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, 2009

OR

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

FOR THE TRANSITION PERIOD FROM

COMMISSION FILE NUMBER 0-24341

Central European Distribution Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware	**54-1865271**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
Two Bala Plaza, Suite #300, Bala Cynwyd, PA	**19004**
(Address of Principal Executive Offices)	**(Zip code)**

Registrant's telephone number, including area code: (610) 660-7817

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

Common Stock, par value $0.01 per share
(Title of Class)

Securities registered pursuant to Section 12(g) of the Act:
Not Applicable

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

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or 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 such 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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 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 the 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 or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

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 Exchange Act.): Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2009, was approximately $ 992,188,312 (based on the closing price of the registrant's common stock on the NASDAQ Global Select Market).

As of February 22, 2010, the registrant had 69,451,680 shares of common stock outstanding.

Documents Incorporated by Reference

Portions of the proxy statement for the annual meeting of stockholders to be held on April 29, 2010 are incorporated by reference into Part III.

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The disclosure and analysis of Central European Distribution Corporation, or the Company, in this report contain forward-looking statements, which provide the Company's current expectations or forecasts of future events. Forward-looking statements in this report include, without limitation:

- information concerning possible or assumed future results of operations, trends in financial results and business plans, including those relating to earnings growth and revenue growth, liquidity, prospects, strategies and the industry in which the Company and its affiliates operate, as well as the integration of recent acquisitions and other investments and the effect of such acquisitions and other investments on the Company;
- statements about the expected level of the Company's costs and operating expenses relative to its revenues, and about the expected composition of its revenues;
- information about the impact of governmental regulations on the Company's businesses;
- other statements about the Company's plans, objectives, expectations and intentions; and
- other statements that are not historical facts.

Words such as "believes", "anticipates" and "intends" may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. The Company's actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including the factors described in the section entitled "Risk Factors" in this report. Other factors besides those described in this report could also affect actual results. You should carefully consider the factors described in the section entitled "Risk Factors" in evaluating the Company's forward-looking statements.

You should not unduly rely on these forward-looking statements, which speak only as of the date of this report. The Company undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this report, or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks the Company describes in the reports it files from time to time with the Securities and Exchange Commission, or SEC.

In this Form 10-K and any amendment or supplement hereto, unless otherwise indicated, the terms "CEDC", the "Company", "we", "us", and "our" refer and relate to Central European Distribution Corporation, a Delaware corporation, and, where appropriate, its subsidiaries.

PART I

Item 1. Business

Central European Distribution Corporation ("CEDC"), a Delaware corporation incorporated on September 4, 1997, and its subsidiaries (collectively referred to as "we," "us," "our," or the "Company") operate primarily in the alcohol beverage industry. We are the largest producer of vodka in the world and are Central and Eastern Europe's largest integrated spirit beverages business, measured by total volume, with approximately 30.5 million nine-liter cases produced and sold in 2009. Our business primarily involves the production and sale of our own spirit brands (principally vodka), the importation on an exclusive basis of a wide variety of spirits, wines and beers and the distribution of alcoholic beverages. Our primary operations are conducted in Poland, Russia and Hungary. We have eight manufacturing facilities located in Poland and Russia, and a total work force of more than 7,550 employees.

In Poland, we are the largest vodka producer with a brand portfolio that includes *Absolwent*, *Zubrówka*, *Bols, Palace* and *Soplica* brands, each of which we produce at our Polish distilleries. *Absolwent* and *Bols* are the top-selling vodkas in the mainstream and premium segments, respectively, in Poland.

We are also the largest vodka producer in Russia, the world's largest vodka market. Our *Green Mark* brand is the top-selling mainstream vodka in Russia and the second-largest vodka brand by volume in the world and our *Parliament* and *Zhuravli* brands are the two top-selling sub-premium vodkas in Russia. We also produce and distribute *Royal*, the top-selling vodka in Hungary. We believe the strength of our brands is a key component to the success of our company. For the year ended December 31, 2009, our Polish and Russian operations accounted for 59.2% and 38.4% of our revenues and 49.3% and 51.7% of our operating profit, respectively.

We are a leading importer of spirits, wines and beers in Poland, Russia and Hungary, and we generally seek to develop a complete portfolio of premium imported wines and spirits in each of the markets we serve. We maintain exclusive import contracts for a number of internationally recognized brands, including *Jim Beam Bourbon, Campari, Jägermeister, Remy Martin Cognac, Guinness, Corona, Budvar, E&J Gallo* wines*, Carlo Rossi* wines*, Sutter Home* wines*, Metaxa Brandy, Sierra Tequila, Teacher's Whisky, Cinzano, Old Smuggler, Grant's Whisky* and *Concha y Toro* wines. We are also the largest distributor of alcoholic beverages in Poland, with a broad nationwide distribution network and extensive brand portfolio.

Our strong market position and broad portfolio of brands in Poland, and our platform for further expansion in the Russian spirit market established through our recent acquisitions in Russia, are two of our key competitive strengths, which we believe will enhance our position as Central and Eastern Europe's largest integrated spirit beverage business. Through the integration of Russian Alcohol Group (which we refer to as Russian Alcohol) and the Copecresto Enterprises Limited (which we refer to as Parliament) businesses, we expect to generate significant synergies.

In addition to our operations in Poland, Russia and Hungary, our three primary markets, we have distribution agreements for our vodka brands in a number of key export markets including the United States, Japan, the United Kingdom, France and many other Western European countries. In 2009, exports represented 2.1% of our sales by value.

Our Competitive Strengths as a Group

Strong market position in Poland—We are a leading producer and importer of alcoholic beverages in Poland. Our brand portfolio includes top-selling brands that we produce as well as brands which we import on an exclusive basis. We also distribute a wide range of locally produced alcoholic beverages. Our broad portfolio of products, which includes over 700 brands of alcoholic beverages, allows us to address a wide range of consumer tastes and trends as well as wholesaler needs. Our economy brands have benefited recently from challenging economic conditions, while our premium and mainstream brands, including *Absolwent* and *Bols,* enable us to

benefit from long-term premiumization trends taking place with Polish consumers. Our portfolio of top selling vodka brands and leading import brands also provides us with bargaining power in our dealings with large retail chains. Additionally, our distribution infrastructure provides us with the distribution leverage to serve independent retailers and on-trade locations.

Solid platform for further expansion in the fragmented Russian spirits market—We are the largest vodka producer in Russia, producing approximately 18.0 million nine-liter cases in 2009. With the inclusion of Parliament, the Whitehall Group (which we refer to as Whitehall) and Russian Alcohol products, we have a large portfolio of alcoholic beverages, including *Green Mark*, the top-selling mainstream vodka brand in Russia and the second largest vodka brand by volume in the world, and *Parliament* and *Zhuravli*, the two top-selling sub-premium vodka brands in Russia. These brands are supported by a combined sales force of approximately 1,538 people. We believe our combined size and the geographic coverage of our sales force will contribute to market share gains and enable us to benefit from ongoing consolidation in the Russian spirits market. Furthermore, we believe we have the necessary infrastructure to take advantage of growth opportunities with minimal additional costs.

Our sales force in Russia includes approximately 1,300 people allocated to Exclusive Sales Teams, or ESTs. ESTs are employed by wholesalers that carry our vodka products but focus exclusively on the merchandising, marketing and sale of this portfolio. Because spirits advertising is heavily regulated in Russia, we believe that this structure provides us with meaningful marketing benefits as it allows us to maintain direct relationships with retailers and to ensure that our products receive prominent shelf space. Wholesalers who employ our ESTs are solely compensated through a rebate on purchases of our vodka brands. This arrangement enables us to maintain an expansive and exclusive sales force covering all regions of Russia with no associated fixed overhead costs.

Attractive import platform for international spirit companies to market and sell products in Poland, Russia and Hungary—Our existing import platform, under which we are the exclusive importer of numerous brands of spirits, wines and beers into each of our core markets, combined with our sales and marketing organizations in Poland, Russia and Hungary provide us with an opportunity to continue to expand our import portfolio. We believe we are well positioned to serve the needs of other international spirit companies that wish to sell products in these markets but lack the necessary distribution network and sales experience.

Attractive market dynamics—We believe that a combination of factors make Poland and Russia attractive markets for companies involved in the alcoholic beverage industry.

- Russia and Poland rank as the largest and fourth-largest markets for vodka in the world, respectively, by volume, and vodka accounts for over 90% of all spirits consumed in both markets. Wine and beer consumption have also increased in both Poland and Russia, and we believe spirits sales value in both markets will continue to grow. As the largest producer of vodka and a leading importer of wine and beer in both countries, we are well positioned to service demand in our markets.
- We believe that consumers in Poland and Russia increasingly demand a wider range of wine and spirits from mainstream to sub-premium brands, both domestically produced and imported, and we are well positioned to meet that demand in the coming years with top-selling brands in the domestic vodka mainstream and sub-premium categories. Additionally, we believe that, unlike many of our competitors, we are well positioned to meet that demand with the combination of our market-leading domestically produced products and our exclusive import portfolio.
- In Poland and Russia, we believe, based on industry statistics and our own experience, that approximately 60-65% of vodka sales are still made through the so-called “traditional trade,” which consists primarily of smaller independently owned stores. The traditional trade provides our primary source of sales, which we serve in Poland through our nation-wide next day distribution platform and sales to third party wholesalers. In Russia, we believe our large, dedicated sales force, which includes both a traditional sales force and ESTs, gives us a competitive advantage over our competitors in an extremely fragmented wholesaler and retailer environment.

Professional and experienced management team—Our management team, led by William Carey, has over 35 years of experience in the alcoholic beverages industry and has executed and integrated over 20 acquisitions within Poland, Russia and Hungary over the past ten years.

Growth Strategies

Realize synergies through the consolidation of our Russian businesses—We have acquired three of the leading spirit and wine businesses in Russia. With our acquisitions of Parliament and Russian Alcohol, we have the leading overall vodka position as well as the leading mainstream and sub-premium brands in Russia. Through our significant economic interest in Whitehall, we have a leading import portfolio in Russia. We intend to integrate our Russian vodka businesses, which are currently managed separately, in order to better leverage our management expertise and business relationships and also to take advantage of cross selling opportunities. We believe that opportunities exist to improve operational profitability in Russia by eliminating operating cost overlap between the companies. By combining our market leading Russian brands with Whitehall's exclusive import portfolio, and leveraging the combined sales and distribution system of Parliament and Russian Alcohol, we believe we will be able to enhance our leading market position in Russia.

Capitalize on the Russian market consolidation—The Russian vodka market is currently fragmented, and we believe we have the necessary resources to take market share from struggling competitors. We estimate that the top five vodka producers in Russia accounted for estimated 44% of the total market share in 2009 as compared to an estimated 26% in 2006. We believe, based on our experience of consolidation trends in Poland, that the combined market share of the top five vodka producers in Russia could increase from 44% to 70-80% in the next five years as the Russian market continues to consolidate. We intend to capitalize on our leading brand position, our expansive sales and distribution network and the impact of the current economic situation to expand our market share in Russia.

Develop our portfolio of exclusive import brands—In addition to the development of our own brands, our strategy is to be the leading importer of wines and spirits in the markets where we operate. We have already developed an extensive wine and spirit import portfolio within Poland. In Russia, we intend to capitalize on the import platform of Whitehall and the combined sales and marketing strength of Parliament and Russian Alcohol by developing new import opportunities and capitalizing on the overall growth in imports. In 2009, we began to import several new brands to Russia, including *DeKuyper*, *Jose Cuervo*, *Gallo* and *Borco* and we expanded our exclusive Polish import relationship with *Campari* to include Hungary.

Continue to focus on sales of our domestic and export brands and exclusive import brands—Within Poland and Hungary, we look to continue to leverage the strength of our existing and long-standing sales and distribution networks to support our higher margin, owned and exclusive import brands. We also intend to seek new export opportunities for our vodka brands, such as *Zubrówka*, through new export package launches and product extensions. We are also in the process of completing an extensive program to develop new packaging and marketing programs for *Bols*, *Zubrówka*, *Absolwent, Royal* and *Palace* vodka in our core markets.

Recent Acquisitions

On September 25, 2009, the Company and certain of its affiliates acquired the remaining 15% of the share capital of its subsidiary, Parliament. Parliament owns various alcoholic beverage production and distribution assets in Russia, including the *Parliament* vodka brand, which is a top selling sub-premium vodka brand in Russia.

On July 9, 2008, the Company, Lion Capital LLP ("Lion Capital") and certain other investors completed an investment pursuant to which the Company acquired an indirect equity stake in Russian Alcohol of approximately 42% and Lion Capital acquired substantially all of the remainder of the equity. The Company renegotiated the terms of this investment during 2009, acquiring 100% of the equity interests in Lion/Rally Cayman 6, a Cayman Islands company that is a holding company owning 100% of the equity interests in Russian

Alcohol ("Cayman 6"). Pursuant to agreements entered into in November 2009, the Company acquired all of the equity interests in Cayman 6 not held by the Company, though Lion Capital retained the sole voting share in Cayman 6 until after receipt of antimonopoly clearances for the acquisition of Russian Alcohol from the Russian Federal Antimonopoly Commission or FAS and the Antimonopoly Committee of the Ukraine. On January 20, 2010, following receipt of the required approvals, the Company acquired the sole voting share of Cayman 6 from Lion Capital and thereby acquired control of Russian Alcohol. Russian Alcohol is the largest vodka producer in Russia and produces leading vodka brands such as Green Mark, which is the number one vodka brand in Russia, and Zhuravli, a top selling premium vodka brand behind the Company's Parliament.

Industry Overview

Poland

The total net value of the alcoholic beverage market in Poland was estimated to be approximately $7 to $9 billion in 2009. Total sales value of alcoholic beverages at current prices decreased by approximately 5% from December 2008 to December 2009. This decrease was due, for the most part, to the effects of the world-wide economic crisis. Poland fared better than most countries in the region, but was nevertheless affected. Beer and vodka account for approximately 90% of the value of sales of all alcoholic beverages.

The alcoholic beverage distribution industry in Poland is competitive. We compete primarily with other distributors and indirectly with hypermarket chains and discount chains. We compete with various regional distributors in all regions where our distribution centers and satellite branches are located. Competition with these regional distributors is greatest with respect to domestic vodka brands. The number of hypermarkets (which have been the primary threat to alcoholic beverage distributors in Western Europe because they purchase directly from producers) has stabilized in Poland. However, there has been strong growth of discount chains. With these discount chains taking a bigger and bigger market share from the traditional trade, the alcohol distribution industry is changing.

Spirits

We are one of the leading producers of vodka in Poland. We compete primarily with eight other major spirit producers in Poland, most of which are privately-owned while the remainder are still state-owned. The spirit market in Poland is dominated by the vodka market. Domestic vodka consumption dominates the Polish spirits market with over 96% market share, as Poland is the fourth largest market in the world for the consumption of vodka and one of the top 25 markets for total alcohol consumption worldwide. The Polish vodka market is divided into four segments based on quality and price(*):

- Top premium and imported vodkas, with such brands as *Finlandia*, *Absolut*, ***Bols Excellent***, *Chopin*, and *Królewska*;
- Premium segment, with such brands as ***Bols Vodka***, *Sobieski*, *Wyborowa*, *Smirnoff*, *Maximus*, and ***Palace Vodka***;
- Mainstream segment, with such brands as ***Absolwent***, ***Batory***, ***Zlota Gorzka***, *Luksusowa,* ***Soplica***, ***Zubrówka***, *Zoladkowa Gorzka, Polska*; and
- Economy segment, with such brands as *Starogardzka, Krakowska,* ***Boss***, ***Niagara***, ***Czysta Slaska***, *Prezydent, Z Czerwona Kartka, and* ***Ludowa***.

(*) Brands in bold face type are produced by us.

We produce vodka in all four segments and have our largest market share in the mainstream and premium segments. Though vodka brands compete against each other from segment to segment, the most competition is found within each segment. As we have a presence in each category and have four of the top ten best selling vodka brands in Poland, and have approximately a 26% market share measured by value, we are in a good position to compete effectively in all four segments.

In terms of value, the top premium and imported segment accounts for approximately 6% of total sales volume of vodka, while the premium segment accounts for approximately 18% of total sales volume. The mainstream segment, which is the largest, now represents 50% of total sales volume. Sales in the economy segment currently represent 28% of total sales volume.

Wine

The Polish wine market, which grew to an estimated 95.6 million liters in 2009, is represented primarily by two categories: table wines, which account for 2% of the total alcohol market, and sparkling wines, which account for 1% of the total alcohol market. As Poland has almost no local wine production, the wine market has traditionally been dominated by imports, with lower priced Bulgarian wines representing the bulk of sales. However, over the last three years, sales of new world wines from regions such as the United States, Chile, Argentina and Australia have seen rapid growth. In 2009, it is estimated that sales of wine from these regions grew by 11% in volume. Also in 2009, our exclusive agency brand, *Carlo Rossi*, became the number one selling wine in Poland in value replacing wines from old Warsaw Pact nations.

We believe that consumer preference is trending towards higher priced table wines. The best selling wines in Poland previously retailed for under $3 per bottle. Currently, the best selling wines retail in the $4-$7 range.

Beer

Poland is the fourth largest beer market in Europe. Sales of beer were down an estimated 10% in volume in 2009 but still account for 50% of the total sales value of alcoholic beverages in Poland.

Three major international producers, Heineken, SAB Miller and Carlsberg, control 88% of the market through their local brands.

Russia

Russia, with its official production of approximately 1.13 billion liters in 2009, is by far the largest vodka market worldwide. The Russian vodka market is fragmented, with, in our estimation, the top five producers having a combined volume market share of approximately an estimated 44% in 2009. This number is up from 2006 when the top five producers only had an estimated 26% market share. Further sector consolidation has been ongoing in recent years, with the potential to continue in the near term despite the market being down 9% in 2009. We estimate that the number of vodka producers in the market has decreased by half over the last five years, and the number of licensed vodka manufacturers has dropped from 324 in 2004 to 145 in 2008. The Russian vodka market is well protected from foreign imports, primarily due to efficient mass production, limited advertising and high logistics costs, making it difficult to compete with local producers. In addition, the Russian government has begun to introduce new legislation to limit the impact of unofficial production which could be beneficial in the short to medium term as the unofficial production is currently estimated at 40%, which is extremely high compared to other jurisdictions in which we operate.

We believe we are well-positioned to continue to gain market share in 2010 as we have the leading brands by volume and value in the mainstream and sub-premium categories, dedicated ESTs in place and experienced management not only at the corporate level but also at the operating level. In addition, the Russian government has put in place very restrictive policies on the advertising of spirits. We believe these policies make it difficult for any competitor to buy market share by out-spending its rivals.

Spirits

Vodka consumption dominates the Russian spirits market with over 95% market share. The Russian vodka market is divided into five segments based on quality and price: top premium, premium, sub-premium, mainstream, and economy. In terms of value, the top premium segment accounts for approximately 0.1% of total

sales volume of vodka, while the sub-premium and premium segment accounts for approximately 9.3% of total sales volume. The mainstream segment now represents 41.3% of total sales volume. Sales in the economy segment currently represent 49.3% of total sales volume. as consumers have traded up from economy brands to mainstream and sub-premium brands continue, a trend we expect to continue.

Vodka represented 95% of the total Russian spirits market in 2009. Although our belief is that the vodka market decreased approximately 9% in 2009 versus 2008, we believe that the market will stabilize in the first half of 2010 and that the premiumization that had occurred for 7 years before the crisis will return as wages begin to rise in Russia. As before, we believe the premiumization process should most benefit the mainstream and sub-premium brands at the expense of the economy brands. We believe we are well-positioned for this with the best selling brands in both the sub-premium and mainstream sectors. In addition, with our current capacity and relatively little capitalization expense, we plan to introduce new brands to the market to capture sales in any sector outside of the economy sector that we believe will have the most dynamic growth potential.

The Russian vodka market is quite fragmented, with the top five producers only having an estimated 43% market share in 2009 as compared to an estimated 78% market share in Poland and an estimated 80% market share in the Ukraine. We believe that the Russian market will experience trends similar to those experienced in the Polish market and will continue to see further consolidation of the market as the retail infrastructure further consolidates and develops and the effects of the economic crisis stabilize and diminish. We believe that this consolidation post crisis will increase significantly over the next 3-5 years.

Wine

According to market data, Russia has relatively low wine consumption per capita (about 8.5 liters per year). It is expected to grow at an estimated 8.6% compound annual growth rate during the period from 2007-2012. It is estimated that the Russian wine market grew by 10% in 2009 and will grow at an 8.1% compound annual growth rate in volume terms during the period 2007-2012, and even more in value terms.

Currently the fastest growing category in the Russian wine market is sparkling wine. In 2009, sparkling wine sales grew 12% by volume and 20% by value terms, according to Euromonitor. Despite the fact that domestic wines prevail on the market, the share of imported higher quality wines has been constantly growing. We believe we can benefit in the future from the growing Russian wine market through the import and distribution of high-value wines and the addition of new wines to our import and distribution portfolio in Russia. We have recently signed with Gallo to import on an exclusive basis Gallo's Carlo Rossi wine selection. Through Whitehall, we import wines from Constellation, Concho Toro and LVMH as well as others.

Long Drinks

The Long Drinks or Ready to Drink market in Russia consists of pre-mixed beverages with 9% or less alcohol content. The key segments of the market are gin-based drinks, Alco-Energy drinks and fruit-based drinks. Our Bravo Premium distillery produces the gin-based Bravo Classic brand, which accounts for approximately 50% of our long drinks sales volume. In the gin-based segment we have a 14% market share, in the Alco-Energy segment we have a 16% and in the fruit-based segment we have a 7% market share. We have focused over the last two years in improving the profitability of these products through a combination of more targeted selling and mix improvement. The Long Drinks business has shown significant improvement in 2009 as compared to prior years.

Hungary

Spirits

The Hungarian spirit market is dominated primarily by bitters and brown spirits. Currently, the most popular spirit drinks are *Jägermeister*, *Royal Vodka*, *Fütyülős*, *Kalinka vodka*, *Unicom*, *Metaxa*, *Ballantines* and *Johnnie Walker*. The current significant trends in the Hungarian spirit market are the overall decrease in total spirit

consumption and a pronounced move by the consumer to branded imported spirits. Our *Royal Vodka* brand is the number one selling vodka in Hungary. In addition, Hungary is now the third largest market in the world for sales of our exclusive agency brand, *Jägermeister*.

We believe that the total size of the spirit market in Hungary is approximately 58 million liters which has declined in 2009 by approximately 10%. However despite the decreasing total sales volume of spirits, we believe that the share of imported spirits, the segment in which we operate, is growing (increasing 5% from 2008 to 2009, and 16.2% in the past five years), while the consumption of local spirits is in decline. The increasing share of import was a result of eliminated custom duty and the improving purchasing power since the EU accession, as well as the continuous marketing and advertising activities of the imported spirit brands.

The spirit market is split into two major segments in Hungary: local producers and importers. The local producers are primarily dealing with low-cost, mainstream or below, local products, as well as with premium fruit-based spirits (palinka). The import spirit market is more competitive and relatively fragmented. The major players are the market leader Zwack Unicum Zrt (with an interest in both the local and import spirit segment), CEDC as the biggest spirit importer company, and Bacardi-Martini, Pernod Ricard Hungary, and Heinemann. Our advantage in Hungary is the combination of our wide portfolio which has the number one leading brands in the vodka, bitter and imported brandy categories, and our experienced sales and marketing team which offers premium service and builds strong brand equities.

Operations by Country

Poland

We are a leading vodka producer by value and volume in Poland, and one of the largest producers of vodka in the world. We own two production sites in Poland: Bols and Polmos Białystok. In the Bols distillery, we produce the *Bols* and *Soplica* vodka brands, among other spirit brands. *Bols* vodka is the number one selling premium vodka in Poland by volume and value. *Soplica* has consistently been one of the top ten mainstream selling vodkas in Poland. Polmos Białystok produces *Absolwent*, which is one of the leading vodkas in Poland for the last eight years. In addition to the *Absolwent* brand, Polmos Białystok also produces *Zubrówka*, which also is exported out of Poland to many markets around the world, including the United States, England, Japan and also France, where it is the number two imported premium vodka by volume.

We are the leading importer of spirits, wine and beer in Poland. We currently import on an exclusive basis approximately 40 leading brands of spirits, wine from over 40 producers and 5 brands of beer.

We are also the leading national distributor of alcoholic beverages in Poland by value, and we believe we offer one of the broadest portfolios of alcoholic beverages with over 700 brands. We operate in a highly fragmented market, primarily served by an estimated 50 wholesale groups. We operate the largest nationwide delivery service in Poland, and we provide next day delivery through our 18 distribution centers, 124 satellite branches and large fleet of delivery trucks. We believe that we are the leading distributor in each category of alcoholic beverages we distribute in Poland, except for beer.

Brands

We produced and sold approximately 9.0 million nine-liter cases of vodka through our Polish business in 2009 in the four main vodka segments in Poland: top premium, premium, mainstream and economy.

Our mainstream *Absolwent* brand has been one of the leading vodkas in Poland for the last eight years, based on volume and value. *Bols* vodka is the number one selling premium vodka in Poland and number two in Hungary by value. *Soplica*, a mainstream brand, has consistently been one of the top 10 selling vodkas in Poland. Our *Zubrówka* brand is the second best selling flavored and colored vodka in Poland and is exported to markets

around the world. In 2009, we sold abroad approximately 184,000 nine-liter cases of *Zubrówka*. In addition, we produce the top selling vodka in Hungary, *Royal Vodka*, which we distribute through our subsidiary Bols Hungary.

Import Portfolio

We have exclusive rights to import and distribute approximately 40 leading brands of spirits, wine and beer into Poland and distribute these products throughout the country. We also provide marketing support to the suppliers who have entrusted us with their brands.

Our exclusive import brands in Poland include the following:

LIQUEURS	WHITE SPIRITS	BROWN SPIRITS	VERMOUTH & BITTERS	WINE & CHAMPAGNES	BEER	NON ALCOHOLIC
Disaronno Amaretto	Patron Tequila	Jim Beam	Cinzano—vermouth	Sutter Home	Guinness	Evian
Sambuca	Tequila Sierra	Camus	Campari	Miguel Torres	Kilkenny	
Amaretto Gozio	Cana Rio Cachaca	Remy Martin	Jaegermeister	Concha y Toro	Bitburger	
Amaretto Florence	Gin Finsbury	Metaxa		Gallo	Budweiser	
Amaretto Venice	Nostalgia Ouzo	Brandy Torres		Carlo Rossi	Corona	
Cointreau	Grappa Piave	Brandy St Remy		B. P. Rothschild		
Passoa	Grappa Primavera	Whisky William's		Frescobaldi		
Bols Liqueurs	Tequila Sauza	Whisky Teacher's		Codorniu		
	Gin Hendricks	Whisky Old Smuggler		Piper Heidsieck		
		Whisky Glen Grant		Penfolds		
		Grant's		Trivente		
		Glenfiddich		Rosemount		
		Balvenie		Trinity Oaks		
		Clan MacGregor		Terra d'oro		
		Rum Old Pascas		M.Chapoutier		
				Boire Manoux		
				Faustino		
				J.Moreau & Fils		
				Kressmann		
				Laroche		

Sales Organization and Distribution

Our business involves the distribution of products that we import on an exclusive basis and products we produce from our two distilleries (Bols Poland and Polmos Białystok). In addition, we handle the distribution of a range of products from the local and international drinks companies operating in Poland for which we are the largest distributor for many of such suppliers.

We operate the largest nationwide next-day alcoholic beverage delivery service with 18 distribution centers and 124 satellite branches located throughout Poland. We distribute over 700 brands of alcoholic beverages consisting of a wide range of alcoholic products, including spirits, wine and beer, as well as non-alcoholic beverages.

The following table illustrates the breakdown of our sales in Poland in the twelve months ended December 31, 2009, 2008 and 2007:

Sales Mix by Product Category	2009	2008	2007
Vodka	73%	76%	72%
Beer	9%	9%	9%
Wine	10%	7%	8%
Spirits other than vodka	4%	6%	10%
Other	4%	2%	1%
Total	100%	100%	100%

We distribute products throughout Poland directly to approximately 25,000 outlets, including off-trade establishments, such as small and medium-size retail outlets, petrol stations, duty free stores, supermarkets and hypermarkets, and on-trade locations, such as bars, nightclubs, hotels and restaurants, where the products we distribute are consumed. These accounts are serviced by approximately 650 salespeople in Poland. One of our key objectives is to distribute more of our own products over time and, to that end, we have established an incentive compensation system for our salespeople for both products that we produce and products that we import exclusively into Poland.

Beginning in 2006, we implemented a more targeted sales approach. We narrowed the focus of our domestically located salespeople by assigning each sales person to a specific channel: key accounts (hypermarkets, discount stores and gas stations), on-trade accounts or traditional trade accounts.

The hypermarket and discount channels require a dedicated national sales team to handle their specific requirements. This team is responsible for promoting our brands in these national chains by implementing below the line activities, such as price promotions and pallet displays.

The use of a national, dedicated on-trade only sales team, the largest sales team of its kind in Poland to date, to work closely with bar, restaurant and hotel owners provides us with a key opportunity to promote and sell our brands and build brand awareness and brand equity with consumers. This is especially important given the restrictions on media advertising for spirits. The traditional trade sales force continues to focus on the channel in Poland that is still the dominant area in terms of sales volume. In addition, each of these account groups is also assigned a marketing and merchandizing team that works in conjunction with the sales team to serve the client.

The overall trend in distribution over the last number of years has been the consolidation of the hypermarkets and the growth of the discount chains and locally-owned super market chains. These stores typically go direct to the producers or importers and cut out the distribution that the traditional trade relies on. This is resulting in a more competitive landscape for distribution companies that focus on one market sector such as alcoholic beverages and not across many sectors to get the scale that will be required to keep competitive.

Export activities

With a number of brands to export from Poland and Russia and with full control of both Parliament and Russian Alcohol, we are currently restructuring our export department to expedite the positioning of the brands we believe have the greatest export potential. To that end, we have divided the export team into three regions: the ex CIS countries, which include our *Green Mark* and *Parliament* brands, among others, and Western Europe; the Middle East, Africa and Duty Free; and the third region, the Americas and Asia Pacific. The last two groups will concentrate on our *Green Mark*, *Zubrowka* and *Parliament* brands, among others.

During 2009, our core export brands were *Parliament*, which grew by 16.7% in Germany, and *Zubrowka*, which was primarily exported to the United Kingdom, France, Japan and the United States. In 2010, we plan to

develop other markets and brands and current markets more aggressively than we have over the last few years. As an example, we are replacing our old importer of *Zubrowka* in the United States with Remy Cointreau USA and are in discussions with other importers to assist us in developing our brands around the world.

We are continuing to develop our third party private label export business in which we produce vodka to be sold under labels other than our own. Customers range from major retail chains in Europe to premium brand owners in the United States. For example, we currently produce *Ultimat* vodka (an ultra luxury vodka sold primarily in the United States) for Patron.

Sources and Availability of Raw Materials for Spirits that We Produce

The principal components in the production of our distilled spirits are products of agricultural origin, such as rectified spirit, as well as flavorings, such as bison grass for *Zubrówka*, and packaging materials, such as bottles, labels, caps and cardboard boxes. We purchase raw spirit, bison grass and all of our packaging materials from various sources in Poland by contractual arrangement and through purchases on the open market. Agreements with the suppliers of these raw materials are generally negotiated with indefinite terms, subject to each party's right of termination upon six months' prior written notice. The prices for these raw materials are negotiated every year.

We have several suppliers for each raw material in order to minimize the effect on our business if a supplier terminates its agreement with us or if disruption in the supply of raw materials occurs for any other reason. We have not experienced difficulty in satisfying our requirements with respect to any of the products needed for our spirit production and consider our sources of supply to be adequate at the present time. We do not believe that we are dependent on any one supplier in our production activities.

Employees

As of December 31, 2009, we employed in Poland 3,135 employees including 2,995 persons employed on a full time basis.

Polish labor laws require that certain benefits be provided to employees, such as a certain number of vacation days, maternity leave and retirement bonuses. The law also restricts us from terminating employees without cause and, in most instances, requires a severance payment of one to three months' salary. Additionally, we are required to contribute monthly payments to the governmental health and pension system. Most of our employees are not unionized, and we have had no significant employee relations issues. In addition to the required Polish labor law requirements, we maintain an employee incentive stock option plan for key management and provide supplemental health insurance for qualified employees.

Government Regulations

The Company is subject to a range of regulations in Poland, including laws and regulations on the environment, trademark and brand registration, packaging and labeling, distribution methods and relationships, pricing and price changes, sales promotions and public relations, and may be required to obtain permits and licenses to operate its facilities. The Company is also subject to rules and regulations relating to changes in officers or directors, ownership or control.

The Company believes it is in compliance in all material respects with all applicable governmental laws and regulations in Poland, and expects all material governmental permits and consents to be renewed by the relevant governmental authorities upon expiration. The Company also believes that the cost of administration and compliance with, and liability under, such laws and regulations does not have, and is not expected to have, a material adverse impact on its financial condition, results of operations or cash flows.

Environmental Matters

We are subject to a variety of laws and regulations relating to land use and environmental protection, including the Polish Environmental Protection Law of April 27, 2001 (Dz.U. 2006. 129.902, as amended), the Polish Waste Law of April 27, 2001 (Dz.U. 2001. 62.628 as amended), the Polish Water Management Law of April 18, 2001 (Dz.U.2005.239. 2019, as amended) and the Polish Act on Entrepreneurs' obligations regarding the management of some types of waste and deposit charges of May 11, 2001 (Dz.U. 2001.63.639, as amended). We are not required to receive an integrated permit to operate our Polmos Białystok and Bols production plants. However, we receive certain permits for the economic use of the environment, including water permits, permits for production and storage of waste and permits for discharge of pollutants into the atmosphere. In addition, we have entered into certain agreements related to the servicing and disposal of our waste, including raw materials and products unsuitable for consumption or processing, paper, plastic, metal, glass and cardboard packaging, filtration materials (used water filter refills), used computer parts, unsegregated (mixed) residential waste, damaged thermometers and alcoholmeters, used engine and transmission oils, batteries and other waste containing hazardous substances. In addition, we pay required environmental taxes and charges related primarily to packaging materials and fuel consumption and we believe we are in material compliance with our regulatory requirements in this regard. While we may be subject to possible costs, such as clean-up costs, fines and third-party claims for property damage or personal injury due to violations of or liabilities under environmental laws and regulations, we believe that we are in material compliance with applicable requirements and are not aware of any material breaches of said laws and regulations.

Trademarks

With the acquisitions of the Bols and Polmos Białystok distilleries, we became the owners of vodka brand trademarks. The major trademarks we have acquired are: *Bols* vodka brand (we have a perpetual, exclusive, royalty-free and sub-licensable trademark agreement for Poland, Russia and Hungary), *Soplica*, which we own through Bols, and the *Absolwent* and *Zubrówka* brands, which we own through Polmos Białystok. We also have the trademark for *Royal Vodka*, which is produced in Poland and which we currently sell in Hungary through our Bols Hungary subsidiary. See "Risk Factors—We may not be able to protect our intellectual property rights."

Alcohol Advertising Restrictions

Polish regulations do not allow any form of "above-the-line advertising and promotion," which is an advertising technique that is conventional in nature and impersonal to customers, using current traditional media such as television, newspapers, magazines, radio, outdoor, and internet mass media for alcoholic beverages with greater than 18% alcohol content.

We believe we are in material compliance with the government regulations regarding above-the-line advertising and promotion. To date, we have not been notified of any violation of these regulations.

Russia

We are the leading integrated spirits beverages business in Russia with an approximate 18.8% market share in vodka production. We produce *Green Mark*, the number one selling vodka in Russia and as well as the leading sub-premium vodkas in Russia, *Parliament* and *Zhuravli.* We also produce *Yamskaya*, the number one selling economy vodka in Russia, and premixed alcohol drinks, or long drinks.

The hypermarkets and large retail chains are expanding throughout Russia with different sized formatted stores, which are expected to better cover and penetrate those areas outside of the major cities of Russia. As we have central agreements in place with these hypermarkets and large retail chains as well as the largest trademark budget for spirits in Russia and the leverage it brings, we expect to benefit from this expansion.

We hold an 80% economic interest in Whitehall, which holds the exclusive rights to the import of such premium wine brands as Concha y Toro and Constellation brands, as well as certain Gruppo Campari brands.

The company is also involved in a joint venture with Moet Hennessy—the French spirits and champagne business of LVMH. In addition to these import activities, Whitehall is also the owner of distribution centers in Moscow, Saint Petersburg, Rostov and Siberia as well as a wine and spirits retail network located in Moscow.

Brands

We produced and sold approximately 18.0 million nine-liter cases of vodka through our Russian business in 2009 in the main vodka segments in Russia: top premium, premium, sub-premium, mainstream, and economy. In addition we produced and sold approximately 3.3 million nine-liter cases of long drinks

In the main stream segment we produce *Green Mark*, the number one selling brand in Russia, as well as the two leading sub-premium brands, *Zhuravli* and *Parliament*. In the first half of 2008 we introduced *Yamskaya*, which was the number one selling economy vodka in Russia in 2009. In the second half of 2009, we also introduced *Gerovaya* and *Urozhay*, both lower mainstream brands.

Import Portfolio

We are one of the leading importers of wine and spirits in Russia through our investment in the Whitehall. Whitehall has exclusive rights to import and distribute a number of brands of spirits and wines into Russia. Exclusively imported brands include the following:

BROWN SPIRITS	*WHITE*	*CHAMPAGNES*	*WINES*
Hennessy Jose	Cuervo	Krug	Asti Mondoro
Cortel Brandy		Veuve Clicquot	Concha y Toro
Glenmorangie		Dom Perignon	Hardy's
Ardbeg		Moet & Chandon	Robert Mondavi
Old Smuggler			Paul Masson
Glen Grant			Nobilo
Gautier			Fine wine collection

Sales Organization and Distribution

In Russia, we have a strong sales team that sells directly to the key retail accounts and primarily relies on third-party distribution through wholesalers to reach the small to medium sized outlets. For sales of our vodka brands we also have ESTs that were introduced back in 2006. We staff over 1,300 people to ESTs that currently cover the majority of Russia. The mission of these teams is to maintain direct relationships with retailers and ensure that the Company's products are properly positioned on the shelf. Members of ESTs are generally on the distributors' payrolls,which are indirectly remunerated by us via discounts granted to distributors. ESTs exclusively deal with our vodka products and currently control deliveries to approximately 53,000 points-of-sale (which is about 44% of all points-of-sale in Russia).

The following table illustrates the breakdown of our sales in Russia:

Sales Mix by Product Category	**2009**	**2008**
Vodka	68%	49%
Wine and spirits other than vodka	32%	51%
Total	100%	100%

Sources and Availability of Raw Materials for Spirits that We Produce

The principal components in the production of our distilled spirits are products of agricultural origin, such as rectified spirit and packaging materials, such as bottles, labels, caps and cardboard boxes. We purchase raw

spirit and all of our packaging materials from various sources in Russia by contractual arrangement and through purchases on the open market. Agreements with the suppliers of these raw materials are generally negotiated with indefinite terms, subject to each party's right of termination upon six months' prior written notice. The prices for these raw materials are negotiated every year. We have several suppliers for each raw material in order to minimize the effect on our business if a supplier terminates its agreement with us or if disruption in the supply of raw materials occurs for any other reason. We have not experienced difficulty in satisfying our requirements with respect to any of the products needed for our spirit production and consider our sources of supply to be adequate at the present time. We do not believe that we are dependent on any one supplier in our production activities.

Employees

As of December 31, 2009 we directly employed 4,284 individuals in Russia.

Government Regulations

The Company is subject to a range of regulations in Russia, including laws and regulations on the environment, trademark and brand registration, packaging and labeling, distribution methods and relationships, pricing and price changes, sales promotions and public relations, and may be required to obtain permits and licenses to operate its facilities. The Company is also subject to rules and regulations relating to changes in officers or directors, ownership or control.

In 2009, the Russian government also introduced further restrictions on the selling of lower alcohol content products namely beer and ready to drink alcoholic beverages. As a result, these types of beverages can no longer be consumed legally on the street and can no longer legally be bought at street kiosks. In addition minimum pricing for spirits was introduced with a half liter bottle of spirit (including vodka) having a minimum required retail shelf price of eighty-nine rubles. These restrictions are the initial steps that the government is taking to reduce the presence of the unofficial market. We expect the government to continue with this program. For those of us in the official market, these are welcomed changes.

The Company believes it is in compliance in all material respects with all applicable governmental laws and regulations in Russia, and expects all material governmental permits and consents to be renewed by the relevant governmental authorities upon expiration. The Company also believes that the cost of administration and compliance with, and liability under, such laws and regulations does not have, and is not expected to have, a material adverse impact on its financial condition, results of operations or cash flows.

Alcohol Advertising Restrictions

Russian regulations do not allow any form of "above-the-line advertising and promotion," which is an advertising technique that is conventional in nature and impersonal to customers, using current traditional media such as television, newspapers, magazines, radio, outdoor signage , and internet mass media, for alcoholic beverages with greater than 18% alcohol content.

We believe we are in material compliance with the government regulations regarding above-the-line advertising and promotion. To date, we have not been notified of any violation of these regulations.

Trademarks

With the acquisition of Parliament and Russian Alcohol we became the owners of vodka brand trademarks in Russia. The main trademarks we have are *Parliament*, *Green Mark* and *Zhuravli* vodka brands. We also have trademarks with other brands we own in Russia. See "Risk Factors—We may not be able to protect our intellectual property rights."

Hungary

Brands

In July of 2006, we acquired the trademark for *Royal Vodka*, which we produce in Poland and which we currently sell in Hungary through our Bols Hungary subsidiary. *Royal Vodka* is the number one selling vodka in Hungary with market share of approximately 27.6%.

Exclusive imported brands to Hungary include the following:

CEDC BRANDS	*VERMOUTH and BITTERS*	*LIQUEURS*	*WHITE VODKAS*	*BROWN SPIRITS*
Bols Vodka	Campari	Jaegermeister	Jose Cuervo	Cognac Remy Martin
Zubrówka	Cinzano	Bols Liqueurs	Silver Top Dry Gin	Metaxa
Royal Vodka		Cointreau	Calvados Boulard	Brandy St Remy
		Carolans		Grant's
		Passoa		Glenfiddich
		Galliano		Tulamore Dew
				Old Smuggler
		Irish Mist		

Sales Organization and Distribution

In Hungary, we employ approximately 25 salespeople who cover primarily on-trade and key account customers throughout the country.

Employees

As of December 31, 2009, we employed 49 employees including 47 persons employed on a full time basis.

Government Regulations

The Company is subject to a range of regulations in Hungary, including laws and regulations on trademark and brand registration, packaging and labeling, distribution methods and relationships, pricing and price changes, sales promotions and public relations. The Company is also subject to rules and regulations relating to changes in officers or directors, ownership or control.

The Company believes it is in compliance in all material respects with all applicable governmental laws and regulations in Hungary, and expects all material governmental permits and consents to be renewed by the relevant governmental authorities upon expiration. The Company also believes that the cost of administration and compliance with, and liability under, such laws and regulations does not have, and is not expected to have, a material adverse impact on its financial condition, results of operations or cash flows.

Corporate Operations and Other

The Corporate Operations and Other division includes traditional corporate-related items including executive management, corporate development, corporate finance, human resources, internal audit, investor relations, legal and public relations.

Taxes

We operate in the following tax jurisdictions: Poland, the United States, Hungary, Russia, and the Netherlands. In Poland, Russia and Hungary we are primarily subject to Value Added Tax (VAT), Corporate Income Tax, Payroll Taxes, Excise Taxes and Import Duties. In the United States we are primarily subject to Federal and Pennsylvania State Income Taxes, Delaware Franchise Tax and Local Municipal Taxes. We believe we are in material compliance with all relevant tax regulations.

Excise taxes comprise significant portions of the price of alcohol and their calculations differ by country. In Poland and Russia, where our production takes place, the value of excise tax rates for 2009 amounted to PLN 49.6 ($17.60) and RUB 191 ($6.36) per liter of 100% alcohol.

Research and Development

We do not have a separate research and development unit, as new product developments are primarily performed by our marketing department. Our activity in this field is generally related to improvements in packaging and extensions to our existing brand portfolio, or revised production processes, leading to improved taste.

Available Information

We maintain an Internet website at http://www.cedc.com. Please note that our Internet address is included in this annual report as an inactive textual reference only. The information contained on our website is not incorporated by reference into this annual report and should not be considered part of this report.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. We make our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to those reports and most of our other SEC filings available free of charge through our Internet website as soon as reasonably practicable after we electronically file these materials with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These filings are also available to the public over the Internet at the SEC's website at http://www.sec.gov. In addition, we provide paper copies of our SEC filings free of charge upon request. Please contact the Corporate Secretary of the Company at 1-610-660-7817 or at our address set forth on the cover page of this annual report.

We have adopted a code of ethics applicable to all of our officers, directors and employees, including our Chief Executive Officer and Chief Financial Officer (who is also our Principal Accounting Officer). The code of ethics is publicly available on the investor relations page of our website at http://www.cedc.com. We intend to disclose any amendment to, or waiver from, any provision in our code of ethics that applies to our Chief Executive Officer and Chief Financial Officer by posting such information in the investor relations section of our website at http://www.cedc.com and in any required SEC filings.

Item 1A. Risk Factors.

Risks Related to Our Business

We operate in highly competitive industries, and competitive pressures could have a material adverse effect on our business.

The alcoholic beverages production and distribution industries in our region are intensely competitive. The principal competitive factors in these industries include product range, pricing, distribution capabilities and responsiveness to consumer preferences, with varying emphasis on these factors depending on the market and the product.

In Poland, we face significant competition from various regional distributors and wholesalers, who compete principally on price. The effect of this competition could adversely affect our results of operations. The majority of alcohol sales in Poland are still made through traditional trade outlets. Other sales are made in hypermarkets and large discount stores.

In Russia, hypermarket and large retail chains continue to grow their share of the trade. Traditional trade outlets typically provide us with higher margins from sales as compared to hypermarkets and large retail chains. There is a risk that the expansion of hypermarkets and large retail chains will continue to occur in the future, thus

reducing the margins that we may derive from sales to wholesalers that primarily serve the traditional trade. This potential margin reduction, however, will be partially offset by lower distribution costs due to direct, bulk deliveries associated with sales to the modern trade.

As a manufacturer of vodka in Poland and Russia, we face competition from other local producers. We compete with other alcoholic and nonalcoholic beverages for consumer purchases in general, as well as shelf space in retail stores, restaurant presence and distributor attention. In addition, we compete for customers on the basis of the brand strength of our products relative to our competitors' products. Our success depends on maintaining the strength of our consumer brands by continuously improving our offerings and appealing to the changing needs and preferences of our customers and consumers. While we devote significant resources to the continuous improvement of our products and marketing strategies, it is possible that competitors may make similar improvements more rapidly or effectively, thereby adversely affecting our sales, margins and profitability.

Our results are linked to economic conditions and shifts in consumer preferences, including a reduction in the consumption of alcoholic beverages.

Our results of operations are affected by the overall economic trends in Poland, Russia and Hungary, the level of consumer spending, the rate of taxes levied on alcoholic beverages and consumer confidence in future economic conditions. The current negative economic conditions and outlook, including volatility in energy costs, severely diminished liquidity and credit availability, falling equity market values, weakened consumer confidence, falling consumer demand, declining real wages and increased unemployment rates, have contributed to a global recession. The effects of the global recession in many countries, including Poland and Russia, have been quite severe and it is possible that an economic recovery in those countries will take longer to develop.

During the current period of economic slowdown, reduced consumer confidence and spending may result in reduced demand for our products and limitations on our ability to increase prices and finance marketing and promotional activities. A continued recessionary environment would likely make it more difficult to forecast operating results and to make decisions about future investments, and a major shift in consumer preferences or a large reduction in sales of alcoholic beverages could have a material adverse effect on our business, financial condition and results of operations.

Loss of key management would threaten our ability to implement our business strategy.

The management of future growth will require our ability to retain William Carey, our Chairman, Chief Executive Officer and President, as well as certain other key members of management. William Carey, who founded our company, has been a key person in our ability to implement our business plan and grow our business.

Changes in the prices of supplies and raw materials could have a material adverse effect on our business.

Prices for raw materials used for vodka production may take place in the future, and our inability to pass on these increases to our customers could reduce our margins and profits and have a material adverse effect on our business. We recently constructed storage tanks in Poland that will store up to six months' use of raw spirit, which allows us to purchase raw spirit throughout the year at times when there are dips in raw spirit pricing. However, we cannot assure you that the price of raw spirits will not continue to increase or that we will not lose the ability to maintain our inventory of raw spirits, either of which would have a material adverse effect on our financial condition and results of operations.

We are exposed to exchange rate and interest rate movements that could adversely affect our financial results and comparability of our results between financial periods.

Our functional currencies are the Polish zloty, Russian ruble and Hungarian forint. Our reporting currency, however, is the U.S. dollar, and the translation effects of fluctuations in exchange rates of our functional currencies into U.S. dollars may materially impact our financial condition and net income and may affect the comparability of our results between financial periods.

In addition, our senior secured notes and our convertible senior notes are denominated in euros and U.S. dollars and the proceeds of the note issuances have been on-lent to certain of our operating subsidiaries that have the Polish zloty and Russian ruble as their functional currency**.** Movements in the exchange rate of the euro and U.S. dollar to Polish zloty and Russian ruble could therefore increase the amount of cash, in Polish zloty, that must be generated in order to pay principal and interest on our notes.

The impact of translation of our notes could have a material adverse effect on our reported earnings. The table below summarizes the pre-tax impact of a one percent movement in each of the exchange rate which could result in a significant impact in the results of the Company's operations.

Exchange Rate	Value of notional amount	Pre-tax impact of a 1% movement in exchange rate
USD-Polish zloty	$426 million	$4.3 million gain/loss
USD-Russian ruble	$264 million	$2.6 million gain/loss
EUR-Polish zloty	€625 million or approximately $901 million	$9 million gain/loss

The table above includes €245 million for the Senior Secured Notes that were redeemed on January 4, 2010, thus there will not be any foreign exchange impact from them after this date.

Foreign exchange rates may be influenced by various factors, including changing supply and demand for a particular currency; government monetary policies (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); changes in trade balances; trade restrictions; and currency devaluations and revaluations. Additionally, governments from time to time intervene in currency markets, directly or by regulation, in order to influence prices. These events and actions are unpredictable and could materially and adversely impact our results of operations and financial condition.

Weather conditions may have a material adverse effect on our sales or on the price of grain used to produce spirits.

We operate in an industry where performance is affected by the weather. Changes in weather conditions may result in lower consumption of vodka and other alcoholic beverages. In particular, unusually cold spells in winter or high temperatures in the summer can result in temporary shifts in customer preferences and impact demand for the alcoholic beverages we produce and distribute. Similar weather conditions in the future may have a material adverse effect on our sales which could affect our financial condition and results of operations. In addition, inclement weather may affect the availability of grain used to produce raw spirit, which could result in a rise in raw spirit pricing that could negatively affect margins and sales.

We are subject to extensive government regulation; changes in or violations of law or regulations could materially adversely affect our business and profitability.

Our business of producing, importing and distributing alcoholic beverages in Poland and Hungary is subject to regulation by national and local governmental agencies and European Union authorities. In addition, our business in Russia is subject to extensive regulation by Russian authorities. These regulations and laws address such matters as licensing and permit requirements, competition and anti-trust matters, trade and pricing practices,

taxes, distribution methods and relationships, required labeling and packaging, advertising, sales promotion and relations with wholesalers and retailers. Additionally, new or revised regulations or requirements or increases in excise taxes, customs duties, income taxes, or sales taxes could materially adversely affect our business, financial condition and results of operations.

In addition, we are subject to numerous environmental and occupational, health and safety laws and regulations in the countries in which we operate. We may incur significant costs to maintain compliance with evolving environmental and occupational, health and safety requirements, to comply with more stringent enforcement of existing applicable requirements or to defend against challenges or investigations, even those without merit. Future legal or regulatory challenges to the industry in which we operate or our business practices and arrangements could give rise to liability and fines, or cause us to change our practices or arrangements, which could have a material adverse effect on us, our revenues and our profitability. Governmental regulation and supervision as well as future changes in laws, regulations or government policy (or in the interpretation of existing laws or regulations) that affect us, our competitors or our industry generally strongly influence our viability and how we operate our business. Complying with existing regulations is burdensome, and future changes may increase our operational and administrative expenses and limit our revenues. For example, we are currently required to have permits to produce and import products, maintain and operate our warehouses, and distribute our products to wholesalers. Many of these permits, such as our general permit for wholesale trade, must be renewed when they expire. Although we believe that our permits will be renewed upon their expiration, there is no guarantee that such will be the case. Revocation or non-renewal of permits that are material to our business could have a material adverse affect on our business. Our permits could also be revoked prior to their expiration date due to nonpayment of taxes or violation of health requirements. Additionally, governmental regulatory and tax authorities have a high degree of discretion and may at times exercise this discretion in a manner contrary to law or established practice. Such conduct can be more prevalent in jurisdictions with less developed or evolving regulatory systems like Russia. Our business would be materially and adversely affected if there were any adverse changes in relevant laws or regulations or in their interpretation or enforcement. Our ability to introduce new products and services may also be affected if we cannot predict how existing or future laws, regulations or policies would apply to such products or services.

We may not be able to protect our intellectual property rights.

We own and license trademarks (for, among other things, our product names and packaging) and other intellectual property rights that are important to our business and competitive position, and we endeavor to protect them. However, we cannot assure you that the steps we have taken or will take will be sufficient to protect our intellectual property rights or to prevent others from seeking to invalidate our trademarks or block sales of our products as a violation of the trademarks and intellectual property rights of others. In addition, we cannot assure you that third parties will not infringe on or misappropriate our rights, imitate our products, or assert rights in, or ownership of, trademarks and other intellectual property rights of ours or in marks that are similar to ours or marks that we license and/or market. In some cases, there may be trademark owners who have prior rights to our marks or to similar marks. Moreover, Russia generally offers less intellectual property protection than in Western Europe or North America. We are currently involved in opposition and cancellation proceedings with respect to marks similar to some of our brands and other proceedings, both in the United States and elsewhere. If we are unable to protect our intellectual property rights against infringement or misappropriation, or if others assert rights in or seek to invalidate our intellectual property rights, this could materially harm our future financial results and our ability to develop our business.

Our import contracts may be terminated.

As a leading importer of major international brands of alcoholic beverages in Poland and Hungary, we have been working with the same suppliers in those countries for many years and either have verbal understandings or written distribution agreements with them. In addition, we have recently acquired distribution contracts in Russia through our significant economic interest in Whitehall. Where a written agreement is in place, it is usually valid for between one and five years and is terminable by either party on three to six months' notice.

Although we believe we are currently in compliance with the terms and conditions of our import and distribution agreements, there is no assurance that all our import agreements will continue to be renewed on a regular basis, or that, if they are terminated, we will be able to replace them with alternative arrangements with other suppliers. Moreover, our ability to continue to distribute imported products on an exclusive basis depends on some factors which are out of our control, such as ongoing consolidation in the wine, beer and spirit industry worldwide, or producers' decisions from time to time to change their distribution channels, including in the markets in which we operate.

Our results of operations and financial condition may be adversely affected if we undertake acquisitions of businesses that do not perform as we expect or that are difficult for us to integrate.

At any particular time, we may be in various stages of assessment, discussion and negotiation with regard to one or more potential acquisitions, not all of which will be consummated. We make public disclosure of pending and completed acquisitions when appropriate and required by applicable securities laws and regulations.

Acquisitions involve numerous risks and uncertainties. If we complete one or more acquisitions, our results of operations and financial condition may be affected by a number of factors, including: the failure of the acquired businesses to achieve the financial results we have projected in either the near or long term; the assumption of unknown liabilities; the fair value of assets acquired and liabilities assumed; the difficulties of imposing adequate financial and operating controls on the acquired companies and their management and the potential liabilities that might arise pending the imposition of adequate controls; the challenges of preparing and consolidating financial statements of acquired companies in a timely manner; the difficulties in integration of the operations, technologies, services and products of the acquired companies; and the failure to achieve the strategic objectives of these acquisitions. In addition, we may acquire a significant, but non-controlling, stake in a business, which could expose us to the risk of decisions taken by the acquired business' controlling shareholder. For example, we do not currently have a majority of the voting power in Whitehall and although we have negotiated contractual rights to board representation and other matters of corporate governance, we are subject to decisions of the controlling shareholder in a way that we are not with our subsidiaries that we wholly-own or control and cannot assure you that our contractual rights will in all instances be sufficient to protect our interests.

Acquisitions in developing economies, such as Russia, involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political, and regulatory risks associated with specific countries.

Future acquisitions or mergers may result in a need to issue additional equity securities, spend our cash, or incur debt, liabilities or amortization expenses related to intangible assets, any of which could reduce our profitability.

Sustained periods of high inflation in Russia may materially adversely affect our business there.

Russia has experienced periods of high levels of inflation since the early 1990s. Despite the fact that inflation has remained relatively stable in Russia during the past few years, our profit margins from our Russian business could be adversely affected if we are unable to sufficiently increase our prices to offset any significant future increase in the inflation rate.

We may fail to realize the anticipated benefits of the Russian Alcohol transaction

The success of the Russian Alcohol transaction will depend on, among other things, our ability to realize anticipated cost savings and our ability to combine the businesses of the Company and Russian Alcohol in a manner that does not materially disrupt existing relationships or otherwise result in decreased productivity. If we are unable to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

The integration process could result in the loss of key employees, the disruption of our or Russian Alcohol's ongoing businesses or inconsistencies in standards, controls, procedures or policies that could adversely affect our ability to maintain relationships with third parties and employees or to achieve the anticipated benefits of the transaction. To realize the benefits of the transaction, we must retain Russian Alcohol's key employees. Among other things, in order to realize the anticipated benefits of the merger we must identify and eliminate redundant operations and assets across a geographically dispersed organization.

Integration efforts between the two companies could also divert management attention and resources. An inability to realize the full extent of, or any of, the anticipated benefits of the transaction, as well as any delays encountered in the integration process, could have an adverse effect on the Company.

In addition, the actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual cost synergies, if achieved at all, may be lower than we expect and may take longer to achieve than we anticipate. If we are not able to adequately address these challenges, the Company may be unable to successfully integrate the operations of Russian Alcohol, or to realize the anticipated benefits of the integration of the two companies.

The developing legal system in Russia creates a number of uncertainties that could adversely affect our Russian business.

Russia is still developing the legal framework required to support a market economy, which creates uncertainty relating to our Russian business. We have limited experience operating in Russia, which could increase our vulnerability to the risks relating to these uncertainties. Risks related to the developing legal system in Russia include:

- inconsistencies between and among the Constitution, federal and regional laws, presidential decrees and governmental, ministerial and local orders, decisions, resolutions and other acts;
- conflicting local, regional and federal rules and regulations;
- the lack of judicial and administrative guidance on interpreting legislation;
- the relative inexperience of judges and courts in interpreting legislation;
- the lack of an independent judiciary;
- a high degree of discretion on the part of governmental authorities, which could result in arbitrary or selective actions against us, including suspension or termination of licenses we need to operate in Russia;
- poorly developed bankruptcy procedures that are subject to abuse; and
- incidents or periods of high crime or corruption that could disrupt our ability to conduct our business effectively.

The recent nature of much of Russian legislation, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of this legal system in ways that may not always coincide with market developments place the enforceability and underlying constitutionality of laws in doubt and result in ambiguities, inconsistencies and anomalies. Any of these factors could adversely affect our Russian business.

An unpredictable tax system in Russia gives rise to significant uncertainties and risks that complicate our tax planning and decisions relating to our Russian business.

The tax system in Russia is unpredictable and gives rise to significant uncertainties, which complicate our tax planning and decisions relating to our Russian business. Tax laws in Russia have been in force for a relatively short period of time as compared to tax laws in more developed market economies and we have less experience operating under Russian tax regulations than those of other countries.

Russian companies are subject to a broad range of taxes imposed at the federal, regional and local levels, including but not limited to value added tax, excise duties, profit tax, payroll-related taxes, property taxes, taxes or other liabilities related to transfer pricing and other taxes. Russia's federal and local tax laws and regulations are subject to frequent change, varying interpretations and inconsistent or unclear enforcement. It is not uncommon for differing opinions regarding legal interpretation to exist both between companies subject to such taxes and the ministries and organizations of the Russian government and between different branches of the Russian government such as the Federal Tax Service and its various local tax inspectorates, resulting in uncertainties and areas of conflict. Tax declarations are subject to review and investigation by a number of tax authorities, which are enabled by law to impose penalties and interest charges. The fact that a tax declaration has been audited by tax authorities does not bar that declaration, or any other tax declaration applicable to that year, from a further tax review by a superior tax authority during a three-year period. As previous audits do not exclude subsequent claims relating to the audited period, the statute of limitations is not entirely effective. In some instances, even though it may potentially be considered unconstitutional, Russian tax authorities have applied certain taxes retroactively. Within the past few years the Russian tax authorities appear to be taking a more aggressive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. In addition, our Russian business is and will be subject to periodic tax inspections that may result in tax assessments and additional amounts owed by us for prior tax periods. Uncertainty relating to Russian transfer pricing rules could lead tax authorities to impose significant additional tax liabilities as a result of transfer pricing adjustments or other similar claims, and could have a material adverse effect on our Russian businesses and our company as a whole.

Russian Alcohol was not required to comply with the provisions of Sarbanes-Oxley and, therefore, we cannot assure you that the financial results of Russian Alcohol do not contain deficiencies in their control over financial reporting that could lead to a material weakness.

In the second quarter of 2009 we began reporting Russian Alcohol's financial results on a consolidated basis with ours. As a private company, Russian Alcohol has not historically complied with the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley").

While we have evaluated the financial results of Russian Alcohol, we have not integrated Russian Alcohol's internal controls with our Sarbanes-Oxley compliant internal controls and cannot ensure that Russian Alcohol's controls will comply with the rules applicable to U.S. public companies. Therefore, we cannot assure you that the financial results of Russian Alcohol do not contain deficiencies in their control over financial reporting that could lead to a material weakness.

Risks Related to Our Indebtedness

Our substantial debt could adversely affect our financial condition or results of operations and prevent us from fulfilling our obligations under our notes.

We are highly leveraged and have significant debt service obligations. As of December 31, 2009 our indebtedness under our notes, other credit facilities and capital leases amounted to approximately $1,798 million.

Our substantial debt could have important consequences. For example, it could:

- make it difficult for us to satisfy our obligations with respect to our notes and for the guarantors of our notes to satisfy their obligations with respect to the guarantees;
- require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, which will reduce our cashflow available to fund capital expenditures, working capital and other general corporate purposes;
- place us at a competitive disadvantage compared to our competitors that have less debt than we do;

- limit our flexibility in planning for, or reacting to, changes to our industry;
- increase our vulnerability, and reduce our flexibility to respond, to general and industry specific adverse economic conditions; and
- limit our ability to borrow additional funds, increase the cost of any such borrowing and/or limit our ability to raise equity funding.

We may incur substantial additional debt in the future. The terms of the indentures governing our notes restrict our ability to incur, but will not prohibit us from incurring, additional debt. If we were to incur additional debt, the related risks we now face could become greater.

We require a significant amount of cash to service our indebtedness. Our ability to generate sufficient cash depends on a number of factors, many of which are beyond our control.

Our ability to make payments on or repay our indebtedness will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors discussed in these "Risk Factors," many of which are beyond our control.

Historically, we met our debt service and other cash requirements with cash flows from operations and our existing revolving credit facilities. As a result of certain acquisitions and related financing transactions, however, our debt service requirements have increased significantly. We cannot assure you that our business will generate sufficient cash flows from operating activities, or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due or to fund our other financing needs.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including our notes, on or before maturity.

In addition, the terms of the indentures governing our notes limit our ability to pursue any of these alternatives. If we obtain additional debt financing, the related risks we now face would intensify.

Furthermore, significant changes in market liquidity conditions resulting in a tightening in the credit markets and a reduction in the availability of debt and equity capital could impact our access to funding and our related funding costs, which could materially and adversely affect our ability to obtain and manage liquidity, to obtain additional capital and to restructure or refinance any of our existing debt.

We must rely on payments from our subsidiaries to make cash payments on our notes, and our subsidiaries are subject to various restrictions on making such payments.

