



Investor presentation
for the year ended December 31, 2015

Cable Communications Systems (CCS)

Parent Company of
RCS & RDS

April 21, 2016

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Group overview



Romania



Hungary



Others³

Total

	Year ended Dec 31, 2015	Year ended Dec 31, 2015	Year ended Dec 31, 2015	Year ended Dec 31, 2015
Revenues ²	€542 m	€126 m	€85 m	€750.1 m
EBITDA	€179 m	€49 m	€9 m	€237.4 m
EBITDA margin ¹	33%	39%	11%	31.6%
Service offering / market position / RGUs December 31, 2015A ('000s)				
CATV	#1 / 2,733	#3 / 437	-	3,170
Fixed internet and data	#1 / 1,976	#3 / 382	-	2,358
Fixed-line telephony	#2 / 1,414	#4 / 327	-	1,741
Mobile telephony	#4 / 1,906	- / -	550	2,456
Mobile internet and data	- / 810	- / 16	251	1,077
DTH	#2 / 674	#2 / 318	-	992
Total RGUs	9,513	1,480	801	11,794

Source: Company data

¹ EBITDA margin defined as EBITDA / Revenues;

² Revenues include intersegment revenues and do not include the gain from sale of subsidiaries

³ Czech Republic was disposed as of April 2015



Recent Developments

Business

- **First quarter 2016:** The national roaming agreement with Vodafone was extended for 1 additional year (initially the agreement was signed in March 2014 for 2 years). Our own network currently covers 94% of the population.
- **December 2015:** We have drawn an additional RON105.4 million (€23.3 mil) from the term loan and the revolver credit (2015 Senior Facilities Agreement-”Accordion Agreement”).
- **July 2015:** We signed a contract with 2K Telecom to purchase 30 Mhz in 4G spectrum (in the 2600 Mhz bandwidth). At the end of October 2015 we acquired from ANCOM 10 unpaired blocks of 5 MHz in the 3700 MHz bandwidth (tendered in an auction). These licenses allow the development of 4G mobile telephony network in Romania. In October 2015 we launched 4G services to our mobile subscribers in Romania. By now, we offer 4G services in 28 cities in Romania.



Recent Developments

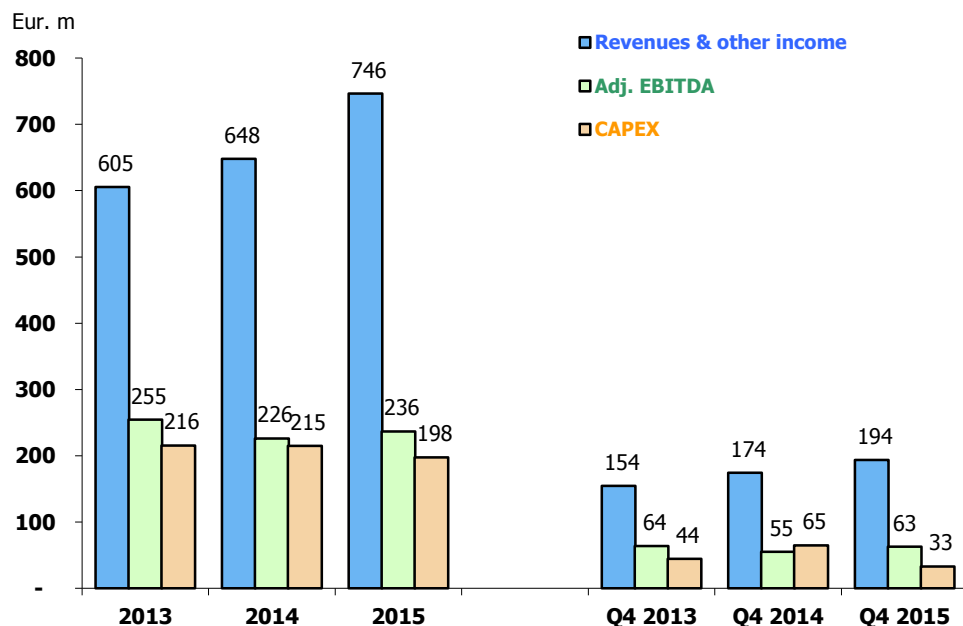
Legislative

- 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*



EBITDA - CAPEX

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Source: Company data

* Czech Republic data was taken out from each period: both revenues and EBITDA impact is excluded

