



Investor presentation
for the three months ended June 30, 2016

Cable Communications Systems (CCS)

Parent Company of
RCS & RDS

September 1, 2016

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Group overview



Romania



Hungary



Spain & Italy

Total

	3 months ended June 30, 2016	6 months ended June 30, 2016	3 months ended June 30, 2016	6 months ended June 30, 2016	3 months ended June 30, 2016	6 months ended June 30, 2016	3 months ended June 30, 2016	6 months ended June 30, 2016
Revenues ²	€149.0 m	€294.0 m	€33.3 m	€66.2 m	€24.1 m	€46.7 m	€205.3 m	€405.2 m
EBITDA	€49.6 m	€98.0 m	€13.3 m	€26.6 m	€2.7 m	€5.1 m	€65.7 m	€129.7 m
EBITDA margin ¹	33.3%	33.3%	40.1%	40.2%	11.2%	10.9%	32.0%	32.0%
Service offering / market position / RGUs June 30, 2016A ('000s)								
CATV	#1 / 2,782		#3 / 460		-			3,242
Fixed internet and data	#1 / 2,039		#3 / 407		-			2,446
Fixed-line telephony	#2 / 1,379		#4 / 340		-			1,719
Mobile telecommunications services	#4 / 2,950		15		668			3,633
DTH	#2 / 657		#1 / 322		-			979
Total RGUs								12,019

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

Business

- **April 2016:** On 29 April 2016 we repaid the second principal installment from the 2015 Senior Facility, in amount of RON 110 million (EUR 24.6 million equivalent).
- **May 2016:** We won four 5 MHz frequency blocks in the 3800 MHz spectrum in Hungary, for a consideration of HUF 248 million (EUR 0.8 million equivalent).
- **August 2016:** We have signed a new back-stop facility for RON 135 million (aprox EUR 30 million equivalent) from a banking syndicate arranged by Citibank, London branch and BRD-Groupe Societe Generale.



Recent Developments

Business (cont')

- The Group reviews its debt position and funding requirements on an ongoing basis. Although the EUR450,000,000 7.50% Senior Secured Notes issued by Cable Communications Systems N.V. and guaranteed by RCS&RDS S.A. do not mature until 2020, the Group monitors market conditions to assess when refinancing options may be available and seeks to be prepared to refinance promptly should an opportunity arise in the future. Furthermore, the Company continues to consider a number of strategic options going forward, including an initial public offering.

