

Cable Communications Systems (CCS)

**Investor presentation
for the three months ended
September 30, 2016**

Parent Company of

RCS & RDS

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Group overview

'Mil €	 Romania		 Hungary		 Spain & Italy		Total	
	3 months Sept 30, 2016	9 months Sept 30, 2016	3 months Sept 30, 2016	9 months Sept 30, 2016	3 months Sept 30, 2016	9 months Sept 30, 2016	3 months Sept 30, 2016	9 months Sept 30, 2016
Revenues ²	€156.3 m	€450.3 m	€34.1 m	€100.3 m	€23.7 m	€70.4 m	€212.2 m	€617.4 m
EBITDA	€52.8 m	€150.8 m	€12.7 m	€39.4 m	€2.1 m	€7.2 m	€67.6 m	€197.3 m
EBITDA margin ¹	33.8%	33.5%	37.3%	39.2%	8.8%	10.2%	31.8%	32.0%

Service offering / market position / RGUs Sept 30, 2016A ('000s)

CATV	#1 / 2,821	#3 / 467	-	3,288
Fixed internet and data	#1 / 2,065	#3 / 417	-	2,482
Fixed-line telephony	#2 / 1,359	#4 / 347	-	1,706
Mobile telecommunication services	#4 / 3,059	15	672	3,746
DTH	#2 / 650	#1 / 320	-	970
Total RGUs	9,954	1,566	672	12,192

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 (1/2)

Business

October 2016

- 4G mobile telecommunication services in Romania in the 2100 MHz bandwidth in addition to our existing 2600 MHz offering.
- 2016 Senior Facilities Agreement was concluded, which consists of
 - (i) a RON930.0 million (€208.9 mil equiv.) SFA Facility A1-drawn in full;
 - (ii) a RON600.0 million (€134.8 million equiv.) SFA Facility A2; -drawn in full;
 - (iii) a RON157.0 million (€35.3 million equiv.) Facility B-not drawn.
- 2015 Senior Facilities Agreement was repaid in full using SFA Facility A1 proceeds.
- CCS issued €350 million aggregate principal amount of 5.0% Senior Secured Notes due 2023.

November 2016

- 2013 Notes of €450 million were redeemed in full.

Recent developments (2/2)

Legislative

Romania

Several changes to the Romanian tax legislation were enacted by the Romanian Parliament in 2015 and will enter into force starting January 2017. Some of the changes are:

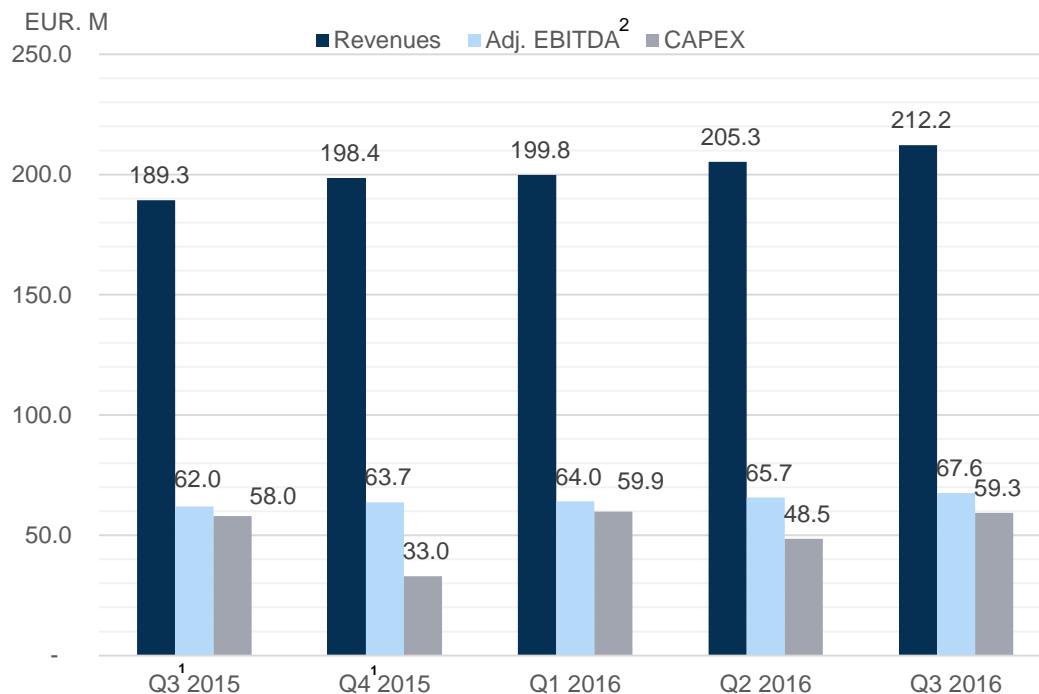
- VAT progressively will decrease from 20% to 19%.
- Tax on special constructions (including networks) will be discontinued.

