



Central European Media Enterprises Ltd. Code of Conduct and Ethics adopted on June 18, 2003, as amended on June 2, 2004 by the Board of Directors

To Employees of the CME Group and Directors of CME:

The Board of Directors of CME considers the company's reputation to be one of its most important assets and has placed great importance on maintaining a reputation for integrity and fairness. To help each of us understand our responsibilities as Directors of CME or employees of CME or its subsidiaries or affiliated companies, the Board has adopted this Code of Conduct and Ethics. The Code applies even to our most senior people, including the two of us. The Boards of each of our subsidiaries and affiliated companies will be asked to adopt it as well. The Code requires all of us to conduct our business affairs consistent with the highest values and in accordance with applicable laws. It also requires that we be responsive to the concerns of the communities in which we operate and exercise the highest degree of honesty and integrity in our dealings with others.

Making the right choices begins with basic honesty and integrity. It also depends on our good judgment and sensitivity to the way others see us and how they may interpret our actions. Each of us is responsible for our company's reputation and ensuring that the CME Group remains an organization for which we are proud to work.

Michael Garin
Chief Executive Officer

Ronald Lauder
Chairman

Copies of the posted document are available free of charge by e-mailing a request to romana.tomasova@cme-net.com.

OVERVIEW

Central European Media Enterprises Ltd and its subsidiaries and affiliated companies (the "Company") are committed to promoting and maintaining the highest standards of ethical conduct in all of its business activities. The Company's success is dependent on establishing trusting relationships, built on a foundation of integrity. The Company is dedicated to ensuring that our employees are honest in their communications, responsible for their words and actions, compassionate in their relationships with the communities and constituencies affected by our business, fair to their fellow employees, and the company's shareholders, clients and suppliers, and respectful of all applicable laws, regulations and policies affecting our businesses.

BUSINESS COURTESIES (Non-Governmental)

We believe that vigorous competition is healthy and beneficial to both the company and the public it serves. Accordingly, it is CME policy that our employees and representatives treat customers and suppliers fairly and not engage in unlawful anti-competitive practices.

Bribes: CME's objective is to compete in the marketplace by offering superior programming, outstanding service and competitive pricing. No payment in any form is to be made, directly or indirectly, to anyone for the purpose of obtaining or retaining business, except as is provided under "Entertainment" below. A violation of this policy will subject the employee to disciplinary action as well as potential criminal prosecution.

Gifts: No gift is to be accepted from a supplier, vendor or customer unless the gift has insubstantial value and a refusal to accept it would be discourteous or otherwise harmful to the Company. Employees must receive approval from their supervisors before they accept any gift having a value over Euro 100. This applies equally to giving gifts to suppliers or vendors or non-government customers. (See below for a discussion of gifts to government representatives).

Entertainment: Appropriate business entertainment of non-government employees occurring in connection with business discussions or the development of business relationships is generally deemed appropriate in the conduct of official business. This may include business-related meals and trips, refreshments before or after a business meeting and an occasional athletic or cultural event.

Compliance with Anti-Competitive Laws: All Company employees are expected to comply with both the letter and spirit of all applicable anti-competitive laws. When any doubt exists as to the legality of any action or arrangement, the matter should be discussed with the CME Legal Department.

Agreements with Competitors: Formal or informal agreements with competitors that seek to limit or restrict competition in some way are often illegal. Unlawful agreements include those that seek to fix or control prices, allocate programming or boycott certain suppliers. To ensure compliance with applicable law, discussions with competitors regarding any of these potential agreements is a violation of Company policy and will subject the employee to disciplinary action as well as the potential for criminal prosecution.

BUSINESS COURTESIES (Governmental)

What is acceptable practice in the commercial business environment may be against the law when applied to government employees. Therefore, the Company has adopted a Foreign Corrupt Practices Act Policy, to apply to CME Directors and to the Company's employees' dealings with government representatives.

