

Results January-December 2015

Cellnex Telecom revenues grow by 40.6% to €613 million in 2015

EBITDA increased 32% to € 235

- Cellnex closed 2015 with an **EBITDA of 235 € million (+32%)**. In 2016 high teens ebitda growth expected.
- **Recurring free cash flow for the year grew by 28.4%** to € 194 million, representing an EBITDA to cash conversion rate of 83%.
- **Cellnex Italy**, comprised of TowerCo and Galata, **added 28.4% of total company revenue (€ 174 million)**.
- **50% of Cellnex revenues (€ 303 million) are attributable to the mobile telephony business segment**. Broadcast infrastructures (€ 225 million) added 36.7%, while 13.8% (€ 85 million) were generated in return for providing network services (security, emergency, Smart cities).
- **Net debt as at 31 December** amounted to € 928 million (annualized debt/EBITDA ratio of 3.7x).
- The **€ 600 million bond issue (20 July 2015)** brought equilibrium to the debt structure: improved its maturity (from 3.9 to 6.6 years) at a competitive cost of 2.2%; 54% of the debt is set at a fixed rate; "covenants" were removed and funding sources were diversified.
- In Spain, **the awarding of six new licences for three channels in SD and three in HD last October 2015 will make it possible to recoup the revenue for transporting the signal of these channels**, occupying a capacity of 1.75 multiplex.
- **Orange and Cellnex Telecom deploy the first Small Cell 4G network in Barcelona**, in cooperation with the local council.

Barcelona, 19 February 2016.- Cellnex Telecom announces its full year results for 2015, the first since its transition from Abertis Infraestructuras to an independent company, following its 7 May 2015 IPO. Cellnex has delivered a increase in revenue to € 613 million, and growth in recurring EBITDA to € 235 million in line with expectations. Net profit closed at € 48 million.

Key influencing factors versus 2014 is comprised of the broadcast termination of nine TV channels in May 2014 and the consolidation of the 7,377 towers acquired from WIND in Italy in the second quarter of 2015.

Francisco Reynolds, President of Cellnex Telecom, stated: "closing data for this first year of Cellnex Telecom as an independent listed company confirm the positive trend, in line with the forecasts from analysts and investors after the IPO in May. The key figures of the company's performance reflect a management approach that has maintained its focus and concentration on day-to-day business, efficient delivery, and keeping a close watch on the growth opportunities which are currently on the company's agenda. Effective management of the organic

business, cost efficiency and a commitment to build a European reference project on the back of the strength and capabilities deployed in Italy and Spain, mark the company's overall approach."

Tobias Martínez, CEO of Cellnex, said: "the progression of the company's business areas have lived up to expectations. We have met significant challenges such as the integration of Galata in Italy, our IPO along with increased demands on cost and operations management. Spain's DTT channels were fewer during 2015, and we anticipate 1.75 multiplexes linked to 6 new channels to be operational and served by Cellnex as signal carrier in April. Against this backdrop, Cellnex has again demonstrated the resilience of its business model and closes its first financial year on a positive note."

Organic growth, improved occupancy rate, investments

Cellnex's business segments comprise the following areas by revenue split: mobile telephony infrastructures (including Galata) contributed 50% of revenue to the tune of € 303 million; audiovisual broadcast networks contributed 36.7% of revenue, amounting to € 225 million; and lastly safety and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities) contributed 13.8%, totalling € 85 million.

Cellnex Telecom had a total of 15,119 sites (7,709 in Italy and 7,410 in Spain), versus 7,493 in 2014 as at the end of full year 2015. The organic growth of points of presence (PoPs) on the existing base of towers stood at 8% in relation to the close of 2014, while the occupancy rate was 1.53 (1.51 to the 9 months of 2015). This is a reflection of business activity, with the signing of new service provision agreements with mobile and telephony operators and audiovisual communications groups both in Italy and Spain.

Investments for the period totalled € 787 million: 740 million for expansion (to highlight 693 in the Galata operation in Italy in March, and 44 for the acquisition of a package of 300 towers from Telefónica last January); € 40 million was allocated to maintaining installed capacity and to activities attributed to new revenue generation, for example rationalising the stock of telephony towers which allows for increased efficiencies in the installed capacity.

Cellnex Telecom growth areas

There is an **ongoing analysis of European inorganic growth opportunities, especially in relation to sector consolidation and the prevalence of network infrastructure spin-offs and outsourcing.**

Beyond this inorganic assessment, Cellnex Telecom has set itself key main areas for growth and organic development over the next years:

- **rationalising sites** (an estimation of 2,000 medium term) through agreements with telephony operators to optimise their cost structures and investment needs, or the build to suit agreement—as part of the acquisition of Galata last year- of 400 sites to cover WIND service demand in Italy;
- **fibre-optical connection** to sites that are key to the effective roll-out of broadband in mobility by the company's customers;
- **service management agreements** in countries that are not currently part of the company's priority focus but may represent new opportunities for expansion in the medium and long term;
- **plans to roll out the new generation of "small cells"** to improve service in certain areas of big cities.

Coherently with this last key driver of growth, **Cellnex has signed an agreement with Orange, and the cooperation of the City of Barcelona, to deploy the first Small Cells 4G network in the city.** This first deployment will allow the validation of the relational model between mobile operators, infrastructure operators as Cellnex, and the local council to better assess future and more extensive deployments.

