

Cellnex Switzerland

Industrial project setting the foundations for a long-term partnership with a key Swiss mobile operator



Unique tailored MSA ⁽¹⁾ on an extensive network of 2,239 sites with nationwide coverage

Critical mass in the country achieved with the initial step

Allowing for subsequent consolidation through a non-replicable network

Attractive 40-year ⁽²⁾ MSA

Strong backlog of c.€2.4Bn

Contracted organic growth through BTS ⁽³⁾ and DAS ⁽⁴⁾

BTS program deployed within 10 years

200 DAS nodes contracted

ROFO ⁽⁵⁾ and RTM ⁽⁶⁾ for all of Sunrise's subsequent DAS rollout

 ■ ■ CAPITAL PARTNERS



Consortium with leading partners

Enabling next steps

Consideration of €430Mn ⁽⁷⁾

RLFCF per share-accretive from day 1

Fully funded with Cellnex's available liquidity

c.€2Bn as of April 2017 ⁽⁸⁾

1. Master Service Agreement

2. Duration = 20+10+10 years with all or nothing renewal clauses

3. Build to Suit

4. Distributed Antenna System

5. Right of First Offer

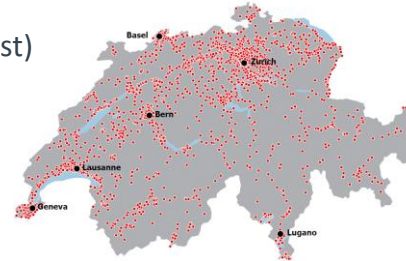
6. Right to Match

7. Free of liabilities, free of cash = (€458Mn or CHF500Mn – expected cash at Swiss Towers at closing date). Please note that the MSA contract started as of 1st January 2017

8. As per Cellnex's Q1 2017 results presentation

Young and high quality portfolio governed by a 40-year MSA

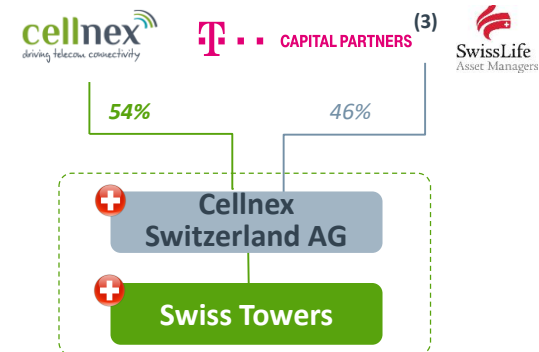
- Full nationwide coverage
 - Sunrise's strategy focused on network quality (#1 Connect Test)
- Sunrise as anchor tenant
 - 20+10+10 years MSA
 - All or nothing renewal clauses (under same terms)
 - CPI indexation with a floor at 0%



2,239 sites
 Customer ratio: 1.1x
 Urban sites: 32%
 Suburban sites: 41%
 Rural sites: 27%

Limited shareholder contribution from Cellnex (c.€170Mn) alongside reputable partners

- Acquisition of 100% of Swiss Towers for a total consideration of €430Mn ⁽¹⁾
- Financed through a combination of non-recourse debt (€142 Mn) and shareholders' contribution (€316 Mn). Cellnex will hold a 54% stake in Cellnex Switzerland, thus controlling and consolidating the entity ⁽²⁾
- Closing expected within c.1 month of signing, subject to merger control clearance, and conclusion of Transitional and Build to Suit agreements with Sunrise
- No significant impact on Cellnex's leverage on a consolidated basis
 - Cellnex's leverage FY2017 is expected to be in the region of 4.7x ⁽⁴⁾



1. Free of liabilities, free of cash = (€458Mn or CHF500Mn – expected cash at Swiss Towers at closing date). Please note that the MSA Contract started as of 1st January 2017

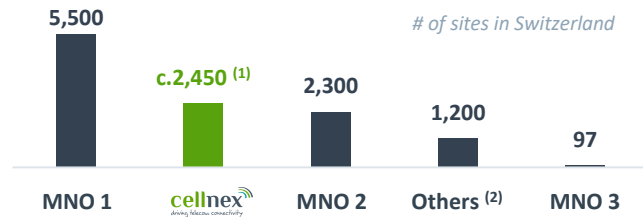
2. Non-recourse debt at Cellnex Switzerland level in CHF; Cellnex's contribution in Cellnex Switzerland to be financed in CHF

3. Deutsche Telekom Capital Partners has a put option - right to sell its stake to Cellnex, payable in cash or Cellnex shares

4. Management calculations based on (i) Q1 results and (ii) Annualized Net Debt/Annualized Adjusted EBITDA considering Swiss Towers acquisition from January 1st 2017

A further example of Cellnex's competitive advantage: from MLA to MSA building-up a win-win agreement for both parties

Building faster scale at Cellnex



High barriers to entry

- Challenging topography
- Environmental regulations
- New permits process time consuming

Highly attractive market dynamics

- One of the highest GDP per capita in Europe with stable economic and political conditions
- Significant mobile data traffic growth expected – 46% CAGR 2017-2022E ⁽³⁾
- No other TowerCo present in the market

