cellnex
driving telecom connectivity

Press Release

Results January-June 2016

Cellnex Telecom H1 2016 revenues grew by 18% to € 338 million

EBITDA was € 134 million, with a net profit of € 25 million

- Cellnex Telecom closed the first six months of 2016 with growth across all key metrics, in line with Company forecasts.
- **EBITDA grew** by 16.5% compared to H1 2015.
- **Recurring free cash flow for the financial year grew by 25%** to € 126 million.
- **Net debt at 30 June was € 871 million**, **cutting annualised debt/EBITDA to 3.3x** (from 3.7x in December 2015).
- **Tenancy ratio of Cellnex sites continues to grow steadily, rising to 1.56 from 1.50 in June 2015.**
- **Cellnex Italia,** which includes TowerCo and Galata, **contributes 34% of total Company revenue**, providing € 116 million in the first six months.
- During the second quarter of the year **Cellnex announced three acquisitions amounting to € 208 million: it increased its presence on the Italian market by acquiring CommsCon,** positioning itself in the strategic field of "small cells" technology; **it expanded its European reach by incorporating Protelindo's 261 sites in the Netherlands and finalised an agreement with Bouygues Telecom to integrate 230 sites and potentially up to 500 sites in France**.
- These acquisitions in the Netherlands, Italy and France, **are not included in the financial figures for the first six months.**

Barcelona, 29 July 2016.– Cellnex Telecom announces its results for the first half of 2016. The Company delivered revenues of €338 million and EBITDA of € 134 million. Net income reached € 24 million compared to € 18 million in the first half of 2015.

Cellnex CEO **Tobias Martínez** featured in a positive way how "the results matched Cellnex's forecasts in the first half-year. Indicators such as revenue, EBITDA, the tenancy ratio of our infrastructure and 'points of presence' are all undergoing sustained growth. As for the latter ratio I would highlight the growth rate: 415 PoPs compared with 346 the previous half, which is up 20%."

Cellnex President **Francisco Reynés** underlined "two characteristic elements of this first half-year: growth in key indicators and business activity in line with market expectations. The results also highlight our team's ability not only to identify growth opportunities in Europe, but also to prioritise and deliver on them."

In the same vein, **Tobías Martínez** noted that in addition to the day to day execution "we have not neglected the dynamics of the market in Europe. Cellnex has proved to be agile and responsive to opportunities. This is evident by the three acquisitions made so far this year: the 949 nodes structuring the small cells and DAS network from CommsCon in Italy; the 230 Bouygues Telecom sites in France; and the 261 Protelindo sites in the Netherlands. We continue to revalidate our position as an operator with a European reach with a business model in which the growth vectors will come from greater infrastructure sharing and the densification of networks based on 'small cells' and DAS to respond effectively to mobile broadband services."

Organic growth, improved occupancy rate, investments, new DTT channels in Spain

Cellnex's business segments comprise the following areas by revenue split: **mobile telephony infrastructure contributed 55% of revenue**, amounting to € 184 million; activity in the **audiovisual broadcasting networks area contributed 33% of revenue**, to the tune of € 113 million; **business focused on security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities) contributed 12%** of revenue, totalling € 41 million.

Cellnex Telecom had a total of 15,135 sites (7,718 in Italy and 7,417 in Spain) at the end of the first quarter of 2016), to which 949 nodes (DAS and Small Cells) managed by CommsCon in Italy are included.

Organic growth of points of presence over the existing stock of towers was up 2% with respect to the same period in 2015, while the occupancy rate per site was 1.56, rising from 1.50 in June 2015, the first period in which the Galata assets in Italy were consolidated, and from 1.54 in the first quarter of 2016. This is a reflection of business activity, with the signing of new service provision agreements with mobile telephony operators, telecoms operators and audiovisual communications groups in both Italy and Spain.

In this last case, income from the period includes the start of broadcasts from six new TV channels in late April. In the accumulated six-month figure, this line of activity remains affected by the lack of comparability with the first quarter of 2015 in which there was still a 'simulcast' (a parallel broadcast on two different frequencies) coinciding with the migration and freeing up of the 800 MHz band.

Investments for the period totalled € 46 million. € 19 million relate to the acquisition of CommsCon, while € 27 million were applied to maintaining installed capacity, as well as investments linked to generating new revenue and greater efficiency and improving operating costs by renegotiating contracts relating to the sites in which the mobile infrastructures managed by the Company are located.

Debt structure: available credit lines extended by € 125 million

At the close of the first half of 2016, Cellnex maintained a stable, **long-term debt structure, with an average life of 5.6 years**, an average **annual cost of 2.1%, and of 57% referenced to a fixed rate**. Cellnex Telecom's debt is not subject to any type of covenants.

