telesites

INFRASTRUCTURE FOR GROWTH

ANNUAL REPORT 2015

CORPORATE PROFILE

Telesites is a Mexican company that specializes in the construction, installation, maintenance, operation and marketing of different types of sites –towers and support structures as well as physical spaces and other nonelectronic elements– for the installation of service networks for the telecommunications industry. With more than 12,800 towers distributed in the 9 regions* in the country, the company has the most solid and complete infrastructure in Mexico.

The dynamic growth that demands an increase in voice, data and video traffic, the growing penetration of mobile services in the population and the increased presence of operators in the country are the driving forces behind the development that the company foresees for the next few years.

Since December of 2015, Telesites is a public company that is listed in the Mexican Stock Exchange.

CONTENT

* For the purposes of the telecommunications industry in Mexico, the country is divided into 9 regions.

Our Company began operations in January of 2015, through Operadora de Sites Mexicanos (OPSIMEX), as the result of the division of 11,766 towers from Telcel (a subsidiary of América Móvil in Mexico).

The spin off of Telesites (holding company of OPSIMEX) provides the opportunity for taking full advantage of the nature of a tower company business, providing prospects such as:

- Freedom to offer spaces to all telecommunications operators on a level playing field.
- Focusing our efforts on improving asset management and operation.
- Assigning a reasonable value to the company's assets as a result of stable income and cash flow generation, protected against inflation, with long term contracts and fixed cost structure.

TELESITES at a glance

LOCATION OF OUR SITES

Region 1 630
Baja California
Southern Baja California

Region 2 993
Sinaloa
Sonora

Region 3 673
Chihuahua
Durango

Region 4 1,477
Coahuila
Nuevo León
Tamaulipas

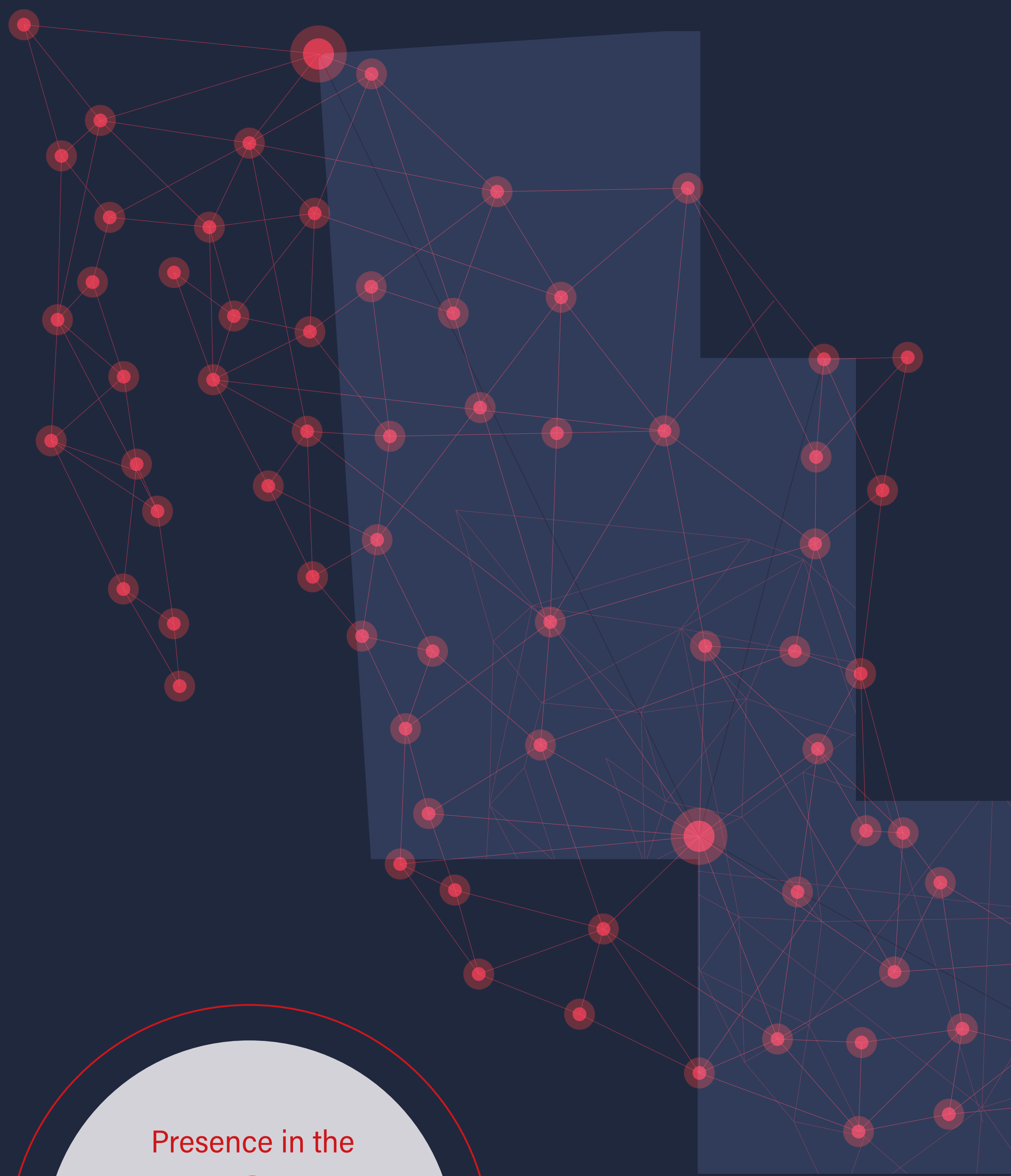
Region 5 1,596
Colima
Jalisco
Michoacán
Nayarit

