CENTRAL EUROPEAN MEDIA ENTERPRISES LTD

FORM 10-K
(Annual Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 0-24796

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.

(Exact name of registrant as specified in its charter)

BERMUDA	**98-0438382**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
Mintflower Place, 4th floor **Par-La-Ville Rd, Hamilton, Bermuda**	**HM 08 Bermuda**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +1 441 296-1431

Securities registered pursuant to Section 12(b) of the Act:

CLASS A COMMON STOCK, $0.08 PAR VALUE

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for each shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" or "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2010 (based on the closing sale price of US$ 19.90 of the registrant's Common Stock, as reported by the Nasdaq Global Select Market on such date) was approximately US$ 0.8 billion.

Number of shares of Class A Common Stock outstanding as of February 18, 2011: 56,878,489

Number of shares of Class B Common Stock outstanding as of February 18, 2011: 7,490,936

DOCUMENTS INCORPORATED BY REFERENCE

Document	Location in Form 10-K in Which Document is Incorporated
Registrant's Proxy Statement for the 2011 Annual General Meeting of Shareholders	Part III

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Unless the context otherwise requires, references in this report to the "Company", "CME", "we", "us" or "our" refer to Central European Media Enterprises Ltd. ("CME Ltd.") or CME and its consolidated subsidiaries listed in Exhibit 21.01 hereto. Unless otherwise noted, all statistical and financial information presented in this report has been converted into U.S. dollars using appropriate exchange rates. All references in this report to "US$" or "dollars" are to U.S. dollars, all references to "BGN" are to Bulgarian lev, all references to "HRK" are to Croatian kuna, all references to "CZK" are to Czech korunas, all references to "RON" are to the New Romanian lei, all references to "UAH" are to Ukrainian hryvnia, all references to "Euro" or "EUR" are to the European Union Euro and all references to "GBP" or "£" are to British pounds. The exchange rates as of December 31, 2010 used in this report are BGN/US$ 1.47; HRK/US$ 5.52; CZK/US$ 18.75; RON/US$ 3.20; EUR/US$ 0.75 and GBP/US$ 0.64.

The term "Floating Rate Notes" refers to our floating rate senior notes due 2014; the term "2009 Fixed Rate Notes" refers to our 11.625% senior notes due 2016; the term "2010 Fixed Rate Notes" refers to the 9.0% senior secured notes due 2017 issued by our wholly owned subsidiary, CET 21 spol s.r.o. ("CET 21"); the term "Senior Notes" refers collectively to the Floating Rate Notes, 2009 Fixed Rate Notes and 2010 Fixed Rate Notes; the term "2011 Convertible Notes" refers to our 5.0% senior convertible notes due 2015, the term "2008 Convertible Notes" refers to our 3.50% senior convertible notes due 2013 and the term "Convertible Notes" refers collectively to the 2008 Convertible Notes and the 2011 Convertible Notes. The term "Erste Facility" refers to the up to CZK 3.0 billion facility agreement dated December 21, 2009 among CET 21, Erste Group Bank AG as arranger, Ceska Sporitelna, a.s. ("CSAS") as facility agent and security agent, and each of CSAS, UniCredit Bank Czech Republic, a.s. and BNP Paribas, S.A. as original lenders, which was repaid in full on October 21, 2010. The term "Secured Revolving Credit Facility" refers to the five-year CZK 1.5 billion secured revolving credit facility entered into on October 21, 2010 by CET 21 spol s r.o. with BNP Paribas, S.A., J.P. Morgan plc, Citigroup Global Markets Limited, ING Bank N.V. and CSAS as mandated lead arrangers and original lenders, BNP Paribas, S.A. as agent, BNP Paribas Trust Corporation UK Limited as security agent, and CME Ltd. and our wholly-owned subsidiaries 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.

Forward-Looking Statements

This report contains forward-looking statements, including those relating to our capital needs, business strategy, expectations and intentions. Statements that use the terms "believe", "anticipate", "expect", "plan", "estimate", "intend" and similar expressions of a future or forward-looking nature identify forward-looking statements for purposes of the U.S. federal securities laws or otherwise. For these statements and all other forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or are otherwise beyond our control and some of which might not even be anticipated. Forward-looking statements reflect our current views with respect to future events and because our business is subject to such risks and uncertainties, actual results, our strategic plan, our financial position, results of operations and cash flows could differ materially from those described in or contemplated by the forward-looking statements contained in this report.

Important factors that contribute to such risks include, but are not limited to, those factors set forth under "Risk Factors" as well as the following: the effect of the economic downturn in our markets and the extent and timing of any recovery; the extent to which our debt service obligations restrict our business; decreases in TV advertising spend and the rate of development of the advertising markets in the countries in which we operate; our ability to make future investments in television broadcast operations; changes in the political and regulatory environments where we operate and application of relevant laws and regulations; the timely renewal of broadcasting licenses and our ability to obtain additional frequencies and licenses; and our ability to acquire necessary programming and attract audiences. The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included in this report. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

PART 1

ITEM 1. BUSINESS

CME is an integrated media company operating leading broadcast, content and new media businesses in Central and Eastern Europe. Our assets are held through a series of Dutch and Curaçao holding companies. Since January 1, 2010, we have managed our business on a divisional basis, with three operating segments: Broadcast, New Media and Media Pro Entertainment. The new business segments reflect how CME's operations are managed and the structure of our internal financial reporting. CME content is critical to maintaining our leadership positions in our broadcasting operations and expanding our new media operations. We have concentrated our creative resources to develop some of the most popular original content for distribution across the entire spectrum of existing and emerging platforms to bring greater diversification of revenues. Content is a core asset and ownership of it is the cornerstone of our strategy to monetize our content across multiple distribution platforms.

General market information

We operate mainly in Bulgaria, Croatia, the Czech Republic, Romania, the Slovak Republic and Slovenia. All of these countries are members of the European Union (the "EU") except for Croatia, which is an accession candidate country. These emerging economies have adopted Western-style democratic forms of government within the last twenty years and have economic structures, political and legal systems, systems of corporate governance and business practices that continue to evolve. As the economies of our countries converge with more developed nations and their economic and commercial infrastructures continue to develop, the business risks of operating in these countries will continue to decline. We also have broadcast operations in Moldova (since January 2011) and content distribution operations in Hungary. Our operations in these countries are immaterial in comparison with our other operations.

The following table shows the per capita nominal gross domestic product ("GDP") (i.e., at current prices) at constant exchange rates for the markets of Central and Eastern Europe in which we operate and for a combined group of developed markets comprised of Austria, France, Germany, Spain, the United Kingdom and the United States (collectively, the "developed markets"). GDP is a measure of economic activity and represents the estimated total value of final goods and services produced by a country in a specified period.

	2010	2009	2008	2007	2006	2005
CME markets	$ 11,737	$ 11,329	$ 11,699	$ 10,485	$ 9,271	$ 8,294
growth rate	*4 %*	*(3 %)*	*12 %*	*13 %*	*12 %*	9%
Developed markets	$ 42,779	$ 41,605	$ 42,853	$ 42,207	$ 40,457	$ 38,557
growth rate	*3 %*	*(3 %)*	*2 %*	*4 %*	*5 %*	5%

Source: IHS Global Insight

The following table shows the ratio of combined per capita nominal GDP at purchasing power parity ("PPP") in our markets to that of developed markets.

Ratio of per capita nominal GDP at PPP	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
CME markets as a % of developed markets	41%	41%	42%	40%	38%	36%

Source: IHS Global Insight

The above two tables show that the level of per capita nominal GDP in our markets was converging towards the level of the developed markets up until 2008, when the recent recession impacted our markets to a greater extent than the developed markets. We believe that convergence of GDP in our markets with the developed markets will resume as growth returns. As our markets grow, the level of disposable income of the population increases, which provides an incentive for advertisers to advertise their products.

The following table shows total advertising spend per capita in the markets of Central and Eastern Europe in which we operate and for the developed markets at constant exchange rates:

Total advertising spend per capita US$	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
CME markets	$ 40	$ 43	$ 57	$ 52	$ 46	$ 40
Growth rate	*(5 %)*	*(26 %)*	*10 %*	*13 %*	*15 %*	*11 %*
Developed markets	$ 368	$ 362	$ 397	$ 411	$ 404	$ 383
Growth rate	*2 %*	*(9 %)*	*(3 %)*	*2 %*	*6 %*	*4 %*

Source: CME estimates, Group M, IHS Global Insight

The ratio of total advertising spend per capita to nominal GDP per capita, also known as advertising intensity, was also converging until 2008 and had risen to a weighted average level in our markets of 0.49% in 2008, compared to 0.93% in the developed markets. Due to the recent period of advertising market decline, the weighted average advertising intensity in CME markets has fallen to 0.34% in 2010, compared to 0.86% in the developed markets. We expect advertising intensity to begin converging again as our markets grow faster than the developed markets. Furthermore, we expect the rate of increase to be greater in the first years of recovery as our markets resume growth from a lower base.

The convergence of advertising intensity is driven by several factors, including the introduction of premium products into the market by new or existing advertisers aiming to capture increased consumer disposable income. In the developed markets, the marketing of premium products, including finance, automotive, entertainment and travel products, makes up the majority of current television advertising spend. In the markets in which we operate, the advertising of food, beverages, detergents and other basic products is the main source of advertising revenues.

The following table shows a comparison of the allocation of advertising budgets between basic and premium products in our markets versus those in more developed countries in 2010:

Mix of advertised products	CME markets	Developed markets
Premium	30%	65%
Basic	68%	29%
Other	2%	6%

Source: CME estimates, GroupM

Similar to the trends described above, we have seen the proportion of premium goods advertised in our markets gradually increase over time until 2008.

During the recent period of TV advertising spend decline in our markets, we saw a decrease in the proportion of advertising revenues from premium products caused by a weakening of consumer demand for such products in the recessionary period. We believe this is a temporary reversal of the longer-term historic trend. In those markets where TV advertising growth has already returned we have started to see an increase in the level of interest from advertisers of premium products and expect the historic trend to resume as our markets recover.

The following table shows TV advertising spend per capita in the markets of Central and Eastern Europe in which we operate and for the developed markets at constant exchange rates.

TV advertising spend per capita US$	2010	2009	2008	2007	2006	2005
CME markets	$ 21	$ 22	$ 29	$ 25	$ 22	$ 18
Growth rate	*(4)%*	*(24%)*	*13%*	*17%*	*17%*	*12%*
Developed markets	$ 140	$ 134	$ 146	$ 147	$ 150	$ 142
Growth rate	*4%*	(8%)	(1%)	(2%)	*6%*	*1%*

Source: CME estimates, Group M, IHS Global Insight.

The preceding tables indicate that TV advertising spend in our markets has historically grown at a faster rate than total advertising until 2008, when the recent recession started to take hold. This is because TV advertising spend has grown as a percentage of total advertising spend in our markets, as shown below. Furthermore, since television was commercialized in our markets at the same time as other forms of media, TV advertising generally accounts for a higher proportion of total advertising spend than in the developed markets, where newspapers and magazines and radio were established as advertising media well before the advent of television.

The following tables show TV and internet advertising spend as a percentage of total advertising spend in the markets of Central and Eastern Europe in which we operate and for the developed markets.

TV advertising as a % of total advertising spend	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
CME markets	56%	52%	50%	49%	48%	50%
Developed markets	38%	37%	37%	36%	37%	37%

Source: CME estimates, Group M

Internet advertising as a % of total advertising spend	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
CME markets	9%	8%	6%	5%	4%	3%
Developed markets	20%	18%	21%	13%	10%	8%

Source: Group M

As shown above, both TV and internet advertising have grown overall at the expense of print and radio advertising (the other primary components of the total advertising market) in our markets during the last five years. We believe that this trend will continue because of the greater reach and better measurement capabilities of TV and internet advertising, which make these mediums more effective to advertisers compared to print and radio. Television is especially attractive to advertisers because it delivers high reach at low cost compared to other forms of media and the internet is attractive because of its highly effective measurement capabilities.

In summary, we expect the economies of the countries in which we operate in to resume their convergence with more developed markets, particularly Western Europe, resulting in higher GDP per capita growth in our markets compared to that of the developed markets. We expect advertising intensity in our markets to also continue its pattern of convergence and reach its previous high of 0.49% and beyond in the next few years. Furthermore, we expect TV and internet advertising spend to continue to grow in relation to total advertising spend, resulting in significantly higher TV and internet advertising spend growth in our markets compared to the developed markets.

BROADCAST

Our broadcast segment consists of 23 television channels reaching an aggregate of approximately 47.1 million people in six countries with a combined population of approximately 50.4 million.

In Bulgaria, we operate one general entertainment channel (BTV), four other channels (BTV CINEMA, BTV COMEDY, RING.BG and BTV ACTION, formerly PRO.BG) and several radio channels.

In Croatia, we operate one general entertainment channel (NOVA TV) and one other channel (DOMA (Croatia)) which was launched in January 2011.

In the Czech Republic, we operate one general entertainment channel (TV NOVA) and three other channels (NOVA CINEMA, NOVA SPORT and MTV CZECH). NOVA SPORT and MTV CZECH are also broadcast in Slovakia.

In Romania, we operate two general entertainment channels (PRO TV and ACASA), three other channels (PRO CINEMA, SPORT.RO and MTV ROMANIA), and an international channel (PRO TV INTERNATIONAL), as well as a general entertainment channel broadcasting in Moldova (PRO TV CHISINAU) which was acquired in January 2011 (see Part II, Item 8, Note 22, "Subsequent Events").

In the Slovak Republic, we operate one general entertainment channel (TV MARKIZA) and one other channel (DOMA (Slovak Republic)).

In Slovenia, we operate two general entertainment channels (POP TV and KANAL A) and one other channel (POP BRIO, formerly TV PIKA).

Our goal in Broadcasting is to maintain and increase our audience leadership in each of our markets in order to implement our pricing policy and maximize our revenues. We have built our audience leadership in each of our markets by operating a multi-channel business model with a diversified portfolio of strong television channels.

Distribution

Our main general entertainment television channels in each country are distributed on a free-to-air basis terrestrially in analogue, digital or both, depending on the digitalization status in each country, and are also distributed via cable and satellite. Our other channels are generally distributed via cable and satellite.

The following table shows the technical reach of our main general entertainment television channels as of December 31, 2010.

Country	Technical Reach (%) (1)
Bulgaria	100.0%
Croatia	99.0%
Czech Republic	99.1%
Romania	95.6%
Slovak Republic	99.1%
Slovenia	97.2%

(1) Source: TNS, AGB Nielsen Media Research , ATO- Mediaresearch, GFK Romania , TNS / PMT SK , AGB Nielsen Media Research

As the distribution platforms in our region develop and become more diversified, our television channels and own content will reach viewers through new distribution offerings, such as internet TV, portable media and mobile TV.

Programming

Our programming strategy for our Broadcast segment is tailored to match the expectations of key audience demographics by scheduling and marketing an optimal mix of programs in a cost effective manner. The programming that we provide drives our audience shares and ratings [1] and consists of locally-produced news and current affairs, fiction and reality and entertainment shows and acquired foreign movies and series and sports programming. We focus our programming investment resources on securing a leading position during prime time, where the majority of advertising revenues are delivered, and improving our cost efficiency through optimizing the programming mix and limiting the cost of programming scheduled off-prime time.

The tables below provide a comparison of all day and prime time audience shares in the target demographic of our leading channels in the six countries in which we operate to the primary channels of our main competitors:

	Main Television Channels	Ownership	All day audience share (2010)	Prime time audience share (2010)
Bulgaria	**BTV**	**CME**	**34.7%**	**42.4%**
(18-49)	NOVA TV	MTG	15.1%	16.9%
	BNT 1	Public television	7.7%	8.2%

Source: TNS

Including our other four channels, the combined all day and prime time audience shares of our Bulgaria Broadcast operations in 2010 was 42.8% and 49.4%, respectively.

	Main Television Channels	Ownership	All day audience share (2010)	Prime time audience share (2010)
Croatia	**Nova TV (Croatia)**	**CME**	**24.6%**	**29.5%**
(18-54)	RTL	RTL	23.7%	25.5%
	HTV 1	Public television	20.9%	17.7%

Source: AGB Nielsen Media Research

We had only one channel in Croatia in 2010. We launched DOMA (Croatia) in 2011.

(1) Audience share represents the share attracted by a channel as a proportion of the total audience watching television. Ratings represent the number of people watching a channel (expressed as a proportion of the total population measured). Audience share and ratings information are measured in each market by international measurement agencies, using peoplemeters, which quantify audiences for different demographics and sub-geographies of the population measured throughout the day. Our channels schedule programming intended to attract audiences within specific "target" demographics that we believe will be attractive to advertisers.

	Main Television Channels	Ownership	All day audience share (2010)	Prime time audience share (2010)
Czech Republic	**TV NOVA (Czech Republic)**	**CME**	**36.0%**	**41.2%**
(15-54)	TV Prima	MTG	15.7%	15.4%
	CT 1	Public television	13.9%	14.2%

Source: ATO- Mediaresearch

Including our other three channels, the combined all day and prime time audience shares of our Czech Republic Broadcast operations in 2010 was 39.8% and 45.2%, respectively.

	Main Television Channels	Ownership	All day audience share (2010)	Prime time audience share (2010)
Romania	**PRO TV**	**CME**	**18.1%**	**21.3%**
(18-49 Urban)	Antena 1	Intact group	11.3%	11.5%
	Prima TV	ProSiebenSat1 Media Group	5.0%	6.6%
	TVR 1	Public television	4.0%	5.0%

Source: GFK Romania

Including our other four channels, the combined all day and prime time audience shares of our Romania Broadcast operations in 2010 was 27.3% and 31.0%, respectively.

	Main Television Channels	Ownership	All day audience share (2010)	Prime time audience share (2010)
Slovak Republic	**TV MARKIZA**	**CME**	**31.7%**	**33.5%**
(12-54)	TV JOJ	J&T Media Enterprises	22.5%	26.0%
	STV 1	Public television	9.9%	10.0%

Source: NS / PMT SK

Including our other channel, the combined all day and prime time audience shares of our Slovak Republic Broadcast operations in 2010 was 34.0% and 35.3%, respectively.

	Main Television Channels	Ownership	All day audience share (2010)	Prime time audience share (2010)
Slovenia	**POP TV**	**CME**	**25.3%**	**34.5%**
	SLO 1	Public television	11.5%	13.1%
	TV3	MTG	6.6%	6.2%

Source: AGB Nielsen Media Research.

Including our other two channels, the combined all day and prime time audience shares of our Slovenia Broadcast operations in 2010 was 39.6% and 49.7%, respectively.

Sales

We generate advertising revenues in our Broadcast segment primarily through entering into agreements with advertisers, advertising agencies and sponsors to place advertising on the television channels that we operate.

Our main unit of inventory is the commercial gross rating point ("GRP"), a measure of the number of people watching television when an advertisement is aired. We generally 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, we 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 varies, depending on the season and time of day the advertisement is aired, the volume of GRPs purchased, requests for special positioning of the advertisement, the demographic group that the advertisement is targeting and other factors. Our larger advertising customers generally enter into annual contracts and set the pricing for a committed volume of GRPs.

Our sales strategy is to maximize the monetization of our inventory by leveraging our high brand power, and applying an optimal mix of pricing and sell-out rate. The effectiveness of our sales strategy is measured by our share of the television advertising market which represents the proportion of our television advertising revenues in the market compared to the total television advertising market.

We operate our Broadcast segment based on a business model of audience leadership, control of our content and strong brands. These solid pillars provide us with the operating leverage to convert our leading audience into strong revenues, high margins and strong cash flows, especially as recovery in our markets progresses.

The public broadcasters in our operating countries are restricted in the amount of advertising that they may sell. See "Regulation of Television Broadcasting" below for additional information.

Seasonality

We experience 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.

Regulation of Television Broadcasting

Television broadcasting in each of the countries in which we operate is regulated by a governmental authority or agency. In this report, we refer to such agencies individually as a "Media Council" and collectively as "Media Councils". Media Councils generally supervise broadcasters and their compliance with national broadcasting legislation, as well as control access to the available frequencies through licensing regimes.

Programming and Advertising Regulation

All of the countries in which we operate are member states of the EU, except Croatia, and our broadcast operations in such countries are subject to relevant EU legislation relating to media. The Czech Republic, Slovenia and the Slovak Republic acceded to the EU on May 1, 2004. Romania and Bulgaria acceded to the EU on January 1, 2007. Croatia is a candidate for EU accession.

The EU Audiovisual Media Services Directive (the "AVMS Directive") came into force in December 2007, amending the Television Without Frontiers Directive (the "TWF Directive"). The AVMS Directive extends the legal framework from television broadcasting provided by the TWF Directive to media services generally in the EU. The AVMS Directive covers both linear (i.e., broadcasting) and non-linear (e.g., video-on-demand and mobile television) transmissions of media services, with the latter subject to less stringent regulation. Among other things, the AVMS Directive preserves the requirement that broadcasters, where "practicable and by appropriate means," reserve a majority of their broadcast time for "European works." Such works are defined as originating from an EU member state or a signatory to the Council of Europe's Convention on Transfrontier Television as well as being written and produced mainly by residents of the EU or Council of Europe member states or pursuant to co-production agreements between such states and other countries. In addition, the AVMS Directive also preserves the requirement that at least 10% of either broadcast time or programming budget is dedicated to programs made by European producers who are independent of broadcasters. News, sports, games, advertising, teletext services and teleshopping are excluded from the calculation of these quotas. The AVMS Directive has relaxed regulations in respect of advertising shown in linear broadcasts and has extended some of those rules to non-linear broadcasts. In general, rules restricting when programming can be interrupted by advertising in linear broadcasting have been abolished except in the case of movies, news and childrens' programming, where programming can be interrupted once every thirty minutes or more. In addition, broadcasters may use product placement in most genres, subject to the identification of such practices and limitations on prominence.

Member states were required to implement the AVMS Directive by December 19, 2009, and of the countries in which we operate Romania, the Czech Republic and the Slovak Republic have notified the European Commission that the regulations have been put in place. Legislation has been adopted in Bulgaria to implement the AVMS Directive. In Slovenia, legislation implementing the AVMS Directive is expected to be adopted in the first half of 2011. Under the AVMS Directive, member states are permitted to adopt stricter conditions than those set forth in the AVMS Directive. The legislation enacted in Bulgaria, Romania, the Czech Republic and the Slovak Republic is consistent with the EU rules. Croatia has put in place legislation that aligns its programming regulations with the AVMS. We are unable to predict the final form of the regulations in countries where the AVMS Directive has yet to be implemented. Where possible, we intend to continue to participate actively in any consultation process regarding the implementation of the AVMS Directive in the EU countries in which we operate.

Please see below for more detailed information on programming and advertising regulations that impact our channels.

Bulgaria : In Bulgaria, privately owned broadcasters are permitted to broadcast advertising for up to 12 minutes per hour. The public broadcaster, BNT, which is financed through a compulsory television license fee and by the government, is restricted to broadcasting advertising for 4 minutes per hour and no more than 15 minutes per day, of which only five minutes may be in prime time. There are also restrictions on the frequency of advertising breaks (for example, news and childrens' programs shorter than 30 minutes cannot be interrupted). These restrictions apply to both publicly and privately owned broadcasters. Further restrictions relate to advertising content, including a ban on tobacco advertising and restrictions on alcohol advertising, and regulations on advertising targeted at children or during childrens' programming. In addition, members of the news department of our channels are prohibited from appearing in advertisements.

Our channels in Bulgaria are required to comply with several restrictions on programming, including regulations on the origin of programming. These channels must ensure that 50.0% of broadcast time consists of EU- or locally-produced programming and 12% of programming must be produced by independent producers in the EU. News, sports, games and teleshopping programs, as well as advertising and teletext services, are excluded from these restrictions.

Croatia : In Croatia, privately owned broadcasters are permitted to broadcast advertising for up to 12 minutes per hour with no daily limit, and direct sales advertising has to last continuously for at least 15 minutes. Additional restrictions apply to children's programming and movies. The public broadcaster HRT, which is financed through a compulsory television license fee, is restricted to broadcasting nine minutes of advertising per hour generally and four minutes per hour from 6 p.m. to 10 p.m. HRT is not permitted to broadcast spots for teleshopping. There are other restrictions that relate to advertising content, including a ban on tobacco and alcohol advertising.

NOVA TV (Croatia) is required to comply with several restrictions on programming, including regulations on the origin of programming. These include the requirement that 20.0% of broadcast time consists of locally produced programming and 50.0% of such locally produced programming be shown during prime time (between 4:00 p.m. and 10:00 p.m.). These restrictions are not applicable to DOMA (Croatia).

Czech Republic : Privately owned broadcasters in the Czech Republic are permitted to broadcast advertising for up to 12 minutes per hour. The public broadcaster CT, which is financed through a compulsory television license fee, is 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. From 7 p.m. to 10 p.m., advertising time for the public broadcaster may not exceed six minutes per hour. 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, pharmaceuticals, firearms and munitions.

Romania: Privately owned broadcasters in Romania are permitted to broadcast advertising and direct sales advertising for up to 12 minutes per hour. There are also restrictions on the frequency of advertising breaks (for example, news and childrens' programs shorter than 30 minutes cannot be interrupted). The public broadcaster, TVR, which is financed through a compulsory television license fee, is restricted to broadcasting advertising for eight minutes per hour and only between programs. Further restrictions relate to advertising content, including a ban on tobacco advertising and restrictions on alcohol advertising, and regulations on advertising targeted at children or during children's programming. In addition, members of the news department of all channels are prohibited from appearing in advertisements.

Slovak Republic: Privately owned broadcasters in the Slovak Republic are permitted to broadcast advertising for up to 12 minutes per hour but not for more than 20.0% of their total daily broadcast time. The public broadcaster, STV, which is financed through a compulsory license fee, can broadcast advertising for up to 0.5% of its total broadcast time (up to 2.5% of total broadcast time including teleshopping programming), but between 7:00 p.m. and 10:00 p.m. may broadcast only 8 minutes of advertising per hour. There are restrictions on the frequency of advertising breaks during and between programs. STV is not permitted to broadcast advertising breaks during programs. There are also restrictions that relate to advertising content, including a ban on tobacco advertising and a ban on advertisements of alcoholic beverages (excluding beer and wine) between 6:00 a.m. and 10:00 p.m.

Slovenia: Privately owned broadcasters in Slovenia are allowed to broadcast advertising for up to 12 minutes in any hour. The public broadcaster, SLO, which is financed through a compulsory television license fee, is allowed to broadcast advertising for up to 12 minutes per hour and for up to 15.0% of its total daily broadcasting time (with 10% for advertisements only), but is only permitted up to 9 minutes per hour between the hours of 6:00 p.m. and 11:00 p.m. There are also restrictions on the frequency of advertising breaks during programs and restrictions that relate to advertising content, including a ban on tobacco advertising and a prohibition on the advertising of any alcoholic beverages from 7:00 a.m. to 9:30 p.m. and generally for alcoholic beverages with an alcoholic content of more than 15.0%.

Our Slovenia operations are required to comply with several restrictions on programming, including regulations on the origin of programming. These include the requirement that 20.0% of a station's daily programming consist of locally produced programming, of which at least 60 minutes must be broadcast between 6:00 p.m. and 10:00 p.m. In addition, 2.0% of the station's annual broadcast time must be Slovenian-origin audio-visual works and this amount must increase each year until it reaches 5.0%.

Licensing Regulation

The license granting and renewal process in our operating countries varies by jurisdiction and by type of broadcast permitted by the license (i.e., cable, terrestrial, satellite). Depending on the country, terrestrial licenses may be valid for an unlimited time period, may be renewed automatically upon application or may require a more lengthy renewal procedure, such as a tender process. Generally cable and satellite licenses are granted or renewed upon application. We expect each of our licenses to be renewed or new licenses to be granted as required to continue to operate our business. In addition, as our operating countries transition from analog to digital terrestrial broadcasting, we have applied for and will continue to apply for and obtain digital licenses that are issued in replacement of analog licenses. We will also apply for additional digital licenses and for licenses to operate digital networks where such applications are permissible and prudent.

The transition to digital terrestrial broadcasting in each jurisdiction in which we operate generally follows similar stages, although the approach being applied is not uniform. Typically, legislation governing the transition to digital broadcasting is adopted addressing the licensing of operators of the digital networks as well as the licensing of digital broadcasters, technical parameters concerning the allocation of frequencies to be used for digital services (including those currently being used for analog services), broadcasting standards to be provided, the timing of the transition and, ideally, principles to be applied in the transition, including transparency and non-discrimination. As a rule, these are embodied in a technical transition plan ("TTP") that, in most jurisdictions, is agreed among the relevant Media Council, the national telecommunications agency (which is generally responsible for the allocation and use of frequencies) and the broadcasters. The TTP will typically include the following: the timeline and final switchover date, time allowances for the phases of the transition, allocation of frequencies for digital broadcasting and other digital services, methods for calculating digital terrestrial signal coverage and penetration of set top boxes, parameters for determining whether the conditions for switchover have been satisfied for any phase, the technical specifications for broadcasting standards to be utilized and technical restrictions on parallel broadcasting in analog and terrestrial during the transition phase. Generally, the legislation relating to the digital transition provides that incumbent analog broadcasters are entitled to receive a digital license or that current licenses entitle the holders to digital terrestrial broadcasting, although broadcasters in a specific jurisdiction may be required to formally file an application in order for a digital license to be issued. Our markets are in different stages in the digitalization process. In Croatia, the analog switch-off was completed in October 2010. In the Czech Republic, the official date for the analog switch-off is November 2011, however, a small portion of the Czech Republic will continue to receive analog transmissions until mid-2012. In Slovenia, the analog switch-off for private broadcasters was completed in December 2010 and the completion with respect to the public broadcaster is anticipated for the first quarter of 2011. In the Slovak Republic, the analog switch-off is expected to be completed by the end of 2011. In Bulgaria and Romania, the transition to digital broadcasting has not yet commenced, however each country expects completion to occur by 2015. Please see below for more detailed information on licenses for our channels.

Bulgaria: BTV operates pursuant to a national programming license issued by the Council for Electronic Media, the Bulgarian Media Council, and broadcasts pursuant to a national analog broadcasting permit that will expire at the time of the analog switch-off. BTV also has a must-carry digital license that expires in July 2024. BTV ACTION (formerly PRO.BG) broadcasts pursuant to a national cable registration that is valid for an indefinite time period and also has a must-carry digital license that expires in January 2025. BTV CINEMA, BTV COMEDY and RING.BG each broadcast pursuant to a national cable registration that is valid for an indefinite time period.

Croatia: NOVA TV (Croatia) broadcasts pursuant to a national digital license granted by the Croatia Media Council, the Electronic Media Council, that expires in April 2025. DOMA (Croatia), which launched in January 2011, broadcasts pursuant to a national terrestrial license that expires in January 2026.

Czech Republic: Our four 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. TV NOVA (Czech Republic) broadcasts under a national terrestrial license that permits both digital and analog broadcasting. This license expires in January 2025, and TV NOVA (Czech Republic) will continue to broadcast under this license following the completion of the digital switchover. TV NOVA (Czech Republic) 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, at which point we expect 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.

Romania: PRO TV broadcasts pursuant to a network of regional and local analog licenses granted by Romania's Media Council, the National Audio-Visual Council. PRO TV also broadcasts using a national satellite license. Our other Romanian channels (ACASA, PRO CINEMA, SPORT.RO, MTV ROMANIA and PRO TV INTERNATIONAL) each has a national cable and satellite license. Licenses for our Romania operations expire on dates ranging from January 2012 to September 2018 and are renewed routinely upon application to the Romania Media Council. From 2009, the Romania Media Council may only extend the validity of a license until the date of the digital switchover. PRO TV and SPORT.RO also broadcast in high-definition pursuant to experimental terrestrial licenses that are valid until the digital switchover, while ACASA broadcasts in high-definition pursuant to a written consent from the Media Council.

Slovak Republic : TV MARKIZA broadcasts pursuant to a national analog license that expires in September 2019. The Council for Broadcasting and Transmission, the Slovak Republic Media Council, granted TV MARKIZA a national digital license in January 2010; such license is valid for an indefinite period. DOMA (Slovak Republic) 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.

Slovenia: Our Slovenian channels POP TV, KANAL A and POP BRIO (formerly TV PIKA) each have licenses granted by the Post and Electronic Communications Agency of the Republic of Slovenia, the Slovenia Media Council, that allow for broadcasting on any platform, including digital, cable and satellite. These licenses are valid for an indefinite time period. The analog licenses held by POP TV and KANAL A were terminated when the analog switch-off was completed in December 2010.

MEDIA PRO ENTERTAINMENT

We created the Media Pro Entertainment ("MPE") segment on January 1, 2010 by integrating the existing production operations of our broadcast operations with the operations of the Media Pro Entertainment business that we acquired in December 2009.

Delivering content that consistently generates high audience shares is crucial to maintaining the success of our broadcast operations. While content acquired from the Hollywood studios remains popular, our audiences increasingly demand content that is produced in their local language and which reflects their society, attitudes and culture. We believe developing and producing local content is key to being successful in prime time and supporting market-leading channels. Maintaining a regular stream of local content at the lowest possible cost will become ever more important in the future and establishing the MPE segment gives us the opportunity to accomplish this goal.

In addition to the support we are able to offer our broadcasters, our ability to develop, produce and distribute this content will present us with significant opportunities in a future that will increasingly place a heavy premium on content in an environment of competing distribution channels. In the medium term our markets will complete their switch to digital broadcasting, and alternative strategies for delivering content will become even more important. The result will likely be a fragmentation of audiences among distribution platforms and a shift away from the traditional, linear delivery of content.

The fragmentation of distribution platforms will also present new possibilities for content producers to diversify their revenues from the current model, where the value of content is predominantly realized through advertising revenues on traditional, linear, broadcasts to new sources of revenues such as subscription TV windows, video-on-demand, direct downloads, international sales, and home video exploitation.

MPE is well positioned to exploit these opportunities. We have created a fully integrated production business that leverages creative talent across all of our countries and allows us to develop, produce and distribute content to maximize revenues under the new model and provides several key advantages to enable us to maintain a high output of quality content.

Media Pro Entertainment is organized into three subdivisions:

Fiction and Reality and Entertainment Production : This subdivision develops and produces a range of fiction, reality and entertainment programming and films, using both purchased formats and developing original formats.

Our business model enables us to produce across many countries and gives us the scale to deliver a large volume of quality content to our broadcasters at the lowest possible cost, thus providing us with the ability to cover our overhead base. This in turn is expected to allow us to utilize creative talent across countries and produce content that may be easily adapted for use across several markets and in many revenue-generating windows. The result is lower overall costs to our broadcasters without compromising high production values while also allowing us to generate higher margin revenues from the exploitation of our produced content in other ways, such as the sale of finished content and formats internationally, commissioned productions and the financing and production of feature films. In the short-term, we expect that we will mostly produce shows for our own broadcasters. MPE sells these products to our broadcasters at cost plus margins that cover our overheads and therefore generate little if any profit in MPE.

Production Services: This subdivision provides assets and expertise to both our production operations and to third parties, including studio spaces, set design and construction, camera, lighting, grip equipment, visual effects, costumes and post production services. We also generate revenues through the sale of production services to independent film-makers and through the sale of broadcast and distribution rights to third parties.

Our fully integrated production services operations allow us to achieve cost efficiencies. In most of our markets we own or lease all, or substantially all, of the facilities and assets necessary for production. This base of assets and professional expertise can be pooled in order to maximize asset usage and take best advantage of price arbitrage opportunities between jurisdictions. In addition, our operations in Romania also act as full scale production services providers to local and international production markets which generate additional third party revenues.

Distribution and Exhibition: In addition to having responsibility for selling finished content and formats developed by our fiction and reality and entertainment production operations to third parties, this subdivision, acquires rights to international film and television content across our region and distributes them both to third party clients and to our broadcast operations.

Our distribution and exhibition operations are also able to generate third-party revenue by distributing our own content directly through their own cinema and home video operations. Media Pro Entertainment owns and operates sixteen cinema screens in Romania, including Romania's first multiplex operation. In addition, a home video distribution business sells DVD and Blu Ray discs to wholesale and retail clients in Romania and Hungary. Our distribution and exhibition operations allow us to monetize the content we produce more easily through selling formats and finished content to third parties. Furthermore, input from our distribution business throughout the creative process enables us to maximize the attractiveness of our produced content in international markets. A significant portion of our distribution and exhibition revenues are to third parties, which will generate the bulk of MPE's profits in the short-term.

In total, the MPE segment currently generates approximately 75% of its revenues from sales to our Broadcast segment. For that reason, the financial results of the segment are largely dependent on the performance of television advertising markets, although the long-term nature of the production process is such that it takes time for significant market changes to be reflected in this segment's results. We expect that in the future, the growth of third party revenues will significantly outpace the growth in our intercompany revenues until the majority of our revenues will come from outside the CME group.

NEW MEDIA

We operate more than 60 websites and distribution platforms across six markets with two principal objectives: to build a strong online channel of distributing popular content and to operate the most efficient marketing tool for our Broadcast segment.

The product strategy for our New Media segment focuses on offering viewers the choice of watching our premium television content, anytime, anywhere and building a series of news portals, ranging from general information to sports or niche sites.

Revenues generated by the New Media segment in 2010 were derived almost exclusively from advertising. In the fourth quarter of 2010, we initiated the first steps toward paid content in order to increase the number of revenue streams. We built a subscription based video portal in Slovenia and launched Voyo in the Czech Republic, a transactional video-on-demand portal which mixes free content supported by advertising with paid content. The portals stream content produced by Media Pro Entertainment and international entertainment licensed from other producers. Advertisers are given the opportunity to connect with highly engaged users and provide consumers with paid access to premium content unique to the portal. We ultimately plan to roll out Voyo across all of our markets.

We aim to become one of the top three local new media players in each of our broadcast countries in terms of audience, a result that we have already achieved in Slovenia and Romania. At present our internet sites attract about 2 million non-duplicated unique users every day and about 10 million people each month, representing a 30.0% increase over 2009.

According to local monitoring services, the largest players in our markets are local portals with a full-scale portfolio of online products from email and news to niches, search engines and news sites operated by publishing houses with a strong print presence.

OTHER INFORMATION

Employees

As of December 31, 2010, we had a total of approximately 4,400 employees (including contractors). None of our employees or the employees of any of our subsidiaries are covered by a collective bargaining agreement. We believe that our relations with our employees are good.

Corporate Information

CME Ltd. was incorporated in 1994 under the laws of Bermuda. Our registered offices are located at Mintflower Place, 4th floor, 8 Par-La-Ville Rd, Hamilton HM 08, Bermuda, and our telephone number is +1-441-296-1431. Communications can also be sent c/o CME Development Corporation at 52 Charles Street, London W1J 5EU, United Kingdom, telephone number +44-20-7127-5800. CME's Class A common stock is listed on NASDAQ and the Prague Stock Exchange under the ticker symbol "CETV".

Financial Information by Operating Segment and by Geographical Area

For financial information by operating segment and geographic area, see Part II, Item 8, Note 17, "Segment Data".

Available Information

We make available, free of charge, on our website at http://www.cetv-net.com our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

Item 1A . RISK FACTORS

This report and the following discussion of risk factors contain forward-looking statements as discussed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations". Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks and uncertainties described below and elsewhere in this report. These risks and uncertainties are not the only ones we may face. Additional risks and uncertainties of which we are not aware, or that we currently deem immaterial, may also become important factors that affect our financial condition, results of operations and cash flows.

Risks Relating to our Financial Position

The global recession and credit crisis has adversely affected our financial position and results of operations; we cannot predict if or when economic conditions in the countries in which we operate will recover and a failure to recover promptly will continue to adversely affect our results of operations.

The results of our operations depend 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 and 2010 has had an adverse impact on economic growth in our 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 our markets, leading our 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 our financial position, results of operations and cash flows. While there are some indications that the decline in economic growth rates in certain of our operating countries has reached the bottom, any recovery in these countries could be uneven or slow to gain momentum and there are indications that any economic recovery in our markets will generally lag behind Western Europe. We cannot predict the sustainability of any such recovery should it occur. The absence of a recovery or a weak recovery in our markets will continue to adversely affect our financial position, results of operations and cash flows.

Our operating results will be adversely affected if we cannot generate strong advertising sales.

We generate almost all of our revenues from the sale of advertising airtime on our television channels. In addition to general economic conditions, other factors that may affect our advertising sales are the pricing of advertising time as well as audience ratings, changes in programming strategy, changes in audience preferences, our 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 our markets has had a negative effect on the prices at which we 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 our markets and competition from broadcasters seeking to attract similar audiences have had and may continue to have an adverse impact on our ability to maintain our advertising sales. Our ability to maintain audience ratings and to generate gross rating points, our main unit of sales, depends in part on our 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 our markets have had and may continue to have an adverse impact on television viewing levels. The significant decline in advertising sales has had and could continue to have a material adverse effect on our financial position, results of operations and cash flows.

Our debt service obligations may restrict our ability to fund our operations.

We have significant debt service obligations under our Senior Notes and Convertible Notes. In addition, CME Ltd. and certain of our wholly-owned subsidiaries serve as guarantors of the Secured Revolving Credit Facility and the 2010 Fixed Rate Notes. As a result of these debt service obligations, we are restricted in the manner in which our business is conducted, including but not limited to our 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 Senior Notes and in the agreement governing the Secured Revolving Credit Facility restrict the manner and extent to which we can provide financial support to certain of our subsidiaries. Furthermore, we may have a proportionally higher level of debt than our competitors, which may put us at a competitive disadvantage. Servicing our high level of debt may limit our flexibility in planning for, or reacting to, changes in our business, economic conditions and our industry.

We 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.

Our ability to meet our future capital requirements is based on our 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 our markets do not improve, if our assumptions regarding future operating results prove to be inaccurate, if our costs increase due to competitive pressures or other unanticipated developments or if our investment plans change, we may need to obtain additional financing to fund our operations or acquisitions, and to repay or refinance the Senior Notes, the Convertible Notes and, when drawn, the Secured Revolving Credit Facility. Furthermore, if our cash flows from operations continue to be insufficient to cover operating expenses and interest payments, and if our 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 our debt service obligations as they became due, we would face substantial liquidity problems.

The tightness of the credit markets and the impact of a slow economic recovery on our operations may constrain our 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 indentures governing our Senior Notes and the agreement governing the Secured Revolving Credit Facility. Moreover, such financings, if available at all, may not be available on acceptable terms. Our inability to obtain financing as it is needed would mean that we may be obliged to reduce or delay capital or other material expenditures at our channels or dispose of material assets or businesses. If we cannot obtain adequate capital or obtain it on acceptable terms, this would have an adverse effect on our financial position, results of operations and cash flows.

We may be unable to refinance our existing indebtedness and we may not be able to obtain favorable refinancing terms.

We 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 being refinanced. This risk is exacerbated by the 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 (approximately US$ 16.0 million) factoring facility, which is available until June 30, 2011 (such facility undrawn as at December 31, 2010), and approximately US$ 234.0 million aggregate principal amount of the 2008 Convertible Notes mature in 2013. If we are unable to refinance our indebtedness on acceptable terms or at all, we might be forced to dispose of assets on disadvantageous terms or reduce or suspend operations, any of which would materially and adversely affect our financial condition and results of operations.

A downgrading of our ratings may adversely affect our ability to raise additional financing.

Our corporate credit is currently rated as B2 with a negative outlook and our 2010 Fixed Rate Notes are rated Ba3 by Moody's Investors Services. Our Senior Notes and the 2008 Convertible Notes are rated B and our corporate credit is rated B with a stable outlook by Standard & Poor's. These ratings reflect each agency's opinion of our financial strength, operating performance and ability to meet our 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. We intend to operate with sufficient liquidity to maintain our current ratings. However, this is dependent on a variety of factors, some of which may be beyond our control. If we fail to maintain adequate levels of liquidity, we may be downgraded further. In the event our debt or corporate credit ratings are lowered by the ratings agencies, it will be more difficult for us to raise additional indebtedness, and we will have to pay higher interest rates, which may have an adverse effect on our financial position, results of operations and cash flows.

If our goodwill, indefinite lived intangible assets and long-lived assets become impaired, we may be required to record significant charges to earnings.

We review our 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 our goodwill, indefinite lived intangible assets or long-lived assets may not be recoverable include slower growth rates in our markets, reduced expected future cash flows and a decline in stock price and market capitalization. We performed our annual impairment review in the fourth quarter of 2010, which did not result in any impairment charges for goodwill. We did, however, record an impairment charge of US$ 0.4 million to write off the carrying value of the InfoPro trademark associated with our InfoPro radio channel in Romania following cessation of its operations and determining that the value of the trademark was not recoverable. We consider available current information in respect of calculating our impairment charge. If there are indicators of impairment, our long-term cash flow forecasts for our operations deteriorate, or discount rates increase, may be required to recognize impairment charges in later periods.

Fluctuations in exchange rates may adversely affect our results of operations.

Our functional currency is the dollar but our consolidated revenues and costs, including programming rights expenses and interest on debt, are divided across a range of currencies. The Senior Notes are denominated in Euros. The Secured Revolving Credit Facility, when drawn, is denominated in Czech koruna. Although we have entered into currency swap agreements to reduce our exposure movements in foreign exchange rates relating to interest payments on the Senior Notes (see Part II, Item 7, "Cash Outlook" and Item 8, Note 11, "Financial Instruments and Fair Value Measurements"), we have not attempted to hedge the foreign exchange on the principal amount of the Senior Notes and we do not intend to hedge the foreign exchange exposure on the outstanding amounts due under the Secured Revolving Credit Facility. We may continue to experience significant gains and losses on the translation of our revenues, the Senior Notes or, when drawn, the Secured Revolving Credit Facility, into dollars due to movements in exchange rates between the Euro, the Czech koruna, the currencies of our local operations and the dollar.

A default under our obligations under the Senior Notes, the Convertible Notes or, when drawn, the Secured Revolving Credit Facility could result in our inability to continue to conduct our business.

Pursuant to the terms of the indentures governing the Senior Notes and the Convertible Notes and the Secured Revolving Credit Facility agreement, we have pledged shares in Central European Media Enterprises N.V. and CME Media Enterprises B.V., which own substantially all of our interests in our operating subsidiaries. In addition, pursuant to the indenture governing the 2010 Fixed Rate Notes and the Secured Revolving Credit Facility, we have pledged our ownership interests in CET 21 and substantially all of CET 21's assets, including the shares of CME Slovak Holdings B.V. and the ownership interest in Media Pro Pictures s.r.o. If we were to default under the terms of any of our indentures or the Secured Revolving Credit Facility, the secured parties under our indentures 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 our Operations

Our operating results are dependent on the importance of television as an advertising medium.

We generate almost all of our revenues from the sale of advertising airtime on television channels in our 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 we 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 our 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 our channels specifically. A decline in television advertising spending in any period or in specific markets would have an adverse effect on our financial position, results of operations and cash flows.

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

Our business and operations have grown in part through acquisitions, including our acquisition of the bTV group in April 2010. While we continue to explore acquisition opportunities, prospective competitors may have greater financial resources than we do, and increased competition for target broadcasters or other media businesses may reduce the number of potential acquisitions that are available on acceptable terms.

As we succeed in acquiring new businesses, their integration into our existing operations poses significant risks, including:

- additional demands placed on our senior management, who are also responsible for managing our existing operations;
- increased overall operating complexity of our businesses, requiring greater personnel and other resources;
- difficulties in expanding beyond our core expertise in the event that we acquire 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 indentures governing our Senior Notes or under the Secured Revolving Credit Facility.

To manage our growth effectively and achieve pre-acquisition performance objectives, we will need to integrate new acquisitions into our 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, our ability to manage our growth will be impaired and we may have to make significant additional expenditures to address these issues, which could harm our financial position, results of operations and cash flows. Furthermore, even if we are successful in integrating new businesses, expected synergies and cost savings may not materialize, resulting in lower than expected cash flows and profit margins.

Our programming content may become more expensive to produce or acquire or we may not be able to develop or acquire content that is attractive to our audiences .

Television programming is one of the most significant components of our operating costs. The ability of programming to generate advertising revenues depends substantially on our 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 our 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. Our 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 our markets in favor of locally produced content, and competition for talent. In addition, we typically acquire syndicated programming rights under multi-year commitments before we can predict whether such programming will perform well in our markets. In the event any such programming does not attract adequate audience share, it may be necessary to increase our 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 our financial condition, results of operations and cash flows.

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

Countries in which we have operations are migrating from analog terrestrial broadcasting to digital terrestrial broadcasting. Each country has independent plans for digital switchover with its own timeframe and regulatory and investment regime. The specific timing and approach to implementing such plans is subject to change. We cannot predict the effect of the migration to digital terrestrial broadcasting on existing operations or the take up of digital terrestrial broadcasting by our audiences. We also cannot predict whether all of our 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. We 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 us to acquire additional distribution rights for content we broadcast. We may not have access to resources sufficient to make such investments when required.

Our businesses are vulnerable to significant changes in technology that could adversely affect us.

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 our ability to retain audience share and attract advertisers as such technologies penetrate our 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 our businesses. In addition, compression techniques and other technological developments allow for an increase in the number of channels that may be broadcast in our 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. Our 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 our financial position, results of operations and cash flows.

We 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 our markets, Adrian Sarbu, our President and Chief Executive Officer, a member of our Board of Directors and a shareholder, general directors or other members of the management of our 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. We may not be aware of all business interests or relationships that exist with respect to entities with which our operating companies enter into transactions. Transactions with companies, whether or not we are aware of any business relationship between our 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 our 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, we may be required to make additional disclosure and, if such contracts are material, may not be in compliance with certain covenants under the indentures governing our Senior Notes. Any related party transaction that is entered into on terms that are not arm's length may result in a negative impact on our financial position, results of operations and cash flows.

Our broadcasting licenses may not be renewed and may be subject to revocation.

We require broadcasting and, in some cases, other operating licenses as well as other authorizations from national regulatory authorities in our markets in order to conduct our broadcasting business. Our analog broadcasting licenses expire at various times between January 2012 through January 2026. While we expect that our material licenses and authorizations will be renewed or extended as required to continue to operate our business, we cannot 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 our financial position, results of operations and cash flows.

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

Our 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 our 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 our 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 our markets and the influence of local political parties also present a potential for biased treatment of us before regulators or courts in the event of disputes involving our investments. If such a dispute occurs, those regulators or courts might favor local interests over our interests. Ultimately, this could lead to the loss of one or more of our business operations. The loss of a material business would have an adverse impact on our financial position, results of operations and cash flows.

Our success depends on attracting and retaining key personnel .

Our success depends partly upon the efforts and abilities of our key personnel and our ability to attract and retain key personnel. Our management teams have significant experience in the media industry and have made an important contribution to our growth and success. Although we have been successful in attracting and retaining such people in the past, competition for highly skilled individuals is intense. There can be no assurance that we 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 our businesses, results of operations and cash flows.

Risks Relating to Enforcement Rights

We are a Bermuda company and enforcement of civil liabilities and judgments may be difficult.

CME Ltd. is a Bermuda company; substantially all of our assets and all of our operations are located, and all of our revenues are derived, outside the United States. In addition, several of our directors and all of our officers are non-residents of the United States, and all or a substantial portion of the assets of such persons are or may be located outside the United States. As a result, investors may be unable to affect service of process within the United States upon such persons, or to enforce against them judgments obtained in the United States courts, including judgments predicated upon the civil liability provisions of the United States federal and state securities laws. There is uncertainty as to whether the courts of Bermuda and the countries in which we operate would enforce (i) judgments of United States courts obtained against us or such persons predicated upon the civil liability provisions of the United States federal and state securities laws or (ii) in original actions brought in such countries, liabilities against us or such persons predicated upon the United States federal and state securities laws.

Our bye-laws restrict shareholders from bringing legal action against our officers and directors.

Our bye-laws contain a broad waiver by our shareholders of any claim or right of action in Bermuda, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

Risks Relating to our Common Stock

The holders of shares of our Class B common stock are in a position to decide corporate actions that require shareholder approval and may have interests that differ from those of other shareholders.

Shares of our Class B common stock carry ten votes per share and shares of our Class A common stock carry one vote per share. As of December 31, 2010, Ronald Lauder, our founder and Chairman of the Board of Directors, owns or has voting control over approximately 67.8% of our outstanding common stock. A portion of this voting power is attributable to a voting agreement among the Company, Mr. Lauder, RSL Savannah LLC, a company wholly owned by Mr. Lauder, and Time Warner Media Holdings B.V., an affiliate of Time Warner Inc. (“Time Warner”), whereby Mr. Lauder is entitled to vote all 14,500,000 shares of Class A common stock and 4,500,000 shares of Class B common stock owned by Time Warner, as well as any other of our shares acquired by Time Warner during the term of the voting agreement. Notwithstanding the foregoing, Time Warner reserves the right to vote certain shares in any transaction that would result in a change of control of the Company.

Because of this voting power, Mr. Lauder is in a position to control the outcome of corporate actions requiring shareholder approval, such as the election of directors or certain transactions, including issuances of common stock of the Company that may result in a dilution of the holders of shares of Class A common stock or in a change of control. The interests of Mr. Lauder may not be the same as those of other shareholders, and such shareholders will be unable to affect the outcome of such corporate actions for so long as Mr. Lauder retains voting control.

The price of our Class A common stock is likely to remain volatile.

The market price of shares of our Class A common stock may be influenced by many factors, some of which are beyond our control, including those described above under "Risks Relating to our Operations" as well as the following: general economic and business trends, variations in quarterly operating results, license renewals, regulatory developments in our operating countries and the European Union, the condition of the media industry in our operating countries, the volume of trading in shares of our Class A common stock, future issuances of shares of our Class A common stock and investors' and securities analysts' perception of us and other companies that investors or securities analysts deem comparable in the television broadcasting industry. In addition, stock markets in general have experienced extreme price and volume fluctuations that have often been unrelated to and disproportionate to the operating performance of broadcasting companies. These broad market and industry factors may materially reduce the market price of shares of our Class A common stock, regardless of our operating performance.

Our share price may be adversely affected by sales of unrestricted shares or future issuances of our shares.

As at February 18, 2011, we had a total of 2.5 million options to purchase Class A common stock outstanding and 0.1 million options to purchase shares of Class B common stock outstanding. In 2007 we issued 1,275,227 unregistered shares of Class A common stock to Igor Kolomoisky, a member of our Board of Directors, for which he has registration rights. Adrian Sarbu beneficially owns 2,702,000 unregistered shares of Class A common stock and warrants to purchase an additional 850,000 unregistered shares of Class A common stock. An affiliate of Apax Partners holds 3,168,575 unrestricted shares of Class A common stock and an affiliate of PPF a.s., from whom we acquired the TV Nova (Czech Republic) group in 2005, holds 3,122,364 unregistered shares of Class A common stock. An affiliate of Time Warner holds 14,500,000 unregistered shares of Class A common stock and 4,500,000 unregistered shares of Class B common stock. Time Warner has registration rights with respect to the shares of Class A common stock.

In addition, the 2008 Convertible Notes are convertible into shares of our Class A common stock and mature on March 15, 2013. Prior to December 15, 2012, the 2008 Convertible Notes will be convertible following certain events and from that date, at any time to March 15, 2013. From time to time up to and including December 15, 2012, we will have the right to elect to deliver (i) shares of our Class A common stock or (ii) cash and, if applicable, shares of our Class A common stock upon conversion of the 2008 Convertible Notes. At present, we have elected to deliver cash and, if applicable, shares of our Class A common stock. To mitigate the potentially dilutive effect of a conversion of the 2008 Convertible Notes on our Class A common stock, we have entered into two capped call transactions with respect to a certain number of shares of our Class A common stock that are exercisable in the event of a conversion of the 2008 Convertible Notes or at maturity on March 15, 2013. We may receive cash or shares of our Class A common stock upon the exercise of the calls.

Furthermore, the 2011 Convertible Notes are convertible in shares of our Class A common stock and mature on November 15, 2015. Prior to August 15, 2015, the 2011 Convertible Notes will be convertible following certain events and from that date at any time to November 15, 2015. From time to time up to and including August 15, 2015, we will have the right to elect to deliver (i) shares of our Class A common stock, (ii) cash or (iii) a combination of cash and shares of our Class A common stock upon conversion of the 2011 Convertible Notes. At present we have elected to deliver cash.

We cannot predict what effect, if any, an issuance of shares of our common stock, including the Class A common stock underlying options or the Convertible Notes or into which outstanding Class B common stock may be converted, in connection with future financings, or the entry into trading of previously issued unregistered or restricted shares of our Class A common stock, will have on the market price of our shares. If more shares of common stock are issued, the economic interest of current shareholders may be diluted and the price of our shares may be adversely affected.

ITEM 1 B . UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We own and lease properties in the countries in which we operate. 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 we require. We believe that suitable additional space is available on acceptable terms in the event of an expansion of our businesses. The table below provides a brief description of our significant properties.

Location	Property	Use
Hamilton, Bermuda	Leased office	Registered Office, corporate
Amsterdam, Netherlands	Leased office	Corporate Office, corporate
London, United Kingdom	Leased office	Administrative Center, corporate
Sofia, Bulgaria	Leased buildings	Office and studio space (Broadcast, Media Pro Entertainment and New Media segments)
Zagreb, Croatia	Owned and leased buildings	Office and studio space (Broadcast, Media Pro Entertainment and New Media segments)
Prague, Czech Republic	Owned and leased buildings	Administrative Center, corporate Office and studio space (Broadcast, Media Pro Entertainment and New Media segments)
Bucharest and other key cities within Romania	Owned and leased buildings	Office and studio space (Broadcast, Media Pro Entertainment and New Media segments)
Bratislava, Slovak Republic	Owned buildings	Office and studio space (Broadcast, Media Pro Entertainment and New Media segments)
Ljubljana, Slovenia	Owned and leased buildings	Office and studio space (Broadcast Media Pro Entertainment and New Media segments)

For further information on the cash resources that fund these facility-related costs, see Part II, Item 7, VI, “Liquidity and Capital Resources.”

ITEM 3. LEGAL PROCEEDINGS

General

We are, from time to time, a party to litigation or arbitration proceedings arising in the normal course of our business operations. Other than the claim discussed below, we are not presently a party to any such litigation or arbitration which could reasonably be expected to have a material adverse effect on our business or operations.

Video International termination

On March 18, 2009, Video International Company Group, CGSC ("VI"), a Russian legal entity, filed a claim in the London Court of International Arbitration ("LCIA") against our wholly-owned subsidiary CME Media Enterprises B.V. ("CME BV"), which was, at the time the claim was filed, the principal holding company of our former Ukrainian operations. The claim relates to the termination of an agreement between VI and CME BV dated November 30, 2006 (the "parent agreement"). The parent agreement was one of four related contracts by which VI subsidiaries, including LLC Video International-Prioritet ("Prioritet"), supplied advertising and marketing services to Studio 1+1 LLC ("Studio 1+1") in Ukraine and International Media Services Ltd., an offshore affiliate of Studio 1+1 ("IMS"). Among these four contracts were the advertising services agreement and the marketing services agreements both between Prioritet and Studio 1+1. On December 24, 2008, each of CME BV, Studio 1+1 and IMS provided notices of termination to their respective contract counterparties, following which each of the four contracts terminated on March 24, 2009. In connection with these terminations, Studio 1+1 was required under the advertising and marketing services agreements to pay a termination penalty equal to (i) 12% of the average monthly advertising revenues, and (ii) 6% of the average monthly sponsorship revenues, in each case for advertising and sponsorship sold by Prioritet for the six months prior to the termination date, multiplied by six. On June 1, 2009, Studio 1+1 paid UAH 13.5 million (approximately US$ 1.7 million) to Prioritet and set off UAH 7.4 million (approximately US$ 0.9 million) against amounts owing to Studio 1+1 under the advertising and marketing services agreements. In its LCIA claim, VI sought payment of a separate indemnity from CME BV under the parent agreement equal to the aggregate amount of Studio 1+1's advertising revenues for the six months ended December 31, 2008. The total amount of relief sought was US$ 58.5 million. On September 30, 2010, a partial award was issued in the arbitration proceedings, pursuant to which VI's claim for relief in the amount of US$ 58.5 million was dismissed and CME BV was awarded reimbursement of its legal fees and other costs in respect of the arbitration proceedings, which were received on October 27, 2010. The partial award does permit VI to bring a subsequent claim against CME BV as parent guarantor in the event that VI establishes that it is entitled to additional compensation under the advertising and marketing services agreements with Studio 1+1 and that such compensation is not satisfied by Studio 1+1. We do not believe it is likely that we will be required to make any further payments.

ITEM 4 . [RESERVED]

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Shares of Class A common stock of Central European Media Enterprises Ltd. began trading on the NASDAQ National Market on October 13, 1994 under the trading symbol "CETV".

On February 18, 2011, the last reported sales price for shares of Class A common stock was US$ 18.96.

The following table sets forth the high and low sales prices for shares of Class A common stock for each quarterly period during the last two fiscal years.

Price Period	High (US$ / Share)	Low (US$ / Share)
2010		
Fourth Quarter	26.36	18.75
Third Quarter	25.45	19.91
Second Quarter	38.29	19.64
First Quarter	31.70	25.44
2009		
Fourth Quarter	33.73	23.61
Third Quarter	38.08	17.44
Second Quarter	22.00	11.97
First Quarter	22.73	4.86

At February 18, 2011, there were 196 holders of record (including brokerage firms and other nominees) of shares of Class A common stock and 3 holders of record of shares of Class B common stock. There is no public market for shares of Class B common stock. Each share of Class B common stock has 10 votes.

6,000,000 shares have been authorized for issuance in respect of equity awards under a stock-based compensation plan (see Part II, Item 8, Note 15, "Stock-Based Compensation").

DIVIDEND POLICY

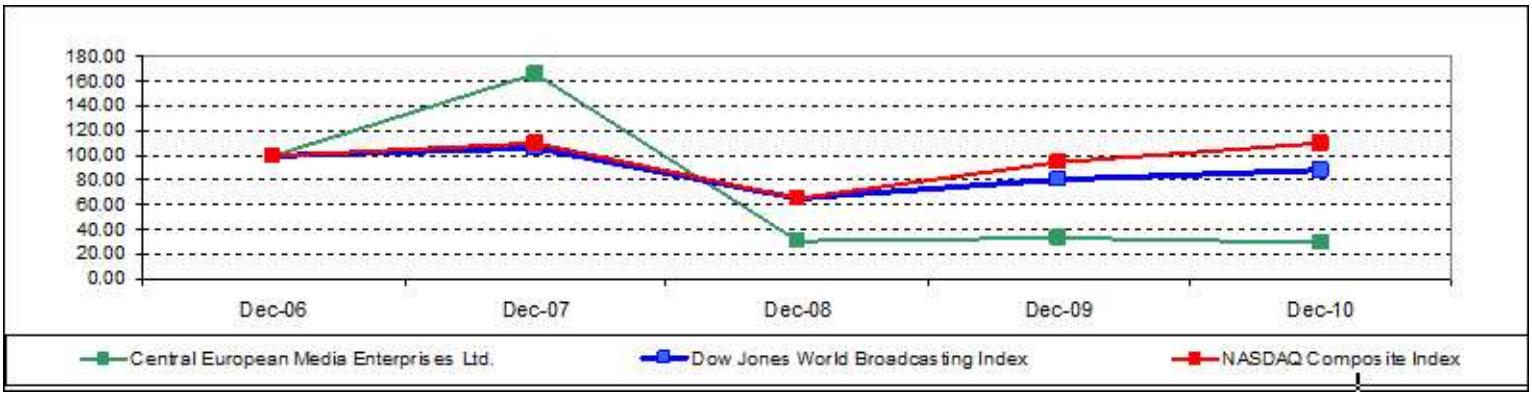
We have not declared or paid and have no present intention to declare or pay in the foreseeable future any cash dividends in respect to any class of our shares of common stock.

PURCHASE OF OWN STOCK

We did not purchase any of our own stock in 2010.

PERFORMANCE GRAPH

The following performance graph is a line graph comparing the change in the cumulative shareholder return of the Class A common stock against the total cumulative total return of the Nasdaq Composite Index and the Dow Jones World Broadcasting Index between December 31, 2006 and December 31, 2010.



Value of US$ 100 invested at December 31, 2006 as of December 31, 2010:

Central European Media Enterprises Ltd.	$	29.07
NASDAQ Composite Index	$	87.60
Dow Jones World Broadcasting Index [1]	$	109.84

[1] This index includes 63 companies, many of which are non-U.S. based. Accordingly, we believe that the inclusion of this index is useful in understanding our stock performance compared to companies in the television broadcast and cable industry.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED CONSOLIDATED FINANCIAL DATA

Our selected consolidated financial data should be read together with our consolidated financial statements and related notes included in Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

The following tables set forth the selected consolidated financial data for each of the years in the five-year period ended December 31, 2010. The selected consolidated financial data is qualified in its entirety and should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data". We have derived the consolidated statements of operations data for the years ended December 31, 2010, 2009 and 2008 and the consolidated balance sheet data as of December 31, 2010 and 2009 from the consolidated audited financial statements included elsewhere in this Annual Report on Form 10-K. The consolidated statement of operations data for the years ended December 31, 2007 and 2006 and the balance sheet data as of December 31, 2008, 2007 and 2006 were derived from consolidated audited financial statements that are not included in this Annual Report on Form 10-K.

	For the Years Ended December 31,				
	2010	**2009**	**2008**	**2007**	**2006**
	(US$ 000's, except per share data)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:					
Net revenues	$ 737,134	$ 681,945	$ 920,476	$ 712,018	$ 505,038
Operating income / (loss)	22,877	(38,971)	183,466	190,230	120,418
Net (loss) / income from continuing operations	(116,924)	(70,983)	41,942	96,113	24,360
Income / (loss) from discontinued operations	213,697	(36,824)	(309,421)	9,612	9,666
Net income / (loss) attributable to CME Ltd.	**$ 100,175**	**$ (97,157)**	**$ (269,546)**	**$ 88,618**	**$ 21,626**
PER SHARE DATA:					
Net (loss) / income per common share from:					
Continuing operations – basic	$ (1.77)	$ (1.11)	$ 0.94	$ 1.91	$ 0.30
Continuing operations – diluted	(1.77)	(1.11)	0.93	1.89	0.29
Discontinued operations – basic	3.34	(0.68)	(7.31)	0.23	0.24
Discontinued operations – diluted	3.34	(0.68)	(7.25)	0.23	0.24
Net income / (loss) attributable to CME Ltd. common shareholders – basic	1.57	(1.79)	(6.37)	2.14	0.54
Net income / (loss) attributable to CME Ltd. common shareholders - diluted	$ 1.57	$ (1.79)	$ (6.32)	$ 2.12	$ 0.53
Weighted average common shares used in computing per share amounts (000's)					
Basic	64,029	54,344	42,328	41,384	40,027
Diluted	64,029	54,344	42,683	41,833	40,600

CONSOLIDATED BALANCE SHEET DATA:

Cash and cash equivalents	$ 244,050	$ 445,954	$ 94,423	$ 128,159	$ 131,718
Other current assets	368,035	435,507	485,089	435,387	293,457
Non-current assets	2,328,465	1,991,326	1,827,104	1,774,889	1,393,825
Total assets	**$ 2,940,550**	**$ 2,872,787**	**$ 2,406,616**	**$ 2,338,435**	**$ 1,819,000**
Current liabilities	243,076	352,118	248,484	238,571	195,418
Non-current liabilities	1,449,722	1,348,829	1,059,687	676,902	561,627
CME Ltd. shareholders' equity	1,226,879	1,177,589	1,095,258	1,399,807	1,035,766
Noncontrolling interests	20,873	(5,749)	3,187	23,155	26,189
Total liabilities and equity	**$ 2,940,550**	**$ 2,872,787**	**$ 2,406,616**	**$ 2,338,435**	**$ 1,819,000**

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the sections entitled "Forward-looking Statements" on page 4 and "Risk Factors" in Part I, Item 1A.

Contents

l. Executive Summary

CME Strategy

We enjoy very strong positions in our markets based on brand strength, audience leadership, the depth and experience of local management and our expertise in the production of local content. Historically, these strengths have supported price leadership, high margins, and strong cash flows. These competitive advantages have permitted our operations some measure of resilience in the current economic downturn and should provide the opportunity for us to benefit as and when growth resumes.

Our strategy for the future is based on our assets: people, brands, audience and market leadership, own content and growing new distribution platforms. We are focused on enhancing the performance of the business over the short and medium term. Our priorities in this regard include:

- improving the performance of our new operating model with three operating divisions - broadcast, content (Media Pro Entertainment) and new media – to achieve more efficient use of our resources in order to grow faster;
- maintaining or increasing our audience and market shares in all of our markets;
- improving the effectiveness of our marketing and sales functions and continuing to diversify our revenues;
- developing and producing content on a larger scale and distributing it in our region and beyond in all windows and platforms;
- maintaining our operating leverage, with a strong focus on cost control to protect both profitability and liquidity, while protecting our brands and competitive strengths;
- assessing opportunities to acquire or operate additional businesses in our regions in order to expand our offerings, target niche audiences and increase our product and services output when financially prudent; and
- generating positive free cash flows.

We are prepared to face new challenges and adjust our strategy when new opportunities or threats arise.

Summary of Results

The following table provides a summary of our consolidated results for the years ended December 31, 2010, 2009 and 2008:

	For the Years Ended December 31, (US$ 000's)					
	2010	**2009**	***Movement***	**2009**	**2008**	***Movement***
Net revenues	$ 737,134	$ 681,945	$ 55,189	$ 681,945	$ 920,476	(238,531)
Cost of revenues	(594,044)	(529,286)	(64,758)	(529,286)	(551,602)	22,316
Selling, general and administrative expenses	(119,816)	(109,787)	(10,029)	(109,787)	(120,517)	10,730
Impairment charge	(397)	(81,843)	81,446	(81,843)	(64,891)	(16,952)
Operating income / (loss)	22,877	(38,971)	61,848	(38,971)	183,466	(222,437)
Income / (loss) from discontinued operations	**213,697**	**(36,824)**	**250,521**	**(36,824)**	**(309,421)**	**272,597**
Net income / (loss)	**$ 96,773**	**$ (107,807)**	**$ 204,580**	**$ (107,807)**	**(267,479)**	**159,672**
Net cash (used in) / generated from continuing operating activities	$ (49,614)	$ 7,190	$ (56,804)	$ 7,190	$ 137,487	(130,297)

Our financial results for the year ended December 31, 2010 reflect the continued impact of the global financial and economic crisis on our operations; the acquisition of the bTV group in Bulgaria on April 19, 2010; the acquisition of the Media Pro Entertainment business in Romania in December 2009; and the related integration of our content business into our new business model; and the disposal of our loss-making operations in Ukraine on April 7, 2010, which are being reported as discontinued operations for all periods presented.

Our operating income for 2010 includes the recognition of a non-cash impairment charge of $0.4 million compared to US$ 81.8 million in the previous year, which resulted in an operating loss for 2009 of US$ 39.0 million. During the fourth quarter of 2010, our markets stabilized and although our annual results still reflect the difficult market conditions for most of the year, we anticipate a recovery in almost all of our markets during 2011.

Our net income for 2010 includes the recognition of a gain on sale of US$ 217.6 million relating to the sale of our operations in Ukraine on April 7, 2010, reported as discontinued operations. Our net loss for 2009 of US$ 107.8 million includes a loss from discontinued operations of US$ 36.8 million in addition to the impairment charge of US$ 81.8 million.

Net cash generated from continuing operating activities decreased from an inflow of US$ 7.2 million to an outflow of US$ 49.6 million, reflecting the continued impact of the market slowdown on the level of cash generated by our operations. We continued to generate positive cash flow in our broadcast and new media operations in the Czech Republic, Romania and Slovenia, which was partially offset by the negative cash flows of our broadcast and new media operations in Bulgaria, Croatia and the Slovak Republic. We also paid interest of US$ 100.9 million in 2010 compared to US$ 61.9 million in 2009.

Operating Performance

Since January 1, 2010, we have managed our business on a divisional basis with three operating segments: Broadcast, Media Pro Entertainment, our content business, and New Media and all historic financial information has been presented on this basis. These operating segments, which are also our reportable segments, reflect how our operations are managed, how our operating performance is evaluated by senior management and the structure of our internal financial reporting. We provide supplemental geographic information on the performance of our broadcast operating segment due to the significance of our broadcast operations and management believes this provides users of our financial statements with useful information.

We evaluate the performance of our segments based on Net Revenues and OIBDA (as described below).

OIBDA, which includes program rights amortization costs, is determined as operating income / (loss) before depreciation and amortization of intangible assets. We previously used EBITDA as the basis of our measurement, which 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 our segments for purposes of evaluating their performance, and therefore are not included in OIBDA, include stock-based compensation and certain unusual or infrequent items (e.g., impairments of assets or investments).

Our key performance measure of the efficiency of our segments is OIBDA margin. We define OIBDA margin as the ratio of OIBDA to Net Revenues. We believe OIBDA is useful to investors because it provides a meaningful representation of our performance as it excludes certain items that either do not impact our cash flows or the operating results of our operations. OIBDA is also used as a component in determining management bonuses. Intersegment revenues and profits have been eliminated on consolidation.

OIBDA may not be comparable to similar measures reported by other companies. Non-GAAP financial measures should be evaluated in conjunction with, and are not a substitute for, US GAAP financial measures. For additional information regarding our business segments and a reconciliation of OIBDA to (Loss) / income from continuing operations, see Item 8, Note 17, "Segment Data".

The following analysis contains references to like-for-like ("% Lfl") or constant currency percentage movements. These references reflect the impact of applying the current period average exchange rates to the prior period revenues and costs. Given the significant movement of the currencies in the markets in which we operate against the dollar, we believe that it is useful to provide percentage movements based on like-for-like or constant currency percentage movements as well as actual ("% Act") percentage movements (which includes the effect of foreign exchange). Unless otherwise stated, all percentage increases or decreases in the following analysis refer to year-on-year percentage changes.

A summary of our total Net Revenues and OIBDA by segment is as follows:

NET REVENUES

	For the Years Ended December 31, (US$ 000's)							
			Movement				*Movement*	
	2010	**2009**	***% Act***	***% Lfl***	**2009**	**2008**	***% Act***	***% Lfl***
Broadcast	$ 690,727	$ 669,066	*3.2%*	*6.4%*	$ 669,066	$ 911,045	*(26.6)%*	*(17.3)%*
Media Pro Entertainment	140,797	107,683	*30.8%*	*34.7%*	107,683	99,112	*8.6%*	*21.3%*
New Media	11,193	9,935	*12.7%*	*17.3%*	9,935	9,431	*5.3%*	*14.1%*
	842,717	**786,684**	***7.1%***	***10.4%***	**786,684**	**1,019,588**	***(22.8)%***	***(13.2)%***
Intersegment revenues	(105,583)	(104,739)	*(0.8)%*	*(4.0)%*	(104,739)	(99,112)	*(5.7)%*	*(18.0)%*
Total Net Revenues	**$ 737,134**	**$ 681,945**	***8.1%***	***11.4%***	**$ 681,945**	**$ 920,476**	***(25.9)%***	***(16.6)%***

	OIBDA For the Years Ended December 31, (US$ 000's)							
			Movement				Movement	
	2010	2009	% Act	% Lfl	2009	2008	% Act	% Lfl
Broadcast	$ 164,415	$ 154,971	6.1%	7.1%	$ 154,971	$ 378,113	(59.0)%	(53.5)%
Media Pro Entertainment	(3,005)	7,538	(139.9)%	(140.9)%	7,538	9,416	(19.9)%	(10.6)%
New Media	(6,542)	(8,651)	24.4%	22.2%	(8,651)	(7,050)	(22.7)%	(35.3)%
	154,868	**153,858**	**0.7%**	**1.6%**	**153,858**	**380,479**	**(59.6)%**	**(54.1)%**
Central	(44,062)	(38,151)	(15.5)%	(18.5)%	(38,151)	(48,787)	21.8	19.7
Elimination	(3,483)	(333)	Nm (1)	Nm (1)	(333)	-	Nm (1)	Nm (1)
Consolidated OIBDA	**$ 107,323**	**$ 115,374**	**(7.0)%**	**(6.7)%**	**$ 115,374**	**$ 331,692**	**(65.2)%**	**(59.9)%**

(1) Number is not meaningful.

Key Events

Business Development

- On April 7, 2010, we completed the disposal of 100.0% of our former Ukraine operations. We received total cash consideration of US$ 308.0 million and recognized a gain on sale of approximately U$ 217.6 million.

- On April 19, 2010, we acquired the bTV group in Bulgaria from News Corporation. The total cash consideration was US$ 400.0 million plus a net payment of US$ 9.9 million for a working capital adjustment.

- On April 22, 2010, we restructured the ownership of the Pro.BG business, our legacy business in Bulgaria, following which we own 94.0% of the bTV group.

- On May 24, 2010 we completed the acquisition of the remaining interests of approximately 5.0% in each of Pro TV S.A. ("Pro TV"), Media Pro International S.A. ("MPI") and Media Vision S.R.L. ("MVI") from Adrian Sarbu, our President and Chief Executive Officer and a member of our Board of Directors, thereby increasing our ownership interests in each of these companies to 100.0%. Consideration for the acquisition consisted of a cash payment of approximately US$ 6.2 million and the issuance of 800,000 shares of Class A common stock (valued at US$ 18.5 million at the date of acquisition).

Financing and liquidity

- In the fall of 2010, we repurchased approximately US$ 104.7 million aggregate principal amount of our outstanding senior debt.
- On October 21, 2010, our wholly-owned subsidiary CET 21 issued EUR 170.0 million (approximately US$ 237.5 million) of 2010 Fixed Rate Notes.
- On October 21, 2010, CET 21 repaid in full the p rincipal outstanding under the CZK 2.8 billion (approximately US$ 159.9 million at the date of repayment) Erste Facility.
- On October 21, 2010, CET 21 entered into the five-year CZK 1.5 billion (approximately US$ 80.0 million) Secured Revolving Credit Facility.
- On February 18, 2011, we completed privately negotiated transactions to exchange approximately US$ 206.3 million aggregate principal amount of our 2008 Convertible Notes for an equal aggregate principal amount of 2011 Convertible Notes.

Management changes

- On February 23, 2010, David Sach was appointed as our Chief Financial Officer, effective March 1, 2010. Mr. Sach succeeded Charles Frank, who served as interim Chief Financial Officer from July 2009. Mr. Frank was reappointed to the Board of Directors on March 16, 2010.
- Petr Dvorak resigned as Senior Vice President, Broadcasting of CME effective December 31, 2010. Anthony Chhoy, Executive Vice President, Strategic Planning and Operations, has assumed responsibility for managing CME's Broadcast segment.

Broadcast

Our Broadcast segment comprises our television broadcast channel operations in Bulgaria, Croatia, the Czech Republic, Romania, the Slovak Republic and Slovenia and consists of 23 television channels reaching an aggregate of approximately 47.1 million people with a combined population of approximately 50.4 million.

We generate revenues in our Broadcast segment primarily through entering into agreements with advertisers, advertising agencies and sponsors to place advertising on the television channels that we operate. The following table sets out our estimates of television advertising spending by market (in US$ millions) for the years ended December 31.

Country	**2010**	**2009**	**2008**
Bulgaria	$ 123	$ 135	$ 174
Croatia	119	123	144
Czech Republic	361	360	466
Romania	232	258	370
Slovak Republic	136	148	198
Slovenia	80	74	92
Total CME Markets	**$ 1,050**	**$ 1,098**	**$ 1,446**
Growth rate	*(4)%*	*(24)%*	*13 %*

Market sizes are quoted using constant dollar exchange rates for all the year presented above.

Local currency television advertising spending in our operating territories declined by 4% in aggregate in 2010 compared to the previous year. In Bulgaria, Croatia, Romania and the Slovak Republic the declines were between 3% and 10%. Television advertising spending demand remained flat in the Czech Republic and increased in Slovenia by approximately 8% year-on-year in constant currency terms. Our overall share of the television advertising markets increased during the year ended December 31, 2010. These increases in market share, however, did not compensate for the overall decline in the television advertising market.

We took decisive action during 2010 to maintain our leadership in audience and market shares in all of our broadcast operations, including the disposal of our loss-making operations in Ukraine and the acquisition and integration of the market leading broadcaster in Bulgaria. Our audience and market leadership is our unique competitive advantage, which is essential to achieving high operating leverage.

We were able to significantly increase our inventory during 2010 compared to 2009. Inventory is represented by the commercial gross rating point ("GRP") which is a measure of the number of people watching television when an advertisement is aired. Although we reduced our overall pricing, we were able to increase our sales on aggregate, and hence our sellout rate during the same period.

The Broadcast segment reported net revenues of US$ 690.7 million in 2010 compared to US$ 669.1 million in 2009, an increase of 3%, or 6% on a constant currency basis. The increase in net revenues was primarily due to the acquisition of the bTV group in Bulgaria, which reported broadcast revenues of US$ 57.9 million in the period since acquisition.

Costs charged in arriving at OIBDA increased by 2% in 2010 compared to 2009, or 6% on a constant currency basis, primarily due to the acquisition of the bTV group in Bulgaria. We continued to strengthen our prime time audience shares while limiting comparable year-on-year cost increases in constant currency terms through salary constraints, the deferral of certain expenditures and managing our broadcast schedules to reduce the rate of programming cost growth. Our efforts in limiting costs partially offset the increase in costs as a result of our acquisition of the bTV group in Bulgaria. Our goal continues to be to maintain high audience shares and the strength of our brands, as we believe this is essential to the value of our operations. We will continue to allocate sufficient investment in programming to protect our audience leadership.

The Broadcast segment generated OIBDA of US$ 164.4 million in 2010 compared to US$ 155.0 million in 2009, an increase of 6%, or 7% on a constant currency basis.

Media Pro Entertainment

The acquisition of the Media Pro Entertainment business in December 2009 has provided us with a unique opportunity to consolidate our position as a leading content provider in our regions. We have integrated the acquired assets with our existing production assets in each country to create a dedicated content segment with operations in all of our countries, which has been branded Media Pro Entertainment. The results of Media Pro Entertainment for the year ended December 31, 2009 and 2008 reflect only those production activities previously reported within our Broadcast operations, and therefore are not comparable to current Media Pro Entertainment operations.

The Media Pro Entertainment segment reported net revenues, before eliminations, in 2010 of US$ 140.8 million compared to US$ 107.7 million in 2009, an increase of 31%, or 35% on a constant currency basis.

Media Pro Entertainment's revenues for 2010 predominantly represent sales of finished content to our broadcasters and revenues from third parties from our production, production services and distribution and exhibition operations.

During 2010, we delivered 890 hours of fiction programming, which generated revenues of US$ 55.2 million and provided much of our broadcasters' prime time schedules. The majority of these hours (504) were telenovellas and soap opera shows including 'The Street' in the Czech Republic, 'Love and Honour' in Romania and 'Best Years' in Croatia but also included drama series, comedy series and sitcom projects across all of our countries. The output of our fiction programming increased in the fourth quarter compared to the third quarter as we produced and delivered shows for our broadcasters' fall schedule and the important Christmas period. In addition to our production of television fiction we have also generated revenues from two feature films in Romania which were produced during the year or in previous years. We also produced four feature films during the year which we expect to release during 2011.

Our output of reality and entertainment programming, which amounted to 1,881 hours for 2010 and generated US$ 53.9 million of revenues, was dominated by flagship talent shows such as 'Talentmania' in the Czech and Slovak Republics, 'Dancing For You' in Romania, 'Got Talent' in Slovenia and Croatia and reality shows such as 'Wipe Out' in Czech Republic, 'Big Brother' in Slovenia and 'The Farm' in Croatia. Our production increased substantially from 307 hours in the third quarter to 611 hours in the fourth quarter of 2010 for our broadcasters' fall seasons and special one-off New Year event shows in most of our countries.

We generated approximately 25% of our revenues from third parties in 2010 across a number of business areas. We enjoyed a particularly strong performance from our television commercial production business, which produced 58 commercials in 2010 and generated US$ 5.8 million in revenues from third party advertising clients. We also generated revenues of US$ 6.2 million from the sale of tickets in our cinema business in Romania, which took 1.2 million admissions at the box office in 2010, supported by some strong titles that were showing in theatres during the year and which were increasingly released in 3D. We also generated US$ 16.4 million from our home video and rights distribution businesses. Our production services business in Romania experienced strong competition for business from international studios and independent producers from countries that provide film financing subsidies. We nevertheless generated US$ 4.0 million of revenues from third parties and provided services to a number of international productions such as 'Weapon', starring Jean Claude Van Damme. Margins remained stable in all businesses, but the results of the home video business were negatively impacted by a provision against a significant wholesale client experiencing financial difficulties.

New Media

Our New Media segment was created to leverage our brands and content productions towards the internet and online communities, to create internet-specific products and to support our Broadcast and Media Pro Entertainment segments in the marketing of their products and services. We operate an internet business in all of our six markets, cross-promoted and supported by the large audience of our broadcast operations. We currently own and operate over sixty websites across our markets, and we continue to launch new targeted products to establish and grow our online presence and market share and ultimately provide our products on multiple distribution platforms.

The following table sets out our estimates of internet advertising spending by market in our countries (in US$ millions).

Country	2010	2009	2008
Bulgaria	$ 13	$ 12	$ 12
Croatia	16	13	11
Czech Republic	113	108	98
Romania	24	20	22
Slovak Republic	20	20	19
Slovenia	11	10	11
Total CME Markets	**$ 197**	**$ 182**	**$ 174**
Growth rate	*8 %*	*5 %*	*21 %*

Market sizes are quoted using constant dollar exchange rates for all the year presented above.

During 2010, we established a dedicated sales team, restructured the technical development function and launched twenty one new products. These actions led to our New Media segment reporting net revenues of US$ 11.2 million in 2010 compared to US$ 9.9 million in 2009, an increase of 13%, or 17% on a constant currency basis. We reported OIBDA losses of US$ 6.5 million in 2010 compared to US$ 8.7 million in 2009, a decrease of 24%, or 22% on a constant currency basis.

Future Trends

We currently expect low single-digit GDP growth in 2011 in most or all of our markets, with variation from country to country in the timing and strength of recovery. We are confident that we will continue to enjoy a high television advertising market share in the regions where we operate and we plan to continue to control our costs and anticipate that much of the anticipated revenue growth will flow immediately to our bottom line in terms of OIBDA.

We anticipate a return to higher levels of GDP growth in the markets in which we operate in the medium term and that as a result, on average, local currency television advertising spending will return to the levels experienced in 2008 by 2013. Accordingly, we expect growth rates in our markets in the medium term will be higher than in Western European or the United States. As a result of increasing revenues and optimization of our cost structure over the medium term, we expect to return to the high levels of OIBDA growth that we enjoyed in the years before the economic crisis hit.

Broadcast

While the markets in Bulgaria, the Czech and Slovak Republics, Croatia and Slovenia are expected to recover in the first quarter of 2011, we currently expect recovery in Romania to begin during the second quarter of 2011.

As our markets mature, we anticipate increased competition for audience share and advertising spending from other free-to-air broadcasters and from cable and satellite broadcasters as the coverage of these technologies grows. The advent of digital terrestrial broadcasting and the introduction of alternative distribution platforms for content services (including additional direct-to-home ("DTH"), the internet, internet protocol TV ("IPTV"), mobile television and video-on-demand services) may lead to audience fragmentation and change the competitive dynamics in our markets in the medium term. We do not expect a significant impact on our advertising share due to our multi-channel strategy and our integrated business model.

We believe that our market leadership and the strength of our existing brands leave us well positioned to face increased competition, and we intend to continue to build on our multi-channel strategy and the distribution of our content on multiple distribution platforms as these new technologies develop.

Media Pro Entertainment

The creation of the Media Pro Entertainment segment reflects the increasing importance of locally-generated content in our markets. As distribution platforms become more fragmented, controlling popular local content becomes even more important as it both safeguards market share and allows us to diversify our revenue streams. We also believe that sharing our expertise in production development and management will bring significant benefits. We will seek to leverage the creative talent across Media Pro Entertainment to develop high-quality original formats that can be adapted in multiple countries, to extract more value from our existing library of formats and to pool the expertise of our production professionals in each market.

Operating Media Pro Entertainment across all countries will also enable us to share production resources, equipment and facilities in the most efficient way possible in order to lower the unit cost of production at a time when we are seeing increasing competition for popular content causing high levels of price inflation.

Media Pro Entertainment will also generate additional third party revenues through the sale of production services to independent film-makers and extract additional value from our own library of produced content through the sale of international broadcast rights to third parties outside the countries in which we currently operate. In addition, the distribution and exhibition operations of Media Pro Entertainment generate revenues from the distribution of rights to film content to third party clients, from the exhibition of films in its theaters and from the sale of DVD and Blu Ray discs to wholesale and retail clients.

New Media

Internet broadband penetration remains low in most of our markets in comparison to Western European and U.S. markets. We anticipate broadband penetration and internet usage will increase significantly over the medium term and will foster the development of significant new opportunities for generating advertising and other revenues in new media. We intend to continue to develop our new media activities by moving our content online with multiple distribution platforms (video-on-demand, simulcast with TV, catch-up) and services to attract all types of new media audience in order to generate multiple revenue streams including video advertising and paid premium content.

We believe that we will benefit from the shift of advertising spending from print and other media to our New Media and Broadcast operations, which should help drive the future growth of our New Media segment and we will continue to position the product within our New Media operations to further enhance the marketing of our broadcast and production businesses.

Financial Position

We believe our financial resources are sufficient to meet our current financial obligations and to fund our operations. The recent refinancing transactions (described below), the acquisition of the bTV group and the sale of our former Ukraine operations have enhanced our financial position. However, further deterioration in the advertising markets or a strengthening of the dollar against the currencies of the markets in which our cash flow is generated could reduce our liquidity reserves.

On October 21, 2010, CET 21, our wholly owned subsidiary, issued the 2010 Fixed Rate Notes in an aggregate principal amount of EUR 170.0 million (approximately US$ 237.5 million at the date of issuance). The net cash proceeds from the issuance and additional cash reserves of US$ 41.2 million were used to repay certain of our indebtedness comprising of US$ 34.8 million aggregate principal amount of our 2008 Convertible Notes, EUR 2.0 million (approximately US$ 2.8 million at the date of repayment) aggregate principal amount of our Floating Rate Notes and EUR 48.4 million (approximately US$ 67.1 million at the date of repayment) aggregate principal amount of our 2009 Fixed Rate Notes. In addition, we repaid in full the principal outstanding under the CZK 2.8 billion Erste Facility (approximately US$ 159.9 million at the date of repayment) plus accrued interest and break costs.

We have improved the maturity profile of our debt as we have repaid all our credit facilities that matured in 2010, 2011 and 2012; the earliest maturity date of our long-term debt is in 2013.

We are unable to incur any additional debt at the holding company level or at the Restricted Subsidiaries (as defined below) level beyond “baskets” set out in the indentures governing the Senior Notes unless the ratio of our consolidated EBITDA to interest expense (the “Coverage Ratio”, as defined in the indentures governing the Senior Notes) is above 2.0 times and would be on a pro forma basis following such incurrence. Our Coverage Ratio was 1.1 times at December 31, 2010. However, the “baskets” in our Senior Notes indentures permit the incurrence of debt at either the Restricted Subsidiary or the holding company level of up to EUR 250.0 million (approximately US$ 334.1 million). We have utilized US$ 242.4 million of this amount for borrowings mainly in the Czech Republic and Romania. This leaves approximately US$ 91.7 million of additional borrowing capacity available to us at December 31, 2010. We are able to utilize the five-year CZK 1.5 billion (approximately US$ 80.0 million) Secured Revolving Credit Facility, of which no amounts were drawn as at December 31, 2010. Future drawings under this facility are expected to be used for working capital requirements and general corporate purposes. There are no significant constraints on our ability to refinance existing debt.

Refinancing in 2011

At December 31, 2010, we had US$ 440.2 million in aggregate principal of our 2008 Convertible Notes outstanding. On February 18, 2011, we completed privately negotiated exchanges of US$ 206.3 million aggregate principal amount of our 2008 Convertible Notes for US$ 206.3 million aggregate principal amount of 2011 Convertible Notes. The exchanging holders of the 2008 Convertible Notes also received cash consideration including accrued interest totaling approximately US$ 30.2 million. The incremental interest that will be paid is approximately US$ 3.0 million per calendar year. These changes extended the overall maturity profile of our debt. We now have US$ 233.9 million aggregate principal amount of 2008 Convertible Notes outstanding that mature in 2013.

Our 2011 Convertible Notes have broadly the same terms as our 2008 Convertible Notes due, apart from the interest rate, maturity date and the conversion price, which is set at 20 shares of Class A common stock per US$ 1,000 principal amount of notes (the equivalent of US$ 50.00 per share). The 2011 Convertible Notes are secured senior obligations and rank pari passu with all of our existing and future senior indebtedness and are effectively subordinated to all existing and future indebtedness of our subsidiaries that are not guarantors of the 2011 Convertible Notes. The amounts outstanding are guaranteed by two subsidiary holding companies and are secured by a pledge of shares of those subsidiaries.

III. Analysis of Results of Operations and Financial Position

OVERVIEW

III (a) Net Revenues for the years ending December 31, 2010, 2009 and 2008:

NET REVENUES
For the Years Ended December 31, (US$ 000's)

			Movement				*Movement*	
	2010	**2009**	*% Act*	*% Lfl*	**2009**	**2008**	*% Act*	*% Lfl*
Broadcast:								
Bulgaria	$ 61,753	$ 3,517	*Nm (1)*	*Nm (1)*	$ 3,517	$ 1,261	*178.8 %*	*176.5%*
Croatia	51,350	48,543	*5.8 %*	*10.5%*	48,543	54,084	*(10.2)%*	*(3.5)%*
Czech Republic	265,018	271,733	*(2.5)%*	*(2.2)%*	271,733	374,099	*(27.4)%*	*(18.8)%*
Romania	157,416	175,409	*(10.3)%*	(5.7)%	175,409	273,271	*(35.8)%*	*(22.2)%*
Slovak Republic	90,391	106,479	*(15.1)%*	*(10.8)%*	106,479	132,367	*(19.6)%*	*(15.0)%*
Slovenia	64,799	63,385	*2.2 %*	*7.5%*	63,385	75,963	*(16.6)%*	*(11.9)%*
Total Broadcast	**690,727**	**669,066**	***3.2 %***	***6.4%***	**669,066**	**911,045**	***(26.6)%***	***(17.3)%***
Media Pro Entertainment	**140,797**	**107,683**	***30.8 %***	***34.7%***	**107,683**	**99,112**	***8.6 %***	***21.3%***
New Media	**11,193**	**9,935**	***12.7 %***	***17.3%***	**9,935**	**9,431**	***5.3 %***	***14.1%***
Intersegment revenues	(105,583)	(104,739)	*(0.8)%*	*(4.0)%*	(104,739)	(99,112)	*(5.7) %*	*(18.0)%*
Total Net Revenues	**$ 737,134**	**$ 681,945**	***8.1 %***	***11.4%***	**$ 681,945**	**$ 920,476**	***(25.9)%***	***(16.6)%***

(1) Number is not meaningful.

Our Broadcast segment reported revenues of US$ 690.7 million during 2010, an increase of 3% compared to 2009. On a constant currency basis, this increase of 6% in revenues has been primarily due to the acquisition of the bTV group in Bulgaria, which reported broadcast revenues of US$ 57.9 million in the period since acquisition.

In 2009, our Broadcast segment reported revenues of US$ 669.1 million compared to $911.0 million in 2008, a decrease of 27%, or 17% on a constant currency basis. All of our broadcast operations were impacted by the economic recession, as reduced demand for television advertising led to a decrease in prices.

Media Pro Entertainment reported revenues of US$ 140.8 million in 2010 compared to US$ 107.7 million in 2009 and US$ 99.1 million in 2008, increases on a constant currency basis of 35% and 21%, respectively. Prior to the acquisition of the Media Pro Entertainment business in December 2009, our Media Pro Entertainment segment included only those content activities previously embedded within our broadcast operations.

Our New Media segment reported revenues of US$ 11.2 million during 2010 representing an increase of 13% compared to 2009. On a constant currency basis, revenues increased by 17% during 2010 compared to 2009, reflecting growth of the number of unique visitors and video downloads. Furthermore, we strengthened our sales teams and focused our efforts on client relations, made a shift to complete advertising solutions and deployed new sales products. We also implemented paid content in order to increase the numbers of revenue streams, building a subscription based video portal in Slovenia and VOYO, a transactional video-on-demand project in the Czech Republic.

Our New Media segment reported revenues of US$ 9.9 million in 2009 compared to US$ 9.4 million in 2008, an increase of 5%, or 14% on a constant currency basis, reflecting the increased scale of our operation.

III (b) Cost of Revenues for the years ending December 31, 2010, 2009 and 2008

COST OF REVENUES

	For the Years Ended December 31, (US$ 000's)							
			Movement				***Movement***	
	2010	**2009**	***% Act***	***% Lfl***	**2009**	**2008**	***% Act***	***% Lfl***
Operating Costs	$ 123,339	$ 116,575	*5.8 %*	*9.8%*	$ 116,575	$ 122,008	*(4.5)%*	*6.5%*
Cost of programming	390,303	341,201	*14.4 %*	*18.8%*	341,201	347,148	*(1.7)%*	*10.2%*
Depreciation of property, plant and equipment	54,415	51,591	*5.5 %*	*9.8%*	51,591	48,582	*6.2 %*	*18.3%*
Amortization of broadcast licenses and other intangibles	25,987	19,919	*30.5 %*	*32.9%*	19,919	33,864	*(41.2)%*	*(35.5)%*
Total Cost of Revenues	**$ 594,044**	**$ 529,286**	***12.2 %***	***16.5%***	**$ 529,286**	**$ 551,602**	***(4.0)%***	***7.2%***

Our total cost of revenues for 2010 increased by US$ 64.8 million, or 12% compared to 2009, largely due to our acquisitions of the bTV group in Bulgaria on April 19, 2010 and the Media Pro Entertainment business in Romania in December 2009.

Cost of revenues decreased by US$ 22.3 million in 2009, or 4% compared to 2008, as we responded to the economic recession by reducing costs.

Operating costs

	OPERATING COSTS							
	For the Years Ended December 31, (US$ 000's)							
			Movement				Movement	
	2010	2009	% Act	% Lfl	2009	2008	% Act	% Lfl
Broadcast:								
Bulgaria	$ 14,669	$ 5,853	*150.6 %*	*163.6%*	$ 5,853	$ 2,337	*150.4 %*	*148.4%*
Croatia	9,954	12,203	*(18.4)%*	*(14.8)%*	12,203	11,903	*2.5 %*	*10.2%*
Czech Republic	32,557	36,093	*(9.8)%*	*(9.6)%*	36,093	36,496	*(1.1)%*	*10.6%*
Romania	23,535	22,309	*5.5 %*	*10.9%*	22,309	30,478	*(26.8)%*	*(11.2)%*
Slovak Republic	16,796	18,459	*(9.0)%*	*(4.3)%*	18,459	18,566	*(0.6)%*	*5.0%*
Slovenia	10,375	10,511	*(1.3)%*	*3.8%*	10,511	13,504	*(22.2)%*	*(17.8)%*
Total Broadcast	**107,886**	**105,428**	***2.3 %***	***5.7%***	**105,428**	**113,284**	***(6.9)%***	***3.8%***
Media Pro Entertainment	**11,867**	**2,733**	***Nm (1)***	***Nm (1)***	**2,733**	**2,462**	***11.0 %***	***27.4%***
New Media	**3,586**	**8,414**	***(57.4)%***	***(53.2%***	**8,414**	**6,262**	***34.4 %***	***46.6%***
Total Operating Costs	**$ 123,339**	**$ 116,575**	***5.8 %***	***9.8%***	**$ 116,575**	**$ 122,008**	***(4.5)%***	***6.5%***

(1) Number is not meaningful.

Operating costs (excluding programming costs, depreciation of property, plant and equipment, amortization of broadcast licenses and other intangibles as well as selling, general and administrative expenses) increased by US$ 6.8 million, or 6%, in 2010, or 10% on a constant currency basis. The increase is primarily due to costs associated with broadcasting our free-to-air signal in Bulgaria following our acquisition of the bTV group on April 19, 2010, and the acquisition of Media Pro Entertainment in Romania on December 9, 2009. These increases were only partially offset by reduced operating costs in our New Media division, which decreased by 53% on a constant currency basis following further optimization of our operations.

Operating costs decreased by US$ 5.4 million, or 5% in 2009 compared to 2008. Excluding the impact of movements in foreign exchange rates, total operating costs remained flat, as savings were offset by additional costs relating to Digital Video Broadcasting -Terrestrial ("DVB-T") broadcast fees and the full year impact of costs associated with our Pro.BG business which we acquired on August 1, 2008.

Cost of programming

	COST OF PROGRAMMING							
	For the Years Ended December 31, (US$ 000's)							
			Movement				Movement	
	2010	2009	% Act	% Lfl	2009	2008	% Act	% Lfl
Broadcast:								
Bulgaria	$ 42,827	$ 35,218	*21.6 %*	*27.9%*	$ 35,218	$ 6,642	*Nm (1)*	*Nm (1)*
Croatia	32,643	30,779	*6.1 %*	*10.8%*	30,779	39,245	*(21.6)%*	*(15.7)%*
Czech Republic	92,167	86,313	*6.8 %*	*7.1%*	86,313	105,398	*(18.1)%*	*(8.4)%*
Romania	98,036	98,221	*(0.2)%*	*4.9%*	98,221	117,688	*(16.5)%*	*1.2%*
Slovak Republic	64,878	61,028	*6.3 %*	*11.8%*	61,028	53,509	*14.1 %*	*20.5%*
Slovenia	31,690	32,319	*(1.9)%*	*3.1%*	32,319	32,039	*0.9 %*	*6.6%*
Total Broadcast	**362,241**	**343,878**	***5.3 %***	***9.3%***	**343,878**	**354,521**	***(3.0)%***	***9.0%***
Media Pro Entertainment	**120,757**	**93,964**	***28.5 %***	***32.4%***	**93,964**	**84,341**	***11.4 %***	***23.3%***
New Media	**9,404**	**7,765**	***21.1 %***	***29.9%***	**7,765**	**7,398**	***5.0 %***	***14.5%***
Eliminations	(102,099)	(104,406)	*2.2 %*	*(0.8)%*	(104,406)	(99,112)	*(5.3) %*	*(17.6)%*
Total Cost of Programming	**$ 390,303**	**$ 341,201**	***14.4 %***	***18.8%***	**$ 341,201**	**$ 347,148**	***(1.7)%***	***10.2%***

(1) Number is not meaningful.

Programming costs (including production costs and amortization of programming rights) increased by US$ 49.1 million, or 14% in 2010, or 19% on a constant currency basis compared to 2009, reflecting the acquisition of the Media Pro Entertainment business in Romania in December 2009 and the bTV group on April 19, 2010, the cost of launching new channels, including MTV CZECH in November 2009, DOMA (Slovak Republic) in August 2009 and TV PIKA in Slovenia (now POP BRIO) in September 2009, and the impact of increased competition for high quality programming on the cost of acquired programming in our markets.

Programming costs decreased by US$ 5.9 million or 2% between 2008 and 2009 but increased by 10% on a constant currency basis, reflecting price inflation and investment in new channels.

Depreciation of property, plant and equipment: Depreciation of property, plant and equipment increased by US$ 2.8 million, or 6% in 2010, or 10% on a constant currency basis reflecting the impact of our acquisition of the bTV group in Bulgaria as well as investments in production equipment assets across all of our Media Pro Entertainment operations.

Depreciation of property, plant and equipment increased by US$ 3.0 million, or 6%, in 2009, primarily due to movements in foreign exchange rates; on a constant currency basis, depreciation increased 18%. The depreciation reflects recent investments in production equipment assets across all of our Broadcast operations, particularly in Bulgaria and Romania.

Amortization of broadcast licenses and other intangibles: Amortization of broadcast licenses and other intangibles increased by US$ 6.1 million, or 31% in 2010, or 33% on a constant currency basis, reflecting the amortization of intangible assets arising on the acquisition of the bTV group in April 2010 and Media Pro Entertainment in December 2009.