We are a holding company and hold most of our assets at, and conduct most of our operations through, direct and indirect subsidiaries. In order to make payments on our notes or to meet our other obligations, we depend upon receiving payments from our subsidiaries. In particular, we may be dependant on dividends and other payments by our direct and indirect subsidiaries to service our obligations. Investors in our notes will not have any direct claim on the cash flow or assets of our non-guarantor operating subsidiaries and our non-guarantor operating subsidiaries have no obligation, contingent or otherwise, to pay amounts due under our notes or the subsidiary guarantees, or to make funds available to us for those payments. In addition, the payment

of dividends and the making of loans and advances to us by our subsidiaries may be subject to various restrictions. Existing and future debt of certain of these subsidiaries may prohibit the payment of dividends or the making of loans or advances to us. In addition, the ability of our subsidiaries to make payments, loans or advances to us may be limited by the laws of the relevant jurisdictions in which such subsidiaries are organized or located. Any of the situations described above could make it more difficult for a subsidiary guarantor to service its obligations and therefore adversely affect our ability to service our obligations in respect of our notes. If payments are not made to us by our subsidiaries, we may not have any other sources of funds available that would permit us to make payments on our notes.

Covenant restrictions under the indentures governing our notes impose significant operating and financial restrictions on us and may limit our ability to operate our business and consequently to make payments on our notes.

The indentures governing our notes will contain, and other financing arrangements that we may enter into in the future may contain, covenants that restrict our ability to finance future operations or capital needs or to take advantage of other business opportunities that may be in our interest. These covenants restrict our ability to, among other things:

- incur or guarantee additional debt;
- make certain restricted payments;
- transfer or sell assets;
- enter into transactions with affiliates;
- create certain liens;
- create restrictions on the ability of restricted subsidiaries to pay dividends or other payments;
- issue guarantees of indebtedness by restricted subsidiaries;
- enter into sale and leaseback transactions;
- merge, consolidate, amalgamate or combine with other entities;
- designate restricted subsidiaries as unrestricted subsidiaries; and
- engage in any business other than a permitted business.

Events beyond our control, including changes in general business and economic conditions, may affect our ability to meet these requirements. A breach of any of these covenants could result in a default under the indentures governing our notes.

Enforcing legal liability against us and our directors and officers might be difficult.

We are organized under the laws of the State of Delaware of the United States. Therefore, investors are able to effect service of process in the United States upon us and may be able to effect service of process upon our directors and executive officers. We are a holding company, however, and substantially all of our operating assets are located in Poland, Hungary and, in connection with our recently completed acquisitions, Russia. Further, most of our directors and executive officers, and those of most of our subsidiaries, are non-residents of the United States, and our assets and the assets of our directors and executive officers are located outside the United States. As a result, you may not be able to enforce against our assets (or those of certain of our directors or executive officers) judgments of United States courts predicated upon the civil liability provisions of United States laws, including federal securities laws of the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Poland or Russia.

Item 2. Properties.

Our significant properties can be divided into the following categories:

Production and rectification facilities. Our production facilities in Poland comprise two plants with one located in Białystok, Poland for Polmos Białystok and the other one located in Oborniki Wielkopolskie, Poland for Bols. The Białystok facility is located on 78,665 square meters of land which is leased from the government on a perpetual usufruct basis. The production capacity of our plant in Bialystok is approximately 24 million liters of 100% alcohol per year and currently, we use approximately 60% to 65% of its production capacity. In the Polmos Białystok distillery we produce *Absolwent* and its taste variations*, Batory, Białowieska, Cytrynówka, Czekoladowa, Kompleet, Vodka, Liberty Blue, Lider, Ludowa, Nalewka Wisniowa, Nalewka Miodowa* and *Palace Vodka, Winiak Białostocki, Winiak Pałacowy, Wódka Imbirowa, Zubrówka.* The plot on which the Białystok facility is located is unencumbered.

The Bols facility is located on 80,519 square meters of which 58,103 square meters are owned by us and 22,416 square meters are leased from the government on a perpetual usufruct basis. The production capacity of our plant in Oborniki Wielkopolskie is 34.2 million liters of 100% alcohol per year. Currently we use about 60-65%of the plant's production capacity. In the Bols distillery we produce *Bols Excellent, Bols Vodka* and its taste variations*, Soplica, Soplica Szlachetna Polska, Soplica Tradycyjna Polska, Soplica Wisniowa Polska, Soplica Staropolska, Boss, Slaska, Niagara and Royal Vodka. The plot on which the Bols facility is located in unencumbered.*

The Topaz Distillery is part of Russian Alcohol, and became part of the CEDC group in 2008. The distillery is one of the most advanced enterprises in Russia. It is certified to be in compliance with ISO 9001 and HACCP. The factory has ten, modern, hi-tech filling lines, its own rectifying equipment for processing raw spirit, and a unique "stream" processor. The "stream" processor is an automated, hi-tech apparatus for the manufacturing of vodka, without any human intervention in the process. In the course of "stream" processing, vodka passes through both silver and platinum filters. The Topaz distillery produces, among others, the *Green Mark*, *Zhuravli*, *Yamskaya* and *Kalinov Lug* brands. The plant was founded in 1995 and has a production capacity of over 150 million liters annually.

The Parliament production plant uses an exceptional biological milk purification method. Milk, added at a certain stage of production, absorbs all impurities and harmful substances. The milk is then removed in a multistage filtration process, leaving an absolutely pure vodka of the highest quality.

The First Kupazhniy Factory is part of Russian Alcohol, and became part of the CEDC group in 2008. The company is developing the two fundamental components of its business activities: the manufacture of vodka and the extraction and bottling of natural mineral water from artesian wells. Four bottling lines have been installed at the factory, including a line for the exclusive 0.05 liter, 0.2 liter, and 0.5 liter PET containers. All vodka production at First Kupazhniy Factory takes place using the "stream" system, which completely automates the process. In this facility, we produce the *Marusia* and *Zhuravli* brands. The plant was founded in 1976 and its production capacity reaches 35 million liters annually. The quality control system at First Kupazhniy Factory conforms to the international standard, ISO 9001.

The Bravo Premium distillery was the first in Russia to bottle alcoholic cocktails, beer and non-alcoholic beverages in aluminum cans. The company has been affiliated with Russian Alcohol since 2005 and became part of the CEDC Group in 2008. In recent years Bravo Premium has gone through an intensive modernization of the manufacturing process, has purchased new pouring lines, built new plant facilities and expanded its distribution network. Today, Bravo Premium is a premier facility for the production of alcoholic cocktails, with three pouring lines for cans, plastic bottles and glass containers. The factory produces such cocktails as *Funky Juz*, *China Town* and *Bravo Classic*. The factory is certified to be in compliance with ISO 9001.

Office, distribution, warehousing and retail facilities. We own five warehousing and distribution sites located in various regions of Poland as well as nine retail facilities located in various regions of Poland. In Russia we own the land and buildings in Balahikha, Moscow Region where the Parliament facilities are located.

Leased Facilities. Our primary corporate office is located in Warsaw, Poland, and we have a rented corporate office in Budapest Hungary. In addition we operate over 85 warehousing and distribution sites and 45 retail facilities located in various regions of Poland. In Russia we lease over 10 office, warehouse and retail locations primarily related to the Whitehall business. The lease terms expire at various dates and are generally renewable.

Research and Development, Intellectual Property, Patents and Trademarks

We do not have a separate research and development unit. Our activity in this field is generally related to improvements in packaging and extensions to our existing brand portfolio or revised production processes, leading to improved taste.

Item 3. Legal Proceedings.

From time to time we are involved in legal proceedings arising in the normal course of our business, including opposition and cancellation proceedings with respect to trademarks similar to some of our other brands, and other proceedings, both in the United States and elsewhere. We are not currently involved in or aware of any pending or threatened proceedings that we reasonably expect, either individually or in the aggregate, will result in a material adverse effect on our consolidated financial condition or results of operations.

Item 4. [Reserved.]

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

Market Information

The Company's common stock has been traded on the NASDAQ National Market, and its successor, the NASDAQ Global Select Market, under the symbol "CEDC" since June 1999. Prior thereto it traded on the NASDAQ Small Cap Market since our initial public offering in July 1998. On September 22, 2008 the Company's stock was added to the NASDAQ Q-50 Index. The following table sets forth the high and low bid prices for the common stock, as reported on the NASDAQ Global Select Market, for each of the Company's fiscal quarters in 2008 and 2009. These prices represent inter-dealer quotations, which do not include retail mark-ups, mark-downs or commissions and do not necessarily represent actual transactions.

	High	Low
2008		
First Quarter	$62.52	$46.50
Second Quarter	75.47	56.32
Third Quarter	77.48	28.95
Fourth Quarter	46.52	17.16
2009		
First Quarter	$24.87	$ 5.97
Second Quarter	33.13	10.47
Third Quarter	34.70	21.92
Fourth Quarter	36.41	26.44

On February 24, 2010, the last reported sales price of our common stock was $32.75 per share.

Holders

As of February 24, 2010, there were approximately 28,891 beneficial owners and 52 shareholders of record of common stock.

Dividends

CEDC has never declared or paid any dividends on its capital stock. The Company currently intends to retain future earnings for use in the operation and expansion of its business. Future dividends, if any, will be subject to approval by the Company's board of directors and will depend upon, among other things, the results of the Company's operations, capital requirements, surplus, general financial condition and contractual restrictions and such other factors as the board of directors may deem relevant. In addition, the indenture for the Company's outstanding Senior Secured Notes due in 2016 may limit the payment amount of cash dividends on its common stock to amounts calculated in accordance with a formula based upon our net income and other factors.

The Company earns the majority of its cash in non—USD currencies and any potential future dividend payments would be impacted by foreign exchange rates at that time. Additionally the ability to pay dividends may be limited by local equity requirements, therefore retained earnings are not necessarily the same as distributable earnings of the Company.

Equity Compensation Plans

The following table provides information with respect to our equity compensation plans as of December 31, 2009:

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Security Holders	1,560,624	$28.70	999,890
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	1,560,624	$28.70	999,890

Item 6. Selected Financial Data

The following table sets forth selected consolidated financial data for the periods indicated and should be read in conjunction with and is qualified by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations", the consolidated financial statements, the notes thereto and the other financial data contained in Items 7 and 8 of this report on Form 10-K.

Statement of Operations data:	**2005**	**2006**	**2007**	**2008**	**2009**
Net sales	$ 749,415	$ 944,108	$1,189,822	$ 1,647,004	$1,507,139
Cost of goods sold	627,368	745,721	941,060	1,224,899	1,012,543
Gross profit	122,047	198,387	248,762	422,105	494,596
Sales, general and administrative expenses	70,404	106,805	130,677	223,373	278,448
Operating income	51,643	91,582	118,085	198,732	216,148
Non-operating income / (expense), net					
Interest (expense), net	(15,828)	(31,750)	(35,829)	(53,447)	(80,213)
Other financial income / (expense), net	(7,678)	17,212	13,594	(132,936)	21,864
Amortization of deferred charges	—	—	—	—	(38,501)
Other income / (expense), net	(262)	1,119	(1,770)	410	824
Income before taxes, equity in net income from unconsolidated investments and noncontrolling interests in subsidiaries	**27,875**	**78,163**	**94,080**	**12,759**	**120,122**
Income tax (expense)	(5,346)	(13,986)	(15,910)	(11,872)	(22,905)
Equity in net earnings of affiliates	—	—	—	(9,002)	(13,102)
Net income / (loss)	$ 22,529	$ 64,177	$ 78,170	($ 8,115)	$ 84,115
Less: Net income / (loss) attributable to noncontrolling interests in subsidiaries	2,261	8,727	1,068	3,680	2,708
Less: Net income / (loss) attributable to redeemable noncontrolling interests in Whitehall Group	—	—	—	6,803	3,078
Net income /(loss) attributable to CEDC	$ 20,268	$ 55,450	$ 77,102	($ 18,598)	$ 78,329
Net income / (loss) per common share, Basic	$ 0.72	$ 1.55	$ 1.93	($ 0.42)	$ 1.46
Net income / (loss) per common share, diluted	$ 0.70	$ 1.53	$ 1.91	($ 0.42)	$ 1.45
Average number of outstanding shares of common stock at year end	28,344	35,799	39,871	44,088	53,772
Balance Sheet Data:	**2005**	**2006**	**2007**	**2008**	**2009**
Cash and cash equivalents	$ 60,745	$ 159,362	$ 87,867	$ 107,601	$ 152,177
Restricted cash	—	—	—	—	481,419
Working capital	85,950	182,268	170,913	205,712	391,877
Total assets	1,084,472	1,326,033	1,782,168	2,483,686	4,446,893
Long-term debt and capital lease obligations, less current portion	369,039	394,564	469,958	806,362	1,312,881
Stockholders' equity	374,942	520,973	815,436	956,629	1,685,162

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following analysis should be read in conjunction with the Consolidated Financial Statements and the notes thereto appearing elsewhere in this report.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 Regarding Forward-Looking Information.

This report contains forward-looking statements, which provide our current expectations or forecasts of future events. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include, without limitation:

- information concerning possible or assumed future results of operations, trends in financial results and business plans, including those relating to earnings growth and revenue growth, liquidity, prospects, strategies and the industry in which the Company and its affiliates operate, as well as the integration of recent acquisitions and other investments and the effect of such acquisitions and other investments on the Company;
- statements about the expected level of our costs and operating expenses, and about the expected composition of the Company's revenues;
- information about the impact of governmental regulations on the Company's businesses;
- statements about local and global credit markets, currency exchange rates and economic conditions;
- other statements about the Company's plans, objectives, expectations and intentions; and
- other statements that are not historical facts.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industries in which we operate, and the effects of acquisitions and other investments on us may differ materially from those anticipated in or suggested by the forward-looking statements contained in this report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in subsequent periods.

We urge you to read and carefully consider the items of this and other reports and documents that we have filed with or furnished to the SEC for a more complete discussion of the factors and risks that could affect our future performance and the industry in which we operate, including the risk factors described elsewhere in this Annual Report on Form 10-K. In light of these risks, uncertainties and assumptions, the forward-looking events described in this report may not occur as described, or at all.

You should not unduly rely on these forward-looking statements, because they reflect our views only as of the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement to reflect circumstances or events after the date of this report, or to reflect on the occurrence of unanticipated events. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and the notes thereto found elsewhere in this report.

Overview

The Company is the world's largest vodka producer and Central and Eastern Europe's largest integrated spirit beverages business with its primary operations in Poland, Russia and Hungary. During 2009 the Company continued its investment strategy in Russia by restructuring its purchase agreement with Lion Capital in April, 2009 and subsequently buying out the remainder of Russian Alcohol in December, 2009. As a result, the Company began to consolidate the full activities of Russian Alcohol starting from the second quarter of 2009. Additionally the Company purchased the remaining minority interests in Parliament in Russia, thus acquiring full ownership of its vodka producing assets and brands.

In connection with the completion of these investments the Company completed three capital raising initiatives comprised of two public equity offerings, with net proceeds of approximately $491 million, and a notes offering with net proceeds of approximately $930 million. The primary use of the equity proceeds was to fund the remaining buyout of Parliament and to partially fund the remaining buyout of Russian Alcohol. The proceeds from the notes offering were used to fund a portion of the buyout of Russian Alcohol, and to refinance the Company's outstanding Senior Secured Notes due in 2012, approximately $390 million as well as the debt in place in Russian Alcohol, approximately $264 million. As a result of the notes offering the Company has extended the maturities of a significant portion of its debt to 2016 as well as settling the majority of its payment obligations to Lion Capital for the purchase of Russian Alcohol.

Significant factors affecting our consolidated results of operations

Effect of Acquisitions of Production Subsidiaries

During 2008 and 2009, the Company continued its acquisition strategy outside of Poland and Hungary with its investments into the production and importation of alcoholic beverages in Russia, completing a number of acquisitions and investments, as described below, all of which have had an impact on our consolidated results of operations beginning in the periods in which we first acquired an interest in the relevant entities.

The Parliament Acquisition

On March 11, 2008, the Company and certain of its affiliates entered into a Share Sale and Purchase Agreement and certain other agreements with White Horse Intervest Limited, a British Virgin Islands Company ("White Horse"), and certain of White Horse's affiliates, relating to the Company's acquisition from White Horse of 85% of the share capital of Parliament. In connection with this acquisition, the Company paid a consideration of approximately $180 million in cash and 2.2 million shares of our common stock. On September 25, 2009, we amended the Share Sale and Purchase Agreement and entered into a Minority Acquisition Share Sale and Purchase Agreement. Under the terms of the Minority Acquisition Share Sale and Purchase Agreement, we acquired the remaining 15% of the share capital of Parliament for total cash consideration of $70.2 million on September 25, 2009. Under the terms of the amendment, we were required to pay cash consideration of approximately $16.7 million. The Company paid $9.9 million of that amount on October 30, 2009 and paid the remainder on December 16, 2009.

The Whitehall Acquisition

On May 23, 2008, the Company and certain of its affiliates entered into, and closed upon, a Share Sale and Purchase Agreement and certain other agreements whereby the Company acquired shares representing 50% minus one vote of the voting power, and 75% of the economic interests in Whitehall. Whitehall is a leading importer of premium spirits and wines in Russia. The aggregate consideration paid by the Company was $200 million, paid in cash at the closing. In addition, on October 21, 2008, the Company issued 843,524 shares of its

common stock to the seller. On February 24, 2009, the Company and the seller amended the terms of the Stock Purchase Agreement governing the Whitehall acquisition to satisfy the Company's obligations to the seller pursuant to a share price guarantee in the original Stock Purchase Agreement. As a result of the amended agreement and the payments due thereunder, the economic interest of the Company in Whitehall increased from 75% to 80%.

The Company has consolidated its investment in Whitehall as of May 23, 2008, on the basis that Whitehall is a Variable Interest Entity and the Company has been assessed as being the primary beneficiary.

In June 2009, the FASB issued ASC Topic 810, which changes how a company determines whether an entity should be consolidated. The adoption of this standard may impact the current treatment of the Whitehall Group by the Company and the Company is current assessing this treatment and potential impact on the financial statements. See "Recently Issued Accounting Pronouncements" for more detailed information on this topic.

Included within Whitehall is a 50/50 joint venture with Möet Hennessy (the "MHWH J.V."). This joint venture is accounted for using the equity method and is recorded on the face of the balance sheet in investments which were initially recorded at fair value. The current term of the joint venture is until June 2013, at which point Möet Hennessy will have the option to acquire the remaining shares of the entity.

The Russian Alcohol Acquisition

On July 9, 2008, the Company completed an investment with Lion Capital and certain of Lion Capital's affiliates and certain other investors, pursuant to which the Company, Lion Capital and such other investors acquired all of the outstanding equity of Russian Alcohol. In connection with that investment, the Company acquired an indirect equity stake in Russian Alcohol of approximately 42%, and Lion Capital acquired substantially all of the remainder of the equity of Russian Alcohol. The agreements governing that investment gave the Company the right to acquire, and gave Lion Capital the right to require the Company to acquire, Lion Capital's equity stake in Russian Alcohol (the "Prior Agreement"). On April 24, 2009, the Company entered into new agreements with Lion Capital to replace the Prior Agreement, which would permit the Company, through a multi-stage equity purchase, to acquire over the next five years (including 2009) all of the equity interests in Russian Alcohol held by Lion Capital.

As a result of these agreements, the Company assessed Russian Alcohol as a variable interest entity, with the Company being the primary beneficiary. Pursuant to this change, the Company began to consolidate Russian Alcohol as of the second quarter of 2009 and recorded a non-controlling interest of 9.4%, representing equity not held by the Company or Lion Capital. From the accounting perspective, the Company treated the acquisition of Russian Alcohol equity interests held by Lion Capital as if this acquisition had happened on April 24, 2009. As of this date CEDC recorded at fair value all future payments due under these agreements as a liability. The total present value of deferred consideration as of April 24, 2009, amounted to $447.2 million and was determined using a 14.5% discount rate. The present value of the liability was amortized over the period of time ending on the date the last payment is made which was initially expected to be in 2013, with recognition of a non cash interest expense every quarter in the statement of operations. The discount amortization charge for the period from April 24, 2009 to December 31, 2009 amounted to $38.5 million.

On July 29, 2009, the Company entered into an agreement with Lion Capital pursuant to which Lion/Rally Cayman 7 L.P. ("Cayman 7"), a Cayman Exempted Limited Partnership, of which the Company holds 100% of the economic interests and is a limited partner, acquired an additional 6% indirect equity interest in Russian Alcohol from certain minority investors in Russian Alcohol in exchange for $30,000,000 in cash funded by the Company. After giving effect to this acquisition, the Company held approximately 58% of the equity interests in Russian Alcohol. In addition, on August 3, 2009, pursuant to the new agreements referenced above, the Company acquired additional indirect equity interests in Russian Alcohol giving it a total ownership interest of 59.8%.

On September 15, 2009, in connection with the Russian Alcohol acquisition, the Company entered into a Settlement Agreement with Cirey Holdings Inc. ("Cirey"), a private company domiciled in the British Virgin Islands and the ultimate controlling party of Russian Alcohol, pursuant to which (i) Cirey received $50,000,000, $17,500,000 of which was funded by the Company, (ii) the Company issued to Cirey 479,499 shares of our common stock and (iii) the Company received $32,500,000 additional limited partnership interests in Cayman 7.

On November 9, 2009, the Company entered into an agreement with Lion Capital and Kylemore International Invest Corp. ("Kylemore"), an indirect minority stockholder of Russian Alcohol, for the acquisition of Kylemore's indirect equity interests in Russian Alcohol. On November 10, 2009, the Company issued to Kylemore 949,034 shares of our unregistered common stock, and Kylemore transferred all of its indirect equity interests in Russian Alcohol to Lion/Rally Cayman 6 ("Cayman 6"), a Cayman Islands investment vehicle through which the Company and Lion Capital own our interests in Russian Alcohol. As a result, the Company, Lion Capital and certain co-Investors indirectly owned 100% of the equity in Russian Alcohol, and its total indirect equity interest in Russian Alcohol increased to 62.25%. Pursuant to the agreement with Kylemore, on receipt of approval from the FAS and the Antimonopoly Committee of the Ukraine for CEDC's acquisition of control over Russian Alcohol, the Company paid Kylemore $5,000,000 on January 11, 2010, and will pay further $5,000,000 on February 1, 2011. Also pursuant to this agreement, Peter Levin, one of the original owners of Russian Alcohol, will continue to be involved in the Russian Alcohol's business as a non-executive member of the Operating Board of Russian Alcohol and as Chairman of the Board of our Topaz distillery.

On December 9, 2009 the Company accelerated the terms set up in the Lion Option Agreement and the Co-Investor Option Agreement, each dated April 24, 2009, and completed the Lion Option and the Co-Investor Option, respectively, thereby purchasing the remaining indirect equity interests in Cayman 6, less the sole voting share of Cayman 6, comprising the remaining equity interest in Russian Alcohol that was not owned by the Company, from affiliates of Lion Capital.

In consideration of the Co-Investor Option, the Company made cash payments of $131,800,000 and €23,650,000 to Lion Capital. In consideration of the Lion Option, the Company (1) made cash payments of $184,347,666 and €105,839,852 to Lion Capital; (2) deposited in an escrow account the amount of $23,991,072 and €51,315,337, which was released and paid to Lion Capital on January 11, 2010 upon receiving of antimonopoly clearances for the acquisition from the FAS and the Antimonopoly Committee of the Ukraine; and (3) paid to Lion Capital the additional amounts of (a) $2,375,354 and €5,080,727 on the Escrow Release Date and (b) undertook to pay $10,689,092 and €22,863,269 on June 1, 2010, or at the election of Lion Capital, on any earlier date between April 20, 2010 and June 1, 2010. The Company used a portion of the proceeds from the offering of its common stock, completed November 18, 2009, and the offering of its Senior Secured Notes due 2016, completed December 2, 2009, in order to fund such cash payments.

On January 20, 2010, after the receipt of antimonopoly clearances for the acquisition from the FAS and the Antimonopoly Committee of the Ukraine, the Company purchased the sole voting share of Cayman 6 from an affiliate of Lion Capital and thereby acquired control of Russian Alcohol. The Company began consolidating all profit and loss results for Russian Alcohol beginning April 1, 2009.

During 2009 and continuing this year, we have been active in integrating the production companies into our Group. The acquisition and integration of these businesses into our operations have had a significant effect on our results of operations. As discussed below, these acquisitions have impacted our net sales, cost of goods sold, operating profit and equity earnings from affiliates.

Effect of Debt Refinancing

In December 2009, the Company issued new euro and U.S. dollar Senior Secured Notes due in 2016 with net proceeds of approximately $930 million. Of these proceeds approximately $380.4 million was used to redeem our previously outstanding Senior Secured Notes due in 2012. Notice of redemption was given in December, 2009 and the proceeds were funded to the trustee, however the actual repayment of the notes did not take place

until January, 2010. Therefore, as at December 31, 2009, the full amounts of the Senior Secured Notes due 2012 remained as a short term liability and the cash funded to the trustee was on the balance as restricted cash. Additionally as a result of this the Company recognized interest expense in December, 2009 for both the new and old note issuances.

In the process of refinancing the debt of Russian Alcohol through the proceeds of the 2016 Notes, the Company recognized a one-time charge of approximately $13.9 million related to the write-off of capitalized financing cost and net charge of $3 million related to the closure of hedges associated with the prior financing. These charges are reflected in Other Financial Expenses.

As these notes were funded in U.S. dollars and euro's and lent to Polish zloty and Russian ruble reporting entities, the Company is exposed to exchange rate movements as described in the following section.

Effect of Exchange Rate and Interest Rate Fluctuations

Substantially all of Company's operating cash flows and assets are denominated in Polish zloty, Russian ruble and Hungarian forint. This means that the Company is exposed to translation movements both on its balance sheet and statement of operations. The impact on working capital items is demonstrated on the cash flow statement as the movement in exchange on cash and cash equivalents. The impact on the statement of operations is by the movement of the average exchange rate used to restate the statement of operations from Polish zloty, Russian ruble and Hungarian forint to U.S. dollars. The amounts shown as exchange rate gains or losses on the face of the statement of operations relate only to realized gains or losses on transactions that are not denominated in Polish zloty, Russian ruble or Hungarian forint.

Because the Company's reporting currency is the U.S. dollar, the translation effects of fluctuations in the exchange rate of our functional currencies have impacted the Company's financial condition and results of operations and have affected the comparability of our results between financial periods.

The Company also has borrowings including its Senior Secured Notes due 2012, Convertible Notes due 2013 and Senior Secured Notes 2016 that are denominated in U.S. dollars and euro's, which have been lent to its operations where the functional currency is the Polish zloty and Russian ruble. The effect of having debt denominated in currencies other than the Company's functional currencies is to increase or decrease the value of the Company's liabilities on that debt in terms of the Company's functional currencies when those functional currencies depreciate or appreciate in value, respectively. As a result of this, the Company is exposed to gains and losses on the re-measurement of these liabilities. The table below summarizes the pre-tax impact of a one percent movement in each of the exchange rate which could result in a significant impact in the results of the Company's operations.

Exchange Rate	Value of notional amount	Pre-tax impact of a 1% movement in exchange rate
USD-Polish zloty	$426 million	$4.3 million gain/loss
USD-Russian ruble	$264 million	$2.6 million gain/loss
EUR-Polish zloty	€625 million or approximately $901 million	$9 million gain/loss

The table above includes €245 million for the Senior Secured Notes that were redeemed on January 4, 2010, thus there will not be any foreign exchange impact from them after this date.

Twelve months ended December 31, 2009 compared to twelve months ended December 31, 2008

A summary of the Company's operating performance (expressed in thousands except per share amounts) is presented below.

	Year ended December 31,	
	2009	2008
Sales	**$2,197,542**	**$ 2,136,570**
Excise taxes	(690,403)	(489,566)
Net Sales	**1,507,139**	**1,647,004**
Cost of goods sold	1,012,543	1,224,899
Gross Profit	**494,596**	**422,105**
Operating expenses	278,448	223,373
Operating Income	**216,148**	**198,732**
Non operating income / (expense), net		
Interest (expense), net	(80,213)	(53,447)
Other financial income / (expense), net	21,864	(132,936)
Amortization of deferred charges	(38,501)	—
Other non operating income, net	824	410
Income before taxes, equity in net income from unconsolidated investments and noncontrolling interests in subsidiaries	**120,122**	**12,759**
Income tax expense	(22,905)	(11,872)
Equity in net earnings of affiliates	(13,102)	(9,002)
Net income / (loss)	**$ 84,115**	**($ 8,115)**
Less: Net income attributable to noncontrolling interests in subsidiaries	2,708	3,680
Less: Net income attributable to redeemable noncontrolling interests in Whitehall Group	3,078	6,803
Net income /(loss) attributable to CEDC	**$ 78,329**	**($ 18,598)**
Net income / (loss) per share of common stock, basic	**$ 1.46**	**($ 0.42)**
Net income / (loss) per share of common stock, diluted	**$ 1.45**	**($ 0.42)**

Net Sales

Net sales represents total sales net of all customer rebates, excise tax on production and imports, and value added tax. Total net sales decreased by approximately 8.5%, or $139.9 million, from $1,647.0 million for the twelve months ended December 31, 2008 to $1,507.1 million for the twelve months ended December 31, 2009. This decrease in sales is due to the following factors:

Net Sales for twelve months ended December 31, 2008	$1,647,004
Increase from acquisitions	357,531
Sales reduction in Polish distribution	(153,991)
Other business sales change	5,015
Impact of foreign exchange rates	(348,420)
Net sales for twelve months ended December 31, 2009	$1,507,139

Factors impacting our business sales for the twelve months ending December 31, 2009 include the decline in the Polish distribution business which was impacted by our program of reducing our wholesaling of lower margin SKUs, primarily beer, the shifting of consumers purchasing to larger retail outlets and lower depletions

during the first quarter of 2009 as a result of higher inventory levels in the market in Poland at the beginning of the quarter. These higher inventory levels in the market at the beginning of the year, which impacted primarily the first quarter of 2009, were driven by the nine percent excise tax increase in Poland on December 31, 2008 which prompted customers to purchase additional product prior to December 31, 2008 at the lower excise tax.

Based upon average exchange rates for the twelve months ended December 31, 2009 and December 31, 2008, our functional currencies meaning primarily Polish zloty and Russian ruble depreciated against the U.S. dollar, by approximately 30% and 28% respectively. This resulted in a decrease of $348.4 million of sales in U.S. dollar terms. These decreases were partially offset by the consolidation of net sales of Russian Alcohol.

Our business split by segment, which represents our primary geographic locations of operations, Poland, Russia and Hungary, is shown below:

	Segment Net Revenues Twelve months ended December 31,	
	2009	2008
Segment		
Poland	$ 892,121	$1,305,629
Russia	578,433	297,892
Hungary	36,585	43,483
Total Net Sales	$1,507,139	$1,647,004

Gross Profit

Total gross profit increased by approximately 17.2%, or $72.5 million, to $494.6 million for the twelve months ended December 31, 2009, from $422.1 million for the twelve months ended December 31, 2008, reflecting the increase in gross profit margins percentage in the twelve months ended December 31, 2009. Gross margin increased from 25.6% of net sales for the twelve months ended December 31, 2008 to 32.8% of net sales for the twelve months ended December 31, 2009. The primary factor resulting in the improved margin was the full year inclusion of the newly acquired businesses in Russia, Parliament and Whitehall, as well as the first time consolidation of the results of Russian Alcohol, which, as producers and importers, operate on a higher gross profit margin than the Polish business, which is significantly impacted by lower margin distribution operations.

Operating Expenses

Operating expenses as a percent of net sales increased from 13.6% for the twelve months ended December 31, 2008 to 18.5% for the twelve months ended December 31, 2009. Total operating expenses increased by approximately 24.6%, or $55.0 million, from $223.4 million for the twelve months ended December 31, 2008 to $278.4 million for the twelve months ended December 31, 2009. Approximately $114.6 million of this increase resulted from the effects of the acquisition of Russian Alcohol in July 2008. Approximately $19.9 million resulted from the lower operating costs in our existing business, which include certain one off transaction related gains and losses described below. The depreciation of the functional currencies against the U.S. dollar resulted in a $49.9 million reduction in our operating expenses for the twelve months ended December 31, 2009 as compared to the same period in the prior year.

Operating expenses for twelve months ended December 31, 2008	$223,373
Increase from acquisitions	124,908
Decrease from existing business growth	(19,909)
Impact of foreign exchange rates	(49,924)
Operating expenses for twelve months ended December 31, 2009	$278,448

The table below sets forth the items of operating expenses.

	Twelve Months Ended December 31,	
	2009	2008
	($ in thousands)	
S,G&A	$221,560	$168,584
Marketing	46,534	43,954
Depreciation and amortization	10,354	10,835
Total operating expense	$278,448	$223,373

S,G&A increased by approximately 31.4%, or $53.0 million, from $168.6 million for the twelve months ended December 31, 2008 to $221.6 million for the twelve months ended December 31, 2009. Approximately $100.0 million of this increase resulted primarily from the consolidation of the results of Russian Alcohol and the remainder of the increase resulted primarily from the growth of the business, which increases were offset by the depreciation of the Polish zloty against the U.S. dollar.

Included in S,G&A are certain one off gains and losses including, a one-time gain in the twelve month period ended December 31, 2009, amounting to $225.6 million in operating income based on the re-measurement of previously held equity interests in Russian Alcohol to fair value, which was partially offset by certain one-ff charges including a $162.0 one off charge related to non amortized discount of deferred consideration resulting from accelerated buyout of Lion Capital's interest in Russian Alcohol, a $15.0 million post closing cash settlement made to the original sellers for the Russia Alcohol Group, an impairment charge of $20.3 million related to the Company's trademarks , as well as legal and advisory fees related to acquisitions.

Depreciation and amortization decreased by approximately 3.7%, or $ 0.4 million, from $10.8 million for the twelve months ended December 31, 2008 to $10.4 million for the twelve months ended December 31, 2009 due to the impact of foreign exchange translation.

Operating Income

Total operating income increased by approximately 8.8%, or $17.4 million, from $198.7 million for the twelve months ended December 31, 2008 to $216.1 million for the twelve months ended December 31, 2009. This increase resulted primarily from the consolidation of the results of Russian Alcohol, from which the Company recognized a one-time gain in the twelve month period ended December 31, 2009, amounting to $225.6 million in operating income based on the re-measurement of previously held equity interests in Russian Alcohol to fair value, which was partially offset by $162.0 of one off charge related to non amortized discount of deferred consideration resulting from accelerated buyout of Lion's interest in Russian Alcohol, a $15 million post closing cash settlement made to the original sellers for Russian Alcohol and an impairment charge of $20.3 million related to the Company's trademarks.

	Operating Profit Twelve months ended December 31,	
	2009	2008
Segment		
Poland	$107,987	$124,920
Russia	110,363	73,374
Hungary	6,149	7,641
Corporate Overhead		
General corporate overhead	(4,570)	(3,353)
Option Expense	(3,781)	(3,850)
Total Operating Profit	$216,148	$198,732

Operating profit in Poland as a percent of net sales was 12.1% for the twelve months ended December 31, 2009 as comparing to 9.6% in the same period in 2008. However this includes certain one off transaction related gains and losses as described above related to the acquisition of Russian Alcohol. These items impacted the Polish Segment as a Polish subsidiary was the parent company for the Russian Alcohol acquisition. Excluding the impact of these items the operating profit in Poland as a percent of net sales was 8.9% for the twelve months ended December 31, 2009, as compared to 9.6% in 2008. This reduction is primarily driven by lower margins in our distribution business as well as having lower distribution sales going through the fixed assets cost base.

The operating profit margin as a percent of net sales in Russia declined from 24.6% for the twelve months ended December 31, 2008 to 19.1% for the twelve months ended December 31, 2009, reflecting the impact of the consolidation of Russian Alcohol. Russian Alcohol operates primarily in the mainstream segment as compared to Parliament which is a sub-premium vodka and has sales of ready to drink alcoholic beverages (long drinks) which operate on a lower margin than vodka's. Additionally the import products from Whitehall were impacted by higher purchase prices due to the impact of the devaluation of the Russian ruble.

In Hungary there was a decline in operating profit as a percent of net sales from 17.6% for the twelve months ended December 31, 2008 to 16.8% for the twelve months ended December 31, 2009. This decline was due primarily to higher local currency import costs in the first quarter of 2009 as the Hungarian business sales constitute only imported spirits which have prices denominated primarily in euro.

Non Operating Income and Expenses

Total interest expense increased by approximately 50.2%, or $26.8 million, from $53.4 million for the twelve months ended December 31, 2008 to $80.2 million for the twelve months ended December 31, 2009. This increase resulted from the consolidation of the financial results of Russian Alcohol commencing in the second quarter of 2009 and additional borrowings to finance the investment in Russian Alcohol in July 2008.

The Company recognized $21.9 million of other financial income in the twelve months ended December 31, 2009, as compared to $132.9 million of losses for the twelve months ended December 31, 2008. This change is primarily related to the impact of movements in exchange rates on our USD and EUR denominated acquisition financing, as well as from the bank charges related to early repayment of debt by Russian Alcohol that was subsequently refinanced from Senior Secured Notes due 2016 proceedings as costs of closing of hedges associated to this bank debt. The total impact of these transactions amounted to $16.9 million.

The present value of the deferred consideration related to acquisition in Russian Alcohol was amortized over the period of time up to December 8, 2009 when the Company accelerated the terms set up on the Option Agreement dated April 24, 2009 and purchased the remaining equity interest in Russian Alcohol that was not owned by the Company. Up to this date the Company was recognizing a non cash interest expense every quarter in the statement of operations. The discount amortization charge for the twelve month period ended December 31, 2009 amounted to $38.5 million.

Other non operating items for the twelve months ended December 31, 2009 show net income of $0.8 million in comparison to gains of $0.4 million in the twelve months ended December 31, 2008.

Income Tax

Our effective tax rate for the twelve months ending December 31, 2009 was 19.1%, which is mainly driven by the blended statutory tax rates rate of 19% in Poland and 20% in Russia.

Non-controlling Interests and Equity in Net Earnings

Minority interest for the twelve months ending December 31, 2009 represents non-controlling interests held by third parties, consisting primarily of a 20% minority interest in Whitehall, a 15% interest in Parliament prior

to September 25, 2009 (when we acquired that minority stake) and approximately $2.5 million of minority interest related to certain minority shareholders of Russian Alcohol, whose full stake was purchased by the Company in December, 2009.

Equity in net earnings for the twelve months ending December 31, 2009 include CEDC's proportional share of net loss from its investments accounted for under the equity method. This includes $17.7 million of losses from the investment in Russian Alcohol for the first quarter 2009, primarily due to the devaluation of Russian ruble against U.S. dollar, while this investment was accounted for using the equity method, which was partially offset by $4.6 million of gain from the investment in the MHWH J.V. for the twelve months ended December 31, 2009.

Twelve months ended December 31, 2008 compared to twelve months ended December 31, 2007

A summary of the Company's operating performance (expressed in thousands except per share amounts) is presented below.

	Twelve months ended December 31,	
	2008	2007
Sales	**$ 2,136,570**	**$1,483,344**
Excise taxes	(489,566)	(293,522)
Net Sales	**1,647,004**	**1,189,822**
Cost of goods sold	1,224,899	941,060
Gross Profit	**422,105**	**248,762**
Operating expenses	223,373	130,677
Operating Income	**198,732**	118,085
Non operating income / (expense), net		
Interest (expense), net	(53,447)	(35,829)
Other financial (expense), net	(132,936)	13,594
Other non operating income / (expense), net	410	(1,770)
Income before taxes, equity in net income from unconsolidated investments and noncontrolling interests in subsidiaries	**12,759**	**94,080**
Income tax (expense)	(11,872)	(15,910)
Equity in net earnings of affiliates	(9,002)	—
Net income / (loss)	**($ 8,115)**	**$ 78,170**
Less: Net income / (loss) attributable to noncontrolling interests in subsidiaries	3,680	1,068
Less: Net income / (loss) attributable to redeemable noncontrolling interests in Whitehall Group	6,803	—
Net income /(loss) attributable to CEDC	**($ 18,598)**	**$ 77,102**
Net income / (loss) per share of common stock, basic	($ 0.42)	$ 1.93
Net income / (loss) per share of common stock, diluted	($ 0.42)	$ 1.91

Net Sales

Net sales represents total sales net of all customer rebates, excise tax on production and value added tax. Total net sales increased by approximately 38.4%, or $457.2 million, from $1,189.8 million for the twelve months ended December 31, 2007 to $1,647.0 million for the twelve months ended December 31, 2008. This increase in sales is due to the following factors:

Net Sales for twelve months ended December 31, 2007	$1,189,822
Increase from acquisitions	346,826
Existing business sales growth	43,321
Excise tax reduction	(97,089)
Impact of foreign exchange rates	164,124
Net sales for twelve months ended December 31, 2008	$1,647,004

Factors impacting our existing business sales for the twelve months ending December 31, 2008 include the growth of our key vodka brands, with *Bols Vodka*, our flagship premium vodka, growing by 12% and *Soplica* by 14% in volume terms as compared to the twelve months ending December 31, 2007. Also impacting our sales growth has been our focus on reducing lower margin SKU's, primarily beer, and reducing as well the related sales and distribution costs for these products. We plan to continue the streamlining process going into 2009.

As of January 2008, sales of products which we produce at Polmos Bialystok and Bols to certain key accounts were moved from our distribution companies to the producer, Polmos Bialystok and Bols in order to reduce distribution costs. When a sale is reported directly from a producer, excise tax is eliminated from net sales and when a sale is made from a distribution company the sales are recorded gross with excise tax. Therefore the movement of the sales contracts from a distributor to the producer reduces the amount of net sales reported through the elimination of excise tax and also increases gross profit as a percent of sales. The impact of this sales reduction for the twelve months ended December 31, 2008 was $97.1 million.

Based upon average exchange rates for the twelve months ended December 31, 2008 and 2007, the Polish zloty appreciated by approximately 13%. This resulted in an increase of $164.1 million of sales in U.S. dollar terms. However, as discussed above, the Polish zloty and Russian ruble recently have depreciated sharply against the U.S. dollar. As the Polish zloty and Russian ruble depreciate, sales will decrease in U.S. dollar terms.

As a result of our recent acquisitions in Russia, we have moved to a segmental approach to our business split by our primary geographic locations of operations, Poland, Russia and Hungary. Included in the sales growth from acquisitions of $346.8 million was $297.9 million of sales related to the newly acquired Russian businesses of Parliament and Whitehall, which is reflected in the Segment entitled "Russia" in the below table.

	Segment Net Revenues Twelve months ended December 31,	
	2008	**2007**
Segment		
Poland	$1,305,629	$1,152,601
Russia	$ 297,892	—
Hungary	$ 43,483	$ 37,221
Total Net Sales	$1,647,004	$1,189,822

Gross Profit

Total gross profit increased by approximately $173.3 million, to $422.1 million for the twelve months ended December 31, 2008, from $248.8 million for the twelve months ended December 31, 2007, reflecting sales growth for the factors noted above in the twelve months ended December 31, 2008. Gross margin increased from

20.9% of net sales for the twelve months ended December 31, 2007 to 25.6% of net sales for the twelve months ended December 31, 2008. Factors impacting our margins include improved sales mix, lower spirit costs, the impact of excise tax as described above as well as the consolidation of Parliament and Whitehall from the first quarter and second quarter of 2008 respectively. Parliament and Whitehall which, as producer and importer, operate on a higher gross profit margin than the Polish business, which is more heavily impacted by lower margin distribution operations. Margins were further improved from lower spirit pricing for the twelve months ended December 31, 2008 as well as the growth of the exclusive import brands.

Operating Expenses

Operating expenses consist of selling, general and administrative, or "S,G&A" expenses, advertising expenses, non-production depreciation and amortization, and provision for bad debt. Total operating expenses increased by approximately 70.9%, or $92.7 million, from $130.7 million for the twelve months ended December 31, 2007 to $223.4 million for the twelve months ended December 31, 2008. Approximately $31.4 million of this increase resulted from the effects of the acquisition of Parliament in March 2008, approximately $24.9 million of this increase resulted from the effects of the acquisition of Whitehall, approximately $5.5 million of this increase resulted from the effects of the acquisition of PHS completed in September 2007 and the remainder of the increase resulted primarily from the growth of the business and the impact of foreign exchange expenses as detailed below.

Operating expenses for twelve months ended December 31, 2007	$130,677
Increase from acquisitions	61,797
Increase from existing business growth	10,322
Impact of foreign exchange rates	20,577
Operating expenses for twelve months ended December 31, 2008	$223,373

The table below sets forth the items of operating expenses.

	Twelve Months Ended December 31,	
	2008	2007
	($ in thousands)	
S,G&A	$168,584	$106,401
Marketing	43,954	16,937
Depreciation and amortization	10,835	7,339
Total operating expense	$223,373	$130,677

S,G&A increased by approximately 58.5%, or $62.2 million, from $106.4 million for the twelve months ended December 31, 2007 to $168.6 million for the twelve months ended December 31, 2008. Approximately $47.1 million of this increase resulted primarily from the effects of the acquisitions discussed above and the remainder of the increase resulted primarily from the growth of the business and the appreciation of the Polish zloty against the U.S. dollar. However, as discussed above, the Polish zloty and Russian ruble recently have depreciated sharply against the U.S. dollar. As the Polish zloty and Russian ruble depreciate, S,G&A will decrease in U.S. dollar terms. As a percent of sales, S,G&A has increased from 8.9% of net sales for the twelve months ended December 31, 2007 to 10.2% of net sales for the twelve months ended December 31, 2008.

Depreciation and amortization increased by approximately 47.9%, or $ 3.5 million, from $7.3 million for the twelve months ended December 31, 2007 to $10.8 million for the twelve months ended December 31, 2008. This increase resulted primarily from our existing business growth and the acquisitions of Parliament and Whitehall.

Operating Income

Total operating income increased by approximately 68.2%, or $80.6 million, from $118.1 million for the twelve months ended December 31, 2007 to $198.7 million for the twelve months ended December 31, 2008.

Operating income as a percent of sales increased from 9.9% for the twelve months ended December 31, 2007 to 12.1% for the twelve months ended December 31, 2008. This increase resulted primarily from the factors described under "Net Sales" above. The table below summarizes the segmental split of operating profit.

	Operating Profit Twelve months ended December 31,	
	2008	2007
Segment		
Poland	$124,920	$116,862
Russia	73,374	—
Hungary	7,641	7,491
Corporate Overhead		
General corporate overhead	(3,353)	(4,398)
Option Expense	(3,850)	(1,870)
Total Operating Profit	$198,732	$118,085

Income Tax

Our effective tax rate for the twelve months ending December 31, 2008 was 93.0%, which was driven by a combination of the blended statutory tax rates in the tax jurisdictions in which we operate, as well as a true up of our deferred tax asset. The Company has taken an additional non-cash provisions for tax loss carry forwards in the Carey Agri subsidiary. Due to the level of foreign exchange losses incurred in 2008 as described above, management has determined that a portion of prior period tax losses will not be utilized in the future. As of December 31, 2008, the Company has provided for approximately $7 million, or 50%, of the available tax loss carry forwards in its Carey Agri subsidiary. Effective January 1, 2009, the statutory tax rate in Russia has been reduced from 24% to 20%.

Non-controlling Interests and Equity in Net Earnings

Non-controlling interest for the twelve months ending December 31, 2008 relates primarily to minority stakes of 25% in Whitehall Group and 15% in Parliament.

Equity in net earnings for the twelve months ending December 31, 2008 include CEDC's proportional share of net income from its investments accounted for under the equity method. This includes $8.5 million of income from the investment in the MHWH J.V. and $17.5 million of losses from the investment in Russian Alcohol. Included in the results of Russian Alcohol were non cash foreign exchange losses related to the revaluation of debt instruments denominated in U.S. dollars.

Non Operating Income and Expenses

Total interest expense increased by approximately 49.2%, or $17.6 million, from $35.8 million for the twelve months ended December 31, 2007 to $53.4 million for the twelve months ended December 31, 2008. This increase resulted from a combination of additional borrowings to finance the purchase of Russian Alcohol shares completed in July 2008, the issuance of our Convertible Senior Notes to finance the Parliament acquisition and the Whitehall acquisition and increased interest rates in 2008 as compared to 2007.

The Company recognized $131.0 million of unrealized foreign exchange rate loss in the twelve months ended December 31, 2008, primarily related to the impact of movements in exchange rates on our Senior Secured and Senior Convertible Notes, as these borrowings have been lent down to entities that have the Polish zloty as the functional currency, as compared to $23.9 million of gains for the twelve months ended December 31, 2007.

Statement of Liquidity and Capital Resources

During the periods under review, the Company's primary sources of liquidity were cash flows generated from operations, credit facilities, equity offerings, the Convertible Senior Notes offering, the 2009 Senior Secured Notes offering and proceeds from options exercised. The Company's primary uses of cash were to fund its working capital requirements, service indebtedness, finance capital expenditures and fund acquisitions. The following table sets forth selected information concerning the Company's consolidated cash flow during the periods indicated.

	Twelve months ended December 31, 2009	Twelve months ended December 31, 2008	Twelve months ended December 31, 2007
		($ in thousands)	
Cash flow from operating activities	92,961	72,196	23,084
Cash flow used in investing activities	(1,069,745)	(667,928)	(159,122)
Cash flow from financing activities	991,417	646,210	56,923

Fiscal year 2009 cash flow

Net cash flow from operating activities

Net cash flow from operating activities represents net cash flow from operations and interest. Net cash provided by operating activities for the twelve months ended December 31, 2009 was $93.0 million as compared to $72.2 million for the twelve months ended December 31, 2008. Working capital movements contributed $11.9 million of cash inflows for the twelve months ended December 31, 2009 as compared to $64.0 million of cash outflow for the twelve months ended December 31, 2008. As the Company experienced lower organic growth rates in 2009 as compared to 2008, due to the global economic crisis, the business was able to reduce working capital requirements thus improving cash flows from working capital movements.

Net cash flow used in investing activities

Net cash flows used in investing activities represent net cash used to complete our investments in entities that were not fully owned, acquire fixed assets, deposit the cash required to fund our 2012 Senior Secured Notes redemption, and pay the substantial majority of deferred payment for Russian Alcohol. For the twelve months ended December 31, 2009, $573.5 million was used to complete the remaining purchase in Parliament and Russian Alcohol. Of this approximately $93.4 million was used to fund the remaining minority buy out of Parliament Group and $455.6 million was paid for the remaining interest of Russian Alcohol, with $110 million deferred until final anti-trust approval was obtained in January 2010 and $45 million, payable in cash or shares, deferred until April, 2010 at the earliest. Of the $110.5 million, $101.0 million was funded into escrow and is shown in the cash outflow for changes in restricted cash. The remaining cash outflow in restricted cash of $380.5 million related to depositing with the trustee the amounts necessary to fund the early redemption of our 2012 Senior Secured Notes, which took place in January 2010.

Net cash flow from financing activities

Net cash flow from financing activities primarily represents cash inflows from borrowings under credit facilities, and offerings of debt and equity issuances, as well as cash used for servicing indebtedness. Net cash provided by financing activities for the twelve months ending December 31, 2009 was $991.4 million as compared to $646.2 million for the twelve months ending December 31, 2008. The primary sources of cash flow from financing activities were two public equity offerings completed in July and November 2009, raising net proceeds of $491.0 million as well as the issuance of new Senior Secured Notes due 2016 raising net proceeds of $929.6 million. Offsetting these cash inflows was the repayment of debt, primarily the debt of Russian Alcohol of $35.0 million and $251.0 million for short and long term portions of this debt respectively. Additional amounts include the payment of pre-acquisition tax penalties of Russian Alcohol, which is to be reimbursed by the sellers and has been netted off with loans from the sellers.

Fiscal year 2008 cash flow

Net cash flow from operating activities

Net cash flow from operating activities represents net cash from operations and interest. Net cash provided by operating activities for the twelve months ended December 31, 2008 was $72.2 million as compared to $23.1 million for the twelve months ended December 31, 2007. The primary drivers for the change were overall growth in the business and improved working capital management. Working capital movements utilized $64.0 million of cash outflows for the twelve months ended December 31, 2008 as compared to $72.1 million of cash outflows for the twelve months ended December 31, 2007. Also included in working capital movements was a significant utilization of cash flow from the Parliament entities acquired in Russia which were newly formed legal entities with no receivables, inventory and accounts payable balances as of acquisition date. Therefore approximately $27 million was funded into the business during the 12 months ending December 31, 2008 in order to build up a normalized working capital base. Adding back the funding provided to Parliament of $27 million, our adjusted cash flow from operations would have been $99.2 million. Additionally the company acquired 75% of the economic interest in the Whitehall Group in May 2008. Furthermore the first quarter of the year traditionally is the highest cash flow generation period and the last quarter traditionally is the highest cash utilization period. Therefore, in 2008 the Company experienced the higher cash utilization in the fourth quarter in connection with its Russian acquisitions, but not the higher cash generation in the first quarter.

Net cash flow used in investing activities

Net cash flows used in investing activities represent net cash used to acquire subsidiaries and fixed assets as well as proceeds from sales of fixed assets. Net cash used in investing activities for the twelve months ended December 31, 2008 was $667.9 million as compared to $159.1 million for the twelve months ended December 31, 2007. The primary cash outflows from investing activities for the twelve months ended December 31, 2008 were the cash consideration and expenses related to the Parliament, Whitehall and Russian Alcohol acquisitions and the acquisition of $103.5 million in subordinated exchangeable notes in connection with the investment in Russian Alcohol.

Net cash flow from financing activities

Net cash flow from financing activities represents cash used for servicing indebtedness, borrowings under credit facilities and cash inflows from private placements and exercise of options. Net cash provided by financing activities was $646.2 million for the twelve months ended December 31, 2008 as compared to $56.9 million for the twelve months ended December 31, 2007. The primary source of cash from financing activities was the Company's offering of $310 million of Convertible Secured Notes to fund the Parliament and Whitehall acquisition, which resulted in net proceeds of $304.4 million, and the proceeds from the common equity offering of $233.8 million, which were used to fund the investment in Russian Alcohol, completed in July 2008.

The Company's Future Liquidity and Capital Resources

Financing Arrangements

Bank Facilities

As of December 31, 2009, $49.8 million remained available under the Company's overdraft facilities. These overdraft facilities are renewed on an annual basis.

As of December 31, 2009, the Company had utilized approximately $84.2 million of a multipurpose credit line agreement in connection with the 2007 tender offer in Poland to purchase the remaining outstanding shares of Polmos Bialystok. The Company's obligations under the credit line agreement are guaranteed through promissory notes issued by certain subsidiaries of the Company and are secured by 33.95% of the share capital of Polmos Bialystok. The indebtedness under the credit line agreement of $63.2 million matures on February 24, 2011 and of $21.0 million on August 11, 2010.

On April 24, 2008, the Company signed a credit agreement with Bank Zachodni WBK SA in Poland to provide up to $50 million of financing to be used to finance a portion of the Parliament and Whitehall acquisition, as well as general working capital needs of the Company. The agreement provides for a $30 million five year amortizing term facility and a one year $20 million short term facility with annual renewal. In the second quarter of 2009 this facility was converted into Polish zloty. The maturity of term loan was extended to May 2013 and the maturity of the short term facility was extended to May 2010. The loan is guaranteed by the Company, Bols Sp. z o.o, a wholly owned subsidiary of the Company ("Bols") and certain other subsidiaries of the Company, and is secured by all of the capital stock of Bols and 60% of the capital stock of Parliament.

On July 2, 2008, the Company entered into a Facility Agreement with Bank Handlowy w Warszawie S.A., which provided for a term loan facility of $40 million, of which $33.3 million was outstanding as at December 31, 2009. The term loan matures on July 4, 2011 and is guaranteed by CEDC, Carey Agri and certain other subsidiaries of the Company and is secured by all of the shares of capital stock of Carey Agri and subsequently will be further secured by shares of capital stock in certain other subsidiaries of CEDC.

The Company obtained all required waivers from its banks in connection with the Senior Secured Notes due 2016 offering.

Senior Secured Notes due 2012

In connection with the Bols and Polmos Bialystok acquisitions, on July 25, 2005 the Company completed the issuance of €325 million 8% Senior Secured Notes due 2012 (the "2012 Notes"), of which approximately €245 million remained payable as of December 31, 2009. Interest was due semi-annually on the 25th of January and July, and the 2012 Notes are guaranteed on a senior basis by certain of the Company's subsidiaries.

On December 2, 2009, the Company issued a notice of redemption for the remaining outstanding portion of 2012 Notes and deposited €263.9 million (approximately US$380.4 million) of cash that we received upon the issuance of new Senior Secured Notes due 2016 (described below), representing the redemption price, call premium plus all interest that will be payable on the settlement date, in an account with the trustee for the 2012 Notes. In connection with the notice of redemption and deposit, the indenture governing the 2012 Notes was discharged. Although this discharge removes substantially all of the restrictions imposed by that indenture and makes the likelihood that further payments will be required of us with respect to the 2012 Notes remote, we concluded that it did not meet the definition of "legally released" in paragraph 16(b) of FAS 140 (ASC 405-20-40-1(b)) and therefore we will not recognize the extinguishment of the remaining liability until January 4, 2010. Additionally the cash on deposit was recorded as Restricted Cash on the balance sheet as of December 31, 2009. On January 4, 2010, the final redemption for these 2012 Notes was completed and all funds were remitted to the noteholders, discharging the Company of all remaining obligations.

Senior Secured Notes due 2016

On December 2, 2009, the Company issued and sold $380 million 9.125% Senior Secured Notes due 2016 and €380 million 8.875% Senior Secured Notes due 2016 (the "2016 Notes") in an offering to institutional investors that was not required to be registered with the SEC. The Company used a portion of the net proceeds from the 2016 Notes to redeem the Company's outstanding 2012 Notes, having an aggregate principal amount of €245,440,000 on January 4, 2010. The remainder of the net proceeds from the 2016 Notes was used to (i) purchase Lion Capital's remaining equity interest in Russian Alcohol by exercising the Lion Option and the Co-Investor Option, pursuant to the terms and conditions of the Lion Option Agreement and the Co-Investor Option Agreement, respectively (ii) repay all amounts outstanding under the Russian Alcohol credit facilities; and (iii) repay certain other indebtedness.

The 2016 Notes are guaranteed on a senior basis by certain of the Company's subsidiaries. We are required to ensure that subsidiaries representing at least 85% of our consolidated EBITDA, as defined in the indenture,

guarantee the notes. The notes are secured, directly or indirectly, by a variety of our and our subsidiary's assets, including shares of the issuer of the notes and subsidiaries in Poland, Cypress, Russia, the Netherlands, Cayman Islands and Luxembourg, certain intercompany loans made by the issuer of the notes and our Russian finance company in connection with the issuance of the notes, trademarks related to the Soplica brand registered in Poland and the European Union trademarks in the Parliament brand registered in Germany, and bank accounts over US$5.0 million. We are also required to use our reasonable best efforts to provide mortgages over our Polmos and Bols production plants and the Russian Alcohol Siberian and Topaz Distilleries within specified time frames. The indenture governing the 2016 Notes contains certain restrictive covenants, including covenants limiting the Company's ability to: incur or guarantee additional debt; make certain restricted payments; transfer or sell assets; enter into transactions with affiliates; create certain liens; create restrictions on the ability of restricted subsidiaries to pay dividends or other payments; issue guarantees of indebtedness by restricted subsidiaries; enter into sale and leaseback transactions; merge, consolidate, amalgamate or combine with other entities; designate restricted subsidiaries as unrestricted subsidiaries; and engage in any business other than a permitted business.

The 2016 Notes are secured, directly or indirectly, by a variety of our and our subsidiary's assets, including shares of the issuer of the notes and subsidiaries in Poland, Cyprus, Hungary, Russia, the Netherlands, Cayman Islands, Luxembourg and Delaware, certain intercompany loans made by the issuer of the 2016 Notes and further intercompany loans from the proceeds of the issuance of the 2016 Notes, trademarks related to the *Soplica* brand registered in Poland and the European Union, trademarks in the Parliament brand registered in Germany, bank accounts over US$5.0 million in cash balances and mortgages over our Polmos Bialystok and Bols production plants in Poland. We are also required to use our reasonable best efforts to provide mortgages over our Russian Alcohol Siberian and Tula Distilleries within specified time frames.

Convertible Senior Notes

On March 7, 2008, the Company completed the issuance of $310 million aggregate principal amount of 3% Convertible Senior Notes due 2013 (the "Convertible Notes"). Interest is due semi-annually on the 15th of March and September, beginning on September 15, 2008. The Convertible Notes are convertible in certain circumstances into cash and, if applicable, shares of our common stock, based on an initial conversion rate of 14.7113 shares per $1,000 principle amount, subject to certain adjustments. Upon conversion of the notes, the Company will deliver cash up to the aggregate principle amount of the notes to be converted and, at the election of the Company, cash and/or shares of common stock in respect to the remainder, if any, of the conversion obligation. The proceeds from the Convertible Notes were used to fund the cash portions of the acquisitions of Parliament and Whitehall.

Equity Issuances

On February 24, 2009, the Company and the seller amended the terms of the Stock Purchase Agreement governing the Whitehall acquisition to satisfy the Company's obligations to the seller under a share price guarantee in the original Stock Purchase Agreement. Pursuant to the terms of this amendment, the Company issued to the seller 2,100,000 shares of its common stock, made certain cash payments to the seller, and is obligated to make certain other cash payments to the seller in the future, all as described under "The Company's Future Liquidity and Capital Resources," below.

On July 24, 2009, the Company consummated the offer and sale of 9,185,000 shares of the Company's common stock (including over-allotment shares in a public offering), of which 7,685,000 shares were issued and sold by the Company. The Company received $179.6 million from the offering after deducting underwriting discounts and estimated offering expenses payable by the Company.

On September 2, 2009, the Company filed a prospectus supplement with the SEC pursuant to a Registration Statement on Form S-3 registering for resale 540,873 shares of the Company's common stock issued to Cayman 5 in connection with the Russian Alcohol acquisition.

On September 15, 2009, the Company issued to Cirey Holdings, in connection with the Russian Alcohol acquisition, 479,499 shares of the Company's common stock as earn-out payment.

On November 10, 2009, the Company issued to Kylemore 949,034 shares of the Company's common stock in exchange for the remaining indirect equity interest in Russian Alcohol that was not held by Lion Capital or CEDC, or approximately 3.76% of the equity ownership of Russian Alcohol.

On November 24, 2009 the Company consummated an offer and sale of an aggregate of 10,250,000 shares of the Company's common stock, at a price of $31.00 per share. The Company received $308 million from the offering after underwriting discounts and estimated offering expenses payable by the Company.

Whitehall Acquisition

Pursuant to the Whitehall shareholders' agreement, Polmos Bialystok has the right to purchase, and the other shareholder has the right to require Polmos Bialystok to purchase, all (but not less than all) of the shares of Whitehall capital stock held by such shareholder. Either of these rights may be exercised at any time, subject, in certain circumstances, to the consent of third parties. The aggregate price that the Company would be required to pay in the event either of these rights is exercised will fall within a range determined based on Whitehall's EBIT as well as the EBIT of certain related businesses, during two separate periods: (1) the period from January 1, 2008 through the end of the year in which the right is exercised, and (2) the two full financial years immediately preceding the end of the year in which the right is exercised, plus, in each case, the time-adjusted value of any dividends paid by Whitehall. Subject to certain limited exceptions, the exercise price will be (A) no less than the future value as of the date of exercise of $32.0 million and (B) no more than the future value as of the date of exercise of $89.0 million, plus, in each case, the time-adjusted value of certain dividends paid by Whitehall.

Russian Alcohol Group Acquisition

On January 20, 2010, after the receipt of antimonopoly clearances for the acquisition from the Russian Federal Antimonopoly Commission, the Antimonopoly Committee of the Ukraine, the Company purchased the sole voting share of Lion/Rally Cayman 6 ("Cayman 6") from an affiliate of Lion Capital and thereby acquired control of Russian Alcohol. The company also paid $110 million in January, 2010, to Lion Capital by releasing $100 million from escrow, which is included in the restricted cash payment on the balance sheet as of December 31, 2009 and paid up the remaining $10 million from cash. The Company still has an obligation to make the last remaining payment to Lion in April, 2010 of $45 million, which can be payable in cash or CEDC shares.