Cellnex extended its available credit lines by € 125 million with maturities between 2019 and 2021 at a cost of 1%. Cellnex has therefore extended its total debt limit to € 1.225 billion.

The Company's net debt at 30 June stood at € 872 million, compared to € 927 million at the end of 2015, marking a reduction of 6%. The annualised net debt/EBITDA ratio was 3.3x compared to 3.7x in December 2015.

On March 30 Cellnex Telecom joined the list of corporate bonds eligible as collateral by the European Central Bank in monetary policy operations. This action falls within the framework of the Corporate Sector Purchase Programme (CSPP), which on 10 March completed the Asset Purchase Programme (APP) previously deployed by the ECB.

Cellnex Telecom's bond issues maintained their 'investment grade' rating from Fitch (BBB- with stable outlook). Moreover, last June S&P confirmed our BB+ rating, improving the outlook from stable to positive.

About Cellnex Telecom

Cellnex Telecom is Europe's leading independent operator of wireless communications infrastructure, with a total portfolio of 15,135 towers at the close of H1 2016. Cellnex operates in Spain, Italy, the Netherlands and France.

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

	JUN 2015	JUN 2016
Telecom Site Rental	126	184
Broadcast Infrastructure	119	113
Network Services & Others	40	41
Revenues	**286**	**338**
Operating Costs	**(171)**	**(204)**
EBITDA	**115**	**134**
Non-recurring items	(13)	(9)
Depreciation & amortisation	(72)	(83)
EBIT	**30**	**42**
Net Interest	(7)	(15)
Corporate Income Tax	(4)	(3)
NET PROFIT ATTRIBUTABLE	**18**	**24**

	Dec 2015	June 2016
Non Current Assets	**1.808**	**1.775**
Fixed Assets	1.519	1.472
Goodwill	216	228
Other Financial Assets	73	75
Current Assets	**219**	**366**
Debtors and Other Current Assets	168	170
Cash and Cash Equivalents	51	196
Total Assets	**2.027**	**2.141**
Net Equity	**537**	**549**
Non Current Liabilities	**1.291**	**1.379**
Bond Issues	593	593
Borrowings	378	457
Deferred Tax Liabilities	183	182
Other Creditors & Provisions	137	147
Current Liabilities	**199**	**213**
Total Liabilites	**2.027**	**2.141**
Net Debt [1]	**927**	**872**
Annualized Net Debt / EBITDA	**3,7x**	**3,3x**

Appendix 2

Significant events in H1 2016

February

- **Orange and Cellnex Telecom rolled out the largest network of 4G Small Cells in Barcelona**, in cooperation with the City Council.

March

- **Cellnex Telecom announced it would set up a 'corporate excellence' centre in Italy,** which will cover the entire Group. The launch of this Rome-based centre is a sign of Cellnex's long-term commitment with Italy and reflects the degree of preparation and professionalism of the teams of Galata and TowerCo, the Group's companies in Italy.
- **Cellnex Telecom and Italian investment fund F2i** presented a binding offer which, if accepted by Telecom Italia, could acquire up to 100% of the shares of Inwit, one of Italy's main operators of telecommunications infrastructure, which has 11,500 sites in the country. Telecom Italia controls 60% of Inwit's shares.
- **The European Central Bank incorporated Cellnex Telecom bonds into the high-quality corporate bonds purchase programme** launched by the ECB itself under its Asset Purchase Programme, which aims to inject liquidity into the European economy.

May

- **Cellnex Telecom disclosed the agreement with Indonesian infrastructure operator Protelindo** for the acquisition of Protelindo Netherlands which operates 261 sites in the Netherlands. The operation involves an investment of € 109 million.

June

- **The IBEX 35 Technical Advisory Committee approved Cellnex's entry into the main stock index of the Spanish market.** The Company's shares were incorporated into the index at the meeting on 20 June.
- Through its subsidiary Cellnex Italia, s.r.l., **Cellnex Telecom closed the acquisition of CommsCon, involving an investment of € 18.65 million.** Commscon is an Italian operator providing solutions for mobile broadband coverage based on 'small cells' and DAS (distributed antenna systems) technology in large open and closed spaces frequented by a large number of people.
- **On 30 June Cellnex Telecom held its Shareholders' Meeting corresponding to the financial year 2015**. This was the first Shareholders' Meeting since the Company's IPO in May 2015.

July

- **Cellnex Telecom closed an agreement with Bouygues Telecom to** initially **acquire 230 telecommunications towers in France**. This represented an investment of € 80 million that opens the door to the Company in the French market. Both companies are working on a second phase that could increase the number of sites acquired to 500.

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