FOREIGN CORRUPT PRACTICES ACT ("FCPA") POLICY

Prohibition against improper payments: Our policy prohibits personnel of the Company or agents of the Company from giving or offering anything of value, directly or indirectly to any non-U.S. government official, political party official or candidate for political office for the purpose of influencing any act or decision of these individuals in their official capacity in order to help the Company obtain or retain business or to direct business to any particular person or company.

"Indirect" payments include any transfer of funds, property or service to another organization or individual where the person making the transfer knows or has reason to know that some or all of that transfer is for the benefit of an individual to whom direct payments are prohibited. The use of intermediaries for the payment of bribes is expressly prohibited.

A "governmental official" is any officer or employee of a government or any department, agency or instrumentality thereof or any person, acting in an official capacity for or on behalf of such government, department, agency or instrumentality. Officials of government-owned corporations are considered to be government officials.

Recently the 29 nations of the Organization of Economic Co-operation and Development, as well as 5 other countries, signed a treaty to outlaw bribery of foreign government officials. This treaty demonstrates the growing significance of anti-bribery legislation and the willingness of countries other than the United States to prosecute improper payments to foreign government officials. Moreover, all countries prohibit the payment of bribes to their own officials.

Company personnel who become aware of possible improper payments must immediately report such information to the General Counsel of CME.

Limited situations in which payment may be made to Government Officials: There are a few limited situations described below in which the Company may make payments to or for the benefit of government officials. Such payments are to be made only in good faith and not to influence their official acts, or to obtain or retain business, or otherwise evade the prohibitions of this Policy. Pre-approval of such payments is required as indicated below:

Gifts, Entertainment and Business Meals: This Policy does not prohibit the giving of gifts having a nominal value by company personnel to individuals outside of the Company, including government officials. Employees must receive approval from their supervisors before they give any gift having a value over Euro 100. Such gift-giving may only be made as a courtesy, a token of regard or esteem, or in return for hospitality, so long as: (i) the giving of the gift and its receipt are not contrary to any applicable law, regulation or rule to which the giver or the recipient is subject; and (ii) the Company accurately records the amount of the gift on its books of account in accordance with applicable practices and rules. Under no circumstances may a gift of even nominal value be offered, promised or given for any of the purposes prohibited by the *Prohibitions Against Improper Payments* Section above.

This Policy does not prohibit normal entertainment and business meals which comply both with applicable laws, regulations and rules and with Company procedures governing expense reporting.

Payments for Routine/Non-Discretionary Governmental Actions: The FCPA permits Company personnel to make payments sometimes called “facilitating payments”, “grease payments” or “tips” to governmental officials and employees to cause them to perform routine governmental actions these individuals ordinarily and commonly perform such as processing government papers or providing police protection and phone service. These actions must be ministerial ones to which the Company is clearly entitled under the law, but that the government employees refuse to perform or delay unless compensated.

Determining what is a “facilitating” payment involves difficult legal judgements because this area of the law is very complicated. The slightest mistake may expose both the Company and its personnel to criminal prosecution. Therefore, it is the Company’s policy that except for legally prescribed fees and like payments, no payments or gifts will be made to government officials, directly or indirectly, related to the Company’s business activities, regardless of amount or value, thought to be “facilitating” or otherwise exempt from the law, unless approved in advance by CME’s General Counsel. Finally, as described below, any such payment must be recorded accurately in the Company’s books and records.

Political Contributions: As a general rule even when it is lawful, the Company will not contribute funds, property or services directly or indirectly to any political party or to the campaign of any candidate for political office. However, such contributions may be made in limited and special situations if and when they are lawful, but only in such case with the specific approval of the CME



Board of Directors. Procedures and limits concerning such contributions shall be established from time to time by the Board of Directors of CME.

This Policy does not prohibit Company personnel from contributing their personal funds, property or services to a political party or a candidate for political office, provided that such contributions are not being offered, promised or given for any of the purposes prohibited by the *Prohibition Against Improper Payments* section above.

