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## 2011 ICG Global Markets: Citi European Credit Conference

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Mark Wyllie, Vice President Corporate Finance  
November 30<sup>th</sup>, 2011





# Safe Harbour Statement

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This presentation contains written or oral forward-looking statements, including those related to our capital needs, business strategies, expectations and commitments. Statements that include the words “may”, “expect”, “intend”, “plan”, “target”, “prospect”, “forecast”, “believe”, “project”, “anticipate”, “estimate”, “continue” and similar statements of a future or forward-looking nature identify forward-looking statements. 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. Future events and actual results affecting our strategic plan as well as our financial position, results of operations and cash flows, could differ materially from those described in or contemplated by the forward-looking statements. Important factors that contribute to such risks include, but are not limited to, 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; decrease 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.

For a more detailed description of these uncertainties and other features, please see the “Risk Factors” section in our most recent Quarterly Report on Form 10-Q filed with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date on when they were made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments of otherwise.

# We are a leading CEE vertically integrated media company

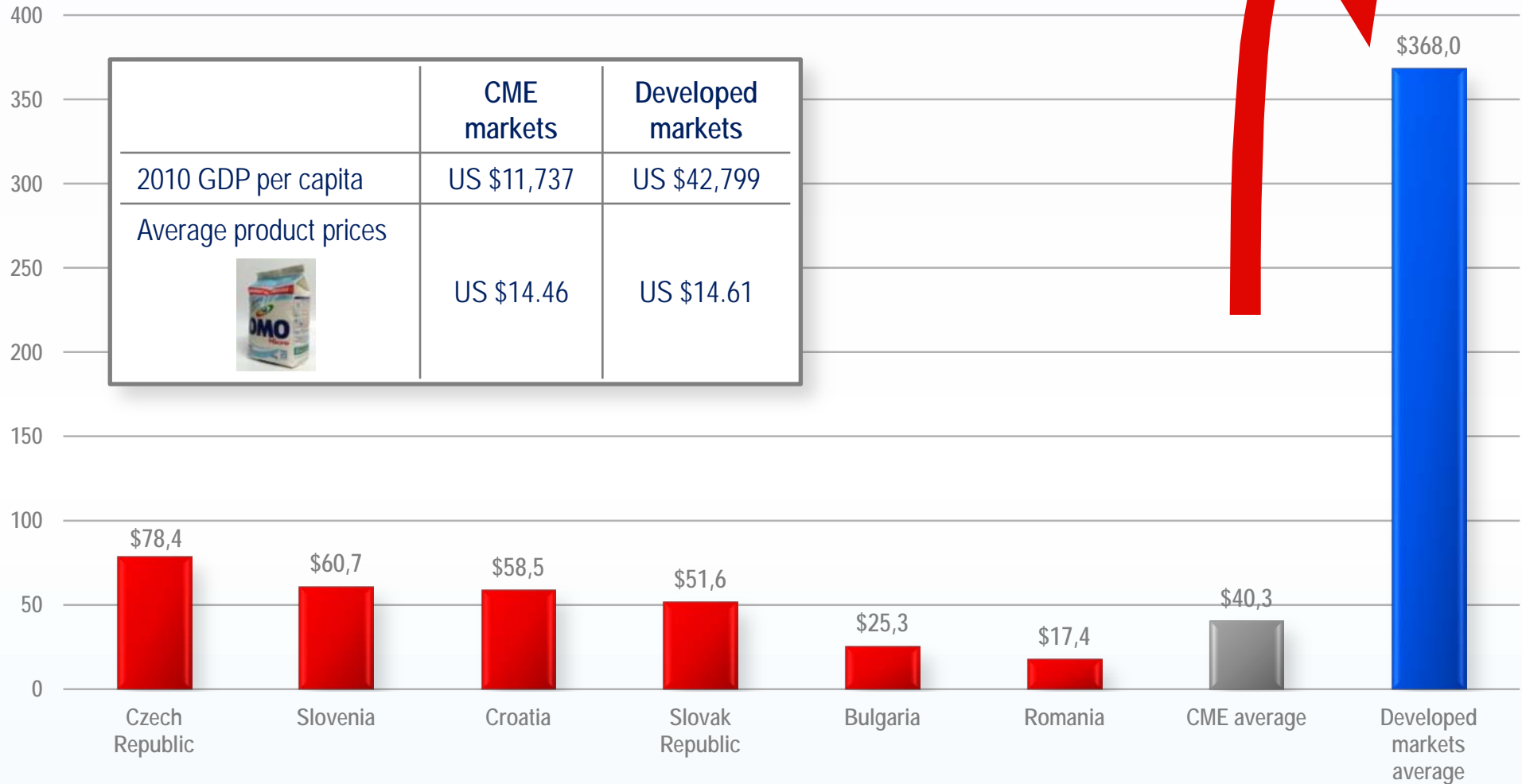


- Pan-regional portfolio with 17 years of leadership
- Market convergence offers opportunity for high growth potential
- Significant capacity for margin expansion
- Transparency of NASDAQ and Prague Stock Exchange listings



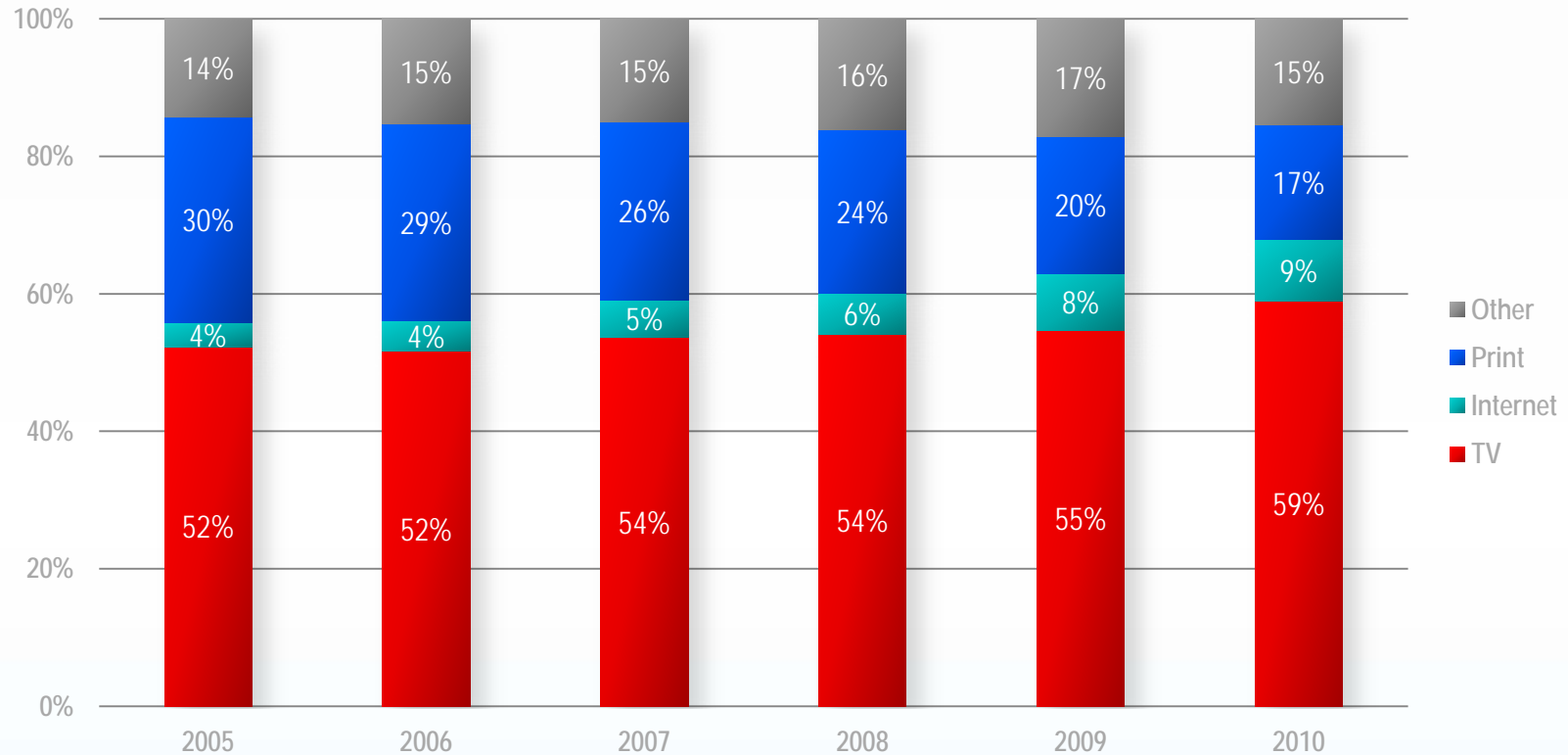
# There is significant room for convergence in our markets