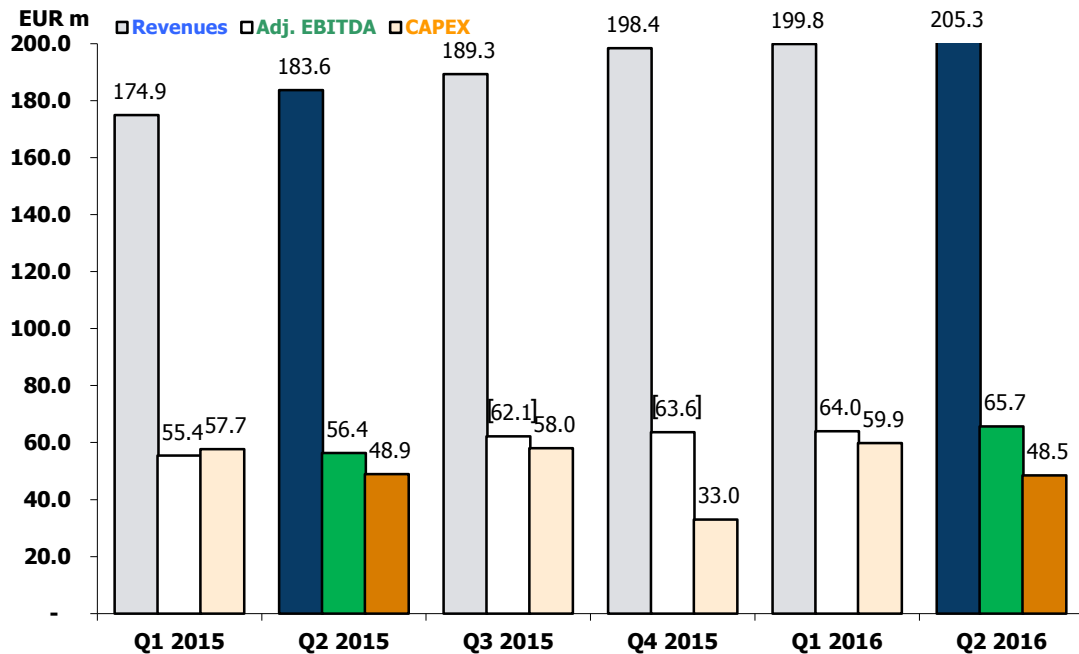
Legislative

- Several changes to the Romanian tax legislation were enacted by the Romanian Parliament in 2015 and entered into force starting January 2016. Some of the changes are:
 - VAT progressively decreased from 24% to 20% starting January 2016 and to 19% starting January 2017
 - The tax on special constructions (including networks) will be discontinued starting with January 2017.



Financial highlights

Results from continuing operations**



Adj EBITDA - CAPEX

(2.3)

7.4

4.1

30.6

4.2

17.1

Source: Company data

* 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.

** Czech Republic data excluded from Q1 2015-Q4 2015

- **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 EBITDA*** value was higher in Q2 2016 compared to Q2 2015, as a result of increase in Adj EBITDA in Romania, Spain and Hungary
- Adj EBITDA margin increased in Q2 2016 compared to Q2 2015 primarily due to catch up of our mobile telephony business and related sales of handsets in Romania, and advertising sales
- **CAPEX** for Q2 2016 was EUR 48.5 million, slightly lower than in Q2 2015 (EUR 48.9 million).



Highlights Romania – Revenue and Adj EBITDA

Results of Operations¹

Results of Operations	For the three months ended June 30,			For the six months ended June 30,		
	2015	2016	% change	2015	2016	% change
	(euro in millions)			(euro in millions)		
Revenues	132.5	149.0	12.5%	259.4	294.0	13.3%
Adjusted EBITDA	41.3	49.6	20.1%	83.1	98.0	17.9%
Margin %	31.1%	33.3%		32.0%	33.3%	
Revenues ⁽¹⁾ in constant currency	132.5	150.2	13.4%	259.4	296.2	14.2%

Revenue growth of 12.5% in Q2 2016 (13.4% in constant currency terms) was driven by growth in our mobile telephony business (including the related equipment sales), increase in our cable TV and fixed internet RGUs.

EBITDA margin has increased mainly as a result of mobile telephony catch-up and related handsets sales, as well as advertising sales.

Constant currency figures use Q2 2015 average exchange rate of 4.44 RON/EUR (vs. 4.50 RON/EUR for Q2 2016)

* 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 Q2 2015 were restated accordingly. The net impact of the restatement in Q2 2015 is a decrease of EUR 1.9 million for EBITDA.

Notes:

¹ Figures include Intersegment revenues



Highlights Romania - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended June 30,		Net Additions	
	2015	2016	Last 12 months	Last 3 months
Cable TV	2,659	2,782	123	30
Fixed internet and data	1,898	2,039	141	26
Fixed-line telephony	1,443	1,379	(64)	(18)
Mobile telecommunications services ¹	2,349	2,950	601	110
DTH	690	657	(33)	(9)

ARPU (EUR) - residential clients

ARPU (EUR) - residential clients	For the three months ended		% change
	June 30,		
	2015	2016	
Cable TV	5.22	5.29	1.3%
Fixed internet and data	5.14	5.02	-2.3%
Fixed-line telephony	1.30	1.30	0.0%
Mobile telecommunications services	2.86	3.24	13.3%
DTH	4.83	4.89	1.2%

- Steady growth in Cable TV and Internet subscribers and low variations in ARPUs
- Increase in mobile telephony RGUs and ARPU 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 ended June 30, 2015 and for 6 months ended June 30, 2015 were restated accordingly. A reassessment of revenues from promotions was made and results from energy activity were presented on a net basis in Statement of profit or loss. A reallocation of revenues between business lines was made as well. Consequently, ARPU for the comparative period ended June 30, 2015 was restated accordingly.



