



Investor presentation
for the three months ended March 31, 2015

Cable Communications Systems (CCS)

Parent Company of
RCS & RDS

June 18, 2015

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Group overview

	 Romania	 Hungary	   Others	Total
	Three months ended March 31, 2015	Three months ended March 31, 2015	Three months ended March 31, 2015	Three months ended March 31, 2015
Revenues and other income ²	€126.2 m	€31.0 m	€20.8 m	€177.3 m
EBITDA	€41.5 m	€12.2 m	€2.3 m	€56.1 m
EBITDA margin ¹	32.9%	39.5%	11.1%	31.6%
Service offering / market position / RGUs March 31, 2015A ('000s)				
CATV	#1 / 2,633	#3 / 416	-	3,049
Fixed internet and data	#1 / 1,868	#3 / 355	-	2,223
Fixed-line telephony	#2 / 1,455	#4 / 307	-	1,762
Mobile telephony	#4 / 1,485	- / -	520	2,005
Mobile internet and data	- / 1,362	- / 18	206	1,586
DTH	#2 / 693	#1 / 326	131	1,150
Total RGUs	9,496	1,422	857	11,775

Source: Company data

Note:

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

² Total revenues and other income include eliminations of intersegment revenues

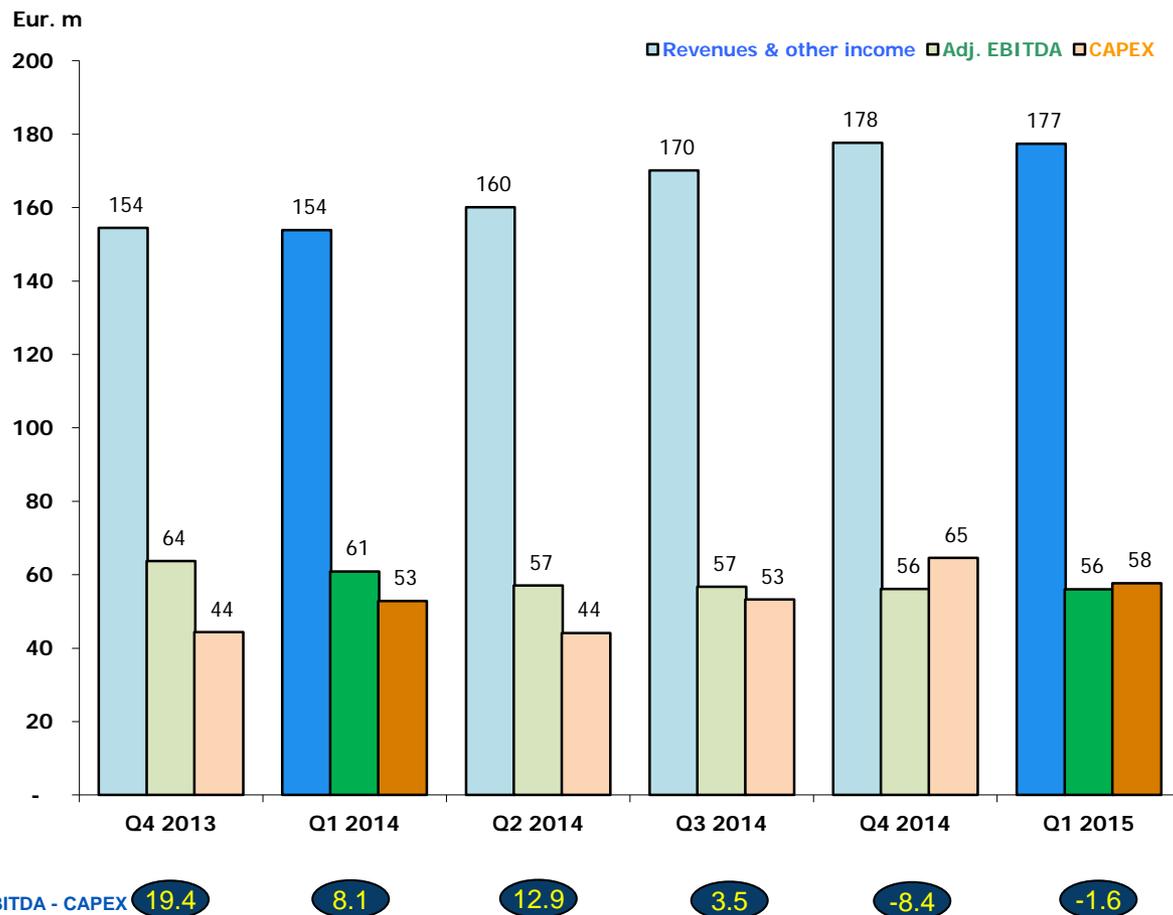


Recent Developments

- On May 22, 2015 we refinanced our 2013 Senior Facilities Agreement through a new club bank facility (the 2015 Senior Facilities Agreement). Total amount drawn under the 2015 Senior Facilities Agreement was RON 1,034 million (the equivalent in RON of €235 million at the exchange rate of 4.4 RON/EUR). The interest rate for the term loan facility (RON 994.2 million) is 5.75% fixed and for the revolver credit facility (RON 39.2 million) is floating ROBOR + 2.5%.
- On April 21, 2015 we completed the sale of our subsidiary in the Czech Republic. At closing we received €25.4 million and we expect to incur transaction related costs of €1.1 million before the end of 2016.
- On December 22, 2014 we signed the contract for the acquisition of three radio stations in Romania. In February 2015 the National Audiovisual Council approved the transfer of the radio licenses. The transaction was closed on May 29, 2015.



