CABLE COMMUNICATIONS SYSTEMS NV

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

PREPARED IN ACCORDANCE WITH
IAS 34 INTERIM FINANCIAL REPORTING
for the three month period ended 31 March 2015

CONTENTS **Page**

GENERAL INFORMATION ... -

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT (unaudited) ... 1 - 22

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited) ... 1

CONDENSED CONSOLIDATED INCOME STATEMENT (unaudited) ... 2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited) ... 2

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (unaudited) ... 3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited) ... 4 - 5

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT (unaudited) ... 6 - 22

GENERAL INFORMATION

Directors:

Zoltan Teszari, President of the Board of Directors

Marius CătălinVărzaru

Monique Charlotte Rosenkotter-Donker

Parveen Chantal Soebrati

Registered Office:

Cable Communications Systems N.V.

Naritaweg 165, 1043 BW, Amsterdam, Netherlands

Cable Communications Systems N.V.
Condensed Consolidated Statement of Comprehensive Income (unaudited)
for the three month period ended 31 March 2015
(all amounts are in thousand Eur, unless specified otherwise)

	Notes	31 March 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	654,436	643,079
Intangible assets	5	204,154	199,741
Available for sale financial assets		41,296	41,296
Investments in associates		2,365	2,492
Long term receivables		10,091	6,748
Deferred tax asset		3,152	2,933
Total non-current assets		**915,494**	**896,289**
Current assets			
Inventories		21,251	22,828
Programme assets	5	29,381	16,838
Trade and other receivables		106,708	109,862
Income tax receivable		1,498	1,466
Other assets		11,873	9,927
Cash and short term deposits		57,637	54,288
Assets held for sale	17	1,501	-
Total current assets		**229,849**	**215,209**
Total assets		**1,145,343**	**1,111,498**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		51	51
Share premium		8,247	8,247
Treasury shares		(16,703)	(16,703)
Reserves		47,090	45,287
Retained earnings		71,504	68,261
Total equity attributable to equity holders of the parent		**110,189**	**105,143**
Non-controlling interest		2,423	2,197
Total equity		**112,612**	**107,340**
Non-current liabilities			
Interest-bearing loans and borrowings	6	653,022	652,732
Deferred tax liability		28,925	28,204
Other long term liabilities		11,110	10,595
Total non-current liabilities		**693,057**	**691,531**
Current liabilities			
Trade payables and other payables		226,211	217,171
Interest-bearing loans and borrowings	6	54,158	45,746
Income tax payable		954	293
Derivative financial instruments	14	1,832	993
Deferred revenue		55,496	48,424
Liabilities held for sale	17	1,023	-
Total current liabilities		**339,674**	**312,627**
Total liabilities		**1,032,731**	**1,004,158**
Total equity and liabilities		**1,145,343**	**1,111,498**

The notes on pages 6 to 22 are an integral part of this condensed consolidated interim financial report.

The condensed consolidated interim financial report was issued on 12 June 2015.

Cable Communications Systems N.V.
Condensed Consolidated Statement of Comprehensive Income (unaudited)
for the three month period ended 31 March 2015
(all amounts are in thousand Eur, unless specified otherwise)

	Notes	Continuing operations 31 March 2015	Discontinued operations 31 March 2015	Three month period ended 31 March 2015	Continuing operations 31 March 2014	Discontinued operations 31 March 2014	Three month period ended 31 March 2014
Revenues	8	174,242	3,097	177,339	150,209	3,644	153,853
Other income		-	-	-	8,332	-	8,332
Operating expenses	9	(166,389)	(2,184)	(168,573)	(138,727)	(2,527)	(141,254)
Operating profit		**7,853**	**913**	**8,766**	**19,814**	**1,117**	**20,931**
Finance income	10	7,921	-	7,921	7,470	-	7,470
Finance expenses	10	(15,545)	(32)	(15,577)	(14,955)	(13)	(14,968)
Net finance costs		**(7,624)**	**(32)**	**(7,656)**	**(7,485)**	**(13)**	**(7,498)**
Profit before taxation		**229**	**881**	**1,110**	**12,329**	**1,105**	**13,433**
Income tax		(1,165)	(26)	(1,191)	(1,664)	(209)	(1,872)
Net profit / (loss) for continuing operations		**(936)**	**855**	**(81)**	**10,665**	**896**	**11,561**
Other comprehensive income							
Items that are or may be reclassified to profit or loss							
Foreign operations – foreign currency translation differences		5,407	-	5,407	(7,028)	-	(7,028)
Other comprehensive income for the period, net of income tax		**5,407**	-	**5,407**	**(7,028)**	**-**	**(7,028)**
Total comprehensive income for the period		**4,471**	**855**	**5,326**	**3,637**	**896**	**4,533**
Profit / (Loss) attributable to:							
Equity holders of the parent		(872)	819	(53)	10,285	858	11,143
Non-controlling interest		(64)	36	(28)	380	38	418
Profit / (Loss) for the year		**(936)**	**855**	**(81)**	**10,665**	**896**	**11,561**
Total comprehensive income/(loss) attributable to:							
Equity holders of the parent		4,301	819	5,120	(7,607)	858	(6,749)
Non-controlling interest		170	36	206	(318)	38	(280)
Total comprehensive income/(loss) for the period		**4,471**	**855**	**5,326**	**(7,925)**	**896**	**(7,029)**

The notes on pages 6 to 22 are an integral part of this condensed consolidated interim financial report.
The condensed consolidated interim financial report was issued on 12 June 2015.