Amortization of broadcast licenses and other intangibles decreased by US$ 13.9 million, or 41% in 2009 compared to 2008, of which 5% reflects the impact of movements in foreign exchange rates. The decrease was primarily due to a reduction in amortization in our Broadcast operations following the extension of the expiration date of TV NOVA (Czech Republic)'s terrestrial broadcast license to January 2025.

III (c) Selling, General and Administrative Expenses for the years ending December 31, 2010, 2009 and 2008

	SELLING, GENERAL AND ADMINISTRATIVE EXPENSES							
	For the Years Ended December 31, (US$ 000's)							
			Movement				Movement	
	2010	2009	% Act	% Lfl	2009	2008	% Act	% Lfl
Broadcast:								
Bulgaria	$ 6,328	$ 6,917	*(8.5)%*	*(3.8)%*	$ 6,917	$ 2,499	*176.8 %*	*174.5%*
Croatia	6,385	4,928	*29.6 %*	*35.4%*	4,928	7,388	*(33.3)%*	*(28.3)%*
Czech Republic	17,475	18,588	*(6.0)%*	*(5.7)%*	18,588	24,414	*(23.9)%*	*(14.8)%*
Romania	9,849	14,944	*(34.1)%*	*(30.7)%*	14,944	14,683	*1.8 %*	*23.4%*
Slovak Republic	9,718	12,027	*(19.2)%*	*(15.1)%*	12,027	10,684	*12.6 %*	*18.9%*
Slovenia	4,307	4,975	*(13.4)%*	*(9.0)%*	4,975	6,348	*(21.6)%*	*(17.2)%*
Divisional operating costs	2,123	2,410	*(11.9)%*	*(4.3)%*	2,410	-	*Nm (1)*	*Nm (1)*
Total Broadcast	**56,185**	**64,789**	***(13.3)%***	***(10.0)%***	**64,789**	**66,016**	***(1.9)%***	***9.0***
Media Pro Entertainment	**14,361**	**3,448**	***Nm (1)***	***Nm (1)***	**3,448**	**2,893**	***19.2 %***	***32.6)%***
New Media	**4,745**	**2,407**	***97.1 %***	***106.3%***	**2,407**	**2,821**	***(14.7)%***	***(6.9)%***
Central	44,525	39,143	*13.7 %*	*19.7%*	39,143	48,787	*(19.8)%*	*(17.6)%*
Total Selling, General and Administrative Expenses	**$ 119,816**	**$ 109,787**	***9.1 %***	***13.8%***	**$ 109,787**	**$ 120,517**	***(8.9)%***	***(2.1)%***

(1) Number is not meaningful.

Selling, general and administrative expenses increased by US$ 10.0 million, or 9%, compared to 2009. Selling, general and administrative expenses include those attributable to the operations of Media Pro Entertainment, which we acquired in December 2009.

Selling, general and administrative expenses decreased by US$ 10.7 million in 2009 compared to 2008, primarily due to a reduction in performance-related bonuses and lower marketing and selling costs.

Central costs increased by US$ 5.4 million, or 14%, in 2010 compared to 2009. Central costs in 2010 included approximately US$ 4.4 million of costs related to the acquisition of the bTV group in April 2010 and US$ 1.2 million of onerous lease obligations following the bankruptcy of the tenant of our former administrative center in London. Central costs in 2009 included approximately US$ 4.1 million of costs related to the acquisition of Media Pro Entertainment, which was completed in December 2009, and are stated net of other income of US$ 3.4 million arising on the assignment of our claim in the bankruptcy proceedings of Lehman Brothers Holdings ("Lehman Holdings") and Lehman Brothers OTC Derivatives Inc. ("Lehman OTC") to an unrelated third party.

Central costs decreased by US$ 9.6 million, or 20%, in 2009, compared to 2008, as the benefits of our ongoing cost reduction measures were seen in all cost categories. These efficiency gains were partially offset by redundancy costs of US$ 1.6 million and costs of approximately US$ 4.1 million in connection with our acquisition of Media Pro Entertainment, which prior to January 1, 2009 would have been capitalized as part of our investment (see Part II, Item 8, Note 3, "Acquisitions and Disposals").

Central costs include a charge of US$ 6.8 million (2009: US$ 6.2 million; 2008: US$ 6.1 million) in respect of non-cash stock-based compensation (see Part II, Item 8, Note 15, "Stock-Based Compensation").

III (d) Impairment charge for the years ending December 31, 2010, 2009 and 2008

	For the Years Ended December 31, (US$ 000's)		
	2010	**2009**	**2008**
Impairment charge	$ 397	$ 81,843	$ 64,891

We recognized an impairment charge of US$ 0.4 million in 2010 to write off the carrying value of the InfoPro trademark, included within our Romania Broadcast segment, after ceasing operations of the InfoPro radio channel and determining that the trademark was no longer recoverable. There were no other indicators of impairment for our goodwill or long-lived assets, and we were not required to record any impairment charges against goodwill following completion of our annual review of the recoverability of goodwill in the fourth quarter of 2010.

We performed an impairment review in the first quarter of 2009 as a result of a deterioration in various macroeconomic indicators, a reduction in the short and medium-term economic projections for our markets by external analysts and a significant drop in the price of shares of our Class A common stock. Upon reviewing all of our long-lived assets, indefinite-lived intangible assets and goodwill during that review, we concluded that a charge of US$ 81.8 million was required to write down the long-lived assets in the Pro.BG asset group to US$ nil (see Part II, Item 8, Note 4, "Goodwill and Intangible Assets").

In 2008, our stock price had fallen substantially due to the global economic crisis, and as a result, we reviewed our future cash flow forecasts for our operations. In connection with our annual impairment test for our goodwill, indefinite-lived intangible assets and long-lived assets' carrying values, we recognized total impairment charges with respect to our Pro.BG operations in 2008.

III (e) Operating income / (loss) for the years ending December 31, 2010, 2009 and 2008

	For the Years Ended December 31, (US$ 000's)					
			Movement			***Movement***
	2010	**2009**	***% Act***	**2009**	**2008**	***% Act***
Operating income / (loss)	$ 22,877	$ (38,971)	*158.7 %*	$ (38,971)	$ 183,466	*(121.2)%*

We had operating income of US$ 22.9 million in 2010 compared to an operating loss of US$ 39.0 in 2009 primarily due to a reduction in impairment charges in 2010. Operating margin was 3.1% in 2010 compared to (5.7%) in 2009.

We reported an operating loss of US$ 39.0 million in 2009, a decrease of US$ 222.4 million compared to 2008 due to the effects of the global economic crisis on television advertising spend in our markets. Operating margin was in 2009 was (5.7)% compared to 19.9% for 2008.

III (f) Other income (expense) items for the years ending December 31, 2010, 2009 and 2008

	For the Years Ended December 31, (US$ 000's)					
	2010	**2009**	***% Act***	**2009**	**2008**	***% Act***
Interest income	$ 2,238	$ 2,876	*(22.2)%*	$ 2,876	$ 9,650	*(70.2)%*
Interest expense	(133,505)	(115,771)	*15.3%*	(115,771)	(82,387)	*(40.5)%*
Foreign currency exchange (loss)/gain, net	(5,030)	82,920	*(106.1)%*	82,920	(35,570)	*Nm (1)*
Change in fair value of derivatives	1,164	1,315	*(11.5)%*	1,315	6,360	*(79.3)%*
Other income	357	1,385	*(74.2)%*	1,385	2,631	*(47.4)%*
Provision for income taxes	(5,025)	(4,737)	*(6.1)%*	(4,737)	(42,208)	*88.8%*
Discontinued operations, net of tax	213,697	(36,824)	*Nm (1)*	(36,824)	(309,421)	*88.1%*
Noncontrolling interest in loss / (income) of consolidated subsidiaries	3,402	10,650	*(68.1)%*	10,650	(2,067)	*Nm (1)*
Currency translation adjustment, net	(17,586)	(106,604)	*83.5%*	(106,604)	(88,609)	*(20.3)%*
Obligation to purchase shares	$ -	$ -	-	$ -	$ 488	*Nm (1)*

(1) Number is not meaningful.

Interest income decreased by US$ 0.6 million compared to 2009 primarily as a result of a reduction in interest rates and our maintaining a lower average cash balance.

Interest income decreased by US$ 6.8 million in 2009 compared to 2008 primarily as a result of a reduction in interest rates.

Interest expense increased by US$ 17.7 million compared to 2009 primarily due to our increased borrowings and the average interest rate applicable thereon. Our 2009 Fixed Rate Notes (issued in September 2009) were outstanding for a full year in 2010 and also and we also incurred interest in connection with the issuance of our 2010 Fixed Rate Notes. See Part II, Item 8, Note 5, "Long-Term Debt and Other Financing Arrangements".

Interest expense increased by US$ 33.4 million in 2009 compared to 2008. The increase reflects interest and amortization of the related debt issuance discount on our 2008 Convertible Notes issued on March 10, 2008, as well as movements in foreign exchange rates, an increase in our average borrowings, albeit at lower interest rates, and a loss of US$ 14.5 million of which US$ 5.1 million relates to accelerated amortization costs on the extinguishment of certain indebtedness.

Foreign currency loss, net : We are exposed to fluctuations in foreign exchange rates on the revaluation of monetary assets and liabilities denominated in currencies other than the local functional currency of the relevant subsidiary. This includes third party receivables and payables, including our Senior Notes, which are denominated in Euros, as well as our intercompany loans. Our subsidiaries generally receive funding via loans that are denominated in currencies other than the dollar, and any change in the relevant exchange rate will require us to recognize a transaction gain or loss on revaluation.

In 2010, we recognized a net loss of US$ 5.0 million comprising transaction losses of US$ 40.0 million relating to the revaluation of intercompany loans; a transaction gain of approximately US$ 54.7 million on the Senior Notes due to the overall strengthening of the dollar against the Euro and transaction losses of US$ 19.7 million relating to the revaluation of monetary assets and liabilities denominated in currencies other than the local functional currency of the relevant subsidiary.

During 2009, we recognized a net gain of US$ 82.9 million comprising: transaction gains of US$ 116.7 million on the revaluation of intercompany loans; transaction losses of approximately US$ 17.0 million on our senior indebtedness and US$ 22.4 million on the five year revolving loan agreement dated July 21, 2006, as amended on August 22, 2007, between us and the European Bank for Reconstruction and Development (the "EBRD Loan") that was repaid in September 2009 due to the strengthening of the Euro from December 31, 2008; and transaction gains of US$ 5.6 million relating to the revaluation of monetary assets and liabilities denominated in currencies other than the local functional currency of the relevant subsidiary.

Since February 19, 2009, any gain or loss arising on the revaluation of an intercompany loan to our Czech Republic operations has been recognized in the income statement as the loan is no longer considered to be long term in nature. We recognized a loss of US$ 95.1 million within currency translation adjustment on the revaluation of such loan in the period from January 1, 2009 to February 19, 2009 compared to a loss of US$ 38.7 million in the year ended December 31, 2008.

In 2008, we recognized a net loss of US$ 35.6 million comprising: transaction losses of US$ 37.9 million relating to the revaluation of monetary assets and liabilities denominated in currencies other than the local functional currency of the relevant subsidiary; a transaction gain of approximately US$ 31.8 million on our senior indebtedness due to the strengthening of the dollar against the Euro between December 31, 2007 and December 31, 2008; and US$ 29.5 million of transaction losses relating to the revaluation of intercompany loans.

Change in fair value of derivatives : In 2010 we recognized a loss of US$ 1.1 million as a result of the change in the fair value of the interest rate swap entered into on February 9, 2010 and a US$ 2.8 million gain as a result of the change in fair value of the call option entered into in connection with the restructuring of the Pro.BG business (see Part II, Item 8, Note 3, "Acquisitions and Disposals"). We also recognized a loss of US$ 0.5 million as a result of the change in fair value of the currency swaps entered into on April 27, 2006 compared to a total derivative gain of US$ 1.3 million in 2009 and US$ 6.4 million in 2008 (see Part II, Item 8, Note 11, "Financial Instruments and Fair Value Measurements").

Other income : We recognized other income of US$ 0.4 million in 2010, US$ 1.4 million in 2009, and US$ 2.6 million in 2008. The amounts in 2009 and 2008 largely relate to the unwinding of onerous contract liabilities and the release of provisions against certain historic tax contingencies within our Romania operations.

Provision for income taxes : We recognized a tax provision of US$ 5.0 million in 2010 compared to US$ 4.7 million and US$ 42.2 million in 2009 and 2008, respectively.

The provision for income taxes in 2010 reflects valuation allowances in respect of tax losses. It also includes tax credits in respect of tax losses and other temporary differences of US$ 2.9 million in our Slovakia broadcast operations and tax credits in respect of other temporary differences of US$ 3.6 million in our Romania broadcast operations.

The provision for income taxes in 2009 included a benefit of US$ 7.1 million from the impairment of assets in Bulgaria. The benefit from this impairment, which was relieved at the Bulgarian tax rate of 10.0%, was offset by profits taxed at higher tax rates. The provision for income taxes in 2009 also benefited from the release of valuation allowances as we utilized brought forward losses.

We incurred a disproportionate tax charge in 2008 due to the fact that there was no tax benefit attributable to the impairment charge in respect of goodwill recorded in the year and due to the impact of valuation allowances recorded in respect of tax losses.

Our subsidiaries are subject to income taxes at statutory rates ranging from 10.0% in Bulgaria to 20.0% in Slovenia.

For further information on taxes see Part 11, Item 8, Note 13, “Income Taxes”.

Discontinued operations, net : On April 7, 2010, we completed the sale of our operations in Ukraine to Harley Trading Limited, a company beneficially owned by Igor Kolomoisky, for total consideration of US$ 308.0 million, resulting in a net gain of US$ 217.6 million. The results of the Ukraine operations have therefore been treated as discontinued operations for each period presented.

See Part II, Item 8, Note 18, “Discontinued Operations” for additional information.

Noncontrolling interest in income of consolidated subsidiaries : In 2010, we recognized income of US$ 3.4 million in respect of the noncontrolling interest in consolidated subsidiaries, compared to income of US$ 10.7 million in 2009, reflecting additional losses of our Pro.BG business which is partially offset by income generated by the bTV group acquired in April 2010. The results in 2008 reflected the income of Pro TV, MPI and MVI in Romania partially offset by losses in our Pro.BG business which we acquired in August 2008.

Currency translation adjustment, net: The underlying equity value of our investments (which are denominated in the functional currency of the relevant operation) are converted into dollars at each balance sheet date, with any change in value of the underlying assets and liabilities being recorded as a currency translation adjustment on the balance sheet.

The dollar appreciated against the majority of the functional currencies of our operations in 2010. We recognized a loss of US$ 17.6 million in 2010 on the revaluation of our net investments in subsidiaries compared to a loss of US$ 106.6 million in 2009 and US$ 88.6 million for 2008. The losses in 2009 and 2008 included losses of US$ 95.1 million and US$ 38.7 million, respectively, on the revaluation of an intercompany loan to CET 21 that was previously considered to be long term in nature. Since February 19, 2009, any exchange difference arising on the revaluation of that loan has been recognized in the Consolidated Statement of Operations.

The following table illustrates the amount by which the exchange rate between the dollar and the functional currencies of our operations moved between January 1 and December 31 in 2010, 2009 and 2008, respectively:

	For the years ended December 31,		
	2010	**2009**	**2008**
Bulgarian Lev	8%	(3)%	-%
Croatian Kuna	9%	(2)%	5%
Czech Koruna	2%	(5)%	7%
Euro	8%	(3)%	6%
New Romanian Lei	9%	4%	15%

To the extent that our subsidiaries incur transaction losses in their local functional currency income statement on the revaluation of monetary assets and liabilities denominated in dollars, we recognize a gain of the same amount as a currency translation adjustment within equity when we retranslate our net investment in that subsidiary into dollars. Similarly, any exchange gain or loss arising on the retranslation of intercompany loans in the functional currency of the relevant subsidiary or the dollar will be offset by an equivalent loss or gain on consolidation.

III (g) ***Consolidated Balance Sheet as at December 31, 2010 compared to December 31, 2009***

The principal components of our Consolidated Balance Sheet at December 31, 2010 compared to December 31, 2009 are summarized below:

(US$ 000's)	December 31, 2010	December 31, 2009	Movement
Current assets	$ 612,085	$ 881,461	*(30.6)%*
Non-current assets	2,328,465	1,991,326	*16.9%*
Current liabilities	243,076	352,118	*(31.0)%*
Non-current liabilities	1,449,722	1,348,829	*7.5%*
CME Ltd. shareholders' equity	1,226,879	1,177,589	*4.2%*
Noncontrolling interests in consolidated subsidiaries	20,873	(5,749)	*Nm* [(1)]

(1) Number is not meaningful.

Current assets: Current assets at December 31, 2010 decreased US$ 269.4 million compared to December 31, 2009, primarily as a result of cash invested to acquire the bTV group and the impact on our balance sheet of the disposal of our former operations in Ukraine.

Non-current assets: Non-current assets at December 31, 2010 increased US$ 337.1 million compared to December 31, 2009, primarily due to the recognition of goodwill and intangible assets on the acquisition of the bTV group in April 2010 (see Part II, Item 8, Note 3, "Acquisitions and Disposals").

Current liabilities: Current liabilities at December 31, 2010 decreased by US$ 109.0 million compared to December 31, 2009 primarily as a result of repayment of amounts outstanding under terminated credit facilities in the Czech Republic and Slovenia.

Non-current liabilities: Non-current liabilities at December 31, 2010 increased US$ 100.9 million compared to December 31, 2009, primarily as a result of additional net borrowings (see Part II, Item 5 "Long-term Debt and Other Financing Arrangements"). The movement also includes a US$ 54.7 million decrease in the carrying value of the Senior Notes due to the strengthening of the dollar against the Euro, which is partially offset by a US$ 21.3 million increase in the carrying value of our 2008 Convertible Notes as a result of the accretion of the debt issuance discount.

CME Ltd. shareholders' equity: CME Ltd. shareholders' equity at December 31, 2010 increased US$ 49.3 million compared to December 31, 2009. We recognized net income of US$ 100.2 million in 2010, which was partially offset by a decrease in other comprehensive income of US$ 18.2 million, due to the overall impact of the strengthening dollar on the value of our foreign currency denominated assets and a US$ 40.3 million reduction in additional paid-in capital following the acquisition of noncontrolling interests (see Part II, Item 8, Note 3, "Acquisitions and Disposals"). We also recognized a stock-based compensation charge of US$ 7.4 million.

Noncontrolling interests in consolidated subsidiaries: Noncontrolling interests in consolidated subsidiaries at December 31, 2010 increased US$ 26.6 million compared to December 31, 2009 primarily due to the acquisition of noncontrolling interests in Bulgaria. We also acquired the remaining ownership interests in Pro TV, MPI and MV, thereby increasing our ownership interests in each of these companies to 100.0%. See Part II, Item 8, Note 3, "Acquisitions and Disposals" for additional information.

IV. Liquidity and Capital Resources

IV (a) Summary of cash flows:

Cash and cash equivalents decreased by US$ 201.9 million during the year ended December 31, 2010. The change in cash and cash equivalents is summarized as follows:

(US$ 000's)	**For the Years Ended December 31,**		
	2010	**2009**	**2008**
Net cash (used in) / generated from continuing operating activities	$ (49,614)	$ 7,190	$ 137,487
Net cash used in continuing investing activities	(456,770)	(75,129)	(253,379)
Net cash received from financing activities	7,338	475,027	444,386
Net cash used in discontinued operations - operating activities	(5,921)	(39,855)	(5,204)
Net cash generated from / (used in) discontinued operations - investing activities	307,790	(1,982)	(3,367)
Net cash used in discontinued operations - financing activities	-	(22,224)	(332,380)
Impact of exchange rate fluctuations on cash	(4,727)	8,504	(21,279)
Net (decrease) / increase in cash and cash equivalents	**$ (201,904)**	**$ 351,531**	**$ (33,736)**

Operating Activities

Cash generated from continuing operations decreased from an inflow of US$ 7.2 million to an outflow of US$ 49.6 million, reflecting the continued impact of the market slowdown on the level of cash generated by our operations. We continued to generate positive cash flow in our broadcast and new media operations in the Czech Republic, Romania and Slovenia, which was partially offset by the negative cash flows of our broadcast and new media operations in Bulgaria, Croatia, and the Slovak Republic. We also paid interest of US$ 100.9 million in 2010 compared to US$ 61.9 million in 2009.

Cash generated from continuing operations decreased from an inflow of US$ 137.5 million in 2008 to US$ 7.2 million in 2009, reflecting the cash needs of our Pro.BG business as well as the decline in profitability of our broadcast operations during the economic downturn.

Cash generated from continuing operations of US$ 137.5 million in 2008 was a result of significant increases in cash generation from our broadcast operations in the Czech Republic and Romania following continued strong operational performance in 2008.

Investing Activities

Cash used in investing activities increased from US$ 75.1 million to US$ 456.8 million in 2010. Our investing cash flows in 2010 primarily comprised US$ 409.5 million relating to the acquisition of the bTV group and US$ 46.0 million relating to capital expenditures.

Cash used in investing activities decreased from US$ 253.4 million in 2008 to US$ 75.1 million in 2009. Our investing cash flows in 2009 primarily comprised of US$ 10.0 million paid in connection with our acquisition of Media Pro Entertainment (see Part II, Item 8, Note 3, "Acquisitions and Disposals") and capital expenditure of US$ 48.0 million. The cash flows used in investing activities of US$ 253.4 million in 2008 included the purchases of our investments in our Bulgaria operations and capital expenditures of US$ 75.8 million, largely in respect of the expansion of our broadcasting facilities and equipment in the Czech Republic, Romania and the Slovak Republic.

Financing Activities

Cash received from financing activities in 2010 was US$ 7.3 million compared to US$ 475.0 million in 2009. The amount of net cash received in 2010 reflects the issuance of EUR 170.0 million (approximately US$ 237.5 million at the date of issuance) aggregate principal amount of 2010 Fixed Rate Notes, less costs of US$ 12.0 million, offset by the repayment of CZK 1.45 billion (approximately US$ 78.1 million at the date of repayment) of credit facilities, the repayment of a revolving facility in Slovenia of EUR 22.5 million (approximately US$ 30.2 million at the date of repayment), the repayment of approximately US$ 101.5 million of our Senior Notes and 2008 Convertible Notes and US$ 6.5 million paid in connection with the acquisitions of noncontrolling interests (see Part II, Item 8, Note 3, "Acquisitions and Disposals"). The Erste Facility that had been drawn in full in 2010 was repaid in full on October 21, 2010 using the proceeds from the issuance of the 2010 Fixed Rate Notes (see Part II, Item 8, Note 5, Long-Term Debt and Other Financing Arrangements").

Net cash received from financing activities increased US$ 30.6 million from 2008 to US$ 475.0 million in 2009. The amount of cash received in 2009 reflect the issuance of 14.5 million shares of Class A common stock and 4.5 million shares of Class B common stock to an affiliate of Time Warner Inc. for an aggregate offering price of US$ 234.4 million, net of fees paid and the drawdown of our revolving credit facilities to maximize liquidity and the issuance of EUR 440.0 million (net of fees) (approximately US$ 634.0 million) of our 2009 Fixed Rate Notes. This was offset by payments of approximately US$ 371.1 million to repurchase our 2005 Fixed Rate Notes and the repayment of EUR 127.5 million (approximately US$ 187.3 million at the date of repayment) outstanding on the EBRD Loan. The amount of cash received in 2008 reflects the net proceeds of US$ 400.3 million from the issuance of the 2008 Convertible Notes and purchase of the Capped Call Options (as defined below), US$ 37.4 million of proceeds from the EBRD Loan and US$ 22.7 million of drawings on the BMG cash pool.

Discontinued Operations

Our former Ukraine operations, which were sold on April 7, 2010, incurred operating cash outflows of US$ 5.9 million, US$ 40.0 million and US$ 5.0 million in 2010, 2009 and 2008, respectively. In 2009, we paid taxes of US$ 1.0 million to the Dutch tax authorities pursuant to an agreement we entered into with them on February 9, 2004, compared to US$ 2.0 million in 2008.

Net cash generated from investing activities in 2010 was US$ 307.8 million, which primarily represents the cash proceeds from the sale of our former Ukraine operations. Net cash used in investing activities was US$ 2.0 million and US$ 3.4 million in 2009 and 2008, respectively, which primarily represents capital expenditure.

Net cash used in financing activities in 2009 and 2008 primarily represents the US$ 22.0 million and US$ 332.4 million, respectively, paid in connection with the buyout of a partner in our former operations in Ukraine.

IV (b) Sources and Uses of Cash

We believe that our current cash resources are sufficient to allow us to continue operating for at least the next 12 months and we do not anticipate requirements for additional cash in the near future, subject to the matters disclosed under "Contractual Obligations and Commitments" and "Cash Outlook" below.

Our ongoing source of cash at our operations is primarily the receipt of payments from advertisers and advertising agencies. This may be supplemented from time to time by local borrowing. Surplus cash after funding the ongoing operations may be remitted to us. Surplus cash is remitted to us in the form of debt interest payments and capital repayments, dividends, and other distributions and loans from our subsidiaries.

Corporate law in the Central and Eastern European countries in which we operate stipulates generally that dividends may be declared by the partners or shareholders out of yearly profits subject to the maintenance of registered capital and required reserves, after the recovery of accumulated losses. The reserve requirement restriction generally provides that before dividends may be distributed, a portion of annual net profits (typically 5%) be allocated to a reserve, which reserve is capped at a proportion of the registered capital of a company (ranging from 5% to 25%). The restricted net assets of our consolidated subsidiaries and equity in earnings of investments accounted for under the equity method together are less than 25% of consolidated net assets.

IV (c) Contractual Obligations and Commitments

Our future contractual obligations as of December 31, 2010 are as follows:

Contractual Obligations	**Payments due by period (US$ 000's)**				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-Term Debt – principal	$ 1,403,610	$ 12,539	$ 440,200	$ 198,195	$ 752,676
Long-Term Debt – interest (1)	563,262	125,369	192,631	164,695	80,567
Capital Lease Obligations	4,807	1,171	1,310	744	1,582
Operating Leases	31,786	7,640	8,738	4,455	10,953
Unconditional Purchase Obligations	423,864	161,197	213,731	48,936	-
Other Long-Term Obligations	50,642	9,207	16,623	16,541	8,271
Total Contractual Obligations	**$ 2,477,971**	**$ 317,123**	**$ 873,233**	**$ 433,566**	**$ 854,049**

(1) Interest obligations on variable rate debt are calculated using the rate applicable at the balance sheet date.

Long-Term Debt

For more information on our Long-Term Debt, see Part II, Item 8, Note 5, "Long-Term Debt and Other Financing Arrangements". Interest payable our Long-Term Debt is calculated using interest rates and exchange rates as at December 31, 2010.

Unconditional Purchase Obligations

Unconditional purchase obligations primarily comprise future programming commitments. At December 31, 2010, we had commitments in respect future programming of US$ 420.1 million. This includes contracts signed with license periods starting after December 31, 2010.

Other Long-term Obligations

Other long-term obligations include US$ 50.5 million of digital transmission commitments.

Operating Leases

For more information on our operating lease commitments see Part II, Item 8, Note 19, “Commitments and Contingencies”.

IV (d) Cash Outlook

Liquidity and Capital Resources

Since 2005, our broadcast operations in the Czech Republic, Slovenia and Romania have generated positive cash flows sufficient, in conjunction with new equity and debt, to fund our operations, the launch of new channels, the acquisition of non-controlling interests in our existing channels and other investment activities. During the difficult economic conditions that we have experienced since the end of 2008, operating cash flows in the aggregate have declined, yet remain positive. However, we still expect our businesses to continue to generate sufficient cash, in conjunction with our current cash and available facilities, to fund our operations for the next twelve months, as well as to meet our other external financial obligations. As at December 31, 2010, we had US$ 346.7 million available in cash and credit facilities, including uncommitted overdraft facilities.

We continue to take steps to conserve cash to ensure that we have a sufficiently strong liquidity position to enable us to meet our debt service and other existing financial obligations and to ensure that we are well placed to take advantage of any economic recovery in our markets. These steps have included targeted reductions to our operating cost base through headcount reductions and widespread cost optimization programs, the deferral of programming obligations and capital expenditure, the rescheduling of expansion plans, limiting the amount of cash spent on our Unrestricted Subsidiaries (as described below) and increasing our cash resources through additional debt facilities, refinancing of existing credit facilities and the issuance of equity.

Improving our liquidity position and extending the maturity of our debt

As of December 31, 2010, we had US$ 346.7 million available in unrestricted cash and undrawn credit facilities (including uncommitted overdraft facilities) as summarized in the table below:

In (US$ 000’s)	**Unrestricted cash and undrawn credit facilities at December 31, 2010**
Cash	$ 244,050
EUR 5.0 million BMG overdraft	6,681
CZK 300.0 million Czech Factoring Facility	15,999
CZK 1.5 billion Revolving Credit Facility	79,996
Total	**$ 346,726**

As of December 31, 2010, we had gross debt of US$ 1,418.1 million (being the aggregate outstanding principal amount of our debt) and net debt of US$ 1,174.1 million.

In (US$ 000's)	Gross debt at December 31, 2010
2010 Fixed Rate Notes	$ 227,154
2009 Fixed Rate Notes	523,256
Floating Rate Notes	197,758
2008 Convertible Notes	440,200
Senior Debt	**1,388,368**
Credit facilities and capital leases	19,451
Derivatives (at fair value)	10,259
Total	**$ 1,418,078**

In October 2010, our wholly owned subsidiary CET 21 issued EUR 170.0 million (approximately US$ 237.5 million at the date of issuance) aggregate principal amount of 2010 Fixed Rate Notes. Using the net cash proceeds received from the offering, we repurchased approximately US$ 104.7 million principal amount of our indebtedness, consisting of i) US$ 34.8 million aggregate principal amount of 2008 Convertible Notes purchased at 88.25% of par, ii) EUR 2.0 million (approximately US$ 2.8 million at the date of repurchase) aggregate principal amount of Floating Rate Notes purchased at 81.75% of par and iii) EUR 48.4 million (approximately US$ 67.1 million at the date of repurchase) aggregate principal amount of 2009 Fixed Rate Notes purchased at a range of 101.0% to 102.5% of par, plus accrued and unpaid interest on each such series of notes.

In addition, on October 21, 2010, we used a portion of the net proceeds of the 2010 Fixed Rate Notes to repay in full the principal outstanding under the Erste Facility of CZK 2.8 million (approximately US$ 159.9 million at the date of repayment), plus accrued interest and break costs. We also wrote off all remaining capitalized issuance costs and these charges were recognized as a loss on extinguishment within interest expense.

The benefit of issuing the 2010 Fixed Rate Notes and using the proceeds to repay the Erste Facility and a portion of our Senior Notes and 2008 Convertible Notes is that the scheduled final maturity of a significant portion of our outstanding debt has been extended and we decreased the amount of our indebtedness that matures in the short and medium term. However the interest costs associated with the 2010 Fixed Rate Notes are substantially higher than the senior debt that was repurchased. As of December 31, 2010, the principal amount of our Senior Notes and 2008 Convertible Notes together represented 98.0% of the total principal amount of our total debt outstanding and none of this debt matures before March 2013 (see Part II, Item 8, Note 5, "Long-Term Debt and Other Financing Arrangements").

On October 21, 2010, CET 21 also entered into the five-year CZK 1.5 billion (approximately US$ 80.0 million) Secured Revolving Credit Facility. The Secured Revolving Credit Facility decreases to CZK 750.0 million (approximately US$ 40.0 million) in October 2014. Interest under the facility is calculated at a rate per annum of 4.50% above PRIBOR for the relevant interest period. Drawings under the facility are expected to be used for working capital requirements and for general corporate purposes. As at December 31, 2010, we have satisfied conditions to utilize the Secured Revolving Credit Facility as we had repurchased, subsequent to September 30, 2010, approximately US$ 100.0 million of our long-term indebtedness. The facility is subject to maintenance covenants at the CET 21 level. There were no drawings on the Secured Revolving Credit Facility as of December 31, 2010.

At December 31, 2010 we had US$ 440.2 million aggregate principal amount of our 2008 Convertible Notes outstanding. On February 18, 2011 we completed privately negotiated exchanges of US$ 206.3 million in aggregate principal amount of our 2008 Convertible Notes for US$ 206.3 million in aggregate principal amount of 2011 Convertible Notes. The exchanging holders of the 2008 Convertible Notes also received cash consideration including accrued interest totaling approximately US$ 30.2 million. This exchange offer extended the overall maturity profile of our debt. We now have US$ 233.9 million aggregate principal amount of 2008 Convertible Notes outstanding that mature in 2013.

We have no maintenance covenants under our Senior Notes or Convertible Notes, which means that there is no event of default if we fail to meet a minimum level of EBITDA, leverage or any other EBITDA-related ratio (as defined in the indentures governing our Senior Notes). The indentures governing the Senior Notes each contain a covenant which restricts the incurrence of additional debt if our Coverage Ratio is less than 2.0 times, or if the raising of new debt would cause us to fall below this ratio. As of December 31, 2010, our Coverage Ratio was 1.1 times. Notwithstanding this restriction, we are able to incur debt at either the Restricted Subsidiary or holding company level of up to EUR 250.0 million (approximately US$ 334.1 million) pursuant to "baskets" set forth in the indentures governing the Senior Notes. We have utilized US$ 242.4 million of this amount for borrowings mainly in the Czech Republic and Romania. This leaves approximately US$ 91.7 million of additional borrowing capacity available to us at December 31, 2010. We are able to utilize the five-year CZK 1.5 billion (approximately US$ 80.0 million) Secured Revolving Credit Facility, of which no amounts were drawn as at December 31, 2010. Other than the restrictions noted above, there are no significant constraints on our ability to refinance existing debt.

Credit ratings and future debt issuances

Our credit ratings were upgraded following the closing of the acquisition of the bTV group and the sale of the Ukraine operations. Ratings agencies have indicated that retention of these ratings is dependent on maintaining an adequate liquidity profile including at least maintaining $100.0 million of cash in our Restricted Subsidiaries. We intend to stay within this liquidity parameter.

The availability of additional liquidity is dependent upon the overall status of the debt and equity capital markets as well as on our continued financial performance, operating performance and credit ratings. We are currently able to raise limited additional debt and we believe that we can still access the debt capital markets in order to refinance any combination of our existing debt.

S&P and Moody's have rated our outstanding debt instruments and our corporate credit as follows as of October 14, 2010:

	2009 Fixed Rate Notes, Floating Rate Notes and 2008 Convertible Notes	**2010 Fixed Rate Notes**	**Corporate**	**Outlook**
S&P	B-	B	B	stable
Moody's	B3	Ba3	B2	negative

Credit rating agencies monitor companies closely and have made liquidity and the related key ratios a particular priority. One of the key indicators used by the ratings agencies in assigning credit ratings to us is our gross leverage ratio, which was 11.5 times at December 31, 2010 and is calculated as our gross debt divided by our trailing twelve-month OIBDA. Our pro forma OIBDA (calculated by excluding stock based compensation, our former Ukraine operations and including pro forma twelve-month operations of the bTV group) was US$ 123.4 million at December 31, 2010. Our total gross debt (the sum of our Senior Notes, 2008 Convertible Notes, credit facilities and obligations under capital leases and the liabilities under our currency and interest rate swap agreements as disclosed in our consolidated financial statements) was US$ 1,418.1 million at December 31, 2010. The ratio of Net Debt/pro forma OIBDA was 9.5 at December 31, 2010.

Unrestricted and Restricted Subsidiaries

For the purposes of the indentures governing the Senior Notes, the calculation of the Coverage Ratio includes only entities that are "Restricted Subsidiaries." Subsidiaries may be designated as "Unrestricted Subsidiaries" and excluded from the calculation of Coverage Ratio. Prior to the quarter ended June 30, 2009, all of our operations were Restricted Subsidiaries. During the quarter ended June 30, 2009, our Board of Directors designated those subsidiaries that comprised our former Ukraine and then existing Bulgaria operations as Unrestricted Subsidiaries. This change in designation was immediately beneficial to us because it resulted in the exclusion of the negative results of our Bulgaria operations and our former Ukraine operations for purposes of determining our capacity to incur indebtedness under our then-outstanding Senior Notes. Similarly, as the cash flows of our Restricted Subsidiaries recover, our ability to raise additional debt financing should improve commensurately, unimpeded by any continuing negative results in our Unrestricted Subsidiaries. As of December 31, 2010, our Unrestricted Subsidiaries consist of those subsidiaries that comprise the Pro.BG business in Bulgaria; CME Development Financing B.V. (the "Development Financing Holding Company"), the entity that funds these operations; and, following the disposal of our former operations in Ukraine in April 2010, CME Austria GmbH (formerly CME Ukraine Holding GmbH).

In 2009, our Unrestricted Subsidiaries required significant cash support. We have taken two strategic actions to substantially reduce this need for cash support. On April 7, 2010, we completed the sale of our former Ukraine operations for total proceeds of US$ 308.0 million and on April 19, 2010, we completed the acquisition of the bTV group in Bulgaria for total cash consideration of US$ 409.9 million. For more information, see Part II, Item 8, Note 3, "Acquisitions and Disposals". As a result, despite the net cash outflow of US$ 101.9 million resulting from these transactions, we have significantly improved our OIBDA and our operating cash flows and the funding needs of our Unrestricted Subsidiaries have been reduced substantially.

We expect that the total cash balance remaining in the Development Financing Holding Company and CME Austria GmbH (US$ 21.5 million at December 31, 2010) is significantly more than will be required by the Pro.BG business in Bulgaria for the period up to when full legal integration of the Pro.BG business with the bTV group is complete. Our indentures governing the Senior Notes do not prohibit the transfer of funds from Unrestricted Subsidiaries to Restricted Subsidiaries. Following the disposal of our operations in Ukraine, we transferred US$ 162.9 million of cash from the Development Financing Holding Company to a Restricted Subsidiary.

Credit risk of financial counterparties

We have entered into a number of significant contracts with financial counterparties as follows:

Cross Currency Swap

On April 27, 2006, we entered into cross currency swap agreements with JP Morgan Chase Bank, N.A. and Morgan Stanley Capital Services Inc. (see Part II, Item 8, Note 11, "Financial Instruments and Fair Value Measurements") under which we periodically exchange Czech Koruna for Euro with the intention of reducing our exposure to movements in foreign exchange rates. We do not consider that there is any substantial risk to our liquidity if either of our counterparties were unable to meet their respective rights under the swap agreements because we would be able to convert the CZK we receive from our subsidiary into Euros at the prevailing exchange rate rather than the rate included in the swap.

Interest Rate Swap

On February 9, 2010, we entered into an interest rate swap agreement with UniCredit and CSAS expiring in 2013 to reduce the impact of changing interest rates on our floating rate debt (see Part II, Item 8, Note 11, "Financial Instruments and Fair Value Measurements"). This reduces the risk of interest rate volatility affecting our future cash flows. We do not consider that there is any substantial risk to our liquidity if our counterparties were unable to meet their respective rights under the interest swap agreement .

Capped Call Options

On September 15, 2008, Lehman Brothers Holdings Inc, ("Lehman Holdings", and collectively with Lehman Brothers OTC Derivatives Inc., "Lehman Brothers"), filed for protection under Chapter 11 of the United States Bankruptcy Code. The bankruptcy filing of Lehman Holdings, as guarantor, was an event of default that gave us the right to early termination of capped call options we had purchased from Lehman Brothers to increase the effective conversion price of our 2008 Convertible Notes. We exercised this right and have claimed an amount of US$ 19.9 million. We subsequently assigned our claim to an unrelated third party for cash consideration of US$ 3.4 million.

We had purchased similar capped call options from BNP Paribas ("BNP") and Deutsche Bank Securities Inc ("DB"), however we consider the likelihood of similar loss on the BNP or DB capped calls to be significantly less following the coordinated response of Europe's central banks to the global liquidity crisis and the pivotal positions that each of these banks occupies in its respective country. In the event of any similar default, there would be no impact on our current liquidity since the purchase price of the options has already been paid and we have no further obligation under the terms of the capped calls to deliver cash or other assets to the counterparties. Any default would increase the dilutive effect to our existing shareholders resulting from the issuance of shares of Class A common stock upon any conversion of the 2008 Convertible Notes.

Cash Deposits

We deposit cash in the global money markets with a range of bank counterparties and review the counterparties we choose weekly. The maximum period of deposit is three months but we have more recently held amounts on deposit for shorter periods, from overnight to one month. The credit rating of a bank is a critical factor in determining the size of cash deposits and we will only deposit cash with banks of an investment grade of A or A2 or higher. In addition we also closely monitor the credit default swap spreads and other market information for each of the banks with which we consider depositing or have deposited funds.

VI (e) Off-Balance Sheet Arrangements

None.

VII. Critical Accounting Policies and Estimates

Our accounting policies affecting our financial condition and results of operations are more fully described in Note 2 to our consolidated financial statements that are included in Item 8. The preparation of these financial statements requires us to make judgments in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable. Using these estimates we make 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.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Program Rights

Program rights consist of programming acquired from third parties and programming (film and television) produced locally and form an important component of our station broadcasting schedules. Program rights and the related liabilities are recorded at their gross value when the license period begins and the programs are available for use. Program rights are amortized on a systematic basis over their expected useful lives. Both films and series are amortized as shown with the amortization charged in respect of each airing calculated in accordance with a schedule that reflects our estimate of the relative economic value of each run. For program rights acquired under a standard two-run license, we generally amortize 65% after the first run and 35% after the second run and for those with a three-run license, we amortize 60% on the first run, 30% on the second run and 10% on the third run. The program library is evaluated at least quarterly to determine if expected revenues are sufficient to cover the unamortized portion of each program. To the extent that the revenues we expect to earn from broadcasting a program are lower than the book value, the program rights are written down to their net realizable value by way of recording an additional amortization charge. Accordingly, our estimates of future advertising and other revenues, and our future broadcasting schedules have a significant impact on the value of our program rights on the Consolidated Balance Sheet and the annual programming amortization charge recorded in the Consolidated Statement of Operations.

Produced Program Rights

Through our Media Pro Entertainment segment, we produce and distribute a variety of filmed content. The majority of this is television movies and series which are predominantly expected to be exploited by transmission on our broadcast stations. In addition to this we also produce feature films which are intended to be exploited initially through exhibition in theatres and subsequently through sales in one or more of the home video, Pay TV, free TV, international syndication and internet markets. Finally, we also acquire content from third parties which we distribute through all of the windows mentioned above.

We recognize revenue from filmed content at the Media Pro Entertainment level when the revenue recognition criteria of Accounting Standard Codification ("ASC") 926-605-25 are met. In practice, it usually means revenue on the sale of content is recognized when the finished content is available for our broadcasters or delivered to third parties (unless the license period has not begun). This intercompany revenue is eliminated upon consolidation and revenue is not recognized at the CME group level until the content is exploited by our broadcasters, which usually means we have earned advertising or other revenue.

We recognize revenue from the distribution of acquired content when the content is available for telecast, which is usually when we furnish a Notice of Delivery to our clients, and when the license period for the arrangement under consideration - usually a pre-defined "window"- has begun.

Produced program rights as shown in the balance sheet represent the unamortized cost of completed theatrical films and television episodes, theatrical films and television series in production and film rights in preparation of development. Produced program rights are stated at the lower of cost, less accumulated amortization, or fair value.

When we recognize revenue on a title, both at the segment and at the CME consolidated level, we also recognize a proportion of the capitalized film costs in the income statement using the individual film forecast model. The proportion of costs recognized is equal to the proportion of the revenue recognized compared to the total revenue expected to be generated throughout the title's life cycle (the "Ultimate Revenues").

The process of evaluating a title's ultimate revenues requires management judgment and is inherently subjective. The calculation of ultimate revenue can be a complex one, however the level of complexity and subjectivity is correlated to the number of revenue streams that management believes will be earned. Our process for evaluating ultimate revenues is tailored to the potential we believe a title has for generating multiple types of revenues. As already mentioned, the majority of our production is intended primarily for exploitation by our own broadcasters and we have few supportable expectations of generating revenue from other sources. In such cases, we consider mainly the free television window in our calculation of the ultimate revenue. For produced and acquired feature films or other projects where we do have supportable expectations of generating multiple revenue streams, we base our estimates of ultimate revenues for each film on factors such as the historical performance or similar films, the star power of the actors and actresses, the rating and genre of the film, pre-release market research (including test market screenings) and the expected number of theatres in which the film will be released. We update such estimates based on information available on the progress of the film's production and upon release, the actual results of each film. Changes in estimates of ultimate revenues from period to period affect the amount of film costs amortized in a given period and, therefore, could have an impact on our results for that period.

Produced program rights which include direct costs, production overhead and development costs, are stated at the lower of cost, less accumulated amortization, or fair value. When the estimated Ultimate Revenues, less additional costs to be incurred (including exploitation costs), are less than the carrying value of the film costs, the value of a film is deemed to be impaired and thus, an immediate write-off of unrecoverable film costs is recorded in the Consolidated Statement of Operations.

Recognition of goodwill and intangible assets

In accordance with ASC 805, *Business Combinations* , we allocate the purchase price of our acquisitions to the tangible assets, liabilities and identifiable intangible assets acquired based on their estimated fair values, with the excess purchase price over those fair values being recorded as goodwill.

The fair value assigned to identifiable intangible assets acquired is supported by valuations that involve the use of a large number of estimates and assumptions provided by management. If we make different estimates and assumptions, the valuations of identifiable intangible assets change, and the amount of purchase price attributable to these assets also changes, leading to corresponding change in the value of goodwill.

The assumptions and estimates that we have applied vary according to the date, location and type of assets acquired for each of our acquisitions. For example, some of the assumptions and estimates that we have used in determining the value of acquired broadcast licenses are as follows: methodology applied in valuation, discount rate (being the weighted average cost of capital and applicable risk factor), useful life of license (definite or indefinite) and probability of renewal, audience share growth and advertising market share, power ratio and growth, revenue growth for the forecast period and then in perpetuity, operating margin growth, future capital expenditure and working capital requirements, future cost saving as a result of the switch from an analog to a digital environment, inflation and workforce cost, among others.

All assumptions and estimates applied were based on best estimates at the respective acquisition dates.

Impairment of goodwill, indefinite lived- intangible assets and long-lived assets

We assess the carrying value of intangible assets with indefinite lives and goodwill on an annual basis, or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. Other than our annual review, factors we consider important which could trigger an impairment review include: under-performance of reporting units or changes in projected results, changes in the manner of utilization of the asset, a severe and sustained decline in the price of our shares and negative market conditions or economic trends. Therefore, our judgment as to the future prospects of each business has a significant impact on our results and financial condition. We believe that our assumptions are appropriate. If future cash flows do not materialize as expected or there is a future adverse change in market conditions, we may be unable to recover the carrying amount of an asset, resulting in future impairment losses.

Impairment tests of goodwill and indefinite-lived intangible assets are performed at the reporting unit level. If potential impairments of goodwill exist, the fair value of the reporting unit is subsequently measured against the fair value of its underlying assets and liabilities, excluding goodwill, to estimate an implied fair value of the reporting unit's goodwill. An impairment loss is recognized for any excess of the carrying value of the reporting unit's goodwill over the implied fair value after adjusting for any impairment of indefinite-lived intangible assets or long-lived assets.

The fair value of each reporting unit, and consequently the amount of implied goodwill is determined using an income methodology estimating projected future cash flows related to each reporting unit. These projected future cash flows are discounted back to the valuation date. Significant assumptions inherent in the methodology used include estimates of discount rates, future revenue growth rates and a number of other factors, all of which are based on our assessment of the future prospects and the risks inherent at the respective reporting units. We have identified ten reporting units which consist of our six geographic locations for our broadcast operations: Bulgaria, Croatia, Czech Republic, Romania, Slovak Republic and Slovenia; the fiction/reality and entertainment, production services and distribution/exhibition reporting units within our Media Pro Entertainment reportable segment and our New Media reporting unit (which is also a reportable segment).

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the respective asset. The same estimates are also used in planning for our long-and short-range business planning and forecasting. We assess the reasonableness of the inputs and outcomes of our undiscounted cash flow analysis against available comparable market data. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount exceeds the fair value of the respective asset.

Assessing goodwill, indefinite-lived intangible assets and long-lived assets requires significant judgment and involves a great deal of detailed quantitative and qualitative business-specific analysis with several individual assumptions which fluctuate with the passage of time. The table below shows the key measurements involved and the valuation methods applied:

Measurement	**Valuation Method**
Recoverability of cash flows	Undiscounted future cash flows
Fair value of indefinite-lived broadcast licenses	Build-out method
Fair value of indefinite-lived trademarks	Relief from royalty method
Fair value of reporting units	Discounted cash flow model

Our estimate of the cash flows our operations will generate in future periods forms the basis for most of the significant assumptions inherent in our impairment reviews. Our expectations of these cash flows are developed during our long- and short-range business planning processes, which are designed to address the uncertainties inherent in the forecasting process by capturing a range of possible views about key trends which govern future cash flow growth.

Historically, the overall cash flow growth rates achieved by our operations have not provided a good indication of future cash flows. This is largely because the markets in which we operate are relatively new and have experienced high levels of growth as advertising markets became rapidly established. Instead, we have observed over many years a strong positive correlation between the macro-economic performance of our markets and the size of the television advertising market and ultimately the cash flows we generate. With this in mind, we have placed a high importance on developing our expectations for the future development of the macro-economic environment in general and the advertising market and our share of it in particular. While this has involved an appreciation of historical trends we have placed a higher emphasis on forecasting these market trends, which has involved detailed review of macro-economic data, a range of both proprietary and publicly-available estimates for future market development, and a process of on-going consultation with local management.

At present, future macro-economic developments in our markets have shown signs of recovery from the economic downturn. There are a wide range of economic forecasts which generally anticipate continued improvement in the size of television advertising markets in the countries in which we operate. In developing our forecasts of future cash flows we take into account all available external estimates in addition to considering developments in each of our markets, which provide direct evidence of the state of the market and future market development. In concluding whether a goodwill impairment charge is necessary, we perform the impairment test under a range of possible scenarios. In order to check the reasonableness of the fair values implied by our cash flow estimates we also calculate the value of our Class A common stock implied by our cash flow forecasts and compare this to actual traded values.

Each method noted above involves a number of significant assumptions over an extended period of time which could materially change our decision as to whether assets are impaired. The most significant of these assumptions include: the discount rate applied, the total advertising market size, achievable levels of market share, level of forecast operating costs and capital expenditure and the rate of growth into perpetuity, each described in more detail below:

- Cost of capital: The cost of capital reflects the return a hypothetical market participant would require for a long-term investment in an asset and can be viewed as a proxy for the risk of that asset. We calculate the cost of capital according to the Capital Asset Pricing Model using a number of assumptions, the most significant of which is a Country Risk Premium ("CRP"). The CRP reflects the excess risk to an investor of investing in markets other than the United States and generally fluctuates with expectations of changes in a country's macro-economic environment. The costs of capital that we have applied in all reporting units at the end of 2010 were slightly lower or comparable to those we had used in our annual impairment review at the end of 2009, which we believe represents a diminution of the perceived level of risk of investing in emerging markets by market participants.

- Growth rate into perpetuity: reflects the level of economic growth in each of our markets from the last forecasted period into perpetuity and is the sum of an estimated real growth rate, which reflects our belief that macro-economic growth in our markets will eventually converge to Western European markets, and long term expectations for inflation. Our estimates of these rates are based on observable market data and have not changed.

- Total advertising market: The size of the television advertising market effectively places an upper limit on the advertising revenue we can expect to earn in each country. Our estimate of the total advertising market is developed from a number of external sources, in combination with a process of on-going consultation with local management. In our annual impairment review performed in the fourth quarter, we marginally increased our view of the size of the television advertising markets based on our expectation of higher growth rates in future years as the markets have started to show signs of recovery.

- Market share: This is a function of the audience share we expect our stations to generate, and the relative price at which we can sell advertising. Our estimate of the total advertising market is developed from a number of external sources, in combination with a process of on-going consultation with local management.

- Forecast operating costs: The level of cash flow generated by each operation is ultimately governed by the extent to which we manage the relationship between revenues and costs. We forecast the level of operating costs by reference to (a) the historical absolute and relative levels of costs we have incurred in generating revenue in each station, (b) the operating strategy of each business and (c) specific forecast costs to be incurred. Our annual impairment review includes assumptions to reflect further cost reductions we intend to initiate.

- Forecast capital expenditure: The size and phasing of capital expenditure, both recurring expenditure to replace retired assets and investments in new projects, has a significant impact on cash flows. We forecast the level of future capital expenditure based on current strategies and specific forecast costs to be incurred. In line with our ongoing efforts to protect our operating margins, the absolute levels of capital expenditure forecast remained broadly constant from the prior year impairment reviews, however certain investment cash flows were delayed, with a consequent marginal positive impact on the fair value of the reporting units.

Certain triggering events in 2009 such as the substantial decline of our share price, the global economic crisis and the reduced economic projections specific to our markets in Central and Eastern Europe were not present in 2010. Our share price stabilized beginning from the second half of 2009 and through 2010, global economic conditions improved slightly and there was an improvement in market participants' sentiment about future economic performance in our markets.

There were no impairment indicators in 2010. We performed our annual impairment test in the fourth quarter of 2010 and determined that none of our reporting units were at risk of impairment.

Using our most conservative assumptions, an adverse change of 10.0% in the fair values of our reporting units, perpetuity growth rate, or cost of capital would result in a potential impairment for the goodwill in our Bulgaria broadcast reporting unit in 2010. No other reporting units in our Broadcast and Media Pro Entertainment segments would be affected by a 10.0% adverse change in the assumptions. An adverse change of 20.0% in the cost of capital would result in a potential impairment for the Production Services reporting unit within the Media Pro Entertainment segment in 2010.

We consider all current information in respect of performing our impairment reviews and calculating our impairment charges. If our cash flow forecasts for our operations deteriorate, or discount rates continue to increase, we may be required to recognize additional impairment charges in later periods.

Revenue Recognition

Net revenues predominantly comprise revenues from the sale of advertising time less discounts, agency commissions, and theatrical distribution of films. Net revenues are recognized when the advertisement is aired as long as there is persuasive evidence that an arrangement with a customer exists, the price of the delivered advertising time is fixed or determinable, and collection of the arrangement fee is reasonably assured. In the event that a customer falls significantly behind its contractual payment terms, revenue is deferred until the customer has resumed normal payment terms.

Agency commissions, where applicable, are calculated based on a stated percentage applied to gross billing revenue. Advertisers remit the gross billing amount to the agency and the agency remits gross billings, less their commission, to us when the advertisement is not placed directly by the advertiser. Payments received in advance of being earned are recorded as deferred income.

We record sales from theatrical distribution of films as films are exhibited. Sales of home videos, net of a return provision, are recognized as income when the videos are delivered to and available for sale by retailers. Revenue from licensing of film and television programming is recognized when we make the material available for airing.

We maintain a bad debt provision for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, additional allowances may be required in future periods. We review the accounts receivable balances periodically and our historical bad debt, customer concentrations and customer creditworthiness when evaluating the adequacy of our provision.

Income Taxes

The provision for income taxes includes local and foreign taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences of temporary differences between the financial statement carrying amounts and their respective tax bases. 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. We evaluate the realizability of our deferred tax assets and establish a valuation allowance when it is more likely than not that all or a portion of deferred tax assets will not be realized.

In evaluating the realizability of our deferred tax assets, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. Any reduction in estimated forecasted results may require that we record additional valuation allowances against our deferred tax assets. Once a valuation allowance has been established, it will be maintained until there is sufficient positive evidence to conclude that it is more likely than not that such assets will be realized. An ongoing pattern of sustained profitability will generally be considered as sufficient positive evidence. If the allowance is reversed in a future period, our income tax provision will be reduced to the extent of the reversal. Accordingly, the establishment and reversal of valuation allowances has had and could continue to have a significant negative or positive impact on our future earnings.

We measure deferred tax assets and liabilities using enacted tax rates that, if changed, would result in either an increase or decrease in the provision for income taxes in the period of change.

In accordance with ASC 740, we recognize in the consolidated financial statements those tax positions determined to be “more likely than not” of being sustained upon examination, based on the technical merits of the positions.

From time to time, we engage in transactions, such as business combinations and dispositions, in which the tax consequences may be subject to uncertainty. Significant judgment is required in assessing and estimating the tax consequences of these transactions. We prepare and file tax returns based on interpretation of tax laws and regulations. In the normal course of business, our tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities. We only recognize tax benefits taken on tax returns when we believe they are “more likely than not” of being sustained upon examination based on their technical merits. There is considerable judgment involved in determining whether positions taken on the tax return are “more likely than not” of being sustained.

We recognize, when applicable, both accrued interest and penalties related to unrecognized benefits in income tax expense in the accompanying consolidated statements of operations. The liability for accrued interest and penalties was nil and US$ 0.2 million at December 31, 2010 and 2009, respectively.

Foreign exchange

Our reporting currency and functional currency is the dollar but a significant portion of our consolidated revenues and costs are in other currencies, including programming rights expenses and interest on debt. In addition, our Senior Notes are denominated in Euros. Our corporate holding companies have a functional currency of the dollar. All of our other operations have functional currencies other than the dollar.

We record assets and liabilities denominated in a currency other than our functional currency using the exchange rate prevailing at each balance sheet date, with any change in value between reporting periods being recognized as a transaction gain or loss in our Consolidated Statement of Operations. We are exposed to foreign currency on the revaluation of monetary assets and liabilities denominated in currencies other than the local functional currency of the relevant subsidiary. This includes third party receivables and payables, including our Senior Notes which are denominated in Euros, as well as intercompany loans, which are generally provided in currencies other than the dollar. We recorded transaction losses of US$ 5.0 million in 2010, transaction gains of US$ 82.9 million 2009 and transaction losses of US$ 35.6 million in 2008.

The financial statements of our operations whose functional currency is other than the dollar are translated from such functional currency to dollars 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. Translational gains and losses are charged or credited to Accumulated Other Comprehensive Income / (Loss), a component of Equity.

Determination of the functional currency of an entity requires considerable management judgment, which is essential and paramount to this determination. This includes our assessment of a series of indicators, such as the currency in which a majority of sales transactions are negotiated, expense incurred or financing secured. If the nature of our business operations changes, such as by changing the currency in which sales transactions are denominated or by incurring significantly more expenditure in a different currency, we may be required to change the functional currency of some or all of our operations, potentially changing the amounts we report as transaction gains and losses in the Consolidated Statement of Operations as well as the translational gains and losses charged or credited to Accumulated Other Comprehensive Income / (Loss). In establishing functional currency, specific facts and circumstances are considered carefully, and judgment is exercised as to what types of information might be most useful to investors.

Contingencies

We are, from time to time, involved in certain legal proceedings and, as required, accrue our estimate of the probable costs for the resolution for these claims. These estimates are developed in consultation with legal counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. See Part II, Item 8, Note 19, “Commitments and Contingencies” for more detailed information on litigation exposure.

Recent Accounting Pronouncements

See Part II, Item 8, Note 2, “Summary of Significant Accounting Policies” for a discussion of accounting standards adopted since December 31, 2010 and recently issued accounting standards not yet adopted.

VIII. Related party matters

Overview

There is a limited local market for many specialist television services in the countries in which we operate; many of these services are provided to us by parties known to be connected to our local shareholders. As stated in ASC 850, *Related Party Disclosures*, transactions involving related parties cannot necessarily be presumed to be carried out on an arm’s-length basis, as the requisite conditions of competitive, free-market dealings may not exist. We continue to review all of these arrangements.

We consider our related parties to be those shareholders who have direct control and/or influence and other parties that can significantly influence management; a “connected” party is one for whom we are aware of the existence of an immediate family or business connection to a shareholder. We have entered into related party transactions in all of our markets. For detailed discussion of all such transactions, see Part II, Item 8, Note 20, “Related Party Transactions”.

ITE M 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We engage in activities that expose us to various market risks, including the effects of changes in foreign currency, exchange rates and interest rates. We do not regularly engage in speculative transactions, nor do we regularly hold or issue financial instruments for trading purposes.

Foreign Currency Exchange Risk Management

We conduct business in a number of foreign currencies, although our functional currency is the dollar, and our Senior Notes are denominated in Euros. As a result, we are subject to foreign currency exchange rate risk due to the effects that foreign exchange rate movements of these currencies have on our costs and on the cash flows we receive from certain subsidiaries. In limited instances, we enter into forward foreign exchange contracts to minimize foreign currency exchange rate risk.

We have not attempted to hedge the Senior Notes and therefore may continue to experience significant gains and losses on the translation of the Senior Notes into dollars due to movements in exchange rates between the Euro and the dollar.

On April 27, 2006, we entered into cross currency swap agreements with JP Morgan Chase Bank, N.A. and Morgan Stanley Capital Services Inc. (see Part II, Item 8, Note 11, “Financial Instruments and Fair Value Measurements”) under which we periodically exchange Czech koruna for Euro with the intention of reducing our exposure to movements in foreign exchange rates. We do not consider that there is any risk to our liquidity if either of our counterparties were unable to meet their respective rights under the swap agreements because we would be able to convert the CZK we receive from our subsidiary into Euros at the prevailing exchange rate rather than the rate included in the swap.

The fair value of these instruments as at December 31, 2010 and 2009 was a liability of US$ 9.2 million and US$ 8.6 million, respectively.

These currency swap agreements reduce our exposure to movements in foreign exchange rates on a part of the CZK-denominated cash flows generated by our Czech Republic operations that are approximately equivalent in value to a portion of the Euro-denominated interest payments on our Floating Rates and our 2009 Fixed Rate Notes (see Part II, Item 8, Note 6, “Long-Term Debt and Other Financing Arrangements”). They are financial instruments that are used to minimize currency risk and are considered an economic hedge of foreign exchange rates. These instruments have not been designated as hedging instruments as defined under ASC 815, *Derivatives and Hedging* , and so changes in their fair value are recorded in the Consolidated Statement of Operations and in the Consolidated Balance Sheet in other non-current liabilities.

Interest Rate Risk Management

As at December 31, 2010, approximately 14% of the carrying value of our debt provides for interest at a spread above a base rate of EURIBOR or PRIBOR, which mitigates the impact of an increase in interbank rates on our overall debt.

Interest Rate Table as at December 31, 2010

	Expected Maturity Dates					
	2011	**2012**	**2013**	**2014**	**2015**	**Thereafter**
Total Debt in Euro (000's)						
Fixed Rate	-	-	-	-	-	561,600
Average Interest Rate	-	-	-	-	-	10.83%
Variable Rate	-	-	-	148,000	-	-
Average Interest Rate	-	-	-	2.9%	-	-
Total Debt in US$ (000's)						
Fixed Rate	-	-	440,200	-	-	-
Average Interest Rate	-	-	3.50%	-	-	-

Variable Interest Rate Sensitivity as at December 31, 2010

			Yearly interest charge if interest rates increase by (US$ 000s):				
Value of Debt as at December 31, 2010 (US$ 000's)	**Interest Rate as at December 31, 2010**	**Yearly Interest Charge (US$ 000's)**	**1%**	**2%**	**3%**	**4%**	**5%**
$ 197,758 (EUR 148.0 million)	2.9%	$ 5,735	$ 7,713	$ 9,690	$ 11,668	$ 13,645	$ 15,623

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

(Financial Statements and Supplementary data begin on the following page and end on the page immediately preceding Item 9.)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Central European Media Enterprises Ltd.

We have audited the accompanying consolidated balance sheets of Central European Media Enterprises Ltd. and subsidiaries (the "Company") as of December 31, 2010 and 2009, 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, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Central European Media Enterprises Ltd. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2011 expressed an unqualified opinion on the Company's internal control over financial reporting.

DELOITTE LLP

London, United Kingdom

February 23, 2011

Part II. Financial Information

It em 8. Financial Statements and Supplementary Data

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CONSOLIDATED BALANCE SHEETS
(US$ 000's)

	December 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 244,050	$ 445,954
Accounts receivable, net (Note 6)	209,142	180,983
Program rights, net	80,206	73,922
Assets held for sale	-	86,349
Other current assets (Note 7)	78,687	94,253
Total current assets	**612,085**	**881,461**
Non-current assets		
Property, plant and equipment, net (Note 8)	250,902	274,710
Program rights, net	228,855	182,601
Goodwill (Note 4)	1,221,302	1,136,273
Broadcast licenses and other intangible assets, net (Note 4)	595,641	353,243
Other non-current assets (Note 7)	31,765	44,499
Total non-current assets	**2,328,465**	**1,991,326**
Total assets	**$ 2,940,550**	**$ 2,872,787**

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CONSOLIDATED BALANCE SHEETS (continued)
(US$ 000's)

	December 31, 2010	December 31, 2009
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 224,058	$ 199,175
Current portion of long-term debt and other financing arrangements (Note 5)	13,562	117,910
Liabilities held for sale	-	22,193
Other current liabilities (Note 10)	5,456	12,840
Total current liabilities	**243,076**	**352,118**
Non-current liabilities		
Long-term portion of long-term debt and other financing arrangements (Note 5)	1,346,222	1,259,958
Other non-current liabilities (Note 10)	103,500	88,871
Total non-current liabilities	**1,449,722**	**1,348,829**
Commitments and contingencies (Note 19)		
EQUITY:		
CME Ltd. shareholders' equity:		
Nil shares of Preferred Stock of $0.08 each (December 31, 2009 – nil)	-	-
56,878,489 shares of Class A Common Stock of $0.08 each (December 31, 2009 –56,046,176)	4,550	4,484
7,490,936 shares of Class B Common Stock of $0.08 each (December 31, 2009 –7,490,936)	599	599
Additional paid-in capital	1,377,803	1,410,587
Accumulated deficit	(233,818)	(333,993)
Accumulated other comprehensive income	77,745	95,912
Total CME Ltd. shareholders' equity	1,226,879	1,177,589
Noncontrolling interests	20,873	(5,749)
Total equity	**1,247,752**	**1,171,840**
Total liabilities and equity	**$ 2,940,550**	**$ 2,872,787**

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(US$ 000's, except share and per share data)

	For the Year Ended December 31,		
	2010	**2009**	**2008**
Net revenues	**$ 737,134**	**$ 681,945**	**$ 920,476**
Operating expenses:			
Operating costs	123,339	116,575	122,008
Cost of programming	390,303	341,201	347,148
Depreciation of property, plant and equipment	54,415	51,591	48,582
Amortization of broadcast licenses and other intangibles (Note 4)	25,987	19,919	33,864
Cost of revenues	**594,044**	**529,286**	**551,602**
Selling, general and administrative expenses	119,816	109,787	120,517
Impairment charge (Note 4)	397	81,843	64,891
Operating income / (loss)	**22,877**	**(38,971)**	**183,466**
Interest income	2,238	2,876	9,650
Interest expense (Note 14)	(133,505)	(115,771)	(82,387)
Foreign currency exchange (loss) / gain, net	(5,030)	82,920	(35,570)
Change in fair value of derivatives (Note 11)	1,164	1,315	6,360
Other income	357	1,385	2,631
(Loss) / income from continuing operations before tax	**(111,899)**	**(66,246)**	**84,150**
Provision for income taxes	(5,025)	(4,737)	(42,208)
(Loss) / income from continuing operations	**(116,924)**	**(70,983)**	**41,942**
Discontinued operations, net of tax (Note 18)	(3,922)	(36,824)	(309,421)
Gain on disposal of discontinued operations (Note 18)	217,619	-	-
Income / (loss) from discontinued operations	**213,697**	**(36,824)**	**(309,421)**
Net income / (loss)	**96,773**	**(107,807)**	**(267,479)**
Net (income) / loss attributable to noncontrolling interests	3,402	10,650	(2,067)
Net Income / (loss) attributable to CME Ltd.	**$ 100,175**	**$ (97,157)**	**$ (269,546)**
Net income / (loss)	96,773	(107,807)	(267,479)
Currency translation adjustment	(17,586)	(106,604)	(88,609)
Obligation to repurchase shares	-	-	488
Comprehensive income / (loss)	**$ 79,187**	**$ (214,411)**	**$ (355,600)**
Comprehensive (income) / loss attributable to noncontrolling interests	2,821	11,076	(2,071)
Comprehensive income / (loss) attributable to CME Ltd.	**$ 82,008**	**$ (203,335)**	**$ (357,671)**

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (continued)
(US$ 000's, except share and per share data)

	For the Year Ended December 31,		
	2010	**2009**	**2008**
PER SHARE DATA (Note 16):			
Net (loss) / income per share:			
Continuing operations attributable to CME Ltd. - Basic	$ (1.77)	$ (1.11)	$ 0.94
Continuing operations attributable to CME Ltd. - Diluted	(1.77)	(1.11)	0.93
Discontinued operations attributable to CME Ltd. - Basic	3.34	(0.68)	(7.31)
Discontinued operations attributable to CME Ltd. - Diluted	3.34	(0.68)	(7.25)
Net income / (loss) attributable to CME Ltd. – Basic	1.57	(1.79)	(6.37)
Net income / (loss) attributable to CME Ltd. – Diluted	$ 1.57	$ (1.79)	$ (6.32)
Weighted average common shares used in computing per share amounts (000's):			
Basic	64,029	54,344	42,328
Diluted	64,029	54,344	42,683

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CONSOLIDATED STATEMENTS OF EQUITY (US$ 000's)

	CME Ltd.								
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
	Number of shares	Par value	Number of shares	Par value					
BALANCE, December 31, 2007	**36,003,198**	**$ 2,880**	**6,312,839**	**$ 505**	**$1,051,336**	**$ 54,871**	**$ 290,215**	**$ 23,155**	**$1,422,962**
Stock-based compensation	-	-	-	-	7,133	-	-	-	**7,133**
Stock options exercised	21,075	2	-	-	1,220	-	-	-	**1,222**
Purchase and extinguishment of capped call options	-	-	-	-	(41,157)	(22,161)	-	-	**(63,318)**
Acquisitions of noncontrolling interests	-	-	-	-	-	-	-	(18,861)	**(18,861)**
Dividends	-	-	-	-	-	-	-	(3,178)	**(3,178)**
Bifurcation of equity option embedded in 2008 convertible notes	-	-	-	-	108,085	-	-	-	**108,085**
Net (loss) / income	-	-	-	-	-	(269,546)	-	2,067	**(267,479)**
Currency translation adjustment	-	-	-	-	-	-	(88,613)	4	**(88,609)**
Obligation to repurchase shares	-	-	-	-	-	-	488	-	**488**
BALANCE, December 31, 2008	**36,024,273**	**$ 2,882**	**6,312,839**	**$ 505**	**$1,126,617**	**$ (236,836)**	**$ 202,090**	**$ 3,187**	**$1,098,445**
Stock-based compensation	-	-	-	-	6,180	-	-	-	**6,180**
Acquisitions of noncontrolling interests	-	-	-	-	(24,090)	-	-	3,965	**(20,125)**
Shares issued, net of fees	14,500,000	1,160	4,500,000	360	232,848	-	-	-	**234,368**
Shares issued in connection with the acquisition of Media Pro Entertainment (Note 3)	2,200,000	176	-	-	55,264	-	-	-	**55,440**
Warrants issued in connection with the acquisition of Media Pro Entertainment (Note 3)	-	-	-	-	13,768	-	-	-	**13,768**
Conversion of class B									

shares (Note 12)	3,321,903	266	(3,321,903)	(266)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(1,825)	**(1,825)**
Net loss	-	-	-	-	-	(97,157)	-	(10,650)	**(107,807)**
Currency translation adjustment	-	-	-	-	-	-	(106,178)	(426)	**(106,604)**
BALANCE, December 31, 2009	**56,046,176**	**$ 4,484**	**7,490,936**	**$ 599**	**$1,410,587**	**$ (333,993)**	**$ 95,912**	**$ (5,749)**	**$1,171,840**

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CONSOLIDATED STATEMENTS OF EQUITY (continued)
(US$ 000's)

	CME Ltd.								
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Equity
	Number of shares	Par value	Number of shares	Par value					
BALANCE, December 31, 2009	**56,046,176**	**$ 4,484**	**7,490,936**	**$ 599**	**$1,410,587**	**$ (333,993)**	**$ 95,912**	**$ (5,749)**	**$1,171,840**
Stock-based compensatio	-	-	-	-	7,415	-	-	-	7,415
Acquisition of noncontrolli interests – Pro.BG business (Note 3)	-	-	-	-	(34,696)	-	-	31,446	(3,250)
Acquisition of noncontrolli interests – Pro TV, MPI and MVI (Note 3)	800,000	64	-	-	(5,568)	-	-	(684)	(6,188)
Adjustments – Media Pro Entertainme	-	-	-	-	-	-	-	(1,146)	(1,146)
Stock options exercised	32,313	2	-	-	589	-	-	-	591
Debt costs write off – 2008 Convertible Notes (Note 5)	-	-	-	-	(127)	-	-	-	(127)
Other	-	-	-	-	(397)	-	-	-	(397)
Dividends	-	-	-	-	-	-	-	(173)	(173)
Net income / (loss)	-	-	-	-	-	100,175	-	(3,402)	96,773
Currency translation adjustment	-	-	-	-	-	-	(18,167)	581	(17,586)
BALANCE, December 31, 2010	**56,878,489**	**$ 4,550**	**7,490,936**	**$ 599**	**$1,377,803**	**$ (233,818)**	**$ 77,745**	**$ 20,873**	**$1,247,752**

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(US$ 000's)

	For the Year Ended December 31,		
	2010	**2009**	**2008**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income / (loss)	**$ 96,773**	**$ (107,807)**	**$ (267,479)**
Adjustments to reconcile net income / (loss) to net cash (used in) / generated from operating activities:			
(Income) / loss from discontinued operations (Note 18)	(213,697)	36,824	309,421
Depreciation and amortization	362,937	286,081	273,173
Impairment charge (Note 4)	397	81,843	64,891
Loss on disposal of fixed assets	(59)	635	-
Stock-based compensation (Note 15)	6,837	6,218	6,107
Change in fair value of derivatives (Note 11)	(1,164)	(1,315)	(6,360)
Foreign currency exchange loss / (gain), net	5,030	(82,920)	35,570
Net change in (net of effects of acquisitions and disposals of businesses):			
Accounts receivable	(19,544)	44,963	(20,559)
Accounts payable and accrued liabilities	(4,930)	(66,754)	(19,459)
Program rights	(289,453)	(168,310)	(198,113)
Other assets	18,687	3,704	(10,302)
Income taxes payable	(1,255)	(9,797)	(15,765)
Deferred taxes	(8,531)	(14,587)	(11,750)
VAT and other taxes payable	(1,642)	(1,588)	(1,888)
Net cash (used in) / generated from continuing operating activities	**(49,614)**	**7,190**	**137,487**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(45,987)	(47,957)	(75,793)
Proceeds from disposal of property, plant and equipment	115	888	403
Investments in subsidiaries and unconsolidated affiliates	(410,898)	(17,765)	(179,979)
Loans and advances to related parties	-	(10,295)	1,990
Net cash used in continuing investing activities	**(456,770)**	**(75,129)**	**(253,379)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of common stock, net of fees	-	234,368	-
Issuance of Senior Notes, net of fees	225,433	634,048	463,560
Transfers from restricted cash	696	-	-
Redemption or repayment of Senior Notes	(101,473)	(371,073)	-
Purchase of capped call option	-	-	(63,318)
Proceeds from credit facilities	200,218	266,472	222,919
Payment of credit facilities and capital leases	(312,199)	(287,551)	(176,615)
Proceeds from exercise of stock options	591	-	1,222
Acquisition of noncontrolling interest	(6,467)	-	-
Excess tax benefits from stock based payment arrangements	667	269	1,026
Distributions paid to holders of noncontrolling interests	(128)	(1,506)	(4,408)
Net cash received from continuing financing activities	**7,338**	**475,027**	**444,386**
NET CASH USED IN DISCONTINUED OPERATIONS – OPERATING ACTIVITIES	(5,921)	(39,855)	(5,204)
NET CASH GENERATED FROM / (USED) IN DISCONTINUED OPERATIONS – INVESTING ACTIVITIES	307,790	(1,982)	(3,367)
NET CASH USED IN DISCONTINUED OPERATIONS – FINANCING ACTIVITIES	-	(22,224)	(332,380)
Impact of exchange rate fluctuations on cash	**(4,727)**	**8,504**	**(21,279)**
Net (decrease) / increase in cash and cash equivalents	(201,904)	351,531	(33,736)
CASH AND CASH EQUIVALENTS, beginning of period	**445,954**	**94,423**	**128,159**
CASH AND CASH EQUIVALENTS, end of period	**$ 244,050**	**$ 445,954**	**$ 94,423**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 100,901	$ 61,940	$ 55,331
Cash paid for income taxes (net of refunds)	$ 14,714	$ 28,440	$ 72,974
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:			
Issuance of 800,000 shares of Class A common stock in connection with acquisition of noncontrolling interest (Note 3)	$ 18,520	$ -	$ -
Issuance of call option in connection with restructuring of Pro.BG business (Note 3)	$ 2,970	$ -	$ -

Issuance of equity in connection with the acquisition of Media Pro Entertainment (Note 3)	$ -	$ 55,440	$ -
Issuance of warrants in connection with the acquisition of Media Pro Entertainment (Note 3)	$ -	$ 13,768	$ -
Contribution of interest in connection with the acquisition of Media Pro Entertainment (Note 3)	$ -	$ 19,236	$ -
Acquisition of property, plant and equipment under capital lease	$ 203	$ 144	$ 554

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in US$ 000's, except share data)

1. ORGANIZATION AND BUSINESS

Central European Media Enterprises Ltd. ("CME Ltd.") a Bermuda corporation, was formed in June 1994. References to the "Company", "we", "us" or "our" refer to CME Ltd. and its consolidated subsidiaries listed below. Our assets are held through a series of Dutch and Curaçao holding companies. We are a vertically integrated media and entertainment company operating leading broadcasting, new media and content businesses in Central and Eastern Europe. At December 31, 2010, our principal operations were located in Bulgaria, Croatia, the Czech Republic, Romania, the Slovak Republic and Slovenia. On April 7, 2010 we disposed of our operations in Ukraine (see Note 3, "Acquisitions and Disposals" and Note 18, "Discontinued Operations").

Our subsidiaries, equity-accounted affiliates and cost investments as at December 31, 2010 were:

Company Name	Voting Interest	Jurisdiction of Organization	Subsidiary / Equity-Accounted Affiliate
CME Bulgaria B.V. ("CME Bulgaria")	94.00%	Netherlands	Subsidiary
Top Tone Media S.A.	100.00%	Luxembourg	Subsidiary
Zopal S.A.	100.00%	Luxembourg	Subsidiary
PRO BG MEDIA EOOD ("Pro.BG")	100.00%	Bulgaria	Subsidiary
LG Consult EOOD	100.00%	Bulgaria	Subsidiary
Ring TV EAD ("Ring TV")	100.00%	Bulgaria	Subsidiary
TV Europe B.V.	94.00%	Netherlands	Subsidiary
BTV Media Group EAD ("BTV Media")	94.00%	Bulgaria	Subsidiary
Triada Communications EOOD ("Triada")	94.00%	Bulgaria	Subsidiary
Radiocompany C.J. OOD ("RCJ")	69.56%	Bulgaria	Subsidiary
Balkan Media Group AD	21.62%	Bulgaria	Cost Investment
Nova TV d.d.	100.00%	Croatia	Subsidiary
Operativna Kompanija d.o.o.	100.00%	Croatia	Subsidiary
Internet Dnevnik d.o.o.	100.00%	Croatia	Subsidiary
CET 21 spol. s r.o. ("CET 21")	100.00%	Czech Republic	Subsidiary
Jyxo, s.r.o.	100.00%	Czech Republic	Subsidiary
BLOG Internet, s.r.o.	100.00%	Czech Republic	Subsidiary
Mediafax s.r.o.	100.00%	Czech Republic	Subsidiary
CME Investments B.V. ("CME Investments")	100.00%	Netherlands	Subsidiary
Media Pro International S.A. ("MPI")	100.00%	Romania	Subsidiary
Media Vision S.R.L ("MVI")	100.00%	Romania	Subsidiary
Pro TV S.A. ("Pro TV")	100.0000%	Romania	Subsidiary
Sport Radio TV Media SRL	100.0000%	Romania	Subsidiary
Campus Radio S.R.L.	20.00%	Romania	Equity-Accounted Affiliate
Music Television System S.R.L.	100.0000%	Romania	Subsidiary
CME Slovak Holdings B.V. ("CME SH")	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
GAMATEX., spol. s r.o. v likvid á cii	100.00%	Slovak Republic	Subsidiary (in liquidation)
A.D.A.M., a.s. v likvid á cii	100.00%	Slovak Republic	Subsidiary (in liquidation)
MEDIA INVEST, spol. s r.o.	100.00%	Slovak Republic	Subsidiary
EMAIL.SK s.r.o.	80%	Slovak Republic	Subsidiary
PMT, s r.o.	31.50%	Slovak Republic	Cost investment
MMTV 1 d.o.o.	100.00%	Slovenia	Subsidiary
Produkcija Plus d.o.o.	100.00%	Slovenia	Subsidiary
POP TV d.o.o.	100.00%	Slovenia	Subsidiary
Kanal A d.o.o.	100.00%	Slovenia	Subsidiary
Euro 3 TV d.o.o.	42.00%	Slovenia	Equity-Accounted Affiliate
TELEVIDEO d.o.o. (trading as POP BRIO) ("Televideo")	100.00%	Slovenia	Subsidiary
CME Media Pro B.V.	100.00%	Netherlands	Subsidiary
Meda Pro Sofia EOOD	100.00%	Bulgaria	Subsidiary
Media Pro Audio Visual d.o.o.	100.00%	Croatia	Subsidiary

Media Pro Pictures s.r.o.	100.00%	Czech Republic	Subsidiary
Změna, s.r.o.	51.00%	Czech Republic	Subsidiary
Taková normální rodinka, s.r.o.	51.00%	Czech Republic	Subsidiary
Čertova nevěsta, s.r.o.	51.00%	Czech Republic	Subsidiary
Pro Video Film and Distribution Kft.	100.0000%	Hungary	Subsidiary
Media Pro Pictures S.A.	100.0000%	Romania	Subsidiary
Media Pro Distribution S.R.L.	100.0000%	Romania	Subsidiary
Media Pro Music Entertainment S.R.L.	100.0000%	Romania	Subsidiary
Pro Video S.R.L.	100.0000%	Romania	Subsidiary
Hollywood Multiplex Operation S.R.L.	100.0000%	Romania	Subsidiary
Domino Production S.R.L.	51.0000%	Romania	Subsidiary
Studiourile Media Pro S.A.	92.2054%	Romania	Subsidiary
Promance International S.R.L.	100.0000%	Romania	Subsidiary
Media Pro Slovakia, spol. s r.o.	100.00%	Slovak Republic	Subsidiary
CME Media Pro Ljubljana, d.o.o.	100.00%	Slovenia	Subsidiary
Central European Media Enterprises N.V. (“CME NV”)	100.00%	Curaçao	Subsidiary
Central European Media Enterprises II B.V.	100.00%	Curaçao	Subsidiary
CME Media Enterprises B.V. (“CME BV”)	100.00%	Netherlands	Subsidiary
CME Programming B.V.	100.00%	Netherlands	Subsidiary
CME Development Financing B.V.	100.00%	Netherlands	Subsidiary
CME Media Services Limited	100.00%	United Kingdom	Subsidiary
CME Services s.r.o.	100.00%	Czech Republic	Subsidiary
CME Development Corporation	100.00%	Delaware (USA)	Subsidiary
CME SR d.o.o.	100.00%	Serbia	Subsidiary
CME Austria GmbH	100.00%	Austria	Subsidiary
Glavred-Media LLC (“Glavred”)	10.00%	Ukraine	Cost Investment

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
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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 ("U.S. GAAP").

The significant accounting policies are summarized as follows:

Basis of Presentation

The consolidated financial statements include the accounts of CME Ltd. and our subsidiaries, after the elimination of intercompany accounts and transactions. We consolidate the financial statements of entities in which we hold at least a majority voting interest and entities in which we hold less than a majority voting interest but over which we have the ability to exercise control. Entities in which we hold less than a majority voting interest but over which we exercise significant influence are accounted for using the equity method. Other investments are accounted for using the cost method.

Discontinued Operations

On April 7, 2010, we completed the sale of our former operations in the Ukraine to Harley Trading Limited, a company beneficially owned by Igor Kolomoisky, a CME Ltd. shareholder and a member of our Board of Directors, for total consideration of $308.0 million. The results of our former Ukraine operations have therefore been accounted for as discontinued operations for all periods presented in accordance with Accounting Standard Codification ("ASC") Topic 360, *Property, Plant and Equipment* (see Note 18, "Discontinued Operations").

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 our customers' inability to make payments.

Revenues are recognized net of discounts and customer sales incentives. Our 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 many countries, we commit 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 to telecast or for delivery, the license period has begun, collectability of the cash is reasonably assured and all of our contractual obligations have been satisfied. Revenues from home video sales are recognized at the later of the delivery date or the date that video units are made widely available for sale or rental by retailers based on gross sales less a provision for estimated returns. Theatrical revenues are recognized as the films are exhibited.

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.

Barter transactions

We enter into barter transactions which represent advertising time or other services exchanged for non-cash goods and/or other services, such as promotional items, advertising, supplies and equipment. Revenue from barter transactions is recognized as income when the services have been provided. Expenses are recognized when goods or services are received or used. We record barter transactions at the fair value of goods or services received or advertising surrendered, whichever is more readily determinable. Barter revenue amounted to US$ 2.7 million, US$ 2.9 million and US$ 4.6 million for the years ending December 31, 2010, 2009 and 2008, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and marketable securities with original maturities of three months or less. Cash that is subject to restrictions is classified as restricted cash.

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	4 - 8 years
Other equipment	3 – 8 years
Software licenses	3 – 5 years

Construction-in-progress is not depreciated until put into use. Capital leases are depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Leasehold improvements are depreciated over the shorter of the related lease term or the life of the asset. 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.

In accordance with ASC Topic 360, *Property, Plant and Equipment*, we review long-lived assets 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.

(Tabular amounts in US$ 000's, except share data)

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:

	Amortization %				
Type of programming	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

Program rights that are produced by us consist of deferred film and television costs including direct costs, production overhead and development costs. The costs are stated at the lower of cost, less accumulated amortization, or fair value. The amount of capitalized film costs recognized as cost of revenues for a given film as it is exhibited in various markets is determined using the film forecast method. The proportion of costs recognized is equal to the proportion of the revenue recognized compared to the total revenue expected to be generated throughout the product's life cycle (the "Ultimate Revenues"). Our process for evaluating Ultimate Revenues is tailored to the potential we believe a title has for generating multiple revenues. The majority of our production is intended primarily for exploitation by our own broadcasters. In such cases, we consider mainly the free television window in our calculation of the ultimate revenue. For produced and acquired feature films or other projects where we have a supportable expectation of generating multiple revenue streams, we base our estimates of Ultimate Revenues for each film on factors such as the historical performance of similar films, the star power of the actors and actresses, the rating and genre of the film, pre-release market research (including test market screenings) and the expected number of theaters in which the film will be released. These estimates are updated based available on the progress of the film's production and upon release, the actual results of each film.

Produced program rights are amortized on an individual production basis using the ratio of the current period's gross revenues to estimated remaining total Ultimate Revenues from such programs. Such program rights are stated at the lower of cost less accumulated amortization or fair value. Program rights are evaluated to determine if expected revenues, less additional costs to be incurred (including exploitation costs) 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 fair value.

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.

In accordance with ASC Topic 350, *Intangibles – Goodwill and Other*, we evaluate the carrying value of goodwill 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-lived 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. We have three operating segments, which are also our reportable segments as described in Note 17, "Segment Data". We have determined that we have ten reporting units whose fair value is determined based on estimates of future cash flows discounted at appropriate rates and on publicly available information, where appropriate. In the assessment of discounted future cash flows the following data is used: management plans for a period of at least five years, a terminal value at the end of this period assuming an inflationary perpetual growth rate, and a discount rate selected with reference to the relevant cost of capital.

Indefinite-lived intangible assets consist of certain acquired broadcast licenses and trademarks. Broadcast licenses are assigned indefinite lives after consideration of the following conditions:

- we intend to renew the licenses into the foreseeable future and we have precedents of renewals or reasonable expectation of renewals;
- we do 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
- we have not experienced any historical evidence of a compelling challenge to our holding these licenses.

Indefinite-lived intangible assets are not amortized. We evaluate indefinite-lived intangible assets 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. Under ASC Topic 350, an impairment loss is recognized if the carrying value of an indefinite-lived intangible asset exceeds its fair value.

Income Taxes

We account for income taxes under the asset and liability method as set out in ASC Topic 740, *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 all 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 Topic 740, we recognize in the consolidated financial statements those tax positions determined to be "more likely than not" of being sustained upon examination, based on the technical merits of the positions and we recognize, 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

Our reporting currency and functional currency is the dollar. The financial statements of our operations whose functional currency is other than the dollar are translated from such functional currency to dollars 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. 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 (loss) / gain, net in the Consolidated Statement of Operations in the period during which they arise.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Capital leases are accounted for as assets and are depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Commitments to repay the principal amounts arising under capital lease obligations are included in current liabilities to the extent that the amount is repayable within one year; otherwise the principal is included in non-current liabilities. The capitalized lease obligation reflects the present value of future lease payments. The financing element of the lease payments is charged to interest expense over the term of the lease.

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, and accounts payable and accrued liabilities, approximate their fair value due to the short-term nature of these items. The fair value of our Senior Debt (as defined hereinafter) is included in Note 5, "Long-term Debt and Other Financing Arrangements".

Derivative financial instruments

We use derivative financial instruments for the purpose of mitigating currency risks, which exist as part of ongoing business operations. As a policy, we do not engage in speculative or leveraged transactions, nor do we hold or issue derivative financial instruments for trading purposes.

Forward exchange contracts and currency swaps are used to mitigate exposures to currency fluctuations on certain short-term transactions generally denominated in currencies other than our functional currency. These contracts are marked to market at the balance sheet date, and the resultant unrealized gains and losses are recorded in the Consolidated Statement of Operations, together with realized gains and losses arising on settlement of these contracts.

Stock-Based Compensation

Stock-based compensation is accounted for under ASC Topic 718, *Compensation – Stock Compensation* , which requires the recognition of stock-based compensation at fair value. We calculate the fair value of stock option awards using the Black-Scholes option pricing model and recognize the compensation cost over the vesting period of the award.

Contingencies

Contingencies are recorded in accordance with ASC Topic 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 has been incurred.

Discontinued Operations

We present our results of operations, financial position and cash flows of operations that have either been sold or that meet the criteria for "held-for-sale accounting" as discontinued operations. At the time an operation qualifies for held-for-sale accounting, the operation is evaluated to determine whether or not the carrying value exceeds its fair value less cost to sell. Any loss as a result of carrying value in excess of fair value less cost to sell is recorded in the period the operation meets held-for-sale accounting. Management judgment is required to (1) assess the criteria required to meet held-for-sale accounting, and (2) estimate fair value. Changes to the operation could cause it to no longer qualify for held-for-sale accounting and changes to fair value could result in an increase or decrease to previously recognized losses.

On April 7, 2010, we completed the sale of our former operations in the Ukraine to Harley Trading Limited, a company beneficially owned by Igor Kolomoisky, a CME Ltd. shareholder and a member of our Board of Directors, for total consideration of $308.0 million. The results of our former Ukraine operations have therefore been accounted for as discontinued operations for all periods presented (see Note 18, "Discontinued Operations").

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense incurred for the years ending December 31, 2010, 2009 and 2008 totaled US$ 8.6 million, US$ 12.5 million and US$ 13.3 million, respectively.

Earnings Per Share

Basic net income per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted-average number of common and dilutive potential common shares outstanding during the period.

Noncontrolling Interests

On January 1, 2009, we adopted amendments to Topic 810, *Consolidation*, with respect to the accounting and reporting for a noncontrolling interest in a subsidiary in consolidated financial statements. The amendment clarified that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements and required consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. We applied this guidance prospectively from January 1, 2009, except for the provisions related to the presentation of noncontrolling interests, which have been applied retrospectively for all periods presented.

Convertible Debt

On January 1, 2009, we adopted the amendment to ASC Topic 470, *Debt* which clarified the accounting for convertible debt instruments that may be settled in cash (including partial cash settlement) upon conversion. Issuers were required to account separately for the liability and equity components of certain convertible debt instruments in a manner that reflects the issuer's non-convertible debt (unsecured debt) borrowing rate when interest cost is recognized. The amendment also required bifurcation of a component of the debt including allocated issuance costs, classification of that component in equity and the accretion of the resulting discount on the debt and the allocated acquisition costs to be recognized as part of interest expense in the Consolidated Statement of Operations. We applied this authoritative guidance retrospectively and restated opening equity in 2009 to reflect revised equity and liability balances on issuance of our 2008 Convertible Notes (as defined hereinafter).

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Business Combinations

On January 1, 2009, we adopted amendments to the authoritative guidance of Topic 805, *Business Combinations* , which established principles and requirements for how the acquirer: (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The guidance required contingent consideration to be recognized at its fair value on the acquisition date and, for certain arrangements, changes in fair value to be recognized in earnings until settled. It also required acquisition-related transaction and restructuring costs to be expensed rather than treated as part of the cost of the acquisition. We have applied this guidance to our business combinations in 2010.

On January 1, 2009, we adopted authoritative guidance related to the accounting for defensive intangible assets included within ASC Topic 350. The guidance addressed the accounting for an intangible asset acquired in a business combination or asset acquisition that an entity does not intend to use or intends to hold to prevent others from obtaining access (a defensive intangible asset). The guidance dictates that a defensive intangible asset would need to be accounted for as a separate unit of accounting and is assigned a useful life based on the period over which the asset diminishes in value. The adoption of this standard did not have a material impact on our financial position or results of operations.

On January 1, 2009, we also adopted authoritative guidance related to the determination of the useful life of intangible assets included within ASC Topic 350 which aims to improve consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the asset, especially where the underlying arrangement includes renewal or extension terms. The adoption of this guidance did not impact our financial position or results of operations.

Recent Accounting Pronouncements

In December 2010, Accounting Standard Update ("ASU") 2010-29, " *Disclosure of Supplementary Pro Forma Information for Business Combinations* " was issued. The amendments in this ASU clarify the acquisition date that should be used for reporting the pro forma financial information disclosures in Topic 805 when comparative financial statements are presented. The amendments specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The ASU also requires a description of the nature and amount of material, nonrecurring pro forma adjustments that are directly attributable to the business combination(s). This ASU is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. This guidance will impact our disclosures for future acquisitions, but there will be no impact on our financial position or results of operations.

In December 2010, ASU 2010-28, *" When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts "* was issued. The amendments in this ASU modify Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test after assessing whether or not it is more likely than not that the reporting units' goodwill is impaired. In determining whether it is more likely than not that a goodwill impairment exists, any adverse qualitative factors indicating that an impairment may exist are to be considered. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The amendments in this ASU will impact our financial position and results of operations to the extent that we have reporting units with zero or negative carrying amounts in the future.

In July 2010, ASU 2010-20, *" Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses "* was issued. This ASU enhances disclosures about the credit quality of financing receivables and the allowance for credit losses in order to assist financial statement users in assessing an entity's credit risk exposures and evaluating the adequacy of its allowance for credit losses. The amendments in this ASU affect all entities with financing receivables, excluding short-term trade accounts receivable or receivables measured at fair value or lower of cost or fair value. The required disclosures of this ASU are effective for interim and annual reporting periods ending on or after December 15, 2010. Adoption of this ASU did not have any impact on our financial position or results of operations.

In April 2010, ASU 2010-13, *" Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades "* was issued. This ASU amends ASC Topic 718, *Compensation – Stock Compensation* , to clarify that an employee share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, an entity would not classify such an award as a liability if it otherwise qualifies as equity. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. This ASU will not have any impact on our financial position or results of operations.

3. ACQUISITIONS AND DISPOSALS

Acquisition of the bTV group

On April 19, 2010, we completed the acquisition of the bTV group in Bulgaria from News Netherlands B.V. through our subsidiary, CME Bulgaria. The acquisition was comprised of (i) 100.0% of BTV Media (formerly Balkan News Corporation EAD), which, at the time of the acquisition, owned a 74.0% interest in Radio Company C.J. OOD ("RCJ") and (ii) 100.0% of TV Europe B.V., which owned 100.0% of Triada (prior to its merger into BTV Media in February 2011). BTV Media operates and broadcasts the BTV, BTV CINEMA and BTV COMEDY television channels and RCJ operates several radio stations in Bulgaria. As discussed below, we currently own 94.0% of the bTV group. BTV is the leading television channel in Bulgaria and through this acquisition, we have continued to implement our operating model whose success is based on audience leadership and high operating leverage across multichannel television, internet and content.

Using the proceeds from the sale of our former operations in Ukraine (as described below), we acquired the bTV group on a debt-free basis for cash consideration of US$ 409.9 million. We incurred approximately US$ 4.4 million of costs related to this acquisition, which are included within selling, general and administrative expenses in the Consolidated Statement of Operations for the year ended December 31, 2010.

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We performed a fair value exercise to allocate the purchase price to the acquired assets and liabilities and separately identifiable intangible assets as at April 19, 2010, which has been finalized as of December 31, 2010. 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	$ 485
Restricted cash	3,560
Broadcast licenses (1)	178,158
Trademark (2)	74,066
Customer relationships (3)	37,322
Programming rights	6,383
Property, plant and equipment	8,579
Other assets, net (4)	14,851
Deferred tax liabilities	(29,100)
Goodwill (5)	115,641
Total purchase price	**$ 409,945**

(1) License agreements are being amortized on a straight-line basis over an estimated life of 24 years.
(2) The trademark is deemed to have an indefinite life.
(3) Customer relationships are being amortized on a straight-line basis over an estimated life of 15 years.
(4) Amount includes US$ 21.0 million of acquired receivables which represent the best estimate of the US$ 21.0 million contractual cash flows expected to be collected at the acquisition date.
(5) No goodwill is expected to be deductible for tax purposes.

The following table presents unaudited pro forma results of operations of CME Ltd. as if the acquisition of the bTV group had occurred as of January 1, 2009. This pro forma financial information is not indicative of the results of operations that the Company would have attained had the acquisition of the bTV group occurred as of January 1, 2009, nor is the pro forma financial information indicative of the results of operations that may occur in the future:

	For the years ended December 31,	
	2010	2009
Revenues	$ 759,287	$ 773,966
Net income / (loss)	98,945	(92,190)
Net income / (loss) attributable to CME Ltd.	102,347	(81,540)
Net income / (loss) attributable to CME Ltd. – basic and diluted earnings per share	1.60	(1.50)
Weighted average common shares – basic and diluted earnings per share	64,029	54,344

The bTV group reported revenues of US$ 58.3 million in the period since acquisition on April 19, 2010. The financial information for the bTV group is reflected within the broadcast segment and the related goodwill associated with the bTV group acquisition has been assigned to the Bulgaria broadcast reporting unit.

Restructuring of the Pro.BG business

On April 19, 2010, we entered into an amended sale and purchase agreement (the "SPA") with Top Tone Media Holdings Limited ("Top Tone Holdings") and Mr. Krassimir Guergov to restructure the operations of the BTV ACTION (formerly PRO.BG) and RING TV channels (together, the "Pro.BG business"). On April 22, 2010, pursuant to the SPA, Top Tone Holdings transferred to us its 20.0% interest in each of Top Tone Media S.A. and Zopal S.A and purchased a 6.0% interest in CME Bulgaria from us for US$ 17.7 million, and pursuant to a deed of termination, we terminated our existing agreements in respect of the Pro.BG business with Top Tone Holdings and Mr. Guergov for consideration of US$ 18.0 million. This resulted in a net cash payment of approximately US$ 0.3 million to Top Tone Holdings. Following the restructuring of the Pro.BG business, we own 94.0% of the bTV group and 100.0% of the Pro.BG business, which we since have combined with the bTV group operations.

On April 22, 2010, we also entered into an investment agreement with Top Tone Holdings which included a share option agreement that gives it the right to acquire up to an additional 4.0% of CME Bulgaria (i) for a one-year period from April 22, 2010 for US$ 2.95 million for each 1% interest acquired (up to an aggregate amount of US$ 11.8 million) and (ii) from April 22, 2011 until April 22, 2013, at a price to be determined by an independent valuation. We measured the fair value of this call option of Top Tone Holdings using a binomial option pricing model and a liability for its fair value of US$ 3.0 million was recorded at the date of the transaction. Subsequent changes in fair value are recognized in the Consolidated Statement of Operations in accordance with ASC Topic 815, *Derivatives and Hedging* for the first year of the call option. After the first year, the strike price of the call option will be the fair value of the underlying and, as a result, the value of the option will be zero and no further changes will be reflected in the income statement (see Note 11, "Financial Instruments and Fair Value Measurements").

Also pursuant to the share option agreement, Top Tone Holdings has the right to put its entire interest to us and we have the right to call from Top Tone Holdings its entire interest from April 22, 2013, in each case at a price to be determined by an independent valuation. This option is recognized at fair value of US$ nil.

We concluded that these transactions should be accounted for together as the acquisition of a noncontrolling interest in a subsidiary where control is maintained under ASC Topic 810. Accordingly, we recognized the excess of the fair value of the consideration over the adjustment to noncontrolling interest as an adjustment to additional paid-in capital.

The amounts allocated to consideration for the acquisition of the 20.0% noncontrolling interest in the Pro.BG business in exchange for the 6.0% noncontrolling interest in CME Bulgaria (with a fair value of US$ 17.7 million at the date of the transaction) consisted of a net cash payment of US$ 0.3 million and US$ 3.0 million for the fair value of the option granted to Top Tone Holdings. The balance of the noncontrolling interest recorded at the date of acquisition was an accumulated loss of approximately US$ 13.7 million which resulted in a US$ 34.7 million reduction to additional paid-in capital.

Acquisition of noncontrolling interest

On May 24, 2010, we acquired the remaining approximately 5.0% ownership interest in each of Pro TV, MPI and MVI from Adrian Sarbu, our President and Chief Executive Officer and a member of our Board of Directors, thereby increasing our ownership interests in each company to 100.0%. Consideration for the noncontrolling interest acquired was US$ 24.7 million, consisting of a cash payment of approximately US$ 6.2 million and the issuance of 800,000 shares of our Class A common stock (with a fair value of US$ 18.5 million at the date of acquisition). We concluded that this transaction should be accounted as the acquisition of a noncontrolling interest in a subsidiary where control is maintained under ASC Topic 810. Accordingly we recognized the excess of the fair value of the consideration over the adjustment to noncontrolling interest as an adjustment to additional paid-in capital. The balance of noncontrolling interest recorded at the date of acquisition was accumulated income of US$ 0.7 million, thereby resulting in a US$ 24.0 million reduction to additional paid-in capital.

In connection with this transaction, the put option agreements of July 2004, which gave Mr. Sarbu the right to sell us his remaining shareholding in Pro TV and MPI, were terminated.

Disposal of operations in Ukraine

On April 7, 2010, we completed the sale of our former operations in Ukraine to Harley Trading Limited, a company beneficially owned by Igor Kolomoisky, for total gross proceeds of $308.0 million (see Note 18, "Discontinued Operations").

Acquisition of Media Pro Entertainment

In order to progress our strategy to become a vertically integrated media company, on December 9, 2009, we acquired the companies comprising the Media Pro Entertainment business ("MPE") from Alerria Management Company S.A. ("Alerria") (formerly known as Media Pro Management S.A.) and Metrodome B.V. ("Metrodome") (formerly known as Media Pro B.V.), two companies beneficially owned by Adrian Sarbu. The MPE acquisition was primarily comprised of Media Pro Pictures S.A., Studiourile Media Pro S.A., Pro Video S.R.L., Media Pro Distribution S.R.L. and Media Pro Pictures s.r.o. MPE produces and distributes television and film content and owns studio and production facilities and cinemas in Central and Eastern Europe.