** Revenues & expenses for Q4 2015 were impacted by certain adjustments which referred to the entire year ended December 31, 2015. The net impact of these adjustments for previous quarters from 2015 was approx. EUR 1 million

- **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
- **EBITDA**** value was higher in 2015 compared to 2014, as a result of increase in EBITDA in Romania and Spain
- EBITDA margin decreased in 2015 compared to 2014 primarily due to increase in our mobile telephony business, which comes with a lower margin, sales of handsets and other equipment's and result of energy sales in Romania
- **CAPEX** for 2015 was EUR 198 million, lower than in 2014 (EUR 215 million).
- CAPEX was lower in Q4 2015 compared with Q4 2014 (EUR 33 million compared with EUR 55 million) mainly due the payment made in Q4 2014 for the 1800 Mhz license in Hungary (approximately EUR 32.2 million)



Highlights Romania – Revenue and Adj EBITDA

Results of Operations¹

Results of Operations	For the year ended		% change	For the three months		% change
	Dec 31,			ended Dec 31,		
	2014	2015	2014	2015		
	(euro in millions)		(euro in millions)			
Revenues*	471.1	541.8	15.0%	126.8	140.1	10.5%
Adjusted EBITDA*	177.0	178.6	0.9%	41.5	48.8	17.6%
Margin %	37.6%	33.0%				
Revenues ¹ in constant currency	471.1	541.81	15.0%	126.8	140.6	10.9%

Revenue growth of 15% for 2015 (approx 15% in constant currency terms, as well) 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 decreased mainly as a result of increase in telephony interconnection charges associated with our mobile offerings, increase in energy sales and increase in sales of handsets and other equipment.

Constant currency figures use 2014 average exchange rate of 4.444 RON/EUR (vs. 4.445 RON/EUR for 2015)

Constant currency figures use Q4 2014 average exchange rate of 4.43 RON/EUR (vs. 4.45 RON/EUR for Q4 2015)

Notes:

¹ Figures include Intersegment revenues

* Revenues & expenses for Q4 2015 were impacted by certain adjustments which referred to the entire year ended December 31, 2015. The net impact of these adjustments for previous quarters from 2015 was approx. EUR 1 million



Highlights Romania - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended December 31,		Net Additions	
	2014	2015	Last 12 months	Last 3 months
Cable TV	2,599	2,733	134	40
Fixed internet and data	1,834	1,976	142	56
Fixed-line telephony	1,470	1,414	(56)	(15)
Mobile telephony	1,388	1,906	518	201
Mobile internet and data ¹	739	810	71	9
DTH	725	674	(51)	(8)

ARPU (EUR) - residential clients

ARPU (EUR) - residential clients	For the year ended December 31,		% change
	2014	2015	
Cable TV	5.12	5.22	2.0%
Fixed internet and data	5.21	5.13	-1.5%
Fixed-line telephony	1.41	1.26	-10.6%
Mobile telephony	1.78	3.43	92.7%
Mobile internet and data	1.74	1.98	13.8%
DTH	4.71	4.84	2.8%

- Steady growth in Cable TV and Internet subscribers and low variations in ARPUs
- Increase in mobile telephony RGUs and ARPU as a result of launching offers with competitive tariffs and the possibility of acquiring a mobile handset, as well as change in subscription packages' mix and traffic increase
- Decrease in Fixed-line telephony ARPU as a result of decrease in traffic volumes

¹ As of December 31, 2015 we have revised the definition of Mobile Internet and data RGU. Comparative as of December 31, 2014 was restated accordingly.



