

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD  
Form SC 13D/A  
November 17, 2015  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13D/A

Under the Securities Exchange Act of 1934 (Amendment No. 18)\*

CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.  
(Name of Issuer)

Class A Common Stock, par value \$0.08 per share  
(Title of Class of Securities)

G20045202  
(CUSIP Number)

Paul T. Cappuccio, Esq.  
Executive Vice President and General Counsel  
Time Warner Inc.  
One Time Warner Center  
New York, New York 10019  
(212) 484-8000

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

November 10, 2015  
(Date of Event which Requires  
Filing of this Schedule)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. G20045202

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1	NAMES OF REPORTING PERSONS
	Time Warner Inc.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
	(a)
	(b)
3	SEC USE ONLY
4	SOURCE OF FUNDS
	WC (See Item 3)
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION
	Delaware
	SOLE VOTING POWER
7	0 (See Item 5)
	SHARED VOTING POWER
8	74,097,512 (See Item 5)
	SOLE DISPOSITIVE POWER
9	0 (See Item 5)
	SHARED DISPOSITIVE POWER
10	74,097,512 (See Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	74,097,512 (See Item 5)

12

CHECK IF THE AGGREGATE  
AMOUNT IN ROW (11)  
EXCLUDES CERTAIN  
SHARES

13

PERCENT OF CLASS  
REPRESENTED BY AMOUNT  
IN ROW (11)

49.9% (See Item 5)

14

TYPE OF REPORTING  
PERSON

CO

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1	<p>NAMES OF REPORTING PERSONS</p> <p>TW Media Holdings LLC</p>
2	<p>CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP</p> <p>(a)</p> <p>(b)</p>
3	<p>SEC USE ONLY</p>
4	<p>SOURCE OF FUNDS</p> <p>WC (See Item 3)</p>
5	<p>CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)</p>
6	<p>CITIZENSHIP OR PLACE OF ORGANIZATION</p> <p>Delaware</p>
7	<p>SOLE VOTING POWER</p> <p>0 (See Item 5)</p>
8	<p>SHARED VOTING POWER</p> <p>74,097,512 (See Item 5)</p>
9	<p>SOLE DISPOSITIVE POWER</p> <p>0 (See Item 5)</p>
10	<p>SHARED DISPOSITIVE POWER</p> <p>74,097,512 (See Item 5)</p>
11	<p>AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON</p> <p>74,097,512 (See Item 5)</p>
12	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

CHECK IF THE AGGREGATE  
AMOUNT IN ROW (11)  
EXCLUDES CERTAIN  
SHARES

13

PERCENT OF CLASS  
REPRESENTED BY AMOUNT  
IN ROW (11)

49.9% (See Item 5)

14

TYPE OF REPORTING  
PERSON

OO (See Item 2)

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CUSIP No. G20045202

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1	<p>NAMES OF REPORTING PERSONS</p> <p>Time Warner Media Holdings B.V.</p>
2	<p>CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP</p> <p>(a)</p> <p>(b)</p>
3	<p>SEC USE ONLY</p>
4	<p>SOURCE OF FUNDS</p> <p>WC (See Item 3)</p>
5	<p>CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)</p>
6	<p>CITIZENSHIP OR PLACE OF ORGANIZATION</p> <p>The Netherlands</p>
7	<p>SOLE VOTING POWER</p> <p>0 (See Item 5)</p>
8	<p>SHARED VOTING POWER</p> <p>74,097,512 (See Item 5)</p>
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PERCENT OF CLASS  
REPRESENTED BY AMOUNT  
IN ROW (11)

49.9% (See Item 5)

14

TYPE OF REPORTING  
PERSON

OO (See Item 2)

