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FOR IMMEDIATE RELEASE

Bucharest, 11 April 2017

DIGI COMMUNICATIONS ("DIGI") ANNOUNCES INTENTION TO FLOAT ON THE BUCHAREST STOCK EXCHANGE

DIGI, a leading provider of telecommunication services in Romania and Hungary, today announces its intention to launch an initial public offering (the "IPO" or the "Offering") of class B ordinary shares to (i) the public, in Romania, and (ii) qualified international institutional and professional investors (together, the "Offer"). DIGI intends to apply for admission of the Offer Shares to trading on the Regulated Spot Market of the Bucharest Stock Exchange ("Admission") in May 2017.

KEY HIGHLIGHTS (as at 31st December 2016)

- **Diversified portfolio of complimentary media and telecommunications services**
 - Strong brand recognition amongst Romanian and Hungarian consumers
 - Five core services: cable TV, fixed internet and data, mobile telecommunication services, fixed-line telephony and direct to home ("DTH") television
 - Offering multiple services enhances the Company's ability to expand the uptake of our services to our existing customer base and increases customer loyalty
 - DIGI also provides mobile telecommunication services as an MVNO to the large Romanian communities in Spain and Italy
- **Leverages the strength of its advanced infrastructure and cutting edge fibre optic networks in core markets to deliver reliable coverage to DIGI customers**
 - DIGI's fixed fibre-optic networks in Romania and Hungary cover approximately 62% and 24%, respectively, of households in those countries
 - 3G and 4G mobile telecommunication services in Romania cover approximately 98% and 37% of the population, respectively
 - DIGI is the pay TV leader in Romania with an approximate 49% share of the Romanian pay TV services market and is third in Hungary, with an approximate 25% share, in terms of RGUs
- **Robust financial performance**
 - DIGI has consistently generated strong revenue streams and robust adjusted EBITDA since 2014

- In 2016, DIGI generated €842.8 million of revenue and adjusted EBITDA and adjusted EBITDA margins of €263.3 million and 31.2%, respectively, representing a CAGR for continuing operations of 8% from 2014 to 2016
- **Highly experienced Management Team**
 - The senior management team is made up of professionals who have, on average, more than 10 years of experience in the telecommunication industry and the Company
- **Attractive local industry dynamics, with stable structural growth**
 - Romanian GDP (real) is expected to grow at a CAGR of 3.7% from 2015 to 2018 versus an expected CAGR of 1.6% for the European Union (source: Eurostat)

SUMMARY OF THE OFFER

- The IPO will comprise an Offer of class B ordinary shares by existing shareholders. The Company will not receive any proceeds from the offering
- The Company also has Class A ordinary shares which are issued but which are not part of the Offer and which will not be admitted to trading
- Each class B share confers one vote and each class A share confers 10 votes. The class B shares will have the same dividend rights to the class A shares.
- The proposed Offering, if made, will consist of an Offer to (i) the public, in Romania, and (ii) qualified international institutional and professional investors and admission of the Offer Shares to trading on the Regulated Spot Market of the Bucharest Stock Exchange
- The Company intends to target a free float of at least 25% of the Company's issued share capital, assuming exercise of the 10% over-allotment option, immediately following Admission
- Citigroup and Deutsche Bank are acting as the Joint Global Co-ordinators and together with BT Capital Partners S.A., Raiffeisen Bank S.A., Société Générale S.A./BRD – Groupe Société Générale S.A. and Wood & Company Financial Services, a.s. acting as Joint Bookrunners on the Offering
- Full details of the Offering will be included in the Prospectus, expected to be published in due course by the Company following the approval of the Prospectus by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
- It is expected that Admission will be completed in May 2017

Commenting on DIGI's IPO, Serghei Bulgac, CEO of RCS & RDS S.A., the Group's largest operating company and future CEO of DIGI, said "Today marks a historic moment for DIGI Communications and the wider Romanian economy. As one of the leading providers of telecommunications services in Romania and Hungary, our intention to float on the Bucharest Stock Exchange is an exciting opportunity for the Romanian public and would be a proud achievement for us. By investing in DIGI, investors gain access to an attractive industry leader, with stable structural growth. Investors will benefit from our management team's expertise and brand recognition in our chosen markets and customer segments. The Board is proud to support this stage of our development and looks forward to working with future shareholders as a publicly listed company."

