

**We
connect
people**

INTEGRATED ANNUAL REPORT **2015**

SUMMARY
Key figures



2015: A TRANSFORMATIONAL STIMULUS

EXTRACT OF THE LETTER FROM OUR PRESIDENT AND OUR CHIEF EXECUTIVE OFFICER TO ALL CELLNEX TELECOM SHAREHOLDERS



For Cellnex Telecom, 2015 has been a year marked by outstanding performance in implementing transformational changes that are unique one-off events in the life of any company:

- we strengthened our position in the Italian market in March with a transformational acquisition that boosted the key figures by almost 40% and geographically diversified a business that already generates 35% of revenue in Italy;
- the rebranding in April to Cellnex Telecom. A name and a brand that gives this project its own identity and personality to match our ambition in becoming the leading European provider of telecommunications infrastructure and connectivity solutions;
- the successful listing in May of the Company's shares for trade on the Spanish Stock Exchange was an indication that investors accepted and were receptive to the Cellnex value proposal and business model. This has been reflected in a share that has maintained a clear positive differential relative to the market and major indices.
- the issue of a seven-year corporate bond in July helped optimise the debt structure, extending its average maturity and eliminating certain restrictions (covenants) that might have limited flexibility and room to manoeuvre in relation to growth opportunities in the market.

With this excellent set of factors in place the foundations have been laid for a project that has the critical mass, talent and equipment, international presence, visibility and exposure to financial markets to equip it to handle growth projects, with full autonomy, to consolidate its position as Europe's leading telecommunications infrastructure operator.

2016 and thereafter... a larger, internationalised company, new opportunities

Cellnex has closed its first financial year by successfully attaining an exceptional set of transformational milestones. We have met the expectations of investors and analysts regarding the key business figures and indicators; our work focused on designing and deploying systems and corporate governance and management policies in a company that already carries its own weight and faces significant challenges and opportunities arising from the increased size and complexity it has achieved; we also put in place mechanisms that will enable us to further exploit the options for growth and geographical diversification that the market will continue to offer.

Francisco Reynés
Chairman

Tobías Martínez
Chief Executive Officer

A YEAR OF ACHIEVEMENTS AND TRANSFORMATION

Flotation

Oversubscribed in the high band of the price range

25th

company by market capitalisation

on the Spanish Stock Exchange

~€3,900M
as at 31.12.2015

Results

in line with market expectations

Refinancing

Corporate bond six-fold oversubscribed without covenants

M&A

good execution and active integration: WIND towers in Italy

Diversification

geographical (30% of revenue in Italy)
business (50% telecoms infrastructure)

Dividend

first dividend pay-out
0.04 per share

Award of
6 new DTT channels
in Spain
(1.75 MUX recovered)

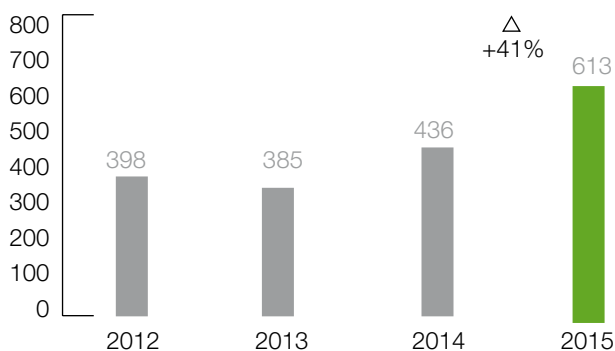
EBITDA €235M

(achieving forecast improvement announced in first half of 2015)