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Item 1. Security and Issuer

This Amendment No. 18 to Schedule 13D ("Amendment No. 18") amends the Schedule 13D originally filed on April 1, 2009 (the "Original 13D"), as previously amended on May 21, 2009 by Amendment No. 1 to Schedule 13D, on December 8, 2009 by Amendment No. 2 to Schedule 13D, on March 4, 2011 by Amendment No. 3 to Schedule 13D, on May 3, 2012 by Amendment No. 4 to Schedule 13D, on June 20, 2012 by Amendment No. 5 to Schedule 13D, on June 27, 2012 by Amendment No. 6 to Schedule 13D, on July 11, 2012 by Amendment No. 7 to Schedule 13D, on May 1, 2013 by Amendment No. 8 to Schedule 13D, on May 10, 2013 by Amendment No. 9 to Schedule 13D, on May 17, 2013 by Amendment No. 10 to Schedule 13D, on June 24, 2013 by Amendment No. 11 to Schedule 13D, on June 28, 2013 by Amendment No. 12 to Schedule 13D, on March 7, 2014 by Amendment No. 13 to Schedule 13D, on March 28, 2014 by Amendment No. 14 to Schedule 13D, on May 7, 2014 by Amendment No. 15 to Schedule 13D, on November 20, 2014 by Amendment No. 16 to Schedule 13D and on October 7, 2015 by Amendment No. 17 to Schedule 13D (the Original 13D as so amended, the "Schedule 13D"), filed by Time Warner Inc., a Delaware corporation ("Time Warner"), TW Media Holdings LLC, a Delaware limited liability company and subsidiary of Time Warner whose interests are held by Time Warner and another subsidiary of Time Warner ("TW Media"), and Time Warner Media Holdings B.V., a besloten vennootschap met beperkte aansprakelijkheid or a private limited company, organized under the laws of the Netherlands, and direct, wholly owned subsidiary of TW Media ("TW Holdings B.V." and, together with Time Warner and TW Media, the "Reporting Persons"). This Amendment No. 18 relates to the Class A Common Stock, par value \$0.08 per share (the "Class A Common Stock"), of Central European Media Enterprises Ltd., a Bermuda company (the "Issuer") with its principal executive offices at O'Hara House, 3 Bermudiana Road, Hamilton, Bermuda. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Schedule 13D.

Except as specifically amended by this Amendment No. 18, items in the Schedule 13D remain unchanged.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 of the Schedule 13D is hereby amended by inserting the following paragraphs at the end thereof:

On November 10, 2015, the Issuer entered into the 2015 Hedges to protect the Issuer from changes in EURIBOR during the term of the 2015 Term Loan with respect to 100% of the principal amount of the 2015 Term Loan. In connection with the 2015 Hedges, Time Warner entered into the 2015 Hedge Guarantee, and Historic TW has guaranteed, on an unconditional unsecured basis, Time Warner's obligations under the 2015 Hedge Guarantee. In addition, HBO and Turner have guaranteed, on an unconditional unsecured basis, Historic TW's obligations under its guarantee.

As previously disclosed in Amendment No. 17 to Schedule 13D filed by the Reporting Persons on October 7, 2015, the Issuer entered into the 2015 Third Party Credit Agreement on September 30, 2015. On November 13, 2015, the Issuer borrowed an aggregate principal amount of €235,335,376 under the 2015 Third Party Credit Agreement. The Issuer used the proceeds of the loan to purchase \$261,034,000 pursuant to a deliverable FX transaction confirmation dated July 9, 2015 between the Issuer and BNP Paribas, which amount the Issuer used to repay the outstanding principal amount of the 2015 Notes at maturity.



SIGNATURES

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned, severally and not jointly, certifies that the information set forth in this statement is true, complete and correct.

Dated: November 17, 2015

TIME WARNER INC.

By: /s/ Olaf Olafsson  
Name: Olaf Olafsson  
Title: Executive Vice President, International &  
Corporate Strategy

TW MEDIA  
HOLDINGS LLC

By: /s/ Olaf Olafsson  
Name: Olaf Olafsson  
Title: President

TIME WARNER MEDIA  
HOLDINGS B.V.

By: /s/ Stephen N. Kapner  
Name: Stephen N. Kapner  
Title: Director

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ANNEX A

The name, business address and present principal occupation or employment of each of the directors and executive officers of Time Warner Inc. are as set forth below. Except as indicated below, the business address for each executive officer and director is c/o Time Warner Inc., One Time Warner Center, New York, NY 10019. Except as indicated below, each person is a citizen of the United States of America.

## Executive Officers of Time Warner Inc.

<u>Name</u>	<u>Principal Occupation</u>
Jeffrey L. Bewkes	Chairman of the Board and Chief Executive Officer
Howard M. Averill	Executive Vice President and Chief Financial Officer
Paul T. Cappuccio	Executive Vice President and General Counsel
Gary L. Ginsberg	Executive Vice President, Corporate Marketing & Communications
Karen Magee	Executive Vice President and Chief Human Resources Officer
Carol A. Melton	Executive Vice President, Global Public Policy
Olaf Olafsson*	Executive Vice President, International & Corporate Strategy

## Directors of Time Warner Inc.

<u>Name</u>	<u>Principal Occupation</u>	<u>Business Address</u>
James L. Barksdale	Chairman and President, Barksdale Management Corporation (private investment management)	Barksdale Management Corporation 800 Woodland Parkway, Suite 118 Ridgeland, MS 39157
William P. Barr	Former Attorney General of the United States	N/A
Jeffrey L. Bewkes	Chairman of the Board and Chief Executive Officer, Time Warner Inc. (media and entertainment)	N/A
Stephen F. Bollenbach	Former Co-Chairman and Chief Executive Officer, Hilton Hotels Corporation (hospitality)	c/o BHIC LLC 2029 Century Park East, Suite 3500 Los Angeles, CA 90067
Robert C. Clark	Distinguished Service Professor, Harvard University (higher education)	Harvard Law School Hauser 404 175 Massachusetts Avenue Cambridge, MA 02138