Financial highlights



- Revenues increased Q1 2015 compared with Q1 2014 in Romania, Spain and Hungary. Revenues in Romania increased by EUR 17.6 million as a result of increase in sale of equipments to clients and as a result of increase in RGUs.
- EBITDA margin decreased in Q1 2015 compared with Q1 2014 primarily due to sales of equipments at cost and increase in certain expenses in Romania
- EBITDA value was lower in Q1 2015 compared with Q1 2014 (EUR 56 million compared with EUR 61 million) mainly as a result of increase in expenses in Romania
- CAPEX was higher in Q1 2015 compared with Q1 2014 (EUR 58 million compared with EUR 53 million) due to increase in investments in triple play and 3G networks in Romania

Source: Company data



Highlights Romania – Revenues and Adj EBITDA

Results of Operations

Results of Operations	For the three months ended		% change
	March 31,		
	2014	2015	
	(euro in millions)		
Revenues ⁽¹⁾	108.5	126.2	16.3%
Adjusted EBITDA	47.7	41.5	-13.0%
Margin %	44.0%	32.9%	
Revenues ⁽¹⁾ in constant currency	108.5	125.1	15.3%

Revenue growth of 16.3% in Q1 2015 compared with Q1 2014 (15.3% in constant currency terms) was driven by growth in sale of equipment and increase in RGUs. Revenues from services increased from EUR 105.4 million in Q1 2014 to EUR 113.8 million in Q1 2015, an increase of 7.9%.

Total sales of Mobile Handsets and other equipment were EUR 12.4 million in Q1 2015 (Q1 2014: EUR 3.1 million). These sales are at cost and if we adjust both revenues and expenses, EBITDA margin would have been 36.3% in Q1 2015 as compared with 45.2% in Q1 2014 on a comparable basis.

EBITDA has decreased mainly as a result of increase in salaries, the new tax on special constructions (of approximately 0.6% of our revenues in Romania) and additional spectrum costs for the new 900 Mhz license.