Financial books, records, accounts and procedures: The Company's policy and the law require it to make and maintain records that accurately reflect the transactions and dispositions of the Company's assets. In particular, the FCPA and Company policy require the Company (which, as indicated above includes its subsidiaries, affiliates and partners) to:

- Maintain books and records that accurately reflect all corporate transactions; and
- Maintain a system of internal accounting controls that provide reasonable assurance that transactions are properly authorized; maintain the books and records so that financial statements can be prepared in accordance with generally accepted accounting principles; and properly control and account for all corporate assets.

In connection with this Policy, no Company funds may be expended or other assets disposed of other than in accordance with management authorization or established procedures. All expenditures or dispositions must be reported by employees to the appropriate company's Finance Department in order to assure that transactions are recorded as necessary to prepare financial statements properly and to maintain accountability for assets. Company personnel shall not obtain or create "false" invoices or other misleading documentation for any purpose. This includes inventing or creating records for fictitious employees, consultants, agents or other company-related personnel, customers, entities, sales, purchases, services, loans or other financial arrangements.

Specific guidance on applying this Policy is as follows:

- **Recording of Assets:** All cash funds, bank accounts, investments and other assets shall be accurately recorded on the official books of the appropriate company.
- **Cheque Requisitions and Supporting Documentation:** Reasonably complete identification and explanation of the purpose and authority for each payment must be submitted at the initial step of the cheque requisition process, must accompany the documents throughout the process and must be kept on file at the paying location after payment is complete.
- **Payments in cash:** No payments shall be made in cash (currency) other than regular approved cash payrolls and normal disbursements from petty cash supported by signed receipts or other appropriate documentation.
- **Cheque payee:** No cheque shall be written to "cash", "bearer" or similar designation.
- **Payments to bank accounts where ownership not known:** No disbursements of any nature may be made into numbered bank accounts or other accounts whose ownership is not clearly and completely identified to the Company. Payments into numbered bank accounts may subject the Company to suspicion of participation in a possibly improper transaction.

- **Company bank accounts:** All bank accounts must be maintained in the name of the Company or a subsidiary of the Company. The Board of Directors, or one of its specifically authorized committees, must approve the opening or closing of bank accounts in advance. The Company shall not maintain an anonymous (“numbered”) account at any bank in any country.
- **Receipts:** All receipts, whether in currency or cheques, must be deposited in a Company bank account promptly and intact.
- **Single books of account:** Each CME subsidiary shall maintain single books of account and other financial records.

Responsibility of the CFO and local Financial Directors: The CFO of CME and the Financial Director of each CME subsidiary is responsible for ensuring that the accounting and record keeping of CME and the CME subsidiaries adheres to the highest standards and are in conformity with this Policy.

Public disclosure: Maintaining books and records that accurately reflect all corporate transactions is a key element in assuring that the information in the Company’s public communications, including its SEC filings, are full, fair, accurate and understandable. All employees who are involved in the Company’s disclosure process have a responsibility to assure compliance with this standard. In this regard, it is a violation of law to knowingly misrepresent, omit or cause others to misrepresent or omit material facts about the Company to others, whether within or outside the Company, including to the Company’s CFO, other responsible auditing and accounting officers and to representatives of the Company’s independent accountants.

All financial personnel responsibilities: All CME and local subsidiary personnel are expected to: (1) be familiar with this Policy and other financial and accounting policies on a current basis and to carry out their responsibility in a manner consistent in all respects with their letter and spirit; (2) recognize that, in the area of ethics, legality and propriety, they have an obligation to the Company which transcends normal reporting relationships; and (3) be alert to and immediately report possible violations of this and other Company policies regardless of where they occur.

CONFIDENTIAL INFORMATION

We believe our confidential proprietary information is an important asset and prohibit the unauthorized use or disclosure of this information. Just as important, we respect the property rights of other companies to their proprietary information and require our employees to fully comply with both the spirit and the letter of any laws and regulations protecting such rights.

Confidential information is information that is not already in the public domain, that a company would normally expect to be non-public and that affects the company’s competitive position. It includes information such as vendor lists, licensing terms, production plans, pricing and marketing information, non-public earnings and other financial reports, as well as trade secrets.