Capital Expenditure

Our net capital expenditure on tangible fixed assets for the twelve months ending December 31, 2009, 2008, and 2007 was $14.8 million, $15.6 million and $23.1 million, respectively. Capital expenditures during the twelve months ended December 31, 2009 were used primarily for production equipment and fleet. Capital expenditures during the twelve months ended December 31, 2008 were used primarily for production equipment and fleet. Capital expenditures during the twelve months ended December 31, 2007 were used primarily for investments in rectification of approximately $16 million, as well as fleet, information systems and plant maintenance.

We have estimated that maintenance capital expenditure for 2010, 2011 and 2012 for our existing business combined with our acquired businesses will be approximately $10.0 to $15.0 million per year. Future capital expenditure is expected to be used for our continued investment in information technology, trucks, and routine improvements to production facilities. Pursuant to our acquisition of Polmos Bialystok, the Company is required to ensure that Polmos Bialystok will make investments of at least 77.5 million Polish zloty (approximately $27.2 million based on year end exchange rate) during the five years after the consummation of the acquisition. As of December 31, 2009 the company has completed 91.7% of these investment commitments.

A substantial portion of these future capital expenditure amounts are discretionary, and we may adjust spending in any period according to our needs. We currently intend to finance all of our capital expenditure through cash generated from operating activities.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2009:

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(unaudited) ($ in thousands)		
Long-term debt obligations	$1,311,511	$ —	$ 96,427	$305,789	$ 909,295
Interest on long-term debt	628,048	100,393	191,679	176,338	159,638
Short-term debt obligations	483,209	483,209	—	—	—
Interest on short-term debt	26,588	26,588	—	—	—
Deferred payments related to acquisitions	160,880	160,880	—	—	—
Operating leases	48,399	13,815	17,383	17,201	—
Capital leases	3,095	1,724	1,371	—	—
Contracts with suppliers	5,362	4,385	961	16	—
Total	**$2,667,092**	**$790,994**	**$307,821**	**$499,344**	**$1,068,933**

Approximately $380 million of the $483.2 million of short term debt obligations were fully repaid on January 4, 2010 as part of the redemption of the Senior Secured Notes due in 2012.

Effects of Inflation and Foreign Currency Movements

Actual inflation in Poland was 3.5% in 2009, compared to inflation of 4.2% in 2008. In Russia and Hungary respectively, the actual inflation for 2009 was at 8.8% and 5.6%, compared to actual inflation of 13.3% and 6.8% in 2008.

Substantially all of Company's operating cash flows and assets are denominated in Polish zloty, Russian ruble and Hungarian forint. This means that the Company is exposed to translation movements both on its balance sheet and statement of operations. The impact on working capital items is demonstrated on the cash flow statement as the movement in exchange on cash and cash equivalents. The impact on the statement of operations is by the movement of the average exchange rate used to restate the statement of operations from Polish zloty, Russian ruble and Hungarian forint to U.S. dollars. The amounts shown as exchange rate gains or losses on the face of the statement of operations relate only to realized gains or losses on transactions that are not denominated in Polish zloty, Russian ruble or Hungarian forint.

The average zloty/dollar and ruble/dollar exchange rates used to create our statement of operations depreciated by approximately 30% and 28% respectively. The actual year end zloty/dollar and ruble/dollar exchange rates used to create our balance sheet appreciated by approximately 4% and 2% as compared to December 31, 2008 respectively. Should this trend continue, our results of operations may be positively impacted due to a increase in revenue in U.S. dollar terms from the currency translation effects of that appreciation. This may be partially offset by a similar increase in costs in U.S. dollar terms. Conversely if the trend reverses our results of operations may be negatively impacted due to a decrease in revenue in U.S. dollar terms from the currency translation effects of that depreciation.

The Company has borrowings including its Senior Secured Notes due 2012, Convertible Notes due 2013 and Senior Secured Notes due 2016 that are denominated in U.S. dollars and euros, which have been lent to its operations where the functional currency is the Polish zloty and Russian ruble. The effect of having debt

denominated in currencies other than the Company's functional currencies is to increase or decrease the value of the Company's liabilities on that debt in terms of the Company's functional currencies when those functional currencies depreciate or appreciate in value respectively. As a result of this, the Company is exposed to gains and losses on the re-measurement of these liabilities. The table below summarizes the pre-tax impact of a one percent movement in each of the exchange rate which could result in a significant impact in the results of the Company's operations.

Exchange Rate	Value of notional amount	Pre-tax impact of a 1% movement in exchange rate
USD-Polish zloty	$426 million	$4.3 million gain/loss
USD-Russian ruble	$264 million	$2.6 million gain/loss
EUR-Polish zloty	€625 million or approximately $901 million	$9 million gain/loss

The table above includes €245 million for the Senior Secured Notes due in 2012 that were redeemed on January 4, 2010, thus there will not be any foreign exchange impact from them after this date.

Critical Accounting Policies and Estimates

General

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of net sales, expenses, assets and liabilities. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

Revenue Recognition

Revenues of the Company include sales of its own produced spirit brands, imported wine, beer and spirit brands as well as other third party alcoholic products purchased locally in Poland, the sale of each of these revenues streams are all processed and accounted for in the same manner. For all of its sources of revenue, the Company recognizes revenue when persuasive evidence of an arrangement exists, delivery of product has occurred, the sales price charged is fixed or determinable and collectability is reasonably assured. This generally means that revenue is recognized when title to the products are transferred to our customers. In particular, title usually transfers upon shipment to or receipt at our customers' locations, as determined by the specific sales terms of the transactions.

Sales are stated net of sales tax (VAT) and reflect reductions attributable to consideration given to customers in various customer incentive programs, including pricing discounts on single transactions, volume discounts, promotional listing fees and advertising allowances, cash discounts and rebates. Net sales revenue includes excise tax except in the case where the sales are made from the production unit or related to imported goods, in which case it is recorded net of excise tax.

Goodwill and Intangibles

Following the adoption of ASC Topic 805 and ASC Topic 350, goodwill and certain intangible assets having indefinite lives are no longer subject to amortization. Their book values are tested annually for impairment, or more frequently, if facts and circumstances indicate the need. Fair value measurement techniques, such as the discounted cash flow methodology, are utilized to assess potential impairments. The testing is performed at each reporting unit level. In the discounted cash flow method, the Company discounts forecasted performance plans to their present value. The discount rate utilized is the weighted average cost of capital for the

reporting unit. US GAAP requires the impairment test to be performed in two stages. If the first stage does not indicate that the carrying values of the reporting units exceed the fair values, the second stage is not required. When the first stage indicates potential impairment, the company has to complete the second stage of the impairment test and compare the implied fair value of the reporting units' goodwill to the corresponding carrying value of goodwill.

Intangibles are amortized over their effective useful life. In estimating fair value, management must make assumptions and projections regarding such items as future cash flows, future revenues, future earnings, and other factors. The assumptions used in the estimate of fair value are generally consistent with the past performance of each reporting unit and are also consistent with the projections and assumptions that are used in current operating plans. Such assumptions are subject to change as a result of changing economic and competitive conditions. If these estimates or their related assumptions change in the future, the Company may be required to record an impairment loss for the assets. The fair values calculated have been adjusted where applicable to reflect the tax impact upon disposal of the asset.

In connection with the Bols, Polmos Bialystok, Parliament and Russian Alcohol acquisitions, the Company has acquired trademark rights to various brands, which were capitalized as part of the purchase price allocation process. As these brands are well established they have been assessed to have an indefinite life. These trademarks rights will not be amortized; however, management assesses them at least once a year for impairment.

We recorded an impairment charge of $20.3 million during the second quarter of 2009 that included an impairment to the carrying values of our trademarks.

As required by ASC Topic 350, we tested for impairment our unamortized intangible assets at June 30, 2009, between the required annual tests, because we believed events had occurred and circumstances changed that would more likely than not reduce the fair value of our trademarks and goodwill below their carrying amounts.

In order to perform the test of the impairment for goodwill and indefinite lived intangible assets, it requires the use of estimates. We based our calculations as at December 31, 2009 on the following assumptions:

- Risk free rates for Poland, Russia and Hungary used for calculation of discount rate were based upon current market rates of long term Polish Government Bonds rates, long term Russian Government Bonds rates and long term Hungarian Government Bonds. When estimating discount rates to be used for the calculation we have taken into account current market conditions in Poland, Russia and Hungary separately. As a result of our assumptions and calculations, we have determined discount rates of 8.59%, 11.88% and 10.24% for Poland, Russia and Hungary, respectively. Factoring in a deviation of 10% for the discount rate as compared to management's estimate, there would still be no need for an impairment charge against goodwill.
- We have tested goodwill for impairment separately for the following reporting units: Poland Vodka Production, Domestic Distribution, Hungary Distribution, Russia Vodka Production (including Parliament and Russian Alcohol) and Whitehall Group.
- We estimated the growth rates in projecting cash flows for each of our reporting generating unit separately, based on a detailed five year plan related to each reporting unit.

Taking into account estimations supporting our calculations under current market trends and conditions we believe that no impairment charge is considered necessary through the date of the accompanying financial statements.

Accounting for Business Combinations

The acquisition of businesses is an important element of the Company's strategy. Acquisitions made prior to December 31, 2008 were accounted for in accordance with SFAS No. 141, "Business Combinations"

("SFAS 141"). Effective January 1, 2009, all business combinations will be accounted for in accordance with ASC Topic 805 "Business Combinations."

We account for our acquisitions made in 2008 under the purchase method of accounting in accordance with SFAS 141, Business Combinations, and allocate the assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The determination of the values of the assets acquired and liabilities assumed, as well as associated asset useful lives, requires management to make estimates. The Company's acquisitions typically result in goodwill and other intangible assets; the value and estimated life of those assets may affect the amount of future period amortization expense for intangible assets with finite lives as well as possible impairment charges that may be incurred.

The calculation of purchase price allocation requires judgment on the part of management in determining the valuation of the assets acquired and liabilities assumed.

The Company has consolidated the Whitehall Group as a business combination, on the basis that the Whitehall Group is a Variable Interest Entity in accordance with ASC Topic 810 "Consolidation" and the Company has been assessed as being the primary beneficiary.

Involvement of the Company in variable interest entities ("VIEs") and continuing involvement with transferred financial assets.

Whitehall Group

On May 23, 2008, the Company and certain of its affiliates, entered into, and closed upon, a Share Sale and Purchase Agreement and certain other agreements whereby the Company acquired shares representing 50% minus one vote of the voting power, and 75% of the economic interests, in the Whitehall Group. In consideration for additional payments made to the seller on February 24, 2009, the Company received an additional 375 Class B shares of Whitehall, which represents an increase of the Company's economic stake in Whitehall Group from 75% to 80%.

Transfers of Financial Assets

Except for the amount of $7.5 million that was lent at market rates as a working capital by the Company to the Whitehall Group there were no transfers of financial assets to VIE as the Whitehall Group is a self financing body. Including the $7.5 million transfer, the Company does not have any continuing involvement with transferred financial assets that allow the transferors to receive cash flows or other benefits from the assets or requires the transferors to provide cash flows or other assets in relation to the transferred financial assets.

Variable Interest Entities

CEDC consolidated the Whitehall Group as a business combination as of May 23, 2008, on the basis that the Whitehall Group is a Variable Interest Entity ("VIE") and the Company has been assessed as being the primary beneficiary. Included within the Whitehall Group is a 50/50 joint venture with Möet Hennessy. This joint venture is accounted for using the equity method and is recorded on the face of the balance sheet in investments with minority interest initially recorded at fair value on the face of the balance sheet. The current term of the joint venture is until June 2013 at which point Möet Hennessy will have the option to acquire the remaining shares of the entity.

Based upon the review of Paragraph 4 CEDC management has concluded that its interest in Peulla Enterprises, the special purpose vehicle ("SPV"), being a Cyprus company in which CEDC has 49.9% voting power, would not fall under any of scope exceptions. Therefore CEDC has evaluated whether the SPV is a variable interest entity under the provisions of Paragraph 5 and thus the SPV subject to consolidation accounting.

In determining the accounting treatment if the Whitehall Group is a VIE and needs to be consolidated by CEDC, we considered the conditions outlined in ASC Topic 810.

- *Equity Investment at Risk*—We concluded that the SPV would not meet the requirement of a VIE based upon Paragraph 5(a) as the interest would be classified as equity under US GAAP, the at risk equity is sufficient to permit the entity to finance its activities. Neither equity holder will provide any additional material capital into the SPV. The SPV will be utilized solely as a holding company with its economics determined by the underlying Whitehall Group.

- *Controlling Financial Interests*—Both shareholders, Mark Kaoufman acting through a Jersey trust ("the Trust") and CEDC, are able to direct the activities and operations of the Whitehall Group through their roles on the Board of Directors and their responsibilities for selection of executive level officers. However, the ultimate obligation to absorb losses of the entity or right to receive the residual benefits will lie with CEDC at the time the put/call term ends. Should the business not perform, the Trust will have the right to put his shares to CEDC with a pre-agreed floor on the value of the put option. Thus the Company is at risk of absorbing a greater portion of losses upon the Trust's exit than the Trust itself. Conversely at the end of the term, CEDC can call and if the business has over performed, the amount paid to the Trust on the call is capped at a pre-agreed amount. As such, because the Trust is both limited in its losses and returns through the terms of the put/call with caps and floors, this criterion is met and would cause Whitehall Group to be considered a VIE.

- *Disproportionate Voting Rights*—The voting rights of the Trust and CEDC (50.1% and 49.9%) are not proportionate to their economic interests (20% and 80%). In this structure, it appears CEDC has disproportionately fewer voting rights in relation to its economic rights.

  Further, the below activities of the entity that are more closely associated with the activities of CEDC, thereby having substantially of the entity's activities conducted on its behalf. As CEDC has disproportionately fewer rights while substantially all of Whitehall's activities are for CEDC, this would indicate that Whitehall Group lacks characteristic:

  - The operations of Whitehall Group are substantially similar in nature to the activities of CEDC;
  - CEDC has a call option to purchase the interests of the other investors in the entity;
  - The Trust has an option to put his interests to CEDC.

Both the Trust and CEDC are precluded from transferring its interests in the SPV to any third-party without consent from the other party. Transfers are subject to an absolute other party discretion standard, other than limited permitted transfers (i.e., to affiliates). As such, it appears a de facto relationship exists.

The primary factor to be considered here is the design and intent of the variable interest entity. The SPV that holds the Whitehall Group and the related shareholders agreement were created with the clear intent to maximize the financial exposure that CEDC has to the Whitehall Group business and to ultimately allow CEDC to take full control of the business in 2013. CEDC bears the greatest level of economic share of the entities performance, both in terms of profit allocation (80%) and valuation of the put/call option at the end with a clear floor and cap on payment. The put/call structure in place provide near assurance that at the end of the term CEDC will take full ownership of the business. Should the business perform at or above plan, CEDC valuation is capped therefore would elect to call, and should the business under perform, the Trust will put the shares receiving the guaranteed minimum valuation.

In June 2009, the FASB issued ASC Topic 810, which changes how a company determines whether an entity should be consolidated. The adoption of this standard may impact the current treatment of the Whitehall Group by the Company and the Company is current assessing this treatment and potential impact on the financial statements. See "Recently Issued Accounting Pronouncements" for more detailed information on this topic.

Russian Alcohol Group

On January 20, 2010, the Company completed its acquisition of Russian Alcohol. For further details on the whole structure of this acquisition please refer to Note 2 of the accompanying financial statements attached herein.

At the lowest level of the existing structure, all of Russian Alcohol companies are consolidated based on the fact that these are 100% wholly-owned companies. Therefore, we have evaluated and considered Cayman 7 as a variable interest entity for CEDC in the structure.

Transfers of Financial Assets

There were no transfers of financial assets to a VIE as Russian Alcohol is a self financing body. The Company does not have any continuing involvement with transferred financial assets that allow the transferors to receive cash flows or other benefits from the assets or requires the transferors to provide cash flows or other assets in relation to the transferred financial assets.

Variable Interest Entities

Cayman 7 is a company in which Cayman 2 and CEDC are the sole limited partners and an affiliate of Lion Capital is the general partner. CEDC has 100% of the economic interests in Cayman 7, but Lion Capital retains control of Cayman 7 through Cayman 2's ownership of a single voting share with de minimis economic rights (the "Golden Share") but voting control of Cayman 7. As Cayman 7 has the right to call capital from CEDC to settle obligations under the Option Agreement, CEDC has evaluated whether Cayman 7 is a variable interest entity under the provisions ASC Topic 810.

Based upon the review of Paragraph 4 CEDC's management has concluded that its direct interest in Cayman 7, as well as its indirect interest through Carey Agri and Cayman 2, would not fall under any of these scope exceptions. Therefore CEDC has evaluated whether Cayman 7 is a variable interest entity under the provisions of Paragraph 5 of ASC Topic 810 and thus subject to consolidation accounting.

In determining the accounting treatment if Cayman 7 and, effectively, the whole Russian Alcohol is a VIE and needs to be consolidated by CEDC, we considered the conditions outlined in ASC Topic 810.

- *Equity Investment at Risk*—We concluded that as the contribution made by Cayman 2 was the only one that required substantial investment, Cayman 2 should be defined as having its equity at risk. Moreover as Cayman 7 is not able to finance its operations without funds received from CEDC, we believe that Cayman 7 would meet the requirement of a VIE based upon Paragraph 5(a).
- *Controlling Financial Interests*—CEDC concluded that the equity investment at risk does not meet the last item in Paragraph 5(b) as all dividends from the business are passed to CEDC with CEDC not having its equity investment at risk. These dividends then reduce CEDC's payment obligations to Lion Capital (if dividends paid to CEDC by Russian Alcohol exceed the call option price, Lion Capital has to return the excess as CEDC's call option obligations have been met). However, Lion Capital is not entitled to receive any dividends from Cayman 7 directly as CEDC has 100% of the economic interests, with Lion Capital having voting control through voting rights. Therefore we believe that Paragraph 5(b) would cause Cayman 7 to be treated as a VIE.
- *Disproportionate Voting Rights*—We believe that both criteria, including lack of voting rights and the requirement that substantially all activities of Cayman 7 involve or are conducted on behalf of CEDC (as Cayman 7 is a company created solely to facilitate CEDC's funding of the exercise of call options to purchase shares of Cayman 6), we believe that this would require Cayman 7 to be treated as a VIE.

The conclusion of CEDC management is that Cayman 7, including its interest in Cayman 6 and indirectly in Russian Alcohol, is a VIE. CEDC, as the party most closely associated with Cayman 7 receiving all economic benefits from Russian Alcohol thorough the chain of subsidiaries, would be considered the primary beneficiary of Cayman 7 and must therefore consolidate Cayman 7 together with all of Russian Alcohol as a business combination under ASC Topic 805.

On December 9, 2009 we accelerated the terms set up on the Option Agreement dated April 24, 2009 and purchased the remaining equity interest in Russian Alcohol that was not owned by the Company. As a result of this Russian Alcohol is no longer treated as a VIE, but rather consolidated as a fully owned subsidiary.

Share Based Payments

As of January 1, 2006, the Company adopted ASC Topic 718 "Compensation—Stock Compensation" requiring the recognition of compensation expense in the Consolidated Statements of Operations related to the fair value of its employee share-based options.

Grant-date fair value of stock options is estimated using a lattice-binomial option-pricing model. We recognize compensation cost for awards over the vesting period. The majority of our stock options have a vesting period between one to three years.

See Note 12 to our Consolidated Financial Statements for more information regarding stock-based compensation.

Recently Issued Accounting Pronouncements

In August 2009, the Financial Accounting Standards Board ("FASB") issued FASB Accounting Standards Update No. 2009-05, *Fair Value Measurements and Disclosures* ("ASU 2009-05"), which is effective for financial statements issued for interim and annual periods ending after August 2009. ASU 2009-05 amends FASB Accounting Standards Codification ("FASB ASC") Topic 820-10 ("FASB ASC 820-10"). The update provides clarification on the techniques for measurement of fair value required of a reporting entity when a quoted price in an active market for an identical liability is not available. This update had no impact on the Company's financial position, results of operations or cash flows.

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification)™ and the Hierarchy of Generally Accepted Accounting Principles*—a replacement of FAS No. 162 ("SFAS No. 168"), which is effective for financial statements issued for interim and annual periods ending after September 15, 2009. SFAS No. 168 codified as ASC Topic 105-10 ("FASB ASC 105-10"). FASB ASC 105-10 identifies the sources of accounting principles and the framework for selecting principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with US GAAP (the GAAP hierarchy). This standard had no impact on the Company's financial position, results of operations or cash flows.

In June 2009, the FASB issued ASC Topic 810, "Amendments to FASB Interpretation No. 46(R)" ("ASC 810"). ASC 810 is a revision to FIN 46(R) and changes how a company determines whether an entity should be consolidated when such entity is insufficiently capitalized or is not controlled by the company through voting (or similar rights). The determination of whether a company is required to consolidate an entity is based on, among other things, the entity's purpose and design and the company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. ASC 810 retains the scope of FIN 46(R) but added entities previously considered qualifying special purpose entities, or QSPEs, since the concept of these entities is eliminated in ASC Topic 860. ASC 810 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2009. The Company is still in process of evaluating the potential impact of adoption of ASC 810 on its consolidated financial position and results of operations. Should the company determine that the requirements for consolidating the Whitehall

Group are not met under SFAS 167, the deconsolidation of this Group may result in a material impact on the presentation of the Company's results of operations. Specifically the lines of revenues and costs before Income before taxes, equity in net income from unconsolidated investments and non-controlling interest in subsidiaries would be reduced, however the final net income or loss attributable to CEDC would remain unchanged. Similarly the individual lines of the balance sheet will be effect however total equity would remain the same.

In April 2009, the FASB issued FASB Staff Position ("FSP") No. SFAS 115-2 and SFAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* ("FSP No. SFAS 115-2 and SFAS 124-2"), which is codified in FASB ASC Topic 320-10. FSP No. SFAS 115-2 and SFAS 124-2 provides guidance to determine whether the holder of an investment in a debt security for which changes in fair value are not regularly recognized in earnings should recognize a loss in earnings when the investment is impaired. This FSP also improves the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the consolidated financial statements. This guidance is effective for interim reporting periods ending after June 15, 2009. The adoption of FSP FAS 115-2 and FAS 124-2 did not have a material impact on our consolidated financial statements.

In April 2009, the FASB issued FSP No. SFAS 107-1 and Accounting Principles Board ("APB") Opinion No. APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* ("FSP No. SFAS 107-1 and APB 28-1"). FSP No. SFAS 107-1 and APB 28-1, which is codified in FASB ASC Topic 825-10-50, require disclosures about the fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. The Company adopted FSP No. SFAS 107-1 and APB 28-1 beginning April 1, 2009. This FSP had no impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP No. SFAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP No. SFAS 157-4"). FSP No. SFAS 157-4, which is codified in FASB ASC Topics 820-10-35-51 and 820-10-50-2, provides additional guidance for estimating fair value and emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. The Company adopted FSP No. SFAS 157-4 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

In December 2008, the FASB issued FSP No. SFAS 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets*, ("FSP No. SFAS 132(R)-1") which is codified in FASB ASC Topic 715-20-50. FSP No. SFAS 132(R)-1 requires enhanced disclosures about the plan assets of a Company's defined benefit pension and other postretirement plans intended to provide financial statement users with a greater understanding of: 1) how investment allocation decisions are made; 2) the major categories of plan assets; 3) the inputs and valuation techniques used to measure the fair value of plan assets; 4) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and 5) significant concentrations of risk within plan assets. The disclosure requirements are annual and do not apply to interim financial statements and are required by us in disclosures related to the year ended December 31, 2009. We do expect the adoption of FSP SFAS 132R-1 to result in additional annual financial reporting disclosures and we are continuing to assess the potential effects of this pronouncement.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

Our operations are conducted primarily in Poland and Russia and our functional currencies are primarily the Polish zloty, Hungarian forint and Russian ruble and the reporting currency is the U.S. dollar. Our financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, inventories, bank loans, overdraft facilities and long-term debt. All of the monetary assets represented by these financial instruments are located in Poland, Russia and Hungary. Consequently, they are subject to currency translation movements when reporting in U.S. dollars.

If the U.S. dollar increases in value against the Polish zloty, Russian ruble or Hungarian forint, the value in U.S. dollars of assets, liabilities, revenues and expenses originally recorded in Polish zloty, Russian ruble or Hungarian forint will decrease. Conversely, if the U.S. dollar decreases in value against the Polish zloty, Russian ruble or Hungarian forint, the value in U.S. dollars of assets, liabilities, revenues and expenses originally recorded in Polish zloty, Russian ruble or Hungarian forint will increase. Thus, increases and decreases in the value of the U.S. dollar can have a material impact on the value in U.S. dollars of our non-U.S. dollar assets, liabilities, revenues and expenses, even if the value of these items has not changed in their original currency.

The Company has borrowings including its Senior Secured Notes due 2012, Convertible Notes due 2013 and Senior Secured Notes 2016 that are denominated in U.S. dollars and euro's, which have been lent to its operations where the functional currency is the Polish zloty and Russian ruble. The effect of having debt denominated in currencies other than the Company's functional currencies is to increase or decrease the value of the Company's liabilities on that debt in terms of the Company's functional currencies when those functional currencies depreciate or appreciate in value respectively. As a result of this, the Company is exposed to gains and losses on the re-measurement of these liabilities. The table below summarizes the pre-tax impact of a one percent movement in each of the exchange rate which could result in a significant impact in the results of the Company's operations.

Exchange Rate	Value of notional amount	Pre-tax impact of a 1% movement in exchange rate
USD-Polish zloty	$426 million	$4.3 million gain/loss
USD-Russian ruble	$264 million	$2.6 million gain/loss
EUR-Polish zloty	€625 million or approximately $901 million	$9 million gain/loss

The table above includes €245 million for the Senior Secured Notes due in 2012 that were redeemed on January 4, 2010, thus there will not be any foreign exchange impact from them after this date.

Item 8. Financial Statements and Supplementary Data

Index to consolidated financial statements:

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Central European Distribution Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statement of operations, stockholders' equity and cash flows present fairly, in all material respects, the financial position of Central European Distribution Corporation ("CEDC" or the "Company") and its subsidiaries at December 31, 2009 and December 31, 2008, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Notes 1 and 2 to the consolidated financial statements, the Company changed the manner in which it accounts for non-controlling interests, debt with conversion features and business combinations in 2009.

A company's internal control over financial reporting is a process designed 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in the Management 's Report in Internal Control over Financial Reporting appearing under Item 9A, management has excluded the Russian Alcohol Group from its assessment of internal control over financial reporting as of December 31, 2009 because it was acquired by the Company in a purchase business

combination during the year ended December 31, 2009. We have also excluded the Russian Alcohol Group from our audit of internal control over financial reporting. The Russian Alcohol group is a wholly-owned subsidiary whose total assets and total revenues represent 20.0% and 21.2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2009.

/s/ PricewaterhouseCoopers Sp. z o. o.
Warsaw, Poland
March 1, 2010

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

CONSOLIDATED BALANCE SHEET
Amounts in columns expressed in thousands
(except share information)

	December 31, 2009	December 31, 2008 (as adjusted)
ASSETS		
Current Assets		
Cash and cash equivalents	$ 152,177	$ 107,601
Restricted cash	481,419	—
Accounts receivable, net of allowance for doubtful accounts of $56,090 and $22,156 respectively	631,005	430,683
Inventories	221,417	180,304
Prepaid expenses and other current assets	46,654	22,894
Deferred income taxes	83,458	24,386
Total Current Assets	**1,616,130**	**765,868**
Intangible assets, net	778,828	570,505
Goodwill, net	1,726,625	745,256
Property, plant and equipment, net	231,098	92,221
Deferred income taxes	27,123	12,886
Equity method investment in affiliates	67,089	189,243
Subordinated loans to affiliates	—	107,707
Total Non-Current Assets	**2,830,763**	**1,717,818**
Total Assets	**$4,446,893**	**$2,483,686**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade accounts payable	$ 266,071	$ 234,948
Bank loans and overdraft facilities	124,266	109,552
Income taxes payable	4,935	7,227
Taxes other than income taxes	207,168	125,774
Other accrued liabilities	100,266	80,270
Short-term obligations under Senior Notes	358,943	—
Current portions of obligations under capital leases	1,724	2,385
Deferred consideration	160,880	—
Total Current Liabilities	**1,224,253**	**560,156**
Long-term debt, less current maturities	106,043	170,510
Long-term obligations under capital leases	1,371	2,194
Long-term obligations under Senior Notes	1,205,467	633,658
Long-term accruals	3,214	5,806
Deferred income taxes	198,495	106,485
Total Long Term Liabilities	**1,514,590**	**918,653**
Redeemable noncontrolling interests in Whitehall Group	22,888	33,642
Stockholders' Equity		
Common Stock ($0.01 par value, 80,000,000 shares authorized, 69,411,845 and 47,344,874 shares issued at December 31, 2009 and December 31, 2008, respectively)	694	473
Additional paid-in-capital	1,296,391	816,490
Retained earnings	264,917	186,588
Accumulated other comprehensive income / (loss)	123,310	(46,772)
Less Treasury Stock at cost (246,037 shares at December 31, 2009 and December 31, 2008, respectively)	(150)	(150)
Total CEDC Stockholders' Equity	**1,685,162**	**956,629**
Noncontrolling interests in subsidiaries	—	14,606
Total Equity	**1,685,162**	**971,235**
Total Liabilities and Stockholders' Equity	**$4,446,893**	**$2,483,686**

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

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
Amounts in columns expressed in thousands
(except per share information)

	Year ended December 31,		
	2009	2008 (as adjusted)	2007
Sales	**$2,197,542**	**$ 2,136,570**	**$1,483,344**
Excise taxes	(690,403)	(489,566)	(293,522)
Net Sales	**1,507,139**	**1,647,004**	**1,189,822**
Cost of goods sold	1,012,543	1,224,899	941,060
Gross Profit	**494,596**	**422,105**	**248,762**
Operating expenses	278,448	223,373	130,677
Operating Income	**216,148**	**198,732**	**118,085**
Non operating income / (expense), net			
Interest (expense), net	(80,213)	(53,447)	(35,829)
Other financial income / (expense), net	21,864	(132,936)	13,594
Amortization of deferred charges	(38,501)	—	—
Other non operating income / (expense), net	824	410	(1,770)
Income before taxes, equity in net income from unconsolidated investments and noncontrolling interests in subsidiaries	**120,122**	**12,759**	**94,080**
Income tax expense	(22,905)	(11,872)	(15,910)
Equity in net earnings of affiliates	(13,102)	(9,002)	—
Net income / (loss)	**$ 84,115**	**($ 8,115)**	**$ 78,170**
Less: Net income / (loss) attributable to noncontrolling interests in subsidiaries	2,708	3,680	1,068
Less: Net income / (loss) attributable to redeemable noncontrolling interests in Whitehall Group	3,078	6,803	—
Net income / (loss) attributable to CEDC	**$ 78,329**	**($ 18,598)**	**$ 77,102**
Net income per share of common stock, basic	$ 1.46	($ 0.42)	$ 1.93
Net income per share of common stock, diluted	$ 1.45	($ 0.42)	$ 1.91

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

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Amounts in columns expressed in thousands
(except per share information)

	Common Stock				Additional Paid-in Capital	Retained Earnings	Accumulated other comprehensive income	Non-controlling interest in subsidiaries	Total
	Common Stock		Treasury Stock						
	No. of Shares	Amount	No. of Shares	Amount					
Balance at December 31, 2006	38,692	$387	246	($150)	$ 374,985	$128,084	$ 17,667	$ 21,395	$ 542,368
Net income for 2007	—	—	—	—	—	77,102	—	1,068	78,170
Foreign currency translation adjustment	—	—	—	—	—	—	162,773	(21,982)	140,791
Comprehensive income for 2007	—	—	—	—	—	77,102	162,773	(20,914)	218,961
Common stock issued in public placement	1,554	16	—	—	42,338	—	—	—	42,354
Common stock issued in connection with options	272	3	—	—	5,538	—	—		5,541
Common stock issued in connection with acquisitions	48	0	—	—	1,693	—	—	—	1,693
Refundable purchase price related to Botapol acquisition	—	—	—	—	5,000	—	—	—	5,000
Balance at December 31, 2007	40,566	$406	246	($150)	$ 429,554	$205,186	$ 180,440	$ 481	$ 815,917
Net income for 2008	—	—	—	—	—	(16,591)	—	3,680	(12,911)
Foreign currency translation adjustment	—	—	—	—	—	—	(227,212)	10,445	(216,767)
Comprehensive income for 2008	—	—	—	—	—	(16,591)	(227,212)	14,125	(229,678)
Common stock issued in public placement	3,576	36	—	—	233,809	—	—	—	233,845
Common stock issued in connection with options	121	1	—	—	5,739	—	—	—	5,740
Common stock issued in connection with acquisitions	3,082	30	—	—	134,601	—	—	—	134,631
Balance at December 31, 2008 (as reported)	47,345	$473	246	($150)	$ 803,703	$188,595	($ 46,772)	$ 14,606	$ 960,455
Adoption of ASC 470-20	—	—	—	—	12,787	(2,007)	—	—	10,780
Balance at December 31, 2008 (as adjusted)	47,345	$473	246	($150)	$ 816,490	$186,588	($ 46,772)	$ 14,606	$ 971,235
Net income / (loss) for 2009	—	—	—	—	—	78,329	—	2,708	81,037
Foreign currency translation adjustment	—	—	—	—	—	—	170,082	(4,018)	166,064
Comprehensive income for 2009	—	—	—	—	—	78,329	170,082	(1,310)	247,101
Common stock issued in public placement	17,935	179	—	—	486,967	—	—	—	487,146
Common stock issued in connection with options	63	1	—	—	4,634	—	—	—	4,635
Common stock issued in connection with acquisitions	4,069	41	—	—	81,156	—	—	—	81,197
Acquisition of Russian Alcohol	—	—	—	—	—	—	—	50,000	50,000
Purchase of Russian Alcohol shares from noncontrolling interest	—	—	—	—	(29,401)	—	—	(52,382)	(81,783)
Purchase of Whitehall Group shares from noncontrolling interest	—	—	—	—	(20,195)	—	—	—	(20,195)
Gross up on trademarks in Parliament	—	—	—	—	—	—	—	15,993	15,993
Purchase of Parliament Group shares from noncontrolling interest	—	—	—	—	(43,260)	—	—	(26,907)	(70,167)
Valuation adjustment	—	—	—	—	—	—	—	—	—
Balance at December 31, 2009	69,412	$694	246	($150)	$1,296,391	$264,917	$ 123,310	($ 0)	$1,685,162

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

CENTRAL EUROPEAN DISTRIBUTION CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
Amounts in columns expressed in thousands

	Twelve months ended December 31,		
	2009	2008 (as adjusted)	2007
Operating Activities			
Net income	$ 84,115	($ 8,115)	$ 78,170
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:			
Depreciation and amortization	14,652	14,786	9,968
Deferred income taxes	(32,378)	(19,282)	9,957
Unrealized foreign exchange (gains) / losses	(38,760)	133,528	(23,940)
Cost of debt extinguishment	—	1,156	11,864
Stock options expense	3,782	3,850	1,866
Hedge revaluation	9,160	—	—
Equity income in affiliates	13,101	9,002	—
Gain on remeasurement of previously held equity interest, net of impairment	(12,418)	—	—
Amortization of deferred charges	38,501		
Other non cash items	1,333	1,314	7,284
Changes in operating assets and liabilities:			
Accounts receivable	(53,483)	(121,589)	(38,812)
Inventories	1,268	(41,712)	(21,986)
Prepayments and other current assets	28,859	17,100	5,865
Trade accounts payable	(2,049)	62,459	(880)
Other accrued liabilities and payables	37,278	19,699	(16,272)
Net Cash provided by Operating Activities	92,961	72,196	23,084
Investing Activities			
Investment in fixed assets	(18,696)	(22,572)	(25,787)
Proceeds from the disposal of fixed assets	3,874	6,943	2,670
Changes in restricted cash	(481,419)	—	—
Purchase of financial assets	—	(103,500)	—
Refundable purchase price related to Botapol acquisition	—	—	5,000
Acquisitions of subsidiaries, net of cash acquired	(573,504)	(548,799)	(141,005)
Net Cash used in Investing Activities	(1,069,745)	(667,928)	(159,122)
Financing Activities			
Borrowings on bank loans and overdraft facility	37,399	120,586	13,225
Borrowings on long-term bank loans	—	43,192	122,508
Payment of bank loans, overdraft facility and other borrowings	(146,567)	(31,935)	(30,153)
Payment of long-term borrowings	(265,517)	—	8
Net Borrowings of Senior Secured Notes	929,569	—	—
Payment of Senior Secured Notes	—	(26,996)	(95,440)
Repayment of obligation to former shareholders	(28,814)	—	—
Hedge closure	(14,417)	—	—
Movements in capital leases payable	(1,430)	1,216	445
Issuance of shares in public placement	490,974	233,845	42,354
Transactions with equity holders	(7,876)	—	—
Net Borrowings on Convertible Senior Notes	—	304,403	—
Dividends paid to minority shareholders	(2,758)	—	—
Options exercised	854	1,899	3,976
Net Cash provided by Financing Activities	991,417	646,210	56,923
Currency effect on brought forward cash balances	29,943	(30,744)	7,620
Net Increase / (Decrease) in Cash	44,576	19,734	(71,495)
Cash and cash equivalents at beginning of period	107,601	87,867	159,362
Cash and cash equivalents at end of period	$ 152,177	$ 107,601	$ 87,867
Supplemental Schedule of Non-cash Investing Activities			
Common stock issued in connection with investment in subsidiaries	$ 81,197	$ 134,631	$ 1,693
Supplemental disclosures of cash flow information			
Interest paid	$ 84,694	$ 55,426	$ 40,136
Income tax paid	$ 28,118	$ 33,919	$ 21,362

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

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Amounts in tables expressed in thousands, except per share information

1. Organization and Significant Accounting Policies

Organization and Description of Business

Central European Distribution Corporation ("CEDC"), a Delaware corporation, and its subsidiaries (collectively referred to as "we," "us," "our," or the "Company") operate primarily in the alcohol beverage industry. The Company is Central Europe's largest integrated spirit beverages business. The Company is also the largest vodka producer by value and volume in Poland and Russia and produces the Absolwent, Zubrowka, Bols, Parliament, Green Mark, Soplica and Zhuravli brands, among others. In addition, it produces and distributes Royal Vodka, the number one selling vodka in Hungary. As well as sales and distribution of its own branded spirits, the Company is the leading distributor and the leading importer of spirits, wine and beer in Poland and a leading exclusive importer of wines and spirits in Poland, Russia and Hungary.

Significant Accounting Policies

The significant accounting policies and practices followed by the Company are as follows:

Basis of Presentation

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. Our Company consolidates all entities that we control by ownership of a majority voting interest. We also consolidated the Whitehall Group, in which the Company controls 49.9% of voting interest, and Russian Alcohol, where we obtained full voting control in January 2010. All inter-company accounts and transactions have been eliminated in the consolidated financial statements.

In June 2009, the FASB issued ASC Topic 810, which changes how a company determines whether an entity should be consolidated. The adoption of this standard may impact the current treatment of the Whitehall Group by the Company and the Company is current assessing this treatment and potential impact on the financial statements. See "Recently Issued Accounting Pronouncements" for more detailed information on this topic.

CEDC's subsidiaries maintain their books of account and prepare their statutory financial statements in their respective local currencies.

The subsidiaries' financial statements have been adjusted to reflect accounting principles generally accepted in the United States of America (U.S. GAAP).

Effective January 1, 2009, we adopted the following pronouncements which require us to retrospectively restate previously disclosed consolidated financial statements. As such, certain prior period amounts have been reclassified in the unaudited consolidated financial statements to conform to the current period presentation.

- We adopted the provisions of *Accounting Standards Codification* ("ASC") Topic 810-10, *"Consolidation"*, which establishes and expands accounting and reporting standards for minority interests (which are recharacterized as noncontrolling interests) in a subsidiary and the deconsolidation of a subsidiary. As a result of our adoption of this standard, amounts previously reported as minority interests in other partnerships on our balance sheets are now presented as noncontrolling interests in other partnerships within equity. Minority interests in Whitehall Group continue to be included in the mezzanine section (between liabilities and equity) on the accompanying consolidated balance sheets because of the redemption feature of these units.

  As a result of adoption of ASC Topic 810-10, as at December 31, 2008, NCI related to our shareholding in Parliament and Polmos Bialystok amounting to $14.6 million would be reported as part

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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of equity and the amount of $33.6 million related to Whitehall Group would be disclosed in the mezzanine section.

ASC Topic 810-10 applies prospectively, except for presentation and disclosure requirements, which are applied retrospectively.

The changes in redeemable noncontrolling interests for the twelve months ended December 31, 2009 are shown below:

Balance at December 31, 2008	$33,642
Net income for 2009	3,078
Foreign currency translation adjustment	(4,013)
JV Revaluation into RUR as a functional currency	(3,091)
Purchase of shares from noncontrolling interests	(6,728)
Balance at December 31, 2009	**$22,888**

- We adopted ASC Topic 470-20, *"Debt with Conversion and Other Options"* that is effective for our $310.0 million aggregate principal amount of 3.00% Convertible Senior Notes ("CSN") and requires retrospective application for all periods presented. The ASC Topic 470-20 requires the issuer of convertible debt instruments with cash settlement features to separately account for the liability ($290.3 million as of the date of the issuance of the CSNs) and equity components ($19.7 million as of the date of the issuance of the CSNs) of the instrument. The debt component was recognized at the present value of its cash flows discounted using a 4.5% discount rate, our borrowing rate at the date of the issuance of the CSNs for a similar debt instrument without the conversion feature. The equity component, recorded as additional paid-in capital, was $12.8 million, which represents the difference between the proceeds from the issuance of the Debentures and the fair value of the liability, net of deferred taxes of $6.9 million as of the date of the issuance of the CSNs.

  ASC Topic 470-20 also requires an accretion of the resultant debt discount over the expected life of the CSNs, which is March 7, 2008 to March 15, 2013. The consolidated statement of operations were retroactively modified compared to previously reported amounts as follows (in thousands, except per share amounts):

	Twelve months ended December 31, 2008
Additional pre-tax non-cash interest expense	3,087
Additional deferred tax benefit	1,080
Retroactive change in net income and retained earnings	(2,006)
Change to basic earnings per share	($ 0.05)
Change to diluted earnings per share	($ 0.05)

For the twelve months ended December 31, 2009, the additional pre-tax non-cash interest expense recognized in the consolidated statement of operations was $3.9 million. Accumulated amortization related to the debt discount was $7.0 million and $3.1 million as of December 31, 2009 and December 31, 2008, respectively. The annual pre-tax increase in non-cash interest expense on our consolidated statements of operations to be recognized until 2013, the maturity date of the CSNs, is as follows (in thousands):

	Pre-tax increase in non-cash interest expense
2010	4,098
2011	4,282
2012	4,285

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The FASB has issued FASB Statement No. 168, The *"FASB Accounting Standards Codification™" and the Hierarchy of Generally Accepted Accounting Principles* codified as ASC Topic 105 *"Generally Accepted Accounting Principles"*. ASC Topic 105 establishes the FASB Accounting Standards Codification™ (Codification or ASC) as the single source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification supersedes all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification will become non-authoritative.

Following the Codification, the Board will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates, which will serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification.

GAAP is not intended to be changed as a result of the FASB's Codification project, but it will change the way the guidance is organized and presented. As a result, these changes will have a significant impact on how companies reference GAAP in their financial statements and in their accounting policies for financial statements issued for interim and annual periods ending after September 15, 2009. CEDC adopted the Codification in this quarterly report by providing references to the Codification topics alongside references to the existing standards.

The Company has performed an evaluation of subsequent events through March 1, 2010, which is the date the financial statements were issued.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates and such differences may be material to the consolidated financial statements.

Foreign Currency Translation and Transactions

For all of the Company's subsidiaries the functional currency is the local currency. Assets and liabilities of these operations are translated at the exchange rate in effect at each year-end. The Statement of Operations are translated at the average rate of exchange prevailing during the respective year. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of stockholders' equity. Transaction adjustments arising from operations as well as gains and losses from any specific foreign currency transactions are included in the reported net income/(loss) for the period.

The accompanying consolidated financial statements have been presented in U.S. dollars.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Amounts in tables expressed in thousands, except per share information

Tangible Fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation. Depreciation of tangible fixed assets is computed by the straight-line method over the following useful lives:

Type	Depreciation life in years
Transportation equipment including capital leases	5
Production equipment	10
Software	5
Computers and IT equipment	3
Beer dispensing and other equipment	2-10
Freehold land	Not depreciated
Freehold buildings	40

Leased equipment meeting appropriate criteria is capitalized and the present value of the related lease payments is recorded as a liability. Amortization of capitalized leased assets is computed on a straight-line method over the useful life of the relevant assets.

Where the cost of equipment is approximately $1,500 per transaction, it is expensed to the statement of operations as incurred.

The Company periodically reviews its investment in tangible fixed assets and when indicators of impairment exist, an impairment loss is recognized.

Goodwill

Following the adoption of ASC Topic 805 and ASC Topic 350, goodwill and certain intangible assets having indefinite lives are no longer subject to amortization. Their book values are tested annually for impairment, or more frequently, if facts and circumstances indicate the need. Fair value measurement techniques, such as the discounted cash flow methodology, are utilized to assess potential impairments. The testing is performed at each reporting unit level. In the discounted cash flow method, the Company discounts forecasted performance plans to their present value. The discount rate utilized is the weighted average cost of capital for the reporting unit. US GAAP requires the impairment test to be performed in two stages. If the first stage does not indicate that the carrying values of the reporting units exceed the fair values, the second stage is not required. When the first stage indicates potential impairment, the company has to complete the second stage of the impairment test and compare the implied fair value of the reporting units' goodwill to the corresponding carrying value of goodwill.

Involvement of the Company in variable interest entities ("VIEs") and continuing involvement with transferred financial assets.

Whitehall Group

On May 23, 2008, the Company and certain of its affiliates, entered into, and closed upon, a Share Sale and Purchase Agreement and certain other agreements whereby the Company acquired shares representing 50% minus one vote of the voting power, and 75% of the economic interests, in the Whitehall Group. In consideration for additional payments made to the seller on February 24, 2009, the Company received an additional 375 Class B shares of Whitehall, which represents an increase of the Company's economic stake in Whitehall Group from 75% to 80%.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Transfers of Financial Assets

Except for the amount of $7.5 million that was lent at market rates as a working capital by the Company to the Whitehall Group there were no transfers of financial assets to VIE as the Whitehall Group is a self financing body. Including the $7.5 million transfer, the Company does not have any continuing involvement with transferred financial assets that allow the transferors to receive cash flows or other benefits from the assets or requires the transferors to provide cash flows or other assets in relation to the transferred financial assets.

Variable Interest Entities

CEDC consolidated the Whitehall Group as a business combination as of May 23, 2008, on the basis that the Whitehall Group is a Variable Interest Entity ("VIE") and the Company has been assessed as being the primary beneficiary. Included within the Whitehall Group is a 50/50 joint venture with Möet Hennessy. The current term of the joint venture is until June 2013 at which point Möet Hennessy will have the option to acquire the remaining shares of the entity.

Based upon the review of Paragraph 4 CEDC management has concluded that its interest in Peulla Enterprises, the special purpose vehicle ("SPV"), being a Cyprus company in which CEDC has 49.9% voting power, would not fall under any of scope exceptions. Therefore CEDC has evaluated whether the SPV is a variable interest entity under the provisions of Paragraph 5 and thus the SPV subject to consolidation accounting.

In determining the accounting treatment if the Whitehall Group is a VIE and needs to be consolidated by CEDC, we considered the conditions outlined in ASC Topic 810.

- *Equity Investment at Risk*—We concluded that the SPV would not meet the requirement of a VIE based upon Paragraph 5(a) as the interest would be classified as equity under US GAAP, the at risk equity is sufficient to permit the entity to finance its activities. Neither equity holder will provide any additional material capital into the SPV. The SPV will be utilized solely as a holding company with its economics determined by the underlying Whitehall Group.
- *Controlling Financial Interests*—Both shareholders, Mark Kaoufman acting through a Jersey trust ("the Trust") and CEDC, are able to direct the activities and operations of the Whitehall Group through their roles on the Board of Directors and their responsibilities for selection of executive level officers. However, the ultimate obligation to absorb losses of the entity or right to receive the residual benefits will lie with CEDC at the time the put/call term ends. Should the business not perform, the Trust will have the right to put his shares to CEDC with a pre-agreed floor on the value of the put option. Thus the Company is at risk of absorbing a greater portion of losses upon the Trust's exit than the Trust itself. Conversely at the end of the term, CEDC can call and if the business has over performed, the amount paid to the Trust on the call is capped at a pre-agreed amount. As such, because the Trust is both limited in its losses and returns through the terms of the put/call with caps and floors, this criterion is met and would cause Whitehall Group to be considered a VIE.
- *Disproportionate Voting Rights*—The voting rights of the Trust and CEDC (50.1% and 49.9%) are not proportionate to their economic interests (20% and 80%). In this structure, it appears CEDC has disproportionately fewer voting rights in relation to its economic rights.

  Further, the below activities of the entity that are more closely associated with the activities of CEDC, thereby having substantially of the entity's activities conducted on its behalf. As CEDC has disproportionately fewer rights while substantially all of Whitehall Group's activities are for CEDC, this would indicate that Whitehall Group lacks characteristic:

  - The operations of Whitehall Group are substantially similar in nature to the activities of CEDC;

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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- CEDC has a call option to purchase the interests of the other investors in the entity;
- The Trust has an option to put his interests to CEDC.

Both the Trust and CEDC are precluded from transferring its interests in the SPV to any third-party without consent from the other party. Transfers are subject to an absolute other party discretion standard, other than limited permitted transfers (i.e., to affiliates). As such, it appears a de facto relationship exists.

The primary factor to be considered here is the design and intent of the variable interest entity. The SPV that holds the Whitehall Group and the related shareholders agreement were created with the clear intent to maximize the financial exposure that CEDC has to the Whitehall Group business and to ultimately allow CEDC to take full control of the business in 2013. CEDC bears the greatest level of economic share of the entities performance, both in terms of profit allocation (80%) and valuation of the put/call option at the end with a clear floor and cap on payment. The put/call structure in place provide near assurance that at the end of the term CEDC will take full ownership of the business. Should the business perform at or above plan, CEDC valuation is capped therefore would elect to call, and should the business under perform, the Trust will put the shares receiving the guaranteed minimum valuation.

In June 2009, the FASB issued Statement of Financial Account Standards no. 167, which changes how a company determines whether an entity should be consolidated. The adoption of this standard may impact the current treatment of the Whitehall Group by the Company and the Company is current assessing this treatment and potential impact on the financial statements. See "Recently Issued Accounting Pronouncements" for more detailed information on this topic.

Russian Alcohol Group

On April 24, 2009, the Company entered into new agreements with Lion, to replace the Prior Agreement, which will permit the Company, through a multi-stage equity purchase, to acquire over the next five years (including 2009) all of the equity interests in Russian Alcohol held by Lion (the "Acquisition"), including a Note Purchase and Share Subscription Agreement between the Company, Carey Agri, Cayman 2, and Cayman 5. For further details on the whole structure of this acquisition please refer to Note 2 of the accompanying financial statements attached herein.

At the lowest level of the existing structure, all of Russian Alcohol companies up to the level of Lion/Rally Lux1 are consolidated based on the fact that these are 100% wholly-owned companies. Therefore, we have evaluated and considered Cayman 7 as a variable interest entity for CEDC in the structure.

Transfers of Financial Assets

There were no transfers of financial assets to a VIE as Russian Alcohol is a self financing body. The Company does not have any continuing involvement with transferred financial assets that allow the transferors to receive cash flows or other benefits from the assets or requires the transferors to provide cash flows or other assets in relation to the transferred financial assets.

Variable Interest Entities

Cayman 7 is a company in which Cayman 2 and CEDC are the sole limited partners and an affiliate of Lion is the general partner. CEDC has 100% of the economic interests in Cayman 7, but Lion retains control of Cayman 7 through Cayman 2's ownership of a single voting share with de minimis economic rights (the "Golden Share") but voting control of Cayman 7. As Cayman 7 has the right to call capital from CEDC to settle obligations under the Option Agreement, CEDC has evaluated whether Cayman 7 is a variable interest entity under the provisions ASC Topic 810.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Based upon the review of Paragraph 4 CEDC's management has concluded that its direct interest in Cayman 7, as well as its indirect interest through Carey Agri and Cayman 2, would not fall under any of these scope exceptions. Therefore CEDC has evaluated whether Cayman 7 is a variable interest entity under the provisions of Paragraph 5 of ASC Topic 810 and thus subject to consolidation accounting.

In determining the accounting treatment if Cayman 7 and, effectively, the whole Russian Alcohol is a VIE and needs to be consolidated by CEDC, we considered the conditions outlined in ASC Topic 810.

- *Equity Investment at Risk*—We concluded that as the contribution made by Cayman 2 was the only one that required substantial investment, Cayman 2 should be defined as having its equity at risk. Moreover as Cayman 7 is not able to finance its operations without funds received from CEDC, we believe that Cayman 7 would meet the requirement of a VIE based upon Paragraph 5(a).
- *Controlling Financial Interests*—CEDC concluded that the equity investment at risk does not meet the last item in Paragraph 5(b) as all dividends from the business are passed to CEDC with CEDC not having its equity investment at risk. These dividends then reduce CEDC's payment obligations to Lion (if dividends paid to CEDC by Russian Alcohol exceed the call option price, Lion has to return the excess as CEDC's call option obligations have been met). However, Lion is not entitled to receive any dividends from Cayman 7 directly as CEDC has 100% of the economic interests, with Lion having voting control through voting rights. Therefore we believe that Paragraph 5(b) would cause Cayman 7 to be treated as a VIE.
- *Disproportionate Voting Rights*—We believe that both criteria, including lack of voting rights and the requirement that substantially all activities of Cayman 7 involve or are conducted on behalf of CEDC (as Cayman 7 is a company created solely to facilitate CEDC's funding of the exercise of call options to purchase shares of Cayman 6), we believe that this would require Cayman 7 to be treated as a VIE.

The conclusion of CEDC management is that Cayman 7, including its interest in Cayman 6 and indirectly in Russian Alcohol, is a VIE. CEDC, as the party most closely associated with Cayman 7 receiving all economic benefits from Russian Alcohol thorough the chain of subsidiaries, would be considered the primary beneficiary of Cayman 7 and must therefore consolidate Cayman 7 together with all of Russian Alcohol as a business combination under ASC Topic 805.

On December 9, 2009 we accelerated the terms set up on the Option Agreement dated April 24, 2009 and purchased the remaining equity interest in Russian Alcohol that was not owned by the Company. As a result of this Russian Alcohol is no longer treated as a VIE, but rather consolidated as a fully owned subsidiary.

Intangible assets other than Goodwill

Intangibles consist primarily of acquired trademarks relating to well established brands, and as such have been deemed to have an indefinite life. In accordance with ASC Topic 350, intangible assets with an indefinite life are not amortized but are reviewed at least annually for impairment. Additional intangible assets include the valuation of customer contracts arising as a result of acquisitions, these intangible assets are amortized over their estimated useful life of 8 years.

Equity investments

If the Company is not required to consolidate its investment in another company, the Company uses the equity method if the Company can exercise significant influence over the other company. Under the equity

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

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method, investments are carried at cost, plus or minus the Company's equity in the increases and decreases in the investee's net assets after the date of acquisition and certain other adjustments. The Company's share of the net income or loss of the investee is included in equity in earnings of equity method investees on the Company's Consolidated Statements of Operations. Dividends received from the investee reduce the carrying amount of the investment. Equity investments are reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable.

Impairment of long lived assets

In accordance with ASC Topic 805 and ASC Topic 350, the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of an asset exceeds its fair value.

Revenue Recognition

Revenues of the Company include sales of its own produced spirit brands, imported wine, beer and spirit brands as well as other third party alcoholic products purchased locally in Poland, the sale of each of these revenues streams are all processed and accounted for in the same manner. For all of its sources of revenue, the Company recognizes revenue when persuasive evidence of an arrangement exists, delivery of product has occurred, the sales price charged is fixed or determinable and collectability is reasonably assured. This generally means that revenue is recognized when title to the products are transferred to our customers. In particular, title usually transfers upon shipment to or receipt at our customers' locations, as determined by the specific sales terms of the transactions.

Sales are stated net of sales tax (VAT) and reflect reductions attributable to consideration given to customers in various customer incentive programs, including pricing discounts on single transactions, volume discounts, promotional listing fees and advertising allowances, cash discounts and rebates. Net sales revenue includes excise tax except in the case where the sales are made from the production unit or are related to imported goods, in which case it is recorded net of excise tax.

Revenue Dilution

As part of normal business terms with customers, the Company provides for additional discounts and rebates off our stand list price for all of the products we sell. These revenue reductions are documented in our contracts with our customers and are typically associated with annual or quarterly purchasing levels as well as payment terms. These rebates are divided into on-invoice and off-invoice discounts. The on-invoice reductions are presented on the sales invoice and deducted from the invoice gross sales value. The off-invoice reductions are calculated based on the analysis performed by management and are provided for in the same period the related sales are recorded. Discounts or fees that are subject to contractual based term arrangements are amortized over the term of the contract. For the twelve months ending December 31, 2009, the Company recognized $117.9 million of off invoice rebates as a reduction to net sales.

Certain sales contain customer acceptance provisions that grant a right of return on the basis of either subjective criteria or specified objective criteria. Where appropriate a provision is made for product return, based upon a combination of historical data as well as depletion information received from our larger clients. The

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Company's policy is to closely monitor inventory levels with our key distribution customers to ensure that we do not create excess stock levels in the market which would result in a return of sales in the future. Historically sales returns from customers has averaged less than 1% of our net sales revenue.

Shipping and Handling Costs

Where the Company has incurred costs in shipping goods to its warehouse facilities these costs are recorded as part of inventory and then to costs of goods sold. Shipping and handling costs associated with distribution are recorded in Selling, General and Administrative (S,G&A) costs.

Accounts Receivable

Accounts receivables are recorded based on the invoice price, inclusive of VAT (sales tax), and where a delivery note has been signed by the customer and returned to the Company. The allowances for doubtful accounts are based upon the aging of the accounts receivable, whereby the Company makes an allowance based on a sliding scale. The Company typically does not provide for past due amounts due from large international retail chains (hypermarkets and supermarkets) as there have historically not been any issues with collectability of these amounts. However, where circumstances require, the Company will also make specific provisions for any excess not provided for under the general provision. When a final determination is delivered to the Company regarding the non-recovery of a receivable, the Company then charges the unrecoverable amount to the accumulated allowance.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market value. Elements of cost include materials, labor and overhead and are classified as follows:

	December 31, 2009	December 31, 2008
Raw materials and supplies	$ 35,922	$ 18,352
In-process inventories	2,914	1,698
Finished goods and goods for resale	182,581	160,254
Total	**$221,417**	**$180,304**

Because of the nature of the products supplied by the Company, great attention is paid to inventory rotation. Where goods are estimated to be obsolete or unmarketable they are written down to a value reflecting the net realizable value in their relevant condition.

Cost includes customs duty (where applicable), and all costs associated with bringing the inventory to a condition for sale. These costs include importation, handling, storage and transportation costs, and exclude rebates received from suppliers, which are reflected as reductions to closing inventory. Inventories are comprised primarily of beer, wine, spirits, packaging materials and non-alcoholic beverages.

Cash and Cash Equivalents

Short-term investments which have a maturity of three months or less from the date of purchase are classified as cash equivalents.

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Income Taxes and Deferred Taxes

The Company computes and records income taxes in accordance with the liability method. Deferred tax assets and liabilities are recorded based on the difference between the accounting and tax basis of the underlying assets and liabilities based on enacted tax rates expected to be in effect for the year in which the differences are expected to reverse.

Employee Retirement Provisions

The Company's employees are entitled to retirement payments and in some cases payments for long-service ("jubilee awards") and accordingly the Company provides for the current value of the liability related to these benefits. A provision is calculated based on the terms set in the collective labor agreement. The amount of the provision for retirement bonuses depends on the age of employees and the pre-retirement time of work for the Company and typically equals one months salary.

The Company does not create a specific fund designated for these payments and all payments related to the benefits are charged to the accrued liability. The provision for the employees' benefits is calculated annually using the projected unit method and any losses or gains resulting from the valuation are immediately recognized in the statement of operations.

The Company also contributes to State and privately managed defined contribution plans. Contributions to defined contribution plans are charged to the statement of operations in the period in which they are incurred.

Employee Stock-Based Compensation

The Company adopted ASC Topic 718 "Compensation—Stock Compensation" requiring the recognition of compensation expense in the Consolidated Statements of Operations related to the fair value of its employee share-based options.

The Company recognizes the cost of all employee stock options on a straight-line attribution basis over their respective vesting periods, net of estimated forfeitures. The Company has selected the modified prospective method of transition; accordingly, prior periods have not been restated.

ASC Topic 718 requires the recognition of compensation expense related to the fair value of employee share-based options. Determining the fair value of share-based awards at the grant date requires judgment, including estimating the expected term that stock options will be outstanding prior to exercise, the associated volatility and the expected dividends. Judgment is also required in estimating the amount of share-based awards expected to be forfeited prior to vesting. If actual forfeitures differ significantly from these estimates, share-based compensation expense could be materially impacted. Prior to adopting ASC Topic 718, the Company applied Accounting Principles Board ("APB") Opinion No. 25, and related Interpretations, in accounting for its stock-based compensation plans. All employee stock options were granted at or above the grant date market price. Accordingly, no compensation cost was recognized for fixed stock option grants in prior periods.

The Company's 2007 Stock Incentive Plan ("Incentive Plan") provides for the grant of stock options, stock appreciation rights, restricted stock and restricted stock units to directors, executives, and other employees ("employees") of the Company and to non-employee service providers of the Company. Following a shareholder resolution in April 2003 and the stock splits of May 2003, May 2004 and June 2006, the Incentive Plan authorizes, and the Company has reserved for future issuance, up to 1,397,333 shares of Common Stock (subject

to an anti-dilution adjustment in the event of a stock split, re-capitalization, or similar transaction). The Compensation Committee of the Board of Directors of the Company administers the Incentive Plan.

The option exercise price for stock options granted under the Incentive Plan may not be less than fair market value but in some cases may be in excess of the closing price of the Common Stock on the date of grant. The Company uses the stock option price based on the closing price of the Common Stock on the day before the date of grant if such price is not materially different than the opening price of the Common Stock on the day of the grant. Stock options may be exercised up to 10 years after the date of grant except as otherwise provided in the particular stock option agreement. Payment for the shares must be in cash, which must be received by the Company prior to any shares being issued. Stock options granted to directors and officers as part of an employee employment contract vest after 2 years. Stock options granted to general employees as part of a loyalty program vest after three years. The Incentive Plan was approved by CEDC shareholders during the annual shareholders meeting on April 30, 2007 to replace the Company's 1997 Stock Incentive Plan (the "Old Stock Incentive Plan"), which expired in November 2007. The Stock Incentive Plan will expire in November 2017. The terms and conditions of the Stock Incentive Plan are substantially similar to those of the Old Stock Incentive Plan.

Before January 1, 2006 CEDC, the holding company, realized net operating losses and therefore an excess tax benefit (windfall) resulting from the exercise of the awards and a related credit to Additional Paid-in Capital (APIC) of $2.2 million was not recorded in the Company's books. The excess tax benefits and the credit to APIC for the windfall should not be recorded until the deduction reduces income taxes payable on the basis that cash tax savings have not occurred. The Company will recognize the windfall upon realization.

Comprehensive Income/(Loss)

Comprehensive income/(loss) is defined as all changes in equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income/(loss) includes net income/(loss) adjusted by, among other items, foreign currency translation adjustments. The translation gains/(losses) on the re-measurements from foreign currencies (primarily the Polish zloty and Russian ruble) to U.S. dollars are classified separately as a component of accumulated other comprehensive income included in stockholders' equity.

As of December 31, 2009, the Polish zloty exchange rate used to translate the balance sheet strengthened compared to the exchange rate as of December 31, 2008, and as a result a gain to comprehensive income was recognized.

Segment Reporting

The Company primarily operates in one industry segment, the production and sale of alcoholic beverages. As a result of the Company's expansion into new geographic areas, namely Russia, the Company has implemented a segmental approach to the business based upon geographic locations.

Net Income per Common Share

Net income per common share is calculated in accordance with ASC Topic 260 "Earnings per Share." Basic earnings per share (EPS) are computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the year. The stock options and warrants discussed in Note 12 were included in the computation of diluted earnings per common share (Note 17).