Constant currency figures use Q1 2014 average exchange rate of 4.50 RON/EUR (vs. 4.45 RON/EUR for Q1 2015)

Notes:

¹ Figures include Intersegment revenues



Highlights Romania - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended March 31,		Net Additions	
	2014	2015	Last 12 months	Last 3 months
Cable TV	2,506	2,633	127	34
Fixed internet and data	1,728	1,868	140	34
Fixed-line telephony	1,509	1,455	(54)	(15)
Mobile telephony	1,066	1,485	419	97
Mobile internet and data	734	1,362	628	139
DTH	781	693	(88)	(32)

Thousand RGU's

ARPU (EUR) - residential clients

	For the three months ended March 31,		
	2014	2015	% change
Cable TV	5.09	5.11	0.4%
Fixed internet and data	5.22	5.18	-0.8%
Fixed-line telephony	1.64	1.26	-23.2%
Mobile telephony	1.41	2.54	80.1%
Mobile internet and data	1.69	1.26	-25.4%
DTH	4.63	4.77	3.0%

- Steady growth in Cable TV and Internet subscribers
- Continued increase in mobile telephony RGUs
- Growth in Mobile and internet data RGUs due to sale of mobile telephony subscriptions with mobile data included
- Steady ARPU performance in cable TV, internet and DTH
- Decrease in Fixed-line telephony ARPU as a result of decrease in interconnection rates
- Increase in Mobile telephony ARPU as a result of sale of our new postpaid mobile packages with higher subscription fees.



Highlights Hungary – Revenues and EBITDA

Results of Operations

Results of Operations	For the three months ended March 31,		% change
	2014	2015	
	(euro in millions)		
Revenues	29.3	31.0	5.8%
Adjusted EBITDA	11.5	12.2	6.1%
Margin %	39.4%	39.5%	
Revenues in Constant Currency	29.3	31.1	6.1%

- Increase in revenues in Q1 2015 compared with Q1 2014 in both real and constant currency terms.

Constant currency figures use Q1 2014 average exchange rate of 308.03 HUF/EUR (vs. 308.97 HUF/EUR for Q1 2015)



Highlights Hungary - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended		Net Additions	
	March 31,		Last 12 months	Last 3 months
	2014	2015		
Cable TV	401	416	15	5
Fixed internet and data	330	355	25	8
Fixed-line telephony	290	307	17	6
Mobile internet and data	20	18	(2)	(1)
DTH	336	326	(10)	(4)

Thousand RGU's

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

- Decrease in Fixed-line telephony ARPU due to lower usage

ARPU (EUR)

	For the three months		% Change
	ended March 31,		
	2014	2015	
Cable TV	7.06	7.25	2.7%
Fixed internet and data	7.46	7.68	2.9%
Fixed-line telephony	2.43	2.19	-9.9%
Mobile internet and data	6.53	6.55	0.3%
DTH	7.56	7.62	0.8%



Highlights Other Territories

	For the three months ended March 31,		% change
	2014	2015	
	(euro in millions)		
Revenues			
Spain ¹	12.3	16.1	30.9%
Czech Republic	1.2	1.7	41.7%
Italy	3.6	3.1	-13.9%
Discontinued Operations ²	17.2	20.8	
EBITDA¹			
Continuous Operations	0.3	1.3	N.M.
Discontinued Operations ²	1.3	1.0	-23.1%
	1.6	2.3	

Spain:

- Steady growth in RGUs
- We have negotiated the extension of our MVNO agreement with Telefonica until the end of 2017 (originally expiring at the end of 2015)

▪ **Czech Republic** was disposed of in April 2015

Subscribers (Thousand RGUs)	RGUs Period Ended March 31,		Net Additions	
	2014	2015	Last 12 months	Last 3 months
	Spain - mobile telephony	336	451	115
Spain - mobile internet and data	128	203	75	16
Czech Republic	150	131	(19)	(5)
Italy	58	72	14	6

Thousand RGU's

Notes: ¹ Figures includes Intersegment operations; ² Czech Republic was disposed of in April 2015