The Company recognizes that collecting information on competitors from legitimate sources to evaluate the relative merits of their programs, operations and marketing methods is proper and often necessary. However, there are limits to the ways information should be acquired and any form of questionable intelligence gathering is strictly against Company policy.

CONFLICTS OF INTEREST

Our employees and Directors have an obligation of loyalty to the best interests of the Company. Accordingly, they should avoid any action that may involve, or may appear to involve, a conflict or interest with the Company. They should not have any financial or other business relationships with suppliers, customers or competitors that might impair, or even appear to impair, the independence of any judgment they may need to make on behalf of the Company. Solicitation of vendors or employees for gifts or donations is not allowed except with the permission of the employee's supervisor. It is CME policy that employees may not, without prior written disclosure to, and approval from, the CME Board of Directors (or, in the case of a CME Director, a majority of the disinterested Directors):

- Perform services for or have a financial interest in a company that is, or may become, a supplier, customer or competitor of the Company.

In the case of employees, perform outside work or otherwise engage in any outside activity or enterprise that may interfere in any way with job performance or in the case of employees and CME Directors create a conflict with the Company's best interests.

Employees are under a continuing obligation to disclose to their supervisors any situation that presents the possibility of a conflict or disparity of interest between the employee and the Company. Written disclosure to the CME Board, care of the CME General Counsel, of any potential conflict is the key to remaining in full compliance with this policy.

EMPLOYEE RELATIONS

All employees and supervisors, regardless of level, are expected to:

- Respect each employee, contractor and any representative of a supplier as an individual, showing courtesy and consideration and fostering personal dignity. Members of the management team should use good judgment and exercise appropriate use of their influence and authority in their interactions with employees, customers, suppliers and partners;
- Make a commitment to and demonstrate equal treatment of all employees, workers, customers and suppliers and provide a workplace free of harassment;
- Keep employees generally informed of the policies, plans and progress of the Company through regular communications;
- Afford employees a reasonable opportunity, consistent with the needs of the Company, for training to become better skilled in their jobs and provide and maintain a safe, healthy and orderly workplace; and
- Encourage promotion from within, consistent with the needs of the Company, whenever qualified employees are available and assure uniformly fair compensation and benefit practices that will attract, reward and retain quality employees.



It is our policy to provide a workplace free from tensions involving matters that do not relate to the Company's business. In particular, an atmosphere of tension created by ethnic, racial, sexual or religious remarks, unwelcome sexual advances or requests for sexual favors will not be tolerated. In this regard, harassment of employees, applicants, customers, contractors or suppliers by other employees is a violation of Company policy. Harassment includes, without limitation, verbal harassment (epithets, derogatory statements, slurs), physical harassment (hitting, pushing or other aggressive physical contact) and visual harassment (posters, cartoons, drawings).

Harassment may be unlawful and is prohibited whether it occurs in the workplace, at customer or vendor sites, or at other employment related events or activities. However, the objectionable conduct need not be unlawful to violate our policy. Company policy prohibits all inappropriate harassing conduct, whether or not the conduct is so severe as to be considered a violation of law.

Employees who observe, learn of, or are subjected to harassment, are responsible immediately to report the conduct to their supervisor, manager, human resources representative or CME's Legal Department for prompt investigation. Investigations will be conducted in as discrete and as confidential a manner as is practicable.

The Company's policy includes a prohibition against retaliation against individuals who report violations of policy or against those who provide information in an investigation of such violations. The Company will act promptly and vigorously to take corrective action and appropriate discipline with respect to any harassment or retaliation up to and including termination of offending individuals.

INSIDER TRADING

CME is a publicly traded company whose securities are held by the investing public. As such, CME Directors and Company employees are not permitted to trade in CME securities while in possession of material non-public information. All CME Directors and Company employees shall conform to the following guidelines:

Trading Stock & Securities: CME is subject to United States securities laws. These laws and Company policy prohibit CME Directors and Company employees, directly or indirectly through their families or others, from purchasing or selling CME stock while in the possession of material, non-public information concerning the Company. This same prohibition applies to trading in the stock of other publicly held companies on the basis of material, non-public information. To avoid even the appearance of impropriety, company policy also prohibits CME Directors and Company employees from trading options in CME stock under any circumstances.