## Total ad spend per capita 2010 US\$



# TV and Internet will be the winners from advertising spend growth

## Split of advertising expenditure among different media in CME markets



Source: GroupM, Summer 2011

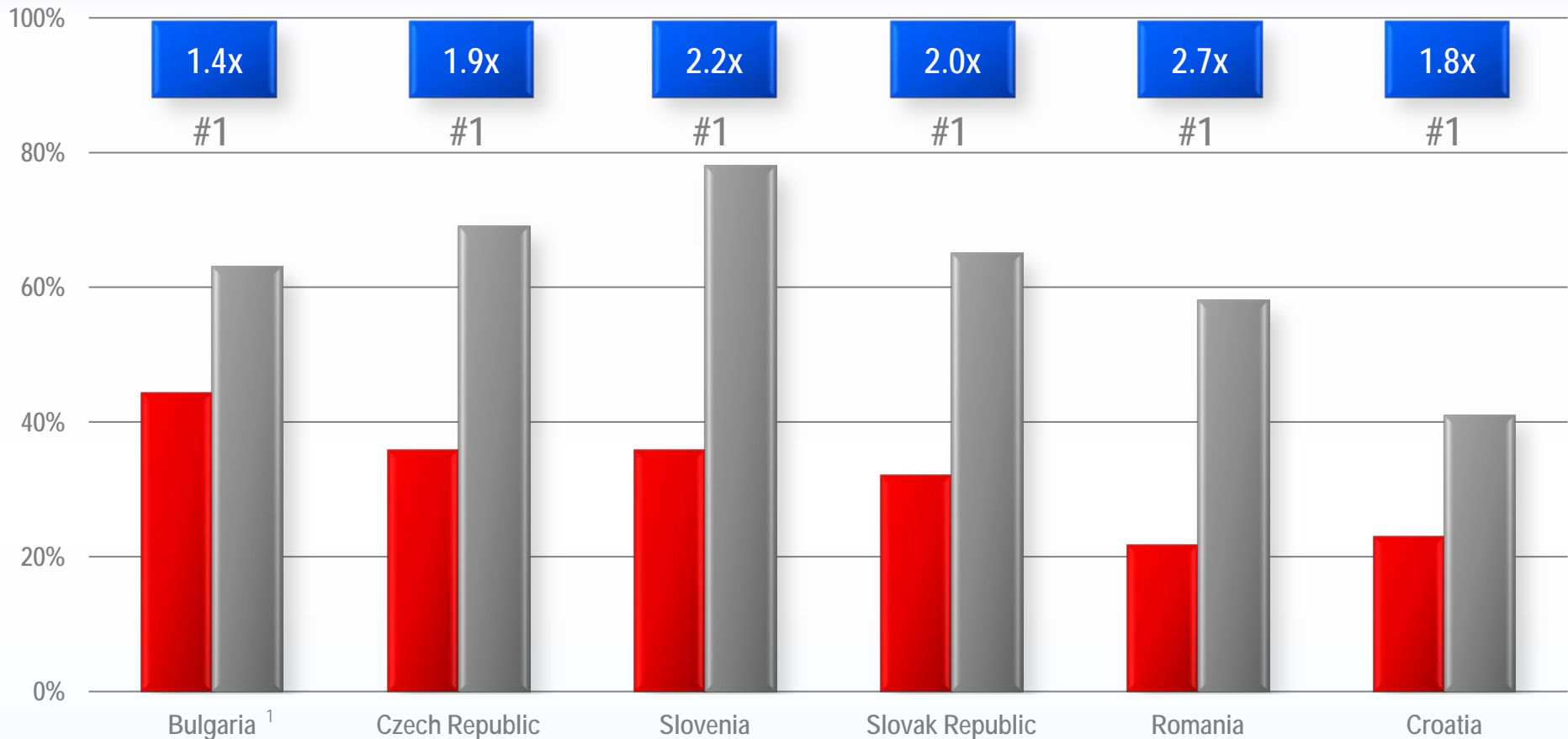
**TV continues to have the broadest reach and capture the highest share of advertising budgets**

	CZ	RO	SK	BG	SLO	CRO	
General Entertainment							9
Cinema/ Series							7
Sport							3
Music							2
International							2
	4	7	2	5	2	3	23
Bouquet of basic subscription channels							6

<sup>1</sup> Nova Sport (CZ) and MTV (CZ) are also broadcast in Slovakia.