Cable Communications Systems N.V.
Condensed Consolidated Cash Flow Statement (unaudited)
for the three month period ended 31 March 2015
(all amounts are in thousand Eur, unless specified otherwise)

	Notes	Three month period ended 31 March 2015	Three month period ended 31 March 2014
Cash flows from operating activities			
Profit before taxation		**1,111**	**13,433**
Adjustments for:			
Depreciation, amortization and impairment	9	47,293	48,309
Interest expense, net	6	12,985	12,278
Finance costs		-	193
Impairment of trade and other receivables	9	2,599	1,203
Unrealised (gains) / losses on derivative financial instruments		1,302	1,466
Equity settled share-based payments	13	472	466
Unrealised foreign exchange loss / (gain)		(11,634)	(8,144)
Gain on disposal of subsidiary		-	(9,040)
Cash flows from operations before working capital changes		**54,128**	**60,164**
Changes in:			
Trade receivables and other assets		(7,015)	(790)
Inventories		1,729	(3,629)
Trade payables and other current liabilities		15,046	(10,085)
Deferred revenue		5,414	2,371
Cash flows from operations		**69,302**	**48,031**
Interest paid		(3,600)	(3,336)
Income tax paid		(913)	(537)
Cash flows from operating activities		**64,789**	**44,158**
Cash flow used in investing activities			
Purchases of property, plant and equipment		(30,499)	(23,829)
Purchases of intangibles		(25,801)	(22,181)
Acquisition of subsidiaries, net of cash and NCI		(963)	(6,808)
Acquisition of AFS		(395)	-
Sale of subsidiaries, net of cash disposed		-	8,330
Proceeds from sale of property, plant and equipment		-	1,276
Cash flows used in investing activities		**(57,658)**	**(43,212)**
Cash flows from financing activities			
Dividends paid to shareholders		(1,260)	(1,026)
Proceeds from borrowings, including bonds issued		78	2,014
Repayment of borrowings		(1,013)	(440)
Financing costs paid		-	(2,879)
Settlement of derivatives		(463)	(193)
Payment of finance lease obligations		(247)	(254)
Cash flows from financing activities		**(2,905)**	**(2,778)**
Net increase/(decrease) in cash and cash equivalents		**4,226**	**(1,832)**
Cash and cash equivalents at the beginning of the period		54,288	50,234
Effect of exchange rate fluctuations of cash and cash equivalents held		(877)	1,477
Cash and cash equivalents at the end of the period		**57,637**	**49,879**

The notes on pages 6 to 22 are an integral part of this condensed consolidated interim financial report.

The condensed consolidated interim financial report was issued on 12 June 2015.

Cable Communications Systems N.V.
Condensed Consolidated Statement of Changes in Equity (unaudited)
for the three month period ended 31 March 2015
(all amounts are in thousand Eur, unless specified otherwise)

	Share capital	Share premium	Treasury shares	Translation reserve	Revaluation reserve	Fair value Reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2015	**51**	**8,247**	**(16,703)**	**(31,616)**	**46,775**	**30,128**	**66,261**	**105,143**	**2,197**	**107,340**
Comprehensive income for the period										
Net loss for the year	-	-	-	-	-	-	(53)	**(53)**	(28)	**(81)**
Foreign currency translation differences	-	-	-	5,173	-	-	-	**5,173**	234	**5,407**
Transfer of revaluation reserve (depreciation)	-	-	-	-	(3,370)	-	3,370	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**5,173**	***(3,370)***	**-**	**3,317**	**5,120**	**206**	**5,326**
Transactions with owners, recognized directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions	-	-	-	-	-	-	452	**452**	20	**472**
Total contributions by and distributions to owners	-	-	-	-	-	-	***452***	***452***	***20***	***472***
Changes in ownership interests in subsidiaries										
Movement in ownership interest while retaining control	-	-	-	-	-	-	(526)	**(526)**	-	**(526)**
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	***(526)***	***(526)***	-	***(526)***
Total transactions with owners	-	-	-	-	-		**(74)**	**(74)**	**20**	**(54)**
Balance at 31 March 2015	**51**	**8,247**	**(16,703)**	**(26,443)**	**43,405**	**30,128**	**71,504**	**110,189**	**2,423**	**112,612**

The notes on pages 6 to 22 are an integral part of this condensed consolidated interim financial report.

Cable Communications Systems N.V.
Condensed Consolidated Statement of Changes in Equity (unaudited)
for the three month period ended 31 March 2015
(all amounts are in thousand Eur, unless specified otherwise)

	Share capital	Share premium	Treasury shares	Translation reserve	Revaluation reserve	Fair value reserve	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2014	**51**	**8,247**	**(16,703)**	**(23,160)**	**55,688**	**21,567**	**71,397**	**117,087**	**3,396**	**120,483**
Comprehensive income for the period										
Net profit for the year							11,143	**11,143**	418	**11,561**
Other comprehensive income / (loss)				(6,896)	(4,123)		4,271	**(6,749)**	(280)	**(7,029)**
Total comprehensive income for the period/(loss)	**-**	**-**	**-**	**(6,896)**	**(4,123)**		**15,414**	**4,394**	**138**	**4,532**
Transactions with owners, recognized directly in equity										
Contributions by and distributions to owners										
Equity-settled share-based payment transactions							449	**449**	18	**466**
Total contributions by and distributions to owners	***-***	***-***	***-***	***-***	***-***	***-***	***449***	***449***	***18***	***466***
Changes in ownership interests in subsidiaries										
Movement in ownership interest while retaining control							(2,216)	***(2,216)***	***(292)***	***(2,508)***
Total changes in ownership interests in subsidiaries	***-***		***-***	***-***	***-***		***(2,216)***	***(2,216)***	***(292)***	***(2,508)***
Total transactions with owners	**-**		**-**	**-**	**-**		**(1,768)**	**(1,768)**	**(274)**	**(2,042)**
Balance at 31 March 2014	**51**	**8,247**	**(16,703)**	**(30,056)**	**51,565**	**21,567**	**85,044**	**119,714**	**3,260**	**122,973**

The notes on pages 6 to 22 are an integral part of this condensed consolidated interim financial report.

1. CORPORATE INFORMATION

Cable Communications Systems Group ("the Group" or "CCS Group") comprises Cable Communications Systems N.V., RCS&RDS S.A. and their subsidiaries.

