



Investor presentation
for the three months ended March 31, 2016

Cable Communications Systems (CCS)

Parent Company of
RCS & RDS

June 9, 2016

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Group overview



Romania



Hungary



Spain & Italy

Total

| | Three months ended March 31, 2016 | Three months ended March 31, 2016 | Three months ended March 31, 2016 | Three months ended March 31, 2016 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenues ² | €145.0 m | €32.9 m | €22.6 m | €199.8 m |
| Adj EBITDA | €48.4 m | €13.3 m | €2.4 m | €64.0 m |
| Adj EBITDA margin ¹ | 33.4% | 40.4% | 10.6% | 32% |
| Service offering / market position / RGUs March 31, 2016A ('000s) | | | | |
| CATV | #1 / 2,752 | #3 / 452 | - | 3,204 |
| Fixed internet and data | #1 / 2,013 | #3 / 398 | - | 2,411 |
| Fixed-line telephony | #2 / 1,397 | #4 / 334 | - | 1,731 |
| Mobile telephony | #4 / 2,060 | - / - | 572 | 2,632 |
| Mobile internet and data | - / 794 | - / 15 | 250 | 1,059 |
| DTH | #2 / 666 | #2 / 317 | - | 983 |
| Total RGUs | 9,682 | 1,516 | 822 | 12,020 |

Source: Company data

¹ Adj EBITDA margin defined as Adj EBITDA / Revenues;

² Revenues include intersegment revenues and do not include Other income



Recent Developments

Business

- **April 2016:** On 29 April 2016 we repaid the second principal installment from the 2015 Senior Facility, in amount of RON 110 million (EUR 24.6 million equivalent).
- **March 2016:**
 - National roaming agreement with Vodafone was extended for 1 additional year (initially the agreement was signed in March 2014 for 2 years). Our own network covers approximately 94% of the population.
 - The Group acquired the rights for Formula 1 for the 2016 –2017 seasons.