Highlights Hungary – Revenue and EBITDA

Results of Operations

Results of Operations	For the year ended Dec 31,			For the three months ended Dec 31,		% change
	2014	2015	% change	2014	2015	
	(euro in millions)			(euro in millions)		
Revenues	119.1	125.9	5.8%	30.5	32.3	5.8%
EBITDA	46.7	49.4	5.7%	12.2	12.0	-1.7%
Margin %	39.3%	39.2%		40.1%	37.2%	
Revenues in Constant Currency	119.1	126.4	6.2%	30.5	32.7	7.3%

- Increase in revenue and improved EBITDA in 2015 driven by increase in revenues (increase in fixed internet and data RGUs, cable TV RGUs)

Constant currency figures use 308.66 HUF/EUR for 2014 (vs. 309.89 HUF/EUR in 2015) and 308.37 HUF/EUR for Q4 2014 (vs. 312.61 HUF/EUR in Q4 2015)



Highlights Hungary - KPIs

Subscribers

Subscribers (Thousand RGUs)	RGUs Period Ended December 31,		Net Additions	
	2014	2015	Last 12 months	Last 3 months
Cable TV	411	437	26	10
Fixed internet and data	347	382	35	12
Fixed-line telephony	301	327	26	8
Mobile internet and data	19	16	(3)	(1)
DTH	330	318	(12)	(11)

ARPU (EUR) - residential clients

ARPU (EUR)	For the year ended December 31,		% change
	2014	2015	
Cable TV	7.11	7.23	1.7%
Fixed internet and data	7.55	7.67	1.6%
Fixed-line telephony	2.36	1.85	-21.6%
Mobile internet and data	6.54	6.62	1.2%
DTH	7.60	7.75	2.0%

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

▪ Decrease in Fixed-line telephony ARPU due to lower traffic



Highlights Other Territories

	For the year ended Dec 31,			For the three months ended Dec 31,		
	2014	2015	% change	2014	2015	% change
	(euro in millions)			(euro in millions)		
Revenues						
Spain ¹	54.8	73.8	34.7%	15.4	20.0	30.0%
Italy	5.1	7.5	47.9%	1.5	2.1	41.4%
Discontinued operations ²	13.8	3.8	-72.1%	3.3	0.0	-100.0%
	59.9	85.1		20.1	22.1	
EBITDA¹						
Continuous Operations	7.1	8.6	21.8%	2.4	1.8	-26.5%
Discontinued Operations ²	0.0	0.9	N.M	0.0	(0.3)	N.M
	7.1	9.5		2.4	1.5	

Subscribers (Thousand RGUs)	For the year ended Dec 31,		Net Additions	
	2014	2015	Last 12 months	Last 3 months
Spain - Mobile telephony	423	491	68	(1)
Spain - Mobile internet and data	187	244	57	7
Italy ³	51	66	15	4
Czech Republic	134	0	(134)	0

¹ Figures includes Intersegment operations; ² Czech Republic was disposed as of April 2015; ³ Comparative 2014 restated-mobile telephony