Mathias Döpfner**	Chairman and Chief Executive Officer, Axel Springer SE (integrated multi-media company)	Axel Springer SE Axel-Springer-Strasse 65 10888 Berlin, Germany
Jessica P. Einhorn	Former Dean, Paul H. Nitze School of Advanced International Studies (SAIS), The Johns Hopkins University (higher education)	Rock Creek Group 1133 Connecticut Ave, NW Washington, DC 20036
Carlos M. Gutierrez	Chair, Albright Stonebridge Group (global strategy firm)	601 Thirteenth Street, NW 10 <sup>th</sup> Floor Washington, DC 20005
Fred Hassan	Partner and Managing Director, Warburg Pincus LLC (private investment firm)	Royal Palm Place 101 Plaza Real South, Suite 203-S Boca Raton, FL 33432
Kenneth J. Novack	Former Partner, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC (law firm)	One Financial Center, 39 <sup>th</sup> Floor Boston, MA 02111
Paul D. Wachter	Founder and Chief Executive Officer, Main Street Advisors, Inc. (private investment and financial advisory firm)	Main Street Advisors, Inc. 3110 Main Street, Suite 310 Santa Monica, CA 90405
Deborah C. Wright	Senior Fellow in the Economic Opportunity and Assets Division, the Ford Foundation (non-profit organization) and Non-Executive Chairman, Carver Bancorp, Inc. (banking)	Ford Foundation 320 East 43 <sup>rd</sup> Street New York, NY 10017

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\* Citizen of the Republic of Iceland

\*\* Citizen of the Federal Republic of Germany

ANNEX B

The name and present principal occupation or employment of each of the executive officers of TW Media Holdings LLC are as set forth below. The business address for each executive officer is c/o Time Warner Inc., One Time Warner Center, New York, New York 10019. Except as indicated below, each person is a citizen of the United States of America. TW Media Holdings LLC does not have any directors.

Executive Officers of TW Media Holdings LLC

Name

Principal Occupation

Howard M. Averill Executive Vice President and Chief Financial Officer, Time Warner Inc.

Olaf Olafsson\* Executive Vice President, International & Corporate Strategy, Time Warner Inc.

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\* Citizen of the Republic of Iceland

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ANNEX C

The name, business address and present principal occupation or employment of each of the directors of Time Warner Media Holdings B.V. are as set forth below. Except as indicated below, the business address for each director is c/o Time Warner Inc., One Time Warner Center, New York, New York 10019. Except as indicated below, each person is a citizen of the United States of America. Time Warner Media Holdings B.V. does not have any executive officers.

Directors of Time Warner Media Holdings B.V.

<u>Name</u>	<u>Principal Occupation</u>
Eric Broet*	Senior Vice President & Chief Financial Officer, Warner Bros. Entertainment France S.A.S., 115/113 Avenue Charles de Gaulle, 92525 Neuilly-sur-Seine cedex, France
Manuel Urrutia**	Senior Vice President, International and Corporate Strategy, Time Warner Inc.
Stephen N. Kapner	Vice President and Assistant Treasurer, International, Time Warner Inc.

\* Citizen of France

\*\* Citizen of Colombia

ee Months Ended March 31, (In thousands) 2007 2006

Revenues by segment:

Fluids systems and engineering

\$125,298 \$115,289

Mats and integrated services

28,565 33,830

Environmental services

17,937 17,339

Total revenues

\$171,800 \$166,458

Segment operating income:

Fluids systems and engineering

\$16,630 \$12,660

Mats and integrated services

4,518 3,707

Environmental services

3,232 2,033

Total segment operating income

24,380 18,400

General and administrative expenses  
8,155 3,329

Total operating income  
\$16,225 \$15,071

In the first quarter of 2007 following a comprehensive review of all of our businesses, we decided to explore strategic alternatives with regards to our Environmental Services business, including the potential sale of this business. This decision is part of our newly developed strategic plan to focus our attention and capital on our Fluids Systems and Engineering and Mats and Integrated Services businesses. It is in these two segments where we believe there is a greater opportunity for earnings growth.

**Note 8 Uncertain Tax Positions**

On January 1, 2007, we adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 ( FIN 48 ). As a result of the implementation of FIN 48, we performed a comprehensive review of possible uncertain tax positions in accordance with recognition standards established by FIN 48. As a result of the implementation of FIN 48, we recognized a liability of approximately \$0.8 million resulting in a corresponding increase to the retained deficit balance.

We do not recognize accrued interest and penalties related to uncertain tax positions in income tax expense. These costs are captured in interest and general and administrative expenses, respectively. No interest or penalties have been accrued due to tax net operating losses.