## 2010 All Day Audience Share and Market Share



$$\text{Market share} = \text{Audience share} \times \text{Power ratio}$$

Sources: AGB Nielsen Media Research, Croatia; ATO MediaResearch, Czech Republic; PMT/TNS SK, Slovak Republic; AGB Nielsen Media Research, Slovenia; TNS-AGB INTL Romania; Peplemeters Taylor Nelson Sofres, Bulgaria; CME estimates.

<sup>1</sup> Includes the bTV group, acquired in April 2010, for the full year.

- Develops scripts and formats for the international market
  - 14 original titles developed for the international market in 2011; 82 original scripts and formats currently in development
- Produces highly rated content for CME broadcasters, assuring prime time leadership for our TV channels
  - Delivered 641 hours of fiction and 994 hours of reality and entertainment to CME broadcasters in the first 9 months of 2011
  - Key prime time ratings boosters\*:

## PRODUCTION AND PRODUCTION SERVICES

**The Voice RO**  
Talent show



30.1% share

**Slovenia’s Got Talent SL**  
Talent show



64.0% share

**Masterchef HR**  
Reality show



33.7% share

**Rose Garden Medical CZ**  
long running series



48.4% share

**Czech-Slovak Superstar SK**  
Talent show



41.8% share

- Innovative new shows, with high international potential\*:

**Expozitura CZ**  
crime/action series



43.1% share

**Headnuts SL**  
sitcom



39.1% share

**Lara’s Choice HR**  
long running series



31.8% share

**Zita in Trouble SK**  
sitcom



26.2% share

**A Bet with Life RO**  
long running series



17.0% share

- Produces feature movies:  
Godmother (RO), Devil’s Bride (CZ) and Something Good from Life (RO) released in 2011
- Provides production services for foreign film productions and commercial advertising clients.