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Recently Issued Accounting Pronouncements

In August 2009, the Financial Accounting Standards Board ("FASB") issued FASB Accounting Standards Update No. 2009-05, *Fair Value Measurements and Disclosures* ("ASU 2009-05"), which is effective for financial statements issued for interim and annual periods ending after August 2009. ASU 2009-05 amends FASB Accounting Standards Codification ("FASB ASC") Topic 820-10 ("FASB ASC 820-10"). The update provides clarification on the techniques for measurement of fair value required of a reporting entity when a quoted price in an active market for an identical liability is not available. This update had no impact on the Company's financial position, results of operations or cash flows.

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification)™ and the Hierarchy of Generally Accepted Accounting Principles*—a replacement of FAS No. 162 ("SFAS No. 168"), which is effective for financial statements issued for interim and annual periods ending after September 15, 2009. SFAS No. 168 codified as ASC Topic 105-10 ("FASB ASC 105-10"). FASB ASC 105-10 identifies the sources of accounting principles and the framework for selecting principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with US GAAP (the GAAP hierarchy). This standard had no impact on the Company's financial position, results of operations or cash flows.

In June 2009, the FASB issued ASC Topic 810, "Amendments to FASB Interpretation No. 46(R)" ("ASC 810"). ASC 810 is a revision to FIN 46(R) and changes how a company determines whether an entity should be consolidated when such entity is insufficiently capitalized or is not controlled by the company through voting (or similar rights). The determination of whether a company is required to consolidate an entity is based on, among other things, the entity's purpose and design and the company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. ASC 810 retains the scope of FIN 46(R) but added entities previously considered qualifying special purpose entities, or QSPEs, since the concept of these entities is eliminated in ASC Topic 860. ASC 810 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2009. The Company is still in process of evaluating the potential impact of adoption of ASC 810 on its consolidated financial position and results of operations. Should the company determine that the requirements for consolidating the Whitehall Group are not met under ASC 810, the deconsolidation of this Group may result in a material impact on the presentation of the Company's results of operations. Specifically the lines of revenues and costs before income before taxes, equity in net income from unconsolidated investments and non-controlling interest in subsidiaries would be reduced, however the final net income or loss attributable to CEDC would remain unchanged. Similarly the individual lines of the balance sheet will be affected however total equity would remain the same. The Company also does not expect any material impact on debt or other contractual obligations.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* ("SFAS No. 165"), codified in FASB ASC Topic 855-10, which establishes accounting and disclosure standards for events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It defines financial statements as available to be issued, requiring the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, whether it be the date the financial statements were issued or the date they were available to be issued. FAS 165 is effective for our second quarter of 2009 and has not had a material impact on our Consolidated Financial Statements.

In April 2009, the FASB issued FASB Staff Position ("FSP") No. SFAS 115-2 and SFAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* ("FSP No. SFAS 115-2 and SFAS 124-2"), which is codified in FASB ASC Topic 320-10. FSP No. SFAS 115-2 and SFAS 124-2 provides guidance to

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determine whether the holder of an investment in a debt security for which changes in fair value are not regularly recognized in earnings should recognize a loss in earnings when the investment is impaired. This FSP also improves the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the consolidated financial statements. This guidance is effective for interim reporting periods ending after June 15, 2009. The adoption of FSP FAS 115-2 and FAS 124-2 did not have a material impact on our consolidated financial statements.

In April 2009, the FASB issued FSP No. SFAS 107-1 and Accounting Principles Board ("APB") Opinion No. APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* ("FSP No. SFAS 107-1 and APB 28-1"). FSP No. SFAS 107-1 and APB 28-1, which is codified in FASB ASC Topic 825-10-50, require disclosures about the fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. The Company adopted FSP No. SFAS 107-1 and APB 28-1 beginning April 1, 2009. This FSP had no impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP No. SFAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP No. SFAS 157-4"). FSP No. SFAS 157-4, which is codified in FASB ASC Topics 820-10-35-51 and 820-10-50-2, provides additional guidance for estimating fair value and emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. The Company adopted FSP No. SFAS 157-4 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

In December 2008, the FASB issued FSP No. SFAS 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets*, ("FSP No. SFAS 132(R)-1") which is codified in FASB ASC Topic 715-20-50. FSP No. SFAS 132(R)-1 requires enhanced disclosures about the plan assets of a Company's defined benefit pension and other postretirement plans intended to provide financial statement users with a greater understanding of: 1) how investment allocation decisions are made; 2) the major categories of plan assets; 3) the inputs and valuation techniques used to measure the fair value of plan assets; 4) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and 5) significant concentrations of risk within plan assets.

2. Acquisitions

Acquisitions made prior to December 31, 2008 were accounted for in accordance with SFAS No. 141, "Business Combinations." Effective January 1, 2009, all business combinations are accounted for in accordance with FAS 141R that is codified as ASC Topic 805 "Business Combinations."

The Parliament Acquisition

On March 11, 2008, the Company and certain of its affiliates entered into a Share Sale and Purchase Agreement and certain other agreements with White Horse Intervest Limited, a British Virgin Islands Company, and certain of White Horse's affiliates, relating to the Company's acquisition from White Horse of 85% of the share capital of Copecresto Enterprises Limited, a Cypriot company, (which we refer to as Parliament). In connection with this acquisition, the Company paid a consideration of approximately $180 million in cash and 2.2 million shares of common stock.

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On September 22, 2009, the Company and certain of its affiliates and Seller entered into (i) an amendment to the Original SPA (the "Amendment") and (ii) a Share Sale and Purchase Agreement (the "Minority Acquisition SPA"). Under the terms of the Amendment, certain post-closing obligations in the Original SPA regarding payment for certain assets were finalized in order to facilitate completion of the transactions contemplated by the Original SPA, in connection with the completion of the Company's acquisition of Copecresto pursuant to the Minority Acquisition SPA. In connection with the Amendment, the Company was required to pay to Seller the remaining consideration for such assets of approximately $16.7 million The Company paid $9.9 million of that amount on October 30, 2009 and the remaining amount was paid on December 16, 2009.

Under the terms of the Minority Acquisition SPA, upon the closing thereof on September 22, 2009, the Company, through an affiliate, acquired the remaining 15% of the share capital of Copecresto from Seller for total cash consideration of $70,167,734. In addition, on September 25, 2009, in connection with the closing of the Minority Acquisition SPA, the Shareholders Agreement, dated March 13, 2008, by and among the Company, a subsidiary of the Company, Seller and Copecresto was terminated. The Minority Acquisition SPA contains certain customary representations, warranties and covenants for a transaction of this type.

Under requirements of ASC Topic 810-10 "Consolidation" a change in ownership interests that does not result in change of control is considered an equity transaction. The identifiable net assets remain unchanged and any difference between the amount by which the NCI is adjusted, and the fair value of the consideration paid is recognized directly in equity and attributed to the controlling interest. Thus we have recorded the 15% increase in ownership interests of Copecresto as a transaction within equity. As a result of this transaction, NCI in Copecresto decreased by $26.9 million together with decrease in Additional Paid In Capital of $43.3 million, which was offset by cash outflow of $70.2 million.

The Whitehall Acquisition

On May 23, 2008, the Company and certain of its affiliates, entered into, and closed upon, a Share Sale and Purchase Agreement and certain other agreements whereby the Company acquired shares representing 50% minus one vote of the voting power, and 75% of the economic interests, in the Whitehall Group. The Whitehall Group is a leading importer of premium spirits and wines in Russia. The aggregate consideration paid by the Company was $200 million, paid in cash at the closing. In addition, on October 21, 2008 the Company issued to the Seller 843,524 shares of its common stock, par value $0.01 per share.

On February 24, 2009, the Company and the seller amended the terms of the Stock Purchase Agreement governing the Whitehall acquisition to satisfy the Company's obligations to the seller pursuant to a share price guarantee in the original Stock Purchase Agreement. Pursuant to the terms of this amendment, the Company paid to the seller $5,876,351 in cash, and issued to the seller 2,100,000 shares of its common stock, in settlement of a minimum share price guarantee by the Company. The Company also made an additional cash payment of $2,000,000 on March 15, 2009. The first portion of deferred payments already due under the original Stock Purchase Agreement amounting to €8,050,411 was settled August 4, 2009 and the remaining portion of €8,303,630 was paid on September 15, 2009. In consideration for these payments, the Company received an additional 375 Class B shares of Whitehall, which represents an increase in the Company's economic stake from 75% to 80%.

The Company has consolidated the Whitehall Group as a business combination as of May 23, 2008, on the basis that the Whitehall Group is a Variable Interest Entity and the Company has been assessed as being the primary beneficiary. Included within the Whitehall Group is a 50/50 joint venture with Möet Hennessy. This

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joint venture is accounted for using the equity method and is recorded on the face of the balance sheet in investments with minority interest initially recorded at fair value on the face of the balance sheet. The current term of the joint venture is until June 2013 at which point Möet Hennessy will have the option to acquire the remaining shares of the entity.

Under requirements of ASC Topic 810-10 "Consolidation" a change in ownership interests that does not result in change of control is considered an equity transaction. The identifiable net assets remain unchanged and any difference between the amount by which the NCI is adjusted, and the fair value of the consideration paid is recognized directly in equity and attributed to the controlling interest. Thus we have recorded the 5% increase in ownership interests of Whitehall Group as transaction between equity and mezzanine equity. As a result of this transaction, NCI in Whitehall Group decreased by $6.7 million together with decrease in Additional Paid In Capital of $1.1 million, which was offset by cash outflow of $7.8 million.

In June 2009, the FASB issued ASC Topic 810, which changes how a company determines whether an entity should be consolidated. The adoption of this standard may impact the current treatment of the Whitehall Group by the Company and the Company is current assessing this treatment and potential impact on the financial statements. See "Recently Issued Accounting Pronouncements" for more detailed information on this topic.

The Russian Alcohol Acquisition

On July 9, 2008, the Company completed an investment with Lion Capital and certain of Lion Capital's affiliates and certain other investors, pursuant to which the Company, Lion Capital and such other investors acquired all of the outstanding equity of Russian Alcohol. In connection with that investment, the Company acquired an indirect equity stake in Russian Alcohol of approximately 42%, and Lion Capital acquired substantially all of the remainder of the equity of Russian Alcohol. The agreements governing that investment gave the Company the right to acquire, and gave Lion Capital the right to require the Company to acquire, Lion Capital's equity stake in Russian Alcohol (the "Prior Agreement").

On April 24, 2009, the Company entered into new agreements with Lion Capital to replace the Prior Agreement, which will permit the Company, through a multi-stage equity purchase, to acquire over the next five years (including 2009) all of the equity interests in Russian Alcohol held by Lion Capital. As a result of these agreements, the Company has assessed Russian Alcohol as a variable interest entity, with the Company being the primary beneficiary. Pursuant to this change, the Company has begun to consolidate Russian Alcohol as of the second quarter of 2009 and recorded a non-controlling interest of 9.4% representing equity not held by the Company or Lion Capital. From the accounting perspective, the Company treated the acquisition of the Russian Alcohol equity interests held by Lion Capital as if this acquisition had happened on April 24, 2009. As of this date CEDC recorded at fair value all future payments due under these agreements as a liability. The total present value of deferred consideration as of April 24, 2009 amounted to $447.2 million and was determined using a 14.5% discount rate. The present value of the liability is amortized over the period of time ending on the date the last payment is made which is currently expected in 2013, with recognition of a non cash interest expense every quarter in the statement of operations. The discount amortization charge for the period from April 24, 2009 to December 31, 2009 amounted to $38.5 million.

On July 29, 2009, the Company entered into an agreement with Lion Capital, pursuant to which Lion/Rally Cayman 7 L.P., a Cayman Exempted Limited Partnership, of which the Company holds 100% of the economic interests and is a limited partner, acquired an additional 6% indirect equity interest in Russian Alcohol from

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certain minority investors in Russian Alcohol in exchange for $30,000,000 in cash funded by the Company. After giving effect to this acquisition, the Company holds approximately 58% of the equity interests in Russian Alcohol. In addition, on August 3, 2009, pursuant to the new agreements referenced above, we acquired additional indirect equity interests in Russian Alcohol giving us a total ownership interest of 59.8%.

On November 9, 2009, the Company entered into an agreement with Lion Capital and Kylemore International Invest Corp. ("Kylemore"), an indirect minority stockholder of Russian Alcohol, for the acquisition of Kylemore's indirect equity interests in Russian Alcohol. On November 10, 2009, we issued to Kylemore 949,034 shares of our unregistered common stock, and Kylemore transferred all of its indirect equity interests in Russian Alcohol to Lion/Rally Cayman 6 ("Cayman 6"), a Cayman Islands investment vehicle through which we and Lion Capital own our interests in Russian Alcohol. As a result, the Company, Lion Capital and certain Co-Investors indirectly own 100% of the equity in Russian Alcohol, and our total indirect equity interest in Russian Alcohol increased to 62.25%. Pursuant to the agreement with Kylemore, on receipt of approval from the Russian Anti-Trust Authority (FAS) for our acquisition of control over Russian Alcohol, the Company paid Kylemore $5,000,000 on January 11, 2010, and will pay further $5,000,000 on February 1, 2011. Also pursuant to this agreement, Peter Levin, one of the original owners of Russian Alcohol, will continue to be involved in the Russian Alcohol business as a non-executive member of the Operating Board of Russian Alcohol and as Chairman of the Board of our Topaz distillery.

On December 9, 2009 we accelerated terms set up in the Option Agreement dated April 24, 2009 and completed the Lion Option and the Co-Investor Option, respectively, under the Co-Investor Option Agreement and the Lion Option Agreement, respectively and thereby purchased the remaining indirect equity interests in Cayman 6, less the sole voting share of Cayman 6, comprising the remaining equity interest in Russian Alcohol that was not owned by the Company, from affiliates of Lion Capital LLP ("Lion").

In consideration of the Co-Investor Option, the Company made cash payments of $131,800,000 and €23,650,000 to Lion. In consideration of the Lion Option, the Company (1) made cash payments of $184,347,666 and €105,839,852 to Lion; (2) deposited in an escrow account the amount of $23,991,072 and €51,315,337, which was released and paid to Lion on January 11, 2010 upon receiving of antimonopoly clearances for the acquisition from the Russian Federal Antimonopoly Commission and the Antimonopoly Committee of the Ukraine; and (3) paid to Lion the additional amounts of (a) $2,375,354 and €5,080,727 on the Escrow Release Date and (b) undertook to pay $10,689,092 and €22,863,269 on June 1, 2010, or at the election of Lion, on any earlier date between April 20, 2010 and June 1, 2010. The Company used a portion of the proceeds from the offering of its common stock, completed November 18, 2009, and the offering of its Senior Secured Notes due 2016, completed December 2, 2009, in order to fund such cash payments.

On January 20, 2010, after the receipt of antimonopoly clearances for the acquisition from the Russian Federal Antimonopoly Commission, the Antimonopoly Committee of the Ukraine, the Company purchased the sole voting share of Lion/Rally Cayman 6 ("Cayman 6") from an affiliate of Lion Capital LLP ("Lion") and thereby acquired control of Russian Alcohol.

Starting from the second quarter of 2009, the Company began consolidating all profit and loss results for Russian Alcohol.

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The fair value of the net assets acquired in connection with the 2009 Russian Alcohol Acquisition as of the acquisition date (April 24, 2009) is:

	Russian Alcohol Group
ASSETS	
Cash and cash equivalents	154,276
Accounts receivable	147,196
Inventory	43,902
Deferred tax asset	35,184
Taxes	14
Other current assets	52,296
Equipment	105,238
Intangibles, including Trademarks	175,334
Investments	25
Total Assets	**$ 713,465**
LIABILITIES	
Trade payables	42,895
Short term borrowings	44,368
Deferred tax	36,694
Other short term liabilities	111,416
Long term borrowings	386,907
Long term accruals	50,000
Total Liabilities	**$ 672,280**
Net identifiable assets and liabilities	**41,185**
Goodwill on acquisition	**872,490**
Consideration paid, satisfied in cash	13,500
Consideration paid, satisfied in Notes	110,639
Fair value of previously held interest	292,289
Deferred consideration	447,247
Non-controlling interest	50,000
Cash (acquired)	**$ 154,276**
Net Cash Inflow	($140,776)

The goodwill arising out of Russian Alcohol acquisition is attributable to the expansion of our sales and distribution platform in Russia that it provides to the Company as well as expected synergies to be utilized from consolidation of our Russian operations.

The Company recorded a provision for contingent consideration at fair value for $50 million as of the acquisition date. This consideration was settled in the three month period ended September 30, 2009 through a payment by the Company of $65 million, which included an additional $15 million in earn-out payments.

Resulting from the acquisition of Russian Alcohol, the Company recognized a one-time gain on re-measurement of previously held equity interest in the six month period ended June 30, 2009. The fair value of this gain amounts to $225.6 million.

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During the second quarter of 2009, Russian Alcohol made payments related to pre-acquisition tax penalties amounting to $28.8 million. These costs are to be reimbursed by the sellers and have been deducted from the loans payable to them.

The following table sets forth the unaudited pro forma results of operations of the Company for the twelve month periods ending December 31, 2009 and 2008. The unaudited pro forma results of operations give effect to the Company's acquisitions as if they occurred on January 1, 2009 and 2008. The unaudited pro forma results of operations are presented after giving effect to certain adjustments for depreciation, amortization of deferred financing costs, interest expense on the acquisition financing, and related income tax effects. The unaudited pro forma results of operations are based upon currently available information and certain assumptions that the Company believes are reasonable under the circumstances. The unaudited pro forma results of operations do not purport to present what the Company's results of operations would actually have been if the aforementioned transactions had in fact occurred on such date or at the beginning of the period indicated, nor do they project the Company's financial position or results of operations at any future date or for any future period.

	Twelve months ended December 31,	
	2009	2008
Net sales	$1,587,929	$2,227,660
Net income	$ 47,063	$ 138,813
Net income per share data:		
Basic earnings per share of common stock	$ 0.88	$ 3.15
Diluted earnings per share of common stock	$ 0.87	$ 3.15

3. Allowances for Doubtful Accounts

Changes in the allowance for doubtful accounts during each of the three years in the period ended December 31, were as follows:

	Year ended December 31,		
	2009	2008	2007
Balance, beginning of year	$22,155	$29,277	$24,354
Effect of FX movement on opening balance	3,170	(5,143)	4,696
Provision for bad debts—reported in statement of operations	7,702	(748)	(249)
Charge-offs, net of recoveries	(4,500)	(1,814)	476
Change in allowance from purchase of subsidiaries	27,563	583	—
Balance, end of year	**$56,090**	**$22,155**	**$29,277**

The change in allowance from purchase of subsidiaries of $27.6 million, recorded for the year ended December 31, 2009, reflects the bad debt provision assessed on the opening balance sheet of Russian Alcohol at the time of acquisition.

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4. Property, plant and equipment

Property, plant and equipment, presented net of accumulated depreciation in the consolidated balance sheets, consists of:

	December 31,	
	2009	2008
Land and buildings	$120,623	$ 43,992
Equipment	129,653	59,119
Motor vehicles	29,670	18,782
Motor vehicles under lease	5,301	7,421
Computer hardware and software	23,446	20,447
Total gross book value	308,693	149,761
Less—Accumulated depreciation	(77,595)	(57,540)
Total	**$231,098**	**$ 92,221**

5. Goodwill

Goodwill, presented net of accumulated amortization in the consolidated balance sheets, consists of:

	December 31,	
	2009	2008
Balance at January 1,	**$ 745,256**	**$ 577,282**
Impact of foreign exchange	93,079	(165,276)
Additional purchase price adjustments	15,800	—
Acquisition through business combinations	872,490	333,250
Balance at December 31,	**$1,726,625**	**$ 745,256**

In the fourth quarter of 2009 the Company adjusted the value of goodwill recognized on the acquisition of Russian Alcohol due to new information as noted below.

In April 2009, when CEDC restructured its buyout agreement for Russian Alcohol with Lion and the initial put/call structure was replaced with a series of option payments that transferred ownership ("Option Agreement") of Russian Alcohol to CEDC over time, the management incentive program was also revised between Lion and its managers. At the time Lion communicated to CEDC that the cost of this incentive payment would be approximately $20 million. Therefore in the revised option agreement it was agreed that Russian Alcohol would fund the payment of up to $20 million and any payment over this would be covered directly by Lion. At that point in time CEDC viewed the payment of $20 million payable over the period of the Option Agreement as fixed and viewed this part of the effective purchase price of Russian Alcohol. However full information on this was not available at the time of the original PPA in April 2009, therefore this expense was not allocated to the PPA. Upon obtaining full clarity on this at year end, the Company believes it should have been originally allocated to goodwill and therefore the goodwill was increased for this amount less $4 million of deferred tax asset in the fourth quarter of 2009.

When CEDC revised the purchase structure of Russian Alcohol to accelerate the option payments and acquire the remaining amount on November 19, 2009, with final change of control taking place in January 2010, upon receipt of anti-trust approval, the payment of the Management Incentive program was also accelerated with the full amount of payment ($20 million) materializing in January 2010 upon the change of control to CEDC.

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Moreover the Company decreased the goodwill for the amount of $6.6 in the fourth quarter of 2009. This relates to change of deferred tax liability resulting from an error in the initial goodwill calculation.

6. Intangible Assets other than Goodwill

The major components of intangible assets are:

	December 31, 2009	December 31, 2008
Non-amortizable intangible assets:		
Trademarks	$ 796,749	$563,689
Impairment	($ 22,589)	—
Total	**774,160**	**563,689**
Amortizable intangible assets:		
Trademarks	5,783	5,568
Customer relationships	7,811	7,749
Less accumulated amortization	(8,926)	(6,501)
Total	**4,668**	**6,816**
Total intangible assets	**$ 778,828**	**$570,505**

Management considers trademarks that are indefinite-lived assets to have high or market-leader brand recognition within their market segments based on the length of time they have existed, the comparatively high volumes sold and their general market positions relative to other products in their respective market segments. These trademarks include Soplica, Zubrówka, Absolwent, Royal, Parliament, Green Mark, Zhuravli and the rights for Bols Vodka in Poland, Hungary and Russia. Taking the above into consideration, as well as the evidence provided by analyses of vodka products life cycles, market studies, competitive and environmental trends, management believes that these brands will generate cash flows for an indefinite period of time, and that the useful lives of these brands are indefinite. In accordance with ASC Topic 350-30, intangible assets with an indefinite life are not amortized but are reviewed at least annually for impairment.

Estimated aggregate future amortization expenses for intangible assets that have a definite life are as follows:

2010	$1,353
2011	1,282
2012	1,184
2013	1,169
2014 and above	513
Total	$5,501

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7. Equity method investments in affiliates

We hold the following investments in unconsolidated affiliates:

	Type of affiliate	Carrying Value December 31, 2009	Carrying Value December 31, 2008
Moet Henessy JV	Equity-Accounted Affiliate	$67,089	$ 77,918
Russian Alcohol	Fully Consolidated Affiliate*	—	111,325
	Total Carrying value	**$67,089**	**$189,243**

* As described in Note 2, from the second quarter of 2009, the Company began consolidating Russian Alcohol as a business combination. Russian Alcohol was accounted for under the equity method in prior periods.

The Company has effective voting interest in Moet Hennessy JV of 25% and obtained full voting control over Russian Alcohol in January 2010.

The summarized financial information of investments are shown in the below table with the balance sheet financial information reflecting only the Moet Hennessy Joint Venture consolidated under the equity method as of December 31, 2009. The results from operations for the twelve months ended December 31, 2009 and twelve months ended December 31, 2008 include the results of the Moet Hennessy Joint Venture together with the results of Russian Alcohol that was consolidated under the equity method until April 24, 2009.

	Total December 31, 2009	Total December 31, 2008
Current assets	$ 66,994	$587,031
Noncurrent assets	382	483,567
Current liabilities	34,684	299,111
Noncurrent liabilities	5,713	430,516

	Total Twelve months ended December 31, 2009	Total Twelve months ended December 31, 2008
Net sales	$162,736	$659,686
Gross profit	68,076	200,475
Income from continuing operations	(25,904)	(24,740)
Net income	(33,005)	(24,740)

8. Exchangeable Convertible Notes

On July 9, 2008, the Company closed a strategic investment in Russian Alcohol and in addition to the equity investment, CEDC purchased exchangeable notes from Lion/Rally Lux 3 (“Lux 3”), a Luxembourg company and indirect subsidiary of a Cayman Islands company (“Cayman 2”) that served as the investment vehicle.

The Notes rank pari passu with the other unsecured obligations of Lux 3 represent a direct and unsecured obligation of Lux 3 and are structurally subordinated to indebtedness of subsidiaries of Lux 3, including Pasalba Limited (“Pasalba”), a company incorporated under the laws of the Republic of Cyprus that made the investment. The Notes have a principal amount of $103.5 million and accrued interest at a rate of 8.3% per annum, which interest may, at Lux’s 3 option, be paid in kind with additional Notes.

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On April 24, 2009 the Company sold to Cayman 2 the subordinated exchangeable loan notes plus accrued interest for a total of $110.6 million, and used the proceeds to purchase an additional 100 million shares of Cayman 2, which resulted in an increase of the Company's indirect equity interest in RAG from 41.97% to 52.86%.

9. Accrued liabilities

The major components of accrued liabilities are:

	December 31,	
	2009	**2008**
Operating accruals	$100,104	$69,391
Hedge valuation	—	6,736
Accrued interest	162	4,143
Total	**$100,266**	**$80,270**

10. Borrowings

Bank Facilities

As of December 31, 2009, $49.8 million remained available under the Company's overdraft facilities. These overdraft facilities are renewed on an annual basis.

As of December 31, 2009, the Company had utilized approximately $84.2 million of a multipurpose credit line agreement in connection with the 2007 tender offer in Poland to purchase the remaining outstanding shares of Polmos Bialystok S.A. The Company's obligations under the credit line agreement are guaranteed through promissory notes by certain subsidiaries of the Company and are secured by 33.95% of the share capital of Polmos Białystok S.A. The indebtedness under the credit line agreement of $63.2 million matures on February 24, 2011 and of $21.0 million on August 11, 2010.

On April 24, 2008, the Company signed a credit agreement with Bank Zachodni WBK SA in Poland to provide up to $50 million of financing to be used to finance a portion of the Parliament and Whitehall acquisition, as well as general working capital needs of the Company. The agreement provides for a $30 million five year amortizing term facility and a one year $20 million short term facility with annual renewal. In the second quarter of 2009 this facility was converted into Polish zlotys. The maturity of term loan was extended to May 2013 and the maturity of the short term facility was extended to May 2010. The loan is guaranteed by the Company, Bols Sp. z o.o, a wholly owned subsidiary of the Company ("Bols") and certain other subsidiaries of the Company, and is secured by all of the capital stock of Bols and 60% of the capital stock of Copecresto.

On July 2, 2008, the Company entered into a Facility Agreement with Bank Handlowy w Warszawie S.A., which provided for a term loan facility of $40 million, of which $33.3 million was outstanding as at December 31, 2009. The term loan matures on July 4, 2011 and is guaranteed by CEDC, Carey Agri and certain other subsidiaries of the Company and is secured by all of the shares of capital stock of Carey Agri and subsequently will be further secured by shares of capital stock in certain other subsidiaries of CEDC.

Senior Secured Notes due 2012

In connection with the Bols and Polmos Bialystok acquisitions, on July 25, 2005 the Company completed the issuance of €325 million 8% Senior Secured Notes due 2012 (the "2012 Notes"), of which approximately

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€245 million remains payable. Interest is due semi-annually on the 25th of January and July, and the Notes are guaranteed on a senior basis by certain of the Company's subsidiaries.

On December 2, 2009, the Company issued a redemption notice for the remaining outstanding portion of these notes and deposited EUR 263.9 million (approximately US $380.4 million) of cash that we received upon the issuance of new Senior Notes (described below), representing the redemption price, call premium plus all interest that will be payable on the settlement date, in an account with the trustee for the 2012 Notes. In connection with such redemption notice and deposit, the indenture pursuant to which the 2012 Notes were issued has been discharged. Although this discharge removes substantially all of the restrictions imposed by that indenture and makes the likelihood that further payments will be required of us with respect to the Fixed Rate Notes due 2012 remote, we concluded that it did not meet the definition of "legally released" in paragraph 16(b) of ASC 405-20-40-1(b)) and therefore we will not recognize the extinguishment of the remaining liability until January 4, 2010. As such the full amount of the notes has been classified as short term on the balance sheet as of December 31, 2009. Additionally the cash on deposit was recorded as Restricted Cash on the balance sheet as of December 31, 2009. On January 4, 2010, the final redemption for these notes was completed and all funds were remitted to the note holders, discharging the Company of all remaining obligations.

As of December 31, 2009 and December 31, 2008, the Company had accrued interest of $12.2 million and $12.0 million respectively related to the 2012 Notes, that was paid together with the principal amount and 4% premium on early repayment on January 4, 2010. Total obligations under the 2012 Notes are shown net of deferred finance costs, amortized over the life of the borrowings using the effective interest rate method as shown in the table below:

	December 31, 2009	December 31, 2008
Senior Secured Notes due 2012	$365,989	$357,934
Fair value bond mark to market	(301)	(7,124)
Unamortized portion of closed hedges	(2,000)	(553)
Unamortized issuance costs	(4,745)	(5,223)
Total	**$358,943**	**$345,034**

The full amounts of the Senior Secured Notes due 2012 were fully repaid on January 4, 2010 as part of the redemption noted above.

Convertible Senior Notes

On March 7, 2008, the Company completed the issuance of $310 million aggregate principal amount of 3% Convertible Senior Notes due 2013 (the "Convertible Notes"). Interest is due semi-annually on the 15th of March and September, beginning on September 15, 2008. The Convertible Senior Notes are convertible in certain circumstances into cash and, if applicable, shares of our common stock, based on an initial conversion rate of 14.7113 shares per $1,000 principle amount, subject to certain adjustments. Upon conversion of the notes, the Company will deliver cash up to the aggregate principle amount of the notes to be converted and, at the election of the Company, cash and/or shares of common stock in respect to the remainder, if any, of the conversion obligation. The proceeds from the Convertible Notes were used to fund the cash portions of the acquisition of Copecresto Enterprises Limited and Whitehall.

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As of December 31, 2009 the Company had accrued interest of $2.7 million related to the Convertible Senior Notes, with the next coupon due for payment on March 15, 2010. Total obligations under the Convertible Senior Notes are shown net of deferred finance costs, amortized over the life of the borrowings using the effective interest rate method as shown in the table below:

	December 31, 2009	December 31, 2008
Convertible Senior Notes	$312,711	$310,000
Unamortized issuance costs	(4,209)	(4,791)
Debt discount related to Convertible Senior Notes	(12,665)	(16,585)
Total	**$295,837**	**$288,624**

Senior Secured Notes due 2016

On December 2, 2009, the Company issued and sold $380 million 9.125% Senior Secured Notes due 2016 and €380 million 8.875% Senior Secured Notes due 2016 in an offering to institutional investors that is exempt from registration under the U.S. Securities Act of 1933. The Company will use a portion of the net proceeds from the Senior Secured Notes due 2016 to redeem the Company's outstanding 8% Senior Secured Notes due 2012, having an aggregate principal amount of €245,440,000 on January 4, 2010. The remainder of the net proceeds from the Senior Secured Notes due 2016 was used to (i) purchase Lion Capital LLP's remaining equity interest in Russian Alcohol by exercising the Lion Option and the Co-Investor Option, pursuant to the terms and conditions of the Lion Option Agreement and the Co-Investor Option Agreement, respectively (ii) repay all amounts outstanding under Russian Alcohol credit facilities; and (iii) repay certain other indebtedness.

As of December 31, 2009 the Company had accrued interest of $12.2 million related to the Senior Secured Notes due 2016, with the next coupon due for payment on June 1, 2010. Total obligations under the Senior Secured Notes due 2016 are shown net of deferred finance costs, amortized over the life of the borrowings using the effective interest rate method as shown in the table below:

	December 31, 2009	December 31, 2008
Senior Secured Notes due 2016	$934,410	$—
Unamortized issuance costs	(24,780)	—
Total	**$909,630**	**$—**

Total borrowings as disclosed in the financial statements are:

	December 31, 2009	December 31, 2008
Short term bank loans and overdraft facilities for working capital	$ 103,213	$109,552
Short term obligations under Senior Secured Notes	358,943	—
Short term bank loans for share tender	21,053	—
Total short term bank loans and utilized overdraft facilities	**483,209**	**109,552**
Long term bank loans for share tender	63,158	81,081
Long term obligations under Senior Secured Notes	909,630	345,034
Long term obligations under Convertible Senior Notes	295,837	288,624
Other total long term debt, less current maturities	42,885	89,429
Total debt	**$1,794,719**	**$913,720**

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The full of the short term obligations under Senior Secured Notes were fully repaid on January 4, 2010 as part of the redemption noted above

	December 31, 2009
Principal repayments for the following years	
2010	$ 483,209
2011	89,457
2012	6,634
2013	305,789
2014 and beyond	909,630
Total	**$1,794,719**

Included in the principle repayments due in 2010 are the Senior Secured Notes due 2012 for $358.9 million which were fully repaid on January 4, 2010 as part of the redemption noted above.

11. Income and Deferred Taxes

The Company operates in several tax jurisdictions primarily: the United States of America, Poland, Hungary and Russia. All subsidiaries file their own corporate tax returns as well as account for their own deferred tax assets and liabilities. The Company does not file a tax return in Delaware based upon its consolidated income, but does file a return in Delaware based on the statement of operations for transactions occurring in the United States of America.

The Company adopted the provisions of ASC 740-10-25 *"Income taxes."* ASC 740-10-25 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met. ASC 740-10-25 also provides guidance on the accounting for and disclosure of unrecognized tax benefits, interest and penalties. Adoption of ASC 740-10-25 did not have a significant impact on the Corporation's financial statements. The company is currently generating tax loss carry forwards in the United States at a 35% tax rate, which has the effect of reducing the overall effective tax rate below the 19% Polish statutory rate.

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The Company files income tax returns in the U.S., Poland, Hungary, Russia, as well as in various other countries throughout the world in which we conduct our business. The major tax jurisdictions and their earliest fiscal years that are currently open for tax examinations are 2004 in the U.S., 2004 in Poland and Hungary and 2006 in Russia.

	Year ended December 31,		
	2009	2008	2007
Tax at statutory rate	**$ 22,823**	**$ 2,424**	**$17,875**
Tax rate differences	438	1,311	(740)
Valuation allowance for net operating losses	(12,511)	4,290	2,401
Permanent differences	12,155	3,847	(3,626)
Income tax expense	**$ 22,905**	**$11,872**	**$15,910**

Total income tax payments during 2009, 2008 and 2007 were $28,118, $33,919 and $21,362 respectively. CEDC has paid no U.S. income taxes and has net operating U.S. loss carry-forward totaling $22.630.

Significant components of the Company's deferred tax assets are as follows:

	December 31,		
	2009	2008	2007
Deferred tax assets			
Accrued expenses, deferred income and prepaid, net	$ 16,566	$ 10,572	$ 10,567
Allowance for doubtful accounts receivable	8,793	1,529	3,749
Russian Alcohol acquisition	42,769	—	—
Unrealized foreign exchange losses	13,386	18,495	—
Net operating loss carry-forward benefit, Expiring in 2010 – 2026—gross	43,027	18,755	10,059
NOL's valuation allowance	(4,380)	(6,991)	(2,401)
Net deferred tax asset	$ 120,161	$ 42,360	$ 21,974
Deferred tax liability			
Trade marks	140,592	106,486	100,113
Unrealized foreign exchange gains	12,268	3,585	5,069
Remeasurement of previously held equity interest in Russian Alcohol	49,182	—	—
Timing differences in finance type leases	—	7	60
Investment credit	—	201	297
Deferred income	563	616	—
APB 14-1 impact	4,433	5,805	—
Other	1,036	679	—
Net deferred tax liability	$ 208,074	$ 117,379	$ 105,539
Total net deferred tax asset	120,161	42,360	21,974
Total net deferred tax liability	208,074	117,379	105,539
Total net deferred tax	(87,913)	(75,019)	(83,565)
Classified as			
Current deferred tax asset	83,459	24,386	5,141
Non-current deferred tax asset	27,123	12,886	11,407
Non-current deferred tax liability	(198,495)	(112,291)	(100,113)
Total net deferred tax	($ 87,913)	($ 75,019)	($ 83,565)

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Tax losses can be carried forward for the following periods:

Hungary*	Unrestricted period
U.S.	20 years
Russia	10 years
Poland	5 years

* In some circumstances there is a need of Tax Office's permission to carry the loss forward

Tax liabilities (including corporate income tax, Value Added Tax (VAT), social security and other taxes) of the Company's subsidiaries may be subject to examinations by the tax authorities for up to certain period from the end of the year the tax is payable, as follows:

Poland	5 years
Hungary	6 years
Russia	3 years

CEDC's U.S. federal income tax returns are also subject to examination by the U.S. tax authorities. As the application of tax laws and regulations, and transactions are susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

12. Stock Option Plans and Warrants

The Company adopted ASC Topic 718 "Compensation—Stock Compensation" requiring the recognition of compensation expense in the Consolidated Statements of Operations related to the fair value of its employee share-based options.

The Company recognizes the cost of all employee stock options on a straight-line attribution basis over their respective vesting periods, net of estimated forfeitures. The Company has selected the modified prospective method of transition; accordingly, prior periods have not been restated.

ASC Topic 718 requires the recognition of compensation expense in the Consolidated Statements of Operations related to the fair value of employee share-based options. Determining the fair value of share-based awards at the grant date requires judgment, including estimating the expected term that stock options will be outstanding prior to exercise, the associated volatility and the expected dividends. Judgment is also required in estimating the amount of share-based awards expected to be forfeited prior to vesting. If actual forfeitures differ significantly from these estimates, share-based compensation expense could be materially impacted. Prior to adopting ASC Topic 718, the Company applied Accounting Principles Board ("APB") Opinion No. 25, and related Interpretations, in accounting for its stock-based compensation plans. All employee stock options were granted at or above the grant date market price. Accordingly, no compensation cost was recognized for fixed stock option grants in prior periods.

The Company's 2007 Stock Incentive Plan ("Incentive Plan") provides for the grant of stock options, stock appreciation rights, restricted stock and restricted stock units to directors, executives, and other employees ("employees") of the Company and to non-employee service providers of the Company. Following a shareholder resolution in April 2003 and the stock splits of May 2003, May 2004 and June 2006, the Incentive Plan authorizes, and the Company has reserved for future issuance, up to 1,397,333 shares of Common Stock (subject

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to an anti-dilution adjustment in the event of a stock split, re-capitalization, or similar transaction). The Compensation Committee of the Board of Directors of the Company administers the Incentive Plan.

The option exercise price for stock options granted under the Incentive Plan may not be less than fair market value but in some cases may be in excess of the closing price of the Common Stock on the date of grant. The Company uses the stock option price based on the closing price of the Common Stock on the day before the date of grant if such price is not materially different than the opening price of the Common Stock on the day of the grant. Stock options may be exercised up to 10 years after the date of grant except as otherwise provided in the particular stock option agreement. Payment for the shares must be in cash, which must be received by the Company prior to any shares being issued. Stock options granted to directors and officers as part of an employee employment contract vest after 2 years. Stock options granted to general employees as part of a loyalty program vest after three years. The Incentive Plan was approved by CEDC shareholders during the annual shareholders meeting on April 30, 2007 to replace the Company's 1997 Stock Incentive Plan (the "Old Stock Incentive Plan"), which expired in November 2007. The Stock Incentive Plan will expire in November 2017. The terms and conditions of the Stock Incentive Plan are substantially similar to those of the Old Stock Incentive Plan.

Before January 1, 2006 CEDC, the holding company, realized net operating losses and therefore an excess tax benefit (windfall) resulting from the exercise of the awards and a related credit to Additional Paid-in Capital (APIC) of $2.2 million was not recorded in the Company's books. The excess tax benefits and the credit to APIC for the windfall should not be recorded until the deduction reduces income taxes payable on the basis that cash tax savings have not occurred. The Company will recognize the windfall upon realization.

A summary of the Company's stock option and restricted stock units activity, and related information for the twelve month periods ended December 31, 2009, 2008 and 2007 is as follows:

Total Options	Number of Options	Weighted-Average Exercise Price
Outstanding at January 1, 2007	1,319,900	$19.31
Granted	266,250	$30.84
Exercised	(272,475)	$17.12
Forfeited	(60,638)	$23.26
Outstanding at December 31, 2007	1,253,037	$22.02
Exercisable at December 31, 2007	964,849	$19.50
Outstanding at January 1, 2008	1,253,037	$22.02
Granted	234,375	$56.88
Exercised	(120,849)	$15.60
Forfeited	(16,312)	$21.83
Outstanding at December 31, 2008	1,350,252	$28.65
Exercisable at December 31, 2008	1,033,225	$22.19
Outstanding at January 1, 2009	1,350,252	$28.65
Granted	200,625	$19.94
Exercised	(59,827)	$14.27
Forfeited	(9,500)	$60.92
Outstanding at December 31, 2009	1,481,550	$27.85
Exercisable at December 31, 2009	1,051,550	$23.18

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Nonvested restricted stock units	Number of Restricted Stock Units	Weighted-Average Grant Date Fair Value
Nonvested at January 1, 2007	—	$ —
Granted	37,930	$34.71
Vested	—	$ —
Forfeited	(2,100)	$34.51
Nonvested at December 31, 2007	35,830	$34.73
Nonvested at January 1, 2008	35,830	$34.73
Granted	38,129	$66.52
Vested	(600)	$34.51
Forfeited	(4,804)	$48.75
Nonvested at December 31, 2008	68,555	$51.42
Nonvested at January 1, 2009	68,555	$51.42
Granted	25,009	$24.89
Vested	(2,740)	$34.51
Forfeited	(11,750)	$45.00
Nonvested at December 31, 2009	79,074	$44.63

During 2009, the range of exercise prices for outstanding options was $1.13 to $60.92. During 2009, the weighted average remaining contractual life of options outstanding was 5.2 years. Exercise prices for options exercisable as of December 31, 2009 ranged from $1.13 to $44.15. The Company has also granted 25,009 restricted stock units to its employees at an average price of $24.89.

The Company has issued stock options to employees under stock based compensation plans. Stock options are issued at the current market price, subject to a vesting period, which varies from one to three years. As of December 31, 2009, the Company has not changed the terms of any outstanding awards.

During the twelve months ended December 31, 2009, the Company recognized compensation cost of $3.78 million and a related deferred tax asset of $0.65 million.

As of December 31, 2009, there was $2.79 million of total unrecognized compensation cost related to non-vested stock options and restricted stock units granted under the Plan. The costs are expected to be recognized over a weighted average period of 24 months through 2009-2012.

Total cash received from exercise of options during the twelve months ended December 31, 2009 amounted to $0.9 million.

For the twelve month period ended December 31, 2009, the compensation expense related to all options was calculated based on the fair value of each option grant using the binomial distribution model. The Company has never paid cash dividends and does not currently have plans to pay cash dividends, and thus has assumed a 0% dividend yield. Expected volatilities are based on average of implied and historical volatility projected over the remaining term of the options. The expected life of stock options is estimated based on historical data on exercise of stock options, post-vesting forfeitures and other factors to estimate the expected term of the stock options granted. The risk-free interest rates are derived from the U.S. Treasury yield curve in effect on the date of grant for instruments with a remaining term similar to the expected life of the options. In addition, the Company

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applies an expected forfeiture rate when amortizing stock-based compensation expenses. The estimate of the forfeiture rates is based primarily upon historical experience of employee turnover. As individual grant awards become fully vested, stock-based compensation expense is adjusted to recognize actual forfeitures. The following weighted-average assumptions were used in the calculation of fair value:

	2009	2008
Fair Value	$8.07	$18.16
Dividend Yield	0%	0%
Expected Volatility	47.3% - 80.4%	34.1% - 38.5%
Weighted Average Volatility	57.6%	37.5%
Risk Free Interest Rate	0.4% - 0.5%	1.5% - 3.2%
Expected Life of Options from Grant	3.2	3.2

13. Commitments and Contingent Liabilities

The Company is involved in litigation from time to time and has claims against it in connection with matters arising in the ordinary course of business. In the opinion of management, the outcome of these proceedings will not have a material adverse effect on the Company's operations.

The Polmos Bialystok Acquisition

As part of the Share Purchase Agreement related to the October 2005 Polmos Bialystok Acquisition, the Company is required to ensure that Polmos Bialystok will make investments of at least 77.5 million Polish zloty during the six years after the acquisition was consummated. As of December 31, 2009, the Company had invested 71.1 million Polish zloty (approximately $24.9 million) in Polmos Bialystok.

The Whitehall Acquisition

As part of the Whitehall Acquisition (see Note 2), the Company entered into a shareholders' agreement with the other shareholder pursuant to which the Company has the right to purchase, and the other shareholder has the right to require the Company to purchase, all (but not less than all) of the shares of Whitehall capital stock held by such shareholder. Either of these rights may be exercised at any time, subject, in certain circumstances, to the consent of third parties. The aggregate price that the Company would be required to pay in the event either of these rights is exercised will fall within a range, determined based on Whitehall's EBIT as well as the EBIT of certain related businesses, during two separate periods: (1) the period from January 1, 2008 through the end of the year in which the right is exercised, and (2) the two full financial years immediately preceding the end of the year in which the right is exercised, plus, in each case, the time-adjusted value of any dividends paid by Whitehall. Subject to certain limited exceptions, the exercise price will be (A) no less than the future value as of the date of exercise of $32.0 million, and (B) no more than the future value as of the date of exercise of $89.0 million, plus, in each case, the time-adjusted value of any dividends paid by Whitehall.

In the event that the Company is required to refinance or retire the indebtedness described above, and/or acquires the capital stock of Whitehall, such transactions would be financed through additional sources of debt or equity funding. We cannot provide assurances as to whether or on what terms such funding would be available.

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The Russian Alcohol Acquisition

As part of the acceleration of the Option Agreement on December 9, 2009, related to the Russian Alcohol Acquisition (see Note 2), the company had a series of payment obligation payable in 2009 and 2010. As of December 31, 2009, the Company had remaining obligations under this agreement to Lion for $155 million of which $100 million was funded into escrow and recorded as Restricted Cash on the balance sheet. In January 2010, the Company paid $110 million to Lion leaving the last remaining payment of $45 million, payable in cash or shares due in April 2010.

Also as part of the November 2009 agreement with Lion Capital and Kylemore International Invest Corp., for the acquisition of Kylemore's indirect equity interests in Russian Alcohol (see Note 2) the Company paid $5.0 million in January 2009 and is to pay another $5.0 million on February 1, 2011 to Kylemore.

Operating Leases and Rent Commitments

The Company makes rental payments for real estate, vehicles, office, computer, and manufacturing equipment under operating leases. The following is a schedule by years of the future rental payments under the non-cancelable operating lease as of December 31, 2009:

2010	$13,815
2011	8,695
2012	8,688
2013	8,616
Thereafter	8,587
Total	**$48,399**

During the fourth quarter of 2009, the Company continued its policy of renewing its transportation fleet by way of capital leases. The future minimum lease payments for the assets under capital lease as of December 31, 2009 are as follows:

2010	$1,724
2011	1,371
2012	—
Gross payments due	**$3,095**
Less interest	(248)
Net payments due	**$2,847**

Supply contracts

The Company has various agreements covering its sources of supply, which, in some cases, may be terminated by either party on relatively short notice. Thus, there is a risk that a portion of the Company's supply of products could be curtailed at any time.

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14. Stockholders' Equity

On February 24, 2009, the Company and the seller amended the terms of the Stock Purchase Agreement governing the Whitehall acquisition to satisfy the Company's obligations to the seller pursuant to a share price guarantee in the original Stock Purchase Agreement. Pursuant to the terms of this amendment, the Company paid to the seller $7,876,351 in cash, issued to the seller 2,100,000 shares of its common stock, and will make certain future cash payments, in settlement of a minimum share price guarantee by the Company and as consideration for additional equity in Whitehall, as discussed in Note 2, above.

On July 24, 2009, the Company consummated the offer and sale of 8,350,000 shares of the Company's common stock, of which 6,850,000 shares were issued and sold by the Company and 1,500,000 shares of common stock were sold by Mark Kaoufman. Pursuant to that offering, the Company granted the underwriters a 25-day over-allotment option to purchase up to an additional 835,000 shares of common stock from the Company at the same price in a public offering pursuant to a Registration Statement on Form S-3 and a related prospectus filed with the Securities and Exchange Commission, which option the underwriters exercised in full. The Company received $179.6 million from the Offering, including the over-allotment shares, after deducting underwriting discounts and estimated offering expenses payable by the Company.

On September 2, 2009, the Company filed a prospectus supplement with the Securities and Exchange Commission pursuant to a Registration Statement on Form S-3 registering for resale by Lion/Rally Cayman 5, a company incorporated in the Cayman Islands, the 540,873 shares of the Company's common stock issued to Cayman 5 on that same date in connection with Russian Alcohol acquisition. The Company did not receive any proceeds from the sale.

On September 15, 2009, the Company issued to Cirey Holdings, in connection with Russian Alcohol acquisition, 479,499 shares of the Company's common stock. The Company did not receive any proceeds from the sale.

On November 10, 2009, the Company issued to Kylemore 479,499 shares of the Company's common stock in exchange of acquiring the remaining indirect equity interest in Russian Alcohol that was not held by Lion or CEDC. The Company did not receive any proceeds from the sale.

On November 24, 2009 the Company consummated an offer and sale of an aggregate of 10,250,000 shares of the Company's common stock, par value $0.01 per share, at a price of $31.00 per share. The Company received $308 million from the offering after underwriting discounts and estimated offering expenses payable by the Company.

15. Interest income / (expense)

For the twelve months ended December 31, 2009 and 2008 respectively, the following items are included in Interest income / (expense):

	Twelve months ended December 31,	
	2009	2008
Interest income	$ 10,930	$ 10,226
Interest expense	(91,143)	(63,673)
Total interest (expense), net	($ 80,213)	($ 53,447)

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Amounts in tables expressed in thousands, except per share information

16. Other financial income / (expense)

For the twelve months ended December 31, 2009 and 2008, the following items are included in Other financial income / (expense):

	Year ended December 31,	
	2009	2008
Foreign exchange impact related to foreign currency financing	$ 28,801	($165,294)
Foreign exchange impact related to long term Notes receivable	9,276	34,328
Early redemption costs connected with debt facility	(16,895)	—
Other gains / (losses)	682	(1,970)
Total other financial income / (expense), net	$ 21,864	($132,936)

17. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share for the periods indicated.

	Year ended December 31,		
	2009	2008	2007
Basic:			
Net income	$78,329	($18,598)	$77,102
Weighted average shares of common stock outstanding	53,772	44,088	39,871
Basic earnings per share	$ 1.46	($ 0.42)	$ 1.93
Diluted:			
Net income	$78,329	($18,598)	$77,102
Weighted average shares of common stock outstanding	53,772	44,088	39,871
Net effect of dilutive employee stock options based on the treasury stock method	208	—	540
Totals	**53,980**	**44,088**	**40,411**
Diluted earnings per share	$ 1.45	($ 0.42)	$ 1.91

As of December 31, 2008, the Company excluded 657 thousand shares from the above EPS calculation because they would have had antidilutive impact for the 2008 period presented.

Employee stock options grants have been included in the above calculations of diluted earnings per share since the exercise price is less than the average market price of the common stock during the twelve months periods ended December 31, 2009, 2008 and 2007. In addition there is no adjustment to fully diluted shares related to the Convertible Senior Notes as the average market price was below the conversion price for the period.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Amounts in tables expressed in thousands, except per share information

18. Financial Instruments

Financial Instruments and Their Fair Values

Financial instruments consist mainly of cash and cash equivalents, accounts receivable, accounts payable, bank loans, overdraft facilities and long-term debt. The monetary assets represented by these financial instruments are primarily located in Poland, Hungary and Russia. Consequently, they are subject to currency translation risk when reporting in U.S. Dollars.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

- *Cash and cash equivalents*—The carrying amount approximates fair value because of the short maturity of those instruments.
- *Short term securities*—This consists of FX options to protect against foreign exchange risk of payments related to term loans denominated in U.S. Dollars in years 2009 and 2010. At quarter end the change in fair value of options, based on the mark to market valuation, is recorded as a gain or loss in the consolidated statement of operations.
- *Equity method investment in affiliates*—The fair value of investment in joint venture with Möet Hennessy based on a independent valuation prepared on acquisition.
- *Bank loans, overdraft facilities and long-term debt*—The fair value of the Corporation's debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Corporation for debt of the same remaining maturities.

The estimated fair values of the Corporation's financial instruments are as follows:

	December 31, 2009	
	Carrying Amount	Fair Value
Cash and cash equivalents	$ 152,177	$ 152,177
Restricted Cash	481,419	481,419
Equity method investment in affiliates	67,089	67,089
Bank loans, overdraft facilities and long-term debt	1,435,776	1,435,776

Derivative financial instruments

The Company is exposed to market movements in foreign currency exchange rates that could affect the Company's results of operations and financial condition. In accordance with ASC Topic 815 "Derivatives and Hedging", the Company recognizes all derivatives as either assets or liabilities on the balance sheet and measures those instruments at fair value.

The fair values of the Company's derivative instruments can change with fluctuations in interest rates and/or currency rates and are expected to offset changes in the values of the underlying exposures. The Company's derivative instruments are held to hedge economic exposures. The Company follows internal policies to manage interest rate and foreign currency risks, including limitations on derivative market-making or other speculative activities.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Amounts in tables expressed in thousands, except per share information

To qualify for hedge accounting under ASC Topic 815, the details of the hedging relationship must be formally documented at the inception of the arrangement, including the risk management objective, hedging strategy, hedged item, specific risk that is being hedged, the derivative instrument, how effectiveness is being assessed and how ineffectiveness will be measured. The derivative must be highly effective in offsetting either changes in the fair value or cash flows, as appropriate, of the risk being hedged.

Effectiveness is evaluated on a retrospective and prospective basis based on quantitative measures. When it is determined that a derivative is not, or has ceased to be, highly effective as a hedge, the Company discontinues hedge accounting prospectively. The Company discontinues hedge accounting prospectively when (1) the derivative is no longer highly effective in offsetting changes in the cash flows of a hedged item; (2) the derivative expires or is sold, terminated, or exercised; (3) it is no longer probable that the forecasted transaction will occur; or (4) management determines that designating the derivative as a hedging instrument is no longer appropriate.

Fair value hedges are hedges that offset the risk of changes in the fair values of recorded assets, liabilities and firm commitments. The Company records changes in the fair value of derivative instruments which are designated and deemed effective as fair value hedges, in earnings offset by the corresponding changes in the fair value of the hedged items.

In September 2005, the Company entered into a coupon swap arrangement which exchanges a fixed euro based coupon of 8%, with a variable euro based coupon (IRS) based upon the 6 month Euribor rate plus a margin. The hedge was accounted for as a fair value hedge according to ASC Topic 815 and tested for effectiveness on a quarterly basis using the long haul method. Under this method, as long as the hedge is deemed highly effective both the fair value of the hedge and the hedge item are marked to market with the net impact recorded as gain or loss in the statement of operations.

In January 2009, the remaining portion of the IRS hedge related to the Senior Secured Notes was closed and written off with a net cash settlement of approximately $1.9 million.

During 2009 also the Company's subsidiary, Russian Alcohol was part of the following hedge transactions:

- U.S. dollar to Russian ruble foreign exchange rate hedge to protect against foreign exchange risk of payments related to term loans denominated in U.S. dollars.
- Interest rate hedge to fix cost related to the term loans denominated in U.S. dollars with floating interest rate.

Both of these hedges are not qualified for hedging accounting with all changes in fair values at the end of each interim period being recorded as a gain or loss in the statement of operations base on the mark to market valuation. During the fourth quarter of 2009 the Company closed these hedges as the underlying bank facilities have been refinanced with proceeds received from issuance of bonds in December 2009. These hedges then were written off with a net cash settlement of approximately $4.9 million.

19. Fair value measurements

The Company adopted ASC Topic 820 "Fair Value Measurements and Disclosures", which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a three-level fair value hierarchy that prioritizes

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company evaluated the position of each financial instrument measured at fair value in the hierarchy individually based on the valuation methodology applied. As at December 31, 2009, the Company has no material financial assets or liabilities carried at fair value using significant level 1, level 2 or level 3 inputs.

In the fourth quarter of 2009 the Company' subsidiary, Russian Alcohol closed the following hedge transactions that were valued using level 2 inputs:

- U.S. dollar to Russian ruble foreign exchange rate hedge to protect against foreign exchange risk of payments related to term loans denominated in U.S. dollars.
- Interest rate hedge to fix cost related to the term loans denominated in U.S. dollars with floating interest rate.

Both of these hedges are not qualified for hedging accounting with all changes in fair values at the end of each interim period being recorded as a gain or loss in the statement of operations base on the mark to market valuation. During the fourth quarter of 2009 the Company closed these hedges as the underlying bank facilities have been refinanced with proceeds received from issuance of bonds in December 2009. These hedges then were written off with a net cash settlement of approximately $4.9 million.

As of December 31, 2009 the Company is not part of any hedging transactions.

Coupon Swap

In September 2005, the Company entered into a coupon swap arrangement which exchanges a fixed euro based coupon of 8%, with a variable euro based coupon (IRS) based upon the 6 month Euribor rate plus a margin. The hedge is accounted for as a fair value hedge according to ASC Topic 815 and is tested for effectiveness on a quarterly basis using the long haul method. Under this method, as long as the hedge is deemed highly effective both the fair value of the hedge and the hedged item are marked to market with the net impact recorded as gain or loss in the statement of operations.

In January 2009, the remaining portion of the IRS hedge related to the Senior Secured Notes was closed and written off with a net cash settlement of approximately $1.9 million.

20. Operating segments

As a result of the Company's expansion into new geographic areas, namely Russia, the Company has changed its internal management financial reporting by implementing a segmental approach to the business based upon geographic locations. As such the Company operates in three primary segments: Poland, Russia and

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Hungary. The 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 its internal financial reporting. For detailed description of types of products and services from each reportable unit derives its revenues, refer to Operations by country section included in Part I.

The Company evaluates performance based on operating income of the respective business units. The accounting policies of the segments are the same as those described for the Company in the Summary of Significant Accounting policies in Note 1 and include the recently issued accounting pronouncement described in Note 1. Transactions between segments consist primarily of sales of products and are accounted for at cost plus an applicable margin.

The Company's areas of operations are principally in Poland, Russia and Hungary. Revenues are attributed to countries based on the location of the selling company.

	Segment Net Revenues Twelve months ended December 31,		
	2009	2008	2007
Segment			
Poland	$ 892,121	$1,305,629	$1,152,601
Russia	578,433	297,892	—
Hungary	36,585	43,483	37,221
Total Net Sales	$1,507,139	$1,647,004	$1,189,822

	Operating Profit Twelve months ended December 31,		
	2009	2008	2007
Segment			
Poland	$107,987	$124,920	$116,862
Russia	110,363	73,374	—
Hungary	6,149	7,641	7,491
Corporate Overhead			
General corporate overhead	(4,570)	(3,353)	(4,398)
Option Expense	(3,781)	(3,850)	(1,870)
Total Operating Profit	$216,148	$198,732	$118,085

	Equity in the net income of investees accounted for by the equity method Twelve months ended December 31,		
	2009	2008	2007
Segment			
Poland	$ —	$ —	$—
Russia	(13,102)	(9,002)	—
Hungary	—	—	—
Total equity in the net income of investees accounted for by the equity method	($ 13,102)	($ 9,002)	$—

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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	Depreciation Twelve months ended December 31,		
	2009	2008	2007
Segment			
Poland	$ 5,325	$ 7,890	$6,739
Russia	4,557	2,287	—
Hungary	439	644	591
General corporate overhead	33	14	8
Total depreciation	$10,354	$10,835	$7,339

	Income tax Twelve months ended December 31,		
	2009	2008	2007
Segment			
Poland	$ 342	($ 1,254)	$14,111
Russia	23,431	15,678	—
Hungary	329	1,328	1,092
General corporate overhead	(1,197)	(3,880)	707
Total Income tax	$22,905	$ 11,872	$15,910

	Identifiable Operating Assets	
	December 31, 2009	December 31, 2008
Segment		
Poland	$1,641,706	$1,625,471
Russia	2,377,225	814,400
Hungary	38,643	37,842
Corporate	389,319	5,973
Total Identifiable Assets	$4,446,893	$2,483,686

	Goodwill	
	December 31, 2009	December 31, 2008
Segment		
Poland	$ 487,199	$469,094
Russia	1,232,101	269,109
Hungary	7,325	7,053
Corporate	—	—
Total Goodwill	$1,726,625	$745,256

21. Related Party Transactions

In January of 2005, the Company entered into a rental agreement for a facility located in northern Poland, which is 33% owned by the Company's Chief Operating Officer. The monthly rent to be paid by the Company for this location is approximately $16,300 per month and relates to facilities to be shared by two subsidiaries of the Company.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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During the twelve months of 2009, the Company made sales and purchases transactions with ZAO Urhozay an entity partially owned by a CEDC Board Member, Sergey Kupriyanov. Urozhay was acting as a toll filler for the Company. All sales primarily related to raw materials for production were made on normal commercial terms, and total sales for the twelve months ended December 31, 2009 were approximately $25.2 million. Purchases of finished goods from ZAO Urozhay were approximately $78.1 million. As of September 30, 2009 the Company began all production of Parliament vodka form its own production unit and thereafter Urozhay stopped acting as a toll filler for the Company.

On September 25, 2009, the Company acquired the remaining 15% of the share capital of Parliament that it did not already hold. Mr. Sergey Kupriyanov, a member of the Company's board of directors, had an indirect minority interest in Parliament and as a result thereof had an approximate 22% interest in the $70.2 million total consideration paid for the remaining 15% and the approximately $16.7 million paid by the Company in connection with the completion of the Company's initial acquisition of 85% of the share capital of Parliament (of which $9.9 million was paid on October 30, 2009 and the remainder was paid on December 16, 2009). The price terms under those transactions were determined based on arms-length negotiations among the parties.

During the twelve months of 2009, the Company made sales to a restaurant which is partially owned by the Chief Executive Officer of the Company. All sales were made on normal commercial terms, and total sales for the twelve months ended December 31, 2009 and 2008 were approximately $119,000 and $73,000.

22. Subsequent Events

On January 4, 2010 the Company completed the redemption of its Senior Secured Notes due 2012 with the final payment of all outstanding principle, accrued interest and call premium, releasing the cash of €263.9 million (approximately $380.4 million), recorded in Restricted Cash at year end, from the Trustee thus the relieving the Company of all of its remaining obligations under the Senior Secured Notes indenture.

On January 11, 2010, the Company paid $110 million to Lion as part of the acceleration of the Option Agreement concluded on November 19, 2009 (see Note 2) and on January 20, 2010 the Company purchased the sole voting share of Lion/Rally Cayman 6 from an affiliate of Lion and thereby acquired full control of Russian Alcohol. The voting share comprised the remaining interest in Russian Alcohol that was not owned by the Company and was only available to the Company after the receipt of antimonopoly clearances for the acquisition from the Russian Federal Antimonopoly Commission and the Antimonopoly Committee of the Ukraine, which the Company has since received.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Amounts in tables expressed in thousands, except per share information

23. Quarterly financial information (Unaudited)

The Company's net sales have been historically seasonal with 36% of the net sales occurring in the fourth quarter in 2009. The table below demonstrates the movement and significance of seasonality in the statement of operations. For further information, please refer to Item 6. Selected Financial Data.