The parent company of the Group is Cable Communications Systems N.V. ("CCS" or "the Company" or "the Parent"), a company incorporated in Netherlands. The main operations are carried by RCS&RDS S.A (Romania) ("RCS&RDS"), Digi T.S kft (Hungary), Digi Spain Telecom SLU, Digi Czech Republic S.R.O. and Digi Italy SL. CCS registered office is located in Amsterdam (1043 BW), Naritaweg 165, Telestone 8, The Netherlands.

RCS&RDS is a company incorporated in Romania and its registered office is located at Dr. Staicovici 75, Bucharest, Romania.

RCS&RDS was setup in 1994, under the name of Analog CATV, and initially started as a cable TV operator in several cities in Romania. In 1996 following a merger with a part of another cable operator (Kappa) the name of the company became Romania Cable Systems S.A. ("RCS").

In 1998 Romania Cable Systems S.A established a new subsidiary Romania Data Systems S.A. ("RDS") for the purposes of offering internet, data and fixed telephony services to the Romanian market.

In August 2005, Romania Cable Systems S.A. absorbed through merger its subsidiary Romania Data Systems S.A. and changed its name into RCS&RDS.

RCS&RDS evolved historically both by organic growth and by acquisition of telecommunication operators and customer relationships.

The Group provides telecommunication services of Cable TV (television), Fixed and Mobile Internet and Data, Fixed-line and Mobile Telephony ("CBT") and Direct to Home television ("DTH") services in Romania, Hungary, Czech Republic, Spain and Italy. The largest operating company of the Group is RCS&RDS.

The principal shareholder of the CCS is RCS Management ("RCSM") a company incorporated in Romania. The ultimate controlling shareholder of CCS and RCSM is Mr. Zoltan Teszari. CCS and RCSM have no operations, except for holding and financing activities, and their primary/ only asset is the ownership of RCS&RDS and respectively CCS.

The consolidated financial statements were authorized for issue by the Board of Directors of CCS on 12 June 2015.

2.1 BASIS OF PREPARATION

(a) Statement of compliance

This condensed consolidated interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2014. This condensed consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

(b) Judgements and estimates

Preparing the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

(all amounts are in thousand Eur, unless specified otherwise)

(b) Judgements and estimates

The assets and liabilities of the subsidiaries are translated into the presentation currency at the rate of exchange ruling at the reporting date (none of the functional currencies of the subsidiaries or the Parent is hyperinflationary for the reporting periods). The income and expenses of the Parent and of the subsidiaries are translated at transaction date exchange rates. The exchange differences arising on the retranslation from functional currency to presentation currency are taken directly to equity under translation reserve. On disposal of a foreign entity, accumulated exchange differences relating to it and previously recognized in equity as translation reserve are recognized in profit or loss as component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The following rates were applicable at various time periods according to the National Banks of Romania, Hungary and Czech Republic:

	2015			2014		
Currency	Jan – 1	Average for the 3 months	Mar – 31	Jan – 1	Average for the 3 months	Mar - 31
RON per 1EUR	4.4821	4.4509	4.4098	4.4847	4.5021	4.4553
HUF per 1EUR	314.89	308.96	299.14	296.91	308.03	307.06
CZK per 1EUR	27.73	27.62	27.53	27.43	27.44	27.44
USD per 1EUR	1.2141	1.1261	1.0759	1.3791	1.3696	1.3788

2.2. GOING CONCERN

Management believes that the Group will continue as a going concern for the foreseeable future. In recent years the Group operated in an environment of exchange rate volatility whereby the functional currencies (RON, HUF, etc.) fluctuated against the USD and EUR. The unfavourable evolution of the exchange rates has impacted the financial result. However it did not affect the operations of the Group. Despite these circumstances, the Group was able to mitigate the effects of the financial crisis that started globally in the second half of 2008 by readjusting its tariffs, maintaining its investment program and paying higher attention to the working capital management.

In the current year and recent years, the Group has managed to achieve consistently strong local currency revenue streams and cash flows from operating activities and has continued to grow the business. These results have been achieved during a period of significant investments in technological upgrades, new services and footprint expansion. The ability to offer multiple services is a central element of CCS Group strategy and helps the Group to attract new customers, to expand the uptake of service offerings within the existing customer base and to increase customer loyalty by offering high value-for-money package offerings of services and exclusive content.

For further information refer to Note 12b) Liquidity risk.

2.3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014.

(all amounts are in thousand Eur, unless specified otherwise)

3. SEGMENT REPORTING

31 Mar 2015	**Romania**	**Hungary**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Group**
Segment revenue and other income	125,773	30,974	15,839	4,753	-	-	**177,339**
Inter-segment revenues	392		250		(642)	-	**-**
Segment operating expenses	(84,670)	(18,727)	(13,954)	(4,571)	642	-	**(121,280)**
							-
EBITDA	**41,496**	**12,247**	**2,134**	**182**	**-**	**-**	**56,059**
Depreciation, amortization and impairment of tangible and intangible assets						(47,293)	**(47,293)**
Operating profit						-	**8,766**
Additions to tangible non-current assets	23,518	2,854	121	203	-	-	26,695
Additions to intangible non-current assets	3,950	231	743	101	-	-	5,025
Carrying amount of:							
Property, plant and equipment	547,978	105,523	798	617	-	-	**654,916**
Non-current intangible assets	144,853	54,738	3,951	613	-	-	**204,154**
Investments in associates and AFS	2,365	-	-	41,296	-	-	**43,661**

The types of products and services from which each segment derives its revenues are disclosed in Note 8.

