

Results January-September 2015

Cellnex Telecom Q3 revenues grow by 42% to €453 million

Recurring EBITDA reached 176 million euros (+33%)

Financial & operational highlights

- **EBITDA forecast for 2015 maintained at € 235 million**, following the upward revision announced last August, having exceeded market consensus following the IPO last May.
- **Net income for the period** reached € 19 million. **In comparable terms** (non-recurring effects of asset acquisitions in Italy, IPO, bond issuance) **this figure stood at € 35 million** (Q3 2014: €42 million).
- Cellnex Italy, which integrates the activities of TowerCo and Galata, contributed 26.5% of total company revenue at €120 million and helps to strengthen the contribution of the business segment for mobile telephony, which accounts for 47.7% of Cellnex's consolidated revenue, 38.2% of broadcasting infrastructure and 14% of network services (security, emergency, Smart Cities, etc).
- The company's three main lines of business - mobile telephony infrastructures, broadcasting, and network services - are expected to meet the organic growth targets for the financial year.
- In Spain, the tender awarding **six new licences for three channels** in SD and three in HD on 16 October 2015, **ensures stability and predictability in the audiovisual market**.
- **Influencing factors versus Q3 2014**: most notably, the closure of nine TV channels in May 2014 and the consolidation since 1 April 2015, of the 7,377 towers acquired from WIND and operated by Galata in Italy.
- Business growth, investment control and active capital management have **strengthened cashflow generation**, which has **increased by 32% versus the same period in 2014**.
- Following the **issue of a bond for € 600 million on 20 July 2015**, Cellnex Telecom has significantly improved the quality of its capital structure: it has improved its maturity (from 3.9 to 6.6 years) at a competitive cost of 2.2%; 54% of the debt is referenced to a fixed rate; it has removed "covenants" and diversified its funding sources.
- Commercial activity has led to agreements with other telecoms operators in Italy and Spain, to place equipment at company sites. This is demonstrated by **improved sharing ratios for the Cellnex Telecom network**.

Barcelona, 23 October, 2015. Cellnex Telecom, (CLNX), a leading European independent operator of wireless communications infrastructure, today announces its financial results for the third quarter of 2015. The 42% increase in revenues to € 453 million and growth in recurring EBITDA to 176 million (up 33%) highlight the company's solid track record for the period.

Key influencing factors versus Q3 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, President of Cellnex Telecom, stated: "Cellnex's third quarter results demonstrate that we have met the expectations set during the first half of the year successfully. Our approach is focussed on day-to-day operations, efficient implementation and attention to any growth opportunities that may arise, mainly in Europe. These are reinforced by the strong figures presented today and are in line with our expectations for the full year."

Tobias Martínez, CEO of Cellnex, commented that "the company has made strong progress across the business and lived up to expectations. This is a particularly significant achievement given the range of challenges faced, including the integration of Galata's activity in Italy, the IPO itself with the changes involved, and the pressure of weighing up costs and managing operations following the reduction of DTT channels in Spain in May 2014, as we wait to recover the 1.75 multiplexes associated to 6 new TV channels being licensed by the Spanish Government. These factors have had an impact on the flexibility available to the Cellnex team. Against this backdrop, these first nine months are clearly positive."

Organic growth, improved occupancy rate, investments

By business lines, activity in the audiovisual broadcasting networks area has contributed 38% of revenue, amounting to € 173 million. The mobile telephony infrastructures that have incorporated the towers acquired from WIND on 26 March since the second quarter, added 47.7% of revenue, or € 216 million. Meanwhile, the business focused on security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities) contributed 14% of revenue, totalling € 64 million.

Cellnex Telecom had a total of 15,127 sites (7,708 in Italy and 7,432 in Spain) at the end of the first half of 2015. Organic growth of points of presence over the existing stock of towers was 6% at the end of the third quarter with respect to December 2014, while the occupancy rate was 1.51 from 1.50 in June 2015. This reflects business activity both in Italy and Spain, with the signing of new service provision agreements with mobile and telephony operators and audiovisual communications groups.

Total investments for the period were € 756 million: 737 million for expansion (693 in the Galata operation in Italy in March, and 44 for the acquisition of a package of 300 towers from Telefónica last January); € 19 million were applied to maintaining installed capacity and activities linked to new revenue generation, for example rationalising the stock of telephony towers to maximise and improve the use of installed capacity.

Debt structure

Cellnex Telecom issued its six-times oversubscribed inaugural bond on 20 July 2015. The issue consisted of a bond for € 600 million, with a maturity of seven years and a coupon of 3.125%.

With this issue, Cellnex now has a stable long-term debt structure (6.6 years versus 3.9 years prior to 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 diversify sources of funding.

The company's net debt at the end of the nine-month period was € 980 million versus € 342 million at the end of 2014, after financing the acquisition of the portfolio of WIND towers for € 693 million.

About Cellnex Telecom

Since it acquired the portfolio of telecommunications towers from WIND in Italy last March, Cellnex Telecom has a leading European 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; security and emergency service networks and solutions for smart urban infrastructure and services 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. 57% of total revenue 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

	SEP 2014	SEP 2015	%
Broadcast infrastructure	185	173	
Telecom Site Rental	75	216	
Network Services & Others	58	64	
Revenues	318	453	+42,4%
Operating costs	-186	-293	
EBITDA	132	160	
Non-recurring costs	0	16	
Ajusted EBITDA (1)	132	176	+33,3%
Depreciation & amortization	-65	-119	
EBIT	67	41	
Net interest	-8	-13	
Results from Associates	1	-7	
Corporate Income Tax	-18	-3	
Non-controlling Interests	0	1	
Net Profit	42	19	
Net profit (recurring)	42	35	-16,6%

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

	DEC 2014	SEP 2015
Tangible & intangible fixed assets	905	1.749
Goodwill	45	116
Total fixed assets	950	1.865
Current assets	191	193
Cash and cash equivalents	91	75
TOTAL ASSETS	1.232	2.133
Total Equity	501	517
Borrowings	421	449
Bond issues	-	595
Other liabilities	309	572
TOTAL EQUITY AND LIABILITIES	1.232	2.133
NET DEBT	342	980

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 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 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

- **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, Cellnex Telecom 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.

