

Early 2009 we faced the following:

- Debt repayments of US\$ 1,330 m due between H2 2009 and 2014
- Economic crisis reduced revenues and free cash flow
- Liquidity and maturity profile needed to be addressed



The Strategic Response:

- Raise equity
- Restructure to improve credit profile
- Refinance debt

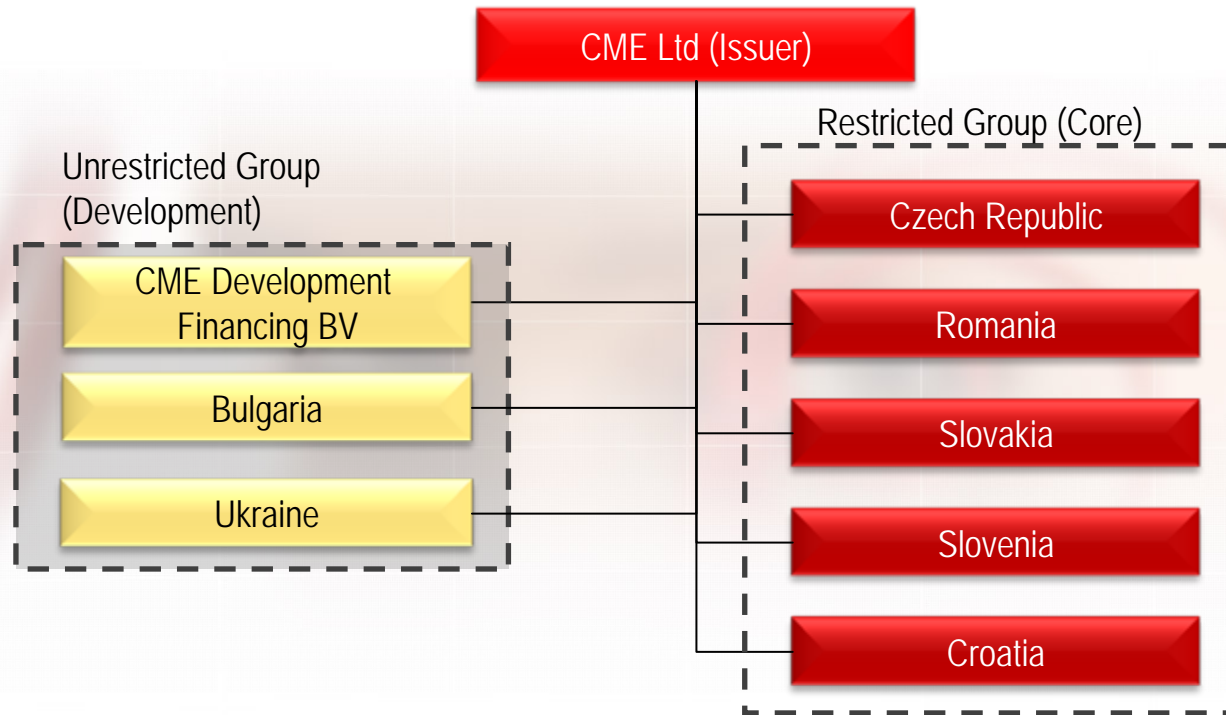
Action

On 23rd March 2009, Time Warner and CME announced the investment of US\$ 241.5m in CME by Time Warner. The market responded very positively to this announcement.

Benefits

- Strengthened our liquidity, expanding our operational and financial options
- Complements our content strengths
- Brings new resources for channel development – a key component of our broadcasting strategy

Action: Separated Restricted Subsidiaries and Unrestricted Subsidiaries



Benefits

- Improved leverage and coverage ratios for covenant purposes; based only on results of Restricted Subsidiaries
- Debt investors gained confidence that funds devoted to development of Ukraine and Bulgaria would be strictly limited
- Paved the way for debt refinancing