(all amounts are in thousand Eur, unless specified otherwise)

31 March 2014	**Romania**	**Hungary**	**Spain**	**Other**	**Eliminations**	**Reconciling item**	**Group**
Segment revenue and other income	107,614	29,310	12,070	4,859	-	-	**153,853**
Inter-segment revenues	929	-	245	-	(1,174)	-	**-**
Segment operating expenses	(60,811)	(17,772)	(11,389)	(4,147)	1,174	-	**(92,946)**
EBITDA	**47,732**	**11,537**	**926**	**712**	**-**	**-**	**60,907**
Depreciation, amortization and impairment of tangible and intangible assets						(48,308)	**(48,308)**
One off transaction						8,332	**8,332**
Operating profit							**20,931**
Additions to tangible non-current assets	45,207	2,271	19	15	-	-	**47,511**
Additions to intangible non-current assets	6,758	71	468	343	-	-	**7,640**
Carrying amount of:							
Property, plant and equipment	525,077	109,384	256	258	-	-	**634,975**
Non-current intangible assets	146,034	22,644	2,292	846	-	-	**171,817**
Investments in associates and AFS	2,381	-	-	30,982	-	-	**33,363**

The types of products and services from which each segment derives its revenues are disclosed in Note 8

(all amounts are in thousand Eur, unless specified otherwise)

4. PROPERTY, PLANT AND EQUIPMENT (PPE)

Acquisitions and disposals

During the three month period ended 31 March 2015, the Group acquired property, plant and equipment with a cost of EUR 26,695 (31 March 2014: EUR 47,511). The acquisitions related mainly to cable plant - EUR 10,210 (three months ended 31 March 2014: EUR 24,476), customer premises equipment of EUR 6,925 (three months ended 31 March 2014: EUR 13,008), equipment and devices of EUR 4,797 (three months ended 31 March 2014: EUR 6,447), buildings and structures of EUR 3,680 (three months ended 31 March 2014: EUR 1,600) and vehicles of EUR 492 (three months ended 31 March 2014: EUR 526). Other new investments including solar energy projects were of EUR 172 (three months ended 31 March 2014: EUR 69).

Assets with a net book value of EUR 54 (31 March 2014: EUR 1,323) were disposed or transferred to inventory by the Group during the three month period ended 31 March 2015.

The reversal of deferred tax related to prior revaluation of PPE comes as a result of applying from 31 December 2014 the revaluation accounting treatment for statutory purposes thus eliminating the difference from IFRS.

5. NON-CURRENT INTANGIBLE ASSETS AND PROGRAMME ASSETS

Acquisitions

Non-current intangible assets
During the three month period ended 31 March 2015, the Group acquired non-current intangible assets with a cost of EUR 5,025 (31 March 2014: EUR 7,640) as follows:

- Software and licences in amount of EUR 1,516 (31 March 2014: EUR 1,658);
- Customer relationships by acquiring control in other companies in amount of EUR 2,101 (31 March 2014: EUR 2,885);
- Subscriber acquisition costs (“SAC”) in amount of EUR 1,409 (31 March 2014: EUR 540); SAC represents third party costs for acquiring and connecting customers of the Group;
- Goodwill, no business combination took place in the first three months of 2015, (31 March 2014: EUR 2,557).

Programme assets

During the three month period ended 31 March 2015, additions of programme assets in the amount of EUR 24,884 (31 March 2014: EUR 9,473) represent broadcasting rights for sports competitions for 2014/2015 season and related advance payments for future seasons, and also rights for movies and documentaries.

Goodwill

(i) Reconciliation of carrying amount
Cost

Balance at 1 January 2014	**80,554**
Additions from acquisition of subsidiaries	2,557
Effect of movement in exchange rates	(391)
Balance at 31 March 2014	**82,720**
Balance at 1 January 2015	**80,988**
Additions from acquisition of subsidiary	-
Effect of movement in exchange rates	(2,001)
Balance at 31 March 2015	**82,990**

(all amounts are in thousand Eur, unless specified otherwise)

(ii) Impairment testing of goodwill

Goodwill is not amortized, but is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying values may be impaired. There were no impairment indicators for the cash generating units to which goodwill was allocated as of 31 March 2015.

6. INTEREST-BEARING LOANS AND BORROWINGS

Included in Long term interest-bearing loans and borrowings are bonds EUR 436,779 (December 2014: EUR 436,410), bank loans EUR 209,979 (December 2014: EUR 210,270) and leasing EUR 6,264 (December 2014: EUR 6,052).

Included in Short term interest-bearing loans and borrowing are bank loans EUR 4,142 (December 2014: EUR 4,845), short portion of long term interest-bearing loans EUR 34,859 (December 2014: EUR 34,297), leasing obligations amounting to EUR 1,083 (December 2014: EUR 968), other short term debts of EUR 11 (December 2014: EUR 11) and interest payable amounting to EUR 14,063 (December 2013: EUR 5,625).

The movements in total Interest bearing loans and borrowings is presented in the table below:

	Carrying amount
Balance as of 1 January 2015	**698,478**
New drawings	
Proceeds from bank borrowings	78
Interest expense for the period	12,985
Repayment	
Payment of lease obligations	(247)
Repayment of borrowings	(1,013)
Current year interest paid	(3,600)
Effect of movements in exchange rates	499
Balance as of 31 March 2015	**707,180**

(all amounts are in thousand Eur, unless specified otherwise)

7. RELATED PARTY DISCLOSURES

		31 March 2015	31 December 2014
Receivables from Related Parties			
RCS Management S.A.	(i)	2	1
Ager Imobiliare S.R.L.	(ii)	659	651
Music Channel S.R.L.	(ii)	65	64
Digi Serbia	(ii)	189	189
Other		273	280
Total		**1,188**	**1,185**

		31 March 2015	31 December 2014
Payables to Related Parties			
Related parties-share options	(ii)	215	610
RCS-Management	(i)	3,423	4,683
Digi Serbia	(ii)	85	85
Mr. Teszari Zoltan	(iii)	561	559
Other		2,428	2,473
Total		**6,712**	**8,410**

(i) Shareholder of CCS
(ii) Entities affiliated to a shareholder of the parent
(iii) Ultimate beneficial shareholder

Compensation of key management personnel of the Group

	Three months ended 31 March 2015	Three months ended 31 March 2014
Short term employee benefits – salaries	474	155

Certain members of the management team (including key management personnel) benefit from a share based payment plan mandated by the shareholders of RCS&RDS. Total share options granted for the year 2015 of 1,025,000 are part of the remuneration received by key management personnel (31 March 2014: approximately 1,157,000), in addition to the salaries above.

