

**CET 21 spol. s r.o.**

**QUARTERLY FINANCIAL STATEMENTS**

**AS AT 30 SEPTEMBER 2011 AND FOR THE NINE AND TWELVE MONTHS THEN ENDED**

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**CET 21 spol. s r.o.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(US\$ 000's)**

	<b>September 30, 2011</b>	<b>December 31, 2010</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	37,786	29,868
Accounts receivable, net	60,815	75,830
Program rights, net	28,677	29,057
Prepaid programming	10,080	20,413
Other current assets	6,164	19,708
<b>Total current assets</b>	<b>143,521</b>	<b>174,876</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	86,693	92,938
Program rights, net	148,814	122,647
Goodwill	998,803	977,137
Broadcast licenses and other intangible assets, net	208,131	216,442
Other non-current assets	12,383	12,217
<b>Total non-current assets</b>	<b>1,454,824</b>	<b>1,421,381</b>
<b>Total assets</b>	<b>1,598,345</b>	<b>1,596,257</b>
 <b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	75,316	75,034
Current debt – third parties	-	-
Other current liabilities	27,897	2,531
<b>Total current liabilities</b>	<b>103,213</b>	<b>77,565</b>
<b>Non-current liabilities</b>		
Long-term debt – related parties	346,830	396,944
Long-term debt – third parties	284,128	227,154
Other non-current liabilities	45,857	46,268
<b>Total non-current liabilities</b>	<b>676,815</b>	<b>670,366</b>
 <b>EQUITY</b>		
Share capital	22	22
Additional paid in capital	529,684	529,684
Retained earnings	92,690	143,939
Accumulated other comprehensive income	196,049	174,676
<b>Total CET 21 spol. s r.o. shareholders' equity</b>	<b>818,445</b>	<b>848,321</b>
Noncontrolling interest	(127)	5
<b>Total equity</b>	<b>818,318</b>	<b>848,326</b>
<b>Total liabilities and equity</b>	<b>1,598,345</b>	<b>1,596,257</b>

**CET 21 spol. s r.o.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND**  
**COMPREHENSIVE INCOME**  
**(US\$ 000's)**

	For the nine months ended		For the twelve months ended
	September 30, 2011	September 30, 2010	September 30, 2011
<b>Net revenues</b>	<b>269,455</b>	<b>235,082</b>	<b>393,159</b>
<b>Operating expenses:</b>			
Operating costs	46,905	39,018	63,131
Cost of programming	111,957	108,133	159,013
Depreciation of property plant and equipment	15,205	17,156	21,195
Amortization of broadcast licenses and other intangibles	13,181	12,243	17,331
<b>Cost of revenues</b>	<b>187,248</b>	<b>176,550</b>	<b>260,670</b>
Selling, general and administrative expenses	28,651	28,761	38,105
<b>Operating income</b>	<b>53,556</b>	<b>29,771</b>	<b>94,384</b>
Interest income	160	187	215
Interest expense	(49,692)	(38,739)	(68,405)
Foreign currency exchange gain / (loss) net	4,611	(1,394)	(1,461)
Change in fair value of derivatives	138	(1,341)	420
Other income	56	301	80
<b>Income / (loss) before provision for income taxes</b>	<b>8,829</b>	<b>(11,215)</b>	<b>25,233</b>
(Provision) / credit for income taxes	(4,173)	531	(6,094)
<b>Net income / (loss)</b>	<b>4,656</b>	<b>(10,684)</b>	<b>19,139</b>
Net loss attributable to noncontrolling interest	141	-	141
<b>Net income / (loss) attributable to CET 21 Group</b>	<b>4,797</b>	<b>(10,684)</b>	<b>19,280</b>
Net income / (loss)	4,656	(10,684)	19,139
Currency translation adjustment	21,382	4,422	(4,674)
<b>Comprehensive income / (loss)</b>	<b>26,038</b>	<b>(6,262)</b>	<b>14,465</b>

**CET 21 spol. s r.o.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**(US\$ 000's)**

	Share capital	Additional paid in capital	Retained earnings	Noncontrolling interest	Accumulated other comprehensive income	Total Equity
<b>Balance, December 31, 2010</b>	<b>22</b>	<b>529,684</b>	<b>143,939</b>	<b>5</b>	<b>174,676</b>	<b>848,326</b>
Net income / (loss)	-	-	4,797	(141)	-	4,656
Dividend distribution	-	-	(56,046)	-	-	(56,046)
Currency translation adjustment	-	-	-	9	21,373	21,382
<b>Balance, September 30, 2011</b>	<b>22</b>	<b>529,684</b>	<b>92,690</b>	<b>(127)</b>	<b>196,049</b>	<b>818,318</b>

	Share capital	Additional paid in capital	Retained earnings	Noncontrolling interest	Accumulated other comprehensive income	Total Equity
<b>Balance, December 31, 2009</b>	<b>22</b>	<b>529,699</b>	<b>140,141</b>	<b>-</b>	<b>196,310</b>	<b>866,172</b>
Adjustment to Media Pro Pictures s.r.o. purchase accounting	-	(15)	-	-	-	(15)
Net loss	-	-	(10,684)	-	-	(10,684)
Currency translation adjustment	-	-	-	-	4,422	4,422
<b>Balance, September 30, 2010</b>	<b>22</b>	<b>529,684</b>	<b>129,457</b>	<b>-</b>	<b>200,732</b>	<b>859,895</b>

**CET 21 spol. s r.o.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(US\$ 000's)**

	For the nine months ended		For the twelve months ended
	September 30, 2011	September 30, 2010	September 30, 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Net income / (loss)</b>	<b>4,656</b>	<b>(10,684)</b>	<b>19,138</b>
Adjustments to reconcile net income to net cash generated from operating activities:			
Depreciation and amortization	105,422	105,187	153,850
(Gain) / loss on disposal of fixed assets	110	(64)	106
Foreign currency exchange (gain) / loss, net	(4,611)	1,394	1,461
Change in fair value of derivatives	(138)	1,341	(421)
Net change in:			
Accounts receivable	16,722	15,804	(549)
Program rights	(85,601)	(65,169)	(85,601)
Other assets	2,423	11,556	1,346
Accounts payable and accrued liabilities	22,988	(20,770)	(21,379)
Income taxes payable	7,269	(3,432)	7,443
Other current liabilities	4,109	(1,719)	236
<b>Net cash generated from operating activities</b>	<b>73,349</b>	<b>33,444</b>	<b>75,630</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	(7,134)	(14,947)	(10,850)
Proceeds from disposal of property, plant and equipment	208	73	212
Payment of deferred consideration	-	(1,291)	-
<b>Net cash used in investing activities</b>	<b>(6,926)</b>	<b>(16,165)</b>	<b>(10,638)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Issuance of 2010 Fixed Rate Notes	-	-	225,433
Drawing of Revolving Credit Facility	57,113	-	57,113
Proceeds from credit facilities	4,356	151,437	152
Payments made on credit facilities	(3,194)	(78,062)	(162,594)
Proceeds of loans from related parties	-	3,090	(210)
Payments made on loans from related parties	(61,418)	(84,351)	(125,496)
Distributions paid	(56,046)	-	(56,046)
<b>Net cash used in financing activities</b>	<b>(59,189)</b>	<b>(7,886)</b>	<b>(61,648)</b>
<b>Impact of exchange rate fluctuations on cash</b>	<b>684</b>	<b>434</b>	<b>(258)</b>
Net increase in cash and cash equivalents	7,918	9,827	3,086
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>29,868</b>	<b>24,873</b>	<b>34,700</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>37,786</b>	<b>34,700</b>	<b>37,786</b>