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OVERVIEW

Leading market position in Romania

We are a leading provider of telecommunication services in Romania and Hungary based on number of revenue generating units ("RGUs").

For the year ended December 31, 2016 our Romanian operations accounted for €612.7 million, or 72.7%, of our total revenue; our Hungarian operations accounted for €137.9 million, or 16.4%, of our total revenue; our Spanish operations accounted for €83.0 million, or 9.9%, of our total revenue; and

our Italian operations accounted for €9.2 million, or 1.1%, of our total revenue. Although in the past we had operations in other Eastern European countries, all such operations were successfully disposed of in 2013 and 2015. Apart from our targeted MVNO operations in Spain and Italy, we currently focus exclusively on our core markets. As a result, the combination of our fixed-line, satellite and mobile capabilities in Romania and Hungary and our deep local expertise makes us a European leader in geographically focused telecommunication solutions.

We have grown mainly organically from approximately 0.7 million RGUs at December 31, 2002 to approximately 12.4 million RGUs as at December 31, 2016, during which period we have developed from a cable TV provider to a provider of multiple-play services, including cable TV, fixed internet and data, mobile telecommunication services, fixed-line telephony and DTH television services. At December 31, 2016, we had a total of approximately 12.4 million RGUs, of which approximately 3.3 million were cable TV RGUs, approximately 2.5 million were fixed internet and data RGUs, approximately 3.9 million were mobile telecommunication services RGUs, approximately 1.7 million were fixed-line telephony RGUs and approximately 0.9 million were DTH RGUs.

We have consistently generated strong revenue streams. We generated €661.6 million, €750.1 million and €842.8 million of revenue in the years ended December 31, 2014, 2015 and 2016, respectively, representing a compound annual growth rate (“CAGR”) for continuing operations of 14% from 2014 to 2016. In recent years we invested heavily in the development of our mobile business in Romania. Therefore, our adjusted earnings before interest, tax, depreciation and amortization (“EBITDA”) and adjusted EBITDA margins for continuing operations remained relatively stable from €226.9 million and 35.0%, respectively, for the year ended December 31, 2014 to €237.5 million and 31.8%, respectively, for the year ended December 31, 2015. We have reported an adjusted EBITDA and adjusted EBITDA margin for continuing operations of €263.3 million and 31.2%, respectively, for the year ended December 31, 2016, representing a CAGR for continuing operations of 8% from 2014 to 2016.

We offer five principal types of service:

Cable TV is our original line of business. As at December 31, 2016, we had approximately 2.9 million Romanian RGUs and approximately 473,000 Hungarian RGUs for cable TV services. Cable TV services accounted for 25.7% of our revenue in the year ended December 31, 2016. As at December 31, 2016, our cable TV services, together with our DTH services, had a share of approximately 49.0% and approximately 25.1% in the Romanian and Hungarian pay TV markets, respectively (Sources: Group and peer reports, ANCOM, Hungarian National Media and Infocommunications Authority (“NMIAH”)).

Our **fixed internet and data** services are primarily offered through our FTTB/FTTH networks using GPON or comparable technology in Romania and Hungary. As at December 31, 2016, we had approximately 2.1 million fixed internet and data RGUs in Romania and approximately 428,000 RGUs in Hungary. Fixed internet and data services accounted for 23.9% of our revenue in the year ended December 31, 2016. As at December 31, 2016, our fixed internet and data services had a market share of approximately 48.6% and approximately 15.8% in Romania and Hungary, respectively (Sources: Group and peer reports, ANCOM, NMIAH).