Highlights Hungary – Revenue and EBITDA

Results of Operations

Results of Operations	For the three months ended June 30,			For the six months ended June 30,		
	2015	2016	% change	2015	2016	% change
	(euro in millions)			(euro in millions)		
Revenues	31.4	33.3	6.1%	62.4	66.2	6.1%
EBITDA	12.6	13.3	5.6%	24.8	26.6	7.3%
Margin %	40.1%	40.1%		39.8%	40.2%	
Revenues in Constant Currency	31.4	34.1	8.6%	62.4	67.3	7.9%

- Increase in revenue and improved EBITDA in 2016 driven by increase in RGU (increase in fixed internet and data RGUs, cable TV RGUs)

Constant currency figures use 306.0 HUF/EUR for Q2 2015 (vs. 313.3 HUF/EUR in Q2 2016)



Highlights Hungary - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended June 30,		Net Additions	
	2015	2016	Last 12 months	Last 3 months
Cable TV	420	460	40	8
Fixed internet and data	361	407	46	9
Fixed-line telephony	312	340	28	6
Mobile telecommunications services	18	15	(3)	-
DTH	331	322	(9)	5

ARPU (EUR) - residential clients

ARPU (EUR)	For the three months ended June 30,		% change
	2015	2016	
Cable TV	7.33	7.24	-1.2%
Fixed internet and data	7.77	7.69	-1.0%
Fixed-line telephony	1.76	1.63	-7.4%
Mobile telecommunications services	6.72	6.76	0.6%
DTH	7.79	8.04	3.2%

▪ Increase in the penetration of Internet and Fixed Telephony subscribers

▪ Decrease in Fixed-line telephony ARPU due to price revision in line with the decrease of interconnection rates and lower traffic

▪ Decrease in Cable TV ARPU due to change in offering structure & prices



Highlights Other Territories

	For the three months ended June 30,			For the six months ended June 30,		
	2015	2016	% change	2015	2016	% change
	(euro in millions)			(euro in millions)		
Revenues						
Spain ¹	18.5	21.8	17.8%	34.6	42.3	22.3%
Italy	1.9	2.3	21.1%	3.6	4.4	22.2%
Czech Republic ²	0.7	-	N.M	3.8	-	N.M
	21.1	24.1		42.0	46.7	
EBITDA¹						
Continuous Operations	2.5	2.7	8.0%	3.8	5.1	34.2%
Discontinued Operations ²	(0.2)	-	N.M	0.9	-	N.M
	2.3	2.7		4.6	5.1	

Subscribers (Thousand RGUs)	For the three months ended June 30,		Net Additions	
	2015	2016	Last 12 months	Last 3 months
Spain - Mobile telecommunications services	553	601	48	9
Italy ³	56	67	11	4

¹ Figures includes Intersegment operations; ² Czech Republic was disposed as of April 2015; ³ Comparative Q2 2015 restated-mobile telecommunications services

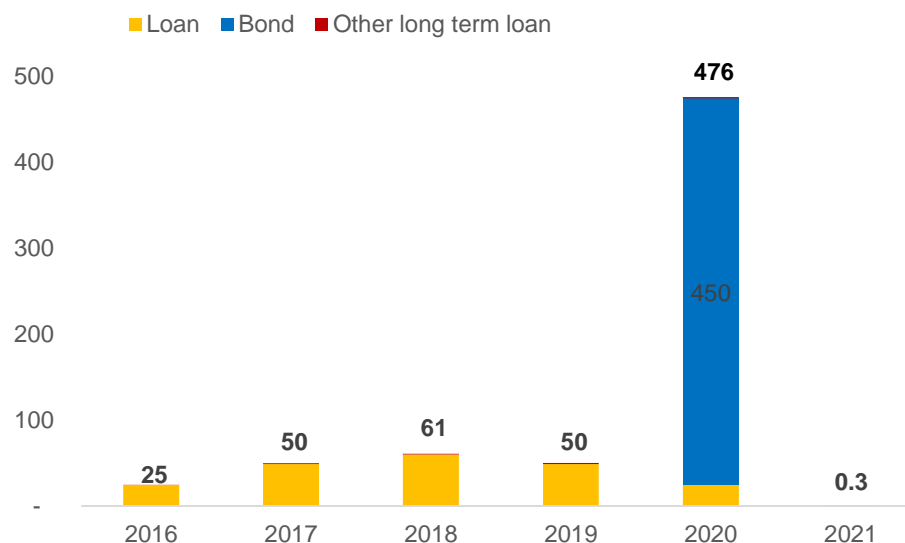


Group Financial Profile

Financial liabilities as of June 30, 2016*

	Amount
	(EUR millions)
Facility	
Senior Secured Notes	450.0
Senior Facility	205.7
Financial leases	7.81
Other long term debt	40.1
Other short term debt	5.6
Hedging obligations	7.9
Total gross debt	717.1
Cash on BS	16.0
<u>Total net debt</u>	701.1