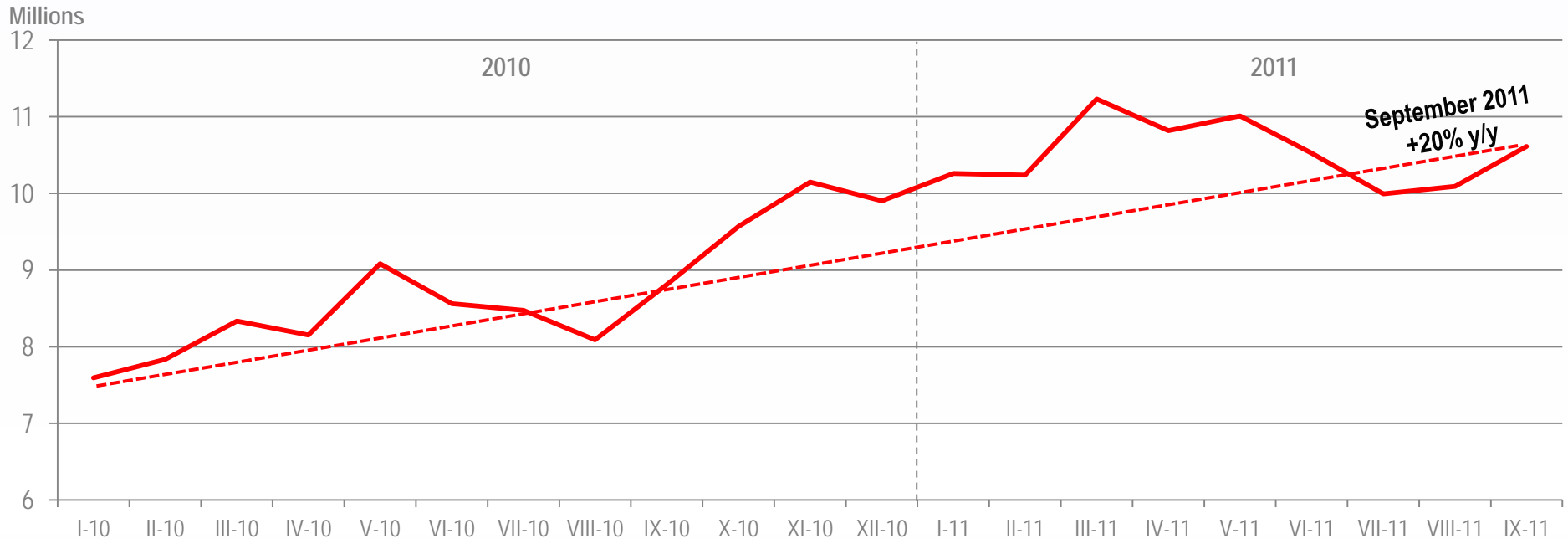
## DISTRIBUTION & EXHIBITION

- Distributor of MPE and third party content – a driver of 3rd party revenue growth and diversification.
  - Acquisition of Bontonfilm is expected to drive the share of third party Media Pro Entertainment revenues to 40% for the full year.
  - Licensed 745 hours of original MPE fiction content to third parties worldwide in the first nine months of 2011.
  - Home video distribution and theatrical distribution leadership in Romania, Czech Republic and the Slovak Republic.
  - Produced the chart-topping dance hit ‘Mr Saxobeat’ by Alexandra Stan, which achieved worldwide success.

**Our goal is to expand distribution to all windows and grow third party revenues**

Traffic to our websites has had double digit increases over the last two years

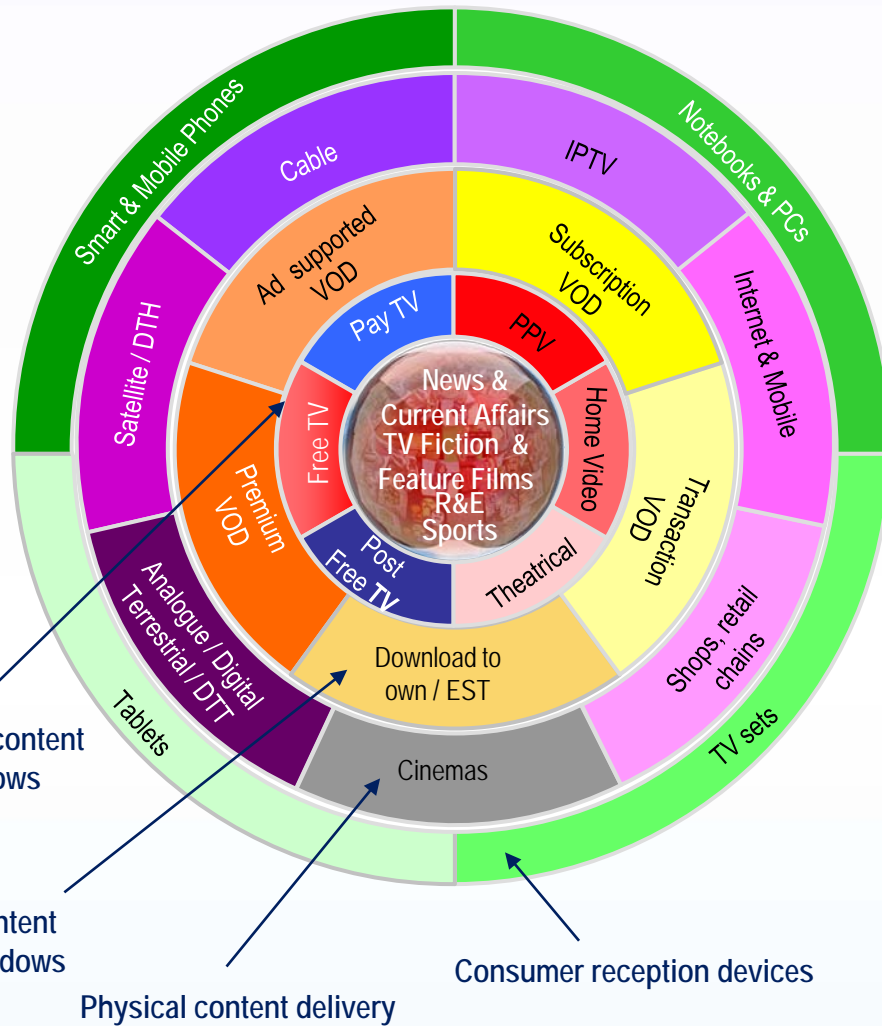
CME Average Monthly Real Users Trend



- **We completed the roll-out of Voyo in all CME territories in 2011**
  - Voyo is a digital distribution platform covering transactional, subscription and advertising financed video-on-demand.
  - The growth of Voyo will be mostly driven by CME content and our strong marketing platform.
  - With Voyo, our new media business can boost its user base and expand from advertising to paid and subscription revenues.