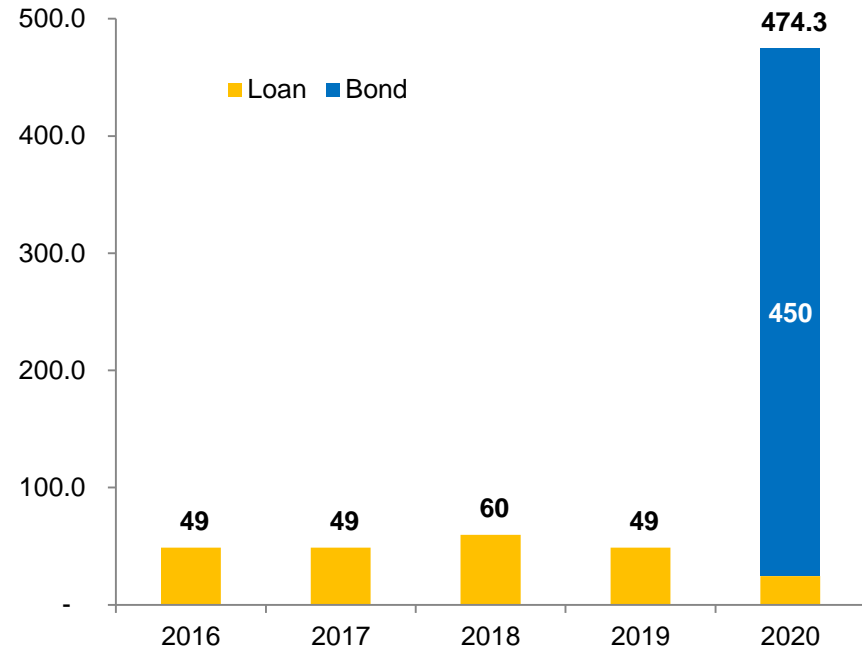


Group Financial Profile

Financial liabilities as of December 31, 2015*

	Amount (EUR millions)
Facility	
Senior Secured Notes	450.0
Senior Facility	229.9
Financial leases	8.76
Other long term debt	7.6
Other short term debt	5.8
Hedging obligations	8.3
Total gross debt	710.3
Cash on BS	49.7
<u>Total net debt</u>	<u>660.6</u>

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

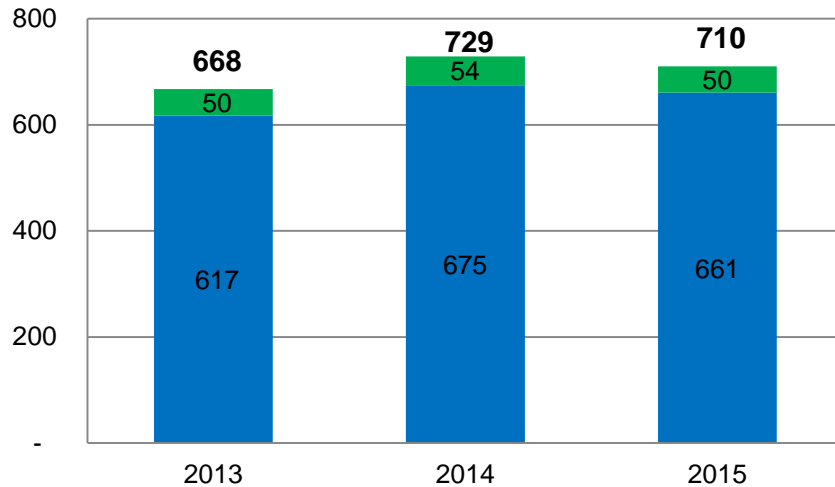


* Indebtedness as per Notes requirements



Group Financial Profile (continued)

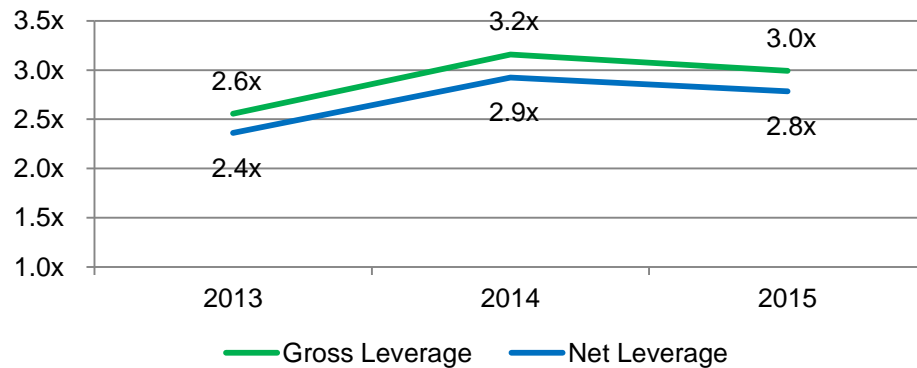
Gross / Net Debt (EUR millions)



- Total net debt as of December 31, 2015 is EUR 660.6 million
- Net Leverage is 2.8x and Gross Leverage is 3.0x.

Leverage

■ Net Debt ■ Cash



Notes:

* 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 and 2015



Financial Calendar

- You can find us on:

- Web: investors.rcs-rds.ro

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

- Agenda

	Report	Call
Q1 2016 Results	3-Jun-16	Thursday 9-Jun-16
Q2 2016 Results	26-Aug-16	Thursday 1-Sep-16
Q3 2016 Results	25-Nov-16	Tuesday 29-Nov-16