We provide **mobile telecommunication services** using our 3G and 4G networks in Romania, and as an MVNO targeted at the Romanian communities in Spain and Italy. As at December 31, 2016, we had approximately 3.2 million mobile telecommunication services RGUs in Romania, approximately 14,000 RGUs in Hungary (where we offer mobile internet and data services as a reseller through Telenor’s network), approximately 609,000 RGUs in Spain and approximately 86,000 RGUs in Italy. Mobile telecommunication services accounted for 25.5% of our revenue in the year ended December 31, 2016. As at December 31, 2016, our mobile telecommunication services had a market share of approximately 11.6% in Romania and relatively small shares in the Hungarian, Spanish and Italian markets (Sources: Group and peer reports, ANCOM).

We offer **fixed-line telephony** services through our networks in Romania and Hungary. As at December 31, 2016, we had approximately 1.3 million Romanian fixed-line telephony RGUs and approximately 353,000 Hungarian fixed-line telephony RGUs. Fixed-line telephony services accounted for 3.8% of our revenue in the year ended December 31, 2016. As at December 31, 2016, our fixed-

line telephony services had a market share of approximately 31.7% and approximately 11.6% in Romania and Hungary, respectively (Sources: Group and peer reports, ANCOM, NMIAH).

Our **DTH satellite television** services are offered in Romania and Hungary. As at December 31, 2016, we had approximately 641,000 DTH RGUs in Romania and approximately 307,000 DTH RGUs in Hungary. DTH services accounted for 8.3% of our revenue in the year ended December 31, 2016.

COMPETITIVE STRENGTHS

We consider our key strengths to include the following:

- Attractive local markets with stable structural growth.
- Market leadership in core business lines and robust RGU growth.
- Advanced infrastructure, including nationwide fiber networks in Romania and Hungary and the fastest growing, in terms of RGUs, mobile network in Romania.
- Leading commercial proposition for customers.
- Robust financial performance.
- Highly experienced management team.

STRATEGY

Our mission is to provide our customers with high-quality telecommunications services at competitive prices. Specific components of our strategy include the following:

- Continue to leverage our advanced fixed fiber network, offering high-quality service while maintaining competitive prices.
- Expand our mobile network in our core geographic segments and grow our mobile communication services business line.
- Focus on core Romanian and Hungarian markets and expand market share.
- Continue to grow our RGU base through product cross-selling and increased penetration of our services, while managing customer churn. We may also seek to grow through opportunistic acquisitions.
- Offer premium and/or exclusive content to increase the attractiveness of our product offerings.

AREAS OF OPERATIONS

We operate in Romania, Hungary, Spain and Italy. The scope of our services offered in each country varies from country to country.

The table below shows the business lines available in each of our geographic segments:

	Cable TV	Fixed Internet and Data	Mobile Telecommunication services	Fixed-line Telephony	DTH
Romania	✓	✓	✓	✓	✓
Hungary	✓	✓	✓ (1)	✓	✓
Spain			✓ (2)		

	Cable TV	Fixed Internet and Data	Mobile Telecommunication services	Fixed-line Telephony	DTH
Italy			✓ ⁽²⁾		

- (1) Data only, as a reseller.
(2) As an MVNO

Our core geographic segments are Romania and Hungary.

DISCLAIMER:

The contents of this announcement have been prepared by and are the sole responsibility of DIGI.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

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In member states of the European Economic Area ("EEA") (each, a "Relevant Member State"), this announcement is directed only at persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive, as defined below, ("Qualified Investors"). For these purposes, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The information contained herein does not constitute an offer of securities to the public in the United Kingdom. No prospectus offering securities to the public will be published in the United Kingdom. In the United Kingdom this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated, and any investment activity to which it relates will only be engaged in with such persons and it should not be relied on by anyone other than such persons.