Hungary

- decrease of the VAT chargeable for internet services from 27% to 18%, scheduled to become effective from 2017.

Financial highlights

Results from continuing operations



Source: Company data

¹ 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.

² EBITDA is calculated by adding back to consolidated operating profit/(loss) the charges for depreciation, amortization and impairment of assets. Adjusted EBITDA is defined as EBITDA adjusted for the effect of extraordinary or one-off/non-recurring items. In addition, we adjust EBITDA for mark to market results (unrealized) from fair value assessment of energy trading contracts.

Key considerations

- **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 EBITDA¹** value was higher in Q3 2016 compared to Q3 2015, as a result of increase in Adj EBITDA in Romania, Spain and Hungary.
- **Adj EBITDA** margin decreased in Q3 2016 compared to Q3 2015 primarily due to our development of mobile business in Romania and Hungary and energy activity.
- **CAPEX** for Q3 2016 was EUR 59.3 million, slightly higher than in Q3 2015 (EUR 58.0 million) mainly due to development of mobile network.

Highlights Romania (1/2)

Revenue and Adj EBITDA

Results of Operations¹

'Mil €	Three months ended			Nine months ended		
	September 30, 2015 ²	September 30, 2016	% change	September 30, 2015 ²	September 30, 2016	% change
Revenues	137.6	156.3	13.6%	397.0	450.3	13.4%
Adjusted EBITDA	46.9	52.8	12.6%	130.1	150.8	15.9%
Margin %	34.1%	33.8%		32.8%	33.5%	

Key considerations

- Revenue growth of 13.6% in Q3 2016 was driven by growth in our mobile telephony business (including the related equipment sales), increase in our cable TV and fixed internet RGUs as well as advertising revenues.
- Adj EBITDA value increased with 12.6% in Q3 2016 mainly due to mobile business catch-up. Adj EBITDA margin has decreased in Q3 2016 mainly because of the mobile handsets in Romania and energy activity.

¹ Figures include Intersegment revenues

² 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 3 months and 9 months period ended September 30, 2015 were restated accordingly.

Highlights Romania (2/2)

Subscribers

Thousand RGUs	RGUs Period Ended September 30,		Net Additions	
	2015	2016	Last 12 months	Last 3 months
	Cable TV	2,693	2,821	128
Fixed internet and data	1,920	2,065	145	26
Mobile telecommunications services ¹	2,490	3,059	569	109
Fixed-line telephony	1,429	1,359	(70)	(20)
DTH	682	650	(32)	(7)
Total	9,214	9,954	740	147

ARPU (EUR) - residential clients

ARPU (EUR)	For the three months ended September 30,		% change
	2015	2016	
Cable TV	5.3	5.3	0.0%
Fixed internet and data	5.1	5.0	-2.0%
Mobile telecommunications services ¹	3.0	3.6	20.0%
Fixed-line telephony	1.3	1.3	0.0%
DTH	4.9	4.9	0.0%

Key considerations

- Steady growth in Cable TV and Internet subscribers and low variations in ARPUs
- High increase in mobile telephony RGUs and ARPUs 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 June 30, 2016, we aggregate the mobile telephony and mobile data SIMs and present them as mobile telecommunications services RGU. In Q4 2015 we recorded certain adjustments which referred to the entire year ended December 31, 2015. For comparison and presentation purposes, revenues for 3 months and 9 months ended September 30, 2015 were restated accordingly. Consequently, ARPU for the comparative period ended September 30, 2015 was restated accordingly.