Q&A Session

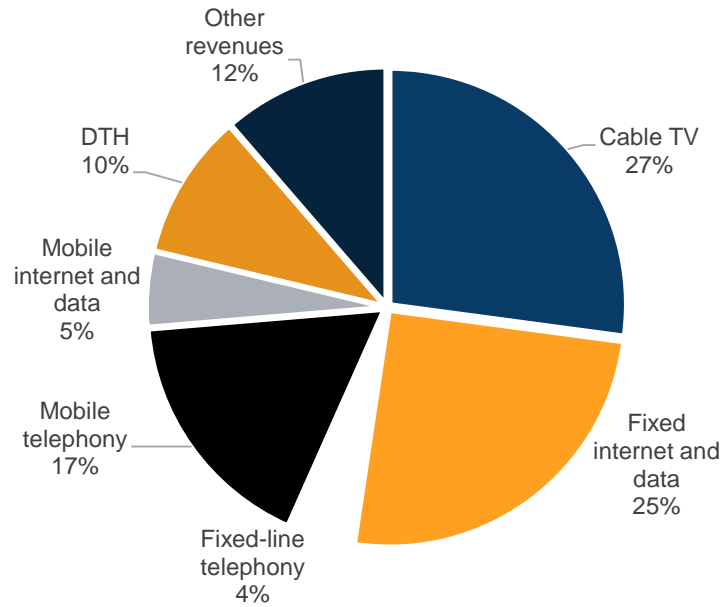


Appendices

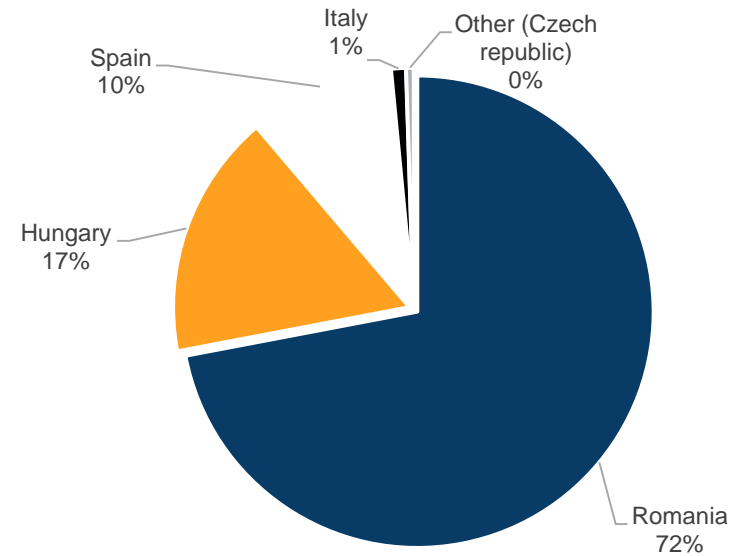


Revenue streams

FY 2015 revenue split by product



FY 2015 revenue split by country



Group Results (P&L)

	For the year ended Dec 31, % change			For the three months ended Dec 31, % change		
	2014	2015		2014	2015	
	(euro in millions)			(euro in millions)		
Revenues¹						
Romania	469.7	540.1	15.0%	127.3	139.7	9.8%
Hungary	119.1	125.9	5.8%	30.5	32.2	5.8%
Spain	54.0	72.7	34.5%	15.2	19.7	29.8%
Italy	18.9	7.5	-60.0%	4.7	2.1	-56.3%
Discontinued Operations ²	0.0	3.8	N.M	0.0	0.0	N.M
Total Revenues	661.6	750.1	13.4%	177.6	193.7	9.1%
Adjusted EBITDA³	230.8	237.4	2.8%	56.2	62.3	10.9%
<i>% margin⁴</i>	<i>34.9%</i>	<i>31.6%</i>		<i>31.6%</i>	<i>32.2%</i>	
Results of Operations less Divested Subsidiaries						
Revenues	661.6	746.3	12.8%	177.6	193.7	9.1%
Adjusted EBITDA	230.8	236.5	2.5%	56.2	62.7	11.6%
<i>% margin⁴</i>	<i>34.9%</i>	<i>31.7%</i>		<i>31.6%</i>	<i>32.3%</i>	
Result from services						
Revenues from services	616.8	699.8	13.5%	161.1	179.5	11.4%
Adjusted EBITDA from services	229.7	235.7	2.6%	54.8	61.8	12.7%
<i>% margin⁴</i>	<i>37.2%</i>	<i>33.7%</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. The net impact of these adjustments for previous quarters from 2015 was approx. EUR 1 million; ⁴ Defined as the ratio of Adjusted EBITDA to Revenues