Clear organic growth project

- Additional sites to be deployed during the next 10 years through the contracted Build to Suit program
- DAS and Small Cells commitment (200 DAS nodes already contracted)
 - ROFO and RTM for future DAS rollout
- Strict electromagnetic emissions framework likely to change if 5G needed

Compliant with Cellnex M&A criteria

- Expected run rate EBITDA in the region of €37Mn ⁽⁴⁾
- Expected RLFCF in the region of €20Mn on a run rate basis ⁽⁴⁾

1. Assuming the contribution of c.200 DAS nodes in 2020. It does not include the newly deployed sites through the Build to Suit program

2. Mainly corresponding to a railway operator

3. Arthur D. Little estimates as of 2017

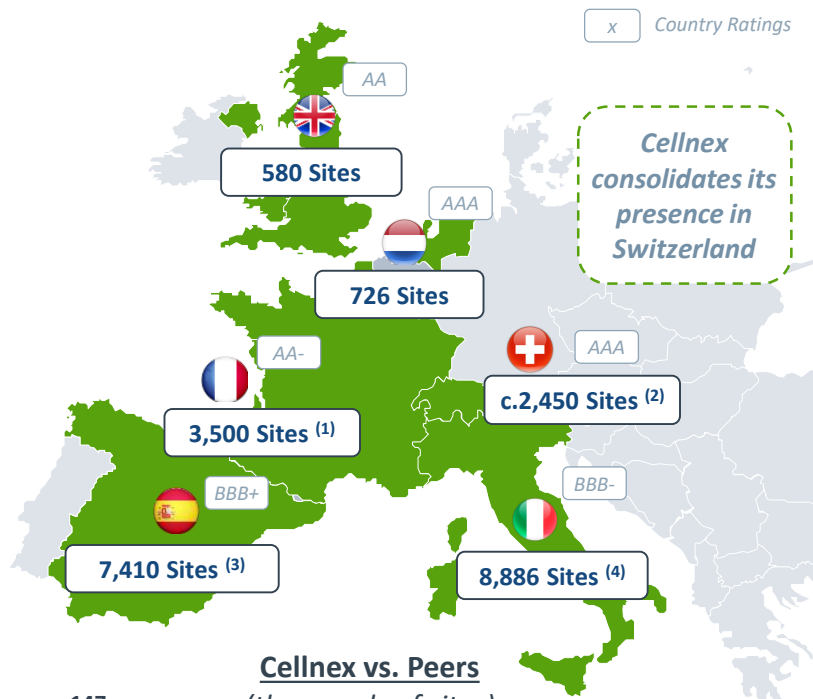
4. Management calculations

Improvement of Cellnex's Business Risk Profile

Cellnex's backlog reaches €15Bn

2/3 revenues from TIS and >50% EBITDA from outside of Spain

Improved Footprint in Europe

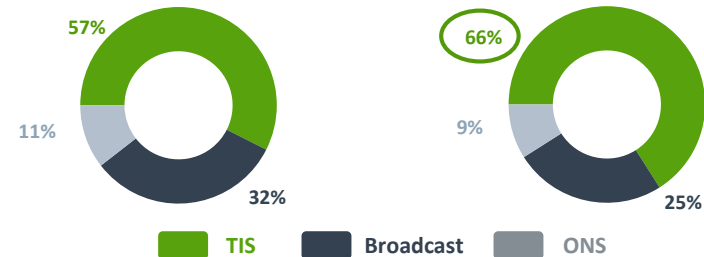


Improvement of Cellnex's Business Risk Profile

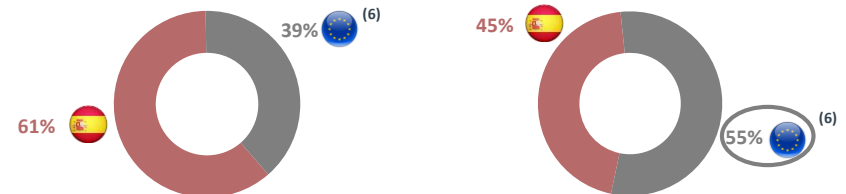
Q1 2017

Run Rate ⁽⁵⁾

Impact on revenue contribution



Impact on EBITDA contribution



Customer Tenant

- Sunrise will become one of Cellnex's main customers
- Strong corporate rating

Backlog

- From c.€12Bn to c.€15Bn

1. Including contribution of Bouygues Telecom deal announced in February 2017
 2. Assuming contribution of c.200 DAS nodes. It does not include deployed sites through the Build to Suit program
 3. Including broadcast sites

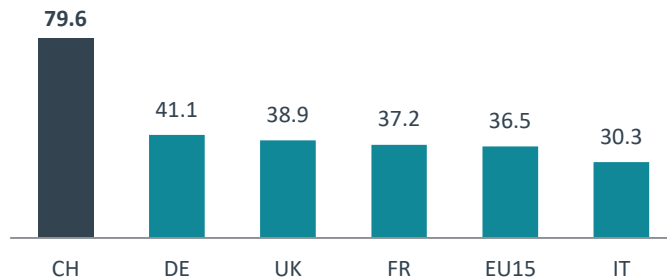
4. Including Commscon's DAS nodes
 5. Management calculations based on FY2016 and including run rate contribution of Bouygues Telecom deal and Cellnex Switzerland
 6. Including Switzerland and United Kingdom