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2009	2008 (as adjusted)	2009	2008 (as adjusted)	2009	2008 (as adjusted)	2009	2008 (as adjusted)
Net Sales	$ 217,892	$313,620	$362,105	$421,302	$390,099	$ 452,441	$ 537,043	$ 459,641
Seasonality %	14.5%	19.0%	24.0%	25.6%	25.9%	27.5%	35.6%	27.9%
Gross Profit	61,162	66,216	119,696	103,738	129,830	115,832	183,908	136,319
Gross Profit %	28.1%	21.1%	33.1%	24.6%	33.3%	25.6%	34.2%	29.7%
Operating Income	20,306	25,468	247,224	42,843	34,790	52,840	(86,172)	77,581
Operating Income %	9.3%	8.1%	68.3%	10.2%	8.9%	11.7%	(16.0)%	16.9%
Net Income / (Loss) attributable to CEDC	($ 87,661)	$ 18,365	$213,726	$ 46,034	$ 47,146	($ 726)	($ 94,882)	($ 82,271)
Basic earning per share	($ 1.83)	$ 0.45	$ 4.34	$ 1.08	$ 0.85	($ 0.02)	($ 1.52)	($ 1.76)
Diluted earning per share	($ 1.83)	$ 0.44	$ 4.00	$ 1.06	$ 0.80	($ 0.02)	($ 1.52)	($ 1.76)

For the three months ended December 31, 2008, March 31, 2009 and December 31, 2009, the Company excluded 211 thousand, 81 thousand, and 366 thousand shares respectively from the above EPS calculation because they would have had antidilutive impact for the fourth quarter 2008, the first quarter 2009 and the fourth quarter 2009 periods presented.

Seasonality is calculated as a percent of full year sales recognized in the relevant quarter.

24. Geographic Data

Net sales and long-lived assets, by geographic area, consisted of the following for the three years ended December 31, 2009, 2008 and 2007:

	Year ended December 31,		
(In thousands)	2009	2008	2007
Net Sales to External Customers (a):			
United States	$ 1,257	$ 798	$ 716
International			
Poland	871,383	1,281,738	1,139,431
Russia	566,995	297,510	—
Hungary	36,585	43,482	37,221
Other	30,919	23,476	12,454
Total international	1,505,882	1,646,206	1,189,106
Total	**$1,507,139**	**$1,647,004**	**$1,189,822**
Long-lived assets (b):			
United States	$ 19	$ 51	$ 9
International			
Poland	540,396	706,659	636,696
Russia	562,747	247,214	—
Hungary	976	1,288	1,088
Total international	1,104,119	955,161	637,784
Total consolidated long-lived assets	**$1,104,138**	**$ 955,212**	**$ 637,793**

(a) Net sales to external customers based on the location to which the sale was delivered.
(b) Long-lived assets primarily consist of property, plant and equipment and trademarks.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Amounts in tables expressed in thousands, except per share information

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There were no changes in or disagreements with the accountants within the past two years.

Item 9A. Control and Procedures.

Disclosure Controls and Procedures.

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e) of the Securities Exchange Act of 1934) refer to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

Management's Report on Internal Control over Financial Reporting.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15(d)-15(f) of the Securities Exchange Act of 1934). Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control—Integrated Framework."

The Company's management has excluded Russian Alcohol from its assessment of internal controls over financial reporting as of December 31, 2009, because these companies were acquired by the Company in purchase business combinations during the year ended December 31, 2009. Russian Alcohol is a subsidiary of the Company that is controlled by ownership of all voting interest, whose total assets and total revenues represent 20.0% and 21.2%, respectively, of the related consolidated financial statements as of and for the year ended December 31, 2009.

Based on its assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2009.

Based upon the evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this report, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level.

Inherent Limitations in Internal Control over Financial Reporting.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, does not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the limitations in

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Amounts in tables expressed in thousands, except per share information

all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. Further, the design of any control system is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of these inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Accordingly, the Company's disclosure controls and procedures are designed to provide reasonable assurance that the controls and procedures will meet their objectives.

Changes to Internal Control over Financial Reporting.

The Chief Executive Officer and the Chief Financial Officer conclude that, during the most recent fiscal quarter, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information regarding our executive officers and directors required by this item is incorporated into this annual report by reference to our proxy statement for the annual meeting of stockholders to be held on April 29, 2010. We will file our proxy statement for our 2009 annual meeting of stockholders within 120 days of December 31, 2009, our fiscal year-end.

Item 11. Executive Compensation.

The information regarding executive compensation required by this item is incorporated into this annual report by reference to our proxy statement for the annual meeting of stockholders to be held on April 29, 2010. We will file our proxy statement for our 2009 annual meeting of stockholders within 120 days of December 31, 2009, our fiscal year-end.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information regarding security ownership of certain beneficial owners and management is incorporated into this annual report by reference to our proxy statement for the annual meeting of stockholders to be held on April 29, 2010. We will file our proxy statement for our 2009 annual meeting of stockholders within 120 days of December 31, 2009, our fiscal year-end.

Item 13. Certain Relationships and Related Transactions.

The information regarding certain relationships and related transactions required by this item is incorporated into this annual report by reference to our proxy statement for the annual meeting of stockholders to be held on April 29, 2010. We will file our proxy statement for our 2009 annual meeting of stockholders within 120 days of December 31, 2009, our fiscal year-end.

Item 14. Principal Accountant Fees and Services.

The information regarding principal accountant fees and services required by this item is incorporated into this annual report by reference to the proxy statement for the annual meeting of stockholders to be held on April 29, 2010. We will file our proxy statement for our 2009 annual meeting of stockholders within 120 days of December 31, 2009, our fiscal year-end.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a)(1) The following consolidated financial statements of the Company and report of independent auditors are included in Item 8 of this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets at December 31, 2008 and 2009

Consolidated Statements of Operations for the years ended December 31, 2007, 2008 and 2009

Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2007, 2008 and 2009

Consolidated Statements of Cash Flows for the years ended December 31, 2007, 2008 and 2009

Notes to Consolidated Financial Statements

SIGNATURES

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.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION
(Registrant)

By: /s/ WILLIAM V. CAREY
William V. Carey
Chairman, President and Chief Executive Officer

Date: March 1, 2010

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints William V. Carey and Chris Biedermann, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file, any and all amendments to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ WILLIAM V. CAREY **William V. Carey**	Chairman, President and Chief Executive Officer (principal executive officer)	March 1, 2010
/s/ CHRISTOPHER BIEDERMANN **Christopher Biedermann**	Chief Financial Officer (principal financial and accounting officer)	March 1, 2010
/s/ DAVID BAILEY **David Bailey**	Director	March 1, 2010
/s/ N. SCOTT FINE **N. Scott Fine**	Director	March 1, 2010
/s/ MAREK FORYSIAK **Marek Forysiak**	Director	March 1, 2010
/s/ ROBERT P. KOCH **Robert P. Koch**	Director	March 1, 2010
/s/ JAN W. LASKOWSKI **Jan W. Laskowski**	Director	March 1, 2010
/s/ MARKUS SIEGER **Markus Sieger**	Director	March 1, 2010
/s/ SERGEY KUPRIYANOV **Sergey Kupriyanov**	Director	March 1, 2010

(a)(3) The following exhibits are either provided with this Form 10-K or are incorporated herein by reference.

Exhibit Number	Exhibit Description
1.1	Underwriting Agreement, dated as of March 3, 2008, by and between Central European Distribution Corporation and J.P. Morgan Securities Inc. (filed as Exhibit 1.1 to the Current Report on Form 8-K filed with the SEC on March 7, 2008 and incorporated herein by reference).
1.2	Underwriting Agreement, dated as of June 25, 2008, by and between Central European Distribution Corporation and J.P. Morgan Securities Inc., as representative of the underwriters listed on Schedule 1 thereto (filed as Exhibit 1.1 to the Current Report on Form 8-K filed with the SEC on June 27, 2008 and incorporated herein by reference).
1.3	Underwriting Agreement, dated as of July 20, 2009, among Central European Distribution Corporation, Mark Kaoufman and Jefferies & Company, Inc. and UniCredit CAIB Securities UK Ltd., as representatives of the underwriters listed on Schedule 1 thereto (filed as Exhibit 1.1 to the Current Report on Form 8-K filed with the SEC on July 23, 2009 and incorporated herein by reference).
1.4	Underwriting Agreement, dated as of November 18, 2009, between Central European Distribution Corporation and Jefferies & Company, Inc. and UniCredit CAIB Securities UK Ltd., as representatives of the underwriters listed on Schedule 1 thereto (filed as Exhibit 1.1 to the Current Report on Form 8-K filed with the SEC on November 24, 2009 and incorporated herein by reference).
2.1	Contribution Agreement among Central European Distribution Corporation, William V. Carey, William V. Carey Stock Trust, Estate of William O. Carey and Jeffrey Peterson dated November 28, 1997 (filed as Exhibit 2.1 to the Registration Statement on Form SB-2, File No. 333-42387, with the SEC on December 17, 1997 (the "1997 Registration Statement"), and incorporated herein by reference).
2.2	Investment Agreement for Damianex S.A. dated April 22, 2002, among Carey Agri International Poland Sp. z o.o., Central European Distribution Corporation, Michael Ciapala, Boguslaw Barnat and Iwona Barnat (filed as Exhibit 2 to the Current Report on Form 8-K/A filed with the SEC on May 14, 2002, and incorporated herein by reference).
2.3	Share Purchase Agreement for AGIS S.A. dated April 24, 2002, among Carey Agri International Poland Sp. z o.o., Central European Distribution Corporation, Jacek Luczak and Slawomir Wisniewski (filed as Exhibit 2.2 to the Current Report on Form 8-K/A filed with the SEC on June 3, 2002, and incorporated herein by reference).
2.4	Share Purchase Agreement for Onufry S.A. dated October 15, 2002, among Carey Agri International Poland Sp. z o.o., Central European Distribution Corporation, Zbigniew Trafalski and Henryk Gawin (filed as Exhibit 2.4 to the Annual Report on Form 10-K filed with the SEC on March 17, 2003, and incorporated herein by reference).
2.5	Share Purchase Agreement for Dako Sp. z o.o. dated April 16, 2003, among Carey Agri International Poland Sp. z o.o., Central European Distribution Corporation, Waclaw Dawidowicz and Miroslaw Sokalski (filed as Exhibit 2.1 to the Quarterly Report on Form 10-Q filed with the SEC on May 15, 2003, and incorporated herein by reference).
2.6	Share Purchase Agreement for Panta Hurt Sp. z o.o. dated September 5, 2003, among Carey Agri International Poland Sp. z o.o., Central European Distribution Corporation, Wlodzimierz Szydlarski, Sylwester Zakrzewski and Wojciech Piatkowski (filed as Exhibit 2.6 to the Quarterly Report on Form 10-Q filed with the SEC on November 14, 2003, and incorporated herein by reference).

Exhibit Number	Exhibit Description
2.7	Share Purchase Agreement for Multi-Ex S.A. dated November 14, 2003, among Carey Agri International Sp. z o.o., Piotr Pabianski and Ewa Maria Pabianska (filed as Exhibit 2.7 to the Annual Report on Form 10-K filed with the SEC on March 15, 2004, and incorporated herein by reference).
2.8	Share Purchase Agreement for Multi-Ex S.A. dated November 14, 2003, between Central European Distribution Corporation and Piotr Pabianski (filed as Exhibit 2.8 to the Annual Report on Form 10-K filed with the SEC on March 15, 2004, and incorporated herein by reference).
2.9	Share Purchase Agreement for Multi-Ex S.A. dated December 18, 2003, between Central European Distribution Corporation and Piotr Pabianski (filed as Exhibit 2.9 to the Annual Report on Form 10-K filed with the SEC on March 15, 2004, and incorporated herein by reference).
2.10	Share Sale Agreement for Miro sp. z.o.o. dated May 14, 2004, among Central European Distribution Corporation, Miroslawem Grzadkowskim, Halina Grzadkowska, Jackiem Grzadkowskim and Kinga Grzadkowska (filed as Exhibit 2.10 to the Quarterly Report on Form 10-Q filed with the SEC on May 10, 2004, and incorporated herein by reference).
2.11	Conditional Share Sale Agreement for Delikates Sp. z o.o. dated April 28, 2005 by and among Carey Agri International Poland Sp. z o.o., Central European Distribution Corporation, Barbara Jernas, Szymon Jernas, Magdalena Namysl and Karol Jaskula (filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on May 4, 2005 and incorporated herein by reference).
2.12	Share Sale Agreement, dated June 27, 2005, by and among Rémy Cointreau S.A., Botapol Management B.V., Takirra Investment Corporation N.B., Central European Distribution Corporation and Carey Agri International Poland Sp. z o.o. (filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on July 1, 2005 and incorporated herein by reference).
2.13	Share Purchase Agreement, dated July 11, 2005, by and among the State Treasury of the Republic of Poland, Carey Agri International-Poland Sp. z o.o. and Central European Distribution Corporation (filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on July 15, 2005 and incorporated herein by reference).
2.14	Conditional Share Sale Agreement for Imperial Sp. z o.o. dated August 16, 2005 by and among Carey Agri International Poland Sp. z o.o., Central European Distribution Corporation, and Tadeusz Walkuski (filed as Exhibit 2.11 to the Quarterly Report on Form 10-Q filed with the SEC on November 9, 2005 and incorporated herein by reference).
2.15	Share Sale and Purchase Agreement, dated March 11, 2008, by and among White Horse Intervest Limited, William V. Carey, Central European Distribution Corporation, and Bols Sp. z o.o. (filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on March 17, 2008 and incorporated herein by reference).
2.16	Share Sale and Purchase Agreement, dated May 23, 2008, by and among Barclays Wealth Trustees (Jersey) Limited (in its capacity as trustee of The First National Trust), WHL Holdings Limited, Polmos Bialystok S.A. and Central European Distribution Corporation (filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on May 30, 2008 and incorporated herein by reference).
2.17	Amendment No. 5 to Share Sale and Purchase Agreement, dated February 24, 2009, by and among Barclays Wealth Trustees (Jersey) Limited (in its capacity as trustee of The First National Trust), WHL Holdings Limited, Polmos Bialystok S.A. and Central European Distribution Corporation. (filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on March 2, 2009 and incorporated herein by reference).

Exhibit Number	Exhibit Description
2.18	Amendment No. 5 to Share Sale and Purchase Agreement, dated February 24, 2009, by and among Barclays Wealth Trustees (Jersey) Limited (in its capacity as trustee of The First National Trust), WHL Holdings Limited, Polmos Bialystok S.A. and Central European Distribution Corporation (filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on March 2, 2009, and incorporated herein by reference).
2.19	Amendment to Share Sale and Purchase Agreement, dated September 22, 2009, by and among White Horse Intervest, Limited, William V. Carey, Central European Distribution Corporation and Bols Sp. z o.o (filed as Exhibit 2.1 to the Periodic Report on Form 8-K filed with the SEC on September 28, 2009 and incorporated herein by reference).
2.20	Share Sale and Purchase Agreement, dated September 22, 2009, by and among Bols Sp. z o.o and White Horse Intervest Limited (filed as Exhibit 2.2 to the Periodic Report on Form 8-K filed with the SEC on September 22, 2009 and incorporated herein by reference).
3.1	Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Quarterly Report of Form 10-Q filed with the SEC on August 8, 2006 and incorporated herein by reference).
3.2	Amended and Restated Bylaws (filed as Exhibit 99.3 to the Periodic Report on Form 8-K filed with the SEC on May 3, 2006, and incorporated herein by reference). Exhibit Number Exhibit Description
4.1	Form of Common Stock Certificate (filed as Exhibit 4.1 to the 1997 Registration Statement and incorporated herein by reference).
4.2	Indenture, dated July 25, 2005, by and among Central European Distribution Corporation, Carey Agri International-Poland Sp. z o.o., Onufry S.A., Multi-Ex S.A., Astor Sp. z o.o., Polskie Hurtownie Alkoholi Sp. z o.o., MTC Sp. z o.o., Przedsiebiorstwo Dystrybucji Alkoholi Agis S.A., Dako-Galant Przedsiebiorstwo Handlowo Produkcyjne Sp. z o.o., Damianex S.A., PWW Sp. z o.o. and Miro Sp. z o.o., as Guarantors, The Bank of New York, as Trustee, Principal Paying Agent, Registrar and Transfer Agent, and ING Bank N.V., London Branch, as Note Security Agent (filed as Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on July 25, 2005 and incorporated herein by reference).
4.3	First Supplemental Indenture, dated August 31, 2005, by and among Central European Distribution Corporation, as Issuer, Carey Agri International-Poland Sp. z o.o., Onufry S.A., Multi-Ex S.A., Astor Sp. z o.o., Polskie Hurtownie Alkoholi Sp. z o.o., MTC Sp. z o.o., Przedsiebiorstwo Dystrybucji Alkoholi Agis S.A., Dako-Galant Przedsiebiorstwo Handlowo Produkcyjne Sp. z o.o., Damianex S.A., PWW Sp. z o.o. and Miro Sp. z o.o., as Initial Guarantors, Botapol Holding B.V. and Bols Sp. z o.o., as Additional Guarantors, The Bank of New York, as Trustee, and ING Bank N.V., London Branch, as Note Security Agent (filed as Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on September 2, 2005 and incorporated herein by reference).
4.4	Second Supplemental Indenture, dated as of March 30, 2006 among Central European Distribution Corporation, as Issuer, Carey Agri International-Poland Sp. z o.o., Onufry S.A., Multi-Ex S.A., Astor Sp. z o.o., Polskie Hurtownie Alkoholi Sp. z o.o., MTC Sp. z o.o., Przedsiebiorstwo Dystrybucji Alkoholi Agis S.A., Dako-Galant Przedsiebiorstwo Handlowo Produkcyjne Sp. z o.o., Damianex S.A., PWW Sp. z o.o. and Miro Sp. z o.o., as Initial Guarantors, Botapol Holding B.V. and Bols Sp. z o.o., as Additional Guarantors, The Bank of New York, as Trustee, and ING Bank N.V., London Branch, as Note Security Agent (filed as Exhibit 4.1 to the Quarterly Report on Form 10-Q filed with the SEC on August 8, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Description
4.5	Third Supplemental Indenture, dated as of July 7, 2006 among Central European Distribution Corporation, as Issuer, Carey Agri International-Poland Sp. z o.o., Onufry S.A., Multi-Ex S.A., Astor Sp. z o.o., Polskie Hurtownie Alkoholi Sp. z o.o., MTC Sp. z o.o., Przedsiebiorstwo Dystrybucji Alkoholi Agis S.A., Dako-Galant Przedsiebiorstwo Handlowo Produkcyjne Sp. z o.o., Damianex S.A., PWW Sp. z o.o., Miro Sp. z o.o., Botapol Holding B.V. and Bols Sp. z o.o., as Guarantors, Delikates Sp. z o.o., Panta Hurt Sp. z o.o., Polnis Dystrybucja Sp. z o.o., Imperial Sp. z o.o. and Krokus Sp. z o.o., as New Guarantors, The Bank of New York, as Trustee, and ING Bank N.V., London Branch, as Note Security Agent (filed as Exhibit 4.2 to the Quarterly Report on Form 10-Q filed with the SEC on August 8, 2006 and incorporated herein by reference).
4.6	Base Indenture, dated as of March 7, 2008, by and between Central European Distribution Corporation, as Issuer and The Bank of New York Trust Company, N.A., as Trustee (filed as Exhibit 4.6 to the Annual Report on Form 10-K filed with the SEC on March 2, 2009 and incorporated herein by reference).
4.7	Supplemental Indenture, dated as of March 7, 2008, by and between Central European Distribution Corporation, as Issuer and The Bank of New York Trust Company, N.A., as Trustee (filed as Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on March 7, 2008 and incorporated herein by reference).
4.8	Registration Rights Agreement, dated March 13, 2008, by and between Central European Distribution Corporation and Direct Financing Limited (filed as Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on March 17, 2008 and incorporated herein by reference).
4.9	Registration Rights Agreement, dated October 21, 2008 by and between Central European Distribution Corporation and Barclays Wealth Trustees (Jersey) Limited (as Trustee of the First National Trust) (filed as Exhibit 4.9 to the Annual Report on Form 10-K filed with the SEC on March 2, 2009 and incorporated herein by reference).
4.10	Registration Rights Agreement, dated May 7, 2009, between Central European Distribution Corporation, Lion/Rally Cayman 4 and Lion/Rally Cayman 5 (filed as Exhibit 4.1 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
4.11	Warrant to purchase shares of common stock, dated June 30, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 4 (filed as Exhibit 4.2 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
4.12	Warrant to purchase shares of common stock, dated June 30, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 5 (filed as Exhibit 4.3 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
4.13	Warrant to purchase shares of common stock, dated June 30, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 4 (filed as Exhibit 4.4 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
4.14	Warrant to purchase shares of common stock, dated June 30, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 5 (filed as Exhibit 4.5 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).

Exhibit Number	Exhibit Description
4.15	Warrant to purchase shares of common stock, dated June 30, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 4 (filed as Exhibit 4.6 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
4.16	Warrant to purchase shares of common stock, dated June 30, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 5 (filed as Exhibit 4.7 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
4.17	Agreement, dated October 30, 2009, between Central European Distribution Corporation, Lion/Rally Cayman 4 and Lion/Rally Cayman 5 (filed as Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on November 5, 2009 and incorporated herein by reference).
4.18	Warrant to purchase shares of common stock, dated October 2, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 4 (filed as Exhibit 4.2 to the to the Quarterly Report on Form 10-Q filed with the SEC on November 11, 2009, and incorporated herein by reference).
4.19	Warrant to purchase shares of common stock, dated October 2, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 5 (filed as Exhibit 4.3 to the to the Quarterly Report on Form 10-Q filed with the SEC on November 11, 2009, and incorporated herein by reference).
4.20	Warrant to purchase shares of common stock, dated October 2, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 4 (filed as Exhibit 4.4 to the to the Quarterly Report on Form 10-Q filed with the SEC on November 11, 2009, and incorporated herein by reference).
4.21	Warrant to purchase shares of common stock, dated October 2, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 5 (filed as Exhibit 4.5 to the to the Quarterly Report on Form 10-Q filed with the SEC on November 11, 2009, and incorporated herein by reference).
4.22	Warrant to purchase shares of common stock, dated October 2, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 4 (filed as Exhibit 4.6 to the to the Quarterly Report on Form 10-Q filed with the SEC on November 11, 2009, and incorporated herein by reference).
4.23	Warrant to purchase shares of common stock, dated October 2, 2009, issued by Central European Distribution Corporation to Lion/Rally Cayman 5 (filed as Exhibit 4.7 to the to the Quarterly Report on Form 10-Q filed with the SEC on November 11, 2009, and incorporated herein by reference).
4.24	Indenture, dated as of December 2, 2009, by and between Central European Distribution Corporation, CEDC Finance Corporation International, Inc., as Issuer and Deutsche Trustee Company Limited, as Trustee (including the respective forms of the $380,000,000 9.125% Senior Secured Note and the €380,000,000 8.875% Senior Secured Note, each due December 1, 2016) (filed as Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on December 3, 2009 and incorporated herein by reference).
4.25*	Form of Registration Rights Agreement, by and among Central European Distribution Corporation, Lion/Rally Cayman 4 and Lion/Rally Cayman 5.

Exhibit Number	Exhibit Description
4.26*	First Supplemental Indenture, dated December 29, 2009, by and among Bravo Premium LLC, JSC Distillery Topaz, JSC "Russian Alcohol Group," Latchey Limited, Limited Liability Company "The Trading House Russian Alcohol," Lion/Rally Cayman 6, Lion/Rally Lux 1 S.A., Lion/Rally Lux 2 S.à r.l., Lion/Rally Lux 3 S.à r.l., Mid-Russian Distilleries, OOO First Tula Distillery, OOO Glavspirttirest, Pasalba Limited, Premium Distributors sp. z o.o., Sibirsky LVZ, as Additional Guarantors, CEDC Finance Corporation International, Inc., as Issuer, the entities listed on Schedule I thereto, as the existing Guarantors, Deutsche Trustee Company Limited, as Trustee, Deutsche Bank AG, London Branch, as Polish Security Agent and TMF Trustee Limited, as Security Agent.
10.1	2007 Stock Incentive Plan (filed as Exhibit A to the definitive Proxy Statement as filed with the SEC on March 27, 2007, and incorporated herein by reference).
10.2	Form of Stock Option Agreement with Directors under 2007 Stock Incentive Plan (filed as Exhibit 10.2 to the Annual Report on Form 10-K filed with the SEC on February 29, 2008, and incorporated herein by reference).
10.3	Form of Stock Option Agreement with Officers under 2007 Stock Incentive Plan (filed as Exhibit 10.3 to the Annual Report on Form 10-K filed with the SEC on February 29, 2008, and incorporated herein by reference).
10.4	Lease Agreement for warehouse at Bokserska Street 66a, Warsaw, Poland (filed as Exhibit 10.15 to the Current Report on Form 8-K filed with the SEC on April 16, 2001, and incorporated herein by reference).
10.5	Annex 2 to Lease Agreement dated February 19, 2003, for the warehouse located at Bokserska Street 66a, Warsaw, Poland (filed as Exhibit 10.11 to the Annual Report on Form 10-K filed with the SEC on March 15, 2004, and incorporated herein by reference).
10.6	Social guarantee package for the employees of Polmos Bialystok S.A. (filed as exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on August 8, 2005 and incorporated herein by reference).
10.7	Purchase Agreement dated as of August 3, 2005 by and among Central European Distribution Company and the investors signatory thereto (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on November 9, 2005 and incorporated herein by reference).
10.8	Registration Rights Agreement dated as of August 3, 2005 by and among Central European Distribution Corporation and the investors signatory thereto (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on November 9, 2005 and incorporated herein by reference).
10.9	Registration Rights Agreement, dated August 17, 2005, by and among Central European Distribution Corporation, Botapol Management B.V. and Takirra Investment Corporation N.V. (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on August 23, 2005 and incorporated herein by reference).
10.10	Employment Agreement, dated August 10, 2005, by and between Central European Distribution Corporation and Richard Roberts (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on October 13, 2005 and incorporated herein by reference).
10.11	Annex, dated January 24, 2007, to the Employment Agreement dated as of August 10, 2005, between Richard Roberts and Central European Distribution Corporation (filed as Exhibit 10.5 to the Current Report on Form 8-K filed with the SEC on January 24, 2007, and incorporated herein by reference).

Exhibit Number	Exhibit Description
10.12	Trade Mark License, dated August 17, 2005, by and among Distilleerderijen Erven Lucas Bols B.V., Central European Distribution Corporation and Carey Agri International Poland Sp. z o.o. (filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on August 23, 2005 and incorporated herein by reference).
10.13	Deed of Tax Covenant, dated August 17, 2005, by and among Botapol Management B.V., Takirra Investment Corporation N.V., Rémy Cointreau S.A., Carey Agri International Poland Sp. z o.o. and Central European Distribution Corporation (filed as Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on August 23, 2005 and incorporated herein by reference).
10.14	Bank Guarantee, dated October 12, 2006, by and between Fortis Bank SA/NV, Austrian Branch and Carey Agri International Poland Sp. z o.o. (filed as Exhibit 10.2 to the Current Report on Form 8K filed with the SEC on October 18, 2006 and incorporated herein by reference).
10.15	Summary of Director Compensation (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on November 8, 2006 and incorporated herein by reference).
10.16	Facility Agreement, dated December 21, 2007, among Fortis Bank Polska S.A., Fortis Bank S.A./NV, Austrian Branch, and Bank Polska Kasa Opieki S.A. and Carey Agri International-Poland Sp. z o.o. (filed as Exhibit 10.31 to the Annual Report on Form 10-K filed with the SEC on February 29, 2008, and incorporated herein by reference).
10.17	Corporate Guarantee Agreement, dated December 21, 2007, between Fortis Bank Polska S.A., Fortis Bank S.A./NV, Austrian Branch, Bank Polska Kasa Opieki S.A. and Central European Distribution Corporation (filed as Exhibit 10.32 to the Annual Report on Form 10-K filed with the SEC on February 29, 2008, and incorporated herein by reference).
10.18	Shareholders Agreement, dated March 13, 2008, among White Horse Intervest Limited, Bols Sp. z o.o., Central European Distribution Corporation and Copecresto Enterprises Limited (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 17, 2008 and incorporated herein by reference).
10.19	Amended and Restated Investment Commitment Letter, dated June 18, 2008, by and among Central European Distribution Corporation, Lion Capital LLP acting for and on behalf of each of Lion Capital Fund I L.P., Lion Capital Fund I A L.P., Lion Capital Fund I B L.P., Lion Capital Fund I C L.P., Lion Capital Fund I SBS L.P.; and Lion Capital (Guernsey) Limited c/o Aztec Financial Services (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on July 15, 2008 and incorporated herein by reference).
10.20	Letter Agreement, dated May 22, 2008, between Central European Distribution Corporation and Pasalba Limited (filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on May 29, 2008 and incorporated herein by reference).
10.21	Shareholders' Agreement, dated July 8, 2008, by and among Central European Distribution Corporation, Lion/Rally Cayman 1 LP, Carey Agri International – Poland Sp. z o. o, Lion/Rally Carry ENG 1 LP and Lion/Rally Cayman 2 (filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on July 15, 2008 and incorporated herein by reference).
10.22	Instrument by way of Deed Constituting US$103,500,000 Unsecured Exchangeable Loan Notes, dated July 8, 2008, by and among Lion/Rally Cayman 2 and Lion/Rally Lux 1 S.A. and Lion/Rally Lux 3 S.a.r.l. (filed as Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on July 15, 2008 and incorporated herein by reference).
10.23	Shareholders' Agreement, dated May 23, 2008, by and among Barclays Wealth Trustees (Jersey) Limited (as trustee of The First National Trust), Polmos Bialystok S.A. and Peulla Enterprises Limited (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on May 30, 2008 and incorporated herein by reference).

Exhibit Number	Exhibit Description
10.24	Amendment No. 1 to Shareholders' Agreement, dated February 24, 2009, by and among Barclays Wealth Trustees (Jersey) Limited (as trustee of The First National Trust), Polmos Bialystok S.A. and Peulla Enterprises Limited. (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 2, 2009 and incorporated herein by reference).
10.25	Amended and Restated Employment Agreement, dated June 11, 2008, by and between Central European Distribution Corporation and William V. Carey (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 17, 2008 and incorporated herein by reference).
10.26	Amended and Restated Employment Agreement, dated June 11, 2008, by and between Central European Distribution Corporation and Christopher Biedermann (filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on June 17, 2008 and incorporated herein by reference).
10.27	Amended and Restated Employment Agreement, dated June 11, 2008, by and between Central European Distribution Corporation and Evangelos Evangelou (filed as Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on June 17, 2008 and incorporated herein by reference).
10.28	Amended and Restated Employment Agreement, dated June 11, 2008, by and between Central European Distribution Corporation and James Archbold (filed as Exhibit 10.4 to the Current Report on Form 8-K filed with the SEC on June 17, 2008 and incorporated herein by reference).
10.29	Amended and Restated Executive Bonus Plan (filed as Exhibit 10.5 to the Current Report on Form 8-K filed with the SEC on June 17, 2008 and incorporated herein by reference).
10.30	Facilities Agreement dated April 24, 2008 among Central European Distribution Corporation, Bols Sp. z o.o. and certain other subsidiaries of Central European Distribution Corporation, and Bank Zachodni WBK S.A. as lender (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on May 9, 2008 and incorporated herein by reference).
10.31	Labor Contract, dated April 1, 2008, between Parliament Distribution and Mr. Sergey Kupriyanov (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on August 11, 2008 and incorporated herein by reference).
10.32	Facilities Agreement, dated July 2, 2008, among Central European Distribution Corporation, Carey Agri International-Poland Sp. z o.o and certain other subsidiaries of Central European Distribution Corporation, and Bank Handlowy W Warszawie S.A. (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on August 11, 2008 and incorporated herein by reference).
10.33	Amendment and Restatement Agreement Relating to a Facility Agreement dated December 21, 2007, dated February 24, 2009, by and among Carey Agri International-Poland Sp. z o.o., Central European Distribution Corporation, Astor Sp. z o.o., Bols Hungary KFT, Bols Sp. z o.o., Botapol Holding B.V., Dako-Galant Przedsiebiorstwo Handlowo Produkcyjne Sp. z o.o., Damianex S.A. Delikates Sp. z o.o., Fine Wine & Spirit (FWS) Sp. z o.o., Imperial Sp. z o.o. Miro Sp. z o.o., MTC Sp. z o.o., Multi-Ex Sp. z o.o., Onufry S.A., Panta Hurt Sp. z o.o., Polnis Dystrybucja Sp. z o.o., Polskie Hurtownie Alkoholi Sp. z o.o., Przedsiebiorstwo Dystrybucji Alkoholi Agis S.A., Przedsiebiorstwo Handlu Spozywczego Sp. z o.o., PWW Sp. z o.o., Saol Dystrybucja Sp. z o.o., Fortis Bank Polska S.A., Fortis Bank S.A./NV, Austrian Branch and Bank Polska Kasa Opieki S.A. (filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on March 2, 2009 and incorporated herein by reference).

Exhibit Number	Exhibit Description
10.34	Amendment Agreement Relating to a Facility Agreement dated December 21, 2007 as Amended and Restated on February 24, 2009, dated February 24, 2009, by and among Carey Agri International-Poland Sp. z o.o., Central European Distribution Corporation, Astor Sp. z o.o., Bols Hungary KFT, Bols Sp. z o.o., Botapol Holding B.V., Dako-Galant Przedsiebiorstwo Handlowo Produkcyjne Sp. z o.o., Damianex S.A. Delikates Sp. z o.o., Fine Wine & Spirit (FWS) Sp. z o.o., Imperial Sp. z o.o. Miro Sp. z o.o., MTC Sp. z o.o., Multi-Ex Sp. z o.o., Onufry S.A., Panta Hurt Sp. z o.o., Polnis Dystrybucja Sp. z o.o., Polskie Hurtownie Alkoholi Sp. z o.o., Przedsiebiorstwo Dystrybucji Alkoholi Agis S.A., Przedsiebiorstwo Handlu Spozywczego Sp. z o.o., PWW Sp. z o.o., Saol Dystrybucja Sp. z o.o. and Bank Polska Kasa Opieki S.A. (filed as Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on March 2, 2009 and incorporated herein by reference).
10.35	Amendment No. 1 to Shareholders' Agreement, dated February 24, 2009, by and among Barclays Wealth Trustees (Jersey) Limited (as trustee of The First National Trust), Polmos Bialystok S.A., Central European Distribution Corporation and Peulla Enterprises Limited (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 2, 2009, and incorporated herein by reference).
10.36	Senior Facilities Agreement, dated July 10, 2008, among Pasalba Ltd, Nowdo Limited, the Original Guarantors, Goldman Sachs International, Bank Austria Creditanstalt AG, ING Bank N.V., London Branch, Raiffeisen Zentralbank Oesterreich AG, the Original Lenders, The Law Debenture Trust Corporation p.l.c. and the Issuing Bank (filed as Exhibit 10.1 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
10.37	Intercreditor Deed, dated July 10, 2008, between Lion/Rally Lux 2 S.A. R.L., Lion/Rally Lux 3 S.A. R.L., Pasalba Ltd, Nowdo Limited, Raiffeisen Zentralbank Oesterreich AG, The Law Debenture Trust Corporation p.l.c., the Issuing Bank, the Original Senior Lenders, the Original Intragroup Creditors, the Original Intragroup Debtors, the Original Hedge Provider, the Original Obligors, the Senior Lenders, the Intragroup Creditors, the Intragroup Debtors and the Hedge Providers (filed as Exhibit 10.2 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
10.38	Deed of Amendment, dated December 23, 2008, in respect of a Senior Facilities Agreement, Deed of Guarantee and Covenants and Intercreditor Deed, each dated July 10, 2008, between (among others) Pasalba Ltd, Nowdo Limited, Goldman Sachs International, Unicredit Bank Austria AG, ING Bank N.V., London Branch and Raiffeisen Zentralbank Oesterreich AG (filed as Exhibit 10.3 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
10.39	Note Purchase and Share Sale Agreement, dated April 24, 2009, between Central European Distribution Corporation, Carey Agri International—Poland Sp. z o.o., Lion/Rally Cayman 2 and Lion/Rally Cayman 5 (filed as Exhibit 10.1 to the Periodic Report on Form 8-K filed with the SEC on April 30, 2009 and incorporated herein by reference).
10.40	Commitment Letter, dated April 24, 2009, between Central European Distribution Corporation, Lion Capital LLP, Lion/Rally Cayman 4 and Lion/Rally Cayman 5 (filed as Exhibit 10.2 to the Periodic Report on Form 8-K filed with the SEC on April 30, 2009 and incorporated herein by reference).
10.41	Option Agreement, dated May 7, 2009, between Central European Distribution Corporation, Lion/Rally Cayman 4, Lion/Rally Cayman 5 and Lion/Rally Cayman 7 L.P (filed as Exhibit 10.6 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).

Exhibit Number	Exhibit Description
10.42	Governance and Shareholders Agreement, dated May 7, 2009, among Central European Distribution Corporation, Lion/Rally Cayman 4, Lion/Rally Cayman 5, Lion/Rally Cayman 6, Lion/Rally Cayman 7 L.P. and Lion/Rally Cayman 8 (filed as Exhibit 10.7 to the to the Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009, and incorporated herein by reference).
10.43	Letter of Undertaking, dated April 24, 2009, between Central European Distribution Corporation, Lion Capital LLP, Lion/Rally Cayman 4 and Lion/Rally Cayman 5 (filed as Exhibit 10.5 to the Periodic Report on Form 8-K filed with the SEC on April 30, 2009 and incorporated herein by reference).
10.44	Commitment Letter, dated July 29, 2009, between Central European Distribution Corporation, Lion/Rally Cayman 6 and Lion/Rally Cayman 7 (filed as Exhibit 10.1 to the Periodic Report on Form 8-K filed with the SEC on August 4, 2009 and incorporated herein by reference).
10.45	Sale and Purchase Agreement, dated July 29, 2009, between Lion/Rally Cayman 6, Euro Energy Overseas Ltd., Altek Consulting Inc., Genora Consulting Inc., Lidstel Ltd., Pasalba Limited and Lion/Rally Lux 1 (filed as Exhibit 10.2 to the Periodic Report on Form 8-K filed with the SEC on August 4, 2009 and incorporated herein by reference).
10.46	New Option Agreement, dated October 2, 2009 (as amended on October 30, 2009), between Central European Distribution Corporation, Lion/Rally Cayman 4, Lion/Rally Cayman 5 and Lion/Rally Cayman 7 L.P. (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on November 5, 2009 and incorporated herein by reference).
10.47	Agreement, dated November 9, 2009, by and among Lion/Rally Cayman 6, Kylemore International Invest Corp., Pasalba Limited, Lion/Rally Lux 1 and Central European Distribution Corporation (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on November 16, 2009 and incorporated herein by reference).
10.48*	Letter Agreement, dated November 12, 2009, between Bank Polska Kasa Opieki S.A. and Carey Agri International-Poland Sp. z o.o.
10.49*	Letter Agreement, dated November 12, 2009, between Bank Handlowy w Warszawie S.A. and Carey Agri International-Poland Sp. z o.o.
10.50*	Co-Investor Option Agreement, dated November 19, 2009, by and among Central European Distribution Corporation, Lion Capital, Lion/Rally Cayman 4, Lion/Rally Cayman 5, Cayman 6, Lion/Rally Cayman 7 L.P and Lion/Rally Cayman 8.
10.51*	Lion Option Agreement, dated November 19, 2009, by and among Central European Distribution Corporation, Carey Agri International—Poland Sp. z o.o., Lion Capital, Lion/Rally Cayman 4, Lion/Rally Cayman 5, Lion/Rally Cayman 6 and Lion Rally Cayman 7 L.P.
10.52*	Letter Agreement, dated November 25, 2009, between Bank Zachodni WBK S.A. and Bols Sp. z o.o.
10.53*	Loan Agreement, dated December 2, 2009, by and between CEDC Finance Corporation International, Inc., as Lender and Carey Agri International—Poland Sp. z o.o., as Borrower.
10.54*	Loan Agreement, dated December 2, 2009, by and between CEDC Finance Corporation International, Inc., as Lender and Jelegat Holdings Limited, as Borrower.
10.55*	On-Loan Facility Agreement, dated December 1, 2009, by and between Jelegat Holdings Limited, as Lender, and Joint Stock Company “Distillery Topaz,” OOO “First Tula Distillery,” Bravo Premium LLC, Limited Liability Company “The Trading House Russian Alcohol,” Joint Stock Company “Russian Alcohol Group,” ZAO “Sibersky LVZ,” and Closed Joint Stock Company “Mid Russian Distilleries,” as Borrowers.
10.56*	Form of Restricted Stock Award Agreement under 2007 Stock Incentive Plan.

Exhibit Number	Exhibit Description
21*	Subsidiaries of the Company.
23*	Consent of PricewaterhouseCoopers Sp. z o.o.
24.1*	Power of Attorney (contained on signature page).
31.1*	Rule 13a-14(a) Certification of the CEO in accordance with Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Rule 13a-14(a) Certification of the CFO in accordance with Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Section 1350 Certification of the CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Section 1350 Certification of the CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

Exhibit 4.25

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT dated as of [ ], 2009 (this "**Agreement**"), is between (i) CENTRAL EUROPEAN DISTRIBUTION CORPORATION, a Delaware corporation (the "**Company**"), (ii) Lion/Rally Cayman 4, a company incorporated in Luxembourg ("**Cayman 4**") and (iii) Lion/Rally Cayman 5, a company incorporated in Luxembourg ("**Cayman 5**").

WHEREAS, on the date hereof, the Company is entitled to issue to the Shareholders a number of shares of common stock, par value $0.01 per share, of the Company ("**Common Stock**") pursuant to the Option Agreement, dated November 19, 2009, among Cayman 4, Cayman 5, Lion/Rally Cayman 6, Lion/Rally Cayman 7 L.P., Lion Capital LLP and the Company (the **"Option Agreement**").

WHEREAS, the number of shares of Common Stock to be issued to the Shareholders shall be such number as has been determined to be the Stock Settlement Amount (as defined in the Option Agreement);

WHEREAS, the shares of Common Stock to be issued to the Shareholders have not been registered under the Securities Act (as hereinafter defined) or any state securities laws; and the certificates representing such shares of Common Stock will bear a legend restricting their transfer; and

WHEREAS, in connection with the foregoing, the Company has agreed, subject to the terms, conditions and limitations set forth in this Agreement, to provide the Shareholders with certain registration rights in respect of shares of Common Stock.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. Capitalized words and phrases used and not otherwise defined in this Agreement shall have the following meanings:

"**Affiliate**" means, with respect to any party, any other party that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such first party.

"**Business Day**" means any day other than a Saturday or Sunday or a day on which commercial banking institutions in New York, New York are authorized by law to be closed.

"**Commission**" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"**Common Stock**" has the meaning set forth in the recitals.

"**Control**" means, as to any party, the power to direct or cause the direction of the management and policies of such party, whether through the ownership of voting securities, by contract or otherwise. The terms "Controlled," "Controlled by" and "under common Control with" shall be construed accordingly.

"**Deferred Shares**" has the meaning set forth in Section 2.8(a).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Losses**" has the meaning set forth in Section 5.1.

"**Misstatement/Omission**" has the meaning set forth in Section 5.1.

"**Option Agreement**" has the meaning given to it in the recitals.

"**Owned Shares**" has the meaning set forth in Section 2.7.

"**Person**" means any individual, corporation, partnership, trust or other entity of any nature whatsoever.

"**register**", "**registered**", and "**registration**", when used with respect to the capital stock of the Company, mean a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act which has been declared or ordered effective in accordance with the Securities Act.

"**Registrable Securities**" means (i) the shares of Common Stock to be issued to the Shareholders comprising the Stock Settlement Amount, (ii) any Common Stock issued (or issuable upon the conversion or exercise of any warrant, right, option or other convertible security which is issued) as a dividend or other distribution with respect to, or in exchange for, or in replacement of, the Common Stock referred to in clause (i) above, and (iii) any Common Stock issued by way of a stock split of the Common Stock referred to in clauses (i) or (ii) above. Shares of Common Stock shall cease to be Registrable Securities when (A) a registration statement with respect to the sale of such shares of Common Stock shall have become effective under the Securities Act pursuant to this Agreement and either (1) such shares of Common Stock have been disposed of under such registration statement, or (2) the one-year anniversary of the effectiveness of such registration statement has occurred, (B) such shares of Common Stock shall have been sold or otherwise distributed pursuant to Rule 144 (or any successor provision) under the Securities Act, (C) such shares of Common Stock are Transferred in accordance with Section 8.1, are first transferable under Rule 144 without limitation or are otherwise no longer held by the Shareholders, or (D) such shares of Common Stock shall have ceased to be outstanding. Notwithstanding anything in the preceding sentence to the contrary, shares of Common Stock that cease to be Registrable Securities pursuant to the preceding sentence shall remain subject to Sections 8.1 of this Agreement until (i) a registration statement with respect to the sale of such shares of Common Stock shall have become effective under the Securities Act and such shares of Common Stock have been

disposed under such registration statement, or (ii) such shares of Common Stock shall have been sold or otherwise distributed pursuant to Rule 144 (or any successor provision) under the Securities Act.

"**Registration Expenses**" means all registration, qualification, transfer agents and registrars, filing, printing, messenger and delivery fees and expenses and all reasonable fees and disbursements of legal counsel, accountants and other advisors relating to the registration of Registrable Securities pursuant to this Agreement, relating to causing such registration to be declared effective pursuant to this Agreement, and relating to causing such registration to remain effective for the time periods set forth in this Agreement, but excluding all underwriting discounts and selling commissions applicable to the registration and sale of Registrable Securities pursuant to this Agreement.

"**Required Registration Date**" has the meaning set forth in Section 2.1(a).

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"**Shareholder**" or "**Shareholders**" means individually or collectively, as applicable: (i) Cayman 4 and Cayman 5; (ii) a Person who owns Registrable Securities pursuant to a transfer of such Registrable Securities that meets the terms and conditions set forth in Article VIII hereof and who has agreed to be bound by the terms of this Agreement; (iii) upon the death of such Shareholder, the executor of such Shareholder or such Shareholder's heirs, devisees, legatees or assigns; or (iv) upon the disability of any Shareholder, any guardian or conservator of such Shareholder.

"**Shareholder Indemnified Parties**" has the meaning set forth in Section 5.1.

"**Option Agreement**" has the meaning given to it in the recitals.

"**Transfer**" means any transfer, sale, gift, assignment, distribution, conveyance, pledge, hypothecation, encumbrance or other voluntary or involuntary transfer of title or beneficial interest, whether or not for value, including, without limitation, any disposition by operation of law or any grant of a derivative or economic interest therein.

Capitalized terms used but not defined herein have the meanings ascribed to them in the Option Agreement.

ARTICLE II

DEMAND REGISTRATION

2.1 Demand Registration.

(a) If the Company has exercised the 2010 Consideration Substitute Right pursuant to Clause 7.1.2 of the Option Agreement, the Company shall, in accordance with Article IV below and subject to Section 2.8 below, either (i) file a registration statement under the Securities Act with the Commission to register under the Securities Act that number of Registrable Securities that the Company determines represents the maximum number of Registrable Securities that will be issued as the Stock Settlement Amount, or (ii) file with the Commission a prospectus supplement (the "**Prospectus Supplement")** to an existing shelf registration statement on Form S-3 which is at the time currently effective (the "**Form S-3**") to register such number of Registrable Securities, but, in each case, only to the extent that the Shareholders have complied with their obligations under Sections 2.6 and 6.1 below (a "**Registration**"). Subject to Section 2.8 below, the Company shall use its reasonable best efforts to cause the Registrable Securities to be registered for resale by the Shareholders under the Securities Act on the Required Registration Date. For purposes of this Agreement, the "**Required Registration Date**" means (x) June 1, 2010, in the event that the Shareholders do not advise the Company that they intend to distribute the Registrable Securities by means of an underwriting in accordance with Section 2.3, (y) June 8, 2010, in the event that the Shareholders advise the Company that they intend to distribute the Registrable Securities by means of an underwriting in accordance with Section 2.3 and (z) in the case of the issuance of Deferred Shares, the dates that are (A) the 16th day after the issuance of such Deferred Shares, in the event that the Shareholders do not advise the Company that they intend to distribute such Registrable Securities by means of an underwriting in accordance with Section 2.3 and (B) the 23rd day after the issuance of such Deferred Shares, in the event that the Shareholders advise the Company that they intend to distribute such Registrable Securities by means of an underwriting in accordance with Section 2.3; *provided however*, that such Required Registration Date shall be extended by one day for each day the Shareholders have not complied with their obligations under Sections 2.6 and 6.1 below and *provided further* that if the Shareholders have advised the Company that they intend to distribute Registrable Securities by means of an underwriting, and if the Registrable Securities have not been registered in connection therewith under the Securites Act prior to 7:00 a.m. (NY time) on June 8, 2009 (or the 23rd day after the issuance of the Deferred Shares, as the case may be) for any reason whatsoever, then notwithstanding any provision of this Agreement which requires CEDC to take action or assist or cooperate in respect of an underwritten offering, CEDC shall be entitled to file the Registration Statement or Prospectus Supplement contemplated by the first sentence of this Section 2.1 as if such request for an underwritten offering had not been made. It is understood and agreed that the sole remedy of the Shareholders with respect to a failure to file or cause the Registrable Securities to be registered under the Securities Act on or prior to the Required Registration Date is set forth in Clause 7.2 of the Option Agreement.

2.2 Expenses. With respect to a Registration, the Company shall bear sole responsibility for all Registration Expenses incurred in connection with such.*

2.3 Underwriting. If the Shareholders intend to distribute the Registrable Securities covered by such Registration by means of an underwriting, then the Shareholders shall so advise the Company no later than May 21, 2010. In such case, the Shareholders shall negotiate with an underwriter selected by them (which managing underwriter shall be an internationally recognized financial institution experienced in securities offerings registered under the Securities Act) and approved by the Company, which approval shall not be unreasonably withheld, with regard to the underwriting of such requested registration. The right of the Shareholders to include such Registrable Securities in such registration shall be conditioned upon (i) each of the Shareholder's participation in such underwriting to the full extent of such Shareholder's Registrable Securities, (ii) the entry of the participating Shareholders (together with the Company and other holders distributing their securities through such underwriting) into an underwriting agreement in customary form reasonably acceptable to the Shareholders with the underwriter or underwriters selected for such underwriting, and (iii) the completion and execution by the participating Shareholders of all questionnaires, powers of attorney, indemnities and other documents required under the terms of such underwriting arrangements. The Company shall bona fide cooperate with the Shareholders and any underwriter to effect such underwritten offering.

2.4 Registration on Form S–3. If, at the time the Company makes the 2010 Consideration Substitution Right, the Company is a registrant entitled to use Form S–3 or any successor thereto to register shares of Common Stock, then the Company shall use its reasonable best efforts to effect the Registration on Form S–3 or any successor thereto.

2.5 Priority for Registrations. Notwithstanding any other provision of this Article II, if the managing underwriter advises the Company that the marketability of the offering would be adversely affected by the number of securities included in such offering, then the Company shall so advise all Shareholders, and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be reduced as required by the underwriter(s), and the Company shall include in such registration the maximum number of Registrable Securities permitted by the underwriter to be included therein, *pro rata* among the respective Shareholders thereof on the basis of the amount of Registrable Securities requested to be included in such registration by each such Shareholder.

2.6 Deferral of Registration.

(a) In connection with a Registration, the Shareholders shall provide to the Company not later than 5 days after the Company shall have made the 2010 Consideration Substitution Right, a written representation from each Shareholder confirming that (i) such Shareholder is irrevocably bound to accept such shares of Common Stock, and (ii) there are no conditions to the completion of the Company's issuance of, and such Shareholder's acceptance of, such shares of Common Stock that (A) are within such Shareholder's control or (B) such Shareholder can cause not to be satisfied.

(b) Notwithstanding anything to the contrary herein, if the Company reasonably determines in good faith and based on advice of independent, internationally recognized legal counsel that any Shareholder participating in any Demand Registration would be deemed to be an "underwriter" (as defined in Section 2(a)(11) of the Securities Act) in connection with the registration of Registrable Securities pursuant to such Registration, the Company may delay complying with its obligations under Section 2.1 in connection with such Registration unless and until such Shareholder would no longer be deemed an "underwriter" in connection with such registration (at which time the Company will promptly comply with its obligations under Section 2.1), provided that the Company shall make such determination to delay such registration only after reasonable prior consultation with the Shareholders and their independent, internationally recognized legal counsel.

2.7 Beneficial Ownership Information. On the Business Day prior to the date any registration statement is expected to be filed in connection with any Registration (the expected date of which filing the Company shall provide to the Shareholders not less than two days prior to the date of such filing or, in the case of the filing CEDC is entitled to make on June 8, 2009, one Business Day prior to the date of such filing), the Shareholders shall notify the Company in writing of the total number of shares of Common Stock each Shareholder and its Affiliates beneficially own as of that date (the "**Owned Shares**").

2.8 Registration of Deferred Shares.

(a) If any Registrable Securities that are otherwise issuable are not issued due to the operation of Clause 8 of the Option Agreement (such Registrable Securities, "**Deferred Shares**"), then at such time as the Shareholders and their Affiliates collectively own 3.5% or less than the total number of shares of Common Stock issued and outstanding, the Shareholders may make a written request to the Company requesting that the Company register under the Securities Act all, but not part, of such Deferred Shares.

(b) The Shareholders shall provide written notice to the Company promptly upon the Shareholders' and their Affiliates collective ownership of Common Stock falling to 3.5% or less than the total number of shares of Common Stock issued and outstanding.

(c) Upon receipt of a written request pursuant to clause (a) hereof, the Company shall file a registration statement in respect of the relevant Deferred Shares after the Shareholders have complied with their obligations under Sections 2.6 and 6.1 hereof (to the extent applicable) in accordance with Section 2.1.

ARTICLE III

PERMITTED DELAYS IN REGISTRATION

3.1 Suspension of Company Obligations.

(a) Notwithstanding anything to the contrary herein, the Company's obligations under Article II of this Agreement to maintain the effectiveness of any registration statement shall be suspended (and, to the extent applicable, the Shareholders shall suspend the disposition of any Registrable Securities pursuant to a then currently effective registration statement) for a period not to exceed 90 days (and such suspension not to occur more than twice in any 12-month period) in the event that, in the good faith reasonable opinion of the Company's Board of Directors, effecting or maintaining the effectiveness of the registration of such Registrable Securities (i) would be detrimental to any material financing, acquisition, merger, disposition of assets, disposition of stock or other comparable transaction then being pursued by the Company or (ii) would require the Company to make public disclosure of material, non-public information which is not otherwise required to be publicly disclosed at that time, and the public disclosure of which could reasonably be expected to have an adverse effect upon the Company, provided that, in each case, the determination to so suspend any registration shall be made in a commercially reasonable manner and, in the case of clause (i), taking into account the nature and size of the registration.

(b) The Company shall notify the Shareholders in writing of the existence of any suspension event set forth in this Section 3.1. Such notice and all facts and circumstances relating to such suspension event shall be kept confidential by the Shareholders.

ARTICLE IV

REGISTRATION PROCEDURES

4.1 Registration Procedures. Whenever the Company is obligated to register Registrable Securities pursuant to this Agreement, the Company shall use its reasonable best efforts to:

(a) cause the registration statement filed with respect to such Registrable Securities to remain effective until the earlier of (i) the one-year anniversary of the issuance of the Registrable Securities and (ii) the completion of the distribution described in such registration statement;

(b) furnish the Shareholders, their underwriters, if any, and their respective counsel, at such times so as to permit their reasonable review, the opportunity to review the registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and to consider in good faith incorporating any comments reasonably requested by the Shareholders, their underwriters, if any, and their respective counsel, provided that the Shareholders', the

underwriters', if any, and their respective counsels' review of such documents shall not delay the filing of the registration statement so long as such parties have been provided a reasonable time to review the same;

(c) make available for reasonable inspection by, or give reasonable access to, any underwriter and its counsel participating in any disposition of Registrable Securities all pertinent financial and other records, pertinent corporate documents and properties of the Company, and to cause its senior management to participate in such management presentations and one roadshow as such underwriters may reasonably request (provided that such managers are given reasonable advanced notice of such presentations and roadshows and that such managers shall only be obligated to participate in one roadshow of reasonably customary duration) and to cause the Company's directors, officers and employees to supply all information reasonably requested by any such underwriter in connection with the offering thereunder;

(d) furnish, without charge, to the Shareholders and to the underwriters of the securities being registered such number of copies of the registration statement, preliminary prospectus, final prospectus and other documents incident thereto as such underwriters and the Shareholders from time to time may reasonably request;

(e) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act and applicable state securities laws with respect to the disposition of all securities covered by such registration statement;

(f) register or qualify the Registrable Securities covered by such registration statement under such other securities laws or state blue sky laws of such U.S. jurisdictions as shall be reasonably requested by the Shareholders for the distribution of the Registrable Securities covered by the registration statement; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions or to subject itself to taxation in any such states or jurisdictions wherein it would not but for the requirements of this paragraph (f) be required to do so;

(g) enter into customary agreements in form and substance reasonably satisfactory to the Company (including a customary underwriting agreement in form and substance reasonably satisfactory to the Company, if the offering is to be underwritten, in whole or in part);

(h) notify the Shareholders at any time when a prospectus relating thereto covered by such registration statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing and, at the request of any Shareholder, promptly prepare and furnish to such Shareholder a

reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing; provided that, upon receipt of such notice from the Company, the Shareholders will forthwith discontinue disposition of their Registrable Securities pursuant to the registration statement covering such Registrable Securities until the Shareholders receive the copies of the supplemented or amended prospectus covering such Registrable Securities (and the Shareholders shall return to the Company all copies of the unsupplemented or unamended prospectus covering such Registrable Securities);

(i) list all Registrable Securities covered by such registration statement on the Nasdaq or on such other securities exchange on which shares of Common Stock are then currently listed;

(j) prevent the issuance of any order suspending the effectiveness of a registration statement or suspending the qualification (or exemption from qualification) of any of the Registrable Securities included therein for sale in any U.S. jurisdiction, and, in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending the qualification of any Registrable Securities included in such registration statement for sale in any U.S. jurisdiction, the Company will use reasonable efforts to promptly obtain the withdrawal of such order;

(k) obtain "cold comfort" letters and updates thereof reasonably satisfactory to the managing underwriters from the independent certified public accountants of the Company, addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings;

(l) obtain opinions of independent counsel to the Company reasonably satisfactory to the managing underwriters, addressed to each of the underwriters covering the matters customarily covered in opinions of issuer's counsel requested in underwritten offerings; and

(m) provide a transfer agent and registrar for all Registrable Securities registered pursuant hereto and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

ARTICLE V

INDEMNIFICATION

5.1 Indemnification by the Company. In the event of any registration of any Registrable Securities pursuant to this Agreement under the Securities Act, the Company will indemnify, hold harmless and reimburse each participating Shareholder, each of the directors, officers, employees, managers, stockholders, partners, members,

counsel, agents or representatives of such Shareholder and its Affiliates and each Person who controls any such Person, if any, and each other Person who participates as an underwriter for the Shareholders in the offering or sale of such securities and each other Person (including its officers and directors) who controls any such underwriter within the meaning of the Securities Act (collectively, "**Shareholder Indemnified Parties**"), against any losses, claims, damages or liabilities, joint or several, to which such participating Shareholder or any such Person, underwriter or controlling person may become subject under the Securities Act or otherwise (collectively, "**Losses**"), insofar as such Losses arise out of or are based on any untrue statement or alleged untrue statement of any material fact contained in the registration statement, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (a "**Misstatement/Omission**"), under which such Registrable Securities were registered under the Securities Act, in any preliminary prospectus, final prospectus or summary prospectus contained therein, or in any amendment or supplement thereto, and shall reimburse such Shareholder Indemnified Parties, such Person participating as an underwriter for the Shareholders in the offering or sale of such securities and each other Person (including its officers and directors) who controls any such underwriter within the meaning of the Securities Act for any legal and other expenses reasonably incurred by them in connection with investigating and defending any such Losses, whether or not resulting in any liability; provided, however, that the Company shall not be liable in any such case to the extent that any such Losses or expense arises out of or is based upon a Misstatement/Omission made in such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any participating Shareholder or any other Person who participates as an underwriter in the offering or sale of such securities or any of their controlling persons and stated to be specifically for use therein. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any participating Shareholder or any such underwriter or controlling person and shall survive the transfer of such securities by the Shareholder.

5.2 Indemnification by Participating Shareholders. Each of the participating Shareholders whose Registrable Securities are included or are to be included in any registration statement, as a condition to including Registrable Securities in such registration statement, hereby agrees, to indemnify, hold harmless and reimburse (in the same manner and to the same extent as set forth in Section 5.1) the Company, each of its directors, officers, employees, managers, stockholders, counsel, agents or representatives and the Company's Affiliates and each Person who controls any such Person within the meaning of the Securities Act, and each other Person who participates as an underwriter in the offering or sale of such securities and each other Person who controls any such underwriter within the meaning of the Securities Act with respect to any Losses that arise out of or are based on any Misstatement/Omission, from such registration statement, preliminary prospectus, final prospectus or summary prospectus, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by any participating Shareholder and stated to be specifically for use therein. Notwithstanding the foregoing, the obligation to indemnify will be

individual (several and not joint) to each Shareholder and will be limited to the net amount of proceeds received by such Shareholder from the sale of Registrable Securities pursuant to such registration statement giving rise to such indemnification obligation. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer, or any such underwriter or controlling person and shall survive the transfer of such securities by any participating Shareholder.

5.3 Notices of Claims. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Section 5.1 or 5.2, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Sections 5.1 or 5.2, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense of such action, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party (whose approval shall not be unreasonably withheld), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to the indemnified party for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, that the indemnified party may participate in such defense at the indemnified party's expense, and provided, further, that all indemnified parties shall have the right to employ one counsel to represent them if, in the reasonable judgment of such indemnified parties, it is advisable for them to be represented by separate counsel by reason of having legal defenses which are different from or in addition to those available to the indemnifying party, and in that event the reasonable fees and expenses of such one counsel shall be paid by the indemnifying party. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel for the indemnified parties with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of such additional counsel for the indemnified parties. No indemnifying party shall consent to entry of any judgment or enter into any settlement without the consent of the indemnified party which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation. No indemnifying party shall be subject to any liability for any settlement made without its written consent. The indemnifying party's liability to any such indemnified party hereunder shall not be extinguished solely because any other indemnified party is not entitled to indemnity hereunder.

5.4 Survival. The indemnification provided for under this Agreement will (i) remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party, (ii) survive the transfer of securities and (iii) survive the termination of this Agreement.

5.5 Contribution. If, for any reason, the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of the expense, loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission), as well as any other relevant equitable considerations. The amount paid or payable by a party as a result of the expense, loss, claim, damage or liability referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 5.5 were determined by *pro rata* allocation or by any other means of allocation, unless such contribution takes into account the equitable considerations referred to in this paragraph. Notwithstanding the provisions of this Section 5.5, a Shareholder shall not be required to contribute any amount in excess of the amount by which (i) the amount at which the securities that were sold by such Shareholder and distributed to the public were offered to the public exceeds (ii) the amount of any damages which such Shareholder has otherwise been required to pay by reason of such Misstatement/Omission or violation. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

ARTICLE VI

INFORMATION BY PARTICIPATING SHAREHOLDERS

6.1 Information Regarding Participating Shareholders and its Affiliates. Not later than May 21, 2010, or, if the issuance of any Registrable Seurities has been deferred as a result of clause 8 of the Option Agreement, the 5th Business Day after the issuance of such Deferred Shares, each Shareholder shall furnish to the Company and any applicable underwriter such information regarding such Shareholder and the distribution proposed by such Shareholder and its Affiliates required by applicable law or regulation to be included, directly or indirectly, in any registration statement or prospectus relating to such registration, as the Company or such underwriter reasonably believes may be required in connection with any registration, qualification or compliance referred to in this Agreement.

ARTICLE VII

RULE 144 SALES

7.1 Reporting. With a view to making available to the Shareholders the benefits of certain rules and regulations of the Commission which may permit the sale of Registrable Securities to the public without registration or through short form registration forms, the Company agrees to use its reasonable best efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act;

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to any holder of Registrable Securities upon written request a written statement by the Company as to its compliance with the reporting requirements of the Securities Act and Exchange Act.

ARTICLE VIII

RESTRICTIONS ON TRANSFER

8.1 Restrictions on Transferability.

(a) The Registrable Securities may be Transferred to any Person; provided, that:

(i) there is in effect a registration statement under the Securities Act covering such proposed Transfer and such Transfer is made in accordance with such registration statement, or

(ii) (x) such Transfer is eligible under Rule 144 and is made pursuant thereto, or (y) such Transfer is made in a transaction exempt from registration under the Securities Act and, in each case, is otherwise made in accordance with applicable securities laws.