Highlights Hungary (1/2)

Revenue and Adj EBITDA

Results of Operations

'Mil €	Three months ended			Nine months ended		
	September 30, 2015	September 30, 2016	% change	September 30, 2015	September 30, 2016	% change
Revenues	31.3	34.1	8.9%	93.7	100.3	7.0%
Adjusted EBITDA	12.2	12.7	4.1%	37.0	39.4	6.5%
Margin %	38.9%	37.3%		39.5%	39.2%	

Key considerations

- Increase in revenue in 2016 driven by increase in RGUs (mainly increase in fixed internet and data RGUs, cable TV RGUs)
- Decrease in Adj EBITDA margin is mainly due to variances in programming expenses and the start of the mobile business development

Highlights Hungary (2/2)

Subscribers

Thousand RGUs	RGUs Period Ended September 30,		Net Additions	
	2015	2016	Last 12 months	Last 3 months
	Cable TV	427	467	40
Fixed internet and data	370	417	47	10
Mobile telecommunications services ¹	17	15	(2)	-
Fixed-line telephony	319	347	28	7
DTH	329	320	(9)	(2)
Total	1,462	1,566	104	22

ARPU (EUR) - residential clients

ARPU (EUR)	For the three months ended September 30,		% change
	2015	2016	
Cable TV	7.2	7.4	2.8%
Fixed internet and data	7.6	7.7	1.3%
Mobile telecommunications services ¹	6.7	7.0	4.5%
Fixed-line telephony	1.7	1.6	-5.9%
DTH	7.7	8.1	5.2%

Key considerations

- Increase in the penetration of Cable TV, Internet and Fixed Telephony subscribers
- Decrease in Fixed-line telephony ARPU due to lower traffic

¹ Includes mobile internet and data services offered as a reseller through the Telenor network under our "Digi" brand

Highlights Other Territories

Revenue and Adj EBITDA

'Mil €	Three months ended			Nine months ended		
	September 30,		% change	September 30,		% change
	2015	2016		2015	2016	
Revenues						
Spain ¹	19.2	21.1	9.9%	53.8	63.4	17.8%
Italy	1.9	2.5	31.6%	5.5	6.9	25.5%
Czech Republic ²	-	-	N.M	3.8	-	-100.0%
	21.1	23.7		63.1	70.4	
Adj EBITDA						
Continuous Operations	2.9	2.1	-27.6%	6.7	7.2	7.5%
Discontinued Operations ²	-	-	N.M	0.9	-	-100.0%
	2.9	2.1		7.6	7.2	

Subscribers & ARPU

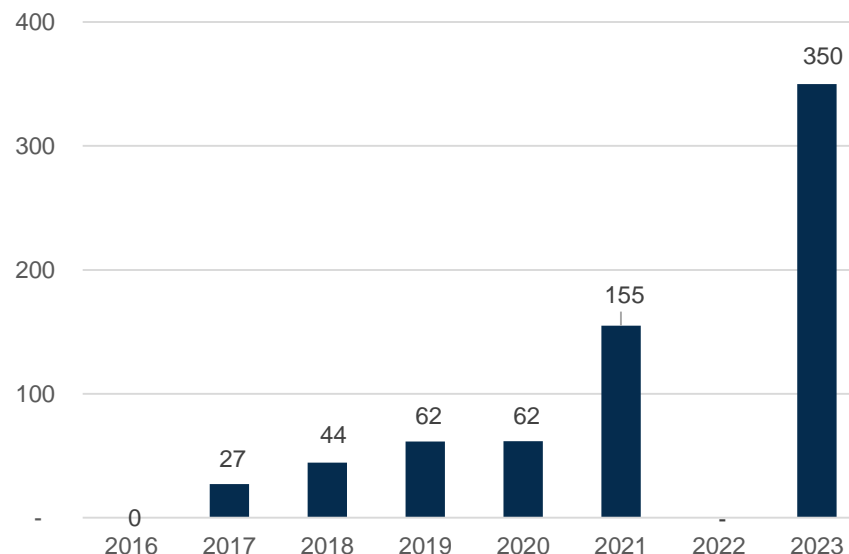
Thousand RGUs	RGUs Period Ended		Net Additions	
	September 30,		Last 12	Last 3
	2015	2016	months	months
Spain	560	598	38	(3)
Italy ³	55	74	19	7
Total	615	672	57	4