(all amounts are in thousand Eur, unless specified otherwise)

8. REVENUES

Allocation of revenues through business lines and geographical areas is as follows:

	Three months ended 31 March 2015	**Three months ended 31 March 2014**
Revenues from continuing operations	**174,242**	**150,209**
Cable TV		
Romania	40,100	37,811
Hungary	8,990	8,525
	49,090	**46,336**
Internet and data		
Romania	43,214	39,717
Hungary	8,432	7,773
Spain	3,635	1,843
Italy	54	8
	55,335	**49,341**
Telephony Revenues		
Romania	17,348	13,292
Hungary	1,998	2,111
Spain	12,143	10,127
Italy	1,592	1,165
	33,081	**26,695**
DTH Revenue		
Romania	10,143	11,111
Hungary	7,502	7,680
	17,645	**18,791**
Other revenues		
Romania	14,967	5,682
Hungary	4,052	3,222
Spain	61	100
Italy	11	42
	19,091	**9,046**
Revenues from discontinued operations	**3,097**	**3,644**
DTH Revenue		
Czech Republic	3,084	3,620
	3,084	**3,620**
Other revenues		
Czech Republic	13	24
	13	**24**
Total revenues from continuing and discontinued operations	**177,339**	**153,853**

(all amounts are in thousand Eur, unless specified otherwise)

9. OPERATING EXPENSES

	Three months ended 31 March 2015	Three months ended 31 March 2014
Operating expenses from continuing operations	**166,389**	**138,727**
Depreciation of property, plant and equipment	28,943	30,944
Amortization of programme assets	12,747	13,335
Amortization of non-current intangible assets	5,594	3,841
Salaries and related taxes	27,266	23,807
Contribution to pension related fund	3,709	4,154
Programming expenses	15,895	13,662
Telephony expenses	22,842	12,631
Cost of goods sold	12,291	3,284
Rentals	10,732	8,840
Invoicing and collection expenses	3,268	2,862
Taxes and penalties	3,287	2,918
Utilities	3,148	3,352
Copyrights	2,046	1,989
Internet connection and related services	1,165	1,233
Impairment of receivables, net of reversals	2,596	1,183
Impairment of property, plant and equipment	(93)	15
Other expenses	10,952	10,678
Operating expenses from discontinued operations	***2,184***	***2,527***
Total operating expenses	**(168,573)**	**(141,254)**

10. NET FINANCE COSTS

	Three months ended 31 March 2015	Three months ended 31 March 2014
Financial revenues		
Interest from banks	15	22
Other financial revenues	7	140
	22	**162**
Financial expenses		
Interest expense	(12,985)	(12,278)
Net gain/(loss) on derivative financial instruments	(1,277)	(1,642)
Other financial expenses	(1,283)	(1,035)
	(15,545)	**(14,955)**
Foreign exchange differences (net)	7,899	7,308
Net Financial Expenses from continuing operations	**(7,624)**	**(7,485)**
Net Financial Expenses from discontinued operations	**(32)**	**(13)**
Net finance costs	**(7,656)**	**(7,498)**

11. ACQUISITIONS OF SUBSIDIARY

In first quarter of 2015 the Group did not acquire any subsidiary.

12. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from the use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk and interest rate risk).

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables from customers.
The carrying amount of trade and other receivables, net of impairment adjustment, and cash and cash equivalents represents the maximum amount exposed to credit risk. The Group has no significant concentrations of credit risk. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the allowance already recorded.

Cash and cash equivalents are placed in financial institutions, which are considered at time of deposit to have minimal risk of default.

(b) Liquidity risk

At 31 March 2015, the Group had net current liabilities of EUR 109,825 (31 December 2014: EUR 97,418).As a result of the volume and nature of the telecommunication business current liabilities exceed current assets. A large part of the current liabilities is generated by investment activities.
The Group's policy on liquidity is to maintain sufficient liquid resources to meet its obligations as they fall due and to keep the Group's leverage optimized. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and working capital, whilst considering future cash flows from operations. Management believes that there is no significant risk that the Group will encounter liquidity problems in the foreseeable future.

(c) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in other currencies than the functional currencies of the Company and each of its subsidiaries.

Management has set up a policy to manage the foreign exchange risk against the functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group uses forward/option contracts, transacted with local banks.

Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

(all amounts are in thousand Eur, unless specified otherwise)

13. SHARE-BASED PAYMENT

In 2015, 1,025,000 share options were granted to eligible employees under the share based payment plan. A quarter of the fair value equivalent of the share options has been accrued as of 31 March 2015 as management estimates that performance criteria will be met. The related share option expense for three months ended 31 March 2015 of EUR 472 (March 2014: EUR 466) has been recorded in the consolidated statement of comprehensive income in the line item Operating expenses, within Salaries and related taxes (refer to Note 7).

14. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 March 2015 the Group had derivative financial liabilities in amount of EUR 1,832 (31 December 2014: EUR 993) corresponding to a series of cross currency interest rate swaps amounting to the entire Proceeds Loan's value (EUR 450 million), all with a termination date of 23 September 2016.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	**Level 2**	**Level 3**	**Total**
31 March 2015				
Cross currency interest swap	-	-	(1,832)	(1,832)
Available for sale financial assets	-	-	41,296	41,296
Total	**-**	**-**	**39,464**	**39,464**

	Level 1	**Level 2**	**Level 3**	**Total**
31 December 2014				
Cross currency swap	-	-	(993)	(993)
Available for sale financial assets	-	-	41,296	41,296
Total	**-**	**-**	**40,303**	**40,303**

15. GENERAL COMMITMENTS AND CONTINGENCIES

(a) Contractual commitments

Commitments are presented on a discounted basis, using an interest rate of 3M LIBOR + 5% p.a., 3M EURIBOR + 5% p.a. or 3M ROBOR + 5% p.a.