(b) In the event any Shareholder intends to effect any Transfer pursuant to clause (a)(ii), above:

(i) such Shareholder shall provide (A) written notice to the Company of such intention, including a reasonably detailed statement of the circumstances surrounding the proposed Transfer, no later than five (5) Business Days prior to effecting such Transfer, and (B) the Company with a legal opinion from independent, internationally recognized legal counsel experienced in such matters, which legal opinion shall be in customary form reasonably acceptable to the Company and shall state that such Transfer is eligible under Rule 144 or is made in a transaction exempt from registration under the Securities Act and, in

each case, is otherwise made in accordance with applicable securities laws, provided that in the case of any Transfer made pursuant to Rule 144, such Shareholder may provide such notice and legal opinion in respect of all of the Transfers proposed to be made within the six (6) month period following the date of such notice and legal opinion; and

(ii) only with respect to any Transfer made pursuant to clause (a)(ii)(y) above, such Shareholder and the transferee in any such Transfer as a condition precedent thereto shall have provided to the Company such factual representations, warranties and undertakings as the Company may reasonably request to ensure that such Transfer does not adversely affect the Company's ability to issue the shares of Common Stock as contemplated by the Option Agreement through an exemption from registration under the Securities Act.

(c) No Transfer pursuant to clause (a)(ii)(y), above, will be effective unless the transferee agrees in writing to be bound by the terms and conditions of this Agreement, including the restrictions and limitations on transfer, to the same extent as the original parties hereto.

(d) Notwithstanding anything in this Agreement to the contrary, no Transfer of any Registrable Securities may be made to (i) any Person who is, in the commercially reasonably judgment of the Chief Executive Officer of the Company, a competitor of the Company in a market that is material to the Company, or (ii) any Person who, prior to such Transfer, owns five percent (5%) or more of the Company's outstanding Common Stock, without, in the case of each of clause (i) and (ii), the prior written consent of the Company, which consent the Company may withhold or provide in its sole discretion.

(e) Each Shareholder is aware of the following Telephone Interpretation in the SEC Manual of Publicly Available Telephone Interpretations (July 1997):

A.65. Section 5

An issuer filed a Form S-3 registration statement for a secondary offering of common stock which is not yet effective. One of the selling shareholders wanted to do a short sale of common stock "against the box" and cover the short sale with registered shares after the effective date. The issuer was advised that the short sale could not be made before the registration statement becomes effective, because the shares underlying the short sale are deemed to be sold at the time such sale is made. There would, therefore, be a violation of Section 5 if the shares were effectively sold prior to the effective date.

(f) The Company is required to refuse to register any transfer of the Shares which is not made in accordance with Regulation S under the Securities Act, pursuant to a registration statement under the Securities Act or pursuant to an available exemption therefrom.

(g) The Shareholders shall not take any action with respect to any distribution deemed to be made pursuant to any Registration that would constitute a violation of Regulation M under the Exchange Act.

8.2 No Participation in Other Securities Offerings. The rights granted by the Company hereunder shall be the exclusive rights granted to Shareholders with respect to Registrable Securities. Except as otherwise provided herein, the Shareholders shall have no rights to participate in any offering of securities by the Company to third parties, whether such offering is effected pursuant to registration under the Securities Act or pursuant to an exemption from registration thereunder.

ARTICLE IX

COVENANTS OF THE SHAREHOLDERS

9.1 Shareholders. Each of the Shareholders hereby agrees (i) to cooperate with the Company and, as a condition precedent to the Company's obligation to file any registration statement, to furnish to the Company all such information regarding such Shareholder, its ownership of Registrable Securities and the disposition of such securities in connection with the preparation of and as required by the registration statement and any filings with any state securities commissions as the Company may reasonably request, (ii) to the extent required by the Securities Act, to deliver or cause delivery of the prospectus contained in the registration statement, any amendment or supplement thereto, to any purchaser of the Registrable Securities covered by the registration statement from the Shareholder, (iii) if requested by the Company, to notify the Company of any sale of Registrable Securities by such Shareholder and (iv) not to sell any of its Registrable Securities held by such Shareholder except pursuant to the terms of this Agreement

ARTICLE X

TERMINATION

10.1 Termination. This Agreement and the rights provided hereunder shall terminate and be of no further force and effect with respect to each Shareholder on the date the Registrable Securities held by such Shareholder cease to be Registrable Securities pursuant to the terms of this Agreement. This Section 10.1 shall not, however, apply to the provisions of Article V of this Agreement, which shall survive the termination of this Agreement.

ARTICLE XI

MISCELLANEOUS

11.1 Decisions or Actions of the Shareholders. For the purposes of this Agreement, an action or decision shall be deemed to have been taken or made by all of the Shareholders if such action or decision shall have been taken or made by Shareholders holding a majority of the Registrable Securities.

11.2 Successors and Assigns. Subject to the provisions of Section 8.1, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, assigns and transferees of the parties. If any successor, assignee or transferee of any Shareholder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by all of the terms and provisions hereof.

11.3 Notices. All notices and other communications provided for hereunder shall be in writing and sent by registered or certified mail, return receipt requested, postage prepaid or delivered in person or by courier, telecopier or electronic mail, and shall be deemed to have been duly given on the date on which personally delivered to, or actually received by, the party to whom such notice is to be given at its address set forth below, or at such other address for the party as shall be specified by notice given pursuant hereto:

(a) If to the Company, to:

Central European Distribution Company
Two Bala Plaza
Suite #300
Bala Cynwyd, Pennsylvania 19004
United States of America
Attn: William V. Carey, President

with a copy (which shall not constitute notice) to:

Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, New York 10019
United States of America
Attn: Frank R. Adams, Esq.

(b) If to the Shareholders, to:

Lion Capital LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom
For the attention of: Javier Ferrán/James Cocker
Fax number: +44 20 7201 2222

with a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
United Kingdom
For the attention of: Michael Francies/Ian Hamilton
Fax number: +44 20 7903 0990

11.4 Governing Law. This Agreement and any controversy or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without giving effect to the principles of conflicts of laws.

11.5 Jurisdiction. Each of the Company and each Shareholder hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Delaware State court or Federal court of the United States of America sitting in New York City or Delaware, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect to any such action or proceeding may be heard and determined in such New York State or Delaware State court or, to the extent permitted by law, in such Federal court. Each of the Company and each Shareholder agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in the any other manner provided by law. Each of the Company and each Shareholder hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or relating to this Agreement in any New York State, Delaware State or Federal court sitting in New York City or Delaware. Each of the Company and each Shareholder hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each of the Company and each Shareholder hereby irrevocably and unconditionally waives trial by jury in any legal action or proceeding relating to this Agreement or the transactions contemplated hereby.

11.6 Entire Agreement; Amendments and Waivers. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions

whether oral or written, of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

11.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts.

11.8 Severability. In the event that any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

11.9 Headings. The headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

11.10 Gender and Other References. Unless the context clearly indicates otherwise, the use of any gender pronoun in this Agreement shall be deemed to include all other genders, and singular references shall include the plural and vice versa.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

By: _____
Name:
Title:

LION/RALLY CAYMAN 4

By: _____
Name:
Title:

LION/RALLY CAYMAN 5

By: _____
Name:
Title:

Exhibit 4.26

FIRST SUPPLEMENTAL INDENTURE

This Supplemental Indenture, dated as of 29 December 2009 (this "*Supplemental Indenture*"), among Bravo Premium LLC, JSC Distillery Topaz, JSC "Russian Alcohol Group", Latchey Limited, Limited Liability Company "The Trading House Russian Alcohol", Lion/Rally Cayman 6, Lion/Rally Lux 1 S.A., Lion/Rally Lux 2 S.à r.l., Lion/Rally Lux 3 S.à r.l., Mid-Russian Distilleries, OOO First Tula Distillery, OOO Glavspirttirest, Pasalba Limited, Premium Distributors sp. z o.o., Sibirsky LVZ (the "*Additional Guarantors*"), CEDC Finance Corporation International, Inc. (together with its successors and assigns, the "*Issuer*"), Central European Distribution Corporation (the "*Parent*"), the entities listed on Schedule I hereto as the existing Guarantors (the "*Guarantors*", to the extent then a Guarantor) Deutsche Trustee Company Limited, as Trustee, Deutsche Bank AG, London Branch, as Polish Security Agent and TMF Trustee Limited as Security Agent each under the Indenture referred to below.

W I T N E S S E T H:

WHEREAS, the Issuer, the Parent, the other Guarantors, the Trustee, the Registrars, the Transfer Agents, the Paying Agents, the Principal Paying Agent, the Polish Security Agent, and the Security Agent have heretofore executed and delivered an Indenture, dated as of December 2, 2009 (as amended, supplemented, waived or otherwise modified, the "*Indenture*"), providing for the issuance of an aggregate principal amount of $380 million of 9.125% Senior Secured Notes due 2016 (the "*Dollar Notes*") and €380 million of 8.875% Senior Secured Notes due 2016 of the Issuer (the "*Euro Notes*" and together with the Dollar Notes, the "*Notes*");

WHEREAS, the Indenture provides that Persons are required to become Guarantors under certain conditions and circumstances;

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuer, the Guarantors, the Trustee, the Registrars, the Transfer Agents, the Paying Agents, the Principal Paying Agent, the Polish Security Agent and the Security Agent are authorized to execute and deliver this Supplemental Indenture to amend the Indenture, without the consent of any Holder, 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 Guarantors, the Issuer, the Guarantors, the Trustee, the Registrars, the Transfer Agents, the Paying Agents, the Principal Paying Agent, the Polish Security Agent and the Security Agent mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

ARTICLE I

Definitions

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein

defined, except that the term "Holders" in this Supplemental Indenture shall refer to the term "Holders" as defined in the Indenture and the Trustee, the Polish Security Agent and the Security Agent 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 Guarantors hereby becomes a party to the 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 the Indenture. The Additional Guarantors agrees to be bound by all of the provisions of the Indenture applicable to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Subject to the terms of the Indenture, the Additional Guarantors hereby fully, unconditionally and irrevocably Guarantees, as primary obligor and not merely as surety, jointly and severally with each of the other Guarantors, on a senior secured basis to each Holder of a Note authenticated by the Trustee or the Authenticating Agent and to the Trustee, Polish Security Agent and Security Agent and each of their successors and assigns the full and prompt performance, whether at maturity, by acceleration, redemption or otherwise, of all of the Issuer's obligations (including the Parallel Obligations) under the Indenture and the Notes, including the payment of principal of, and premium, if any, and interest on the Notes and all other obligations of the Issuer to the Holders, the Trustee, the Polish Security Agent and the Security Agent under the Indenture and the Notes pursuant to Article X of the Indenture.

ARTICLE III

Miscellaneous

SECTION 3.1. Notices. All notices and other communications to the Additional Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at its address set forth below, with a copy to the Issuer as provided in the 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, the Trustee, the Polish Security Agent and the Security Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the 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, the 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 the Indenture for all purposes, and every Holder 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.

SECTION 3.9. Effect of Headings. The Article and Section headings herein are for the convenience of reference only and shall not affect the construction hereof.

SECTION 3.10. Trustee, Security Agent and Polish Security Agent. The Trustee, the Security Agent and the Polish Security Agent shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals have been made solely by the Issuer and the Guarantors. The Issuer and the Guarantors shall reimburse the Trustee, the Security Agent and the Polish Security Agent to the same extent as under Section 7.6 of the Indenture for any disbursements, expenses and advances (including reasonable fees and expenses of its counsel) incurred by the Trustee, the Security Agent and/or the Polish Security Agent arising out of or in connection with its execution and performance of this Supplemental Indenture. This provision shall survive the final payment in full of the Notes and the resignation or removal of the Trustee, the Security Agent and/or the Polish Security Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CEDC FINANCE CORPORATION
INTERNATIONAL, INC.
as the Issuer

By: /s/ William V. Carey
Name: William V. Carey
Title: President and Chief Executive Officer

CENTRAL EUROPEAN DISTRIBUTION
CORPORATION
as the Parent

By: /s/ William V. Carey
Name: William V. Carey
Title: President and Chief Executive Officer

(Signature Page to First Supplemental Indenture)

BRAVO PREMIUM LLC,
as a Guarantor

By: /s/ Kopitel Sergey Igorevich
Name: Kopitel Sergey Igorevich
Title: General Director

JSC DISTILLERY TOPAZ,
as a Guarantor

By: /s/ Carlo Radicati
Name: Carlo Radicati
Title:

JSC "RUSSIAN ALCOHOL GROUP",
as a Guarantor

By: /s/ Carlo Radicati
Name: Carlo Radicati
Title:

LATCHEY LIMITED,
as a Guarantor

By: /s/ Arjan Schaapman
Name: Arjan Schaapman
Title:

By: /s/ Adriaan Coppens
Name: Adriaan Coppens
Title:

(Signature Page to First Supplemental Indenture)

LIMITED LIABILITY COMPANY "THE TRADING HOUSE RUSSIAN ALCOHOL",
as a Guarantor

By: /s/ Yablokov Evgeny Vladimirovich
Name: Yablokov Evgeny Vladimirovich
Title: General Director

LION/RALLY CAYMAN 6,
as a Guarantor

By: /s/ Rob Jones
Name: Rob Jones
Title: Director

LION/RALLY LUX 1 S.A.,
as a Guarantor

By: /s/ Richard Brekelmans
Name: Richard Brekelmans
Title: Manager B

LION/RALLY LUX 2 S.À R.L.,
as a Guarantor

By: /s/ Richard Brekelmans
Name: Richard Brekelmans
Title: Manager B

(Signature Page to First Supplemental Indenture)

LION/RALLY LUX 3 S.À R.L.,
as a Guarantor

By: /s/ Richard Brekelmans
Name: Richard Brekelmans
Title: Manager B

MID-RUSSIAN DISTILLERIES,
as a Guarantor

By: /s/ Zhangozin Kairat Nakoshevich
Name: Zhangozin Kairat Nakoshevich
Title: General Director

OOO First TULA DISTILLERY,
as a Guarantor

By: /s/ Carlo Radicati
Name: Carlo Radicati
Title:

OOO GLAVSPIRTTIREST,
as a Guarantor

By: /s/ Carlo Radicati
Name: Carlo Radicati
Title:

PASALBA LIMITED,
as a Guarantor

By: /s/ Arjan Schaapman
Name: Arjan Schaapman
Title:

By: /s/ Adriaan Coppens
Name: Adriaan Coppens
Title:

PREMIUM DISTRIBUTORS SP. Z O.O.,
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Member of the Management Board

SIBIRSKY LVZ,
as a Guarantor

By: /s/ Carlo Radicati
Name: Carlo Radicati
Title:

ASTOR SP. Z O.O.
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: President

BOLS SP. Z O.O.
as a Guarantor

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: President

BOLS HUNGARY KFT.
as a Guarantor

By: /s/ Mariusz Jacek Chrobot
Name: Mariusz Jacek Chrobot
Title: Managing Director

BOTAPOL HOLDING B.V.
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Director

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Director

(Signature Page to First Supplemental Indenture)

CAREY AGRI INTERNATIONAL-POLAND SP. Z O.O.
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: President

CEDC FINANCE CORPORATION, LLC
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: President

COPECRESTO ENTERPRISES LIMITED
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Director

DAKO-GALANT PRZEDSIEBIORSTWO HANDLOWO PRODUKCYJNE SP. Z O.O.
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Member

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Member

DAMIANEX S.A.,
as a Guarantor

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Vice President

DELIKATES SP. Z O.O.
as a Guarantor

By: /s/ Christopher Biedermann
Name: Christopher Biedermann
Title: Member

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Member

JELEGAT HOLDINGS LIMITED
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Director

LUGANO HOLDING LIMITED
as a Guarantor

By: /s/ Arta Antoniou
Name: Arta Antoniou
Title: Director

By: /s/ Spyroulla Papaeracleous
Name: Spyroulla Papaeracleous
Title: Director

MIRO SP. Z O.O.
as a Guarantor

By: /s/ Christopher Biedermann
Name: Christopher Biedermann
Title: Member

MTC SP. Z O.O.
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Vice President

MULTI-EX S.A.
as a Guarantor

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Vice President

ONUFRY S.A.
as a Guarantor

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Vice President

(Signature Page to First Supplemental Indenture)

OOO PARLIAMENT DISTRIBUTION
as a Guarantor

By: /s/ Kupriyanov Sergey
Name: Kupriyanov Sergey
Куприянов Сергей Владимирович
Title: General Director

By: /s/ Sokolova Ekaterina
Name: Sokolova Ekaterina
Соколова Екатерина Александровна
Title: Acting Chief Accountant

OOO PARLIAMENT PRODUCTION
as a Guarantor

By: /s/ Yuryev Alexey
Name: Yuryev Alexey
Юрьев Алексей Георгиевич
Title: General Director

By: /s/ Podkopaeva Tatyana
Name: Podkopaeva Tatyana
Подкопаева Татьяна Николаевна
Title: Acting Chief Accountant

PANTA-HURT SP. Z O.O.
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Member

By: /s/ Christopher Biedermann
Name: Christopher Biedermann
Title: Member

(Signature Page to First Supplemental Indenture)

POLSKIE HURTOWNIE ALKOHOLI SP. Z O.O.
as a Guarantor

By: /s/ William V. Carey
Name: William V. Carey
Title: Member

By: /s/ Christopher Biedermann
Name: Christopher Biedermann
Title: Member

PRZEDSIEBIORSTWO DYSTRYBUCJI ALKOHOLI "AGIS" S.A.
as a Guarantor

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Vice President

PRZEDSIEBIORSTWO HANDLU SPOZYWCZEGO SP. Z O.O.
as a Guarantor

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Vice President

PRZEDSIEBIORSTWO "POLMOS" BIALYSTOK S.A.
as a Guarantor

By: /s/ Christopher Biedermann
Name: Christopher Biedermann
Title: Member

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: Member

PWW SP. Z O.O.
as a Guarantor

By: /s/ Evangelos Evangelou
Name: Evangelos Evangelou
Title: President

(Signature Page to First Supplemental Indenture)

DEUTSCHE TRUSTEE COMPANY LIMITED
as Trustee

By: /s/ C. Lander
Name: C. Lander
Title: Authorized Signatory

By: /s/ Robert Bebb
Name: Robert Bebb
Title: Authorized Signatory

DEUTSCHE BANK AG, LONDON BRANCH
as Polish Security Agent

By: /s/ C. Lander
Name: C. Lander
Title: Authorized Signatory

By: /s/ Robert Bebb
Name: Robert Bebb
Title: Authorized Signatory

(Signature Page to First Supplemental Indenture)

TMF TRUSTEE LIMITED
as Security Agent

By: /s/ Simon Ducklin
Name: Simon Ducklin
Title: Attorney

(Signature Page to First Supplemental Indenture)

SCHEDULE I
TO THE SUPPLEMENTAL INDENTURE

GUARANTORS

NAME	JURISDICTION OF INCORPORATION
1. Astor Sp. z o.o.	Poland
2. Bols Sp. z o.o.	Poland
3. Bols Hungary Kft.	Hungary
4. Botapol Holding B.V	Netherlands
5. Carey Agri International-Poland Sp. z o.o.	Poland
6. CEDC Finance Corporation, LLC	United States of America
7. Central European Distribution Corporation	United States of America
8. Copecresto Enterprises Limited	Cyprus
9. Dako-Galant Przedsiebiorstwo Handlowo Produkcyjne Sp. z o.o.	Poland
10. Damianex S.A.	Poland
11. Delikates Sp. z o.o.	Poland
12. Jelegat Holdings Limited	Cyprus
13. Lugano Holding Limited	Cyprus
14. Miro Sp. z o.o.	Poland
15. MTC Sp. z o.o.	Poland
16. Multi-Ex S.A.	Poland
17. Onufry S.A.	Poland
18. OOO Parliament Distribution	Russia
19. OOO Parliament Production	Russia
20. Panta-Hurt Sp. z o.o.	Poland
21. Polskie Hurtownie Alkoholi Sp. z o.o.	Poland

22.	Przedsiebiorstwo Dystrybucji Alkoholi „Agis" S.A.	Poland
23.	Przedsiebiorstwo Handlu Spozywczego Sp. z o.o.	Poland
24.	Przedsiebiorstwo „Polmos" Bialystok S.A.	Poland
25.	PWW Sp. z o.o.	Poland

Exhibit 10.48

[LETTERHEAD OF BANK PEKAO SA HEAD OFFICE]

To: Carey Agri International-Poland Sp. z o.o. ("**Borrower**")

Date: 12 November 2009

Dear Sirs,

Facility Agreement dated 21 December 2007 (as amended and restated on 24 February 2009)

We refer to the PLN 240,000,000 Facility Agreement ("**Facility Agreement**") entered into on 21 December 2007 as amended and restated on 24 February 2009 and subsequently amended on 24 February 2009 between, among others, Carey Agri International-Poland Sp. z o.o. as borrower and Bank Polska Kasa Opieki S.A. as Agent, Security Agent and the Lender.

Unless defined in this letter or the context otherwise requires, a term defined in the Facility Agreement has the same meaning in this letter.

We have been provided with and have reviewed the documents and other information furnished to us by your sole shareholder Central European Distribution Corporation ("**CEDC**") in respect of CEDC's refinancing plans (the "**Transaction Documents**"), including: (i) a summary of the intended new high yield bond transaction (the "**New Bond**"); (ii) the sources and uses of funds to be raised by CEDC in a proposed equity offering and offering of the New Bonds; (iii) the intended funds flow and inter-company loans; (iv) the draft dated 11 November 2009 setting out the terms and conditions of the New Bond (the "**Description of Notes**"), which will form the basis for part of a new indenture (the "**New Indenture**") as to which Deutsche Bank will be Trustee; (v) the summary description of the proposed transaction with affiliates of Lion Capital LLP (the "**Russian Alcohol Transaction**") including the deferred payments to be made thereunder; and (vi) the draft dated 11 November 2009 of a proposed intercreditor agreement between us and the Trustee in respect of the security, and have had the opportunity to ask questions about the same with CEDC.

1. **CONSENT**

1.1 We understand and agree that all of the security (the "**Existing Security**") currently provided for our benefit in relation to the Facility Agreement (set out in Schedule 1 hereto) will, as a result of the transactions contemplated by the Transaction Documents, be provided for the benefit of the holders of the New Bonds and, consequently, we will share the benefit of the Existing Security with the holders of the New Bonds.

1.2 We agree for purposes of the Facility Agreement that no action contemplated to be taken in respect of the Transaction Documents, or otherwise related thereto, or any

modification thereof that may be undertaken in connection therewith, including without limitation the New Indenture, New Bond and the Russian Alcohol Transaction, or the failure to take any action or complete any steps provided in the Facility Agreement in respect of the Transaction Documents or the satisfaction and discharge (and deposit of funds sufficient to redeem the existing high yield notes into trust in respect thereof) and the redemption of the existing high yield notes shall be in violation of, or constitute a Default or Event of Default under, the Facility Agreement.

1.3 We agree for purposes of the Facility Agreement that notwithstanding anything in the Facility Agreement to the contrary, no provision thereof shall limit or prohibit in any way any action or transaction taken or document entered into in respect of or relation to the Transaction Documents, no provision of the Facility Agreement shall require any person to take any action the result of which would be in violation of, or constitute a Default or Event of Default under, the Facility Agreement, and in the event of a conflict between the Facility Agreement and the New Indenture, we agree that the New Indenture shall control and shall take priority, provided however that the covenant set out in clause 21.2.2 (Consolidated Cover Ratio) of the Facility Agreement shall not be affected by the priority afforded to the New Indenture pursuant to this letter.

1.4 We agree for purposes of the Facility Agreement that we will take all steps reasonably necessary to effect the sharing of the Existing Security as contemplated hereby and in respect of the Transaction Documents and as more particularly described in the intercreditor agreement to be executed in connection with the closing of the transaction.

1.5 The consent referred to in this letter agreement is given on the following terms:

1.5.1 the Financial Indebtedness arising under the New Bond does not exceed $950,000,000; and

1.5.2 the Finance Parties under the Facility Agreement will, after giving effect to the actions and transactions contemplated hereby and by the Transaction Documents, be senior secured creditors on a *pari passu* basis with the holders of the New Bond, in the security listed in Schedule 1 hereto.

2. **UNDERTAKINGS**

2.1 No Obligor shall engage in any negotiations or transactions to be entered into for the purpose of financing of any working capital needs with any institution without first notifying the Agent sufficiently in advance of the planned transaction and ensuring that the Agent has the right to match the best offer received by any Obligor from other institutions in respect of at least 60% of working capital needs of the Borrower's Group.

2.2 Other than in connection with the transactions contemplated herein or as provided in paragraph 2.1 above, no Obligor shall engage in any negotiations or transactions to be entered into for the purpose of refinancing the Financial Indebtedness in respect of the Finance Documents, Bank Handlowy Facility Documents and BZWBK Facility Documents, or incurring any Financial Indebtedness to finance any other purposes, in each case where such refinancing of Financial Indebtedness is intended to be obtained from commercial banks, without first notifying the Agent sufficiently in advance of the planned transaction and ensuring that the Agent has the right to: (i) file the first offer in respect of such financing or refinancing and (ii) match the best offer in respect of such financing or refinancing received from other institutions.

2.3 The parties shall cooperate in good faith and do all acts and things reasonably necessary or desirable in order to release and replace the Existing Security (and if necessary the Guarantors' grant of their obligations), consistent with the New Indenture and this letter.

2.4 The parties shall use their best efforts to execute the amended and restated agreement reflecting the provisions of this letter agreement as soon as reasonably possible after the final execution of the New Indenture, and in any case by 31 January 2010. The validity of the foregoing waivers and agreements in respect of the Facility Agreement and the Intercreditor Agreement shall not be affected whether or not such an amendment and restatement is entered into, provided that (a) in the event that the New Bonds are not issued prior to or on 31 January 2010 the foregoing waivers and agreements shall cease to be valid; and (b) in the event that Borrower notifies the Agent prior to 31 January 2010 that the New Bonds will not be issued then the foregoing waivers and agreements shall cease to be valid from the date that the Borrower notifies the Agent.

2.5 Pursuant to Clause 17.2 (Amendment Costs), in relation to the negotiation, preparation and execution of this letter agreement, any Transaction Document and the completion of the transactions herein contemplated (including the amendments to the Facility Agreement and the Existing Security and their registration with appropriate courts) the Lender shall be reimbursed by the Borrower for the amount of costs and expenses agreed in advance between the parties acting in good faith.

3. **CONSENT FEE**

3.1 Within 5 Business Days of the date of execution of this letter, you shall pay a non-refundable fee to the Agent in the amount of PLN 50,000.

3.2 All payments to be made under this letter:

(a) shall be paid in the currency of invoice and in immediately available, freely transferable, cleared funds to us;

(b) shall be paid without (and free and clear of any deduction for) set-off or counter-claim and without any deduction or withholding for or on account of tax (a "**Tax Deduction**") unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made, the amount of the payment due 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; and

(c) are exclusive of any value added tax or similar charge ("**VAT**"). If VAT is chargeable, you shall also and at the same time pay to us an amount equal to the amount of the VAT.

4. **FINANCE DOCUMENT**

This letter is a Finance Document.

5. **NON - WAIVER**

Nothing in this letter shall affect the rights of the Finance Parties in respect of the occurrence of any Default which is continuing and which has not been waived or which arises on or after the date of this letter except in respect of the matters addressed in paragraph 1 hereof.

6. **COUNTERPARTS**

This letter 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 thereof.

7. **LAW**

This letter agreement is governed by Polish law.

Yours faithfully

Agent

BANK POLSKA KASA OPIEKI S.A.

By: /s/ Monika Karolak

/s/ Barbara Jarzembowska

We agree to the terms and conditions of this letter agreement.

Borrower for itself and each of the Obligors as Obligors' Agent

CAREY AGRI INTERNATIONAL-POLAND SP. Z O.O.

By: /s/ William V. Carey

/s/ Prezes Zarzadu

SCHEDULE 1

Existing Security[1]

- Registered pledge over 4,039,680 shares in Przedsiębiorstwo "Polmos" Białystok S.A.; and
- Pledge over 100% of shares in Bols Hungary Kft.

[1] Existing Security also contain rights to a submission to execution, which ease the enforcement of security under Polish law

Exhibit 10.49

[LETTERHEAD OF CAREY AGRI INTERNATIONAL POLAND SP. Z O.O.]

Warsaw, 12 November 2009

To: Bank Handlowy w Warszawie S.A.
ul. Senatorska 16
00-923 Warszawa
as Arranger, Lender, Agent and Security Agent ("**Citibank**")

Re: Carey Agri International-Poland Sp. z o.o. – USD 40,000,000.00 Facility Agreement dated 2 July 2008 (the "Facility Agreement")

Dear Sirs,

As you are aware our sole shareholder Central European Distribution Corporation ("**CEDC**") intends to take various steps in connection with a refinancing. You have been provided with and have reviewed the following documents and other information provided by CEDC in respect of CEDC's refinancing plans (the "**Transaction Documents**"):

(i) the draft dated 11 November 2009 of the summary of the intended new high yield bond transaction (the "**New Bond**") (document reference LN-494899-1);

(ii) the draft dated 11 November 2009 of the sources and uses of funds to be raised by CEDC in a proposed equity offering and offering of the New Bonds (document reference MX-7001N-20091111-165832);

(iii) the draft dated 11 November 2009 of the intended funds flow and inter-company loans (document reference LN-494909-1) ;

(iv) the draft dated 11 November 2009 setting out the terms and conditions of the New Bond (the "**Description of Notes**"), which will form the basis for part of a new indenture (the "**New Indenture**") as to which Deutsche Bank will be Trustee (document reference 38048380-19) ;

(v) the draft dated 11 November 2009 of the summary description of the proposed transaction with affiliates of Lion Capital LLP (the "**Russian Alcohol Transaction**") (including the deferred payments to be made thereunder) (document reference NY2-2041867);

(vi) the draft dated 11 November 2009 of a proposed intercreditor agreement between us and the Trustee in respect of the security (document reference LN-494840-4),

and have had the opportunity to ask questions about the same with CEDC.

In agreeing to the terms of this letter agreement you understand and agree that all of the security (the "**Existing Security**") currently provided for your benefit in relation to the Facility Agreement (set out in Schedule 1 hereto) will, as a result of the transactions contemplated by the Transaction Documents, be provided for the benefit of the holders of the New Bonds, on a *pari passu* basis.

Capitalized terms used in this letter agreement shall have the same meaning as provided in the Facility Agreement, unless explicitly provided otherwise herein.

In agreeing to the terms of this letter agreement you agree, for the purposes of the Facility Agreement, that:

(1) no action contemplated to be taken in respect of the Transaction Documents, or otherwise related thereto, or any modification thereof that may be undertaken in connection therewith, including without limitation the New Indenture, New Bond and the Russian Alcohol Transaction, or the failure to take any action or complete any steps provided in the Facility Agreement in respect of the Transaction Documents or the satisfaction and discharge (and deposit of funds sufficient to redeem the existing high yield notes into trust in respect thereof) and the redemption of the existing high yield notes shall be in violation of, or constitute a default or event of default under, the Facility Agreement;

(2) notwithstanding anything in the Facility Agreement to the contrary, no provision thereof shall limit or prohibit in any way any action or transaction taken or document entered into in respect of or relation to the Transaction Documents, no provision of the Facility Agreement shall require any person to take any action the result of which would be in violation of, or constitute a default or event of default under, the Facility Agreement, and in the event of a conflict between the Facility Agreement and the New Indenture, we agree that the New Indenture shall control and shall take priority;

(3) you will take all steps reasonably necessary to effect the sharing of the Existing Security as contemplated hereby and in respect of the Transaction Documents;

provided that (i) the Financial Indebtedness arising under the New Bond does not exceed $950,000,000; (ii) the Finance Parties under the Facility Agreement will, after giving effect to the actions and transactions contemplated hereby and by the Transaction Documents, be senior secured creditors on a *pari passu* basis with the holders of the New Bond, in the security listed on Schedule 1 hereto; (iii) the Guarantors' obligations shall be in form and substance consistent with the ones existing at the date of this letter agreement and (iv) Citigroup remains a joint bookrunner on the offering of the New Bonds.

In addition to the above the parties to this letter agreement hereby agree as follows:

1. They shall cooperate in good faith and do all acts and things reasonably necessary or desirable in order to release and replace the Existing Security (and if necessary the Guarantors' grant of their obligations), consistent with the New Indenture.

2. They shall cooperate in good faith and do all acts and things reasonably necessary or desirable in order to execute an amendment and restatement agreement relating to the Facility Agreement and any related intercreditor agreement, all in form and substance consistent with the New Indenture. The commercial terms of the Facility Agreement shall not be changed. In particular but without limitation, the parties shall accordingly amend the following clauses of the Facility Agreement:

   (a) Definitions of Permitted Financial Indebtedness, Permitted Security and Permitted Transactions;

(b) Clause 1.4 (Construction Consistent with the Indenture);

(c) Clause 22 (Financial Covenants), except for clause 22.2.1 (the New Leverage Ratio), which will remain unchanged and effective. Clause 22.2.2 (the Consolidated Coverage Ratio) shall be replaced by the Fixed Charge Coverage Ratio at the level not lower than 2x.

(d) Schedule 6 to the Agreement – Existing Security;

(e) Schedule 7 to the Agreement – CEDC Group Undertakings (Based on Indenture).

3. They shall use their best efforts to execute the amended and restated agreement reflecting the provisions of this letter agreement as soon as reasonably possible after the final execution of the New Indenture, and in any case by 31 January 2010. The validity of the foregoing waivers and agreements in respect of the Facility Agreement and the Intercreditor Agreement shall not be affected whether or not such an amendment and restatement is entered into, provided that in the event that the New Bonds are not issued prior to or on 31 January 2010 the foregoing waivers and agreements shall cease to be valid.

4. Pursuant to Clause 18.2 (Amendment Costs), in relation to the negotiation, preparation and execution of this letter agreement, any Transaction Document and the completion of the transactions herein contemplated (including the amendments to the Facility Agreement and the Existing Security and their registration with appropriate courts) the Lender shall be reimbursed by the Borrower for the amount of costs and expenses agreed in advance between the parties acting in good faith.

5. This letter 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 thereof.

6. This letter agreement is governed by Polish law.

If the terms of this letter agreement are satisfactory, please indicate your acceptance by signing a copy hereof in the place indicated below and returning it to our office.

Acting in the name of **Carey Agri International-Poland Sp. z o.o.** as Borrower and Obligors' Agent:

William Vernon Carey	President of the	/s/ William V. Carey 12/11/2009
Name	Management Board	Date and signature
	Position	

We hereby agree to this letter agreement.

Acting in the name of **Bank Handlowy w Warszawie S.A.** as Arranger, Lender, Agent and Security Agent:

Sebastian Perczak	Director	/s/ Sebastian Perczak 12/11/2009
Name	Position	Date and signature
Malogorzata Okuń	Director	/s/ Małogorzata Okuń 12/11/2009
Name	Position	Date and signature

Enclosure 1

Existing Security[1]

- Financial pledge over 947220 shares in Carey Agri International-Poland Sp. z o.o.;
- Registered pledge over 947220 shares in Carey Agri International-Poland Sp. z o.o.;
- Financial pledge over 48349 shares in Carey Agri International-Poland Sp. z o.o.;
- Registered pledge over 48349 shares in Carey Agri International-Poland Sp. z o.o.;
- Financial pledge over 47065 of shares in Bols Sp. z o.o.; and
- Registered pledge over 47065 of shares in Bols Sp. z o.o.

[1] Existing Security also contain rights to a submission to execution, which ease the enforcement of security under Polish law

Exhibit 10.50

19 November 2009
(as amended on 2 December 2009]

COINVESTOR OPTION AGREEMENT

relating to certain shares in

LION/RALLY CAYMAN 6

between

LION/RALLY CAYMAN 4

and

LION/RALLY CAYMAN 5

and

LION/RALLY CAYMAN 6

and

LION/RALLY CAYMAN 7 L.P.

and

LION/RALLY CAYMAN 8

and

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

and

LION CAPITAL LLP

WEIL, GOTSHAL & MANGES
One South Place London EC2M 2WG
Tel: +44 (0) 20 7903 1000 Fax: +44 (0) 20 7903 0990
www.weil.com

TABLE OF CONTENTS

THIS AGREEMENT is made on 19 November 2009 and amended on 2 December 2009 between the following parties:

(1) **LION/RALLY CAYMAN 4**, a *société à resposibilité limitée* existing under the laws of the Grand Duchy of Luxembourg with registered office at 13-15, avenue de la Liberté, L-1931 Luxembourg ("**Cayman 4**");

(2) **LION/RALLY CAYMAN 5**, a *société à resposibilité limitée* existing under the laws of the Grand Duchy of Luxembourg with registered office at 13-15, avenue de la Liberté, L-1931 Luxembourg ("**Cayman 5**");

(3) **LION/RALLY CAYMAN 6**, a company incorporated in the Cayman Islands whose registered office is at c/o Stuarts Corporate Services Ltd, PO Box 2510, George Town, Grand Cayman, KY1-1104, Cayman Islands (the "**Company**");

(4) **LION/RALLY CAYMAN 7 L.P.**, a Cayman Exempted Limited Partnership whose principal place of business is at c/o Stuarts Corporate Services Ltd., PO Box 2510, George Town, Grand Cayman KY1-1104, Cayman Islands ("**Cayman 7**") acting through its general partner Lion/Rally Cayman 8;

(5) **LION/RALLY CAYMAN 8**, a company incorporated in the Cayman Islands whose registered office is at c/o Stuarts Corporate Services Ltd, PO Box 2510, George Town, Grand Cayman, KY1-1104, Cayman Islands ("**Cayman 8**");

(6) **CENTRAL EUROPEAN DISTRIBUTION CORPORATION**, a company incorporated in Delaware, whose registered office is at ul. Bobrowiecka 6, 00-728 Warszawa, Poland ("**CEDC**"); and

(7) **LION CAPITAL LLP**, a limited liability partnership incorporated in England with **Company Number** OC308261 whose registered office is at 21 Grosvenor Place, London SW1X 7HF ("**Lion Capital**").

WHEREAS

(A) Cayman 4 is the registered the holder of the Option Shares (as defined below).

(B) Pursuant to the New Option Agreement (as defined below), CEDC issued the Warrants (as defined below) to Cayman 4 on 2 October 2009.

(C) Cayman 4 has agreed to grant to Cayman 7 the Purchase Option (as defined below) on the terms and subject to the conditions set out in this Agreement.

(D) CEDC is a limited partner in Cayman 7.

(E) CEDC has agreed to subscribe for additional partnership interests in Cayman 7 to enable Cayman 7 to exercise and complete the Purchase Option (contingent upon such completion), on the terms and subject to the conditions set out in this Agreement.

(F) Then Parties have agreed to amend this Agreement in respect of certain matters, effective 2 December 2009.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 In this Agreement (including its recitals), the words and expressions set out below have the meanings given to each of them respectively:

"2011 Warrants"	the 1,490,550 warrants over CEDC Common Stock, exercisable on 31 May 2011, issued by CEDC on 2 October 2009;
"**2012 Warrants**"	the 300,000 warrants over CEDC Common Stock, exercisable on 31 July 2012; issued by CEDC on 2 October 2009;
"**2013 Warrants**"	the 1,803,813 warrants over CEDC Common Stock, exercisable on 31 May 2013, issued by CEDC on 2 October 2009;
"**Affiliate**"	with respect to any Person, another Person Controlled by such first Person, Controlling such first Person or under common Control with such first Person, and "**Affiliated**" shall have a meaning correlative to the foregoing;
"**Approved Jurisdiction**"	has the meaning given in the New Option Agreement;
"**Business Day**"	any day other than a Saturday or Sunday on which banks are normally open for general banking business in London, New York, Warsaw, Luxembourg and the Cayman Islands;
"**Carey Agri**"	**Carey Agri International –Poland Sp. z o.o.** a limited liability company organised in Poland, with its registered seat at 66A Bokserska Street, 02-690, Warsaw, Poland;
"**Coinvestor Commitment Letter**"	the letter headed "Project Rally III: Coinvestor Acquisition Commitment Letter" dated 12 November 2009 made between Cayman 4, Cayman 5, CEDC and Lion Capital;
"**Completion**"	has the meaning given in Clause 3.3;

"Confidential Information"	all and any information (written, oral or electronic): (i) concerning the business, finances, assets or affairs of any of the Parties; (ii) relating to any Party's processes, plans, intentions, product information, know-how, designs, trade secrets, software, market opportunities and customers, or in relation to any third party for which any Party is responsible or in respect of which any Party has an obligation not to disclose; (iii) relating to any shareholder in any Party or any of their respective Affiliates; and (iv) relating to the contents of this Agreement (or any agreement or arrangement entered into pursuant to or any transaction contemplated by this Agreement);
"**Consideration**"	the amounts of: (i) €23,650,000 (twenty three million, six hundred and fifty thousand Euros); and (ii) $131,800,000 (one hundred and thirty one million eight hundred thousand USD);
"**Encumbrances**"	any mortgage, charge (fixed or floating), pledge, lien, hypothecation, option, right of set off, security trust, assignment by way of security, reservation of title, option, restriction, right of first refusal, right of pre-emption, third party right or interest, or any other encumbrance or security interest whatsoever created or arising or any other agreement or arrangement (including any sale and leaseback transaction) entered into for the purposes of conferring security or having similar effect and any agreement to enter into, create or establish any of the foregoing;
"**GSA**"	the Governance and Shareholders Agreement dated 7 May 2009 and made between the Company, Cayman 4, Cayman 5, Cayman 7, Cayman 8 and CEDC;
"**Holdco Pledges**"	the share mortgages dated 2 October 2009 between: (i) Cayman 4 and Cayman 7; and (ii) Cayman 5 and Cayman 7;
"**Longstop Date**"	21 December 2009;
"**New Option Agreement**"	the New Option Agreement dated 2 October 2009 and made between Cayman 4, Cayman 5, Cayman 7 and CEDC, as amended on 30 October 2009;
"**Option Shares**"	the 79,197,146 ordinary shares in the capital of the Company held by Cayman 4;
"**Person**"	shall mean any natural Person, corporation, general partnership, simple partnership, limited partnership, proprietorship, other business organisation, trust, union, association or governmental authority, whether incorporated or unincorporated; a reference to any Person shall include such Person's successors and permitted assigns under any agreement, instrument, contract or other document;

"Purchase Option"	has the meaning given in Clause 2.1;
"**Transaction Documents**"	has the meaning given in the New Option Agreement; and
"**Warrants**"	(i) 462,125 2011 Warrants; (ii) 93,011 2012 Warrants; and (iii) 559,248 2013 Warrants each held by Cayman 4.

1.2 In this Agreement:

1.2.1 references to a document in the "**agreed form**" are to that document in the form agreed to and initialled for the purposes of identification by or on behalf of the Parties;

1.2.2 references to a Clause or Schedule are to a clause or schedule of this Agreement, and references to this Agreement include the Schedules;

1.2.3 the headings in this Agreement do not affect its construction or interpretation;

1.2.4 references to a "**Party**" or to the "**Parties**" are references to a party or parties to this Agreement including where redomiciled or otherwise;

1.2.5 a reference to a document is a reference to that document as amended, modified or rescinded and subsequently replaced from time to time in writing by the mutual consent of the parties;

1.2.6 references to "**$**"or "**USD**" are references to the lawful currency for the time being of the United States of America;

1.2.7 references to "**€**" or "**Euro**" are references to the single currency and the legal means of payment in the territory of the European Monetary Union; and

1.2.8 the singular includes the plural and vice versa and any gender includes any other gender.

2 GRANT OF PURCHASE OPTION

2.1 Cayman 4 grants to Cayman 7 the right for Cayman 7 to:

2.1.1 acquire from it, and require Cayman 4 to sell to it, the Option Shares; and

2.1.2 require Cayman 4 to return and deliver the Warrants to CEDC for cancellation,

(the "**Purchase Option**").

2.2 The Purchase Option may be exercised only in respect of both of:

2.2.1 all (but not some) of the Option Shares; and

2.2.2 all (but not some) of the Warrants.

2.3 Cayman 7 shall exercise the Purchase Option only following receipt by Cayman 7 of written and irrevocable instructions to do so from CEDC. Upon receipt of such instructions, Cayman 7 undertakes to the Parties to promptly exercise the Purchase Option on its terms.

3 EXERCISE OF THE PURCHASE OPTION

3.1 The Purchase Option shall only be exercisable on a Business Day falling during the period from and including 27 November 2009 until and including the Longstop Date (the "**Exercise Period**").

3.2 In order to exercise the Purchase Option, Cayman 7 shall notify Cayman 4, in writing, of its exercise of the Purchase Option (an "**Exercise Notice**"). The service of the Exercise Notice, and thus the exercise of the Purchase Option, shall be irrevocable.

3.3 If an Exercise Notice is validly served, Cayman 4 and Cayman 7 shall be obliged to complete the sale and purchase of the Option Shares and delivery of the Warrants ("**Completion**"). Completion shall be on such date as CEDC and Cayman 4 may between them agree, provided that following service of an Exercise Notice CEDC and Cayman 4 will use their reasonable endeavours to cause Completion to occur as promptly as possible, and that Completion will occur:

3.3.1 on a Business Day; and

3.3.2 not later than 23 December 2009.

4 COMPLETION OF PURCHASE OPTION

4.1 On Completion:

4.1.1 Cayman 4 shall deliver to Cayman 7 a duly executed transfer in favour of Cayman 7 in respect of the Option Shares; and

4.1.2 Cayman 4 shall return and deliver the Warrants to CEDC for cancellation.

4.2 On Completion, and against satisfaction by Cayman 4 of its obligations set out in Clause 4.1, Cayman 7 shall pay the Consideration to Cayman 4 in cash and in cleared funds.

4.3 Upon receipt of the Warrants under Clause 4.1.2 CEDC undertakes to immediately cancel the Warrants.

5 CEDC FUNDING OBLIGATION

If Cayman 7 exercises the Purchase Option in accordance with the provisions of this Agreement, CEDC irrevocably undertakes to the Parties to itself subscribe or cause Carey Agri to subscribe in cash, immediately prior to Completion, for limited partnership interests in Cayman 7 for an amount equal to the Consideration to be paid by Cayman 7 to Cayman 4 and upon completion of such subscription by CEDC or Carey Agri, as the case may be, Cayman 7 irrevocably undertakes to the Parties to issue such limited partnership interests to CEDC or Carey Agri, as the case may be.

6 WARRANTIES

6.1 Cayman 4 warrants to Cayman 7 that:

6.1.1 as of the date of this Agreement, Cayman 4 is the sole legal and beneficial holder of the Option Shares and the Warrants which are, save for the Holdco Pledges in respect of the Option Shares, free from Encumbrances; and

6.1.2 as at the date of Completion Cayman 4 will be the sole legal and beneficial holder of the Option Shares and the Warrants which will, save for the Holdco Pledges in respect of the Option Shares, be free from Encumbrances.

6.2 CEDC warrants to Cayman 4, Cayman 5 and Lion Capital as of the date of this Agreement that this Agreement represents the entirety of the terms agreed by CEDC with regard to the Coinvestor Acquisition (as defined in the Coinvestor Commitment Letter) and no other agreements or arrangements have been agreed or are in place between CEDC or any of its Affiliates and a Coinvestor (as defined in the term sheet attached to the Coinvestor Commitment Letter) in relation to the Coinvestor Acquisition, provided that the foregoing shall not be deemed to relate to any agreements or arrangements that have been agreed or are in place, or that may be agreed or be put in place, between CEDC or any of its Affiliates and one or more of the Coinvestors or affiliates of Coinvestors in relation to services provided or other commercial dealings.

6.3 Each Party warrants to the other Parties that:

6.3.1 it has the power and authority required, and has obtained or satisfied all corporate approvals or other conditions necessary, to enter into this Agreement and each of the other agreements to be entered into by it pursuant to, or otherwise in connection with, this Agreement, and to perform fully its obligations under this Agreement and such other agreements in accordance with their respective terms;

6.3.2 the entry into, and the implementation of the transactions contemplated by, this Agreement and each of the other agreements to be entered into by the Parties pursuant to, or otherwise in connection with, this Agreement will not result in:

(a) a violation or breach of any provision of the memorandum and articles of association or equivalent constitutional documents of such Party;

(b) a breach of, or give rise to a default under, any contract or other instrument to which such Party is a party or by which it is bound;

(c) a violation or breach of any applicable laws or regulations or of any order, decree or judgment of any court, governmental agency or regulatory authority applicable to such Party or any of its assets; or

(d) a requirement for such Party to obtain any consent or approval of, or give any notice to or make any registration with, any governmental, regulatory or other authority which has not been obtained or made at the date of this Agreement on a basis which is both unconditional and cannot be revoked.

6.4 This Agreement and each of the other agreements to be entered into by the Parties pursuant to, or otherwise in connection with, this Agreement, constitute valid and legally binding obligations of the Parties enforceable in accordance with their respective terms.

7 CONSENT TO TRANSFER UNDER HOLDCO PLEDGES

To the extent that the Holdco Pledges remain in force on Completion, Cayman 5 consents, as Mortgagor under the Holdco Pledges, to the transfer of the Option Shares on the terms of this Agreement.

8 TRANSACTION DOCUMENT AMENDMENTS AND CONSENTS

8.1 Conditional upon Completion, and to the extent that the New Option Agreement remains in force on Completion, the New Option Agreement is hereby amended as follows:

8.1.1 by deleting the number "29,600,000" set out in the sixth row of column F of Schedule 2 of the New Option Agreement and replacing it with the number "1,000,000";

8.1.2 by deleting the number "48,000,000" set out in the fifth row of Column F of Schedule 2 of the New Option Agreement and replacing it with the number "1,000,000"; and

8.1.3 by deleting the number "53,000,000" set out in the fourth row of Column F of Schedule 2 of the New Option Agreement and replacing it with the number "49,402,854".

8.2 The Parties hereby irrevocably consent to the entry into of, and the performance by each Party of its obligations under, this Agreement for all purposes of the Transaction Documents (including, without limitation, Clause 4.1 of, and paragraph 15 of Schedule 2 to, the GSA).

9 CONFIDENTIALITY AND ANNOUNCEMENTS

9.1 Each Party will keep and treat as strictly confidential and not at any time disclose or make known in any way to any person who is not a Party, or use for a purpose other than the performance of its obligations under this Agreement, any Confidential Information which it may possess or which has or may come within its knowledge before or after the date of this Agreement relating to or connected with or arising out of this Agreement or the business, customers, activities or affairs of any other Party or, through any failure to exercise all due care, cause any unauthorised disclosure of any Confidential Information, and will make every effort to prevent the use or disclosure of such information, except that these restrictions do not apply to the disclosure of Confidential Information if and only to the extent that (and, in relation to CEDC, subject always to the provisions of Clause 9.2):

9.1.1 disclosure is required by law or for the purpose of any judicial proceedings or by any regulatory authority, government body or recognised securities exchange, provided that the other Parties shall, save where giving notices to such other Parties is prohibited by law, be given as much notice of such disclosure as is reasonably practicable and shall have consideration afforded to their reasonable requests in relation to the contents of such disclosures;

9.1.2 the information is or becomes generally available to the public other than as a result of a breach of any undertaking or duty of confidentiality by any person;

9.1.3 the information is disclosed on a strictly confidential basis by a Party to its agents, advisers, auditors, bankers or shareholders for the purposes of its business;

9.1.4 disclosure is by a Party to its Affiliates; or

9.1.5 each of the other Parties has given its prior written consent to the contents and the manner of the disclosure.

9.2 The Parties acknowledge that this Agreement and any other documents agreed with CEDC in relation hereto shall be publicly disclosed by CEDC, and shall be shared with CEDC's underwriters and included in the offering material for any equity or debt capital raising conducted by CEDC.

9.3 Each Party shall inform any officer, employee or agent or auditor, banker or shareholder or any professional or other adviser advising it in relation to the matters referred to in this Agreement, or to whom it provides Confidential Information, that such information is confidential and should not be disclosed to any third party (other than to those to whom it has already been disclosed in accordance with the terms of this Agreement). The disclosing Party is responsible for any breach of this Clause 9 by the person to whom the Confidential Information is disclosed.

10 TERMINATION OF COINVESTOR COMMITMENT LETTER

Cayman 4, Cayman 5, CEDC and Lion Capital each acknowledge and agree that the Coinvestor Commitment Letter shall cease to be of any effect and shall be terminated from the date of this Agreement.

11 LION CAPITAL LIABILITY

Notwithstanding any provision of this Agreement, it is agreed and acknowledged that Lion Capital shall only be subject to the equitable remedies of injunction and specific performance in the event of a breach of any of the provisions of this Agreement and shall not be liable for money damages or money damages in lieu of equitable remedies.

12 ASSIGNMENT

No Party will be entitled to assign or transfer all or any of its rights, benefits or obligations under this Agreement or any document referred to in it without the prior written consent of the other Parties.

13 ENTIRE AGREEMENT

This Agreement, and the documents referred to in it in agreed form together constitute the entire agreement and understanding of the Parties in relation to the matters the subject thereto and supersede any previous agreement between the Parties (whether written or oral) in relation to all or any of such matters and without prejudice to the generality of the foregoing, exclude any representation, warranty, condition or other undertaking implied at law or by custom other than where expressly contained in this Agreement, provided that nothing in this Clause 13 shall exclude a Party from liability for fraudulent misrepresentation.

14 VARIATION

Any variation of this Agreement must be in a written document and signed by each Party or a duly authorised officer or representative of each Party and where any such document exists and is so signed such Party shall not allege that the same is not binding by virtue of an absence of consideration.

15 WAIVER

15.1 A delay in exercising, or failure to exercise, any right or remedy under this Agreement does not constitute a waiver of such or other rights or remedies, nor shall it operate so as to bar the exercise or enforcement thereof. No single or partial exercise of any right or remedy under this Agreement shall prevent further or other exercise of such or other rights or remedies.

15.2 No waiver by any Party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such Party.

15.3 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

16 ILLEGALITY AND SEVERANCE

16.1 The provisions contained in each Clause of this Agreement shall be enforceable independently of the others and the invalidity of any one provision shall not affect the validity of the others.

16.2 If a provision of this Agreement is, or but for this Clause 16 would be, held to be illegal, invalid or unenforceable, in whole or in part, in the jurisdiction to which it pertains, but would be legal, valid and enforceable if part of the provision was deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable in that jurisdiction, and any such illegality, invalidity or unenforceability in any jurisdiction shall not invalidate or render invalid or unenforceable such provisions in any other jurisdiction.

16.3 If a provision of this Agreement is held to be illegal, invalid or unenforceable, in whole or in part and Clause 16.2 cannot be used to make it legal, valid and enforceable, a Party may require the other Parties to enter into a new agreement or deed under which those Parties undertake in the terms of the original provision, but subject to such amendments as the first Party specifies in order to make the provision legal, valid and enforceable. No Party will be obliged to enter into a new agreement or deed that would increase its liability beyond that contained in this Agreement, had all its provisions been legal, valid and enforceable.

17 RIGHTS OF THIRD PARTIES

17.1 A Party who is not a Party to this Agreement has no rights under the Contracts (*Rights of Third Parties*) Act 1999 or otherwise to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from such Act. Accordingly, this Agreement shall be binding upon and enure solely for the benefit of the Parties hereto in accordance with this Agreement and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

18 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same agreement. No counterpart shall be effective until each Party has executed at least one part or counterpart.

19 NOTICES

19.1 A notice or other communication under or in connection with this Agreement shall be in writing, in English and delivered by hand or sent by pre-paid post (or pre-paid air mail if the countries in which the sender's and the recipient's addresses are located for the purposes of this Clause are different) or by fax or by attachment to an email as a scan or copy of a notice, in machine readable and printable format (e.g., in .pdf., .tif., or .jpg. format)(although, for the avoidance of doubt, writing on the screen of a visual display unit, including by e-mail without attachment, shall not constitute proper written notice).

19.2 The Parties' addresses and fax numbers for the purposes of this Agreement are:

19.2.1 In the case of the Company, Cayman 6, Cayman 7 and Cayman 8:

c/o Stuarts Corporate Services Ltd
PO Box 2510
George Town
Grand Cayman
KY1-1104
Cayman Islands
For the attention of: Chris Humphries
Fax number: +1 345 949 2888
Email address: chris.humphries@stuartslaw.com

with courtesy copies (which shall not constitute notice) to:

Lion Capital LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom
For the attention of: Javier Ferrán/James Cocker
Fax number: +44 20 7201 2222
Email addresses: ferran@lioncapital.com/cocker@lioncapital.com

and to:

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
United Kingdom
For the attention of: Michael Francies/Ian Hamilton
Fax number: +44 20 7903 0990
Email addresses: michael.francies@weil.com/ian.hamilton@weil.com

19.2.2 in the case of Cayman 4 and Cayman 5:

c/o ATC Corporate Services (Luxembourg) S.A.
13-15 Avenue de la Liberté
L-1931 Luxembourg

For the attention of: Richard Brekelmans
Fax number:: +352 268 901 69
Email address: richard.brekelmans@atcgroup.com

with courtesy copies (which shall not constitute notice) to:

Lion Capital LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom
For the attention of: Javier Ferrán/James Cocker
Fax number: +44 20 7201 2222
Email addresses: ferran@lioncapital.com/cocker@lioncapital.com

and to:

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
United Kingdom
For the attention of: Michael Francies/Ian Hamilton
Fax number: +44 20 7903 0990
Email addresses: michael.francies@weil.com/ian.hamilton@weil.com

19.2.3 In the case of Lion Capital:

Lion Capital LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom
For the attention of: Javier Ferrán/James Cocker
Fax number: +44 20 7201 2222
Email addresses: ferran@lioncapital.com/cocker@lioncapital.com

with a courtesy copy (which shall not constitute notice) to:

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
United Kingdom
For the attention of: Michael Francies/Ian Hamilton
Fax number: +44 20 7903 0990
Email addresses: michael.francies@weil.com/ian.hamilton@weil.com

19.2.4 In the case of CEDC:

CEDC Warsaw
ul. Bobrowiecka 6
02-728 Warszawa
Poland
For the attention of: Bill Carey
Fax number: +48 22 455 1810
Email address: board.assistant@cedc.com.pl

with a courtesy copy (which shall not constitute notice) to:

Dewey & LeBoeuf
No. 1 Minster Court
Mincing Lane
London EC3R 7YL
For the attention of: Stephen J. Horvath
Fax number: +44 20 7444 7356
Email address: shorvath@dl.com

or such other address or fax number as the relevant Party notifies to the other Parties, which change of address shall only take effect if delivered and received in accordance Clauses 18.1 and 18.3.

19.3 In the absence of evidence of earlier receipt, and except as provided in Clause 19.4, a notice or other communication is deemed given:

19.3.1 if delivered by hand, at the time of delivery;

19.3.2 if sent by post (other than air mail), at 9.30 a.m. on the second Business Day after its posting);

19.3.3 if sent by air mail, at 9.30 a.m. on the fifth Business Day after its posting;

19.3.4 if sent by fax, at the time of its transmission; or

19.3.5 if sent by an attachment to an email, on receipt by the sender of an email from the addressee confirming receipt of the notice.

19.4 If a notice or other communication is delivered by hand or sent by fax on a day which is not a Business Day or after 5.30pm on a Business Day, the notice or communication shall be deemed to have been given at 9.30 a.m. on the next following Business Day.

19.5 In this Clause, a reference to time is to local time in the country of the recipient of the notice or communication.

19.6 The provisions of this Clause shall not apply in relation to the service of Service Documents, where "Service Document" means a claim form, order or judgment issued out of the courts of England and Wales or any document relating to or in connection with any proceedings.

19.7 CEDC irrevocably authorises and appoints Dewey & LeBoeuf of No. 1 Minster Court, Mincing Lane, London EC3R 7YL, United Kingdom (for the attention of Stephen J. Horvath) as its agent for service of notices and/or proceedings in relation to any matter arising out of or in connection with this Agreement and service on such agent in accordance with this Clause 19 shall be deemed to be effective service on CEDC.

19.8 Each of the Company, Cayman 4, Cayman 5, Cayman 6, Cayman 7 and Cayman 8 irrevocably authorises and appoints Lion Capital as their agent for service of notices and/or proceedings in relation to any matter arising out of or in connection with this Agreement and service on such agent in accordance with this Clause 19 shall be deemed to be effective service on the Company, Cayman 4, Cayman 5, Cayman 6, Cayman 7 or Cayman 8, as the case may be.

20 JURISDICTION

The Parties irrevocably agree that, subject as provided below, the courts of England shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual claims). Nothing in this Clause 20 shall limit the right of the Parties to commence proceedings to seek equitable (or equivalent) relief or to seek enforcement of a final non-appealable judgment of the courts of England or in any court of an Approved Jurisdiction which has competent jurisdiction, nor shall the commencement of such proceedings in any one or more Approved Jurisdictions preclude the commencement of similar proceedings in any other Approved Jurisdiction, whether concurrently or not, to the extent permitted by the law of such other Approved Jurisdiction. No Party shall be entitled to commence proceedings in any court in any jurisdiction other than England or of an Approved Jurisdiction.

21 GOVERNING LAW

This Agreement and all matters (including, without limitation, any contractual or non-contractual obligation) arising from or connected with it are governed by, and will be construed in accordance with, English law.

THIS AGREEMENT IS EXECUTED ON THE DATE SHOWN ON PAGE 1 ABOVE.

Signed by
for and on behalf of
LION/RALLY CAYMAN 4

/s/ James Cocker
Manager A

/s/ Richard Brekelmans
Manager B

Signed by
for and on behalf of
LION/RALLY CAYMAN 5

/s/ James Cocker
Manager A

/s/ Richard Brekelmans
Manager B

Signed by
for and on behalf of
LION/RALLY CAYMAN 6

/s/ Hayley Tanguy
Director

Signed by
for and on behalf of
LION/RALLY CAYMAN 8
acting as general partner of
LION/RALLY CAYMAN 7 L.P.

/s/ Hayley Tanguy
Director

Signed by
for and on behalf of
LION/RALLY CAYMAN 8

/s/ Hayley Tanguy
Director

Signed by
for and on behalf of
LION CAPITAL LLP

/s/ Robert Derwent
Member

Signed by
for and on behalf of
CENTRAL EUROPEAN DISTRIBUTION CORPORATION

/s/ William V. Carey

Exhibit 10.51

19 November 2009
(as amended on 2 and 9 December 2009)

OPTION AGREEMENT

relating to certain shares in

LION/RALLY CAYMAN 6

between

LION/RALLY CAYMAN 4

and

LION/RALLY CAYMAN 5

and

LION/RALLY CAYMAN 7 L.P.

and

LION/CAPITAL LLP

and

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

and

CAREY AGRI INTERNATIONAL – POLAND SP. Z O.O.

WEIL, GOTSHAL & MANGES
One South Place London EC2M 2WG
Tel: +44 (0) 20 7903 1000 Fax: +44 (0) 20 7903 0990
www.weil.com

TABLE OF CONTENTS

THIS AGREEMENT is made on 19 November 2009 and amended on 2 and 9 December 2009 between the following parties:

(1) **LION/RALLY CAYMAN 4**, a *société à responsabilité limitée* existing under the laws of the Grand Duchy of Luxembourg with registered office at 13-15, avenue de la Liberté, L-1931 Luxembourg ("**Cayman 4**");

(2) **LION/RALLY CAYMAN 5**, a *société à responsabilité limitée* existing under the laws of the Grand Duchy of Luxembourg with registered office at 13-15, avenue de la Liberté, L-1931 Luxembourg ("**Cayman 5**");

(3) **LION/RALLY CAYMAN 7 L.P.**, a Cayman Exempted Limited Partnership whose registered office is at c/o Stuarts Corporate Services Ltd., PO Box 2510, George Town, Grand Cayman KY1-1104, Cayman Islands ("**Cayman 7**") acting through its general partner Lion/Rally Cayman 8;

(4) **LION CAPITAL LLP**, a limited liability partnership incorporated in England with Company Number OC308261 whose registered office is at 21 Grosvenor Place, London SW1X 7HF ("**Lion Capital**");

(5) **CENTRAL EUROPEAN DISTRIBUTION CORPORATION**, a company incorporated in Delaware, whose principal place of business is at ul. Bobrowiecka 6, 00-728 Warszawa, Poland ("**CEDC**"); and

(6) **CAREY AGRI INTERNATIONAL – POLAND SP. Z O.O.** a limited liability company organised in Poland, with its registered seat at 66A Bokserska Street, 02-690, Warsaw, Poland ("**Carey Agri**").

WHEREAS

(A) Lion/Rally Cayman 6 is a company incorporated in the Cayman Islands whose registered office is at c/o Stuarts Corporate Services Ltd, PO Box 2510, George Town, Grand Cayman, KY1-1104, Cayman Islands (the "**Company**").