Group Financial Profile (1/2)

Financial liabilities as of September 30, 2016¹

Facility	Amount (Mil €)
2013 Senior Secured Notes ²	450.0
2015 Senior Facility ²	208.9
Financial leases	6.2
Other long term debt	45.9
Other short term debt	5.9
Hedging obligations	12.4
Total gross debt	729.3
Cash on BS	20.8
Total net debt	708.5

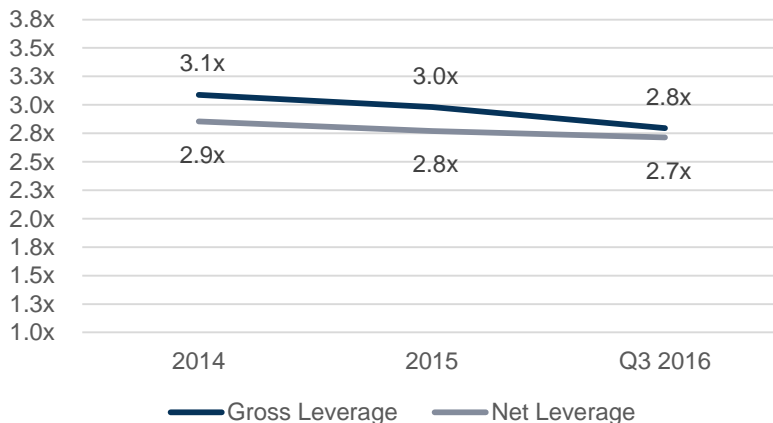
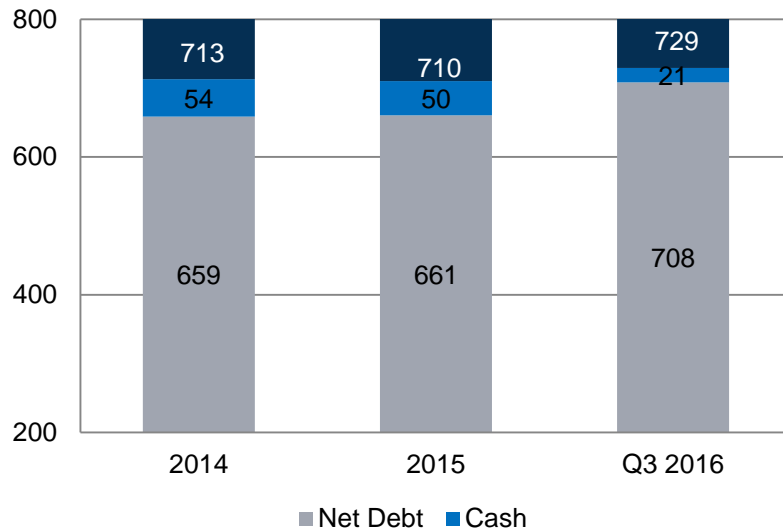
Maturity profile Long term loans & Notes Post October 2016 refinancing (Mil €)²



¹ Indebtedness as per Notes requirements

² In October 2016 we drew 2016 Senior Facility A1 & A2 and repaid 2015 Senior Facility and Back stop Facility (Aug 2016). We have issued Senior Notes of €350 mil at 5% and in November 2016 Senior Notes of €450 mil were redeemed in full. The graph shows the financial profile after these refinancing transactions.

Group Financial Profile (2/2)



Key considerations

- Total net debt¹ as of September 30, 2016 is €708.5 million
- Net Leverage² is 2.7x and Gross Leverage is 2.8x.

¹ Gross debt/ Net debt is presented as per Notes requirements.

² 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 Q3 2016. Covenant's 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.