Following the acquisition, we integrated our existing fiction, reality and entertainment television production units with the MPE entities and created a dedicated content segment called Media Pro Entertainment consisting of fiction, reality and entertainment production services and distribution operations across all of our territories. This acquisition provided us with a proven source of content which will allow us to create new content and further diversify our revenue streams. This acquisition has and is expected to deliver significant synergies over the medium-term, including in cost, quality and availability of local production for our operating segments.

Total consideration was comprised of US$ 10.0 million in cash, 2.2 million shares of our Class A common stock with a fair value of US$ 55.4 million at the date of acquisition and warrants to purchase up to 850,000 shares of our Class A common stock at a price of US$ 21.75 per share, valued at US$ 13.8 million at the date of acquisition. In connection with the acquisition, CME Investments transferred a 10.0% interest in Metrodome and 8.7% interest in Alerria that it previously owned to Mr. Sarbu for no additional consideration, together valued at US$ 19.2 million at the date of acquisition.

We measured the fair value of the warrants on acquistion using the Black Scholes method using the following assumptions, which are consistent with those used to estimate the value of stock options as disclosed in Note 15, "Stock-Based Compensation".

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Market Price	$	25.20
Exercise Price	$	21.75
Expected Term		6 years
Volatility		67.8%
Dividend Rate		0%
Risk Free Rate		1.67%
Warrant value	$	16.198
Number of warrants		850,000
Total Value	$	13,768

At the date of the acquisition, we determined that the warrants met the definition of an equity instrument within the scope of ASC Topic 480, *Distinguishing Liabilities from Equity* , and consequently recognized them on issuance at fair value within Additional Paid-In Capital. Subsequent changes in fair value have not been, and will not be, recognized as long as the instruments continue to be classified within Equity.

We performed a fair value exercise to allocate the purchase price to the acquired assets and liabilities and separately identifiable intangible assets as at December 9, 2009, which was finalized as of December 31, 2010 after resolving certain tax positions. The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition:

		Fair Value on Date of Acquisition (in US$'000's)
Cash and cash equivalents	$	6,638
Property, plant and equipment		77,495
Program rights		17,802
Trademarks		7,254
Other intangible assets subject to amortization (1)		4,992
Deferred tax assets		7,424
Deferred tax liabilities		(18,808)
Other net liabilities (2)		(54,614)
Noncontrolling interest		(2,916)
Goodwill (3)		53,178
Total purchase price	**$**	**98,445**

(1) The other intangible assets subject to amortization consist of favorable lease agreements which are being amortized over the life of the lease using the effective interest method.
(2) Amount includes US$ 16.4 million of acquired receivables, which represents the best estimate of the US$ 18.8 million contractual cash flows expected to be collected at the acquisition date.
(3) No goodwill is deductible for tax purposes.

Acquisition of Televideo

On September 2, 2009, we acquired the remaining 80.0% ownership interest in TELEVIDEO d.o.o. in Slovenia for cash consideration of EUR 1.2 million (approximately US$ 1.7 million at the date of acquisition). TELEVIDEO d.o.o. operates the POP BRIO channel (formerly TV PIKA) in Slovenia, a female-orientated general cable channel. In connection with this transaction we allocated EUR 0.2 million (approximately US$ 0.3 million) to trademarks and EUR 1.7 million (approximately US$ 2.4 million) to goodwill.

Acquisition of KINO noncontrolling interest

In the fourth quarter of 2008, in accordance with our stated objectives of establishing multi-channel broadcasting platforms in all of our markets and acquiring the remaining noncontrolling interests in our channels, we reached an agreement with our former minority partners in Ukraine to acquire 100.0% of the KINO channel in Ukraine and to transfer to them our interest in the CITI channel, a local station broadcasting in the Kiev region. In connection with this agreement, we segregated the broadcasting licenses and other assets of the KINO channel and transferred them to Gravis-Kino LLC, a new entity spun off from Gravis LLC ("Gravis"), which previously operated both the KINO and the CITI channels. Between January 14, 2009 and February 10, 2009, we acquired a 100.0% interest in the KINO channel by acquiring from our minority partners certain interests in Ukraine companies and selling to them for a de minimis amount our interest in Gravis, which owned the broadcasting licenses and other assets of the CITI channel. The total consideration paid by us for these interests was US$ 10.0 million, including a payment of US$ 1.5 million for the use of studios, offices and equipment of Gravis and the provision of other transitional services through December 31, 2009. In addition, on February 10, 2009, we acquired from an entity controlled by Alexander Tretyakov, our former partner in KINO and CITI, a 10.0% ownership interest in Glavred for US$ 12.8 million. Glavred owns a number of websites and print publications as well as a radio station. Igor Kolomoisky indirectly holds a 90% interest in Glavred.

We concluded that these transactions should be accounted for together as the acquisition of a noncontrolling interest in a subsidiary where control is maintained under ASC Topic 810, *Consolidation* . Accordingly we recognized the excess of the fair value of the consideration over the adjustment to noncontrolling interest as an adjustment to additional paid-in capital.

The amounts allocated to consideration for KINO totaled approximately US$ 23.9 million, represented by the fair value of the net assets of the CITI channel transferred (US$ 1.1 million), cash payments of US$ 8.5 million for the equity interests, US$ 1.5 million for transitional services, and the US$ 12.8 million we paid for the investment in Glavred, which we concluded formed part of the consideration. We determined the Glavred investment to have a fair value of US$ nil at the date of acquisition.

The balance of noncontrolling interest recorded at the date of acquisition was US$ nil because the operations had been loss-making. Therefore, the full consideration of US$ 23.9 million was recognized as a reduction to equity.

As described above, we disposed of our Ukraine operations in 2010.

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4. GOODWILL AND INTANGIBLE ASSETS

Goodwill:

Goodwill by reporting unit as at December 31, 2010 and 2009 is summarized as follows:

	Gross balance December 31, 2009	Accumulated impairment losses	Balance, December 31, 2009	Additions/ Adjustments	Foreign currency	Balance, December 31, 2010	Accumulated impairment losses	Gross balance December 31, 2010
Broadcast segment:								
Bulgaria	$ 64,044	$ (64,044)	$ -	$ 115,641	$ (1,308)	$ 114,333	$ (64,044)	$ 178,377
Croatia	11,211	(10,454)	757	-	(60)	697	(10,454)	11,151
Czech Republic	936,268	-	936,268	-	(19,123)	917,145	-	917,145
Romania	69,825	-	69,825	-	(5,848)	63,977	-	63,977
Slovak Republic	62,990	-	62,990	-	(4,565)	58,425	-	58,425
Slovenia	20,398	-	20,398	-	(1,478)	18,920	-	18,920
Media Pro Entertainment segment:								
Fiction and Reality and Entertainment	18,537	-	18,537	(3,394)	(1,101)	14,042	-	14,042
Production Services	9,950	-	9,950	6,327	(1,485)	14,792	-	14,792
Distribution and Exhibition	17,548	-	17,548	3,223	(1,800)	18,971	-	18,971
Total	**$ 1,210,771**	**$ (74,498)**	**$ 1,136,273**	**$ 121,797**	**$ (36,768)**	**$ 1,221,302**	**$ (74,498)**	**$ 1,295,801**

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Broadcast licenses and other intangible assets:

The net book value of our broadcast licenses and other intangible assets as at December 31, 2010 and 2009 is summarized as follows:

	Indefinite-Lived Broadcast Licenses	Amortized Broadcast Licenses	Trademarks	Customer Relationships	Other	Total
Balance, December 31, 2008	**$ 59,856**	**$ 237,677**	**$ 66,857**	**$ 67,723**	**$ 7,491**	**$ 439,604**
Additions	-	-	7,543	-	4,992	12,535
Impairment	-	(75,788)	(76)	-	(4,882)	(80,746)
Amortization	-	(11,418)	(501)	(7,207)	(793)	(19,919)
Foreign currency movements	(1,350)	2,017	757	861	(516)	1,769
Balance, December 31, 2009	**$ 58,506**	**$ 152,488**	**$ 74,580**	**$ 61,377**	**$ 6,292**	**$ 353,243**
Additions	-	178,158	74,066	37,322	-	289,546
Impairment	-	-	(397)	-	-	(397)
Amortization	-	(15,133)	(1,516)	(8,249)	(1,089)	(25,987)
Foreign currency movements	(4,670)	(5,968)	(5,061)	(4,654)	(411)	(20,764)
Balance, December 31, 2010	**$ 53,836**	**$ 309,545**	**$ 141,672**	**$ 85,796**	**$ 4,792**	**$ 595,641**

Our broadcast licenses in Croatia, Romania and Slovenia have indefinite lives and they are subject to annual impairment reviews. The licenses in Bulgaria have an estimated economic useful life of, and are amortized on a straight-line basis over, twenty-four years. Licenses in the Czech Republic have an estimated economic useful life of, and are amortized on a straight-line basis over, twenty years. The license in the Slovak Republic has an estimated economic useful life of, and is amortized on a straight-line basis over, thirteen years. Costs to renew our amortized broadcast licenses are capitalized while costs to maintain our amortized broadcast licenses are expensed as incurred.

Customer relationships are deemed to have an economic useful life of, and are amortized on a straight-line basis over, five to fifteen 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. The amortized trademarks had a carrying amount of US$ 5.8 million and US$ 7.5 million as at December 31, 2010 and 2009, respectively.

The gross value and accumulated amortization of broadcast licenses and other intangible assets was as follows at December 31, 2010 and December 31, 2009:

	December 31, 2010	December 31, 2009
Gross value	$ 538,884	$ 338,055
Accumulated amortization	(132,955)	(110,403)
Net book value of amortized intangible assets	**$ 405,929**	**$ 227,652**
Indefinite-lived broadcast licenses and trademarks	189,712	125,591
Total broadcast licenses and other intangible assets, net	**$ 595,641**	**$ 353,243**

(Tabular amounts in US$ 000's, except share data)

The estimated amortization expense for our intangible assets with finite lives as of December 31, 2010 is as follows:

2011	$	29,145
2012		28,341
2013		27,881
2014		26,796
2015		25,586

Impairment of Goodwill, indefinite-lived intangible assets and long-lived assets:

Process of reviewing goodwill, indefinite-lived intangible assets and long-lived assets for impairment.

We review both goodwill and indefinite-lived intangible assets for impairment in the fourth quarter of each year in accordance with ASC Topic 350. Goodwill is evaluated at the reporting unit level and each indefinite-lived intangible asset is evaluated individually. Long-lived assets are evaluated at the asset group level under ASC Topic 360 when there is an indication that they may be impaired.

Whenever events occur which suggest any asset in a reporting unit may be impaired, an evaluation of the goodwill and indefinite-lived intangible assets, together with the associated long-lived assets of each asset group, is performed. Outside our annual review, there are a number of factors which could trigger an impairment review, including:

- under-performance of operating segments or changes in projected results;
- changes in the manner of utilization of an asset;
- severe and sustained declines in the traded price of our Class A common stock that are not attributable to factors other than the underlying value of our assets;
- negative market conditions or economic trends; and
- specific events, such as new legislation, new entrants, changes in technology or adverse legal judgments that we believe could have a negative impact on our business.

In testing the goodwill of each reporting unit, the fair value of the reporting unit is compared to the carrying value of its assets, including goodwill. If the fair value of the reporting unit is less than its carrying value, the fair value of the reporting unit is then measured against the fair value of its underlying assets and liabilities, excluding goodwill, to estimate an implied fair value of the reporting unit's goodwill. The fair value of each reporting unit is determined using discounted estimated future cash flow models. Our expectations of these cash flows are developed during our long - and short-range business planning processes and incorporate several variables, including, but not limited to, discounted cash flows of a typical market participant, future market revenue and long-term growth projections, estimated market share for the typical participant and estimated profit margins based on market size and station type. The cash flow model also assumes outlays for capital expenditures, future terminal values, an effective tax rate assumption and a discount rate based on number of factors including market interest rates, a weighted average cost of capital analysis of the media industry and includes adjustments for market risk.

An impairment loss is recognized for any excess of the carrying value of the reporting unit's goodwill over the implied fair value of that goodwill after adjusting for any impairment of indefinite-lived intangible assets or long-lived assets.

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.

(Tabular amounts in US$ 000's, except share data)

Impairment reviews and charges recognized in 2010

We performed our annual impairment test in the fourth quarter of 2010 and determined that none of our reporting units were at risk of impairment. As of December 31, 2010, the fair value of all our reporting units exceeded their carrying value by more than 10.0%.

In the fourth quarter of 2010, we decided to cease operating InfoPro, a radio channel in Romania and part of our Romania Broadcast segment, and recorded an impairment charge of US$ 0.4 million to write off the carrying value of the InfoPro trademark after determining that it was not recoverable.

Impairment charges recognized in 2009

During the first and second quarter of 2009, due to the severity of the global economic downturn, continued reduction in the short and medium economic projections for our markets by external analysts, increasing reluctance of advertisers to make spending commitments, the decline in the financial performance of our stations and the decrease in the price of our shares of Class A common stock and our market capitalization, we tested our goodwill and broadcast licenses for impairment.

We recognized the following impairment charges in respect of goodwill, indefinite-lived intangible and long-lived assets in the year ended December 31, 2009:

	Amortized Trademarks	Amortized Broadcast Licenses	Other Intangible Assets	Other Assets	Total
Pro.BG business - continuing operations	$ 76	$ 75,788	$ 4,882	$ 1,097	**$ 81,843**

We did not have any indicators of impairment in the third quarter of 2009 and therefore we did not make any further revisions to our forecasted cash flows, cash flow multiples, and discount rates for that period. We performed our annual impairment test in the fourth quarter of 2009 and we concluded that no further impairment charges were required.

Impairment charges recognized in 2008

The impairment charge taken during the year ended December 31, 2008 was primarily due to the severe economic downturn during the fourth quarter of 2008 and, as a result, we made revisions to our forecasted cash flows and we recognized the following impairment charges in respect of goodwill, indefinite-lived intangible and long-lived assets in the year ended December 31, 2008.

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	Long-Lived Assets			Goodwill and Indefinite-Lived Intangible Assets		
	Amortized Trademarks	Amortized Broadcast Licenses	Other Intangible Assets	Indefinite-Lived Trademarks	Goodwill	Total
Pro.BG business - continuing operations	$ 222	$ -	$ 625	$ -	$ 64,044	**$ 64,891**
Ukraine - discontinued operations	-	637	-	8,481	262,743	**271,861**
	$ 222	$ 637	$ 625	$ 8,481	$ 326,787	**$ 336,752**

5 . LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

Summary

	December 31, 2010	December 31, 2009
Senior debt	$ 1,341,544	$ 1,253,928
Credit facilities and capital leases	18,240	123,940
Total long term debt and other financing arrangements	**1,359,784**	**1,377,868**
Less current maturities	(13,562)	(117,910)
Total non-current long-term debt and other financing arrangements	**$ 1,346,222**	**$ 1,259,958**

Senior Debt

Our senior debt comprised the following as at December 31, 2010 and 2009, respectively:

	Carrying Value		Fair Value	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
EUR 170.0 million 9.0% 2010 Fixed Rate Notes	$ 227,154	$ -	$ 235,672	$ -
EUR 391.6 million 11.625% 2009 Fixed Rate Notes	527,414	639,515	533,067	608,510
EUR 148.0 million Floating Rate Notes	197,758	216,090	170,319	153,423
USD 440.2 million 3.50% 2008 Convertible Notes	389,218	398,323	391,888	369,883
	$ 1,341,544	**$ 1,253,928**	**$ 1,330,946**	**$ 1,131,816**

On October 21, 2010, our wholly-owned subsidiary, CET 21, issued EUR 170.0 million (approximately US$ 237.5 million at the date of issuance) of 9.0% Senior Secured Notes due 2017 (the "2010 Fixed Rate Notes") and incurred fees of approximately US$ 14.0 million, of which approximately US$ 12.0 million was paid in 2010. The 2010 Fixed Rate Notes (approximately US$ 227.2 million at December 31, 2010) mature on November 1, 2017.

On September 17, 2009 we issued EUR 200.0 million (approximately US$ 267.2 million) of 11.625% senior notes due 2016 at an issue price of 98.261%, and on September 29, 2009 we issued an additional tranche of EUR 240.0 million (approximately US$ 320.7 million) senior notes due 2016 at an issue price of 102.75% (collectively the "2009 Fixed Rate Notes"). The 2009 Fixed Rate Notes mature on September 15, 2016. In October and November 2010, we repurchased a total of EUR 48.4 million (approximately US$ 67.1 million at the date of repurchase) aggregate principal amount of our 2009 Fixed Rate Notes for EUR 49.3 million (approximately US$ 68.5 million at the date of repurchase) plus accrued interest. In connection with this repurchase, we recorded a loss on extinguishment of US$ 1.5 million, which includes the write off of US$ 0.8 million of unamortized debt issuance costs, and which is included within interest expense in the Consolidated Statement of Operations.

On March 10, 2008, we issued US$ 475.0 million of 3.50% Senior Convertible Notes (the "2008 Convertible Notes"). The 2008 Convertible Notes mature on March 15, 2013. On October 19, 2010, we repurchased US$ 34.8 million aggregate principal amount of our 2008 Convertible Notes for US$ 30.7 million plus accrued interest. In connection with this repurchase, we recorded a loss on extinguishment of US$ 0.7 million, which includes the write off of US$ 0.4 million of unamortized debt issuance costs, and is included within interest expense in the Consolidated Statement of Operations. See " *Repurchase of 2008 Convertible Notes"* below for further information. On February 18, 2011 we completed privately negotiated exchanges of US$ 206.3 million in aggregate principal amount of our 2008 Convertible Notes for US$ 206.3 million in aggregate principal amount of new 5.0% senior convertible notes due in 2015 (see Note 22, "Subsequent Events").

On May 16, 2007, we issued EUR 150.0 million (approximately US$ 200.4 million) of floating rate senior notes due 2014 (the "Floating Rate Notes", and collectively with the 2010 Fixed Rate Notes and 2009 Fixed Rate Notes, the "Senior Notes"), which bear interest at the six-month Euro Inter Bank Offered Rate ("EURIBOR") plus 1.625%. The applicable rate at December 31, 2010 was 2.90%. The Floating Rate Notes mature on May 15, 2014. On October 19, 2010, we repurchased EUR 2.0 million (approximately US$ 2.8 million at the date of repurchase) aggregate principal amount of our Floating Rate Notes for EUR 1.6 million (approximately US$ 2.3 million at date of repurchase) plus accrued interest. In connection with this repurchase, we recorded a gain on extinguishment of US$ 0.5 million which is included within interest expense in the Consolidated Statement of Operations.

Fixed Rate Notes

2010 Fixed Rate Notes

Interest is payable semi-annually in arrears on each May 1 and November 1, with the first payment due on May 1, 2011. The fair value of the 2010 Fixed Rate Notes as at December 31, 2010 was calculated by multiplying the outstanding debt by the traded market price.

The 2010 Fixed Rate Notes are secured senior obligations of CET 21 and rank equally with CET 21's obligations under the Senior Revolving Credit Facility (defined below). The 2010 Fixed Rate Notes rank pari passu with all existing and future senior indebtedness of CET 21 and are effectively subordinated to all existing and future indebtedness of our subsidiaries. The amounts outstanding are guaranteed by CME Ltd. and by our wholly-owned subsidiaries CME NV, CME BV, CME Investments, CME SH and Markiza and are secured by a pledge of the shares of CME NV, CME BV, CET 21, CME SH, and Media Pro Pictures s.r.o., as well as an assignment of certain contractual rights. The terms of the 2010 Fixed Rate Notes restrict the manner in which the Company's and CET 21'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 our present shareholders becomes the beneficial owner of more than 35.0% of our total voting power; (ii) we agree to sell substantially all of our operating assets; or (iii) there is a change in the composition of a majority of our Board of Directors; and (B) on the 60th day following any such change of control the rating of the 2010 Fixed Rate Notes is either withdrawn or downgraded from the rating in effect prior to the announcement of such change of control, we can be required to repurchase the 2010 Fixed Rate Notes at a purchase price in cash equal to 101.0% of the principal amount of the 2010 Fixed Rate Notes plus accrued and unpaid interest to the date of purchase.

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The 2010 Fixed Rate Notes are redeemable at our option, in whole or in part, at the redemption prices set forth below:

From:	Fixed Rate Notes Redemption Price
November 1, 2014 to October 31, 2015	104.50%
November 1, 2015 to October 31, 2016	102.25%
November 1, 2016 and thereafter	100.00%

Prior to November 1, 2013, up to 35% of the original principal amount of the 2010 Fixed Rate Notes can be redeemed at a price of 109.00% of the principal amount, plus accrued and unpaid interest if certain conditions are met.

Certain derivative instruments, including redemption call options and change of control and asset disposition put options, have been identified as being embedded in the 2010 Fixed Rate Notes but as they are considered clearly and closely related to the 2010 Fixed Rate Notes, they are not accounted for separately.

2009 Fixed Rate Notes

Interest is payable semi-annually in arrears on each March 15 and September 15. The fair value of the 2009 Fixed Rate Notes as at December 31, 2010 and December 31, 2009 was calculated by multiplying the outstanding debt by the traded market price.

The 2009 Fixed Rate Notes are secured senior obligations and rank pari passu with all existing and future senior indebtedness and are effectively subordinated to all existing and future indebtedness of our subsidiaries. The amounts outstanding are guaranteed by CME NV and CME BV and are secured by a pledge of shares of those subsidiaries as well as an assignment of certain contractual rights. The terms of our 2009 Fixed Rate Notes restrict the manner in which our 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 (see also Note 21, "Indenture Covenants").

In the event that (A) there is a change in control by which (i) any party other than certain of our present shareholders becomes the beneficial owner of more than 35.0% of our total voting power; (ii) we agree to sell substantially all of our operating assets; or (iii) there is a change in the composition of a majority of our Board of Directors; and (B) on the 60th day following any such change of control the rating of the 2009 Fixed Rate Notes is either withdrawn or downgraded from the rating in effect prior to the announcement of such change of control, we can be required to repurchase the 2009 Fixed Rate Notes at a purchase price in cash equal to 101.0% of the principal amount of the 2009 Fixed Rate Notes plus accrued and unpaid interest to the date of purchase.

The 2009 Fixed Rate Notes are redeemable at our 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%

Certain derivative instruments, including redemption call options and change of control and asset disposition put options, have been identified as being embedded in the 2009 Fixed Rate Notes but as they are considered clearly and closely related to the 2009 Fixed Rate Notes, they are not accounted for separately. We have included the net issuance premium within the carrying value of the 2009 Fixed Rate Notes and are amortizing it through interest expense using the effective interest method.

Floating Rate Notes

Interest is payable semi-annually in arrears on each May 15 and November 15. The fair value of the Floating Rate Notes as at December 31, 2010 and December 31, 2009 was equal to the outstanding debt multiplied by the traded market price.

The Floating Rate Notes are secured senior obligations and rank pari passu with all existing and future senior indebtedness and are effectively subordinated to all existing and future indebtedness of our subsidiaries. The amounts outstanding are guaranteed by CME NV and CME BV and are secured by a pledge of shares of those subsidiaries as well as an assignment of certain contractual rights. The terms of our Floating Rate Notes restrict the manner in which our 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 our present shareholders becomes the beneficial owner of more than 35.0% of our total voting power; (ii) we agree to sell substantially all of our operating assets; or (iii) there is a change in the composition of a majority of our Board of Directors; and (B) on the 60th day following any such change of control the rating of the Floating Rate Notes is either withdrawn or downgraded from the rating in effect prior to the announcement of such change of control, we can be required to repurchase the Floating Rate Notes at a purchase price in cash equal to 101.0% of the principal amount of the Floating Rate Notes plus accrued and unpaid interest to the date of purchase.

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

Certain derivative instruments, including redemption call options and change of control and asset disposition put options, have been identified as being embedded in the Floating Rate Notes but as they are considered clearly and closely related to the Floating Rate Notes, they are not accounted for separately.

2008 Convertible Notes

Interest is payable semi-annually in arrears on each March 15 and September 15. The fair value of the 2008 Convertible Notes as at December 31, 2010 and December 31, 2009 was calculated by multiplying the outstanding debt by the traded market price because we considered the value of the embedded conversion option to be zero since the market price of our shares was so far below the conversion price.

The 2008 Convertible Notes are secured senior obligations and rank pari passu with all existing and future senior indebtedness and are effectively subordinated to all existing and future indebtedness of our subsidiaries. The amounts outstanding are guaranteed by CME NV and CME BV 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 2008 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 our Class A common stock per US$ 1,000 principal amount of 2008 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 our Class A common stock on March 4, 2008). The conversion rate is subject to adjustment if we make certain distributions to the holders of our Class A common stock, undergo certain corporate transactions or a fundamental change, and in other circumstances specified in the 2008 Convertible Notes. From time to time up to and including December 15, 2012, we will have the right to elect to deliver (i) shares of our Class A common stock or (ii) cash and, if applicable, shares of our Class A common stock upon conversion of the 2008 Convertible Notes. At present, we have elected to deliver cash and, if applicable, shares of our Class A common stock. As at December 31, 2010, the 2008 Convertible Notes may not be converted. In addition, the holders of the 2008 Convertible Notes have the right to put the 2008 Convertible Notes to us for cash equal to the aggregate principal amount of the 2008 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).

In order to increase the effective conversion price of our 2008 Convertible Notes, on March 4, 2008 we purchased, for aggregate consideration of US$ 63.3 million, capped call options over 4,523,809 shares of our Class A common stock from Lehman Brothers OTC Derivatives Inc. ("Lehman OTC"), 1,583,333 shares, from BNP Paribas ("BNP"), 1,583,333 shares and from Deutsche Bank Securities Inc. ("DB"), 1,357,144 shares together, the "Capped Call Options". The amount of shares corresponds to the number of shares of our Class A common stock that would be issuable on a conversion of the 2008 Convertible Notes at the initial conversion price if we elected to settle the 2008 Convertible Notes solely in shares of Class A common stock. The Capped Call Options entitle us to receive, at our election, cash or shares of Class A common stock with a value equal approximately to the difference between the trading price of our shares at the time the option is exercised and US$ 105.00, up to a maximum trading price of US$ 151.20. These options expire on March 15, 2013. At present, we have elected to receive shares of our Class A common stock on exercise of the Capped Call Options.

At the date of purchase, we determined that all of the Capped Call Options met the definition of an equity instrument within the scope of ASC 815, *Derivatives and Hedging* , and consequently recognized them on issuance at fair value within additional paid-in capital. We believe that this classification is still correct with respect to the BNP and DB Capped Call Options and have continued to recognize them within Equity. Subsequent changes in fair value have not been, and will not be, recognized as long as the instruments continue to be classified in Equity.

The bankruptcy filing of Lehman Brothers Holdings ("Lehman Holdings"), as guarantor under the capped call option agreement with Lehman OTC, in September 2008 was an event of default that gave us the right to early termination of the Lehman OTC Capped Call options and effectively extinguished the capped call option agreement with Lehman OTC. On March 3, 2009, we assigned our claim in the bankruptcy proceedings of Lehman Holdings and Lehman OTC to an unrelated third party for cash consideration of US$ 3.4 million, or 17.0% of the claim value, which was recognized as other income within selling, general and administrative expenses in our Consolidated Statement of Operations (see also Note 19, "Commitments and Contingencies: Lehman Brothers Bankruptcy Claim").

(Tabular amounts in US$ 000's, except share data)

Prior to the termination of the Capped Call Options with Lehman OTC, we noted that no dilution would occur prior to the trading price of our Class A common stock reaching US$ 151.20. This conclusion was based on a number of assumptions, including that we would exercise all Capped Call Options simultaneously, we would continue with our election to receive shares of our Class A common stock on the exercise of the Capped Call Options, and no event that would result in an adjustment to the conversion rate of value of the options would have occurred.

Following the termination of the Lehman OTC Capped Call Options, which represented 35% of the total number of Capped Call Options we acquired on March 4, 2008, limited dilution will occur following the exercise of the remaining BNP and DB Capped Call Options if the price of shares of our Class A common stock is between US$ 105.00 per share and US$ 151.20 per share when the 2008 Convertible Notes are converted.

At December 31, 2010, the Capped Call Options could not be exercised because no conversion of any 2008 Convertible Notes had occurred. In the event any 2008 Convertible Notes had been converted at December 31, 2010, no shares of our Class A common stock would have been issuable because the closing price of our shares was below US$ 105.00 per share. The aggregate fair value of the remaining Capped Call Options with DB and BNP fell significantly at December 31, 2010 to approximately US$ 21 thousand.

In accordance with ASC 470, *Debt* , we calculated the value of the conversion option embedded in the 2008 Convertible Notes and accounted for it separately.

US$'000	**Principal amount of liability component**	**Unamortized discount**	**Net carrying value**	**Equity component**
As at December 31, 2007	**-**	**-**	**-**	**-**
Issuance of 2008 Convertible Notes	$ 475,000	$ (110,752)	$ 364,248	$ 110,752
Amortization of debt issuance discount	-	14,556	14,556	-
As at December 31, 2008	**475,000**	**(96,196)**	**378,804**	**110,752**
Amortization of debt issuance discount	-	19,519	19,519	-
As at December 31, 2009	**475,000**	**(76,677)**	**398,323**	**110,752**
Extinguishment of debt	(34,800)	4,396	(30,404)	-
Amortization of debt issuance discount	-	21,299	21,299	-
As at December 31, 2010	**$ 440,200**	**$ (50,982)**	**$ 389,218**	**$ 110,752**

The remaining issuance discount is being amortized over the life of the 2008 Convertible Notes, which mature on March 15, 2013. The effective interest rate on the liability component for all periods presented was 10.3%.

Certain other derivative instruments have been identified as being embedded in the 2008 Convertible Notes, but as they are considered to be clearly and closely related to the 2008 Convertible Notes they are not accounted for separately.

(Tabular amounts in US$ 000's, except share data)

Repurchase of 2008 Convertible Notes

As noted above, we repurchased US$ 34.8 million principal amount of our 2008 Convertible Notes on October 19, 2010 for a cash payment of US$ 30.7 million, including transaction costs. We accounted for this transaction in accordance with ASC Topic 470, which requires allocation of the cash payment between an amount in respect of the value of the liability that was extinguished and an amount in respect of the reacquisition of the equity component.

The full amount of the consideration was allocated to the liability since the fair value of that component exceeded the settlement consideration and the convertible option did not have any value as the market price of our shares on the date of extinguishment was below the conversion price of $105.0. The difference between the consideration and the net carrying amount of the liability and the allocated unamortized debt issuance costs of US$ 0.7 million was recorded as a loss on extinguishment of debt within interest expense in the Consolidated Statement of Operations for the year ended December 31, 2010.

The amount allocated to the extinguishment of the liability component was equal to the fair value of that component immediately prior to extinguishment, which was determined based on the future cash flows associated with the repurchased portion of the 2008 Convertible Notes discounted using the rate of return an investor would have required on our non-convertible debt with other terms substantially similar to the 2008 Convertible Notes. The most critical input used to determine the fair value of the liability component of the 2008 Convertible Notes was the discount rate used in calculating the present value of the future cash flows associated with the 2008 Convertible Notes. We used a combination of observed prices paid for similar debt and incorporated a US$ risk free rate for debt with similar remaining life to the 2008 Convertible Notes to determine an overall discount rate.

Credit Facilities and Capital Lease Obligations

Credit facilities and capital lease obligations comprised the following at December 31, 2010 and December 31, 2009:

		December 31, 2010	December 31, 2009
Credit facilities	(a) – (h)	$ 14,004	$ 117,991
Capital leases		4,236	5,949
Total credit facilities and capital leases		**18,240**	**123,940**
Less current maturities		(13,562)	(117,910)
Total non-current credit facilities and capital leases		**$ 4,678**	**$ 6,030**

(a) We have an uncommitted multicurrency overdraft facility for EUR 5.0 million (approximately US$ 6.7 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 us to receive credit across the group in respect of cash balances which our subsidiaries in The Netherlands, Bulgaria, the Czech Republic, Romania, the Slovak Republic and Slovenia deposit with BMG. Cash deposited by our subsidiaries with BMG is pledged as security against the drawings of other subsidiaries up to the amount deposited. Under the facility, we are permitted to draw EUR 5.0 million (approximately US$ 6.7 million) in excess of amounts deposited.

As at December 31, 2010, we had deposits of US$ 20.3 million and drawings of US$ 12.3 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%.

(b) On December 21, 2009, CET 21 entered into a Facility Agreement (the "Erste Facility") with Er ste Group Bank A.G. as arranger, Česká Spořitelna, a.s. ("CSAS") as facility agent and security agent, and each of CSAS, UniCredit Bank Czech Republic, a.s. ("UniCredit") and BNP Paribas as original lenders. The Erste Facility was drawn in full in February 2010. On October 21, 2010, CET 21 used a portion of the net proceeds of the 2010 Fixed Rate Notes to repay in full the CZK 2.8 billion (approximately US$ 159.9 million at the date of repayment) principal outstanding under the Erste Facility plus accrued interest. We incurred US$ 1.4 million in break costs and we wrote off US$ 2.5 million in unamortized debt issuance costs as a result of the repayment, which are included in interest expense in the Consolidated Statement of Operations.

(c) On October 21, 2010, CET 21 entered into a five-year CZK 1.5 billion (approximately US$ 80.0 million) secured revolving credit facility (the "Secured Revolving Credit Facility") with BNP Paribas S.A., J.P. Morgan plc, Citigroup Global Markets Limited, ING and CSAS, as mandated lead arrangers and original lenders, BNP Paribas S.A., as agent, BNP Paribas Trust Corporation UK Limited, as security agent, and CME Ltd., CME NV, CME BV, CME Investments, CME SH and Markiza as the original guarantors. Interest under the facility is calculated at a rate per annum of 4.50% above PRIBOR for the relevant interest period. The Secured Revolving Credit Facility will decrease to CZK 750.0 million (approximately US$ 40.0 million) on the fourth anniversary of the signing date. Drawings under the facility by CET 21 are expected to be used for working capital requirements and for general corporate purposes. As at December 31, 2010, we had satisfied the principal condition to utilize the Secured Revolving Credit Facility as we had repurchased, subsequent to September 30, 2010, approximately US$ 100.0 million of our long-term indebtedness. The Security Revolving Credit Facility contains customary representations, warranties, covenants and events of default. The covenants include limitations on CET 21's ability to incur additional indebtedness, create liens, make disposals and to carry out certain other types of transactions. At December 31, 2010, there were no drawings under the Secured Revolving Credit Facility. As of December 31, 2010, CET 21 had an interest rate swap to hedge the interest rate exposure on the future outstanding principal outstanding under the Secured Revolving Credit Facility (see Note 11, "Financial Instruments and Fair Value Measurements").

(d) As at December 31, 2010, there were no drawings under a CZK 300.0 million (approximately US$ 16.0 million) factoring facility with Factoring Ceska Sporitelna ("FCS") which is available until June 30, 2011. The facility bears interest at one-month PRIBOR plus 2.5% for the period that actively assigned accounts receivable are outstanding.

(e) As at December 31, 2009, CET 21 had drawn CZK 1.2 billion (approximately US$ 65.3 million) under a credit facility granted by CSAS. The whole amount was repaid in full (approximately US$ 64.6 million at the date of repayment) with the drawings under the Erste Facility on January 22, 2010 and was subsequently cancelled.

(f) As at December 31, 2009, CET 21 had drawn CZK 250.0 million (approximately US$ 13.6 million) under a working capital facility granted by CSAS. The whole amount was repaid in full (approximately US$ 13.5 million at the date of repayment) with the drawings under the Erste Facility on January 22, 2010 and was subsequently cancelled.

(g) At December 31, 2010, Media Pro Entertainment had an aggregate principal amount of RON 9.3 million (approximately US$ 2.9 million) of loans outstanding with the Central National al 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 December 31, 2010, we had 12 loans outstanding with the CNC with maturity dates ranging from 2011 to 2020. The carrying amounts at December 31, 2010 and December 31, 2009 are net of a fair value adjustment of US$ 1.2 million to reflect the interest-free nature of the loans arising on acquisition.

(Tabular amounts in US$ 000's, except share data)

(h) As at December 31, 2009, Pro Plus had drawn EUR 22.5 million (approximately US$ 32.4 million) under a revolving facility agreement entered into in July 2005 with ING, Nova Ljubljanska Banka d.d., Ljubljana and Bank Austria Creditanstalt d.d., Ljubljana. The whole amount was repaid in full in April 2010 (approximately US$ 30.2 million at date of repayment) and the revolving facility expired on July 22, 2010.

Total Group

At December 31, 2010, the maturity of our senior debt and credit facilities was as follows:

2011	$ 12,508
2012	-
2013	389,218
2014	198,041
2015	-
2016 and thereafter	755,781
Total	**$ 1,355,548**

Capital Lease Commitments

We lease certain of our office and broadcast facilities as well as machinery and equipment under various leasing arrangements. The future minimum lease payments, by year and in the aggregate, under capital leases with initial or remaining non-cancellable lease terms in excess of one year, consisted of the following at December 31, 2010:

2011	$ 1,171
2012	800
2013	510
2014	372
2015	372
2016 and thereafter	1,582
	4,807
Less: amount representing interest	(571)
Present value of net minimum lease payments	**$ 4,236**

6. ACCOUNTS RECEIVABLE

Accounts receivable comprised the following at December 31, 2010 and 2009, respectively:

	December 31, 2010	December 31, 2009
Third-party customers	$ 221,463	$ 192,906
Less allowance for bad debts and credit notes	(13,202)	(13,201)
Related parties	884	2,170
Less allowance for bad debts and credit notes	(3)	(892)
Total accounts receivable	**$ 209,142**	**$ 180,983**

(Tabular amounts in US$ 000's, except share data)

We had net bad debt recoveries of US$ 0.2 million for the year ended December 31, 2010. Bad debt expense for the years ending December 31, 2009 and 2008 was US$ 2.8 million and US$ 0.4 million, respectively.

At December 31, 2010, receivables of CZK 676.0 million (approximately US$ 36.1 million) (December 31, 2009: CZK 713.5 million, approximately US$ 38.8 million), were pledged as collateral subject to a revolving credit facility and factoring agreement. Of this amount, CZK 513.2 million (approximately US$ 27.4 million) (December 31, 2009: CZK 713.5 million, approximately US$ 38.8 million), of receivables in the Czech Republic were pledged as collateral subject to a factoring agreement (see Note 5, "Long-Term Debt and Other Financing Arrangements").

7. OTHER ASSETS

Other current and non-current assets comprised the following at December 31, 2010 and 2009, respectively:

	December 31, 2010	December 31, 2009
Current:		
Prepaid programming	$ 37,692	$ 44,219
Productions in progress	985	12,234
Other prepaid expenses	11,083	9,431
Income taxes recoverable	7,956	7,426
Deferred tax	3,835	4,948
VAT recoverable	7,333	6,625
Capitalized debt costs	5,940	5,591
Inventory	2,351	1,555
Restricted Cash	540	1,046
Other	972	1,178
Total other current assets	**$ 78,687**	**$ 94,253**

	December 31, 2010	December 31, 2009
Non-current:		
Capitalized debt costs	$ 26,937	$ 22,816
Deferred tax	1,378	10,977
Productions in progress	226	7,737
Other	3,224	2,969
Total other non-current assets	**$ 31,765**	**$ 44,499**

Capitalized debt costs primarily comprise the costs incurred in connection with the issuance of our Senior Notes and 2008 Convertible Notes (see Note 5, "Long-Term Debt and Other Financing Arrangements"), and are being amortized over the term of the Senior Notes and 2008 Convertible Notes using either the straight-line method, which approximates the effective interest method.

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8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprised the following at December 31, 2010 and 2009, respectively:

	December 31, 2010	December 31, 2009
Land and buildings	$ 166,082	$ 169,568
Machinery, fixtures and equipment	202,447	206,954
Other equipment	32,258	33,260
Software licenses	40,072	37,176
Construction in progress	17,044	13,211
Total cost	**457,903**	**460,169**
Less: Accumulated depreciation	(207,001)	(185,459)
Total net book value	**$ 250,902**	**$ 274,710**
Assets held under capital leases (included in the above)		
Land and buildings	4,904	6,079
Machinery, fixtures and equipment	2,587	3,927
Total cost	**7,491**	**10,006**
Less: Accumulated depreciation	(2,113)	(2,180)
Net book value	**$ 5,378**	**$ 7,826**

Depreciation expense for the years ending December 31, 2010, 2009 and 2008 was US$ 58.1 million, US$ 52.6 million and US$ 49.5 million, respectively.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprised the following at December 31, 2010 and 2009, respectively:

	December 31, 2010	December 31, 2009
Accounts payable	$ 52,233	$ 42,854
Programming liabilities	67,396	58,807
Duties and other taxes payable	17,889	18,927
Accrued staff costs	23,802	17,356
Accrued interest payable	27,162	26,686
Income taxes payable	3,728	3,895
Accrued production costs	3,035	7,439
Accrued legal contingencies and professional fees	3,994	1,589
Authors' rights	9,534	4,751
Other accrued liabilities	15,285	16,871
Total accounts payable and accrued liabilities	**$ 224,058**	**$ 199,175**

(Tabular amounts in US$ 000's, except share data)

10. OTHER LIABILITIES

Other current and non-current liabilities comprised the following as at December 31, 2010 and 2009, respectively:

	December 31, 2010	December 31, 2009
Current:		
Deferred revenue	$ 4,580	$ 7,765
Consideration payable	-	1,614
Deferred tax	672	3,319
Derivative liabilities	180	-
Other	24	142
Total other current liabilities	**$ 5,456**	**$ 12,840**

	December 31, 2010	December 31, 2009
Non-current:		
Deferred tax	$ 82,624	$ 72,715
Program rights	10,054	6,876
Derivative liabilities	10,259	8,567
Income taxes payable	-	507
Other	563	206
Total other non-current liabilities	**$ 103,500**	**$ 88,871**

11. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements*, 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 under ASC 820-10-35 are:

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.

We evaluate the position of each financial instrument measured at fair value in the hierarchy individually based on the valuation methodology we apply. At December 31, 2010, we had the following currency and interest rate swap agreements carried at fair value using significant level 2 inputs and the call option issued in connection with the restructuring of the Pro.BG business (see Note 3, "Acquisitions and Disposals") which is carried at fair value using significant level 3 inputs:

Currency Swaps

On April 27, 2006, we entered into currency swap agreements with two counterparties whereby we swapped a fixed annual coupon interest rate (of 9.0%) on notional principal of CZK 10.7 billion (approximately US$ 570.6 million), payable on each July 15, October 15, January 15, and April 15 up to the termination date of April 15, 2012, for a fixed annual coupon interest rate (of 9.0%) on notional principal of EUR 375.9 million (approximately US$ 502.2 million) receivable on each July 15, October 15, January 15, and April 15 up to the termination date of April 15, 2012.

We reduce our exposure to movements in EUR to CZK foreign exchange rate from the Euro-denominated interest payments on our Senior Notes (see Note 5, "Long-Term Debt and Other Financing Arrangements") by partially converting them into CZK using these currency swap agreements. These financial instruments are used to minimize currency risk and are considered an economic hedge of foreign exchange rates. These instruments have not been designated as hedging instruments as defined under ASC 815 and so changes in their fair value are recorded in the Consolidated Statement of Operations and in the Consolidated Balance Sheet in other non-current liabilities.

We value these currency swap agreements using an industry-standard currency swap pricing model which calculates the fair value on the basis of the net present value of the estimated future cash flows receivable or payable. These instruments are allocated to level 2 of the fair value hierarchy because the critical inputs to this model, including the relevant yield curves and the known contractual terms of the instrument, are readily observable.

The fair value of these instruments as at December 31, 2010 and at December 31, 2009 was a US$ 9.2 million liability and US$ 8.6 million liability, respectively. A derivative loss of US$ 0.5 million, a derivative gain of US$ 1.3 million and a derivative gain of US$ 6.4 million was recognized in the Consolidated Statement of Operations for the years ended December 31, 2010, 2009 and 2008, respectively.

Interest Rate Swap

On February 9, 2010, we entered into an interest rate swap agreement with UniCredit and CSAS, expiring in 2013, to reduce the impact of changing interest rates on our floating rate debt that is denominated in CZK. The interest rate swap is a financial instrument that is used to minimize 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 Consolidated Statement of Operations and in the Consolidated Balance Sheet in other non-current liabilities.

We value 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.

(Tabular amounts in US$ 000's, except share data)

The fair value of the interest rate swap as at December 31, 2010 was a US$ 1.1 million liability. A loss of US$ 1.1 million was recognized in the Consolidated Statement of Operations for the year ended December 31, 2010.

Call Option

As described in Note 3, "Acquisitions and Disposals", we issued a call option to Top Tone Holdings in connection with the restructuring of the Pro.BG business. We used a binomial option pricing model to value the call option liability at US$ 3.0 million as at April 19, 2010, the date we acquired the bTV group. The main inputs used in the valuation model include current risk-free interest rates and the known contractual terms of the instrument which are observable and transparent. Volatility was also used as an input into the model and was determined using management's estimates and equity volatilities of comparable companies. The most significant input used in the model was the call option's spot price, or the current price of the underlying asset, which is the value of the equity in CME Bulgaria and has been determined using management's best estimates and assumptions including discounted forecasted cash flows. This financial instrument is allocated to level 3 of the fair value hierarchy due to the significance of the unobservable inputs used in the valuation model.

Subsequent changes in the fair value of the call option are recorded as a derivative gain or loss in the Consolidated Statement of Operations and in the Consolidated Balance Sheet in other current liabilities.

The fair value of the call option as at December 31, 2010 was a US$ 0.2 million liability and the movement for the year ended December 31, 2010 was as follows:

Level 3		**US$ '000**
Beginning balance, January 1, 2010	**$**	**-**
Addition		2,970
Gain recorded in earnings in 2010		(2,790)
Ending balance, December 31, 2010	**$**	**180**

12. EQUITY

Preferred Stock

5,000,000 shares of Preferred Stock, with a US$ 0.08 par value, were authorized as at December 31, 2010 and December 31, 2009. None were issued and outstanding as at December 31, 2010 and December 31, 2009.

Class A and B Common Stock

100,000,000 shares of Class A common stock and 15,000,000 shares of Class B common stock were authorized as at December 31, 2010 and December 31, 2009. The rights of the holders of Class A common stock and Class B common stock are identical except for voting rights. The shares of Class A common stock are entitled to one vote per share and the shares of Class B common stock are entitled to ten votes per share. Class B common stock is convertible into Class A common stock for no additional consideration on a one-for-one basis. Holders of each class of shares are entitled to receive dividends and upon liquidation or dissolution are entitled to receive all assets available for distribution to shareholders. The holders of each class have no preemptive or other subscription rights and there are no redemption or sinking fund provisions with respect to such shares.

(Tabular amounts in US$ 000's, except share data)

On May 24, 2010, we issued 800,000 shares of our Class A common stock in connection with our acquisition of the remaining ownership interests of approximately 5.0% in each of Pro TV, MPI and MV from Adrian Sarbu (see Note 3, "Acquisitions and Disposals").

On December 9, 2009, in connection with the acquisition of the Media Pro Entertainment business from Adrian Sarbu, we issued 1,600,000 shares of Class A common stock and warrants to purchase up to 600,000 shares of Class A common stock to Alerria and 600,000 shares of Class A common stock and warrants to purchase up to 250,000 shares of Class A common stock to Metrodome.

On September 28, 2009, the general partner of CME Holdco L.P., the holder of approximately 6.3 million shares of Class B common stock and 60,000 shares of Class A common stock, issued a notice of dissolution to the partners informing them that it intended to dissolve the partnership and distribute its assets pursuant to the terms of the partnership agreement. Due to the ownership restrictions with respect to shares of Class B common stock as set forth in our bye-laws, a certain amount of shares of Class B common stock were converted to shares of Class A common stock prior to the distribution of the partnership assets. Following the conversion, Adele (Guernsey) L.P., a fund affiliated with Apax Partners, received 3,168,566 shares of Class A common stock, a minority partner received 213,337 shares of Class A common stock and entities affiliated with Ronald Lauder received 2,990,936 shares of Class B common stock.

On May 18, 2009, we issued 14.5 million shares of Class A common stock at a price of US$ 12.00 per share and 4.5 million shares of Class B common stock at a price of US$ 15.00 per share to Time Warner Media Holdings B.V., an affiliate of Time Warner Inc. ("Time Warner") for an aggregate offering price of US$ 241.5 million.

There were approximately 7.5 million shares of Class B common stock and 56.9 million shares of Class A common stock outstanding at December 31, 2010.

13. INCOME TAXES

As our investments are predominantly owned by Dutch holding companies, the components of the provision for income taxes and of the income from continuing operations before provision for income taxes have been analyzed between their Netherlands and non-Netherlands components. Similarly the Dutch corporate income tax rates have been used in the reconciliation of income taxes.

(Loss) / Income before provision for income taxes, noncontrolling interest, equity in income of unconsolidated affiliates and discontinued operations:

The Netherlands and non-Netherlands components of (loss) / income from continuing operations before income taxes are:

	For the Years Ended December 31,		
	2010	**2009**	**2008**
Domestic	$ (77,267)	$ 130,185	$ (15,795)
Foreign	(34,632)	(196,431)	99,945
	$ (111,899)	**$ (66,246)**	**$ 84,150**

Included in domestic income for 2009 is US $89.7 million of intercompany dividend income, with an equivalent expense included within foreign income. These dividends are neither taxable in the Netherlands nor deductible in the foreign entity.

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Total tax charge for the years ended December 31, 2010, 2009 and 2008 was allocated as follows:

	For the Years Ended December 31,		
	2010	**2009**	**2008**
Income tax expense from continuing operations	$ 5,025	$ 4,737	$ 42,208
Income tax expense / (credit) from discontinued operations	30	(7,938)	(7,747)
Total tax expense	**$ 5,055**	**$ (3,201)**	**$ 34,461**

In 2010, there were tax charges on both domestic and foreign profits because some companies are tax paying and other companies have valuation allowances in respect of their tax losses.

Income Tax Provision:

The Netherlands and non-Netherlands components of the provision for income taxes from continuing operations consist of:

	For the Years Ended December 31,		
	2010	**2009**	**2008**
Current income tax expense:			
Domestic	$ 549	$ 371	$ 253
Foreign	12,310	18,276	49,376
	12,859	**18,647**	**49,629**
Deferred tax (benefit)/expense:			
Domestic	-	(2)	21
Foreign	(7,834)	(13,908)	(7,442)
	(7,834)	**(13,910)**	**(7,421)**
Provision for income taxes	**$ 5,025**	**$ 4,737**	**$ 42,208**

Reconciliation of Effective Income Tax Rate:

The following is a reconciliation of income taxes, calculated at statutory Netherlands rates, to the income tax provision included in the accompanying Consolidated Statements of Operations for the years ended December 31, 2010, 2009 and 2008:

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	For the Years Ended December 31,		
	2010	**2009**	**2008**
Income taxes at Netherlands rates (25.5%)	$ (28,521)	$ (16,877)	$ 21,449
Jurisdictional differences in tax rates	416	25,064	4,376
Tax effect of goodwill impairment	-	-	6,050
Unrecognized tax benefits	2,444	12,343	2,916
Interest expense disallowed	172	-	1,150
Tax effect of other permanent differences	666	956	2,024
Effect of changes in tax rates	-	-	9
Change in valuation allowance	30,427	(16,349)	6,625
Other	(579)	(400)	(2,391)
Provision for income taxes	**$ 5,025**	**$ 4,737**	**$ 42,208**

In 2008 we recognized impairment losses against goodwill in our Bulgaria operations for which there is no tax credit. In 2009 we recognized further impairment losses against intangible assets in our Bulgaria operations for which there was a tax credit at the Bulgarian tax rate.

Components of Deferred Tax Assets and Liabilities

The following table shows the significant components included in deferred income taxes as at December 31, 2010 and 2009:

	December 31, 2010	**December 31, 2009**
Assets:		
Tax benefit of loss carry-forwards and other tax credits	$ 90,532	$ 58,561
Programming rights	10,322	12,339
Property, plant and equipment	3,132	1,538
Accrued expenses	4,975	5,968
Other	9,864	6,782
Gross deferred tax assets	**118,825**	**85,188**
Valuation allowance	(90,553)	(60,146)
Net deferred tax assets	**28,272**	**25,042**
Liabilities:		
Broadcast licenses, trademarks and customer relationships	$ (78,751)	$ (57,899)
Property, plant and equipment	(11,304)	(8,289)
Programming rights	(8,742)	(8,580)
Temporary difference due to timing	(7,558)	(10,383)
Total deferred tax liabilities	**(106,355)**	**(85,151)**
Net deferred income tax liability	**$ (78,083)**	**$ (60,109)**

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Deferred tax is recognized on the Consolidated Balance Sheet as follows:

	December 31, 2010	December 31, 2009
Net current deferred tax assets	$ 3,835	$ 4,948
Net non-current deferred tax assets	1,378	10,977
	5,213	15,925
Net current deferred tax liabilities	(672)	(3,319)
Net non-current deferred tax liabilities	(82,624)	(72,715)
	(83,296)	(76,034)
Net deferred income tax liability	**$ (78,083)**	**$ (60,109)**

We provided a valuation allowance against potential deferred tax assets of US$ 90.6 million and US$ 60.1 million as at December 31, 2010 and 2009, respectively, since it has been determined by management, based on the weight of all available evidence, that it is more likely than not that the benefits associated with these assets will not be realized.

During 2010, we had the following movements on valuation allowances:

Balance at December 31, 2009	**$ 60,146**
Charged to costs and expenses	30,427
Foreign exchange	(20)
Balance at December 31, 2010	**$ 90,553**

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As of December 31, 2010 we have operating loss carry-forwards that will expire in the following periods:

Year	2011	2012	2013	2014	2015 - 27	Indefinite
Austria	$ -	$ -	$ -	$ -	$ -	$ 10,294
Bulgaria	2,646	4,012	17,153	39,049	45,432	-
Croatia	8,804	24,418	13,735	11,950	9,841	-
Czech Republic	30	51	7,383	5,743	6,670	-
Hungary	-	-	-	36	24	-
Netherlands	-	-	5,411	10,743	182,817	-
Romania	-	1,306	2,618	6,132	24,015	-
Slovakia	-	-	-	-	10,561	-
Slovenia	-	-	-	-	-	11,948
United Kingdom	-	-	-	-	-	3,514
United States	-	-	-	-	5,250	-
Total	**$ 11,480**	**$ 29,787**	**$ 46,300**	**$ 73,653**	**$ 284,610**	**$ 25,756**

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.

We have provided valuation allowances against most of the above loss carry-forwards. However, valuation allowances have not been provided against the loss carry-forwards in Slovakia on the basis that we consider it more likely than not that we will utilize these tax benefits. The tax benefits associated with the losses in the United Kingdom and the United States are only recognized in the financial statements as they are utilized.

We have not provided income taxes or withholding taxes on US$ 504.6 million (2009: US$ 527.4 million) of cumulative undistributed earnings of our subsidiaries and affiliates as these earnings are either permanently reinvested in the companies concerned or can be recovered tax-free. It is not practicable to estimate the amount of taxes that might be payable on the distribution of these earnings.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance at December 31, 2007	**$ 1,381**
Increases for tax positions taken during a prior period	1,104
Increases for tax positions taken during the current period	1,999
Decreases resulting from the expiry of the statute of limitations	(187)
Other	(27)
Balance at December 31, 2008	**4,270**
Increases for tax positions taken during a prior period	95
Increases for tax positions taken during the current period	12,843
Decreases resulting from the expiry of the statute of limitations	(595)
Other	23
Balance at December 31, 2009	**16,636**
Increases for tax positions taken during a prior period	(428)
Increases for tax positions taken during the current period	2,872
Settlements with tax authorities	(252)
Other	(170)
Balance at December 31, 2010	**$ 18,658**

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The total amount of unrecognized benefits that, if recognized, would affect the effective tax rate amounts to US$ 0.1 million. It is reasonably possible that the total amount of unrecognized tax benefits will not decrease within 12 months of the reporting date as a result of tax audits closing and statutes of limitations expiring.

Our subsidiaries file income tax returns in The Netherlands and various other tax jurisdictions including the United States. As at December 31, 2010, analyzed by major tax jurisdictions, our subsidiaries are generally no longer subject to income tax examinations for years before:

Country	Year
Bulgaria	2003
Croatia	2006
Czech Republic	2008
Netherlands	2007
Romania	2006
Slovak Republic	2005
Slovenia	2005
United States	2009
United Kingdom	2009

We recognize, when applicable, both accrued interest and penalties related to unrecognized benefits in income tax expense in the accompanying consolidated statements of operations.

The liability for accrued interest and penalties was nil and US$ 0.2 million at December 31, 2010 and 2009, respectively. The decrease for the year ended December 31, 2010 of US$ 0.2 million is a result of settlements with the tax authorities.

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14. INTEREST EXPENSE

Interest expense comprised the following for the years ended December 31, 2010, 2009 and 2008 respectively:

	For the Year Ended December 31,		
	2010	**2009**	**2008**
Interest on Senior Notes	$ 75,783	$ 52,478	$ 43,962
Interest on 2008 Convertible Notes	16,378	16,625	13,439
Interest on credit facilities and other financing arrangements	9,040	8,169	6,004
	101,201	**77,272**	**63,405**
Amortization of capitalized debt issuance costs	5,706	9,565	4,426
Amortization of issuance discount on 2008 Convertible Notes	21,299	19,519	14,556
Loss on extinguishment of debt, net	5,299	9,415	-
	32,304	**38,499**	**18,982**
Total interest expense	**$ 133,505**	**$ 115,771**	**$ 82,387**

15. STOCK-BASED COMPENSATION

6,000,000 shares have been authorized for issuance in respect of equity awards under our Amended and Restated Stock Incentive Plan ("the Plan"). Under the Plan, awards are made to employees at the discretion of the Compensation Committee and to directors pursuant to an annual automatic grant under the Plan or at the discretion of the Board of Directors.

Grants of options allow the holders to purchase shares of Class A common stock or Class B common stock at an exercise price, which is generally the market price prevailing at the date of the grant, with vesting between one and four years after the awards are granted.

Pursuant to the Plan, employees and members of our Board of Directors were awarded options during the year ended December 31, 2010. The fair value of these option grants was estimated on the date of the grant using the Black-Scholes option-pricing model, with the following assumptions used:

Date of Option Grant	Number of Options Granted	Risk-free Interest Rate (%)	Expected Term (years)	Expected Volatility (%)	Fair Value (US$/share)	Exercise Price (US$/share)
March 1, 2010	125,000	2.28	5.25	54.6	13.41	26.80
March 16, 2010	150,000	2.37	5.25	54.6	14.91	29.73
June 15, 2010	305,000	2.10	5.25	55.4	12.00	23.85
June 15, 2010	105,000	1.26	3.0	67.8	10.82	23.85
June 15, 2010	5,000	1.26	3.0	67.8	10.50	25.04
September 14, 2010	15,000	0.77	3.0	68.2	10.70	23.67
September 14, 2010	15,000	1.43	5.25	55.6	11.73	23.67

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When options are vested, holders may exercise them at any time up to the maximum contractual life of the instrument which is specified in the option agreement. At December 31, 2010, the maximum life of options that had been issued under the Plan was 10 years. Upon providing the appropriate written notification, holders pay the exercise price and receive shares. Shares delivered under the Plan are newly issued shares. We received US$ 0.6 million in cash from the awards that were exercised in 2010 which had an intrinsic value of US$ $0.2 million. No options were exercised in 2009. We received US$ 1.2 million in cash from the awards that were exercised in 2008 which had an intrinsic value of US$ 0.8 million. The income tax benefits realized thereon was nil in 2010 and US$ 0.1 million in 2008.

The exercise of stock options has generated a net operating loss brought forward in our Delaware subsidiary of US$ 7.4 million at January 1, 2010 and US$ 8.5 million at January 1, 2009. In the years ended December 31, 2010 and December 31, 2009, tax benefits of US$ 0.7 million and US$ 0.3 million, respectively, were recognized in respect of the utilization of part of this loss, and were recorded as additional paid-in capital, net of US$ 0.1 million and US$ 0.3 million of transfers related to the write-off of deferred tax assets arising upon forfeitures for the years ended December 31, 2010 and 2009, respectively. The losses are subject to examination by the tax authorities and to restriction on their utilization.

Under the provisions of ASC 718, *Compensation – Stock Compensation*, the fair value of stock options is estimated on the grant date using the Black-Scholes option-pricing model and recognized ratably over the requisite service period.

The charge for stock-based compensation in our Consolidated Statements of Operations was as follows:

	For the Year Ended December 31,		
	2010	**2009**	**2008**
Stock-based compensation charged	6,837	6,218	6,107
Income tax benefit recognized	-	(317)	(641)

As of December 31, 2010, there was US$ 9.6 million of total unrecognized compensation expense related to options. The expense is expected to be recognized over a weighted average period of 2.1 years.

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A summary of option activity for the year ended December 31, 2010 is presented below:

	Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at January 1, 2010	**2,000,750**	**$ 39.59**	**5.24**	**$ 5,645**
Granted	720,000	25.59	-	-
Exercised	(32,313)	18.31	-	-
Forfeited	(149,375)	47.28	-	-
Outstanding at December 31, 2010	**2,539,062**	**$ 35.44**	**4.95**	**$ 2,189**
Vested or expected to vest	2,436,335	35.83	4.88	2,134
Exercisable at December 31, 2010	**1,426,247**	**$ 42.53**	**3.85**	**$ 1,761**

Under the provisions of ASC 718, the fair value of stock options that are expected to vest is estimated on the grant date using the Black-Scholes option-pricing model and recognized ratably over the requisite servicing period. The calculation of compensation cost requires the use of several significant assumptions which are calculated as follows:

- *Expected forfeitures.* ASC 718 requires that compensation cost only be calculated on those instruments that are expected to vest in the future. The number of options that actually vest will usually differ from the total number issued because employees forfeit options when they do not meet the service conditions stipulated in the agreement. Since all forfeitures result from failure to meet service conditions, we have calculated the forfeiture rate by reference to the historical employee turnover rate.
- *Expected volatility.* Expected volatility has been calculated based on an analysis of the historical stock price volatility of the company and its peers for the preceding period corresponding to the options' expected life. We consider this basis to represent the best indicator of expected volatility over the life of the option.
- *Expected term.* The expected term of options granted has been calculated following the "shortcut" method as outlined in ASC 718 because our options meet the definition of "plain vanilla" therein. Since insufficient data about holder exercise behavior is available to make estimates of expected term, we have continued to apply the shortcut method in accordance with ASC 718.

The weighted average assumptions used in the Black-Scholes model for grants made in the years ending December 31, 2010, 2009 and 2008 were as follows:

	For the Years Ended December 31,		
	2010	**2009**	**2008**
Risk-free interest rate	2.02%	1.40%	1.51%
Expected term (years)	4.9	3.9	4.6
Expected volatility	57.26%	57.20%	45.18%
Dividend yield	0%	0%	0%
Weighted-average fair value	$ 12.64	$ 8.31	$ 12.31

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The following table summarizes information about stock option activity during 2010, 2009, and 2008:

	2010		2009		2008	
	Shares	Weighted Average Exercise Price (US$/share)	Shares	Weighted Average Exercise Price (US$/share)	Shares	Weighted Average Exercise Price (US$/share)
Outstanding at beginning of year	**2,000,750**	**$ 39.59**	**1,439,042**	**$ 50.81**	**1,176,117**	**$ 56.72**
Awards granted	720,000	25.59	691,875	18.68	342,000	35.92
Awards exercised	(32,313)	18.31	-	-	(21,075)	57.97
Awards forfeited	(149,375)	47.28	(130,167)	52.48	(58,000)	80.39
Outstanding at end of year	**2,539,062**	**$ 35.44**	**2,000,750**	**$ 39.59**	**1,439,042**	**$ 50.81**

The following table summarizes information about stock options outstanding at December 31, 2010:

	Options outstanding			
Range of exercise prices	Shares	Average remaining contractual life (years)	Aggregate intrinsic value (US$)	Weighted average exercise price (US$)
$ 0.01 - 20.00	656,937	3.62	$ 2,163	$ 17.06
$ 20.01 - 40.00	1,251,625	6.12	26	24.42
$ 40.01 - 60.00	218,125	4.78	-	52.70
$ 60.01 - 80.00	196,500	3.34	-	67.09
$ 80.01 - 100.00	30,000	1.43	-	90.54
$ 100.01 - 120.00	185,875	4.19	-	111.97
Total	**2,539,062**	**4.95**	**$ 2,189**	**$ 35.44**

The following table summarizes information about stock options exercisable at December 31, 2010:

	Options exercisable			
Range of exercise prices	Shares	Average remaining contractual life (years)	Aggregate intrinsic value (US$)	Weighted average exercise price (US$)
$ 0.01 - 20.00	512,372	3.41	$ 1,754	$ 16.93
$ 20.01 - 40.00	316,875	4.39	6	23.93
$ 40.01 - 60.00	218,125	4.78	-	52.70
$ 60.01 - 80.00	196,500	3.34	-	67.09
$ 80.01 - 100.00	30,000	1.43	-	90.54
$ 100.01 - 120.00	152,375	4.03	-	111.62
Total	**1,426,247**	**3.85**	**$ 1,760**	**$ 42.53**

(Tabular amounts in US$ 000's, except share data)

16. EARNINGS PER SHARE

The components of basic and diluted earnings per share are as follows:

	For the Year Ended December 31,		
	2010	**2009**	**2008**
Net (loss) / income from continuing operations attributable to CME Ltd.	$ (113,522)	$ (60,333)	$ 39,875
Net income / (loss) from discontinued operations	213,697	(36,824)	(309,421)
Net income / (loss) attributable to CME Ltd.	**$ 100,175**	**$ (97,157)**	**$ (269,546)**
Weighted average outstanding shares of common stock (000's)	64,029	54,344	42,328
Dilutive effect of employee stock options (000's)	-	-	355
Common stock and common stock equivalents (000's)	**64,029**	**54,344**	**42,683**
Net income / (loss) per share:			
Basic	1.57	(1.79)	(6.37)
Diluted	1.57	(1.79)	(6.32)

At December 31, 2010, 1,827,408 (December 31, 2009: 1,328,052) stock options and warrants were antidilutive to income from continuing operations and excluded from the calculation of earnings per share. These may become dilutive in the future. Shares of Class A common stock potentially issuable under our 2008 Convertible Notes may also become dilutive in the future, although they were antidilutive to income at December 31, 2010.

17. SEGMENT DATA

Since January 1, 2010, we have managed our business on a divisional basis, with three operating segments which are also our reportable segments: Broadcast, New Media and Media Pro Entertainment, and all historic financial information has been presented on this basis. The new business segments reflect how the Company's operations are managed, how operating performance within the Company is evaluated by senior management and the structure of our internal financial reporting. Supplemental geographic information on the performance of our Broadcast segment is provided due to the significance of our broadcast operations to CME Ltd. Management believes this information is useful to users of the financial statements.

Our Broadcast segment generates revenue from advertising fees and our New Media segment generates revenues from display and video advertising, paid premium content and subscriptions. Our Media Pro Entertainment segment generates revenues through the sale of production services to independent film-makers and through the sale of broadcast and distribution rights to third parties. Media Pro Entertainment also develops, produces and distributes television and film content which is shown on our television channels. In addition, the distribution and exhibition activities of Media Pro Entertainment generate revenues from the distribution of rights to film content to third party clients, from the exhibition of films in our theaters and from the sale of DVD and Blu Ray discs to wholesale and retail clients.

We evaluate the performance of our segments based on Net Revenues and OIBDA. OIBDA, which includes program rights amortization costs, is determined as operating income / (loss) before depreciation and amortization of intangible assets. In the past, our 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 our 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).

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Our key performance measure of the efficiency of our segments is OIBDA margin. OIBDA margin is the ratio of OIBDA to Net Revenues.

We believe OIBDA is useful to investors because it provides a more meaningful representation of our performance as it excludes certain items that either do not impact our cash flows or the operating results of our operations. OIBDA is also used as a component in determining management bonuses. Intersegment revenues and profits have been eliminated in consolidation.

OIBDA may not be comparable to similar measures reported by other companies.

Below are tables showing our Net Revenues, OIBDA and total assets by segment for the years ended December 31, 2010, 2009 and 2008 for Consolidated Statement of Operations data and as at December 31, 2010 and December 31, 2009 for Consolidated Balance Sheet data:

	For the Year Ended December 31,		
Net Revenues	**2010**	**2009**	**2008**
Broadcast:			
Bulgaria	$ 61,753	$ 3,517	$ 1,261
Croatia	51,350	48,543	54,084
Czech Republic	265,018	271,733	374,099
Romania	157,416	175,409	273,271
Slovak Republic	90,391	106,479	132,367
Slovenia	64,799	63,385	75,963
Total Broadcast	**690,727**	**669,066**	**911,045**
Media Pro Entertainment	**140,797**	**107,683**	**99,112**
New Media	**11,193**	**9,935**	**9,431**
Central	-	-	-
Intersegment revenues (1)	(105,583)	(104,739)	(99,112)
Total Net Revenues	**$ 737,134**	**$ 681,945**	**$ 920,476**

(1) Reflects revenues earned by the Media Pro Entertainment segment through sales to the Broadcast segment. All other revenues are third party revenues.

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	For the Year Ended December 31,		
OIBDA	**2010**	**2009**	**2008**
Broadcast:			
Bulgaria	$ (2,071)	$ (44,471)	$ (10,216)
Croatia	2,368	634	(4,453)
Czech Republic	122,818	130,739	208,681
Romania	25,997	39,935	110,421
Slovak Republic	(1,001)	14,965	49,608
Slovenia	18,427	15,579	24,072
Divisional operating costs	(2,123)	(2,410)	-
Total Broadcast	**164,415**	**154,971**	**378,113**
Media Pro Entertainment	**(3,005)**	**7,538**	**9,416**
New Media	**(6,542)**	**(8,651)**	**(7,050)**
Central	(44,062)	(38,151)	(48,787)
Elimination	(3,483)	(333)	-
Total OIBDA	**$ 107,323**	**$ 115,374**	**$ 331,692**

Reconciliation to Consolidated Statements of Operations:	For the Year Ended December 31,		
	2010	**2009**	**2008**
Total OIBDA	**$ 107,323**	**$ 115,374**	**$ 331,692**
Depreciation of property, plant and equipment	(58,062)	(52,583)	(49,471)
Amortization of intangible assets	(25,987)	(19,919)	(33,864)
Impairment	(397)	(81,843)	(64,891)
Operating income / (loss)	**22,877**	**(38,971)**	**183,466**
Interest expense, net	(131,267)	(112,895)	(72,737)
Foreign currency exchange (loss) / gain, net	(5,030)	82,920	(35,570)
Change in fair value of derivatives	1,164	1,315	6,360
Other income	357	1,385	2,631
Provision for income taxes	(5,025)	(4,737)	(42,208)
(Loss) / income from continuing operations	**$ (116,924)**	**$ (70,983)**	**$ 41,942**

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Total assets (1):	**December 31, 2010**	**December 31, 2009**
Broadcast	$ 2,552,034	$ 2,160,361
New Media	2,011	3,085
Media Pro Entertainment	224,934	233,415
Total Operating Segments	**2,788,979**	**2,396,861**
Corporate	191,503	401,162
Elimination	(29,932)	(11,585)
Total	**$ 2,940,550**	**$ 2,786,438**
Reconciliation to Consolidated Balance Sheets:		
Assets held for sale (2)	-	86,349
Total assets	**$ 2,940,550**	**$ 2,872,787**

(1) Segment assets exclude any intercompany investments.
(2) Assets held for sale at December 31, 2009 represented our former operations in Ukraine which were disposed of in April 2010.

Long-lived assets (1):	**December 31, 2010**	**December 31, 2009**
Bulgaria	$ 18,035	$ 8,492
Croatia	10,017	11,743
Czech Republic	61,274	66,533
Romania	104,304	123,442
Slovak Republic	31,664	36,989
Slovenia	25,163	26,713
	250,457	**273,912**
Corporate	445	798
Total long-lived assets	**$ 250,902**	**$ 274,710**

(1) Reflects property, plant and equipment.

We do not rely on any single major customer or group of major customers.

18. DISCONTINUED OPERATIONS

On January 20, 2010, we entered into an agreement to sell 100.0% of our former operations in Ukraine to Harley Trading Limited, a company beneficially owned by Mr. Kolomoisky, and as a result, we determined that the operations in Ukraine represented a disposal group consistent with the provisions of ASC 360, *Property, Plant and Equipment* . In 2008, we had recorded an impairment charge of US$ 271.9 million to write the carrying value of goodwill, the indefinite-lived trademark and the KINO broadcasting license to US$ nil (see Note 4, "Goodwill and Intangible Assets"). We completed the sale of our operations in Ukraine to Harley Trading Limited on April 7, 2010 for total gross proceeds of US$ 308.0 million, resulting in a net gain of US$ 217.6 million, net of transaction costs of US$ 0.5 million.

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The results of all our former operations in Ukraine have been classified as discontinued operations for all periods presented.

Summarized Financial Information of Discontinued Operations

Summarized operating results for the Ukraine disposal group for the years ended December 31, 2010, 2009 and 2008 are as follows:

	For the Years Ended December 31,		
	2010	**2009**	**2008**
Revenues	$ 16,888	$ 32,083	$ 101,192
Cost of revenues	(19,473)	(70,257)	(123,954)
Selling, general and administrative expenses	(2,223)	(6,301)	(20,337)
Impairment charge	-	-	(271,861)
Operating loss	(4,808)	(44,475)	(314,960)
Foreign exchange gain / (loss)	891	(458)	(2,406)
Other income	25	171	198
Loss before tax	(3,892)	(44,762)	(317,168)
(Provision) / credit for income tax	(30)	7,938	7,747
Gain on sale	217,619	-	-
Income / (loss) from discontinued operations	**$ 213,697**	**$ (36,824)**	**$ (309,421)**

19. COMMITMENTS AND CONTINGENCIES

Commitments

a) Station Programming Rights Agreements

At December 31, 2010, we had total commitments of US$ 420.1 million (December 31, 2009: US$ 438.6 million) in respect of our broadcast operations for future programming, including contracts signed with license periods starting after the balance sheet date. The amounts are payable as follows:

	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Programming purchase obligations	$ 420,058	$ 159,455	$ 212,699	$ 47,904	$ -

b) Operating Lease Commitments

For the years ended December 31, 2010, 2009 and 2008 we incurred aggregate rent on all facilities of US$ 11.7 million, US$ 8.4 million and US$ 10.2 million, respectively. Future minimum operating lease payments at December 31, 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:

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	December 31, 2010
2011	$ 7,640
2012	5,584
2013	3,154
2014	2,856
2015	1,599
2016 and thereafter	10,953
Total	**$ 31,786**

c) Factoring of Trade Receivables

CET 21 has a working capital credit facility of CZK 300 million (approximately US$ 16.0 million) with CSAS. This facility is secured by a pledge of receivables under the factoring agreement with FCS. As at December 31, 2010, there were no drawings under this facility.

The transfer of the receivables is accounted for as a secured borrowing under ASC 860, *Transfers and Servicing* , with the proceeds received recorded in the Consolidated Balance Sheet as a liability and included in current credit facilities and obligations under capital leases. The corresponding receivables are a part of accounts receivable, as we retain the risks of ownership.

Contingencies

a) Litigation

We are, from time to time, a party to litigation or arbitration proceedings arising in the normal course of our business operations. Other than the claim discussed below, we are not presently a party to any such litigation or arbitration which could reasonably be expected to have a material adverse effect on our business or operations.

Video International Termination

On March 18, 2009, Video International Company Group, CGSC ("VI"), a Russian legal entity, filed a claim in the London Court of International Arbitration ("LCIA") against our wholly-owned subsidiary CME BV, which was, at the time the claim was filed, the principal holding company of our former Ukrainian operations. The claim relates to the termination of an agreement between VI and CME BV dated November 30, 2006 (the "parent agreement"). The parent agreement was one of four related contracts by which VI subsidiaries, including LLC Video International-Prioritet ("Prioritet"), supplied advertising and marketing services to Studio 1+1 LLC ("Studio 1+1") in Ukraine and International Media Services Ltd., an offshore affiliate of Studio 1+1 ("IMS"). Among these four contracts were the advertising services agreement and the marketing services agreements both between Prioritet and Studio 1+1. On December 24, 2008, each of CME BV, Studio 1+1 and IMS provided notices of termination to their respective contract counterparties, following which each of the four contracts terminated on March 24, 2009. In connection with these terminations, Studio 1+1 was required under the advertising and marketing services agreements to pay a termination penalty equal to (i) 12% of the average monthly advertising revenues, and (ii) 6% of the average monthly sponsorship revenues, in each case for advertising and sponsorship sold by Prioritet for the six months prior to the termination date, multiplied by six. On June 1, 2009, Studio 1+1 paid UAH 13.5 million (approximately US$ 1.7 million) to Prioritet and set off UAH 7.4 million (approximately US$ 0.9 million) against amounts owing to Studio 1+1 under the advertising and marketing services agreements. In its LCIA claim, VI sought payment of a separate indemnity from CME BV under the parent agreement equal to the aggregate amount of Studio 1+1's advertising revenues for the six months ended December 31, 2008. The total amount of relief sought was US$ 58.5 million.

On September 30, 2010, a partial award was issued in the arbitration proceedings, pursuant to which VI's claim for relief in the amount of US$ 58.5 million was dismissed and CME BV was awarded reimbursement of its legal fees and other costs in respect of the arbitration proceedings, which were received on October 27, 2010. The partial award does permit VI to bring a subsequent claim against CME BV as parent guarantor in the event that VI establishes that it is entitled to additional compensation under the advertising and marketing services agreements with Studio 1+1 and that such compensation is not satisfied by Studio 1+1. We do not believe it is likely that we will be required to make any further payment.

b) Lehman Brothers Bankruptcy Claim

On March 4, 2008, we purchased for cash consideration of US$ 22.2 million, capped call options from Lehman OTC (see Note 5, "Long-Term Debt and Other Financing Arrangements") over 1,583,333 shares of our Class A common stock which entitled us to receive, at our election following a conversion under the 2008 Convertible Notes, cash or shares of Class A common stock with a value equal to the difference between the trading price of our shares at the time the option is exercised and US$ 105.00, up to a maximum trading price of US$ 151.20.

On September 15, 2008, Lehman Holdings, the guarantor of the obligations of Lehman OTC under the capped call agreement, filed for protection under Chapter 11 of the United States Bankruptcy Code. The bankruptcy filing of Lehman Holdings, as guarantor, was an event of default and gave us the right to terminate the capped call agreement with Lehman OTC and claim for losses. We exercised this right on September 16, 2008 and claimed an amount of US$ 19.9 million, which bears interest at a rate equal to CME's estimate of its cost of funding plus 1.0% per annum.

On October 3, 2008, Lehman OTC also filed for protection under Chapter 11. We filed claims in the bankruptcy proceedings of both Lehman Holdings and Lehman OTC. Our claim was a general unsecured claim and ranked together with similar claims.

On March 3, 2009 we assigned our claim in the bankruptcy proceedings of Lehman Holdings and Lehman OTC to an unrelated third party for cash consideration of US$ 3.4 million, or 17.0% of the claim value. Under the terms of the agreement, in certain circumstances which we consider remote, including if our claim is subsequently disallowed or adjusted by the bankruptcy court, the counterparty would be able to recoup the corresponding portion of the purchase price from us. Likewise, if the amount of recovery exceeds the amount of our claim, we may receive a portion of that recovery from the claim purchaser.

c) Restrictions on dividends from Consolidated Subsidiaries and Unconsolidated Affiliates

Corporate law in the Central and Eastern European countries in which we have operations stipulates generally that dividends may be declared by shareholders, out of yearly profits, subject to the maintenance of registered capital and required reserves after the recovery of accumulated losses. The reserve requirement restriction generally provides that before dividends may be distributed, a portion of annual net profits (typically 5.0%) be allocated to a reserve, which reserve is capped at a proportion of the registered capital of a company (ranging from 5.0% to 25.0%). The restricted net assets of our consolidated subsidiaries and equity in earnings of investments accounted for under the equity method together are less than 25.0% of consolidated net assets.

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20. RELATED PARTY TRANSACTIONS

Overview

There is a limited local market for many specialist broadcasting products and services in the countries in which we operate; many of these services are provided by parties known to be connected to our local shareholders, members of our management and board of directors or our equity investees. As stated in ASC Topic 850, *Related Party Disclosures* , transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. We continue to review all of these arrangements.

Related Party Groups

We consider our related parties to be those shareholders who have direct control and/or influence and other parties that can significantly influence management as well as our officers and directors; a "connected" party is one in relation to whom we are aware of the existence of a family or business connection to a shareholder. We have identified transactions with individuals or entities associated with the following individuals or entities as related party transactions: Adrian Sarbu, our President and Chief Executive Officer, a member of our Board of Directors and beneficial owner of approximately 4.9% of our outstanding shares of Class A common stock; Time Warner, beneficial owners of approximately 30.1% of our outstanding shares of Class A and Class B common stock; Igor Kolomoisky, beneficial owner of approximately 2.5% of our outstanding shares of Class A common stock and a member of our Board of Directors; and Ronald S. Lauder, our non-executive Chairman of the Board who also has voting control over 67.8% of our Class A and Class B common stock.

Related Party Transactions

Adrian Sarbu

	For the Years Ended December 31,		
	2010	**2009**	**2008**
Purchases of programming and services	$ 5,174	$ 36,900	$ 51,900
Sales	852	900	1,900

	As at December 31,	
	2010	**2009**
Accounts Payable	$ 896	$ 400
Accounts Receivable	583	1,500

On May 24, 2010, we acquired the remaining ownership interests in each of Pro TV, MPI and MVI from Mr. Sarbu for cash consideration of US$ 6.2 million and 800,000 shares of our Class A common stock with a fair value of US$ 18.5 million at the date of the acquisition (see Note 3, "Acquisitions and Disposals").

(Tabular amounts in US$ 000's, except share data)

Time Warner

	For the Years Ended December 31,		
	2010	**2009**	**2008**
Purchases of programming and services	$ 33,566	$ 61,800	$ 87,100
Sales	40	-	-

	As at December 31,	
	2010	**2009**
Accounts Payable	$ 50,490	$ 39,600
Accounts Receivable	46	-

Igor Kolomoisky

On April 7, 2010, we completed the sale of our operations in Ukraine to Harley Trading Limited, a company beneficially owned by Mr. Kolomoisky, for total consideration of US$ 308.0 million, resulting in a gain of US$ 217.6 million (see Note 18, "Discontinued Operations").

Ronald S. Lauder

We have paid approximately US$ 2.9 million, including approximately US$ 0.4 million in 2010, of legal fees incurred by Ronald S. Lauder in connection with the negotiation and implementation of the investment by Time Warner Media Holding B.V. in CME Ltd. in May 2009, which included the dissolution of the CME Holdo L.P. partnership between Mr. Lauder and an affiliate of Apax Partners. In the agreements governing this investment, we had undertaken to pay the reasonable legal fees of Mr. Lauder relating to the investment. These payments were approved by a committee of independent directors of our Board.

21. INDENTURE COVENANTS

Under the terms of the indentures governing the Floating Rate Notes, the 2009 Fixed Rate Notes and the 2010 Fixed Rate Notes (the "2007 Indenture", the "2009 Indenture" and the "2010 Indenture", respectively), we are largely restricted from raising debt at the corporate level if the ratio of Consolidated EBITDA to Consolidated Interest Expense (both as defined in the 2007 Indenture and 2009 Indenture) (the "Coverage Ratio") is less than 2.0 times. For this purpose, the calculation includes CME Ltd. and its subsidiaries that are "Restricted Subsidiaries." In addition, under the 2010 Indenture, CET 21 is restricted from incurring indebtedness if the ratio of Consolidated Indebtedness to Consolidated EBITDA of CET 21 and its Restricted Subsidiaries would exceed 2.25 times. Subsidiaries may be designated as "Unrestricted Subsidiaries" and excluded from the calculation of Coverage Ratio by our Board of Directors. As of December 31, 2010, our Unrestricted Subsidiaries consisted of those subsidiaries that comprise the Pro.BG business in Bulgaria, CME Development Financing B.V. (the "Development Financing Holding Company"), the entity that funds these operations, and following the disposal of our operations in Ukraine in April 2010, CME Austria GmbH (formerly CME Ukraine Holding GMBH).

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As at December 31, 2010, our Coverage Ratio was below 2.0 times. Therefore, our Restricted Subsidiaries are restricted from making payments or investments in total of more than EUR 80.0 million (approximately US$ 106.9 million) to our Unrestricted Subsidiaries.

There is no requirement to maintain a minimum cash balance in any of our Unrestricted Subsidiaries and we may choose to transfer cash to our Restricted Subsidiaries. Following the disposal of our former operations in Ukraine, we transferred US$ 162.9 million of cash from the Development Financing Holding Company to a Restricted Subsidiary and the total remaining US$ 21.5 million cash balance at December 31, 2010 in the Development Financing Holding Company and CME Austria GmbH remains available to our Restricted Subsidiaries at any time. We intend to maintain sufficient amounts to fund the Pro.BG business in Bulgaria until full integration of the Pro.BG business with the bTV group is complete.

If the Unrestricted Subsidiaries exhaust all available cash, it may be possible to re-designate them as Restricted Subsidiaries provided that our Coverage Ratio is not below 2.0 times on a pro-forma basis. Our 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 for our Coverage Ratio. If a funding need arises for our Unrestricted Subsidiaries, and we are prevented from re-designating our 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.

Selected financial information for CME Ltd. and its Restricted Subsidiaries and Unrestricted Subsidiaries as required by the 2009 Indenture was as follows:

	Issuer and Restricted Subsidiaries	Unrestricted Subsidiaries	Inter-group Eliminations	Total
Consolidated Statement of Operations:	**For the Year Ended December 31, 2010**			
Net revenues	$ 735,062	$ 3,928	$ (1,856)	$ **737,134**
Depreciation of property, plant and equipment	50,666	3,749	-	**54,415**
Amortization of broadcast licenses and other intangibles	25,987	-	-	**25,987**
Operating income / (loss)	53,482	(30,560)	(45)	**22,877**
Net (loss) / income attributable to CME Ltd.	$ (139,409)	$ 239,629	$ (45)	$ **100,175**

Consolidated Balance Sheet:	**As at December 31, 2010**			
Cash and cash equivalents	$ 219,789	$ 24,261	$ -	$ **244,050**
Third party debt (1)	1,359,330	454	-	**1,359,784**
Total assets	3,212,077	37,942	(309,469)	**2,940,550**
Total CME Ltd. shareholders' equity	$ 1,493,511	$ (36,981)	$ (229,651)	$ **1,226,879**

(1) Third party debt is defined as credit facilities and capital leases or debt with entities that are not part of the CME Ltd. consolidated group.

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	Issuer and Restricted Subsidiaries	Unrestricted Subsidiaries	Inter-group Eliminations	Total
Consolidated Statement of Operations:	**For the Year Ended December 31, 2009**			
Net revenues	$ 678,424	$ 3,521	$ -	$ **681,945**
Depreciation of property, plant and equipment	48,894	2,697	-	**51,591**
Amortization of broadcast licenses and other intangibles	18,373	1,546	-	**19,919**
Operating income / (loss)	91,464	(130,435)	-	**(38, 971)**
Net income / (loss) attributable to CME Ltd.	$ 63,448	$ (160,605)	$ -	$ **(97,157)**

Consolidated Balance Sheet:	**As at December 31, 2009**			
Cash and cash equivalents	$ 243,314	$ 202,640	$ -	$ **445,954**
Third Party Debt (1)	1,377,194	674	-	**1,377,868**
Total assets	3,365,435	335,623	(828,271)	**2,872,787**
Total CME Ltd. shareholders' equity	$ 1,683,789	$ 195,459	$ (701,659)	$ **1,177,589**

(1) Third party debt is defined as credit facilities and capital leases or debt with entities that are not part of the CME Ltd. consolidated group.

	Issuer and Restricted Subsidiaries	Unrestricted Subsidiaries	Inter-group Eliminations	Total
Consolidated Statement of Operations:	**For the Year Ended December 31, 2008**			
Net revenues	$ 919,351	$ 1,125	$ -	$ **920,476**
Depreciation of property, plant and equipment	48,047	535	-	**48,582**
Amortization of broadcast licenses and other intangibles	30,978	2,886	-	**33,864**
Operating income / (loss)	263,892	(80,426)	-	**183,466**
Net income / (loss) attributable to CME Ltd.	$ 128,572	$ (398,118)	$ -	$ **(269,546)**

22. SUBSEQUENT EVENTS

On January 31, 2011, we completed the acquisition of 100% of Pro Digital s.r.l. ("Pro Digital"), a company controlled by Adrian Sarbu and a minority shareholder, on a debt-free basis for cash consideration of EUR 0.7 million (approximately US$ 0.9 million). Pro Digital is a free-to-air broadcaster in Moldova whose broadcasts are comprised primarily of the rebroadcast of our PRO TV channel in Romania.

On February 18, 2011, we completed privately negotiated exchanges of US$ 206.3 million aggregate principal amount of our 2008 Convertible Notes for US$ 206.3 million aggregate principal amount of 5.0% senior convertible notes due 2015. The exchanging holders of the 2008 Convertible Notes also received cash consideration including accrued interest totaling approximately US$ 30.2 million.

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23. QUARTERLY FINANCIAL DATA

Selected quarterly financial data for the years ended December 31, 2010 and 2009 is as follows:

	For the Year ended December 31, 2010			
	First Quarter (Unaudited)	Second Quarter (Unaudited)	Third Quarter (Unaudited)	Fourth Quarter (Unaudited)
	(US$ 000's, except per share data)			
Consolidated Statement of Operations data:				
Net revenues	$ 143,641	$ 201,726	$ 134,354	$ 257,413
Cost of revenues	134,329	146,282	131,045	182,388
Operating (loss) / income	(19,133)	25,452	(25,345)	41,903
Net (loss) / income from continuing operations	(41,986)	(52,913)	3,417	(25,442)
Net (loss) / income from discontinued operations	(3,922)	217,619	-	-
Net (loss) / income attributable to CME Ltd.	$ (42,294)	$ 165,169	$ 3,416	$ (26,116)
Net (loss) / income per share:				
Basic EPS	$ (0.67)	$ 2.59	$ 0.05	$ (0.41)
Effect of dilutive securities	-	-	-	-
Diluted EPS	$ (0.67)	$ 2.59	$ 0.05	$ (0.41)

	For the Year ended December 31, 2009			
	First Quarter (Unaudited)	Second Quarter (Unaudited)	Third Quarter (Unaudited)	Fourth Quarter (Unaudited)
	(US$ 000's, except per share data)			
Consolidated Statement of Operations data:				
Net revenues	$ 136,320	$ 182,967	$ 128,235	$ 234,423
Cost of revenues	106,520	126,276	124,147	172,343
Operating (loss) / income	(71,284)	28,756	(20,731)	24,288
Net (loss) / income from continuing operations	(38,105)	35,759	(18,357)	(50,280)
Net loss from discontinued operations	(8,835)	(13,653)	(5,937)	(8,399)
Net (loss) / income attributable to CME Ltd.	$ (44,438)	$ 24,081	$ (21,550)	$ (55,250)
Net (loss) / income per share:				
Basic EPS	$ (1.05)	$ 0.47	$ (0.35)	$ (0.89)
Effect of dilutive securities	-	-	-	-
Diluted EPS	$ (1.05)	$ 0.47	$ (0.35)	$ (0.89)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A . CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures designed to ensure that information required to be disclosed in our Annual Report on Form 10-K is recorded, processed, summarized and reported within the specified time periods and is designed to ensure that information required to be disclosed is accumulated and communicated to management, including the President and Chief Executive Officer and the Chief Financial Officer to allow timely decisions regarding required disclosure.

Our President and Chief Executive Officer and the Chief Financial Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2010 and concluded that our disclosure controls and procedures are effective as of that date.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. We have performed an assessment of the design and operating effectiveness of our internal control over financial reporting as of December 31, 2010. This assessment was performed under the direction and supervision of our President and Chief Executive Officer and our Chief Financial Officer, and utilized the framework established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on that evaluation, we concluded that as of December 31, 2010, our internal control over financial reporting was effective. Our independent registered public accounting firm, Deloitte LLP, has audited our financial statements and issued a report on the effectiveness of internal control over financial reporting, which is included herein.

Changes in Internal Controls

There were no changes in our internal controls over financial reporting during the three month period ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

February 23, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Central European Media Enterprises Ltd.

We have audited the internal control over financial reporting of Central European Media Enterprises Ltd. and subsidiaries (the "Company") as of December 31, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2010 of the Company and our report dated February 23, 2011 expressed an unqualified opinion on those financial statements and financial statement schedule.

DELOITTE LLP

London, United Kingdom

February 23, 2011

ITEM 9B . OTHER INFORMATION

None

PART III

ITE M 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 is incorporated herein by reference to the sections entitled “Election of Directors,” “Management,” “Corporate Governance and Board of Director Matters” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our Proxy Statement for the 2011 Annual General Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated herein by reference to the sections entitled “Compensation Discussion and Analysis”, “Compensation Committee Report” and “Compensation Committee Interlocks and Insider Participation” in our Proxy Statement for the 2011 Annual General Meeting of Shareholders.

I TEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 relating to the security ownership of certain beneficial owners and management is incorporated herein by reference to the section entitled “Security Ownership of Certain Beneficial Owners and Management” in our Proxy Statement for the 2011 Annual General Meeting of Shareholders.

Equity Compensation Plan Information

The following table provides information as of December 31, 2010 about common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans.

Equity Compensation Plan Information

	(a)	(b)	(c)
Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	2,539,062(1)	$ 35.44	932,231
Equity compensation plans not approved by security holders	-	-	-
Total	2,539,062	$ 35.44	932,231

(1) This number consists of options outstanding at December 31, 2010 under CME’s Amended and Restated Stock Incentive Plan.

I TE M 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated herein by reference to the sections entitled "Certain Relationships and Related Party Transactions" and "Director Independence" in our Proxy Statement for the 2011 Annual General Meeting of Shareholders.

ITEM 14 . PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is incorporated herein by reference to the section entitled "Selection of Auditors" in our Proxy Statement for the 2011 Annual General Meeting of Shareholders.

PART IV

IT EM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) The following Financial Statements of Central European Media Enterprises Ltd. are included in Part Il, Item 8 of this Report:

- Report of Independent Registered Public Accounting Firm;
- Consolidated Balance Sheets as of December 31, 2010 and 2009;
- Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2010, 2009 and 2008;
- Consolidated Statements of Equity for the years ended December 31, 2010, 2009 and 2008;
- Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008; and
- Notes to Consolidated Financial Statements.

(a)(2) Financial Statement Schedule (included at page S-1 of this Annual Report on Form 10-K).

(a)(3) The following exhibits are included in this report:

EXHIBIT INDEX

Exhibit Number	Description
3.01*	Memorandum of Association (incorporated by reference to Exhibit 3.01 to the Company's Registration Statement No. 3380344 on Form S-1, filed June 17, 1994).
3.02*	Bye-Laws of Central European Media Enterprises Ltd., as amended and restated on June 3, 2008 (incorporated by reference to Exhibit 3.02 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
3.03*	Memorandum of Increase of Share Capital (incorporated by reference to Exhibit 3.03 to Amendment No. 1 to the Company's Registration Statement No. 33-80344 on Form S-1, filed August 19, 1994).
3.04*	Memorandum of Reduction of Share Capital (incorporated by reference to Exhibit 3.04 to Amendment No. 2 to the Company's Registration Statement No. 33-80344 on Form S-1, filed September 14, 1994).
3.05*	Certificate of Deposit of Memorandum of Increase of Share Capital executed by the Registrar of Companies on May 20, 1997 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997).
4.01*	Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.01 to Amendment No. 1 to the Company's Registration Statement No. 33-80344 on Form S-1, filed August 19, 1994).
4.02*	Indenture among Central European Media Enterprises Ltd. as Issuer, Central European Media Enterprises N.V. and CME Media Enterprises B.V. as Subsidiary Guarantors, BNY Corporate Trustee Services Limited as Trustee, The Bank of New York as Security Trustee, Principal Paying Agent and Transfer Agent and The Bank of New York (Luxembourg) S.A. as Registrar, Luxembourg Transfer Agent and Luxembourg Paying Agent, dated May 16, 2007 (incorporated by reference to Exhibit 10.65 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007).
4.03*	Registration Rights Agreement among Central European Media Enterprises Ltd., Lehman Brothers Inc., J.P. Morgan Securities Inc., Deutsche Bank Securities Inc., BNP Paribas and ING Bank N.V., London Branch, dated March 10, 2008 (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008).
4.04*	Indenture among Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V. and The Bank of New York, dated March 10, 2008 (incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008).
4.05*	Indenture among Central European Media Enterprises Ltd. as Issuer, Central European Media Enterprises N.V. and CME Media Enterprises B.V. as Subsidiary Guarantors, The Bank of New York, acting through its London Branch, as Trustee, The Bank of New York, acting through its London Branch, as Principal Paying Agent and Transfer Agent, The Law Debenture Trust Corporation p.l.c. as Security Trustee and The Bank of New York (Luxembourg) S.A. as Registrar, Luxembourg Transfer Agent and Luxembourg Paying Agent, dated September 17, 2009 (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).

Exhibit Number	Description
4.06*	Warrant to Purchase Common Stock issued to Media Pro B.V., dated December 9, 2009 (incorporated by reference to Exhibit 4.07 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
4.07*	Warrant to Purchase Common Stock issued to Media Pro Management S.A., dated December 9, 2009 (incorporated by reference to Exhibit 4.08 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
4.08*	Registration Rights Agreement between Central European Media Enterprises Ltd. and Igor Kolomoisky, dated as of August 24, 2007 (incorporated by reference to Exhibit 4.03 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007).
4.09*	Registration Rights Agreement by and between the Company and Time Warner Media Holdings B.V., dated May 18, 2009 (incorporated by reference to Exhibit 4.11 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
4.10	Indenture among CET 21 spol. s r.o. as Issuer, Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Slovak Holdings B.V., CME Investments B.V. and MARKÍZA-SLOVAKIA, spol. s r.o. as Guarantors, Citibank, N.A., London Branch, as Trustee, Citibank, N.A., London Branch, as Paying Agent and Transfer Agent and Citigroup Global Markets Deutschland AG as Registar, dated October 21, 2010.
10.01*+	Central European Media Enterprises Ltd. Amended and Restated Stock Incentive Plan, as amended on April 25, 2007 (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
10.02*+	Employee Stock Option Form (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004).
10.03*	Subscription Agreement between Central European Media Enterprises Ltd. and Igor Kolomoisky, dated August 24, 2007 (incorporated by reference to Exhibit 4.02 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007).
10.04*	Pledge Agreement among Central European Media Enterprises Ltd., Central European Media Enterprises N.V. and The Bank of New York, dated March 10, 2008 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008).
10.05*	Deed of Pledge of Shares among Central European Media Enterprises N.V., CME Media Enterprises B.V. and The Bank of New York, dated March 10, 2008 (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008).

Exhibit Number	Description
10.06*	Capped Call Transaction between Central European Media Enterprises Ltd., Deutsche Bank AG, London Branch and Deutsche Bank Securities Inc., dated March 4, 2008 (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008).
10.07*	Capped Call Transaction between Central European Media Enterprises Ltd. and BNP Paribas, dated March 4, 2008 (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008).
10.08*	Capped Call Transaction between the Company and Lehman Brothers OTC Derivatives Inc., dated March 4, 2008 (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008).
10.09*	Separation Agreement between CME Development Corporation and Michael Garin, dated December 14, 2008 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 16, 2008).
10.10*	Subscription Agreement, by and between Central European Media Enterprises Ltd. and TW Media Holdings LLC, dated March 22, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009).
10.11*	Indemnity Agreement, by and among Central European Media Enterprises Ltd., Ronald S. Lauder and RSL Savannah LLC, dated as of March 22, 2009 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009).
10.12*+	Contract of Employment dated June 30, 2009 between CME Development Corporation and Charles Frank (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009).
10.13*	First Amended and Restated Framework Agreement among Central European Media Enterprises Ltd., CME Ukraine Holding B.V., CME Cyprus Holding Limited, Alstrom Business Corp, Michalakis Tsitsekkos, Igor Kolomoisky and Ihor Surkis, dated July 22, 2009 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.14*	Framework Agreement among CME Production B.V., CME Romania B.V., Media Pro Management S.A., Media Pro B.V. and Adrian Sarbu, dated July 27, 2009 (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.15*+	Contract of Employment between CME Media Services Limited and Adrian Sarbu, dated July 27, 2009 (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).

Exhibit Number	Description
10.16*	Dealer Manager Agreement between Central European Media Enterprises Ltd. and Deutsche Bank AG, London Branch, dated September 7, 2009 (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.17*	Tender Agency Agreement between Central European Media Enterprises Ltd., Deutsche Bank AG, London Branch, as Principal Tender Agent, and certain other tender agents, dated September 7, 2009 (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.18*	Global Deed of Release among Central European Media Enterprises Ltd., CME Media Enterprises B.V., Central European Media Enterprises N.V. and European Bank for Reconstruction and Development, dated September 16, 2009 (incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.19*	Contract Assignment between CME Media Enterprises B.V, Central European Media Enterprises Ltd., The Bank of New York Mellon, acting through its London Branch and The Law Debenture Trust Corporation p.l.c., dated September 17, 2009 (incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.20*	Pledge Agreement among Central European Media Enterprises Ltd., Central European Media Enterprises N.V., The Bank of New York Mellon, acting through its London Branch and The Law Debenture Trust Corporation p.l.c., dated September 17, 2009 (incorporated by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.21*	Deed of Pledge of Shares among Central European Media Enterprises N.V., CME Media Enterprises B.V., The Bank of New York Mellon, acting through its London Branch and The Law Debenture Trust Corporation p.l.c., dated September 17, 2009 (incorporated by reference to Exhibit 10.14 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.22*	Global Deed of Release among Central European Media Enterprises Ltd., CME Media Enterprises B.V., Central European Media Enterprises N.V. and The Bank of New York Mellon, acting through its London Branch (formerly JPMorgan Chase Bank, N.A., London Branch), dated September 29, 2009 (incorporated by reference to Exhibit 10.16 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009).
10.23*	Amendment to the Framework Agreement among CME Production B.V., CME Romania B.V., Media Pro Management S.A., Media Pro B.V. and Adrian Sarbu, dated December 9, 2009 (incorporated by reference to Exhibit 10.66 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
10.24*	Subscription Agreement among Central European Media Enterprises Ltd., Media Pro Management S.A. and Media Pro B.V., dated December 9, 2009 (incorporated by reference to Exhibit 10.67 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).

Exhibit Number	Description
10.25*	Share Purchase Agreement among Central European Media Enterprises Ltd., CME Cyprus Holding II Limited, Igor Kolomoisky and Harley Trading Limited, dated January 20, 2010 (incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
10.26*	Termination agreement among Central European Media Enterprises Ltd., CME Ukraine Holding B.V., CME Cyprus Holding Limited, Alstrom Business Corp, Michalakis Tsitsekkos, Igor Kolomoisky and Ihor Surkis, dated January 20, 2010 (incorporated by reference to Exhibit 10.69 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
10.27*	Facility Agreement among CET 21 spol. s r.o., Erste Group Bank A.G. as arranger, Česká Spořitelna, a.s. (" CSAS ") as facility agent and security agent, CSAS, UniCredit Bank Czech Republic, a.s. and BNP Paribas as original lenders and the Company, CME Slovak Holdings B.V., CME Media Enterprises B.V., CME Romania B.V. and MARKÍZA-SLOVAKIA, spol. s r.o. as original guarantors, dated December 21, 2009 (incorporated by reference to Exhibit 10.70 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
10.28*	Investor Rights Agreement among the Company, Ronald S. Lauder, RSL Savannah LLC, RSL Investment LLC, RSL Investments Corporation and Time Warner Media Holdings B.V., dated May 18, 2009 (incorporated by reference to Exhibit 10.71 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
10.29*	Irrevocable Voting Deed and Corporate Representative Appointment among RSL Savannah LLC, Time Warner Media Holdings B.V. and the Company, dated May 18, 2009 (incorporated by reference to Exhibit 10.72 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
10.30*+	Contract of Employment between CME Media Services Limited and Dave Sturgeon, dated June 19, 2009 (incorporated by reference to Exhibit 10.73 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009).
10.31*	Deed relating to the Sale and Purchase of Certain Media Interests in Bulgaria by and among News Netherlands B.V., News Corporation, CME Media Enterprises B.V. and Central European Media Enterprises Ltd. dated February 18, 2010 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010).
10.32*+	Contract of Employment between CME Media Services Limited and David Sach, dated February 26, 2010 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010).
10.33*+	Contract of Employment between CME Media Services Limited and Andrei Boncea, dated May 3, 2010 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010).