Our United States tax returns for 2003 and subsequent years remain subject to examination by tax authorities. In our international tax jurisdictions, tax returns for 2003 and subsequent years also remain subject to examination by tax authorities.

**Table of Contents****ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion of our financial condition, results of operations, liquidity and capital resources should be read together with our consolidated financial statements and Notes to Consolidated Financial Statements contained in this report as well as our Annual Report on Form 10-K for the year ended December 31, 2006.

We are a diversified oil and gas industry supplier and we currently have three operating segments: fluids systems and engineering, mats and integrated services, and environmental services. We provide these products and services principally to the oil and gas exploration and production ( E&P ) industry in the U.S. Gulf Coast, West Texas, U.S. Mid-continent, U.S. Rocky Mountains, Canada, Mexico, Brazil and areas of Europe and North Africa surrounding the Mediterranean Sea. Further, we are expanding our presence outside the E&P sector, particularly in mats and integrated services, where we are marketing to utilities, municipalities, and government sectors.

In the first quarter of 2007 following a comprehensive review of all of our businesses, we decided to explore strategic alternatives with regards to our Environmental Services business, including the potential sale of this business. Subsequently, we initiated a sale process for this business and expect a sale to be completed in 2007. This decision is part of our newly developed strategic plan to focus our attention and capital on our Fluids Systems and Engineering and Mats and Integrated Services businesses.

In April 2007, we announced that, subject to court approval, we had reached a settlement of our pending derivative and class action litigation. Under the terms of the settlement, we will pay \$1.6 million, and our directors and officers liability insurance carrier will pay \$8.3 million. If approved, the settlement will resolve all pending shareholder class and derivative litigation against us, our former and current directors, and our former officers. As part of the settlement, however, we will preserve certain claims against our former Chief Executive Officer and Chief Financial Officer for matters arising from the potential invoicing irregularities at Soloco and the backdating of stock options. We accrued our share of the settlement costs, along with the legal fees incurred to conclude this settlement, in the first quarter of 2007.

**Results of Operations**

Our operating results depend in large measure on oil and gas drilling activity levels in the markets we serve, as well as on the depth of drilling, which governs the revenue potential of each well. These levels, in turn, depend on oil and gas commodity pricing, inventory levels and product demand. Rig count data is the most widely accepted indicator of drilling activity. Key average rig count data for the last five quarters is listed in the following table:

	1Q06	2Q06	3Q06	4Q06	1Q07
U.S. rig count	1,521	1,635	1,721	1,719	1,734
Canadian rig count	661	292	490	441	521

Derived from Baker  
Hughes Incorporated

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Summarized financial information concerning our reportable segments is shown in the following table (dollars in thousands):

	Three Months Ended March 31,		Increase/(Decrease)	
	2007	2006	\$	%
Revenues by segment:				
Fluid systems and engineering	\$ 125,298	\$ 115,289	\$ 10,009	9%
Mats and integrated services	28,565	33,830	(5,265)	(16)
Environmental services	17,937	17,339	598	3
<b>Total revenues</b>	<b>\$ 171,800</b>	<b>\$ 166,458</b>	<b>\$ 5,342</b>	<b>3%</b>
Segment Operating Income:				
Fluid systems and engineering	\$ 16,630	\$ 12,660	\$ 3,970	
Mats and integrated services	4,518	3,707	811	
Environmental services	3,232	2,033	1,199	
<b>Total segment operating income</b>	<b>24,380</b>	<b>18,400</b>	<b>5,980</b>	
General and administrative expenses	8,155	3,329	4,826	
<b>Total operating income</b>	<b>\$ 16,225</b>	<b>\$ 15,071</b>	<b>\$ 1,154</b>	
Segment Operating Margin:				
Fluids systems and engineering	13.3%	11.0%		
Mats and integrated services	15.8%	11.0%		
Environmental services	18.0%	11.7%		

The amounts above are shown net of intersegment transfers.

**Quarter Ended March 31, 2007 Compared to Quarter Ended March 31, 2006****Fluids Systems and Engineering***Revenues*

Total revenue by region for this segment was as follows for the three months ended March 31, 2007 and 2006 (dollars in millions):

	2007	2006	Change	
			\$	%
Drilling fluid sales and engineering:				
North America	\$ 78.6	\$ 75.1	\$ 3.5	5%
Mediterranean and South America	15.5	12.9	2.6	20
<b>Total drilling fluid sales and engineering</b>	<b>94.1</b>	<b>88.0</b>	<b>6.1</b>	<b>7</b>
Completion Fluids and Services	19.2	17.5	1.7	10
Industrial Materials	12.0	9.8	2.2	22
<b>Total</b>	<b>\$ 125.3</b>	<b>\$ 115.3</b>	<b>\$ 10.0</b>	<b>9%</b>



North American drilling fluid sales and engineering revenues increased 5% to \$78.6 million for the quarter ended March 31, 2007, as compared to \$75.1 for the quarter ended March 31, 2006. Overall North American rig activity increased 3% during this period, while the average number of North American rigs serviced by this segment, namely the U.S. Gulf Coast, U.S. Central Region and Canada, decreased by 13%. Significant drivers of the revenue growth were market penetration in

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areas where new rigs are being deployed in our markets, the servicing of more complicated wells which generate higher revenues and improved pricing. The decrease in the number of rigs serviced by this segment is primarily related to the Canadian market shift to drilling shallower conventional oil wells as compared to the deeper wells that we typically service. Average revenue per rig, an indication of the complexity and depth of wells being serviced, increased 20% from the quarter ended March 31, 2006 to the same period in 2007.