The Group leases under operating leases several main types of assets:
- pillars for network support in Romania and Hungary in several rural areas for the Romanian and Hungarian fibre optics main ring;
- pillars for network support in Romania in several urban areas for “fibre to the block networks”;
- fibre optic line capacities in Hungary;
- commercial spaces for cash collection points in Romania and Hungary;
- office facilities in Romania, Hungary, Spain, Italy.

As at 31 March 2015, contractual commitments for capital expenditure amounted to approximately EUR 85,934 (31 December 2014: EUR 36,135) and contractual operating commitments amounted to approximately EUR 136,912 (31 December 2014: EUR 128,236), including operating leases.

In addition to the above, there are approximately another 590 operating lease contracts signed for a period of over 5 years, with an automatic renewal clause or for an indefinite term. The annual rent for these contracts is of maximum EUR 3.7 (quarterly rent of EUR 0.4).

(b) Letters of guarantee

As of 31 March 2015, there were bank letters of guarantee and letters of credit issued in amount of EUR 8,539 mostly in favour of content and satellite suppliers and for participation to tenders (31 December 2014: EUR 10,401).

(c) Legal proceedings

During the year, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in these financial statements.

Intact Media Group Litigation

In March 2011, the Intact Media Group initiated a series of lawsuits against us. Although we consider the Intact Media Group litigation to be, at least in a large part, abusive and vexatious, if these court claims are successful, they will generate significant adverse effects on our finances, management and business model.

a) The must carry related litigation

In March 2011, Antena Group (Intact Media Group) initiated three separate lawsuits in tort against us alleging that we illegally refused to carry its channels breaching, among other things, the Romanian must carry rules. They claim damages of approximately €100 million and have requested that the court impose other non-monetary remedies, such as requiring that we provide the Intact Media Group channels to our subscribers free of charge and in compliance with the highest technical standards.

In the first proceeding, Antena Group claims that we are bound by the must carry rules to provide Antena 1, the Intact Media Group’s lead channel, free of charge to our subscribers in a package that only contains must carry channels. Antena Group has requested injunctive relief which would require us to offer such a package to our subscribers (neither we nor any other Romanian distributor currently offers to its customers such a package) and has sought damages amounting to €65 million for our alleged breach of the must carry rules. The initial court case was split into two proceedings as Antena Group assigned its monetary claims related to this lawsuit to First Quality Debt Recovery.

The claim regarding the €65 million monetary damages was suspended until final settlement of both the claim for injunctive relief and a lawsuit we initiated challenging the effects of an arrangement regarding the assignment of receivables from Antena Group to First Quality Debt Recovery. On April 15, 2015, the Bucharest Tribunal partially admitted RCS&RDS' claim and annulled the assignment of receivables from Antena Group to First Quality Debt Recovery. We expect this decision to have a significant positive impact on RCS&RDS' defence against Antena Group's claim regarding the €65 million monetary damages. Please note that this decision is not final as it is subject of review if either party decides to challenge it.

In the case regarding the injunctive relief request, both the court of first instance and the court of appeals ruled in our favour and dismissed Antena Group's claims. However, in February 2014, the Romanian Supreme Court admitted the higher appeals filed by Antena Group and First Quality Debt Recovery and quashed the decisions issued by both the first instance and the appeal courts, ordering a retrial of the case by the first court. The decision of the Supreme Court does not confirm Antena Group's allegations on the merits of the case, as the retrial was ordered solely based on procedural reasons. The case remains to be resettled by the Bucharest Tribunal; the next hearing is scheduled for 15 June 2015.

Separately, Antena Group has also filed two lawsuits claiming (i) monetary damages of approximately €35 million consisting of loss of revenue due to our temporary refusal to carry the tv channels GSP TV and Antena 2 which allegedly breached, among other things, the must carry rules; and (ii) injunctive relief that would require us to provide the disputed channels to our customers in compliance with the highest technical standards. Approximately €24 million out of these claims are related to our refusal to carry GSP TV, while the remaining €11 million is related to our refusal to carry Antena 2. Because Antena Group assigned to First Quality Debt Recovery the claims regarding the €35 million monetary damages as well, First Quality Debt Recovery became involved in these proceedings. Consequently, the court split both the GSP TV and the Antena 2 lawsuits into two: in each case, the monetary claim formed one lawsuit and the claim for injunctive relief another one. At our request, both the GSP TV and the Antena 2 claims for monetary damages were suspended until the final settlement of the lawsuit we initiated for challenging the effects of the assignment of receivables from Antena Group to First Quality Debt Recovery.

The case regarding the injunctive relief sought in relation to the GSP TV channel was settled irrevocable in favour of Antena Group, the court ordering us to include the channel in our network in compliance with several technical requirements. However, we have been carrying the channel as of January 2012 and therefore the decision did not impact our network.

The case regarding the injunctive relief sought in respect to Antena 2 was settled in March 2014 by the Bucharest Tribunal in our favour; Antena Group's claims were rejected in their entirety. Antena Group appealed the decision, but the appeal was rejected in October 2014. Antena Group filed a higher appeal against the appeal decision and the High Court of Cassation and Justice ordered a retrial of the appeal by the Bucharest Court of Appeal. The first hearing in the retrial of the appeal has not been established yet.