Maturity profile Long term loans & Notes as of June 30, 2016 (EUR millions)



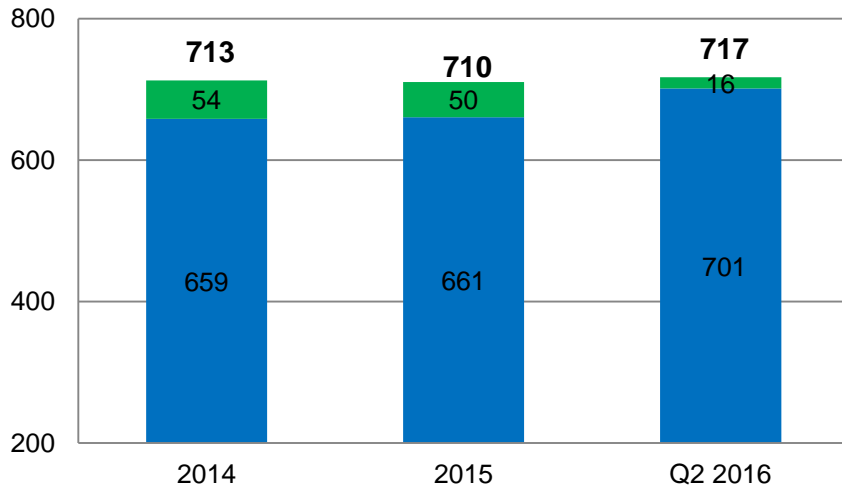
* Indebtedness as per Notes requirements

** On 29 April 2016 we repaid the second principal installment from the 2015 Senior Facility, in amount of RON 110 million (EUR 24.6 million equivalent).



Group Financial Profile (continued)

Gross / Net Debt (EUR millions)

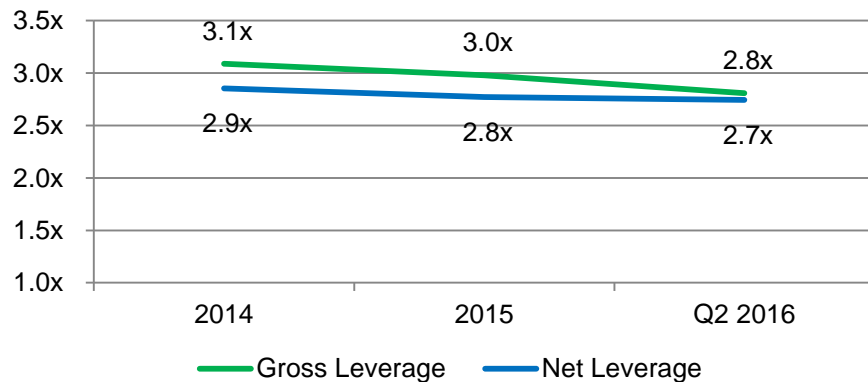


■ Total net debt* as of June 30, 2016 is EUR 701.1 million

■ Net Leverage** is 2.7x and Gross Leverage is 2.8x.

Leverage

■ Net Debt ■ Cash



Notes:

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

** 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 Q2 2016. Covenants 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.



Financial Calendar

- You can find us on:

- Web: investors.rcs-rds.ro

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

- Agenda

	Report	Call
Q3 2016 Results	25-Nov-16	Tuesday 29-Nov-16
FY 2016 Results	14-April-17	Thursday 20-April-17
Q1 2017 Results	2-June-2017	Thursday 8-June-2017