In the quarter ended March 31, 2007, our Mediterranean and South American revenues increased 20% over the same period in 2006. These increases were driven by North African rig activity and additional segment infrastructure investment in this market. These operations are realizing improvements as a result of continued focus on technology and performance.

Revenues in our Completion Fluids and Services business increased \$1.7 million, or 10%, to \$19.2 million for the quarter ended March 31, 2007, due to increased investment in the completion fluids business as well as increased market share and higher well completion activity.

Revenues in our Industrial Materials market is principally associated with wholesale sales of barite and industrial minerals. These revenues increased \$2.2 million for the quarter ended March 31, 2007, or 22%, as compared to the same period in 2006 as a result of higher demand for barite driven by the increased drilling activity in the U.S. markets we serve.

**Operating Income**

Operating income for this segment increased \$4.0 million for the quarter ended March 31, 2007 on a \$10.0 million increase in revenues, compared to the same period in 2006, representing an incremental operating margin of 40.0%. The operating margin for this segment for the quarter ended March 31, 2007 was 13.3%, compared to 11.0% for the comparable period in 2006. The increase in operating margin included \$1.1 million attributable to increased sales volume and \$2.9 million attributable to operating leverage gained throughout the segment and a change in mix of revenues along with an increased focus on pricing driven by higher market demand.

**Mats and Integrated Services****Revenues**

Total revenue for this segment consists of the following for the three months ended March 31, 2007 and 2006 (dollars in millions):

	2007	2006	\$	Change %
Installation	\$ 5.6	\$ 4.7	\$ 0.9	19%
Re-rental	3.3	2.0	1.3	65
Total U.S. oilfield mat rental	8.9	6.7	2.2	33
Canadian mat sales	0.1	7.7	(7.6)	(99)
Composite mat sales and rentals	6.2	4.7	1.5	32
Sawmill	4.6	4.6		
Integrated services	8.8	9.4	(0.6)	(6)
Non-oilfield mat rental		0.7	(0.7)	(100)
Total	\$28.6	\$33.8	\$(5.2)	(15)%

U.S. oilfield mat rental volume, measured in square feet, decreased 6.7% for the quarter ended March 31, 2007 compared to the same period in 2006. The average price per square foot increased 28.8% from the quarter ended March 31, 2006. Total U.S. oilfield mat rental revenues

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increased by \$2.2 million in the quarter ended March 31, 2007, compared to the same period in 2006, reflecting an increase in our pricing, driven by increased market demand.

Canadian revenues, primarily related to the sales of wooden mats, decreased \$7.6 million for the quarter ended March 31, 2007. This decrease is due to extended winter conditions in 2007 along with a large one-time sale in the first quarter of 2006.

Composite mat and rentals revenue increased \$1.5 million from the quarter ended March 31, 2006 to \$6.2 million for the comparable quarter in 2007, which includes a 41% increase in DuraBase mats partially offset by a 40% decrease in Bravo mats. The DuraBase average price per mat is significantly higher than the Bravo average price per mat, resulting in the net increase in sales.

Integrated services and other revenues, our lowest-margin business unit for this segment, decreased \$0.6 million for the quarter ended March 31, 2007 as compared to the same period in 2006.

*Operating Income*

Mats and integrated services operating income improved \$0.8 million for the quarter ended March 31, 2007 on a \$5.2 million decrease in revenues, compared to the same period in 2006. Operating margins increased to 15.8% for the quarter ended March 31, 2007 as compared to 11.0% for the same period in 2006. The increased operating margin is primarily attributable to improved pricing combined with improved sales mix and operating cost leverage on rentals.

Environmental Services*Revenues*

Total revenue for this segment consists of the following for the three months ended March 31, 2007 and 2006 (dollars in millions):

	<b>2007</b>	<b>2006</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
E&P Waste U.S. Gulf Coast	\$12.2	\$11.5	\$ 0.7	6%
E&P Waste Non-U.S. Gulf Coast	3.6	4.4	(0.8)	(18)
NORM & Industrial	2.1	1.5	0.6	40
Total	\$17.9	\$17.3	\$ 0.6	3%

E&P Waste U.S. Gulf Coast revenues increased \$0.7 million, or 6.0%, on a 13.1% increase in average revenue per barrel driven by a higher mix of off-shore waste, offset by a 4.9% decrease in total waste volumes received for the quarter ended March 31, 2007. E&P Waste Non-U.S. Gulf Coast decreased primarily due to lower activity in the Canadian market. NORM & Industrial revenues increased due to a 28% increase in waste volumes received, combined with improved revenue per barrel.