Region 6 1,500
Aguascalientes
Guanajuato
Querétaro
San Luis Potosí
Zacatecas

Region 7 2,161
Guerrero
Oaxaca
Puebla
Tlaxcala
Veracruz

Region 8 1,416
Campeche
Chiapas
Quintana Roo
Tabasco
Yucatán

Region 9 2,428
Mexico City
State of Mexico
Hidalgo
Morelos

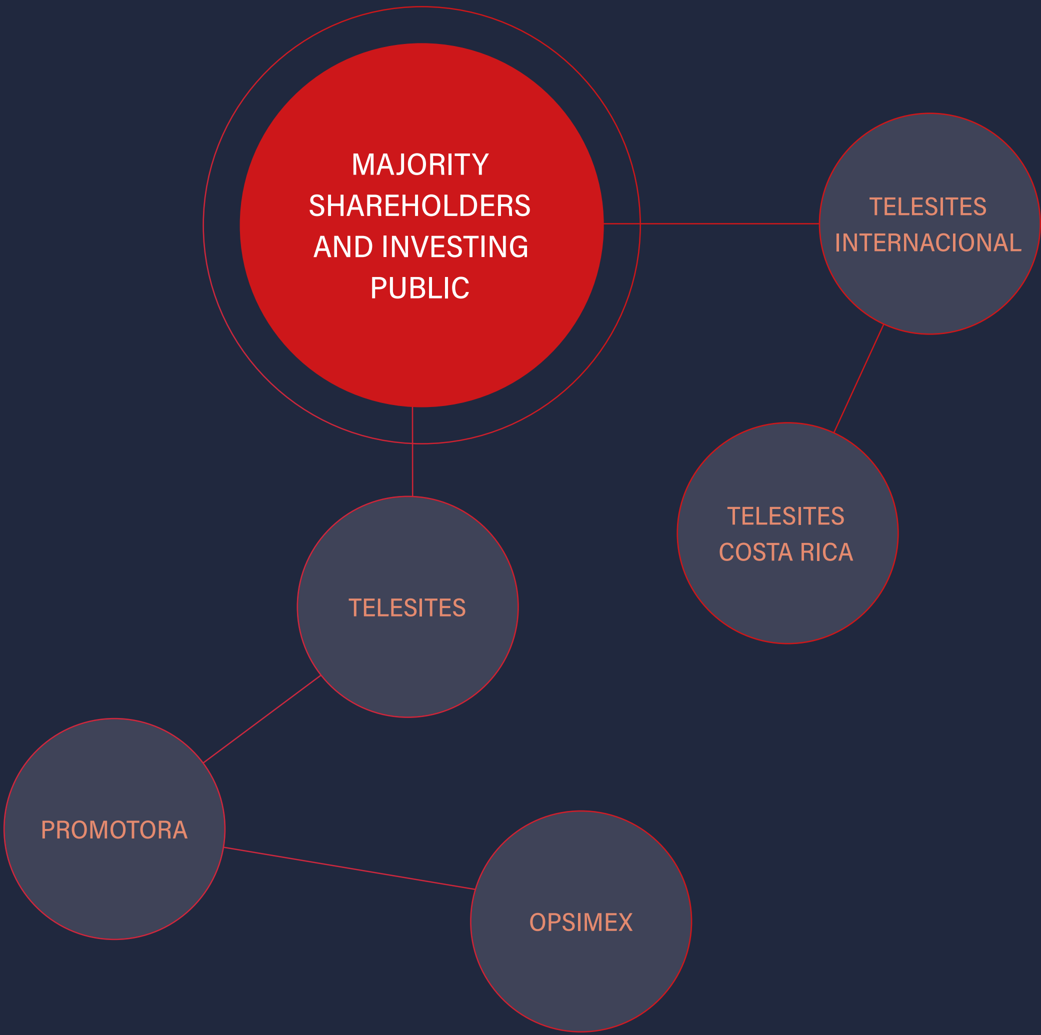


Presence in the

9

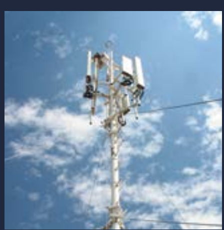
Regions that compose all the states in the Mexican Republic

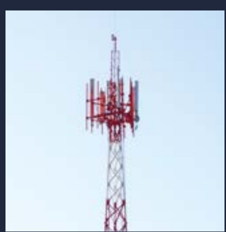
OPERATIONAL STRUCTURE

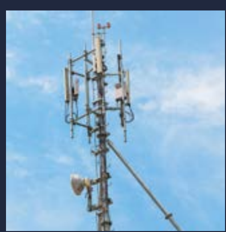


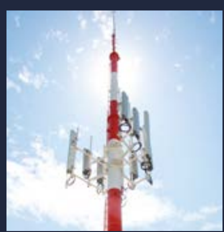
Occupation
1.0
operator per tower

TYPES OF SITES


Guyed


Self-supporting


Mast

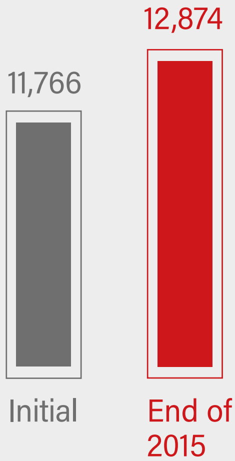

Monopole

Relevant financial INFORMATION

2015 OPERATIONAL AND FINANCIAL DATA

Initial portfolio	11,766
Built Sites	1,108
2015 Total Portfolio	12,874
Tenancy Ratio	1.0
Total Income (million pesos)	4,735.2
Income from rent (million pesos)	4,230.6
EBITDA (million pesos)	2,876.6
EBITDA Margin	60.7%

PORTFOLIO OF TOWERS



To our INVESTORS

Mexico City, April 6, 2016

Global economic recovery remains slow due to the measured expansion of advanced countries and the weakening of developing nations. Financial markets were affected by the recovery of the American economy which fueled the strengthening of their currency, doubts on the handling of their economic policy and economic perspectives in China, and the fall in oil prices and raw materials, among others. Likewise, there is disagreement among the positions on monetary policies of major economies, and increases and lowering of interest rates.

Mexico's economy posted a moderate 2.5% growth in GDP, which was regarded as favorable in comparison to other Latin-American countries; inflation was of 2.13%, reaching minimum historical levels. Tax revenues and the fiscal balance were affected by the effects of the fall in oil prices. The performance of the exchange rate in 2015, which was also influenced by other external factors in addition to the fall in oil prices, required the intervention of the Central Bank of Mexico through dollar auctions which reduced international reserves by 24 billion dollars.