At the end of 2014, Antena Group initiated two new lawsuits requesting damages in relation to the carriage of GSP TV and Antena 2. The claims are almost identical to the ones regarding the same channels and assigned to First Quality Debt Recovery in 2012, except for the much lower amounts requested, specifically RON 500,000 in relation to GSP TV and RON 250,000 in relation to Antena 2. The lawsuit regarding the GSP TV channel is suspended since February 2015 until the final settlement of two separate files: (i) the injunctive relief case initiated in relation to this program and (ii) the trial initiated by RCS & RDS to challenge the effects of the assignment of receivables from Antena Group to First Quality Debt Recovery. In the lawsuit regarding Antena 2, the court decided on 13 May 2015 to join this case with to the initial € 11 million trial regarding the same tv channel and subsequently set a new hearing for 18 June 2015.

We have also challenged, but failed to overturn in court a number of NAC decisions on must carry rules and, particularly, a decision finding that we breached the obligation to provide certain must carry channels to our customers (including GSP TV). This adverse decision could be used in the monetary claims of Antena Group against us in relation to the alleged breach of the must carry rules with respect to GSP TV (such claims being approximately €24 million).

Antena Group has not yet provided any objective criteria for the determination of their claims in damages. However, there is a risk that we could be found liable for substantial sums. Moreover, should Antena Group be successful in all or part of its non-monetary claims, we may be forced to change our business model of providing must carry channels to our customers as we would be forced to provide separate, free of charge packages containing only the must carry channels. This litigation is relevant only to our cable television distribution and would not affect our DTH distribution since DTH distribution is as per current regulations expressly exempt from the must carry rules.

b) Litigation on grounds of an alleged abuse of dominant position

In July 2014, two companies of the Intact Media Group (Antena Group and Antena 3) filed another claim against RCS&RDS requesting the court to ascertain that RCS & RDS abused its dominant position by its alleged refusal to negotiate and conclude an agreement for the remunerated carriage of Antena Group channels, should Antena Group eventually choose to waive the must carry regime currently applicable to all Intact Media Group's TV channels. The claimants also requested the court to order RCS & RDS to negotiate with Antena Group in view of concluding a pay-tv based agreement under terms similar to the ones agreed by us with Pro TV S.A.

We requested the court to reject the claim as RCS&RDS's behaviour is neither abusively discriminatory nor an abusive refusal to deal. We are mainly arguing that: (i) the claimants didn't initiate good-faith negotiations, as their channels are still under must-carry regime and they didn't even issued an offer to begin with; (ii) the alleged refusal to negotiate would be justified by the abusive past conduct of the claimant; (iii) the negotiations requested by Intact Media Group are not comparable to the ones with Pro TV S.A., given the different market conditions at the moment of the negotiations and the different legal status of the TV channels of the two groups; and (iv) the conditions required by antitrust legislation are not met (e.g., the claimants are not risking exiting the market).

In March 2015, RCS & RDS requested the court to stay the proceedings until the final settlement of four other trials that may serve as a justification for the alleged refusal to negotiate with Antena Group and Antena 3. The court decided on April 14, 2015 in favour of RCS&RDS' request and suspended the trial until final settlement of other judicial disputes between the parties. This decision is not final and is subject to superior judicial review.

If, in this litigation, the Court finally rules in favour of the plaintiffs, we risk to be forced to conclude the carriage agreement for Intact Media Group's channels on similar financial conditions to those agreed with Pro TV S.A. An unfavourable decision could also be used as argument by other broadcasters to claim similar conditions.

Litigation between the Cluj Napoca Municipality and CFO Integrator S.R.L. (RCS&RDS's subsidiary)

In March 2015, the Cluj Napoca Municipality filed a claim against CFO Integrator S.R.L. (a company that has been taken over by RCS&RDS starting March 2014) asking for approx. RON 3.5 million as penalties for the late payment by CFO Integrator S.R.L. during 2010-2014 of the outstanding annual royalty due by CFO Integrator S.R.L. to the Cluj Napoca Municipality under the ongoing joint venture agreement on the development and management of the electronic communications infrastructure Ductcity in Cluj Napoca. The Cluj Napoca Municipality's abusive allegations for payment are grounded on several legal and local regulatory provisions that we consider not to be applicable to the joint venture agreement in place between the parties and ignores the fact that CFO Integrator S.R.L. paid in May 2014 all outstanding debts towards Cluj Napoca Municipality, including all applicable penalties for late payment as computed according to the terms of the joint venture agreement (total penalties amounting to approx. RON 220,000).

CFO Integrator S.R.L. submitted its statement of defence on April 4, 2015. The first hearing in front of the Cluj Napoca Tribunal is scheduled for July 3, 2015.

Should the court rule in whole or in part in favour of the Cluj Napoca Municipality, this approach would risk granting the Cluj Napoca Municipality excessive powers under the joint venture agreement (in place until 2028) and expose CFO Integrator S.R.L. to a greater liability towards the Cluj Napoca Municipality.

Romanian Competition Council Investigations

RCS&RDS is subject to two investigations by the Competition Council. An investigation by the Romanian Competition Council could take up to several years. If RCS&RDS is found to have committed breaches of competition law, sanctions could include fines of up to 10% of RCS&RDS total turnover for each individual violation as well as cancellation of contracts or rights which contravene applicable legislation.

Due to the fact that the investigations are in progress and no preliminary reports were issued by the Competition Council, RCS&RDS was not able to quantify the risks related to these investigations, but management does not believe RCS&RDS has committed any violations of competition law and would challenge any ruling that would be made against RCS&RDS.

Telecommunications market interconnection investigation

In May 2010, we made a complaint to the Romanian Competition Council in relation to the interconnection tariffs applied on the Romanian telecommunications market, seeking to obtain a reduction in the tariffs charged by our competitors.

In February 2011, the Romanian Competition Council opened an investigation on the telecommunications market related to interconnection tariffs charged by all telecommunications operators. We believe this investigation was launched with the aim of reducing the relatively high interconnection tariffs charged on the Romanian market and thereby reducing the rates ultimately charged to consumers. We are fully cooperating with the Romanian Competition Council in this investigation. Immediately after the triggering of this investigation, we offered commitments to charge a tariff for call termination into our mobile telephony network of 1.00 eurocent per minute, irrespective of the tariffs charged by the other operators (at the start date of the investigation the regulated interconnection tariff was of 3.07 eurocent per minute).

During the course of the investigation, in April 2013 ANCOM lowered the level of the interconnection tariff at 0.96 eurocent per minute. In light of this change, the Romanian Competition Council refocused the scope of the antitrust investigation from the initial target of lowering the wholesale interconnection tariffs to ensuring that no discrimination will be further made at the retail level by the operators between in-network calls versus out-of-network calls. RCS&RDS offered to undertake new commitments able to respond to this new antitrust concern. After submitting in July 2013 a first set of commitments that – although being principally accepted by the Romanian Competition Council and by the market – have not been endorsed by the European Commission, at the Romanian Competition Council's request, we offered in October 2014 a second commitment consisting in the principle undertaking not to discriminate between the level of the tariffs charged for the on-net and the off-net calls. This new commitment – that has been undertaken by the other mobile telephony operators as well – has been submitted to public consultation in November 2014. Following the considerations submitted by third parties during the public consultation, we have carried out several discussions with the Romanian Competition Council and have transmitted several updates and clarifications. The latest commitment submitted by RCS&RDS is currently pending the Romanian Competition Council's final approval. If accepted, we will need to implement this commitment for 2 years.

The offering of commitments does not imply any admission of wrongdoing. We expect that the competition authority will issue a final decision accepting our commitments and close the investigation without applying any fines for the alleged anticompetitive conduct.

GSP investigation

In May 2011, Antena TV Group S.A., a leading media group in Romania and a former commercial partner of RCS&RDS, made a complaint to the Romanian Competition Council based on our refusal to retransmit one of the group's channels, GSP TV. The Romanian Competition Council opened an investigation against us in relation to this matter in August 2011. We have fully cooperated with the authority during this investigation and although considering the demands of Antena TV Group S.A. to be abusive and groundless, we have retransmitted GSP TV following injunctive relief Antena TV Group S.A. has obtained against us on grounds that starting July 2011 GSP TV has become a must-carry channel.

The Romanian Competition Council issued its final decision on March 3, 2015. The antitrust authority's decision amounted to the conclusion that RCS&RDS' refusal to negotiate the carriage of GSP TV channel is not abusive and that it does not amount to a competition law infringement. The Romanian Competition Council additionally considered that such refusal was justified by the existence of multiple judicial disputes between the parties, including with respect to the application and meaning of the must-carry regime.
By reference to RCS&RDS' market power, the decision also issued a formal recommendation for RCS&RDS to set, publish and to apply its own general terms in relation to broadcasters' request for the conclusion of a carriage agreement. We believe that there are no grounds for this recommendation given the features and dynamics of the TV carriage market. Additionally, this recommendation is impractical if not impossible to implement.

Although the recommendation is not mandatory and the refusal by RCS&RDS to implement such recommendation is not, in itself, able to lead to financial penalties, RCS&RDS challenged this recommendation in court (on April 10, 2015) given the impossibility for RCS&RDS to follow such recommendation given the existing features of the tv carriage market.

(all amounts are in thousand Eur, unless specified otherwise)

The first hearing for the challenge filed by RCS&RDS is scheduled for 18 June 2015.
As per public available information, the Competition Council's decision was equally challenged by Antena TV Group S.A. (on April 10, 2015). The first hearing term in the challenge of Antena TV Group S.A. was scheduled for 6 October 2015.
Please note that the Competition Council's decision rejecting Antena TV Group S.A.'s complaint against RCS&RDS is not final and may be overturned in court.

17. SUBSEQUENT EVENTS

Alexandru Oprea, has resigned from the position of CEO of RCS&RDS starting with April 14, 2015. The new CEO appointed on May 4, 2015 in the General Shareholders' Meeting is Serghei Bulgac.

On April 21, 2015 the Group completed the sale of the subsidiary in the Czech Republic. At closing was received €25.4 million and it is expected to incur transaction related costs of €1.1 million before the end of 2016.

The assets and liabilities as of 31 March 2015 of the Czech subsidiary are presented as Assets held for sale and Liabilities held for sale in the statement of financial position. Major classes of assets and liabilities held for sale are presented below:

	31 March 2015
Property, plant and equipment	480
Inventories	313
Trade receivables	639
Other assets	69
Total assets held for sale	**1,501**
Trade and other payables	(1,444)
Income tax payable	452
Deferred revenues	(31)
Deferred tax liabilities	0
Total liabilities held for sale	**(1,023)**

On May 22, 2015 the Group refinanced the 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 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 December 22, 2014 the Group 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.

(all amounts are in thousand Eur, unless specified otherwise)

18. EBITDA

In the telecommunications industry the benchmark for measuring profitability is EBITDA (earnings before interest, taxes, depreciation and amortization). EBITDA is a non-IFRS accounting measure.

For the purposes of disclosure in these notes, EBITDA is the consolidated operating profit/ (loss) of the Group before taking into account:

- any interest expenses and other financing charges,
- income tax or interest income and other financing revenues,
- add back charges for depreciation, amortization and impairment of assets
- extraordinary and one off items.

In years where there are extraordinary and one off items, EBITDA is referred to as "Adjusted EBITDA".

	Three month period ended 31 March 2015	**Three month period ended 31 March 2014**
Revenues and other income	**177,339**	**153,853**
EBITDA		
Operating profit	8,766	20,931
Depreciation, amortization and impairment	47,293	48,308
One off transactions		8,332
EBITDA/Adjusted EBITDA	**56,059**	**60,907**
EBITDA/Adjusted EBITDA (%)	*31.61%*	*39.59%*

For breakdown of depreciation, amortization and impairment refer to Note 9.