*Operating Income*

Environmental services operating income increased \$1.2 million for the quarter ended March 31, 2007 on a \$0.6 million increase in revenues, compared to the same period in 2006 reflecting an operating margin improvement to 18.0% for the quarter ended March 31, 2007 compared to 11.7% for the quarter ended March 31, 2006. The improved operating margins are primarily attributable to improved pricing and the mix of sales described above, which resulted in higher revenues per barrel throughout the segment.

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**General and Administrative Expense**

General and administrative expense increased \$4.8 million to \$8.2 million for the quarter ended March 31, 2007. The quarter ended March 31, 2007 included \$2.4 million of expenses related to the shareholder class action and derivative litigation, including a \$1.6 million settlement charge, based on an April 2007 agreement that is subject to court approval. Additionally, the quarter included consulting fees of \$1.0 million related to corporate strategic planning projects. Salaries and other employee related costs increased \$1.1 million due to the relocation of the corporate office and the addition of new corporate executive officers and staff positions.

**Interest Expense, net**

Interest expense, net, totaled \$4.4 million for the first quarter of 2007 as compared to \$4.8 million for the first quarter of 2006 due to lower average debt balances during the quarter ended March 31, 2007.

**Provision for Income Taxes**

For the quarter ended March 31, 2007, we recorded an income tax provision of \$4.2 million, reflecting an income tax rate of 36.1%. For the quarter ended March 31, 2006, we recorded an income tax provision of \$3.6 million, reflecting an income tax rate of 35.8%.

**Discontinued Operations**

During 2006, we decided to shut down the operations of Newpark Environmental Water Solutions, LLC ( NEWS ), and dispose of, or redeploy the assets related to this operation along with the disposal and water treatment operations in Wyoming which existed prior to the start up of NEWS. The operations ceased at these facilities during the fourth quarter of 2006, and all remaining assets of these businesses are held for sale. If we are unable to sell the NEWS assets, we may incur pre-tax cash charges relating to the exit of this business of approximately \$3.5 million to \$4.0 million, which will be expensed as incurred. During the first quarter of 2007, we recorded \$0.2 million of losses, net of taxes, related to the shutdown of these operations.

**Liquidity and Capital Resources**

Cash generated from operating activities during the first quarter of 2007 totaled \$10.1 million. Net income adjusted for non-cash items generated \$17.4 million of cash during the period, while changes in working capital used \$7.3 million of cash. This cash was used primarily to fund capital expenditures of \$5.4 million during the quarter.

Net cash used in financing activities during the first quarter of 2007 totaled \$17.4 million and included \$18.4 million in net debt repayments. These repayments were primarily funded by a \$12.2 million reduction in idle cash balances, along with \$1.0 million in proceeds from employee stock plans.

We anticipate that our working capital requirements for 2007 will continue to increase with the anticipated growth in revenue. Some of the increase in working capital requirements should be offset by our continued focus on improving our collection cycle. However, we believe we have the ability to fund the expected increase in working capital.

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Our long term capitalization was as follows as of:

	March 31, 2007	December 31, 2006
Long-term debt:		
Term Credit Facility	\$ 142,566	\$ 148,125
Credit facility-revolver	36,178	44,825
Other, primarily mat financing	2,457	5,236
Total long-term debt	181,201	198,186
Stockholders equity	331,973	323,143
Total capitalization	\$513,174	\$521,329
Long-term debt to long-term capitalization	35.3%	38.0%

In August 2006, we entered into a term credit agreement which we refer to as the Term Credit Facility. This Term Credit Facility, in the aggregate face amount of \$150.0 million, has a five-year term and a current interest rate of LIBOR plus 3.00%, based on our corporate family ratings by Moody's and Standard & Poor's. The maturity date of the Term Credit Facility is August 18, 2011.

In December 2006, we entered into an agreement, which we refer to as the Revolving Credit Facility. The Revolving Credit Facility is in the maximum aggregate face amount of \$100.0 million and matures on June 25, 2011. The Revolving Credit Facility is secured by a first lien on our U.S. accounts receivable and inventory and by a second lien on our U.S. tangible and intangible assets. Availability under the Revolving Credit Facility is based on a percentage of our eligible consolidated accounts receivable and inventory as defined in the Revolving Credit Facility.

