

Results January-June 2015

Cellnex Telecom H1 revenues grow by 35% to € 285 million

Recurring EBITDA reached 115 million euros (+26%)

Highlights

- Cellnex has adjusted its **2015 EBITDA forecast to € 235 million**, exceeding market consensus.
- Business growth, investment control and active capital management have boosted **cashflow generation**, which **has increased by 36%**.
- Following the **€ 600 million bond issue on 20 July 2015**, Cellnex Telecom has significantly improved the quality of its capital structure, improving its maturity (from 3.9 to 6.6 years) at a competitive cost of 2.2%, removing covenants and diversifying funding sources.
- Commercial activity has resulted in agreements with other telecoms operators in Italy and Spain to place equipment at company sites, which will be reflected in **improved tenancy ratios** for the Cellnex Telecom network. The renewal of contracts with some of the main Spanish audiovisual communication groups for TV signal transmission, is also noteworthy.
- **Influencing factors versus H1 2014** comprise the shut-down of 9 TV channels in May 2014 and the consolidation of the 7,377 towers acquired from WIND since 1 April 2015 and operated by Galata in Italy.
- **Cellnex's business in Italy, which integrates the activities of TowerCo and Galata, contributes 22% of total company revenue** and strengthens the mobile telephony segment, which accounts for 44% of total revenue; with broadcast infrastructure at 42% and network services at 14% (safety, emergency, Smart cities, etc.).
- In Spain, **the withdrawal of the case concerning the possible switch-off of 8 TV channels from the Supreme Court**, together with the ongoing tender awarding 6 new licences for 3 channels in SD and 3 in HD - for which Cellnex aims to transmit the signal - ensures stability and predictability in the audiovisual market.

Barcelona, 4 August 2015. Cellnex Telecom announces its results for the first half of 2015 – its maiden financial update since its 7 May debut on the Spanish Stock Exchange. The 35% increase in revenue to € 285 million, and growth in recurring EBITDA to € 115 million (up 26%) are noteworthy for the period. Net income was € 18 million.

Key influencing factors versus the first half of 2014, comprise the broadcast termination of 9 TV channels in May 2014 and the consolidation of 7,377 towers acquired from WIND in Italy during the second quarter of 2015.

Francisco Reynés, Chairman of Cellnex Telecom, has commented: “this is a landmark set of results for Cellnex Telecom as it marks its transition from Abertis Infraestructuras to an independent company following its May IPO. The figures reported are testament to the management team’s strong performance and reflects the company’s continued evolution both in terms of expansion and the effective and efficient day-to-day running of the company. Cellnex remains well positioned for continued growth and internationalisation.”

Tobias Martinez, CEO of Cellnex, has highlighted that “the successful consolidation of Galata over a period of three months along with the strong figures reported today, demonstrate the potential of our proven business model. Our expansion in Italy is progressing positively and marks our transition to becoming an established international player.”

Organic growth, improved occupancy rate, cost containment, investments

Cellnex’s business segments are comprised of the following three key areas of activity by revenue split: mobile telephony infrastructures (incorporating the 26 March acquisitions of assets from WIND) at 44%, to the tune of € 126 million; audiovisual broadcast networks at 42%, amounting to € 119 million; and lastly, safety and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities) at 14%, totalling € 40 million.

Cellnex Telecom has a total of 15,140 sites (7,708 in Italy and 7,432 in Spain) as at the end of the first half of 2015. The organic growth of points of presence (PoPs) was 4% in the quarter, while the occupancy rate was 1.50. This is a reflection of business activity conducted during the half-year, with the signing of new agreements for the provision of services to mobile operators and carriers and audiovisual communications groups in Italy and Spain.

Subtracting the effects of new incorporations of assets or non-recurring expenses related to the acquisition of the towers from WIND, yields a flat cost curve. Furthermore, the company has taken its first steps in its future efficiencies plan with excellent results in various operational areas. Cellnex expects to unveil the details of this cost-saving plan for the coming years during the second half of 2015.

Total investments for the period were € 752 million: € 737 million for expansion (€ 693 million towards the Galata operation in Italy in March, and € 44 million for the acquisition of a package of 300 towers from Telefónica last January); € 2 million was allocated to maintaining installed capacity, while € 13 million was attributed to new revenue generation activities, for instance, the rationalisation of the existing telecom tower asset base which allows for increased efficiencies in the installed capacity.

Debt structure

Cellnex Telecom bond issuance of € 600 million, with a maturity of seven years 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 prior to issue) with an average cost of 2.2%. This refinancing process makes it possible to have longer maturities, to partially cover financial costs, to eliminate covenants and to diversify sources of funding.

The company's net debt at the end of the half-year was € 956 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 is currently 3.7 times, versus 1.7 times in December 2014.

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 15,140 towers.

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

In 2014, company turnover was € 436 million and gross operating profit (EBITDA) stood at € 178 million. Out of the total revenue, 57% was generated by broadcasting infrastructure (€ 250.35 million); 24% by mobile telephony infrastructures activity (€ 106.5 million); and 18% by network services (€ 79.16 million).



Appendix 1

Income statement and balance sheet

	JUNE 2014	JUNE 2015
Broadcast infrastructure	127	119
Telecom Site Rental	45	126
Network Services & Others	39	40
Revenues	210	285
Operating costs	-120	-183
EBITDA	91	102
Non-recurring costs	0	13
Ajusted EBITDA (1)	91	115
Depreciation & amortization	-41	-72
EBIT	49	30
Net interest	-6	-7
Results from Associates	0	0
Corporate Income Tax	-13	-4
Non-controlling Interests	0	0
Net Profit	31	18

(1) non-recurring costs associated to Galata acquisition and company's IPO

	JUNE 2015	DEC 2014
Tangible & intangible fixed assets	1.791	905
Goodwill	116	45
Total fixed assets	1.907	950
Current assets	173	191
Cash and cash equivalents	153	91
TOTAL ASSETS	2.233	1.232
Total Equity	515	501
Borrowings	1.098	421
Other liabilities	620	310
TOTAL EQUITY AND LIABILITIES	2.223	1.232
NET DEBT	956	342

Appendix 2

Significant events in H1 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 runs 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 envisaged allocating that part of the frequency 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 active multiplexes Statewide.
- **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

- **During the month 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 a coupon of 3.125%.

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