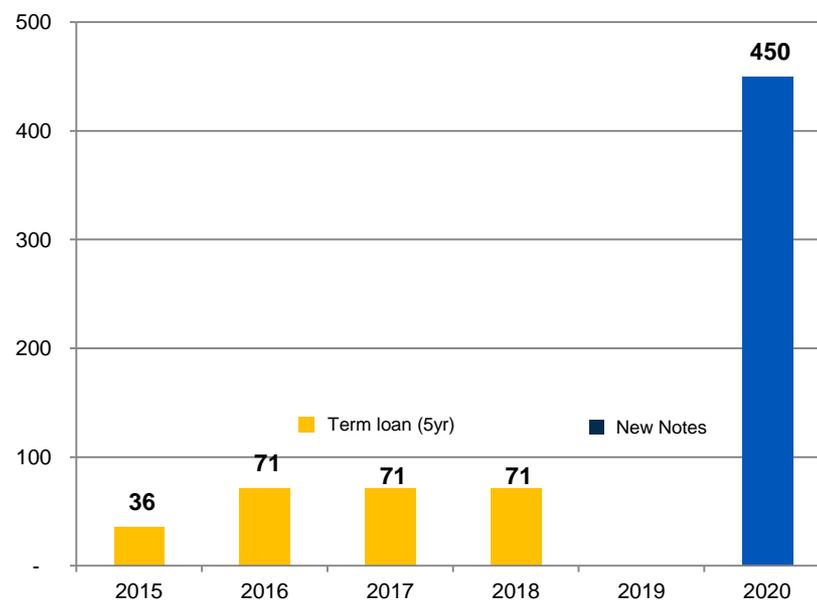


Group Financial Profile

Financial liabilities as of March 31, 2015

Facility	Amount (EUR millions)
Senior Secured Notes*	450.0
Term loan (5y)	250.0
Financial leases	7.3
Other short term debt	4.1
Hedging obligations	1.8
Total debt	713.3
Cash on BS	57.6
Total net debt	655.6
Undrawn committed facilities	
RCF (3y; EUR 50 million committed)	50.0

Maturity profile Term Loan & Notes as of March 31, 2015 (EUR millions)



Source: Company data

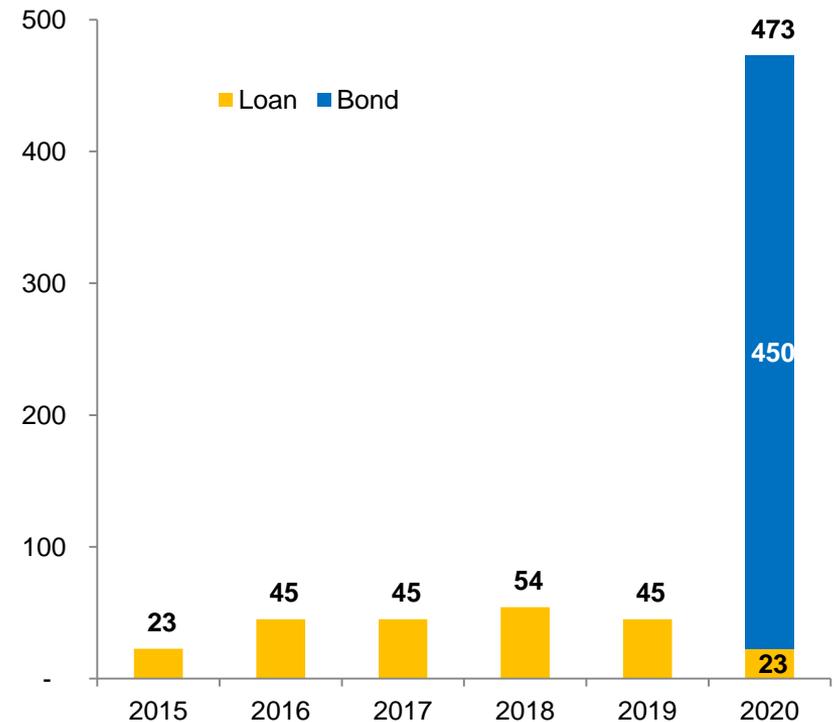
*We concluded a coupon SWAP until the end of September 2016 for the full amount of the Proceeds Loan (€450 million)



Group Financial Profile (continued)