**Our priority is to drive traffic and revenue growth in 2011**

# Our strategy: one content – multiple distribution



## Evolution of our business model

- 1994 – 2008: Regional broadcast assets
- 2009 – 2012: Vertically integrated media and entertainment company, three operating divisions



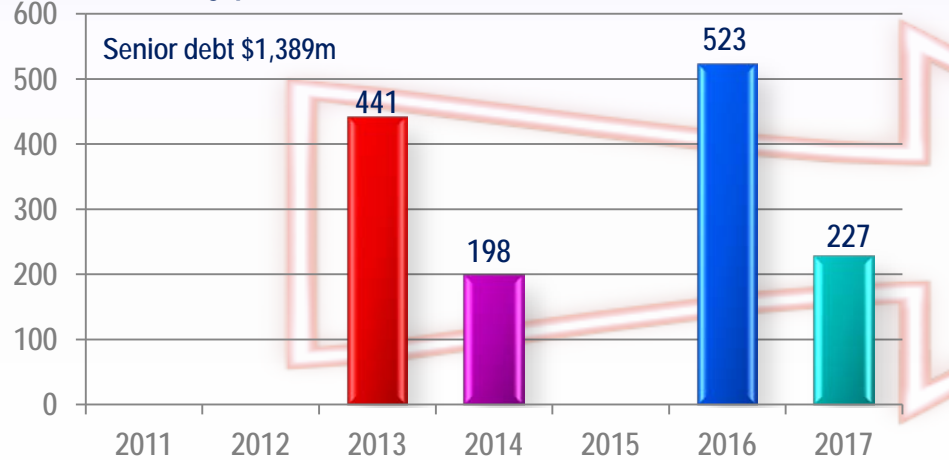
## 2012 onwards:

### One Content - Multiple Distribution

- Develop and create original content sellable in all content windows and on all platforms
- Secure the necessary traditional content distribution windows
- Expand monetization of paid content, especially from emerging digital content windows

# Year to date 2011 debt maturity profile

US\$m Maturity profile as at December 31, 2010 <sup>1</sup>



US\$m Maturity profile as at September 30, 2011 <sup>2</sup>



■ 2013 Convertible Notes    
 ■ 2014 Floating Rate Notes    
 ■ 2015 Convertible Notes    
 ■ 2016 Fixed Rate Notes    
 ■ 2017 Fixed Rate Notes    
 ■ Revolving credit facility (RCF)

- Refinanced \$261 million and repurchased \$50 million of the 2013 Convertible Notes.
- Drew down \$55 million of our revolving credit facility<sup>3</sup>.
- Repurchased \$24 million of the 2016 Fixed Rate Notes.
- Net debt as at September 30, 2011: \$1,230m.

We will continue to prudently manage and extend our debt maturity profile in a cost efficient manner, reducing debt wherever possible.

<sup>1</sup> At December 31, 2010 exchange rates.

<sup>2</sup> At September 30, 2011 exchange rates.

<sup>3</sup> We drew down the remaining \$27 million of the revolving credit facility on October 5, 2011, which is all repayable in 2014 and 2015.

## We expect to achieve our 2011 goals

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-  Maintain or strengthen our audience and market share leadership
-  Keep cost increases at low- to mid-single digits on a like-for-like basis
-  Reduce capex to below 2010 levels
-  Achieve positive OIBDA for Media Pro Entertainment
-  Deliver positive free cash flow

- We have demonstrated our ability to grow, even in declining or flat TV ad markets. Although the macroeconomic conditions in 2012 might be challenging, we will endeavor to deliver further growth:
  - Recent legislation adopted in the Czech Republic that restricts the broadcasting of commercials on state-owned TV will enable us to increase our market share.
  - We have achieved a clear leadership position in Croatia and we expect our market share to continue to increase in 2012.
  - Our other operations (Romania, the Slovak Republic, Bulgaria and Slovenia) are well positioned as the undisputed or strong market leaders and we expect them to maintain or increase market share in 2012 and beyond.
  - Our New Media and Media Pro Entertainment divisions are expected to positively contribute to our bottom line in 2012 through subscription revenues and the expansion of content distribution.
  
- In 2012 we will:
  - ▶ Continue to maintain financial discipline.
  - ▶ Target positive free cash flow.
  - ▶ Deleverage further.
  - ▶ Focus on revenue diversification through our one content, multiple distribution strategy.

**Organic growth will remain our top priority.**