Exhibit Number	Description
10.34*	Amended and Restated Sale and Purchase Agreement between CME Media Enterprises B.V., CME Development Financing B.V., Top Tone Media Holdings Limited and Krassimir Guergov, dated April 19, 2010 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010).
10.35*	Investment Agreement between CME Media Enterprises B.V, and Top Tone Media Holdings Limited, dated April 22, 2010 (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010).
10.36*	Deed of Termination and Release between CME Media Enterprises B.V., Top Tone Media Holdings Limited and Krassimir Guergov, dated April 22, 2010 (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010).
10.37*+	Contract of Employment between CME Media Services Limited and Petr Dvorak, dated May 1, 2010 (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010).
10.38*	Sale and Purchase Agreement in respect of Pro TV S.A., Media Pro International S.A. and Media Vision S.R.L. among CME Investments B.V., Central European Media Enterprises Ltd. and Adrian Sarbu, dated May 24, 2010 (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010).
10.39*+	Amended and Restated Contract of Employment between CME Media Services Limited and Dave Sturgeon, dated July 27, 2010 (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010).
10.40	CZK 1,500,000,000 Revolving Credit Facility Agreement among CET 21 spol. s r.o. as original borrower, BNP Paribas S.A., JPMorgan Chase Bank N.A., Citibank Europe plc (acting through its Prague branch Citibank Eur ope plc, organizační složka), ING Bank N.V. and CSAS. as original lenders, BNP Paribas S.A., J.P. Morgan plc, Citigroup Global Markets Limited, ING Bank N.V. and CSAS. as arrangers, BNP Paribas S.A. as agent, BNP Paribas Trust Corporation UK Limited as Security Agent and the Company, Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Slovak Holdings B.V., MARKÍZA-SLOVAKIA, spol. s r.o. and CME Investments B.V. as original guarantors, dated October 21, 2010.
10.41	Pledge Agreement among the Company, Central European Media Enterprises N.V. and BNP Paribas Trust Corporation UK Limited, dated October 21, 2010.
10.42	Deed of Pledge of Shares among Central European Media Enterprises N.V., CME Media Enterprises B.V. and BNP Paribas Trust Corporation UK Limited, dated October 21, 2010.
10.43	Deed of Amendment to the Intercreditor Agreement dated July 21, 2006, as amended, among the Company, Central European Media Enterprises N.V., CME Media Enterprises B.V., BNY Corporate Trustee Services Limited, The Bank of New York Mellon (formerly The Bank of New York), The Bank of New York Mellon (formerly The Bank of New York), The Bank of New York Mellon, acting through its London Branch, The Law Debenture Trust Corporation p.l.c., Citibank, N.A., London Branch, BNP Paribas Trust Corporation UK Limited and BNP Paribas S.A., dated October 21, 2010.

Exhibit Number	Description
10.44	Intercreditor Agreement dated October 21, 2010 among the Company, CET 21 spol. s r.o., Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Slovak Holdings B.V., MARKÍZA-SLOVAKIA, spol. s r.o., CME Investments B.V., BNP Paribas S.A., Citibank Europe plc, ING Bank N.V., JPMorgan Chase Bank, N.A., CSAS., BNP Paribas S.A. as agent, BNP Paribas Trust Corporation UK Limited as security agent and Citibank, N.A., London Branch, as notes trustee, dated October 21, 2010.
10.45+	Amended and Restated Contract of Employment between CME Media Services Limited and Anthony Chhoy, dated December 1, 2010
21.01	List of subsidiaries.
23.01	Consent of Deloitte LLP.
24.0	Power of Attorney, dated as of February 23, 2011
31.01	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished only).
101.INS#	XBRL Instance Document
101.SCH#	XBRL Taxonomy Schema Document
101.CAL#	XBRL Taxonomy Calculation Linkbase Document
101.DEF#	XBRL Taxonomy Definition Linkbase Document
101.LAB#	XBRL Taxonomy Label Linkbase Document
101.PRE#	XBRL Taxonomy Presentation Linkbase Document
101.INS#	XBRL Instance Document

* Previously filed exhibits

\+ Exhibit is a management contract or compensatory plan

\# XBRL (Extensible Business Reporting Language) information is furnished and not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

b) Exhibits: See (a)(3) above for a listing of the exhibits included as part of this report.

c) Report of Independent Registered Public Accountants on Schedule II - Schedule of Valuation Allowances. (See page S-1 of this Annual Report on Form 10-K.)

SIGNATU RES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 23, 2011

/s/ David Sach
David Sach
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
*	Chairman of the Board of Directors	February 23, 2011
Ronald S. Lauder		
*		February 23, 2011
Herbert A. Granath	Vice-Chairman of the Board of Directors	
/s/ Adrian Sarbu	President and Chief Executive Officer	
Adrian Sarbu	and Director (Principal Executive Officer)	February 23, 2011
/s/ David Sach	Executive Vice President and Chief Financial Officer	February 23, 2011
David Sach	(Principal Financial Officer)	
/s/ David Sturgeon	Deputy Chief Financial Officer	February 23, 2011
David Sturgeon	(Principal Accounting Officer)	
*	Director	February 23, 2011
Paul T. Cappuccio		
*	Director	February 23, 2011
Michael Del Nin		
*	Director	February 23, 2011
Charles Frank		
*	Director	February 23, 2011
Igor Kolomoisky		
*	Director	February 23, 2011
Alfred W. Langer		
*	Director	February 23, 2011
Fred H. Langhammer		
*	Director	February 23, 2011
Bruce Maggin		

* Parm Sandhu	Director	February 23, 2011
* Caryn Seidman Becker	Director	February 23, 2011
* Duco Sickinghe	Director	February 23, 2011
* Eric Zinterhofer	Director	February 23, 2011

*By: /s/ David Sach

David Sach
Attorney-in-fact

INDEX TO SCHEDULES

Schedule II

Schedule of Valuation Allowances
(US$ 000's)

	Bad debt and credit note provision	Deferred tax allowance
Balance at December 31, 2007	**$ 12,552**	**$ 28,896**
Charged to costs and expenses	436	6,626
Charged to other accounts (1)	(1,861)	11,880
Foreign exchange	(209)	(576)
Balance at December 31, 2008	**10,918**	**46,826**
Charged to costs and expenses	8,199	(16,349)
Charged to other accounts (1)	(5,056)	29,762
Foreign exchange	32	(93)
Balance at December 31, 2009	**14,093**	**60,146**
Charged to costs and expenses	5,296	30,427
Charged to other accounts (1)	(5,606)	**-**
Foreign exchange	(578)	(20)
Balance at December 31, 2010	**$ 13,205**	**$ 90,553**

(1) Charged to other accounts for the bad debt and credit note provision consist primarily of accounts receivable written off and opening balance of acquired companies.

Exhibit 4.10

CET 21 SPOL. S R.O.

as Issuer,

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.,

CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.,

CME MEDIA ENTERPRISES B.V.,

CME INVESTMENTS B.V., AND

CME SLOVAK HOLDINGS B.V.

and

MARKÍZA-SLOVAKIA, SPOL. S R.O.

as Guarantors,

CITIBANK, N.A., LONDON BRANCH

as Trustee,

CITIBANK, N.A., LONDON BRANCH

as Paying Agent and Transfer Agent,

and

Citigroup Global Markets Deutschland AG

As Registrar

INDENTURE

Dated as of October 21, 2010

Senior Secured Notes due 2017

TABLE OF CONTENTS

EXHIBITS

NOTE: This Table of Contents shall not, for any purpose, be deemed to be part of this Indenture.

INDENTURE, dated as of October 21, 2010 among (i) CET 21 SPOL. S R.O., a limited liability company incorporated under the laws of the Czech Republic (the " Issuer "), (ii) CENTRAL EUROPEAN MEDIA ENTERPRISES LTD., a company incorporated under the laws of Bermuda (the " CME "), (iii) CENTRAL EUROPEAN MEDIA ENTERPRISES N.V., a company organized and existing under the laws of the Netherlands Antilles (" CME NV "), (iv) CME MEDIA ENTERPRISES B.V., a private limited liability company organized and existing under the laws of the Netherlands (" CME BV "), (v) CME INVESTMENTS B.V., a private limited liability company organized and existing under the laws of the Netherlands (" CME Investments "), (vi) CME SLOVAK HOLDINGS B.V., a private limited liability company organized and existing under the laws of the Netherlands and (" CME Slovak "), (vii) MARKÍZA-SLOVAKIA, SPOL. S R.O., a limited liability company incorporated under the laws of the Slovak Republic (" Markiza " and, together with CME, CME NV, CME BV, CME Investments, CME Slovak and any Additional Guarantors, the " Guarantors "), (viii) Citibank, N.A., London Branch, as Trustee, (ix) Citibank, N.A., London Branch, as Transfer Agent and Paying Agent and (x) Citigroup Global Markets Deutschland AG, as Registrar.

The Issuer has duly authorized the creation and issuance of its €170,000,000 Senior Secured Notes due 2017 (such notes, together with any Additional Notes (as defined herein), being referred to as the " Notes "); and, to provide therefor, the Issuer and the Guarantors have duly authorized the execution and delivery of this Indenture. Except as otherwise provided herein, €170,000,000 in aggregate principal amount of Notes shall be initially issued on the date hereof.

Each party hereto agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the holders of the Notes:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1 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.

"Additional Amounts" shall have the meaning set forth in Section 4.16.

"Additional Guarantee" shall have the meaning set forth in Section 4.22.

"Additional Guarantor" means any Person that has provided an Additional Guarantee.

"Additional Notes" means any additional principal amounts of Notes issued from time to time under the terms of this Indenture after the Issue Date.

"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.

"Affiliate Transaction" shall have the meaning set forth in Section 4.10.

"Agent" means the Paying Agent, any Registrar, Transfer Agent, Authenticating Agent or co-Registrar.

"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 Section 4.19;

(6) an issuance of Capital Stock by a Restricted Subsidiary of CME to CME or to a Restricted Subsidiary;

(7) for purposes of Section 4.9 only, the making of a Permitted Investment or a disposition subject to Section 4.4;

(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.

"Asset Disposition Offer" shall have the meaning set forth in Section 4.9.

"Asset Disposition Offer Amount" shall have the meaning set forth in Section 4.9.

"Asset Disposition Offer Period" shall have the meaning set forth in Section 4.9.

"Asset Disposition Purchase Date" shall have the meaning set forth in Section 4.9.

"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).

"Authenticating Agent" shall have the meaning set forth in Section 2.2.

"Authorized Person" means any person who is designated in writing by the Issuer from time to time to give Instructions to the Trustee under the terms of this Indenture.

"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.

"Bankruptcy Law" means (i) for the purposes of the Issuer and the Guarantors, any bankruptcy, insolvency or other similar statute, regulation or provision of any jurisdiction in which the Issuer and the Guarantors are organized or are conducting business and (ii) for purposes of the Trustee and the holders of the Notes, Title 11, U.S. Code or any similar United States federal, state or foreign law for the relief of debtors.

"Board of Directors" means the board of directors of CME or any committee thereof duly authorized to act on behalf of such board.

"Board Resolution" means a duly authorized resolution of the Board of Directors certified by an Officer and delivered to the Trustee.

"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 Collateral" means:

(a) all of the ownership interests in the Issuer;

(b) all of the shares of CME Slovak Holdings B.V.;

(c) the 100% ownership interest in Media Pro Pictures s.r.o;

(d) to the extent provided for by the terms and conditions of this Indenture, the Security Documents and the CET Group Intercreditor Agreement, substantially all of the assets of the Issuer, including its immovable assets, its movable assets, its bank accounts, certain insurance, certain advertising receivables and its enterprise as a whole;

(e) to the extent provided for by the terms and conditions of this Indenture, the Security Documents and the CET Group Intercreditor Agreement, all present and future material intercompany loans due to the Issuer 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 the Issuer; and

(h) 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.

"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 Indebtedness that is secured on the CET Collateral, calculated on a consolidated basis.

"CET Group" means the Issuer 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 the Issuer, the Guarantors, the Trustee, the Facility Agent in respect of the Revolving Credit Facility and the Security Agent.

"CET Guarantor" means CME Slovak, CME Investments and Markiza.

"CET Leverage Ratio" means, for the Issuer 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 the Issuer 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 the Issuer 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 of the Issuer 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.

"CET Security Documents" means any security document pursuant to which a lien is granted now or in future for the benefit of the holders of the Notes (other than in respect of the CME Collateral).

"Change in Tax Law" means

(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 October 14, 2010 (or if later, the date on which the Issuer or any Guarantor becomes a company organized under the laws of such jurisdiction).

"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) the Issuer, 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 the Issuer of a plan relating to the liquidation or dissolution of the Issuer; or

(6) CME ceases to beneficially own, directly or indirectly, 100% of the Capital Stock of the Issuer.

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 Offer" shall have the meaning set forth in Section 4.14.

"Change of Control Payment" shall have the meaning set forth in Section 4.14.

"Change of Control Payment Date" shall have the meaning set forth in Section 4.14.

"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.

"Clearing Agency" means one or more of Euroclear, Clearstream, or the successor of either of them, in each case acting directly, or through a custodian, nominee or depository.

"Clearstream" means Clearstream Banking, société anonyme.

"CME Collateral" means a fourth-priority pledge of the shares of CME NV and the shares of CME BV owned by CME NV, together with any future assets pledged under the CME Security Documents.

"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 the Issuer and its Subsidiaries).

"CME Security Documents" means the pledge agreements dated as of the Issue Date relating to the shares of CME NV and the shares of CME BV owned by CME NV and any other security document pursuant to which a lien is granted in the future for the benefit of the holders of the Notes (other than assets of or interests in the CET Collateral).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Collateral" means the CET Collateral and the CME Collateral.

"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 this 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 Depositary" means Citibank, N.A., London Branch.

"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.

"Company Order" means a written order or request signed in the name of the Issuer or a Guarantor by an Officer or duly authorized members of the board of directors, management board or similar corporate governing body, as applicable.

"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.

"Covenant Defeasance" shall have the meaning set forth in Section 8.3.

"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.

"Custodian" means any receiver, trustee, assignee, liquidator, examiner, administrator, sequestration or similar official under any Bankruptcy Law.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Default Interest Payment Date" shall have the meaning set forth in Section 2.13.

"Definitive Notes" means Notes in definitive registered form substantially in the form of Exhibit A hereto.

"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 this 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 Sections 4.9, 4.15 and 4.21 and such repurchase or redemption complies with Section 4.4.

"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 this Indenture will be computed in conformity with GAAP. Notwithstanding the foregoing, CME (and its Subsidiaries) or the Issuer (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 the Issuer 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, individually, any guarantee of payment of the Notes and amounts due under this Indenture by a Guarantor pursuant to the terms of this Indenture and any supplemental indenture thereto (including any Additional Guarantees), and collectively, all such Guarantees. Each such Guarantee will be substantially in a form prescribed in Article X or Exhibit D hereto, as applicable.

"Guarantor" shall have the meaning ascribed to the term in the Preamble to this Indenture.

"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.

"Indenture" means this Indenture, as amended, modified or supplemented from time to time in accordance with the terms hereof.

"Instructions" means any written notices, written directions or written instructions received by any Agent in accordance with the provisions of this Indenture from an Authorized Person.

"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.

"International Global Note" shall have the meaning set forth in Section 2.1 hereof.

"International Notes" shall have the meaning set forth in Section 2.1 hereof.

"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 this 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 Section 4.4:

(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.

"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 Section 4.3(b) if the principal amount thereof exceeds in the aggregate €4.0 million.

"Material Subsidiary" means any Restricted Subsidiary of the Issuer 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 the Issuer 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 this 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.

"Notes" shall have the meaning set forth in the preamble of this Indenture.

"Offering Memorandum" means the Offering Memorandum, dated October 14, 2010, relating to the Notes.

"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 the Issuer, 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 the Issuer, by two Officers of the Issuer.

"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.

"Original Notes" shall have the meaning set forth in the preamble to this Indenture.

"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.

"Paying Agent" shall have the meaning set forth in Section 2.3.

"Payor" shall mean the Issuer, any Guarantor or a successor of any thereof.

"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 Section 4.3(b) 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 Section 4.3(a), and subject to Section 4.3(c) *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;

(iv) Liens in existence on the Issue Date to be discharged upon application of the proceeds of the Notes issued on the Issue Date, pending such discharge.

(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 Section 4.3(b), 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 Section 4.3(a), and subject to Section 4.3(c), *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 of 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 Section 4.9;

(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 Section 4.3;

(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 clause (a) of Section 4.3 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 Section 4.3.

"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) of Section 4.3 (b) of this Indenture, provided that such Indebtedness is not also secured on the Collateral;

(2) Liens securing Indebtedness and other obligations Incurred under clause (11) of Section 4.3(b), 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 this 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 this 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 depositary 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.

"Private Placement Legend" means the legend set forth in Section 2.7(g).

"Public Equity Offering" means a public offering for cash by the Issuer of its common stock, or options, warrants or rights with respect to its common stock subsequent to the 2005 Issue Date (A) for Net Cash Proceeds of at least $50 million and (B) where such common stock is listed or quoted on a recognized securities exchange or inter-dealer quotation system.

"Qualified Institutional Buyer" shall have the meaning specified in Rule 144A under the U.S. Securities Act.

"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 the Issuer or the proposed acquirer that (i) the acquirer has entered into one or more binding agreements with CME, the Issuer and/or shareholders of CME and/or the Issuer 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 the Issuer.

"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.

"Record Date" means the Record Dates specified in the Notes.

"Redemption Date" when used with respect to any Note to be redeemed, means the date fixed for such redemption pursuant to this Indenture and Paragraph 7 of any Note.

"Redemption Price" when used with respect to any Note to be redeemed, means the price fixed for such redemption pursuant to this Indenture and Paragraphs 7 and 8 of any Note.

"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 this 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.

"Registrar" shall have the meaning set forth in Section 2.3 of this Indenture.

"Regulation S" means Regulation S (including any successor regulation thereto) under the U.S. Securities Act, as it may be amended from time to time.

"Relevant Taxing Jurisdiction" shall have the meaning set forth in Paragraph 2 of any Note.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Payment" shall have the meaning set forth in Section 4.4.

"Restricted Period" shall have the meaning set forth in Section 2.7(c).

"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 the Issuer, 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 CME, CME NV, CME BV, CME Investments, CME Slovak and Markiza, 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.

"Rule 144" means Rule 144 (including any successor regulation thereto) under the U.S. Securities Act, as it may be amended from time to time.

"Rule 144A" means Rule 144A (including any successor regulation thereto) under the U.S. Securities Act, as it may be amended 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.

"Secured Party" means the Security Agent, the Trustee and the holders of the Notes.

"Security Agent" means BNP Paribas Trust Corporation UK Limited, as security agent under the CET Group Intercreditor Agreement and any successor thereto.

"Security Documents" means the CET Security Documents and the CME Security Documents.

"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 this 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 Guarantors" means any Guarantor from time to time that is not CME.

"Successor Company" shall have the meaning set forth in Section 4.18(a)(1).

"Technical Amendment" means any amendment to a Security Document in respect of the Notes pursuant to Section 9.1, *provided* that in relation to any such amendment either (i) Section 4.24 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.

"Taxes" shall have the meaning set forth in Paragraph 2 of any Note.

"Transfer Agent" means any Person authorized by the Issuer to effectuate the exchange or transfer of any Note on behalf of the Issuer hereunder.

"Trust Officer" means any officer within Citibank, N.A., London Branch (or any successor group of the Trustee), including any director, managing director, vice president, assistant vice president, corporate trust officer, assistant corporate trust officer, secretary, assistant secretary, treasurer, assistant treasurer, associate or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at that time shall be such officers having direct responsibility for the administration of this Indenture, and also means, with respect to a particular corporate trust matter, any other officer to whom such trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Trustee" means the party named as such in this Indenture until a successor replaces it in accordance with the provisions of this Indenture and thereafter means such successor.

"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 Section 4.4 of this Indenture;

(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 this 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 Section 4.3(a) hereof 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. Global Note" shall have the meaning set forth in Section 2.1.

"U.S. Notes" shall have the meaning set forth in Section 2.1.

"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.

SECTION 1.2 Rules of Construction . Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and words in the plural include the singular;

(e) provisions apply to successive events and transactions; and

(f) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(g) "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.

ARTICLE II

THE NOTES

SECTION 2.1 Form and Dating . The Notes and the notation relating to the Trustee's certificate of authentication thereof, shall be substantially in the form of Exhibits A or B, as applicable. The Notes may have notations, legends or endorsements required by law, stock exchange rules or usage. The Issuer shall approve the form of the Notes and any notation, legend or endorsement on them not inconsistent with the terms of this Indenture. Each Note shall be dated the date of its issuance and shall show the date of its authentication.

The terms and provisions contained in the Notes, annexed hereto as Exhibits A and B, shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Issuer, the Guarantors, the Trustee and the Paying Agent, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. The Notes will initially be represented by the Global Notes.

As long as the Notes are in global form, the Paying Agent (in lieu of the Trustee) shall be responsible for:

(i) effecting payments due on the Global Notes (following receipt of payment thereof from Issuer); and

(ii) arranging on behalf of and at the expense of the Issuer for notices to be communicated to holders of the Notes in accordance with the terms of this Indenture.

Each reference in this Indenture to the performance of duties set forth in clauses (i) and (ii) above by the Trustee includes performance of such duties by the Paying Agent.

Notes offered and sold in their initial distribution in reliance on Regulation S shall be initially issued as one or more global notes, in registered global form without interest coupons, substantially in the form of Exhibit A hereto, with such applicable legends as are provided in Exhibits A hereto, except as otherwise permitted herein. Such Global Notes shall be referred to collectively herein as the " International Global Notes ." The aggregate principal amount of the International Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee (following receipt by the Trustee of all information required hereunder), as hereinafter provided (or by the issue of a further International Global Note), in connection with a corresponding decrease or increase in the aggregate principal amount of the U.S. Global Note (as defined below) or in consequence of the issue of Definitive Notes or additional International Notes, as hereinafter provided. The International Global Note and all other Notes that are not U.S. Notes shall collectively be referred to herein as the " International Notes ."

Notes offered and sold in their initial distribution in reliance on Rule 144A shall be initially issued as one or more global notes in registered, global form without interest coupons, substantially in the form of Exhibit A hereto, with such applicable legends as are provided in Exhibit A, except as otherwise permitted herein. Such Global Notes shall be referred to collectively herein as the " U.S. Global Notes ." The aggregate principal amount of the U.S. Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee (following receipt by the Trustee of all information required hereunder), as hereinafter provided (or by the issue of further U.S. Global Notes), in connection with a corresponding decrease or increase in the aggregate principal amount of the relevant International Global Notes or in consequence of the issue of Definitive Notes or additional U.S. Notes, as hereinafter provided. The U.S. Global Notes and all other Notes, if any, evidencing the debt, or any portion of the debt, initially evidenced by such U.S. Global Note, shall collectively be referred to herein as the " U.S. Notes ."

SECTION 2.2 Execution and Authentication . Two Officers shall sign the Notes for the Issuer by manual or facsimile signature.

If an Officer whose signature is on a Note was an Officer at the time of such execution but no longer holds that office or position at the time the Trustee authenticates the Notes, the Notes shall be valid nevertheless. The Trustee shall be entitled to rely on such signature as authentic and shall be under no obligation to make any investigation in relation thereto.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

Except as otherwise provided herein, the aggregate principal amount of Notes that may be outstanding at any time under this Indenture is not limited in amount. The Trustee shall authenticate such Notes which shall consist of (i) Original Notes for original issue on the Issue Date in an aggregate principal amount not to exceed €170,000,000 and (ii) Additional Notes from time to time for issuance after the Issue Date to the extent otherwise permitted hereunder (including, without limitation, under Section 4.3 hereof), in each case upon receipt by the Trustee of a Company Order in the form of an Officers' Certificate. Additional Notes will be treated as the same series of Notes as the Original Notes for all purposes under this Indenture, including, without limitation, for purposes of waivers, amendments, redemptions and offers to purchase. Such Company Order shall specify the aggregate principal amount of Notes to be authenticated, the date on which the Notes are to be authenticated, the issue price and the date from which interest on such Notes shall accrue, whether the Notes are to be Original Notes or Additional Notes, whether the Notes are to be issued as Definitive Notes or Global Notes and whether or not the Notes shall bear the Private Placement Legend, or such other information as the Trustee may reasonably request. In addition, such Company Order shall include (a) a statement that the Persons signing the Company Order have (i) read and understood the provisions of this Indenture relevant to the statements in the Company Order and (ii) made such examination or investigation as is necessary to enable them to make such statements and (b) a brief statement as to the nature and scope of the examination or investigation on which the statements set forth in the Company Order are based. In authenticating the Notes and accepting the responsibilities under this Indenture in relation to the Notes, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel in a form reasonably satisfactory to the Trustee stating that the form and terms thereof have been established in conformity with the provisions of this Indenture, do not give rise to a Default and that the issuance of such Notes has been duly authorized by the Issuer and, if applicable, the Guarantors. Upon receipt of a Company Order, the Trustee shall authenticate Notes in substitution of Notes originally issued to reflect any name change of the Issuer.

The Trustee may appoint an authenticating agent (" Authenticating Agent ") reasonably acceptable to the Issuer to authenticate Notes. Unless otherwise provided in the appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such Authenticating Agent. An Authenticating Agent has the same rights as an Agent to deal with the Issuer and Affiliates of the Issuer.

The Notes shall be issuable only in denominations of €50,000 and any integral multiple of €1,000 in excess thereof.

SECTION 2.3 Registrar and Paying Agent . (a) The Issuer shall maintain an office or agency in Germany, where Global Notes may be presented for registration of transfer or for exchange (" Registrar "). The Issuer shall maintain an office or agency in London, England, where (i) Global Notes may be presented or surrendered for payment (" Paying Agent ") and (ii) notices and demands in respect of such Global Notes and this Indenture may be served. In the event that Definitive Notes are issued, (x) Definitive Notes may be presented or surrendered for registration of transfer or for exchange, (y) Definitive Notes may be presented or surrendered for payment and (z) notices and demands in respect of the Definitive Notes and this Indenture may be served at an office of the Registrar or the Paying Agent, as applicable, in Frankfurt, Germany or London, England, respectively. The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuer, upon notice to the Trustee, may have one or more co-Registrars and one or more additional Paying Agents reasonably acceptable to the Trustee. The term " Registrar " includes any co-Registrar, and the term " Paying Agent " includes any additional Paying Agent. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar for the Notes. The Issuer initially appoints Citibank, N.A., London Branch, as Transfer Agent and Paying Agent until such time as Citibank, N.A., London Branch has resigned and a successor has been appointed. In addition, the Issuer appoints Citigroup Global Markets Deutschland AG, as Registrar. In the event that a Paying Agent or Transfer Agent is replaced, the Issuer shall provide notice thereof, published, if and so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, in a daily newspaper with 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 at *www.bourse.lu* , and, in the case of Definitive Notes, in addition to such publication, mailed to each holder's registered address, as it appears on the register of the Notes held by the Registrar, with a copy to the Trustee. The Issuer may change any Registrar or Paying Agent without prior notice to the holders of the Notes. Payment of principal will be made upon the surrender of Definitive Notes at the office of any Paying Agent. In the case of a transfer of a Definitive Note in part, upon surrender of the Definitive Note to be transferred, a Definitive Note shall be issued to the transferee in respect of the principal amount transferred and a Definitive Note shall be issued to the transferor in respect of the balance of the principal amount of the transferred Definitive Note at the office of any Transfer Agent.

Citibank, N.A., London Branch shall initially act as Paying Agent for the Notes. The Issuer shall also undertake, 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 (the "Directive"). The Issuer may change the Paying Agent or Registrar for the Notes without prior notice to the holders of the Notes, and the Issuer, 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, the Issuer shall provide notice thereof in accordance with the procedures described below under Section 12.1.

Claims against the Issuer for payment of principal, interest and Additional Amounts, if any, on the Notes will become void unless presentment for payment is made (where so required herein) within, in the case of principal and Additional Amounts, if any, a period of ten years or, in the case of interest, a period of five years, in each case from the applicable original date of payment therefor.

The obligations of the Agents are several and not joint.

SECTION 2.4 Paying Agent to Hold Assets . Each Paying Agent shall hold to the order of the holders of the Notes or the Trustee all assets received by the Paying Agent (whether such assets have been paid to it by the Issuer or any Guarantor) for the payment of principal, premium, if any, or interest on, the Notes, and shall notify the Trustee of any Default by the Issuer or any Guarantor in making any such payment. The Issuer at any time may require a Paying Agent to distribute all assets held by it to the Trustee and account for any assets disbursed and the Trustee may at any time during the continuance of any payment default, upon written request to a Paying Agent, require such Paying Agent to distribute all assets held by it to the Trustee and to account for any assets distributed. Upon distribution to the Trustee of all assets that shall have been delivered by the Issuer to the Paying Agent pursuant to this Section 2.4, the Paying Agent shall have no further liability for such assets. If the Issuer or any of its Subsidiaries acts as Paying Agent, it shall segregate the assets held by it as Paying Agent and hold it as a separate trust fund.

SECTION 2.5 List of Holders of Notes . In the event that Definitive Notes are issued, the Registrar shall preserve, in as current a form as is reasonably practicable, the most recent list available to it of the names and addresses of holders of the Notes, together with the principal amount of Notes held by each such holder of the Notes and the aggregate principal amount of debt obligations outstanding. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least two Business Days before each Record Date and at such other times as the Trustee may request in writing, a list as of such date, and in such form as the Trustee may reasonably require of the names and addresses of holders of the Notes, which list may be conclusively relied upon by the Trustee.

SECTION 2.6 Book-Entry Provisions for Global Notes . (a) The Global Notes initially shall (i) be deposited with and registered in the name of a nominee for the Common Depositary of the Clearing Agencies and (ii) bear legends as set forth in Section 2.7(g) hereof.

(b) Notwithstanding any other provisions of this Indenture, a Global Note may not be transferred as a whole except by a nominee for the Common Depositary to a successor nominee for the Common Depositary. Interests of beneficial owners in the Global Notes may be transferred or exchanged for Definitive Notes in accordance with the rules and procedures of the Clearing Agency and the provisions of Section 2.7 of this Indenture. All Global Notes shall be exchanged by the Issuer (with authentication by the Trustee) for one or more Definitive Notes if (a) any Clearing Agency (i) has notified the Issuer that it is unwilling or unable to continue as a clearing agency and (ii) a successor to the Clearing Agency is not appointed by the Issuer within 90 days of such notification, (b) any Clearing Agency so requests following an Event of Default hereunder and which Event of Default is continuing or (c) in whole (but not in part) at any time if the Issuer in its sole discretion so determines and notifies the Trustee in writing that it elects to issue Definitive Notes. If an Event of Default occurs and is continuing, the Issuer shall, at the written request delivered through a Clearing Agency of the holders of Notes thereof or of the holder of an interest therein, exchange all or part of a Global Note for one or more Definitive Notes (with authentication by the Trustee); *provided* , *however* , that the principal amount at maturity of such Definitive Notes and such Global Note after such exchange shall be €50,000 and any integral multiple of €1,000 in excess thereof. Whenever all of a Global Note is exchanged for one or more Definitive Notes, it shall be surrendered by the holder thereof to the Trustee for cancellation. Whenever a part of a Global Note is exchanged for one or more Definitive Notes, the Global Note shall be surrendered by the holder thereof to the Trustee, who shall cause an adjustment to be made to Schedule A of such Global Note such that the principal amount of such Global Note will be equal to the portion of such Global Note not exchanged, and shall thereafter return such Global Note to such holder. A Global Note may not be exchanged for a Definitive Note other than as provided in this Section 2.6(b).

(c) In connection with the transfer of Global Notes as an entirety to beneficial owners pursuant to subsection (b) of this Section 2.6, the Global Notes shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and the Trustee shall, upon receipt of a Company Order in the form of an Officers' Certificate, authenticate and make available for delivery, to each beneficial owner in exchange for its beneficial interest in the Global Notes, an equal aggregate principal amount of Definitive Notes of authorized denominations.

(d) Any Definitive Note delivered in exchange for an interest in a Global Note pursuant to Subsection (b) of this Section 2.6 shall, except as otherwise provided by Section 2.8, bear the Private Placement Legend.

SECTION 2.7 Registration of Transfer and Exchange . (a) Notwithstanding any provision to the contrary herein, so long as a Note remains outstanding, transfers and exchange of beneficial interests in Global Notes or transfers and exchange of Definitive Notes, in whole or in part, shall be made only in accordance with this Section 2.7.

(b) If a holder of a beneficial interest in a U.S. Global Note wishes at any time to exchange its interest in such U.S. Global Note for an interest in the International Global Note of the same series, or to transfer its interest in such U.S. Global Note to a Person who wishes to take delivery thereof in the form of an interest in such International Global Note, such holder may, subject to the rules and procedures of the Clearing Agency, to the extent applicable, and to the requirements set forth in this Subsection (b), exchange or cause the exchange or transfer or cause the transfer of such interest for an equivalent beneficial interest in such International Global Note. Such exchange or transfer shall only be made upon receipt by any Transfer Agent of (1) written instructions given in accordance with the procedures of the Clearing Agency, to the extent applicable, from or on behalf of a holder of a beneficial interest in the U.S. Global Note, directing the Trustee to credit or cause to be credited a beneficial interest in the International Global Note of the same series in an amount equal to the beneficial interest in the U.S. Global Note to be exchanged or transferred, (2) a written order given in accordance with the procedures of the Clearing Agency, to the extent applicable, containing information regarding the account to be credited with such increase and the name of such account, and (3) a certificate in the form of Exhibit B given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144 under the U.S. Securities Act. Upon such receipt, the Transfer Agent shall promptly deliver appropriate instructions to the Clearing Agency to reduce or reflect a reduction of the relevant U.S. Global Note by the aggregate principal amount of the beneficial interest in such U.S. Global Note to be so exchanged or transferred from the relevant participant, and the Transfer Agent shall promptly deliver appropriate instructions to the Clearing Agency concurrently with such reduction to increase or reflect on its records an increase of the principal amount of such International Global Note by the aggregate principal amount of the beneficial interest in such U.S. Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in such International Global Note equal to the reduction in the principal amount of such U.S. Global Note.

(c) If a holder of a beneficial interest in an International Global Note wishes at any time to exchange its interest in such International Global Note for an interest in the U.S. Global Note, or to transfer its interest in such International Global Note of the same series to a Person who wishes to take delivery thereof in the form of an interest in such U.S. Global Note, such holder may, subject to the rules and procedures of the Clearing Agency, to the extent applicable, and to the requirements set forth in this Subsection (c), exchange or cause the exchange or transfer or cause the transfer of such interest for an equivalent beneficial interest in such U.S. Global Note. Such exchange or transfer shall only be made upon receipt by a Transfer Agent of (l) written instructions given in accordance with the procedures of the Clearing Agency, to the extent applicable, from or on behalf of a beneficial owner of an interest in the International Global Note directing the Transfer Agent to credit or cause to be credited a beneficial interest in the U.S. Global Note of the same series in an amount equal to the beneficial interest in the International Global Note to be exchanged or transferred, (2) a written order given in accordance with the procedures of the Clearing Agency, to the extent applicable, containing information regarding the account to be credited with such increase and the name of such account, and (3) prior to or on the 40th day after the later of the commencement of the offering of the Notes and the relevant Issue Date (the " Restricted Period "), a certificate in the form of Exhibit C given by the holder of such beneficial interest and stating that the Person transferring such interest in such International Global Note reasonably believes that the Person acquiring such interest in such U.S. Global Note is a Qualified Institutional Buyer (as defined in Rule 144A) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction. Upon such receipt, the Trustee shall promptly deliver appropriate instructions to the Clearing Agency to reduce or reflect a reduction of the relevant International Global Note by the aggregate principal amount of the beneficial interest in such International Global Note to be exchanged or transferred, and the Trustee shall promptly deliver appropriate instructions to the Clearing Agency concurrently with such reduction, to increase or reflect an increase of the principal amount of such U.S. Global Note by the aggregate principal amount of the beneficial interest in such International Global Note to be so exchanged or transferred, and credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in such U.S. Global Note equal to the reduction in the principal amount of such International Global Note. After the expiration of the Restricted Period, the certification requirement set forth in clause (3) of the second sentence of this Section 2.7(c) will no longer apply to such transfers.

(d) Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in one of the other Global Notes will, upon transfer, cease to be an interest in such Global Note and become an interest in one of the other Global Notes and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(e) In the event that a Global Note is exchanged for Definitive Notes in registered form without interest coupons, pursuant to Section 2.6(b), or a Definitive Note in registered form without interest coupons is exchanged for another such Definitive Note in registered form without interest coupons, or a Definitive Note is exchanged for a beneficial interest in a Global Note, such Notes may be exchanged or transferred for one another only in accordance with such procedures as are substantially consistent with the provisions of Sections 2.7(b) and (c) above (including the certification requirements intended to ensure that such exchanges or transfers comply with Rule 144, Rule 144A or Regulation S, as the case may be) and as may be from time to time adopted by the Issuer and the Trustee.

(f) Prior to the expiration of the Restricted Period, beneficial interests in the International Global Notes may only be exchanged or transferred in accordance with the certification requirements of Section 2.7(c).

(g) Each Note issued under this Indenture shall, upon issuance, bear the legend set forth herein and such legend shall not be removed from such Note except as provided in the next sentence. The legend required for one of the U.S. Notes may be removed from such U.S. Note if there is delivered to the Issuer and the Trustee such satisfactory evidence, which may include an opinion of independent counsel licensed to practice law in the State of New York, as may be reasonably required by the Issuer and the Trustee, that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such Note will not violate the registration requirements of the U.S. Securities Act, and the Issuer and the Trustee consent to such removal. Upon provision of such satisfactory evidence, the Trustee, at the written direction of the Issuer, shall authenticate and deliver in exchange for such Note, another Note or Notes having an equal aggregate principal amount that does not bear such legend. If such a legend required for one of the U.S. Notes has been removed from such U.S. Note as provided above, no other Note issued in exchange for all or any part of such Note shall bear such legend, unless the Issuer has reasonable cause to believe that such other Note is a “restricted security” within the meaning of Rule 144 and instructs the Trustee to cause a legend to appear thereon.

The Notes shall bear the following legend (the " Private Placement Legend ") on the face thereof:

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 U.S. 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.

(h) By its acceptance of any Note bearing the Private Placement Legend, each holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture.

Neither the Trustee nor any Paying Agent, Transfer Agent or Registrar shall have any obligation or duty to, and shall not be liable for any failure to, monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among members of, or participants in, a Clearing Agency ("Agent Members") or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

The Trustee shall retain copies of all letters, notices and other written communications received pursuant to Section 2.6 or this Section 2.7. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Trustee.

(i) Definitive Notes shall be transferable only upon the surrender of a Definitive Note for registration of transfer. When a Definitive Note is presented to the Registrar or a co-Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if its requirements for such transfers are met. When Definitive Notes are presented to the Registrar or a co-Registrar with a request to exchange them for an equal principal amount of Definitive Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. When a Definitive Note is presented to the Registrar with a request to transfer in part, the transferor shall be entitled to receive without charge a definitive security representing the balance of such Definitive Note not transferred. To permit registration of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Definitive Notes at the Registrar's or co-Registrar's request.

(j) The Issuer shall not be required to make, and the Registrar need not register transfers or exchanges of, Definitive Notes (i) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes, (ii) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part, (iii) for a payment period of 15 calendar days prior to any Record Date, or (iv) that the relevant holder of such a Note has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or Asset Disposition Offer.

(k) Prior to the due presentation for registration of transfer of any Definitive Note, the Issuer, any Guarantor, the Trustee, any Paying Agent or any Transfer Agent, the Registrar or any co-Registrar and any agent of any of them may deem and treat the Person in whose name a Definitive Note is registered as the absolute owner of such Definitive Note for the purpose of receiving payment of principal, interest or Additional Amounts, if any, on such Definitive Note and for all other purposes whatsoever, whether or not such Definitive Note is overdue, and none of the Issuer, any Guarantor, the Trustee, any Paying Agent or any Transfer Agent, the Registrar and any agent of any of them or any co-Registrar shall be affected by notice to the contrary.

(l) A holder of Notes may transfer or exchange Notes in accordance with this Indenture. The Issuer, the Registrar and the Trustee for the Notes may require a holder of a Note to furnish appropriate endorsements and transfer documents, and the Issuer may require such holder to pay any taxes and fees required by law or permitted by this Indenture. The Issuer is not required to transfer or exchange any Note selected for redemption. Also, the Issuer 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 it for all purposes. No service charge will be made to any holder of Notes for any registration or transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar government charge payable in connection therewith.

(m) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture will evidence the same debt and will be entitled to the same benefits under this Indenture as the corresponding Notes surrendered upon such transfer or exchange.

(n) Holders of Notes (or holders of interests therein) and prospective purchasers designated by such holders of the Notes (or holders of interests therein) will have the right to obtain from the Issuer upon request by such holders of the Notes (or holders of interests therein) or prospective purchasers, during any period in which the Issuer is not subject to Section 13 or 15(d) of the U.S. Exchange Act, or is exempt from reporting pursuant to 12g3-2(b) under the U.S. Exchange Act, the information required by Subsection d(4)(i) of Rule 144A in connection with any transfer or proposed transfer of such Notes.

SECTION 2.8 Replacement Notes . If a mutilated Definitive Note is surrendered to the Registrar, if a mutilated Global Note is surrendered to the Issuer or if the holder of a Note claims that such Note has been lost, destroyed or wrongfully taken, the Issuer shall issue and the Trustee shall authenticate a replacement Note in such form as the Note being replaced if the requirements of the Trustee, the Registrar, the Issuer and the Guarantors are met. If required by the Trustee, the Registrar, the Issuer or any Guarantor, such holder must provide an indemnity bond or other indemnity, sufficient in the judgment of the Issuer, any Guarantor, the Registrar and the Trustee, to protect the Issuer, the Guarantors, the Trustee and the Registrar and any Agent from any loss which any of them may suffer when such Note is replaced. The Issuer may charge such holder of the Notes for its reasonable, out-of-pocket expenses in replacing a Note, including reasonable fees and expenses of counsel. Every replacement Note is an additional obligation of the Issuer. If any mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable the Issuer may, in its discretion, instead of issuing a replacement Note, pay such Note. The provisions of this Section 2.8 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement of mutilated, destroyed, lost, stolen or taken Notes.

SECTION 2.9 Outstanding Notes . Notes outstanding at any time are all the Notes that have been authenticated by the Trustee except those canceled by it, those delivered to it for cancellation, those reductions in the Global Note effected in accordance with the provisions hereof and those described in this Section as not outstanding. Subject to Section 2.10, a Note does not cease to be outstanding because the Issuer or any of its Affiliates holds the Note.

If a Note is replaced pursuant to Section 2.8 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee receives proof satisfactory to it, and upon which it shall be entitled to rely without liability, that the replaced Note is held by a *bona fide* purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement thereof pursuant to Section 2.8.

If the principal amount of any Note is considered paid under Section 4.1 hereof, it ceases to be outstanding and interest and Additional Amounts, if any, on it cease to accrue.

If on a Redemption Date or the Maturity Date the Paying Agent holds cash in euro sufficient to pay all of the principal, interest and Additional Amounts, if any, due on the Notes payable on that date, then on and after that date such Notes cease to be outstanding and interest and Additional Amounts, if any, on such Notes cease to accrue.

SECTION 2.10 Treasury Notes . In determining whether the holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or its Subsidiaries shall be disregarded, except that, for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Trust Officer actually knows are so owned shall be disregarded.

The Issuer shall notify the Trustee, in writing, when it or any of its Subsidiaries repurchases or otherwise acquires Notes of the aggregate principal amount of such Notes so repurchased or otherwise acquired. The Trustee may require an Officers' Certificate, which shall be promptly provided, listing Notes owned by the Issuer or any of its Subsidiaries.

SECTION 2.11 Temporary Notes . In the event that Definitive Notes become issuable under this Indenture, until permanent Definitive Notes are ready for delivery, the Issuer may prepare and the Trustee shall authenticate temporary Definitive Notes upon receipt of a Company Order pursuant to Section 2.2. The Company Order shall specify the amount of temporary Definitive Notes to be authenticated and the date on which the temporary Definitive Notes are to be authenticated. Temporary Definitive Notes shall be substantially in the form of permanent Definitive Notes but may have variations that the Issuer considers appropriate for temporary Definitive Notes. Without unreasonable delay, the Issuer shall prepare and the Trustee shall authenticate, upon receipt of a Company Order pursuant to Section 2.2, permanent Definitive Notes in exchange for temporary Definitive Notes.

SECTION 2.12 Cancellation . The Issuer at any time may deliver Notes to the Registrar for cancellation. The Trustee and the Paying Agent shall promptly forward to the Trustee any Notes surrendered to them for transfer, exchange or payment. The Registrar, or at the direction of the Registrar, the Paying Agent, and no one else, shall cancel and, at the written direction of the Issuer, shall dispose of (subject to the record retention requirements of the U.S. Exchange Act) all Notes surrendered for transfer, exchange, payment or cancellation. Upon completion of any disposal, the Registrar shall (at the Issuer's expense) deliver a certificate of such disposal to the Issuer, unless the Issuer directs the Registrar in writing to deliver (at the Issuer's expense) the cancelled Notes to the Issuer. Subject to Section 2.7, the Issuer may not issue new Notes to replace Notes that it has paid or delivered to the Registrar for cancellation. If the Issuer shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Notes unless and until the same are surrendered to the Registrar for cancellation pursuant to this Section 2.12.

SECTION 2.13 Defaulted Interest . If the Issuer defaults in a payment of interest on the Notes, it shall pay the defaulted interest, plus (to the extent lawful) any interest payable on the defaulted interest, to the holder of such Note thereof on a subsequent special record date, which date shall be the fifteenth day next preceding the date fixed by the Issuer for the payment of defaulted interest. The Issuer shall notify the Trustee and the Paying Agent in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment (a " Default Interest Payment Date "), and at the same time the Issuer shall deposit with the Trustee or the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make arrangements satisfactory to the Trustee or the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such defaulted interest as in this Section 2.13; *provided , however ,* that in no event shall the Issuer deposit monies proposed to be paid in respect of defaulted interest later than 12:00 p.m. London time on the Business Day prior to the proposed Default Interest Payment Date with respect to defaulted interest to be paid on the Note. At least 15 days before the subsequent special record date, the Issuer shall mail to each holder of the Notes at its registered address, with a copy to the Trustee and the Paying Agent, a notice that states the subsequent special record date, the payment date and the amount of defaulted interest, and interest payable on such defaulted interest, if any, to be paid.

SECTION 2.14 ISIN and Common Code s . The Issuer in issuing the Notes may use an " ISIN " or " Common Code " number, and if so, the Trustee shall use the ISIN and Common Codes in notices of redemption or exchange as a convenience to holders of the Notes; *provided, however,* that any such notice may state that no representation is made by the Trustee as to the correctness or accuracy of the ISIN and Common Codes printed in the notice or on the Notes, and that reliance may be placed only on the other identification numbers printed on the Notes. The Issuer shall promptly notify the Trustee of any change in any ISIN or Common Codes.

SECTION 2.15 Deposit of Moneys . Prior to 12:00 p.m. London time on the Business Day immediately preceding each interest payment date and the Maturity Date, the Issuer shall have deposited with the Trustee or its designated Paying Agent in immediately available funds money sufficient to make cash payments, if any, due on such interest payment date or Maturity Date, as the case may be, on all Notes then outstanding. Such payments shall be made by the Issuer in a timely manner which permits the Paying Agent to remit payment to the holders of the Notes on such interest payment date or Maturity Date, as the case may be. The Issuer shall, prior to 12:00 p.m. London time on the second Business Day prior to the date on which the Paying Agent receives payment, procure that the bank effecting payment confirms by SWIFT message to the Trustee that an irrevocable payment instruction has been given.

SECTION 2.16 Certain Matters Relating to Global Notes . Agent Members shall have no rights under this Indenture or any of the Global Notes with respect to any Global Note held on their behalf by the Clearing Agency, the Common Depositary or its nominee, and the Clearing Agency, the Common Depositary or its nominee may be treated by the Issuer, any Guarantor, the Trustee and any agent of the Issuer, any Guarantor or the Trustee as the absolute owner of the Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, any Guarantor, the Trustee or any agent of the Issuer, any Guarantor or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Clearing Agency or its nominee or impair, as between the Clearing Agency and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

The holder of interest in any Global Note may grant proxies and otherwise authorize any person, including Euroclear and Clearstream and their Agent Members and persons that may hold interests through Agent Members, to take any action which a holder of such interest in a Global Note is entitled to take under this Indenture or the Notes.

ARTICLE III

REDEMPTION

SECTION 3.1 Optional Redemption . The Notes may be redeemed, as a whole or from time to time in part, upon the terms and at the redemption prices set forth in each of the Notes. Any redemption pursuant to this Section 3.1 shall be made pursuant to the provisions of this Article III.

SECTION 3.2 Notices to Trustee . If the Issuer elects to redeem Notes pursuant to Paragraphs 7 or 8 of such Notes, it shall notify the Trustee and the Paying Agent in writing of the Redemption Date, the amount of any premium and the principal amount of Notes to be redeemed at least 30 days but not more than 60 days before the Redemption Date (or such shorter period as the Trustee in its sole discretion shall determine). The Issuer shall give notice of redemption as required under the relevant paragraph of the Notes pursuant to which such Notes are being redeemed.

SECTION 3.3 Selection of Notes to Be Redeemed . If fewer than all of the Notes are to be redeemed at any time, selection of such Notes for redemption will be made by the Trustee in compliance with the requirements of the principal securities exchange, if any, on which such Notes are listed, or if the Notes are not so listed or such exchange prescribes no method of selection, on a *pro rata* basis, by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate (and in such manner as complies with applicable legal and exchange requirements); *provided* , *however* , that no Note of €50,000 in aggregate principal amount or less shall be redeemed in part. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 15 nor more than 60 days prior to the Redemption Date by the Trustee from the outstanding Notes not previously called for redemption. The Trustee assumes no liability in relation to selections made by it pursuant to this Section 3.3.

SECTION 3.4 Notice of Redemption . Other than as provided in Section 3.4(b) below, at least 30 days but not more than 60 days before a Redemption Date so long as the Notes are in global form, the Issuer (a) shall notify the Trustee, the Registrar and the Paying Agent and (b) publish a notice of redemption in accordance with the provisions of Article 12.1 hereof, or in the case of Definitive Notes, in addition to such publication, mail such notice to each holder of the Notes by first-class mail, postage prepaid, with a copy to the Trustee, at such holder's address as it appears on the registration books of the Registrar. At the Issuer's request made at least 30 days before the Redemption Date (or such shorter period as the Trustee in its sole discretion shall determine), the Trustee shall give the notice of redemption in the Issuer's name and at the Issuer's expense; *provided* , *however* , that the Issuer shall deliver to the Trustee (in advance) an Officers' Certificate requesting that the Trustee give such notice and setting forth in full the information to be stated in such notice as provided in the following items.

Each notice of redemption shall identify the Notes to be redeemed and shall state:

(a) the Redemption Date;

(b) the Redemption Prices and the amount of accrued and unpaid interest, if any, Additional Amounts, if any, to be paid (subject to the right of holders of record of Definitive Notes on the relevant Record Date to receive interest and Additional Amounts, if any, due on the relevant interest payment date);

(c) the name and address of the Paying Agents;

(d) that Notes called for redemption must be surrendered to a Paying Agent to collect the Redemption Price plus accrued and unpaid interest, if any, and Additional Amounts, if any;

(e) that, unless the Issuer defaults in making the redemption payment, then interest and Additional Amounts, if any, on Notes called for redemption cease to accrue on and after the Redemption Date, and the only remaining right of the holders of such Notes is to receive payment of the Redemption Price upon surrender to the Paying Agent of the Notes redeemed;

(f) (i) if any Global Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date, interest and Additional Amounts, if any, shall cease to accrue on the portion called for redemption, and upon surrender of such Global Note, the Global Note with a notation on Schedule A thereof adjusting the principal amount thereof to be equal to the unredeemed portion, will be returned and (ii) if any Definitive Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed, and that, after the Redemption Date, upon surrender of such Definitive Note, a new Definitive Note or Notes in aggregate principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof, upon cancellation of the original Note;

(g) if fewer than all the Notes are to be redeemed, the identification of the particular Notes (or portion thereof) to be redeemed, as well as the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption;

(h) the paragraph of the terms of the Notes pursuant to which the Notes are to be redeemed; and

(i) the ISIN or Common Code number, and that no representation is made as to the correctness or accuracy of the ISIN or Common Code, if any, listed in such notice or printed on the Notes.

Prior to the giving of any notice of redemption pursuant to Paragraph 8 of the Notes, the Issuer shall deliver to the Trustee (a) an Officers' Certificate of the Issuer stating that it cannot avoid its obligation to pay Additional Amounts by taking commercially reasonable measures available to it and (b) an opinion of an independent tax advisor of nationally recognized standing reasonably satisfactory to the Trustee to the effect that the Issuer or any Guarantor has or will become obligated to pay such Additional Amounts as a result of a Change in Tax Law.

SECTION 3.5 Effect of Notice of Redemption . Once notice of redemption is given in accordance with Section 3.4, Notes called for redemption become due and payable on the Redemption Date and at the Redemption Price plus accrued and unpaid interest, if any, and Additional Amounts, if any. Upon surrender to the Trustee or Paying Agent, such Notes called for redemption shall be paid at the Redemption Price (which shall include accrued and unpaid interest thereon, if any, and Additional Amounts, if any, to the Redemption Date), but (in the case of Definitive Notes) installments of interest, the maturity of which is on or prior to the Redemption Date, shall be payable to holders of record at the close of business on the relevant Record Dates.

SECTION 3.6 Deposit of Redemption Price . Prior to 12:00 p.m. London time on the Business Day immediately preceding the Redemption Date, the Issuer shall deposit with the Trustee or its designated Paying Agent cash in euro sufficient to pay the Redemption Price plus accrued and unpaid interest, if any, and Additional Amounts, if any, of all Notes to be redeemed on that date. The Paying Agent shall promptly return to the Issuer any cash in euro so deposited which is not required for that purpose upon the written request of the Issuer. The Issuer shall, prior to 12:00 p.m. London time on the second Business Day prior to the date on which the Paying Agent receives payment, procure that the bank effecting payment confirms by SWIFT message to the Trustee that an irrevocable payment instruction has been given.

If the Issuer complies with the preceding paragraph, then, unless the Issuer defaults in the payment of such Redemption Price plus accrued and unpaid interest, if any, and Additional Amounts, if any, then interest on the Notes to be redeemed will cease to accrue on and after the applicable Redemption Date, whether or not such Notes are presented for payment. With respect to Definitive Notes, if a Definitive Note is redeemed on or after an interest Record Date but on or prior to the related interest payment date, then any accrued and unpaid interest, and Additional Amounts, if any, shall be paid to the Person in whose name such Note was registered at the close of business on such Record Date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuer to comply with the preceding paragraph, interest and Additional Amounts, if any, shall be paid on the unpaid principal, from the Redemption Date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.1.

SECTION 3.7 Notes Redeemed in Part . Upon surrender and cancellation of a Definitive Note that is redeemed in part, the Issuer shall execute and upon receipt of a Company Order the Trustee shall authenticate for the holder of the Notes (at the Issuer's expense) a new Definitive Note equal in principal amount to the unredeemed portion of the Definitive Note surrendered and canceled; *provided, however,* that each such Definitive Note shall be in a principal amount at maturity of €50,000 and any integral multiple of €1,000 in excess thereof. Upon surrender of a Global Note that is redeemed in part, the Paying Agent shall promptly forward such Global Note to the Trustee who shall make a notation on Schedule A thereof to reduce the principal amount of such Global Note to an amount equal to the unredeemed portion of the Global Note surrendered; *provided, however,* that each such Global Note shall be in a principal amount at maturity of €50,000 and any integral multiple of €1,000 in excess thereof.

ARTICLE IV

COVENANTS

SECTION 4.1 Payment of Notes . (a) The Issuer shall pay the principal, premium, if any, interest and Additional Amounts, if any, on the Notes in the manner provided in such Notes and this Indenture. An installment of principal of or interest on the Notes shall be considered paid on the date it is due if the Trustee or Paying Agent holds prior to 12:00 p.m. London time on the Business Day immediately preceding any interest payment date and the Maturity Date money deposited by the Issuer in immediately available, freely transferable, cleared funds and designated for, and sufficient to pay the installment in full and is not prohibited from paying such money to the holders of the Notes pursuant to the terms of this Indenture.

(b) The Issuer shall pay, to the extent such payments are lawful, interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and on overdue installments of interest and, on any Additional Amounts from time to time on demand at the rate borne by the Notes plus 1.0% per annum (except that overdue interest shall bear interest at the rate borne by the Notes until the expiry of any grace period, after which it shall bear interest at the rate borne by the Notes plus 1.0% per annum). Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

SECTION 4.2 Maintenance of Office or Agency . The Issuer shall maintain the office or agency (which office may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-Registrar) required under Section 2.3 where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 12.1. The Issuer hereby initially designates the office of Citibank, N.A., London Branch as its office or agency at Agency & Trust, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom as required under Section 2.3 hereof.

SECTION 4.3 Limitation on Indebtedness . (a) CME shall not, and shall not permit any of its Restricted Subsidiaries to, Incur any Indebtedness; *provided, however* , that CME, the Issuer and any Guarantor may, subject to Section 4.3(c), 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.

(b) Section 4.3(a) 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 CME

shall 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) of this Section 4.3(b)) 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 Section 4.3(a);

(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 Section 4.3(a) 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.

(c) Notwithstanding Sections 4.3(a) and 4.3(b), CME shall 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 Section 4.3(b), 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.

(d) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 4.3:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Sections 4.3(a) and 4.3 (b), 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 Section 4.3(b) and not under Section 4.3(a) or clause 4(b) of Section 4.3(b), and may not be reclassified pursuant to clause (1) of this Section 4.3(d); 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 Section 4.3. 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 Section 4.3, CME shall be in Default hereunder).

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 denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro denominated 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 Section 4.3, the maximum amount of Indebtedness that CME may Incur pursuant to this Section 4.3 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.

SECTION 4.4 Limitation on Restricted Payments . (a) CME shall not, and shall 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 Section 4.3(a) 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.

(b) The provisions Section 4.4(a) 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 Section 4.4(a)(4);

(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 Section 4.3 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 Section 4.9 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 Section 4.4; *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.

SECTION 4.5 Corporate Existence . Except as otherwise permitted by Section 4.18 and Article V hereof, the Issuer and each of the Guarantors shall do or cause to be done all things necessary to preserve and keep in full force and effect its respective corporate existence and the corporate, partnership, limited liability or other existence of each of the Restricted Subsidiaries in accordance with the respective organizational documents (as the same may be amended from time to time) of each such Person and the rights (charter and statutory) of the Restricted Subsidiaries; *provided* , *however* , that the Issuer and each of the Guarantors shall not be required to preserve any such right, or the corporate, partnership, limited liability or other existence of any of the Restricted Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Issuer, each of the Guarantors and each of the Restricted Subsidiaries, taken as a whole.

SECTION 4.6 Limitation on Liens . CME shall not, and shall 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 this 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.

SECTION 4.7 Waiver of Stay, Extension or Usury Laws . The Issuer covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer from paying all or any portion of the principal of and/or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture, and (to the extent that it may lawfully do so) the Issuer hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.8 Limitation on Restrictions on Distributions from Restricted Subsidiaries .

(a) CME shall not, and shall 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.

(b) The provisions of Section 4.8(a) will not prohibit:

(i) any encumbrance or restriction pursuant to this 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 Section 4.8(b) 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 Section 4.8 (b) 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 Section 4.8(b) 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 Section 4.8(a), 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 this 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 this Indenture, in each case, that impose encumbrances or restrictions of the nature described in clause (3) of Section 4.8(a) 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 Section 4.3 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 the Issuer'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.

SECTION 4.9 Limitation on Sales of Assets and Subsidiary Stock . (a) CME shall not, and shall 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 shall retire such Indebtedness and shall 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 Cost 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 this Indenture.

(b) Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in Section 4.9(a) 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, the Issuer shall 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 the Issuer 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 this 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.

(c) 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 this 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.

(d) Notice of the Asset Disposition Offer will be given in accordance with this 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"), the Issuer shall purchase the principal amount of Notes and Pari Passu Indebtedness, required to be purchased pursuant to this Section 4.9 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.

(e) 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.

(f) On or before the Asset Disposition Purchase Date, the Issuer shall, 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. The Issuer shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer, in accordance with the terms of this Section 4.9 and, in addition, the Issuer shall deliver all certificates and Notes required, if any, by the agreements governing the Pari Passu Indebtedness. The Issuer or the Paying Agent, as the case may be, shall 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 the Issuer for purchase, and the Issuer shall promptly issue a new Note, and the Trustee, upon delivery of an Officers' Certificate from the Issuer shall 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 shall be promptly mailed or delivered by the Issuer to the holder thereof. The Issuer shall publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

(g) For the purposes of this Section 4.9, 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 shall, 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 clause (1); 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.

(h) To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.9, the Issuer's compliance with the applicable securities laws and regulations shall not be deemed to be in breach of CME's and the Issuer's obligations under this Indenture and the terms of any Pari Passu Indebtedness, as applicable by virtue of any conflict.

SECTION 4.10 Limitation on Affiliate Transactions . (a) CME shall not, and shall 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 arm's length basis from a Person that is not an Affiliate.

CME shall not, and shall 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).

(b) Section 4.10(a) will not apply to:

(1) any Restricted Payment (other than a Restricted Investment) permitted to be made pursuant to Section 4.4;

(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 Section 4.3;

(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.

(c) CME shall procure that none of the Issuer 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 arm's length dealings with a Person that is not a Related CME Person.

(d) Section 4.10(c) shall not apply to (1) any dividend or redemption of capital of the Issuer; 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.

SECTION 4.11 Listing . The Issuer shall use its commercially reasonable efforts to cause the Notes to be listed on the Luxembourg Stock Exchange (or, failing the approval of such listing, it shall use its commercially reasonable efforts to cause the Notes to be listed on another stock exchange reasonably satisfactory to the Issuer and the Initial Purchasers) as soon as practicable and in any event prior to the date of the first interest payment and cause that such listing continues for so long as any of the Notes are outstanding.

SECTION 4.12 Reports . CME shall file with the Commission and provide to the Issuer 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 clauses of this Section 4.12 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.

The Issuer shall 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 the Issuer'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 the Issuer 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 the Issuer's organizational documents and this Indenture and the most recent consolidated financial statements of the Issuer described in clauses (1) and (2) above may be inspected and obtained at the office of the Paying Agent.

SECTION 4.13 Limitation on Lines of Business . CME shall not, and shall not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business.

SECTION 4.14 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.

SECTION 4.15 Change of Control and Rating Decline . If a Change of Control Triggering Event occurs, each holder of Notes shall have the right to require the Issuer 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, the Issuer shall provide notice (the "Change of Control Offer") in accordance with the procedures described under Section 12.1, stating:

(1) that a Change of Control Triggering Event has occurred and that holders have the right to require the Issuer 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 the Issuer, consistent with this Indenture that a holder must follow in order to have its Notes repurchased.

On the Change of Control Payment Date, the Issuer shall, 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 the Issuer.

The Paying Agent shall 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 shall promptly authenticate and deliver (or cause to be transferred by book entry) to the holder of such 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, shall 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 shall be payable to holders who tender pursuant to the Change of Control Offer.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of this Indenture are applicable.

The Issuer shall 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 this Indenture applicable to a Change of Control Offer made by the Issuer 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 this Indenture, compliance with the applicable laws and regulations will not be deemed to be in breach of the obligations described in this Indenture by virtue of the conflict.

SECTION 4.16 Additional Amounts . At least 30 days prior to each date on which payment of principal, premium, if any, or interest on the Notes or any Guarantee is due and payable (unless such obligation to pay Additional Amounts arises shortly before or at some time after the 30 th day prior to such date, in which case it shall be as soon as practicable after such obligation arises), if the Payor shall be obligated to pay Additional Amounts pursuant to Paragraph 2 of the Notes (the " Additional Amounts ") with respect to any such payment, the Payor shall deliver to the Trustee an Officers' Certificate stating that such Additional Amounts will be payable, the amounts so payable and shall set forth such other information necessary to enable the Trustee or the Paying Agent, as the case may be, to pay such Additional Amounts to the holders of the Notes on the payment date. Each such Officers' Certificate shall be relied upon until the receipt of a further Officers' Certificate addressing such matters. The Payor shall pay to the Trustee, or the Paying Agent, as the case may be, such Additional Amounts and, if paid to a Paying Agent other than the Trustee, shall provide the Trustee with documentation evidencing the payment of such Additional Amounts. Copies of such documentation shall be made available to the holders of the Notes upon request.

The Payor shall (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 shall use all 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 shall provide such certified copy to each holder of a Note. The Payor shall 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.

The foregoing obligations of this Section 4.16 will survive any termination, defeasance or discharge of this Indenture and will apply with appropriate changes to any jurisdiction in which any successor Person to a Payor is organized or any political subdivision or taxing authority or agency thereof or therein.

Whenever in this Indenture or in the Notes there is mentioned, in any context, the payment of principal, premium, if any, redemption prices or purchase prices in connection with a redemption or purchase of the Notes, as applicable, or interest, if any, or any other amount payable on or with respect to any Note and the Guarantees, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

SECTION 4.17 Payment of Non-Income Taxes and Similar Charges . The Payor shall pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the execution, delivery or registration of the Notes or any other document or instrument referred to therein (other than a transfer of the Notes), or the receipt of any payments with respect to the Notes or the Guarantees, excluding any such taxes, charges or similar levies imposed by any jurisdiction other than a Relevant Taxing Jurisdiction, other than those resulting from, or 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.

SECTION 4.18 Compliance Certificate; Notice of Default . The Issuer shall deliver to the Trustee within 120 days after the end of each fiscal year an Officers' Certificate stating (a) that in the course of the performance by the signers of their duties as Officers of the Issuer they would normally have knowledge of any Default and whether or not the signers know of any Default that occurred during such period. If they do, the certificate shall describe the Default, its status and what action the Issuer is taking or proposes to take with respect thereto and (b) that no recording, filing, re-recording or re-filing of this Indenture and the Security Documents is necessary to maintain the security interest intended to be created thereby for the benefit of the holders of the Notes.

Upon becoming aware of, and as of such time that the Issuer should reasonably have become aware of, a Default, the Issuer also shall deliver to the Trustee within five Business Days of the occurrence of such Default, written notice of such events which would constitute a Default, their status and what action the Issuer is taking or proposes to take in respect thereof.

SECTION 4.19 Merger, Amalgamation and Consolidation . (a) CME shall not consolidate with, amalgamate or merge with or into, or convey, transfer or lease all or substantially all of 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) shall 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, this 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 Section 4.3; and

(4) CME shall 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 this Indenture.

For purposes of this Section 4.19, 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.

(b) The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, CME under this 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 of its assets, CME shall not be released from the obligation to pay the principal or premium, if any, and interest on the Notes.

(c) Notwithstanding the preceding clause (3) and clause (4) of Section 4.19(a), 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.

(d) The Issuer shall not, and CME shall procure that the Issuer shall not, consolidate with, amalgamate or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, *unless* :

(1) the Successor Company shall be a Person organized and existing under the laws of the Czech Republic, and not a natural Person, and the Successor Company (if not the Issuer) shall expressly assume by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Issuer under the Notes, this 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 Section 4.3(c) and

(4) The Issuer 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 this Indenture.

For purposes of this Section 4.19, 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 the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

(e) The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this 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 of its assets, the Issuer shall not be released from the obligation to pay the principal or premium, if any, and interest on the Notes.

(f) In addition, CME shall 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 this 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 Section 4.3(c); and (d) CME shall 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 this Indenture; or

(2) the transaction constitutes a disposal to a Person other than CME or a Restricted Subsidiary is made in compliance with Section 4.9.

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 this 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 shall not be released from its obligation under its Guarantee to pay the principal of, premium, if any, and interest on the Notes in the event of a default as described above.

(g) The following additional conditions will apply to each transaction described in this Section 4.19:

(1) to the extent required, CME, the Guarantors or the relevant Successor Company, as applicable, shall 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 this Indenture; and

(3) the Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the relevant obligor under this 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 shall not be released from the obligation to pay the principal of, premium, if any, and interest, and Additional Amounts, if any, on the Notes.

SECTION 4.20 Payments for Consent . CME shall not, and shall 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 this 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.

SECTION 4.21 Limitations on Sale of Capital Stock of Restricted Subsidiaries . CME shall not, and shall 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 Section 4.9 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 Section 4.4.

Notwithstanding the preceding paragraph, CME may sell all the Voting Stock of a Restricted Subsidiary as long as CME complies with Section 4.9.

SECTION 4.22 Additional Guarantees . CME shall cause each Restricted Subsidiary that after the Issue Date, guarantees Indebtedness under the Revolving Credit Facility or any other Indebtedness of the Issuer or a Guarantor to simultaneously or prior thereto provide a Guarantee on substantially the same terms and conditions as those set forth in Exhibit D hereto.

CME shall cause any Restricted Subsidiary that is a Material Subsidiary and not a Guarantor to provide a Guarantee on substantially the same terms and conditions as those set forth in Exhibit D hereto within 60 Business Days of delivery of CME's audited annual reports to the Trustee pursuant to this 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.

SECTION 4.23 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 of Media Pro Pictures s.r.o, the Issuer 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 the Issuer, the Issuer 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 the Issuer, the Issuer 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 the Issuer, the Issuer shall use its best efforts to have the registration of such pledge completed within 10 Business Days after the Issue Date.

SECTION 4.24 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 Section 4.24, including the release and re-taking of one or more liens in connection therewith, and any actions permitted under Section 4.6, any disposal of assets that is a Permitted Transaction and any release of assets authorized by this 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 Section 4.6; 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 Section 4.24, 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.

SECTION 4.25 Additional Intercreditor Agreements . (a) At the request of the Issuer, at the time of, or prior to, the Incurrence by the Issuer or any Guarantor of any Indebtedness permitted pursuant to this Indenture, the Issuer, 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 the Issuer); *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 this Indenture or any Intercreditor Agreement. If so requested by the Issuer, the Trustee is authorized to direct the Security Agent to similarly enter into such Additional Intercreditor Agreement.

(b) At the request of the Issuer, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Issuer or a Guarantor of Indebtedness permitted to be incurred pursuant to Section the preceding paragraph, the Issuer 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 the Issuer or a Guarantor that is subject to any of the Intercreditor Agreements in a manner not prohibited by this 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) 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. The Issuer 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 the Issuer 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 this Indenture or any Intercreditor Agreement. If so requested by the Issuer, the Trustee is authorized to direct the Security Agent to similarly enter into such amendment.

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 the Issuer.

ARTICLE V

[RESERVED]

ARTICLE VI

DEFAULT AND REMEDIES

SECTION 6.1 Events of Default . Whenever used herein with respect to the Notes, " Event of Default " means any one of the following events which shall have occurred and be continuing:

(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, the Issuer or any of the Subsidiary Guarantors to comply with Section 4.19;

(4) failure by CME or any of its Subsidiaries to comply for 30 days after notice with any covenant set forth in Article IV 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 Section 4.19, which is covered by clause (3) above);

(5) failure by CME or any of its Subsidiaries to comply for 60 days after notice with any of the other agreements contained in this 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;

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) (A) a court having jurisdiction in the premises enters a decree or order for (i) relief in respect of the Issuer, CME or any Significant Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days, (ii) appointment of a receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestration or similar official for the Issuer, CME or any Significant Subsidiary or for all or substantially all of the property and assets of the Issuer, CME or any Significant Subsidiary on a consolidated basis and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days or (iii) the winding up or liquidation of the affairs of the Issuer, CME or any Significant Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (B) the Issuer, CME or any Significant Subsidiary (i) commences a voluntary case (including taking any action for the purpose of winding up) under any applicable bankruptcy, insolvency, examination, court protection or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestration or similar official of the Issuer, CME or any Significant Subsidiary or for all or substantially all of the property and assets of the Issuer, CME or any Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors;

(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 this 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 this 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 this Indenture) for any reason other than satisfaction in full of all obligations of CME and its Subsidiaries under this Indenture or the release of any such security interest in accordance with the Security Documents or this 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 (and as defined in) the Existing Intercreditor Agreement.

However, a default under clauses (4) and (5) of this Section 6.1 will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding Notes notify the Issuer of the default and such default is not cured within the time specified in clauses (4) and (5) hereof after receipt of such notice.

SECTION 6.2 Acceleration . If an Event of Default (other than an Event of Default described in clause (7) of Section 6.1) occurs and is continuing, the Trustee by notice to the Issuer, or the holders of at least 25% in principal amount of the outstanding Notes by notice to the Issuer 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) of Section 6.1 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) of Section 6.1 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) of Section 6.1 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 (including the Notes) is required to be and shall be automatically accelerated.

SECTION 6.3 Other Remedies . Subject to the terms of the Intercreditor Agreement, if an Event of Default of which a Trust Officer of the Trustee has actual knowledge occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or, premium, if any, interest, and Additional Amounts, if any, on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

SECTION 6.4 The Trustee May Enforce Claims Without Possession of Securities . All rights of action and claims under this Indenture and under any Guarantee or Intercreditor Agreement may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as Trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the holders of the Notes in respect of which such judgment has been recovered.

SECTION 6.5 Rights and Remedies Cumulative . Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.8, no right or remedy herein conferred upon or reserved to the Trustee or to the holders of the Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent or subsequent assertion or employment of any other appropriate right or remedy.

SECTION 6.6 Delay or Omission Not Waiver . No delay or omission of the Trustee or of any holder of the Notes to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Section 6.6 or by law to the Trustee or to the holders of the Notes may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the holders of the Notes, in each case in accordance with the terms of this Indenture.

SECTION 6.7 Waiver of Past Defaults . Subject to Sections 2.10, 6.10 and 9.2, at any time after a declaration of acceleration with respect to the Notes as described in Section 6.2, 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. Such waiver shall not excuse a continuing Event of Default in the payment of interest, premium, if any, principal or Additional Amounts, if any, on such Note held by a non-consenting holder of the Notes, or in respect of a covenant or a provision which cannot be amended or modified without the consent of all holders of the Notes. The Issuer shall deliver to the Trustee an Officers' Certificate stating that the requisite percentage of holders of the Notes has consented to such waiver and attaching copies of such consents. When a Default or Event of Default is waived, it is cured and ceases.

SECTION 6.8 Control by Majority . Subject to Section 2.10, the holders of the Notes of not less than a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. Subject to Section 7.1, however, the Trustee may refuse to follow any direction that conflicts with any law or this Indenture or that the Trustee determines is unduly prejudicial to the rights of another holder of the Notes, or that may involve the Trustee in personal liability; *provided , however* , that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 6.9 Limitation on Suits . Subject to Section 6.10, if an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under this 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 this 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.

SECTION 6.10 Rights of holders of the Notes to Receive Payment . Notwithstanding any other provision of this Indenture (including, without limitation, Section 8.9 hereof), subject to the CET Group Intercreditor Agreement, the right of any holder of the Notes to receive payment of principal of, premium, if any, and interest, and Additional Amounts, if any, on a Note, on or after the respective due dates expressed in such Note, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder of the Notes.

SECTION 6.11 Collection Suit by Trustee . If an Event of Default in payment of principal, premium, if any, and interest and Additional Amounts, if any, specified in clause (1) or clause (2) of Section 6.1 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer, any Guarantor or any other obligor on the Notes for the whole amount of principal and accrued interest remaining unpaid, together with interest on overdue principal and, to the extent that payment of such interest is lawful, interest on overdue installments of interest, in each case at the rate per annum borne by the Notes and such further amount as shall be sufficient to cover the costs and expenses of collection, including the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.6.

SECTION 6.12 Trustee May File Proofs of Claim . The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the properly incurred compensation, expenses, disbursements, advances or any other amounts due to the Trustee under Section 7.6, its agents, appointees and counsel, accountants and experts) and the holders of the Notes allowed in any judicial proceedings relating to the Issuer or any Guarantor, their creditors or their property or any other obligor on the Notes, its creditors or its property and shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceedings is hereby authorized by each holder of the Notes to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the holders of the Notes, to pay to the Trustee any amount due to it for the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agent and appointee and counsel, and any other amounts due to the Trustee under Section 7.6. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and appointees and counsel, and any other amounts due to the Trustee under Section 7.6 hereof out of the estate in any such proceeding shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties which the holders of the Notes may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise.

SECTION 6.13 Priorities . If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in accordance with the CET Group Intercreditor Agreement or the Existing Intercreditor Agreement, as applicable and otherwise in the following order:

First: to the Trustee, the Agents and their agents and appointees and attorneys for amounts due under Section 7.6, including (but not limited to) payment of all compensation, fees, expenses and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to holders of the Notes for amounts due and unpaid on the Notes for principal, premium, if any, interest, and Additional Amounts, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, interest and Additional Amounts, if any, respectively; and

Third: to the Issuer or any other obligor on the Notes, as their interests may appear, or as a court of competent jurisdiction may direct.

The Trustee, upon prior notice to the Issuer, may fix a record date and payment date for any payment to holders of the Notes pursuant to this Section 6.13; *provided* that the failure to give any such notice shall not affect the establishment of such record date or payment date for holders of the Notes pursuant to this Section 6.13.

SECTION 6.14 Restoration of Rights and Remedies . If the Trustee or any holder of any Note has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such holder of the Notes, then and in every such case, subject to any determination in such proceeding, the Issuer, each Guarantor, the Trustee and the holders of the Notes shall be restored by the Issuer severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the holders of the Notes shall continue as though no such proceeding had been instituted.

SECTION 6.15 Undertaking for Costs . In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.15 does not apply to a suit by the Trustee, a suit by a holder of the Notes pursuant to Section 6.10, or a suit by a holder or holders of more than 10% in principal amount of the outstanding Notes.

SECTION 6.16 Notices of Default . If a Default occurs and is continuing and is actually known to a Trust Officer of the Trustee, the Trustee must mail to each holder of the Notes 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, if any, 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 holders of the Notes.

ARTICLE VII

TRUSTEE

SECTION 7.1 Duties of Trustee . (a) If an Event of Default actually known to a Trust Officer of the Trustee has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care, skill and diligence in its exercise as a reasonably prudent person would exercise or use in the conduct of his or her own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or this Indenture or any Intercreditor Agreement or that the Trustee determines is unduly prejudicial to the rights of any holder of the Notes or that would involve the Trustee in personal liability.

(a) (1) The Trustee and the Agents shall perform only those duties as are specifically set forth herein and no others and no implied covenants or obligations shall be read into this Indenture against the Trustee or the Agents.

(2) In the absence of bad faith on their part, the Trustee and the Agents may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions and such other documents delivered to them and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are required to be furnished to the Trustee or the Agents, the Trustee or the Agents, as applicable, shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(b) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection (c) does not limit the effect of Subsection (b) of this Section 7.1;

(2) neither the Trustee nor Agent shall be liable for any error of judgment made in good faith by a Trust Officer of such Trustee or Agent, unless it is proved that the Trustee or such Agent was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.8.

(c) No provision of this Indenture or any Intercreditor Agreement shall require the Trustee or any Agent to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties hereunder or to take or omit to take any action under this Indenture or take any action at the request or direction of holders of the Notes if it does not receive such funds or an indemnity satisfactory to it in its sole discretion against such risk, liability, loss, fee or expense which might be incurred by it in compliance with such request or direction.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to Section 7.1 and Section 7.2.

(e) Neither the Trustee nor the Agents shall be liable for interest on any money received by it except as the Trustee and any Agent may agree in writing with the Issuer. Money held in trust by the Trustee or any Agent need not be segregated from other funds except to the extent required by law.

(f) Any provision hereof relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to this Section 7.1.

(g) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its rights to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities in which it may serve, and to each Agent, Custodian and other person employed to act hereunder.

(h) Notwithstanding anything herein to the contrary and whether or not expressly provided in any other provision of this Indenture, it is expressly acknowledged and agreed that the Intercreditor Agreements contain provisions that may limit or otherwise affect the ability of the Trustee to take any particular action and as a result, the rights, powers and duties of the Trustee hereunder are subject to the terms of the Intercreditor Agreements and shall be construed accordingly.

SECTION 7.2 Rights of Trustee . Subject to Section 7.1:

(a) The Trustee and each Agent may rely conclusively on and shall be protected from acting or refraining from acting in good faith based upon any document believed by them to be genuine and to have been signed or presented by the proper person. Neither the Trustee nor any Agent shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent order, approval, appraisal, bond, debenture, note, coupon, security or other paper or document, but the Trustee or its Agent, as the case may be, in its discretion, may make further inquiry or investigation into such facts or matters stated in such document and if the Trustee or its Agent as the case may be, shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer or any Guarantor, at reasonable times during normal business hours, personally or by agent or attorney. The Trustee shall not be deemed to have notice or any knowledge of any matter (including without limitation Defaults or Events of Default) unless a Trust Officer has actual knowledge thereof or unless written notice thereof is received by the Trustee, (attention: Agency & Trust) and such notice clearly references the Notes, the Issuer or this Indenture.

(b) Before the Trustee acts or refrains from acting pursuant to this Indenture or any Intercreditor Agreement, it may require (at the Issuer's expense) an Officers' Certificate or an Opinion of Counsel or both, which shall conform to the provisions of Sections 12.2 and 12.3. Neither the Trustee nor any Agent shall be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

(c) The Trustee and any Agent may act through their attorneys and agents and shall not be responsible for the misconduct or negligence of any agent (other than an agent who is an employee of the Trustee or such Agent) appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers conferred upon it by this Indenture or any Intercreditor Agreement; *provided* , *however* , that the Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(e) The Trustee or any Agent may consult with counsel of its selection and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder or under any Intercreditor Agreement in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any accountant, appraiser, agents or other expert or adviser, whether retained or employed by the Issuer or by the Trustee, in relation to any matter arising in the administration of the trusts hereof *provided* that selection of such accountant, appraiser, agent or other expert or adviser, has been made in good faith by the Trustee.

(g) Prior to taking any action under this Indenture or under any Intercreditor Agreement, the Trustee shall be entitled to indemnification or security from the holders of the Notes satisfactory to it against any loss, liability and expense caused by taking or not taking such action.

(h) The permissive right of the Trustee to take the actions permitted by this Indenture or any Intercreditor Agreement will not be construed as a duty to do so.

(i) In no event, shall the Trustee be liable for any Losses arising to it from receiving any data from the Issuer, or its Authorized Person via any non-secure method of transmission or communication, such as, but without limitation, by facsimile or email.

(j) The Issuer accepts that some methods of communication are not secure, and the Trustee shall incur no liability for receiving Instructions via any such non-secure method. The Trustee is authorized to comply with and rely upon any such notice, Instructions or other communications believed by it to have been sent by an Authorized Person. The Issuer shall use all reasonable endeavors to ensure that Instructions transmitted to the Trustee pursuant to this Indenture are completed and correct. Any Instructions shall be conclusively deemed to be valid instructions from the Issuer to the Trustee for the purposes of this Indenture.

(k) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder or any Intercreditor Agreement arising out of, or caused by, any change in applicable law, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes, acts of God or other events or forces beyond its control; it being understood that the Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(l) Except with respect to Section 4.01, the Trustee shall have no duty to inquire as to the performance of the Issuer with respect to the covenants contained in Article IV.

(m) Delivery of reports, information and documents to the Trustee under Section 4.12 is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(n) The Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture or any Intercreditor Agreement.

(o) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of Notes, each representing less than a majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture or any Intercreditor Agreement, the Trustee, in its sole discretion, may determine what action, if any, will be taken.

(p) Notwithstanding any other provisions of this Indenture or any Intercreditor Agreement, in no event shall the Trustee be liable for any consequential loss or consequential damages of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profit), unless the same shall have resulted from wilfull misconduct, bad faith or gross negligence on the part of the Trustee.

SECTION 7.3 Individual Rights of Trustee . The Trustee or any Agent in its respective individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer, its Subsidiaries, or their respective Affiliates with the same rights it would have if it were not the Trustee or an Agent.

SECTION 7.4 Trustee's Disclaimer . The Trustee shall not be responsible for and make no representation as to the validity, effectiveness, correctness or adequacy of this Indenture, any Intercreditor Agreement, any Security Document, the offering materials related to this Indenture or the Notes; it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision hereof; it shall not be responsible for the use or application of any money received by any Agent and it shall not be responsible for any statement or recital herein or in any Intercreditor Agreement, any Security Document of the Issuer or any Guarantor, or any document issued in connection with the sale of Notes or any statement in the Notes other than the Trustee's certificate of authentication.

SECTION 7.5 Notice of Default . If an Event of Default occurs and is continuing and such event is known to a Trust Officer of the Trustee, the Trustee must deliver to each holder of the Notes, as their names and addresses appear on the list of holders of the Notes described in Section 2.5, notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in the payment of principal of, premium, if any, interest and Additional Amounts, if any, of any Note, including the failure to make payment on (i) the Change of Control Payment Date pursuant to a Change of Control Offer or (ii) the date required for payment pursuant to an Asset Disposition Offer, the Trustee may withhold the notice of Default or an Event of Default if and for so long as the Trustee in good faith reasonably believes that it is in the best interests of the holders of the Notes to withhold such notice.

SECTION 7.6 Compensation and Indemnity . The Issuer shall pay to the Trustee and Agents from time to time such compensation as the Issuer and the Trustee shall from time to time agree in writing for its acceptance of this Indenture and any Intercreditor Agreement and services hereunder and thereunder. The Trustee's and the Agents' compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee and Agents upon request for all properly incurred disbursements, expenses and advances (including properly incurred fees and expenses of counsel or appointees) incurred or made by them in addition to the compensation for their services, except any such disbursements, expenses and advances as may be attributable to the Trustee's or any Agent's negligence, willful misconduct or bad faith. Such expenses shall include the properly incurred compensation, disbursements and expenses of the Trustee's and Agents' accountants, experts and counsel and any taxes (other than taxes based on the income of the Trustee or franchise, doing business or other similar taxes imposed on the Trustee) or other expenses incurred by a trust created pursuant to Section 8.4 hereof.

The Issuer agrees to pay the properly incurred fees and expenses of the Trustee's legal counsel, Allen & Overy LLP, in connection with its review, preparation and delivery of this Indenture and related documentation.

The Issuer shall indemnify each of the Trustee, any predecessor Trustee and the Agents (which, for purposes of this paragraph, include such Trustee's and Agents' affiliates, officers, directors, employees and agents) and in any other capacity the Trustee may serve hereunder for, and hold them harmless against, any and all loss, damage, claim, proceedings, demands, costs, expense or liability including taxes (other than taxes based on the income of the Trustee or franchise, doing business or other similar taxes imposed on the Trustee) incurred by the Trustee or an Agent without negligence or willful misconduct on its part in connection with acceptance of administration of this trust and performance of any provision under this Indenture and any Intercreditor Agreement, including the properly incurred expenses and counsel fees and expenses of defending itself against any claim of liability arising hereunder. The Trustee and the Agents shall notify the Issuer promptly of any claim asserted against the Trustee or such Agent for which it may seek indemnity. However, the failure by the Trustee or the Agent to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer need not reimburse or indemnify against any loss liability or expense incurred by the Trustee through its own willful misconduct or negligence. The Issuer shall defend the claim and the Trustee or such Agent shall cooperate in the defense (and may employ its own counsel, but at the Trustee's expense unless the named parties in any such proceeding (including any impleaded parties) include both the Issuer and the Trustee and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them). The Issuer need not pay for any settlement made without its written consent, which consent shall not be unreasonably withheld.

To secure the Issuer's payment obligations in this Section 7.6, the Trustee and the Agents shall have a claim prior to the Notes against all money or property held or collected by the Trustee and the Agents, in its capacity as Trustee or Agent, except money or property held in trust to pay principal or premium, if any, Additional Amounts, if any, or interest on particular Notes.

When the Trustee or an Agent incurs expenses or renders services after the occurrence of an Event of Default specified in clause (7) of Section 6.1, the expenses (including the properly incurred fees and expenses of its agents and counsel) and the compensation for the services shall be preferred over the status of the holders of the Notes in a proceeding under any Bankruptcy Law and are intended to constitute expenses of administration under any Bankruptcy Law.

The Issuer's obligations under this Section 7.6 and any claim arising hereunder shall survive the termination of this Indenture, the resignation or removal of any Trustee or Agent, the discharge of the Issuer's obligations pursuant to Article VIII and any rejection or termination under any Bankruptcy Law.

Save as otherwise expressly provided in this Indenture, the Trustee shall have absolute and uncontrolled discretion as to the exercise of the discretions vested in the Trustee by this Indenture or any Intercreditor Agreement but, whenever the Trustee is bound to act under this Indenture or any Intercreditor Agreement at the request or direction of the holders of the Notes, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured and/or prefunded to its satisfaction against all proceedings, claims and demands to which it may render itself liable and all costs, charges, expenses and liabilities which it may incur by so doing.

Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to this Section 7.6.

SECTION 7.7 Replacement of Trustee . The Trustee and any Agent may resign at any time by so notifying the Issuer in writing; *provided, however,* that this Indenture, the Notes, and the Guarantees shall remain valid notwithstanding a material conflict of interest of the Trustee. The holders of a majority in principal amount of the outstanding Notes may remove the Trustee or any Agent by so providing not less than 30 day's written notice to the Issuer and the Trustee or such Agent, as the case may be, in writing and may appoint a successor Trustee or Agent with the Issuer's consent. A resignation or removal of the Trustee or any Agent and an appointment of a successor Trustee or Agent, as the case may be, shall become effective only upon the successor Trustee's or Agent's acceptance of appointment, as the case may be, as provided in this Section 7.7. The Issuer may remove the Trustee or any Agent upon no less than 30 day's written notice if:

(1) the Trustee or Agent, as the case may be, is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee or Agent, as the case may be, under any Bankruptcy Law;

(2) a receiver or other public officer takes charge of the Trustee or Agent, as the case may be, or its respective property; or

(3) the Trustee or Agent, as the case may be, becomes incapable of acting with respect to its duties hereunder.

If the Trustee or an Agent resigns or is removed or if a vacancy exists in the office of Trustee or Agent for any reason, the Issuer shall notify each holder of the Notes of such event and shall promptly appoint a successor Trustee or Agent, as the case may be. Within one year after the successor Trustee or Agent takes office, the holders of a majority in principal amount of the then outstanding Notes may, with the Issuer's consent, appoint a successor Trustee or Agent, as the case may be, to replace the successor Trustee or Agent appointed by the Issuer.

A successor Trustee or Agent, as the case may be, shall deliver a written acceptance of its appointment to the retiring Trustee or Agent and to the Issuer. Immediately after that, the retiring Trustee or Agent, as the case may be, shall transfer, after payment of all sums then owing to the Trustee or Agent, as the case may be, pursuant to Section 7.6, all property held by it as Trustee or Agent to the successor Trustee or Agent, subject to the Lien provided in Section 7.6, the resignation or removal of the retiring Trustee or Agent, as the case may be, shall become effective, and the successor Trustee or Agent, as the case may be, shall have all the rights, powers and duties of the Trustee or Agent under this Indenture. A successor Trustee or Agent shall mail notice of its succession to each holder of the Notes.

The Issuer covenants that, in the event of the Trustee or any agent giving notice of its resignation pursuant to this Section 7.7, it shall use its best endeavors to procure a successor Trustee or Agent to be appointed. If a successor Trustee or Agent does not take office within 30 days after the retiring Trustee or Agent resigns or is removed, the retiring Trustee or Agent (as the case may be), shall be entitled to appoint a successor Trustee or Agent reasonably acceptable to the Issuer (such acceptance not to be unreasonably withheld or delayed) or the retiring Trustee or Agent (as the case may be), the Issuer or the holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee or Agent.

If the Trustee, within 90 days after becoming aware that a conflict of interest exists between such Trustee's role as a trustee and any other capacity, shall not have eliminated such conflict of interest or resigned from office, the Issuer or any holder of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee or any Agent after written request by any holder of the Notes who has been a holder for at least six months fails to comply with Section 7.8, such holder may petition any court of competent jurisdiction for the removal of the Trustee or Agent, as the case may be, and the appointment of a successor thereto.

Notwithstanding replacement of the Trustee or an Agent pursuant to this Section 7.7, the Issuer's obligations under Section 7.6 shall continue for the benefit of the retiring Trustee or Agent, as the case may be, and the Issuer shall pay to any replaced or removed Trustee or Agent all amounts owed under Section 7.6 upon such replacement or removal.

SECTION 7.8 Successor Trustee by Merger, etc . If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall, if such resulting, surviving or transferee corporation is otherwise eligible hereunder, be the successor Trustee. In case any Notes shall have been authenticated, but not delivered, by the Trustee then in office, any successor by consolidation, merger or conversion to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

ARTICLE VIII

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 8.1 Option to Effect Legal Defeasance or Covenant Defeasance . The Issuer (hereafter in this Article VIII, the "Defeasor") may, at any time, with respect to the Notes, elect to have either Section 8.2 or 8.3 be applied to all outstanding Notes and all obligations of the Issuer and the Guarantors with respect to the Guarantees upon compliance with the conditions set forth below in this Article VIII.

SECTION 8.2 Legal Defeasance and Discharge . Upon the Defeasor's exercise under Section 8.1 of the option applicable to this Section 8.2, the Issuer and the Guarantors shall be deemed to have been discharged from their obligations with respect to all outstanding Notes and the Guarantees on the date the conditions set forth below are satisfied (hereinafter, " Legal Defeasance "). For this purpose, such Legal Defeasance means that the Issuer and the Guarantors shall be deemed to have paid and discharged all the obligations relating to the outstanding Notes and the Guarantees and the Notes shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.6, Section 8.8 and the other Sections of this Indenture referred to below in this Section 8.2, and to have satisfied all of their other obligations under such Notes, the Guarantees and this Indenture and cured all then existing Events of Default (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, interest and Additional Amounts, if any, on such Notes when such payments are due or on the Redemption Date solely out of the Defeasance Trust created pursuant to this Indenture; (b) the Issuer's obligations with respect to Notes concerning issuing temporary Notes, or, where relevant, registration of such Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust; (c) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and the Guarantors' obligations in connection therewith; and (d) this Article VIII and the obligations set forth in Section 8.6 hereof.

Subject to compliance with this Article VIII, the Defeasor may exercise its option under this Section 8.2 notwithstanding the prior exercise of its option under Section 8.3 with respect to the Notes.

SECTION 8.3 Covenant Defeasance . Upon the Defeasor's exercise under Section 8.1 of the option applicable to this Section 8.3, the Issuer and the Guarantors shall be released from any obligations under the covenants contained in Article IV (other than Sections 4.1, 4.2, 4.5, 4.7, 4.16, 4.18 and clauses (1), (2) and (4) of Section 4.19) hereof with respect to the outstanding Notes and the Guarantees on and after the date the conditions set forth below are satisfied (hereinafter, " Covenant Defeasance "), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of holders of the Notes (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, (i) with respect to the outstanding Notes, the Issuer and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and (ii) payment on the Notes may not be accelerated because of an Event of Default specified in Sections 6.1(4) or (5) (insofar as they relate to Sections 4.2, 4.5 and 4.7) or Sections 6.1(6) or (7) or, with respect to a Significant Subsidiary only, Sections 6.1(8), (9) or (10).

SECTION 8.4 Conditions to Legal or Covenant Defeasance . In order to exercise either of the defeasance options under Section 8.2 or Section 8.3 hereof, the Defeasor must comply with the following conditions:

(1) the Defeasor shall have irrevocably deposited in trust (the " Defeasance Trust "), with the Trustee for the benefit of the holders of the Notes, euro or euro-denominated Government Obligations in such amounts as will be sufficient 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;

(2) 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;

(3) 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;

(4) no Default or Event of Default (other than to incur indebtedness used to defease the Notes under this Article VIII) shall have occurred and be continuing on the date of such deposit in the Defeasance Trust or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91 st day after the date or deposit;

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of any material agreement or instrument (other than this Indenture) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound;

(6) the Defeasor shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of the Notes over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(7) the Defeasor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(8) the Defeasor shall have delivered to the Trustee an Opinion of Counsel in the jurisdiction in which the Defeasance Trust funds are held (subject to customary exceptions) to the effect that (A) the Defeasance Trust funds will not be subject to any rights of holders of Indebtedness, including, without limitation, those arising under this Indenture and (B) after the 181 st day following the deposit, the Defeasance Trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally under the laws of the jurisdiction in which the Defeasance Trust funds are held and that the Trustee has a perfected security interest in such Defeasance Trust funds for the ratable benefit of the holders of the Notes.

SECTION 8.5 Satisfaction and Discharge of Indenture . This 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 the Issuer) 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 the Defeasor 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 this 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 the Issuer or any of its Restricted Subsidiaries is a party or by which it is bound, (C) the Issuer and the Guarantors have paid, or caused to be paid, all sums payable, under this Indenture, and (D) the Issuer has delivered irrevocable instructions to the Trustee under this 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, the Defeasor 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.

SECTION 8.6 Survival of Certain Obligations . Notwithstanding the satisfaction and discharge of this Indenture and of the Notes referred to in Section 8.1, 8.2, 8.3, 8.4 or 8.5, the respective obligations of the Issuer, the Guarantors and the Trustee under Sections 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 4.1, 4.2, 4.5, 4.7, 4.16, 6.10, Article VII and Article VIII shall survive until the Notes are no longer outstanding, and thereafter the obligations of the Issuer, the Guarantors and the Trustee under Articles VII and VIII shall survive. Nothing contained in this Article VIII shall abrogate any of the obligations or duties of the Trustee under this Indenture.

SECTION 8.7 Acknowledgment of Discharge by Trustee . Subject to Section 8.10, after (i) the conditions of Section 8.4 or 8.5 have been satisfied, (ii) the Issuer has, or the Guarantors have, paid or caused to be paid all other sums payable hereunder by the Issuer and (iii) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent referred to in clause (i) above relating to the satisfaction and discharge of this Indenture have been complied with, the Trustee upon written request shall acknowledge in writing the discharge of all obligations of the Issuer and the Guarantors under this Indenture except for those surviving obligations specified in this Article VIII.

SECTION 8.8 Application of Trust Moneys . All cash in euro deposited with the Trustee pursuant to Section 8.4 or 8.5 in respect of Notes shall be held in trust and applied by it, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the holders of the Notes of all sums due and to become due thereon for principal, premium, if any, interest, if any, and Additional Amounts, if any, but such money need not be segregated from other funds except to the extent required by law.

The Issuer and the Guarantors shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash deposited pursuant to Section 8.4 or 8.5 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of outstanding Notes.

SECTION 8.9 Repayment to the Issuer; Unclaimed Money . The Trustee and any Paying Agent shall promptly pay or return to the Issuer any cash held by them at any time that is not required for the payment of the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes for which cash has been deposited pursuant to Section 8.4 or 8.5.

Any money held by the Trustee or any Paying Agent under this Article in trust for the payment of the principal of, premium, if any, interest and Additional Amounts, if any, on any Note and remaining unclaimed for one year after such principal, premium, if any, interest and Additional Amounts, if any, that has become due and payable shall be paid to the Issuer upon Company Order or if then held by the Issuer shall be discharged from such trust; and the holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, shall thereupon cease; *provided, however,* that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer give notice to the holders of the Notes or cause to be published notice once, in a leading newspaper having a general circulation in London (which is expected to be the *Financial Times*) and, if and so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange shall so require, in a newspaper having a 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 at *www.bourse.lu* , or in the case of Definitive Notes, in addition to such publication, mail to holders of the Notes by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar, that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification, any unclaimed balance of such money then remaining will be repaid to the Issuer.

Claims against the Issuer for the payment of principal or interest and Additional Amounts, if any, on the Notes will become void unless presentation for payment is made (where so required in this Indenture) within, in the case of principal and Additional Amounts, if any, a period of ten years, or, in the case of interest, a period of five years, in each case from the applicable original payment date therefor.

SECTION 8.10 Reinstatement . If the Trustee or Paying Agent is unable to apply any cash in accordance with Section 8.2, 8.3, 8.4 or 8.5 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.2, 8.3, 8.4 or 8.5 until such time as the Trustee or Paying Agent is permitted to apply all such cash in accordance with Section 8.2, 8.3, 8.4 or 8.5; *provided , however* , that if the Issuer has made any payment of interest on, premium, if any, principal and Additional Amounts, if any, of any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.1 Without Consent of holders of the Notes . Without the consent of any holder, the Issuer, 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 the Issuer's obligations under this Indenture in the case of merger, amalgamation or consolidation or sale of all or substantially all of the Issuer's assets;

(3) provide for the assumption by a successor corporation or limited liability company of all of the obligations of any Guarantor under this 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 the Issuer, CME or its Restricted Subsidiaries for the benefit of the holders of the Notes or surrender any right or power conferred upon the Issuer, CME or its Restricted Subsidiaries;

(8) make any change that does not adversely affect the rights of any holder of the Notes;

(9) conform the text of this Indenture or the Notes to any provision of the "Description of the notes" included in the Offering Memorandum to the extent that such provision in the "Description of the notes" was intended to be a verbatim or substantially verbatim recitation of a provision of any of the foregoing;

(10) provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture and to make such changes as may be required to the Notes to accommodate and implement such issuance of Additional Notes;

(11) 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 this 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 this Indenture of a successor Trustee pursuant to the requirement thereof; or

(13) to the extent provided for under Section 4.24; *provided* that, in each case, such amendment, supplement, modification, extension, renewal, restatement or replacement does not violate such covenant.

Upon the request of the Issuer, accompanied by a Board Resolution authorizing the execution of any such amended or supplemental indenture or other documents, as applicable, and upon receipt by the Trustee of the documents described in Section 9.5, the Trustee shall join with the Issuer and the Guarantors in the execution of any amended or supplemental indenture or other documents, as applicable, authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental indenture or other documents, as applicable, which adversely affects its own rights, duties or immunities hereunder, thereunder or otherwise.

If and so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer shall inform the Luxembourg Stock Exchange of any of the foregoing amendments, supplements and waivers and provide, if necessary, a supplement to the Offering Memorandum setting forth reasonable details in connection with any such amendments, supplements or waivers.

The consent of the holders is not necessary under this 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 this Indenture becomes effective, the Issuer is required to mail to the holders of the Notes a notice briefly describing such amendment and shall 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.

SECTION 9.2 With Consent of Holders of Notes . (a) The Issuer, the Guarantors and the Trustee may amend or supplement the Indenture, the Security Documents and any Intercreditor Agreement (in so far as relating to the Notes) and the Notes 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 Section 9.2(b), 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).

(b) However, without the consent of each holder of an outstanding Note affected, no amendment may:

(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 set forth in Section 3.1, 4.15 or 4.9 above or Paragraphs 7, 8, 10 and 11 of the Notes, 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 this Indenture, except in accordance with this Indenture;

(8) directly or indirectly release the Collateral except as permitted by the terms of this 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.