Contact

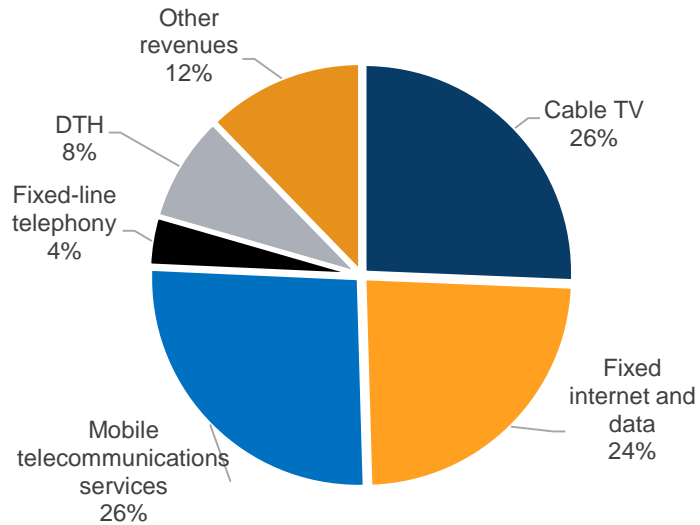
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Q&A

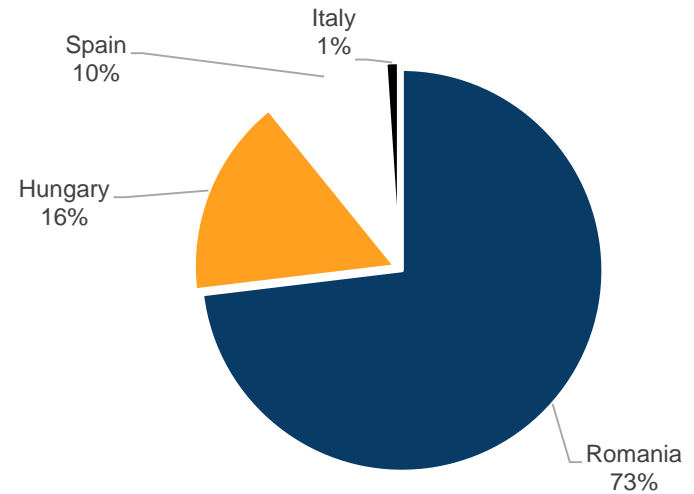
Appendices

Financial Calendar

Q3 2016 revenue split by product



Q3 2016 revenue split by country



Group Results (P&L)

'Mil €	For the three months ended September 30,			For the nine months ended September 30,		
	2015 ³	2016	% change	2015 ³	2016	% change
Revenues¹	137.2	155.1	13.0%	395.8	448.2	13.2%
Romania	31.3	34.1	8.9%	93.7	100.3	7.0%
Hungary	18.9	20.7	9.5%	53.0	62.3	17.5%
Spain	1.9	2.2	15.8%	5.5	6.6	20.0%
Italy	-	-	N.M	3.8	-	-100.0%
Discontinued Operations ²	189.3	212.2	12.1%	551.7	617.4	11.9%
Total Revenues						
Adjusted EBITDA	62.0	67.6	9.0%	174.6	197.3	13.0%
<i>% margin⁴</i>	32.7%	31.8%		31.6%	32.0%	
Results of Operations less Divested Subsidiaries						
Revenues	189.3	212.2	12.1%	547.9	617.4	12.7%
Adjusted EBITDA	62.0	67.6	9.0%	173.8	197.3	13.6%
<i>% margin⁴</i>	32.7%	31.8%		31.7%	32.0%	
Result from services						
Revenues from services	176.8	197.6	11.8%	515.7	576.5	11.8%
Adjusted EBITDA from services	61.6	67.6	9.8%	173.5	195.8	12.9%
<i>% margin⁴</i>	34.9%	34.2%		33.6%	34.0%	

Source: Company data;

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 3 month and 9 months 2015 were restated accordingly; ⁴ Defined as the ratio of Adjusted EBITDA to Revenues