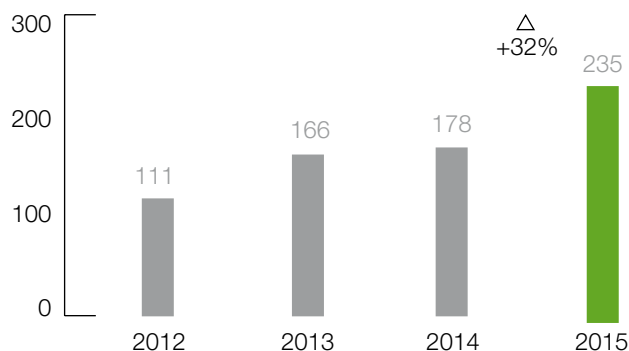
KEY FIGURES

Business development 2015: Key indicators

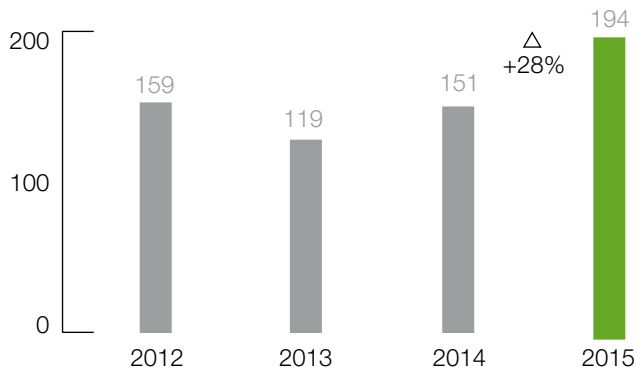
REVENUE (€M)



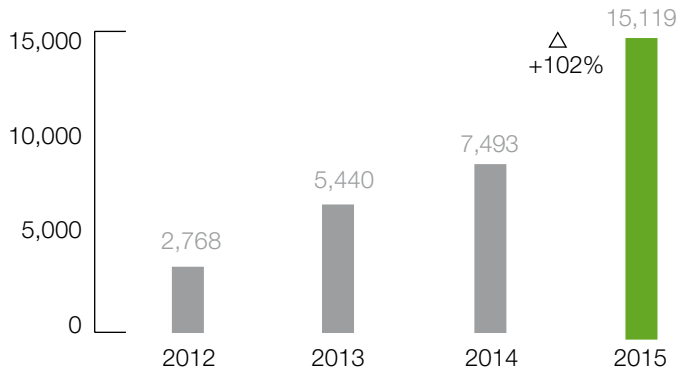
ADJUSTED EBITDA (€M)



RECURRING LEVERAGED FREE CASHFLOW (€M)

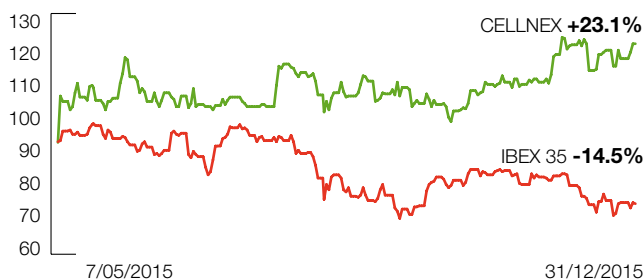


SITES

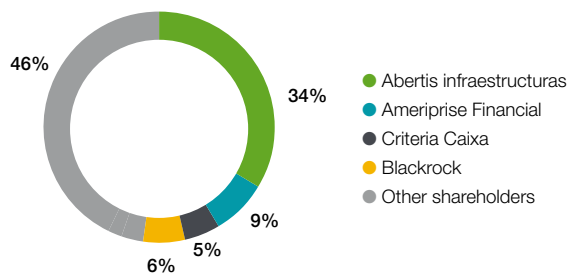


In 2012 Abertis Telecom Terrestre did not exist as a group, therefore figures are carve-outs from the consolidated figures of Abertis Infraestructuras.

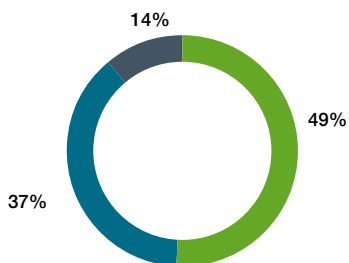
Cellnex share vs. IBEX 35



Cellnex shareholder structure

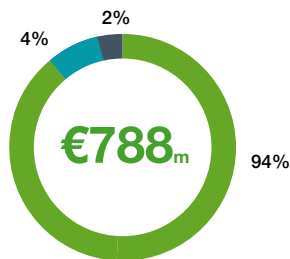


Turnover 2015



- Telecom site rental
- Broadcasting Infrastructure
- Network services

Investment in 2015



- M&A CAPEX
- Expansion CAPEX
- Maintenance CAPEX

MAINTENANCE CAPEX

2.9%
OF INCOME

TOWERS CONTRIBUTED BY GALATA IN ITALY

7,377

COLLOCATION RENEWAL RATE (SPAIN)

99.9%
2004-2014

Key indicators

1.53



Tenancy Ratio

87%



Market share in broadcasting services

28.4%



Revenues generated outside Spain

19.3%



Women as a percentage of total workforce

-12.5%



Reduction in energy intensity (kW/tower)