Q&A Session

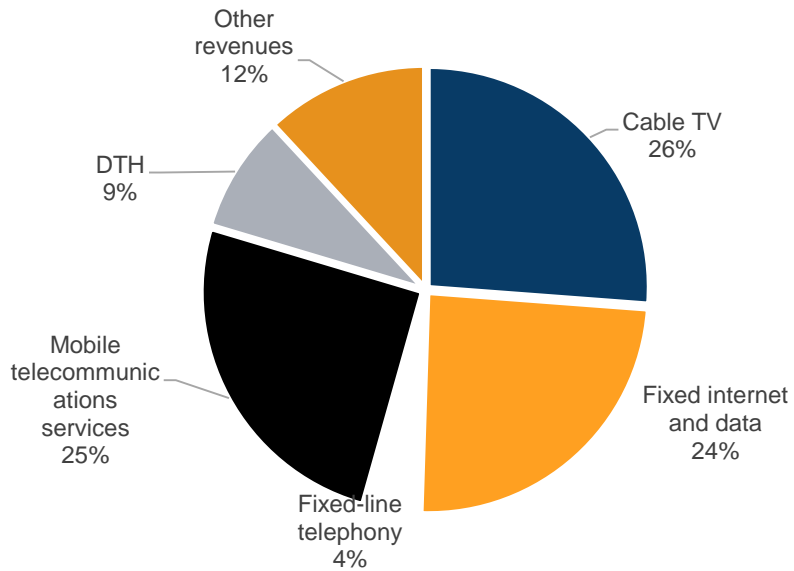


Appendices

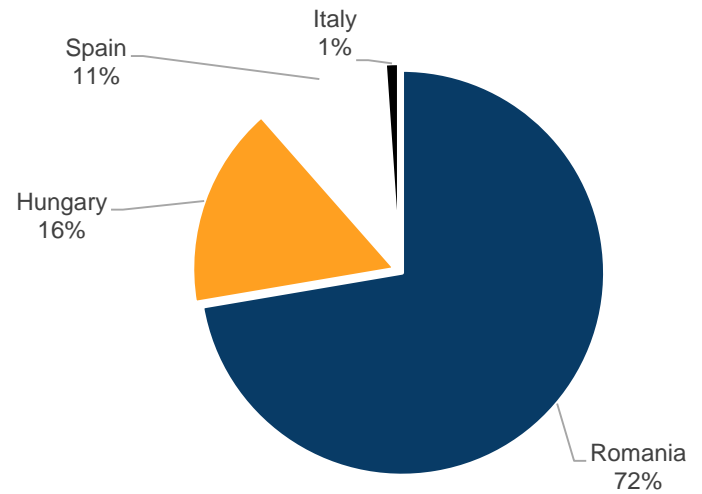


Revenue streams

Q2 2016 revenue split by product



Q2 2016 revenue split by country



Group Results (P&L)

	For the three months ended			For the six months ended		
	June 30,		% change	June 30,		% change
	2015	2016		2015	2016	
	(euro in millions)			(euro in millions)		
Revenues						
Romania	132.1	148.5	12.4%	258.6	293.1	13.3%
Hungary	31.4	33.3	6.1%	62.4	66.2	6.1%
Spain	18.2	21.3	17.0%	34.0	41.5	22.1%
Italy	1.9	2.3	21.1%	3.6	4.4	22.2%
Discontinued Operations ¹	0.7	-	N.M	3.8	-	N.M
Total Revenues	184.4	205.3	11.3%	362.4	405.2	11.8%
Adjusted EBITDA	56.2	65.7	16.8%	112.6	129.7	15.2%
<i>% margin²</i>	<i>30.5%</i>	<i>32.0%</i>		<i>31.1%</i>	<i>32.0%</i>	
Results of Operations less Divested Subsidiaries						
Revenues	183.6	205.3	11.8%	358.6	405.2	13.0%
Adjusted EBITDA	56.4	65.7	16.5%	111.8	129.7	16.0%
<i>% margin²</i>	<i>30.7%</i>	<i>32.0%</i>		<i>31.2%</i>	<i>32.0%</i>	
Result from services						
Revenues from services	173.5	192.1	10.7%	338.9	378.9	11.8%
Adjusted EBITDA from services	55.6	65.0	16.8%	111.9	128.1	14.6%
<i>% margin²</i>	<i>32.1%</i>	<i>33.8%</i>		<i>33.0%</i>	<i>33.8%</i>	

Source: Company data;

Notes: 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 Q2 2015 were restated accordingly. The net impact of the restatement in Q2 2015 is a decrease of EUR 1.9 million for EBITDA; ⁴ Defined as the ratio of Adjusted EBITDA to Revenues