Material, non-public information is any information that could reasonably be expected to affect the price of a stock. If an employee or CME Director is considering buying or selling a stock because of non-public information they possess, they should assume that such information is material. It is also important for the employee or CME Director to keep in mind that if any trade they make becomes the subject of an investigation by the government, the trade will be viewed after-the-fact with the benefit of hindsight. Consequently, CME Directors and Company employees should always carefully consider how their trades would look from this perspective.

Tipping: If an employee's or CME Director's family or friends ask for advice about buying or selling CME stock, the employee or CME Director should not provide it. Stock Exchange and Company policies also prohibit the employee or CME Director from "tipping" family or friends regarding material, non-public information that the employee learns about CME or any other publicly traded company in the course of employment. The same penalties apply, regardless of whether or not the employee or CME Director derives any benefit from the trade.

BOOKS AND RECORDS MANAGEMENT

The CME Legal Department has Company-wide responsibility for developing, administering and coordinating the Company's record management program and issuing retention guidelines for specific types of documents. Records should be maintained to comply with applicable statutory, regulatory or contractual requirements, as well as those pursuant to prudent business practices. Employees can contact the CME Legal Department for specific information on record retention.

Company financial personnel shall make and keep books, invoices, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company. Each employee shall maintain accurate and fair records of transactions, time reports, expense accounts and other company records. The Company will devise and maintain a system of internal controls sufficient to provide reasonable assurances that transactions are properly authorized, executed and recorded.

All Company books, records, accounts, funds and assets must be maintained to reflect fairly and accurately the underlying transactions and disposition of Company business in reasonable detail. No entries will be made that intentionally conceal or disguise the true nature of any company transaction. In this respect, the following guidelines must be followed:

- No undisclosed or unrecorded funds or assets should be established for any purpose;
- No false or fictitious invoices should be paid or created;
- No false or artificial entries should be made or misleading reports issued;
- Assets and liabilities of the Company should be recognized and stated in accordance with the Company's standard practices and GAAP.

If an employee believes that the Company's books and records are not being maintained in accordance with these requirements, the employee should report the matter directly to his or her supervisor or to the CME General Counsel.

REPORTING VIOLATIONS OF COMPANY POLICIES

There are no easy answers to many ethical issues that might be faced in our daily business activities. In some cases the right thing to do will be obvious but in other more complex situations, it may be difficult for an employee to decide what to do. If you are in doubt about the best course of action in a particular situation or if you have any question concerning business ethics or compliance with this Code, CME encourages you to talk with your manager or supervisor or any member of the Audit Committee.

Employees may report any concern or violation of law or breach of this Code of Conduct and Ethics in accordance with the procedures set out in the CME Whistleblower Policy.



Protection from Retaliation

As noted above, the Company encourages officers and employees to report any violation of law, regulation or provision of this Code of Conduct and Ethics. You need not fear retribution. The Company will not tolerate any retaliation whatsoever by any director or employee for any report that was provided in good faith. Similarly, the Company will not tolerate any retaliation or other action taken against any director or employee who provides to any law enforcement officer truthful information relating to the possible commission of a civil or criminal offense or who participates in the investigation, by the Company or by government authorities, of conduct the director or employee believes constitutes securities fraud under the federal securities laws of the U.S.

The Company intends to investigate thoroughly any report, concern or complaint made in good faith that the Company receives relating to a suspected violation. Every director or employee will be required to cooperate in internal investigations of misconduct or unethical behavior.

AMENDMENT AND WAIVER

Compliance with the provisions with this Code of Conduct and Ethics may only be waived for officers and Directors of CME by the Central European Media Enterprises Ltd Board of Directors. Any such amendment to or waiver from a provision of the Code of Conduct and Ethics that applies to any principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions will be publicly disclosed.

The Company will apply disciplinary procedures, including possible dismissal from employment by the Company, in cases of violation of the provisions of this Code of Conduct and Ethics.