18



Energy-efficiency projects implemented in 2015

SUSTAINED VALUE CREATION

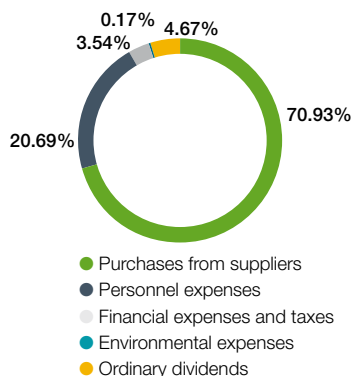
Value generated and distributed

613 MILLION EUROS

ECONOMIC VALUE GENERATED IN 2015

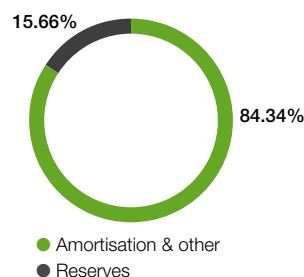
432 MILLION EUROS

ECONOMIC VALUE DISTRIBUTED

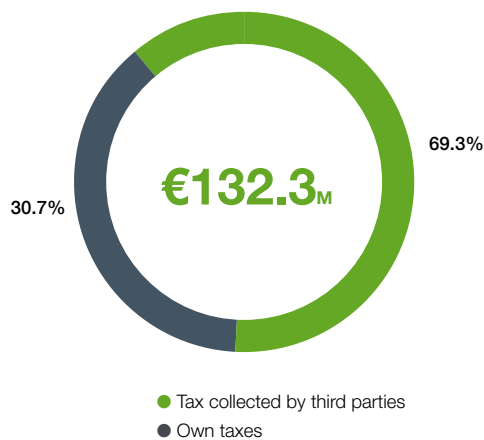


181 MILLION EUROS

ECONOMIC VALUE RETAINED



Tax contribution 2015



Total taxes actually managed (million euros)

	2015
Spain	
Own taxes ¹	33.8
Tax collected from third parties ²	62.8
Italy	
Own taxes ¹	6.8
Tax collected from third parties ²	28.9
Total	132.3

¹ This includes payments of income tax, local taxes, miscellaneous taxes and employer's social security contributions.

² This includes net value added tax, deductions from employees and third parties, and employees' social security contributions.

GOVERNANCE MODEL

Cellnex Strategic challenges

Transform the Company from a national single-product Company into an international and multi-product.

Maintain the momentum towards internationalisation. Consolidate positions in Spain and Italy and explore and exploit opportunities in markets.

Combining growth and consolidation. Conclude new agreements with telecommunications service operators getting a sustained growth of the sharing ratio.

Meet expectations: maintain investor confidence responding to all challenges ahead.

Lines of action included in the Cellnex Corporate Social Responsibility Master Plan

Ethical management and good governance

Foster ethical behaviour
Establish a framework for ethical behaviour
Implement effective and sustainable corporate governance
Promote an acknowledged compliance culture

Corporate Social Responsibility governance

Incorporate executive responsibility into the Corporate Social Responsibility master plan
Put the Corporate Social Responsibility master plan into practice
Establish a working framework for Corporate Social Responsibility

Sustainable development of the business

Ensure that the whole Company has the same level of environmental responsibility
Take a stance on the analysis of the effects of EMR on health
Increase environmental awareness among stakeholders

Add value to society

Drive and stimulate responsible and local procurement
Support the world of entrepreneurship and innovation
Create value in the community
Take a strategic approach to the relationship with the third sector

Communication and reporting

Create awareness within the Company about the importance of Corporate Social Responsibility
Get to know stakeholders and work closely with them
Implement integrated reporting
Be a reference in transparent corporate governance
Be a reference for value creation for society

People development

Implement an effective people development plan
Assist people in the internationalisation process
Promote quality employment

CORPORATE CULTURE



Vision

European leader in telecommunications infrastructure solutions.



Mission

Generate value for society, customers and shareholders, and all stakeholders, through **innovative, efficient, neutral and quality management** for the provision of shared telecommunications networks and infrastructure through the **drive and development of our staff team.**

Values

Commitment

Resolve

Customer focus

Honesty

Innovation

Credibility

Flexibility

Development

Talent management



WORKFORCE

1,245

TRAINING

400

PEOPLE

Leadership development road map for people managers

186

6,588 HOURS OF TRAINING

Road map for in-house trainers

96

1,344 HOURS OF TRAINING

Road map for project managers

14

826 HOURS OF TRAINING

Languages

29 GRANTS AWARDED
40 ONLINE (PLATFORMS)
139 FACE-TO-FACE



Full report available
<http://informeanual2015.cellnextelecom.com/en>