Recent Developments

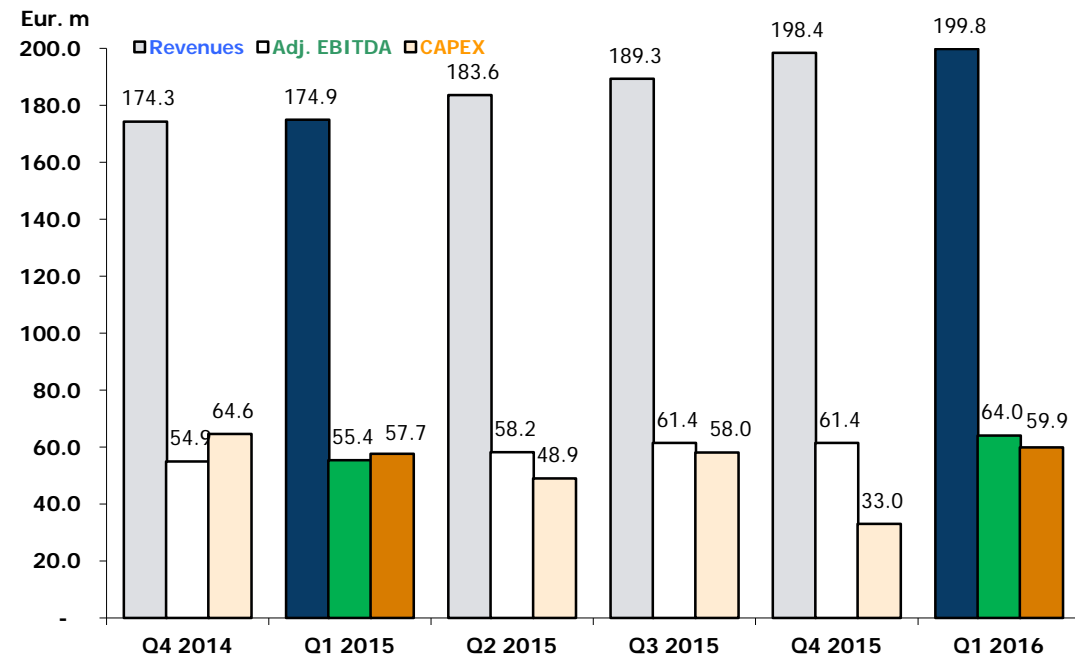
Legislative

- Several changes to the Romanian tax legislation were enacted by the Romanian Parliament in 2015 and entered into force starting January 2016. Some of the changes are:
 - VAT progressively decreased from 24% to 20% starting January 2016 and to 19% starting January 2017
 - The tax on special constructions (including networks) will be discontinued starting with January 2017.



Financial highlights

Results from continuing operations**



Adj EBITDA - CAPEX

(9.7)

(2.3)

9.3

3.4

28.4

4.2

Source: Company data

* Revenues & expenses for Q4 2015 were impacted by certain adjustments which referred to the entire year ended December 31, 2015. For comparison and presentation purposes, results for Q1-Q4 2015 were normalized accordingly.

** Czech Republic data excluded from Q4 2014-Q2 2015

- **Revenues** in Romania increased mainly as a result of:
 - Increase in mobile telephony RGUs, ARPU and related sales of equipment
 - Increase in our cable Tv and fixed internet RGUs
- Revenues in Hungary & Spain increased mainly as a result of increase in RGUs
- **Adj EBITDA*** value was higher in Q1 2016 compared to Q1 2015, as a result of increase in Adj EBITDA in Romania, Spain and Hungary
- Adj EBITDA margin increased in Q1 2016 compared to Q1 2015 primarily due to catch up of our mobile telephony business and related sales of handsets in Romania, as well as energy sales
- **CAPEX** for Q1 2016 was EUR 59.9 million, higher than in Q1 2015 (EUR 57.7 million), mainly due to investments made in our mobile network.



Highlights Romania – Revenue and Adj EBITDA

Results of Operations¹

| Results of Operations | For the three months ended March 31, | | % change |
|--|---|-------|----------|
| | 2015 | 2016 | |
| | (euro in millions) | | |
| Revenues* | 126.9 | 145.0 | 14.3% |
| Adjusted EBITDA* | 41.8 | 48.4 | 15.8% |
| Margin % | 33.0% | 33.4% | |
| Revenues ¹ in constant currency | 126.9 | 146.0 | 15.1% |

Revenue growth of 14.3% in Q1 2016 (15.1% in constant currency terms) was driven by growth in our mobile telephony business (including the related equipment sales), increase in our cable TV and fixed internet RGUs.

EBITDA margin has increased mainly as a result of mobile telephony catch-up and related handsets sales.

Constant currency figures use Q1 2015 average exchange rate of 4.45 RON/EUR (vs. 4.49 RON/EUR for Q1 2016)

* Revenues & expenses for Q4 2015 were impacted by certain adjustments which referred to the entire year ended December 31, 2015. For comparison and presentation purposes, results for Q1 2015 were restated accordingly. The net impact of the restatement in Q1 2015 is a surplus of EUR 0.35 million for EBITDA and Net result for the period.

Notes:

¹ Figures include Intersegment revenues



Highlights Romania - KPIs

Subscribers

| Subscribers (Thousand RGUs) | RGUs Period Ended March 31, | | Net Additions | |
|---------------------------------------|-----------------------------|-------|----------------|---------------|
| | 2015 | 2016 | Last 12 months | Last 3 months |
| Cable TV | 2,633 | 2,752 | 119 | 19 |
| Fixed internet and data | 1,868 | 2,013 | 145 | 37 |
| Fixed-line telephony | 1,455 | 1,397 | (58) | (17) |
| Mobile telephony | 1,485 | 2,060 | 575 | 154 |
| Mobile internet and data ¹ | 759 | 794 | 35 | (16) |
| DTH | 693 | 666 | (27) | (8) |

ARPU (EUR) - residential clients

| ARPU (EUR) - residential clients | For the three months ended | | % change |
|----------------------------------|----------------------------|----------------|----------|
| | March 31, 2015 | March 31, 2016 | |
| Cable TV | 5.12 | 5.22 | 2.0% |
| Fixed internet and data | 5.17 | 5.04 | -2.5% |
| Fixed-line telephony | 1.26 | 1.30 | 3.2% |
| Mobile telephony | 2.86 | 3.85 | 34.6% |
| Mobile internet and data | 1.94 | 1.96 | 1.0% |
| DTH | 4.77 | 4.87 | 2.1% |

- Steady growth in Cable TV and Internet subscribers and low variations in ARPUs
- Increase in mobile telephony RGUs and ARPU as a result of our attractive offers with competitive tariffs and the possibility of acquiring a mobile handset, as well as change in subscription packages' mix and traffic increase

¹ As of December 31, 2015 we have revised the definition of Mobile Internet and data RGU. Comparative as of March 31, 2015 was restated accordingly.



Highlights Hungary – Revenue and EBITDA

Results of Operations

| Results of Operations | For the three months ended March 31, | | % change |
|-------------------------------|---|-------|-------------|
| | 2015 | 2016 | |
| | (euro in millions) | | |
| Revenues | 31.0 | 32.9 | 6.1% |
| EBITDA | 12.2 | 13.3 | 9.0% |
| Margin % | 39.5% | 40.4% | |
| Revenues in Constant Currency | 31.0 | 33.2 | 7.1% |

- Increase in revenue and improved EBITDA in 2016 driven by increase in RGU (increase in fixed internet and data RGUs, cable TV RGUs)

Constant currency figures use 308.97 HUF/EUR for Q1 2015 (vs. 312.05 HUF/EUR in Q1 2016)



Highlights Hungary - KPIs

Subscribers

| Subscribers (Thousand RGUs) | RGUs Period Ended March 31, | | Net Additions | |
|-----------------------------|--------------------------------|------|----------------|---------------|
| | 2015 | 2016 | Last 12 months | Last 3 months |
| Cable TV | 416 | 452 | 36 | 15 |
| Fixed internet and data | 355 | 398 | 43 | 16 |
| Fixed-line telephony | 307 | 334 | 27 | 7 |
| Mobile internet and data | 18 | 15 | (3) | (1) |
| DTH | 326 | 317 | (9) | (1) |

ARPU (EUR) - residential clients

| ARPU (EUR) | For the three months ended March 31, | | % change |
|--------------------------|---|------|----------|
| | 2015 | 2016 | |
| Cable TV | 7.25 | 7.24 | -0.1% |
| Fixed internet and data | 7.68 | 7.70 | 0.3% |
| Fixed-line telephony | 2.19 | 1.74 | -20.5% |
| Mobile internet and data | 6.55 | 6.67 | 1.8% |
| DTH | 7.62 | 7.97 | 4.6% |

▪ Steady growth Triple Play subscribers and increase in the penetration of Internet and Fixed Telephony subscribers

▪ Decrease in Fixed-line telephony ARPU due to price revision in line with the decrease of interconnection rates and lower traffic

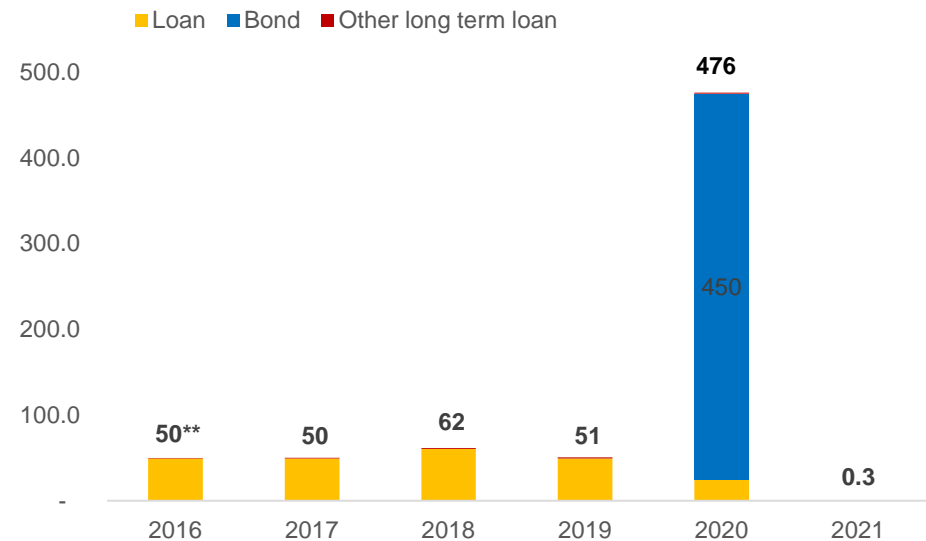


Group Financial Profile

Financial liabilities as of March 31, 2016*

| | Amount |
|------------------------------|----------------|
| | (EUR millions) |
| Facility | |
| Senior Secured Notes | 450.0 |
| Senior Facility | 232.5 |
| Financial leases | 8.30 |
| Other long term debt | 18.2 |
| Other short term debt | 3.8 |
| Hedging obligations | 8.5 |
| Total gross debt | 721.2 |
| Cash on BS | 48.6 |
| <u>Total net debt</u> | 672.7 |

Maturity profile Long term loans & Notes as of March 31, 2016 (EUR millions)



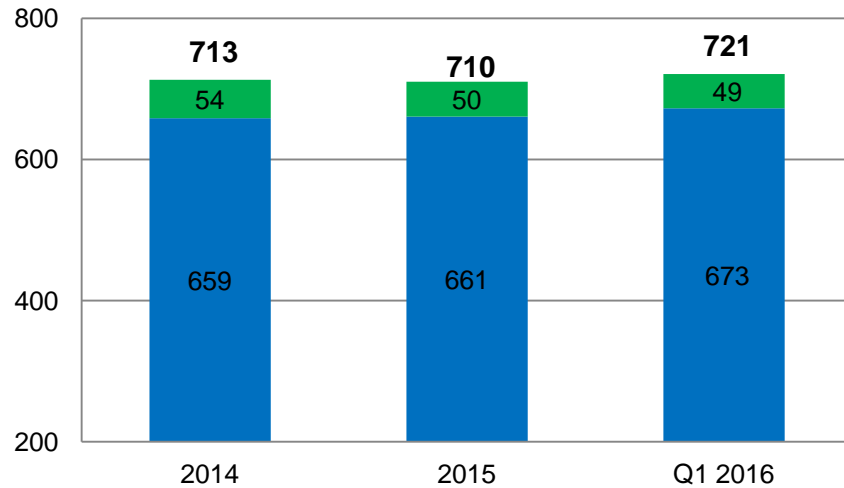
* Indebtedness as per Notes requirements

** On 29 April 2016 we repaid the second principal installment from the 2015 Senior Facility, in amount of RON 110 million (EUR 24.6 million equivalent).



Group Financial Profile (continued)

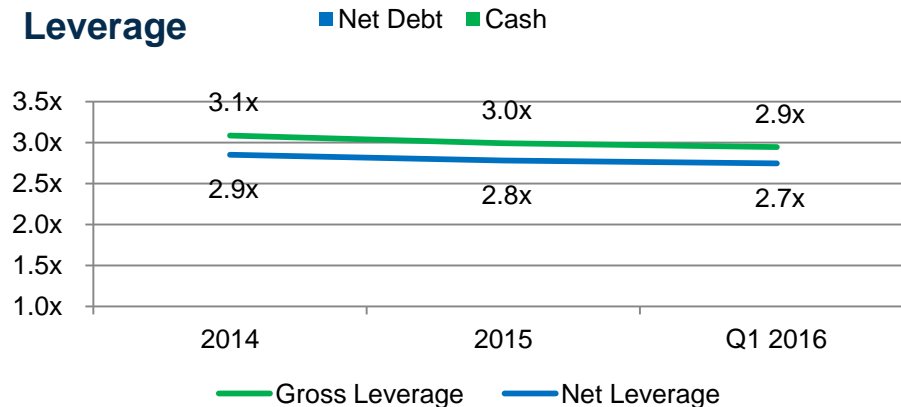
Gross / Net Debt (EUR millions)



■ Total net debt* as of March 31, 2016 is EUR 672.7 million

■ Net Leverage** is 2.7x and Gross Leverage is 2.9x.

Leverage



Notes:

* Gross debt/ Net debt is presented as per Notes requirements.

** The Net Leverage and Gross Leverage are computed using Adjusted EBITDA as presented in the Annual and Quarterly Consolidated Financial Statements of CCS for 2014, 2015 and Q1 2016. Covenants computation for the Net Leverage and Gross Leverage from the Notes/Senior Facility uses EBITDA which may be different from the Adjusted EBITDA presented in this presentation.



Financial Calendar

- You can find us on:

- Web: investors.rcs-rds.ro

- Email: investor.relations@rcs-rds.ro

- Agenda

| | Report | Call |
|------------------------|-------------|----------------------|
| Q2 2016 Results | 26-Aug-16 | Thursday 1-Sep-16 |
| Q3 2016 Results | 25-Nov-16 | Tuesday 29-Nov-16 |
| FY 2016 Results | 14-April-17 | Thursday 20-April-17 |



Q&A Session

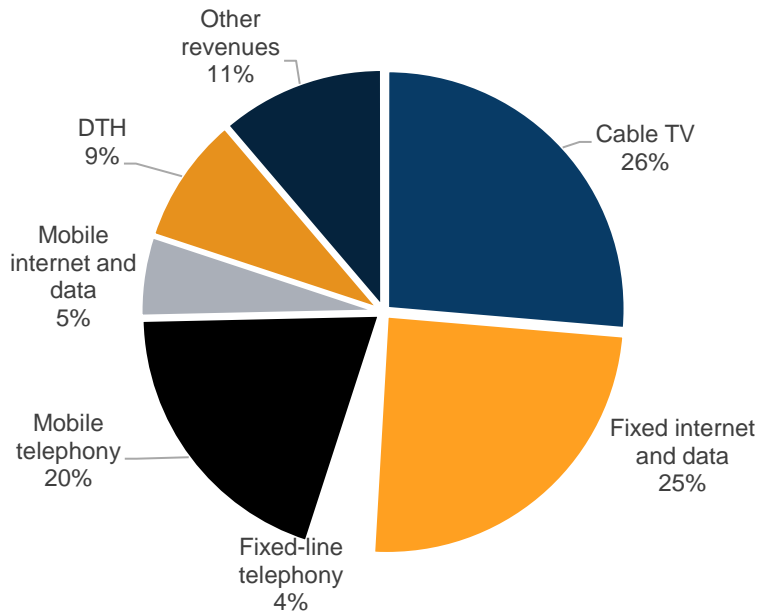


Appendices

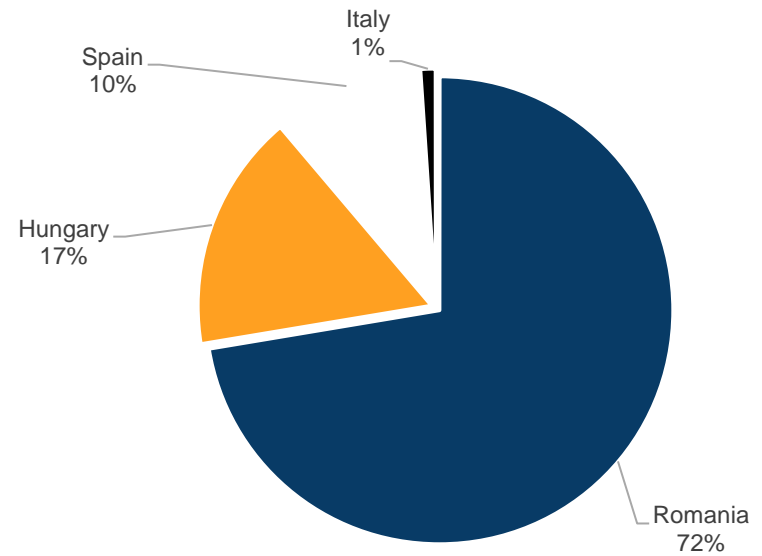


Revenue streams

Q1 2016 revenue split by product



Q1 2016 revenue split by country



Group Results (P&L)

| | For the three months ended March 31, | | % change |
|---|---|--------------|--------------|
| | 2015 | 2016 | |
| | (euro in millions) | | |
| Revenues¹ | | | |
| Romania | 126.5 | 144.6 | 14.3% |
| Hungary | 31.0 | 32.9 | 6.1% |
| Spain | 15.8 | 20.2 | 27.8% |
| Italy | 1.7 | 2.1 | 23.5% |
| Discontinued Operations ² | 3.1 | - | N.M |
| Total Revenues | 178.0 | 199.8 | 12.2% |
| Adjusted EBITDA³ | 56.4 | 64.0 | 13.5% |
| <i>% margin⁴</i> | <i>31.7%</i> | <i>32.0%</i> | |
| Results of Operations less Divested Subsidiaries | | | |
| Revenues | 174.9 | 199.8 | 14.2% |
| Adjusted EBITDA | 55.4 | 64.0 | 15.6% |
| <i>% margin⁴</i> | <i>31.7%</i> | <i>32.0%</i> | |
| Result from services | | | |
| Revenues from services | 165.4 | 186.8 | 12.9% |
| Adjusted EBITDA from services | 56.2 | 63.1 | 12.3% |
| <i>% margin⁴</i> | <i>34.0%</i> | <i>33.8%</i> | |

Source: Company data;

Notes: ¹ Excluding intersegment ; ² Czech Republic was sold in April 2015; ³ Revenues & expenses for Q4 2015 were impacted by certain adjustments which referred to the entire year ended December 31, 2015. For comparison and presentation purposes, results for Q1 2015 were restated accordingly. The net impact of the restatement in Q1 2015 is a surplus of EUR 0.35 million for EBITDA and Net result for the period; ⁴ Defined as the ratio of Adjusted EBITDA to Revenues



Cash Flow

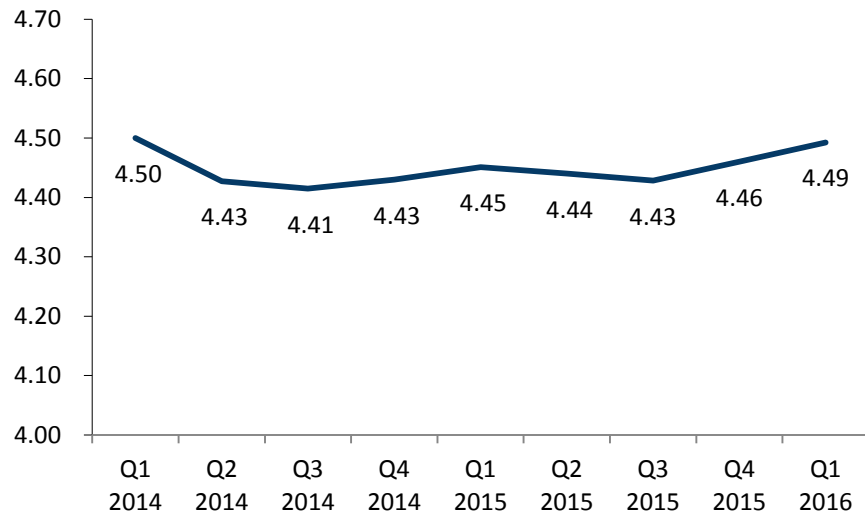
Summary Cash Flow

| | For the three months ended March 31, | |
|--|---|---------------|
| | 2015 | 2016 |
| | (euro in millions) | |
| Cash flows from operations before working capital changes | 54.5 | 66.8 |
| Cash flows from changes in working capital | 14.8 | (5.9) |
| Cash flows from operations | 69.3 | 60.8 |
| Interest paid | (3.6) | (3.2) |
| Income tax paid | (0.9) | (0.8) |
| Cash flow from operating activities | 64.8 | 56.8 |
| Cash flow used in investing activities | (57.7) | (59.9) |
| Cash flows from financing activities | (2.9) | 2.5 |
| Net increase (decrease) in cash and cash equivalents | 4.2 | (0.6) |
| Cash and cash equivalents at the beginning of the period | 54.3 | 49.7 |
| Effect of exchange rate fluctuation on cash and cash equivalent held | (0.9) | (0.6) |
| Cash and cash equivalents at the closing of the period | 57.6 | 48.6 |



FOREX development

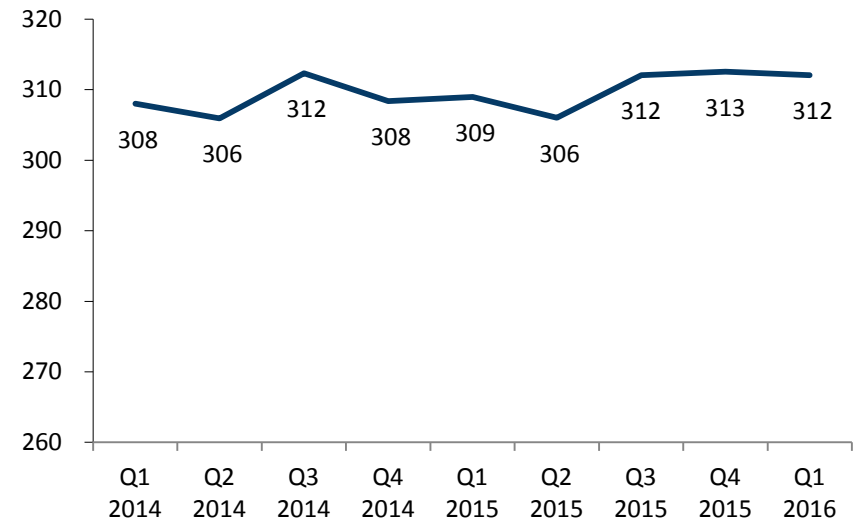
RON/EUR Exchange Rate 2016



Romania

- In Q1 2016 compared with the same period from 2015, the Romanian leu declined by 0.9% relative to the euro.

HUF/EUR Exchange Rate 2016

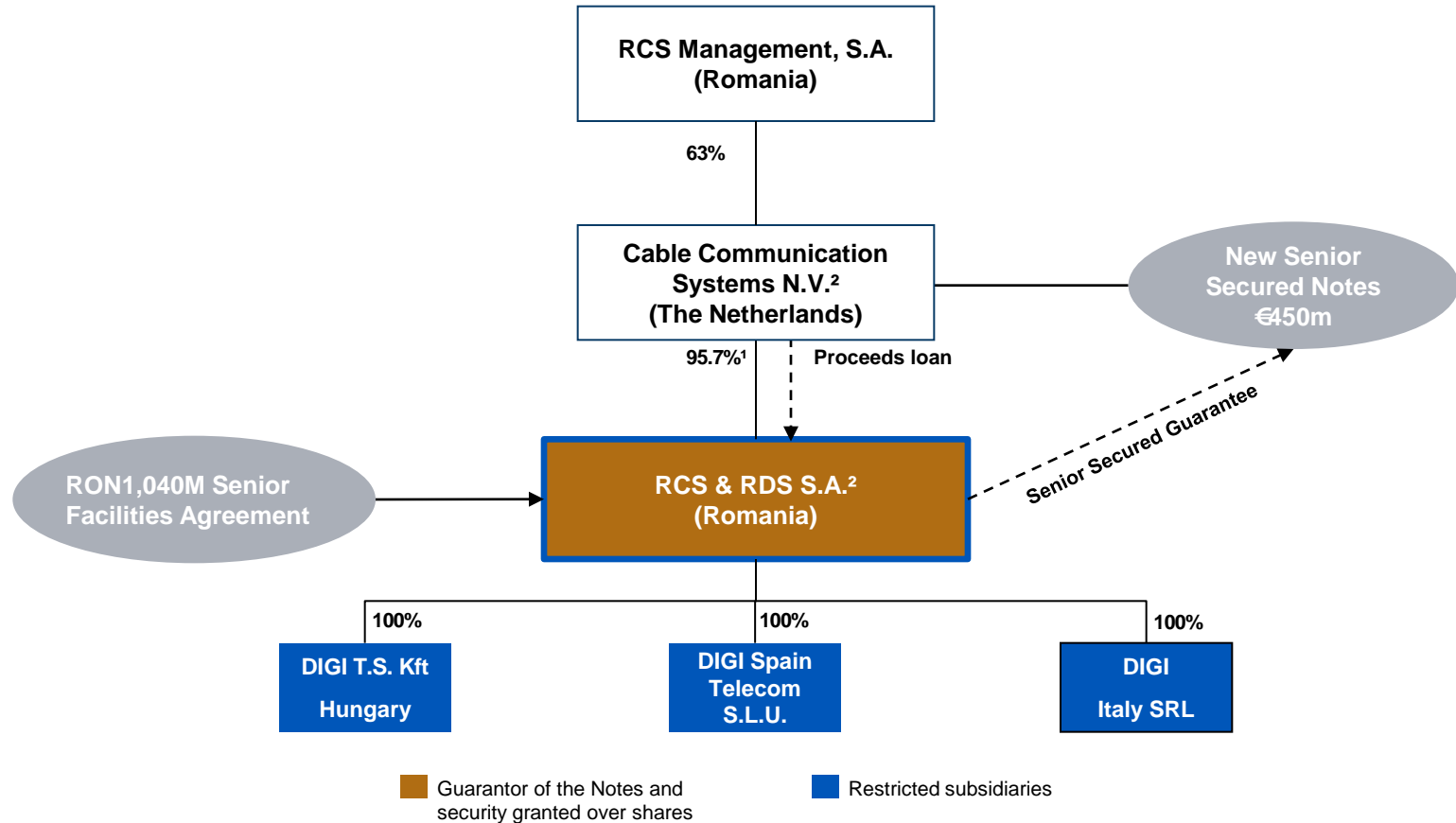


Hungary

- In Q1 2016 compared with the same period from 2015, the Hungarian forint declined by 1% relative to the euro.



Summary corporate and financing structure



Source: Company data

Note: The structure reflects see-through ownerships post adjustments for treasury shares; ¹ RCS & RDS owns 8.56% of its treasury stock; ² Obligations of CCS and RCS & RDS under the Notes, the Guarantee, the 2015' Senior Facilities Agreement, the ING Facilities Agreement and the Citi Facilities Agreement and certain hedging agreements are secured by the Collateral on a pari passu basis.