Appendix

Favourable market conditions underpinned by highest GDP growth, coupled with low corporate tax and interest rates

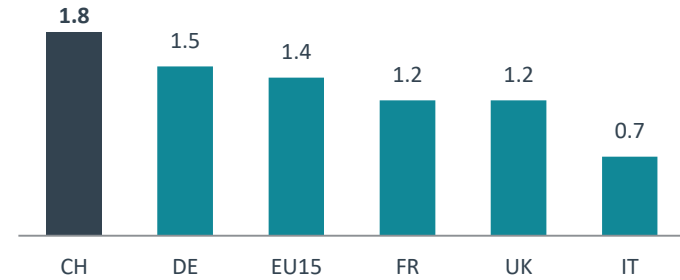
One of the Wealthiest Countries in Europe

2016 GDP per capita at nominal value (CHF '000)



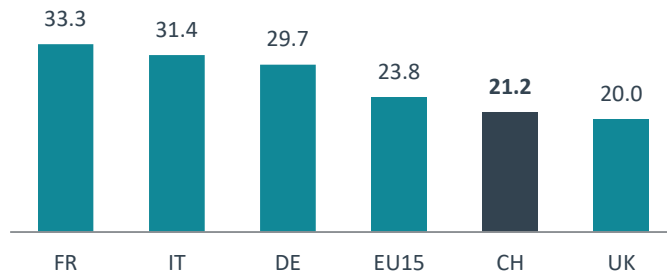
Superior GDP Growth

2015-2020 GDP CAGR (%)



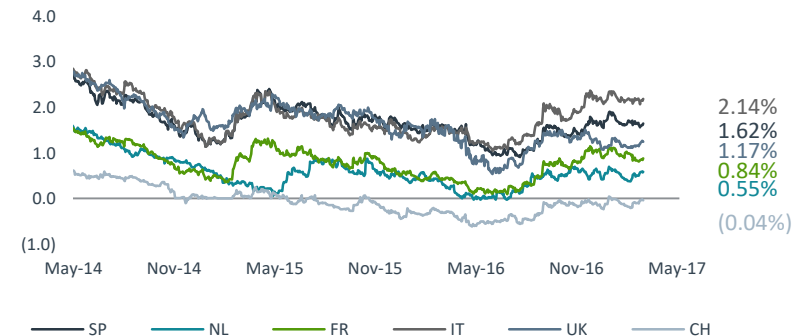
Attractive Corporate Tax Rate

Corporate tax rate (%)



Low Interest Rate Environment

Sovereign bond yields (%)



Business model is protected by commercial and regulatory barriers to entry into the tower market

Multiple Barriers to Entry

1

Availability of sites/ability to find suitable locations

2

Acquiring permits: strict zoning, environmental and canton specific regulations

3

Significant upfront investment and time to market

High Throughput Time for New Sites

Average Time to Market

2-7
months

Site acquisition, feasibility, technical review, lease process

1-3
months

Site design and NIS ⁽¹⁾ calculation

2-18
months

Permit application including NIS ⁽¹⁾ permitting process

4-6
months

Contractual process

1-4
months

Site build and inspection

10-38 months

(1) Regulation on electromagnetic emissions (non-ionising radiation), namely NIS-V

Term	Definition
Adjusted EBITDA	Profit from operations before D&A and after adding back certain non-recurring and non-cash items (such as advances to customers and prepaid expenses)
Backlog	Represents management's estimate of the amount of contracted revenues that Cellnex expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but do not include adjustments for inflation One of the main assumptions relates to the contract renewals, and in accordance with the consolidated financial statements for the year ended 2016, contracts for services have renewable terms including, in some cases, 'all or nothing' clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty
Build to Suit	Sites that are built to meet the needs of the customer
CAGR	Compound Annual Growth Rate
CPI	Consumer Price Index
Customer Ratio	The customer ratio relates to the average number of carriers in each site. It is obtained by dividing the number of carriers by the average number of Telecom Infrastructure Services sites in the year. Same as tenancy ratio
DAS	A distributed antenna system is a network of spatially separated antenna nodes connected to a common source via a transport medium that provides wireless service within a geographic area or structure
GDP	Gross Domestic Product
MLA	Master Lease Agreement
MNO	Mobile Network Operator
MSA	Master Service Agreement
Node	A node receives the optical signal from the BTS venue and transforms it into radio frequency signal and then transfers it to antennas after amplifying it
ONS	Other Network Services, same as Network Services and Others
RLFCF	Recurring Operating Free Cash Flow plus/minus changes in working capital, plus interest received, minus interest expense paid and minus income tax paid
ROFO	Right of First Offer
RTM	Right to Match
TIS	Telecom Infrastructure Services, same as Telecom Site Rental
TowerCo	Independent Tower Operator