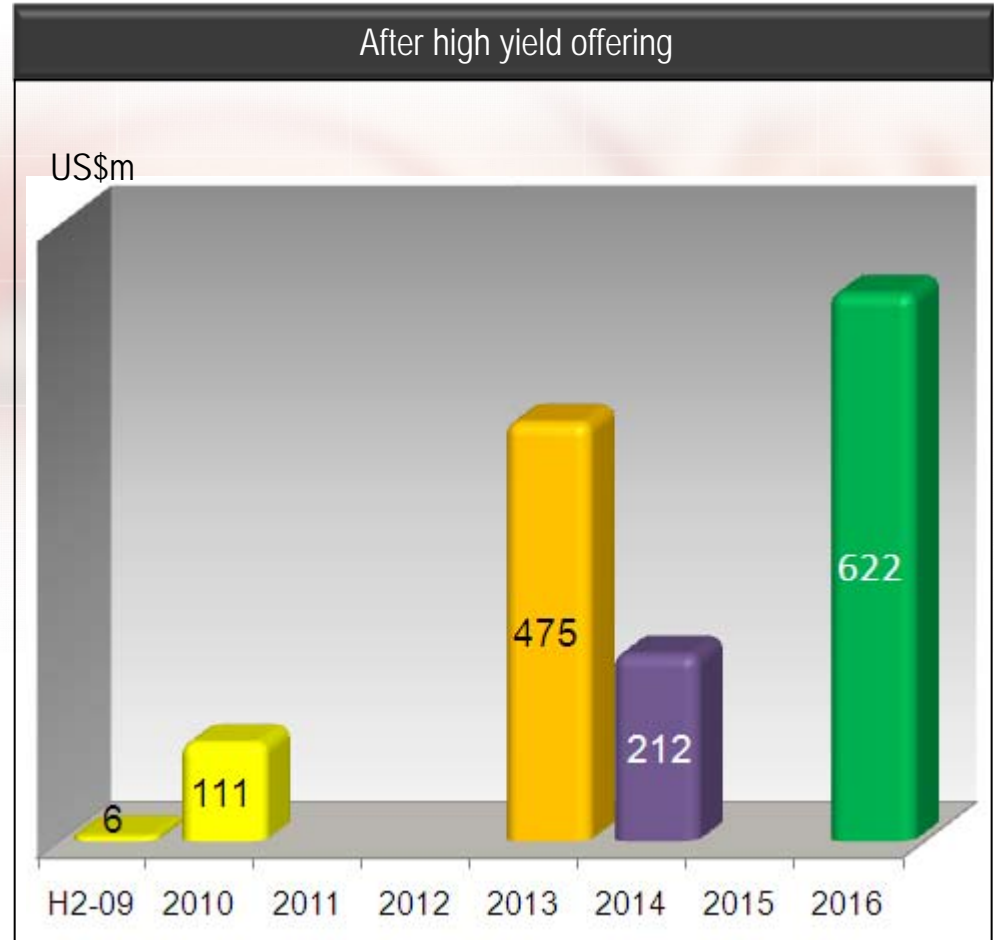
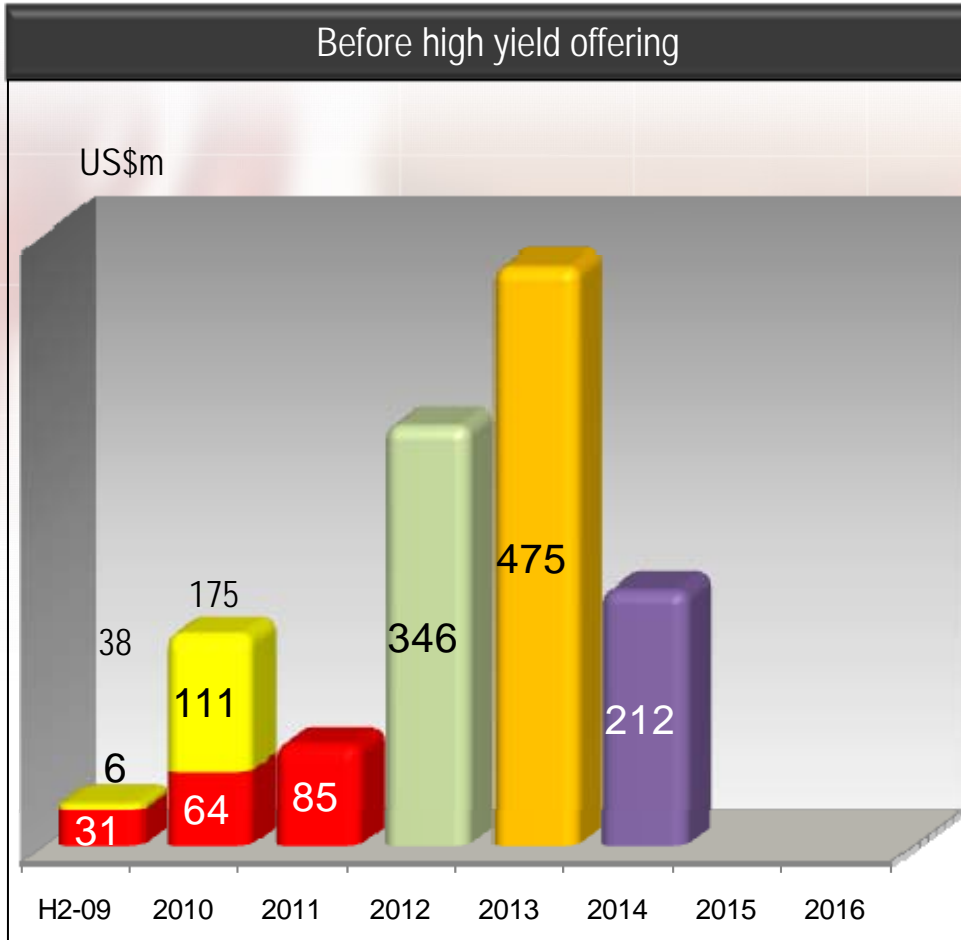
Actions

- Refinanced US\$526m of outstanding debt
- Opportunistic access of High Yield market in September, market could have closed at any time
 - Issued €200 m (US\$ 283m) 11.625% Notes due 2016 at price of 98 to yield 12%
 - Proceeds used to repay completely EBRD loan and tender for a portion of the 2012 Notes
 - Completed tender for € 63 million (US\$ 89 m) of 2012 Notes at price of 97
- Follow-on High Yield
 - Issue of €240 million (US\$ 339m) with same coupon at price of 102.75 to yield 11%
 - Proceeds used to call €182 million (US\$ 257m) remaining 2012 Notes at 104.125

Benefits

- No significant debt maturities before March 2013; Erste loan to be refinanced
- Covenant restrictions significantly eased with retiring of all 2012 Notes
- Coverage 2.0x rather Gross Leverage 4.5X allowed US\$ 66m of new cash to be raised
- Average interest only 7.5%, despite \$39 million increase in interest cost per year

Maturity profile before/after High Yield 2016



EBRD loan

2014 Senior FRN

2012 Senior Notes 8.25%

2016 New Senior Notes

2013 Convert 3.5%

Local facilities