Upon the request of the Issuer, accompanied by a Board Resolution authorizing the execution of any such amended or supplemental indenture or other document, as applicable, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the holders of the Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 9.5, the Trustee shall join with the Issuer and the Guarantors in the execution of such amended or supplemental indenture or other document, as applicable, unless such amended or supplemental indenture or other document, as applicable, adversely affects the Trustee's own rights, duties or immunities hereunder, thereunder or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental indenture or other document, as applicable. It shall not be necessary for the consent of the holders under this Section 9.2 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuer shall mail to the holders of the Notes (with a copy to the Trustee) a notice briefly describing the amendment, supplement or waiver. However, the failure to give such notice to all holders of the Notes, or any defect therein, will not in any way impair or affect the validity of such amended or supplemented indenture or waiver. In addition, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer shall publish notice of any amendment, supplement and waiver in The Grand Duchy of Luxembourg in a daily newspaper with 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 at *www.bourse.lu* .

SECTION 9.3 Revocation and Effect of Consents . Until an amendment, supplement or waiver becomes effective, a consent to it by a holder of a Note is a continuing consent by the holder of a Note and every subsequent holder of a Note or portion of a Note that evidences the same debt as the consenting holder's Note, even if notation of the consent is not made on any Note. However, any such holder of a Note or subsequent holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every holder of a Note.

The Issuer may fix a record date for determining which holders of the Notes must consent to such amendment, supplement or waiver. If the Issuer fixes a record date, the record date shall be fixed at (i) the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of holders of the Notes furnished to the Trustee prior to such solicitation pursuant to Section 2.5 or (ii) such other date as the Issuer shall designate.

SECTION 9.4 Notation on or Exchange of Notes . The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall authenticate new Notes that reflect the amendment, supplement or waiver. Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.5 Trustee to Sign Amendments, etc . The Trustee shall execute any amendment, supplement or waiver authorized pursuant to this Article IX; *provided , however* , that the Trustee may, but shall not be obligated to, execute any such amendment, supplement or waiver which adversely affects the Trustee's own rights, duties or immunities under this Indenture or any other document entered into in connection with this Indenture. The Trustee shall be fully protected in relying upon an Opinion of Counsel and an Officers' Certificate each stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article IX is authorized or permitted by this Indenture and constitutes the legal, valid and binding obligations of the Issuer enforceable in accordance with its terms. Any Opinion of Counsel shall not be an expense of the Trustee.

ARTICLE X

GUARANTEE S

SECTION 10.1 Guarantee . Each of the Guarantors hereby fully, unconditionally, irrevocably, and jointly and severally Guarantees on a senior basis, as primary obligor and not merely as surety, 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 this Indenture (including the repurchase obligation of the Issuer resulting from a Change of Control Triggering Event). Such Guarantee shall include, 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 and all amounts due to the Trustee hereunder pursuant to Article VII.

In the event of default in the payment of principal of or premium, if any, interest, 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 one or all of the Guarantors without first proceeding against the Issuer.

SECTION 10.2 Limitation on Liability . 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 and each Guarantee does not apply to any liability of any Guarantor incorporated in the Slovak Republic having a legal form of joint-stock company (ak ciová spoločnost) to the extent it would result in the Guarantee constituting unlawful financial assistance provided by such Slovak Guarantor within the meaning of Section 161e of the Slovak Act No. 513/1991 Coll. The Commercial Code, as amended.

SECTION 10.3 No Subrogation . Notwithstanding any payment or payments made by a Guarantor hereunder, no Guarantor shall be entitled to be subrogated to any of the rights of the Trustee or any holder of the Notes against the Issuer or any collateral security or guarantee or right of offset held by the Trustee or any holder of the Notes for the payment of amounts owed by the Issuer and the Guarantors pursuant to this Indenture and the Notes ("Obligations") nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Issuer in respect of payments made by such Guarantor hereunder, until all Obligations are paid in full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Trustee and the holders of the Notes, segregated from other funds of the Guarantor and shall, forthwith upon receipt by the Guarantor, be turned over to the Trustee in the exact form received by the Guarantor (duly indorsed by the Guarantor to the Trustee, if required), to be applied against the Obligations.

SECTION 10.4 Release . (a) The Guarantee of each Guarantor will be automatically and unconditionally released without further action on the part of any holder of the Notes or the Trustee (and thereupon shall terminate and be discharged and be of no further force and effect) upon full and final payment and performance of all Obligations under this Indenture and the Notes.

(b) So long as no Event of Default has occurred and is continuing, the Guarantee of any Guarantor other than CME (together with any rights of contribution, subrogation or other similar rights against the Guarantor) will be automatically and unconditionally released without further action on the part of any holder of the Notes or the Trustee (and thereupon shall terminate and be discharged and be of no further force and effect):

(i) if the Guarantor is disposed of (whether by amalgamation, merger or consolidation, the sale of its Capital Stock or the sale or all or substantially all of its assets (other than by a lease)) to a Person which is not the Issuer or a Restricted Subsidiary of the Issuer in compliance with the terms of this Indenture (including Section 4.9 and Section 4.19) so long as such Guarantor is simultaneously or promptly thereafter will be unconditionally released from its obligations in respect of any other Indebtedness of the Issuer or any other Restricted Subsidiary.

(c) The Guarantees of the Guarantors will also be released upon the defeasance or discharge of the Notes as provided in Article VIII under this Indenture.

(d) A Guarantee will be released if CME designates the Guarantor providing such Guarantee as an Unrestricted Subsidiary.

ARTICLE XI

SECURITY AND SECURITY TRUSTEE

SECTION 11.1 Collateral and Security Documents . (a) The Issuer and the Guarantors agree to secure the full and punctual payment when due and the full and punctual performance of their obligations under this Indenture and the Notes by the Collateral. The rights and obligations of the parties hereunder with respect to the Collateral are subject to the provisions of the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement.

SECTION 11.2 Release of CET Collateral . (a) The CET Collateral shall be released, and the Security Agent and the Trustee are authorized to (and the Trustee shall and shall direct the Security Agent to) 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 this 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 Section 4.19) if such disposition does not violate clauses (1) and (2) of Section 4.9 or Section 4.21;

(4) in relation to an enforcement action, as provided in the CET Group Intercreditor Agreement;

(5) in accordance with Section 4.19;

(6) as may be permitted pursuant to Section 4.24; and

(7) as may be permitted pursuant to Article IX.

Without the consent of the Noteholders and subject to the CET Group Intercreditor Agreement, at the request of the Issuer each of the Trustee and the Security Agent are authorized to, and the Trustee shall and shall direct the Security Agent to, execute any document and take such other action reasonably required to effect or evidence such release.

(b) The Security Agent is authorized 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.

(c) So long as no default is outstanding, the Issuer and the CET Guarantors may, without any release or consent by the Security Agent, the Trustee or the holders of the Notes, 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, in each case in accordance with the CET Security Documents.

SECTION 11.3 Release of CME Collateral (a) The CME Collateral shall be released, and the Security Agent and the Trustee are authorized to (and the Trustee shall and shall direct the Security Agent to) 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 this 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 Section 4.19) if such disposition does not violate clauses (1) and (2) of Section 4.9 or Section 4.21;

(4) in relation to an enforcement action, as provided in the Existing Intercreditor Agreement;

(5) as may be permitted pursuant to Section 4.24;

(6) in accordance with Section 4.19; and

(7) as may be permitted pursuant to Article IX;

Without the consent of the Noteholders and subject to the Existing Intercreditor Agreement, at the request of the Issuer each of the Trustee and the Security Agent are authorized to, and the Trustee shall and shall direct the Security Agent to, execute any document and take such other action reasonably required to effect or evidence such release.

(b) Each holder of Notes by accepting a Note shall be deemed to have authorized and directed each of the Trustee and the Security Agent to execute the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement. Each holder of Notes by accepting a Note consents and agrees to the terms of the Security Documents and the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms and authorizes the Trustee and the Security Agent to perform their respective obligations and exercise their respective rights thereunder in accordance therewith and appoints the Trustee as his attorney-in-fact for such purpose, including, in the event of any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors or marshaling of assets of any Guarantor tending towards liquidation or reorganization of the business and assets of any Guarantor, the immediate filing of a claim for the unpaid balance under its Guarantee obligations in the form required in said proceedings to cause said claim to be approved, provided that it is expressly understood that the Trustee shall not be required to exercise any such rights as attorney for any holders of Notes unless instructed to do so in accordance with Section 7.6.

(c) Each holder by accepting a Note shall be deemed to appoint the Security Agent to act as its security trustee in connection with the Collateral, the Security Documents, the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement and authorizes the Security Agent (acting in accordance with the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement or at the direction of the Trustee) to exercise such rights, powers and discretions as are specifically delegated to the Security Agent by the terms hereof and of the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement and together with all rights, powers and discretions as are reasonably incidental thereto or necessary to give effect to the trusts hereby created, and each holder of Notes by accepting a Note shall be deemed to irrevocably authorize the Security Agent on its behalf to release any existing security being held in favor of the holders, to enter into any and each Security Document and the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement and to deal with any formalities in relation to the perfection of any security created by such Security Documents (including, inter alia, entering into such other documents as may be necessary to such perfection).

(d) Each holder, by accepting a Note, shall be deemed to have agreed to all the terms and provisions of the Security Documents.

(e) Each holder of Notes by accepting a Note and the related Guarantees agrees that enforcement of the Collateral is subject to certain limitations to the extent and in the manner provided in each of the CET Group Intercreditor Agreement and the Existing Intercreditor Agreement and that the order of application of any enforcement proceeds means that holders of Notes shall receive enforcement proceeds, if any, after first being applied in paying all proper costs, charges and expenses incurred by Secured Parties (as defined in each of the CET Group Intercreditor Agreement in respect of the Collateral and the Existing Intercreditor Agreement in respect of the CME Collateral) in enforcing against the Collateral or collecting the proceeds thereof. Each holder of Notes, by accepting a Note, 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.

SECTION 11.4 Rights of Trustee and the Paying Agent . The Trustee and the Paying Agent may continue to make payments on the Notes and shall not be charged with the knowledge of existence of facts that prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Trustee receives notice in writing satisfactory to it that payments may not be made under this Article XI.

SECTION 11.5 Parallel Debt .

(i) For the purpose of this Section 11.5, " Principal Debt Obligations " means payment obligations of the Issuer and the Guarantors under this Indenture and the Notes.

(ii) Without prejudice to the provisions of this Indenture, and for the purpose of ensuring and preserving the validity and continuity of the security rights granted and to be granted by the the Issuer, CME, CME NV, CME BV and CME Investments under or pursuant to the Share Pledges, the Issuer and the Guarantors hereby irrevocably and unconditionally undertake to pay to the Security Agent amounts equal to and in the currency of the Principal Debt Obligations from time to time due in accordance with and under the same terms and conditions as each of the Principal Debt Obligations (such payment undertakings and the obligations and liabilities which are the result thereof hereinafter referred to as the " Parallel Debt ").

(iii) The Issuer and the Guarantors acknowledge that (i) for this purpose, the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer and the Guarantors to the Security Agent which are separate and independent from, and without prejudice to, the corresponding Principal Debt Obligations which the Issuer or the Guarantors have under this Indenture or under the Notes and (ii) that the Parallel Debt represents the Security Agent's own claims (*vorderingen op naam*) to receive payment of the Parallel Debt, provided that the total amount of the Parallel Debt shall never exceed the total amount of the Principal Debt Obligations.

(iv) Every payment of monies made by the Issuer or by the Guarantors to the Security Agent shall (conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, liquidation or similar laws of general application) be in satisfaction *pro tanto* of the covenant by the Issuer and the Guarantors contained in Section (ii), provided that, if any such payment as is mentioned above is subsequently avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, liquidation or similar laws of general application, the Security Trustee shall be entitled to receive a corresponding amount as Parallel Debt under Section (ii) from the Issuer or the Guarantors and each of the Issuer and the Guarantors shall remain liable to satisfy such Parallel Debt and such Parallel Debt shall be deemed not to have been discharged.

(v) Notwithstanding any of the other provisions of this Section 11.5:

(a) the total amount due and payable as Parallel Debt under this Section 11.5 shall be decreased to the extent that, and at the same time as, the Issuer and/or the Guarantors shall have paid any amounts to reduce the outstanding Principal Debt Obligations; and

(b) to the extent that, and at the same time as, the Issuer and/or the Guarantors shall have paid any amounts to the Security Agent under the Parallel Debt or the Security Agent otherwise shall have received monies in payment of the Parallel Debt, the total amount due and payable under the Principal Debt Obligations shall be decreased as if said amounts were received directly in payment of the Principal Debt Obligations.

(vi) For the avoidance of doubt, in the event that the Issuer or any of the Guarantors is in default in respect of the Principal Debt Obligations, as set forth in this Indenture, each of the Issuer and the Guarantors shall, at the same time, be deemed in default in respect of its obligations under the Parallel Debt.

(vii) The terms of this Section 11.5 shall be interpreted according to the internal laws of the Netherlands, without having regard to any choice of law principles that would apply the laws of any other jurisdiction to this Section 11.5.

(viii) The Security Agent shall be a third party beneficiary of this Section 11.5, and the Parallel Debt may not otherwise be reduced or avoided except in accordance with this Indenture without the consent of the Security Agent or pursuant to the provisions of Article IX hereof.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1 Notices . Any notices or other communications required or permitted hereunder shall be in writing, and shall be sufficiently given if made by hand delivery, by telecopier or first-class mail, postage prepaid, addressed as follows:

if to the Issuer:

CET 21 spol. s r.o.
Kříženeckého nám.
1078/5, Prague 5,
Postal Code 152 00,
the Czech Republic
Attention: Chief Financial Officer
Facsimile no.: (+420) 242 466 035

with a copy to:

Dewey & LeBoeuf LLP,
1301 Avenue of the Americas,
New York, NY 10019, U.S.A.
Attention: Jeffrey Potash, Esq.
Facsimile no.: +1 212 259 6333

if to Central European Media Enterprises Ltd.:

Central European Media Enterprises Ltd.
c/o CME Development Corporation
52 Charles Street
London W1J 5EU
United Kingdom
Attention: General Counsel
Facsimile no.: +44 20 7127 5801

with a copy to the Issuer (as specified above) and to:

Dewey & LeBoeuf LLP,
1301 Avenue of the Americas,
New York, NY 10019, U.S.A.
Attention: Jeffrey Potash, Esq.
Facsimile no.: +1 212 259 6333

if to Central European Media Enterprises N.V.:

Central European Media Enterprises N.V.
Schottegatweg Oost 44
Willemstad
Curacao
Netherlands Antilles.
Attention: General Counsel
Facsimile no.: +44 20 7127 5801

with a copy to the Issuer (as specified above) and to:

Dewey & LeBoeuf LLP,
1301 Avenue of the Americas,
New York, NY 10019, U.S.A.
Attention: Jeffrey Potash, Esq.
Facsimile no.: +1 212 259 6333

if to CME Media Enterprises B.V.:

CME Media Enterprises B.V.
Dam 5B
1012 JS Amsterdam
The Netherlands
Attention: Managing Director
Facsimile no.: +31 20 423 1404

with a copy to the Issuer (as specified above) and to:

Dewey & LeBoeuf LLP,
1301 Avenue of the Americas,
New York, NY 10019, U.S.A.
Attention: Jeffrey Potash, Esq.
Facsimile no.: +1 212 259 6333

if to CME Investments B.V.:

CME Investments B.V.
Dam 5B
1012 JS Amsterdam
The Netherlands
Attention: Managing Director
Facsimile no.: +31 20 423 1404

with a copy to the Issuer (as specified above) and to:
Dewey & LeBoeuf LLP,
1301 Avenue of the Americas,
New York, NY 10019, U.S.A.
Attention: Jeffrey Potash, Esq.
Facsimile no.: +1 212 259 6333

if to CME Slovak Holdings B.V.:

CME Slovak Holdings B.V.
Dam 5B
1012 JS Amsterdam
The Netherlands
Attention: Managing Director
Facsimile no.: +31 20 423 1404

with a copy to the Issuer (as specified above) and to:
Dewey & LeBoeuf LLP,
1301 Avenue of the Americas,
New York, NY 10019, U.S.A.
Attention: Jeffrey Potash, Esq.
Facsimile no.: +1 212 259 6333

if to the Paying Agent or the Transfer Agent:

Citibank, N.A., London Branch
Agency & Trust
14th Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

if to the Trustee:

Citibank, N.A., London Branch
Agency & Trust
14th Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

if to the Registrar:

Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

The Issuer, each Guarantor or the Trustee by written notice may designate additional or different addresses for notices. Any notice or communication to the Issuer, the Guarantors or the Trustee shall be deemed to have been given or made as of the date so delivered if personally delivered; when receipt is acknowledged, if telecopied; and five (5) calendar days after mailing if sent by first class mail, postage prepaid (except that a notice of change of address and a notice to the Trustee shall not be deemed to have been given until actually received by the addressee).

Any notice or communication mailed to a holder of the Notes shall be mailed to such Person by first-class mail or other equivalent means at such Person's address as it appears on the registration books of the Registrar and shall be sufficiently given to him if so mailed within the time prescribed.

Failure to mail a notice or communication to a holder of the Notes or any defect in it shall not affect its sufficiency with respect to other holders of the Notes. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Notices regarding the Notes shall be sent to the Trustee and published in a leading newspaper having a general circulation in London (which is expected to be the *Financial Times*). Notices to holders of the Notes will be validly given if mailed to them at their respective addresses in the register of holders of such Notes, maintained by the Registrar. In addition, so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, notices shall be published in a leading newspaper having a general circulation in The Grand Duchy of 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 shall 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 the Issuer, notices shall 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. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 12.2 Certificate and Opinion as to Conditions Precedent . Upon any request or application by the Issuer or any Guarantor to the Trustee or an Agent to take any action under this Indenture or any Intercreditor Agreement, the Issuer or such Guarantor shall furnish to the Trustee at the request of the Trustee:

(1) an Officers' Certificate, in form and substance satisfactory to the Trustee (which shall include the statements set forth in Section 12.3), stating that, in the opinion of the signers thereof, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied or complied with; and

(2) an Opinion of Counsel in form and substance satisfactory to the Trustee or such Agent (which shall include the statements set forth in Section 12.3) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied or complied with.

In any case where several matters are required to be certified by, or covered by an Opinion of Counsel of, any specified Person, it is not necessary that all such matters be certified by, or covered by the Opinion of Counsel of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an Opinion of Counsel with respect to some matters and one or more such Persons as to other matters, and any such Person may certify or give an Opinion of Counsel as to such matters in one or several documents.

Any certificate of an Officer of the Issuer or any Guarantor may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such Officer knows, or in the exercise of reasonable care should know, that such Opinion of Counsel with respect to the matters upon which his certificate is based is erroneous. Any Opinion of Counsel may be based, and may state that it is so based, insofar as it relates to factual matters, upon a certificate of, or representations by, an Officer or Officers of the Issuer or any Guarantor stating that the information with respect to such factual matters is in the possession of the Issuer or such Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 12.3 Statements Required in Certificate or Opinion . Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture or any Intercreditor Agreement shall include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 12.4 Rules by Trustee, Paying Agent and Registrar . Each of the Trustee, the Paying Agent or the Registrar may make reasonable rules for its functions.

SECTION 12.5 Legal Holidays . If a payment date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period.

SECTION 12.6 Governing Law . This Indenture and the Notes, and the rights and duties of the parties hereunder and thereunder, shall be governed by, and construed in accordance with, the laws of the State of New York, other than as provided in Section 11.5.

SECTION 12.7 Submission to Jurisdiction; Appointment of Agent for Service . To the fullest extent permitted by applicable law, each of the Issuer and each Guarantor irrevocably submits to the non-exclusive jurisdiction of and venue in any court of England and Wales and any federal or state court in the Borough of Manhattan in the City of New York, County and State of New York, United States of America, in any suit or proceeding based on or arising out of or under or in connection with this Indenture, the Notes or the Guarantees, and irrevocably agrees that all claims in respect of such suit or proceeding may be determined in any such court. Each of the Issuer and each Guarantor, to the fullest extent permitted by applicable law, irrevocably and fully waives the defense of an inconvenient forum to the maintenance of such suit or proceeding and hereby irrevocably designates and appoints (i) CT Corporation System (the " U.S. Authorized Agent ") as their authorized agent upon whom process may be served in any legal suit, action or proceeding in any U.S. Federal or New York State court in the Borough of Manhattan in the City, County and State of New York, United States of America and (ii) CME Development Corporation as their authorized agent upon whom process may be served in any legal suit, action or proceeding in any court in England and Wales (the " U.K. Authorized Agent " and, together with the U.S. Authorized Agent, the " Authorized Agents "). CT Corporation System hereby agrees to act as the U.S. Authorized Agent, as the case may be, for the Issuer and each Guarantor, as the case may be and hereby irrevocably consents to be served with notice of service of process by delivery or by registered mail with return receipt requested to its registered office (which, as of the date hereof, is 111 Eighth Avenue, New York, New York 10011 (which service of process by registered mail shall be effective with respect to the Issuer and each Guarantor, as the case may be, so long as such return receipt is obtained, or in the refusal to sign such receipt any holder of Notes or the Trustee is able to produce evidence of attempted delivery by such means). CME Development Corporation hereby agrees to act as the U.K. Authorized Agent, as the case may be, for the Issuer and each Guarantor, as the case may be and hereby irrevocably consents to be served with notice of service of process by delivery or by registered mail with return receipt requested to its registered office (which, as of the date hereof, is 52 Charles Street, London W1J 5EU, United Kingdom, Attention: General Counsel (which service of process by registered mail shall be effective with respect to the Issuer and each Guarantor, as the case may be, so long as such return receipt is obtained, or in the refusal to sign such receipt any holder of Notes or the Trustee is able to produce evidence of attempted delivery by such means). The Issuer and each Guarantor hereby irrevocably authorize and direct the Authorized Agents to accept such service. The Issuer and each Guarantor further agree that service of process upon the Authorized Agents and written notice of such service to the Issuer and each Guarantor, as the case may be, as set forth above shall be deemed in every respect effective service of process upon the Issuer or each Guarantor, as the case may be, in any such suit or proceeding. Nothing herein shall affect the right of any person to serve process in any other manner permitted by law. The Issuer and each Guarantor agree that a final action in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other lawful manner.

The Issuer and each Guarantor hereby irrevocably waive, to the extent permitted by law, any immunity to jurisdiction to which it may otherwise be entitled (including, without limitation, immunity to pre-judgment attachment, post-judgment attachment and execution) in any legal suit, action or proceeding against it arising out of or based on this Indenture, the Notes or the transactions contemplated hereby.

The provisions of this Section 12.7 are intended to be effective upon the execution of this Indenture and the Notes without any further action by the Issuer and the Guarantors, or the Trustee and the introduction of a true copy of this Indenture into evidence shall be conclusive and final evidence as to such matters.

SECTION 12.8 No Adverse Interpretation of Other Agreements . This Indenture may not be used to interpret another indenture, loan or debt agreement of the Issuer or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 12.9 No Personal Liability of Directors, Officers, Employees, Incorporators or Stockholders . No director, officer, employee, incorporator or shareholder of the Issuer, or any of its Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any of its Subsidiaries under the Notes, this Indenture or the Guarantees herein 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.

SECTION 12.10 Currency Indemnity . The euro is the sole currency of account and payment for all sums payable by the Issuer, or any Guarantor under this Indenture. Any amount received or recovered in a currency other than euro (whether as a result of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Subsidiary or otherwise) by a holder of Notes or the Trustee in respect of any sum expressed to be due to it from the Issuer or any Guarantor will constitute a discharge of the Issuer and the Guarantor 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 such euro amount is less than the euro amount expressed to be due to the recipient under any Note or any Guarantee, the Issuer or any Guarantor of the Notes shall indemnify the recipient against any loss sustained by it as a result. In any event the Issuer shall indemnify the recipient against the cost of making any such purchase.

For the purposes of this Section 12.10, it will be sufficient for the holder of a Note or the Trustee 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 the Issuer and Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder of the Notes or the Trustee 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 this Indenture or any Note or any Guarantee or any other judgment or order.

SECTION 12.11 Currency Calculation . Except as otherwise expressly set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the euro-equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is incurred or made, as the case may be.

SECTION 12.12 Successors . All agreements of the Issuer and the Guarantors in this Indenture, the Notes and the Guarantees shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 12.13 Counterpart Originals . All parties hereto may sign any number of copies of this Indenture. Each signed copy or counterpart shall be an original, but all of them together shall represent one and the same agreement.

SECTION 12.14 Severability . In case any one or more of the provisions in this Indenture or in the Notes shall be held invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

SECTION 12.15 Table of Contents, Headings, etc . The Table of Contents and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, as of the date first written above.

CET 21 SPOL. S R.O.
as Issuer

By: /s/ Petr Dvořák
Name: Petr Dvořák
Title: Executive Director

By: /s/ Oliver Meister
Name: Oliver Meister
Title: Executive Director

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
as Guarantor

By: /s/ David Sach
Name: David Sach
Title: Chief Financial Officer

CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.
as Guarantor

By: /s/ Oliver Meister
Name: Oliver Meister
Title: Managing Director

CME MEDIA ENTERPRISES B.V.
as Guarantor

By: /s/ David Sturgeon
Name: David Sturgeon
Title: Managing Director

CME INVESTMENTS B.V.
as Guarantor

By: /s/ David Sturgeon
Name: David Sturgeon
Title: Managing Director

CME SLOVAK HOLDINGS B.V.
as Guarantor

By: /s/ David Sturgeon
Name: David Sturgeon
Title: Managing Director

MARKÍZA-SLOVAKIA, SPOL. S R.O.
as Guarantor

By: / s/ Radka Doehring
Name: Radka Doehring
Title: Attorney

By: /s/ Petr Dvořák
Name: Petr Dvořák
Title: Attorney

Signed for and on behalf of

CITIBANK, N.A., LONDON BRANCH,
as Trustee

By: /s/ Azmina Keshani
Name: Azmina Keshani
Title: Assistant Vice President

Acknowledged and agreed by
Citibank, N.A., London Branch, as Transfer Agent and Paying Agent

By: /s/ Azmina Keshani
Name: Azmina Keshani
Title: Assistant Vice President

Acknowledged and agreed by
Citigroup Global Markets Deutschland AG, as Registrar

By: /s/ S. Roos
Name: S. Roos
Title: Assistant Manager

By: /s/ Gabriele Bleschke
Name: Gabriele Bleschke

Dated: October 21, 2010

[FORM OF FACE OF NOTE **]**

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 U.S. 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.

CET 21 SPOL. S R.O.

Senior Secured Note due 2017

Common Code: _____

ISIN: _____

No.____

CET 21 SPOL. S R.O., a limited liability company incorporated under the laws of the Czech Republic (the "Issuer," which term includes any successor corporation), for value received promises to pay CITIVIC NOMINEES LIMITED or registered assigns upon surrender hereof the principal sum indicated on Schedule A hereof, on November 1, 2017.

Interest Payment Dates: May 1 and November 1, commencing May 1, 2011.

Record Dates: April 15 and October 15 immediately preceding each Interest Payment Date.

Reference is made to the further provisions of this Note contained herein, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed manually or by facsimile by its duly authorized officer.

CET 21 SPOL. S R.O.,
as
Issue r

By: _____
Name:
Title:

By: _____
Name:
Title:

This is one of the Notes referred to
in the above-mentioned Indenture:

CITIBANK, N.A., LONDON BRANCH,
as
Trustee

By: _____
Name:
Title:

Dated: October 21, 2010

[FORM OF REVERSE **]**

CET 21 SPOL. S R.O.

Senior Secured Note due 2017

(1) Interest . CET 21 SPOL. S R.O., a limited liability company incorporated under the laws of the Czech Republic (the "Issuer"), promises to pay interest on the principal amount of this Note (as defined herein) at the rate of 9.0% per annum. Interest on this Note will be payable semi-annually in arrears on May 1 and November 1, commencing on May 1, 2011. Interest on this Note 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.

The Issuer shall pay interest on overdue principal and on overdue installments of interest and on any Additional Amounts as specified in the Indenture. Any interest paid on this Note shall be increased to the extent necessary to pay Additional Amounts as set forth herein.

(2) 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) (collectively, "Taxes") imposed or levied by or on behalf of the government of the countries in which each of the Issuer, 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 the Issuer, 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.

Upon request, the Issuer will provide the Trustee with documentation satisfactory to the Trustee evidencing the payment of Additional Amounts. Copies of such documentation will be made available to the holders of the Notes upon request.

(3) Method of Payment . The Issuer shall pay interest on this Note (except defaulted interest) to the Person in whose name this Note is registered at the close of business on the Record Date for such interest. Holders of Notes must surrender Notes to a Paying Agent to collect principal payments. The Issuer shall pay principal and interest in euro. Immediately available funds for the payment of the principal of, premium, if any, interest and Additional Amounts, if any, on this Note due on any interest payment date, Maturity Date, Redemption Date or other repurchase date will be made available to the Paying Agent prior to 12.00 p.m. London time on the Business Day immediately preceding each interest payment date and the Maturity Date to permit the Paying Agent to pay such funds to the holders on such respective dates.

(4) Paying A g ent . Initially, Citibank, N.A., London Branch will act as Paying Agent. In the event that a Paying Agent or Transfer Agent is replaced, the Issuer will publish such notice thereof if and so long as the Notes are Global Notes and are listed on the Luxembourg Stock Exchange and the rules of such stock exchange shall so require, in a newspaper having a 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 at *www.bourse.lu* , and (in the case of Definitive Notes), in addition to such publication, mail such notice by first-class mail to each holder's registered address. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar for this Note.

(5) Indenture . The Issuer issued the Notes under an Indenture, dated as of October 21, 2010 (the "Indenture"), among the Issuer, the Guarantors, Citibank, N.A., London Branch, as Trustee, Citibank, N.A., London Branch, as Transfer Agent and Paying Agent, and Citigroup Global Markets Deutschland AG, as Registrar. This Note is one of a duly authorized issue of Notes of the Issuer designated as its Senior Secured Notes due 2017 (the "Notes"). The terms of the Notes include those stated in the Indenture. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and holders of the Notes are referred to the Indenture for a statement of them. The Notes are general obligations of the Issuer. The Notes are not limited in aggregate principal amount and Additional Notes may be issued from time to time under the Indenture, in each case subject to the terms of the Indenture. Each holder of the Notes, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time.

(6) Ranking . The Notes will be general, senior secured obligations of the Issuer. In addition, the Notes have the benefit of the senior Guarantees of CME and certain of its Subsidiaries.

(7) Optional Redemption .

On and after November 1, 2014, the issuer 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 due on the relevant interest payment date), if redeemed during the periods indicated below:

Year	**Notes**
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%

In addition, at any time prior to November 1, 2013, the Issuer 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 (a) at least 65% of the original principal amount of the Notes remains outstanding after each such redemption; and (b) 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.

In addition, prior to November 1, 2014, the Issuer 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 the Issuer, 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 7) (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 the Issuer or on behalf of the Issuer by such Person as the Issuer 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 the Issuer 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 the Issuer 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 the Issuer 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 the Issuer 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.

(8) Special Tax Redemption . The Notes may be redeemed, at the option of the Issuer, 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 October 14, 2010 (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 the Issuer publishes or mails notice of redemption of the Notes as described above, it shall deliver to the Trustee an Officers' Certificate to the effect that the Issuer cannot avoid its obligation to pay Additional Amounts by taking commercially reasonable measures available to it. The Issuer shall 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 shall accept such opinion as sufficient existence of the satisfaction of the conditions precedent described above, which shall be conclusive and binding on the holders.

(9) Notice of Redemption . Notice of redemption will be given at least 30 days but not more than 60 days before the Redemption Date, or Tax Redemption Date, as the case may be in accordance with Section 12.1 of the Indenture and, in the event the Notes are in the form of Definitive Notes, by mailing first-class mail, with a copy to the Trustee, postage prepaid, to each holder's respective address as it appears on the registration books of the Registrar.

Notes in denominations of €50,000 may be redeemed only in whole. The Trustee may select for redemption portions (equal to €50,000 and any integral multiple of €1,000 in excess thereof) of the principal of Notes that have denominations larger than €50,000.

Except as set forth in the Indenture, from and after any Redemption Date, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date, then, unless the Issuer defaults in the payment of such Redemption Price, the Notes called for redemption will cease to bear interest and Additional Amounts, if any, and the only right of the holders of such Notes will be to receive payment of the Redemption Price.

(10) Change of Control Offer . Upon the occurrence of a Change of Control Triggering Event, each holder of Notes will have the right to require the Issuer 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. Holders of Notes that are subject to an offer to purchase will receive a Change of Control Offer from the Issuer prior to any related Change of Control Payment Date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" appearing below.

(11) Limitation on Disposition of Assets .

In certain circumstances specified in the Indenture, the Issuer will be required to make an offer (an "Asset Disposition Offer") to holders of Notes to purchase a specified amount of such Notes at an offer price in cash in an amount equal to 100% of the principal amount of such Notes 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. Holders of Notes that are the subject of an offer to purchase will receive an Asset Disposition Offer from the Issuer prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" appearing below.

(12) Guarantee . This Note is guaranteed by Central European Media Enterprises Ltd., Central European Media Enterprises N.V., CME Media Enterprises B.V., CME Slovak Holdings B.V., MARKÍZA-SLOVAKIA, spol. s r.o. and CME Investments B.V. pursuant to the Indenture.

(13) Denominations; Form . The Global Notes are in registered global form, without coupons, in minimum denominations of €50,000 and any integral multiples of €1,000 in excess thereof.

(14) Persons Deemed Owners . The registered holder of this Note shall be treated as the owner of it for all purposes, subject to the terms of the Indenture.

(15) Unclaimed Funds . If funds for the payment of principal, interest, premium or Additional Amounts remain unclaimed for one year, the Trustee and the Paying Agents will repay the funds to the Issuer at its written request. After that, all liability of the Trustee and such Paying Agents with respect to such funds shall cease.

(16) Legal Defeasance and Covenant Defeasance . The Issuer may be discharged from its obligations under the Indenture and the Notes except for certain provisions thereof ("Legal Defeasance"), and may be discharged from its obligations to comply with certain covenants contained in the Indenture ("Covenant Defeasance"), in each case upon satisfaction of certain conditions specified in the Indenture.

(17) Amendment; Supplement; Waiver . Subject to certain exceptions specified in the Indenture, the Indenture or the Notes may be amended or supplemented with the consent of the holders of a majority in principal amount of such Notes then outstanding, and, subject to certain exceptions, any past default or compliance with any provisions of the Indenture or the Notes may be waived with the consent of the holders of a majority in principal amount of such Notes then outstanding.

(18) Restrictive Covenants . The Indenture imposes certain covenants that, among other things, limit the ability of the Issuer and CME and its Restricted Subsidiaries to incur additional Indebtedness, make certain distributions and Restricted Payments, create certain Liens, enter into certain transactions with Affiliates and third parties, make certain Asset Dispositions, and consummate certain mergers, consolidations and amalgamations or sales of all or substantially all assets. The limitations are subject to a number of important qualifications and exceptions. The Issuer must annually report to the Trustee on compliance with such limitations.

(19) Successors . When a successor assumes all the obligations of its predecessor under the Notes and the Indenture in accordance with the terms of the Indenture, the predecessor will be released from those obligations.

(20) Defaults and Remedies . If an Event of Default (other than an Event of Default specified in clause (7) of Section 6.1 of the Indenture) occurs and is continuing, the Trustee by notice to the Issuer or the holders of at least 25% in principal amount of the outstanding Notes may declare all the Notes to be due and payable immediately in the manner and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default (except a Default in payment of principal, premium, interest and Additional Amounts, if any, including an accelerated payment) if and so long as the Trustee in good faith determines that withholding such notice is in their interest.

(21) Trustee Dealings with Issuer . The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Issuer, its Subsidiaries or their respective Affiliates as if it were not the Trustee.

(22) No Recourse Against Others . No director, officer, employee, or stockholder of the Issuer, any Guarantor or any Restricted Subsidiary, as such, shall have any liability for any obligations of the Issuer, any Guarantor or any Restricted Subsidiary under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(23) Authentication . This Note shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on this Note.

(24) Abbreviations and Defined Terms . Customary abbreviations may be used in the name of a holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act). Unless otherwise defined herein, terms defined in the Indenture are used herein as defined therein.

(25) ISINs and Common Codes . The Issuer will cause ISINs and Common Codes to be printed on the Notes. No representation is made as to the accuracy of such numbers as printed on the Notes and reliance may be placed only on the other identification numbers printed hereon.

(26) Governing Law . The Indenture and the Notes, and the rights and duties of the parties hereunder and thereunder, shall be governed by, and construed in accordance with, the laws of the State of New York, other than as provided in Section 11.5 of the Indenture.

ASSIGNMENT FORM

To assign this Note fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Issuer.
The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

SCHEDULE A

SCHEDULE OF PRINCIPAL AMOUNT

The initial principal amount at maturity of this Note shall be €_____. The following decreases/increases in the principal amount at maturity of this Note have been made:

Date of Decrease/ Increase	Decrease in Principal Amount at Maturity	Increase in Principal Amount at Maturity	Total Principal Amount at Maturity Following such Decrease/ Increase ___	Notation Made by or on Behalf of Trustee
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.9 or Section 4.15 of the Indenture, check the appropriate box:

Section 4.9 **[ ]** Section 4.15 **[ ]**

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.9 or Section 4.15 of the Indenture, state the amount: €

Date:_____

Your Signature:_____
(Sign exactly as your name appears on the other side of this Note)

EXHIBIT B
TO THE INDENTURE

FORM OF TRANSFER CERTIFICATE FOR TRANSFER FROM
U.S. GLOBAL NOTE TO INTERNATIONAL GLOBAL NOTE
(Transfers pursuant to Section 2.7(b) of the Indenture)

CET 21 spol. s r.o.
Kříženeckého nám.
1078/5, Prague 5,
Postal Code 152 00,
the Czech Republic
Attention: Chief Financial Officer

Citibank, N.A., London Branch
Agency & Trust
14th Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

RE: Senior Secured Notes due 2017
(the "Notes") of CET 21 Spol. s r.o.

Reference is hereby made to the Indenture dated as of October 21, 2010 (the "Indenture") among CET 21 spol. s r.o., as Issuer, 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 Guarantors, Citibank, N.A., London Branch, as Trustee, Citibank, N.A., London Branch, as Transfer Agent and Paying Agent and Citigroup Global Markets Deutschland AG, as Registrar. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to €_____ (equal to €50,000 and any integral multiple of €1,000 in excess thereof) principal amount of Notes beneficially held through interests in the U.S. Global Notes (ISIN: XS0550482664; Common Code: 055048266) with Euroclear and Clearstream Banking in the name of _____(the "Transferor"), account number _____. The Transferor hereby requests that on **[** INSERT DATE **]** , the beneficial interest in the U.S. Global Note be transferred or exchanged for an interest in the International Note (ISIN: XS0550480296; Common Code: 055048029) in the same principal denomination and transfer to _____ (account no. _____). If this is a partial transfer, a minimum amount of €50,000 and any integral multiple of €1,000 in excess thereof of the U.S. Global Note will remain outstanding.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Indenture and the Notes and pursuant to and in accordance with Rule 903 or 904 of Regulation S under the Securities Act, and accordingly the Transferor further certifies that:

(A) (1) the offer of the Notes was not made to a person in the United States;

(2) either (a) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on our behalf knows that the transaction was prearranged with a buyer in the United States,

(3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

OR

(B) such transfer is being made in accordance with Rule 144 under the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Trustee and Transfer Agent. Terms used in this certificate and not otherwise defined in the Indenture have the meanings set forth in Regulation S under the Securities Act.

Dated: _____

[Name of Transferor **]**

By: _____
Name:
Title:
Telephone No.:

Please print name and address (including postal code)

_____
_____
_____

EXHIBIT C
TO THE INDENTURE

FORM OF TRANSFER CERTIFICATE FOR TRANSFER FROM
INTERNATIONAL GLOBAL NOTE TO U.S. GLOBAL NOTE
(Transfers pursuant to Section 2.7(c) of the Indenture)

CET 21 spol. s r.o.
Kříženeckého nám.
1078/5, Prague 5,
Postal Code 152 00,
the Czech Republic
Attention: Chief Financial Officer

Citibank, N.A., London Branch
Agency & Trust
14th Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

RE: Senior Secured Notes due 2017
(the "Notes") of Central European Media Enterprises Ltd.

Reference is hereby made to the Indenture dated as of October 21, 2010 (the "Indenture") among CET 21 spol. s r.o., as Issuer, 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 Guarantors, Citibank, N.A., London Branch, as Trustee, Citibank, N.A., London Branch, as Transfer Agent and Paying Agent and Citigroup Global Markets Deutschland AG, as Registrar. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to €_____ (equal to €50,000 and any integral multiple of €1,000 in excess thereof) principal amount of Notes beneficially held through interests in the International Global Note (ISIN: XS0550480296; Common Code: 055048029) with Euroclear and Clearstream Banking in the name of _____ (the "Transferor"), account number _____ . The Transferor hereby requests that on **[** INSERT DATE **]** , the beneficial interest in the International Global Note be transferred or exchanged for an interest in the U.S. Global Note (ISIN: XS0550482664; Common Code: 055048266) in the same principal denomination and transfer to _____ (account no. _____). If this is a partial transfer, a minimum of €50,000 and any integral multiple of €1,000 in excess thereof of the International Global Note will remain outstanding.

In connection with such request, and in respect of such Notes, the Transferor does hereby certify that such Notes are being transferred in accordance with Rule 144A under the Securities Act to a transferee that the Transferor reasonably believes is purchasing the Notes for its own account or an account with respect to which the transferee exercises sole investment discretion and the transferee and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

This certificate and the statements contained herein are made for your benefit and the benefit of the Trustee and Transfer Agent.

Dated: _____

[Name of Transferor **]**

By: _____
Name:
Title:
Telephone No.:

Please print name and address (including postal code)

_____
_____
_____

EXHIBIT D
TO THE INDENTURE

FORM OF SUPPLEMENTAL INDENTURE

This Supplemental Indenture, dated as of **[_____]** (this "Supplemental Indenture" or "Guarantee"), among **[** name of additional Guarantor **]** (the "Additional Guarantor"), among CET 21 spol. s r.o., (together with its successors and assigns, the "Issuer"), 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. (collectively, the "Guarantors") and each other then existing Guarantor under the Indenture referred to below, Citibank, N.A., London Branch, as Trustee, Citibank, N.A., London Branch, as Transfer Agent and Paying Agent and Citigroup Global Markets Deutschland AG, as Registrar, under the Indenture referred to below.

W I T N E S S E T H:

WHEREAS, the Issuer, the Guarantors and the Trustee and the other parties thereto have heretofore executed and delivered an Indenture, dated as of October 21, 2010 (as amended, supplemented, waived or otherwise modified, the "Indenture"), providing for the issuance Senior Secured Notes due 2017 of the Issuer (the " Notes ");

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuer, the Guarantors and the Trustee are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any holder of the Notes, to add guarantees with respect to the Notes;

WHEREAS, each party hereto has duly authorized the execution and delivery of this Supplemental Indenture and has done all things necessary to make this Supplemental Indenture a valid agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Additional Guarantor, the Issuer, the Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

ARTICLE I

Definitions

SECTION 1.1. Defined Terms . As used in this Supplemental Indenture, terms defined in this Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term " holders " in this Guarantee shall refer to the holders of the Notes and the Trustee acting on behalf or for the benefit of such holders. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

[Agreement to be Bound; Guarantee

SECTION 2.1. Agreement to be Bound . The Additional Guarantor hereby becomes a party to this Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under this Indenture. The Additional Guarantor agrees to be bound by all of the provisions of this Indenture applicable to a Guarantor and to perform all of the obligations and agreements of a Guarantor under this Indenture.

SECTION 2.2. Guarantee . Subject to the terms of this Indenture, the Additional Guarantor hereby fully, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, jointly and severally with each other Guarantor, to each holder of the Notes and the Trustee, the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the Issuer's Obligations under this Indenture and the Notes, including the payment of principal, premium, if any, interest and Additional Amounts, if any, on the Notes, pursuant to Article 10 of this Indenture on a senior secured basis.]

ARTICLE III

Miscellaneous

SECTION 3.1. Notices . All notices and other communications to the Additional Guarantor shall be given as provided in this Indenture to the Additional Guarantor, at its address set forth below, with a copy to the Issuer as provided in this Indenture for notices to the Issuer.

SECTION 3.2. Parties . Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the holders of the Notes and the Trustee, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or this Indenture or any provision herein or therein contained.

SECTION 3.3. Governing Law . This Supplemental Indenture shall be governed by the laws of the State of New York.

SECTION 3.4. Severability Clause . In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.5. Ratification of Indenture; Supplemental Indentures Part of Indenture . Except as expressly amended hereby, this Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of this Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture.

SECTION 3.6 Counterparts . The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement.

SECTION 3.7. Headings . The headings of the Articles and the sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

SECTION 3.8. Successors . All covenants and agreements in this Supplemental Indenture by the parties hereto shall bind their successors and assigns, whether so expressed or not.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[ADDITIONAL GUARANTOR **]** ,

as a Guarantor

By: _____
Name:
Title:

Signed for and on behalf of,
CITIBANK, N.A., LONDON BRANCH, as Trustee

By: _____
Name:
Title:

CET 21 SPOL. S R.O.
as Issuer

By: _____
Name:
Title:

By: _____
Name:
Title:

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
as Guarantor

By: _____
Name:
Title:

CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.
as Guarantor

By: _____
Name:
Title:

CME MEDIA ENTERPRISES B.V.
as Guarantor

By: _____
Name:
Title:

CME INVESTMENTS B.V.
as Guarantor

By: _____
Name:
Title:

CME SLOVAK HOLDINGS B.V.
as Guarantor

By: _____
Name:
Title:

MARKÍZA-SLOVAKIA, SPOL S P.O.
as Guarantor

By: _____
Name:
Title:

Signed for and on behalf of,
CITIBANK, N.A., LONDON BRANCH, as Transfer Agent and Paying Agent

By: _____
Name:
Title:

Signed for and on behalf of,
CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG , as Registrar

By: _____
Name:
Title:

[Other Guarantors]

By: _____
Name:
Title:

Exhibit 10.40

Dated 21 October, 2010

for

CET 21 SPOL. S R.O.

arranged by

BNP PARIBAS S.A.
J.P. MORGAN PLC
CITIGROUP GLOBAL MARKETS LIMITED
ING BANK N.V.
ČESKÁ SPOŘITELNA, A.S.

with

BNP PARIBAS S.A.
as Agent

and

BNP PARIBAS TRUST CORPORATION UK LIMITED
as Security Agent

CZK 1,500,000,000
REVOLVING CREDIT FACILITYAGREEMENT

Simpson Thacher & Bartlett LLP
London

TABLE OF CONTENTS

THIS AGREEMENT is dated 21 October, 2010 and made between:

1. **CET 21 spol. s r.o.** , a company incorporated in the Czech Republic with company number 45800456 (the " **Borrower** ");

2. **THE COMPANIES** listed in Part I of Schedule 1 as original guarantors (the " **Original Guarantors** ");

3. **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 (whether acting individually or together the " **Arrangers** ");

4. **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 as lenders (the " **Original Lenders** ");

5. **BNP PARIBAS S.A.** as agent of the other Finance Parties (the " **Agent** "); and

6. **BNP PARIBAS TRUST CORPORATION UK LIMITED** as security agent for the Secured Parties (the " **Security Agent** ").

IT IS AGREED as follows:

SECTION 1

INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

" **2007 Indenture** " means the indenture dated 16 May 2007 entered into between, among others, the Parent, the subsidiary guarantors named therein and BNY Corporate Trustee Services Limited, as Trustee.

" **2009 Indenture** " means the indenture dated 17 September 2009 entered into between, among others, the Parent, the subsidiary guarantors named therein and The Bank of New York Mellon, acting through its London Branch as trustee.

" **Acceptable Bank** " means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or

(b) any other bank or financial institution approved by the Agent.

" **Accession Letter** " means a document substantially in the form set out in Schedule 7 (*Form of Accession Letter*).

" **Accounting Quarter** " has the meaning given to that term in Clause 21.1 (*Financial Definitions*).

" **Additional Cost Rate** " has the meaning given to it in Schedule 4 (*Mandatory Cost Formulae*).

" **Additional Guarantor** " means a company which becomes an Additional Guarantor in accordance with Clause 26 (*Changes to the Obligors*).

" **Additional Notes** " means any Notes which are permitted to be issued after the original date of this Agreement pursuant to the Notes Indenture and subject to the Finance Documents, but excluding for the avoidance of doubt the Original Notes.

" **Affiliate** " means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

" **Assignment Agreement** " means an agreement substantially in the form set out in Schedule 6 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

" **Auditors** " means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or any other firm approved in advance by the Majority Lenders (such approval not to be unreasonably withheld or delayed).

" **Authorisation** " means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

" **Availability Period** " means the period from and including the original date of this Agreement to and including the date that is one Month prior to the Termination Date.

" **Available Commitment** " means a Lender's Commitment minus:

(a) the amount of its participation in any outstanding Loans; and

(b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

" **Available Facility** " means the aggregate for the time being of each Lender's Available Commitment.

" **BMG Cash Pooling Arrangements** " means the cash pooling arrangement operated by Bank Mendes Gans N.V. pursuant to an agreement dated 19 November 2007 (as amended on 10 November 2009 and from time to time) entered into between, among others, CME Media Enterprises B.V. and Bank Mendes Gans N.V.

" **Borrower's Business Plan** " means the financial model including profit and loss, balance sheet and cashflow projections in agreed form relating to the Group together with the written business plan in agreed form and delivered to the Agent pursuant to paragraph 5(k) of Part 1 of Schedule 2.

" **Borrower Change of Control** " means the Parent ceases to directly or indirectly own at least 66⅔ per cent. of the shares of the Borrower.

" **Break Costs** " means the amount (if any) by which:

(a) the interest (excluding Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

" **Broadcasting Licences** " means:

(a) license no. T/41, dated August 7, 1995 (Markiza analogue, satellite, cable and digital pilot); and

(b) license no. 001/1993, file no. R/060/93, dated February 9, 1993 (NOVA terrestrial),

in each case as amended, novated, supplemented, extended, renewed, reissued, replaced or restated.

" **Budget** " means:

(a) in relation to the period beginning from the original date of this Agreement and ending on 31 December 2010, the Borrower's Business Plan; and

(b) in relation to any other period, any budget delivered by the Borrower to the Agent in respect of that period pursuant to Clause 20.4 (*Budget*).

" **Business Day** " means a day (other than a Saturday or Sunday) on which banks are open for general business in Amsterdam, London, Paris and Prague.

" **Cash** " means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Group with an Acceptable Bank and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as:

(a) that cash is repayable within 3 days after the relevant date of calculation;

(b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any Obligor or any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;

(c) there is no Security over that cash except for Transaction Security or any Permitted Security; and

(d) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment of the Facility.

" **Cash Equivalent Investments** " means at any time:

(a) certificates of deposit or time deposits maturing within one year after the relevant date of calculation and overnight deposits, in each case issued by or with an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);

(e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice; or

(f) any other debt security approved by the Majority Lenders, in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

" **CET Loan Agreement** " means the loan agreement dated 2 May 2005 (as amended from time to time) and made between CME Media Enterprises B.V. and the Borrower and as assigned and transferred by CME Media Enterprises B.V. to CME Investments B.V. (formerly known as CME Romania B.V.) under a novation agreement made between CME Media Enterprises B.V., CME Investments B.V. and the Borrower on 17 December 2009.

" **Change of Control** " means a Borrower Change of Control or a Parent Change of Control.

" **Charged Property** " means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

" **CME Group** " means the Parent and its Subsidiaries for the time being (but excluding the Group).

" **CME Group Business Plan** " means the financial model including profit and loss, balance sheet and cashflow projections in agreed form relating to the CME Group (which for this purpose shall include the Group) together with the written business plan in agreed form and delivered to the Agent pursuant to paragraph 5(l) of Part 1 of Schedule 2.

" **Commitment** " means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

" **Compliance Certificate** " means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*).

" **Confidential Information** " means all information relating to the Borrower, any Obligor, the Group or the CME Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the Group or the CME Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or the CME Group or any of its advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 37 (*Confidentiality*); or

(ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or the CME Group or any of its advisers; or

(iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group or the CME Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

" **Confidentiality Undertaking** " means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 10 (*LMA Form of Confidentiality Undertaking*) or in any other form agreed between the Borrower and the Agent.

" **Core Event of Default** " means any Event of Default under Clauses 23.1 (*Non-payment*), 23.2 (*Financial covenants and other obligations*), 23.6 (*Insolvency*), 23.7 (*Insolvency Proceedings*), 23.10 (*Similar events elsewhere*) or 23.17 (*Termination, revocation or transfer of Broadcasting Licences*).

" **Czech Additional Guarantor** " means an Additional Guarantor incorporated in the Czech Republic.

" **CZK** " means the lawful currency of the Czech Republic.

" **Debt Purchase Transaction** " means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

" **Default** " means an Event of Default or any event or circumstance specified in Clause 23 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

" **Delegate** " means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

" **Disruption Event** " means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any one or more of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

" **Dutch Obligor** " means an Obligor incorporated in the Netherlands.

" **Erste Facility** " means the facility made available under the Erste Facility Agreement.

" **Erste Facility Agreement** " means the up to CZK 3,000,000,000 facility agreement dated 21 December 2009 entered into between, amongst others, CET 21 spol. s r.o. as the borrower, Erste Group Bank AG as mandated lead arranger and Česká spořitelna a.s. as facility agent and security agent.

" **Erste Transaction Security** " means the Security created or expressed to be created by the security documents listed in Schedule 9 (*Existing Security*).

" **Event of Default** " means any event or circumstance specified as such in Clause 23 (*Events of Default*).

" **Existing Intercreditor Agreement** " means the intercreditor agreement dated 21 July 2006 (as amended and restated from time to time, including by a deed of amendment dated on or around the original date of this Agreement) made between, among others, the Parent, BNY Corporate Trustee Services Limited, The Bank of New York Mellon (formerly The Bank of New York) as 2007 trustee, The Bank of New York Mellon (formerly The Bank of New York) as 2008 trustee, The Bank of New York Mellon as 2009 note trustee, The Law Debenture Trust Corporation p.l.c. as 2009 security trustee, the Notes Trustee as 2010 notes trustee, BNP Paribas Trust Corporation UK Limited as 2010 security trustee and BNP Paribas S.A. as 2010 agent.

" **Facility** " means the revolving loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

" **Facility Office** " means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement provided that a Lender shall not nominate more than two Facility Offices unless it is necessary in order to receive payments due to it without withholding or deduction for or on account of Tax or to benefit from the provisions of Clause 13.2 (*Tax Gross-up*).

" **Factoring Facility Agreement** " means the framework factoring agreement (*ramcova faktoringova smlouva*) No. 100161 between Factoring České spořitelny, a.s. and the Borrower dated 24 March 2003, as amended or refinanced from time to time, pursuant to which individual agreements on assignment of receivables are entered into between Factoring České spořitelny a.s. as assignee and the Borrower as assignor.

" **Fee Letter** " means any letter or letters dated on or about the original date of this Agreement between the Arrangers or the Lenders (or any of them) and the Borrower (or the Agent and the Borrower or the Security Agent and the Borrower) setting out any of the fees referred to in Clause 12 (*Fees*).

" **Finance Document** " means this Agreement, the Intercreditor Agreement, the Existing Intercreditor Agreement, the Transaction Security Documents, any Fee Letter, the Hedging Letter, any Accession Letter, any Compliance Certificate, any Utilisation Request, and any other document designated as such by the Agent and the Borrower.

" **Finance Party** " means the Agent, the Arrangers, the Security Agent or a Lender.

" **Financial Indebtedness** " means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) any Treasury Transaction (and, when calculating the value of any Treasury Transaction, only the marked to market value shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee or other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (h) above.

" **Financial Year** " has the meaning given to that term in Clause 21.1 (*Financial definitions*).

" **Funding Loan** " means a loan or extension of credit made by one member of the Group to another member of the Group which:

(a) does not mature and is not redeemable at the option of the member of the Group making the loan or the credit extension, prior to the Termination Date;

(b) is not amortising; and

(c) 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 Termination Date.

" **GAAP** " means generally accepted accounting principles and in particular:

(a) in the United States of America, in the case of the Borrower;

(b) in the Slovak Republic, in the case of each Slovak Obligor;

(c) in the Netherlands, in the case of each Dutch Obligor; or

(d) in the United States of America, in the case of the Parent,

including IFRS.

" **Group** " means the Borrower and its Subsidiaries for the time being other than any Subsidiaries in liquidation prior to the original date of this Agreement or voluntarily liquidated after the original date of this Agreement as permitted under the terms of this Agreement.

" **Group Structure Chart** " means the group structure chart in the agreed form.

" **Guarantor** " means an Original Guarantor or an Additional Guarantor.

" **Hedging Letter** " means the letter dated on or around the original date of this Agreement entered into between the Agent and the Borrower relating to the hedging arrangements that may be entered into by the Borrower.

" **Holdco Share Pledges** " means:

(a) the share pledge executed by the Parent over all existing and future shares of Central European Media Enterprises N.V.; and

(b) the share pledge executed by Central European Media Enterprises N.V. over all existing and future shares owned by it in CME Media Enterprises B.V.

" **Holding Company** " means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

" **IFRS** " means international accounting standards within the meaning of the Council Regulation 1606/2002/EC on the application of international accounting standards to the extent applicable to the relevant financial statements.

" **Initial Utilisation Date** " means the date of the first Utilisation.

" **Intellectual Property** " means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each Obligor and/or member of the Group (which may now or in the future subsist).

" **Intercreditor Agreement** " means the intercreditor agreement dated on or around the original date of this Agreement and made between, among others, the Parent, the Company, the Original Obligors, the Security Trustee, the Agent and the Notes Trustee (as defined therein).

" **Interest Period** " means, in relation to a Loan, each period determined in accordance with Clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.3 (*Default interest*).

" **Inter-Group Loan** " means:

(a) the loan under the CET Loan Agreement;

(b) the loan under the Markiza Loan Agreement;

(c) any other loan or credit extension by a member of the Group to a member of the CME Group; and

(d) any loan or credit extension by a member of the CME Group to a member of the Group.

" **Inter-Group Loan Agreement** " means any agreement, document or instrument evidencing an Inter-Group Loan.

" **Intra-Group Loan** " means any Financial Indebtedness owed by a member of the Group to another member of the Group.

" **Joint Venture** " means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

" **Joint Venture Investment** " means the aggregate of:

(a) all amounts subscribed for shares in, lent to, or invested in all Joint Ventures by any member of the Group;

(b) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any Joint Venture; and

(c) the market value of any assets transferred by any member of the Group to any Joint Venture.

" **Legal Opinion** " means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or Clause 26 (*Changes to the Obligors*).

" **Legal Reservations** " means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations in the Legal Opinions.

" **Lender** " means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 24 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

" **Limitation Acts** " means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

" **Loan** " means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

" **LMA** " means the Loan Market Association.

" **Majority Lenders** " means:

(a) until the Total Commitments have been reduced to zero, a Lender or Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero and there are no Loans then outstanding, aggregated more than 66⅔ per cent. of the Total Commitments immediately prior to the reduction); or

(b) at any other time, a Lender or Lenders whose participations in the Loans then outstanding aggregate more than 66⅔ per cent. of all the Loans then outstanding.

" **Mandatory Cost** " means the percentage rate per annum calculated by the Agent in accordance with Schedule 4 (*Mandatory Cost Formulae*).

" **Margin** " means 4.5 per cent. per annum.

" **Markiza** " means MARKÍZA – SLOVAKIA, spol. s r.o., a limited liability company incorporated under the laws of the Slovak Republic, with its registered seat at Bratislavská l/a. Bratislava – Záhorská Bystrica 843 56, the Slovak Republic, Identification No. 31 444 873, registered in the Commercial Register maintained by the District Court of Bratislava I, Section Sro, Insert No. 12330/B.

" **Markiza Loan Agreement** " means the loan agreement dated 24 November 2008 (as amended from time to time) and entered into between CME Investments B.V. (formerly known as CME Romania B.V.) as lender and Markiza as borrower.

" **Material Adverse Effect** " means in the reasonable opinion of the Majority Lenders a material adverse effect on:

(a) the business, operations, property or condition (financial or otherwise) of the Borrower, the Group and/or the CME Group taken as a whole;

(b) the ability of the Obligors taken as a whole to perform their payment and other material obligations under the Finance Documents;

(c) the validity or enforceability (subject to the Legal Reservations) of any Finance Document or of any of the rights or remedies of any Finance Party under any of the Finance Documents; or

(d) the effectiveness or ranking (subject to the Legal Reservations) of any Transaction Security granted or purported to be granted pursuant to any of the Finance Documents.

" **Material Company** " means, at any time:

(a) a wholly-owned member of the Group that holds shares in an Obligor; or

(b) a Subsidiary of the Borrower which has earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 7.5 per cent. or more of EBITDA of the Group, or has gross assets, net assets or turnover (excluding intra-group items) representing 7.5 per cent., or more of the gross assets, net assets or turnover of the Group, each calculated on a consolidated basis.

Compliance with the conditions set out in paragraph (b) shall be determined by reference to the most recent Compliance Certificate supplied by the Borrower and/or the latest audited consolidated financial statements of the Group and the CME Group. However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by an Officer as representing an accurate reflection of the revised EBITDA (as defined in Clause 21.1 (*Financial definitions*), gross assets, net assets or turnover of the Group each calculated on a consolidated basis).

" **Month** " means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

" **Notes** " means the Original Notes and any Additional Notes.

" **Notes Documents** " means:

(a) the Notes Indenture;

(b) the Notes; and

(c) the Intercreditor Agreement.

" **Notes Indenture** " means the indenture dated on or about the original date of this Agreement made between, among others, the Borrower (as issuer) and the Notes Trustee pursuant to which the Original Notes are issued.

" **Notes Trustee** " means Citibank, N.A., London Branch or any institution that is acting from time to time as a trustee under the Notes Indenture.

" **Obligor** " means the Borrower, a Guarantor or any other member of the Group or the CME Group that grants Security in favour of the Secured Parties.

" **Officer** " means:

(a) the chief executive officer, chief financial officer, deputy chief financial officer, chief operating officer and vice president, corporate finance of the CME Group in relation to all Obligors and members of the Group;

(b) the chief executive officer, chief financial officer, chief operating officer, any director or statutory executive of a member of the Group in relation to such member of the Group; and

(c) in relation to documents to be provided by Markiza, any executive or duly authorised attorney.

" **Original Dutch Filings** " means local statutory filings required to be delivered under Dutch law by the Dutch Obligors for the Financial Year ended 31 December 2009.

" **Original Financial Statements** " means:

(a) in relation to the Borrower, the audited consolidated financial statements of the Group for the financial year ended 31 December 2009;

(b) in relation to each of the Parent and Markiza, its audited consolidated or unconsolidated (whichever is available) financial statements for the financial year ended 31 December 2009; and

(c) in relation to each other Original Obligor, its unaudited accounts for the latest financial year for which they are available.

" **Original Obligor** " means the Borrower or an Original Guarantor.

" **Original Notes** " means senior notes due 2017 of the Borrower issued pursuant to the Notes Indenture in an aggregate principal amount not exceeding EUR170,000,000.

" **Parent** " means Central European Media Enterprises Ltd., a limited company incorporated under the laws of Bermuda, Reg. No. 19574 with its registered seat at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

" **Parent Change of Control** " means the occurrence of any of the following events:

(a) any "person" or "group" of related persons, other than one or more Permitted Borrower Holders, is or becomes the beneficial owner, directly or indirectly, of more than 35 per cent. of the total voting power of the Voting Stock of the Parent and the Permitted Borrower Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Parent than such person or group;

(b) the sale, lease, transfer, conveyance or other disposition (other than by way of amalgamation, merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Parent and the Restricted Subsidiaries taken as a whole to any "person" other than the Permitted Borrower Holder;

(c) the first day on which a majority of the members of the Board of Directors are not Continuing Directors; or

(d) the adoption by the shareholders of the Parent of a plan relating to the liquidation or dissolution of the Parent.

For the purposes of this definition:

(a) " **Restricted Subsidiary** " has the meaning given to that term in the Notes Indenture;

(b) " **person** " and " **group** " have the meaning they have in Sections 13(d) and 14(d) of the U.S. Exchange Act;

(c) " **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;

(d) 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 per cent. of the voting power of the Voting Stock of such parent entity and the Permitted Borrower Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent entity;

(e) a " **Continuing Director** " means any member of the Board of Directors who is a member of such board of Directors as of the original date of this Agreement or was nominated for election or was elected to such Board of Directors with the approval of the majority of Continuing Directors who were members of such Board of Directors at the time of such nomination or election;

(f) " **Board of Directors** " means the board of directors of the Parent or any committee thereof duly authorized to act on behalf of such board;

(g) " **Voting Stock** " of a person means all classes of Capital Stock of such person then outstanding and normally entitled to vote in the election of members of the board of directors or a management board, directors or persons acting in a similar capacity on similar corporate bodies;

(h) " **Capital Stock** " of a 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 corporation (including any preferred stock but excluding any debt securities convertible into such equity of such corporation.

" **Parent Convertible Notes** " means the 3.50 per cent. senior convertible notes due 2013 originally issued by the Parent on 10 March 2008.

" **Parent Fixed Rate Notes** " means the EUR 440,000,000 fixed rate notes due 2016 originally issued by the Parent on 17 September 2009 and 29 September 2009.

" **Parent Floating Rate Notes** " means the EUR150,000,000 floating rate notes due 2014 issued originally by the Parent on 16 May 2007.

" **Parent Note Documents** " means the Parent Notes and the Parent Note Instruments and any other documents entered into pursuant to any of them.

" **Parent Note Instrument** " means the instrument pursuant to which the Parent Notes are, or are to be, constituted.

" **Parent Notes** " means:

(a) the Parent Fixed Rate Notes;

(b) the Parent Convertible Notes; and

(c) the Parent Floating Rate Notes.

" **Participating Member State** " means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

" **Permitted Acquisition** " means:

(a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of:

(i) under paragraph (b)(ii) of Clause 22.10 (*Disposals*); and

(ii) provided that such asset is not subject to any liabilities (other than any liabilities that would constitute Permitted Financial Indebtedness or Financial Indebtedness permitted under paragraph (b)(i) of Clause 22.14 (*Financial Indebtedness*) if owed by a member of the Group);

(b) an acquisition of shares or securities pursuant to a Permitted Share Issue;

(c) an acquisition of securities which are Cash Equivalent Investments;

(d) acquisition of shares in a Joint Venture to the extent permitted by Clause 22.7 (*Joint Ventures*).

" **Permitted Borrower Holders** " means:

(a) the Permitted Parent Holders;

(b) any Obligor;

(c) each Subsidiary of the Parent or of a Permitted Parent Holder; and

(d) any Affiliates of any of the persons referred to in paragraph (a) to (c) above.

" **Permitted Disposal** " means any sale, lease, licence, transfer or other disposal which, except in the case of paragraph (b), is on arm's length terms:

(a) of trading stock, including licences for content, formats and other similar or relates rights or cash, made by any member of the Group in the ordinary course of business of the disposing entity on normal commercial terms;

(b) of assets (other than shares, businesses or Intellectual Property) in exchange for other assets comparable or superior as to type, value and quality;

(c) of receivables pursuant to the Factoring Facility Agreement;

(d) of obsolete or redundant vehicles, plant and equipment for Cash;

(e) of Cash or Cash Equivalent Investments not otherwise required to be applied or prohibited by this Agreement or in exchange for other Cash Equivalent Investments;

(f) constituted by a licence of intellectual property rights permitted by Clause 22.16 (*Intellectual Property*);

(g) to a Joint Venture, to the extent permitted by Clause 22.7 (*Joint ventures*); or

(h) arising as a result of any Permitted Security.

" **Permitted Financial Indebtedness** " means Financial Indebtedness:

(a) arising under the Finance Documents;

(b) arising under the Notes Documents subject, in the case of any Additional Notes, to paragraph (g) below;

(c) arising under any Treasury Transactions;

(d) arising under a Permitted Loan, a Permitted Guarantee or a guarantee permitted under paragraph (a) of Clause 22.13 (*No guarantees or indemnities*);

(e) of any person acquired by a member of the Group after the original date of this Agreement which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six months following the date of acquisition;

(f) arising under the Factoring Facility Agreement;

(g) arising under the issue of Additional Notes in an amount which does not exceed EUR20,000,000 (or its equivalent) at any time;

(h) of a member of the Group arising under any netting, set-off or cash-pooling arrangements (including the BMG Cash Pooling Arrangements), in an amount not exceeding EUR10,000,000 (or its equivalent) in aggregate at any time; and

(i) prior to the Initial Utilisation Date, arising under the Erste Facility.

" **Permitted Guarantee** " means:

(a) the endorsement of negotiable instruments in the ordinary course of trade;

(b) any guarantee, performance or similar bond or other obligation guaranteeing performance by any member of the Group under any contract (other than a contract that is or evidences Financial Indebtedness) entered into in ordinary course of business of the respective member of the Group as conducted on the original date of this Agreement;

(c) any guarantee of a Joint Venture to the extent permitted by Clause 22.7 (*Joint ventures*);

(d) any guarantee permitted under Clause 22.14 (*Financial Indebtedness*);

(e) any guarantee given in respect of the netting or set-off, netting or cash pooling arrangements permitted pursuant to paragraph (b) of the definition of Permitted Security;

(f) any guarantee given by a member of the Group in respect of or to secure obligations pursuant to any programming, production, distribution, format or other intellectual or similar rights or capital equipment or other assets used in the ordinary course of its business as conducted on the original date of this Agreement and not to exceed CZK200,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time;

(g) any guarantee given to any relevant tax authority in respect of excise taxes, export duties or other such taxes, charges, duties or imposts payable by a member of the Group in the ordinary course of its business as conducted on the original date of this Agreement; or

(h) any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction which is a Permitted Acquisition or Permitted Disposal which indemnity is in a customary form and subject to customary limitations.

" **Permitted Loan** " means:

(a) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;

(b) a loan made to a Joint Venture to the extent permitted under Clause 22.7 (*Joint ventures*);

(c) arising under any Inter-Group Loan (other than the CET Loan Agreement and the Markiza Loan Agreement) provided that if the amount thereof exceeds in aggregate EUR4,000,000 (or its equivalent), the creditor of such Inter-Group Loan shall forthwith grant Security over all its rights in respect thereof in favour of the Security Agent on behalf of the Secured Parties on terms similar in all material respects to the English law assignment by CME Investments B.V. of its rights under the CET Loan Agreement and granted on or about the original date hereof to the Security Agent; and

(d) the loans under the CET Loan Agreement and the Markiza Loan Agreement;

(e) a loan or extension of credit by a member of the Group to another member of the Group provided that if the amount thereof exceeds in aggregate EUR4,000,000 (or its equivalent):

(i) it shall be a Funding Loan and the borrower or recipient of such Funding Loan shall be a Guarantor; or

(ii) the creditor of such loan or credit extension shall grant Security forthwith over all its rights in respect thereof in favour of the Security Agent on behalf of the Secured Parties on terms similar in all material respects to the English law assignment by CME Investments B.V. of its rights under the CET Loan Agreement and granted on or about the original date hereof to the Security Agent,

(f) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed CZK 50,000,000 (or its equivalent) at any time.

" **Permitted Parent Holders** " means:

(a) each beneficial owner of the Parent's Class B Common Stock as of the original date of this Agreement;

(b) family members of any beneficial holder of the Parent's Class B Common Stock as of the original date of this Agreement;

(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) or (b) above.

" **Permitted Security** " means:

(a) any lien arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any member of the Group;

(b) any Security or Quasi-Security arising under any netting, set-off or cash-pooling arrangements (including the BMG Cash Pooling Arrangements) entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group and of the CME Group but only so long as such Security or Quasi-Security does not secure Financial Indebtedness under such arrangements in an amount in excess of EUR10,000,000 (or its equivalent) at any one time;

(c) any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction or foreign exchange transaction entered into by a member of the Group which constitutes Permitted Financial Indebtedness, excluding any Security or Quasi-Security under a credit support arrangement;

(d) any Security or Quasi-Security over or affecting any asset acquired by a member of the Group after the original date of this Agreement if:

(i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Group;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and

(iii) the Security or Quasi-Security is removed or discharged within six months of the date of acquisition of such asset;

(e) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the original date of this Agreement, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Group if:

(i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

(iii) the Security or Quasi-Security is removed or discharged within six months of that company becoming a member of the Group;

(f) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;

(g) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal or is permitted under Clause 22.10 (*Disposals*);

(h) any Security or Quasi-Security arising as a consequence of any finance or capital lease permitted pursuant to paragraph (b)(ii) of the Clause 22.14 (*Financial Indebtedness*);

(i) prior to the Initial Utilisation Date, the Erste Transaction Security;

(j) any Transaction Security; or

(k) any Security not falling under any of the foregoing paragraphs securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (j) above) does not exceed CZK 250,000,000 (or its equivalent in other currencies).

" **Permitted Share Issue** " means an issue of shares by a member of the Group to its immediate Holding Company where (if the existing shares of the relevant member of the Group are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;

" **Permitted Transaction** " means:

(a) any disposal required, Financial Indebtedness incurred, guarantee or Security or Quasi-Security given, or other transaction arising, under the Finance Documents; and

(b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group;

(c) the solvent amalgamation, demerger, merger, consolidation, corporate reconstruction or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) as between one member of the Group and other member of the Group and in the case of any such transaction involving an Obligor where such Obligor remains as the surviving entity;

(d) transactions (other than (i) any sale, lease, licence, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of business on arm's length terms;

(e)

(i) the payment of dividends or the making of any other distributions on the capital stock of any entity which is a Restricted Subsidiary (within the meaning of the 2007 Indenture or the 2009 Indenture; each such Restricted Subsidiary referred to herein as an "Indenture Restricted Subsidiary") of the Parent or the payment of any indebtedness or other obligations owed by any Indenture Restricted Subsidiary to the Parent or to any other Indenture Restricted Subsidiary of the Parent;

(ii) the making by any Indenture Restricted Subsidiary of any loans or advances to the Parent or to any Indenture Restricted Subsidiary,

provided that in the case of loans described in sub-paragraphs (i) or (ii) above, such loans also are subject to the requirements of paragraphs (c) and (e) of the definition of Permitted Loans, as applicable; or

(iii) the transfer of any of the property or assets of any Indenture Restricted Subsidiary to the Parent or to any Indenture Restricted Subsidiary subject, in relation to any property or assets which are the subject of the Transaction Security, to the provisions of the Transaction Security Documents.

" **PRIBOR** " means in relation to any Loan:

(a) the applicable Screen Rate: or

(b) (if no Screen Rate is available for the Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits and for a period comparable to the Interest Period for that Loan.

" **Party** " means a party to this Agreement.

" **Qualifying Lender** " has the meaning given to it in Clause 13 (*Tax gross-up and indemnities*).

" **Quarter Date** " has the meaning given to that term in Clause 21.1 (*Financial Definitions*).

" **Quasi-Security** " has the meaning given to that term in Clause 22.9 (*Negative pledge*).

" **Quotation Day** " means, in relation to any period for which an interest rate is to be determined two Business Days before the first day of that period, unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

" **Receiver** " means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

" **Reduction Date** " means the fourth anniversary of the original date of this Agreement.

" **Reduction Instalment** " means a repayment instalment of such amount required to ensure that the Total Commitments (drawn and undrawn) on the Reduction Date, are reduced to CZK750,000,000.

" **Reference Banks** " means the principal office in Prague of BNP Paribas S.A., ING Bank N.V. and Česká spořitelna, a.s. or such other banks as may be appointed by the Agent in consultation with the Borrower.

" **Refinancing Transactions** " means:

(a) entry by the Obligors into this Agreement and the Notes Documents;

(b) application of proceeds of any Utilisations under the Facility on the Initial Utilisation Date; and

(c) the repayment and cancellation of the Erste Facility.

" **Related Fund** " in relation to a fund (the " **first fund** "), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

" **Relevant Interbank Market** " means the Prague interbank market.

" **Relevant Jurisdiction** " means, in relation to an Obligor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

(c) any jurisdiction where it conducts a substantive part of its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

" **Repeating Representations** " means each of the representations set out in Clauses 19.1 (*Status*) to 19.6 (*Governing law and enforcement*), 19.10 (*No default*), paragraph (c) of 19.11 (*No misleading information*), paragraphs (d) and (e) of 19.12 (*Original Financial Statements*) and 19.18 (*Centre of main interests and establishments*).

" **Representative** " means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

" **Required Insurances** " means insurances over any real property which is subject to the Transaction Security.

" **Required Insurance Policies** " means any documents evidencing, creating or conferring (or purporting to evidence, create or confer) any Required Insurances.

" **Rollover Loan** " means one or more Loans:

(a) made or to be made on the same day that a maturing Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Loan; and

(c) made or to be made to the Borrower for the purpose of refinancing a maturing Loan.

" **Screen Rate** " means the percentage rate per annum for the relevant period, displayed on the PRBO page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

" **Security** " means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

" **Secured Parties** " means the Security Agent, any Receiver or Delegate and each of the Finance Parties from time to time.

" **Slovak Additional Guarantor** " means an Additional Guarantor incorporated in the Slovak Republic.

" **Slovak Commercial Code** " means the Slovak Act No. 513/1991 Coll. the Commercial Code (as amended).

" **Slovak Holdings** " means CME Slovak Holdings B.V., a company incorporated in the Netherlands with registration number 34274606.

" **Slovak Obligor** " means Markiza or any other Obligor incorporated in the Slovak Republic.

" **Specified Time** " means a time determined in accordance with Schedule 11 (*Timetables*).

" **Subsidiary** " means, with respect to a person, company or corporation, any company or corporation:

(a) which is controlled, directly or indirectly, by the first-mentioned person, company or corporation; or

(b) which owns directly or indirectly at least half of the issued share capital or the ownership or any other equity interests or similar right of ownership; or

(c) which is a subsidiary of another subsidiary of the first-mentioned person, company or corporation,

and, for these purposes, a person, company or corporation shall be treated as being controlled by another person, company or corporation if that other person, company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; or

(d) in relation to a person incorporated (or established) under Dutch law, a " *dochtermaatschappij* " within the meaning of Section 2.24a of the Dutch Civil Code (regardless whether the shares or voting rights on the shares in such company are held directly or indirectly through another " *dochtermaatschappij* ").

" **Tax** " means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) in any jurisdiction.

" **Termination Date** " means the fifth anniversary of the original date of this Agreement.

" **Total Commitments** " means the aggregate of the Commitments, being CZK 1,500,000,000 at the original date of this Agreement.

" **Total Purchase Price** " means the consideration (including associated costs and expenses) for a an acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in the acquired company (or any such business) at the date of acquisition.

" **Transaction Security** " means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

" **Transaction Security Documents** " means each of the documents listed as being a Transaction Security Document in paragraph 2(g) of Part I of Schedule 2 (*Conditions Precedent*) and any document required to be delivered to the Agent under paragraph 11 of Part II of Schedule 2 (*Conditions Precedent*) together with any other document entered into by any Obligor creating or expressing to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

" **Transfer Certificate** " means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

" **Transfer Date** " means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

" **Treasury Transaction** " means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price but not for speculative purposes.

" **Unpaid Sum** " means any sum due and payable but unpaid by an Obligor under the Finance Documents.

" **Utilisation** " means a utilisation of the Facility.

" **Utilisation Date** " means the date of a Utilisation, being the date on which a Loan is to be made.

" **Utilisation Request** " means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

" **VAT** " means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature in any jurisdiction.

1.2 **Construction**

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) the " **Agent** ", the " **Arranger** ", any " **Finance Party** ", any " **Lender** ", any " **Obligor** ", any " **Party** ", any " **Secured Party** ", the " **Security Agent** " or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

(ii) a document in " **agreed form** " is a document which is previously agreed in writing by or on behalf of the Borrower and the Agent or, if not so agreed, is in the form specified by the Agent.

(iii) " **assets** " includes present and future properties, revenues and rights of every description;

(iv) a " **Finance Document** ", Broadcasting Licence or any other agreement or instrument is a reference to that Finance Document, Broadcasting Licence or other agreement or instrument as amended, novated, supplemented, extended or restated;

(v) " **guarantee** " means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(vi) " **indebtedness** " includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a " **person** " includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(viii) a " **regulation** " includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(ix) a provision of law is a reference to that provision as amended or re-enacted; and

(x) a time of day is a reference to London time.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default (other than an Event of Default) is " **continuing** " if it has not been remedied or waived.

(e) An Event of Default (other than a Core Event of Default) is " **continuing** " if it has not been waived or, if it is capable of remedy, has not been remedied and a Core Event of Default is " **continuing** " if it has not been waived.

1.3 **Czech terms**

In this Agreement, a reference used in connection with the Borrower or any Finance Document or other document, to which the Borrower is a party, to:

(a) a novation includes *privativní novace* and *kumulativní novace* ;

(b) Security includes *zástavní právo, zadržovací právo, zajišťovací převod práva,* and *zajišťovací postoupení pohledávky* ;

(c) a bankruptcy or insolvency includes *insolvenční řízení, konkurs, reorgan izace,* and *nucená správa* ;

(d) being bankrupt or insolvent includes being *v úpadku, v hrozícím úpadku, předlužený, platebně neschopný, v konkurzu, v reorganizaci,* and *v nucené správě* ;

(e) an expropriation, attachment, sequestration, distress, execution or analogous process includes *vyvlastnění, exekuce* and *výkon rozhodnutí* ;

(f) winding-up, dissolution, administration or reorganisation includes *likvidace, zrušení s likvidací, zrušení bez likvidace bez právního nástupce, insolvenční řízení, konkurs, reorganizace* and *nucená správa* ;

(g) a receiver, administrator, administrative receiver, compulsory manager or similar officer includes *likvidátor, insolvenční správce (including předběžný správce), nucený správce,* and *exekutor* ;

(h) a moratorium includes reorganizace and moratorium; and

(i) constitutional documents includes *společenská smlouva, zakladatelská listina, zakladatelská smlouva, zřizovací listina, statut* , and *stanovy* .

1.4 **Slovak Terms**

In this Agreement, a reference used in connection with a Slovak Obligor or any Finance Document or other document, to which any Slovak Obligor is a party, to:

(a) a novation includes *privatívna novácia* and *kumulatívna novácia* ;

(b) Security includes *záložné právo, zádržné právo, zabezpečovací prevod práva,* and *zabezpečovacie postúpenie pohľadávky* ;

(c) a bankruptcy or insolvency includes *konkurzné konanie, konkurz, reštrukturalizačné konanie, reštrukturalizácia,* and *nútená správa* ;

(d) being bankrupt or insolvent includes being *v úpadku, predlžený, platobne neschopný, v konkurze, v reštrukturalizácii,* and *v nútenej správe* ;

(e) an expropriation, attachment, sequestration, distress, execution or analogous process includes *vyvlastnenie, exekúcia and výkon rozhodnutia* ;

(f) winding-up, dissolution, administration or reorganisation includes *likvidácia, zrušenie s likvidáciou, zrušenie bez likvidácie bez právneho nástupcu, konkurzné konanie, konkurz, r eštrukturalizačné konanie, reštrukturalizácia,* and *nútená správa* ;

(g) a receiver, administrator, administrative receiver, compulsory manager or similar officer includes *likvidátor, konkurzný správca (including predbežný správca), reštrukturalizačný správca, nú tený správca,* and *súdny exekútor* ;

(h) a moratorium includes *reštrukturalizačné konanie* and *reštrukturalizácia* ; and

(i) constitutional documents includes *spoločenská zmluva, zakladateľská listina, zakladateľská zmluva, zriaďovacia listina, štatút,* and *stanovy* .

1.5 **Dutch terms**

In this Agreement, a reference used in connection with a Dutch Obligor or any Finance Document or other document, to which any Dutch Obligor is a party, to:

(a) a necessary action to authorise, where applicable, includes without limitation:

(i) any action required to comply with the Dutch Works Council Act (*Wet op de ondernemingsraden*); and

(ii) obtaining unconditional positive advice (advies) from each competent works council;

(b) a winding-up, administration or dissolution includes a Dutch entity being:

(i) declared bankrupt (*failliet verklaard*); or

(ii) dissolved (*ontbonden*);

(c) a moratorium includes surséance van betaling and granted a moratorium includes *surséance verleend* ;

(d) a trustee in bankruptcy includes a *curator* ;

(e) an administrator includes a *bewindvoerder* ;

(f) a receiver or an administrative receiver does not include a *curator* or *bewindvoerder* ;

(g) an attachment includes a *beslag* ; and

(h) a Security includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), retention right (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*).

1.6 **Curacao terms**

In this Agreement, a reference used in connection with a Curacao entity or any Finance Document or other document, to which a Curacao entity is party, to:

(a) a winding-up, administration or dissolution includes a Curacao entity being:

(i) declared bankrupt (*failliet verklaard*); or

(ii) dissolved (*ontbonden*);

(b) a moratorium includes *surséance van betaling* and granted a moratorium includes *surséance verleend* ;

(c) a trustee in bankruptcy includes a *curator* ;

(d) an administrator includes a *bewindvoerder* ;

(e) a receiver or an administrative receiver does not include a *curator* or *bewindvoerder* ;

(f) an attachment includes a *beslag* ; and

(g) a Security includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), retention right (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*goederenrechtelijk recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*).

1.7 **Third Party Rights**

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the " **Third Parties Act** ") to enforce or to enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

SECTION 2

THE FACILITIES

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a CZK revolving loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 Obligors' Agent

(a) Each Obligor (other than the Borrower) by its execution of this Agreement or an Accession Letter irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Borrower,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

The Borrower shall apply amounts borrowed by it under the Facility towards financing the Group's working capital requirements and for general corporate purposes.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent. The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied including, without limitation, upon satisfaction of the condition precedent listed in paragraph 5(i) of Part I of Schedule 2 (*Conditions Precedent*).

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Loan, no Default is continuing or would result from the proposed Loan; and

(b) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Maximum number of Loans

The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation seven or more Loans would be outstanding.

SECTION 3

UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time provided that no Utilisation Request may be delivered within the period of five Business Days following a previous Utilisation Request.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within the Availability Period;

(ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and

(iii) the proposed Interest Period complies with Clause 10 (*Interest Periods*).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be CZK.

(b) The amount of the proposed Loan must be a minimum of CZK62,500,000 or a higher integral multiple of CZK25,000,000 or, if less, the Available Facility.

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

(c) The Agent shall notify each Lender of the amount of each Loan and the amount of its participation in that Loan by the Specified Time.

5.5 Cancellation of Commitment

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

SECTION 4

REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of Loans

The Borrower shall repay each Loan on the last day of its Interest Period.

6.2 Netting of payments

If on any Utilisation Date the Lenders are required to make a Loan which is a Rollover Loan, unless otherwise requested by the Borrower, the Lenders (or the Agent on their behalf) will set-off their obligations to advance such Loan against the Borrower's obligation to repay the Loan so intended to be repaid and, to the extent of such set-off the Borrower's obligation to repay shall be satisfied.

6.3 Reduction of Facility

On the Reduction Date:

(a) the Borrower shall repay Loans in an amount equal to the Reduction Instalment; and

(b) the Total Commitments shall be reduced to CZK750,000,000, provided that if a repayment is required under paragraph (a) above, the reduction under this paragraph shall occur immediately after such repayment.

7. MANDATORY PREPAYMENT

7.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and

(c) the Borrower shall repay that Lender's participation in the Loans on the last day of the Interest Period for each Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

7.2 Prepayment and Cancellation Events

(a) For the purpose of this Clause 7.2:

" **Senior Debt Priority Event** " means that at any time the Total Commitments (drawn and undrawn) constitute less than 15 per cent of the aggregate principal amount of the Total Commitments (drawn and undrawn) and the principal amount outstanding under the Notes.

(b) Upon the occurrence of a Borrower Change of Control or a Parent Change of Control, if a Lender so requires and notifies the Agent, the Agent shall, by not less than 20 Business Days notice to the Borrower, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Commitment of that Lender will be cancelled and all such outstanding amounts will become immediately due and payable.

(c) Upon the occurrence of:

(i) a Senior Debt Priority Event; or

(ii) the sale, lease, transfer, conveyance or other disposal of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions,

the Facility will be cancelled and all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.

7.3 **Pro rata repayment and cancellation on repayment or prepayment of the Notes**

If any principal amount of the Notes is repaid or prepaid (a " **Principal Notes Payment** "), then on the date of such repayment or prepayment:

(a) the Borrower shall prepay (such payment a " **Pro Rata RCF Payment** ") outstanding Loans in the same proportion to the Total Commitments (drawn or undrawn) as the Principal Notes Payment bears to the principal amount outstanding under the Notes; and

(b) the Total Commitments shall be reduced by the amount of such Pro Rata RCF Payment.

8. **VOLUNTARY PREPAYMENT AND CANCELLATION**

8.1 **Voluntary cancellation**

The Borrower may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of CZK100,000,000) of the Available Facility. Any cancellation under this Clause 8.1 shall reduce the Commitments of the Lenders rateably.

8.2 **Voluntary Prepayment of Loans**

The Borrower may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Loan (but if in part, being an amount that reduces the amount of the Loan by a minimum amount of CZK100,000,000).

8.3 **Right of replacement or repayment and cancellation in relation to a single Lender**

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 13.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from the Borrower under Clause 13.3 (*Tax indemnity*) or Clause 14.1 (*Increased costs*), the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

(b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of the Interest Period which ends after the Borrower has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the relevant Loan.

(d) The Borrower may, in the circumstances set out in paragraph (a) above, on fifteen Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 24 (*Changes to the Lenders*) for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest, any Break Costs and other amounts payable in relation thereto under the Finance Documents.

(e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:

(i) the Borrower shall have no right to replace the Agent;

(ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender; and

(iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.

8.4 **Restrictions**

(a) Any notice of cancellation or prepayment given by any Party under this Clause 8 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

(c) Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

(d) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

(e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

(f) If the Agent receives a notice under this Clause 8 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.

(g) If all or part of a Loan is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of the Commitments (equal to the amount of the Loan which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (g) shall reduce the Commitments of the Lenders rateably.

SECTION 5

COSTS OF UTILISATIONS

9. INTEREST

9.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin;

(b) PRIBOR; and

(c) Mandatory Cost, if any.

9.2 Payment of interest

The Borrower shall pay accrued interest on each Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).

9.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 9.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2 per cent. higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

10. **INTEREST PERIODS**

10.1 **Selection of Interest Periods**

(a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan.

(b) Subject to this Clause 10, the Borrower may select an Interest Period of three or six Months or any other period agreed between the Borrower and the Agent (acting on the instructions of all the Lenders for any period of more than six Months). In addition the Borrower may select an Interest Period of a period of less than three Months if necessary to ensure that there are sufficient Loans (with an aggregate amount equal to or greater than the Reduction Instalment) which have an Interest Period ending on a Reduction Date for the scheduled reduction to occur.

(c) An Interest Period for a Loan shall not extend beyond the Termination Date.

(d) Each Interest Period for a Loan shall start on the Utilisation Date of that Loan.

(e) A Loan has one Interest Period only.

10.2 **Changes to Interest Periods**

(a) Prior to determining the interest rate for a Loan, the Agent may shorten the Interest Period for any Loan to ensure that, when aggregated with the Available Facility, there are sufficient Loans (with an aggregate amount equal to or greater than the Reduction Instalment) which have an Interest Period ending on a Reduction Date for the scheduled reduction to occur.

(b) f the Agent makes any of the changes to an Interest Period referred to in this Clause 10.2, it shall promptly notify the Borrower and the Lenders.

10.3 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11. **CHANGES TO THE CALCULATION OF INTEREST**

11.1 **Absence of quotations**

Subject to Clause 11.2 (*Market disruption*), if PRIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable PRIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

11.2 **Market disruption**

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender’s share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin;

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and

(iii) the Mandatory Cost, if any, applicable to that Lender's participation in the Loan.

(b) In this Agreement " **Market Disruption Event** " means:

(i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Agent to determine PRIBOR for the relevant Interest Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of PRIBOR.

11.3 **Alternative basis of interest or funding**

(a) If a Market Disruption Event occurs and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

11.4 **Break Costs**

(a) The Borrower shall, within five Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

12. **FEES**

12.1 **Commitment fee**

(a) The Borrower shall pay to the Agent (for the account of each Lender) a fee computed at the rate of 40 per cent. per annum of the Margin applicable to that Lender's Available Commitment for the Availability Period.

(b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

12.2 **Utilisation fee**

(a) The Borrower shall pay to the Agent (for the account of each Lender) a fee computed at the rate of 0.30 per cent. per annum of any outstanding Loans for such period prior to the Reduction Date that the Utilisations under the Facility exceed 50 per cent. of the Total Commitments; and

(b) The accrued utilisation fee is payable on the last day of each successive period of three Months which ends prior to the Reduction Date and on the Reduction Date.

12.3 **Arrangement and participation fee s**

(a) The Borrower shall pay to the Arrangers arrangement fees in the amount and at the times agreed in one or more Fee Letters.

(b) The Borrower shall pay to Citibank Europe plc (acting through its Prague branch Citibank Europe plc, *organizační složka*), in its capacity as an Original Lender, a participation fee in the amount and at the times agreed in a Fee Letter.

12.4 **Agency fee**

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

12.5 **Security Agent fee**

The Borrower shall pay to the Security Agent (for its own account) the Security Agent fee in the amount and at the times agreed in a Fee Letter.

SECTION 6

ADDITIONAL PAYMENT OBLIGATIONS

13. TAX GROSS UP AND INDEMNITIES

13.1 Definitions

(a) In this Agreement:

" **Protected Party** " means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

" **Qualifying Lender** " means:

(i) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:

(A) resident solely in the Czech Republic;

(B) lending through a Facility Office in the Czech Republic being a permanent establishment for tax purposes; or

(C) a Treaty Lender.

" **Tax Credit** " means a credit against, relief or remission for, or repayment of any Tax.

" **Tax Deduction** " means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

" **Tax Payment** " means either the increase in a payment made by an Obligor to a Finance Party under Clause 13.2 (*Tax gross-up*) or a payment under Clause 13.3 (*Tax indemnity*).

" **Treaty Lender** " means a Lender which:

(i) is treated as a resident of a Treaty State for the purposes of the Treaty and qualifies for the benefit of that Treaty; and

(ii) does not carry on a business in the Czech Republic through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

" **Treaty State** " means a jurisdiction having a double taxation agreement (a " **Treaty** ") with the Czech Republic which makes provision for full exemption from tax imposed by the Czech Republic on interest.

(b) Unless a contrary indication appears, in this Clause 13 a reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

13.2 **Tax gross-up**

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the Czech Republic, if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

(ii) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) below.

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g) A Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.

13.3 **Tax indemnity**

(a) The Borrower shall (within five Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 13.2 (*Tax gross-up*); or

(B) would have been compensated for by an increased payment under Clause 13.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 13.2 (*Tax gross-up*) applied.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 13.3, notify the Agent.

13.4 **Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

13.5 **Lender Status Confirmation**

Each Lender which becomes a Party to this Agreement after the original date of this Agreement shall indicate, in the Transfer Certificate or Assignment Agreement which it executes on becoming a Party, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

(a) not a Qualifying Lender;

(b) a Qualifying Lender (other than a Treaty Lender); or

(c) a Treaty Lender.

If a New Lender fails to indicate its status in accordance with this Clause 13.5 then such New Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Borrower). For the avoidance of doubt, a Transfer Certificate or Assignment Agreement shall not be invalidated by any failure of a Lender to comply with this Clause 13.5.

13.6 **Stamp taxes**

The Borrower shall pay and, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

13.7 **VAT**

(a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party).

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the " **Supplier** ") to any other Finance Party (the " **Recipient** ") under a Finance Document, and any Party other than the Recipient (the " **Subject Party** ") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such Party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of such VAT.

(c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) Any reference in this Clause 13.7 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994 or equivalent in any relevant jurisdiction).

14. INCREASED COSTS

14.1 Increased costs

(a) Subject to Clause 14.3 (*Exceptions*) the Borrower shall, within five Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation in either case made after the original date of this Agreement.

(b) In this Agreement " **Increased Costs** " means:

(i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

14.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

14.3 Exceptions

(a) Clause 14.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) compensated for by Clause 13.3 (*Tax indemnity*) (or would have been compensated for under Clause 13.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 13.3 (*Tax indemnity*) applied);

(iii) compensated for by the payment of the Mandatory Cost; or

(iv) attributable to the negligent failure to comply or wilful breach by the relevant Finance Party or its Affiliates, of any law or regulation.

(b) In this Clause 14.3, a reference to a "Tax Deduction" has the same meaning given to the term in Clause 13.1 (*Definitions*).

15. OTHER INDEMNITIES

15.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a " **Sum** "), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the " **First Currency** ") in which that Sum is payable into another currency (the " **Second Currency** ") for the purpose of:

(i) making or filing a claim or proof against that Obligor;

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, that Obligor shall as an independent obligation, within five Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2 Other indemnities

The Borrower shall (or shall procure that an Obligor will), within five Business Days of demand, indemnify each Finance Party and its Affiliates (each an " **Indemnified Party** ") against any cost, loss or liability incurred by that Indemnified Party as a result of:

(a) the occurrence of any Event of Default;

(b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 29 (*Sharing among the Finance Parties*);

(c) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

15.3 **Indemnity to the Agent**

The Borrower shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default; or

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

15.4 **Indemnity to the Security Agent**

(a) Each Obligor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

(i) the taking, holding, protection or enforcement of the Transaction Security,

(ii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law; or

(iii) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents.

(b) The Security Agent may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 15.4 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it.

16. **MITIGATION BY THE LENDERS**

16.1 **Mitigation**

(a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 13 (*Tax gross-up and indemnities*), Clause 14 (*Increased costs*) or paragraph 3 of Schedule 4 (*Mandatory Cost Formulae*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

16.2 **Limitation of liability**

(a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 16.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

17. COSTS AND EXPENSES

17.1 Transaction expenses

The Borrower shall, within five Business days of receipt of an invoice or other written evidence, pay the Agent, the Arrangers and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and syndication of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Finance Documents executed after the original date of this Agreement, subject, in the case of paragraph (a), to any limits agreed between the Agent and the Borrower from time to time.

17.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 30.9 (*Change of currency*), the Borrower shall, within five Business Days of receipt of an invoice or other written evidence, reimburse the Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent and the Security Agent (and in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

17.3 Security Agent's ongoing costs

(a) In the event of (i) a Default or (ii) the Security Agent (acting upon the instructions of the Majority Lenders) considering it necessary or expedient or (iii) the Security Agent being requested by an Obligor or the Majority Lenders to undertake duties which the Security Agent and the Borrower agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Finance Documents, the Borrower shall pay to the Security Agent any additional remuneration that may be agreed between them.

(b) If the Security Agent and the Borrower fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

17.4 **Enforcement and preservation costs**

The Borrower shall, within five Business Days of demand, pay to the Arrangers and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

SECTION 7

GUARANTEE

18. GUARANTEE AND INDEMNITY

18.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by the Borrower of all the Borrower's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, for any reason whatsoever, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 18 if the amount claimed had been recoverable on the basis of a guarantee.

18.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

18.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 18 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

18.4 Waiver of defences

The obligations of each Guarantor under this Clause 18 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 18 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

18.5 **Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 18. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

18.6 **Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 18.

18.7 **Deferral of Guarantors' rights**

(a) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 18:

(i) to be indemnified by an Obligor;

(ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 18.1 (*Guarantee and Indemnity*);

(v) to exercise any right of set-off against any Obligor; and/or

(vi) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

(b) Subject to paragraph (c) below, if a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 30 (*Payment mechanics*).

(c) Each Guarantor which is a Slovak Obligor shall, as a commissioned agent (in Slovak: komisionár) under Section 577 et seq. of the Slovak Commercial Code, hold in its own name but for the account of the Finance Parties any benefit, payment or distribution received by it contrary to this Clause 18 and must immediately pay or transfer to the Agent or as the Agent may direct for application in accordance with Clause 30 (*Payment mechanics*).

18.8 **Release of Guarantors' right of contribution**

If any Guarantor (a " **Retiring Guarantor** ") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

18.9 **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

18.10 **Guarantee Limitations**

(a) In respect of a Dutch Obligor, the guarantee under this Clause 18 does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of section 2:207c of the Dutch Civil Code.

(b) This guarantee does not apply to any liability to the extent it would result in this guarantee constituting unlawful financial assistance provided by a Slovak Obligor (having a legal form of joint-stock company (*akciová spoločnost*)) within the meaning of Section 161e of the Slovak Commercial Code.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19. REPRESENTATIONS

Each Obligor (for itself only and, in the case of the Borrower, for itself and each member of the Group) makes the representations and warranties set out in this Clause 19 to each Finance Party on the original date of this Agreement.

19.1 Status

(a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

(b) It and each of its Subsidiaries has the power to own its material assets and carry on its business in all material respects as it is being conducted.

19.2 Binding obligations

Subject to the Legal Reservations:

(a) the obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations; and

(b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

19.3 Non-conflict with other obligations

The entry into and performance by it of the transactions contemplated by, the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

(a) any material law or regulation applicable to it;

(b) its or any member of the Group's constitutional documents; or

(c) any material agreement or instrument binding upon it (including, without limitation, the Parent Note Documents) or any member of the Group or any of its or any member of the Group's material assets or constitute a default or termination event (however described) under any such agreement or instrument, in each case to the extent that it would be expected to have a Material Adverse Effect.

19.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

19.5 **Validity and admissibility in evidence**

(a) All Authorisations required:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

(ii) to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdictions (subject to any necessary translation of such Finance Document and notarisation of any such translation),

have been obtained or effected and are in full force and effect.

(b) All Authorisations (including, without limitation, the Broadcasting Licences) necessary for the material conduct of the business of any Obligor have been obtained or effected and are in full force and effect except where failure to obtain or effect such Authorisations would not reasonably be expected to have a Material Adverse Effect.

19.6 **Governing law and enforcement**

Subject to the Legal Reservations:

(a) the choice of governing law of each of the Finance Documents will be recognised and enforced in its Relevant Jurisdictions; and

(b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

19.7 **Deduction of Tax**

Subject to the Legal Reservations, the Borrower is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document to a Lender which is:

(a) a Qualifying Lender falling within paragraph (b) of the definition of Qualifying Lender; or

(b) a Treaty Lender.

19.8 **Insolvency**

No:

(a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 23.7 (*Insolvency proceedings*); or

(b) creditors' process described in Clause 23.8 (*Creditors' process*), has been taken or, to its knowledge, threatened in relation to it or any member of the Group and none of the circumstances described in Clause 23.6 (*Insolvency*) applies to it or any member of the Group.

19.9 **No filing or stamp taxes**

Under the law of Relevant Jurisdictions it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial, or similar tax or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents, except for any filing, registration, recording, enrolling tax or fee or any tax or fee payable in relation to any Transaction Security Document which is referred to in any Legal Opinion and which will be made or paid promptly on or after the date of the relevant Finance Document.

19.10 **No default**

(a) No Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any member of the Group or to which its or any member of the Groups' assets are subject which might reasonably be expected to have a Material Adverse Effect.

19.11 **No misleading information**

(a) Any written factual information provided by any member of the Group was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) The financial projections contained in the Borrower's Business Plan and the CME Group Business Plan have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

(c) To the best of its knowledge and belief, nothing has occurred or been omitted from the Borrower's Business Plan or the CME Group Business Plan and no information has been given or withheld that results in the information contained in the Borrower's Business Plan or the CME Group Business Plan being untrue or misleading in any material respect.

19.12 **Original Financial Statements**

(a) In relation to Obligors other than the Dutch Obligors, its Original Financial Statements were prepared in accordance with GAAP consistently applied.

(b) In relation to Obligors other than the Dutch Obligors, its unaudited Original Financial Statements fairly represent its financial condition and results of operations (consolidated in the case of the Borrower and the Parent) for the relevant period.

(c) In relation to Obligors other than the Dutch Obligors, its audited Original Financial Statements (other than the Parent) give a true and fair view of its financial condition and results of operations, and in the case of the Parent, fairly present its financial condition and results of operations (consolidated in the case of the Borrower and the Parent) during the relevant Financial Year.

(d) There has been no material adverse change in its assets, operations, business or financial condition since the date of the Original Financial Statements.