Cash Flow

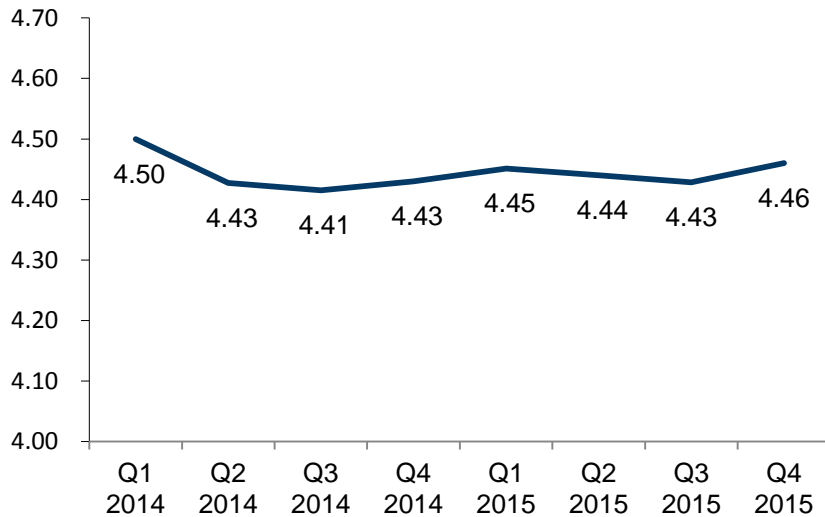
Summary Cash Flow

	Year ended Dec 31,	
	2014	2015
	(euro in millions)	
Cash flows from operations before working capital changes	232.0	237.2
Cash flows from changes in working capital	(5.7)	4.2
Cash flows from operations	226.3	241.5
Interest paid	(46.7)	(44.2)
Income tax paid	(4.6)	(5.1)
Cash flow from operating activities	174.9	192.2
Cash flow used in investing activities	(204.4)	(171.6)
Cash flows from financing activities	33.6	(25.7)
Net increase (decrease) in cash and cash equivalents	4.1	(5.2)
Cash and cash equivalents at the beginning of the period	50.2	54.3
Effect of exchange rate fluctuation on cash and cash equivalent held	(0.0)	0.5
Cash and cash equivalents at the closing of the period	54.3	49.7



FOREX development

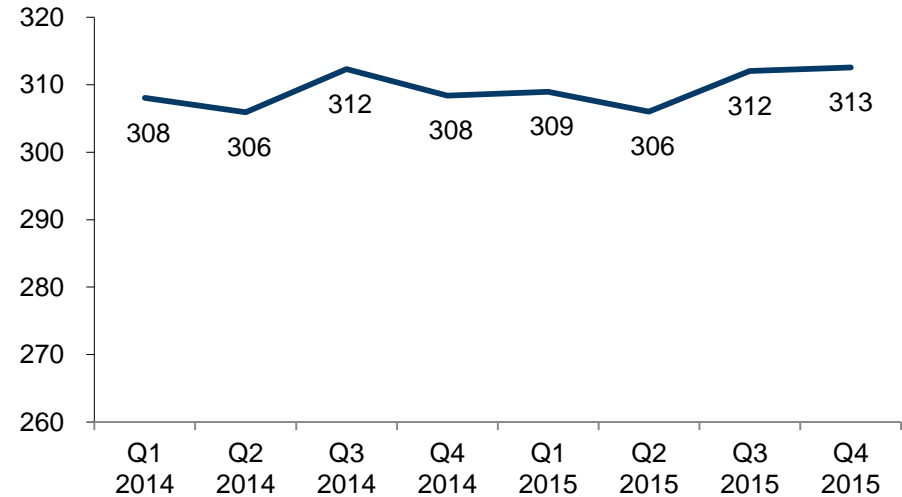
RON/EUR Exchange Rate 2015



Romania

- In the year ended December 31, 2015 compared with the same period from 2014, the Romanian leu declined 0.2% relative to the euro.