Debt structure

Cellnex Telecom's bond issuance of € 600 million, with a maturity of seven years to 2022 and a coupon of 3.125%, was six-times oversubscribed at its inauguration on the 20 July 2015.

With this issue, Cellnex now has a stable long-term debt structure (6.6 years compared to 3.9 years before the issue) with an average cost of 2.2% and a fixed-rate referenced debt of 54%. This refinancing process makes it possible to have longer maturities, eliminate *covenants* and to diversify sources of funding.

The company's net debt at the end of the half-year was € 928 million compared to 342 million at the end of 2014, after financing the acquisition of the portfolio of WIND towers for € 693 million. The net debt/EBITDA ratio was 3.7x.

About Cellnex Telecom

Since it acquired the portfolio of telecommunications towers from WIND in Italy last March, Cellnex Telecom has become Europe's leading independent operator of wireless communications infrastructure, with a total portfolio of 2015 towers.

Cellnex classifies its activities into three areas: mobile telephony infrastructures; audiovisual broadcasting networks; security and emergency service networks and solutions for smart urban infrastructure and services management (smart cities and the "Internet of Things" (IoT)).



Appendix 1

Income statement and balance sheet

	2014	2015
Telecom Site Rental	107	303
Broadcast infrastructure	250	225
Network Services & Others	79	85
Revenues	436	613
Operating costs	-258	-378
EBITDA	178	235
Non-recurring costs (1)	0	-18
Depreciation & amortization	-91	-154
EBIT	87	63
Net interest	-9	-20
Bond issue costs	0	-7
Corporate Income Tax (2)	-18	13
Non-controlling Interests	0	-1
Net Profit	60	48
Net profit (recurring)	42	45

(1) non recurring expenses associated to Galata acquisition, IPO and Bond issue commissions

(2) Includes non cash impact in deferred taxes due change in italian tax rate

	Dec. 2014	Dec. 2015
Non current assets	949	1.808
Goodwill	45	216
Fixed assets	844	1.519
Other financial assets	60	73
Current Assets	283	219
Debtors and other current Assets	192	168
Cash and Cash Equivalents	91	51
TOTAL ASSETS	1.232	2.027
Net Equity	502	538
Non current liabilities	506	1.290
Bond issues	-	593
Borrowings	420	377
Other liabilities	86	320
Current liabilities	224	199
TOTAL EQUITY AND LIABILITIES	1.232	2.027

Appendix 2

Significant events in 2015

January

- **On 26 January Cellnex Telecom closed the acquisition of 300 mobile towers from Telefónica** in Spain with an investment of € 44 million.

March

- **On 26 March Cellnex Telecom and WIND closed the transaction for the sale of 7,377 towers** from the Italian mobile operator, involving an investment of € 693 million. With this operation, Cellnex now owns a total of 7,708 mobile towers in Italy.
- **On 24 March** at the Abertis General Shareholders' Meeting, the infrastructure group unveiled the **new name and brand for its terrestrial infrastructure business: "Cellnex Telecom"**.
- **31 March saw the culmination of the process to free up the 800 Mhz band** as a result of the "digital dividend" which planned to allocate that part of the spectrum for mobile telephony.

April

- **On 7 April Abertis announced its intention to request that Cellnex Telecom shares be admitted to trading.** The company announced its intention to offer to sell Telecom Cellnex shares to qualified investors and to request the listing of all its shares.
- **On 17 April the Spanish government announced a tender to award six open DTT multiplex channels** which would mean recovering 1.75 multiplexes which, once deployed, will complete the Spanish audiovisual map with a total of 7 multiplexes active at State level.
- **On 23 April the CNMV approved Cellnex Telecom's IPO prospectus.** The Spanish National Securities Market Commission (CNMV) approved and registered the prospectus for the offering and listing of Telecom Cellnex shares. Abertis announced that it would sell shares representing 55%, extendible up to a maximum of 60.5%, if the "green shoe" were exercised. Shares were expected to commence trading on the Spanish stock exchanges as of 7 May.

May

- **On 4 May, the CNMV approved the extension of the offering of Telecom Cellnex shares requested by Abertis.** Abertis thereby extended the sales offer by 5% to 60%, up to a maximum of 66%, if the "green shoe" were exercised.
- **7 May was Cellnex Telecom's début on the stock exchange.** Cellnex Telecom, which debuted on the stock exchange with the ticker "CLNX", capitalised by more than € 3.244 billion on the first day of trading.
- **On 18 May the underwriters** of the offer to sell Telecom Cellnex shares **exercised the "green shoe" of 6%.**

July

- **The Spanish Supreme Court delivered three rulings** to discontinue the contentious-administrative

appeals raised against the decisions of the Council of Ministers - from May to June 2010 - that had granted eight licences for digital terrestrial television (DTT), due to abandonment by the appellant.

- **On 20 July, Telecom Cellnex issued a bond for € 600 million** with a maturity of seven years and an interest rate of 3.25%.

October

- **On 16 October the Council of Ministers of the Government of Spain approved the awarding of the corresponding licences to six new DTT channels** (three SD and three HD). This recovered the 1.75 MUX that ceased broadcasting in May 2014.

November

- **On 26 November, the International Telecommunication Union (ITU) adopted the resolution on the use of the UHF band at the World Radiocommunication Conference 2015.** Representatives from over 150 governments around the world took the decision that the UHF spectrum (band 470-694/698 MHz) will remain exclusively allocated to terrestrial TV services in ITU "Region 1" (Europe, Africa, the Middle East and Central Asia) until at least 2023.

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