(e) In relation to Obligors other than the Dutch Obligors, its most recent financial statements delivered pursuant to Clause 20.1 (*Financial Statements*):

(i) have been prepared in accordance with GAAP as applied to the Original Financial Statements;

(ii) in the case of the Parent, fairly present (if audited) or fairly represent (if unaudited) its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate; and

(iii) in the case of the Borrower, give a true and fair view of (if audited) or fairly represent (if unaudited) its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate.

(f) The forecasts supplied under this Agreement were arrived at after careful consideration and have been prepared on the basis of assumptions considered reasonable as at the date they were prepared and supplied.

(g) In relation to the Dutch Obligors, its Original Dutch Filings have been prepared in accordance with Dutch statutory requirements.

19.13 **Ranking**

Subject to the Legal Reservations, the Erste Transaction Security and any creditors mandatorily preferred by applicable law, the Transaction Security will have the ranking and priority which it is expressed to have in the Transaction Security Documents.

19.14 **Taxation**

(a) Neither it, nor any other member of the Group is materially overdue in the filing of any Tax returns or in the payment of any amount in respect of Tax of CZK5,000,000 (or its equivalent in any other currency) or more.

(b) To the best of its knowledge and belief, no claims or investigations are being made or conducted against it or any other member of the Group with respect to Taxes except (i) those for which adequate reserves have been made and which are being contested in good faith by appropriate proceedings which are being diligently conducted, or (ii) such that a liability of, or claims against it of CZK 10,000,000 (or its equivalent in any other currency) or less has been made.

19.15 **Security and Financial Indebtedness**

(a) No Security or Quasi-Security exists over all or any of the present or future assets of any member of the Group other than as permitted by this Agreement.

(b) Neither it, nor any member of the Group has any Financial Indebtedness outstanding other than Financial Indebtedness permitted under Clause 22.14(b) (*Financial Indebtedness*).

19.16 **Intellectual Property**

Each member of the Group:

(a) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business;

(b) does not infringe any Intellectual Property of any third party in any respect; and

(c) has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property and any Broadcasting Licences owned or held by it, except where the occurrence of any event or circumstance giving rise to breach of any such representation would neither have nor be reasonably likely to have a material Adverse Effect.

19.17 **Financial Year End**

The end of the Financial Year for each Obligor and for each member of the Group is 31 December.

19.18 **Centre of main interests and establishments**

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the " **Regulation** "), (other than the Parent) the centre of main interest (as that term is used in Article 3(1) of the Regulation) of each Obligor is situated in its jurisdiction of incorporation and no Obligor (other than the Parent) has an "establishment" (as that term is used in Article 2(h) of the Regulations) in any other jurisdiction.

19.19 **No adverse consequences**

(a) Subject to the Legal Reservations, it is not necessary under the laws of its Relevant Jurisdictions:

(i) in order to enable any Finance Party to enforce its rights under any Finance Document; or

(ii) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document, that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in its Relevant Jurisdictions.

(b) Subject to the Legal Reservations, no Finance Party is or will be deemed to be resident, domiciled or carrying on business in its Relevant Jurisdictions by reason only of the execution, performance and/or enforcement of any Finance Document.

19.20 **Immunity**

(a) Neither it, nor any other member of the Group has the benefit of any immunity in respect of itself or its assets or revenues in any jurisdiction, including any immunity in respect of:

(i) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; or

(ii) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.

(b) Each Obligor and each other member of the Group is subject to private and commercial law, and has entered into the Finance Documents to which it is party (or will enter into the Finance Documents to which it intends to be party) as private and commercial acts.

19.21 **Group Structure Chart and sources and uses statement**

(a) The Group Structure Chart is true, complete and accurate in all material respects and shows the following information:

(i) each Obligor, each other member of the Group, in each case including current name and company registration number, its jurisdiction of incorporation and/or establishment, and in relation to members of the Group only, a list of shareholders and indication of whether the relevant member of the Group is a company with limited liability; and

(ii) all minority interests in any member of the Group and any person in which any member of the Group holds shares or equivalent ownership interests in excess of 5 per cent.

(b) All Inter-Group Loans and all Intra-Group Loans as at the original date of this Agreement are set out in the Group Structure Chart and have been or will be made in material compliance with all relevant laws and regulations, agreements binding on the Group and/or the CME Group and the requirements of the relevant regulatory authorities.

(c) The sources and uses statement delivered pursuant to Clause 4.1 (*Initial Conditions Precedent*) is true, correct and accurate and includes all the funds flow steps in relation to the Refinancing Transactions occurring on or prior to the Initial Utilisation Date.

19.22 **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency (including, but not limited to, investigative proceedings) which, if adversely determined, would reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any member of the Group except as disclosed to the Agent in writing prior to the original date of this Agreement.

19.23 **Repetition**

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:

(a) the date of each Utilisation Request, on each Utilisation Date and the first day of each Interest Period;

(b) in the case of an Additional Guarantor, the day on which the company becomes an Additional Guarantor; and

(c) each representation or warranty deemed to be made after the original date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

20. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 20 remain in force from the original date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

In this Clause 20:

" **Annual Financial Statements** " means the financial statements for a Financial Year delivered pursuant to paragraph (a) of Clause 20.1 (*Financial statements*).

" **Quarterly Financial Statements** " means the financial statements delivered pursuant to paragraph (b) of Clause 20.1 (*Financial statements*).

20.1 **Financial statements**

The Borrower shall supply to the Agent:

(a) as soon as the same become available, but in any event within 120 days after:

(i) the end of the Financial Year ending on 31 December 2010; and

(ii) the end of each subsequent Financial Year, the audited consolidated financial statements of the Borrower and the Parent for that Financial Year; and

(b) as soon as they are available, but in any event within 75 days after:

(i) the end of the Accounting Quarter ending on 30 September 2010 (if and to the extent available); and

(ii) the end of each subsequent Accounting Quarter,

the unaudited consolidated financial statements of the Borrower and the Parent for that Accounting Quarter and the Relevant Period ending on or about the last day of that Accounting Quarter (excluding the financial statements for any Accounting Quarter or Relevant Period ending on 31 December).

20.2 **Compliance Certificate**

(a) The Borrower shall supply to the Agent, with each set of financial statements of the Borrower delivered pursuant to paragraph (a) or (b) of Clause 20.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 21 (*Financial covenants*) as at the date as at which those financial statements were drawn up.

(b) Each Compliance Certificate shall be signed by two Officers of the Borrower.

20.3 **Requirements as to financial statements**

(a) The Parent and the Borrower shall procure that each set of Annual Financial Statements and Quarterly Financial Statements includes a balance sheet, profit and loss account and cashflow statement. In addition the Parent and the Borrower shall procure that each set of Annual Financial Statements shall be audited by the Auditors.

(b) Each set of financial statements delivered pursuant to Clause 20.1 (*Financial statements*):

(i) shall be certified by an Officer as fairly presenting (in the case of Annual Financial Statements of the Parent for any Financial Year) or as giving true and fair view (in the case of Annual Financial Statements of the Borrower for any Financial Year) or fairly representing (in other cases), in all material respects its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the Annual Financial Statements, shall be accompanied by any letter addressed to the management of the relevant company by the Auditors and accompanying those Annual Financial Statements;

(ii) shall be prepared using GAAP, and using further accounting practices and financial reference periods consistent with those applied:

(A) in the case of the Borrower, in the preparation of the Original Financial Statements and the Borrower's Business Plan; and

(B) in the case of the Parent, in the preparation of its Original Financial Statements,

unless, in relation to any set of financial statements, the Borrower notifies the Agent that there has been a change in GAAP or the accounting practices and it and, if requested by the Agent and subject to sub-paragraph (iii) below, its Auditors (or, if appropriate, the Auditors of the Parent) deliver to the Agent:

(C) a description of any change necessary for those financial statements to reflect GAAP or accounting practices upon which the Borrower's Business Plan or, as the case may be, relevant Original Financial Statements were prepared; and

(D) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 21 (*Financial covenants*) has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Borrower's Business Plan (in the case of the Borrower only) and/or Original Financial Statements.

Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Borrower's Business Plan or, as the case may be, the Original Financial Statements were prepared.

(iii) Any requirement for the Auditors (or, if appropriate, the Auditors of the Parent) to deliver the information required to be delivered under sub-paragraphs (ii)(C) and (D) above will be subject to the Agent agreeing any necessary hold harmless or other similar letters with them.

(c) If an Event of Default is continuing, the Agent may notify the Borrower or the Parent that it wishes to discuss the financial position of any Obligor with the Auditors and stating the questions or issues that the Agent wishes to discuss. In this event, the Borrower and the Parent must ensure that the Auditors are authorised (at the expense of the Borrower):

(i) to discuss the financial position of the relevant Obligor with the Agent on request from the Agent; and

(ii) to disclose to the Agent for the Finance Parties any information which the Agent may reasonably request.

20.4 **Budget**

(a) The Borrower shall supply to the Agent in sufficient copies for all the Lenders, as soon as the same becomes available but in any event with 45 days after the start of each of its Financial Years, an annual Budget for that financial year.

(b) The Borrower shall ensure that each Budget under paragraph (b) of the definition thereof:

(i) is in a form reasonably acceptable to the Agent and includes a projected consolidated profit and loss, balance sheet and cashflow statement for the Group, projected financial covenant calculations and a twelve month cashflow forecast for the CME Group (which for this purpose, shall include the Group); and

(ii) is prepared in accordance with GAAP and the accounting practices and financial reference periods applied to financial statements under Clause 20.1 (*Financial statements*).

(c) If the Borrower updates or changes the Budget or the Budget has previously not been approved by the board of directors of the Parent, it shall within not more than 10 business days of the update or change being made or approval by the board of directors of the Parent being granted deliver to the Agent, in sufficient copies for each of the Lenders, such updated or changed or approved Budget together with a written explanation of the main changes in that Budget.

20.5 **Presentations**

If the Agent reasonably suspects a Default is continuing or may have occurred or may occur, upon request by the Agent giving reasonable notice, an officer of the Parent must give a presentation to the Finance Parties about the on-going business and financial performance of the CME Group (which for this purpose, shall include the Group) and a statutory executive of the Borrower must give a presentation to the Finance Parties about the on-going business and financial performance of the Group.

20.6 **Year-end**

The Borrower shall procure that:

(a) each Financial Year-end of each member of the Group falls on 31 December; and

(b) each Accounting Quarter ends on a Quarter Date.

20.7 **Information: miscellaneous**

The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) copies of all documents dispatched by the Borrower to its shareholders generally (or any class of them) or its creditors generally at the same time as they are dispatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group or the CME Group, and which, if adversely determined, are reasonably likely to have a Material Adverse Effect or which involve a potential or alleged liability exceeding in aggregate at any one time USD 25,000,000 in respect of the Parent and its Subsidiaries or USD 5,000,000 in respect of the Group;

(c) promptly upon becoming aware of a Senior Debt Priority Event, details of such event;

(d) (if and to the extent prepared) the annual financial statements of Borrower and Markiza, promptly after such preparation;

(e) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents; and

(f) promptly, on request, such further information regarding the financial condition, assets or operations of any member of the Group or any other Obligor as any Finance Party (through the Agent) may reasonably request.

20.8 **Information: distributions by the Group to the CME Group**

The Borrower shall supply to the Agent:

(a) on or by each Quarter Date, notice in writing (signed by two Officers) of any distribution of any kind (including, without limitation, a loan, repayment of a loan, payment of interest, a dividend, charge, fee or other amount) intended to be made directly or indirectly by a member of the Group to a member of the CME Group (an " **Inter-Group Payment** ") in the Accounting Quarter commencing on such Quarter Date (a " **Relevant Accounting Quarter** "), such notice to include:

(i) the proposed date of such Inter-Group Payment;

(ii) the nature of such Inter-Group Payment;

(iii) the entity making and the entity receiving such Inter-Group Payment; and

(iv) the amount of such Inter-Group Payment.

(b) by no later than three Business Days prior to the making of an Inter-Group Payment, notice in writing (signed by an Officer of the Borrower) confirming:

(i) the date on which such Inter-Group Payment will be made and the amount;

(ii) the entity making and the entity receiving such Inter-Group Payment; and

(iii) a reasonable estimate of the amount of cash at hand that will be held by the entity making the payment and by the Group as a whole immediately following the making of such Inter-Group Payment; and

(c) if, during a Relevant Accounting Quarter, there is a change to the information provided to the Agent under paragraph (a) above, promptly notice in writing (signed by an Officer of the Borrower) confirming such change.

20.9 **Notification of default**

(a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by two Officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.10 **Use of websites**

(a) The Agent shall, promptly after the original date of this Agreement, at the cost of the Borrower:

(i) appoint a website provider and designate an electronic website (the " **Designated Website** ") where the Agent will post information required to delivered by the Borrower under this Agreement; and

(ii) supply each Lender with the address of and any relevant password specifications for the Designated Website.

(b) The Borrower will satisfy its obligation under this Agreement to deliver any information (other than any documents or information required to be delivered pursuant to Clauses 4.1 (*Initial Conditions Precedent*) and 26.2(a)(ii) (*Additional Guarantors*)) by delivering such information to the Agent in electronic form for posting on to Designated Website provided the information is in a format previously agreed between the Borrower and the Agent; and

(c) The Agent shall, promptly upon becoming aware of its occurrence, notify the Borrower if:

(i) the Designated Website cannot be accessed due to technical failure; or

(ii) the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

(d) Prior to the Agent supplying each Lender with the address of and any relevant password specifications for the Designated Website or if the Agent notifies the Borrower under paragraphs (c)(i) or (c)(ii) above, all information to be provided by the Borrower under this Agreement shall be supplied in paper form (in sufficient copies for all Lenders) unless and until the Agent has supplied the necessary details to each Lender or the Agent and each Lender is satisfied that the circumstances giving rise to the notification under paragraphs (c)(i) or (c)(ii) above are no longer continuing.

(e) Without prejudice to (a) above any Lender may request, through the Agent, one paper copy of any information required to be provided:

(i) under this Agreement which is posted onto the Designated Website, other than any information required to be provided under Clause 20 (*Information Undertakings*); and

(ii) under Clause 20 (*Information Undertakings*) which is posted onto the Designated Website, if reasonably required by such Lender in paper copy.

The Borrower shall comply with any such request within ten Business Days.

20.11 **"Know your customer" checks**

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the original date of this Agreement;

(ii) any change in the status of an Obligor after the original date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer, obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(c) The Borrower shall, by not less than ten Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Guarantor pursuant to Clause 26 (*Changes to the Obligors*).

(d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Guarantor obliges the Agent or any Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

21. FINANCIAL COVENANTS

21.1 Financial definitions

In this Agreement:

" **Accounting Quarter** " means each period commencing on the day after one Quarter Date and ending on the next Quarter Date.

" **Borrowings** " means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of members of the Group for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;

(d) any Finance Lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for de-recognition under GAAP);

(f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument (but not, in any case, Trade Instruments) issued by a bank or financial institution in respect of (i) an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition or (ii) any liabilities of any member of the Group relating to any post-retirement benefit scheme;

(g) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under GAAP;

(h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than one hundred and eighty (180) days after the date of supply;

(i) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and

(j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

deducting any amount raised by any member of the Group under any Intra-Group Loan or any Inter-Group Loan.

" **Business Acquisition** " means the acquisition of a company or any shares or securities therein or a business or undertaking (or, in each case, any interest in any of them) or the incorporation of a company.

" **Capital Expenditure** " means any expenditure or obligation in respect of expenditure which, in accordance with GAAP, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Finance Lease).

" **Cashflow** " means, in respect of any Relevant Period, EBITDA for that Relevant Period after:

(a) adding the amount of any decrease (and deducting the amount of any increase) in Working Capital for that Relevant Period;

(b) deducting the amount of any cash payments during that Relevant Period in respect of any Exceptional Items to the extent taken into account in calculating EBITDA for any Relevant Period;

(c) adding the amount of any cash receipts during that Relevant Period in respect of any Tax rebates or credits and deducting the amount actually paid or due and payable in respect of Taxes during that Relevant Period by any member of the Group;

(d) deducting the amount of any Capital Expenditure actually made during that Relevant Period by any member of the 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 during that Relevant Period to the extent not taken into account in establishing EBITDA.

" **Cashflow Cover** " means the ratio of Cashflow to Debt Service and Inter-Group Flows in respect of any Relevant Period.

" **Current Assets** " means the aggregate (on a consolidated basis) of all inventory, work in progress, trade and other receivables of each member of the Group including prepayments in relation to operating items and sundry debtors maturing within twelve months from the date of computation but **excluding** amounts in respect of:

(a) receivables in relation to Tax;

(b) exceptional items and other non-operating items;

(c) insurance claims;

(d) any interest owing to any member of the Group; and

(e) any amounts owed to any member of the Group under any Intra-Group Loan or any Inter-Group Loan.

" **Current Liabilities** " means the aggregate (on a consolidated basis) of all liabilities (including trade creditors, accruals and provisions) of each member of the Group falling due within twelve months from the date of computation but **excluding** amounts in respect of:

(a) liabilities for Borrowings and Finance Charges, and any amounts in respect of any Intra-Group Loan or any Inter-Group Loan;

(b) liabilities for Tax;

(c) Exceptional Items and other non-operating items;

(d) insurance claims; and

(e) liabilities in relation to dividends declared but not paid by any member of the Group in favour of any person which is not a member of the Group.

" **Debt Service and Inter-Group Flows** " means, in respect of any Relevant Period, the aggregate of:

(a) Finance Charges for that Relevant Period;

(b) any cash dividends or distributions made by a member of the Group to a member of the CME Group or any payments (including any loans or advances made, repayment and/or prepayment of principal amounts and payment of interest) under any Inter-Group Loan by a member of the Group in respect of that Relevant Period but excluding any Note Payments;

(c) the aggregate of all scheduled and mandatory repayments of Borrowings falling due during that Relevant Period but excluding:

(i) any amounts falling due under any overdraft or the Facility which are available for simultaneous redrawing according to the terms of such overdraft or this Agreement;

(ii) any such obligations owed to the Borrower or another member of the Group; and

(iii) any prepayment of the Facility which is required to be made under the terms of this Agreement; and

(d) the amount of the capital element of any payments in respect of that Relevant Period payable under any Finance Lease entered into by the Borrower, and so that no amount shall be included more than once.

" **EBIT** " means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations):

(a) before deducting any Finance Charges whether paid, payable or capitalised by any member of the Group in respect of that Relevant Period;

(b) not including any accrued interest owing to any member of the Group;

(c) before taking into account any Exceptional Items;

(d) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;

(e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);

(f) before taking into account any Pension Items; and

(g) 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 Group before taxation.

" **EBITDA** " means, in respect of any Relevant Period, EBIT for that Relevant Period after adding back any amount attributable to the amortisation, or depreciation or impairment of assets of members of the Group. For the avoidance of doubt, any losses or gains arising as a result of any purchase by a member of the Group of any Financial Indebtedness owing by the Group shall not be included in the calculation of EBITDA.

" **Exceptional Items** " means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) disposals, revaluations or impairment of non-current assets; and

(c) disposals of assets associated with discontinued operations.

" **Finance Charges** " means, for any Relevant Period, the aggregate amount of the accrued interest, commissions, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Borrowings whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Relevant Period:

(a) including any upfront fees or costs which are included as part of the effective interest rate adjustments;

(b) including the interest (but not the capital) element of payments in respect of Finance Leases;

(c) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Group under any interest rate hedging arrangement;

(d) excluding any interest cost or expected return on plan assets in relation to any post-employment benefit schemes; and

(e) taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis;

in each case so that no amount shall be added (or deducted) more than once.

" **Finance Lease** " means any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease.

" **Financial Year** " means the annual accounting period of the Group ending on or about 31 December in each year.

" **Interest Cover** " means the ratio of EBITDA to Finance Charges in respect of any Relevant Period.

" **Note Payment** " means any distribution in cash, Inter-Group Loan or repayment of an existing Inter-Group Loan using the net proceeds of the Notes (after repayment of all amounts due under the Erste Facility in full) and not exceeding EUR60,000,000 (or its equivalent) in aggregate, made by the Borrower directly or indirectly to the Parent.

" **Pension Items** " means any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme.

" **Quarter Date** " means each of 31 March, 30 June, 30 September and 31 December.

" **Relevant Period** " means each period of twelve months ending on or about the last day of the Financial Year and each period of twelve months ending on or about the last day of each Accounting Quarter.

" **Senior Debt** " means, at any date, the sum of:

(a) the aggregate of the Loans outstanding on that date;

(b) the aggregate outstanding principal amount of the Notes on that date;

(c) the aggregate Financial Indebtedness outstanding at that date under the Factoring Facility Agreement; and

(d) the aggregate amount of any other Permitted Financial Indebtedness or Financial Indebtedness permitted under paragraphs (b)(i) and (b)(ii) of Clause 22.14 (*Financial Indebtedness*) outstanding at that date but excluding Inter-Group Loans and any marking to market of Treasury Transactions.

" **Senior Leverage** " means, in respect of any Relevant Period, the ratio of Senior Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

" **Trade Instruments** " means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Group arising in the ordinary course of trading of that member of the Group.

" **Working Capital** " means, on any date, Current Assets less Current Liabilities.

21.2 **Financial conditions**

The Borrower shall ensure that:

(a) *Cashflow Cover* : Cashflow Cover in respect of any Relevant Period shall not be less than 1.15:1.

(b) *Interest Cover* : Interest Cover:

(i) in respect of the Relevant Periods ending on or prior to 31 December 2011 shall not be less than 4.5:1;

(ii) in respect of the Relevant Periods ending on or about 31 March, 30 June, 30 September and 31 December 2012 shall not be less than 4.75:1;

(iii) in respect of the Relevant Period ending on or about 31 March 2013 and each subsequent Relevant Period shall not be less than 5.00:1

(c) *Senior Leverage* : Senior Leverage:

(i) in respect of the Relevant Periods ending on or prior to 30 June 2011 shall not exceed 2.75:1;

(ii) in respect of the Relevant Periods ending on or about 30 September and 31 December 2011 shall not exceed 2.5:1; and

(iii) in respect of the Relevant Period ending on or about 31 March 2012 and each subsequent Relevant Period shall not exceed 2.25:1.

21.3 **Covenant testing**

(a) The financial covenants set out in Clause 21.2 (*Financial conditions*) shall be calculated in accordance with GAAP and tested on a consolidated basis by reference to each of the consolidated financial statements of the Borrower (including, for the avoidance of doubt, Markiza) delivered pursuant to paragraphs (a) and (b) of Clause 20.1 (*Financial Statements*) and/or each Compliance Certificate delivered pursuant to Clause 20.2 (*Compliance Certificate*).

(b) For the purpose of calculating the financial covenants set out in Clause 21.2 (*Financial conditions*) for each of the Relevant Periods ending on a date which is less than 12 months after the original date of this Agreement:

(i) Finance Charges shall be annualised by reference to the Finance Charges as disclosed in the Compliance Certificates for the Accounting Quarters ending after the original date of this Agreement; and

(ii) there shall be excluded repayment of the Erste Facility.

(c) For the purpose of calculating the financial covenants set out in Clause 21.2 (*Financial conditions*), there shall be excluded in determining Debt Service and Inter-Group Flows, for the Relevant Periods ending on or about 31 December 2010, 31 March 2011 and 30 June 2011, repayment by the Borrower on:

(i) 22 January 2010 of CZK 1,450,000,000 of its indebtedness under:

(A) the CZK 1,200,0 00,000 facility agreement No. 2644/05/LCD dated 27 October 2005 (as amended from time to time), entered into with Česká spořitelna, a.s.; and

(B) the CZK 250,000,000 facility agreement No. 2645/05/LCD dated 27 October 2005 (as amended from time to time), ente red into with Česká spořitelna, a.s.;

(ii) 25 January 2010 of CZK 1,050,000,000 of outstanding principal under the CET Loan Agreement;

(iii) 23 February 2010 of CZK 300,000,000 of outstanding principal under the CET Loan Agreement; and

(iv) 11 June 2010 of CZK 250,000,000 of outstanding principal under the CET Loan Agreement.

(d) For the purpose of calculating the financial covenants set out in Clause 21.2 (*Financial conditions*):

(i) there shall be included in determining EBITDA for any Relevant Period the earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, mutatis mutandis) for the Relevant Period of any company, business or undertaking that is acquired by an Obligor and is not subsequently sold, transferred or otherwise disposed of during such Relevant Period; and

(ii) there shall be excluded in determining EBITDA for any Relevant Period the earnings before interest, tax depreciation and amortisation (calculated on the same basis as EBITDA, mutatis mutandis) of any company, business or undertaking that is sold, transferred or otherwise disposed by an Obligor during such period.

22. GENERAL UNDERTAKINGS

The undertakings in this Clause 22 remain in force from the original date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.1 Authorisations

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Agent of, any Authorisation (including, without limitation, the Broadcasting Licences) required under any law or regulation of a Relevant Jurisdiction to:

(i) enable it to perform its obligations under the Finance Documents;

(ii) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document (subject to any necessary translation of such Finance Documents and notarization of any such translation); and

(iii) carry on its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

22.2 **Compliance with laws**

Each Obligor shall (and the Borrower shall ensure that each member of the Group will) comply in all respects with all laws to which it is subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

22.3 **Taxation**

(a) The Borrower shall (and shall ensure that each member of the Group will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 20.1 (*Financial statements*); and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

(b) No member of the Group may change its residence for Tax purposes.

Restrictions on business focus

22.4 **Merger**

No member of the Group shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than a Permitted Transaction.

22.5 **Change of business**

The Borrower shall procure that no substantial change is made to the general nature of the business of the Group, taken as a whole from that carried on at the original date of this Agreement other than any reasonable extension of such business or any business reasonably related, ancillary or complementary thereto.

22.6 **Acquisitions**

(a) Except as permitted under paragraph (b) below, the Borrower shall not (and shall ensure that no other member of the Group will):

(i) acquire a company or other entity or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or

(ii) incorporate a company.

(b) Paragraph (a) above does not apply to an acquisition of a company, or other entity, or of shares, securities or a business or undertaking (or, in each case, any interest in any of them) or the incorporation of a company:

(i) where:

(A) no Event of Default is continuing on the closing date for the acquisition or would occur as a result of the acquisition;

(B) in the case of acquisition or incorporation of a company or partnership, it is incorporated with limited liability or is a limited liability partnership and it is (or in the case of a newly incorporated entity, will be) engaged in a business substantially the same as that carried on by the Group;

(C) the Total Purchase Price for such acquisition, when aggregated with the Total Purchase Price for any other acquisitions under this paragraph (b)(i) does not in any Financial Year of the Borrower exceed CZK125,000,000 or its equivalent subject to Clause 22.21 (*Baskets*); and

(D) in relation to an acquisition outside the European Union (a " **Non EU Acquisition** "), the Total Purchase Price for such Non EU Acquisition when aggregated with the Total Purchase Price for all other Non EU Acquisitions and all Joint Venture Investments outside the European Union does not exceed CZK375,000,000 or its equivalent over the life of the Facility.

(ii) which is a Permitted Acquisition or a Permitted Transaction.

22.7 **Joint ventures**

(a) Except as permitted under paragraph (b) below, the Borrower shall not (and shall ensure that no other member of the Group will):

(i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(ii) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).

(b) Paragraph (a) above does not apply to any acquisition of (or agreement to acquire) any interest in a Joint Venture or transfer of assets (or agreement to transfer assets) to a Joint Venture or loan made to or guarantee given in respect of the obligations of a Joint Venture if:

(i) no Event of Default is continuing and:

(A) the Joint Venture is engaged in a business substantially the same as that carried on by the Group or any reasonable extension of such business;

(B) the aggregate Joint Venture Investment in any Financial Year of the Borrower in all Joint Ventures does not exceed CZK125,000,000 or its equivalent subject to Clause 22.21 (*Baskets*); and

(C) in relation to a Joint Venture outside the European Union, the aggregate of all Joint Venture Investments outside the European Union and the Total Purchase Price for all Non EU Acquisitions does not exceed CZK CZK375,000,000 or its equivalent over the life of the Facility;

(ii) such transaction is permitted under paragraph (b) (i) of Clause 22.6 (*Acquisitions*) or is a Permitted Acquisition or a Permitted Disposal or is otherwise permitted by Clause 22.10 (*Disposals*), or is a Permitted Loan or is otherwise permitted by Clause 22.12 (*Loans or Credit*) or is a transaction described in paragraph (e) of Permitted Transactions.

22.8 **Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

22.9 **Negative pledge**

In this Clause 22.9, " **Quasi-Security** " means an arrangement or transaction described in paragraph (b) below.

Except as permitted under paragraph (c) below:

(a) The Borrower shall not (and shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.

(b) The Borrower shall not (and shall ensure that no other member of the Group will):

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a member of the Group;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, which is:

(i) Permitted Security; or

(ii) a Permitted Transaction.

22.10 **Disposals**

(a) Except as permitted under paragraph (b) below, the Borrower shall not (and shall ensure that no other member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.

(b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:

(i) of assets made while no Event of Default is continuing, where the higher of the market value and net consideration receivable (when aggregated with the higher of the market value and net consideration received or receivable for any other sale, lease, licence, transfer or other disposal made under this paragraph (b)(i)) does not in any Financial Year of the Borrower, exceed CZK 75,000,000 or its equivalent, subject (in relation to any asset which is the subject of the Transaction Security) to the provisions of the Transaction Security Documents;

(ii) of assets to a member of the Group or a member of the CME Group made while no Event of Default is continuing, where the higher of the market value and net consideration receivable (when aggregated with the higher of the market value and net consideration received or receivable for any other sale, lease, licence, transfer or other disposal made under this paragraph (b)(ii)) does not in any Financial Year of the Borrower, exceed CZK 200,000,000 or its equivalent, subject (in relation to any asset which is the subject of the Transaction Security) to the provisions of the Transaction Security Documents; or

(iii) which is a Permitted Disposal or a Permitted Transaction;

22.11 **Arm's length basis**

(a) Except as permitted by paragraph (b) below, the Borrower shall not (and shall ensure that no other member of the Group will) enter into any transaction with any person other than a member of the Group except on arm's length terms.

(b) The following transactions shall not be a breach of this Clause 22.11:

(i) any cash dividends, redemption of capital or distributions made by a member of the Group to a member of the Group or CME Group;

(ii) Inter-Group Loans or Intra-Group Loans permitted under Clause 22.12 (*Loans or credit*);

(iii) fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or agreed by the Agent;

(iv) any Permitted Transaction; and

(v) payments in respect of management services, administration or other similar fees and charges invoiced to or by any member of the Group by or to any Affiliate of any member of the Group where the aggregate of such payments made by the members of the Group does not exceed CZK 100,000,000 (or its equivalent in any currency) in any financial year, provided that promptly upon request by the Agent, the Borrower shall provide to the Agent a reasonably detailed summary (including, without limitation, any information regarding such payments requested by, or actually provided by the members of the Group to their respective Auditors) of all such payments made under this paragraph (iv) during the period set out in the request of the Agent (such period not to include any period for which the relevant information has already been provided in form and substance satisfactory to the Agent by the Borrower in accordance with this paragraph (iv).

22.12 **Loans or credit**

(a) Except as permitted under paragraph (b) below, the Borrower shall not (and shall ensure that no other member of the Group will) be a creditor in respect of any Financial Indebtedness.

(b) Paragraph (a) above does not apply to:

(i) a loan made by a member of the Group while no Event of Default is continuing, which when aggregated with the principal amount of any other loans made under this paragraph does not in any Financial Year of the Borrower, exceed CZK125,000,000 or its equivalent subject to Clause 22.21 (*Baskets*); or

(ii) a Permitted Loan or a Permitted Transaction.

22.13 **No Guarantees or indemnities**

(a) Except as permitted under paragraph (b) below, the Borrower shall not (and shall ensure that no other member of the Group will) incur or allow to remain outstanding any guarantee or guarantees in respect of any obligation of any person where the maximum aggregate contingent liability of the Group under all such guarantees exceeds CZK125,000,000 at any time.

(b) Paragraph (a) does not apply to a guarantee which is:

(i) a Permitted Guarantee; or

(ii) a Permitted Transaction.

22.14 **Financial Indebtedness**

(a) Except as permitted under paragraph (b) below, the Borrower shall not (and shall ensure that no other member of the Group will) incur or allow to remain outstanding any Financial Indebtedness.

(b) Paragraph (a) above does not apply to Financial Indebtedness which is:

(i) incurred while no Event of Default is continuing, the outstanding amount of which does not exceed CZK125,000,000 (or its equivalent) in aggregate for the Group in any Financial Year of the Borrower;

(ii) incurred while no Event of Default is continuing under finance or capital leases provided that the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed CZK62,500,000 (or its equivalent in other currencies) at any time; or

(iii) Permitted Financial Indebtedness or a Permitted Transaction.

Miscellaneous

22.15 **Access**

If an Event of Default is continuing, each Obligor shall (and the Borrower shall ensure that each member of the Group will) permit the Agent and/or the Security Agent and/or accountants or other professional advisers and contractors of the Agent or Security Agent free access at all reasonable times and on reasonable notice at the risk and cost of the Obligor or the Borrower to (a) the premises, assets, books, accounts and records of each member of the Group and (b) meet and discuss matters with management of the CME Group and the Group.

22.16 **Intellectual Property**

(a) The Borrower shall (and shall ensure that each other member of the Group will):

(i) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of members of the Group;

(ii) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;

(iii) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;

(iv) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any relevant member of the Group to use such property; and

(v) not discontinue the use of the Intellectual Property,

where failure to do so, in the case of paragraphs (i), (ii) and (iii) above, or, in the case of paragraphs (iv) and (v) above, such use, permission to use, omission or discontinuation, is reasonably likely to have a Material Adverse Effect.

(b) Failure to comply with any part of paragraph (a) above, shall not be a breach of this Clause 22.16 to the extent that any dealing with Intellectual Property which would otherwise be a breach of paragraph (a) above is contemplated by the definition of Permitted Transaction.

22.17 **Amendments**

(a) No Obligor shall (and the Borrower shall ensure that no member of the Group will) amend, vary, novate, supplement, supersede, waive or terminate the constitutional documents of an Obligor or a member of the Group, any Inter-Group Loan Agreement, the Notes Documents or any other document delivered to the Agent pursuant to Clause 4.1 (*Initial conditions precedent*).

(b) Paragraph (a) does not apply to any amendment, variation, novation, supplement, superseding, waiver or termination which:

(i) does not, or could not reasonably be expected to materially and adversely affect the interests of the Lenders; or

(ii) is not prohibited by the Intercreditor Agreement.

22.18 **Obligors**

(a) The Borrower shall ensure that at all times after the original date of this Agreement, the aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, as defined in Clause 21.1 (*Financial definitions*)) of the Obligors and the aggregate gross assets, the aggregate net assets and aggregate turnover of the Obligors (in each case calculated on an unconsolidated basis and excluding all intra-Group items and investments in Subsidiaries of any member of the Group) represents not less than 85 per cent of EBITDA (as defined in Clause 21.1 (*Financial definitions*)) of the Group or consolidated gross assets, consolidated net assets and consolidated turnover of the Group respectively.

(b) The Borrower need only perform its obligations under paragraph (a) above if it is not unlawful for the relevant person to become a Guarantor and that person becoming a Guarantor would not result in personal liability for that person's Officers or other management. Each Obligor must use, and must procure that the relevant person uses, all reasonable endeavours lawfully available to avoid any such unlawfulness or personal liability. This includes agreeing to a limit on the amount guaranteed. The Agent may (but shall not be obliged to) agree to such a limit if, in its opinion, to do so would avoid the relevant unlawfulness or personal liability.

22.19 **Further assurance**

(a) Each Obligor providing Transaction Security shall (and the Borrower shall procure that each member of the Group will) promptly do all such acts (including payment of all documentary, registration, filing or other relevant costs or taxes) execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security purported to be conferred by or pursuant to the Transaction Security Documents; and/or

(iii) to facilitate the realisation of the assets which are, or are purported to be, the subject of the Transaction Security.

(b) Each Obligor providing Transaction Security shall (and the Borrower shall procure that each member of the Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

22.20 **Bank Accounts**

(a) The Borrower shall ensure that all banking accounts of the Borrower are:

(i) opened and maintained with:

(A) the Agent, Česká spořitelna, a.s., Slovenská sporiteľňa, a.s. or another Finance Party (at the time of opening of the accounts) or other bank approved in writing by the Agent; or

(B) in relation to its banking accounts with UniCredit Bank Czech Republic, a.s. with account numbers 2102970437/2700, 2102970453/2700 or 2102970461/2700 only, UniCredit Bank Czech Republic, a.s.; and

(ii) subject to valid Security under the Transaction Security Documents.

(b) Paragraph (a) does not apply to the following cash pooling accounts opened by the Borrower and maintained with Bank Mendes Gans N.V.:

(i) NL80BKMG0261081985 (in CZK);

(ii) NL96BKMG0261092367 (in EUR); and

(iii) NL70BKMG02611022923,

provided that the aggregate of the balances deposited in such accounts by the Borrower does not exceed EUR10,000,000 or its equivalent at any time.

22.21 **Baskets**

If in any Financial Year the aggregate amount of any of the baskets set in paragraph (b)(i)(C) of Clause 22.6 (*Acquisitions*), paragraph (b)(i)(B) of Clause 22.7 (*Joint ventures*) or paragraph (b)(i) of Clause 22.12 (*Loans or credit*) (each a " **Permitted Basket** ") which is utilised by the Group is less than the relevant basket originally available for that Financial Year (without any carry forward) (the difference being referred to as the " **Available Amount** "), then the maximum amount of that Permitted Basket for the immediately following Financial Year shall be increased by an amount equal to the Available Amount.

23. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 23 is an Event of Default (save for Clause 23.19 (*Acceleration*)).

23.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within 3 Business Days of its due date.

23.2 Financial covenants and other obligations

(a) Any requirement of Clause 21 (*Financial covenants*) is not satisfied or an Obligor does not comply with the provisions of paragraph (b) of Clause 20.8 (*Information: distributions by the Group to the CME Group*).

(b) An Obligor does not comply with the provisions of Clauses 20.1 (*Financial Statements*), 20.2 (*Compliance Certificate*), 20.4 (*Budget*) or paragraphs (a) or (c) of 20.8 (*Information: distributions by the Group to the CME Group*).

(c) An Obligor does not comply with any provision of any Transaction Security Document.

(d) No Event of Default under paragraph (b) above will occur if the failure to comply is capable of remedy and is remedied within five Business Days, of the earlier of (A) the Agent giving notice to the Borrower or the relevant Obligor and (B) the Borrower becoming aware of the failure to comply.

23.3 Other obligations

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 23.1 (*Non-payment*) and Clause 23.2 (*Financial covenants and other obligations*)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within twenty Business Days, of the earlier of (A) the Agent giving notice to the Borrower or the relevant Obligor and (B) the Borrower becoming aware of the failure to comply.

23.4 **Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless the circumstances giving rise to that misrepresentation are capable of remedy and are remedied within twenty Business Days of the earlier of the Agent giving notice to the Borrower or Obligor or the Obligor becoming aware of the misrepresentation.

23.5 **Cross default**

(a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

(d) Any creditor (other than a creditor who is a member of the Group or the CME Group) of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) An event of default (howsoever described) occurs under the Notes Documents.

(f) Any Financial Indebtedness of the Parent, Central European Media Enterprises N.V. and/or CME Media Enterprises B.V. is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described).

(g) Any Financial Indebtedness of the Parent is not paid when due nor within any originally applicable grace period.

(h) No Event of Default will occur under paragraphs (a) to (d) of this Clause 23.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than CZK125,000,000 (or its equivalent in any other currency or currencies).

(i) No Event of Default will occur under paragraphs (f) and (g) of this Clause 23.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (f) and (g) above is less than USD25,000,000 (or its equivalent in any other currency or currencies).

23.6 **Insolvency**

(a) Any Obligor or Material Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) Any Obligor or Material Company is insolvent in its jurisdiction of incorporation.

(c) A moratorium is declared in respect of any indebtedness of an Obligor or any Material Company.

23.7 **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of an Obligor or Material Company other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor;

(b) a composition, compromise, assignment or arrangement with any creditor of an Obligor or Material Company;

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of an Obligor or Material Company or any of its material assets; or

(d) enforcement of any Security over any material assets of an Obligor or Material Company,

or any analogous procedure or step is taken in any jurisdiction.

This Clause 23.7 shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within thirty Business Days of commencement.

23.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any material asset or assets of an Obligor and is not discharged, stayed or dismissed within thirty Business Days.

23.9 **Unlawfulness and invalidity**

(a) It is or becomes unlawful for an Obligor to perform any of its material obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective.

(b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.

(c) Subject to the Legal Reservations, any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective, in each case in any material respect.

23.10 **Similar events elsewhere**

Except for a Permitted Transaction, there occurs in relation to any Obligor or Material Company or any of its assets in any country or territory in which it is incorporated or carries on business or to the jurisdiction of whose courts it has submitted, any event which corresponds in that country or territory with any of those mentioned in Clause 23.6 (*Insolvency*) or 23.7 (*Insolvency Proceedings*).

23.11 **Cessation of business**

Any Obligor or Material Company (that has become a Material Company pursuant to paragraph (b) of the definition of Material Company) suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, except as permitted under this Agreement

23.12 **Change of ownership**

After the original date of this Agreement, an Obligor that is a member of the Group (other than the Borrower) ceases to be a Subsidiary of the Borrower except as a result of a Change of Control.

23.13 **Expropriation**

The authority or ability of any Obligor to conduct its business is wholly or substantially curtailed or limited by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority in relation to any such Obligor or any of its material assets.

23.14 **Repudiation and rescission of agreements**

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security to which it is a Party or evidences an intention in writing to rescind or repudiate a Finance Document or any Transaction Security to which it is a Party.

23.15 **Judgments and arbitral awards**

Any Obligor or any member of the Group fails to satisfy any final and non-appealable judgment or arbitral award against it or its assets made by any competent court or tribunal to which it or its assets is or are subject, where the amount of relief from, and/or a liability (including, without limitation, any pre- and/or post-judgment interest but excluding any award in respect of costs or relevant proceedings) under such judgment or award, (i) of the CME Group as a whole is at any one time in aggregate at least USD 25,000,000 (or its equivalent in any currency), or (ii) of any member of the Group is at any time in aggregate at least USD 7,500,000 (or its equivalent in any currency).

23.16 **Material adverse change**

Any event or circumstance occurs which the Majority Lenders believe has or is likely to have a Material Adverse Effect.

23.17 **Termination, revocation or transfer of Broadcasting Licences**

A Broadcasting Licence is terminated or revoked or a decision is issued by the Czech Media Council or the Slovak Media Council which in the reasonable opinion of the Majority Lenders is reasonably likely to directly result in the revocation or termination of any Broadcasting Licence.

The Borrower ceases to be the sole holder or owner of the Broadcasting Licence referred to in paragraph (b) of the definition "Broadcasting Licence".

Markiza ceases to be the sole holder or owner of the Broadcasting Licence referred to in paragraph (a) of the definition "Broadcasting Licence".

23.18 **Existing Intercreditor Agreement**

Any Finance Party receives an Enforcement Notice (as defined therein) under the Existing Intercreditor Agreement.

23.19 **Acceleration**

(a) Subject to paragraph (b) below, on and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

(i) cancel the Total Commitments at which time they shall immediately be cancelled;

(ii) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;

(iii) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; or

(iv) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

(b) Notwithstanding the provisions of paragraph (a) above, if an Event of Default occurs under Clause 23.18 (*Existing Intercreditor Agreement*) the Agent may (and is authorised by the Lenders to) by notice to the Borrower:

(i) cancel the Total Commitments at which time they shall immediately be cancelled;

(ii) declare that all of the Utilisations are immediately due and payable, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents, at which time they shall become immediately due and payable; and

(iii) direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Holdco Share Pledges to the extent required (in the opinion of the Security Agent) by the provisions of the Existing Intercreditor Agreement.

SECTION 9

CHANGES TO PARTIES

24. CHANGES TO THE LENDERS

24.1 Assignments and transfers by the Lenders

Subject to this Clause 24 and to Clause 25 (*Restriction on Debt Purchase Transactions*), a Lender (the " **Existing Lender** ") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations, under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the " **New Lender** ").

24.2 Conditions of assignment or transfer

(a) The consent of the Borrower is required for an assignment or transfer by an Existing Lender, unless a Default is continuing or the assignment or transfer is to another Lender or an Affiliate of a Lender.

(b) The consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent five Business Days after having received a request from the Existing Lender unless consent is expressly refused by the Borrower within that time.

(c) The consent of the Borrower to an assignment or transfer must not be withheld solely because the assignment or transfer may result in an increase to the Mandatory Cost.

(d) An assignment or transfer of only part of an Existing Lender's participations or Commitments to a person other than one of its Affiliates, another Existing Lender or a Related Fund of an Existing Lender shall be in a minimum amount of:

(i) CZK25,000,000 while an Event of Default is continuing; and

(ii) CZK125,000,000 at all other times.

(e) An assignment will only be effective on:

(i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender;

(ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement (if required); and

(iii) performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(f) A transfer will only be effective when the New Lender enters into documentation required for it to accede as a party to the Intercreditor Agreement and if the procedure set out in Clause 24.5 (*Procedure for transfer*) is complied with.

(g) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 13 (*Tax gross-up and indemnities*) or Clause 14 (*Increased Costs*), then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

(h) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

24.3 **Assignment or transfer fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of EUR2500.

If any New Lender fails to pay any transfer fee payable by it under paragraph (a) above on the due date therefore, the Agent may at any time deduct an amount equal to such fee from any moneys from time to time held by the Agent for the account of such New Lender.

24.4 **Limitation of responsibility of Existing Lenders**

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 24; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

24.5 **Procedure for transfer**

(a) Subject to the conditions set out in Clause 24.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate provided that the proposed Transfer Date shall not be less than five Business Days after the date on which such Transfer Certificate is delivered to the Agent for execution .

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the " **Discharged Rights and Obligations** ");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Arrangers, the Security Agent, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers, the Security Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

24.6 **Procedure for assignment**

(a) Subject to the conditions set out in Clause 24.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) On the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the " **Relevant Obligations** ") and expressed to be the subject of the release in the Assignment Agreement; and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 24.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 24.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 24.2 (*Conditions of assignment or transfer*).

24.7 **Copy of Transfer Certificate or Assignment Agreement to Borrower**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrower a copy of that Transfer Certificate or Assignment Agreement.

24.8 **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 24, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities, except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

25. **RESTRICTION ON DEBT PURCHASE TRANSACTIONS**

The Parent or the Borrower shall not, and shall procure that each other member of the CME Group or the Group shall not, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Debt Purchase Transactions.

26. **CHANGES TO THE OBLIGORS**

26.1 **Assignments and transfer by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

26.2 **Additional Guarantors**

(a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 20.11 (*"Know your customer" checks*), the Borrower may request that any of its Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:

(i) the Borrower delivers to the Agent a duly completed and executed Accession Letter; and

(ii) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Borrower and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*).

(c) The Borrower shall procure that any other member of the Group which is a Material Company pursuant to paragraph (b) of the definition of Material Company shall, as soon as possible after becoming a Material Company, become an Additional Guarantor.

26.3 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Additional Guarantor that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

SECTION 10

THE FINANCE PARTIES

27. ROLE OF THE AGENT AND THE ARRANGERS

27.1 Appointment of the Agent

(a) Each other Finance Party appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each other Finance Party authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

27.2 Duties of the Agent

(a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(b) Without prejudice to Clause 24.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*) paragraph (a) above shall not apply to any Transfer Certificate or to any Assignment Agreement.

(c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties.

(e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arrangers or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.

(f) The Agent’s duties under the Finance Documents are solely mechanical and administrative in nature.

27.3 Role of the Arrangers

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

27.4 No fiduciary duties

(a) Nothing in this Agreement constitutes the Agent, the Security Agent or the Arrangers as a trustee or fiduciary of any other person.

(b) Neither the Agent nor the Arrangers shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

27.5 **Business with the Group**

The Agent, the Security Agent and the Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the CME Group or the Group.

27.6 **Rights and discretions of the Agent**

(a) The Agent may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by an Officer, director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 23.1 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and

(iii) any notice or request made by the Borrower (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arrangers are obliged to do or omit to do anything if it would or might in their reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

27.7 **Majority Lenders' instructions**

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) 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.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Security Agent.

(c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) 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.

(d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

27.8 **Responsibility for documentation**

Neither the Agent nor the Arrangers:

(a) are responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arrangers, an Obligor or any other person given in or in connection with any Finance Document; or

(b) are responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or

(c) are responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

27.9 **Exclusion of liability**

(a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 30.10 (*Disruption to Payment Systems etc.*)), the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.7 (*Third Party Rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) In no event shall the Agent or any Finance Party be liable on any theory of liability for any special, indirect, consequential or punitive damages and the Borrower hereby waives, releases and agrees (for itself and on behalf of the other Obligors and the members of the Group) not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favour.

(e) Nothing in this Agreement shall oblige the Agent or the Arrangers to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.

27.10 **Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 30.10 (*Disruption to Payment Systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

27.11 **Resignation of the Agent**

(a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.

(b) Alternatively the Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in the United Kingdom).

(d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(e) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 27. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) After consultation with the Borrower, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.

27.12 **Confidentiality**

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

27.13 **Relationship with the Lenders**

(a) The Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost in accordance with Schedule 4 (*Mandatory Cost Formulae*).

(c) Each Lender shall supply the Agent with any information that the Security Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Lender shall deal with the Security Agent exclusively through the Agent and shall not deal directly with the Security Agent.

(d) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or dispatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 32.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 32.2 (*Addresses*) and paragraph (a)(iii) of Clause 32.5 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

27.14 **Credit appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness of the Information Memorandum and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

27.15 **Reference Banks**

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Borrower) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

27.16 **Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

27.17 **Parallel Debt**

Each Obligor hereby acknowledges and agrees that it is bound by the parallel debt provisions set out in Clause 18.20 (*Parallel Debt - Covenant to pay the Security Agent*) of the Intercreditor Agreement.

28. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

29. SHARING AMONG THE FINANCE PARTIES

29.1 Payments to Finance Parties

If a Finance Party (a " **Recovering Finance Party** ") receives or recovers any amount from an Obligor other than in accordance with Clause 30 (*Payment mechanics*) (a " **Recovered Amount** ") and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 30 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the " **Sharing Payment** ") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.5 (*Partial payments*).

29.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the " **Sharing Finance Parties** ") in accordance with Clause 30.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

29.3 **Recovering Finance Party's rights**

On a distribution by the Agent under Clause 29.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

29.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the " **Redistributed Amount** "); and

(b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

29.5 **Exceptions**

(a) This Clause 29 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11

ADMINISTRATION

30. PAYMENT MECHANICS

30.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Agent specifies.

30.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (*Distributions to an Obligor*) and Clause 30.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency.

30.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

30.4 Clawback

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

30.5 Partial payments

(a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(i) **first** , in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent and the Security Agent under the Finance Documents;

(ii) **secondly** , in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;

(iii) **thirdly** , in or towards payment pro rata of any principal due but unpaid under this Agreement; and

(iv) **fourthly** , in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

30.6 **No set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.7 **Business Days**

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.8 **Currency of account**

(a) Subject to paragraphs (b) and (c) below, CZK is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(c) Any amount expressed to be payable in a currency other than CZK shall be paid in that other currency.

30.9 **Change of currency**

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

30.10 **Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 36 (*Amendments and Waivers*);

(e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 30.10; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

31. **SET-OFF**

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. NOTICES

32.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

32.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Parent and the Borrower, that identified with their names below;

(b) in the case of each Lender or any other Original Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent or the Security Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

32.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Security Agent's signature below (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

32.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 32.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

32.5 **Electronic communication**

(a) Any communication to be made between the Agent or the Security Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent, the Security Agent and the relevant Lender:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender or the Security Agent will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Agent or the Security Agent only if it is addressed in such a manner as the Agent or the Security Agent shall specify for this purpose.

32.6 **English language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

33. CALCULATIONS AND CERTIFICATES

33.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

33.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

33.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

34. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

35. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

36. AMENDMENTS AND WAIVERS

36.1 Required consents

(a) Subject to Clause 36.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause.

36.2 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definition of “Majority Lenders” in Clause 1.1 (*Definitions*);

(ii) an extension to the date of payment of any amount under the Finance Documents;

(iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(iv) an increase in or an extension of any Commitment or the Total Commitments;

(v) a change to the Borrower or Guarantors other than in accordance with Clause 26 (*Changes to the Obligors*);

(vi) any provision which expressly requires the consent of all the Lenders;

(vii) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 24 (*Changes to the Lenders*) or this Clause 36;

(viii) the nature or scope of the guarantee and indemnity granted under Clause 18 (*Guarantee and Indemnity*); or

(ix) the release of any guarantee and indemnity granted under Clause 18 (*Guarantee and Indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security unless such sale or disposal is expressly permitted under this Agreement or any other Finance Document;

shall not be made without the prior consent of all the Lenders.

(b) An amendment or waiver which relates to the rights or obligations of the Agent, the Security Agent or the Arrangers (each in their capacity as such) may not be effected without the consent of the Agent, the Security Agent or, as the case may be, the Arrangers.

37. CONFIDENTIALITY

37.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 37.2 (*Disclosure of Confidential Information*) and Clause 37.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

37.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 27.13 (*Relationship with the Lenders*));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 24.8 (*Security over Lenders' rights*);

(vii) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(viii) who is a Party; or

(ix) with the consent of the Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (b)(ii) and b(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party;

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

37.3 **Disclosure to numbering service providers**

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) date of this Agreement;

(v) the names of the Agent and the Arrangers;

(vi) date of each amendment and restatement of this Agreement;

(vii) amount of Total Commitments;

(viii) currency of the Facility;

(ix) type of Facility;

(x) ranking of Facility;

(xi) Termination Date for Facility;

(xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and

(xiii) such other information agreed between such Finance Party and the Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) Each Obligor represents that none of the information set out in paragraphs (i) to (xiii) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

37.4 **Entire agreement**

This Clause 37 (*Confidentiality*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

37.5 **Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

37.6 **Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 37.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 37 (*Confidentiality*).

37.7 **Continuing obligations**

The obligations in this Clause 37 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of six months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

38. **COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12

GOVERNING LAW AND ENFORCEMENT

39. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

40. ENFORCEMENT

40.1 Jurisdiction

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a " **Dispute** ").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 40.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

40.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(a) irrevocably appoints CME Development Corporation with its registered branch at 52 Charles Street, London, W1J 5EU as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL PARTIES

Part I

The Original Obligors

Name of Original Borrower	**Registration number (or equivalent, if any)** **Jurisdiction of Incorporation**
CET 21 spol. s r.o.	45800456 Czech Republic
Name of Original Guarantor	**Registration number (or equivalent, if any)** **Jurisdiction of Incorporation**
Central European Media Enterprises Ltd.	19574 Bermuda
Central European Media Enterprises N.V.	67248 Curacao
CME Media Enterprises B.V.	33246826 The Netherlands
CME Investments B.V. (formerly known as CME Romania B.V.)	33289326 The Netherlands
CME Slovak Holdings B.V.	34274606 The Netherlands
MARKÍZA – SLOVAKIA, spol. s r.o.	31444873 Slovak Republic

Part II
The Original Lenders

Name of Original Lender	**Commitment**
BNP Paribas S.A.	CZK 250,000,000
JPMorgan Chase Bank N.A.	CZK 250,000,000
Citibank Europe plc (acting through its Prague branch Citibank Europe plc, *organizační složka)*	CZK 375,000,000
ING Bank N.V.	CZK 375,000,000
Česká spořitelna, a.s.	CZK 250,000,000

SCHEDULE 2
CONDITIONS PRECEDENT

Part I

Conditions Precedent to Initial Utilisation

1. **Original Obligors**

(a) A copy of the constitutional documents of each Original Obligor.

(b) A copy of a resolution of the executives of the Borrower and a resolution of the board of directors of each Original Obligor (other than the Borrower and Markiza):

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(ii) authorizing a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(d) A copy of a resolution signed by all the holders of the issued shares in each Original Obligor (other than the Parent and Markiza), approving the terms of, and the transactions contemplated by, the Finance Documents to which that Original Obligor is a party.

(e) A certificate from each of the Original Obligors (signed by an Officer) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on such Original Obligor to be exceeded (including, without limitation, any limit, restriction or covenant set out in the Parent Note Documents).

(f) A certificate of an Officer of the relevant Original Obligor certifying that each copy document relating to it specified in paragraphs 1(a), 1(b), 1(d), 1(g), 1(h), 2(f), 5(c) to (e), 5(g), 5(h), 5(j), 5(k), 5 (l) and 5(n), as applicable, of Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the original date of this Agreement.

(g) If required by Slovak law or the constitutional documents of Markiza, a copy of a resolution of the general meeting of Markiza approving the terms of, and transactions contemplated by, the Finance Documents to which Markiza is a party.

(h) A copy of a resolution of the general meeting of the Borrower approving the terms of, and transactions contemplated by, the enterprise pledge agreement referred to in Clause 2(g)(q) below.

2. **Finance Documents**

(a) The Intercreditor Agreement executed by the Obligors.

(b) This Agreement executed by the Obligors.

(c) The Fee Letters executed by the Borrower (being the arrangement, participation, agency and security agency fee letters).

(d) The Hedging Letter executed by the Borrower.

(e) The Existing Intercreditor Agreement.

(f) A copy, certified by an Officer of the Borrower, to be a true copy of the Notes Documents.

(g) At least one original of each of the following Transaction Security Documents executed by the companies named below opposite the relevant Transaction Security Document:

The Parent	(a)	Curacao law share pledge over all existing and future shares issued Central European Media Enterprises N.V.
Central European Media Enterprises N.V.	(b)	Dutch law share pledge over all existing and future shares owned by it CME Media Enterprises B.V.
CME Media Enterprises B.V. and CME Investments B.V.	(c)	First ranking share pledge over the ownership interests representi together 100 per cent. of the registered capital of the Borrower
	(d)	Copies of applications to the Czech Commercial Register confirmed the Czech Commercial register for the registration of the pledge over t ownership interests representing together 100 per cent. of the register capital of the Borrower in favour of the Security Agent
The Borrower	(e)	First ranking share pledge over all existing and further issued shares Slovak Holdings
	(f)	First ranking pledge over the ownership interest representing 100 p cent. of the registered capital of Media Pro Pictures, s.r.o.

	(g)	Copy of the application to the Czech Commercial Register confirmed l the Czech Commercial Register for the registration of the pledge over t ownership interest representing 100 per cent. of the registered capital Media Pro Pictures, s.r.o. in favour of the Security Agent
	(h)	First ranking mortgage over the immovable assets of the Borrower
	(i)	Copies of the applications for registration of each Transaction Securi Document purporting to create Security over the immovable assets of t Borrower to the respective cadastral registers together with evidence th the applications have been duly submitted to such offices
	(j)	First ranking pledge over movable assets of the Borrower
	(k)	Copy of the extract from the Czech Notarial Register with respect to t above movable assets confirming that the pledge over those assets h been duly created
	(l)	Pledge of receivables of the Borrower under the contracts for the sale the advertising time and under the Factoring Facility Agreement
	(m)	Pledge of Required Insurance Policies
	(n)	Copy of notices of pledge sent by the Borrower to the relevant insuran counterparties
	(o)	First ranking pledge over bank accounts of the Borrower
	(p)	Copy of notices of pledge sent by the Borrower to the account banks
	(q)	First ranking pledge over the enterprise of the Borrower
	(r)	Copy of the extract from the Czech Notarial Register confirming that t pledge over the enterprise of the Borrower has been duly created
CME Investments B.V.	(s)	English law assignment of the loan provided under the CET Lo Agreement
	(t)	Dutch law pledge over the loan provided under the Markiza Lo Agreement
	(u)	Notice of assignment of the loan provided under the Markiza Lo Agreement, acknowledged by Markiza

3. **Legal opinions**

(a) A legal opinion of the following legal advisers to the Agent and Arrangers, each addressed to the Agent, Security Agent and the Original Lenders:

(i) Simpson Thacher & Bartlett LLP, as to English law;

(ii) White & Case, advokátni kancelář, as to Czech law;

(iii) White & Case s.r.o., as to Slovak law;

(iv) Houthoff Buruma, as to Dutch law;

(v) Van Eps Kunneman, as to Curacao law; and

(b) A capacity legal opinion of the following legal advisers to the Obligors:

(i) Kotrlík Bourgeault Andruško, advokátní kancelář, as to Czech law;

(ii) Allen & Overy Bratislava, s r.o., as to Slovak law;

(iii) Loyens & Loeff, as to Dutch law; and

(iv) Loyens & Loeff, as to Curacao law.

(c) A capacity, validity and enforceability legal opinion of Conyers Dill & Pearman, legal advisers to the Parent as to Bermuda law.

4. **Insurance**

Copies of all insurance policies subject to or expressed to be subject to the Transaction Security relating to the Charged Property, including, without limitation the Required Insurance Policies.

5. **Other documents and evidence**

(a) Evidence that any process agent referred to in Clause 40.2 (*Service of process*) has accepted its appointment.

(b) A legal opinion from Katten Muchin Rosenman Cornish LLP, in a form acceptable to the Arrangers (acting reasonably) that the Obligors are permitted under the terms of any agreements binding upon them to enter into this Agreement and the Transaction Security Documents and undertake the obligations set out therein.

(c) A copy, certified by an Officer of the Borrower to be a true copy, of the CET Loan Agreement.

(d) A copy, certified by an Officer or authorised signatory of CME Investments B.V. to be a true copy, of the Markiza Loan Agreement.

(e) A copy, certified by an Officer or authorised signatory of the Parent to be a true copy, of each Parent Note Instrument.

(f) A certificate signed by an Officer or authorised signatory of the Parent certifying that the Parent Note Instruments are in full force and effect.

(g) A copy, certified by an Officer or authorised signatory of the Parent or relevant Obligor, as applicable, to be a true copy, of the Original Financial Statements of the Parent and each Obligor.

(h) A certified copy of the Group Structure Chart.

(i) Confirmation from the Lenders that all "know your customer" requirements have been satisfied.

(j) A copy of the Broadcasting Licences.

(k) The Borrower's Business Plan.

(l) The CME Group Business Plan.

(m) A certificate from each Obligor certifying that, to the extent required, any approaches to works councils (or other similar bodies) in respect of that Obligor have been made and approval of the Refinancing Transactions obtained.

(n) Executed copies, certified by an Officer of the Borrower as a true copy, of irrevocable prepayment and cancellation notices in respect of the Erste Facility Agreement.

(o) Evidence that the Security granted by the Obligors in support of the Erste Facility Agreement has been released.

(p) Evidence that the Notes have been issued.

(q) Evidence satisfactory to the Agent (acting reasonably) that the CME Group has, subsequent to 30 September 2010, applied not less than USD100,000,000 of its Cash to purchase Parent Notes.

(r) Amendment to the Existing Intercreditor Agreement to include the Security Agent as a Secured Party (as defined therein) and allowing it to share in the distribution of the Distribution Moneys (as defined therein) .

(s) Evidence that all fees, costs and expenses due from the Obligors or any member of the Group in relation to the Refinancing Transactions have been paid or will be paid by the first Utilisation Date.

(t) Sources and uses statement.

(u) A copy of any other Authorisation or other document, opinion or assurance which the Agent or the Arrangers (acting reasonably) consider to be necessary or desirable (if the Agent has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

Part II
Conditions precedent required to be delivered by an Additional Guarantor

(a) An Accession Letter, duly executed by the Additional Guarantor and the Borrower.

(b) A copy of the constitutional documents of the Additional Guarantor.

(c) A copy of a resolution of the board of directors (or, in the case of a Slovak Additional Guarantor, or a Czech Additional Guarantor. where there is no board of directors, of a majority of its statutory executives) of the Additional Guarantor:

(i) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;

(ii) authorising a specified person or persons to execute the Accession Letter on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents.

(d) If required by Slovak law or the constitutional documents of a Slovak Additional Guarantor, a copy of a resolution of the general meeting and the supervisory board (if any) of such Slovak Additional Guarantor approving the terms of, and transactions contemplated by, the Finance Documents to which such Slovak Additional Guarantor is a party.

(e) If required by Czech law or the constitutional documents of a Czech Additional Guarantor, a copy of a resolution of the general meeting and the supervisory board (if any) of such Czech Additional Guarantor approving the terms of, and transactions contemplated by, the Finance Documents to which such Czech Additional Guarantor is a party.

(f) A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.

(g) A copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor (other than a Slovak Additional Guarantor), approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

(h) A certificate of the Additional Guarantor (signed by an Officer) confirming that guaranteeing the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.

(i) A certificate of an Officer certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

(j) An accession deed to the Intercreditor Agreement substantially in the form set out in Schedule 2 to the Intercreditor Agreement.

(k) Any Security documents which the Agent requires the Additional Guarantor or its immediate Holding Company to execute.

(l) If available, the latest audited financial statements of the Additional Guarantor.

(m) A legal opinion of Simpson, Thacher & Bartlett LLP, legal advisers to the Arrangers and the Agent in England.

(n) If the Additional Guarantor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Arrangers and the Agent in the jurisdiction in which the Additional Guarantor is incorporated.

(o) If the Additional Guarantor is incorporated in a jurisdiction other than England and Wales, a capacity legal opinion of the legal advisers to the Group in the jurisdiction in which the Additional Guarantor is incorporated.

(p) If the proposed Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 40.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Guarantor.

(q) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

SCHEDULE 3
UTILISATION REQUEST

From: CET 21 spol. s r.o.

To: [Agent]

Dated:

Dear Sirs

CET 21 spol. s r.o. – Revolving Facility Agreement
dated [•] 2010 (the "Agreement")

(a) We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

(b) We wish to borrow a Loan on the following terms:

Proposed Utilisation Date:	[•] (or, if that is not a Business Day, the next Business Day)
Currency of Loan:	CZK
Amount:	[•] or, if less, the Available Facility
Interest Period:	[•]

(c) We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

(d) The proceeds of this Loan should be credited to [account].

(e) This Utilisation Request is irrevocable.

Yours faithfully

_____
authorised signatory for
CET 21 spol. s r.o.

SCHEDULE 4
MANDATORY COST FORMULAE

(a) The mandatory cost is an addition to the interest rate to compensate lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

(b) On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the " **Additional Cost Rate** ") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

(c) The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

(d) The Additional Cost Rate for any Lender lending from a Facility Office in the Czech Republic will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the Czech National Bank in respect of loans made from that Facility Office.

(e) The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

(i) in relation to a sterling Loan:

$$(AB+C(B-D)+ E\times0.01)/(100-(A+C)) \text{ per cent. per annum}$$

(ii) in relation to a Loan in any currency other than sterling:

$$(E \times0.01)/300 \text{ per cent. per annum}$$

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 9.3 (*Default interest*)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

For the purposes of this Schedule:

" **Eligible Liabilities** " and " **Special Deposits** " have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

" **Fees Rules** " means the rules on periodic fees contained in the Financial Services Authority Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

" **Fee Tariffs** " means the fee tariffs specified in the Fees Rules under Column 1 of the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

" **Tariff Base** " has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

(f) In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

(g) If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

(h) Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(i) the jurisdiction of its Facility Office; and

(ii) any other information that the Agent may reasonably require for such purpose.

(i) Each Lender shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

(j) The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 8 and 9 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

(k) The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 4, 8 and 9 above is true and correct in all respects.

(l) The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 4, 8 and 9 above.

(m) Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

(n) The Agent may from time to time, after consultation with the Borrower and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority, the European Central Bank or the Czech National Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [•] as Agent and [•] as Security Agent

From: [The Existing Lender] (the " **Existing Lender** ") and [The New Lender] (the " **New Lender** ")

Dated:

CET 21 spol. s r.o. – Revolving Facility Agreement
dated [•] 2010 (the "Agreement")

(a) We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

(b) We refer to Clause 24.5 (*Procedure for transfer*):

(i) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 24.5 (*Procedure for transfer*).

(ii) The proposed Transfer Date is [•].

(iii) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 32.2 (*Addresses*) are set out in the Schedule.

(iv) the New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 24.4 (*Limitation of responsibility of Existing Lenders*).

(c) The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:

(i) [a Qualifying Lender falling within paragraph (a) of the definition of Qualifying Lender;]

(ii) [a Qualifying Lender falling within paragraph (b) of the definition of Qualifying Lender;]

(iii) [a Treaty Lender;]

(iv) [5/6.] This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

(v) [6/7] This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

(vi) [7/8]. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[*insert relevant details*]
[*Facility Office address, fax number and attention details for notices and account details for payments,*]

[Existing Lender] [New Lender]

By: By:

This agreement is accepted as a Transfer Certificate for the purposes of the Agreement by the Agent, and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [•].

[Agent]

By:

[Security Agent]

By:

SCHEDULE 6
FORM OF ASSIGNMENT AGREEMENT

To: [•] as Agent, [•] as Security Agent and CET 21 spol. s r.o. as Borrower, for and on behalf of each Obligor

From: the Existing Lender] (the " **Existing Lender** ") and [the New Lender] (the " **New Lender** ")

Dated:

CET 21 spol. s r.o. - Revolving Facility Agreement
dated [•] 2010 (the "Agreement")

(a) We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.

(b) We refer to Clause 24.6 (*Procedure for assignment*):

(i) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitments and participations in Loans under the Agreement as specified in the Schedule.

(ii) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in Loans under the Agreement specified in the Schedule.

(iii) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

(iv) The proposed Transfer Date is [•].

(v) On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.

(vi) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 32.2 (*Addresses*) are set out in the Schedule.

(vii) The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 24.4 (*Limitation of responsibility of Existing Lenders*).

(c) The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:

(i) [a Qualifying Lender falling within paragraph (a) of the definition of Qualifying Lender;]

(ii) [a Qualifying Lender falling within paragraph (b) of the definition of Qualifying Lender;]

(iii) [a Treaty Lender;]

(iv) [8/9]. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 24.6 (*Procedure for assignment*), to the Borrower (on behalf of each Obligor) of the assignment referred to in this Assignment Agreement.

(v) [9/10]. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.

(vi) [10/11]. This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

(vii) [11/12]. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

THE SCHEDULE

Rights to be assigned and obligations to be released and undertaken

[*insert relevant details*]
[*Facility office address, fax number and attention details for notices and account details for payments*]

[Existing Lender]	[New Lender]
By:	By:

This agreement is accepted as an Assignment Agreement for the purposes of the Agreement by the Agent, and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [•].

Signature of this agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this agreement, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

[Security Agent]

By:

SCHEDULE 7
FORM OF ACCESSION LETTER

To: [•] as Agent

From: [Subsidiary] and CET 21 spol. s r.o.

Dated:

Dear Sirs

CET 21 spol. s r.o. – Revolving Facility Agreement
dated [•] 2010 (the "Agreement")

(a) We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.

(b) [Subsidiary] agrees to become an Additional Guarantor and to be bound by the terms of the Agreement as an Additional Guarantor pursuant to Clause 26.2 (*Additional Guarantors*) of the Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].

(c) [Subsidiary's] administrative details are as follows:

Address:
Fax No:
Attention

(d) This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

(e) This Guarantor Accession Letter is entered into by deed.

[Borrower] [Subsidiary]

SCHEDULE 8
FORM OF COMPLIANCE CERTIFICATE

To: [•] as Agent

From: CET 21 spol. s r.o.

Dated:

Dear Sirs

CET 21 spol. s r.o. – Revolving Facility Agreement
dated [•] 2010 (the "Agreement")

(a) We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

(b) We confirm that: [Insert details of covenants to be certified]

(c) [We confirm that no Default is continuing.] *

Signed: _____ _____
Statutory executive of [Borrower] Statutory executive of [Borrower]

[*insert applicable certification language*]

_____
for and on behalf of
[*name of auditors of the Borrower*]

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

SCHEDULE 9
EXISTING SECURITY

Erste Transaction Security

Name of Obligor	**Security document**
The Borrower	First ranking share pledge over all existing and further issued shares of Slovak Holdings
	First ranking pledge over the ownership interest representing 100% of the registered capital of Jyxo, s.r.o.
	First ranking pledge over the ownership interest representing 100% of the registered capital of BLOG Internet, s.r.o.
	First ranking pledge over the ownership interest representing 100% of the registered capital of Media Pro Pictures, s.r.o.
	First ranking mortgage over the immovable assets of the Borrower
	First ranking pledge over movable assets of the Borrower
	Pledge of receivables of the Borrower under the contracts for the sale of the advertising time and under the Factoring Facility Agreement
	Pledge of certain insurance policies
	First ranking pledge over certain bank accounts of the Borrower
	First ranking pledge over the enterprise of the Borrower
CME Investments B.V.	English law assignment of the loan provided under the CET Loan Agreement
	Dutch law pledge over the loan provided under the Markiza Loan Agreement

SCHEDULE 10
LMA FORM OF CONFIDENTIALITY UNDERTAKING

[Letterhead of Seller]

To:

	[insert name of Potential Purchaser]

Re: The Agreement

Company:	(the " **Borrower** ")
Date:	
Amount:	
Agent	

Dear Sirs

We understand that you are considering acquiring an interest in the Agreement which, subject to the Agreement, may be by way of novation, assignment, the entering into, whether directly or indirectly, of a sub-participation or any other transaction under which payments are to be made or may be made by reference to one or more Finance Documents and/or one or more Obligors or by way of investing in or otherwise financing, directly or indirectly, any such novation, assignment, sub-participation or other transaction (the " **Acquisition** "). In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. **CONFIDENTIALITY UNDERTAKING**

You undertake (a) to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by paragraph 2 below and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information, and (b) to use the Confidential Information only for the Permitted Purpose.

2. **PERMITTED DISCLOSURE**

We agree that you may disclose:

2.1. to any of your Affiliates and any of your or their officers, directors, employees, professional advisers and auditors such Confidential Information as you shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph 2.1 is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

2.2. subject to the requirements of the Agreement, to any person:

(a) to (or through) whom you assign or transfer (or may potentially assign or transfer) all or any of your rights and/or obligations which you may acquire under the Agreement such Confidential Information as you shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (a) of paragraph 2.2 has delivered a letter to you in equivalent form to this letter;

(b) with (or through) whom you enter into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to the Agreement or any Obligor such Confidential Information as you shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (b) of paragraph 2.2 has delivered a letter to you in equivalent form to this letter;

(c) to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation such Confidential Information as you shall consider appropriate; and

2.3. notwithstanding paragraphs 2.1 and 2.2. above, Confidential Information to such persons to whom, and on the same terms as, a Finance Party is permitted to disclose Confidential Information under the Agreement, as if such permissions were set out in full in this letter and as if references in those permissions to Finance Party were references to you.

3. **NOTIFICATION OF DISCLOSURE**

You agree (to the extent permitted by law and regulation) to inform us:

3.1. of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (c) of paragraph 2.2 above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

3.2. upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. **RETURN OF COPIES**

If you do not enter into the Acquisition and we so request in writing, you shall return all Confidential Information supplied to you by us and destroy or permanently erase (to the extent technically practicable) all copies of Confidential Information made by you and use your reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under sub-paragraph (c) of paragraph 2.2 above.

5. **CONTINUING OBLIGATIONS**

The obligations in this letter are continuing and, in particular, shall survive and remain binding on you until (a) if you acquire an interest in the Agreement by way of novation, the date on which you acquire such an interest; (b) if you enter into the Acquisition other than by way of novation, the date falling twelve months after termination of that Acquisition; or (c) in any other case twelve months after the date of this letter.

6. **NO REPRESENTATION; CONSEQUENCES OF BREACH, ETC**

You acknowledge and agree that:

6.1. neither we, nor any member of the Group nor any member of the CME Group nor any of our or their respective officers, employees or advisers (each a " **Relevant Person** ") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or be otherwise liable to you or any other person in respect of the Confidential Information or any such information; and

6.2. we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

7. **ENTIRE AGREEMENT: NO WAIVER; AMENDMENTS, ETC**

7.1. This letter constitutes the entire agreement between us in relation to your obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

7.2. No failure or delay in exercising any right or remedy under this letter will operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any further exercise thereof or the exercise of any other right or remedy under this letter.

7.3. The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

8. **INSIDE INFORMATION**

You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and you undertake not to use any Confidential Information for any unlawful purpose.

9. **NATURE OF UNDERTAKINGS**

The undertakings given by you under this letter are given to us and are also given for the benefit of the Borrower and each other member of the Group and the Parent and each member of the CME Group.

10. **THIRD PARTY RIGHTS**

10.1. Subject to this paragraph 10 and to paragraphs 6 and 9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the " **Third Parties Act** ") to enforce or to enjoy the benefit of any term of this letter.

10.2. The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.

10.3. Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person to rescind or vary this letter at any time.

11. **GOVERNING LAW AND JURISDICTION**

11.1. This letter (including the agreement constituted by your acknowledgement of its terms) (the "Letter") and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by English law.

11.2. The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter (including a dispute relating to any non-contractual obligation arising out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter).

12. **DEFINITIONS**

In this letter (including the acknowledgement set out below) terms defined in the Agreement shall, unless the context otherwise requires, have the same meaning and:

" **CME Group** " means the Parent and its Subsidiaries for the time being.

" **Confidential Information** " means all information relating to the Borrower, any Obligor, the Group and the CME Group, the Finance Documents, the Facility and/or the Acquisition which is provided to you in relation to the Finance Documents or the Facility by us or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(a) is or becomes public information other than as a direct or indirect result of any breach by you of this letter; or

(b) is identified in writing at the time of delivery as non-confidential by us or our advisers; or

(c) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, from a source which is, as far as you are aware, unconnected with the Group and which, in either case, as far as you are aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

" **Group** " means the Borrower and its subsidiaries for the time being (as such term is defined in the Companies Act 2006).

" **Permitted Purpose** " means considering and evaluating whether to enter into the Acquisition.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

For and on behalf of

[Seller]

To: [Seller]

The Borrower and each other member of the Group

We acknowledge and agree to the above:

For and on behalf of

[Potential Purchaser]

SCHEDULE 11
TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*))	U-3 9.30 AM
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (*Lender's participation*)	
PRIBOR is fixed	Quotation Day as of 11:00 a.m. (Prague time)

"U" = date of utilisation of a Loan
"U-X" = X Business Days prior to date of utilisation of a Loan

SIGNATURES

THE BORROWER

CET 21 spol. s r.o.

By: / s/ Petr Dvo řák
Petr Dvořák
Title: Executive Director

By: /s/ Oliver Meister
Oliver Meister
Title: Executive Director

Address: 5, Kříženeckého nám. 1078/5, Postal code: 152 00, Czech Republic
Attention: Vít Vážan, Chief Financial Officer
Fax: 420 242 466 035

With a copy to:

CME Media Services Limited
5, Kříženeckého nám. 1078/5,
152 00, Czech Republic
Attention: Treasury Department
Fax: +420 242 466 010

THE ORIGINAL GUARANTORS

Central European Media Enterprises Ltd.

By: /s/ David Sach

Title: CFO

Address: Mintflower Place, 4th Floor, 8 Par-La-Ville Road, Hamilton, Bermuda
Attention: Assistant Secretary
Fax: +1 441 295 0992

With a copy to:

CME Development Corporation
52 Charles Street
London W1J 5EU
Attention: Legal Department
Fax: +44 207 127 5801

Central European Media Enterprises N.V.

By: /s/ Oliver Meister

Oliver Meister

Title: Managing Director

Address: Schottegatweg Oost 44, Willemstad, Curaçao
Attention: Managing Director
Fax: + 599 9 732 2500

With a copy to:

CME Development Corporation
52 Charles Street
London W1J 5EU
Attention: Legal Department
Fax: +44 207 127 5801

CME Media Enterprises B.V.

By: /s/ David Sturgeon

David Sturgeon

Title: Managing Director

Address: Dam 5B, 1012 JS Amsterdam, The Netherlands
Attention: Finance Officer
Fax: +312 042 31404

With a copy to:

CME Development Corporation
52 Charles Street
London W1J 5EU
Attention: Legal Department
Fax: +44 207 127 5801

CME Investments B.V.

By: /s/ David Sturgeon

David Sturgeon

Title: Managing Director

Address: Dam 5B, 1012 JS Amsterdam, The Netherlands
Attention: Finance Officer
Fax: +312 042 31404

With a copy to:

CME Development Corporation
52 Charles Street
London W1J 5EU
Attention: Legal Department
Fax: +44 207 127 5801

CME Slovak Holdings B.V.

By: /s/ David Sturgeon

David Sturgeon

Title: Managing Director

Address: Dam 5B, 1012 JS Amsterdam, The Netherlands
Attention: Finance Officer
Fax: +312 042 31404

With a copy to:

CME Development Corporation
52 Charles Street
London W1J 5EU
Attention: Legal Department
Fax: +44 207 127 5801

MARKÍZA – SLOVAKIA, spol. s r.o.

By: /s/ Radka Doehring

Radka Doehring

Title: Attorney

By: /s/ Petr Dvořák

Petr Dvořák

Title: Attorney

Address: Bratislavska 1/a, 843 56 Bratislava - Zahorska Bystrica, Slovak Republic
Attention: Finance Director
Fax: +421 2 6595 6829

With a copy to:

CME Development Corporation
52 Charles Street
London W1J 5EU
Attention: Legal Department
Fax: +44 207 127 5801

THE ARRANGERS

BNP Paribas S.A.

By: /s/ Sandra Sitbon

Sandra Sitbon

Title: Director

Address: 37 Place du Marché Saint Honoré, 75 031 Paris Cedex 01, France
Attention: Sandra Sitbon/ Ali El Amari
Fax: +33 1 42 98 09 79

J.P. Morgan PLC

By: /s/ Frances Smith

Title: Executive Director

Address: 10 Aldermanbury, London EC2V 7RF
Attention: Frances Smith
Fax: +44 20 7777 1493

Citigroup Global Markets Limited

By: /s/ Camilo Mori

Title: Managing Director

Address: 33 Canada Square, Canary Wharf, London E14 5LB
Attention: Camilo Mori, Managing Director
Fax: +44 20 7986 8295

ING Bank N.V.

By: /s/ David J. Grover

David J. Grover

Title: Director

/s/ Stefan Verhoeven

Stefan Verhoeven

Director

Telecom & Media Finance

Address: Bijlmerplein, 888 1102 MG Amsterdam, The Netherlands
Attention: Olivia Salamanca
Fax: + 31-20-565-8203

Česká spořitelna, a.s.

By:	/s/ František Havrda	By:	/s/ Václav Šnydr
Title:	Pověřeni/ Proxy	Title:	Senior Manager
			Syndications/syndikované úvěry

Address: Olbrachtova 1929/62, 140 00 Praha 4, Czech Republic
Attention: František Havrda/ Václav Šnýdr
Fax: +420 224 641 080

THE AGENT

BNP Paribas S.A.

By: /s/ Sandra Sitbon

Sandra Sitbon

Title: Director

Address: BNP PARIBAS - Agency - European Group, 21, place du Marché Saint-Honoré, 75031 Paris Cedex 01, France
Attention: Alexandra Arhab/Assad Karkabi
Fax: + 33 1 42 98 43 17

THE SECURITY AGENT

BNP Paribas Trust Corporation UK Limited

By: /s/ Andrew Brown

Andrew Brown

Title: (under Power of Attorney)

Address: 55 Moorgate, London, EC2R 6PA
Attention: The Directors
Fax: +44 20 7595 5078

THE ORIGINAL LENDERS

BNP Paribas S.A.

By: /s/ Sandra Sitbon

Sandra Sitbon

Title: Director

Address: 37 Place du Marché Saint Honoré, 75 031 Paris Cedex 01, France
Attention: Sandra Sitbon/ Ali El Amari
Fax: +33 1 42 98 09 79

JPMorgan Chase Bank N.A.

By: /s/ Frances Smith

Title: Executive Director

Address: 125 London Wall, London EC2Y 5AJ
Attention: Frances Smith
Fax: +44 20 7777 1493

Citibank Europe plc

(acting through its Prague branch Citibank Europe plc, *organizační složka*)

By: /s/ Zuzana Truneč ková

Zuzana Trunečková

Title: Director

Address: Bucharova 2641/14, 158 02, Prague 5, Czech Republic
Attention: Petr Vodenka
Fax: +420 233 061 611

ING Bank N.V.

By: /s/ David J. Grover /s/ Stefan Verhoeven

David J. Grover

Title: Director Director

Telecom & Media Finance

Address: Bijlmerplein, 888 1102 MG Amsterdam, The Netherlands
Attention: Olivia Salamanca
Fax: +31 20 565 8203

Česká spořitelna, a.s.

By: /s/ František Havrda

Title: Pověřeni/ Proxy

By: /s/ Václav Šnydr

Title: Senior Manager

Syndications/syndikované úvěry

Address: Evropská 17, 160 00 Praha 6, Czech Republic
Attention: Václav Šnýdr
Fax: +420 224 641 080

Exhibit 10.41
Execution copy

PLEDGE AGREEMENT

on

SHARES

in

CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.

Dated October 21, 2010

among

Central European Media Enterprises Ltd.
as the Pledgor

BNP Paribas Trust Corporation UK Limited
as the Pledgee

and

Central European Media Enterprises N.V.
as the Company

THIS PLEDGE AGREEMENT is made this 21st day of October two thousand and ten (this " **Pledge Agreement** "), by and among **Central European Media Enterprises Ltd.** , a company duly organized and existing under the laws of Bermuda, with its registered office at Clarendon House, 2 Church Street, Hamilton, HM CX Bermuda, as the " **Pledgor** ", **BNP Paribas Trust Corporation UK Limited** , a company incorporated under the laws of England and Wales, having its registered offices at 55 Moorgate, London, EC2R 6PA, United Kingdom, as the " **Pledgee** " and **Central European Media Enterprises N.V.** , a public company (*naamloze vennootschap*) under the laws of Curaçao, having its corporate seat in Curaçao, and its registered address at Schottegatweg Oost 44, Curaçao, and registered in the commercial register of the Chamber of Commerce and Industries of Curaçao under number 67248 as the " **Company** ";

WHEREAS , the Pledgor has entered into that certain revolving credit facility with *inter alia* CET 21 spol. s r.o., a company established under the laws of the Czech Republic, as issuer, the Pledgee in its capacity as security agent and the Pledgor and the Company as guarantors (as amended, novated, restated, supplemented or otherwise modified from time to time, including without limitation, by way of increase of the facilities made available thereunder) (the " **Revolving Credit Facility** ") and that certain indenture with *inter alia* CET 21 spol. s r.o., a company established under the laws of the Czech Republic as issuer and Citibank, N.A., London Branch as note trustee (as amended, novated, restated, supplemented or otherwise modified from time to time, including without limitation, by way of increase of the facilities made available thereunder) (the " **Indenture** "), both dated the twenty-first day of October two thousand and ten;

WHEREAS , upon incorporation on the fourteenth day of July nineteen hundred and ninety-four, the Pledgor acquired the legal and beneficial title to 60 ordinary shares in the capital of the Company, and pursuant to the issuance of 1 share on the nineteenth day of September nineteen hundred and ninety-four, the Pledgor acquired the legal and beneficial title to 1 ordinary share in the capital of the Company, with a nominal value of USD 100, collectively constituting the nominal share capital of the Company (the " **Present Shares** ");

WHEREAS , to secure the performance of the Secured Obligations, the Pledgor and the Pledgee wish to hereby establish a fourth priority right of pledge in respect of the Present Shares as well as in respect of any and all future shares in the capital of the Company to be acquired (either through issue, purchase, distribution or otherwise) by the Pledgor after the date of this Pledge Agreement (the " **Future Shares** ", together with the Present Shares hereafter where appropriate also referred to as the " **Shares** "), under the following terms.

NOW, THEREFORE , in consideration of the premises and mutual covenants set forth herein, the parties hereto agree as follows:

1. Definitions

Unless otherwise defined herein, or the context requires otherwise, terms used in this Pledge Agreement, including its preamble and recitals, shall have the meaning as defined in the New Intercreditor Agreement. In addition, the following terms used in this Pledge Agreement, including its preamble and recitals, shall have the following meanings:

(a) an " **Event of Default** ": each "Event of Default" as defined in the New Intercreditor Agreement which is continuing;

(b) an " **Event of Statutory Default** ": each Event of Default which also constitutes a default (*verzuim*) in the fulfilment of the Secured Obligations within the meaning of in Article 6:81 of the Curaçao Civil Code (" **CCC** ");

(c) " **Existing Rights of Pledge** ": means the rights of pledge on the Shares (as defined hereinafter) created in favor of (i) the Bank of New York on the sixteenth day of May two thousand seven pursuant to that certain pledge agreement dated the sixteenth day of May two thousand seven among *inter alia* the Bank of New York, the Pledgor and the Company, (ii) the Bank of New York on the tenth day of March two thousand eight pursuant to that certain pledge agreement dated the tenth day of March two thousand eight among *inter alia* the Bank of New York, the Pledgor and the Company and (iii) The Law Debenture Trust Corporation p.l.c., on the seventeenth day of September two thousand and nine pursuant to that certain pledge agreement dated the seventeenth day of September two thousand and nine among the Pledgor, the Bank of New York Mellon, The Law Debenture Trust Corporation p.l.c. and the Company;

(d) the " **Issuer** ": CET 21 spol. s r.o., a company established under the laws of the Czech Republic;

(e) the " **New Intercreditor Agreement** ": the intercreditor agreement dated the twenty-first day of October two thousand and ten, between *inter alia* the Company as Original Obligor (as defined therein), the Pledgor as Parent (as defined therein), and the Pledgee as Security Agent (as defined therein);

(f) the " **Parallel Debt** ": shall mean the Parallel Debt (as defined in Clause 18.20 of the New Intercreditor Agreement);

(g) the " **Right of Pledge** ": the fourth priority right of pledge in respect of the Shares established in this Pledge Agreement;

(h) the " **Secured Obligations** ": means all present and future obligations and liabilities consisting of monetary payment obligations (*verbintenissen tot betaling van een geldsom*) of the Issuer and the Pledgor to the Pledgee, whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever, under or in connection with (i) any of the Finance Documents (including, without limitation, any Additional RCF Debt, any Additional Notes and all costs, charges and expenses properly incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights and/or the rights of any other Secured Party under such Finance Documents), but only to the extent such obligations are due to the Pledgee in any capacity whatsoever and therefore such obligations will cease to be secured by this Pledge Agreement to the extent they are assigned or transferred to, or otherwise assumed by any third party and (ii) the Parallel Debt, provided that no obligation or liability shall be included in the definition of “Secured Obligations” to the extent that, if it were so included, the Security (or any part thereof) or any provision of this Pledge Agreement would be unlawful or prohibited by any applicable law;

(i) a " **Voting Event** ": means the occurrence of an Event of Statutory Default of which the Pledgee has given notice to the Pledgor and the Company;

(j) the " **2007 Indenture** ": the indenture dated as of the sixteenth day of May two thousand and seven, by and among the Pledgor as issuer, CME Media Enterprises B.V., and the Company as guarantors, BNY Corporate Trustee Services Limited as trustee, The Bank of New York as security trustee, transfer agent and principal paying agent, and The Bank of New York (Luxembourg) S.A. as registrar and Luxembourg transfer agent and Luxembourg paying agent;

(k) the " **2008 Indenture** ": the indenture dated the tenth day of March two thousand and eight by and among *inter alia* the Pledgor as issuer, CME Media Enterprises B.V. and the Company as guarantors, and The Bank of New York, as Pledgee; and

(l) the " **2009 Indenture** ": the indenture dated the seventeenth day of September two thousand and nine, by and among *inter alia* the Pledgor as issuer, CME Media Enterprises B.V. and the Company as guarantors, and The Law Debenture Trust Corporation p.l.c, as pledgee.

2. Right of Pledge

2.1. As security for the Secured Obligations, the Pledgor hereby agrees to grant and hereby grants to the Pledgee a disclosed fourth priority right of pledge (*openbaar pandrecht in vierde in rang*) in respect of the Shares, which Right of Pledge the Pledgee agrees to accept and hereby so accepts.

2.2. The Right of Pledge is one and indivisible *(één en ondeelbaar)* . The Right of Pledge shall not be affected by one or more but not all of the Secured Obligations being discharged or the Secured Obligations being amended. The Right of Pledge includes a right of pledge in respect of all accessory rights *(afhankelijke rechten)* and all ancillary rights *(nevenrechten)* attached to the Shares.

2.3. The Pledgor shall, if and when required by the Pledgee, execute such further encumbrances and assurances, and do all such acts and things as are necessary or as the Pledgee may reasonably require over or in relation to the Shares to maintain, perfect or protect the security rights created by this Pledge Agreement over the Shares, such that this Pledge Agreement will continue to constitute a fourth priority right of pledge of the Shares, until payment in full of the Secured Obligations or termination of this Pledge Agreement in accordance with Section 8 of this Pledge Agreement.

2.4. By co-signing this Pledge Agreement, the Company acknowledges the Right of Pledge created by this Pledge Agreement, as provided in article 2:113 of the CCC.

2.5. The Company shall register in the Company's shareholders' register that the Shares are encumbered with a fourth priority right of pledge in favor of the Pledgee and that, subject to Section 3 of this Pledge Agreement, the Pledgee has the Voting Rights.

3. Voting rights

3.1. The voting and other consensual rights and similar rights or powers attaching to the Shares or any part thereof (the " **Voting Rights** ") are hereby transferred by the Pledgor to the Pledgee under the condition precedent (*opschortende voorwaarde*) of (i) the occurrence of a Voting Event and (ii) the termination and/or release of the Existing Rights of Pledge. By means of execution of this Pledge Agreement the Pledgor also hereby adopts a resolution in its capacity of sole shareholder of the Company to approve the granting of the Right of Pledge and the transfer of the Voting Rights. Until the occurrence of a Voting Event and subject to the termination and/or release of the Existing Rights of Pledge, the Pledgor may exercise any and all such Voting Rights, save:

(a) that no such exercise may violate or be inconsistent with the express terms or purpose of this Pledge Agreement, the Existing Rights of Pledge, the Indenture, the 2007 Indenture, the 2008 Indenture, the 2009 Indenture and/or the Revolving Credit Facility;
(b) that no such exercise may have the effect of impairing the position or interests of the Pledgee; and
(c) as set out in Section 3.2 below.

3.2. Upon the occurrence of a Voting Event and subject to the termination or release of the Existing Rights of Pledge:

(a) any and all rights of the Pledgor to exercise the Voting Rights which it is entitled to exercise pursuant to Section 3.1 above shall cease automatically without further notice to the Pledgor being required and the Pledgee shall have the sole and exclusive right and authority to exercise such Voting Rights and shall be entitled to exercise or refrain from exercising such rights in such manner as the Pledgee may in its absolute discretion deem fit; and

(b) the Pledgee shall immediately be entitled, at any time at its sole discretion, to effect the resignation of and/or to dismiss the directors of the Company or any of them, and to appoint new directors of the Company and the Pledgor hereby undertakes to do all things and execute all documents and instruments as may be required by the Pledgee to ensure the effectiveness of any such resignations, dismissals or appointments

3.3. By signing this Pledge Agreement, the Company confirms (and the other parties agree) that a written notice from the Pledgee to the Company stating that a Voting Event has occurred, shall be sufficient for the Company to accept the Pledgee as being exclusively entitled to such rights and other powers which it is entitled to exercise pursuant to this Section 3 upon the occurrence of such a Voting Event and subject to the termination and/or release of the Existing Rights of Pledge.

3.4. In addition and without prejudice to the obligations of the Pledgor pursuant to the Pledge Agreement, the Revolving Credit Facility and/or the Indenture, the Pledgor and the Company agrees to notify the Pledgee immediately of any event or circumstance which could be of material importance to the Pledgee with a view to the preservation and exercise of the Pledgee's rights under or pursuant to this Pledge Agreement, such as (without limitation) the filing of a petition for the bankruptcy of the Pledgor, the filing of a petition for a moratorium of payments by the Pledgor, attachment or garnishment of the Pledgor's assets, the termination of any one of the Pledgor's commercial activities or its dissolution.

3.5. During the term of the Right of Pledge, the foregoing provisions of this Section 3 with respect to the Voting Rights on the Present Shares also apply to the Future Shares. In addition, the Pledgor and the Pledgee shall, if reasonably practicable at the time of or, if not practicable at such time, as soon as reasonably practicable, after the acquisition of such Future Shares, arrange that the attribution of the Voting Rights attaching thereto shall be ratified if that is reasonably deemed necessary, in the Pledgee's sole discretion, to enable the Pledgee to exercise such Voting Rights upon the occurrence of the condition precedent as provided in Section 3.1 of this Pledge Agreement. If such ratification is, at the Pledgee's sole discretion, not obtained in time, the Pledgor shall fully co-operate in the taking of such other necessary measures relating to such transfer of voting rights as are proposed by the Pledgee.

4. Authority to collect

4.1. The authority to collect dividends, distributions from reserves, repayments of capital and all other distributions and payments in any form, which, at any time, during the term of the Right of Pledge, become payable on any one or more of the Shares, shall accrue to the Pledgee, as provided for in Section 3:246 of the CCC, subject to the termination and/or release of the Existing Rights of Pledge.

4.2. In derogation of the provisions of paragraph 1, the Pledgee hereby grants approval to the Pledgor to collect all dividends, distributions from reserves, repayments of capital and all other distributions and payments in any form, which, at any time, during the term of the Right of Pledge, become payable on any one or more of the Shares, subject to the termination and/or release of the Existing Rights of Pledge.

4.3. The Pledgee may terminate the authorization mentioned in section 4.2 upon occurrence of an Event of Default only. Termination of the authorization is made by written statement to that effect, by the Pledgee to the Pledgor. The Pledgee shall inform the Company of the termination in writing.

4.4. Any payment or distribution made to the Pledgor in contravention of the terms of this Pledge Agreement, shall be paid over by the Pledgor to the Pledgee for application in accordance with the terms of the New Intercreditor Agreement.

5. Representations and warranties

5.1. The Pledgor hereby represents and warrants that the following is true and correct on the date of this Pledge Agreement:

a. the Company is a public company, legally established under the laws of Curaçao by notarial deed drawn up before Gerard Christoffel Antonius Smeets, civil law notary officiating in Curaçao, on the fourteenth day of July nineteen hundred and ninety-four. A copy of the present articles of association is attached to this Pledge Agreement (***Annex I***). The Company is currently registered with the commercial register of the Chamber of Commerce and Industries of Curaçao under number 67248. A copy of the extract from the commercial register is attached to this Pledge Agreement (***Annex II***);
b. the Company has not been dissolved, and no resolution has been adopted to dissolve the Company, nor has any request therefore been filed, nor has any notice by the Chamber of Commerce, as described in Section 2:25 of the CCC, been received. The Company has not been declared bankrupt nor has a suspension of payment been granted, nor have any requests thereto been filed;
c. the shareholders' register is accurate and completely up to date. A copy of the shareholders' register is attached to this Pledge Agreement (***Annex III***);
d. the entire nominal share capital of the Company consists of the Present Shares; all of the Present Shares are fully paid-up; the Company has not granted any rights to subscribe for shares in its capital which have not yet been exercised;
e. the Pledgor has a complete and unencumbered right to the Present Shares, with the exception of the Existing Rights of Pledge;
f. the Present Shares are not subject to either (limited) rights or obligations to transfer to third parties or claims based on contracts of any nature and have not been encumbered with any attachments, except for the Existing Rights of Pledge;
g. the Pledgor is authorized to establish the Right of Pledge;
h. all resolutions and approvals, required for establishing the Right of Pledge, have been adopted and received respectively;
i. the obligations of the Pledgor and the Company vis-à-vis the Pledgee, resulting from the Revolving Credit Facility, the Indenture and this Pledge Agreement respectively, are lawful obligations of the Pledgor and the Company respectively and are legally enforceable against the Pledgor and the Company respectively;
j. the assumption and performance by the Pledgor and the Company respectively of the obligations vis-à-vis the Pledgee resulting from the Revolving Credit Facility, the Indenture and this Pledge Agreement are not contrary to any provision of applicable law or any agreement to which the Pledgor or the Company is a party, or by which the Pledgor or the Company is bound in any other way;
k. the Pledgor has provided the Pledgee with all information and data with respect to the Present Shares which the Pledgor reasonably believes to be of importance for the Pledgee.

5.2. Furthermore, the Pledgor hereby declares to have acquired the Present Shares as follows:

- as for the numbers 1 through 60, pursuant to the notarial deed of incorporation, drawn up before Gerard Christoffel Antonius Smeets, civil law notary officiating in Curaçao, on the fourteenth day of July nineteen hundred and ninety-four; and
- as for the number 61, pursuant to the issuance of one share on the nineteenth day of September nineteen hundred and ninety-four.

6. Undertakings by the Pledgor

6.1. During the term of the Right of Pledge, the Pledgor shall not alienate, pledge or in any other way encumber the Shares or the rights to acquire Shares without the prior written consent of the Pledgee, except for the encumbrance in accordance with the provisions of the Revolving Credit Facility and/or the Indenture.

6.2. The Pledgor shall as far as possible provide that the Shares and/or rights to acquire Shares it acquires after execution of this Pledge Agreement shall be pledgeable, and that the transferability thereof shall not be more cumbersome than the transferability of the Shares.

6.3. Whenever the Pledgor is aware that the Company is involved in the preparation of a legal merger or demerger as a result of which the Company would cease to exist, the Pledgor shall inform the Pledgee thereof in writing immediately.

6.4. Whenever the Pledgor is aware that actions have been taken for the winding-up, dissolution, administration, bankruptcy, suspension of payments or reorganization of the Company, the Pledgor shall inform the Pledgee thereof in writing immediately.

7. Exercise of the Right of Pledge.

7.1. Upon the occurrence of an Event of Statutory Default, the Pledgee has, with due regard to the relevant provisions of the Existing Rights of Pledge, the right to exercise all rights and powers which the Pledgee has under the laws of Curaçao as holder of a right of pledge over the Shares and the Pledgee shall be authorized to sell the Shares or part thereof, in accordance with Section 3:248 of the CCC, without prejudice to the provision of Section 3:251 of the CCC, in order to recover the proceeds thereof.

7.2. In the event the Pledgee enforces the Right of Pledge, the Pledgee shall, with due regard to the relevant provisions of the Existing Rights of Pledge, following payment of the execution costs from the proceeds, allocate the net proceeds to fulfill the Secured Obligations.

7.3. The Pledgee does not bear the obligations referred to in Sections 3:249 and 3:252 of the CCC towards others than the Pledgor.

8. Termination

8.1. The Pledgee is entitled to terminate (*opzeggen*) in whole or in part the Right of Pledge as referred to in Article 3:81(2) sub (d) of the CCC. Notice of termination must be given in writing by the Pledgee to the Pledgor and the Company.

8.2. The Right of Pledge shall terminate by operation of law upon the payment and satisfaction in full of all Secured Obligations. In that event, the Pledgee shall evidence such termination in accordance with the provisions of the Revolving Credit Facility and/or the Indenture.

9. Costs and expenses

9.1. The Pledgor shall, within five Business Days of receipt of an invoice or other written evidence, pay the Pledgee the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing, execution and perfection of this Pledge Agreement and any other documents referred to in this Pledge Agreement.

9.2. The Pledgor shall, within five Business Days of demand, pay to the Pledgee the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights of the Pledgee under this Pledge Agreement.

9.3. If the Pledgor requests an amendment, waiver, release or consent in relation to this Pledge Agreement, the Pledgor shall, within five Business Days of receipt of an invoice or other written evidence, reimburse the Pledgee for the amount of all costs and expenses (including legal, notarial and other advisors' fees) reasonably incurred by the Pledgee in responding to, evaluating, negotiating or complying with that request or requirement.

9.4. The Pledgor shall pay all stamp, registration, notarial and other taxes or fees to which this Pledge Agreement or any judgement given in connection with this Pledge Agreement, is or at any time may be, subject and shall, from time to time, fully indemnify the Pledgee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or any delay in paying any tax or fee.

10. Notices

Any notice or other communication under or in connection with this Pledge Agreement shall be in writing in the English language and shall be delivered personally or by registered mail or fax. Proof of posting shall be deemed to be proof of receipt:

(i) in the case of hand delivery: on the day the notice is received by recipient;

(ii) in the case of a registered letter: on the third business day after posting; or

(iii) in the case of a fax transmission: upon receipt of fax confirmation.