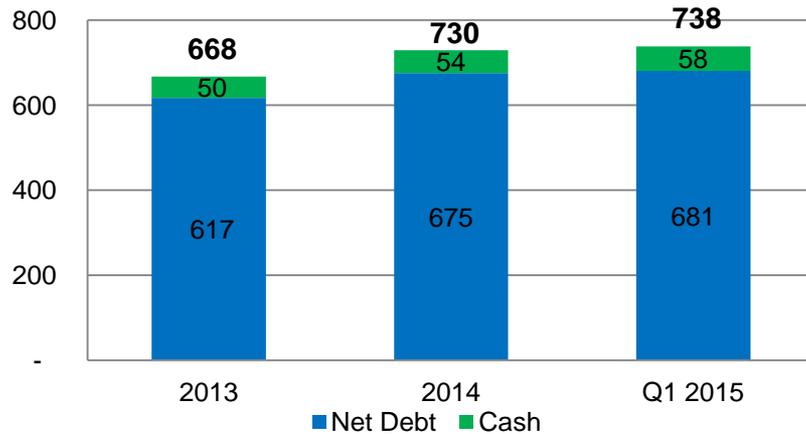
- On May 22, 2015 we refinanced our 2013 Senior Facilities Agreement (term loan 5y) and converted the related EUR exposure into RON.
- The total amount of this facility is the equivalent in RON of €235 million at the exchange rate of 4.4 RON/EUR (RON 1,034 million), with the possibility of increasing it to €260 million (the same, equivalent in RON) in the next three months.
- Out of the total €235 million, €226 million represents a term loan, with equal repayments every 6 months and final maturity in 5 years time from signing and the remaining €9 million represents a Revolver credit facility with a maturity of three years.

Pro forma Maturity profile Loan & Notes (EUR millions)



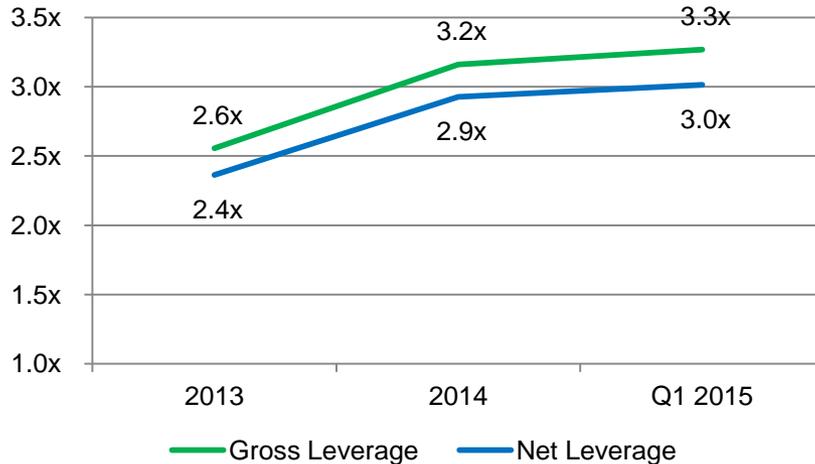
Group Financial Profile (continued)

Gross / Net Debt (EUR millions)



- Total net debt as of March 31, 2015 is €681 million
- Net Leverage is 3.0x and Gross Leverage is 3.3x.

Leverage



Notes:

* The Net Leverage and Gross Leverage are computed using EBITDA (Adjusted EBITDA for 2014) as presented in the Annual and Quarterly Consolidated Financial Statements of CCS for 2014 and 2015



Financial Calendar

- You can find us on:

- Web: investors.rcs-rds.ro

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

- Agenda

	Report	Call
Q2 2015 Results	4-Sep-15	Thursday 10-Sep-15
Q3 2015 Results	4-Dec-15	Thursday 10-Dec-15
FY 2015 Results	15-Apr-16	Thursday 21-Apr-16
Q1 2016 Results	3-Jun-16	Thursday 9-Jun-16