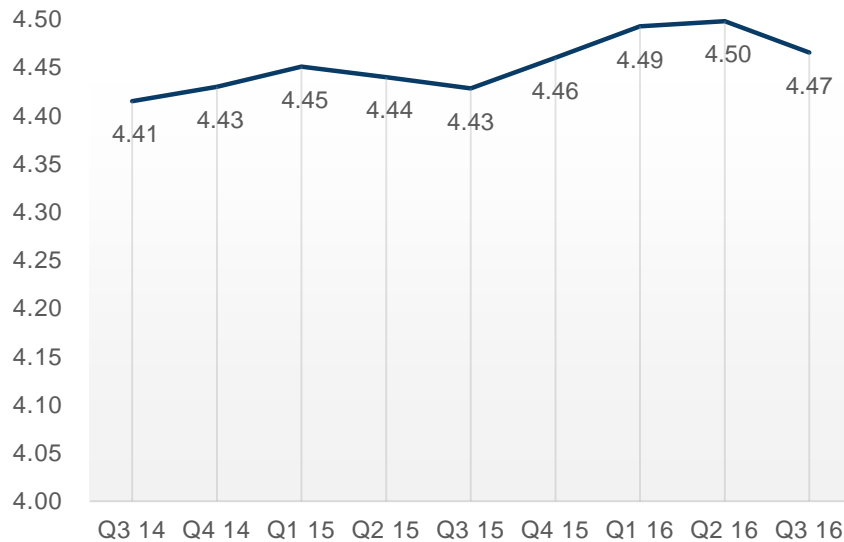
Cash Flow

Summary of Cash flows

'Mil €	Three months ended September 30,		Nine months ended September 30,	
	2015	2016	2015	2016
Cash flows from operations before working capital changes	61.5	67.8	176.7	200.1
Cash flows from changes in working capital	(8.3)	5.1	5.8	(6.1)
Cash flows from operations	53.2	72.9	182.5	194.1
Interest paid	(2.3)	(2.5)	(24.8)	(24.5)
Income tax paid	(0.5)	(1.5)	(1.8)	(3.3)
Cash flow from operating activities	50.5	68.9	155.9	166.3
Cash flow used in investing activities	(55.5)	(59.1)	(137.3)	(167.4)
Cash flows from financing activities	2.5	(4.8)	(23.3)	(26.9)
Net increase (decrease) in cash and cash equivalents	(2.4)	5.1	(4.6)	(28.0)
Cash and cash equivalents at the beginning of the period	52.0	16.0	54.3	49.7
Effect of exchange rate fluctuation on cash and cash equivalent held	(0.7)	(0.2)	(0.8)	(0.8)
Cash and cash equivalents at the closing of the period	48.9	20.8	48.9	20.8

Forex development

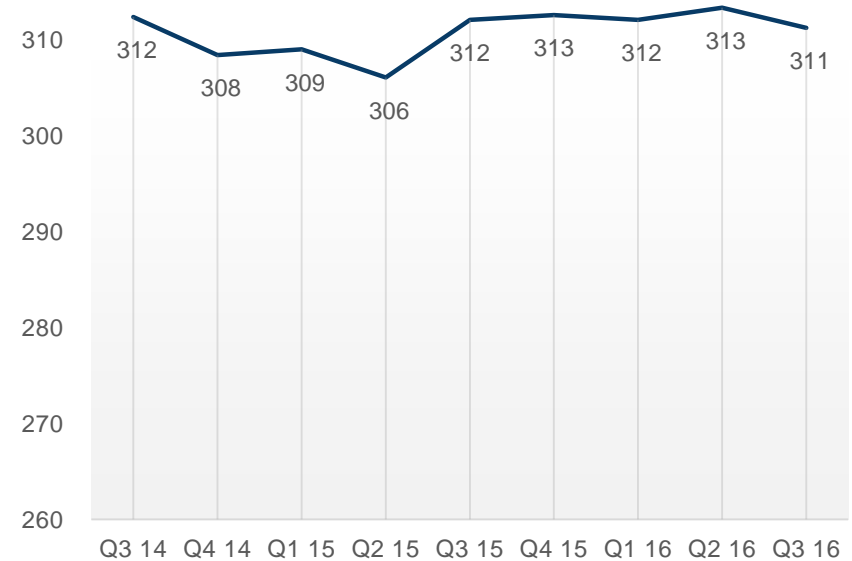
RON/EUR Exchange Rate 2016



Romania

- In Q3 2016 compared with the same period from 2015, the RON depreciated by aprox 0.8% relative to the euro.