Notices and other communications under this Pledge Agreement may in each case be sent to the following address of the parties hereto:

Address Pledgor :
Central European Media Enterprises Ltd.
c/o CME Development Corporation
52 Charles Street
London W1J 5EU
United Kingdom
Fax number: +44 2071275801
Attention: Legal Department

Address Pledgee :
BNP Paribas Trust Corporation UK Limited
55 Moorgate, London,
EC2R 6PA, United Kingdom
United Kingdom
Fax number: +44 207 595 5078
Attention: The Directors

Address of the Company :
Central European Media Enterprises N.V.
c/o Curaçao Corporation Company N.V.
Schottegatweg Oost 44
Willemstad, Curaçao
Fax number: + 599 9 732 2500
Attention: Managing Director

With a copy to:
CME Development Corporation
52 Charles Street
London W1J 5EU
United Kingdom
Fax number: +44 207 127 5801
Attention: Legal Department

or such other address or fax number as notified by the relevant party by not less than five business days prior notice.

11. Indemnity

The Pledgor shall promptly indemnify the Pledgee and any delegate, agent, attorney or co-trustee appointed by the Pledgee against any cost, loss or liability (together with any applicable VAT) incurred by any of them:

(a) in relation to or as a result of: (i) any failure by the Pledgor to comply with its obligations under Section 9 (cost and expenses); (ii) the taking, holding, protection or enforcement of the Right of Pledge; (iii) the exercise of any of the rights, powers, discretions and remedies vested in the Pledgee by the Finance Documents or by law; or (iv) any default by the Pledgor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or

(b) which otherwise relates to the Right of Pledge or any other amounts or property which the Pledgee is required by the terms of the Finance Documents to hold as trustee on trust or the performance of the terms of this Pledge Agreement (otherwise than as a result of its gross negligence or wilful misconduct).

12. Rescission

The Pledgor and the Pledgee hereby waive, to the fullest extent permitted by law, their right to dissolve this Pledge Agreement pursuant to failure in the performance of one or more of their obligations as referred to in Article 6:265 of the CCC or on any other ground.

13. Governing Law and Submission to Jurisdiction

13.1. The provisions of this Pledge Agreement and the Right of Pledge created hereby, are governed by, and shall be construed in accordance with, the laws of the Curaçao.

13.2. The Pledgor and the Pledgee agree that the competent court in Curaçao shall have non-exclusive jurisdiction with regard to any and all disputes which may arise out of or in connection with this Pledge Agreement.

14. Amendment of this Pledge Agreement

This Pledge Agreement may only be amended by a written agreement executed by each of the Pledgor and the Pledgee. The Pledgor and the Pledgee shall notify the Company of such amendment in writing.

15. Severability

The illegality, invalidity or unenforceability of any provision of this Pledge Agreement or any part thereof under the laws of any jurisdiction shall not affect its legality, validity or enforceability under the laws of any other jurisdiction nor the legality, validity or enforceability of any other provision or part thereof. Any illegal, invalid or unenforceable provision shall have the effect of an alternative provision that would be valid and the purpose of which conforms with the first mentioned provision and that would presumably have been included in this Pledge Agreement in order to carry out the intentions of the parties if the first mentioned provision had been omitted in view of its illegality, invalidity or unenforceability.

16. Counterparts

This Pledge Agreement may be executed in counterparts, each of which when so executed and delivered shall be an original, but all of which together constitute one and the same document.

** signature page to follow **

SIGNATURE PAGE PLEDGE AGREEMENT ON SHARES

The parties hereto have caused this Pledge Agreement to be duly executed on the day and year first written above.

Signed for and on behalf of:
Central European Media Enterprises Ltd.
as the Pledgor

/s/ David Sach

Name: David Sach
Title: Chief Financial Officer

Signed for and on behalf of:

BNP Paribas Trust Corporation UK Limited
as the Pledgee

/s/ Andrew Brown

Name: Andrew Brown
Title: (under Power of Attorney)

Signed for and on behalf of:
Central European Media Enterprises N.V.
as the Company

/ s/ Oliver Meister

Name: Oliver Meister
Title: Managing Director

DEED OF PLEDGE OF SHARES
(*CME Media Enterprises B.V.*)

This twenty-first day of October two thousand and ten, there appeared before me, Jan Hendrik Gerrit Visser, hereafter to be called "civil law notary", as deputy of Guido Marcel Portier, civil law notary officiating in Amsterdam, the Netherlands:

1. Willem Adriaan Smeenk, born in Amstelveen, the Netherlands, on the seventeenth day of March, nineteen hundred and eighty-three, employed at Fred. Roeskestraat 100, 1076 ED Amsterdam, the Netherlands, in this respect acting as authorized representative of:
   (a) **Central European Media Enterprises N.V.** , a public company (*naamloze vennootschap*) under the laws of Curaçao, having its registered offices in Curaçao, and its office address at Schottegatweg Oost 44, Curaçao, and registered with the Commercial Register of the Curaçao Chamber of Commerce and Industry under number 67248 (the " **Pledgor** ");
   (b) **CME Media Enterprises B.V.** , a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered offices in Amsterdam, the Netherlands, and its office address at Dam 5B, 1012 JS Amsterdam, the Netherlands, registered with the trade register of the Chamber of Commerce for Amsterdam, the Netherlands, under file number 33246826 (the " **Company** "); and
2. Rik Rubert de Groot, residing at J.M. Kemperstraat 7, 3581 KG Utrecht, the Netherlands, born in Apeldoorn, the Netherlands, on the eighth day of September nineteen hundred and eighty-four, identified by means of his passport with number NNB0HRJ15, valid until the twentieth day of July two thousand and twelve, in this respect acting as authorized representative of:
   BNP Paribas Trust Corporation UK Limited , a company incorporated under the laws of England and Wales, having its registered offices at 55 Moorgate, London, EC2R 6PA, United Kingdom (the " **Pledgee** ").

Powers of attorney.
The authorization of the persons appearing is evidenced by three (3) written powers of attorney, copies of which shall be attached to this deed (***Annex I***).
The persons appearing declared the following:
The Pledgor and the Pledgee have agreed as follows:

Whereas:

a. in each of the Indenture and the Revolving Credit Facility (each of which is defined hereafter) the Pledgor has assumed the obligation to provide security to the Pledgee, in the form of a right of pledge;

b. in complying with the aforementioned obligation, the Pledgor and the Pledgee wish to hereby establish a fourth priority right of pledge with respect to the Shares (as defined hereafter) under the following terms;

c. that the holders of the Existing Rights of Pledge (as defined hereafter) have approved of the creation of the Right of Pledge (as defined hereafter), as appears from the Amended Intercreditor agreement (as defined hereafter).

Definitions.

Article 1.

In this deed, the following words shall have the following meaning:

a. the " **Amended Intercreditor Agreement** ": the intercreditor agreement dated the twenty-first day of July two thousand and six (and amended and restated on the sixteenth day of May two thousand and seven, on the twenty-second day of August two thousand and seven, the tenth day of March two thousand and eight, the seventeenth day of September two thousand and nine, the twenty-ninth day of September two thousand nine and as further amended and restated on the twenty-first day of October two thousand and ten) between Central European Media Enterprises Ltd., the Pledgor, the Company, BNY Corporate Trustee Services Limited (in its capacity as trustee under the 2007 Indenture), The Bank of New York Mellon (formerly the Bank of New York) (in its capacity as security trustee under the 2007 Indenture), The Bank of New York Mellon (formerly the Bank of New York) (in its capacity as trustee and security trustee under the 2008 Indenture), The Bank of New York Mellon, acting through its London branch (in its capacity as note trustee under the 2009 Indenture), The Law Debenture Trust Corporation p.l.c. (in its capacity as security trustee under the 2009 Indenture), Citibank, N.A., London Branch (in its capacity as notes trustee under the Indenture), the Pledgee (in its capacity as joint security trustee under the Indenture and the Revolving Credit Facility) and BNP PARIBAS S.A. (in its capacity as the agent under the Revolving Credit Facility);

b. an " **Event of Default** ": each "Event of Default" as defined in the New Intercreditor Agreement which is continuing;

c. an " **Event of Statutory Default** ": each Event of Default which also constitutes a default (*verzuim*) in the fulfilment of the Secured Obligations within the meaning of Section 3:248 of the Dutch Civil Code;

d. " **Existing Rights of Pledge** ": means the rights of pledge on the Shares (as defined hereinafter) created in favor of (i) the Bank of New York, on the sixteenth day of May two thousand and seven pursuant to that certain notarial deed of pledge dated the sixteenth day of May two thousand and seven among the Pledgor, the Bank of New York and the Company, (ii) the Bank of New York, on the tenth day of March two thousand and eight pursuant to that certain notarial deed of pledge dated the tenth day of March two thousand and eight among the Pledgor, the Bank of New York and the Company and (iii) The Law Debenture Trust Corporation p.l.c., on the seventeenth day of September two thousand and nine pursuant to that certain notarial deed of pledge dated the seventeenth day of September two thousand and nine among the Pledgor, the Bank of New York Mellon, The Law Debenture Trust Corporation p.l.c. and the Company;

e. " **Future Shares** " means any and all future shares in the capital of the Company to be acquired (either through issue, purchase, distribution or otherwise) by the Pledgor after the date of this deed;

f. the " **Indenture** ": the indenture dated the twenty-first day of October two thousand and ten, between *inter alia* the Issuer (as defined below) as issuer and Citibank, N.A., London Branch as trustee;

g. the " **Issuer** ": CET 21 spol. s r.o., a company established under the laws of the Czech Republic;

h. the " **New Intercreditor Agreement** ": the intercreditor agreement dated the twenty-first day of October two thousand and ten, between *inter alia* the Pledgor and the Company as Original Obligors (as defined therein), the Issuer as Company (as defined therein), and the Pledgee as Security Agent (as defined therein);

i. the " **Parallel Debt** ": shall mean the Parallel Debt (as defined in Clause 18.20 of the New Intercreditor Agreement);

j. the " **Present Shares** ": one hundred ninety-nine thousand nine hundred and ninety-nine (199,999) ordinary shares in the capital of the Company owned by the Pledgor, numbered 1 through 199,997, and 199,999 and 200,000, each share having a nominal value of one Netherlands Guilder (NLG 1) or (converted into euro in accordance with section 2:178c of the Dutch Civil Code) forty-five eurocent (EUR 0.45);

k. the " **Revolving Credit Facility** ": the revolving credit facility dated the twenty-first day of October two thousand and ten, between *inter alia* the Pledgor and the Company as guarantors, the Issuer as borrower, and the Pledgee as security agent;

l. the " **Right of Pledge** ": the fourth priority right of pledge in respect of the Shares established by the execution of this deed;

m. the " **Secured Obligations** ": means all present and future obligations and liabilities consisting of monetary payment obligations (*verbintenissen tot betaling van een geldsom*) of the Issuer and the Pledgor to the Pledgee, whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever, under or in connection with (i) any of the Finance Documents (as defined in the New Intercreditor Agreement) (including, without limitation, any Additional RCF Debt (as defined in the New Intercreditor Agreement), any Additional Notes (as defined in the New Intercreditor Agreement) and all costs, charges and expenses properly incurred by any Secured Party (as defined in the New Intercreditor Agreement) in connection with the protection, preservation or enforcement of its respective rights and/or the rights of any other Secured Party (as defined in the New Intercreditor Agreement) under such Finance Documents (as defined in the New Intercreditor Agreement), but only to the extent such obligations are due to the Pledgee in any capacity whatsoever and therefore such obligations will cease to be secured by this deed to the extent they are assigned or transferred to, or otherwise assumed by any third party and (ii) the Parallel Debt, provided that no obligation or liability shall be included in the definition of “Secured Obligations” to the extent that, if it were so included, the Security (as defined in the New Intercreditor Agreement) (or any part thereof) or any provision of this deed would be unlawful or prohibited by any applicable law;

n. the " **Shares** " means, collectively, the Present Shares and the Future Shares;
o. " **Voting Event** " means the occurrence of an Event of Statutory Default of which the Pledgee has given notice to the Pledgor and the Company;
p. the " **2007 Indenture** ": the indenture dated the sixteenth day of May two thousand and seven, by and among Central European Media Enterprises Ltd., as issuer, the Pledgor and the Company as guarantors, BNY Corporate Trustee Services Limited as trustee, The Bank of New York as security trustee, trustee, transfer agent and principal paying agent, and The Bank of New York (Luxembourg) S.A. as registrar and Luxembourg transfer agent and Luxembourg paying agent;
q. the " **2008 Indenture** ": the indenture dated the tenth day of March two thousand and eight between *inter alia* Central European Media Enterprises Ltd., as issuer, the Pledgor and the Company as guarantors and The Bank of New York, as Pledgee; and
r. the " **2009 Indenture** ": the indenture dated the seventeenth day of September two thousand and nine, between *inter alia* Central European Media Enterprises Ltd. as issuer, the Pledgor and the Company as guarantors, and The Law Debenture Trust Corporation p.l.c, as pledgee.

Agreement to pledge.

Article 2.

1. To secure the performance of the Secured Obligations, the Pledgor and the Pledgee hereby agree that the Pledgor will establish the Right of Pledge in favor of the Pledgee, which the Pledgee hereby accepts.
2. If and to the extent at any time it shall appear that any right of pledge created hereby or pursuant hereto shall not have the ranking as referred to above, the Pledgor and the Pledgee confirm, and – to the extent necessary – hereby further agree, that a valid right of pledge has or shall nevertheless have been created which shall have the highest possible ranking as permitted under Dutch law.

Pledge of shares.

Article 3.

1. To secure the performance of the Secured Obligations, the Pledgor hereby establishes the Right of Pledge in favor of the Pledgee, which the Pledgee hereby accepts. The Right of Pledge is one and indivisible *(één en ondeelbaar)* . The Right of Pledge shall not be affected by one or more but not all of the Secured Obligations being discharged or the Secured Obligations being amended. The Right of Pledge includes a right of pledge over all accessory rights *(afhankelijke rechten)* and all ancillary rights *(nevenrechten)* attached to the Shares.

2. The right of pledge on the Future Shares shall be effected *ipso facto* at the time the Pledgor becomes authorised to dispose (*beschikkingsbevoegd*) of such Future Shares and to the extent any further action shall be required to effectuate such right of pledge on Future Shares the Pledgor agrees to take such action and herewith grants an irrevocable power of attorney to the Pledgee to take such action on behalf of the Pledgor.

Voting rights.

Article 4.

1. The voting and other consensual rights and similar rights or powers attaching to the Shares or any part thereof (the " **Voting Rights** ") are hereby transferred by the Pledgor to the Pledgee under the conditions precedent (*opschortende voorwaarden*) of (i) the occurrence of a Voting Event and (ii) the termination and/or release of the Existing Rights of Pledge. This conditional transfer of Voting Rights was approved by the shareholders meeting of the Company in a written resolution adopted outside of a general meeting on the thirteenth day of October two thousand and ten. Until the occurrence of a Voting Event and subject to the termination and/or release of the Existing Rights of Pledge, the Pledgor may exercise any and all such Voting Rights, save:
   (a) that no such exercise may violate or be inconsistent with the express terms or purpose of this deed, the Existing Rights of Pledge, the Indenture, the 2007 Indenture, the 2008 Indenture, the 2009 Indenture, and/or the Revolving Credit Facility;
   (b) that no such exercise may have the effect of impairing the position or interests of the Pledgee hereunder; and
   (c) as set out in Article 4.2 below.
2. Upon the occurrence of a Voting Event and subject to the termination or release of the Existing Rights of Pledge:
   (a) any and all rights of the Pledgor to exercise the Voting Rights which it is entitled to exercise pursuant to Article 4.1 above shall cease automatically without further notice to the Pledgor being required and the Pledgee shall have the sole and exclusive right and authority to exercise such Voting Rights and shall be entitled to exercise or refrain from exercising such rights in such manner as the Pledgee may in its absolute discretion deem fit; and
   (b) the Pledgee shall immediately be entitled, at any time at its sole discretion, to effect the resignation of and/or to dismiss the directors of the Company or any of them, and to appoint new directors of the Company and the Pledgor hereby undertakes to do all things and execute all documents and instruments as may be required by the Pledgee to ensure the effectiveness of any such resignations, dismissals or appointments.

3. By signing this deed, the Company confirms (and the other parties agree) that a written notice from the Pledgee to the Company stating that a Voting Event has occurred, shall be sufficient for the Company to accept the Pledgee as being exclusively entitled to such rights and other powers which it is entitled to exercise pursuant to this Article 4 upon the occurrence of such a Voting Event and subject to the termination and/or release of the Existing Rights of Pledge.
4. In addition and without prejudice to the obligations of the Pledgor pursuant to the Revolving Credit Facility, the Indenture, the Amended Intercreditor Agreement and/or the New Intercreditor Agreement, the Pledgor and the Company agree to notify the Pledgee immediately of any event or circumstance which could be of material importance to the Pledgee with a view to the preservation and exercise of the Pledgee's rights under or pursuant to this deed, such as (without limitation) the filing of a petition for the bankruptcy (*faillissement*) of the Pledgor, the filing of a petition for a moratorium of payments (*surséance van betaling*) by the Pledgor, attachment or garnishment of the Pledgor's assets, the termination of any one of the Pledgor's commercial activities or its dissolution.
5. Upon the occurrence of a Voting Event and subject to the termination and/or release of the Existing Rights of Pledge, the Pledgee shall have the rights which the law attributes to holders of depositary receipts, issued with a company's co-operation, of shares in its capital.
6. During the term of the Right of Pledge, the foregoing provisions of this Article 4 with respect to the Voting Rights on the Present Shares also apply to the Future Shares. In addition, the Pledgor and the Pledgee shall, if reasonably practicable, at the time of or, if not practicable at such time, as soon as reasonably practicable after the acquisition of such Future Shares, arrange that the attribution of the Voting Rights attaching thereto shall be ratified if that is reasonably deemed necessary, in the Pledgee's sole discretion, to enable the Pledgee to exercise such voting rights upon the occurrence of the condition precedent as provided in Article 4.1 of this deed. If such ratification is, at the Pledgee's sole discretion, not obtained in time, the Pledgor shall fully co-operate in the taking of such other necessary measures relating to such transfer of voting rights as are proposed by the Pledgee.

Authority to collect.

Article 5.

1. The authority to collect dividends, distributions from reserves, repayments of capital and all other distributions and payments in any form, which, at any time, during the term of the Right of Pledge, become payable in respect of any one or more of the Shares, shall accrue to the Pledgee, as provided for in Section 3:246 of the Dutch Civil Code, subject to the termination and/or release of the Existing Rights of Pledge.
2. In derogation of the provisions of Article 5.1 above, the Pledgee hereby grants approval to the Pledgor to collect all dividends, distributions from reserves, repayments of capital and all other distributions and payments in any form, which, at any time, during the term of the Right of Pledge, become payable on any one or more of the Shares, subject to the termination and/or release of the Existing Rights of Pledge.

3. The Pledgee may terminate the authorization mentioned in Article 5.2 above upon occurrence of an Event of Default only. Termination of the authorization is made by written statement to that effect, by the Pledgee to the Pledgor, copied to the Company.
4. Any payment or distribution made to the Pledgor in contravention of the terms of this deed, shall be paid over by the Pledgor to the Pledgee for application in accordance with the terms of the New Intercreditor Agreement.

Further obligations of the Pledgor.

Article 6.

The Pledgor assumes the following obligations vis-à-vis the Pledgee:

a. on first demand in writing from the Pledgee, the Pledgor shall take all actions, and draw up and sign all supplementary documents as the Pledgee may consider necessary or desirable for the performance of the Pledgor's obligations under this deed, and to fully cooperate so as to enable the Pledgee to exercise his rights, with due regard to the relevant provisions of the Existing Rights of Pledge;
b. the Pledgor shall, on first demand from the Pledgee, submit to the Pledgee all requested material information and data with respect to the Shares;
c. during the term of the Right of Pledge, the Pledgor shall not alienate, pledge or in any other way encumber the Shares (depositary receipts for) shares and/or rights to acquire (depository receipts for) shares in the capital of the Company without the prior written consent of the Pledgee except for an encumbrance permitted in accordance with the provisions of the Revolving Credit Facility and the Indenture;
d. the Pledgor shall with due regard to the relevant provisions of the Existing Rights of Pledge provide that the (depositary receipts for) Future Shares and/or rights to acquire (depositary receipts for) Future Shares in the capital of the Company it acquires after execution of this deed shall be pledgeable, and that the transferability thereof shall not be more cumbersome than the transferability of the Shares;
e. whenever the Pledgor is aware that the Company is involved in the preparation of a legal merger or demerger as a result of which the Company would cease to exist, the Pledgor shall inform the Pledgee thereof in writing immediately;
f. whenever the Pledgor is aware that actions have been taken for the winding-up, dissolution, administration, bankruptcy, suspension of payments or reorganization of the Company, the Pledgor shall inform the Pledgee thereof in writing immediately.

Warranties. Declarations.

Article 7.

1. The Pledgor warrants to the Pledgee that, at this time, the following is correct:
   a. the Company is a private company with limited liability, legally established under the laws of the Netherlands by notarial deed, executed before H. van Wilsum, at that time civil law notary officiating in Amsterdam, the Netherlands, on the third day of August nineteen hundred and ninety-four. The articles of association of the Company were last partially amended by deed executed before a substitute of M.P. Bongard, civil law notary officiating in Amsterdam, the Netherlands, on the thirty-first day of May nineteen hundred and ninety-eight. A copy of the present articles of association shall be attached to this deed (***Annex II***) . The Company is currently registered in the Commercial Register in Amsterdam, the Netherlands, under number 33246826. A copy of the extract from the Commercial Register shall be attached to this deed (***Annex III***);

b. the Company has not been dissolved, and no resolution has been adopted to dissolve the Company, nor has any request therefore been filed, nor has any notice by the Chamber of Commerce, as described in Section 2:19a of the Dutch Civil Code, been received. The Company has not been declared bankrupt nor has a suspension of payment been granted, nor have any requests thereto been filed nor are any such petitions anticipated;

c. the shareholders' register of the Company is completely accurate and up to date. A copy of the shareholders' register is attached to this deed (***Annex IV***);

d. the entire issued share capital of the Company consists of two hundred thousand (200,000) ordinary shares, numbered 1 through 200,000; all of the issued shares are fully paid-up; the Company has not granted any rights to subscribe for shares in its capital which have not yet been exercised;

e. the Pledgor has a complete and unencumbered right to the Present Shares, with the exception of the Existing Rights of Pledge, and any attachments made after the date of this deed, and its rights to the Shares are not subjected to revocation (*herroeping*), rescission (*ontbinding*) or any form of annulment (*vernietiging*) whatsoever;

f. the Pledgor has not been deprived of the authority to alienate the Shares by virtue of Section 2:22a subsection 1 of the Dutch Civil Code;

g. the Shares are not subject to either (limited) rights or obligations to transfer to third parties or claims based on contracts of any nature and have not been encumbered with any attachment, except for the Existing Rights of Pledge;

h. the Pledgor is authorized to establish the Right of Pledge and is entitled to transfer the voting rights pertaining to the Shares to the Pledgee, subject to the Existing Rights of Pledge and in accordance with Article 4.1 above;

i. all resolutions and approvals, required for establishing the Right of Pledge with the transfer to the Pledgee of the voting rights pertaining to the Shares pursuant to Article 4.1 above, have been adopted and/or obtained respectively;

j. the obligations of the Pledgor and the Company vis-à-vis the Pledgee, resulting from the Revolving Credit Facility, the Indenture and this deed respectively, are lawful obligations of the Pledgor and the Company respectively and are legally enforceable against the Pledgor and the Company respectively subject to the New Intercreditor Agreement;

k. the assumption and performance by the Pledgor and the Company respectively of the obligations vis-à-vis the Pledgee resulting from the Revolving Credit Facility, the Indenture, the New Intercreditor Agreement and this deed are not contrary to any provision of applicable law or any agreement to which the Pledgor or the Company is a party, or by which the Pledgor or the Company is bound in any other way; and

l. the Pledgor has provided the Pledgee with all information and data with respect to the Shares which the Pledgor reasonably believes to be of importance to the Pledgee.

2. Furthermore, the Pledgor hereby declares:
the Pledgor has acquired the Present Shares as follows:
- as for the numbers 1 through 199,997 pursuant to a notarial deed of transfer of shares, executed before H. van Wilsum, mentioned above, on the nineteenth day of September nineteen hundred and ninety-four; and
- as for the numbers 199,999 and 200,000 pursuant to a notarial deed of issuance of shares, issued before H. van Wilsum, mentioned above, on the sixteenth day of December nineteen hundred and ninety-six.

Exercise of the Right of Pledge.
Article 8.

1. Upon the occurrence of an Event of Statutory Default, the Pledgee has (without any further notice (*ingebrekestelling*) being required), with due regard to the relevant provisions of the Existing Rights of Pledge and the New Intercreditor Agreement, the right to exercise all rights and powers which the Pledgee has under Dutch law as holder of a right of pledge over the Shares, and the Pledgee shall be authorized to sell the Shares or part thereof, in accordance with Section 3:248 of the Dutch Civil Code, without prejudice to the provision of Section 3:251 of the Dutch Civil Code, in order to recover the proceeds thereof.
2. The blocking clause contained in the articles of association of the Company shall apply to the transfer of the Shares by the Pledgee, it being understood that the Pledgee shall, with due regard to the relevant provisions of the Existing Rights of Pledge, exercise all of the Pledgor's rights relevant to the alienation and transfer of the Shares, and that the Pledgee shall fulfill the Pledgor's obligations relevant thereto.
3. The Pledgee shall be entitled, following a sale pursuant to this Article 8, to have the Present Shares and the Future Shares registered in the name of the new shareholder and - to the extent necessary, on behalf of the Pledgor - to perform any action and execute any agreement required by law or by the articles of association of the Company to that effect.

4. The terms and conditions and location of the public sale pursuant to this Article 8 shall be determined by the Pledgee, taking into consideration local practice and customary terms and conditions.
5 . In the event the Pledgee enforces execution of the Right of Pledge, the Pledgee shall, with due regard to the relevant provisions of the Existing Rights of Pledge, following payment of the enforcement costs from the proceeds, allocate the net proceeds to fulfill the Secured Obligations.
6 . The Pledgee does not bear the obligations referred to in Sections 3:249 and 3:252 of the Dutch Civil Code towards others than the Pledgor.

Termination.

Article 9.

1. The Right of Pledge shall terminate if and when (a) any and all Secured Obligations have been irrevocably and unconditionally fulfilled, or (b) any and all Secured Obligations have been otherwise terminated or cancelled.
2. The Pledgee shall be entitled to terminate the Right of Pledge in whole or in part at any time. Termination shall be effectuated by a written notification to that effect by the Pledgee to the Pledgor with copy to the Company.

Costs and expenses.

Article 10.

1. The Pledgor shall, within five Business Days (as defined in the New Intercreditor Agreement) of receipt of an invoice or other written evidence, pay the Pledgee the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing, execution and perfection of this deed and any other documents referred to in this deed.
2. The Pledgor shall, within five Business Days (as defined in the New Intercreditor Agreement) of demand, pay to the Pledgee the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights of the Pledgee under this deed.
3. If the Pledgor requests an amendment, waiver, release or consent in relation to this deed, the Pledgor shall, within five Business Days (as defined in the New Intercreditor Agreement) of receipt of an invoice or other written evidence, reimburse the Pledgee for the amount of all costs and expenses (including legal, notarial and other advisors' fees) reasonably incurred by the Pledgee in responding to, evaluating, negotiating or complying with that request or requirement.
4. The Pledgor shall pay all stamp, registration, notarial and other taxes or fees to which this deed or any judgement given in connection with this deed, is or at any time may be, subject and shall, from time to time, fully indemnify the Pledgee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or any delay in paying any tax or fee.

Final provisions.
Article 11.

1. Any notices or other communication under or in connection with this deed shall be in writing in the English language and shall be delivered personally or by registered mail or fax. Proof of posting shall be deemed to be proof of receipt:
   (i) in the case of hand delivery: on the day the notice is received by recipient;
   (ii) in the case of a registered letter: on the third business day after posting; or
   (iii) in the case of a fax transmission: upon receipt of fax confirmation.

   Notices and other communications under this deed may in each case be sent to the following address of the parties hereto:
   Address Pledgor :
   Central European Media Enterprises N.V.
   c/o Curaçao Corporation Company N.V.
   Schottegatweg Oost 44,
   Curaçao
   Fax number: + 5999 732 2500
   Attention: Managing Director
   with a copy to:
   CME Development Corporation
   52 Charles Street
   London W1J 5EU
   United Kingdom
   Fax number: +44 2071275801
   Attention: Legal Department
   Address Pledgee :
   BNP Paribas Trust Corporation UK Limited
   55 Moorgate, London, EC2R 6PA,
   United Kingdom
   Fax Number: +44 207 595 5078
   Attention: The Directors
   Address of the Company :
   CME Media Enterprises B.V.
   Dam 5B
   1012 JS Amsterdam
   The Netherlands
   Fax number: +31 204231404
   Attention: Finance Officer
   with a copy to:
   CME Development Corporation
   52 Charles Street
   London W1J 5EU
   United Kingdom
   Fax number: +44 2071275801
   Attention: Legal Department
   or such other address or fax number as notified by the relevant party by not less than five business days prior notice.

2. As to the existence and composition of the Secured Obligations, a written statement by the Pledgee made in accordance with his books shall constitute full proof, subject to proof to the contrary, it being understood that in the event of a disagreement with respect thereto, the Pledgee shall be authorized to exercise his right of execution, with due observance of the obligation of the Pledgee to pay over all amounts which afterwards would appear to be received by him in excess of his rights and with due regard to the relevant provisions of the Existing Rights of Pledge.
3. The Right of Pledge, including all provisions of this deed, shall be governed by the laws of the Netherlands.
4. All disputes relating to the Right of Pledge shall be submitted exclusively to the competent court of law in Amsterdam, the Netherlands.
5. If a provision of this deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the legality, validity or enforceability of any other provision of this deed and the legality, validity or enforceability in other jurisdictions of that or any other provision of this deed.
6. The Pledgor, the Company and the Pledgee hereby waive, to the fullest extent permitted by law, their right to rescind (*ontbinden*) this deed pursuant to failure in the performance of one or more of their obligations as referred to in Section 6:265 of the Dutch Civil Code or on any other ground, to suspend (*opschorten*) any of its obligations under this deed pursuant to section 6:52, 6:262 or 6:263 of the Dutch Civil Code or on any other ground, and to nullify (*vernietigen*) this deed pursuant to section 6:228 of the Dutch Civil Code or on any other ground.
7. The Pledgee shall not be obligated to give notice of a sale to someone other than to the Pledgor as referred to in the Sections 3:249 and 3:252 of the Dutch Civil Code.
8. Neither the Pledgee nor any of its officers, employees or agents will be in any way liable or responsible to the Pledgor for any loss or liability of any kind arising from any act or omission by it of any kind (whether as mortgagee in possession or otherwise) in relation to the Right of Pledge or this deed, except to the extent caused by its own gross negligence or wilful misconduct.
9. The Pledgor shall promptly indemnify the Pledgee and any delegate, agent, attorney or co-trustee appointed by the Pledgee against any cost, loss or liability (together with any applicable VAT) incurred by any of them:
    (a) in relation to or as a result of: (i) any failure by the Pledgor to comply with its obligations under Article 10 of this deed; (ii) the taking, holding, protection or enforcement of the Right of Pledge; (iii) the exercise of any of the rights, powers, discretions and remedies vested in the Pledgee by the Finance Documents (as defined in the Revolving Credit Facility) or by law; or (iv) any default by the Pledgor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents (as defined in the Revolving Credit Facility); or
    (b) which otherwise relates to the Right of Pledge or any other amounts or property which the Pledgee is required by the terms of the Finance Documents (as defined in the Revolving Credit Facility) to hold as trustee on trust or the performance of the terms of this deed (otherwise than as a result of its gross negligence or wilful misconduct).

10. The Pledgor is not entitled to file a request with the *voorzieningenrechter* of the district court to sell the Shares in a manner which deviates from the sale in public as referred to in Section 3:251 paragraph 1 of the Dutch Civil Code.

FINALLY, THE COMPANY HAS DECLARED:

a. that it acknowledges the aforementioned Right of Pledge;
b. that it has been informed of the provisions under which the Right of Pledge is established, and fully cooperates with the implementation thereof;
c. that no facts or circumstances are known to the Company, which in any way are inconsistent with the warranties and declarations of the Pledgor stated in this deed;
d. it shall register in the Company's shareholders' register that the Shares are encumbered with a fourth priority right of pledge in favor of the Pledgee, that, subject to the provisions of Article 4, the Pledgee has the Voting Rights and to whom, the Pledgor or the Pledgee, the rights accrue which the law attributes to holders of depositary receipts of shares in the capital of a company which are issued with its co-operation;
e. that all resolutions and approvals required from the Company for establishing a fourth priority right of pledge on the Shares by the Pledgor in favor of the Pledgee under the provisions contained in this deed, have been adopted and received respectively;
f. that it is a private company with limited liability, duly incorporated and validly existing under the laws of the Netherlands and is registered in the Commercial Register in Amsterdam, the Netherlands, under number 33246826 and that the information contained in the Commercial Register is correct and complete;
g. that the Company has not been dissolved, nor has a resolution to dissolve the Company been approved nor has a petition been filed to dissolve the Company, nor has a notice from the Chamber of Commerce pursuant to Section 2:19a paragraph 3 of the Dutch Civil Code been received; and
h. that the Company has not been declared bankrupt, nor has a suspension of payments, including any other types of regulations with similar legal consequences been granted, nor have any petitions thereto been filed nor are any such petitions expected.

End.

The persons appearing are known to me, civil law notary.

This deed was executed in Amsterdam, the Netherlands, on the date stated in the first paragraph of this deed. The contents of the deed have been stated and clarified to the persons appearing. The persons appearing have declared not to wish the deed to be fully read out, to have noted the contents of the deed timely before its execution and to agree with the contents. After limited reading, this deed was signed first by the persons appearing and thereafter by me, civil law notary.

/s/ W.A. Smeenk /s/ J.H.G. Visser
/s/ R.R. de Groot

Exhibit 10.43

DEED OF AMENDMENT

relating to an Intercreditor Agreement dated 21 July 2006
as amended and restated by a Deed of Amendment dated 16 May 2007,
by a Deed of Amendment dated 22 August 2007,
by a Deed of Amendment dated 10 March 2008,
by a Deed of Amendment dated 17 September 2009,
and by a Deed of Amendment dated 29 September 2009.

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.
CME MEDIA ENTERPRISES B.V.
as Obligors

and

BNY CORPORATE TRUSTEE SERVICES LIMITED
THE BANK OF NEW YORK MELLON
(formerly THE BANK OF NEW YORK)
as 2007 Trustee

and

THE BANK OF NEW YORK MELLON
(formerly THE BANK OF NEW YORK)
as 2008 Trustee

and

THE BANK OF NEW YORK MELLON ,
acting through its London Branch
as 2009 Note Trustee
and
THE LAW DEBENTURE TRUST CORPORATION p.l.c.
as 2009 Security Trustee

CITIBANK, N.A., LONDON BRANCH
as 2010 Notes Trustee
BNP PARIBAS TRUST CORPORATION UK LIMITED
as 2010 Security Trustee
and
BNP PARIBAS S.A.
as 2010 Agent

CONTENTS

THIS DEED is dated 21 October 2010 and made between:

(A) **CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.** , a company established under the laws of Bermuda (the " **Company** ");

(B) **CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.** a company established under the laws of Netherlands Antilles (" **CME N.V.** ");

(C) **CME MEDIA ENTERPRISES B.V.** a company established under the laws of the Netherlands (" **CME B.V.** ");

(D) **BNY CORPORATE TRUSTEE SERVICES LIMITED** acting in its capacity as Trustee and **THE BANK OF NEW YORK MELLON** (formerly **THE BANK OF NEW YORK**) acting is its capacity as Security Trustee under the 2007 Indenture (together, the " **2007 Trustee** ");

(E) **THE BANK OF NEW YORK MELLON** (formerly **THE BANK OF NEW YORK**) (acting in its capacity as Trustee and Security Trustee under the 2008 Indenture) (the " **2008 Trustee** ");

(F) **THE BANK OF NEW YORK MELLON,** acting through its London branch (acting in its capacity as Note Trustee under the 2009 Indenture) and **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** (acting in its capacity as Security Trustee under the 2009 Indenture) (together, where the context permits the " **2009 Trustee** ");

(G) **CITIBANK, N.A., LONDON BRANCH,** (acting in its capacity as Trustee under the 2010 Indenture) (the " **2010 Notes Trustee** ");

(H) **BNP PARIBAS TRUST CORPORATION UK LIMITED** (acting in its capacity as Security Trustee in respect of both the 2010 Indenture and the 2010 RCF) (the " **2010 Security Trustee** "); and

(I) **BNP PARIBAS S.A.** , acting in its capacity as the Agent under the 2010 RCF) (the " **2010 Agent** ").

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Deed:

" **2007 Indenture** " means an Indenture dated 16 May 2007 among the Company, CME N.V., CME B.V., the 2007 Trustee, The Bank of New York Mellon (formerly The Bank of New York) as Transfer Agent and Principal Paying Agent, and The Bank of New York Mellon (Luxembourg) S.A. as Registrar, Luxembourg Transfer Agent and Luxembourg Paying Agent.

" **2008 Indenture** " means an Indenture dated 10 March 2008, between, amongst others, the Company, CME N.V., CME B.V., the 2008 Trustee, The Bank of New York Mellon (formerly The Bank of New York) as Transfer Agent, Principal Paying Agent, and Conversion Agent.

" **2009 Indenture** " means an Indenture dated 17 September 2009, between, amongst others, the Company, CME N.V., CME B.V., the 2009 Note Trustee, the 2009 Security Trustee, The Bank of New York Mellon, acting through its London Branch as Transfer Agent and Principal Paying Agent and The Bank of New York Mellon (Luxembourg) S.A. as Registrar, Transfer Agent and Paying Agent.

" **2010 Indenture** " means an Indenture dated on or about the date hereof, between, amongst others, CET 21, the 2010 Notes Trustee, Citibank, N.A., London Branch as Transfer Agent and Paying Agent and Citigroup Global Markets Deutschland AG as Registrar.

" **2010 RCF** " means a senior secured revolving credit facility dated on or about the date hereof, between, amongst others, CET 21 spol. s r.o. (" **CET 21** "), the 2010 Security Trustee, the 2010 Agent, and the Original Lenders and the Arrangers (as such terms are defined therein).

" **Obligors** " means the Company, CME N.V. and CME B.V.

" **Original Agreement** " means the Intercreditor Agreement dated 21 July 2006, between the Obligors, The Bank of New York Mellon (formerly JPMorgan Chase Bank, N.A., London Branch) as Trustee and Security Trustee, and the European Bank for Reconstruction and Development, as amended and restated by a Deed of Amendment dated 16 May 2007, by a Deed of Amendment dated 22 August 2007, by a Deed of Amendment dated 10 March 2008, by a Deed of Amendment dated 17 September 2009 and as further amended and restated by a Deed of Amendment dated 29 September 2009.

" **Restated Agreement** " means the Original Agreement, as amended and restated by this Deed, and the terms of which are set out in Schedule 1 (*Restated Agreement*).

1.2 **Incorporation of defined terms**

(a) Unless a contrary indication appears, a term defined in the draft Restated Agreement attached as Schedule 1 to this Deed has the same meaning in this Deed.

(b) The principles of construction set out in the draft Restated Agreement attached as Schedule 1 to this Deed shall have effect as if set out in this Deed.

1.3 **Clauses**

In this Deed any reference to a "Clause" or a "Schedule" is, unless the context otherwise requires, a reference to a Clause or a Schedule to this Deed.

2. **RESTATEMENT OF THE ORIGINAL AGREEMENT**

With effect from the date of this Deed, the Original Agreement shall be amended and restated in the form set out in Schedule 1 (*Restated Agreement*).

3. **FURTHER ASSURANCE**

The Company shall ensure that each Obligor shall, at the request of the 2007 Trustee, the 2008 Trustee, the 2009 Security Trustee (acting on the instructions of the 2009 Note Trustee) or the 2010 Security Trustee (acting on the instructions of the 2010 Notes Trustee and/or the 2010 Agent, as the case may be), and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Deed.

4. **MISCELLANEOUS**

4.1 **Incorporation of terms**

The provisions of Article 4.02 (*Entire Agreement; Amendment and Waiver*), Article 4.03 (*Notices*), Article 4.04 (*Governing Law and Arbitration*) sub-paragraph (b), and Article 4.05 (*Successors and Assigns; Third Party Rights*) of the Restated Agreement shall be incorporated into this Deed as if set out in full in this Deed and as if references in those clauses to "this Agreement" are references to this Deed.

4.2 **Counterparts**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

5. **GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed and construed in accordance with English law.

This Deed has been entered into on the date stated at the beginning of this Deed.

SCHEDULE 1
RESTATED AGREEMENT

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INTERCREDITOR AGREEMENT

between

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.
CME MEDIA ENTERPRISES B.V.
as Obligors

and

BNY CORPORATE TRUSTEE SERVICES LIMITED
THE BANK OF NEW YORK MELLON
(formerly THE BANK OF NEW YORK)
as 2007 Trustee

THE BANK OF NEW YORK MELLON
(formerly THE BANK OF NEW YORK)
as 2008 Trustee

and

THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH
as 2009 Note Trustee
THE LAW DEBENTURE TRUST CORPORATION p.l.c.
as 2009 Security Trustee

CITIBANK, N.A., LONDON BRANCH
as 2010 Notes Trustee
BNP PARIBAS TRUST CORPORATION UK LIMITED
as 2010 Security Trustee
and
BNP PARIBAS S.A.
as 2010 Agent

Dated 21 July 2006
(as amended and restated by a
Deed of Amendment dated 16 May 2007,
by a Deed of Amendment dated 22 August 2007
by a Deed of Amendment dated 10 March 2008
by a Deed of Amendment dated 17 September 2009
by a Deed of Amendment dated 29 September 2009
and by a Deed of Amendment dated 21 October 2010)

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INTERCREDITOR AGREEMENT

AGREEMENT entered into as a Deed and dated 21 July 2006 (and amended and restated on 16 May, 2007, on 22 August 2007, 10 March 2008, 17 September 2009, 29 September 2009 and as further amended and restated on 21 October 2010) between **CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.** (the " **Company** "), **CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.** (" **CME N.V.** "), **CME MEDIA ENTERPRISES B.V.** (" **CME B.V.** ") (the Company, CME N.V. and CME B.V. together, the " **Obligors** "), **BNY CORPORATE TRUSTEE SERVICES LIMITED** (in its capacity as Trustee under the 2007 Indenture), **THE BANK OF NEW YORK MELLON** (formerly **THE BANK OF NEW YORK)** (in its capacity as Security Trustee under the 2007 Indenture) (together, the " **2007 Trustee** "), **THE BANK OF NEW YORK MELLON** (formerly **THE BANK OF NEW YORK)** (in its capacity as Trustee and Security Trustee under the 2008 Indenture) (the " **2008 Trustee** "), **THE BANK OF NEW YORK MELLON, acting through its London branch** (in its capacity as Note Trustee under the 2009 Indenture), **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** (in its capacity as Security Trustee under the 2009 Indenture) (together, where the context permits, the " **2009 Trustee** "), **CITIBANK, N.A., LONDON BRANCH** (in its capacity as Trustee under the 2010 Indenture), **BNP PARIBAS TRUST CORPORATION UK LIMITED** (in its capacity as joint Security Trustee in respect of both the 2010 Indenture and the 2010 RCF) and **BNP PARIBAS S.A.** (in its capacity as the Agent under the 2010 RCF) (the " **2010 Agent** ").

PREAMBLE

WHEREAS , pursuant to an Indenture dated 16 May 2007 (the " **2007 Indenture** ") among the Company, CME N.V., CME B.V., the 2007 Trustee, The Bank of New York Mellon (formerly The Bank of New York) as Transfer Agent and Principal Paying Agent, The Bank of New York Mellon (Luxembourg) S.A. as Registrar, Luxembourg Transfer Agent and Luxembourg Paying Agent, the Company has created and issued the 2007 Notes in an aggregate principal amount of €150,000,000, subject to the terms and conditions set forth in the 2007 Indenture;

WHEREAS , pursuant to an Indenture dated 10 March 2008 (the " **2008 Indenture** ") between, amongst others, the Company, CME N.V., CME B.V., the 2008 Trustee, The Bank of New York Mellon (formerly The Bank of New York) as Transfer Agent, Principal Paying Agent and Conversion Agent, the Company has created and issued the 2008 Notes in an aggregate principal amount of $475,000,000, subject to the terms and conditions set forth in the 2008 Indenture;

WHEREAS , pursuant to an Indenture dated 17 September 2009 (the " **2009 Indenture** ") between, amongst others, the Company, CME N.V., CME B.V., the 2009 Note Trustee, the 2009 Security Trustee, The Bank of New York Mellon, acting through its London Branch as Transfer Agent and Principal Paying Agent and The Bank of New York Mellon (Luxembourg) S.A. as Registrar, Transfer Agent and Paying Agent, the Company has created and issued the 2009 Notes in an aggregate principal amount of €440,000,000, subject to the terms and conditions set forth in the 2009 Indenture;

WHEREAS , pursuant to an Indenture dated 21 October 2010 (the " **2010 Indenture** ") between, amongst others, CET 21 spol. s r.o. (" **CET 21** "), the 2010 Notes Trustee, Citibank, N.A., London Branch as Transfer Agent and Paying Agent and Citigroup Global Markets Deutschland AG as Registrar, CET 21 has created and issued the 2010 Notes in an aggregate principal amount of €170,000,000, subject to the terms and conditions set forth in the 2010 Indenture;

WHEREAS , pursuant to a senior secured revolving credit facility dated 21 October 2010 (the " **2010 RCF** ") between, amongst others, CET 21, the 2010 Security Trustee, the 2010 Agent, the Original Lenders and the Arrangers (as such terms are defined therein), the lenders thereunder have agreed to make available to CET 21 revolving credit facility in aggregate amount of up to CZK1,500,000,000;

WHEREAS , the Obligors (1) have provided the 2007 Notes Security to the 2007 Trustee as security for the prompt payment when due of all amounts payable in respect of the 2007 Notes Debt; (2) have provided the 2008 Notes Security to the 2008 Trustee for the prompt payment when due of all amounts payable in respect of the 2008 Notes Debt; (3) have provided the 2009 Notes Security to the 2009 Security Trustee for the prompt payment when due of all amounts payable in respect of the 2009 Notes Debt; and (4) have provided or will provide the 2010 Security to the 2010 Security Trustee for the prompt payment when due of all amounts payable in respect of the 2010 Debt; and

WHEREAS , the Parties wish to formalise the manner in which the 2007 Trustee, the 2008 Trustee, the 2009 Security Trustee and the 2010 Security Trustee will share in and enforce the Security on a *pari passu* basis.

NOW, THIS DEED WITNESSETH AND IT IS HEREBY AGREED as follows:

ARTICLE 1 - DEFINITIONS

Section 1.01. Definitions

Wherever used in this Agreement (including the Preamble), unless stated otherwise or the context otherwise requires, the terms defined in the Preamble have the respective meanings given to them therein and the following terms have the following meanings:

"2007 Notes"	means the outstanding debt securities issued under the 2007 Indenture.
"2007 Notes Creditor"	means each holder of the 2007 Notes and/or the 2007 Trustee (on its own behalf and as applicable on behalf of the holders of the 2007 Notes).
"2007 Notes Debt"	means all Liabilities of any Obligor to any 2007 Notes Creditor under or in connection with the 2007 Notes Finance Documents.
"2007 Notes Discharge Date"	means the date on which the 2007 Trustee is satisfied that all of the 2007 Notes Debt has been irrevocably and unconditionally paid and discharged and all rights of the Company to create and issue further 2007 Notes under the 2007 Indenture have been cancelled.

"2007 Notes Finance Documents"	means the 2007 Indenture and the 2007 Notes Security Documents.
"2007 Notes Security"	means the "Collateral" as such term is defined in Section 11.1 of the 2007 Indenture.
"2007 Notes Security Documents"	means the "Security Documents" as such term is defined in Section 11.1 of the 2007 Indenture, and includes (a) the pledge of shares in CME N.V. granted on or about the date hereof by the Company in favour of the 2007 Trustee; (b) the pledge of shares in CME B.V. granted on or about the date hereof by CME N.V. in favour of the 2007 Trustee; and (c) the security assignment dated on or about the date hereof between the Company, CME B.V. and the 2007 Trustee and relating to the rights, interests and benefits under the Framework Agreement dated 13 December, 2004 (as amended) between the Company, CME B.V. and PPF (Cyprus) Ltd.
"2007 Trustee"	means BNY Corporate Trustee Services Limited as Trustee under the 2007 Indenture and where relevant The Bank of New York Mellon (formerly The Bank of New York) as Security Trustee under the 2007 Indenture.
"2008 Notes"	means the outstanding convertible debt securities issued under the 2008 Indenture.
"2008 Notes Creditor"	means each holder of the 2008 Notes and/or the 2008 Trustee (on its own behalf and as applicable on behalf of the holders of the 2008 Notes).
"2008 Notes Debt"	means all Liabilities of any Obligor to any 2008 Notes Creditor under or in connection with the 2008 Notes Finance Documents.
"2008 Notes Discharge Date"	means the date on which the 2008 Trustee is satisfied that all of the 2008 Notes Debt has been irrevocably and unconditionally paid and discharged and all rights of the Company to create and issue further 2008 Notes under the 2008 Indenture have been cancelled.
"2008 Notes Finance Documents"	means the 2008 Indenture and the 2008 Notes Security Documents.
"2008 Notes Security"	means the "Collateral" as such term is defined in Section 12.01 of the 2008 Indenture.
"2008 Notes Security Documents"	means the "Security Agreements" as such term is defined in Section 12.01 of the 2008 Indenture, and includes (a) the pledge of shares in CME N.V. granted on or about the date hereof by the Company in favour of the 2008 Trustee; (b) the pledge of shares in CME B.V. granted on or about the date hereof by CME N.V. in favour of the 2008 Trustee; and (c) the security assignment dated on or about the date hereof between the Company, CME B.V. and the 2008 Trustee and relating to the rights, interests and benefits under the Framework Agreement dated 13 December, 2004 (as amended) between the Company, CME B.V. and PPF (Cyprus) Ltd.

"2008 Trustee"	means The Bank of New York Mellon (formerly The Bank of New York) as Trustee under the 2008 Indenture and where relevant as Security Trustee under the 2008 Indenture.
"2009 Notes"	means the outstanding debt securities issued under the 2009 Indenture.
"2009 Notes Creditor"	means each holder of the 2009 Notes and/or the 2009 Note Trustee (on its own behalf and as applicable on behalf of the holders of the 2009 Notes) and/or the 2009 Security Trustee (on its own behalf and as applicable on behalf of the holders of the 2009 Notes).
"2009 Notes Debt"	means all Liabilities of any Obligor to any 2009 Notes Creditor under or in connection with the 2009 Notes Finance Documents.
"2009 Notes Discharge Date"	means the date on which the 2009 Security Trustee (acting on instructions of the 2009 Note Trustee) is satisfied that all of the 2009 Notes Debt has been irrevocably and unconditionally paid and discharged and all rights of the Company to create and issue further 2009 Notes under the 2009 Indenture have been cancelled.
"2009 Notes Finance Documents"	means the 2009 Indenture and the 2009 Notes Security Documents.
"2009 Notes Security"	means the "Collateral" as such term is defined in Section 1.1 of the 2009 Indenture.
"2009 Notes Security Documents"	means the "Security Documents" as such term is defined in Section 11.1 of the 2009 Indenture, and includes (a) the pledge of shares in CME N.V. granted on or about the date hereof by the Company in favour of the 2009 Security Trustee; (b) the pledge of shares in CME B.V. granted on or about the date hereof by CME N.V. in favour of the 2009 Security Trustee; and (c) the security assignment dated on or about the date hereof between the Company, CME B.V. and the 2009 Security Trustee and relating to the rights, interests and benefits under the Framework Agreement dated 13 December, 2004 (as amended) between the Company, CME B.V. and PPF (Cyprus) Ltd.

“2009 Security Trustee”	means The Law Debenture Trust Corporation p.l.c. as Security Trustee under the 2009 Indenture.
“2009 Trustee”	means The Bank of New York Mellon, acting through its London branch as Note Trustee under the 2009 Indenture.
“2010 Agent”	means BNP Paribas S.A. as Agent under the 2010 RCF.
“2010 Debt”	means the 2010 Notes Debt and the 2010 RCF Debt.
“2010 Finance Documents”	means the 2010 Notes Finance Documents and the 2010 RCF Finance Documents.
“2010 Notes”	means the outstanding debt securities issued under the 2010 Indenture.
“2010 Notes Creditor”	means each holder of the 2010 Notes and/or the 2010 Note Trustee (on its own behalf and as applicable on behalf of the holders of the 2010 Notes).
“2010 Notes Debt”	means all Liabilities of CET 21 to any 2010 Notes Creditor under or in connection with the 2010 Notes Finance Documents.
“2010 Notes Discharge Date”	means the date on which the 2010 Security Trustee (acting on the instructions of the 2010 Notes Trustee) is satisfied that all of the 2010 Notes Debt has been irrevocably and unconditionally paid and discharged and all rights of CET 21 to create and issue further 2010 Notes under the 2010 Indenture have been cancelled.
“2010 Notes Finance Documents”	means the 2010 Indenture and the 2010 Security Documents.
“2010 Notes Trustee”	means Citibank, N.A., London Branch as Trustee under the 2010 Indenture.
“2010 RCF Creditor”	means each Finance Party as defined in the 2010 RCF).
“2010 RCF Debt”	means all Liabilities of CET 21 to any 2010 RCF Creditor under or in connection with the 2010 RCF Finance Documents.
“2010 RCF Discharge Date”	means the date on which the 2010 Security Trustee (acting on the instructions of the 2010 Agent) is satisfied that all of the 2010 RCF Debt has been irrevocably and unconditionally paid and discharged and all rights of CET 21 to borrow further amounts under the 2010 RCF have been cancelled.

"2010 RCF Finance Documents"	means the 2010 RCF and the 2010 Security Documents.
"2010 Security"	means the security created pursuant to the 2010 Security Documents.
"2010 Security Documents"	means the (a) the pledge of shares in CME N.V. granted on or about the date hereof by the Company in favour of the 2010 Security Trustee; and (b) the pledge of shares in CME B.V. granted on or about the date hereof by CME N.V. in favour of the 2010 Security Trustee.
"2010 Security Trustee"	means BNP Paribas Trust Corporation UK Limited as joint Security Trustee in respect of the 2010 Indenture and the 2010 RCF.
"Amount Outstanding"	means the aggregate of the Liabilities at any time and from time to time owing and unpaid by any of the Obligors in respect of the 2007 Notes Debt, the 2008 Notes Debt, the 2009 Notes Debt and the 2010 Debt.
"CZK"	means the lawful currency of the Czech Republic.
"Distribution Moneys"	means any moneys received by any of the Secured Parties or any person acting on behalf, or on the instructions, of any of them from the enforcement of the Security or any part thereof.
"Enforcement Notice"	shall have the meaning ascribed to it in Section 3.04(e).
"Euro" or "€"	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty Establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam.
"Finance Document"	means each of the 2007 Notes Finance Documents, the 2008 Notes Finance Documents, the 2009 Notes Finance Documents and the 2010 Finance Documents and this Agreement.
"Foreign Exchange Event"	means the unavailability of foreign exchange, or any prohibition or restriction imposed as a result of a moratorium or debt rescheduling by the central bank or any other governmental agency or authority within any relevant jurisdiction where the payment of any Amount Outstanding shall be made or where any Distribution Monies are recovered.

"Liability"	means, in relation to any Finance Document, any present or future liability (actual or contingent) which is or may be payable or owing under or in connection with that Finance Document, whether or not matured or liquidated, including (without limitation) in respect of principal, interest, default interest, commission, charges, fees, expenses, indemnities and other amounts provided for therein.
"Party"	means any Obligor, the 2007 Trustee, the 2008 Trustee, the 2009 Trustee, the 2010 Security Trustee, the 2010 Notes Trustee or the 2010 Agent as the context requires.
"Prior Party"	means, (i) in relation to the 2008 Trustee: the 2007 Trustee; (ii) in relation to the 2009 Trustee: the 2007 Trustee, and/or the 2008 Trustee; and (iii) in relation to the 2010 Security Trustee: the 2007 Trustee, the 2008 Trustee, and/or the 2009 Trustee.
"Secured Parties"	means the 2007 Trustee, the 2008 Trustee, the 2009 Security Trustee and the 2010 Security Trustee.
"Security"	means the 2007 Notes Security, the 2008 Notes Security, the 2009 Notes Security and the 2010 Security.
"Security Documents"	means the 2007 Notes Security Documents, the 2008 Notes Security Documents, the 2009 Notes Security Documents and the 2010 Security Documents.
"Subsequent Party"	means, (i) in relation to the 2007 Trustee: the 2008 Trustee, the 2009 Trustee and the 2010 Security Trustee; (ii) in relation to the 2008 Trustee: the 2009 Trustee and the 2010 Security Trustee and (ii) in relation to the 2009 Trustee: the 2010 Security Trustee.
"USD" or "$"	means the lawful currency of the United States of America.

Section 1.02. Interpretation

(a) In this Agreement, unless the context otherwise requires, words denoting the singular include the plural and vice versa, words denoting persons include corporations, partnerships and other legal persons and references to a person include its successors and permitted assigns.

(b) In this Agreement, a reference to a specified Article or Section shall be construed as a reference to that specified Article or Section of this Agreement.

(c) In this Agreement, a reference to an agreement shall be construed as a reference to such agreement as it may be amended, varied, supplemented, novated or assigned from time to time.

(d) In this Agreement, the headings and the Table of Contents are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

Section 1.03. Effect as a Deed

This Agreement is intended to take effect as a Deed.

ARTICLE 2 - CONSENT AND ACKNOWLEDGEMENT

Section 2.01. Consent and Acknowledgement

(a) The 2007 Trustee hereby acknowledges the creation and existence of the 2008 Notes Security, the 2009 Notes Security and the 2010 Security on a *pari passu* basis with the 2007 Notes Security in right and priority of payment, without any preference between themselves.

(b) The 2008 Trustee hereby acknowledges the creation and existence of the 2007 Notes Security, the 2009 Notes Security and the 2010 Security on a *pari passu* basis with the 2008 Notes Security in right and priority of payment, without any preference between themselves.

(c) The 2009 Trustee hereby acknowledges the creation and existence of the 2007 Notes Security, the 2008 Notes Security and the 2010 Security on a *pari passu* basis with the 2009 Notes Security in right and priority of payment, without any preference between themselves.

(d) Each of the 2010 Security Trustee, the 2010 Notes Trustee and the 2010 Agent hereby acknowledges the creation and existence of the 2007 Notes Security, the 2008 Notes Security and the 2009 Notes Security on a *pari passu* basis with the 2010 Security in right and priority of payment, without any preference between themselves.

(e) The Obligors hereby agree to the terms of this Agreement and undertake with the Secured Parties to observe the provisions hereof and not to do or omit to do anything which may prejudice or adversely affect the enforcement of such provisions.

ARTICLE 3 - SHARING AND ENFORCEMENT

Section 3.01. Application of Distribution Moneys

(a) Unless and until the whole of the Amount Outstanding has been paid in full, all Distribution Moneys shall, as between the 2007 Trustee, the 2008 Trustee, the 2009 Trustee and the 2010 Security Trustee, be applied and divided as follows:

(1) first, pro rata in paying all proper costs, charges and expenses incurred by the Secured Parties in the enforcement of the Security or any part thereof or otherwise in collecting Distribution Moneys, which will be pro rata to the Amount Outstanding under the 2007 Notes Debt, the 2008 Notes Debt, the 2009 Notes Debt and the 2010 Debt respectively;

(2) next, pro rata in paying to each of the Secured Parties the part of the Amount Outstanding which is due and payable to it in respect of the 2007 Notes Debt, the 2008 Notes Debt, the 2009 Notes Debt and the 2010 Debt respectively, and, if applicable, in accordance with Section 3.01(b); and

(3) last, in paying the surplus (if any) to the person or persons entitled thereto.

(b) If the Distribution Moneys are or may be insufficient to pay in full all amounts due under Section 3.01(a)(1) or 3.01(a)(2), as the case may be, then the Distribution Moneys shall be apportioned for payment under Section 3.01(a)(1) or 3.01(a)(2), as the case may be, ratably and without preference or priority between the Secured Parties in the proportions that the part of the Amount Outstanding which is due in respect of, respectively, the 2007 Notes Debt, the 2008 Notes Debt, the 2009 Notes Debt and the 2010 Debt at the date of such payment bears to the whole of the Amount Outstanding at such date. Pending such payment, such Distribution Moneys shall be held in a segregated interest-bearing deposit account, and interest thereon shall form part of the Distribution Moneys for payment under Section 3.01(a)(1) or 3.01(a)(2).

(c) Notwithstanding any other provision of this Agreement, during the existence of a Foreign Exchange Event, none of the Secured Parties shall be required to share with the others any Distribution Moneys in a currency other than the local currency of the jurisdiction of such recovery (in this Section 3.01(c) referred to as the " **Local Currency** ") or proceeds of any Distribution Moneys which it recovers pro rata in accordance with Section 3.01(a) and 3.01(b) in any currency other than the Local Currency.

Section 3.02. Notional Conversion of Amounts

For the purposes of determining the respective entitlements of the Secured Parties between themselves at any time or from time to time to any Distribution Moneys, the Secured Parties shall use Euro as the currency of reference. Any amounts expressed in currencies other than Euro shall be notionally converted into Euro at the effective rate of exchange for buying Euro on the date of such payment as notified by the European Central Bank. If, in the case of any particular currency, there is no such effective rate of exchange on such date, any amount expressed in that currency shall be notionally converted into Euro at such rate of exchange as may be reasonably determined by the 2007 Trustee (in respect of the 2007 Notes Debt), the 2008 Trustee (in respect of the 2008 Notes Debt), the 2009 Note Trustee (in respect of the 2009 Notes Debt), the 2010 Note Trustee (in respect of the 2010 Notes Debt) and the 2010 Agent (in respect of the 2010 RCF Debt) on the basis of the most recent information provided by the International Monetary Fund.

Section 3.03. Trust

In the event that any of the Secured Parties receives any Distribution Moneys in excess of their respective entitlement under this Article, such Secured Party shall promptly notify the remaining Secured Parties and hold any such excess moneys in trust for the remaining Secured Parties, to whom it shall account therefor as soon as the respective entitlement of each of the Secured Parties has been established pursuant to the provisions of this Agreement.

Section 3.04. Enforcement of Security

(a) The 2007 Trustee shall be obliged to notify the 2008 Trustee, the 2009 Trustee and the 2010 Security Trustee promptly:

(i) in the event that the 2007 Trustee becomes aware that the 2007 Notes Security has become enforceable;

(ii) in the event that amounts outstanding in respect of the 2007 Notes Debt have become immediately due and payable under Section 6.2 of the 2007 Indenture; and

(iii) upon first making demand with respect to all or any part of the 2007 Notes Debt.

(b) The 2008 Trustee shall be obliged to notify the 2007 Trustee, the 2009 Trustee and the 2010 Security Trustee promptly:

(i) in the event that the 2008 Trustee becomes aware that the 2008 Notes Security has become enforceable;

(ii) in the event that amounts outstanding in respect of the 2008 Notes Debt have become immediately due and payable under Section 6.02 of the 2008 Indenture; and

(iii) upon first making demand with respect to all or any part of the 2008 Notes Debt.

(c) The 2009 Security Trustee (acting on instructions of the 2009 Note Trustee) shall be obliged to notify the 2007 Trustee, the 2008 Trustee and the 2010 Security Trustee promptly:

(i) in the event that the 2009 Trustee becomes aware that the 2009 Notes Security has become enforceable;

(ii) in the event that amounts outstanding in respect of the 2009 Notes Debt have become immediately due and payable under Section 6.2 of the 2009 Indenture; and

(iii) upon first making demand with respect to all or any part of the 2009 Notes Debt.

(d) The 2010 Security Trustee (acting on instructions of the 2010 Notes Trustee and/or the 2010 Agent, as the case may be) shall be obliged to notify the 2007 Trustee, the 2008 Trustee and the 2009 Trustee promptly:

(i) in the event that the 2010 Security Trustee becomes aware that the 2010 Security has become enforceable;

(ii) in the event that amounts outstanding in respect of the 2010 RCF Debt have become immediately due and payable under Clause 23.19 of the 2010 RCF and amounts outstanding in respect of the 2010 Notes Debt have become immediately due and payable under Section 6.2 of the 2010 Indenture; and

(iii) upon the 2010 Notes Trustee first making demand with respect to all or any part of the 2010 Notes Debt and/or the 2010 Agent first making a demand with respect to all or any part of the 2010 RCF Debt.

(e) If any of the Security becomes enforceable, the 2007 Trustee, the 2008 Trustee, the 2009 Security Trustee (acting on instructions of the 2009 Note Trustee) and the 2010 Security Trustee (acting on instructions of the 2010 Notes Trustee and/or the 2010 Agent, as the case may be) may (but shall not be obliged to) consult with the other Secured Parties and endeavour to agree a course of action under the Finance Documents. Notwithstanding the foregoing, at any time that any of the Security has become enforceable, the 2007 Trustee, the 2008 Trustee, the 2009 Security Trustee (acting on instructions of the 2009 Note Trustee) and the 2010 Security Trustee (acting on instructions of the 2010 Notes Trustee and/or the 2010 Agent, as the case may be) may, by notice to the other Secured Parties (an " **Enforcement Notice** "), request a joint enforcement of the Security in accordance with paragraph (g).

(f) For the avoidance of doubt:

(i) if a Party shall have served an Enforcement Notice on its Subsequent Parties, such Subsequent Parties (and in the context of the 2010 Debt, the 2010 Agent and the 2010 Note Trustee (as applicable)) shall declare such amount of the Amount Outstanding owed to such Subsequent Parties (and in the context of the 2010 Debt, the 2010 Agent and the 2010 Note Trustee (as applicable)) to be immediately due and payable, and such Subsequent Parties shall co-operate with the Party that has served the Enforcement Notice to enforce all relevant Security on a *pari passu* basis and in accordance with the provisions of, sub-paragraphs (i)-(iii) of 3.04(g) below; and

(ii) if a Party shall have served an Enforcement Notice on its Prior Parties, such Prior Parties may declare such amount of the Amount Outstanding owing to such Prior Parties to be immediately due and payable and co-operate with the Party that has served the Enforcement Notice, but shall not be required to do so, and (***A***) if any such Prior Parties elect to so cooperate, then the co-operating parties shall enforce all relevant Security on a *pari passu* basis and in accordance with the provisions of sub-paragraphs (i)-(iii) of 3.04 (g) below, and (***B***) if all such Prior Parties elect not to cooperate and not to enforce, then the Party that has served the Enforcement Notice may enforce independently, as contemplated by the provisions of 3.04(h) below.

(g) If an Enforcement Notice is served by the 2007 Trustee, the 2008 Trustee, the 2009 Security Trustee (acting on instructions of the 2009 Note Trustee) and/or the 2010 Security Trustee (acting on instructions of the 2010 Notes Trustee and/or the 2010 Agent, as the case may be) then the Secured Parties (and in the context of the 2010 Debt, the 2010 Agent and the 2010 Note Trustee (as applicable)) shall (to the extent not already so due and payable) declare all amounts of the 2007 Notes Debt, the 2008 Notes Debt, the 2009 Notes Debt and the 2010 Debt, respectively, to be immediately due and payable under Section 6.2 of the 2007 Indenture, Section 6.02 of the 2008 Indenture, Section 6.2 of the 2009 Indenture Section 6.2 of the 2010 Indenture or Clause 23.19 of the 2010 RCF and shall co-operate with each other to enforce the Security on a *pari passu* basis and in accordance with the following provisions:

(i) the 2007 Notes Security, the 2008 Notes Security, the 2009 Notes Security and the 2010 Security shall be enforced jointly and, so far as practicable, by the same method;

(ii) such enforcement will be effected with the aim of maximising recoveries with the objective of achieving an expeditious realisation of assets subject to the Security; and

(iii) in the case of the exercise of a power of sale in accordance with the Security Documents, each of the Secured Parties shall execute such release or other necessary document so as to permit a good title free from any Security to be passed to the purchasers.

(h) For the avoidance of doubt, neither the 2007 Trustee, the 2008 Trustee, the 2009 Security Trustee (acting on instructions of the 2009 Note Trustee) nor the 2010 Security Trustee (acting on instructions of the 2010 Notes Trustee and/or the 2010 Agent, as the case may be) shall be prevented from separately commencing enforcement action under the 2007 Notes Security, the 2008 Notes Security, the 2009 Notes Security or the 2010 Security (as applicable), at any time prior to an Enforcement Notice having been served by the other Secured Parties, provided that, such Secured Party seeking to enforce its Security has delivered an Enforcement Notice on the other Secured Parties prior to commencing such action.

(i) Each of the Secured Parties shall keep the other Secured Parties informed of any proceedings to enforce the Security or any part thereof, any other proceedings against the Company and any other material matters which may affect the operation of this Agreement.

(j) In each case in the absence of manifest error: (i) the global note representing the 2007 Notes and the relevant entries thereon shall be conclusive evidence of the principal amount of the 2007 Notes Debt from time to time; (ii) the global note representing the 2008 Notes and the relevant entries thereon shall be conclusive evidence of the principal amount of the 2008 Notes Debt from time to time; (iii) the global note representing the 2009 Notes and the relevant entries thereon shall be conclusive evidence of the principal amount of the 2009 Notes Debt from time to time; (iv) the global note representing the 2010 Notes and the relevant entries thereon shall be conclusive evidence of the principal amount of the 2010 Notes Debt from time to time; and (v) entries made in the account maintained by the 2010 Agent shall be conclusive evidence of the principal amount outstanding of the 2010 RCF Debt from time to time.

ARTICLE 4 - MISCELLANEOUS

Section 4.01. Term of Agreement

This Agreement shall continue in force until the latest of the occurrence of any of the 2007 Notes Discharge Date, the 2008 Notes Discharge Date, the 2009 Notes Discharge Date, the 2010 Notes Discharge Date and the 2010 RCF Discharge Date.

Section 4.02. Entire Agreement; Amendment and Waiver

This Agreement and the documents referred to herein constitute the entire obligation of the Parties with respect to the subject matter hereof and shall supersede any prior expressions of intent or understandings with respect to this transaction. Any amendment to this Agreement (including, without limitation, this Section 4.02) shall be in writing, signed by all Parties.

Section 4.03. Notices

Any notice or other communication to be given or made under this Agreement to any Party shall be in writing. Except as otherwise provided in this Agreement, such notice or other communication shall be deemed to have been duly given or made when it is delivered by hand, courier or facsimile transmission to the Party to which it is required or permitted to be given or made at such Party's address specified below its signature to this Agreement or at such other address as such Party designates by notice to the Party giving or making such notice or other communication.

Section 4.04. Governing Law and Arbitration

(a) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

(b) Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. There shall be one arbitrator and the appointing authority shall be the London Court of International Arbitration. The seat and place of arbitration shall be London, England and the English language shall be used throughout the arbitral proceedings. The Parties hereby waive any rights under the Arbitration Act 1996 or otherwise to appeal any arbitration award to, or to seek determination of a preliminary point of law by, the courts of England.

Section 4.05. Successors and Assigns; Third Party Rights

(a) This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto; provided, however, that neither the 2007 Trustee, the 2008 Trustee, the 2009 Trustee, the 2010 Notes Trustee, the 2010 Agent nor the 2010 Security Trustee shall assign or transfer any interest it has under this Agreement or the Security unless the assignee or transferee undertakes to be bound by the provisions of this Agreement.

(b) For the avoidance of doubt, the Obligors shall not have any rights under this Agreement, the provisions of which are only for the benefit of the 2007 Trustee, the 2008 Trustee, the 2009 Trustee, the 2010 Notes Trustee, the 2010 Agent or the 2010 Security Trustee (as applicable).

(c) Except as provided in this Section 4.05, none of the terms of this Agreement are intended to be enforceable by any third party. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

Section 4.06. Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

[*Intentionally left blank* ***]***

IN WITNESS WHEREOF , the parties hereto, acting through their duly authorised representatives, have caused this Deed to be executed and delivered as a Deed on the date first above written.

THE OBLIGORS

EXECUTED and **DELIVERED** as a **DEED**
for and on behalf of
CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.

By: /s/ David Sach

Name: David Sach
Title: Chief Financial Officer

Address: Mintflower Place, 4th Floor, 8 Par-La-Ville Road, Hamilton, Bermuda

Facsimile: +1 441 295 0992

Attention: Assistant Secretary

With a copy to:

Address: CME Development Corporation
52 Charles Street
London W1J 5EU

Facsimile: +44 207 127 5801

Attention: Legal Department

EXECUTED and DELIVERED as a DEED
for and on behalf of
CENTRAL EUROPEAN MEDIA ENTERPRISES N.V.

By: /s/ Oliver Meister

Name: Oliver Meister
Title: Managing Director

Address: Schottegatweg Oost 44, Willemstad, Curaçao

Facsimile: + 599 9 732 2500

Attention: Managing Director

With a copy to:

Address: CME Development Corporation
52 Charles Street
London W1J 5EU

Facsimile: +44 207 127 5801

Attention: Legal Department

EXECUTED and DELIVERED as a DEED
for and on behalf of
CME MEDIA ENTERPRISES B.V.

By: /s/ David Sturgeon

Name: David Sturgeon
Title: Managing Director

Address: Dam 5B, 1012 JS Amsterdam, The Netherlands

Facsimile: +312 042 31404

Attention: Finance Officer

With a copy to:

Address: CME Development Corporation
52 Charles Street
London W1J 5EU

Facsimile: +44 207 127 5801

Attention: Legal Department

The 2007 Trustee

EXECUTED and DELIVERED as a DEED
for and on behalf of
BNY CORPORATE TRUSTEE SERVICES LIMITED

By: /s/ Paul Cattermole

Name: Paul Cattermole
Title: Vice President

By: /s/ Trevor Blewer

Name: Trevor Blewer
Title: Vice President

in the presence of: /s/ Melissa Laidley
Melissa Laidley
Senior Associate

Address: One Canada Square
London E14 5AL
United Kingdom

Facsimile: +44 20 7964 2536

Attention: Corporate Trust Services

EXECUTED and DELIVERED as a DEED
for and on behalf of
THE BANK OF NEW YORK MELLON

By: /s/ Paul Cattermole

Name: Paul Cattermole
Title: Vice President

By: /s/ Trevor Blewer

Name: Trevor Blewer
Title: Vice President

in the presence of: /s/ Melissa Laidley
Melissa Laidley
Senior Associate

Address: One Canada Square
London E14 5AL
United Kingdom

Facsimile: +44 20 7964 2536

Attention: Corporate Trust Services

The 2008 Trustee

EXECUTED and DELIVERED as a DEED
for and on behalf of
THE BANK OF NEW YORK MELLON

By: /s/ Paul Cattermole

Name: Paul Cattermole
Title: Vice President

By: /s/ Trevor Blewer

Name: Trevor Blewer
Title: Vice President

in the presence of: /s/ Melissa Laidley
Melissa Laidley
Senior Associate

Address: One Canada Square
London E14 5AL
United Kingdom

Facsimile: +44 20 7964 2536

Attention: Corporate Trust Services

The 2009 Note Trustee

EXECUTED and DELIVERED as a DEED
for and on behalf of
THE BANK OF NEW YORK MELLON

By: /s/ Paul Cattermole

Name: Paul Cattermole
Title: Vice President

By: /s/ Trevor Blewer

Name: Trevor Blewer
Title: Vice President

in the presence of: /s/ Melissa Laidley
Melissa Laidley
Senior Associate

Address: One Canada Square
London E14 5AL
United Kingdom

Facsimile: +44 20 7964 2536

Attention: Corporate Trust Services

The 2009 Security Trustee

EXECUTED and DELIVERED as a DEED
for and on behalf of
THE LAW DEBENTURE TRUST CORPORATION p.l.c.

By: /s/ Richard Rance

Name: Richard Rance
Title: Director

By: /s/ Bill Rowland

Name: Bill Rowland
Title: Assistant Director

Representing Law Debenture Corporate Services Ltd

Address: Fifth floor
100 Wood Street
London EC2V 7EX

Facsimile: +44 -20-7606-0643

Attention: The Manager, Commercial Trusts

The 2010 Notes Trustee

EXECUTED and DELIVERED as a DEED
for and on behalf of
CITIBANK, N.A., LONDON BRANCH

By: /s/ Azmina Keshani

Name: Azmina Keshani
Title: Assistant Vice President

Address: 14th Floor
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB

Facsimile: +44 20 7500 5877

Attention: Agency & Trust

The 2010 Security Trustee

EXECUTED and DELIVERED as a DEED
for and on behalf of
BNP PARIBAS TRUST CORPORATION UK LIMITED

By: /s/ Andrew Brown

Name: Andrew Brown
Title: (under Power of Attorney)

in the presence of: /s/ C. Baldry

C. Baldry

Address: 55 Moorgate, London, EC2R 6PA

Fax: +44 20 7595 5078

Attention: The Directors

The 2010 Agent

EXECUTED and DELIVERED as a DEED
for and on behalf of
BNP PARIBAS S.A.

By: /s/ Sandra Sitbon

Name: Sandra Sitbon
Title: Director

By: /s/ Ali Elamari

Name: Ali Elamari
Title: Vice President

Address: BNP PARIBAS - Agency - European Group
21, place du Marché Saint-Honoré,
75031 Paris
Cedex 01, France

Fax: + 33 1 42 98 43 17

Attention: Alexandra Arhab/Assad Karkabi

Exhibit 10.44

Dated 21 October 2010

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD
the Parent

CET 21 SPOL. S R.O.
the Company

AND CERTAIN SUBSIDIARIES OF THE PARENT
as Original Obligors

BNP PARIBAS S.A.
as Agent

BNP PARIBAS TRUST CORPORATION UK LIMITED
as Security Agent

CITIBANK, N.A., LONDON BRANCH
as Notes Trustee

and

OTHERS

INTERCREDITOR AGREEMENT

Simpson Thacher & Bartlett LLP
London

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THIS AGREEMENT is made on 21 October 2010

BY

(1) **CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.** , a corporation organised and existing under the laws of Bermuda, having its registered office at Mintflower Place, 4 th Floor, 8 Par-La-Ville Road, Hamilton HM 08, Bermuda (the " **Parent** ");

(2) **CET 21 spol. s r.o.** , a corporation organised and exi sting under the laws of the Czech Republic, having its registered office at Prague 5, Křiženeckého nám. 1078/5, Post Code 152 00, the Czech Republic, Identification No. 45800456, registered with the Commercial Register held by the Municipal Court in Prague , section C, insert 1058 (the " **Company** ");

(3) **THE COMPANIES** listed in Part A of Schedule 1 (*The Original Obligors*) (the " **Original Obligors** ");

(4) **THE PERSONS** named in Part B of Schedule 1 (*The Original RCF Lenders*) (in this capacity the " **Original RCF Lenders** ");

(5) **BNP PARIBAS S.A.** as facility agent of the lenders under the Revolving Credit Facility Agreement (as defined below) (the " **Agent** ", as such term is more particularly defined below);

(6) **BNP PARIBAS TRUST CORPORATION UK LIMITED** as security agent under the Revolving Credit Facility Agreement, this Agreement and the Transaction Security (the " **Security Agent** ", as such term is more particularly defined below); and

(7) **CITIBANK, N.A., LONDON BRANCH** as notes trustee for the Noteholders under the terms of the Notes Indenture (as defined below) (the " **Notes Trustee** ", as such term is more particularly defined below).

IT IS AGREED as follows:

1. **DEFINITIONS**

1.1 **Definitions**

In this Agreement:

" **Acceleration Action** " means:

(a) any action set out in paragraph (a) of the definition Enforcement Action; or

(b) making a demand for payment under any guarantee of the relevant Debt.

" **Accession Agreement** " means an agreement substantially in the form set out in Schedule 2 (*Form of Accession Agreement*).

" **Additional Notes** " means any Notes which are permitted to be issued after the original date of this Agreement pursuant to the Notes Indenture subject to the other Finance Documents, but excluding for the avoidance of doubt the Original Notes.

" **Additional RCF Debt** " means any loan or credit facilities (or other facilities under which the credit exposure may arise) not exceeding in aggregate Eur10,000,000 provided by any RCF Lender after the original date of this Agreement pursuant to and in accordance with the RCF Finance Documents, in addition to those committed to be provided under the RCF Finance Documents as at the original date of this Agreement.

" **Agent** " means BNP Paribas S.A. and each institution that is acting from time to time as facility agent under the Revolving Credit Facility Agreement that accedes to this Agreement in that capacity and any sub-agent, sub-trustee or custodian appointed by it.

" **Consent** " means any consent, release, approval, waiver, amendment or other like action.

" **Creditors** " means the RCF Creditors and the Notes Creditors.

" **Debt** " means any or all of the RCF Debt and the Notes Debt as the context requires.

" **Deed of Accession** " means a deed of accession substantially in the form of Schedule 3 (*Form of Deed of Accession*), with such amendments as the Security Agent may approve or reasonably require.

" **Delegate** " means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

" **Enforcement Action** " means any action of any kind to:

(a) (other than as a result of it becoming unlawful for a Creditor to perform its obligations under, or of any mandatory prepayment arising under, the Finance Documents) demand payment, declare prematurely due and payable or otherwise accelerate payment of or place on demand of all or any part of the Debt; or

(b) recover all or any part of the Debt (including by exercising any rights of set-off or combination of accounts but excluding the taking of any action referred to in paragraphs (c), (d) or (f) below); or

(c) exercise or enforce any rights under or pursuant to any guarantee or other assurance granted in respect of all or any part of the Debt against any Group Company; or

(d) exercise or enforce any rights under any Security granted in respect of all or any part of the Debt against any Group Company; or

(e) commence legal proceedings against any Group Company (but excluding the taking of any action referred to in paragraphs (c) or (d) above or (f) below); or

(f) petition for, or take or support of any other steps which is likely to result in an, Insolvency Event in relation to any Group Company,

provided that the following shall not constitute Enforcement Action:

(i) the taking of any action that is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of any Debt, including the registration of such claims before any court or governmental authority;

(ii) allegations of misstatements or omissions made in connection with the offering materials relating to the Notes or in reports furnished to the Noteholders or any exchange on which the Notes are listed pursuant to information and reporting requirements under the applicable Notes Documents;

(iii) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such 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 document; or

(iv) bringing legal proceedings against any person in connection with any securities violation or securities or listing regulations or fraud or to restrain an actual or putative breach of the Finance Documents or for specific performance with no claim for damages.

" **Enforcement Notice** " has the meaning given to it in the Existing Intercreditor Agreement.

" **Event of Default** " means an RCF Default or a Notes Default.

" **Existing Intercreditor Agreement** " means the intercreditor agreement dated 21 July 2006 (as amended and restated from time to time, including by a deed of amendment dated on or about the original date of this Agreement) made between, among others, the Parent, BNY Corporate Trustee Services Limited and The Bank of New York Mellon (formerly The Bank of New York) as 2007 trustee, The Bank of New York Mellon (formerly The Bank of New York) as 2008 trustee, The Bank of New York Mellon as 2009 notes trustee, The Law Debenture Trust Corporation p.l.c. as 2009 Security Agent, the Notes Trustee (as 2010 Notes Trustee as defined therein), the Agent (as 2010 Agent as defined therein) and the Security Agent (as 2010 Security Trustee as defined therein).

" **Finance Documents** " means any or all of the RCF Finance Documents and the Notes Documents as the context requires.

" **Group** " means the Parent and each of its Subsidiaries for the time being and " **Group Company** " means any one of them.

" **Guarantors** " means any or all of the RCF Guarantors and the Notes Guarantors as the context requires.

" **Holdco Share Pledges** " means:

(a) the share pledge executed by the Parent over all existing and future shares of Central European Media Enterprises N.V.; and

(b) the share pledge executed by Central European Media Enterprises N.V. over all existing and future shares of CME Media Enterprises B.V. owned by it.

" **Insolvency Event** " means in relation to any Group Company:

(a) a petition is presented or a meeting is convened or application is made for the considering of any resolution for (or to petition for) or any order is made for the insolvency, liquidation, dissolution, winding-up, bankruptcy administration, administrative receivership, reorganisation, examination, receivership, moratorium of payments, compulsory merger or judicial reorganisation of, judicial composition of any company or judicial liquidation; or

(b) any composition, compromise, assignment or arrangement is made with any of its creditors;

(c) the appointment of a trustee in bankruptcy or insolvency conciliator, ad hoc official, judicial administrator, a receiver, a liquidator, administrator, examiner, administrative receiver, custodian, manager or other similar officer of that Obligor or other Group Company, or any of its assets; or

(d) any other similar process or appointment or proceedings in any jurisdiction analogous to those set out in paragraphs (a), (b) or (c) above.

" **Liabilities** " means in relation to any document, agreement or obligation, any present or future liability (actual or contingent) payable or owing under or in connection with that document, agreement or obligation, whether or not matured and whether or not liquidated, together with:

(a) any refinancing, novation, deferral or extension of that liability;

(b) any claim for breach of representation, warranty, undertaking or an event of default (howsoever described) or under any guarantee in connection with that document or agreement;

(c) any further advance made under any document or agreement supplemental to that document or agreement, together with all related interest, fees and costs;

(d) any claim for damages or restitution in the event of rescission of that liability or otherwise in connection with that document or agreement;

(e) any claim flowing from any recovery of a payment or discharge in respect of that liability on the grounds of preference or otherwise; and

(f) any amount (such as post-insolvency interest) which would be included in any of the above but for its discharge, non-provability, unenforceability or non-allowability as a result of any Insolvency Event or in other proceedings.

" **Majority Creditors** " means, at the relevant time:

(a) the Majority RCF Lenders; or

(b) if:

(i) the:

(A) Notes Creditors are permitted under clause 5.3(b) (*Permitted enforcement*) to take Enforcement Action; and

(B) the Majority RCF Lenders are not in the process of taking (or instructing the Security Agent to take) Enforcement Action; or

(ii) the Senior Credit Participations of the RCF Lenders represent less than 15 per cent. of the aggregate outstanding principal amount of the RCF Debt and the Notes Debt,

those RCF Lenders and Noteholders whose Senior Credit Participations at that time aggregate more than 66⅔ per cent. of the Total Senior Credit Participations.

" **Majority RCF Lenders** " means "Majority Lenders" as defined in the Revolving Credit Facility Agreement.

" **Noteholders** " means the holders, from time to time, of the Notes.

" **Notes** " means the Original Notes and any Additional Notes.

" **Notes Creditors** " means the Notes Trustee, the Security Agent, the Noteholders and any Receiver.

" **Notes Debt** " means all Liabilities of a member of the Group to the Notes Creditors under or in connection with the Notes Documents.

" **Notes Default** " means an "Event of Default" as defined in the Notes Indenture.

" **Notes Discharge Date** " means the first date upon which the Notes Debt has been unconditionally discharged in full.

" **Notes Documents** " means:

(a) the Notes Indenture;

(b) the Notes; and

(c) this Agreement.

" **Notes Guarantee** " means each guarantee of the Notes given or as otherwise required to be given by a Notes Guarantor pursuant to the Notes Documents.

" **Notes Guarantors** " means the Obligors other than the Company (each in their capacity as provider of a Notes Guarantee) and any other member of the Group which provides a Notes Guarantee.

" **Notes Indenture** " means the indenture dated on or about the original date of this Agreement made between, among others, the Company as issuer and the Notes Trustee pursuant to which the Original Notes are issued.

" **Notes Trustee** " means Citibank, N.A. London Branch and each institution that is acting from time to time as trustee with respect to the Notes under the Notes Indenture that accedes to this Agreement in that capacity and any agent, sub-trustee or custodian appointed by it.

" **Notes Trustee Ordinary Course Amounts** " means the fees, costs and expenses of the Notes Trustee (including any amount payable to that Notes Trustee personally by way of indemnity, remuneration or to reimburse it for expenses incurred) payable for its own account pursuant to the Notes Documents or any other document entered into in connection with the issuance of the Notes in respect of the ongoing administration of the Notes Debt and the Notes Documents and the costs of or related to any Enforcement Action (including legal and other professional advisory fees) which are expressed to be recoverable pursuant to the terms of the Notes Documents or any other document entered into in connection with the issuance of the Notes.

" **Obligor** " means the Original Obligors and each other member of the Group that accedes to this Agreement as an Obligor pursuant to Clause 17.4 (*Accession of Obligors*).

" **Original Notes** " means the senior notes due 2017 of the Company issued on or about the original date of this Agreement.

" **Party** " means a party to this Agreement, and in the case of:

(a) the Notes Trustee, in its capacity as notes trustee for the Noteholders and on its own behalf; and

(b) the Security Agent, in its capacity as security agent for the other RCF Creditors and the other Notes Creditors.

“ **RCF Commitments** ” means “Commitment” as defined in the Revolving Credit Facility Agreement.

“ **RCF Creditors** ” means the Agent, the Security Agent, the RCF Lenders, the creditors under any Additional RCF Debt and any Receiver.

“ **RCF Debt** ” means all Liabilities of a member of the Group to the RCF Creditors under or in connection with the RCF Finance Documents and any Additional RCF Debt.

“ **RCF Default** ” means an “Event of Default” as defined in the Revolving Credit Facility Agreement.

“ **RCF Discharge Date** ” means the first date upon which the RCF Debt has been unconditionally discharged in full and the relevant RCF Creditors have no further obligations under the RCF Finance Documents and any Additional RCF Debt.

“ **RCF Finance Documents** ” means each “Finance Document” as defined in the Revolving Credit Facility Agreement.

“ **RCF Guarantee** ” means each guarantee under or in respect of the Revolving Credit Facility Agreement or as otherwise required to be given by an RCF Guarantor pursuant to the Revolving Credit Facility Agreement.

“ **RCF Guarantors** ” means the Obligors other than the Company (each in their capacity as provider of an RCF Guarantee) and any other member of the Group which provides an RCF Guarantee.

“ **RCF Lenders** ” means the Original RCF Lenders and any other “Lenders” (as defined in the Revolving Credit Facility Agreement) that accedes to this Agreement pursuant to Clause 17.5 (*Accession of Creditors*).

" **Receiver** " means any receiver, manager, receiver and manager, or administrative receiver appointed by the Security Agent in accordance with the terms of the Transaction Security Documents.

“ **Relevant Creditors** ” has the meaning given to it in Clause 18.1(a) (*Appointment*).

“ **Relevant Finance Documents** ” has the meaning given to it in Clause 18.1(a) (*Appointment*).

“ **Relevant Notes Documents** ” has the meaning given to it in Clause 19.1(a) (*Capacity of the Notes Trustee*).

“ **Responsible Officer** ” means any officer within the corporate trust and agency department of the Notes Trustee or other similar department including any director, associate director, assistant director, secretary, vice president, assistant vice president, assistant treasurer, trust officer of the Notes Trustee (or other officer of the Notes Trustee who customarily performs functions similar to those performed by such persons) who has direct responsibility for the administration of the transaction contemplated by the Notes Indenture, this Agreement and any other Notes Documents.

“ **Revolving Credit Facility Agreement** ” means the CZK1,500,000,000 revolving facility agreement dated on or about the original date of this Agreement between the Company as borrower, certain members of the Group as guarantors, the Agent, the Security Agent, the Original RCF Lenders and others.

“ **Secured Party** ” has the meaning given to it in the Existing Intercreditor Agreement.

“ **Security** ” means a mortgage, charge, pledge, lien, assignment, hypothecation, set off, trust arrangement for the purpose of creating security, reservation of title or security interest, or any other agreement or arrangement having a similar effect (but, for the avoidance of doubt, not including leases of assets).

“ **Security Agent** ” means BNP Paribas Trust Corporation UK Limited and each institution that is acting from time to time as Security Agent and/or a security agent under the RCF Finance Documents and/or the Notes Documents and that accedes to this Agreement in that capacity and any sub-agent, sub-trustee or custodian appointed by it.

“ **Security Recovery** ” means all amounts received or recovered by any of the Creditors in payment or on account of any Debt on or after the taking of any Enforcement Action, but after deducting:

(a) the reasonable costs and expenses incurred by such Creditor in effecting such receipt or recovery; and

(b) any sums required by law or court order to be paid to third parties on account of claims preferred by law over the claims of the Creditors.

“ **Senior Credit Participation** ” means at any time:

(a) in respect of the RCF Lenders, the RCF Commitments (drawn and undrawn) of each RCF Lender at that time; and

(b) in respect of the Noteholders, the outstanding principal amount payable or owing to each Noteholder under the Notes Indenture at that time.

“ **Subsidiary** ” means, in relation to any person, a person:

(a) which is controlled, directly or indirectly, by the first mentioned person;

(b) more than half the issued voting share capital of which is beneficially owned, directly or indirectly, by the first mentioned person; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned person,

and for this purpose, a person shall be treated as being controlled by another if that other person is able to direct its affairs and/or control the composition of its board of directors or equivalent body.

“ **Total Senior Credit Participations** ” means, at any time, the aggregate of the Senior Credit Participations at that time.

“ **Transaction Security** ” means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“ **Transaction Security Documents** ” means:

(a) the “Transaction Security Documents” as defined in the Revolving Credit Facility Agreement; and

(b) the “Security Documents” as defined in the Notes Indenture,

including, for the avoidance of doubt, the Holdco Share Pledges.

" **Trustees** " means, respectively, the Security Agent and the Notes Trustee.

" **2007 Indenture** " has the meaning given to it in the Revolving Credit Facility Agreement.

" **2009 Indenture** " has the meaning given to it in the Revolving Credit Facility Agreement.

1.2 **Headings**

The headings in this Agreement are for convenience only and shall be ignored in construing this Agreement.

1.3 **Third Party Rights**

(a) Unless otherwise indicated to the contrary in this Agreement and subject to paragraph (b) below, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 (or any other applicable law) to enforce any term of this Agreement.

(b) The Contracts (Rights of Third Parties) Act 1999 shall apply to this Agreement in respect of any Noteholders who by holding a Note have effectively agreed to be bound by the provisions of this Agreement.

(c) No part of this Agreement is intended to or shall create a registrable Security.

(d) If there is any conflict between the terms of this Agreement and any other Finance Documents, the terms of this Agreement will prevail.

(e) Each Party is a party to this Agreement in all its capacities.

1.4 **Interpretation**

In this Agreement (unless otherwise provided):

(a) words importing the singular shall include the plural and vice versa;

(b) references to Clauses and Schedules are to be construed as references to the clauses of, and schedules to, this Agreement;

(c) references to any document shall be construed as references to that document, as amended, varied, novated or supplemented (howsoever fundamentally), as the case may be, from time to time as permitted by this Agreement;

(d) references to any statute or statutory provision include any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute;

(e) reference to " **actual knowledge** " of the Notes Trustee shall be construed to mean that such Notes Trustee shall not be charged with knowledge (actual or otherwise) of the existence of certain facts that would impose an obligation on it to make any payment, or prohibit it from making any payment, unless a Responsible Officer of such Notes Trustee has received notice in writing that such payments are required or prohibited by this Agreement or the Notes Indenture, and until receipt of such notice in writing the Notes Trustee may make any payment in accordance with the provisions of the Notes Indenture;

(f) references to " **assets** " shall include revenues and property and the right to revenues and property and rights of every kind, present, future and contingent and whether tangible or intangible (including uncalled share capital);

(g) " **continuing** ", in relation to an Event of Default, shall be construed in accordance with the terms of the RCF Finance Documents and/or the Notes Documents (as the case may be);

(h) " **guarantee** " means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the liability of such person to meet its indebtedness;

(i) " **indebtedness** " includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(j) references to a " **person** " shall be construed so as to include that person's assigns, transferees, successors in title and shall be construed as including references to an individual, firm, partnership, joint venture, company, corporation, body corporate, unincorporated body of persons or any state or any agency of a state;

(k) where there is a reference in this Agreement to any amount, limit or threshold specified in euros, in ascertaining whether or not that amount, limit or threshold has been attained, broken or achieved, as the case may be, a non euro amount shall be counted on the basis of the equivalent in euro of that amount using the Agent's relevant spot rate of exchange;

(l) any reference to any party in any Finance Document or to any other document shall be construed so as to include its and any of its subsequent successors and permitted transferees in accordance with their respective interests;

(m) any reference to a " **successor** " shall be construed so as to include any assignee or successor in title and any person who under the laws of its jurisdiction of incorporation or domicile has assumed the rights and obligations of such person under the relevant documents or to which, under such laws, such rights and obligations have been transferred;

(n) references to time are to London time;

(o) any term defined in or whose interpretation is provided for in the Revolving Credit Facility Agreement shall have the same meaning when used in this Agreement unless separately defined or interpreted in this Agreement;

(p) in determining whether or not an amount of Debt has been irrevocably paid and discharged, contingent liabilities (such as risk of clawback flowing from a preference) will be disregarded, except to the extent that the Agent in relation to RCF Debt and the Notes Trustee in the case of Notes Debt respectively believes that there is a reasonable likelihood that those contingent liabilities will become actual liabilities; and

(q) the provisions of Clauses 1.3 (*Czech terms*), 1.4 (*Slovak terms*), 1.5 (*Dutch terms*) and 1.6 (*Curacao terms*) of the Revolving Credit Facility Agreement and appropriate definitions referred to therein shall apply to this Agreement where relevant as if set out in full in this Clause 1.4.

1.5 **Currency Symbols and Definitions**

" **euro** " and " **EUR** " means the single currency of the European Union as constituted by the Treaty on European Union and as referred to in EMU Legislation.

2. **RANKING**

2.1 **Ranking of Debt**

With respect to a particular Obligor, its obligations under each of the RCF Debt and the Notes Debt shall rank *pari passu* in right and priority of payment with its obligations under all such debt.

2.2 **Ranking of guarantees and security**

Subject to the provisions of this Agreement, the Parties agree and acknowledge that all guarantees and all Transaction Security:

(a) rank as guarantees and security for the RCF Debt and the Notes Debt *pari passu* between themselves;

(b) guarantee and secure the RCF Debt and the Notes Debt *pari passu* between themselves; and

(c) the proceeds of enforcement of any guarantees and Transaction Security shall be applied in accordance with Clause 14.1 (*Order of Application*).

2.3 **Priorities not affected**

The priorities referred to in Clauses 2.1 (*Ranking of Debt*) and 2.2 (*Ranking of guarantees and security*) will not be affected by any reduction or increase in the principal amount secured by the Transaction Security or of any of the Debt or by any immediate reduction or increase in, amendment or variation (howsoever fundamental) to any of the Finance Documents or by any variation or satisfaction of, any of the Debt or any other circumstances.

2.4 **Execution and registration**

The provisions of Clauses 2.1 (*Ranking of Debt*) and 2.2 (*Ranking of guarantees and security*) shall apply notwithstanding any applicable law, the manner of perfection or the order in which or dates upon which the Finance Documents and this Agreement are executed or any of them are registered or filed or notice of them is given to any person.

2.5 **Further assurance**

Each Creditor and Obligor (and each Obligor will procure that its Subsidiaries) will take any necessary action to reflect the ranking conferred by this Agreement and the Transaction Security in any register or with any filing or registration authority and in giving notice to insurers and debtors liable for receivables included in the relevant Transaction Security and other persons.

2.6 **Additional guarantees and security** .

No Obligor shall (and shall ensure that no other member of the Group will) grant any guarantee or any Security in favour of a Creditor in respect of the whole or any part of the Debt unless it grants (simultaneously or prior thereto) the same in favour of all Creditors or, as the case may be, the Security Agent for and on behalf of the Creditors and where the rights in relation to which are subject to this Agreement.

3. THE OBLIGORS

3.1 Undertakings

Each of the Parent, the Company and each other Obligor undertakes that it will not (and the Parent will procure that no member of the Group will), unless if prior to the RCF Discharge Date and the Notes Discharge Date, the Agent (prior to the RCF Discharge Date) and the Notes Trustee (prior to the Notes Discharge Date) consents in writing:

(a) take or omit any action whereby the ranking contemplated by this Agreement is, or could reasonably be expected to be, impaired; or

(b) create, take, accept, receive or permit to subsist (and will procure that no Group Company creates or permits to subsist) any Security over any of its assets or any guarantee where such Security or guarantee is for or in respect of any of the Debt except for:

(i) the RCF Guarantees, the Notes Guarantees and the Transaction Security entered into on or about the original date of this Agreement; and

(ii) guarantees and Security granted in compliance with Clause 2.6 (*Additional guarantees and security*).

3.2 Paying Agents etc.

To the extent that it is reasonably practicable to do so, each Obligor shall give all necessary instructions to any paying agents, registrars, custodians, nominees, book entry depositories or agents performing similar functions in order to implement and give effect at all times to the arrangements contemplated by this Agreement.

3.3 Status of Group Company

No member of the Group that is party to this Agreement has any right under this Agreement to take the benefit of or enforce against any of the Creditors any provision of this Agreement relating to ranking of, or restrictions on payment or enforcement of, any Debt (or any Security, guarantee or other financial support therefor), and none of the undertakings given by the Creditors in respect of such matters is given (or shall be deemed to have been given) to, or for the benefit of any Group Company.

4. THE CREDITORS

4.1 Undertakings

Each of the Creditors (other than the Trustees) and each Trustee (for itself and as trustee for the relevant Creditors) undertakes that except as otherwise expressly provided in this Agreement:

(a) it will not contest or challenge the validity, perfection, priority, effectiveness or enforceability of any or all of the Debt or any guarantee or Security granted or purported to be granted in respect thereof;

(b) to the extent that it is reasonably practicable to do so, each Creditor (provided, in the case of each of the Trustees that its costs and expenses in so acting have been paid or indemnified to its satisfaction) shall give all necessary instructions to any paying agents, registrars, custodians, nominees, book entry depositories or agents performing similar functions in order to implement and give effect at all times to the arrangements contemplated by this Agreement;

(c) to the extent that a Creditor receives any amount (or an increased amount) that it would not have received but for:

(i) any invalidity, failure to perfect or unenforceability of any or all of the Debt or any guarantee or any Security granted or purported to be granted in respect of the Debt or the failure to take Security over assets intended to be the subject of any of the Transaction Security Documents;

(ii) any failure of any ranking of Security interests;

(iii) any of the Security granted or purported to be granted under the Transaction Security Documents being set aside in connection with any Insolvency Event; or

(iv) any claims being subordinated pursuant to applicable law,

the relevant Creditor (and in the case of any Trustee, subject to Clause 18 (*The Security Agent*) and to Clause 19 (*The Notes Trustee*)) shall forthwith pay such amount or increased amount to the Security Agent for application in accordance with Clause 14.1 (*Order of Application*) as far as permitted by applicable law; and

(d) it will not contest, challenge, impair or impede any Enforcement Action taken in accordance with the terms of this Agreement (or any delay or failure to take any Enforcement Action) by any Creditor.

4.2 **Option to Purchase RCF Debt**

(a) The Noteholders (or any of them) may, at any time after commencement of any Enforcement Action by or on the instruction the Majority RCF Lenders, by giving not less than 10 Business Days' irrevocable notice to the Agent, purchase or procure the purchase by a person or persons nominated by the Noteholders of all (but not part) of the rights and obligations of the RCF Finance Parties under the RCF Finance Documents (including any undrawn commitments) by way of transfers under Clause 24 (*Changes to the Lenders*) of the Revolving Credit Facility Agreement on a specified date, being a Business Day no later than 10 Business Days following the date of that purchase notice.