Q&A Session

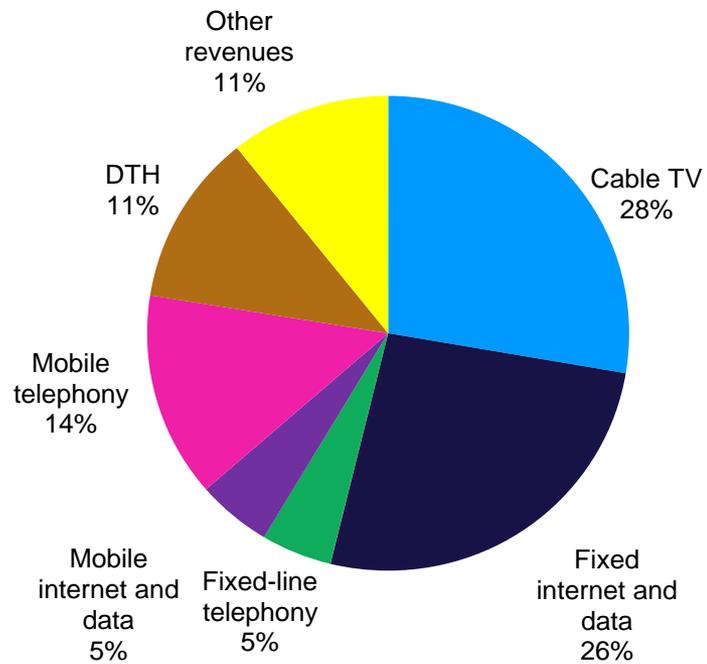


Appendices

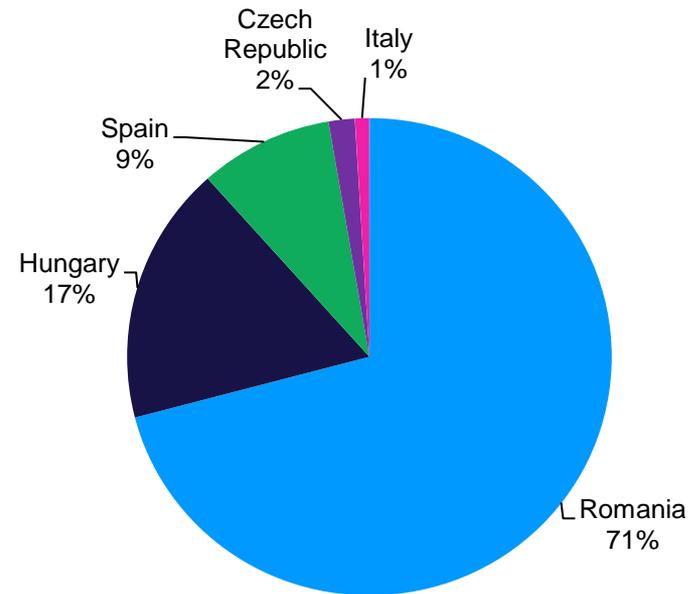


Revenue streams

Q1 2015 revenue split by product



Q1 2015 revenue split by country



Group Results (P&L)

	For the three months ended March 31,		% change
	2014	2015	
	(euro in millions)		
Revenues & other income			
Romania	107.6	125.8	16.9%
Hungary	29.3	31.0	5.7%
Spain	12.1	15.8	31.2%
Other	1.2	1.7	36.4%
Discontinued Operations ¹	3.6	3.1	-15.0%
Total Revenues	153.9	177.3	15.3%
Adjusted EBITDA	60.9	56.1	-8.0%
<i>% margin²</i>	39.6%	31.6%	
Results of Operations less Divested Subsidiaries			
Revenues	150.2	174.2	16.0%
Adjusted EBITDA	59.6	55.0	-7.7%
<i>% margin²</i>	39.7%	31.6%	
Result from services			
Revenues from services	153.8	164.7	7.1%
EBITDA from services	60.8	55.9	-8.1%
<i>% margin²</i>	39.5%	33.9%	

Source: Company data;

Notes: ¹Czech Republic was sold in April 2015; ²Defined as the ratio of EBITDA to Revenues;