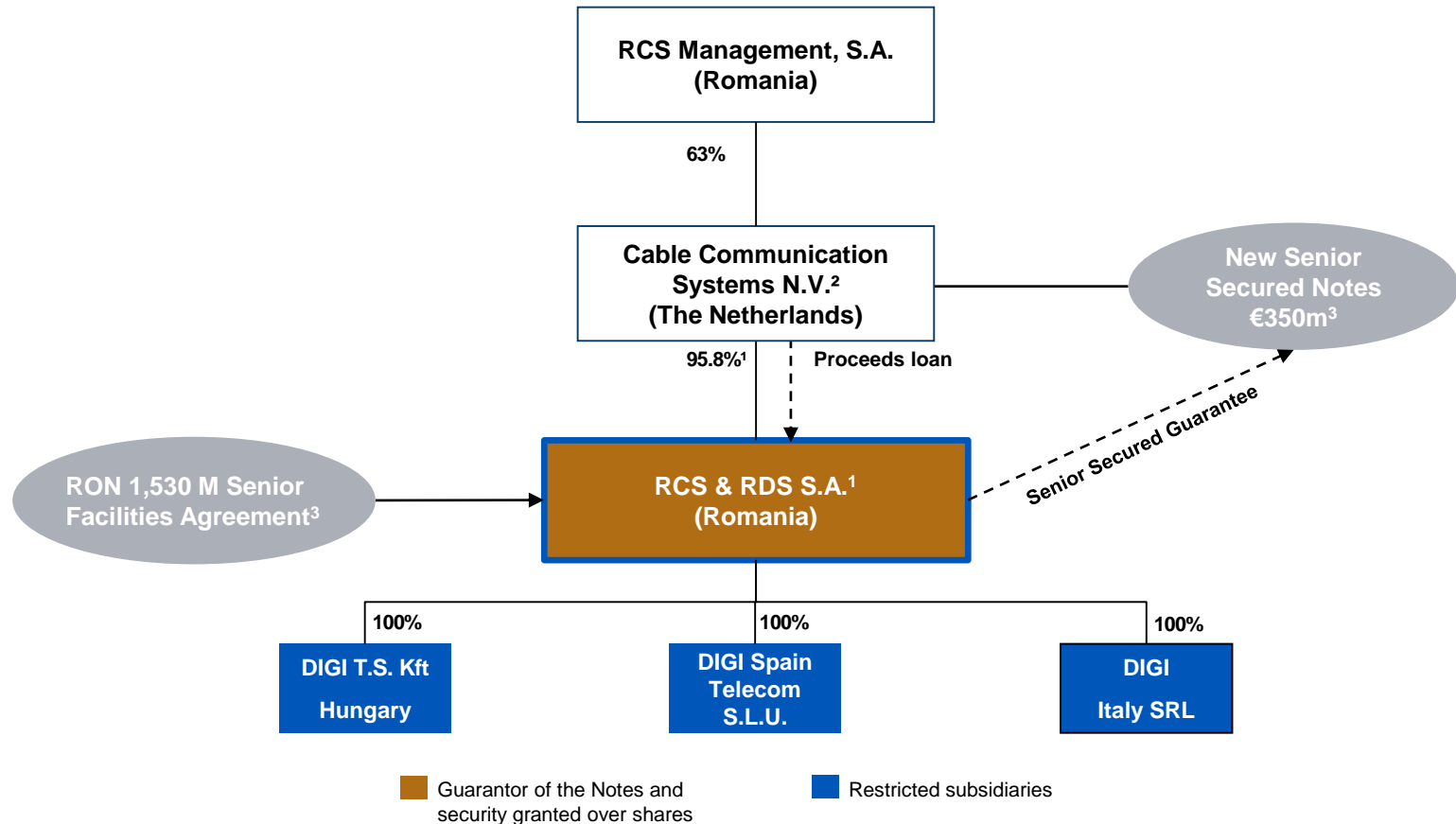
HUF/EUR Exchange Rate 2016



Hungary

- In Q3 2016 compared with the same period from 2015, the HUF appreciated by aprox 0.3% relative to the euro.

Summary corporate and financial 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 Senior Facilities Agreement, the ING Facilities Agreement and the Citi Facilities Agreement, BRD Letters of Guarantee and certain hedging agreements are secured by the Collateral on a pari passu basis. ³ Senior Facility Agreement and Notes presented in this diagram are post refinancing transactions from October/November 2016.