HUF/EUR Exchange Rate 2015

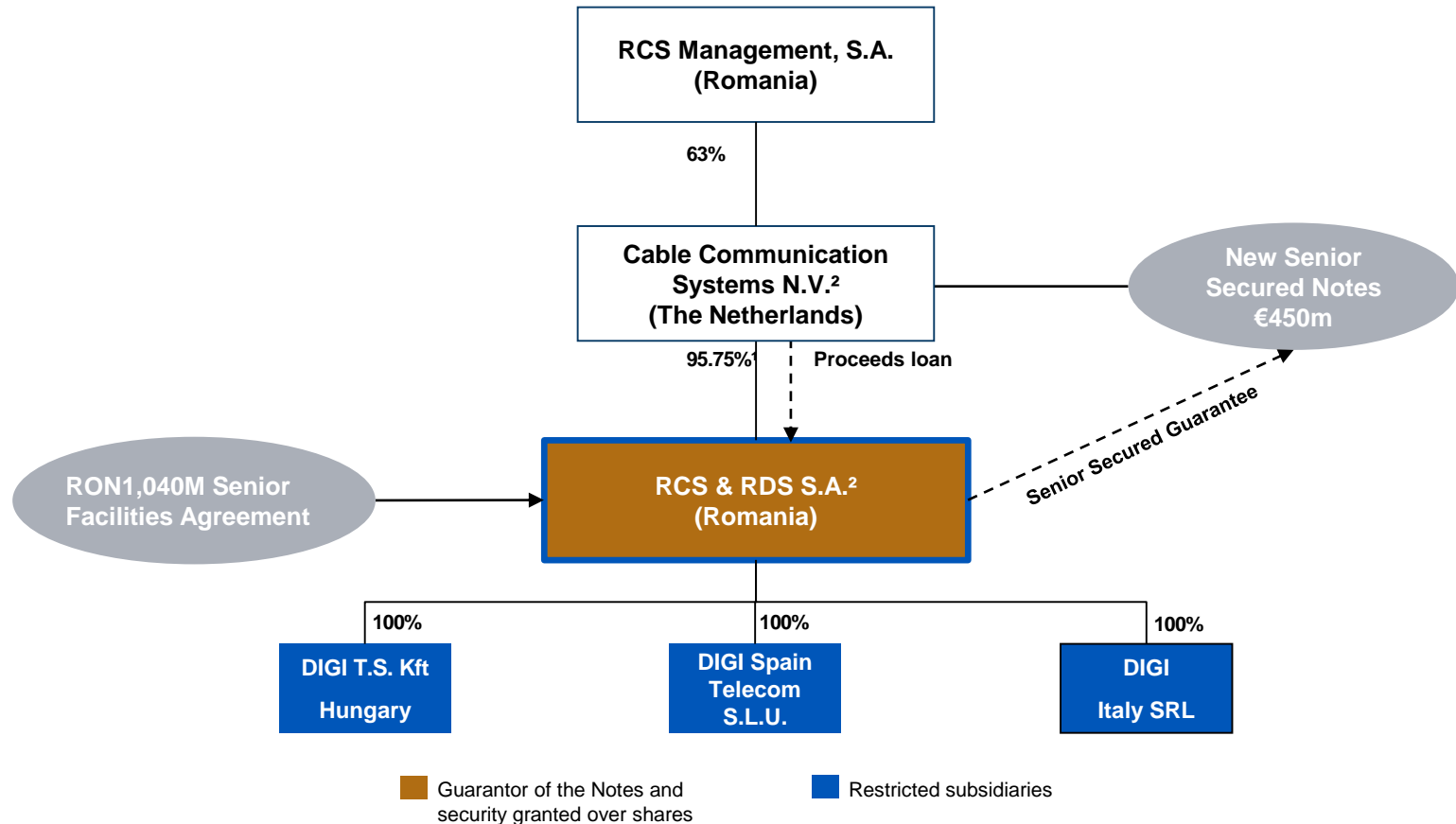


Hungary

- In the year ended December 31, 2015 compared with the same period from 2014 the Hungarian forint declined 0.4% 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.