(B) The Holdcos (as defined below), CEDC and Cayman 7 entered into an option agreement relating to the potential transfer of shares in the Company on 2 October 2009 (the "**New Option Agreement**").

(C) Pursuant to the New Option Agreement CEDC issued the Warrants (as defined below) to the Holdcos on 2 October 2009.

(D) The Holdcos are the owners of, and are entitled to transfer the legal and beneficial title to, the Option Shares (as defined below).

(E) The Holdcos have agreed to grant to CEDC the right to purchase the Option Shares on and subject to the terms and conditions of this Agreement.

(F) The Holdcos have agreed to grant to CEDC the right to require the Warrants to be returned to CEDC on and subject to the terms and conditions set out in this Agreement.

(G) The Parties amended the Agreement in respect of certain matters on 2 December 2009.

(H) The Parties have agreed to amend this Agreement in respect of certain matters, effective 8 December 2009.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 In this Agreement (including its recitals), the words and expressions set out below have the meanings given to each of them respectively:

"2010 Consideration"	the 2010 Cayman 4 Consideration and the 2010 Cayman 5 Consideration;
"**2010 Cayman 4 Consideration**"	€22,863,269;
"**2010 Cayman 5 Consideration**"	$10,689,092;
"**2010 Consideration Substitution Right**"	has the meaning given in Clause 7.2.1;
"**2011 Warrants**"	the 1,490,550 warrants over CEDC Common Stock, exercisable on 31 May 2011, issued by CEDC on 2 October 2009;
"**2012 Warrants**"	the 300,000 warrants over CEDC Common Stock, exercisable on 31 July 2012, issued by CEDC on 2 October 2009;
"**2013 Warrants**"	the 1,803,813 warrants over CEDC Common Stock, exercisable on 31 May 2013, issued by CEDC on 2 October 2009;
"**Additional Consideration**"	$2,375,354 payable to Cayman 5; and €5,080,727 payable to Cayman 4;
"**Affiliate**"	with respect to any Person, another Person Controlled by such first Person, Controlling such first Person or under common Control with such first Person, and "**Affiliated**" shall have a meaning correlative to the foregoing;
"**Antitrust Approvals**"	the consent of: (i) the Federal Antimonopoly Service of the Russian Federation; and (ii) the Antimonopoly Committee of Ukraine, for the transactions contemplated by this Agreement (to the extent that such consent is required);
"**Approved Jurisdiction**"	The federal or state courts in the State of New York, the federal or state courts in the State of Delaware, the Cayman Islands and Poland;
"**Business Day**"	any day other than a Saturday or Sunday on which banks are normally open for general banking business in London, New York, Warsaw, Luxembourg and the Cayman Islands;
"**Call Option**"	has the meaning given in Clause 6.1.1;
"**Call Option Completion**"	has the meaning given in Clause 6.1.3;

"Call Option Notice"	has the meaning given in Clause 6.1.2;
"**Cash Equivalent**"	means, in relation to a number of shares of CEDC Common Stock, a cash amount in US Dollars equal to: (i) that number of shares; multiplied by (ii) the Ten Day VWAP on the dealing day immediately preceding the date on which such shares are issued pursuant to this Agreement;
"**Cayman 2**"	Lion/Rally Cayman 2;
"**Cayman 4 Completion Escrow Amount**"	€51,315,337;
"**Cayman 5 Completion Escrow Amount**"	$23,991,072;
"**Cayman 5 Pledge**"	the pledge over the Controlling Share to be given by Cayman 5 in the form set out in Schedule 1;
"**Cayman 7 Pledge**"	the share mortgage dated 2 October 2009 between Cayman 7 and the Holdcos;
"**CEDC Common Stock**"	$0.01 common stock of CEDC, listed for trading on the NASDAQ Global Select Market under the symbol "**CEDC**";
"**CEDC Default**"	an event of default (howsoever defined) in respect of any debt instrument or facility of CEDC or any of its Affiliates under which more than $40 million is outstanding, which default gives rise to, or would, but for the passage of time, give rise to an acceleration right for the holder of such instrument or lender under such facility;
"**Change of Control Date**"	the date on which Cayman 5 ceases to Control Cayman 6;
"**Coinvestor Option Agreement**"	the option agreement made on the date of this Agreement between the Holdcos, the Company, Cayman 7, Lion/Rally Cayman 8, CEDC and Lion Capital;
"**Completion**"	has the meaning given in Clause 3.3;
"**Completion Consideration**"	the Completion Payments and the Completion Escrow Amounts;
"**Completion Escrow Amounts**"	the Cayman 4 Completion Escrow Amount and the Cayman 5 Completion Escrow Amount;
"**Completion Payments**"	the amounts of: (i) €105,839,852 and $110,206,828 payable to Cayman 4; and (ii) $74,140,838 payable to Cayman 5;

"Confidential Information"	all and any information (written, oral or electronic): (i) concerning the business, finances, assets or affairs of any of the Parties; (ii) relating to any Party's processes, plans, intentions, product information, know-how, designs, trade secrets, software, market opportunities and customers, or in relation to any third party for which any Party is responsible or in respect of which any Party has an obligation not to disclose; (iii) relating to any shareholder in any Party or any of their respective Affiliates; and (iv) relating to the contents of this Agreement (or any agreement or arrangement entered into pursuant to or any transaction contemplated by this Agreement);
"Consideration"	the Completion Consideration, the Additional Consideration and the 2010 Consideration;
"Control"	(including, with their correlative meanings, "**Controlled by**", "**Controlling**" and "**under common Control with**") possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) of any other Person, provided that, in any event, any Person which owns, directly or indirectly, a majority of the securities having ordinary voting power or otherwise having the power to elect a majority of the directors or other governing body of a corporation or having a majority of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to Control such corporation or other Person; and for the avoidance of doubt a limited partnership is Controlled by its general partner;
"Controlling Share"	the A Ordinary Share in the capital of the Company held by Cayman 5 following adoption of the New Articles;
"Derivative Transaction"	has the meaning given in Clause 10.1.1(b);
"Encumbrances"	any mortgage, charge (fixed or floating), pledge, lien, hypothecation, option, right of set off, security trust, assignment by way of security, reservation of title, option, restriction, right of first refusal, right of pre-emption, third party right or interest, or any other encumbrance or security interest whatsoever created or arising or any other agreement or arrangement (including any sale and leaseback transaction) entered into for the purposes of conferring security or having similar effect and any agreement to enter into, create or establish any of the foregoing;

"Escrow Accounts"	the accounts into which the Completion Escrow Amounts will be paid, as set out in the Escrow Agreement;
"Escrow Agent"	The Law Debenture Trust Corporation PLC;
"Escrow Agreement"	the escrow agreement to be entered into between the Holdcos, CEDC and the Escrow Agent in the form set out in Schedule 3;
"Escrow Release Date"	has the meaning given in Clause 5.2;
"Exchange Act"	the Securities and Exchange Act of 1934, as amended;
"Fee Letter"	has the meaning given in the Escrow Agreement;
"Final Discharge Date"	the date falling on the later of: (i) payment in full of the 2010 Consideration (including, where relevant, the issue of Substitution Stock); and (ii) release of the Completion Escrow Amounts from the Escrow Accounts in accordance with Clause 5;
"Final Payment Date"	1 June 2010 or such earlier date as Cayman 5 may elect in accordance with Clause 7;
"Group"	has the meaning given in the GSA;
"GSA"	the Governance and Shareholders Agreement dated 7 May 2009 and made between the Company, the Holdcos, Cayman 7, Cayman 8 and CEDC;
"Holdcos"	Cayman 4 and Cayman 5;
"Holdco Pledges"	the share mortgages dated 2 October 2009 between: (i) Cayman 4 and Cayman 7; and (ii) Cayman 5 and CEDC;
"Letter of Undertaking"	the letter of undertaking dated 24 April 2009 between the Holdcos, Carey Agri, Lion Capital and CEDC;
"Lion/CEDC Commitment Letter"	the letter headed "**Project Rally III: Commitment Letter**" dated 12 November 2009 made between the Holdcos, CEDC and Lion Capital;
"Longstop Date"	21 December 2009;
"New Articles"	the new memorandum and articles of association of the Company in the form set out in Schedule 2;

"New Option Agreement"	has the meaning given in Recital (B);
"Option Price"	$1;
"Option Shares"	(i) 96 Preference Shares in the capital of the Company held by Cayman 5; and (ii) 114,902,854 Ordinary Shares in the capital of the Company held by Cayman 4 as such shares will be reclassified on Completion;
"Original Registration Rights Agreement"	the Registration Rights Agreement between CEDC and the Holdcos dated 7 May 2009, as amended on 1 September 2009 and 30 October 2009;
"**Person"**	any natural person, corporation, general partnership, simple partnership, limited partnership, proprietorship, other business organisation, trust, union, association or governmental authority, whether incorporated or unincorporated; a reference to any Person shall include such Person's successors and permitted assigns under any agreement, instrument, contract or other document;
"Prohibited Transaction"	has the meaning given in Clause 10.1.1(b);
"Purchase Option"	has the meaning given in Clause 2.1;
"Registration Rights Agreement"	the registration rights agreement to be entered into between the Holdcos and CEDC in the form set out in Schedule 4;
"Required Registration Date"	has the meaning given in the Registration Rights Agreement;
"Rule 144"	Rule 144 of the Securities Act;
"Rule 200"	Rule 200 of Regulation SHO of the Exchange Act;
"Securities Act"	the Securities Act of 1933, as amended;
"Share Equivalent"	in relation to an amount of cash in US Dollars, a number of shares of CEDC Common Stock equal to: (i) that cash amount; divided by (ii) the Ten Day VWAP on the dealing day immediately preceding the date on which such shares are issued pursuant to this Agreement, rounded up to the nearest whole share;
"Side Letter"	the side letter between, *inter alios*, the Holdcos and CEDC relating to various matters concerning the New Option Agreement and the GSA, dated 7 May 2009;

"Side Letter Amendment Letter"	the letter amending the Side Letter, made between, *inter alios,* the Holdcos and CEDC, dated 29 June 2009;
"Substitution Amounts"	has the meaning given in Clause 7.2.2;
"Substitution Stock"	has the meaning given in Clause 7.2.4;
"Substitution Stock Put Option Price"	has the meaning given in Clause 7.3.5;
"Ten Day VWAP"	on the relevant dealing day, the volume weighted average VWAP over a period of ten dealing days prior to and including the relevant dealing day;
"Termination Deed"	the deed of termination, in the agreed form, terminating the Transaction Documents to be entered into by the parties to the Transaction Documents;
"Transaction Documents"	(i) the New Option Agreement; (ii) the GSA; (iii) the Original Registration Rights Agreement; (iv) the Letter of Undertaking; (v) the Put Call Agreement between Lion/Rally Cayman 8, Cayman 2 and Carey Agri relating to the voting share in Cayman 2, dated 7 May 2009; (vi) the Side Letter; (vii) the Side Letter Amendment Letter; (viii) the monitoring and oversight agreement dated 8 July 2008 between Pasalba Limited and Lion Capital relating to the appointment of Lion Capital by Pasalba Limited to provide financial oversight and monitoring services to Pasalba Limited and each of its subsidiary undertakings; and (ix) the transaction advisory agreement dated 8 July 2008 between Pasalba Limited and Lion Capital relating to the appointment of Lion Capital by Pasalba Limited to provide financial and advisory services to Pasalba Limited and each of its subsidiary undertakings;
"VWAP"	on the relevant dealing day, the volume weighted average trading price of a share of CEDC Common Stock on and as reported by the principal securities exchange on which the CEDC Common Stock is then listed or admitted to trading for any relevant dealing day, or, if the CEDC Common Stock is not listed or admitted to trading on any securities exchange, as determined in good faith and in a commercially reasonable manner by resolution of the board of directors of CEDC, based on the best information available to it and (if so requested by Cayman 5) having engaged an independent appraiser in such regard; and

"Warrants"	(i) 670,473 2011 Warrants, 134,945 2012 Warrants, and 811,384 2013 Warrants each issued to Cayman 4; and (ii) 357,952 2011 Warrants, 72,044 2012 Warrants and 433,181 2013 Warrants each issued to Cayman 5.

1.2 In this Agreement:

1.2.1 references to a document in the "**agreed form**" are to that document in the form agreed to and initialled for the purposes of identification by or on behalf of the Parties;

1.2.2 references to a Clause or Schedule are to a clause or schedule of this Agreement, and references to this Agreement include the Schedules;

1.2.3 the headings in this Agreement do not affect its construction or interpretation;

1.2.4 references to a "**Party**" or to the "**Parties**" are references to a party or parties to this Agreement including where redomiciled or otherwise;

1.2.5 a reference to a document is a reference to that document as amended, modified or rescinded and subsequently replaced from time to time in writing by the mutual consent of the parties;

1.2.6 references to "**$**"or "**USD**" are references to the lawful currency for the time being of the United States of America;

1.2.7 references to "**€**" or "**Euro**" are references to the single currency and the legal means of payment in the territory of the European Monetary Union; and

1.2.8 the singular includes the plural and vice versa and any gender includes any other gender.

2 GRANT OF PURCHASE OPTION

2.1 The Holdcos grant to CEDC the right for CEDC to:

2.1.1 acquire, or cause Carey Agri to acquire, the Option Shares and require the Holdcos to sell the Option Shares to CEDC or Carey Agri; and

2.1.2 require the return of the Warrants to CEDC for cancellation,

for the Consideration (the "**Purchase Option**").

2.2 The Purchase Option may be exercised only in respect of both of:

2.2.1 all (but not some) of the Option Shares; and

2.2.2 all (but not some) of the Warrants.

3 EXERCISE OF THE PURCHASE OPTION

3.1 The Purchase Option shall only be exercisable on any Business Day falling during the period from and including 27 November 2009 until and including the Longstop Date.

3.2 In order to exercise the Purchase Option, CEDC shall notify the Holdcos, in writing, of its exercise of the Purchase Option (the "**Exercise Notice**"). The service of the Exercise Notice, and thus the exercise of the Purchase Option, shall be irrevocable.

3.3 If the Exercise Notice is validly served, CEDC and the Holdcos shall be obliged to complete the sale and purchase of the Option Shares and delivery of the Warrants ("**Completion**").

3.4 Completion shall be on such date as CEDC may in its discretion decide and shall notify the Holdcos in the Exercise Notice, provided that in all cases following service of the Exercise Notice, Completion will occur:

3.4.1 on a Business Day;

3.4.2 not less than one Business Day following service of the Exercise Notice (unless CEDC and the Holdcos otherwise agree in writing); and

3.4.3 not later than 23 December 2009,

provided that Completion shall not occur unless completion of the Coinvestor Option Agreement shall have occurred in accordance with its terms. The Parties acknowledge that completion of the Coinvestor Option Agreement may take place on the same date as Completion.

4 COMPLETION OF PURCHASE OPTION

4.1 Completion shall take place at the offices of Weil, Gotshal & Manges, One South Place, London (or such other place as may be agreed between CEDC and the Holdcos).

4.2 At Completion the Holdcos, Cayman 7 and Lion Capital will deliver or procure the delivery to CEDC of the following:

4.2.1 a copy of a deed of assignment in the agreed form under which Carey Agri assigns $240,300,001 and €23,650,000 limited partnership interests in Cayman 7 to Cayman 2, duly executed by Cayman 2;

4.2.2 a copy of the shareholders' consent of Cayman 2 resolving to increase the authorised share capital of Cayman 2 from US$281,500,002 to US$556,816,193 by the creation of an additional 275,316,191 C ordinary shares of par value US$1.00 each, duly passed by Lion/Rally Cayman 8;

4.2.3 a copy of the duly passed resolution of Cayman 2 resolving to issue 275,316,191 C ordinary shares of par value US$1.00 each in the capital of Cayman 2 to Carey Agri in exchange for the assignment by Carey Agri of $240,300,001 and €23,650,000 limited partnership interests in Cayman 7;

4.2.4 a copy of the duly passed resolution of Lion/Rally Cayman 8, as general partner of Cayman 7, resolving to terminate, wind up and dissolve Cayman 7;

4.2.5 a copy of the duly passed resolution of Cayman 2 resolving to repurchase US$75,126,027 C ordinary shares in the capital of Cayman 2 held by Carey Agri in consideration for the distribution by Cayman 2 of US$75,126,027 in loan notes issued by Cayman 6 to Cayman 7 (and subsequently distributed to Cayman 2 following the passing of the resolution at Clause 4.2.4) pursuant to instruments executed by Cayman 6 on 15 September 2009, 10 November 2009 and 30 November 2009;

4.2.6 a copy of the shareholders' consent of Cayman 6, duly passed by the Holdcos and Cayman 2, resolving to adopt the New Articles and reorganise the share capital of the Company into an A Ordinary Share with voting rights and B Ordinary Shares with no voting rights;

4.2.7 subject to CEDC satisfying its obligations under Clauses 4.4.1 and 4.4.2, duly executed transfers of the Option Shares to CEDC or Carey Agri executed by the Holdcos;

4.2.8 releases in the agreed form between the Holdcos and Cayman 7 releasing with immediate effect the Holdco Pledges, duly executed by the Holdcos and Cayman 7;

4.2.9 a release in the agreed form between the Holdcos and Cayman 7 releasing with immediate effect the Cayman 7 Pledge, duly executed by the Holdcos and Cayman 7;

4.2.10 a release in the agreed form between the Holdcos and Cayman 7 releasing the assignments of loan notes and receivables entered into on 2 October 2009 and 10 November 2009, duly executed by the Holdcos and Cayman 7;

4.2.11 the Cayman 5 Pledge, duly executed by Cayman 5 and the Company;

4.2.12 the Escrow Agreement, duly executed by the Holdcos and the Escrow Agent;

4.2.13 the Registration Rights Agreement, duly executed by the Holdcos;

4.2.14 a copy of the board minutes of the Company's board of directors at which the transfers of the Option Shares to CEDC or Carey Agri, conditional on Completion, is approved for registration in the Company's books;

4.2.15 the Termination Deed, duly executed by the Holdcos, Cayman 7, the Company and Lion Capital;

4.2.16 the Warrants; and

4.2.17 a copy of the shareholders' consents of Cayman 6 and Cayman 2 in the agreed form, duly passed by Cayman 5, Cayman 2 and Cayman 8, resolving: (i) that Cayman 2 repurchase the one A ordinary share in the capital of Cayman 2 held by Cayman 8; and (ii) to merge Cayman 6 and Cayman 2.

4.3 At Completion, but subject to the Holdcos, Cayman 7 and Lion Capital satisfying their obligation under Clause 4.2.4 and CEDC satisfying its obligations under Clause 4.4.1, the Holdcos shall procure that the Company repays to Carey Agri $37 million of loan notes issued by the Company to Cayman 7 (as distributed to Carey Agri) from time to time, payment to be made in Euro to the Account of Carey Agri held with Deutsche Bank AG, London Branch. account no. 0218276 0000 EUR 000 CTA; IBAN: GB72DEUT40508121827601; and SWIFT: DEUTGB2L and Carey Agri undertakes to pay, immediately upon receipt of such funds, and shall instruct its bank to do so, the amount received to the Escrow Accounts towards satisfaction of its obligations under Clause 4.4.2.

4.4 At Completion CEDC shall, or shall procure that Carey Agri shall:

4.4.1 pay the Completion Payments to the Holdcos in cash and in cleared funds;

4.4.2 pay the Completion Escrow Amounts to the Escrow Accounts in cash and in cleared funds, to be held on the terms of the Escrow Agreement and Clause 5; and

4.4.3 deliver or procure the delivery to the Holdcos of the following:

(a) a copy of a deed of assignment in the agreed form under which Carey Agri assigns $240,300,001 and €23,650,000 limited partnership interests in Cayman 7 to Cayman 2, duly executed by Carey Agri;

(b) a copy of the shareholders' consent of Cayman 2 resolving to increase the authorised share capital of Cayman 2 from US$281,500,002 to US$556,816,193 by the creation of an additional 275,316,191 C Ordinary shares of par value US$1.00 each, duly passed by Carey Agri;

(c) the Cayman 5 Pledge, duly executed by Carey Agri;

(d) the Escrow Agreement and the Fee Letter, duly executed by CEDC and Carey Agri;

(e) the Registration Rights Agreement, duly executed by CEDC;

(f) the Termination Deed, duly executed by CEDC and Carey Agri;

(g) a letter in the agreed form, duly executed by CEDC acknowledging the return of the Warrants and their subsequent cancellation; and

(h) a copy of the shareholders' consents of Cayman 6 in the agreed form, duly passed by Carey Agri, resolving to merge Cayman 2 into Cayman 6.

4.5 Subject to Completion having occurred, CEDC shall, or shall procure that Carey Agri shall, on the Final Payment Date, pay:

4.5.1 the 2010 Cayman 4 Consideration to Cayman 4; and

4.5.2 the 2010 Cayman 5 Consideration to Cayman 5,

in each case in cash and in cleared funds.

4.6 If Completion has not occurred on or before 23 December 2009, this Agreement shall automatically terminate or, at the election of the Holdcos, be rescinded.

5 ESCROW AND ADDITIONAL CONSIDERATION

5.1 The Completion Escrow Amounts paid into the Escrow Accounts in accordance with Clause 4.4.2 shall be held in the Escrow Accounts on the terms of the Escrow Agreement and the provisions of this Clause 5.

5.2 CEDC and the Holdcos agree that the Completion Escrow Amounts shall be held in the Escrow Accounts until the earliest to occur of:

5.2.1 1 June 2010;

5.2.2 receipt by CEDC and the Holdcos of the Antitrust Approvals;

5.2.3 a CEDC Default; and

5.2.4 the Change of Control Date,

(the "**Escrow Release Date**").

5.3 Upon the occurrence of any of the events set out in Clauses 5.2.2 to 5.2.4, CEDC shall immediately instruct the Escrow Agent to release the Cayman 4 Completion Escrow Amount to Cayman 4 and the Cayman 5 Completion Escrow Amount to Cayman 5.

5.4 CEDC agrees to pay all fees and costs incurred in relation to the Escrow Accounts and shall, save as a result of a breach of the Escrow Agreement by the Holdcos or fraud by the Holdcos, indemnify the Holdcos against all claims, actions, charges, costs, expenses, demands, damages, liabilities, proceedings or judgments which the Holdcos may suffer or incur or which may be brought against either of them in respect of, or with reference to, the Escrow Accounts, the Escrow Agent or the Escrow Agreement, including (without limitation) in relation to any claim being made by the Escrow Agent over monies in the Escrow Accounts.

5.5 If the amounts released to the Holdcos from the Escrow Accounts are less than the Completion Escrow Amounts, the Holdcos agree between them that each Holdco shall receive from the aggregate amount released from the Escrow Accounts to the Holdcos an amount *pro rata* to the Completion Escrow Amount payable to such Holdco and will, to the extent necessary to give effect to this Clause 5.5, reimburse the other Holdco. The provisions of this Clause 5.5 shall be without prejudice to the rights of the Holdcos under Clause 5.4.

5.6 Where a Holdco is required to make a payment to the other Holdco (the "**Receiving Holdco**") under Clause 5.5, payment shall be made in the same currency as payments to the Receiving Holdco under the Escrow Agreement, and the prevailing exchange rate to be used for the conversion of € into $ or vice versa, as the case may be, shall be the prevailing exchange rate at 5 pm in London on the Business Day immediately prior to such payment being made according to Bloomberg.

5.7 CEDC shall pay the Additional Consideration, in cash and in cleared funds, to the Holdcos on the Escrow Release Date, provided however that if prior to such date the underwriters of CEDC's offering of 10,250,000 shares of CEDC Stock pursuant to the prospectus supplement issued 18 November 2009 exercise their rights to buy additional shares of CEDC Stock under the over-allotment option granted to them, CEDC shall promptly pay, in cash and in cleared funds, the Additional Consideration into the Escrow Accounts to be held on the terms of the Escrow Agreement and the preceding paragraphs of this Clause 5. For the purposes of the Escrow Agreement and this Clause 5, the Additional Consideration when paid into the Escrow Accounts shall be deemed to form part of the Completion Escrow Amounts.

5.8 If CEDC does not pay the Additional Consideration in accordance with Clause 5.7, interest shall accrue on the Additional Consideration at an annual rate of 16% from the date payment of the Additional Consideration fell due until and including the date that payment of the Additional Consideration is made in full and such accrued interest shall be paid with the payment of the Additional Consideration.

6 PUT/CALL

6.1 Call Option

6.1.1 Cayman 5 hereby grants to CEDC the right to acquire, or to have Carey Agri acquire, the Controlling Share for the Option Price (the "**Call Option**").

6.1.2 The Call Option shall only be exercisable by CEDC giving notice irrevocably and in writing to Cayman 5 (a "**Call Option Notice**") following the later to occur of:

(a) Completion; and

(b) receipt by CEDC and the Holdcos of the Antitrust Approvals.

6.1.3 If the Call Option Notice is validly served Cayman 5 and CEDC shall be obliged to complete the sale and purchase of the Controlling Share (the "**Call Option Completion**").

6.1.4 The Call Option Completion shall be on such date as CEDC determines in the Call Option Notice, provided that in all cases following service of the Call Option Notice, the Call Option Completion will occur:

(a) on a Business Day; and

(b) not less than 10 Business Days following service of a Call Option Notice.

6.2 Put Option

6.2.1 CEDC hereby grants to Cayman 5 the right to require CEDC to acquire or to cause Carey Agri or any other Person designated by CEDC to acquire the Controlling Share for the Option Price (the "**Put Option**").

6.2.2 The Put Option shall only be exercisable by Cayman 5 giving notice irrevocably and in writing to CEDC (a "**Put Option Notice**") following the earlier to occur of:

(a) the later to occur of:

(i) Completion; and

(ii) receipt by CEDC and the Holdcos of the Antitrust Approvals; and

(b) the date falling 18 months from Completion.

6.2.3 If the Put Option Notice is validly served Cayman 5 and CEDC shall be obliged to complete the sale and purchase of the Controlling Share (the "**Put Option Completion**").

6.2.4 The Put Option Completion shall be on such date as Cayman 5 determines in the Put Option Notice, provided that in all cases following service of the Put Option Notice, the Put Option Completion will occur:

(a) on a Business Day; and

(b) (i) in the case of an exercise following Clause 6.2.2(a), not less than 10 Business Days following service of the Put Option Notice, and (ii) in the case of an exercise following Clause 6.2.2(b), not less than 60 Business Days following exercise of the Put Option Notice.

6.3 Call Option and Put Option Completion

6.3.1 At the Call Option Completion or the Put Option Completion:

(a) CEDC shall pay or procure the payment to Cayman 5 of a sum equal to the Option Price in cash and in cleared funds;

(b) upon receipt of the sums due, Cayman 5 shall deliver to CEDC or its designated transferee a duly executed share transfer form in favour of CEDC or its designated transferee in respect of the Controlling Share; and

(c) Cayman 5 shall cause the Company to do all such acts (including but not limited to updating its statutory books and commercial registers and issuing a share certificate) and/or execute all such deeds and documents in a form satisfactory to CEDC as it may reasonably require to give effect to completion of the exercise of the Call Option or Put Option pursuant to this Clause.

7 FINAL PAYMENT DATE AND STOCK ALTERNATIVE

7.1 Change to Final Payment Date

7.1.1 Cayman 5 shall have the right to change the Final Payment Date to such date which Cayman 5 may in its discretion elect which is a Business Day between and including 20 April 2010 and 1 June 2010 (the "**Final Payment Date Amendment Right**").

7.1.2 The Final Payment Date Amendment Right shall be exercised by Cayman 5 giving written notice to CEDC no later than 13 trading days prior to the date which Cayman 5 elects as the new Final Payment Date, such notice to include the date which Cayman 5 elects as the Final Payment Date.

7.2 Final Payment Date and 2010 Consideration Substitution Right

7.2.1 Subject: (i) to the Change of Control Date having occurred; and (ii) a CEDC Default not having occurred, CEDC shall have the right to require that some or all of the 2010 Consideration shall instead be satisfied through the issue of shares of CEDC Common Stock to the Holdcos (the "**2010 Consideration Substitution Right**").

7.2.2 The 2010 Consideration Substitution Right shall be exercised by CEDC giving written notice to the Holdcos, which shall be irrevocable, no later than 11 trading days prior to the Final Payment Date, such notice to include the amounts of the 2010 Cayman 4 Consideration and the 2010 Cayman 5 Consideration to be satisfied through the issue of shares of CEDC Common Stock (the "**Substitution Amounts**"). Where the 2010 Consideration Substitution Right is exercised in respect of less than all of the 2010 Consideration it shall be exercised *pro rata* between the 2010 Cayman 4 Consideration and the 2010 Cayman 5 Consideration. The Substitution Amounts relating to the 2010 Cayman 4 Consideration shall be converted from € to $ at the prevailing exchange rate at 5 pm on the Business Day falling immediately prior to the issue of the relevant shares of CEDC Stock, according to Bloomberg.

7.2.3 If CEDC exercises the 2010 Consideration Substitution Right in accordance with Clause 7.2.2, CEDC shall issue shares of CEDC Common Stock to the Holdcos on the Required Registration Date (or on the date to which the Required Registration Date is deferred in accordance with Section 2.1 of the Registration Rights Agreement).

7.2.4 The number of shares of CEDC Common Stock to be issued to each Holdco following exercise of the 2010 Consideration Substitution Right (the "**Substitution Stock**") shall be equal to the Share Equivalent of the relevant Substitution Amount (in respect of the Holdcos in aggregate, the "**Stock Settlement Amount**").

7.2.5 If the Stock Settlement Amount exceeds the maximum number of shares of CEDC Common Stock that could be issued in compliance with NASDAQ Listing Rule 5635(a)(1) (the "**Share Maximum**"), the Stock Settlement Amount shall be reduced to the Share Maximum. The Cash Equivalent of the difference between the Stock Settlement Amount and the Share Maximum shall be payable to the Holdcos in cash in cleared funds on the later of 1 June 2010 and the date on which the Substitution Stock is issued. Any adjustments made pursuant to this Clause 7.2.5 shall be applied *pro rata* between the Holdcos based on their respective entitlements to the Stock Settlement Amount.

7.2.6 Following the issue of Substitution Stock in full satisfaction of the exercise of a 2010 Consideration Substitution Right, the 2010 Cayman 4 Consideration and the Cayman 2010 Cayman 5 Consideration shall each be reduced by the relevant Substitution Amounts.

7.2.7 All shares of CEDC Common Stock issued under this Agreement shall be issued as fully paid up and free from Encumbrances and shall be entitled to the rights and subject to the obligations set out in the Registration Rights Agreement.

7.3 Substitution Stock Put Option

7.3.1 CEDC hereby grants to the Holdcos the right to require CEDC to acquire all but not some of the Substitution Stock at the Substitution Stock Put Option Price (the "**Substitution Stock Put Option**").

7.3.2 If the Substitution Stock has not been registered within three dealing days after the Required Registration Date (or the date to which the Required Registration Date is deferred in accordance with Section 2.1 of the Registration Rights Agreement), the Substitution Stock Put Option shall be exercisable by the Holdcos at any time thereafter by serving written notice on CEDC.

7.3.3 If the Substitution Stock Put Option is exercised in accordance with Clause 7.3.2, CEDC and the Holdcos shall be obliged to complete the sale and purchase of the Substitution Stock within 60 days of the issue of the Substitution Stock (the "**Substitution Stock Put Option Completion**").

7.3.4 At the Substitution Stock Put Option Completion CEDC shall pay to the Holdcos a sum equal to the Substitution Stock Put Option Price in cash and in cleared funds.

7.3.5 For the purposes of this Clause 7.3 the Substitution Stock Put Option Price shall be equal to the Cash Equivalent of the Substitution Stock, together with interest accrued on such amount at an annualised rate of 16% from the date on which the Holdcos exercise the Substitution Stock Put Option until the Substitution Stock Put Option Completion.

8 DEFERRAL OF ISSUE OF SUBSTITUTION STOCK

8.1 Notwithstanding anything herein to the contrary, in order to ensure compliance with NASDAQ Listing Rule 5635(a)(2), if, immediately following the issuance of any Substitution Stock, the Holdcos and their Affiliates would collectively own 5% or more of the number of shares of CEDC Common Stock outstanding or 5% or more of the voting power of CEDC outstanding (the "**Substantial Shareholder Threshold**"), then the following shall apply:

8.1.1 such number of shares of CEDC Common Stock as may be issued without breaching the Substantial Shareholder Threshold shall be issued in accordance with the terms of this Agreement;

8.1.2 the amount of the 2010 Consideration outstanding and not yet paid shall accordingly be reduced by the Cash Equivalent of such shares of CEDC Common Stock permitted to be issued pursuant to Clause 8.1.1 and Clause 7.2.6 shall not apply;

8.1.3 after such time as the Holdcos and their Affiliates have advised CEDC in writing that they collectively own 3.5% or less of the number of shares of CEDC Common Stock outstanding and 3.5% or less of the voting power of CEDC outstanding, CEDC shall issue a number of shares of CEDC Common Stock to the Holdcos on the same day that the registration statement filed in relation to such shares of CEDC Common Stock becomes effective as contemplated by Section 2.8 of the Registration Rights Agreement) equal to the lesser of:

(a) the Share Equivalent of all outstanding 2010 Consideration that has not been paid due to the operation of this Clause 8.1; and

(b) the maximum number of shares of CEDC Common Stock that may be issued without breaching the Substantial Shareholder Threshold,

and the relevant 2010 Consideration outstanding shall accordingly be reduced by the Cash Equivalent of the shares of CEDC Common Stock issued pursuant to Clause 8.1.3(a);

8.1.4 Clause 8.1.3 shall continue to be applied until the amount of all 2010 Consideration that has not been paid due to the operation of this Clause 8.1, has been reduced to zero; and

8.1.5 Any shares of CEDC Common Stock issued pursuant to this Clause 8.1 shall constitute an additional issuance of Substitution Stock for the purposes of this Agreement and shall be subject to the provisions of Clause 7.3.

8.2 Each Holdco agrees to provide to CEDC such information regarding ownership of CEDC Common Stock by it and its Affiliates as CEDC may reasonably request in connection with Clause 8.1.

9 ISSUES OF SECURITIES

9.1 Each of the Holdcos warrants, represents and undertakes to CEDC:

9.1.1 it is an "accredited investor" within the definition of such term set out in Rule 501(a) of Regulation D under the Securities Act;

9.1.2 it is acquiring the Substitution Stock for its own account for the purpose of investment and not with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act;

9.1.3 it understands, acknowledges and agrees that:

(a) on delivery, the Substitution Stock will not have been registered under the Securities Act;

(b) the delivery of Substitution Stock is intended as a transaction qualifying under Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder;

(c) the Substitution Stock may not be transferred or resold except pursuant to:

(i) an effective registration statement under the Securities Act covering such proposed transfer or resale and where such transfer or resale is made in accordance with such registration statement; or

(ii) (1) a transfer or resale that is eligible under Rule 144 and is made pursuant thereto; or (2) a transaction exempt from registration under the Securities Act; and which, in each case, is otherwise made in accordance with applicable securities laws and does not adversely affect CEDC's ability to issue the Substitution Stock through an exemption from registration under the Securities Act, and:

(A) in the event of a proposed transfer or resale pursuant to this Clause 9.1.3(c)(ii) the transferor/seller provides: (1) written notice to CEDC of its intention to transfer or resell any shares of CEDC Common Stock, including a reasonably detailed statement of the circumstances surrounding the proposed transfer or resale, no later than five Business Days prior to effecting such transfer or resale; and (2) CEDC with a legal opinion from independent, internationally recognised legal counsel experienced in such matters, which legal opinion shall be in customary form reasonably acceptable to CEDC and shall state that such transfer or resale is eligible under Rule 144 or is made in a transaction exempt from registration under the Securities Act and, in each case, is made in a transaction exempt from registration under the Securities Act and, in each case, is otherwise made in accordance with applicable securities laws, provided that in the case of any transfer or resale made pursuant to Rule 144, the transferor/seller may provide such notice and legal opinion in respect of all of the transfers or resales proposed to be made within the six (6) month period following the date of such notice and legal opinion; and

(B) only with respect to any proposed transfer or resale of any CEDC Common Stock made pursuant to this Clause 9.1.3(c)(ii), the transferor and the transferee in any such transfer or resale as a condition precedent thereto shall have provided to CEDC such factual representations, warranties and undertakings as CEDC may reasonably request to ensure that such sale, transfer or disposition does not adversely affect CEDC's ability to issue the Substitution Stock through an exemption from registration under the Securities Act);

(d) the Substitution Stock will be endorsed with the following legends:

(i) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN OFFERED AND SOLD TO ACCREDITED INVESTORS (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT")) AND WITHOUT REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT IN RELIANCE UPON REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS WITH REGARD TO THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO CERTAIN ADDITIONAL RESTRICTIONS ON TRANSFER AND OTHER MATTERS AS SET OUT IN THAT CERTAIN REGISTRATION RIGHTS AGREEMENT, DATED [•], 2009 AMONG CENTRAL EUROPEAN DISTRIBUTION CORPORATION, LION/RALLY CAYMAN 4 AND LION/RALLY CAYMAN 5, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY, AND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE THEREWITH."; and

(ii) any other legend required to be placed thereon pursuant to the Registration Rights Agreement and applicable law;

(e) Notwithstanding Clause 9.1.3(d) above, CEDC agrees that, upon request of the relevant Holdco, and receipt of appropriate instructions for delivery of shares in book-entry form, the Substitution Stock shall not be issued in physical form or bear a legend solely because such Holdco has advised CEDC that it will sell such shares in a transaction that is registered under the Securities Act pursuant to a registration statement. If the relevant Holdco determines that it will not sell all shares held by it pursuant to a registration statement, it shall cooperate with CEDC to enable CEDC to issue such shares of Substitution Stock in certificated physical form, with legends, as provided for in Clause 9.1.3(d). Each Holdco shall not sell any Substitution Stock except in compliance with the requirements of the Securities Act, which requirements include the prospectus delivery requirements, and in compliance with the legends set forth in Clause 9.1.3(d) above as if such legends were set forth on a physical certificate representing such shares;

9.1.4 it did not learn of the investment in the Substitution Stock by means of any form of general or public solicitation or general advertising, or publicly disseminated advertisements or sales literature, including: (i) any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media, or broadcast over television or radio; or (ii) any seminar or meeting to which the Holdcos were invited by any of the foregoing means of communications;

9.1.5 it has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby, and understands that the purchase of the Substitution Stock involves substantial risk;

9.1.6 it has had an opportunity to receive all additional information related to CEDC requested by it and to ask questions of and receive answers from CEDC regarding the terms and conditions of the issuance and sale of the Substitution Stock and the business, properties, prospects and financial condition of CEDC and to obtain any additional information requested and has received and considered all information it deems relevant to make an informed decision to purchase the Substitution Stock; and

9.1.7 it acknowledges that CEDC is relying on the representations, warranties and agreements contained in this Clause 9.1 in delivering the Substitution Stock to the Holdcos and would not engage in such transaction in the absence of the representations, warranties and agreements contained herein. Each Holdco further acknowledges and agrees that any obligation of CEDC herein to deliver the Substitution Stock to the Holdcos is conditioned upon the accuracy of the representations, warranties and agreements in this Clause 9.1 and each Holdco agrees to notify CEDC promptly in writing if any representation or warranty in this Clause 9.1 ceases to be accurate and complete.

9.2 The Holdcos and Lion Capital agree and undertake to CEDC:

9.2.1 that at any time between Completion and the Change of Control Date no Affiliate of Lion Capital will acquire Control of any business whose principal operations are the wholesale production and/or distribution of spirits in the Russian Federation without the prior written consent of CEDC; provided always that nothing in this paragraph 9.2.1 shall prevent the acquisition of any non-Russian business that has operations in Russia, where such Russian operations do not represent the majority of that group's activities;

9.2.2 that at any time between Completion and the Final Discharge Date, no Affiliate of Lion Capital will:

(a) in any manner acquire, agree to acquire or make any proposal to acquire, directly or indirectly, by means of purchase, merger, business combination or in any other manner, beneficial ownership of any shares of CEDC Common Stock (except as contemplated herein);

(b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" (as such terms are used in the proxy rules promulgated under the Exchange Act) or consents to vote, or seek to advise or influence any Person with respect to the voting of, any shares of CEDC Common Stock;

(c) form, join or in any way participate in a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) for the purpose of acquiring, holding or disposing of any shares of CEDC Common Stock;

(d) otherwise act, alone or in concert with others, to seek to control or change the management, board of directors, governing instruments, policies or affairs of CEDC;

(e) disclose any intention, plan or arrangement inconsistent with the foregoing; or

(f) advise, assist or encourage any other Person in connection with any of the foregoing.

9.3 Lion Capital agrees and undertakes to CEDC to maintain Control of the Holdcos at all times between Completion and the Final Discharge Date.

9.4 Lion Capital and the Holdcos agree to be jointly and severally liable for breaches of the undertakings given by each of them in this Clause 9.

10 PROHIBITED TRANSACTIONS

10.1 Each of the Holdcos and Lion Capital:

10.1.1 agrees that between Completion and 31 December 2009, it shall not, and shall cause its Affiliates not to:

(a) effect, directly or indirectly, any short sale (as defined in Rule 200) with respect to the Substitution Stock or with respect to any other security that includes, relates to or derives any significant part of its value from, CEDC Common Stock, unless:

(i) immediately following the execution of such short sale, the Holdcos, Lion Capital and their Affiliates (considered as a group) would not hold a "net short" position with respect to shares of CEDC Common Stock (provided that for the purposes hereof a Person or Persons shall be considered to hold a "net short" position where the number of shares of CEDC Common Stock such Person or Persons is or are bound to deliver to another Person (in respect of which such Person or Persons have borrowed shares of CEDC Common Stock) exceeds the number of shares of CEDC Common Stock such Person or Persons is or are deemed to own under section (b) of Rule 200, in each case immediately following the execution of such short sale);

(ii) such transaction is not entered into for speculative purposes and is bona fide for the primary purpose either of hedging the price at which the Holdcos or Lion Capital and their Affiliates may dispose of Substitution Stock or facilitating a timely and orderly distribution of such Substitution Stock; and

(iii) such transaction is in compliance with applicable law and is not a transaction or series of transactions intended to evade the prohibitions of this Clause 10; or

(b) without the prior written consent of CEDC, establish any "put equivalent position" (as defined under Rule 16a-1(h) under the Exchange Act) or grant, directly or indirectly, any other right (including any put or call option, forward sale contract, swap or stock pledge or loan or transaction similar to any of the foregoing) with respect to the Substitution Stock or with respect to any other security that includes, relates to or derives any significant part of its value from, CEDC Common Stock (each, a "**Derivative Transaction**"); provided that CEDC shall act in a

commercially reasonable manner in determining whether to grant such consent; provided further that no such consent shall be required where (A) a Derivative Transaction is not entered into for speculative purposes and is bona fide for the primary purpose of either (x) hedging the price at which the Holdcos and their Affiliates will dispose of any Substitution Stock, or (y) facilitating a timely and orderly distribution of any Substitution Stock; and (B) such transaction is in compliance with applicable law and is not a transaction or series of transactions intended to evade the prohibitions of this Clause 10, (each transaction prohibited by paragraph 10.1.1, a "**Prohibited Transaction**"); and

10.1.2 represents that as of the date hereof neither it, nor any of its Affiliates, has or is engaged, directly or indirectly, in a Prohibited Transaction.

11 FURTHER UNDERTAKINGS

11.1 CEDC undertakes to pay, conditional upon Completion having occurred, all reasonably incurred legal, tax and other advisory fees incurred by Lion Capital and any of its Affiliates in relation to this Agreement, the Coinvestor Option Agreement and the Lion/CEDC Commitment Letter, and any of the transactions contemplated by them or arising therefrom, which are incurred during the period from Completion until the Final Discharge Date.

11.2 CEDC undertakes to use its reasonable best endeavours to obtain the Antitrust Approvals as promptly as possible following Completion.

11.3 Conditional upon Completion having occurred Cayman 5 undertakes, during the period between Completion and the Change of Control Date:

11.3.1 to operate the Group in the ordinary course of business, consistent with the manner of its operation at Completion; provided, however, that without limiting the foregoing, the Budget (as defined in the GSA) for the Group and any material amendments to or deviations from it, taken as a whole, including but not limited to investments outside the Budget, shall not be approved or take effect without CEDC's consent (such consent not to be unreasonably withheld or delayed);

11.3.2 to provide such support and information, and procure that the Group provides such support and information, as CEDC may reasonably request in connection with: (i) CEDC's applications for the Antitrust Approvals; and (ii) any litigation, arbitration or other proceedings or claims relating to the Group, including but not limited to any tax claims or other claims against Cirey Holdings Inc or its Affiliates under the Original Sale Agreement (as defined in the New Option Agreement) (and, for the avoidance of doubt, no such proceeding or claim may be paid or settled without the consent of CEDC, such consent not to be unreasonably withheld or delayed);

11.3.3 to the extent permitted by law, to reorganise the corporate or capital structure of the Group as CEDC may reasonably direct;

11.3.4 to the extent permitted by law, to cause the Group to pay such dividends and make distributions from time to time as CEDC may reasonably direct;

11.3.5 to conduct or support the conduct of a process for a sale to a third party or initial public offering of the Group, or part thereof, at the request of CEDC; provided that such process and the terms and conditions of any such sale or public offering shall be conducted in such manner and on such terms as CEDC shall determine;

11.3.6 not to transfer the Controlling Share without the express prior consent of CEDC other than pursuant to the Call Option or Put Option;

11.3.7 to promptly provide to CEDC all information that CEDC may reasonably request in relation to the operations, performance and condition of the Group, including all information specified in paragraph 9 of schedule 2 to the GSA;

11.3.8 to procure that no member of the Group enters into a Related Party Transaction (as defined in the GSA) with Cayman 5 or any of its Affiliates, or any other transaction with Lion Capital or any member thereof or any Person affiliated with, or otherwise connected to Lion Capital or any member thereof, without the express prior consent of CEDC (the "**Related Party Restriction**");

11.3.9 to facilitate a refinancing, repayment or restructuring of the Group's external and internal indebtedness, including, to the extent directed by CEDC, the repurchase or repayment of any vendor loan notes and the settlement of any intra-Group liabilities, and the release or creation of any security in connection with such matters; and

11.3.10 to hold meetings of the Operating Board (as defined in the GSA) not less than quarterly and on dates to be agreed between CEDC and Cayman 5, and to constitute the membership of the Operating Board and the boards of each Group company and conduct their proceedings in a manner consistent with paragraphs 1.1 to 1.6, inclusive, of schedule 3 to the GSA, provided that: (i) Carey Agri will be entitled to exercise the appointment rights for both Carey Agri and CEDC; and (ii) any Person nominated to the Operating Board by Kylemore International Invest Corp shall be treated as a Carey Agri appointment,

provided that: (a) sufficient cash (starting from $20 million at Completion, and reducing over time as payments are made) is retained at all times in Lion/Rally Lux 3 to settle Management Incentive Payments (as defined below); and (b) CEDC shall not be entitled to require Cayman 5 to act, or otherwise exercise any rights under the preceding paragraphs of this Clause 11.3 if such requirement or exercise would: (i) constitute, or be reasonably likely to cause, a breach of any applicable law by CEDC, Cayman 5 or any of their respective Affiliates; (ii) breach any contract or other arrangement to which any member of the Group is a party; (iii) require a course of action which, in the reasonable opinion of Cayman 5, would be materially detrimental to the reputation of Lion Capital or any of its Affiliates; (iv) give rise to any material actual or potential liability on the part of Cayman 5 or its Affiliates; or (v) give rise to any costs for the account of Cayman 5 or its Affiliates, unless CEDC commits in advance to Cayman 5 to promptly reimburse Cayman 5 for such costs after they are incurred;

provided further that Cayman 5 will in all circumstances be permitted to cause any member of the Group to carry out the following actions during the period between Completion and the Change of Control Date without the prior consent of, but with prior notice to, CEDC:

11.3.11 to pay to Lion Capital or its Affiliates a monitoring and oversight fee of $100,000 (in aggregate) plus VAT per month (or part thereof) for the period from the six-month anniversary of Completion to the Change of Control Date;

11.3.12 to reimburse to Lion Capital or its Affiliates any out of pocket expenses incurred by Lion Capital and its Affiliates in monitoring and overseeing the activities of the Group and performing its obligations under this Agreement for the period from Completion to the Change of Control Date;

11.3.13 to pay or commit to pay to such senior managers, directors and advisors to the Group (or their affiliates) as Cayman 5 may determine in its sole discretion, incentive payments in addition to their normal base salaries and bonuses ("**Management Incentive Payments**"), up to a maximum aggregate payment of: (i) $20 million; plus (ii) the amount of any Management Incentive Payments paid or to be paid to that manager of the Group referred to in the Side Letter Amendment Letter or his affiliates in relation to the assets of the Group which constitute the "Bravo Premium" long drinks business. The Management Incentive Payments may be structured as contractual remuneration or, in the case of payments made before the Change of Control Date, the issue and subsequent redemption or repurchase of shares in Lion/Rally Cayman 3, at Cayman 5's discretion, having first consulted with CEDC; and

11.3.14 to take such other actions as it may consider reasonably necessary in order to enable the relevant member of the Group to make the payments referred to above.

11.4 The Holdcos shall be jointly and severally liable for any breaches of the Related Party Restriction.

11.5 Subject to Clause 11.4, Cayman 5 shall only be subject to the equitable remedies of injunction and specific performance with respect to any breach by it of the undertakings given by it in this Clause 11.

12 WARRANTIES

12.1 CEDC warrants to each Holdco that:

12.1.1 the Substitution Stock to be issued to such Holdco has been duly authorised by CEDC and, when issued and delivered and paid for as provided herein, will be duly and validly issued, fully paid and non-assessable and free from Encumbrances;

12.1.2 the Substitution Stock will be entitled to the rights set out in the Registration Rights Agreement;

12.1.3 as of their respective dates, all of the reports, schedules, forms, statements and other documents required to be filed by CEDC since 31 December 2007 with the U.S. Securities and Exchange Commission (the "**SEC**") pursuant to the reporting requirements of the Exchange Act (all such reports, schedules, forms, statements and other documents filed between 31 December 2007 and the date of this Agreement being referred to collectively as the "**SEC Reports**") complied in all material respects with the requirements of the Exchange Act applicable to the SEC Reports, and none of the SEC Reports, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and

12.1.4 assuming the accuracy of the representations and warranties of the Holdcos in Clause 9.1 hereof, the issuance and delivery of the Substitution Stock will be made in compliance with the Securities Act.

12.2 CEDC indemnifies, holds harmless and shall reimburse each Holdco, each of the directors, officers, employees, managers, stockholders, partners, members, counsel, agents or representatives of such Holdco and its Affiliates and each Person who controls any such Person, if any (collectively, "**Indemnified Parties**"), against any losses, claims, damages or

liabilities, joint or several, to which such Holdco or any such Person may become subject (collectively, "**Losses**"), resulting from, arising out of or relating to any breach of any representation or warranty set out in Clause 12.1, and shall reimburse such Indemnified Parties, for any legal and other expenses reasonably incurred by them in connection with investigating and defending any such Losses, whether or not resulting in any liability. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of either Holdco and shall survive the transfer of any Substitution Stock by either of the Holdcos.

12.3 The Holdcos warrant to CEDC that:

12.3.1 as of the date of this Agreement, the Holdcos are the sole legal and beneficial holders of the Option Shares and the Warrants which are, save for the Holdco Pledges in respect of the Option Shares, free from Encumbrances;

12.3.2 as at the date of Completion, the Holdcos will be the sole legal and beneficial holders of the Option Shares and the Warrants which will, save for the Holdco Pledges in respect of the Option Shares, be free from Encumbrances; and

12.3.3 as of the date of this Agreement, the Holdcos do not own any shares of CEDC Common Stock.

12.4 Each Party warrants to the other Parties that:

12.4.1 it has the power and authority required, and has obtained or satisfied all corporate approvals or other conditions necessary, to enter into this Agreement and each of the other agreements to be entered into by it pursuant to, or otherwise in connection with, this Agreement, and to perform fully its obligations under this Agreement and such other agreements in accordance with their respective terms; and

12.4.2 the entry into, and the implementation of the transactions contemplated by, this Agreement and each of the other agreements to be entered into by the Parties pursuant to, or otherwise in connection with, this Agreement will not result in:

(a) a violation or breach of any provision of the memorandum and articles of association or equivalent constitutional documents of such Party;

(b) a breach of, or give rise to a default under, any contract or other instrument to which such Party is a party or by which it is bound;

(c) a violation or breach of any applicable laws or regulations or of any order, decree or judgment of any court, governmental agency or regulatory authority applicable to such Party or any of its assets; or

(d) a requirement for such Party to obtain any consent or approval of, or give any notice to or make any registration with, any governmental, regulatory or other authority which has not been obtained or made at the date of this Agreement on a basis which is both unconditional and cannot be revoked; and

12.4.3 this Agreement and each of the other agreements to be entered into by the Parties pursuant to, or otherwise in connection with, this Agreement constitute valid and legally binding obligations of the Parties enforceable in accordance with their respective terms.

13 DEFAULT

13.1 If a CEDC Default occurs after Completion but prior to 1 June 2010, the 2010 Consideration shall become immediately payable in full in cash and in cleared funds, and CEDC shall not be entitled to exercise the 2010 Consideration Substitution Right and any prior exercise of such right shall be void.

13.2 CEDC undertakes to inform the Holdcos of any occurrence of a CEDC Default after the date of this Agreement within one Business Day of such CEDC Default occurring.

13.3 If the 2010 Consideration is not paid in full when due, the amount of the 2010 Consideration outstanding shall accrue interest at an annualised rate of 16% from the date on which it was due until the date such amount is received by the relevant Holdco in cash and in cleared funds.

14 PAYMENTS

14.1 Unless expressly provided otherwise, where any payment is required under the terms of this Agreement to be made by CEDC to the Holdcos, such payment shall be made to the accounts of the Holdcos as notified to CEDC by the Holdcos, and payment of the relevant amount so made shall constitute a good and absolute discharge CEDC of the relevant obligation, and CEDC shall not be concerned to see to the application of such funds thereafter.

15 CONFIDENTIALITY AND ANNOUNCEMENTS

15.1 Each Party will keep and treat as strictly confidential and not at any time disclose or make known in any way to any Person who is not a Party or use for a purpose other than the performance of its obligations under this Agreement any Confidential Information which it may possess or which has or may come within its knowledge before or after the date of this Agreement relating to or connected with or arising out of this Agreement or the business, customers, activities or affairs of any other Party or, through any failure to exercise all due care, cause any unauthorised disclosure of any Confidential Information, and will make every effort to prevent the use or disclosure of such information, except that these restrictions do not apply to the disclosure of Confidential Information if and only to the extent that (and in relation to CEDC, subject always to the provisions of Clause 15.2):

15.1.1 disclosure is required by law or for the purpose of any judicial proceedings or by any regulatory authority, government body or recognised securities exchange, provided that the other Parties shall, save where giving notice to such other Parties is prohibited by law, be given as much notice of such disclosure as is reasonably practicable and shall have consideration afforded to their reasonable requests in relation to the contents of such disclosure;

15.1.2 the information is or becomes generally available to the public other than as a result of a breach of any undertaking or duty of confidentiality by any Person;

15.1.3 the information is disclosed on a strictly confidential basis by a Party to its agents, advisers, auditors, bankers or shareholders for the purposes of its business;

15.1.4 disclosure is by a Party to its Affiliates; or

15.1.5 each of the other Parties has given its prior written consent to the contents and the manner of the disclosure.

15.2 The Parties acknowledge that this Agreement and any other documents agreed with CEDC in relation hereto shall be publicly disclosed by CEDC, and shall be shared with CEDC's underwriters and included in the offering material for any equity or debt capital raising conducted by CEDC.

15.3 Each Party shall inform any officer, employee or agent or auditor, banker or shareholder or any professional or other adviser advising it in relation to the matters referred to in this Agreement, or to whom it provides Confidential Information, that such information is confidential and should not be disclosed to any third party (other than to those to whom it has already been disclosed in accordance with the terms of this Agreement). The disclosing Party is responsible for any breach of this Clause 15 by the Person to whom the Confidential Information is disclosed.

16 TERMINATION OF COMMITMENT LETTER

16.1 The Holdcos, CEDC and Lion Capital each acknowledge and agree that the Lion/CEDC Commitment Letter shall cease to be of any effect and shall be terminated from the date of this Agreement.

17 LIABILITY

17.1 Save where expressly provided in this Agreement to the contrary (and then only to the extent therein provided) the liability of the Holdcos under this Agreement shall be several only and not joint.

17.2 Lion Capital shall have no liability under this Agreement save, and only with respect to, its obligations under Clauses 9, 10, 12, 15 and 16, and in each case only to the extent set out therein.

17.3 Notwithstanding any provision of this Agreement to the contrary, it is agreed and acknowledged that Lion Capital shall only be subject to the equitable remedies of injunction and specific performance in the event of a breach of any of the provisions of this Agreement and shall not be liable for money damages or money damages in lieu of equitable remedies.

18 ASSIGNMENT

No Party will be entitled to assign or transfer all or any of its rights, benefits or obligations under this Agreement or any document referred to in it without the prior written consent of the other Parties.

19 ENTIRE AGREEMENT

This Agreement, and the documents referred to in it in agreed form together constitute the entire agreement and understanding of the Parties in relation to the matters the subject thereto and supersede any previous agreement between the Parties (whether written or oral) in relation to all or any of such matters and without prejudice to the generality of the foregoing, exclude any representation, warranty, condition or other undertaking implied at law or by custom other than where expressly contained in this Agreement, provided that nothing in this Clause 19 shall exclude a Party from liability for fraudulent misrepresentation.

20 VARIATION

Any variation of this Agreement must be in a written document and signed by each Party or a duly authorised officer or representative of each Party and where any such document exists and is so signed such Party shall not allege that the same is not binding by virtue of an absence of consideration.

21 WAIVER

21.1 A delay in exercising, or failure to exercise, any right or remedy under this Agreement does not constitute a waiver of such or other rights or remedies, nor shall it operate so as to bar the exercise or enforcement thereof. No single or partial exercise of any right or remedy under this Agreement shall prevent further or other exercise of such or other rights or remedies.

21.2 No waiver by any Party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such Party.

21.3 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

22 ILLEGALITY AND SEVERANCE

22.1 The provisions contained in each Clause of this Agreement shall be enforceable independently of the others and the invalidity of any one provision shall not affect the validity of the others.

22.2 If a provision of this Agreement is, or but for this Clause 22 would be, held to be illegal, invalid or unenforceable, in whole or in part, in the jurisdiction to which it pertains but would be legal, valid and enforceable if part of the provision was deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable in that jurisdiction, and any such illegality, invalidity or unenforceability in any jurisdiction shall not invalidate or render invalid or unenforceable such provisions in any other jurisdiction.

22.3 If a provision of this Agreement is held to be illegal, invalid or unenforceable, in whole or in part and Clause 22.2 cannot be used to make it legal, valid and enforceable, a Party may require the other Parties to enter into a new agreement or deed under which those Parties undertake in the terms of the original provision, but subject to such amendments as the first Party specifies in order to make the provision legal, valid and enforceable. No Party will be obliged to enter into a new agreement or deed that would increase its liability beyond that contained in this Agreement, had all its provisions been legal, valid and enforceable.

23 RIGHTS OF THIRD PARTIES

A Party who is not a Party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from such Act. Accordingly, this Agreement shall be binding upon and enure solely for the benefit of the Parties hereto in accordance with this Agreement and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

24 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same agreement. No counterpart shall be effective until each Party has executed at least one part or counterpart.

25 NOTICES

25.1 A notice or other communication under or in connection with this Agreement shall be in writing, in English and delivered by hand or sent by pre-paid post (or pre-paid air mail if the countries in which the sender's and the recipient's addresses are located for the purposes of this Clause are different) or by fax or by attachment to an email as a scan or copy of a notice, in machine readable and printable format (e.g. in .pdf., .tif., or .jpg. format) (although, for the avoidance of doubt, writing on the screen of a visual display unit, including by e-mail without attachment, shall not constitute proper written notice).

25.2 The Parties' addresses and fax numbers for the purposes of this Agreement are:

25.2.1 In the case of Cayman 4 and Cayman 5:

c/o ATC Corporate Services (Luxembourg) S.A.
13-15 Avenue de la Liberté
L-1931 Luxembourg

For the attention of: Richard Brekelmans
Fax number:: +352 268 901 69
Email address: richard.brekelmans@atcgroup.com

with courtesy copies (which shall not constitute notice) to:

Lion Capital LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom

For the attention of: Javier Ferrán/James Cocker
Fax number: +44 20 7201 2222
Email addresses: ferran@lioncapital.com/cocker@lioncapital.com

and to:

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
United Kingdom

For the attention of: Michael Francies/Ian Hamilton
Fax number: +44 20 7903 0990
Email addresses: michael.francies@weil.com/ian.hamilton@weil.com

25.2.2 In the case of Cayman 6, Cayman 7 and Cayman 8:

c/o Stuarts Corporate Services Ltd
PO Box 2510
George Town
Grand Cayman
KY1-1104
Cayman Islands

For the attention of: Chris Humphries
Fax number: +1 345 949 2888
Email address: chris.humphries@stuartslaw.com

with courtesy copies (which shall not constitute notice) to:

Lion Capital LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom

For the attention of: Javier Ferrán/James Cocker
Fax number: +44 20 7201 2222
Email addresses: ferran@lioncapital.com/cocker@lioncapital.com

and to:

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
United Kingdom

For the attention of: Michael Francies/Ian Hamilton
Fax number: +44 20 7903 0990
Email addresses: michael.francies@weil.com/ian.hamilton@weil.com

25.2.3 In the case of Lion Capital:

Lion Capital LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom

For the attention of: Javier Ferrán/James Cocker
Fax number: +44 20 7201 2222
Email addresses: ferran@lioncapital.com/cocker@lioncapital.com

with a courtesy copy (which shall not constitute notice) to:

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
United Kingdom

For the attention of: Michael Francies/Ian Hamilton
Fax number: +44 20 7903 0990
Email addresses: michael.francies@weil.com/ian.hamilton@weil.com

25.2.4 In the case of CEDC or Carey Agri:

CEDC Warsaw
ul. Bobrowiecka 6
00-728 Warszawa
Poland

For the attention of: Bill Carey
Fax number: +48 22 455 1810
Email address: board.assistant@cedc.com.pl

with a courtesy copy (which shall not constitute notice) to:

Dewey & LeBoeuf
No. 1 Minster Court
Mincing Lane
London EC3R 7YL

For the attention of: Stephen J. Horvath
Fax number: +44 20 7444 7356
Email address: shorvath@dl.com

or such other address or fax number as the relevant Party notifies to the other Parties, which change of address shall only take effect if delivered and received in accordance Clauses 25.1 and 25.3.

25.3 In the absence of evidence of earlier receipt, and except as provided in Clause 25.4, a notice or other communication is deemed given:

25.3.1 if delivered by hand, at the time of delivery;

25.3.2 if sent by post (other than air mail), at 9.30 am on the second Business Day after its posting;

25.3.3 if sent by air-mail, at 9.30 am on the fifth Business Day after its posting;

25.3.4 if sent by fax, at the time of its transmission; or

25.3.5 if sent by an attachment to an email, on receipt by the sender of an email from the addressee confirming receipt of the notice.

25.4 If a notice or other communication is delivered by hand or sent by fax on a day which is not a Business Day or after 5.30 pm a Business Day, the notice or communication shall be deemed to have been given at 9.30 am on the next following Business Day.

25.5 In this Clause, a reference to time is to local time in the country of the recipient of the notice or communication.

25.6 The provisions of this Clause shall not apply in relation to the service of Service Documents, where "Service Document" means a claim form, order or judgment issued out of the courts of England and Wales or any document relating to or in connection with any proceedings.

25.7 CEDC and Carey Agri each irrevocably authorises and appoints Dewey & LeBoeuf of No. 1 Minster Court, Mincing Lane, London EC3R 7YL, United Kingdom (for the attention of Stephen J. Horvath) as its agent for service of notices and/or proceedings in relation to any matter arising out of or in connection with this Agreement and service on such agent in accordance with this Clause 25 shall be deemed to be effective service on CEDC and/or Carey Agri, as the case may be.