At March 31, 2007, the maximum amount we could borrow under the Revolving Credit Facility was \$100.0 million. In addition to the \$36.2 million outstanding under the facility, \$12.3 million in letters of credit were issued and outstanding at March 31, 2007, leaving \$51.5 million of availability. The Revolving Credit Facility bears interest at either a specified prime rate (8.25% at March 31, 2007), or a LIBOR rate plus a spread determined quarterly based upon the amount of the prior quarter average availability under the Revolving Credit Facility (7.07% at March 31, 2007). The weighted average interest rates on the outstanding balances under the credit facilities as of March 31, 2007 and December 31, 2006 were 7.60% and 7.63%, respectively.

Both the Term Credit Facility and Revolving Credit Facility contain a fixed charge coverage ratio covenant and a debt to EBITDA ratio. As of March 31, 2007, we were in compliance with the financial covenants contained in these facilities. The Term Credit Facility and the Revolving Credit Facility also contain covenants that significantly limit our ability to pay dividends on our common stock, incur additional debt and repurchase our common stock.

With respect to additional off-balance sheet liabilities, we lease most of our office and warehouse space, barges, rolling stock and certain pieces of operating equipment under operating leases.

Except as described in the preceding paragraphs, we are not aware of any material expenditures, significant balloon payments or other payments on long-term obligations or any other demands or commitments, including off-balance sheet items to be incurred within the next 12 months. Inflation has not materially impacted our revenues or income.

*Critical Accounting Estimates*

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, which requires us to make assumptions, estimates and judgments that affect the amounts reported. We periodically evaluate our estimates and judgments related to

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uncollectible accounts and notes receivable, customer returns, reserves for obsolete and slow moving inventory, impairments of long-lived assets, including goodwill and other intangibles and our valuation allowance for deferred tax assets. Our estimates are based on historical experience and on our future expectations that we believe to be reasonable. The combination of these factors forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from our current estimates and those differences may be material.

For additional discussion of our critical accounting estimates and policies, see Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2006. Our critical accounting policies have not changed materially since December 31, 2006, except for the adoption of Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 which we refer to as FIN 48, in Note 8 to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

**ITEM 3. Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risk from changes in interest rates and changes in foreign currency rates. A discussion of our primary market risk exposure in financial instruments is presented below.

*Interest Rate Risk*

Our policy historically has been to manage exposure to interest rate fluctuations by using a combination of fixed and variable-rate debt. At March 31, 2007, we had total debt outstanding of \$195.1 million, all of which is subject to variable rate terms.

Our Term Credit Agreement requires that we enter into, and thereafter maintain, interest rate management transactions, such as interest rate swap arrangements, to the extent necessary to provide that at least 50% of the aggregate principal amount of the Term Credit Facility is subject to either a fixed interest rate or interest rate protection for a period of not less than three years. To satisfy this requirement, we entered into an interest rate swap arrangement for the period from September 22, 2006 through March 22, 2008, which fixes the LIBOR rate applicable to 100% of the principle amount under the Term Credit Facility at 5.35% plus a spread based on our corporate family ratings by Moody's and Standard & Poor's. In addition, we entered into an interest rate cap arrangement that provides for a maximum LIBOR rate of 6.00% on the principal amount of \$68.9 million for the period from March 22, 2008 through September 22, 2009. We paid a fee of \$170,000 for the interest rate cap arrangement. Through this swap arrangement, we have effectively fixed the interest rate on \$144.1 million, or 73.8%, of our total debt outstanding as of March 31, 2007.

The fair value of the Term Credit Facility totaled \$145.5 million at March 31, 2007, as compared to the recorded balance of \$144.1 million. The fair value of the interest rate swap is a \$302,000 liability as of March 31, 2007. The fair value of the interest rate cap is \$38,000 as of March 31, 2007 as compared to the original cost of \$170,000.

As of March 31, 2007, Ava, S.p.A, our European fluids systems and engineering subsidiary, which we refer to as Ava, had a swap arrangement in which Ava received a floating rate from a bank and paid a rate which varied based on inflation. Under the terms of the swap, Ava receives an annual payment from the bank based on a Euro notional amount of \$4.0 million times the Euribor rate in effect as of the end of the determination period, and pays an annual amount to the bank based on the notional amount times a rate which varies according to both the Euribor rate and the published inflation rate for the Euro area. This arrangement requires annual settlements and matures in February 2015. At March 31, 2007, the fair value of this arrangement represents a liability of approximately \$711,000.

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The remaining \$45.7 million of debt outstanding at March 31, 2007 bears interest at a floating rate. At March 31, 2007, the weighted average interest rate under our floating-rate debt was approximately 7.24%. A 200 basis point increase in market interest rates during 2007 would cause our annual interest expense to increase approximately \$576,000, net of taxes, resulting in a \$0.01 per diluted share reduction in annual earnings.

