 22, 2010 and was subsequently cancelled.

(d) The CZK 250.0 million (approximately US\$ 13.5 million at the date of repayment) (December 31, 2009: CZK 250.0 million (US\$ 13.6 million) working capital facility of CET 21 with CS was repaid in full with the drawings under the Erste Facility on February 22, 2010 and was subsequently cancelled.

Long-term debt—related parties

	June 30, 2010	December 31, 2009
Long-term debt—related parties (e - g)	\$411,129	\$555,896
Total long-term debt—related parties	\$411,129	\$555,896

(e) As of June 30, 2010, CET 21 owed CZK 8.1 billion (approximately US\$ 384.5 million) (December 31, 2009: CZK 9.7 billion (US\$ 528.1 million)) to CME Investments under a loan that bears interest at a fixed rate of 9.0% and has a maturity date of May 2, 2015.

Interest of CZK 383.5 million (approximately US\$ 19.8 million) and CZK 449.2 million (approximately US\$ 22.0 million) was incurred on this loan in the six months ended June 30, 2010 and 2009, respectively. Accrued interest of CZK 186.0 million (approximately US\$ 8.9 million) and CZK 217.2 million (approximately US\$ 11.7 million) was included within accounts payable and accrued liabilities at June 30, 2010 and December 31, 2009 respectively.

(f) As of June 30, 2010, Markiza owed EUR 21.0 million (approximately US\$ 25.8 million) to CME Investments under a loan that bears interest at a fixed rate of 7.55% and has maturity date of November 23, 2013. The balance as of December 31, 2009 was EUR 21.0 million (approximately US\$ 27.8 million).

Interest expense of EUR 1.0 million (approximately US\$ 1.2 million) and EUR 1.0 million (approximately US\$ 1.4 million) was incurred on this loan in the six months ended June 30, 2010 and 2009, respectively. Accrued interest of EUR 0.1 million (approximately US\$ 0.2 million) and EUR 0.1 million (approximately US\$ 0.1 million) was included within accounts payable and accrued liabilities as at June 30, 2010 and December 31, 2009, respectively.

(g) As of June 30, 2010, MPP Praha owed EUR 0.5 million (approximately US\$ 0.6 million) to CME Media Pro BV, a wholly owned subsidiary of CME Ltd, under a loan that bears interest at a fixed rate of 9.75% and has a maturity date of January 13, 2015 (December 31, 2009: US\$ nil).

Interest expense of EUR 19 thousand (approximately US\$ 25 thousand) was incurred on this loan in the six months ended 2010. Accrued interest of EUR 19 thousand (approximately US\$ 23 thousand) was included within accounts payable and accrued liabilities as at June 30, 2010.

BMG

CME BV has an uncommitted multicurrency overdraft facility for EUR 5.0 million (approximately US\$ 6.1 million) from Bank Mendes Gans (“BMG”), a subsidiary of ING Bank N.V. (“ING”), as part of a cash pooling arrangement. The cash pooling arrangement with BMG enables CME BV and its wholly owned subsidiaries, which include all members of the CET Group, to receive credit in respect of cash balances which the wholly owned subsidiaries deposit with BMG. Cash deposited by CME BV’s subsidiaries with BMG is pledged as security against the drawings of other subsidiaries up to the amount deposited.

As at June 30, 2010 the net deposits made by the CET Group in the BMG cash pool was US\$ 0.3 million.

Debt maturities for the next five years are as follows:

2010	\$ 20,051
2011	40,101
2012	73,519
2013	26,621
2014	—
Thereafter	384,508
Total	\$544,800

5. Accounts receivable

Accounts receivable comprised the following at June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Third-party customers	\$71,851	\$77,530
Less allowance for bad debts and credit notes	(2,410)	(2,201)
Related parties	377	589
Less allowance for bad debts and credit notes	—	—
Total accounts receivable	\$69,818	\$75,918

At June 30, 2010, CZK 434.5 million (approximately US\$ 20.7 million) of receivables were pledged as collateral subject to the Erste Facility. See Note 4, "Debt".

6. Other assets

Other current and non-current assets comprised the following at June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Current:		
Productions in progress	\$ 6,220	\$10,989
Other prepaid expenses	2,262	1,984
Income taxes recoverable	5,185	4,648
Deferred tax	1,201	328
VAT recoverable	404	1,638
Capitalized debt costs	1,279	1,449
Other	439	280
Total other current assets	\$16,990	\$21,316
Non-current:		
Deferred tax	285	286
Productions in progress	998	3,631
Capitalized debt costs	1,256	1,932
Other	135	155
Total other non-current assets	\$2,674	\$6,004

7. Property, plant and equipment

Property, plant and equipment comprised the following at June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Land and buildings	\$ 61,207	\$ 67,586
Machinery, fixtures and equipment	113,246	134,061
Other equipment	6,736	9,196
Software licenses	13,078	14,191
Construction in progress	7,737	8,167
Total cost	\$ 202,004	\$ 233,201
Less: Accumulated depreciation	(117,449)	(129,673)
Total net book value	\$ 84,555	\$ 103,528

8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities comprised the following at June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Accounts payable	\$16,085	\$19,665
Programming liabilities	18,085	19,317
Duties and other taxes payable	5,931	5,253
Accrued staff costs	4,241	4,810
Accrued interest payable	9,064	12,017
Income taxes payable	54	168
Accrued production costs	4,455	2,723
Accrued legal and professional fees	1,158	975
Authors' rights	2,097	1,349
Other accrued liabilities	8,396	12,695
Total accounts payable and accrued liabilities	\$69,566	\$78,972

9. Other liabilities

Other current and non-current liabilities comprised the following as at June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Current:		
Deferred revenue	\$10,666	\$2,648
Consideration payable	—	1,470
Deferred tax	696	678
Other	2,846	2,258
Total other current liabilities	\$14,208	\$7,054

	June 30, 2010	December 31, 2009
Non-current:		
Deferred tax	\$42,016	\$48,924
Derivative liabilities	1,601	—
Total other non-current liabilities	\$43,617	\$48,924

10. Interest expense

Interest expense comprised the following for the six months ended June 30, 2010 and 2009:

	For the six months ended June 30,	
	2010	2009
Interest on long-term debt—related parties	\$20,799	\$23,170
Interest on credit facilities—third parties	4,255	1,091
Amortization of capitalized debt costs	733	—
Total interest expense	\$25,787	\$24,261

11. Financial instruments and fair value measurements

ASC 820, “Fair Value Measurements and Disclosure”, establishes a hierarchy that prioritizes the inputs to those valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy established in ASC 820-10-35 are:

Basis of fair value measurement

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted instruments.

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

At June 30, 2010, we did not have any financial assets or liabilities carried at fair value using significant level 1 or level 3 inputs and the only instrument we value using level 2 inputs is the following interest rate swap agreement:

Interest rate swap

On February 9, 2010, the CET Group entered into an interest rate swap agreement with UniCredit and CS expiring in 2013 to convert CZK 1.5 billion (approximately US\$ 71.6 million) of the Erste Facility from a floating rate of three month PRIBOR (plus a margin) to a fixed interest rate of 2.73% per annum (plus a margin). The notional amounts swapped decline in line with the planned amortization of the loan and the extension option. The interest rate swap is a financial instrument that is used to reduce interest rate risk and is considered an economic hedge. The interest rate swap has not been designated as a hedging instrument so changes in the fair value of the derivative are recorded in the condensed consolidated statement of operations and in the condensed consolidated balance sheet in other non-current liabilities.

The CET Group values the interest rate swap agreement using a valuation model which calculates the fair value on the basis of the net present value of the estimated future cash flows. The most significant input used in the valuation model is the expected PRIBOR-based yield curve. This instrument is allocated to level 2 of the fair value hierarchy because the critical inputs to this model, including current interest rates, relevant yield curves and the known contractual terms of the instrument, are readily observable.

The fair value of the interest rate swap as at June 30, 2010 was a US\$ 1.6 million liability. A derivative loss of US\$ 1.6 million was recognized in the condensed consolidated statement of operations for the six months ended June 30, 2010.

12. Commitments and contingencies

Commitments

(a) Station programming rights agreements

At June 30, 2010, the CET Group had US\$ 115.7 million of commitments in respect of future programming, including contracts signed with license periods starting after the balance sheet date. Of this amount, US\$ 26.7 million is payable within one year.

(b) Operating lease commitments

For the six months ended June 30, 2010 and 2009 the CET Group incurred aggregate rent on all facilities of US\$ 1.9 million and US\$ 2.1 million, respectively. Future minimum operating lease payments at June 30, 2010 for non-cancellable operating leases with remaining terms in excess of one year (net of amounts to be recharged to third parties) are payable as follows:

	June 30, 2010
2010	1,470
2011	2,609
2012	1,817
2013	681
2014	617
2015 and thereafter	1,338
Total	\$8,532

Factoring of trade receivables

The Erste Facility is secured by a pledge of receivables under a factoring agreement. At June 30, 2010, CZK 434.5 million (approximately US\$ 20.7 million) of receivables were pledged as collateral under this agreement (see Note 4 (a), "Debt").

13. Related party transactions

Related party transactions

CME Ltd. and subsidiaries

The CET Group enters into transactions with other subsidiaries of CME Ltd.

Debt

The CET Group has entered into a variety of debt agreements with other companies owned by CME Ltd. These agreements (as well as outstanding balances under the agreements) are described in Note 4, "Debt".

Sales and purchases

The CET Group enters into transactions with CME Ltd. and its subsidiaries. The CET Group purchased programming from CME Ltd. and its subsidiaries with a value of approximately US\$ 0.1 million and US\$ 0.3 million in the six months ended June 30, 2010 and 2009, respectively. The total amount payable was US\$ 0.9 million at June 30, 2010 and US\$ nil at December 31, 2009.

Furthermore the CET Group purchased various services from CME Ltd. and its subsidiaries with a value of approximately US\$ 3.5 million and US\$ 0.7 million in the six months ended June 30, 2010 and 2009, respectively. The total amount payable was US\$ 3.0 million at June 30, 2010 and US\$ 2.8 million at December 31, 2009.

Other related parties

In the ordinary course of business, the CET Group also has transactions with various organizations and individuals that are considered to be related parties: Adrian Sarbu, an Executive Director of CET 21, CME Ltd.'s President and Chief Executive Officer and a member of CME Ltd.'s Board of Directors; Time Warner, beneficial owners of approximately 31.0% of CME Ltd's outstanding shares with the right to nominate two members of CME Ltd's Board of Directors.

Adrian Sarbu

The CET Group purchased services from companies related to or connected with Mr. Sarbu in the six months ended June 30, 2010 and 2009 with a value of approximately US\$ 0.1 million and US\$ 30 thousand, respectively. The total amount payable at June 30, 2010 was US\$ 0.9 million and US\$ nil at December 31, 2009.

Time Warner

The CET Group purchased programming from companies related to or connected with Time Warner in the six months ended June 30, 2010 and 2009 with a value of approximately US\$ 1.2 million and US\$ 1.6 million, respectively. The total amount payable as at June 30, 2010 was US\$ 5.3 million and US\$ 7.0 million at December 31, 2009.

14. Subsequent events

None

The CET Group has evaluated subsequent events through September 30, 2010, the date on which the CET Group's financial statements were available to be issued.

CET 21

CET 21 spol. s r.o.
Kříženeckého nám. 1078/5
152 00 Prague 5
Czech Republic

LEGAL ADVISORS TO CET 21

<i>as to matters of U.S. law</i>	<i>as to matters of English law</i>	<i>as to matters of U.S. law</i>	<i>as to matters of Czech law</i>
Dewey & LeBoeuf LLP 1301 Avenue of the Americas New York, NY 10019 United States	Dewey & LeBoeuf No. 1 Minster Court Mincing Lane London EC3R 7YL United Kingdom	Katten Muchin Rosenman LLP 575 Madison Avenue New York, NY 10022 United States	Kotrlík Bourgeault Andruško Adria Palace Jungmannova 31 110 00 Prague 1 Czech Republic

LEGAL ADVISORS TO THE INITIAL PURCHASERS

<i>as to matters of U.S. law</i>	<i>as to matters of Czech law</i>
Simpson Thacher & Bartlett LLP CityPoint One Ropemaker Street London EC2Y 9HU United Kingdom	White & Case, advokátní kancelář Na Příkopě 8 110 00 Prague 1 Czech Republic

INDEPENDENT AUDIT FIRM

Deloitte Audit s.r.o.
Karolinská 2
186 00 Prague
Czech Republic

TRUSTEE, TRANSFER AND PAYING AGENT

Citibank, N.A., London Branch
Agency & Trust
14th Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

SECURITY AGENT

BNP Paribas Trust Corporation UK Limited
55 Moorgate
London EC2R 6PA
United Kingdom