This announcement does not constitute an advertisement for the purposes of article 11 of the Romanian Law no 24/2017 on issuers of financial instruments and market operations.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

The Company expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any purchase of Offer Shares in the proposed Offer should be made solely on the basis of the information contained in the Prospectus prepared pursuant to the Prospectus Directive and approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*), which will be published in due course and, when published, can be obtained from the Company and other places indicated in the Prospectus. The information in this announcement is subject to change. Before subscribing for or purchasing any Offer Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus when published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Offer Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The date of the Admission may be influenced by things such as market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on the Company’s intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offer for the person concerned.

None of Citigroup, Deutsche Bank, Société Générale S.A./BRD — Groupe Société Générale S.A., Raiffeisen Bank S.A., WOOD & Company Financial Services, a.s. and BT Capital Partners or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

Each of Citigroup, Deutsche Bank, Société Générale S.A./BRD — Groupe Société Générale S.A., Raiffeisen Bank S.A., WOOD & Company Financial Services, a.s. and BT Capital Partners is acting exclusively for DIGI and certain of the existing shareholders and no-one else in connection with the Offer. They will not regard any other person as their respective clients in relation to the Offer and will not be responsible to anyone other than DIGI and certain of the existing shareholders for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, each of Citigroup, Deutsche Bank, Société Générale S.A./BRD — Groupe Société Générale S.A., Raiffeisen Bank S.A., WOOD & Company Financial Services, a.s. and BT Capital Partners and any of their respective affiliates, may take up a portion of the Offer Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other securities of DIGI or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Offer Shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of Citigroup, Deutsche Bank, Société Générale S.A./BRD — Groupe Société Générale S.A., Raiffeisen Bank S.A., WOOD & Company Financial Services, a.s. and BT Capital Partners and any of their respective affiliates acting in such capacity. In addition, Citigroup, Deutsche Bank, Société Générale S.A./BRD — Groupe Société Générale S.A., Raiffeisen Bank S.A., WOOD & Company Financial Services, a.s. and BT Capital Partners may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Offer Shares. None of Citigroup, Deutsche Bank, Société Générale S.A./BRD — Groupe Société Générale S.A., Raiffeisen Bank S.A., WOOD & Company Financial Services, a.s. and BT Capital Partners nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so. In connection with the Offer, a stabilizing manager will be appointed and it, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Offer Shares or effect other transactions with a view to supporting the market price of the Offer Shares at a higher level than that which might otherwise prevail in the open market. The stabilizing manager is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of trading of the Offer Shares on the Regulated Spot Market of the Bucharest Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilizing manager or any of its agents to effect stabilizing transactions and there is no assurance that stabilizing transactions will be undertaken. Such stabilizing measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilize the market price of the Offer Shares above the offer price. Save as required by law or regulation, neither the stabilizing manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilization transactions conducted in relation to the Offer.

In connection with the Offer, the stabilizing manager, may, for stabilization purposes, over-allot Offer Shares up to a maximum of 10% of the total number of Offer Shares comprised in the Offer. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Offer Shares effected by it during the stabilization period, the stabilizing manager will enter into over-allotment arrangements pursuant to which it may purchase or procure purchasers for additional Offer Shares up to a maximum of 10% of the total number of Offer Shares comprised in the Offer (the "Over-allotment Shares") at the offer price. The over-allotment arrangements will be exercisable in whole or in part, upon notice by the stabilizing manager, at any time on or before the 30th calendar day after the commencement of trading of the Offer Shares on the Regulated Spot Market of the Bucharest Stock Exchange. Any Over-allotment Shares made available pursuant to the over-allotment arrangements, including for all dividends and other distributions declared, made or paid on the Offer Shares, will be purchased on the same terms and conditions as the Offer Shares being sold in the Offer and will form a single class for all purposes with the other Offer Shares.

Unless otherwise indicated, market, industry, market share and competitive position data are estimates (and accordingly, approximate) and should be treated with caution. Such information has not been audited or independently verified, nor has the Company ascertained the underlying economic assumptions relied upon therein.

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