Cash Flow

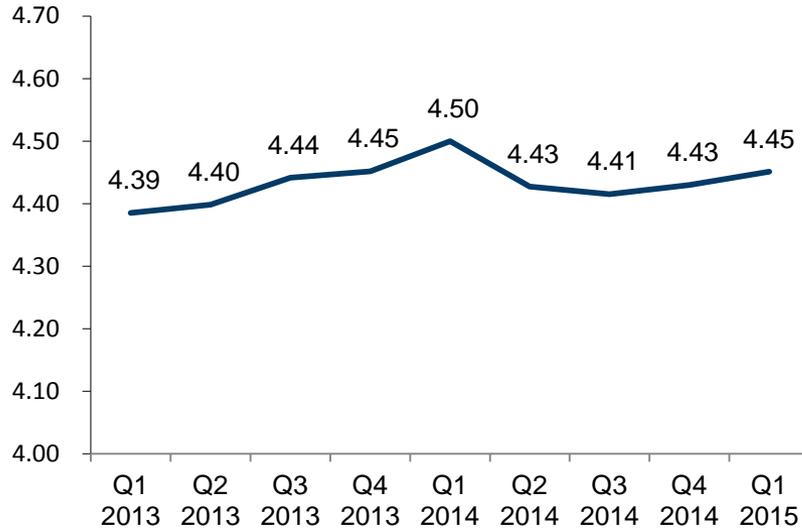
Summary Cash Flow

	Three months ended March 31,	
	2014	2015
	(euro in millions)	
Cash flows from operations before working capital changes	60.2	54.1
Cash flows from changes in working capital	(12.1)	15.2
Cash flows from operations	48.0	69.3
Interest paid	(3.3)	(3.6)
Income tax paid	(0.5)	(0.9)
Cash flow from operating activities	44.2	64.8
Cash flow used in investing activities	(43.2)	(57.7)
Cash flows from financing activities	(2.8)	(2.9)
Net increase (decrease) in cash and cash equivalents	(1.8)	4.2
Cash and cash equivalents at the beginning of the period	50.2	54.3
Effect of exchange rate fluctuation on cash and cash equivalent held	1.5	(0.9)
Cash and cash equivalents at the closing of the period	49.9	57.6



FOREX development

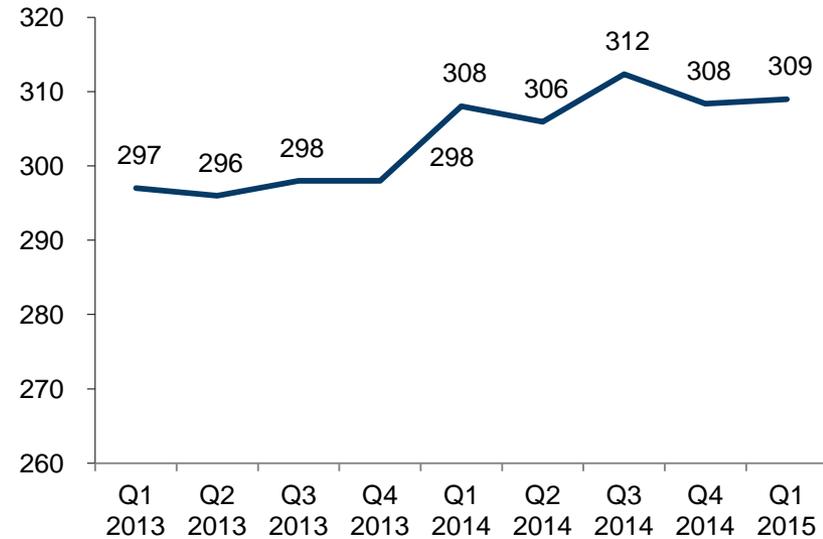
RON/EUR Exchange Rate 2013 – Q1 2015



Romania

- In Q1, 2015, compared with the same period in 2014, the Romanian leu appreciated by 1.1% relative to the euro.