Cash Flow

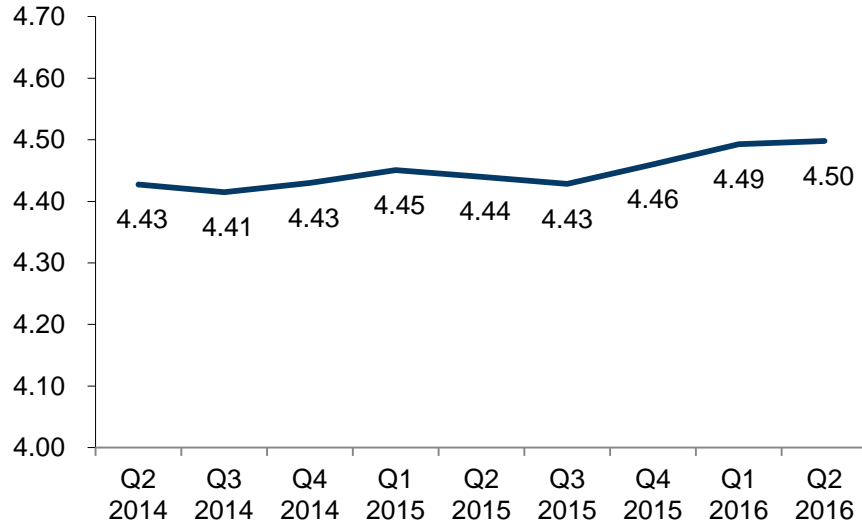
Summary Cash Flow

	Three months ended June 30,		Six months ended June 30,	
	2015	2016	2015	2016
	(euro in millions)		(euro in millions)	
Cash flows from operations before working capital changes	60.7	65.6	115.2	132.4
Cash flows from changes in working capital	(0.8)	(5.2)	14.0	(11.2)
Cash flows from operations	59.9	60.4	129.2	121.2
Interest paid	(18.9)	(18.8)	(22.5)	(22.0)
Income tax paid	(0.4)	(1.0)	(1.3)	(1.8)
Cash flow from operating activities	40.6	40.5	105.4	97.3
Cash flow used in investing activities	(24.2)	(48.4)	(81.8)	(108.3)
Cash flows from financing activities	(22.9)	(24.6)	(25.8)	(22.1)
Net increase (decrease) in cash and cash equivalents	(6.4)	(32.6)	(2.2)	(33.1)
Cash and cash equivalents at the beginning of the period	57.6	48.6	54.3	49.7
Effect of exchange rate fluctuation on cash and cash equivalent held	0.8	(0.0)	(0.1)	(0.6)
Cash and cash equivalents at the closing of the period	52.0	16.0	52.0	16.0



FOREX development

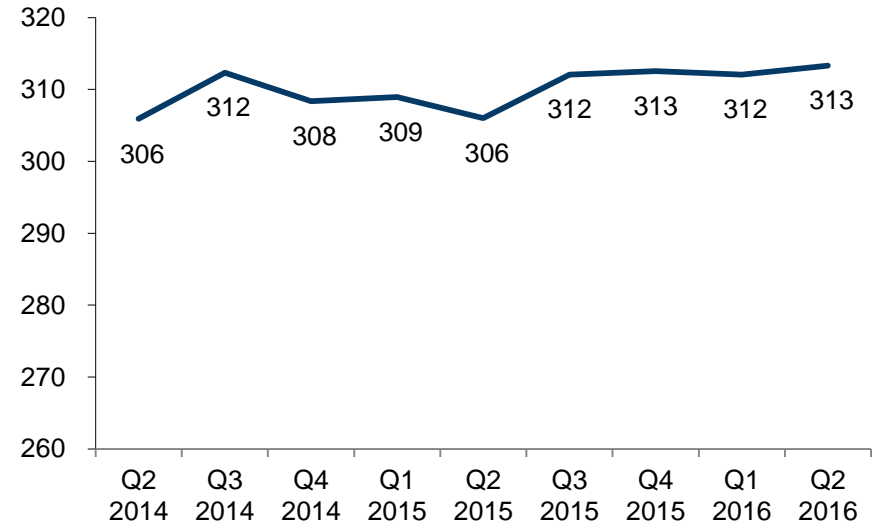
RON/EUR Exchange Rate 2016



Romania

- In Q2 2016 compared with the same period from 2015, the Romanian leu depreciated by 1.2% relative to the euro.