(b) Any purchase under paragraph (a) above shall take effect on the following terms:

(i) the Agent is paid (for the account of the RCF Finance Parties) an amount in cash equal to the aggregate of:

(A) the principal amount of the RCF Debt (together with accrued unpaid interest) outstanding as at the purchase date;

(B) the amount which each RCF Finance Party certifies to be necessary to compensate it for any loss on account of funds borrowed, contracted for or utilised to fund any amount included in the RCF Debt resulting from the receipt of that payment otherwise than on the last day of an Interest Period in relation thereto; and

(C) any costs and expenses (including legal fees) incurred by any RCF Finance Party as a consequence of giving effect to that transfer;

(ii) after the transfer, no RCF Finance Party will be under any actual or contingent liability to any Obligor or any other person under this Deed or any RCF Finance Document in relation to any RCF Debt;

(iii) an indemnity is provided from the Noteholders (or from a third party acceptable to all RCF Finance Parties) in a form satisfactory to each RCF Finance Party in respect of all losses which may be sustained or incurred by any RCF Finance Party in consequence of any sum received or recovered by any RCF Finance Party from any person in respect of the RCF Debt or such transfer being required (or it being alleged that it is required) to be paid back by or clawed back from any RCF Finance Party for any reason whatsoever;

(iv) the transfer is made without recourse to, or warranty from, the RCF Finance Parties, except that each RCF Finance Party shall be deemed to have warranted on the date of that transfer that it has the corporate power to effect that transfer and that it has taken all necessary action to authorise the making by it of that transfer; and

(v) no RCF Finance Party will be under any obligation to maintain its participation in the RCF Debt and may transfer all or any of its participation at any time up to the date on which the Noteholders (or any of them) purchase the then outstanding RCF Debt in full.

5. NOTES DEBT

5.1 Amendments to Notes Finance Documents

Until the RCF Discharge Date, except with the prior consent of the Agent, the Company, any Obligor or any other party to a Notes Document shall not amend any Notes Document in a manner that would result in the maturity of the Note Debt being earlier than the originally scheduled maturity date in the Notes Documents entered into on or about the original date of this Agreement.

5.2 Restrictions on enforcement

Except with the prior consent of or as required by the Agent, the Notes Creditors shall not take any Enforcement Action in relation to any Notes Debt except as permitted under Clause 5.3 (*Permitted enforcement*) and Clause 12.5 (*Enforcement of the Holdco Share Pledges pursuant to the Existing Intercreditor Agreement*).

5.3 Permitted enforcement

Subject to Clause 12 (*Enforcement of Security*) in respect of enforcement of any Security (including enforcement of the Holdco Share Pledges), the restrictions in Clause 5.2 (*Restrictions on enforcement*) will not apply to the Transaction Security Documents if:

(a) an Insolvency Event in respect of the Company or a Notes Guarantor is continuing, except that the Notes Creditors may only take Enforcement Action in relation to the Company or that Notes Guarantor as the case may be;

(b) a Notes Default (the " **Relevant Notes Default** ") is continuing and:

(i) the Agent has received a notice of the Relevant Notes Default specifying the event or circumstances of that Relevant Notes Default from the Notes Trustee; and

(ii) a period (a " **Notes Standstill Period** ") of not less than 90 days has elapsed from the date that notice was given to the Agent;

(c) any Enforcement Action is taken by the RCF Creditors in respect of the Company or any Notes Guarantor, except that the Notes Creditors may only take the same or equivalent Enforcement Action as that taken by the relevant RCF Creditors against the Company or such Notes Guarantor as the case may be;

(d) a Notes Default in respect of non-payment has occurred and is continuing in relation to the non-payment of a sum due and payable under the Notes Documents in excess of EUR500,000 (or its equivalent), following which the Notes Creditors may either take:

(i) Acceleration Action in respect of the Notes Debt; or

(ii) any other Enforcement Action in respect of the unpaid sum only referred to in paragraphs (b) or (e) of the definition of Enforcement Action (except to the extent such action constitutes Acceleration Action); or

(e) on the originally scheduled maturity date, any amount owing under the relevant Notes has not been repaid and remains outstanding.

5.4 **Subsequent Notes defaults**

The Notes Creditors may take Enforcement Action under Clause 5.3 (*Permitted enforcement*) 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.

6. CONTINUING AGREEMENT

This Agreement shall apply in respect of the Debt until the RCF Discharge Date and the Notes Discharge Date notwithstanding any intermediate payment in part of any part of the Debt or any increase in any of the Debt or any amendment or variation of the Finance Documents and shall apply to the ultimate balance of the Debt owed by any Obligor.

7. WAIVER OF DEFENCES

The rankings effected or intended to be effected by this Agreement, the Transaction Security and the obligations of each of the Creditors and the Obligors under this Agreement shall not be affected by any act, omission or circumstances which but for this provision might operate to release or otherwise exonerate any Creditor or Obligor from its obligations hereunder or affect such obligations or such rankings including, without limitation, and whether or not known to any Creditor or Obligor or any other person:

(a) any time or indulgence granted to or composition with any Obligor or any other person; or

(b) the taking, variation (no matter how fundamental or extensive), compromise, renewal or release of, or refusal or neglect to perfect or enforce, any rights, remedies or securities against or granted by any Obligor or any other person; or

(c) any legal limitation, disability, incapacity or other circumstances relating to any Obligor or any other person or any amendment to or variation of the terms of any of the Finance Documents this Agreement or any other document or Security.

8. POSTPONEMENT OF SUBROGATION

Any rights of subrogation that any Group Company may have to be subrogated to each of the Creditors in respect of any of the Debt which arises by virtue of the operation of this Agreement or otherwise shall not be exercised at any time prior to the RCF Discharge Date and the Notes Discharge Date, with respect to any Group Company.

9. DISCHARGE OF LIABILITIES BY SET-OFF

If any Debt is unconditionally discharged in whole or in part by a set-off following the taking of any Enforcement Action, the relevant Creditor will (and in the case of the relevant Trustees, subject to Clause 18 (*The Security Agent*) and Clause 21 (*The Trustees*)) forthwith pay to or to the order of the Security Agent for application in accordance with the terms of Clause 14.1 (*Order of Application*) an amount equal to the amount discharged by the set-off. This Clause 9 does not apply to any RCF Debt or Notes Debt to the extent that at the time of the set-off the relevant Debt is permitted to be paid pursuant to the other provisions of this Agreement.

10. CONSENTS FOR TRANSACTION SECURITY DOCUMENTS

Any Consent by the Notes Trustee and/or the Security Agent in respect of the Transaction Security Documents shall be given without responsibility or liability to any person and the Notes Trustee and/or, as the case may be, the Security Agent may require to be indemnified and/or secured and/or pre-funded to its satisfaction prior to giving any such Consent.

11. NEW MONEY

11.1 Additional RCF Debt

The RCF Lenders may, from time to time, make available Additional RCF Debt in accordance with and pursuant to the terms of the RCF Finance Documents after the original date of this Agreement subject to the other Finance Documents. To the extent the RCF Lenders make such Additional RCF Debt available such Additional RCF Debt will be treated as RCF Debt and shall:

(a) rank *pari passu* with the Notes Debt in accordance with Clauses 2.1 (*Ranking of Debt*);

(b) rank and be guaranteed and secured by the Transaction Security in accordance with Clauses 2.2 (*Ranking of guarantees and security*); and

(c) will be subject to and have the benefit of this Agreement.

11.2 **Additional Notes**

The Company may, from time to time, issue Additional Notes in accordance with and pursuant to the terms of the Notes Indenture after the original date of this Agreement in an aggregate principal amount not to exceed EUR100,000,000 to the extent permitted under to the other Finance Documents. To the extent that the Company issues Additional Notes such new issue will be treated as Notes Debt and:

(a) shall rank *pari passu* with the RCF Debt in accordance with Clause 2.1 (*Ranking of Debt*);

(b) shall rank and be guaranteed and secured by the Transaction Security Documents in accordance with Clauses 2.2 (*Ranking of guarantees and security*); and

(c) shall be subject to and have the benefit of this Agreement.

11.3 **General**

(a) The ranking and priority in Clauses 11.1 (*Additional RCF Debt*) and 11.2 (*Additional Notes*) apply regardless of the date upon which any Debt was incurred or arose, whether any person was obliged to advance or provide such Debt or any fluctuation in amount or intermediate discharge in whole or part of any Debt.

(b) The Company, each of the other Obligors and each of the Creditors agree to do (or, as the case may be, refrain from doing) all such actions and to execute (and procure that each of their Subsidiaries shall execute) all such documents requested in writing by, the Agent (acting reasonably) in respect of Additional RCF Debt and/or by the Notes Trustee in respect of Additional Notes to give effect to the provisions of this Clause 11.

12. **ENFORCEMENT OF SECURITY**

12.1 **Enforcement Instructions**

(a) Subject to Clause 12.5 (*Enforcement of the Holdco Share Pledges pursuant to the Existing Intercreditor Agreement)* in respect of enforcement of the Holdco Share Pledges, the Security Agent shall:

(i) exercise any right, power, authority or discretion vested in it as Security Agent in accordance with the instructions given to it by or on behalf of the Majority Creditors (or, if so instructed by or on behalf of the Majority Creditors, refrain from exercising any right, power, authority or discretion vested in it as Security Agent); and

(ii) not be liable for any act (or omission) if it acts (or refrains from taking action) in accordance with the instructions given by or on behalf of the Majority Creditors.

(b) For the purposes of paragraph (a) above, and in the circumstances referred to in paragraphs (b)(i) and (ii) of the definition Majority Creditors in clause 1.1 (*Definitions*), following receipt of all necessary information from the Agent and the Company, the Security Agent shall make a calculation in order to determine whether the RCF Commitments (drawn and undrawn) are higher or lower than the percentage specified in paragraph (b)(ii) of the definition Majority Creditors in clause 1.1 (*Definitions*), and if such calculation demonstrates that:

(i) the RCF Commitments (drawn and undrawn) are higher than such specified percentage, the Majority Creditors shall be those Creditors specified in paragraph (a) of the definition Majority Creditors in clause 1.1 (*Definitions*); and

(ii) the RCF Commitments (drawn and undrawn) are lower than such specified percentage, the Majority Creditors shall be those Creditors specified in paragraph (b) of the definition Majority Creditors in clause 1.1 (*Definitions*).

(c) Any instructions given in accordance with paragraph (a) above or any instruction given or action taken in accordance with Clause 12.5 (*Enforcement of the Holdco Share Pledges pursuant to the Existing Intercreditor Agreement)* will be binding on all the Parties. Notwithstanding any other term of this Agreement, no Enforcement Action in relation to the Transaction Security may be taken other than in compliance with paragraph (a) above or Clause 12.5 (*Enforcement of the Holdco Share Pledges pursuant to the Existing Intercreditor Agreement)* and no individual Creditor (other than the Security Agent in accordance with this Agreement) may take any Enforcement Action in relation to the Transaction Security.

(d) The Security Agent may refrain from acting in accordance with any instructions given in accordance with paragraph (a) above or Clause 12.5 (*Enforcement of the Holdco Share Pledges pursuant to the Existing Intercreditor Agreement)* until it has received such security as it may require for any cost, loss or liability (together with any associated VAT or other taxes) which it may incur in complying with such instructions.

(e) No Creditor shall be responsible to any other Party under this Agreement for any instructions given or not given to the Security Agent in relation to the Transaction Security.

12.2 **Manner of Enforcement**

(a) The Security Agent shall enforce the Transaction Security (if then enforceable in accordance with the relevant Transaction Security Documents):

(i) in such manner as the Majority Creditors shall instruct in accordance with Clause 12.1 (*Enforcement Instructions*) or, in the absence of such instructions, as it sees fit; and

(ii) in relation to the Holdco Share Pledges, in accordance with Clause 12.5 (*Enforcement of the Holdco Share Pledges pursuant to the Existing Intercreditor Agreement.)*

Notwithstanding the foregoing, the Security Agent may refrain from enforcing the Transaction Security in accordance with subparagraph (i) above unless instructed otherwise by the Majority Creditors.

(b) To the extent any enforcement by the Security Agent in accordance with this Clause 12 relates to a release of any Transaction Security or guarantees, that release shall be implemented in compliance with Clause 12.3 (*Release of guarantees and Security*) below.

(c) Each Creditor agrees to do (or, as the case may be, refrain from doing) all such actions and to execute all such documents (including powers of attorney) required by the Security Agent in order to give effect to this Clause 12 (provided, in the case of each of the Trustees that its costs and expenses in so acting have been paid or indemnified to its satisfaction).

(d) Except as expressly provided in this Agreement, the Security Agent is not authorised to act on behalf of a Creditor (without first obtaining that person's consent) in any legal or arbitration proceedings in connection with any Finance Document or this Agreement.

12.3 **Release of guarantees and Security**

(a) Subject to paragraph (c) below, if pursuant to or for the purposes of any Enforcement Action taken or to be taken by the Security Agent in accordance with this Agreement the Security Agent requires any release of any guarantee or Security, each Party (other than the Security Agent) shall promptly enter into any release and/or other document and take any action which the Security Agent may reasonably require.

(b) 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 Transaction Security Document; or

(ii) an Obligor or any other member of the Group sells or otherwise disposes of (or proposes to sell or otherwise dispose of) any asset at the request of the Security Agent or the Majority Creditors,

the Security Agent may, subject to paragraph (c) below, and is hereby irrevocably authorised on behalf of each Party to:

(A) release the Security created pursuant to the Transaction Security Document over the relevant asset;

(B) if the relevant asset comprises all of the shares in the capital of a Group Company, release that Group Company and any of its Subsidiaries from all of 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 Debt and release any Security granted by that Group Company and any of its Subsidiaries over any of its or their assets;

(C) if the relevant asset comprises all of the shares in the capital of a Group Company, release that Group Company and any of its Subsidiaries from all of 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 any intercompany debt (including any liability to another Group Company by way of guarantee, contribution or intercompany loan) provided that the Security Agent shall have no such right to release any intercompany debt obligations under this subparagraph (C) if such release would breach section 4.8 (*Limitation on Restrictions on Distributions from Restricted Subsidiaries*) of the 2007 Indenture or the 2009 Indenture; and

(D) apply the net cash proceeds (or non-cash consideration) of sale or disposal in accordance with Clause 14.1 (*Order of Application*).

(c) It is a condition to the release of any guarantee and/or Security in respect of the Notes Debt and other Liabilities in respect of the Notes Debt in accordance with paragraph (b) above where the proposed Enforcement Action taken or to be taken by the Security Agent involves the sale or disposal of shares and/or assets that:

(i) such sale or disposal is made pursuant to:

(A) a public auction; or

(B) a process or proceedings approved or supervised by or on behalf of any court of law;

(ii) the proceeds of such sale or disposal will be in the form of cash (or substantially all cash); and

(iii) immediately prior to or concurrently with the completion of such sale or disposal, the relevant Group Company and its Subsidiaries will be simultaneously and unconditionally released from all its and their obligations in respect of the RCF Debt, any secured hedging obligations relating thereto and (subject to paragraph (b)(ii)(C) above) any intercompany loan owed by such Group Company (or such debt and/or obligations are transferred to the purchaser or one of more of its affiliates).

(d) In the event that the Security Agent is entitled to release intercompany debt obligations pursuant to paragraph (b)(ii)(C) above, each Obligor (on behalf of itself and its Subsidiaries) irrevocably authorises the Security Agent to unconditionally release in any manner whatsoever any Liabilities in respect of any intercompany debt in connection with any Enforcement Action taken or to be taken by the Security Agent in accordance with the provisions of this Agreement and the other relevant Finance Documents relating to the sale or disposal of shares in the capital of a Group Company, and the Security Agent may, and each Obligor shall (and shall procure that each of its Subsidiaries shall) promptly execute any document or take such other action as is reasonably required to effect any such release at the expense of the Company.

(e) Each Party shall promptly enter into any release and/or other document and take any action which the Security Agent may reasonably require to give effect to this Clause 12.3.

12.4 **Release other than in connection with Enforcement**

The Agent and the Notes Trustee irrevocably authorise the Security Agent to release in any manner whatsoever any guarantee and/or Transaction Security upon the sale or disposal of any asset (including shares) which is not pursuant to an Enforcement Action provided that such sale or disposal is in compliance with the terms of the Finance Documents (and the Security Agent has received evidence satisfactory to it that this is the case) and the Security Agent (and the Agent and Notes Trustee) shall promptly execute any such release or take such other action as is reasonably required to effect any such release at the expense of the Company.

12.5 **Enforcement of the Holdco Share Pledges pursuant to the Existing Intercreditor Agreement**

(a) Notwithstanding the other provisions of this Agreement, the Parties acknowledge and agree that enforcement of the Holdco Share Pledges is subject to the provisions of the Existing Intercreditor Agreement and this Clause 12.5.

(b) Before an instruction may be given to the Security Agent to issue an Enforcement Notice under the Existing Intercreditor Agreement in respect of the Holdco Share Pledges:

(i) the Notes Trustee shall notify the Agent in writing of any intention to request the Security Agent to issue an Enforcement Notice;

(ii) the Agent shall notify the Notes Trustee in writing of any intention to request the Security Agent to issue an Enforcement Notice; and

(iii) the Creditors (other than the Security Agent) agree to consult in good faith for not less than 10 Business Days from the date that notice has been given under subparagraph (i) or (ii) above (or such other period as may be agreed by the Notes Trustee and the Agent) with respect to such proposed instruction to the Security Agent to issue an Enforcement Notice.

(c) Upon receipt by the Security Agent of an Enforcement Notice under the Existing Intercreditor Agreement, the Security Agent shall promptly notify the Agent and the Notes Trustee and with such notice provide a copy of such Enforcement Notice.

(d) With respect to the RCF Debt:

(i) following consultation in accordance with paragraph (b)(iii) above, the Agent may instruct the Security Agent to issue an Enforcement Notice under and in accordance with the Existing Intercreditor Agreement;

(ii) in the event that the Agent receives from the Security Agent notice of an Enforcement Notice under paragraph (c) above, and all or any part of the RCF Debt is accelerated in accordance with Clause 23.19 (*Acceleration*) of the Revolving Credit Facility Agreement, the Security Agent shall (and is instructed by the RCF Lenders to) enforce the Holdco Share Pledges under and in accordance with the Existing Intercreditor Agreement; and

(iii) the provisions of this Clause 12.5 are without prejudice to any and all other rights of the RCF Creditors to take Enforcement Action.

(e) With respect to the Notes Debt, the restrictions in Clause 5.2 (*Restrictions on enforcement*) will not apply in respect of the Holdco Share Pledges provided that:

(i) following consultation in accordance with paragraph (b)(iii) above, the Notes Trustee may instruct the Security Agent to issue an Enforcement Notice under and in accordance with the Existing Intercreditor Agreement;

(ii) in the event that the Notes Trustee receives from the Security Agent notice of an Enforcement Notice under paragraph (c) above, and all or any part of the Notes Debt is accelerated in accordance with Section 6.2 (*Acceleration*) of the Notes Indenture, the Security Agent shall (and is instructed by the Notes Trustee to) enforce the Holdco Share Pledges under and in accordance with the Existing Intercreditor Agreement.

(f) To the extent required under the Existing Intercreditor Agreement, the Security Agent shall (and is instructed by the Agent and the Notes Trustee to) give notice to the Secured Parties (with a copy to the Agent and the Notes Trustee) upon it becoming aware that:

(i) the Holdco Share Pledges have become enforceable in respect of any of the Debt;

(ii) amounts outstanding in respect of the Debt have become immediately due and payable in accordance with the provisions of the relevant Finance Documents; and

(iii) the Notes Trustee or the Agent (as the case may be) has first made demand with respect to all or any of the relevant Debt.

13. NOTIFICATION OF EVENTS OF DEFAULT AND ENFORCEMENT

13.1 Notes Trustee Notification

The Notes Trustee, provided it has actual knowledge thereof, undertakes to notify the Agent and the Security Agent reasonably promptly after the occurrence of:

(a) any Notes Default;

(b) any acceleration of the Notes Debt;

(c) the commencement of any Enforcement Action in relation to the Notes Debt; or

(d) any formal waiver given by it (or the Noteholders) in respect of a Notes Default.

13.2 Agent Notification

The Agent, provided it has actual knowledge thereof, undertakes to notify a Responsible Officer of the Notes Trustee and the Security Agent reasonably promptly after the occurrence of:

(a) any RCF Default;

(b) of any acceleration of the RCF Debt;

(c) the commencement of any Enforcement Action in relation to the RCF Debt; or

(d) any formal waiver given by it (or the RCF Creditors represented by it) in respect of any RCF Default.

14. PROCEEDS OF ENFORCEMENT

14.1 Order of Application

(a) Subject to applicable law and to the rights of any person with prior security or prior claims, the proceeds of enforcement of the Transaction Security, all recoveries under the Existing Intercreditor Agreement and all recoveries by the Security Agent under guarantees of the Debt shall be paid to or to the order of the Security Agent.

(b) Subject to the proviso below, the proceeds of enforcement of any Transaction Security, all recoveries under the Existing Intercreditor Agreement, all recoveries under any guarantee of the Debt and all other amounts paid to and or received by the Security Agent under this Agreement shall be applied in the following order:

(i) **First** , in payment of the fees, costs, expenses and liabilities (and all interest thereon as provided in the Finance Documents) of the Agent, the Security Agent and any Receiver, Delegate, attorney or agent appointed under the Transaction Security Documents or this Agreement in accordance with the terms of the relevant Finance Document and in payment to the Notes Trustee in respect of the Notes Trustee Ordinary Course Amounts owing to it *pari passu* between such parties;

(ii) **Second** , in payment of the balance of the costs and expenses of each RCF Creditor (other than the Security Agent, any Receiver or Delegate) and each Notes Creditor in connection with such enforcement, recovery or other payment *pari passu* between such parties;

(iii) **Third** , in payment to the Agent for application towards the balance of the RCF Debt in accordance with the RCF Finance Documents and the Notes Trustee for application towards the balance of the Notes Debt in accordance with the Notes Documents *pari passu* between such parties;

(iv) **Fourth** , after the RCF Discharge Date and the Notes Discharge Date, in payment of the surplus (if any) to the relevant Obligors or other person entitled to it,

provided that no recoveries shall be distributed to any Agent, the Notes Trustee, the Security Agent or Creditor (for the purposes of this Clause 14, each, a " **Beneficiary** ") in accordance with the above provisions to the extent any such distribution would cause any Beneficiary to receive an amount greater than that to which it is entitled having regard to any applicable limitation in any relevant Transaction Security Document or guarantee on the amount or nature of the Liabilities owing to such Beneficiary which is intended to be secured under that Transaction Security Document or guaranteed under that guarantee.

(c) Subject to applicable law and to the rights of any person with prior security or prior claims, no such proceeds or amounts shall be applied in payment of any amounts specified in any of the sub-paragraphs in paragraph (b) above until all amounts specified in any earlier sub-paragraph which are outstanding at the time of any application of proceeds have been paid in full.

14.2 **Turnover**

(a) Any payments made to and/or received and/or retained by a Creditor in contravention of the terms hereof, shall (and in the case of any Trustee, subject to Clause 18 (*The Security Agent*) and Clause 19 (*The Notes Trustee*)) be held in trust by such Creditor as the case may be for the Security Agent and shall be paid to the Security Agent for application in accordance with the terms of Clause 14.1 (*Order of Application*).

(b) While an Event of Default is continuing, the Security Agent (acting on the instructions of the Majority Creditors) may give notice to a Group Company that this Clause 14.2(b) applies. After such Group Company has received such notice from the Security Agent, any payment received by a Group Company under any intercompany debt arrangement which is subject to Security under a Transaction Security Document shall be held in trust by such Group Company and shall be paid to the Security Agent for application in accordance with the terms of Clause 14.1 (*Order of Application*) if there are amounts due, but unpaid, under the Finance Documents.

(c) If the trust referred to in paragraphs (a) and (b) of this Clause 14.2 (*Turnover*) fails or cannot be given effect to, any Creditor or Group Company as the case may be (so as also to bind any agent or trustee in each case on its behalf) that receives and retains any such payment or distribution will pay over such rights in the form received to the Security Agent for application in accordance with the terms of Clause 14.1 (*Order of Application*).

(d) To the extent that the Notes Trustee receives any amount from a Group Company in respect of the Notes Debt following the taking of any Enforcement Action, it shall (subject Clause 18 (*The Security Agent*) and to Clause 19 (*The Notes Trustee*) in the case of the Notes Trustee) pay such amount to the Security Agent for application in accordance with Clause 14.1 (*Order of Application*).

14.3 **Monies held in trust**

All amounts paid to the Security Agent pursuant to the terms hereof shall, until so applied, be held in trust to be applied in accordance with this Clause 14.

14.4 **Loss Sharing - Security Recovery Equalisation payments**

If a Creditor (a " **Security Recovering Creditor** ") makes a Security Recovery other than by reason of a payment from the Security Agent under this Clause 14, then:

(a) the Security Recovering Creditor must, within three Business Days, supply details of the Security Recovery to the Security Agent;

(b) the Security Agent shall calculate whether the Security Recovery is in excess of the amount (the amount of the excess being the " **Security Recovery Excess** ") which the Security Recovering Creditor would have received if the Security Recovery had been applied as provided in Clause 14.1 (*Order of Application*);

(c) the Security Recovering Creditor must pay to the Security Agent an amount equal to the Security Recovery Excess within five Business Days of demand by the Security Agent;

(d) the Security Agent must treat the Security Recovery Excess as if it were the proceeds of enforcement of the Transaction Security and shall deal with it in accordance with Clause 14.1 (*Order of Application*); and

(e) (i) the Security Recovering Creditor will be subrogated to the rights of the Creditors which have shared in that Security Recovery Excess, or

(ii) if the Security Recovering Creditor is not able to rely on any rights of subrogation under subparagraph (i) above, the relevant Obligor will owe the Security Recovering Creditor a debt which is equal to the Security Recovery Excess, immediately payable and of the type originally discharged.

14.5 **Permitted Deductions**

The Security Agent shall be entitled, in its discretion:

(a) to set aside by way of reserve amounts required to meet, and

(b) to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement). For the purposes of this paragraph (b), " **Tax** " means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

15. NOTICES

15.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

15.2 Addresses

(a) The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is that identified with its name in the signature pages of this Agreement, or any substitute address, fax number or department or officer as the Party may notify to the other Parties by not less than five Business Days' notice.

(b) The extent that the communication details of any Party changes after the original date of this Agreement, such Party shall promptly notify the other Parties in writing of such change.

15.3 Delivery

Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

(a) if by way of fax, when received in legible form; or

(b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 15.2 (*Addresses*), if addressed to that department or officer.

15.4 English language

Any notice given under or in connection with this Agreement must be in English.

16. MISCELLANEOUS

16.1 Partial Invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

16.2 Counterparts

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

16.3 Amendments to this Agreement; Consents

The provisions of this Agreement may not be amended except by written agreement between the Security Agent, the Agent and the Notes Trustee, save in respect of administrative changes or to correct manifest errors on the instructions of the Agent and Notes Trustee. Any such agreement shall be entered into by such aforementioned Parties in accordance with the terms of the relevant Finance Documents, including, without limitation, terms in respect of consents required from the Creditors. No consent of any Obligor is required for any amendment to this Agreement which does not alter its obligations under this Agreement.

16.4 Agreement Shall Not Constitute Security

The Parties confirm that this Agreement shall not constitute nor create nor is it intended to constitute or create any Security on the part of the Creditors.

16.5 Authority to Disclose

Each Group Company that is party to this Agreement authorises each Creditor to disclose to each other and to agents, delegates, nominees and advisers appointed by it (to the extent legally permissible), and to shareholders in any Group Company, all information relating to that Group Company, its Subsidiaries or related entities, and coming into the possession of any of them in connection with the Finance Documents.

16.6 Interest

The Security Agent shall (subject to clause 14.1 (*Order of Application*)) be entitled (in its own name or in the names of nominees) to invest any moneys held by it in its capacity as trustee in relation to the Transaction Security which, in the opinion of the Security Agent, it would not be practicable to distribute immediately by placing the same on deposit in the name or under the control of the Security Agent as the Security Agent may think fit without being under any duty to diversify the same and the Security Agent shall not be responsible for any loss due to interest rate or exchange rate fluctuations except for any loss arising from the Security Agent's gross negligence or wilful misconduct.

16.7 Currencies

(a) All moneys received or held by the Security Agent under this Agreement at any time on or after the taking of any Enforcement Action in a currency other than a currency in which the relevant Debt is denominated may be sold for any one or more of the currencies in which the Debt is denominated as the Security Agent considers necessary or desirable.

(b) Each Obligor shall as an independent obligation, within 5 days of demand, indemnify the Security Agent against any cost, loss or liability arising in relation to any sale, including cost, loss or liability arising out of or as a result of any currency conversion including any discrepancy between (a) the rate of exchange used to convert the sale proceeds from one currency into another and (b) the rate or rates of exchange available to that person at the time of its receipt of the proceeds of any sale.

16.8 **Undertaking of the Parent**

In the event the Security Agent is entitled to release intercompany debt obligations pursuant to Clause 12.3(b)(ii)(C) (*Release of guarantees and Security*), the Parent undertakes to the Security Agent that it shall, promptly on the request of the Security Agent, procure the release in any manner whatsoever of any Liabilities in respect of any intercompany debt by any member of the Group that is not a Party in connection with any Enforcement Action taken or to be taken by the Security Agent in accordance with the provisions of this Agreement and the other relevant Finance Documents relating to the sale or disposal of shares in the capital of a member of the Group, and the Parent shall procure that each relevant Group Company shall promptly execute any document or take such other action as is reasonably required to effect any such release at the expense of the Parent.

17. ASSIGNMENT AND TRANSFER

17.1 **Benefit of Agreement**

This Agreement will be binding upon, and endure for the benefit of, each Party and its successors and assigns.

17.2 **The Parent and other Obligors**

None of the Parent or the other Obligors may assign or transfer all or any part of its rights and obligations under this Agreement.

17.3 **Accession of Notes Trustee**

(a) The Parent shall procure that each person that becomes a trustee under any Notes Documents after the original date of this Agreement shall become a Party as a Notes Trustee by executing a Deed of Accession and delivering the same to the Security Agent. Upon delivery of such to the Agent and the Security Agent, such person shall thereupon become a Party under this Agreement.

(b) Each successor Notes Trustee after the original date of this Agreement shall become a Party by executing a Deed of Accession. Upon delivery of such to the Agent and the Security Agent, such person shall thereupon become a Party under this Agreement.

17.4 **Accession of Obligors**

(a) The Parent shall procure that each Group Company which, after the original date of this Agreement becomes a Guarantor, borrower or other obligor (howsoever defined) under any of the Finance Documents shall (to the extent not already a Party) become a Party as an Obligor by executing an Accession Agreement and delivering the same to the Security Agent. Such Group Company shall become a Party upon the Security Agent countersigning the relevant Accession Agreement (which it shall promptly do following receipt thereof).

(b) Each Party to this Agreement (other than the Security Agent) authorises the Security Agent to sign, on its behalf, any such Accession Agreement delivered to the Security Agent. Immediately upon receiving a copy of such executed Accession Agreement, the Security Agent will forward a copy of the same to the Agent and the Notes Trustee.

17.5 **Accession of Creditors**

(a) The Parties agree that any person becoming a Creditor after the original date of this Agreement shall become a Party as an RCF Creditor or Notes Creditor as the case may be by executing a Deed of Accession. Upon delivery of such to the Agent and the Security Agent, such person shall thereupon become a Party under this Agreement.

(b) Each successor Agent, Security Agent and/or Notes Trustee which is or becomes a Creditor after the original date of this Agreement shall become a Party by executing a Deed of Accession. Upon delivery of such to the Agent and the Security Agent, such person shall thereupon become a Party under this Agreement.

18. **THE SECURITY AGENT**

18.1 **Appointment**

(a) Each Creditor (other than the Security Agent) (the " **Relevant Creditors** ") irrevocably appoint the Security Agent to act as its Security Agent and security agent under the Transaction Security Documents, the Existing Intercreditor Agreement and this Agreement (the " **Relevant Finance Documents** ").

(b) Each Relevant Creditor irrevocably authorises the Security Agent to:

(i) perform the duties and to exercise the rights, powers and discretions that are specifically given to it under the Relevant Finance Documents, together with any other incidental rights, powers and discretions; and

(ii) execute each Relevant Finance Document expressed to be executed by the Security Agent on its behalf.

(c) The Security Agent has only those duties which are expressly specified in the Relevant Finance Documents. Those duties are solely of a mechanical and administrative nature.

(d) Each Relevant Creditor confirms that:

(i) the Security Agent has authority to accept on its behalf the terms of any reliance letter or engagement letter relating to the reports or letters provided in connection with the Relevant Finance Documents or the transactions contemplated by the Relevant Finance Documents, to bind it in respect of those reports or letters and to sign any such reliance letter or engagement letter on its behalf and to the extent that reliance letter or engagement letter has already been entered into ratifies those actions; and

(ii) it accepts the terms and qualifications (including, without limitation, any limitation (if any) on the relevant provider of the report or letter's liability whether by reference to a monetary cap or otherwise as set out in the terms of such letter) set out in any such reliance letter or engagement letter.

(e) Each of the Relevant Creditors:

(i) grants the Security Agent the power to negotiate and approve the terms and conditions of such Transaction Security Documents, execute any other agreement or instrument, give or receive any notice or declaration, identify and specify to third parties the names of the Relevant Creditors at any given date, and take any other action in relation to the creation, perfection, maintenance, enforcement and release of the security created thereunder, subject to the provisions of this Agreement, in the name and on behalf of the Relevant Creditors;

(ii) confirms that in the event that any security created under such Transaction Security Documents remains registered in the name of the Relevant Creditor after it has ceased to be a Relevant Creditor then the Security Agent shall remain empowered to execute a release of such security in its name and on its behalf; and

(iii) undertakes to ratify and approve any such action taken in the name and on behalf of the Relevant Creditors by the Security Agent acting in its appointed capacity.

18.2 **No fiduciary duties**

Except as specifically provided in a Relevant Finance Document:

(a) nothing in the Relevant Finance Documents makes the Security Agent a trustee or fiduciary for any other Party or any other person; and

(b) the Security Agent need not hold in trust any moneys paid to or recovered by it for a Party in connection with the Relevant Finance Documents or be liable to account for interest on those moneys.

18.3 **Individual position of the Security Agent**

(a) If it is also a Relevant Creditor in another capacity, the Security Agent has the same rights and powers under the Relevant Finance Documents as any other Relevant Creditor in that capacity and may exercise those rights and powers as though it were not the Security Agent.

(b) The Security Agent may:

(i) carry on any business with any other Party or its related entities (including acting as an agent or a trustee for any other financing); and

(ii) retain any profits or remuneration it receives under the Relevant Finance Documents or in relation to any other business it carries on with any other Party or its related entities.

18.4 **Reliance**

The Security Agent may:

(a) rely on any notice, communication or document believed by it to be genuine and correct and to have been communicated or signed by, or with the authority of, the proper person;

(b) rely on any statement made by any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify;

(c) engage, pay for and rely on professional advisers selected by it (including those representing a Party other than the Security Agent); and

(d) act under the Relevant Finance Documents through its personnel and agents.

18.5 **Instructions**

(a) The Security Agent is fully protected if it acts on the instructions of any other person who is entitled to so instruct the Security Agent under the terms of this Agreement in the exercise of any right, power or discretion or any matter not expressly provided for in the Relevant Finance Documents. Any such instructions given by such a person will be binding on all the Relevant Creditors subject to the provisions of Clause 12 (*Enforcement of Security*).

(b) The Security Agent may assume that, unless it has received notice to the contrary, any right, power, authority or discretion vested in any Party under the terms of this Agreement has not been exercised and if it receives any instructions or directions from an Relevant Creditor or other person to take any action in relation to the Relevant Finance Documents, that all applicable conditions under this Agreement and any other Relevant Finance Documents have been satisfied and that such instructions or directions are duly given in accordance with the terms of this Agreement and the other Relevant Finance Documents and such instructions or directions have not been revoked.

(c) The Security Agent may require the receipt of security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may incur in complying with the instructions of any person under the terms of this Agreement.

(d) The Security Agent shall act in accordance with any instructions given to it by the Majority Creditors or, if so instructed by the Majority Creditors, refrain from exercising any right, power, authority or discretion vested in it as Security Agent.

(e) The Security Agent shall be entitled to request instructions, or clarification of any direction, from the Majority Creditors as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent may refrain from acting unless and until those instructions or clarification are received by it.

(f) Save as provided in Clause 12 (*Enforcement of Security*), any instructions given to the Security Agent by the Majority Creditors shall override any conflicting instructions given by any other Parties.

(g) Paragraph (d) above shall not apply:

(i) where a contrary indication appears in this Agreement;

(ii) where this Agreement requires the Security Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the other RCF Creditors and the Noteholders;

(iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:

(A) Clause 12.4 (*Release other than in connection with Enforcement*);

(B) Clause 14.1 (*Order of Application*); and

(C) Clause 14.5 (*Permitted Deductions*).

18.6 **Legal Action**

The Security Agent shall not be obliged to take, give directions or commence any legal action or proceeding against any person, body or corporation arising out of or in connection with this Agreement or the Transaction Security Documents until it shall have been indemnified and/or secured to its satisfaction against any and all costs, claims and expenses (including, but not limited to, legal fees and expenses which it may expend or incur in giving such directions or taking or commencing such legal action or proceeding).

18.7 **Responsibility**

(a) The Security Agent is not responsible to any Relevant Creditor for the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:

(i) any Relevant Finance Document or any other document;

(ii) any statement, representation, warranty or information (whether written or oral) made in or supplied in connection with any Relevant Finance Document or any Transaction Security; or

(iii) any observance by any Relevant Creditor or Obligor of its obligations under any Relevant Finance Document or any other document.

(b) Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Relevant Finance Document, each Relevant Creditor (other than the Security Agent) confirms that it:

(i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Relevant Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets); and

(ii) has not relied exclusively on any information provided to it by the Security Agent in connection with any Relevant Finance Document.

(c) Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security Agent shall not:

(i) be bound to account to any other Party for any sum or the profit element of any sum received by it for its own account; and

(ii) have or be deemed to have any relationship of trust or agency with any Obligor.

(d) The Security Agent is not responsible for failing to request, requiring or receiving any legal opinion or commenting on any legal opinion provided in connection with this Agreement or any of the other Finance Documents.

(e) The Security Agent is under no obligation to monitor or supervise the functions of any other person and is entitled, in the absence of actual knowledge to the contrary, to assume that each such person is properly performing or complying with its obligations.

(f) The Security Agent is not responsible for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person.

18.8 **Exclusion of liability**

(a) The Security Agent is not liable or responsible to any Relevant Creditor or Obligor for any action taken or not taken by it in connection with any Relevant Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Security Agent) may take any proceedings against any officer, employee or agent of the Security Agent in respect of any claim it might have against the Security Agent or in respect of any act or omission of any kind by that officer, employee or agent in connection with any Relevant Finance Document. Any officer, employee or agent of the Security Agent may rely on this Clause 18.8 and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.

(c) None of the Security Agent, any Receiver nor any Delegate shall accept responsibility or be liable for:

(i) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Finance Documents, the Transaction Security or otherwise, whether in accordance with an instruction from the Agent or otherwise unless directly caused by its gross negligence or wilful misconduct; and

(ii) any shortfall which arises on the enforcement or realisation of any Transaction Security or any other amounts or property which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust.

18.9 **Event of Default**

The Security Agent is not obliged to monitor, enquire or ascertain whether an Event of Default under the Relevant Finance Documents has occurred. The Security Agent is not deemed to have knowledge of the occurrence of an Event of Default under the Relevant Finance Documents.

18.10 **Information**

(a) The Security Agent must promptly forward to the Relevant Creditor concerned the original or a copy of any document which is delivered to the Security Agent by a Party for that person.

(b) Except where a Relevant Finance Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(c) Except as provided herein, the Security Agent has no duty:

(i) either initially or on a continuing basis to provide any other Relevant Creditor with any credit or other information concerning the risks arising under or in connection with the Relevant Finance Documents (including any information relating to the financial condition or affairs of any Obligor or its related entities or the nature or extent of recourse against any Party or its assets) whether coming into its possession before, on or after the date of this Agreement; or

(ii) unless specifically requested to do so by another Relevant Creditor in accordance with an Relevant Finance Document, to request any certificate or other document from any Obligor.

(d) In acting as the Security Agent, the Security Agent will be treated as acting through its agency division which will be treated as a separate entity from its other divisions and departments. Any information received or acquired by the Security Agent which, in its opinion, is received or acquired by another division or department or otherwise than in its capacity as the Security Agent may be treated as confidential by the Security Agent and will not be treated as information possessed by the Security Agent in its capacity as such.

(e) The Security Agent is not obliged to disclose to any person any confidential information supplied to it by or on behalf of a member of the Group solely for the purpose of evaluating whether any waiver or amendment is required in respect of any term of the Relevant Finance Documents.

(f) Each Obligor irrevocably authorises the Security Agent to disclose to the other Relevant Creditors the content of any notice or document which the Security Agent receives in its capacity as the Security Agent.

(g) The Relevant Creditors shall provide to the Security Agent from time to time (through the Agent or Note Trustee, as relevant) any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as trustee.

18.11 **Indemnity**

(a) Without limiting the liability of any Obligor under the Relevant Finance Documents, each Relevant Creditor agrees to indemnify the Security Agent for its proportion of any loss, damages, penalties, costs, expenses or liabilities incurred by or asserted against the Security Agent in acting as the Security Agent or in any way relating to or arising out of the Relevant Finance Documents, except to the extent that the same is caused by the Security Agent's gross negligence or wilful misconduct.

(b) A Relevant Creditor's proportion of the loss or liability set out in paragraph (a) above is the proportion which the amount owing to that Relevant Creditor bears to the aggregate of all the amounts owing to all the Relevant Creditors on the date the loss or liability was incurred by the Security Agent.

(c) The Security Agent may deduct from any amount received by it for a Relevant Creditor any amount due to the Security Agent from that person under any Relevant Finance Document but unpaid.

(d) Each Obligor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them:

(i) in relation to or as a result of:

(A) any failure by the Company to comply with obligations under clause 21 (*Costs and Expenses*);

(B) the taking, holding, protection or enforcement of the Transaction Security;

(C) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent, each Receiver and each Delegate by the Finance Documents or by law; or

(D) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or

(ii) which otherwise relates to any of the Transaction Security or any other amounts or property which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust or the performance of the terms of this Agreement (otherwise than as a result of its gross negligence or wilful misconduct).

(e) Each Obligor expressly acknowledges and agrees that the continuation of its indemnity obligations under paragraph (d) above will not be prejudiced by any release or disposal in accordance with this Agreement.

(f) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Relevant Creditors, indemnify itself out of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security, in respect of, and pay and retain, all sums necessary to give effect to the indemnity in paragraph (d) above and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

18.12 **Compliance**

The Security Agent may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or reasonably desirable to comply with any law or regulation.

18.13 **Resignation**

(a) The Security Agent may resign and appoint any of its Affiliates as successor Security Agent to it by giving notice to the Agent and the Company.

(b) Alternatively, the Security Agent may resign by giving notice to the Agent and the Company, in which case the Agent may appoint a successor security agent to it.

(c) If no successor Security Agent has been appointed under paragraph (a) above within 30 days after notice of resignation was given, the retiring Security Agent may appoint a successor Security Agent to it.

(d) The person(s) appointing a successor Security Agent must, if applicable, consult with the Agent and the Company prior to the appointment.

(e) Except as provided below, the resignation of a Security Agent and the appointment of a successor Security Agent will both become effective only when the successor Security Agent notifies the Agent that it accepts its appointment and executes and delivers to the Agent a duly completed Deed of Accession.

(f) The resignation of a Security Agent and the appointment of a successor Security Agent will both become effective only when the resigning Security Agent has assigned to the successor Security Agent any independent rights of the resigning Security Agent in its individual capacity under any of the Relevant Finance Documents by an assignment not constituting a novation of debt and to the extent legally possible not having any negative effect on the Transaction Security Documents executed in favour of the resigning Security Agent, the benefit of which shall be explicitly reserved to the successor Security Agent.

(g) The resignation of a Security Agent and the appointment of a successor Security Agent will not become effective until the relevant Transaction Security Documents (and any related documentation) have been transferred to or into (and where required registered in) the name of the proposed successor Security Agent.

(h) On satisfying the above conditions, the successor Security Agent will succeed to the position of the retiring Security Agent and the term Security Agent will mean the successor Security Agent.

(i) The retiring Security Agent shall, at the cost of the Company, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Relevant Finance Documents.

(j) Upon its resignation becoming effective, this Clause 18 will continue to benefit a retiring Security Agent in respect of any action taken or not taken by it in connection with the Relevant Finance Documents while it was a Security Agent, and, subject to paragraph (i) above, it will have no further obligations under any Relevant Finance Document.

(k) The Agent may, by notice to the Security Agent, require the Security Agent to resign under paragraph (b) above.

(l) An Obligor must (at its own cost after the occurrence of an Event of Default which is continuing or where the resignation of the Security Agent was due to an act or omission of any of the Obligor) take any action and execute any document which is reasonably required by the Security Agent so that a Transaction Security Document provides for effective and perfected security in favour of any successor Security Agent.

18.14 **Relationship**

The Security Agent may treat each Relevant Creditor as such and as entitled to payments under this Agreement and as acting through any relevant facility office(s) until it has received not less than five Business Days' prior notice from that person to the contrary.

18.15 **Notice period**

Where this Agreement specifies a minimum period of notice to be given to the Security Agent, the Security Agent may, at its discretion, accept a shorter notice period.

18.16 **Security Agent**

(a) Unless expressly provided to the contrary, and to the extent that under applicable law it is able to hold security created by a Transaction Security Document as trustee, the Security Agent holds the security created by the Transaction Security Documents on trust for the Relevant Creditors. If under applicable law it is not able to hold any security created by a Transaction Security Document as trustee, the Security Agent shall accept and hold that part in its own name (but on behalf of the Relevant Creditors) to deal with that part in accordance with this Agreement and the Security Agent undertakes to apply that part as set out in this Agreement.

(b) The Security Agent is not liable for:

(i) any failure in perfecting or protecting the security constituted by any relevant Transaction Security Document; or

(ii) any other action taken or not taken by it in connection with a relevant Transaction Security Document.

(c) (i) The Security Agent may accept, without enquiry, the title (if any) which an Obligor may have to any asset over which security is intended to be created by any relevant Transaction Security Document.

(ii) The Security Agent has no obligation to insure any such asset or the interests of the Relevant Creditors in any such asset.

(d) The Security Agent is not obliged to hold in its own possession any relevant Transaction Security Document, title deed or other document in connection with any asset over which security is intended to be created or evidenced by a relevant Transaction Security Document. Without prejudice to the above, the Security Agent may allow any bank providing safe custody services or any professional advisers to the Security Agent to retain any of those documents in its possession.

(e) Except as otherwise provided in any relevant Transaction Security Document, all moneys received by the Security Agent under the Relevant Finance Documents may be:

(i) invested in the name of, or under the control of, the Security Agent in any investment for the time being authorised by English law for the investment by trustees of trust money or in any other investments which may be selected by the Security Agent with the consent of the Agent; or

(ii) placed on deposit in the name of, or under the control of, the Security Agent at such bank or institution (including any other Relevant Creditor) and upon such terms as the Security Agent may think fit.

(f) Each Relevant Creditor confirms its approval of each relevant Transaction Security Document of which it is to have the benefit and authorises and directs the Security Agent (by itself or by such person(s) as it may nominate) to execute and enforce the same as trustee (or agent) or as otherwise provided (and whether or not expressly in the names of the Relevant Creditors) on its behalf.

(g) In exercising any discretion to exercise a right, power or authority under this Agreement where either:

(i) it has not received any instructions from the Majority Creditors as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to clause 18.5(g)(iv) above,

the Security Agent may do so having regard to the interests of all the Relevant Creditors.

(h) The Security Agent may (but shall not be obliged to), in the absence of any instructions to the contrary and/or any relevant contrary requirement contained in this Agreement, take or refrain from taking such action in the exercise of any of its rights, powers and duties under the Finance Documents as it considers in its discretion to be appropriate and the Security Agent will not be liable for any action taken or not taken in by it under or in connection with any Finance Document.

(i) Notwithstanding any other provision in this Agreement, the Security Agent may refrain from acting in accordance with instructions given in accordance with this Agreement or taking any action in the exercise of any of its rights, powers and duties under the Finance Documents until it has received such security as it may require for any cost, loss or liability (together with any associated VAT or other taxes) which it may incur in complying with such instructions or taking such action.

(j) Any consent or approval of the Security Agent may be given by it on such terms and subject to such conditions as the Security Agent sees fit.

18.17 **Conflict**

(a) If there is any conflict between the provisions of this Agreement and any other Relevant Finance Document with regard to instructions to or other matters affecting the Security Agent, this Agreement will prevail.

(b) Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustees in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

18.18 **Certification of Amount Owed**

The Security Agent shall be entitled to rely upon a certificate of any Beneficiary or other beneficiary under Clause 14.1 (*Order of Application*) as to any amounts owing to any such party and shall not be responsible for any loss occasioned by its relying and acting on such certificate.

18.19 **Indemnity**

The Security Agent is not obliged or required to take any step or action or proceeding under or in connection with the Transaction Security or Transaction Security Documents or this Agreement unless it shall have been (a) instructed by the Majority Creditors in accordance with the terms of this Agreement and (b) indemnified and/or secured to its satisfaction in respect of any liability or expense it may incur as a result thereof.

18.20 **Parallel Debt – Covenant to pay the Security Agent**

(a) In this Clause:

" **Parallel Debt** " means, in relation to an Underlying Debt, an obligation to pay to the Security Agent an amount equal to (and in the same currency as) the amount of the Underlying Debt.

" **Underlying Debt** " means, in relation to an Obligor and at any given time, each present and future payment obligation (whether matured or not) owing by that Obligor to a Creditor under the Finance Documents excluding the Parallel Debt.

(b) Each Obligor irrevocably and unconditionally undertakes with the Security Agent to pay to the Security Agent its Parallel Debt.

(c) Paragraph (b) above is:

(i) for the purpose of ensuring and preserving the validity and enforceability of the security rights created pursuant to a Transaction Security Document governed by the laws of the Czech Republic, the Slovak Republic, the Netherlands, the Netherlands Antilles and any other relevant applicable law; and

(ii) without prejudice to the other provisions of the Finance Documents.

(d) Each Parallel Debt of an Obligor is an obligation of such Obligor that is a separate and independent obligation from such Obligor's Underlying Debt. Each Parallel Debt represents the Security Agent's own independent right to receive payment of the Parallel Debt from the relevant Obligor.

(e) No Obligor may pay any Parallel Debt other than at the instruction of, and in the manner determined by, the Security Agent provided that no Obligor shall be obliged to pay any Parallel Debt before corresponding Underlying Debt has fallen due.

(f) Any payment made, or amount recovered, in respect of an Obligor's Parallel Debt shall reduce the Underlying Debt to a Finance Party by the amount which that Finance Party has received out of that payment or recovery under the Finance Documents.

18.21 **Parallel Debt – Application of proceeds**

Any amount recovered by the Security Agent as a result of the operation of Clause 18.20 (*Parallel Debt – Covenant to pay the Security Agent*) will be applied in accordance with the provisions of this Agreement.

18.22 **Co-security agent**

(a) The Security Agent may appoint a co-Security Agent:

(i) if, without such appointment, the interests of any Relevant Creditors under the Relevant Finance Documents would be materially and adversely affected;

(ii) for the purpose of complying with any law, regulation or other condition in any relevant jurisdiction; or

(iii) for the purpose of obtaining or enforcing a judgment against any Obligor or enforcing any Relevant Finance Document against any Obligor in any jurisdiction,

provided that such appointment shall not impair the ranking of the Transaction Security created in favour of the Relevant Creditors or result in new hardening periods commencing in respect of it.

(b) Any appointment under this paragraph (b) will only be effective if the co-security agent confirms to the Security Agent and the Company in form and substance satisfactory to the Security Agent that it is bound by the terms of this Agreement as if it were the Security Agent.

(c) The Security Agent may remove any co-security agent appointed by it and may appoint a new co-security agent in its place.

(d) Each Obligor must pay to the Security Agent any reasonable and documented remuneration paid by the Security Agent to any co-security agent appointed by it, together with any related costs and expenses properly incurred by the co-security agent.

18.23 **Further Assurance**

(a) Without prejudice to any other clauses of this Agreement, the Company and each Obligor shall and the Company shall procure that each other Group Company which is a party to a Relevant Finance Document shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as shall be necessary or as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s) on behalf of the Relevant Creditors or otherwise)):

(i) to perfect or release (including (without limitation and for the avoidance of doubt) in respect of any confirmation and extension of the Security created under the Transaction Security Documents) the Transaction Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject Transaction Security) or for the exercise of any rights powers and remedies of the Security Agent, the Relevant Creditors provided by or pursuant to the Relevant Finance Documents or by law; and/or

(ii) to confer on the Security Agent, on behalf of the Relevant Creditors, Security over any property and assets of that Obligor or Group Company located in any jurisdiction equivalent or similar to the Transaction Security intended to be conferred by or pursuant to the Transaction Security Documents.

(b) The Company and each Obligor shall and the Parent shall procure that each other Group Company which is a party to a Relevant Finance Document shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance or release (including (without limitation and for the avoidance of doubt) in respect of any confirmation and extension of the Security created under the Transaction Security Documents) of any Security conferred or intended to be conferred on the Security Agent, on behalf of the Relevant Creditors, by or pursuant to the Transaction Security Documents.

18.24 **Currency conversion**

Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided under the Finance Documents or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may be specified by the Security Agent having regard to current rates of exchange, if available. Any rate, method and sate so specified will be binding on all Parties.

19. **THE NOTES TRUSTEE**

19.1 **Capacity of the Notes Trustees**

(a) This Agreement or, as applicable, any relevant Deed of Accession is executed and delivered by the Notes Trustee not individually or personally but solely in its capacity as trustee in the exercise of the powers and authority conferred and vested in it under the Notes Indenture (the " **Relevant Notes Documents** ") (and in each case not further) for and on behalf of the Noteholders for which it acts as trustee, which powers and authority shall be exercised under this Agreement in the manner provided for, and in accordance with, the Relevant Notes Documents, and it shall have no liability for acting in any capacity other than as trustee and nothing in this Agreement shall impose on it any obligation to pay any amount out of its personal assets. Prior to taking any action under this Agreement instructed to be taken in accordance with the Relevant Notes Documents, the Notes Trustee may reasonably request and rely upon an opinion of counsel or opinion of another qualified expert, at the expense of the Obligors.

(b) Notwithstanding any provision to the contrary, the Notes Documents shall not be deemed to be amended in any way by this Agreement, and, in the event of a conflict between this Agreement and the Notes Document, the Notes Trustee shall comply with the Notes Documents.

19.2 **Other Creditors**

In acting pursuant to this Agreement and the Relevant Notes Documents, the Notes Trustee is not required to have any regard to the interests of any Creditors other than the Noteholders in respect of which it acts as trustee.

19.3 **No action**

Whether or not expressly provided in any other provisions in this Agreement, the Notes Trustee shall not have any obligation to take any action under this Agreement unless it is indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the Relevant Notes Documents in respect of all costs, expenses and liabilities which it could in its opinion thereby incur.

19.4 **Reliance and information**

(a) The Notes Trustee shall at all times be entitled to and may rely on any notice, consent or certificate given or granted by any other Party pursuant to the terms of this Agreement without being under any obligation to enquire or otherwise determine whether any such notice, consent or certificate has been given or granted by that Party.

(b) The Notes Trustee may rely and shall be fully protected in acting or refraining from acting upon any notice or other document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person.

(c) Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each RCF Creditor confirms that it has not relied exclusively on any information provided to it by the Notes Trustee in connection with any Finance Document.

(d) The Notes Trustee is not obliged to review or check the adequacy or completeness of any document it forwards to another Party.

19.5 **Limitation of Liability**

It is understood by the Parties that in no case shall the Notes Trustees be:

(a) personally responsible or accountable in damages or otherwise to any other party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by it in good faith in accordance with this Agreement; or

(b) personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other Party,

all such liability, if any, being expressly waived by the Parties. Notwithstanding the foregoing nothing in this Agreement shall relieve or indemnify the Notes Trustees from or against any liability which would otherwise attach to it in respect of any gross negligence or wilful misconduct. It is also acknowledged that the Notes Trustee shall not have any responsibility for the actions of any individual Noteholders. Under no circumstances will the Trustees be liable under this Agreement for any consequential loss (including without limitation loss of business, goodwill, opportunity or profit) even if advised of the possibility of such loss or damage.

19.6 **Knowledge of the Notes Trustees**

The Notes Trustee shall not be charged with knowledge of the existence of facts that would require it to make a payment under this Agreement or prohibit it from making a payment in respect of the Notes unless not less than two Business Days prior to the date of such payment, the Notes Trustee has actual knowledge that such payments are required or prohibited by this Agreement.

19.7 **Assumptions with regard to payments and proceeds**

The Notes Trustee is entitled to assume that any payment made under the Finance Documents has been made in accordance with the ranking in Clause 2 (*Ranking*) and is not prohibited by Clause 4 (*The Creditors*) or is made in accordance with the provisions of Clause 14 (*Proceeds of Enforcement*), unless it is notified in writing to the contrary. For the avoidance of doubt, the Parties agree and acknowledge that the Notes Trustee is not responsible for ensuring or monitoring that any payment made under the Finance Documents has been made in accordance with the ranking in Clause 2 (*Ranking*) and is not prohibited by Clause 4 (*The Creditors*) or is made in accordance with the provisions of Clause 14 (*Proceeds of Enforcement*).

19.8 **Claims of Security Agent**

The Security Agent agrees and acknowledges that it shall have no claim against the Notes Trustee in respect of any fees, costs, expenses and liabilities due and payable to, or incurred by, the Security Agent.

19.9 **Limitations on Turnover of Payments**

Notwithstanding any other provision of this Agreement, the Notes Trustee obligations hereunder (if any) to make any payment of any amount or to hold any amount on trust shall be only to make payment of such amount to or hold any such amount on trust to the extent that it has actual knowledge that such obligation has arisen in accordance with Clause 19.6 (*Knowledge of the Notes Trustees*) and to the extent that it has received such amount and such amount is still under its control.

19.10 **No Indemnification by the Trustees**

The Notes Trustee is not required to indemnify any other person, whether or not a party to this Agreement, in respect of any of the transaction contemplated by this Agreement.

19.11 **No Fiduciary Duty**

The Notes Trustee shall not owe any fiduciary duty to any Creditor (save in respect of such persons for whom it acts as trustee) and shall not be personally liable under this Agreement to any Creditor if it shall in good faith mistakenly pay over or distribute to any Creditor or to any other person cash, property or securities to which any other Creditor shall be entitled by virtue of this Agreement or otherwise. With respect to the Creditors, the Notes Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in the Notes Documents pursuant to which it acts as trustee, and the Parties hereto acknowledge and agree that no implied agreement, covenants or obligations on the part of the Trustees shall be read into this Agreement.

19.12 **Provisions survive Termination**

The provisions of this Clause 19 shall survive any termination of this Agreement.

19.13 **Other Parties Not Affected**

This Clause 19 is intended to afford protection to the Notes Trustee only. No provision of this Clause 19 shall alter or change the rights and obligations as between the other Parties in respect of each other.

19.14 **Notices**

The Notes Trustee shall at all times be entitled to and may rely on any notice, consent or certificate given or granted by any Party pursuant to the terms of this Agreement without being under any obligation to enquire or otherwise determine whether any such notice, consent or certificate has been given or granted by such party properly acting as directed by the appropriate instructing group.

19.15 **Instructions**

The Parties hereto acknowledge that, in acting under this Agreement, the Notes Trustee is acting on instructions from the Noteholders in accordance with the terms of the Notes Indenture and where it acts on such instructions it shall not incur any liability to any person for so acting.

19.16 **Responsibility**

The Notes Trustee is not responsible to any Creditor for the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:

(a) any Finance Document or any other document;

(b) any statement or information (whether written or oral) made in or supplied in connection with any Finance Document; or

(c) any observance by any Obligor of its obligations under any Finance Document or any other document.

19.17 **Disclosure of Information**

Each Obligor irrevocably authorises the Notes Trustee to disclose to any Creditor any information which is received by it in its capacity as the Notes Trustee unless the terms and conditions of the Notes prohibit such disclosure.

19.18 **Illegality**

The Notes Trustee may with respect to this Agreement refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

19.19 **Delegation and Appointment of Agents**

The Notes Trustee may act under this Agreement through their personnel, agents, delegates and sub-delegates and in doing so they shall not be responsible hereunder or under any Finance Document to which they or either of them are or is a party to any Party nor to any Creditor for any misconduct or negligence on the part of any person if the Notes Trustee has exercised reasonable care in selecting such person and the Notes Trustee shall not be bound to supervise the acts of such persons.

19.20 **Resignation and Removal of Notes Trustee**

Each Party acknowledges that the Notes Trustee may resign or be removed in accordance with the terms of the Notes Indenture and/or the Notes Trustee shall be discharged from its obligations under this Agreement upon a successor Notes Trustee becoming a party to this Agreement pursuant to Clause 17.3 (*Accession of Notes Trustee*).

19.21 **Section 1 of the Trustees Act 2000**

Section 1 of the Trustee Act 2000 shall not apply to any function of the Notes Trustee, provided that if the Notes Trustee fails to show the degree of care and diligence required of it as a trustee, nothing in this Agreement shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any gross negligence, breach of duty or breach of trust of which it may be guilty.

19.22 **Notes Trustee Ordinary Course Amounts**

No provision of this Agreement shall alter or otherwise affect the rights and obligations of any Party to make payments in respect of the Notes Trustee Ordinary Course Amounts as and when the same are due and payable and receipt and retention by the Notes Trustee of the same or taking of any step or action by the Notes trustee in respect of its rights under the Notes Documents to the same.

19.23 **No Requirement for Bond or Surety**

The Notes Trustee shall not be required to give any bond or surety with respect to the performance of their duties or the exercise of its powers under this Agreement.

19.24 **Encryption of Communications**

Notwithstanding anything to the contrary in this Agreement any and all communications (both text and attachments) by or from the Notes Trustee that the Notes Trustee in its sole discretion deems to contain confidential, proprietary, and/or sensitive information and sent by electronic mail will be encrypted. The recipient (the " **Email Recipient** ") of the email communication will be required to complete a one-time registration process. Information and assistance on registered and using the email encryption technology can be found at the Notes Trustee's secure website www.citigroup.com/citigroup/citizen/privacy/email.htm or by calling (866) 535-2504 (in the U.S.0 or (904) 954-681 at any time.

20. **TRUSTS**

The perpetuity period for each trust created by this Agreement shall be one hundred and twenty five (125) years from the date of commencement of each such trust.

21. **COSTS AND EXPENSES**

21.1 **Transaction Expenses**

The Company shall, within five Business Days of receipt of an invoice or other written evidence, pay the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it (and any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Finance Documents executed after the date of this Agreement.

21.2 **Preservation and Enforcement of Rights**

The Company shall, within five Business Days of demand, pay to the Security Agent the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights of the Creditors under, any this Agreement and any Transaction Security Document.

21.3 **Amendment Costs**

If any member of the Group requests an amendment, waiver, release or consent in relation to this Agreement or any Transaction Security Document, the Company shall, within five Business Days of receipt of an invoice or other written evidence, reimburse each of the Security Agent for the amount of all costs and expenses (including legal, notarial and other advisors' fees) reasonably incurred by the Security Agent and/or the Notes Trustee (or any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

21.4 **Stamp Taxes and Notarial Costs**

The Company shall pay all stamp, registration, notarial and other taxes or fees to which this Agreement, the Transaction Security Documents (or any of them) or any judgement given in connection with them, is or at any time may be, subject and shall, from time to time, fully indemnify the Security Agent on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or any delay in paying any tax or fee.

22. **GOVERNING LAW AND JURISDICTION**

22.1 **Governing Law**

This Agreement and all non-contractual obligations arising in any way whatsoever out of or in connection with this Agreement shall be governed by, and construed and take effect in accordance with, English law.

22.2 **Jurisdiction of English courts**

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a " **Dispute** ").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 22.2 is for the benefit of the Parties other than the Company and the other Obligors. As a result, no Party other than the Obligors shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Parties other than the Obligors may take concurrent proceedings in any number of jurisdictions.

22.3 **Service of process**

Without prejudice to any other mode of service allowed under any relevant law, each Obligor:

(a) irrevocably appoints CME Development Corporation with its registered branch at 52 Charles Street, London, W1J 5EU as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and

(b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

22.4 **Waiver of Jury Trial**

Each of the Parties other than the Obligors irrevocably waives trial by jury in any action or proceeding with respect to this Agreement or any other transaction document.

22.5 **Other Obligors**

If any Obligor is represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by the laws of Luxembourg, Italy and/or Spain, it is hereby expressly acknowledged and accepted by the other Parties that such laws shall govern the existence and extent of such attorney's or attorneys' authority and the effects of the exercise thereof.

IN WITNESS whereof this Agreement has been duly executed by the parties hereto the day and year first above written.

SCHEDULE 1

Part A
The Original Obligors

Name	Registration Number (or equivalent, if any)	Place of incorporation or establishment	Borrower or Guarantor
The Parent (Central European Media Enterprises Ltd.)	19574	Bermuda	Guarantor
Central European Media Enterprises NV	67248(0)	Curacao	Guarantor
CME Media Enterprises BV	33246826	Netherlands	Guarantor
CME Investments B.V. (formerly known as CME Romania B.V.)	33289326	Netherlands	Guarantor
The Company (CET 21 spol. s r.o.)	45900456	Czech Republic	Borrower
CME Slovak Holdings BV	34274606	Netherlands	Guarantor
MARKIZA-SLOVAKIA, spol. s r.o.	31444873	Slovak Republic	Guarantor

Part B
The Original RCF Lenders

Name	**Address**
BNP Paribas S.A.	37 Place du Marché Saint Honoré, 75 031 Paris Cedex 01, France
Citibank Europe plc (acting through its Prague branch Citibank Europe plc, organizačnÍ složka)	Bucharova 2641/14, 158 02, Prague 5, Czech Republic
ING Bank N.V.	Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands
JPMorgan Chase Bank, N.A.	125 London Wall, London, EC2 5AJ, England
Česká spořitelna a.s.	Evropská 17, 160 00 Praha 6, Czech Republic

SCHEDULE 2

FORM OF ACCESSION AGREEMENT

This Agreement is made 200[●]

BY [●] of [●] (the " **Acceding Party** ")

AND IS SUPPLEMENTAL to an intercreditor agreement (the " **Intercreditor Agreement** ") dated [●] 2010 and made between amongst others CET 21 spol. S r.o. and certain of its subsidiaries and affiliates as Original Obligors, BNP Paribas S.A. as Agent, BNP Paribas Trust Corporation UK Limited as Security Agent and Citibank, N.A., London Branch as the Notes Trustee.

IT IS AGREED as follows:

1. Words and expressions defined in the Intercreditor Agreement shall bear the same meaning herein.

2. The Acceding Party confirms it has been supplied with a copy of the Intercreditor Agreement.

3. The Acceding Party covenants with the Parties to be bound by the terms of the Intercreditor Agreement as an Obligor.

4. The Acceding Party shall accede to the Intercreditor Agreement in accordance with the terms thereof.

5. This Agreement shall be governed by, and construed in accordance with, English law.

IN WITNESS whereof this Agreement has been duly signed by the parties hereto and executed as a deed by the Acceding Party the day and year first above written.

[This document takes effect as a deed notwithstanding that [●] only executes under hand.]

Acceding Party

EXECUTED AS A DEED by

_____

Director

_____

Director/ Secretary

Security Agent *

(for itself and all other Parties)

SIGNED)
For and on behalf of)
_____

* In the case of successor Security Agent acceding the retiring Security Agent shall sign this form of Accession Agreement.

SCHEDULE 3

FORM OF DEED OF ACCESSION

THIS DEED dated [●] 200[●] is supplemental to an intercreditor agreement (the " **Intercreditor Agreement** ") dated [●] 2010 between, among others CET 21 spol. S r.o. and certain of its subsidiaries and affiliates as Original Obligors, BNP Paribas S.A. as Agent, BNP Paribas Trust Corporation UK Limited as Security Agent and Citibank, N.A., London Branch as the Notes Trustee.

Words and expressions defined in the Intercreditor Agreement have the same meaning when used in this Deed.

[*Name of new party*] hereby agrees with each other person who is or who becomes a party to the Intercreditor Agreement that with effect on and from the date hereof it will be bound by the Intercreditor Agreement as [*the Agent*] [*the Security Agent*] [*an RCF Lender*] [*Notes Trustee*] as if it had been party originally to the Intercreditor Agreement in that capacity and that it shall perform all of the undertakings and agreements set out in the Intercreditor Agreement and given by [*the Agent*] [*the Security Agent*] [*an RCF Creditor*] [*Notes Trustee*].

The address for notices of the new [*Agent*] [*Security Agent*] [*RCF Creditor*] [*Notes Trustee*] for the purposes of Clause 15 (*Notices*) of the Intercreditor Agreement is:

[●].

This document takes effect as a deed notwithstanding that the [*name of new party*] only executes under hand.

This Deed is governed by English law and Clauses 16 (*Miscellaneous*) and 12 (*Enforcement of Security*) of the Intercreditor Agreement are hereby incorporated in this Deed by reference (mutatis mutandis).

[*Insert appropriate execution language*]

Acknowledged.

By:

SIGNATURES

The Parent

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.

Executed as a Deed

By: /s/ David Sach

Title: CFO

Address: Mintflower Place, 4th Floor, 8 Par-La-Ville Road, Hamilton HM 08, Bermuda
Fax: + 1 441 295 0992
Attention: Assistant Secretary

With a copy to:

CME Development Corporation
Address: 52 Charles Street, London W1J 5EU
Fax: +44 207 127 5801
Attention: Legal Department

The Company

CET 21 SPOL. S R.O.

Executed as a Deed

By: /s/ Petr Dvořák
Petr Dvořák
Executive Director

By: /s/ Oliver Meister
Oliver Meister
Executive Director

Address: Prague 5, Křiženeckého nám. 1078/5, Post Code 152 00, Czech Republic
Fax: +420 242 466 035
Attention: Vít Vážan, CFO

With a copy to:

CME Media Services Limited
Address: Prague 5, Křiženeckého nám. 1078/5, Post Code 152 00, Czech Republic
Fax: +420 242 466 010
Attention:Ing. Petr Dvořák, Statutory Executive

The other Original Obligors

CENTRAL EUROPEAN MEDIA ENTERPRISES NV

Executed as a Deed

By: /s/ Oliver Meister
Oliver Meister
Managing Director

Address: Schottegatweg Oost 44, Willemstad, Curaçao
Fax: + 599 9 732 2500
Attention: Managing Director

With a copy to:

CME Development Corporation
Address: 52 Charles Street, London W1J 5EU
Fax: +44 207 127 5801
Attention: Legal Department

CME MEDIA ENTERPRISES B.V.

Executed as a Deed

By: /s/ David Sturgeon
David Sturgeon
Managing Director

Address: Dam 5B, 1012 JS Amsterdam, The Netherlands
Fax: + 312 042 31404
Attention: Finance Officer

With a copy to:

CME Development Corporation
Address: 52 Charles Street, London W1J 5EU
Fax: +44 207 127 5801
Attention: Legal Department

CME INVESTMENTS B.V.

Executed as a Deed

By: /s/ David Sturgeon
David Sturgeon
Managing Director

Address: Dam 5B, 1012 JS Amsterdam, The Netherlands
Fax: + 312 042 31404
Attention: Finance Officer

With a copy to:

CME Development Corporation
Address: 52 Charles Street, London W1J 5EU
Fax: +44 207 127 5801
Attention: Legal Department

CME SLOVAK HOLDINGS B.V.

Executed as a Deed

By: /s/ David Sturgeon
David Sturgeon
Managing Director

Address: Dam 5B, 1012 JS Amsterdam, The Netherlands
Fax: + 312 042 31404
Attention: Finance Officer

With a copy to:

CME Development Corporation
Address: 52 Charles Street, London W1J 5EU
Fax: +44 207 127 5801
Attention: Legal Department

MARKÍZA-SLOVAKIA, spol. s r.o.

Executed as a Deed

By: /s/ Radka Doehring
Radka Doehring
Attorney

By: /s/ Petr Dvo řák
Petr Dvořák
Attorney

Address: Bratislavská 1/a, 843 56 Bratislava – Záhorská Bystrica, Slovak Republic
Fax: + 421 2 6595 6829
Attention: Finance Director

With a copy to:

CME Development Corporation
Address: 52 Charles Street, London W1J 5EU
Fax: +44 207 127 5801
Attention: Legal Department

The Original RCF Lenders

BNP PARIBAS S.A.

Executed as a Deed

By: /s/ Sandra Sitbon Sandra Sitbon

By: /s/ Ali Elamari Ali Elamari

Address: 37 Place du Marché Saint Honoré, 75 031 Paris Cedex 01, France
Fax: +33 (0)1 42 98 09 79
Attention: Sandra Sitbon/Ali El Amari

CITIBANK EUROPE plc

PRESENT when the Common Seal

of Citibank Europe plc was affixed

to this deed and this deed was delivered: /s/ Mark Fitzgerald

Director

/s/ Deirdre Pepper

Secretary

ING BANK N.V.

Executed as a Deed

By: /s/ David J. Grover

By: /s/ Wim Steenbakkers Managing Director

Structured Finance

Telecom, Media & Technology Finance

Address: Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands
Fax: +31 20 576 5080
Attention: Olivia Salamanca

JPMORGAN CHASE BANK, N.A.

Executed as a Deed

By: /s/ Frances Smith Frances Smith

By: /s/ Carlos Vazquez Carlos Vazquez

Address: 10 Aldermanbury, London, EC2V 7RF
Fax: +44 (0)20 7777 1493
Attention: Isabelle Niño/Frances Smith

ČESKÁ SPOŘITELNA, A.S.

Executed as a Deed

By: /s/ František Havrda
Pověřeni/Proxy

By: /s/ Václav Šnydr
Senior Manager
Syndications/syndikované úvěry

Address: Evropská 17, 160 00 Praha 6, Czech Republic
Fax: +420 224 641 080
Attention: Václav Šnýdr

The Agent

BNP PARIBAS S.A.

Executed as a Deed

By: /s/ Sandra Sitbon Sandra Sitbon

By: /s/ Ali Elamari Ali Elamari

Address: 37 Place du Marché Saint Honoré, 75 031 Paris Cedex 01, France
Fax: +33 (0)1 42 98 09 79
Attention: Sandra Sitbon/Ali El Amari

The Security Agent

BNP PARIBAS TRUST CORPORATION UK LIMITED

Executed as a Deed

By: /s/ Andrew Brown

Andrew Brown

Address: 55 Moorgate, London EC2R 6PA
Fax: +44 207 595 5078
Attention: The Directors

Witness Signature: /s/ Carl Baldry

Name: Carl Baldry

Address: 55 Moorgate, London EC2

Fax: +44 207 595 5078

The Notes Trustee

CITIBANK, N.A., LONDON BRANCH

Executed as a Deed

By: /s/ Azmina Keshani

Asst. Vice President

Address: 14 th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Fax: +44 207 500 5877
Attention: Agency & Trust

Exhibit 10.45

CME Media Services Limited

- and -

Anthony Chhoy

AMENDED AND RESTATED CONTRACT OF EMPLOYMENT

AMENDED AND RESTATED CONTRACT OF EMPLOYMENT AND STATEMENT OF PARTICULARS PURSUANT TO SECTION 1 OF THE EMPLOYMENT RIGHTS ACT 1996 (the "Contract")

Name and Address of Employer:	CME Media Services Limited, Krizeneckeho nam. 1078/5, 15200 Prague 5 – Barrandov, Czech Republic (the " **Company** ")
Name and Address of Employee:	Anthony Chhoy, residing at [address redacted]
Date this Contract takes effect:	December 1, 2010

1 COMMENCEMENT OF AND CONDITIONS TO EMPLOYMENT

1.1 With effect from December 1, 2010 (the " **Effective Date** "), your contract of employment with the Company dated July 1, 2009 shall be amended and restated as set out in this Contract. Your period of employment since November 21, 2005 shall count as continuous employment hereunder.

1.2 You represent and warrant that you are not bound by or subject to any contract, court order, agreement, arrangement or undertaking which in any way restricts or prohibits you from entering into this Contract or performing your duties under it.

2 JOB TITLE AND DUTIES

2.1 Your job title is Executive Vice President, Head of Strategic Planning and Operations, reporting on operational matters and business development matters directly to the President and Chief Executive Officer of the CME Group. For purposes of this Contract, the " **CME Group** " shall mean Central European Media Enterprises Ltd. (" **CME Ltd.** ") and its subsidiaries.

2.2 Your main duties are:

2.2.1 working with the Divisional Heads of the CME Group to coordinate the operations of the CME Group;

2.2.2 working with the Divisional Heads of the CME Group to re-organize or restructure such areas of the CME Group's operations as may be required by the Company from time to time;

2.2.3 supporting the President and Chief Executive Officer of the CME Group on all business development projects, including, but not limited to, strategic merger and acquisition targets;

2.2.4 undertaking such additional tasks in respect of the operations of the CME Group as the President and Chief Executive Officer of the CME Group directs, including, but not limited to, supporting the President and Chief Executive Officer of the CME Group in the preparation for each board meeting of CME Ltd. and CME Ltd.'s Quarterly Earnings call; and

2.2.5 travel to such countries as directed by the President and Chief Executive Officer of the CME Group to undertake tasks specified by him. In addition to your main duties, you will be required to carry out such other duties consistent with your position as the Company may from time to time reasonably require.

2.3 You shall use your best endeavours to promote and protect the interests of the CME Group and shall not do anything that is harmful to those interests.

2.4 You shall devote the whole of your working time (unless prevented by ill-health or accident or otherwise directed by the Company) to the duties of this Contract and you shall not be directly or indirectly interested or concerned in any manner in any other business (other than holding as a bona-fide personal investment equity in any company whose shares are listed on any recognised exchange or which does not otherwise contravene clause 17) except with the Company's prior written consent. If such consent is given, you must provide the Company with the number of hours worked for any other employer each month.

3 PLACE OF WORK

3.1 You will be based in the Company's branch office in Prague, Czech Republic. However, it is agreed that your position will require that you spend extensive time travelling for the proper performance of your duties.

4 REMUNERATION

4.1 From the Effective Date, your basic salary is 10,080,000 Czech koruna (CZK) per year, payable monthly in arrears by credit transfer into your bank account after all necessary deductions for relevant taxes and social security payments. Your salary will be reviewed on an annual basis. Any increase in your salary is entirely at the Company's discretion.

4.2 You shall be entitled to participate in the CME Management Compensation Policy in effect from time to time (the " **Policy** "). The amount, if any, of any bonus awarded pursuant to the Policy will accrue from the Effective Date and shall be determined by the President and Chief Executive Officer of the CME Group, pursuant to the rules of the Policy. Any bonus awarded will be based on a figure representing 100% of your gross annual salary.

4.3 You shall also be entitled to a one-off payment in the amount of CZK 700,000. Such amount shall be paid at the same time and by the same method as your next salary payment is paid and shall be subject to all necessary deductions for relevant taxes and social security payments.

5 OTHER BENEFITS

5.1 You are entitled to membership of such insurance schemes (each referred to below as an " **insurance scheme** ") provided by the Company from time to time, including:

5.1.1 a medical and dental expenses insurance scheme providing such cover for you and your spouse/partner and any children under the age of eighteen (18) as the Company may from time to time notify to you;

5.1.2 a salary continuance on long-term disability insurance scheme providing such cover for you as the Company may from time to time notify to you; and

5.1.3 a life insurance scheme providing such cover for you as the Company may from time to time notify to you.

5.2 Benefits shall be subject to the terms of any applicable insurance policy and are conditional upon your complying with and satisfying any applicable requirements of the insurers or other benefits provider. Copies of these rules and policies and particulars of the requirements shall be provided to you on request. The Company shall not have any liability to pay any benefit to you under any insurance scheme unless it receives payment of the benefit from the insurer under the scheme.

5.3 Any insurance scheme which is provided for you is also subject to the Company's right to alter the cover provided or any term of the scheme or to cease to provide (without replacement) the scheme at any time if in the reasonable opinion of the Company your state of health is or becomes such that the Company is unable to insure the benefits under the scheme at the normal premiums applicable.

5.4 The provision of any insurance scheme or any benefits hereunder does not in any way prevent the Company from lawfully terminating this Contract in accordance with the provisions in clause 9 even if to do so would deprive you of membership of or cover under any such scheme or benefit.

5.5 For a period of three years from July 1, 2010 (the " **Allowance Period"),** the Company shall pay you a monthly rental allowance of 108,000 Czech koruna (CZK) to be payable in monthly instalments after all necessary deductions for relevant taxes and social security payments at the same time and by the same method as your salary is paid (the " **Monthly Allowance** ").

6 EXPENSES

The Company shall reimburse you for all reasonable expenses incurred by you in the proper performance of your duties under this Contract on production of appropriate receipts in accordance with the CME Group Expenses Policy in effect from time to time.

7 HOURS OF WORK

Your normal working hours are 40 hours per week Monday to Friday together with such additional hours as may be necessary for the proper performance of your duties. This may include working in the evenings, outside normal office hours, at weekends or on public holidays. No additional pay or time off will be permitted.

8 HOLIDAYS

8.1 You are entitled to 30 days' holiday per annum (in addition to public holidays).

8.2 Your entitlement to holiday accrues pro rata on an annual basis as calculated from 1 April until 31 March (inclusive) each year (the " **Holiday Year** ").

8.3 On termination, you will be paid only for accrued vacation in the relevant Holiday Year and not for vacation carried over from the previous year.

8.4 The Company may also refuse to allow you to take holiday in circumstances where it would be inconvenient to the business of the Company. If, in exceptional circumstances, the Company is forced to cancel holiday previously booked by you, all reasonable and properly documented accommodation, reservation and travel expenses incurred by you in connection therewith up to the date of cancellation that are not otherwise refundable will be reimbursed by the Company.

9 TERMINATION

9.1 You may terminate this Contract on giving the Company twelve months' notice in writing, to expire at any time. The Company is required to give you twelve months' notice in writing, to expire at any time.

9.2 In the event you give notice of termination pursuant to this clause 9, the Company may elect to provide you with payment in lieu of notice. This payment will be comprised solely of your basic salary (at the rate payable when this option is exercised) in respect of the portion of the notice period remaining at the time the Company exercises this option and any earned but unpaid bonus awarded in accordance with clause 4.2 hereof. All payments made pursuant to this clause 9.2 shall be subject to deductions for income tax and social security contributions as appropriate. You will not, under any circumstances, have any right to payment in lieu of notice unless the Company has exercised its option to pay in lieu of notice under this clause 9.2.

9.3 If the Company gives notice of termination (other than Termination for Cause (as defined below)), the Contract will terminate with immediate effect and the Company will make a payment in lieu of notice. In the event of any such termination without cause by the Company, payment will be comprised of your basic salary (at the rate payable when this option is exercised) and target bonus in respect of the notice period, the Monthly Allowance for a period equal to the lesser of (i) the number of months remaining in the Allowance Period; or (ii) twelve months, together with any accrued bonus as of the notice date and any earned but unpaid bonus awarded in accordance with clause 4.2 hereof. In addition, you shall be entitled to medical and dental insurance as provided in clause 5.1.1 for a period of twelve months following the date on which this Contract is terminated pursuant to this clause 9.3. All payments made pursuant to this clause 9.3 shall be subject to deductions for income tax and social security contributions as appropriate.

9.4 The Company may terminate this Contract due to Termination for Cause without notice, payment in lieu of notice or any other payment whatsoever. " **Termination for Cause** " means your (i) conviction of a felony or entering a plea of nolo contendere (or its equivalent) with respect to a charged felony; (ii) gross negligence, recklessness, dishonesty, fraud, wilful malfeasance or wilful misconduct in the performance of your duties under this Contract; (iii) wilful misrepresentation to the shareholders or directors of CME Ltd. that is injurious to CME Ltd.; (iv) wilful failure without reasonable justification to comply with a reasonable written instruction of the President and Chief Executive Officer of the CME Group; or (v) a material breach of your duties or obligations under this Contract. The Company may, in its reasonable judgment, suspend you on full pay during any investigation that the Company may undertake into any fact or circumstance which could lead to your Termination for Cause. Notwithstanding the foregoing, a termination shall not be treated as Termination for Cause unless the Company has delivered a written notice to you stating that it intends to terminate your employment due to Termination for Cause and specifying the basis for such termination.

9.5 Upon the termination by whatever means of this Contract you shall immediately return to the Company all documents, computer media and hardware, credit cards, mobile phones and communication devices, keys and all other property belonging to or relating to the business of the Company which is in your possession or under your power or control and you must not retain copies of any of the above.

10 SUSPENSION

10.1 The Company may suspend you from your duties on full pay to allow the Company to investigate any bona-fide complaint made against you in relation to your employment with the Company.

10.2 Provided you continue to enjoy your full contractual benefits and receive your pay in accordance with this Contract, the Company may in its absolute discretion do all or any of the following during the notice period or any part of the notice period, after you or the Company have given notice of termination to the other, without breaching this Contract or incurring any liability or giving rise to any claim against it:

10.2.1 exclude you from the premises of any company of the CME Group;

10.2.2 require you to carry out only specified duties (consistent with your status, role and experience) or to carry out no duties;

10.2.3 announce to any of its employees, suppliers, customers and business partners that you have been given notice of termination or have resigned (as the case may be);

10.2.4 prohibit you from communicating in any way with any or all of the suppliers, customers, business partners, employees, agents or representatives of the CME Group until your employment has terminated except to the extent that you are authorised by the General Counsel of CME Ltd. in writing; and

10.2.5 require you to comply with any other reasonable conditions imposed by the Company.

10.3 You will continue to be bound by all obligations owed to the Company under this Contract until termination of this Contract in accordance with clause 9 or such later date as provided herein.

11 CONFIDENTIAL INFORMATION

11.1 You agree during and after the termination of your employment not to use or disclose to any person (and shall use your best endeavours to prevent the use, publication or disclosure of) any confidential information:

11.1.1 concerning the business of the CME Group and which comes to your knowledge during the course of or in connection with your employment or your holding office with the Company; or

11.1.2 concerning the business of any client or person having dealings with the CME Group and which is obtained directly or indirectly in circumstances where the CME Group is subject to a duty of confidentiality.

11.2 For the purposes of clause 11.1 above, information of a confidential or secret nature includes but is not limited to information disclosed to you or known, learned, created or observed by you as a consequence of or through your employment with the Company, not generally known in the relevant trade or industry about any member of the CME Group's business activities, services and processes, including but not limited to information concerning advertising, sales promotion, publicity, sales data, research, programming and plans for programming, finances, accounting, methods, processes, business plans (including prospective or pending licence applications or investments in licence holders or applicants), client or supplier lists and records, potential client or supplier lists, and client or supplier billing.

11.3 This clause shall not apply to information which is:

11.3.1 used or disclosed in the proper performance of your duties or with the consent of the Company;

11.3.2 ordered to be disclosed by a court of competent jurisdiction or otherwise required to be disclosed by law or pursuant to the rules of any applicable stock exchange; or

11.3.3 in or comes into the public domain (otherwise than due to a default by you).

12 INTELLECTUAL PROPERTY

12.1 You shall assign with full title your entire interest in any Intellectual Property Right (as defined below) to the Company to hold as absolute owner.

12.2 You shall communicate to the Company full particulars of any Intellectual Property Right in any work or thing created by you and you shall not use, license, assign, purport to license or assign or disclose to any person or exploit any Intellectual Property Right without the prior written consent of the Company.

12.3 In addition to and without derogation of the covenants imposed by the Law of Property (Miscellaneous Provisions) Act 1994, you shall prepare and execute such instruments and do such other acts and things as may be necessary or desirable (at the request and expense of the Company) to enable the Company (or its nominee) to obtain protection of any Intellectual Property Right vested in the Company in such parts of the world as may be specified by the Company (or its nominee) and to enable the Company to exploit any Intellectual Property Right vested in it to its best advantage.

12.4 You hereby irrevocably appoint the Company to be your attorney in your name and on your behalf to sign, execute or do any instrument or thing and generally to use your name for the purpose of giving to the Company (or its nominee) the full benefit of the provisions of this clause and a certificate in writing signed by any director or the secretary of the Company that any instrument or act relating to such Intellectual Property Right falls within the authority conferred by this clause shall be conclusive evidence that such is the case in favour of any third party.

12.5 You hereby waive all of your moral rights (as defined in the Copyright, Designs and Patents Act 1988) in respect of any act by the Company and any act of a third party done with the Company's authority in relation to any Intellectual Property Right which is or becomes the property of the Company.

12.6 " **Intellectual Property Right** " means a copyright, know-how, trade secret and any other intellectual property right of any nature whatsoever throughout the world (whether registered or unregistered and including all applications and rights to apply for the same) which:

12.6.1 relates to the business or any product or service of the Company; and

12.6.2 is invented, developed, created or acquired by you (whether alone or jointly with any other person) during the period of your employment with the Company;

and for these purposes and for the purposes of the other provisions of this clause 12, references to the Company shall be deemed to include references to any Associated Company (as defined in clause 17.11 below).

13 COLLECTIVE AGREEMENTS/WORKFORCE AGREEMENTS

There are no collective agreements or workforce agreements applicable to you or which affect your terms of employment.

14 DATA PROTECTION

14.1 You acknowledge that the Company will hold personal data relating to you. Such data will include your employment application, address, references, bank details, performance appraisals, work, holiday and sickness records, next of kin, salary reviews, remuneration details and other records (which may, where necessary, include sensitive data relating to your health and data held for equal opportunities purposes). The Company will hold such personal data for personnel administration and management purposes and to comply with its obligations regarding the retention of your records. Your right of access to such data is as prescribed by law.

14.2 By signing this Contract, you agree that the Company may process personal data relating to you for personnel administration and management purposes and may, when necessary for those purposes, make such data available to its advisors, to third parties providing products and/or services to the Company and as required by law.

15 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce the provisions of this Contract pursuant to the Contracts (Rights of Third Parties) Act 1999.

16 MONITORING OF COMPUTER SYSTEMS

16.1 The Company will monitor messages sent and received via the email and voicemail system to ensure that employees are complying with the CME Group's Information Technology policy in effect from time to time.

16.2 The Company reserves the right to retrieve the contents of messages for the purpose of monitoring whether the use of the email system is in accordance with the Company's best practice, whether use of the computer system is legitimate, to find lost messages or to retrieve messages lost due to computer failure, to assist in the investigations of wrongful acts or to comply with any legal obligation.

16.3 You should be aware that no email or voicemail sent or received through the Company's system is private. The Company reserves and intends to exercise its right to review, audit, intercept, access and disclose on a random basis all messages created from it or sent over its computer system for any purpose. The contents of email or voicemail so obtained by the Company in the proper exercise of these powers may be disclosed without your permission. You should be aware that the emails or voicemails or any document created on the Company's computer system, however confidential or damaging, may have to be disclosed in court or other proceedings. An email which has been trashed or deleted can still be retrieved.

16.4 The Company further reserves and intends to exercise its right to monitor all use of the internet through its information technology systems, to the extent authorised by law. By your signature to this Contract, you consent to any such monitoring.

17 POST-EMPLOYMENT RESTRICTIONS

17.1 For the duration of your employment with the Company and for a period of twelve (12) months after the termination thereof for any cause, you shall not:

17.2 either on your own account or on behalf of any other person, firm or company, directly or indirectly, carry on or be engaged, concerned or interested in any business the same as that of the CME Group or which is competitive with any CME Business (as hereinafter defined) and with which you were actively involved at any time in the twelve months preceding the termination of your employment within the territories in which the CME Group operates or is considering to operate (the " **Territory** ");

17.3 seek to do business and/or do business, perform any services or supply any goods or seek to do so, in competition with any company of the CME Group with any person, firm or company who at any time during the twelve months preceding the termination of your employment was a client, customer or supplier of any company of the CME Group and with whom during that period you or another person on your behalf had contact or dealings in the ordinary course of business or were aware of in the course of your employment;

17.4 interfere or seek to interfere or take such steps as may or are calculated to interfere with the continuance of supplies (whether services or goods) or any rights of purchase, sale, import, distribution or agency enjoyed by or supplied to any company of the CME Group, or the terms on which they are so supplied or enjoyed, from any person, firm or company supplying or offering rights to any company of the CME Group at any time during the period of twelve months prior to such termination;

17.5 solicit, entice or procure or endeavour to solicit, entice or procure any employee of the CME Group to breach his contract of employment or any person to breach his contract for services with the Company or any Associated Company;

17.6 in relation to any CME Business in the Territory, solicit, employ, engage or offer or cause to be employed or engaged, whether directly or indirectly, any employee, director or consultant of any company of the CME Group engaged or employed at the date of termination of your employment or at any time during the twelve months preceding such termination who has knowledge of confidential aspects of the business of the CME Group, and with whom, at any time during the period of twelve months prior to such termination, you had material dealings and/or

17.7 you shall not at any time falsely represent yourself as being connected with or interested in the Company or any Associated Company or in the business of the CME Group.

17.8 For the duration of your employment with the Company, you shall not, either on your own account or through any other person, firm or company, directly or indirectly, carry on, accept or be engaged, concerned or interested in, any opportunity (a " **Corporate Opportunity** ") in Central and Eastern Europe and any other country that CME Ltd. has identified from time to time (i) which is in the line of business of any company of the CME Group from time to time (including, without limitation, securing broadcasting licenses, operating television stations, broadcasting on any distribution platform, selling advertising on any platform, developing and operating internet sites, providing production services, producing programming and other content for broadcast on any platform or for exhibition, distributing or licensing content for exhibition, home entertainment or otherwise, providing other programming services, owning and operating cinemas) (each a " **CME Business** ") or in any Ancillary Business (ii) which arises or becomes known to you as a result of your employment by the Company, or (iii) in which it can reasonably be expected that the CME Group has an interest or expectancy (including any Ancillary Business) unless (a) you have presented the Corporate Opportunity to the Board of Directors of CME Ltd. in reasonable detail and (b) the Board of Directors has decide not to pursue such Corporate Opportunity after such presentation by you.

For purposes of this clause, " **Ancillary Business** " means any business or opportunity that is related to any CME Business, can reasonably be expected to be a customer or supplier of goods or services of any such CME Business in the usual and ordinary course of business, or is otherwise necessary to support the primary activities of any CME Business.

17.9 Each of the restrictions in this clause shall be enforceable independently of each other and its validity shall not be affected if any of the others is invalid. If any of the restrictions is void but would be valid if some part of the restriction were deleted, the restriction in question shall apply with such modification as may be necessary to make it valid.

17.10 The restrictions set forth in this clause 17 shall not apply if the Company is in breach of this Contract.

17.11 For the purposes of this Contract, " **Associated Company** " shall mean a subsidiary (as defined by the Companies Act 1985 as amended) and any other company which is for the time being a holding company (as defined by the Companies Act 1985 as amended) of the Company or another subsidiary of such holding company.

18 GENERAL

18.1 You hereby authorise the Company to deduct from any salary payable to you any sums owing by you to the Company.

18.2 As from the Effective Date, all other agreements or arrangements between you and the Company in effect prior to the Effective Date shall cease to have effect.

18.3 This Contract shall be governed by and construed in accordance with English law. The parties agree to submit to the non-exclusive jurisdiction of the English courts in respect of any dispute hereunder.

The Company and Anthony Chhoy agree to the terms set out above.

Signed as a Deed by CME Media Services

Limited acting by:

Oliver Meister, Director	/s/ Oliver Meister
Dave Sturgeon, Director	/s/ Dave Sturgeon
Signed as a Deed by Anthony Chhoy	/s/ Anthony Chhoy

in the presence of:

Witness signature:	/s/ Iveta Kalousova
Name:	Iveta Kalousova
Address:	
Occupation:	Team Coordinator

Exhibit 21.01

Subsidiaries, Equity Accounted Affiliates and Cost Investments as at February 23, 2011

Company Name	Voting Interest	Jurisdiction of Organization	Subsidiary / Equity-Accounted Affiliate
CME Bulgaria B.V. ("CME Bulgaria")	94.00%	Netherlands	Subsidiary
Top Tone Media S.A.	100.00%	Luxembourg	Subsidiary
Zopal S.A.	100.00%	Luxembourg	Subsidiary
PRO BG MEDIA OOD ("Pro.BG")	100.00%	Bulgaria	Subsidiary
LG Consult EOOD	100.00%	Bulgaria	Subsidiary
Ring TV EAD ("Ring TV")	100.00%	Bulgaria	Subsidiary
TV Europe B.V.	94.00%	Netherlands	Subsidiary
BTV Media Group EAD ("BTV Media")	94.00%	Bulgaria	Subsidiary
Radiocompany C.J. OOD ("RCJ")	69.56%	Bulgaria	Subsidiary
Balkan Media Group AD	21.62%	Bulgaria	Cost Investment
Nova TV d.d.	100.00%	Croatia	Subsidiary
Operativna Kompanija d.o.o.	100.00%	Croatia	Subsidiary
Internet Dnevnik d.o.o.	100.00%	Croatia	Subsidiary
CET 21 spol. s r.o. ("CET 21")	100.00%	Czech Republic	Subsidiary
Jyxo, s.r.o.	100.00%	Czech Republic	Subsidiary
BLOG Internet, s.r.o.	100.00%	Czech Republic	Subsidiary
Mediafax s.r.o.	100.00%	Czech Republic	Subsidiary
CME Investments B.V. ("CME Investments")	100.00%	Netherlands	Subsidiary
Media Pro International S.A. ("MPI")	100.00%	Romania	Subsidiary
Media Vision S.R.L. ("MVI")	100.00%	Romania	Subsidiary
Pro TV S.A. ("Pro TV")	100.0000%	Romania	Subsidiary
Sport Radio TV Media SRL	100.0000%	Romania	Subsidiary
Campus Radio S.R.L.	20.00%	Romania	Equity-Accounted Affiliate
Music Television System S.R.L.	100.0000%	Romania	Subsidiary
CME Slovak Holdings B.V. ("CME SH")	100.00%	Netherlands	Subsidiary
A.R.J., a.s.	100.00%	Slovak Republic	Subsidiary
MARKÍZA-SLOVAKIA., spol. s r.o.	100.00%	Slovak Republic	Subsidiary
GAMATEX, spol. s r.o. v likvidácii	100.00%	Slovak Republic	Subsidiary (in liquidation)
A.D.A.M., a.s. v likvidácii	100.00%	Slovak Republic	Subsidiary (in liquidation)
MEDIA INVEST, spol. s r.o.	100.00%	Slovak Republic	Subsidiary
EMAIL.SK s.r.o.	80.00%	Slovak Republic	Subsidiary
PMT, s r.o.	31.50%	Slovak Republic	Cost investment
MMTV 1 d.o.o.	100.00%	Slovenia	Subsidiary
Produkcija Plus d.o.o.	100.00%	Slovenia	Subsidiary
POP TV d.o.o.	100.00%	Slovenia	Subsidiary
Kanal A d.o.o.	100.00%	Slovenia	Subsidiary
Euro 3 TV d.o.o.	42.00%	Slovenia	Equity-Accounted Affiliate
TELEVIDEO d.o.o. (trading as TV Pika)	100.00%	Slovenia	Subsidiary

Pro Digital S.R.L.	100.00%	Moldova	Subsidiary
CME Media Pro B.V.	100.00%	Netherlands	Subsidiary
Media Pro Sofia EOOD	100.00%	Bulgaria	Subsidiary
Media Pro Audio Visual d.o.o.	100.00%	Croatia	Subsidiary
Media Pro Pictures s.r.o.	100.00%	Czech Republic	Subsidiary
Změna, s.r.o.	51.00%	Czech Republic	Subsidiary
Taková normální rodinka, s.r.o.	51.00%	Czech Republic	Subsidiary
Čertova nevěsta, s.r.o.	51.00%	Czech Republic	Subsidiary
Pro Video Film and Distribution Kft.	100.00%	Hungary	Subsidiary
Media Pro Pictures S.A.	100.00%	Romania	Subsidiary
Media Pro Distribution S.R.L.	100.00%	Romania	Subsidiary
Pro Video S.R.L.	100.00%	Romania	Subsidiary
Hollywood Multiplex Operation S.R.L.	100.00%	Romania	Subsidiary
Domino Production S.R.L.	51.00%	Romania	Subsidiary
Studiourile Media Pro S.A.	92.21%	Romania	Subsidiary
Media Pro Music Entertainment S.R.L.	100.00%	Romania	Subsidiary
Mediapro Magic Factory S.R.L.	100.00%	Romania	Subsidiary
Media Pro Slovakia, spol. s r.o.	100.00%	Slovak Republic	Subsidiary
CME Media Pro Ljubljana, d.o.o.	100.00%	Slovenia	Subsidiary
Central European Media Enterprises N.V. ("CME NV")	100.00%	Curacao	Subsidiary
Central European Media Enterprises II B.V.	100.00%	Curacao	Subsidiary
CME Media Enterprises B.V. ("CME BV")	100.00%	Netherlands	Subsidiary
CME Programming B.V.	100.00%	Netherlands	Subsidiary
CME Development Financing B.V.	100.00%	Netherlands	Subsidiary
CME Media Services Limited	100.00%	United Kingdom	Subsidiary
CME Services s.r.o.	100.00%	Czech Republic	Subsidiary
CME Development Corporation	100.00%	Delaware (USA)	Subsidiary
CME SR d.o.o.	100.00%	Serbia	Subsidiary
CME Austria GmbH	100.00%	Austria	Subsidiary
Glavred-Media LLC	10.00%	Ukraine	Cost Investment

Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-157692 on Form S-3 and Registration Statement Nos. 333-60295, 333-110959, 333-130405 and 333-160444 on Form S-8 of our reports dated February 23, 2011, relating to the financial statements and financial statement schedule of Central European Media Enterprises Ltd. and the effectiveness of Central European Media Enterprises Ltd.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Central European Media Enterprises Ltd. for the year ended December 31, 2010.

DELOITTE LLP
London, United Kingdom
February 23, 2011

Exhibit 24.1

POWER OF ATTORNEY

Each person whose signature appears below, constitutes and appoints Adrian Sarbu and David Sach, and each of them, with full power to act without the other, such person's true and lawful attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K for the fiscal year 2010 of Central European Media Enterprises Ltd., a Bermuda corporation, and any and all amendments to such Annual Report on Form 10-K and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, thereby ratifying and confirming all that said attorneys-in-fact, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

February 23, 2011

/s/ Ronald Lauder
Ronald S. Lauder

/s/ Herbert Granath
Herbert A. Granath

/s/ Paul Cappuccio
Paul Cappuccio

/s/ Michael Del Nin
Michael Del Nin

/s/ Charles Frank
Charles Frank

/s/ Igor Kolomoisky
Igor Kolomoisky

/s/ Alfred Langer
Alfred Langer

/s/ Fred Langhammer
Fred Langhammer

/s/ Bruce Maggin
Bruce Maggin

/s/ Parm Sandhu
Parm Sadhu

/s/ Caryn Seidman Becker
Caryn Seidman Becker

/s/ Duco Sickinghe
Duco Sickinghe

/s/ Eric Zinterhofer
Eric Zinterhofer

Exhibit 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Adrian Sarbu, certify that:

1. I have reviewed this annual report on Form 10-K of Central European Media Enterprises Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any changes in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report), that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/Adrian Sarbu
Adrian Sarbu
President and Chief Executive Officer
February 23, 2011

Exhibit 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, David Sach, certify that:

1. I have reviewed this annual report on Form 10-K of Central European Media Enterprises Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any changes in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report), that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ David Sach
David Sach
Chief Financial Officer
February 23, 2011

Exhibit 32.01

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Central European Media Enterprises Ltd. (the "Company") on Form 10-K for the fiscal year ended December 31 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Adrian Sarbu, President and Chief Executive Officer of the Company, and David Sach, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1 the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2 the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of the dates and for the periods explained in the Report.

/s/ Adrian Sarbu
Adrian Sarbu
President and Chief Executive Officer
(Principal Executive Officer)
February 23, 2011

/s/ David Sach
David Sach
Chief Financial Officer
(Principal Financial Officer)
February 23, 2011