HUF/EUR Exchange Rate 2013 – Q1 2015

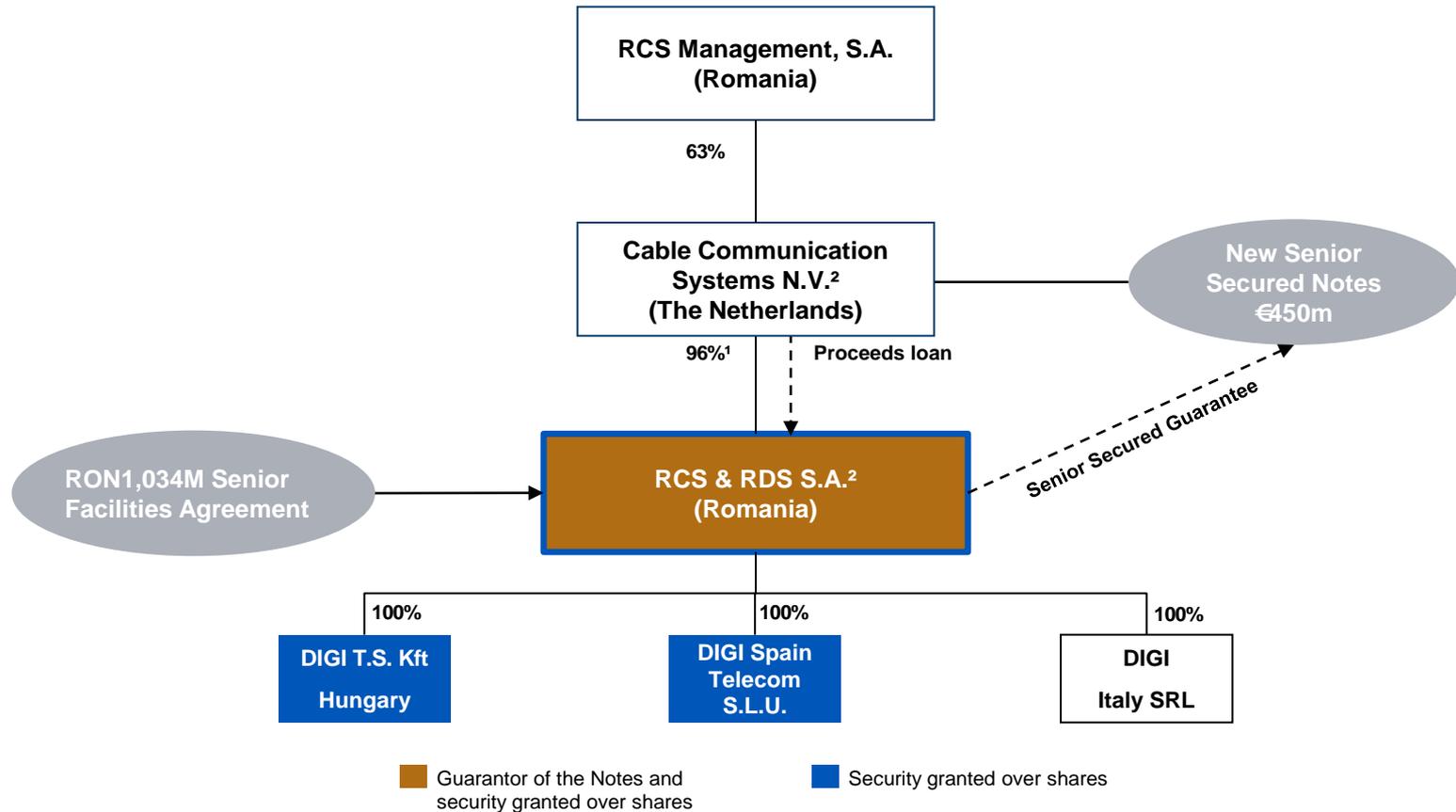


Hungary

- In the Q1, 2015, compared with the same period in 2014, the Hungarian forint declined by 0.3% 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 8.97% 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.