HUF/EUR Exchange Rate 2016

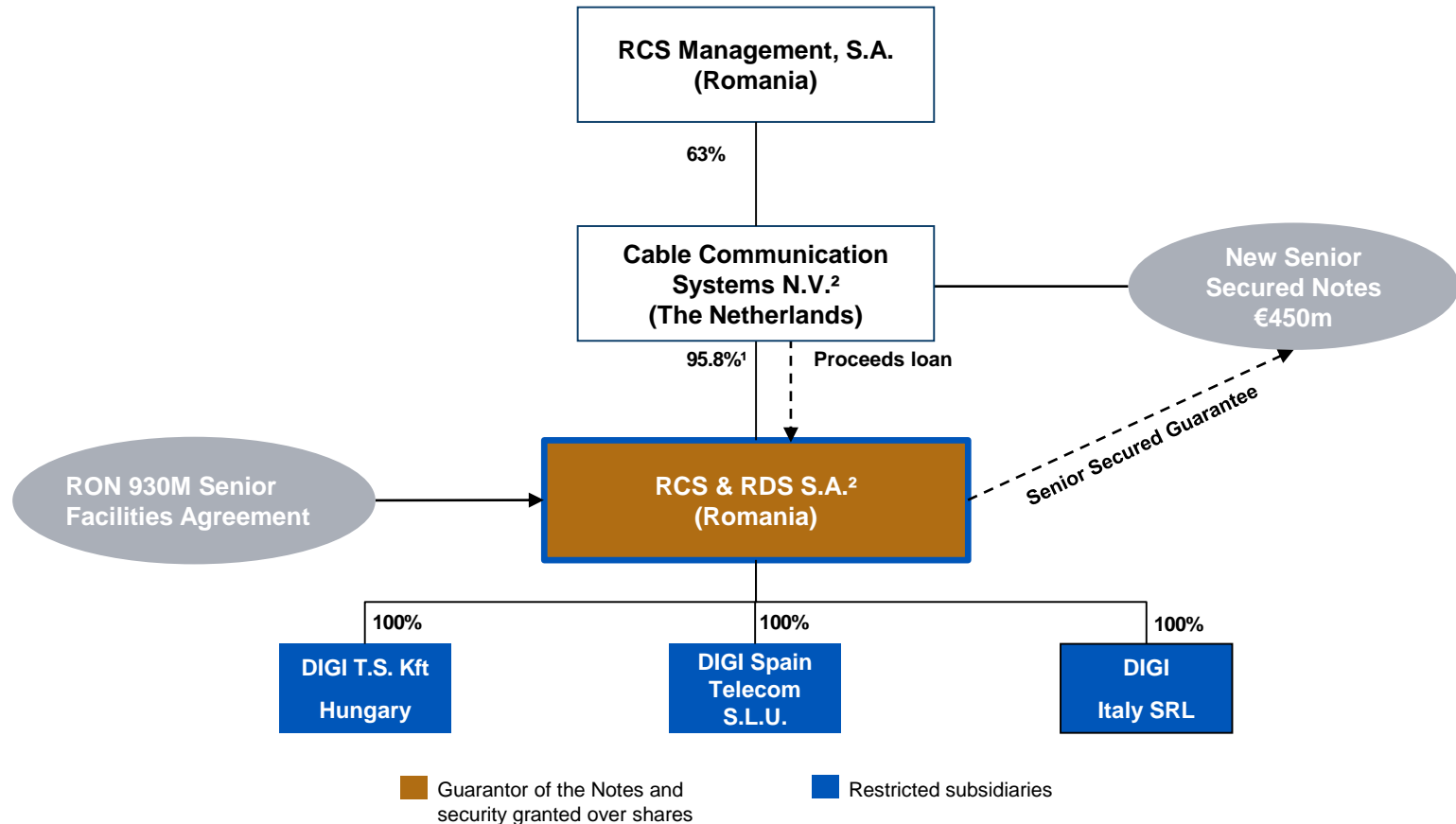


Hungary

- In Q2 2016 compared with the same period from 2015, the Hungarian forint declined by 2.4% relative to the euro.



Summary corporate and financing structure



Source: Company data

Note: The structure reflects see-through ownerships post adjustments for treasury shares; ¹ RCS & RDS owns 8.56% of its treasury stock; ² Obligations of CCS and RCS & RDS under the Notes, the Guarantee, the 2015' Senior Facilities Agreement, the ING Facilities Agreement and the Citi Facilities Agreement and certain hedging agreements are secured by the Collateral on a pari passu basis.