*Foreign Currency*

Our principal foreign operations are conducted in Canada and in areas surrounding the Mediterranean Sea. We have foreign currency exchange risks associated with these operations, which are conducted principally in the foreign currency of the jurisdictions in which we operate. Historically, we have not used off-balance sheet financial hedging instruments to manage foreign currency risks when we enter into a transaction denominated in a currency other than our local currencies because the dollar amount of these transactions has not warranted our using hedging instruments. However, during the quarter ended March 31, 2005, our Canadian subsidiary committed to purchase approximately \$2.0 million of barite from one of our U.S. subsidiaries and we entered into a foreign currency forward contract arrangement to reduce its exposure to foreign currency fluctuations related to this commitment. The forward contract required that the Canadian subsidiary purchase approximately \$2.0 million U.S. dollars at a contracted exchange rate of 1.2496 over a two year period. During the three months ended March 31, 2007, the contract expired and we have not entered into a similar contract.

**ITEM 4. Controls and Procedures**

(a) We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in our reports under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation and oversight of our chief executive officer and chief financial officer, evaluated the design and effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. As previously reported in our Form 10-K for the year ended December 31, 2006, in conducting this evaluation for the period ended December 31, 2006 the following material weaknesses were identified in our internal control over financial reporting:

Management did not adequately monitor certain control practices to foster an environment that allowed for a consistent and open flow of information and communication between those who initiated transactions and those who were responsible for the financial reporting of those transactions, principally at one of our subsidiaries, Soloco, Inc. This control deficiency resulted in 2006 adjustments that were recorded by management and related to accounts receivable and revenues; and

Management did not maintain effective controls over the recording of intangible assets. This control deficiency resulted in 2006 adjustments that were recorded by management and related to intangible assets and cost of revenues.

On the basis of these findings, our chief executive officer and our chief financial officer concluded that our disclosure controls and procedures were not effective, as of the end of the December 31, 2006 period.

While we believe we have taken the steps necessary to remediate the material weaknesses relating to the flow of information within our Soloco subsidiary and the recording of intangible assets, we cannot confirm the effectiveness of our enhanced internal controls with respect to

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these matters until we have conducted sufficient tests. Accordingly, we continue to conclude that our disclosure controls and procedures are ineffective as of March 31, 2007.

(c) There have been no changes in our internal control over financial reporting during the period covered by this report that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II**

**ITEM 1. Legal Proceedings**

The information set forth in the legal proceedings section of Note 6, Commitments and Contingencies, to our consolidated financial statements included in this Quarterly Report on Form 10-Q is incorporated by reference into this Item 1.

**ITEM 1A. Risk Factors**

There have been no material changes during the period ended March 31, 2007 in our risk factors as set forth in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2006.

**ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds**

(a) None.

(b) None.

(c) None.

**ITEM 3. Defaults Upon Senior Securities**

Not applicable.

**ITEM 4. Submission of Matters to a Vote of Security Holders**

Not applicable.

**ITEM 5. Other Information**

Not applicable.

**ITEM 6. Exhibits**

- 3.1 Amended and Restated Bylaws (filed as Exhibit 3.1 to the Company's Form 8-K filed March 13, 2007 and incorporate herein by reference.
  
- 10.1 Employment Agreement, dated April 20, 2007 by and between Newpark Resources, Inc. and Bruce Smith. \*+
  
- 10.2 Employment Agreement, dated May 18, 2006 by and between Newpark Resources, Inc. and Sean Mikaelian.\*
  
- 10.3 Waiver to Amended and Restated Credit Agreement dated March 21, 2007, by and among Newpark Resources, Inc., certain of its domestic subsidiaries, certain lenders, and JP Morgan Chase Bank, N.A. as agent and LC Issuer.
  
- 10.4 First Amendment and Waiver to Amended and Restated Credit Agreement dated March 21, 2007, by and among Newpark Resources, Inc., certain of its domestic subsidiaries, certain lenders, and JP Morgan Chase Bank, N.A., as agent and LC Issuer.
  
- 31.1 Certification of Paul L. Howes pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.



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31.2 Certification of James E. Braun pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Paul L. Howes pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of James E. Braun pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\* Management  
compensation  
plan or  
agreement.

+ Portions of this  
exhibit have  
been omitted  
and separately  
filed with the  
Securities and  
Exchange  
Commission  
with a request  
for confidential  
treatment.

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**NEWPARK RESOURCES, INC.  
SIGNATURES**

Pursuant to the requirements 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.

Date: May 7, 2007

NEWPARK RESOURCES, INC.

By: /s/ Paul L. Howes  
Paul L. Howes, President and  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ James E. Braun  
James E. Braun, Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

By: /s/ Gregg Piontek  
Gregg Piontek, Controller and  
Chief Accounting Officer  
(Principal Accounting Officer)

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**Exhibit Index**

<b>Exhibits</b>	<b>Description of Exhibit</b>
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*	Management compensation plan or agreement.
+	Portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment.