



Investor presentation
for the three months ended March 31, 2014

Cable Communications Systems N.V.
(CCS)

Parent Company of
RCS & RDS

June 19, 2014

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Group overview



	Romania	Hungary	Others	Total
	Three months ended March 31, 2014	Three months ended March 31, 2014	Three months ended March 31, 2014	Three months ended March 31, 2014
Revenues and other income ²	€108.5m	€29.3m	€17.2m	€153.9m
EBITDA	€47.7m	€11.5m	€1.6m	€60.9m
EBITDA margin ¹	44%	39%	10%	40%

Service offering / market position / RGUs March 31, 2014A ('000s)

CATV	#1 / 2,506	#2 / 401	-	2,907
Fixed internet and data	#1 / 1,728	#3 / 330	-	2,058
Mobile internet and data	- / 734	- / 20	129	883
Fixed-line telephony	#2 / 1,509	#4 / 290	-	1,799
Mobile telephony	#4 / 1,066	- / -	393	1,459
DTH	#2 / 781	#1 / 336	150	1,267
Total RGUs	8,324	1,377	672	10,373

Source: Company data, Screen Digest, GlobalComms, WCIS, ANCOM, NMHH

¹ EBITDA margin defined as EBITDA / Revenues and other income;

² Revenues and other income include eliminations of intersegment revenues and does not include the gain from sale of subsidiaries



Recent Developments

- In June 2014, the National Media and Infocommunications Authority (NMHH) in Hungary organised a mobile spectrum auction. We bid for one frequency block in the 1,800 MHz spectrum
- In June, 2014 we issued an utilisation request for the remaining EUR 45 million from the term loan facility of the New Senior Facilities Agreement



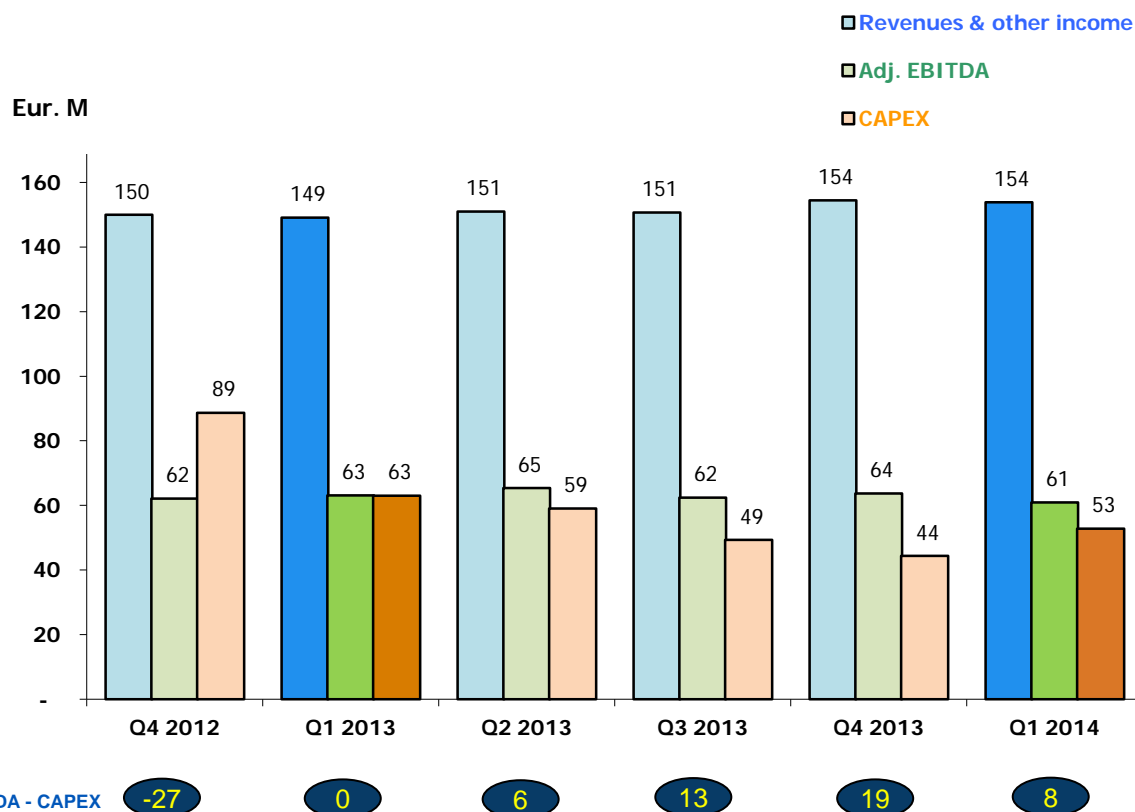
Recent Developments – Mobile Telephony

- The license of 5 MHz of bandwidth in the 900 MHz frequency spectrum that we won in September 2012 has become operational on April 6, 2014.
- In December 2013 ANCOM has announced a reduction in mobile interconnection tariffs to 0.96 eurocents / min, reduction applied starting April 1, 2014
- In March, 2014 we concluded a frequency SWAP agreement with Vodafone through which in exchange of allowing them to use our 5 MHz of bandwidth in the 900 MHz frequency spectrum we will receive access in one of their 900 MHz frequencies and also we will receive roaming access for our customers in their network. The contract became active starting with April 7, 2014 and is signed for 2 years.
- In March, 2014 we signed a full MVNO agreement with Telecom Italia and we expect to finalize the implementation towards the end of the year. The contract is valid for 5 years starting with the moment when the services are fully available.



Financial highlights for the year March 31, 2014

Results from continuing operations



- Stable revenue development in line with increase in total RGUs from 10.0 million as at March 31, 2013 to 10.4 million as at March 31, 2014
- Adjusted EBITDA decreased primarily due to:
 - unfavourable evolution of the exchange rate in Romania and Hungary (decline of 2.5% of RON against EUR and of 3.9% of HUF against EUR)
 - additional special construction tax in Romania
 - Increase in rental and salary expenses in Romania
 - Margin decrease in Spain as a result of increased competition
- CAPEX decreased in Q1 2014 compared with Q1 2013 in line with substantial finalization of network roll-out and upgrades but increased compared with Q4 2013 as a result of higher payments for sport rights scheduled in the 1st quarter

Source: Company data

Note: Q2, Q3 and Q4 data has been derived from CCS' audited consolidated financial statements as at and for the years ended December 31, 2013 and 2012 and RCS&RDS' unaudited condensed consolidated interim financial report as at and for the nine months ended September 30, 2013 and for the six months ended June 30, 2013 and the related notes



Highlights Romania – Revenue and Adj EBITDA

Results of Operations¹

	For the three months ended March 31,		% change
	2013	2014	
	(euro in millions)		
Revenues	103.1	108.5	5.3%
Adjusted EBITDA	48.3	47.7	-1.1%
Margin %	46.8%	44.0%	
Revenues ⁽¹⁾ in constant currency	103.1	110.7	7.4%

- Revenue growth of 5.3% (7.4% in constant currency terms) driven by growth in RGUs (Cable TV and Internet)

- Lower EBITDA margin due to the unfavourable evolution of the exchange rate, the newly introduced “special construction tax” and increase in rental expenses and salaries

- Regarding the revenues, on a constant currency basis, in Q1 2014 compared to Q1 2013, there was an increase of 7.4%. In real terms the increase was of 5.3% due to a decline of the RON compared to the EUR of 2.5%

Constant currency figures use Q1 2013 average exchange rate of 4.39 RON/EUR (vs. 4.45 RON/EUR for Q1 2014)

Notes: ¹ Figures include Intersegment revenues



Highlights Romania - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended March 31,		Net Additions	
	2013	2014	Last 12 months	Last 3 months
Cable TV	2,362	2,506	144	55
Fixed internet and data	1,599	1,728	129	45
Fixed-line telephony	1,547	1,509	(38)	(10)
Mobile internet and data	615	734	119	64
Mobile telephony	1,151	1,066	(85)	(23)
DTH	890	781	(109)	(40)

Thousand RGU's

ARPU

ARPU (EUR) - residential clients	For the three months ended		
	March 31,		% change
	2013	2014	
Cable TV	5.2	5.1	-1.4%
Fixed internet and data	5.2	5.2	0.0%
Fixed-line telephony	1.6	1.6	0.6%
Mobile internet and data	1.8	1.7	-3.4%
Mobile telephony	1.5	1.6	5.9%
DTH	4.8	4.7	-2.3%

ARPUs presented in EUR

- Steady growth in Cable TV and Internet subscribers
- Steady ARPU performance with small variations mainly driven by the exchange rates



Highlights Hungary – Revenue and Adj EBITDA

Results of Operations

	For the three months ended		% change
	2013	2014	
	(euro in millions)		
Revenues	29.4	29.3	-0.5%
Adjusted EBITDA	11.6	11.5	-0.8%
Margin %	39.5%	39.4%	
Revenues in Constant Currency	29.4	30.4	3.4%

- Stable revenue in Q1 2014 (3.4% increase in constant currency terms) driven by Triple Play Bundles.

- Stable EBITDA

- On a constant currency basis there was an increase of 3.4% in Q1 2014 compared to Q1 2013 while in real terms there was a decrease of 0.5% due to a 3.9% depreciation of the HUF against the EUR

Constant currency figures use 296.51 HUF/EUR for Q1 2013 (vs. 308.03 HUF/EUR in Q1 2014)



Highlights Hungary - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended March 31,		Net Additions	
	2013	2014	Last 12 Months	Last 3 Months
	Cable TV	391	401	10
Fixed internet and data	308	330	22	1
Fixed-line telephony	270	290	20	(1)
Mobile internet and data	23	20	(3)	2
DTH	358	336	(22)	(5)

Thousand RGU's

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

- ARPU variations mainly driven by the exchange rates

- Decrease in Fixed-line telephony ARPU due to decrease in fixed-line termination rates starting with 2014

ARPU

	For the three months ended			% Change
	2013	2014		
Cable TV	7.3	7.0	-3%	
Fixed internet and data	7.8	7.5	-4%	
Fixed-line telephony	3.3	2.4	-26%	
Mobile internet and data	6.7	6.5	-3%	
DTH	7.9	7.7	-2%	

ARPUs presented in EUR



Highlights Other Territories

	For the three months		
	ended March 31,		% change
	2013	2014	
	(euro in millions)		
Revenues			
Spain ¹	11.9	12.3	3.3%
Czech Republic	4.5	3.6	-19.3%
Italy	1.5	1.2	-18.7%
Disposed Operations ²	7.5	-	N.M.
	25.4	17.2	
EBITDA¹			
Continuing Operations	3.2	1.6	-48.5%
Discontinued Operations ²	2.5	-	N.M.
	5.7	1.6	

Spain:

- Continued to grow RGUs at a higher speed as a result of a new offer launched in June 2013
- Lower margins due to increased competition

- Italy:** we signed a full MVNO agreement with Telecom Italia and we expect to finalize the transition towards the end of the year

	RGUs Period Ended		Net Additions	
	March 31,		Last 12 months	Last 3 months
	2013	2014		
Spain ³	306	464	158	52
Czech Republic	176	150	(26)	(7)
Italy	53	58	5	(2)
Discontinued Operations ²	328	0	(328)	0
<i>Thousand RGU's</i>				

Notes: ¹ Figures includes Intersegment operations; ² Croatia sold in March 2013, Serbia divested in May 2013 (76% stake) and Slovakia sold in August 2013³ Of which mobile data clients were 52,000 as at March 31, 2013 and 128,000 as at March 31, 2014



Group Financial Profile

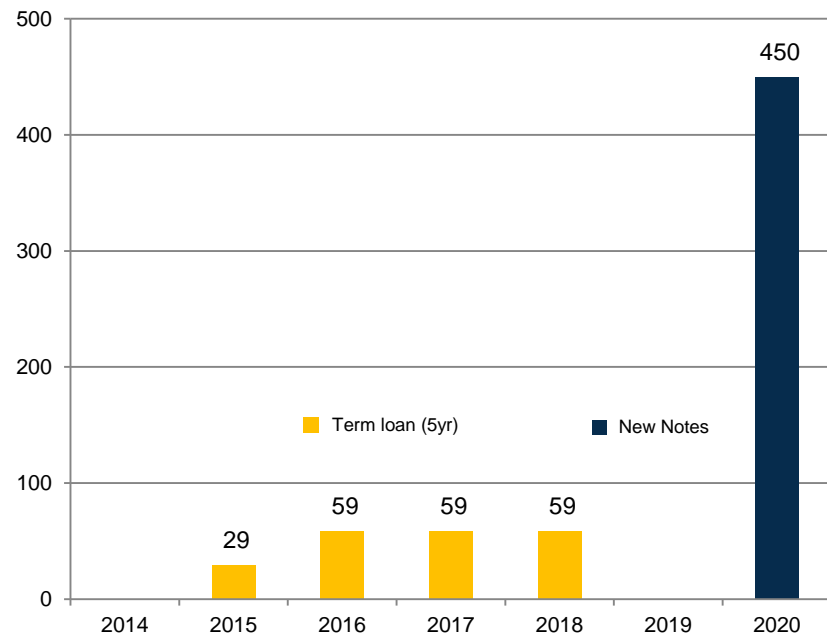
- We concluded a coupon SWAP until the end of September 2016 for the full amount of the Proceeds Loan (€450 million)

Financial liabilities as of March 31, 2014

Facility	Amount (EUR millions)
Senior Secured Notes	450.0
Term loan (5y)	205.0
Financial leases	7.3
Other short term debt	6.2
Hedging obligations	1.8
Total debt	670.3
Cash on BS	49.9
Total net debt	620.4
Undrawn committed facilities	
Term loan (5y)	45
RCF (3y; EUR 50 million committed)	50
Total undrawn facilities	95

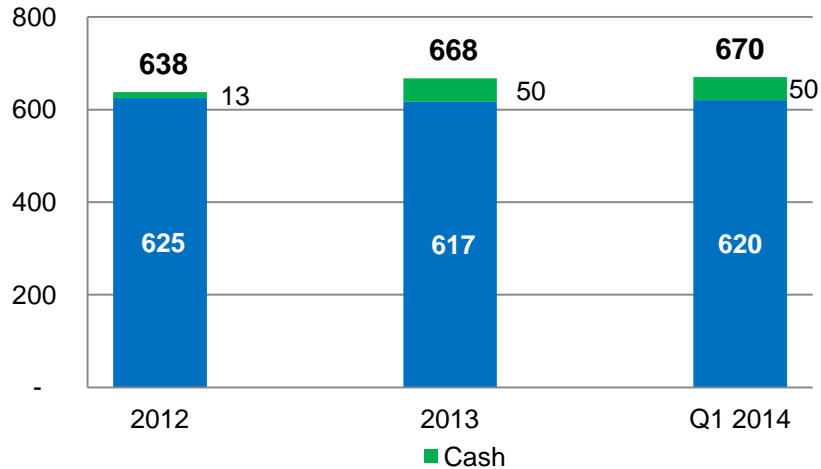
Source: Company data

Maturity profile Term Loan & Notes as of March 31, 2014 (EUR millions)



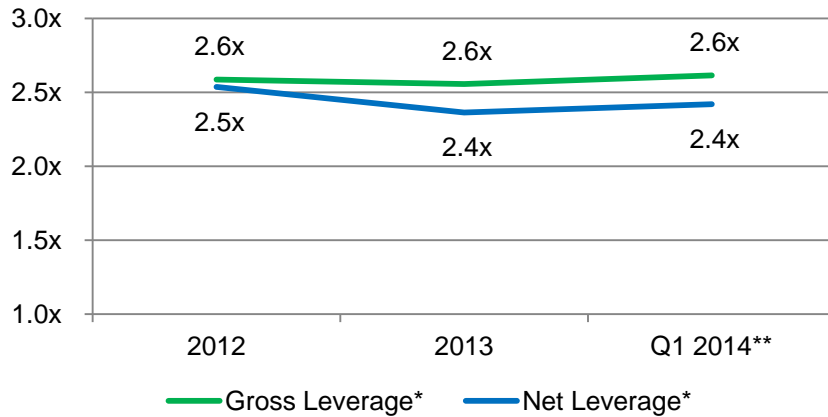
Group Financial Profile (continued)

Gross / Net Debt (EUR millions)



- Total net debt as of March 31, 2014 is €620 million
- Net Leverage is and 2.4x and Gross Leverage is 2.6x.
- Undrawn Portion of Financial Debt: €95 million out of which €45 million have been drawn in June, offering an important liquidity buffer
- One of the lowest leverage profiles in the industry

Leverage



Notes:

** The Net Leverage and Gross Leverage are computed using EBITDA (Adjusted EBITDA for 2013 and Q1 2014) as presented in the Consolidated Financial Statements of CCS for 2013 and Q1 2014
 ***The Net Leverage and Gross Leverage for Q1 2014 is computed using the LTM March 31, 2014 EBITDA



Financial Calendar 2014

- You can find us on:
 - Web: investors.rcs-rds.ro
 - Email: investor.relations@rcs-rds.ro

- Agenda for 2014

	Report	Call
FY 2013 Results	30-Apr-14	Thursday 08-May-14
Q1 2014 Results	13-Jun-14	Thursday 19-Jun-14
Q2 2014 Results	12-Sep-14	Thursday 18-Sep-14
Q3 2014 Results	12-Dec-14	Thursday 18-Dec-14



Q&A Session

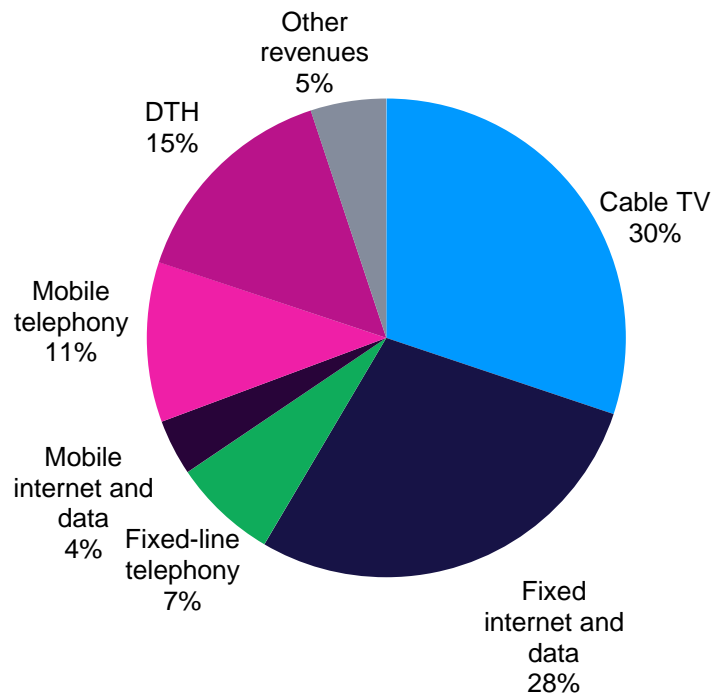


Appendices

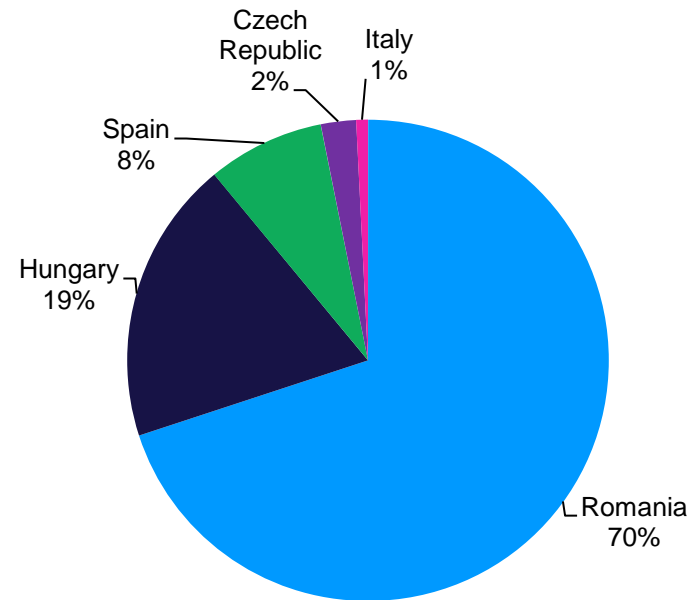


Revenue streams

Q1 2014 revenue split by product



Q1 2014 revenue split by country



¹ Slovakia divested in August 2013; ² Other revenues refers to Italy, Serbia (76% divested in May 2013) and Croatia (divested in March 2013); ³



Group Results (P&L) Q1 2014

	For the three months ended March 31,		% Change
	2013	2014	
	(EUR millions)		
Sales			
Romania	102.0	107.6	5.5%
Hungary	29.4	29.3	-0.5%
Spain	11.7	12.1	3.5%
Other	6.0	4.9	-19.2%
Discontinued Operations ¹	7.5	0.0	N.M
Total Revenues	156.6	153.9	-1.7%
Adjusted EBITDA	65.6	60.9	-7.2%
<i>% margin</i> ²	41.9%	39.6%	
Results of Continuing Operations			
Revenues and other income	149.1	153.9	3.2%
Adjusted EBITDA	63.1	60.9	-3.5%
<i>% margin</i> ²	42.3%	39.6%	

Source: Company data; Notes: ¹Croatia sold in March 2013, Serbia divested in May 2013 (76% stake) and Slovakia sold in August 2013;

²Defined as the ratio of EBITDA to Revenues and Other income;



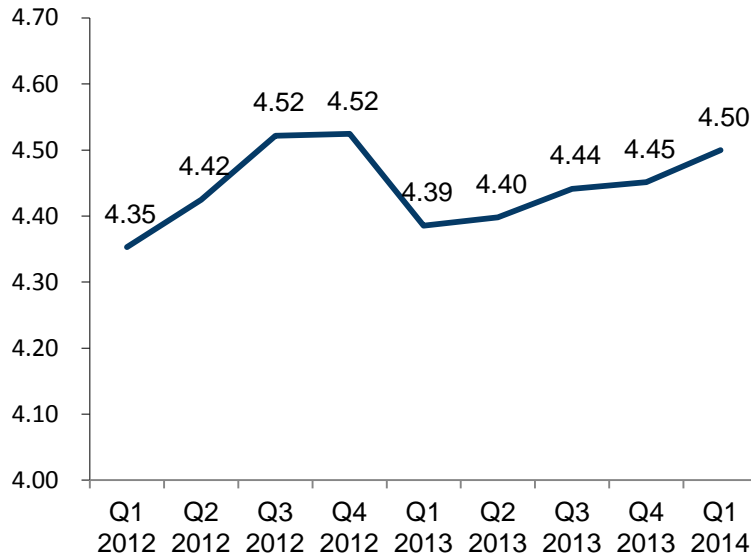
Summary Cash Flow

	For the three months ended March 31,	
	2013	2014
	(EUR millions)	
Cash flows from operations before working capital changes	69.0	60.2
Cash flows from operations	58.1	48.0
Interest paid	(7.5)	(3.3)
Income tax paid	(0.3)	(0.5)
Cash flows from operating activities	50.2	44.2
Cash flows used in investing activities (excluding the below proceeds)	(63.1)	(52.8)
Proceeds from sale of subsidiaries and PPE	0.9	9.6
Cash flows from financing activities	4.1	(2.8)
Net Increase / (decrease) in cash and cash equivalents	(7.9)	(1.8)
Cash and cash equivalents at the beginning of the period	12.6	50.2
Effect of exchange rate fluctuations of cash and cash equivalents held	0.0	1.5
Cash and cash equivalents at the end of the period	4.6	49.9



FOREX development

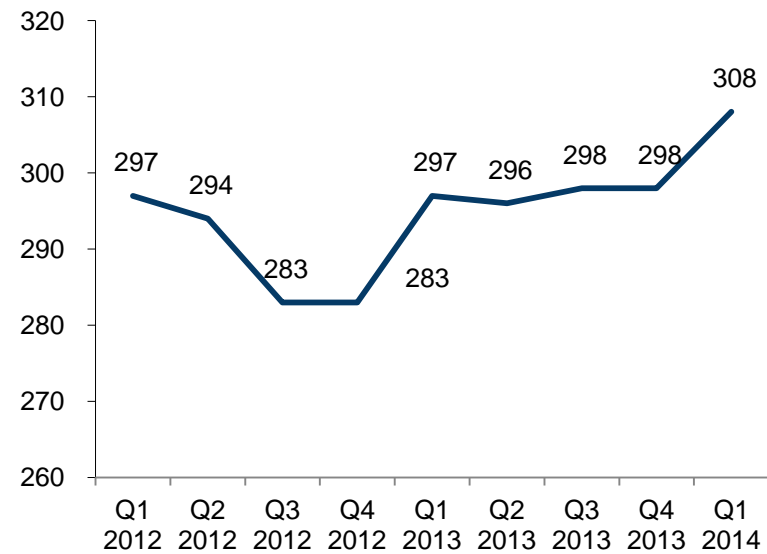
RON/EUR Exchange Rate 2012 – Q1 2014



Romania

- In the three month period ended March 31, 2014, compared with the same period in 2013, the Romanian leu declined by 2.5% relative to the euro.

HUF/EUR Exchange Rate 2012 – Q1 2014



Hungary

- In the three month period ended March 31, 2014, compared with the same period in 2013, the Hungarian forint declined by 3.9% relative to the euro.