25.8 Each of Cayman 4, Cayman 5, Cayman 6 and Cayman 7 irrevocably authorises and appoints Lion Capital as their agent for service of notices and/or proceedings in relation to any matter arising out of or in connection with this Agreement and service on such agent in accordance with this Clause 25 shall be deemed to be effective service on Cayman 4, Cayman 5, Cayman 6 or Cayman 7, as the case may be.

26 JURISDICTION

The Parties irrevocably agree that, subject as provided below, the courts of England shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual claims). Nothing in this Clause 26 shall limit the right of the Parties to commence proceedings to seek equitable (or equivalent) relief or to seek enforcement of a final non-appealable judgment of the courts of England or in any court of an Approved Jurisdiction which has competent jurisdiction, nor shall the commencement of such proceedings in any one or more Approved Jurisdictions preclude the commencement of similar proceedings in any other Approved Jurisdiction, whether concurrently or not, to the extent permitted by the law of such other Approved Jurisdiction. No Party shall be entitled to commence proceedings in any court in any jurisdiction other than England or of an Approved Jurisdiction.

27 GOVERNING LAW

This Agreement and all matters (including, without limitation, any contractual or non-contractual obligation) arising from or connected with it are governed by, and will be construed in accordance with, English law.

28 RESCISSION

If Completion has not occurred by and including 22 December 2009 the amendments incorporated into this Agreement on 8 December shall be automatically rescinded to the extent that any obligation or right has not been performed or enforced and this Agreement as amended on 2 December 2009 shall continue in full force and effect.

THIS AGREEMENT IS EXECUTED ON THE DATE SHOWN ON PAGE 1 ABOVE.

SCHEDULE 1

CAYMAN 5 PLEDGE

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SCHEDULE 2

NEW MEMORANDUM AND ARTICLES

SCHEDULE 3

ESCROW AGREEMENT

SCHEDULE 4

REGISTRATION RIGHTS AGREEMENT

Signed by for and on behalf of **LION/RALLY CAYMAN 4**	)	/s/ James Cocker **Manager A** /s/ Johan Dejans **Manager B**
Signed by for and on behalf of **LION/RALLY CAYMAN 5**	)	/s/ James Cocker **Manager A** /s/ Johan Dejans **Manager B**
Signed by for and on behalf of **LION/RALLY CAYMAN 8** acting as general partner of **LION/RALLY CAYMAN 7 L.P.**	)	/s/ Rob Jones **Director**
Signed by for and on behalf of **LION CAPITAL LLP**	)	/s/ Janet M. Dunlop **Member**
Signed by for and on behalf of **CENTRAL EUROPEAN DISTRIBUTION CORPORATION**	)	/s/ William V. Carey
Signed by for and on behalf of **CAREY AGRI INTERNATIONAL – POLAND SP. Z O.O.**	)	/s/ William V. Carey

Exhibit 10.52

[LETTERHEAD OF BOLS SP. Z O.O.]

Warsaw, 25 November 2009

To: Bank Zachodni WBK S.A.
Centrum Bankowości Korporacyjnej
ul. Grzybowska 5a
00-132 Warszawa ("BZ WBK")

Re: Bols sp. z o.o. – USD 50,000,000.00 Facilities Agreement dated 24 April 2008, as amended and restated (the "Facility Agreement")

Dear Sirs,

As you are aware our indirect mother company Central European Distribution Corporation ("CEDC") intends to take various steps in connection with a refinancing. You have been provided with and have reviewed various documents and other information by CEDC in respect of CEDC's refinancing plans (the ("Transaction Documents"), including:

(i) a summary of the intended new high yield bond transaction (the "New Bond");
(ii) the sources and uses of funds to be raised by CEDC in a proposed equity offering and offering of the New Bonds;
(iii) the intended funds flow and inter-company loans;
(iv) the draft dated 12 November 2009 setting out the terms and conditions of the New Bond (the "Description of Notes"), which will form the basis for part of a new indenture (the "New Indenture") as to which Deutsche Bank will be Trustee;
(v) the summary description of the proposed transaction with affiliates of Lion Capital LLP (the "Russian Alcohol Transaction") (including the deferred payments to be made thereunder);
(vi) the draft dated 12 November 2009 of a proposed intercreditor agreement between us and the Trustee in respect of the security,

and have had the opportunity to ask questions about the same with CEDC.

In agreeing to the terms of this letter agreement you understand and agree that all of the security (the "Existing Security") currently provided for your benefit in relation to the Facility Agreement (set out in Enclosure 1 hereto) will, as a result of the transactions contemplated by the Transaction Documents, as described in the Description of Notes, be provided for the benefit of the holders of the New Bonds.

Capitalized terms used in this letter agreement shall have the same meaning as provided in the Facility Agreement, unless explicitly provided otherwise herein.

In agreeing to the terms of this letter agreement you agree, for the purposes of the Facility Agreement, that:

(1) no action contemplated to be taken in respect of the Transaction Documents, or otherwise related thereto, or any modification thereof that may be undertaken in connection therewith, including

without limitation the New Indenture, New Bond and the Russian Alcohol Transaction, or the failure to take any action or complete any steps provided in the Facility Agreement in respect of the Transaction Documents or the satisfaction and discharge (and deposit of funds sufficient to redeem the existing high yield notes into trust in respect thereof) and the redemption of the existing high yield notes shall be in violation of, or constitute a default or event of default under, the Facility Agreement;

(2) notwithstanding anything in the Facility Agreement to the contrary, no provision thereof shall limit or prohibit in any way any action or transaction taken or document entered into in respect of or relation to the Transaction Documents, no provision of the Facility Agreement shall require any person to take any action the result of which would be in violation of, or constitute a default or event of default under, the Facility Agreement, and in the event of a conflict between the Facility Agreement and the New Indenture, we agree that the New Indenture shall control and shall take priority;

(3) you will take all steps reasonably necessary to effect the sharing of the Existing Security as contemplated hereby and in respect of the Transaction Documents;

provided that:

(i) the following Financial Covenants are always maintained: Net Leverage Ratio (clause 23.2.1 of the Facility Agreement) does not exceed 5:0 (to be calculated on a consolidated basis) and Consolidated Coverage Ratio (clause 23.2.2 of the Facility Agreement) is not less than 2:00;

(ii) the Finance Parties under the Facility Agreement will, after giving effect to the actions and transactions contemplated hereby and by the Transaction Documents, be senior secured creditors on a *pari passu* basis with the holders of the New Bond, in the security listed on Schedule 1 hereto; and

(iii) the Financial Indebtedness arising under the New Bond does not exceed $950,000,000.

In addition to the above the parties to this letter agreement hereby agree as follows:

1. They shall cooperate in good faith and do all acts and things reasonably necessary or desirable in order to release and replace the Existing Security (and if necessary the Guarantors' grant of their obligations), consistent with the New Indenture (subject to paragraph 2 below).

2. They shall cooperate in good faith and do all acts and things reasonably necessary or desirable in order to execute an amendment and restatement agreement relating to the Facility Agreement and any related intercreditor agreement, all in form and substance consistent with the New Indenture. The commercial terms of the Facility Agreement shall not be changed. In particular but without limitation, the parties shall accordingly amend the following clauses of the Facility Agreement:

(a) Definitions of Permitted Financial Indebtedness, Permitted Security and Permitted Transactions;

(b) Clause 1.4 (Construction Consistent with the Indenture);

(c) Clause 23 (Financial Covenants);

(d) Schedule 6 to the Facility Agreement – Existing Security;

(e) Schedule 7 to the Facility Agreement – CEDC Group Undertakings (Based on Indenture).

3. They shall use their best efforts to execute the amended and restated agreement reflecting the provisions of this letter agreement as soon as reasonably possible after the final execution of the New Indenture, and in any case by 31 January 2010. The validity of the foregoing waivers and agreements in respect of the Facility Agreement shall not be affected whether such or not an amendment and restatement is entered into, provided that in the event that the New Bonds are not issued prior to or on 31 January 2010 the foregoing waivers and agreements shall cease to be valid.

4. Pursuant to Clause 19.2 (Amendment Costs), in relation to the negotiation, preparation and execution of this letter agreement, any Transaction Document and the completion of the transactions herein contemplated (including the amendments to the Facility Agreement and the Existing Security and their registration with appropriate courts) the Lender shall be reimbursed by the Borrower for the amount of costs and expenses including fees and expenses of BZWBK's legal counsel, agreed in advance between the parties acting in good faith.

Further, we shall use our reasonable commercial efforts, in cooperation with CEDC, to ensure that the receivables of the Lender under the Facility Agreement remain secured, there is no discontinuity concerning the security interests established in accordance with the Facility Agreement, and issues relating to pledge hardening periods (applicable to new security interests established for the benefit of BZWBK), which are provided for in the applicable bankruptcy regulations are addressed in the Intercreditor Agreement entered into by BZWBK with certain other creditors of CEDC group companies.

We will pay BZWBK a waiver fee in the amount and on the terms set forth in a fee letter signed between ourselves and BZWBK on or about the date of this waiver letter.

This letter 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 thereof.

This letter agreement is governed by Polish law.

If the terms of this letter agreement are satisfactory, please indicate your acceptance by signing a copy hereof in the place indicated below and returning it to our office.

Acting in the name of BOLS sp. z o.o. as Borrower:

Evangelos Evangelou	President	/s/ Evangelos Evangelou 25/11/2009
Name	Position	Date and signature

We hereby, unconditionally and irrevocably, agree to this letter agreement.

Acting in the name of Bank Zachodni WBK S.A. as Lender:

Malgorzata Nesterowicz	Director	/s/ Malgorzata Nesterowicz 25/11/2009
Name	Position	Date and signature
Michal Miecznicki	Director	/s/ Michal Miecznicki 25/11/2009
Name	Position	Date and signature

Enclosure 1

Existing Security[1]

- Financial pledge over 47065 of shares in Bols Sp. Z o.o. as security for the Term Facility;
- Financial pledge over 47065 of shares in Bols Sp. Z o.o. as security for the Overdraft Facility;
- Registered pledge over 47065 of shares in Bols Sp. Z o.o. as security for the Term Facility;
- Registered pledge over 47065 of shares in Bols Sp. Z o.o. as security for the Overdraft Facility;
- Share pledge over 60% of shares in Copecrecto Enterprises LTD as security for the Term Facility;
- Share pledge over 60% of shares in Copecrecto Enterprises LTD as security for the Overdraft Facility;
- Financial pledge over 947220 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Term Facility;
- Financial pledge over 947220 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Overdraft Facility;
- Registered pledge over 947220 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Term Facility;
- Registered pledge over 947220 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Overdraft Facility;
- Financial pledge over 48349 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Term Facility;
- Financial pledge over 48349 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Overdraft Facility;
- Registered pledge over 48349 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Term Facility; and
- Registered pledge over 48349 shares in Carey Agri International-Poland Sp. Z o.o. as security for the Overdraft Facility.

[1] All of the securities contain rights to a submission to execution, which is required for the enforcement of security under Polish law.

Exhibit 10.53

2 December 2009

CEDC FINANCE CORPORATION INTERNATIONAL, INC.

and

CAREY AGRI INTERNATIONAL-POLAND SP. Z O.O.

LOAN AGREEMENT

WEIL GOTSHAL

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THIS LOAN AGREEMENT (the "**Agreement**") signed on 2 December 2009 is entered into between:

CEDC FINANCE CORPORATION INTERNATIONAL, INC. a corporation incorporated under the laws of the State of Delaware, with its registered office at Corporate Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA (the "**Lender**"),

and

CAREY AGRI INTERNATIONAL-POLAND SP. Z O.O. a limited liability company incorporated under the laws of the Republic of Poland, with its registered seat in Warsaw, at ul. Bokserska 66A, 02-690 Warsaw, Poland, with registration number 0000051098 (the "**Borrower**").

WHEREAS:

(A) As of the date of this Agreement, the Lender has issued USD 380,000,000 in 9.125% senior secured notes due in 2016 (the "**Dollar Notes**") and EUR 380,000,000 in 8.875% senior secured notes due in 2016 (the "**Euro Notes**" and together with the Dollar Notes, the "**Notes**") pursuant to an indenture dated 2 December 2009 (the "**Indenture**"), among the Lender, the Borrower, Central European Distribution Corporation (the "**Parent**"), certain subsidiaries of Parent as guarantors (together with Parent, the "**Guarantors**"), Deutsche Trustee Company Limited as trustee, Deutsche Trust Company Americas and Deutsche Bank Luxembourg S.A. as registrar, transfer and paying agent, Deutsche Bank AG, London Branch as principal paying agent and Polish Security Agent and TMF Trustee Limited as global security agent. The price for the Euro Notes at issue has been established at EUR 377,571,800 (with a discount of 0.639% of principal amount of the Euro Notes (the "**Euro Notes Discount**")). The price for the Dollar Notes at issue has been established at USD 377,590,800 (with a discount of 0.634% of principal amount of the Dollar Notes (the "**Dollar Notes Discount**" and together with the Euro Notes Discount, the "**Discount**")).

(B) Pursuant to a purchase agreement dated 24November 2009 between the Lender, Parent, the Guarantors, Goldman Sachs International, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch and Deutsche Bank Securities Inc. (the "**Initial Purchasers**"), the Lender is obliged to pay the underwriting commission amounting to 1.4% of the aggregate principal amount of the Euro Notes which is EUR 5,320,000 and the underwriting commission amounting to 1.4% of the aggregate principal amount of the Dollar Notes which is USD 5,320,000 (the **"Fees"**).

(C) The Lender intends to grant to the Borrower a loan in the amount of EUR 372,251,800 (the "**Euro Loan**") and a loan in the amount of USD 108,285,800 (the "**Dollar Loan**" and together with the Euro Loan, the "**Loans**") from the proceeds obtained by the Lender from the issuance of the Notes. The Lender intends to enter into a loan agreement (the "**Jelegat Loan Agreement**") pursuant to which it will grant a loan to Jelegat Holdings Limited in an amount equal to USD 263,985,000 from the issuance of the Notes (the "**Jelegat Loan**").

Capitalised terms used herein and not otherwise defined, shall have the meanings assigned to them in the Indenture.

NOW, THEREFORE, THE PARTIES AGREED AS FOLLOWS:

ARTICLE 1
THE LOAN

1.1. Each Loan shall be made in one advance and paid to the Borrower on the date of this Agreement. Each Loan shall be paid to such accounts as the Borrower shall specify to the Lender in writing.

1.2. Each Loan shall be executed in the form of a bank transfer made from the Lender's bank accounts.

ARTICLE 2
INTEREST

2.1. For the purposes of this Article 2 only "**Dollar Loan**" shall mean the aggregate of the Dollar Loan divided by 0.99366 and an amount equal to the pro-rated amount of the Fees attributable to the Dollar Loan and "**Euro Loan**" shall mean the aggregate of the Euro Loan divided by 0.99361 and an amount equal to the Fees attributable to the Euro Loan.

2.2. Interest on the Dollar Loan shall accrue from the date of this Agreement until the repayment of the Dollar Loan and shall be paid at the rate of 9.125% per annum. Interest on the Euro Loan shall accrue from the date of this Agreement until the repayment of the Euro Loan and shall be paid at the rate of 8.875% per annum.

2.3. Accrued interest on each of the Dollar Loan and the Euro Loan shall be payable in arrears in immediately available funds not later than May 31 and November 30 of each year and in any event on such date as the Lender shall reasonably request such that the Lender shall be able to comply with its obligations to make corresponding payments in respect of the Notes. The first such interest payments shall be made on or before May 31, 2010.

2.4. If the rate of interest on the Dollar Notes or the Euro Notes increases pursuant to the terms of the Indenture: (i) the rate of interest on the Dollar Loan or the Euro Loan, as the case may be, shall increase automatically by the same percentage; and (ii) the Borrower will pay to the Lender, to cover such increase in interest rate, an amount equal to the additional rate required pursuant to the Indenture.

ARTICLE 3
REPAYMENT

3.1. The Loans (together with all costs thereon) shall mature and be repaid in full on November 30, 2016. In the event that the entire principal amount of the Dollar Notes or the Euro Notes (or a portion of the principal of such Notes) is due and payable prior to their stated maturity (whether due to a redemption or offer of payment of the Dollar Notes or the Euro Notes, a declaration of acceleration of the stated maturity date of such Notes or otherwise), the Borrower shall, promptly after demand by the Lender, repay a principal amount of the Dollar Loan or the Euro Loan, as the case may be, under this Agreement, together with the accrued interest, premiums in respect of the Notes (if any) and the amounts of any fees, costs and expenses as are due and payable under Article 4 as determined and allocated by the Lender in its absolute discretion. For the avoidance of doubt, no prepayment of the Dollar Loan or the Euro Loan (whether in whole or in part) shall be permitted unless a corresponding prepayment of the Dollar Notes or Euro Notes, as the case may be, is made concurrently therewith. Notwithstanding anything in this Agreement, the Jelegat Loan Agreement or any similar loan agreement, the Lender shall made such demand for repayment under such agreements in its discretion, provided, however, that it shall obtain from the aggregate of such demands an amount sufficient to discharge its corresponding payment obligations in respect of the Notes.

3.2. In the event of: (a) a declaration of an acceleration of the stated maturity of the Notes (to the extent such declaration has not been rescinded); (b) the failure by the Borrower to make a repayment of the Dollar Loan or the Euro Loan by any date specified in Section 3.1; or (c) upon the occurrence of any Event of Default, then at any time thereafter the Lender may, in its absolute discretion, by notice in writing to the Borrower cancel the Dollar Loan or the Euro Loan, as the case may be, and declare such Loan(s) to be immediately due and payable together with all interest, fees and other amounts payable hereunder and upon such declaration such sums shall become immediately due without further demand.

ARTICLE 4
FEES AND EXPENSES

4.1. The Borrower shall pay to the Lender on the maturity date such costs, expenses, fees (including the pro-rated amount of the Fees attributable to the Dollar Loan and the Fees attributable to the Euro Loan) and taxes (including legal and out-of-pocket expenses) determined by the Lender in its absolute discretion to be attributable to the Loans and incurred by the Lender in contemplation of, or otherwise in connection with: (i) the Notes; and (ii) the enforcement of any rights under this Agreement from the date on which such expenses were incurred to the date of payment (as well after as before judgment). The Borrower also agrees to pay on demand to the Lender an amount equal to the amounts required to be paid in satisfaction of franchise taxes and other amounts required to be paid (or advisable) to maintain corporate existence or in satisfaction of reasonable accounting, legal, management and administrative expenses.

4.2. All expenses payable pursuant to Section 4.1 shall be paid together with Value Added Tax (if any) thereon.

4.3. The Borrower shall also incur all other expenses, in contemplation of, or otherwise in connection with the Notes (such as rating agency fees, legal, tax and financial advisory expenses), which it is obliged to pay under relevant agreements with third parties.

ARTICLE 5
PAYMENTS

5.1. If any payment under this Agreement falls due on a day that is not a Business Day, the period (or the date for payment) shall be extended to end on the next succeeding Business Day. Where a date for payment is altered under this Section, interest shall be re-calculated accordingly.

5.2. All payments by the Borrower shall be made in immediately available funds to such account as it may specify in writing, and free and clear of any present or future tax, withholding or other deduction, unconditionally and without any set-off or counter-claim whatsoever, save for any deduction which the Borrower is required to make by law.

5.3. All payments by the Borrower in respect of the Dollar Loan shall be made in US Dollars only. All payments by the Borrower in respect of the Euro Loan shall be made in Euro only.

5.4. If the Borrower is required by law to make any deduction or withhold any amounts, it shall pay to the Lender such additional amount as makes the net amount received by the Lender equal to the full amount payable if there had been no deduction or withholding. The Borrower shall promptly deliver to the Lender any receipts or other proof evidencing the amounts deducted or withheld from the amounts payable to the Lender.

ARTICLE 6
NOTICES

6.1. Any notice or notification in any form to be given hereunder may be delivered in person or sent by letter or facsimile addressed to:

(a) the Borrower at: ul. Bobrowiecka 00-728, Warsaw, Poland, fax +48 22 488-3410 (Attention: Mr. Christopher Biedermann); and

(b) the Lender at: Two Bala Plaza, Suite 300, Bala Cynwyd, Pennsylvania 1990004, fax +1 610-667-3308 (Attention: James Archibold),

or in each case, to such other address(es) and marked for the attention of such other person(s) as any of the parties may from time to time notify to the others in writing.

6.2. Any such notice shall take effect, in the case of a letter, at the time of delivery, or in the case of a facsimile transmission, at the time of receipt by the sender of confirmation that the fax message has been transmitted to the addressee.

6.3. No failure or delay by the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right or remedy preclude any further exercise thereof or the exercise of any other right or remedy. The rights and remedies herein are cumulative and not exclusive of any rights and remedies provided by law.

ARTICLE 7
SEVERABILITY

If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any applicable enactment or rule of law, such provision or part shall (so far as it is illegal, invalid or unenforceable) be given no effect and shall be deemed to be not included in this Agreement, but the legality, validity and enforceability of the remainder of this Agreement (or this Agreement generally under the laws of any other jurisdiction) shall not be affected.

ARTICLE 8
NO ASSIGNMENT

Neither the rights, benefits and obligations of the Borrower nor the Lender under this Agreement are capable of assignment without the consent of the other and the trustee under the Indenture for the Notes; provided that the foregoing shall not prohibit or restrict the grant of any lien thereon in favor of the Security Agent for the Benefit of the Secured Parties (or any foreclosure thereon in accordance with the terms thereon). The Lender as an agent to the Borrower shall maintain a register (the "**Register**") of the name and address of the person that has the rights, benefits and obligations as Lender hereunder. Any transfer of the rights, benefits and obligations as lender hereunder shall be reflected in the Register.

ARTICLE 9
GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York.

ARTICLE 10
DISPUTE RESOLUTION

Any disputes arising out of or in connection with this Agreement shall be settled by the common courts having jurisdiction over the registered seat of the Borrower.

ARTICLE 11
COUNTERPARTS

This Agreement has been executed in English in two (2) counterparts.

CEDC FINANCE CORPORATION INTERNATIONAL, INC.

By: /s/ William V. Carey
Name: William V. Carey
Title: President

CAREY AGRI INTERNATIONAL-POLAND SP. Z O.O.

By: /s/ William V. Carey
Name: William V. Carey
Title: President

Exhibit 10.54

2 December 2009

CEDC FINANCE CORPORATION INTERNATIONAL, INC.

and

JELEGAT HOLDINGS LIMITED

LOAN AGREEMENT

WEIL GOTSHAL

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THIS LOAN AGREEMENT (the "**Agreement**") signed on 2 December 2009 is entered into between:

CEDC FINANCE CORPORATION INTERNATIONAL, INC. a corporation incorporated under the laws of the State of Delaware, with its registered office at Corporate Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA (the "**Lender**"),

and

JELEGAT HOLDINGS LIMITED a company incorporated under the laws of Cyprus, with its registered seat at 2-4 Arch Makarios Ave., Capital Center, 9th Floor, P.O. Box 21255, Nicosia 1505, Cyprus, with registration number 256696 (the "**Borrower**").

WHEREAS:

(A) As of the date of this Agreement, the Lender has issued USD 380,000,000 in 9.125% senior secured notes due in 2016 (the "**Dollar Notes**") and EUR 380,000,000 in 8.875% senior secured notes due in 2016 (the "**Euro Notes**" and together with the Dollar Notes, the "**Notes**") pursuant to an indenture dated [2] December 2009 (the "**Indenture**"), among the Lender, the Borrower, Central European Distribution Corporation (the "**Parent**"), certain subsidiaries of Parent as guarantors (together with Parent, the "**Guarantors**"), Deutsche Trustee Company Limited as trustee, Deutsche Trust Company Americas and Deutsche Bank Luxembourg S.A. as registrar, transfer and paying agent, Deutsche Bank AG, London Branch as principal paying agent and Polish Security Agent and TMF Trustee Limited as global security agent. The price for the Euro Notes at issue has been established at EUR 377,571,800 (with a discount of 0.639% of principal amount of the Euro Notes (the "**Euro Notes Discount**")). The price for the Dollar Notes at issue has been established at USD 377,590,800 (with a discount of 0.634% of principal amount of the Dollar Notes (the "**Dollar Notes Discount**" and together with the Euro Notes Discount, the "**Discount**")).

(B) Pursuant to a purchase agreement dated 24 November 2009 between the Lender, Parent, the Guarantors, Goldman Sachs International, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch and Deutsche Bank Securities Inc. (the "**Initial Purchasers**"), the Lender is obliged to pay the underwriting commission amounting to 1.4% of the aggregate principal amount of the Notes which is USD 5,320,000 with respect to the Dollar Notes (the "**Fees**").

(C) The Lender intends to grant to the Borrower a loan in the amount of USD 263,985,000 (the "**Loan**") from the proceeds obtained by the Lender from the issuance of the Notes. The Lender intends to enter into an agreement (the "**Carey Agri Loan Agreement**") pursuant to which it will grant loans to Carey Agri International-Poland SP. Z O.O. of the remainder of the proceeds obtained by the Lender from the issuance of the Notes (the "**Carey Agri Loans**").

Capitalised terms used herein and not otherwise defined, shall have the meanings assigned to them in the Indenture.

NOW, THEREFORE, THE PARTIES AGREED AS FOLLOWS:

ARTICLE 1
THE LOAN

1.1. The Loan shall be made in one advance and paid to the Borrower on the date of this Agreement. The Loan shall be paid to such accounts as the Borrower shall specify to the Lender in writing.

1.2. The Loan shall be executed in the form of a bank transfer made from the Lender's bank accounts.

ARTICLE 2
INTEREST

2.1. For the purposes of this Article 2 only "**Loan**" shall mean the aggregate of the Loan divided by 0.99366 and an amount equal to the pro-rated amount of the Fees attributable to the Loan.

2.2. Interest on the Loan shall accrue from the date of this Agreement until the repayment of the Loan and shall be paid at the rate of 9.125% per annum.

2.3. Accrued interest on the Loan shall be payable in arrears in immediately available funds not later than May 31 and November 30 of each year and in any event on such date as the Lender shall reasonably request such that the Lender shall be able to comply with its obligations to make corresponding payments in respect of the Notes. The first such interest payments shall be made on or before May 31, 2010.

2.4. If the rate of interest on the Dollar Notes increases pursuant to the terms of the Indenture: (i) the rate of interest on the Loan shall increase automatically by the same percentage; and (ii) the Borrower will pay to the Lender, to cover such increase in interest rate, an amount equal to the additional rate required pursuant to the Indenture.

ARTICLE 3
REPAYMENT

3.1. The Loan (together with all costs thereon) shall mature and be repaid in full on November 30, 2016. In the event that the entire principal amount of the Dollar Notes (or a portion of the principal of such Notes) is due and payable prior to their stated maturity (whether due to a redemption or offer of payment of the Dollar Notes, a declaration of acceleration of the stated maturity date of such Notes or otherwise), the Borrower shall, promptly after demand by the Lender, repay a principal amount of the Loan under this Agreement, together with the accrued interest, premiums in respect of the Notes (if any) and the amounts of any fees, costs and expenses as are due and payable under Article 4 as determined and allocated by the Lender in its absolute discretion. For the avoidance of doubt, no prepayment of the Loan (whether in whole or in part) shall be permitted unless a corresponding prepayment of the Dollar Notes is made concurrently therewith. Notwithstanding anything in this Agreement, the Carey Agri Loan Agreement, or any similar loan agreement, Lender shall make such demand for repayment under such agreements in its discretion provided, however, that it shall obtain from the aggregate of such demands an amount sufficient to discharge its corresponding payment obligations in respect of the Notes.

3.2. In the event of: (a) a declaration of an acceleration of the stated maturity of the Notes (to the extent such declaration has not been rescinded); (b) the failure by the Borrower to make a repayment of the Loan by any date specified in Section 3.1; or (c) upon the occurrence of any Event of Default, then at any time thereafter the Lender may, in its absolute discretion, by notice in writing to the Borrower cancel the Loan and declare such Loan to be immediately due and payable together with all interest, fees and other amounts payable hereunder and upon such declaration such sums shall become immediately due without further demand.

ARTICLE 4
FEES AND EXPENSES

4.1. The Borrower shall pay to the Lender on the maturity date such costs, expenses, fees (including, but not limited to the pro-rated amount of the Fees attributable to the Loan) and

taxes (legal and out-of-pocket expenses) determined by the Lender in its absolute discretion to be attributable to the Loan and incurred by the Lender in contemplation of, or otherwise in connection with: (i) the Notes; and (ii) the enforcement of any rights under this Agreement from the date on which such expenses were incurred to the date of payment (as well after as before judgment). The Borrower also agrees to pay on demand to the Lender an amount equal to the amounts required to be paid in satisfaction of franchise taxes and other amounts required to be paid (or advisable) to maintain corporate existence or in satisfaction of reasonable accounting, legal, management and administrative expenses.

4.2. All expenses payable pursuant to Section 4.1 shall be paid together with Value Added Tax (if any) thereon.

4.3. The Borrower shall also incur all other expenses, in contemplation of, or otherwise in connection with the Notes (such as rating agency fees, legal, tax and financial advisory expenses), which it is obliged to pay under relevant agreements with third parties.

ARTICLE 5
PAYMENTS

5.1. If any payment under this Agreement falls due on a day that is not a Business Day, the period (or the date for payment) shall be extended to end on the next succeeding Business Day. Where a date for payment is altered under this Section, interest shall be re-calculated accordingly.

5.2. All payments by the Borrower shall be made in immediately available funds to such account as it may specify in writing, and free and clear of any present or future tax, withholding or other deduction, unconditionally and without any set-off or counter-claim whatsoever, save for any deduction which the Borrower is required to make by law.

5.3. All payments by the Borrower in respect of the Loan shall be made in US Dollars only.

5.4. If the Borrower is required by law to make any deduction or withhold any amounts, it shall pay to the Lender such additional amount as makes the net amount received by the Lender equal to the full amount payable if there had been no deduction or withholding. The Borrower shall promptly deliver to the Lender any receipts or other proof evidencing the amounts deducted or withheld from the amounts payable to the Lender.

ARTICLE 6
NOTICES

6.1. Any notice or notification in any form to be given hereunder may be delivered in person or sent by letter or facsimile addressed to:

(a) the Borrower at: ul. Bobrowiecka 00-728, Warsaw, Poland, fax +48 22 488 3410 (Attention: Mr. Christopher Biedermann); and

(b) the Lender at: Two Bala Plaza, Suite 300, Bala Cynwyd, Pennsylvania 1990004, fax +1 610-667-3308 (Attention: James Archibold),

or in each case, to such other address(es) and marked for the attention of such other person(s) as any of the parties may from time to time notify to the others in writing.

6.2. Any such notice shall take effect, in the case of a letter, at the time of delivery, or in the case of a facsimile transmission, at the time of receipt by the sender of confirmation that the fax message has been transmitted to the addressee.

6.3. No failure or delay by the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right or remedy preclude any further exercise thereof or the exercise of any other right or remedy. The rights and remedies herein are cumulative and not exclusive of any rights and remedies provided by law.

ARTICLE 7
SEVERABILITY

If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any applicable enactment or rule of law, such provision or part shall (so far as it is illegal, invalid or unenforceable) be given no effect and shall be deemed to be not included in this Agreement, but the legality, validity and enforceability of the remainder of this Agreement (or this Agreement generally under the laws of any other jurisdiction) shall not be affected.

ARTICLE 8
NO ASSIGNMENT

Neither the rights, benefits and obligations of the Borrower nor the Lender under this Agreement are capable of assignment without the consent of the other and the trustee under the Indenture for the Notes; provided that the foregoing shall not prohibit or restrict the grant of any lien thereon in favor of the Security Agent for the Benefit of the Secured Parties (or any foreclosure thereon in accordance with the terms thereon). The Lender as an agent to the Borrower shall maintain a register (the "**Register**") of the name and address of the person that has the rights, benefits and obligations as Lender hereunder. Any transfer of the rights, benefits and obligations as lender hereunder shall be reflected in the Register.

ARTICLE 9
GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York.

ARTICLE 10
DISPUTE RESOLUTION

Any disputes arising out of or in connection with this Agreement shall be settled by the common courts having jurisdiction over the registered seat of the Borrower.

ARTICLE 11
COUNTERPARTS

This Agreement has been executed in English in two (2) counterparts.

CEDC FINANCE CORPORATION INTERNATIONAL, INC.

By: /s/ William V. Carey
Name: William V. Carey
Title: President

JELEGAT HOLDINGS LIMITED

By: /s/ William V. Carey
Name: William V. Carey
Title: Director

Exhibit 10.55

EXECUTION VERSION

DATED 1 DECEMBER 2009

JELEGAT HOLDINGS LIMITED
as the Lender

and

JOINT STOCK COMPANY «DISTILLERY «TOPAZ»
OOO "FIRST TULA DISTILLERY"
BRAVO PREMIUM LLC
LIMITED LIABILITY COMPANY «THE TRADING HOUSE «RUSSIAN ALCOHOL»
JOINT STOCK COMPANY «RUSSIAN ALCOHOL GROUP»
ZAO "SIBIRSKY LVZ"
CLOSED JOINT STOCK COMPANY «MID-RUSSIAN DISTILLERIES»
as the Borrowers

ON-LOAN FACILITY AGREEMENT

DEWEY & LEBOEUF

TABLE OF CONTENTS

THIS ON-LOAN FACILITY (this "**AGREEMENT**") is made on 1 DECEMBER 2009 BETWEEN:

(1) **JELEGAT HOLDINGS LIMITED**, a company incorporated in Cyprus (corporate identity no. 256696) having its registered office at: 2-4 Arch Makarios Ave., Capital Center, 9th Floor, P.O. Box 21255, Nicosia 1505, Cyprus (the "**Lender**"); and

(2) **JOINT STOCK COMPANY «DISTILLERY «TOPAZ»**, a company incorporated under the laws of Russia (principal state registration number: 1025004907916) having its registered office at 46, Oktyabrskaya str., Pushkino, Moscow region, 141200, Russia, **OOO "FIRST TULA DISTILLERY"**a company incorporated under the laws of Russia (principal state registration number: 1047101123630) having its registered office at 5, Nekrasova street, Tula, the Tula region, 300045, Russia, **BRAVO PREMIUM LLC**, a company incorporated under the laws of Russia (principal state registration number: 1027804850303) having its registered office at Liter A, 52/4, Kuznetsovskaya str., Saint-Petersburg, I96I05, Russian Federation, **LIMITED LIABILITY COMPANY «THE TRADING HOUSE «RUSSIAN ALCOHOL»,** a company incorporated under the laws of Russia (principal state registration number: 1047796690611) having its registered office at 3, Krasnayasosna str., Moscow, 129337, Russian Federation, **ZAO "SIBIRSKY LVZ"**, a company incorporated under the laws of Russia (principal state registration number: 1075475004087) having its registered office at, industrial area of Sibirsky LVZ, No 1, Koltsovo, Novosibirsk district, Novosibirsk region, 630559, Russian Federation, **CLOSED JOINT STOCK COMPANY «MID-RUSSIAN DISTILLERIES»**, a company incorporated under the laws of Russia (principal state registration number 1057747177861) having its registered office at Degtyarny per. 5. corp. 2, Moscow, 125009, Russian Federation, **JOINT STOCK COMPANY «RUSSIAN ALCOHOL GROUP»**, a company incorporated under the laws of Russia (principal state registration number: 1037705023190) having its registered office at 1, Eniseiskaya str., Moscow, 129344, Russian Federation (acting on its own behalf and as a Managing Company on behalf of the following above mentioned companies: JOINT STOCK COMPANY «DISTILLERY «TOPAZ», OOO "FIRST TULA DISTILLERY" and ZAO "SIBIRSKY LVZ") (the "**Borrowers**" and each a "**Borrower**").

THE PARTIES AGREE as follows:

1. **INTERPRETATION**

1.1 In this Agreement:

"**Advances**" means the advances set out under clause 2.1 and an "**Advance**" refers to any one of them;

"**Advance Date**" means the date on which each Advance will be made by the Lender being such date prior to the Repayment Date as the Lender and the Borrowers shall agree in writing;

"**Allocable Arrangement and Commitment Fee**" means, for each Borrower, $3,772,519 multiplied by that Borrower's Pro Rated Percentage;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Nicosia and Moscow;

"**Jelegat Loan**" means the loan agreement between CEDC Finance Corporation International, Inc. and the Lender to be entered into on 2 December 2009;

"**Interest Payment Date**" means 30 May 2010 and semi annual dates thereafter;

"**Lender's Account**" means the account number in the name of the Lender as shall be notified to the Borrowers under this Agreement;

"**Pro-Rated Percentage**" means, in respect of each Borrower, the amount of that Borrower's Advance divided by the aggregate amount of all Advances outstanding expressed as a percentage;

"**RAG Guarantor Accession Date**" has the meaning ascribed to it in the Jelegat Loan;

"**Repayment Date**" means 29 November 2016; and

"**Repayment Fee**" means, for each Borrower, $1,708,414 multiplied by the Pro-Rated Percentage.

1.2 In this Agreement, a reference to:

1.2.1 words importing the singular shall include the plural and vice versa;

1.2.2 a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause or paragraph of, or schedule to, this Agreement;

1.2.3 any document shall be construed as references to that document as amended, varied, novated or supplemented;

1.2.4 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;

1.2.5 the words "**including**" and "**in particular**" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;

1.2.6 the words "**other**" and "**otherwise**" shall not be construed *ejusdem generis* with any foregoing words where a wider construction is possible;

1.2.7 a "**person**" shall be construed so as to include that person's assigns, transferees or 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; and

1.2.8 "**$**" or "**Dollars**" shall mean the lawful currency of the United States of America.

1.3 The headings in this Agreement do not affect its interpretation.

2. **ADVANCE**

2.1 On the Advance Date, the Lender shall make the following Advances to the Borrowers:

2.1.1 $193,995,000 to JOINT STOCK COMPANY «DISTILLERY «TOPAZ»;

2.1.2 $13,400,000 to OOO "FIRST TULA DISTILLERY";

2.1.3 $18,000,000 to BRAVO PREMIUM LLC;

2.1.4 $5,000 to LIMITED LIABILITY COMPANY «THE TRADING HOUSE «RUSSIAN ALCOHOL»;

2.1.5 $15,680,000 to JOINT STOCK COMPANY «RUSSIAN ALCOHOL GROUP»;

2.1.6 $22,900,000 to ZAO "SIBIRSKY LVZ"; and

2.1.7 $5,000 to CLOSED STOCK COMPANY «MID-RUSSIAN DISTILLERIES».

3. **PAYMENT OF INTEREST AND PRINCIPAL**

3.1 Scheduled Interest

3.1.1 Each Borrower shall pay interest on its respective Advance at the rate of 9.50 per cent. per annum.

3.1.2 If the rate of interest under the Jelegat Loan increases pursuant to its terms the rate of interest on each Advance shall increase automatically by the same percentage.

3.1.3 Interest on each Advance will be computed by reference to interest periods of six months. Interest will be calculated on the basis of days outstanding in a 365 day year.

3.1.4 Interest shall be payable by each Borrower to the Lender in immediately available funds not later than the Interest Payment Dates. In the event that any Interest Payment Date is not a Business Day such interest shall be paid in immediately available funds not later than the Business Day immediately preceding the relevant Interest Payment Date.

3.2 Repayment of Advance

Unless otherwise demanded and repaid under this Agreement, each Borrower shall repay on the Repayment Date its respective Advance in full to the Lender together with all interest accrued thereon and all other amounts due from the Borrower under this Agreement together with the Allocable Arrangement and Commitment Fee and the Repayment Fee.

4. **DEMAND**

Notwithstanding any other provision of this Agreement, the Lender may demand repayment by the Borrowers of all or any part of their respective Advances (together with the Allocable Arrangement and Commitment Fee and the Repayment Fee) in the

amount of the Lender's first demand for such repayment. Any such repayment shall be made together with any other amounts (whether of principal, interest or otherwise) due under this Agreement. To the extent that the Borrowers repay part of their respective Advances under this Clause 4, the Allocable Arrangement and Commitment Fee and the Repayment Fee will each be pro-rated by reference to the amount of the Advance being repaid.

5. **PREPAYMENT**

5.1 Prepayment of Advance

5.1.1 No Borrower may repay all or any part of the Advances except at the times and in the manner expressly provided for in this Agreement. All prepayments under this Agreement shall be irrevocable.

5.1.2 Notwithstanding the provisions of Clause 5.1.1, or any other provision of this Agreement, each Borrower shall be entitled to prepay or reduce the amount of its Advance in any manner at the request of the Lender to facilitate or otherwise accommodate or reflect a corresponding repayment, redemption or repurchase under the Jelegat Loan.

5.2 No Reborrowing

No Borrower shall be entitled to reborrow any amount paid.

6. **TAXES**

6.1 All payments to be made by the Borrowers to the Lender hereunder shall be made free and clear of and without deduction for or on account of all present or future taxes, withholding, levies, duties, imposts and deductions.

7. **UNDERTAKINGS**

Each Borrower hereby undertakes to cooperate with the Lender and any agent appointed by the Lender in relation thereto to effect the security arrangements set out in Schedule 1 to this Agreement in so far as such arrangements pertain to such Borrower and/or its subsidiary. The parties agree to effect such security arrangements within the time periods specified in Schedule 1.

8. **REPRESENTATIONS**

Each Borrower makes the representations and warranties set out in this clause 8 to the Lender on the date of this Agreement.

8.1 Status

8.1.1 It is duly incorporated and validly existing under the law of its jurisdiction of incorporation.

8.1.2 It has the power to own its assets and carry on its business as it is being conducted.

8.2 Binding obligations

The obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations.

8.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by this Agreement do not and will not conflict with:

8.3.1 any law or regulation applicable to it; or

8.3.2 its constitutional documents.

8.4 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 this Agreement to which it is a party and the transactions contemplated by this Agreement.

8.5 Validity and admissibility in evidence

All authorisations required:

8.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement; and

8.5.2 to make this Agreement admissible in evidence in its jurisdiction of incorporation,

8.5.3 have been obtained or effected and are in full force and effect.

8.6 *Pari passu* ranking

At all times any unsecured and unsubordinated claims of the Lender against it under this Agreement shall rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for those creditors whose claims are mandatorily preferred by law applying to companies generally.

9. ASSIGNMENT AND TRANSFER

9.1 Binding Agreement

This Agreement shall be binding upon and inure to the benefit of each party hereto and its or any subsequent successors and assignees.

9.2 Assignments and Transfers

Save for the assignment of this Agreement to be entered into between the Lender and TMF Trustee Limited, neither the Borrowers nor the Lender shall be entitled to assign or transfer all or any of their respective rights, benefits and obligations hereunder without the prior written consent of the Borrowers in the case of the Lender or the Lender in the case of a Borrower and TMF Trustee Limited in either case. The Lender as an agent of the Borrowers shall maintain a register (the "**Register**") of the name and address of the person that has rights, benefits and obligations as Lender hereunder. Any transfer of rights, benefits and obligations of the Lender hereunder shall be reflected in the Register.

10. **REMEDIES, WAIVERS AND PARTIAL INVALIDITY**

10.1 No failure by the Lender to exercise, nor any delay by the Lender in exercising, any right or remedy hereunder shall operate as a waiver thereof, or shall any single or partial exercise of any other right or remedy prevent any further or another exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any other rights nor remedies provided by law.

10.2 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect:

10.2.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

10.2.2 the legality, validity or enforceability under the laws of any other jurisdiction of that or another provision of this Agreement.

11. **CERTIFICATE**

A certificate from the Lender as to the amount at any time due from a Borrower to the Lender in relation to an Advance shall, in the absence of manifest error, be conclusive.

12. **GENERAL**

12.1 A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each party.

12.2 Save as otherwise provided herein, any payment to be made by any party under this Agreement shall be made in the currency of the relevant Advance (or as otherwise determined by the Lender) and in full without any set-off, restriction, condition or deduction for or on account of any counterclaim.

12.3 Except as provided herein, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

12.4 Unless otherwise specified in writing, all payments to the Lender under this Agreement shall be made to the Lender's Account.

13. **NOTICES**

13.1 A notice or other communication under or in connection with this Agreement (a "**Notice**") shall be:

13.1.1 in writing;

13.1.2 in the English language; and

13.1.3 sent by first class post (and air mail if overseas) or by fax as set out below:

(a) for Joint Stock Company «Distillery «Topaz» at:
46, Oktyabrskaya str.
Pushkino
Moscow region

141200
Russia
Facsimile: +7 (495) 993-33-36
Attention: General Director

(b) for OOO "First Tula Distillery" at:
5, Nekrasova street
Tula
the Tula region
300045
Russia
Facsimile: +7 (4872) 25-02-25
Attention: General Director

(c) for Bravo Premium LLC at:
Liter A, 52/4
Kuznetsovskaya str.
Saint-Petersburg
I96I05
Russian Federation
Facsimile: +7 (812)336-48-86
Attention: General Director

(d) for Limited Liability Company «The Trading House «Russian Alcohol» at:
3, Krasnaya sosna str.
Moscow
129337
Russian Federation
Facsimile: +7 (495) 642-82-83
Attention: General Director

(e) for Joint Stock Company «Russian Alcohol Group» at:
1, Eniseiskaya str.
Moscow
129344
Russian Federation
Facsimile: +7 (495) 642-82-83
Attention: General Director

(f) for ZAO "Sibirsky LVZ" at:
industrial area of Sibirsky LVZ, No 1
Koltsovo
Novosibirsk district
Novosibirsk region
630559
Russian Federation
Facsimile: +7 (383) 363-33-98
Attention: General Director

(g) for Closed Joint Stock Company «Mid-Russian Distilleries» at:
Building 1, 1st Eniseiskaya str.
Moscow
129344
Russian Federation

Facsimile: +7 (495) 993-33-36
Attention: General Director

and for each of (a) to (g) with a copy to (but which shall not constitute notice):

Joint Stock Company «Russian Alcohol Group» at:
1, Eniseiskaya str.
Moscow
129344
Russian Federation
Facsimile: +7 (495) 642-82-83
Attention: General Director

(h) for the Lender at:

Jelegat Holdings Limited
2-4 Arch Makarios Ave.
Capital Center
9th Floor
P.O. Box 21255
Nicosia 1505
Cyprus
Facsimile: +(357) 22670670
Attention: Corporate Secretary

and with a copy to (but which shall not constitute notice):

Central European Distribution Corporation at:
Two Bala Plaza, Suite 300
Bala Cynwyd, PA 19004
U.S.A.
Facsimile: +48 22 455 1810
Attention: Chris Biedermann, Chief Financial Officer

and

Biuro Zarządu CEDC
Bobrowiecka 6, 00-728,
Warsaw
Poland
Facsimile: +48 22 45 66 001
Attention: the CEDC Management Board

13.2 Unless there is evidence that it was received earlier, a Notice is deemed given if:

13.2.1 sent by mail, ten (10) Business Days after posting it; and

13.2.2 sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine.

14. GOVERNING LAW AND JURISDICTION

14.1 This Agreement is governed by English law.

14.2 Subject to clause 14.4, the courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Agreement (a "**Dispute**") including a dispute regarding the existence, validity or termination of this Agreement or the consequences of its nullity.

14.3 The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

14.4 In addition to clause 14.2 above, the Lender shall have the right to refer any dispute which may arise out of or in connection with this Agreement to final and binding arbitration in London, England, pursuant to the arbitration rules of LCIA (the "**LCIA Rules**"). The language of the arbitration proceedings shall be English. Such arbitration shall be conducted by an arbitrator appointed in accordance with LCIA Rules. The seat or legal place of arbitration shall be deemed to be England, and accordingly the substantive laws of England shall be applicable for purposes of the arbitration. The procedural law for any reference to arbitration shall be English law. Any right of appeal or reference on points of law to the courts is hereby waived, to the extent that such waiver can be validly made. The arbitral tribunal shall have the power to order on a provisional basis any relief which it would have power to grant in a final award. Any award given by the arbitrator shall be final and binding on the Parties and shall be in lieu of any other remedy.

15. SERVICE OF PROCESS

15.1 Without prejudice to any other mode of service allowed under any relevant law, each Borrower:

15.1.1 irrevocably appoints Law Debenture Corporate Services Limited, Fifth Floor 100 Wood Street, London, EC2V 7EX as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and

15.1.2 agrees that failure by a process agent to notify the Borrower of the process will not invalidate the proceedings concerned.

15.2 Without prejudice to any other mode of service allowed under any relevant law, the Lender:

15.2.1 irrevocably appoints Law Debenture Corporate Services Limited, Fifth Floor 100 Wood Street, London, EC2V 7EX as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and

15.2.2 agrees that failure by a process agent to notify the Lender of the process will not invalidate the proceedings concerned.

16. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

SCHEDULE 1
SECURITY ARRANGEMENTS

1. Within two months of the RAG Guarantor Accession Date each Borrower shall enter into arrangements with the Lender and any agent appointed by the Lender to provide as security to the Advances, registered pledges of participatory interests of or the shares in, as appropriate, each of the Borrowers.

2. Within two months of the RAG Guarantor Accession Date each Borrower, the Lender and any agent appointed by the Lender shall enter into arrangements to provide as security to the Advances, assignments of:

2.1 the rights under each non-Russian bank account; and

2.2 withdrawal rights agreements for each Russian bank account,

of each of the Borrowers containing at least $5.0 million (or the U.S. dollar equivalent thereof) in deposits, measured as of 13 November 2009, and thereafter as of the last day of each fiscal quarter after 2 December 2009.

3. Within six months of the RAG Guarantor Accession Date the relevant Borrower, the Lender and any agent appointed by the Lender shall enter into arrangements to provide as security to the Advances, mortgage agreements and evidence of filing motions with the appropriate registry to register the mortgages over real property, land rights and fixtures (to the extent qualified as real property under Russian law) of:

3.1 the distillery belonging to ZAO “Sibirsky LVZ”, with the address: industrial area of Sibirsky LVZ, No ,1Koltsovo, Novosibirsk district, Novosibirsk region, Russia; and

3.2 the factory belonging to OOO “First Tula Distillery”, with the address: 5, Nekrasova street, Tula, the Tula region, Russia.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

THE LENDER

JELEGAT HOLDINGS LIMITED

By: /s/ William V. Carey
Name: William V. Carey
Title: Director

THE BORROWERS

JOINT STOCK COMPANY «DISTILLERY «TOPAZ»

By: /s/ Carlo Radicati di Primeglio
Name: Carlo Radicati di Primeglio
Title: General Director of the Managing Company

By: /s/ Platonova Tatiana Ivanovna
Name: Platonova Tatiana Ivanovna
Title: Chief Accountant

Address: 46, Oktyabrskaya str. Pushkino Moscow region 141200 Russia

OOO "FIRST TULA DISTILLERY"

By: /s/ Carlo Radicati di Primeglio
Name: Carlo Radicati di Primeglio
Title: General Director of the Managing Company

By: /s/ Shagunova Natalia Alexandrovna
Name: Shagunova Natalia Alexandrovna
Title: Chief Accountant

Address: 5, Nekrasova street Tula the Tula region 300045 Russia

BRAVO PREMIUM LLC

By: /s/ Kopitel Sergey Igorevich
Name: Kopitel Sergey Igorevich
Title: General Director

By: /s/ Marugina Elena Vladimirovna
Name: Marugina Elena Vladimirovna
Title: Chief Accountant

Address: Liter A, 52/4 Kuznetsovskaya str. Saint-Petersburg 196105 Russian Federation

LIMITED LIABILITY COMPANY «THE TRADING HOUSE «RUSSIAN ALCOHOL»

By: /s/ Yablokov Evgeny Vladimirovich
Name: Yablokov Evgeny Vladimirovich
Title: General Director

By: /s/ Yakubovskaya Irina Ivanovna
Name: Yakubovskaya Irina Ivanovna
Title: Chief Accountant

Address: 3, Krasnaya sosna str. Moscow 129337 Russian Federation

JOINT STOCK COMPANY «RUSSIAN ALCOHOL GROUP»

By: /s/ Carlo Radicati di Primeglio
Name: Carlo Radicati di Primeglio
Title: General Director

By: /s/ Lavrinovich Tatiana Germonovna
Name: Lavrinovich Tatiana Germonovna
Title: Chief Accountant

Address: 1, Eniseiskaya str. Moscow 129344 Russian Federation

ZAO "SIBIRSKY LVZ"

By: /s/ Carlo Radicati di Primeglio
Name: Carlo Radicati di Primeglio
Title: General Director of the Managing Company

By: /s/ Ilina Irina Nikolaevna
Name: Ilina Irina Nikolaevna
Title: Chief Accountant

Address: Industrial area of Sibirsky LVZ, No 1, Koltsovo, Novosibirsk district Novosibirisk region, 630559, Russia

CLOSED JOINT STOCK COMPANY «MID-RUSSIAN DISTILLERIES»

By: /s/ Zhangozin Kairat Nakoshevich
Name: Zhangozin Kairat Nakoshevich
Title: General Director

By: /s/ Kolmakova Irina Nikolaevna
Name: Kolmakova Irina Nikolaevna
Title: Chief Accountant

Address: Degtyainmyper.5. corp 2 Moscow 125009 Russia

Exhibit 10.56

RESTRICTED STOCK AWARD AGREEMENT

Central European Distribution Corporation
2007 Stock Incentive Plan

This RESTRICTED STOCK AWARD AGREEMENT (this "Agreement") made as of the 1st day of January, 2010 (the "Grant Date"), between Central European Distribution Corporation, a Delaware corporation (the "Company"), and [ ] (the "Grantee"), is made pursuant to the terms of the Central European Distribution Corporation 2007 Stock Incentive Plan (the "Plan").

Section 1. Definitions. Capitalized terms used herein but not defined shall have the meanings set forth in the Plan.

Section 2. Restricted Stock Award. The Company hereby grants **[]** shares of Restricted Stock (the "Restricted Stock Award"). The Restricted Stock Award hereunder shall be subject to the conditions hereinafter provided and subject to the terms and conditions set forth in the Plan, a copy of which the Grantee acknowledges having received.

Section 3. Vesting Requirements.

(a) Time-Based Vesting. Subject to the terms of the Plan and this Agreement, fifty percent (50%) of the Restricted Stock Award shall become fully vested upon the second anniversary of the Grant Date, unless earlier terminated.

(b) Performance-Based Vesting. Subject to the terms of the Plan and this Agreement, fifty percent (50%) of the Restricted Stock Award shall become vested (such portion of the Restricted Stock Award, the "Performance-Based Award") in three annual installments based on the level of achievement of certain performance goals for the 2010, 2011 and 2012 fiscal years (the "Performance Goals"), which will be established no later than January 31, 2010 based on projections to be agreed to by the Company's Board of Directors. The vesting for one-half of the Performance-Based Award will be determined based on the achievement of Performance Goals relating to the Company's comparable earnings per Share and the vesting for the other half of the Performance-Based Award will be determined based on the achievement of Performance Goals relating to the Company's ratio of net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA"). Any vesting of the Performance-Based Award will be pro rated according to the Company's actual performance for the respective fiscal year relative to the Performance Goals, as measured upon receipt of final audited financials and an audit opinion. Underachievement of the Performance Goals (ranging from 70%- 99%)

will result in the vesting of a proportional amount of the Performance-Based Award, with the difference to be forfeited by the Grantee. Overachievement of the Performance Goals (ranging from 101-150%) will result in the granting of new shares of Restricted Stock, which will be granted, as determined by the Committee, in accordance with the terms of the Plan. One-third of the Restricted Stock Award will vest on the date that the Company receives the final audited financials for the Company and related audit opinion relating to relevant fiscal year for which the Performance Goals have been established, provided that the Grantee is employed on such date of receipt by the Company and the applicable Performance Goals have been satisfied.

Section 4. Termination of Employment. In the event of the Grantee's termination of employment for reasons other than death or "permanent and total disability" in accordance with Section 14.6 of the Plan the unvested portion of the Restricted Stock Award granted hereunder shall be forfeited and automatically cancelled. If the Grantee dies while employed, the Restricted Stock Award shall fully vest as of the date of death in accordance with Section 14.7 of the Plan. Upon the Grantee's termination of employment as a result of "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code) in accordance with Section 14.8 of the Plan, the Restricted Stock Award shall fully vest as of the date of the Grantee's termination of employment.

Section 5. Section 83(b) Election. The Grantee hereby acknowledges that the Grantee may file an election pursuant to Section 83(b) of the Code to be taxed currently on the Fair Market Value of the shares of Restricted Stock (less any purchase price paid for the Shares), provided that such election must be filed with the Internal Revenue Service no later than thirty (30) days after the grant of such Restricted Stock. The Grantee will seek the advice of the Grantee own tax advisors as to the advisability of making such a Section 83(b) election, the potential consequences of making such an election, the requirements for making such an election, and the other tax consequences of the Restricted Stock award under federal, state, and any other laws that may be applicable. The Company and its affiliates and agents have not and are not providing any tax advice to the Grantee.

Section 6. Restrictions on Transfer. No portion of the Restricted Stock Award hereunder may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Grantee, other than to the Company as a result of forfeiture of the Restricted Stock Award as provided herein, unless and until the vesting of the Restricted Stock Award in accordance with Section 3 or Section 8 hereof.

Section 7. Limitation of Rights. The Grantee shall have the right to vote the shares of Restricted Stock and the right to receive any dividends declared or paid with respect to such shares of Restricted Stock. Any dividend paid on the shares of Restricted Stock shall be reinvested in shares of Stock, which shall be subject to the same vesting condition and restrictions as applicable to the Restrictive Stock Award. All distributions, if

any, received by the Grantee with respect to the Restricted Stock Award as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Restricted Stock Award. Nothing in this Agreement shall confer upon the Grantee any right to continue as an employee of the Company or any Subsidiary or to interfere in any way with any right of the Company to terminate the Grantee's employment at any time.

Section 8. Changes in Capitalization. The Restricted Stock Award shall be subject to the provisions of Section 18 of the Plan relating to adjustments for changes in corporate capitalization, without regard to the acceleration of vesting and lapse of forfeiture or transfer restrictions in connection with a Change in Control provided under Section 18.3 of the Plan. Upon a Change in Control, unless otherwise provided in the transaction documents related to such Change in Control, unvested shares of Restricted Stock will continue to vest in accordance with Section 3(a) and 3(b) hereof and will continue to be subject to forfeiture in accordance with the terms of this Agreement.

Section 9. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the Secretary of the Company. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 10. Construction. This Agreement and the Restricted Stock Award hereunder are granted by the Company pursuant to the Plan and are in all respects subject to the terms and conditions of the Plan. The Grantee hereby acknowledges that a copy of the Plan has been delivered to the Grantee and accepts the Restricted Stock Award hereunder subject to all terms and provisions of the Plan, which is incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Grantee.

Section 11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding the choice of law rules thereof.

Section 12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 13. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of the Grantee and the successors of the Company.

Section 14. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, merging any and all prior agreements.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Restricted Stock Award Agreement effective as of the date first above written.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

By: _____
Name: William Carey
Title: CEO, Chairman and President

PARTICIPANT

By: _____
Name: [ ]

Exhibit 21

1. Carey Agri International Poland Sp. z o.o., a limited liability company organized under the laws of Poland.
2. Multi Trade Company Sp. z o.o., a limited liability company organized under the laws of Poland.
3. Piwnica Wybornych Win Sp. z o.o., a limited liability company organized under the laws of Poland.
4. Polskie Hurtownie Alkoholi Sp. z o.o., a limited liability company organized under the laws of Poland.
5. Astor Sp. z o.o., a limited liability company organized under the laws of Poland.
6. Damianex S.A., a corporation formed under the laws of Poland.
7. Agis S.A., a corporation formed under the laws of Poland.
8. Onufry S.A., a corporation formed under the laws of Poland.
9. Dako Galant Sp. z o.o., a limited liability company organized under the laws of Poland.
10. Panta Hurt Sp z o.o., a limited liability company organized under the laws of Poland.
11. Multi-Ex S.A., a corporation formed under the laws of Poland.
12. Miro Sp z o.o., a limited liability company organized under the laws of Poland.
13. Saol Sp z o.o., a limited liability company organized under the laws of Poland.
14. Polnis Sp z o.o., a limited liability company organized under the laws of Poland.
15. Fine Wines and Spirits, Sp z o.o., a limited liability company organized under the laws of Poland.
16. Imperial Sp z o.o., a limited liability company organized under the laws of Poland.
17. Delikates Sp z o.o., a limited liability company organized under the laws of Poland.
18. Krokus Sp z o.o., a limited liability company organized under the laws of Poland.
19. Bols Sp z o.o., a limited liability company organized under the laws of Poland.
20. Polmos Bialystok S.A., a corporation formed under the laws of Poland.
21. Bols Hungary, Kft, a limited liability company organized under the laws of Hungary.
22. Classic Sp z o.o., a limited liability company organized under the laws of Poland.
23. PHS Sp. z o.o., a limited liability company organized under the laws of Poland.
24. Copecresto Enterprises Limited, a limited liability company organized under the laws of Cyprus.
25. OOO Parliament Production, a limited liability company organized under the laws of the Russian Federation.
26. OOO Parliament Distribution, a limited liability company organized under the laws of the Russian Federation.
27. Lugano Holding Limited, a limited liability company organized under the laws of Cyprus.
28. ISF GmbH, a limited liability company organized under the laws of Germany.
29. Peulla Enterprises Limited, a limited liability company organized under the laws of Cyprus.

40. Botapol Holding B.V., a limited liability company organized under the laws of the Netherlands.

41. Bravo Premium LLC, a limited liability company organized under the laws of the Russian Federation.

42. CEDC Finance Corporation, LLC, a limited liability company organized under the laws of the State of Delaware in the United States.

43. CEDC Finance Corporation International, Inc., a corporation organized under the laws of the State of Delaware in the United States.

44. Jelegat Holdings Limited, a limited liability company organized under the laws of Cyprus.

45. JSC "Distillery Topaz," a closed joint stock company organized under the laws of the Russian Federation.

46. JSC "Russian Alcohol Group," a closed joint stock company organized under the laws of the Russian Federation.

47. Latchey Limited, a limited liability company organized under the laws of Cyprus.

48. Limited Liability Company "The Trading House Russian Alcohol," a limited liability company organized under the laws of the Russian Federation.

49. Lion/Rally Cayman 6, a company organized under the laws of the Cayman Islands.

50. Lion/Rally Lux 1 S.A., a closed joint stock company organized under the laws of the Netherlands.

51. Lion/Rally Lux 2 Sarl, a limited liability company organized under the laws of the Netherlands.

52. Lion/Rally Lux 3 Sarl, a limited liability company organized under the laws of the Netherlands.

53. Mid-Russian Distilleries, a corporation organized under the laws of the Russian Federation.

54. OOO "First Tula Distillery," a limited liability company organized under the laws of the Russian Federation.

55. OOO "Glavspirttirest," a limited liability company organized under the laws of the Russian Federation.

56. Pasalba Ltd., a limited liability company organized under the laws of Cyprus.

57. Premium Distributors Sp. z o.o., a limited liability company organized under the laws of Poland.

58. ZAO "Sibirskiy LVZ," a closed joint stock company organized under the laws of the Russian Federation.

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333 – 146375) and Form S-3 (Nos. 333 – 129073, 333 – 138809 and 333-149487) of Central European Distribution Corporation of our report dated March 1, 2010 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this annual report on Form 10-K.

/s/ PricewaterhouseCoopers Sp. z o. o.
Warsaw, Poland
March 1, 2010

Exhibit 31.1

CERTIFICATIONS

I, William V. Carey, President and Chief Executive Officer of Central European Distribution Corporation, certify that:

1. I have reviewed this report on Form 10-K of Central European Distribution Corporation;

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 change 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.

Date: March 1, 2010

By: /s/ William V. Carey
William V. Carey
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATIONS

I, Chris Biedermann, Vice President and Chief Financial Officer of Central European Distribution Corporation, certify that:

1. I have reviewed this report on Form 10-K of Central European Distribution Corporation;

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 change 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.

Date: March 1, 2010

By: /s/ Chris Biedermann
Chris Biedermann
Vice President and Chief Financial Officer
(principal financial officer)

Exhibit 32.1

Written Statement of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Executive Officer of Central European Distribution Corporation (the "Company"), hereby certifies that, to his knowledge on the date hereof:

(a) the Form 10-K of the Company for the fiscal year ended December 31, 2008, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2010

/s/ William V. Carey
William V. Carey
Chairman, President and Chief Executive Officer

Exhibit 32.2

Written Statement of Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Financial Officer of Central European Distribution Corporation (the "Company"), hereby certifies that, to his knowledge on the date hereof:

(a) the Form 10-K of the Company for the fiscal year ended December 31, 2008, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2010

/s/ Chris Biedermann
Chris Biedermann
Vice President and Chief Financial Officer