An investment of **1,108** towers was made in 2015

Other measures that will be implemented in 2016 such as adjustments in spending in the Federal Public Administration, increase in interest rates and additional interventions by the Central Bank of Mexico and other entities in matters of monetary and fiscal policy are focused on reinforcing the fundamentals of the economy.

Our company began 2015 with a portfolio of 11,766 towers that resulted from the division of Telcel into OPSIMEX as a new business entity. During 2015 our portfolio grew 9.4%, ending the year with 12,874 towers. The aforementioned number of towers enabled us to position ourselves as the number one player in the market. The passive infrastructure we possess can be accessed and used by any operator and constitutes an option for financing capital investments and expediting the development of their own networks.

Under the protection of the Reference Offer, Master Lease Agreements were signed with Telcel, Telefónica and AT&T. In addition to the Site Agreements that were signed with Telcel, Site Agreements are also being signed with Telefónica and AT&T.

Telesites attained the projected results, posting a Total Income of 4,735.2 million pesos, which, with a 60.7% margin, generated an EBITDA of 2,876.6 million pesos. A total of 1,108 sites were built during the course of the year.

It must be noted that on December 21, 2015, Telesites shares were recorded in the National Securities Registry of the National Banking and Securities Commission and listed in the Bolsa Mexicana de Valores, S.A.B. de C.V. (Mexican Stock Exchange).

During 2016, Telesites will post significant growth in its portfolio, with a double digit growth derived from the construction of new towers for Telcel, which will represent an investment of between 1.3 and 1.7 billion pesos.

Our company will continue to implement various strategies aimed at increasing profitability, including emphasis on (i) cost reduction, (ii) optimum operation and maintenance of its towers, (iii) optimized planning of the requirements for new sites, the demand of mobile operators and their technological requirements and, (iv) management of the contractual relationship with clients and suppliers.

Telesites is a company with an ideal passive INFRASTRUCTURE FOR supporting the GROWTH in demand for telecommunications networks necessary for covering the expansion and coverage of mobile data in our country.

Sincerely

Gerardo Kuri Kaufmann
Chief Executive Officer
Telesites, S.A.B. de C.V.

Our business MODEL

We are the tower company with the highest number of sites in Mexico. We work with long-term agreements that provide both stability and income that are protected against generalized movements in prices.

There are three main factors that determine the company's income and profitability: Number of towers, Occupation per tower and Fixed Cost Structure.

1 Growing Market

Increase in demand of towers

Several analysts foresee that the explosion in the traffic of data for intelligent terminal equipment will continue to fuel the demand for an increased radio-communications infrastructure. Mobile operators will have to continue investing in the expansion of the capacity of their networks to keep up with the increase in demand for data plans and the migration of users to LTE.

2 Competition Benefit

+ Occupation = Lower costs for operators

During the past few years, the global trend in the telecommunications industry was a simultaneous expansion of customers and networks where coverage was the great differentiating factor. Nevertheless, the evolution in the market has led operators to share network infrastructure, redefining their strategy towards differentiation in service.

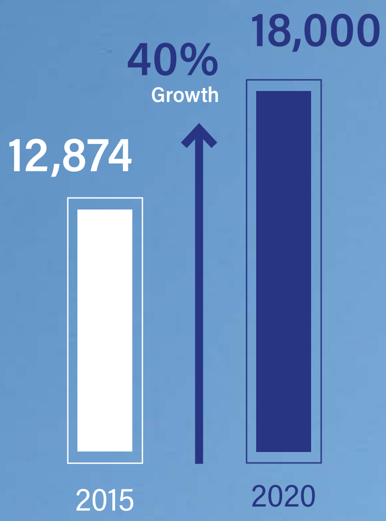
3 Increase in Profitability

Shared costs = Fixed Cost Structure

In view of the fact that most mobile telephone companies regard Site Infrastructure sharing as advantageous, instead of individually assuming installation and management costs in this segment of the industry, we open doors for our assets to be marketed to two or more customers, thus increasing investment profitability.

Solid INFRASTRUCTURE

Telesites has a portfolio composed of 12,874 sites, with four types of towers (mast, guyed, self-supporting and monopole) and strategic locations which enable us to offer the best and most complete network in the Telecommunications market.



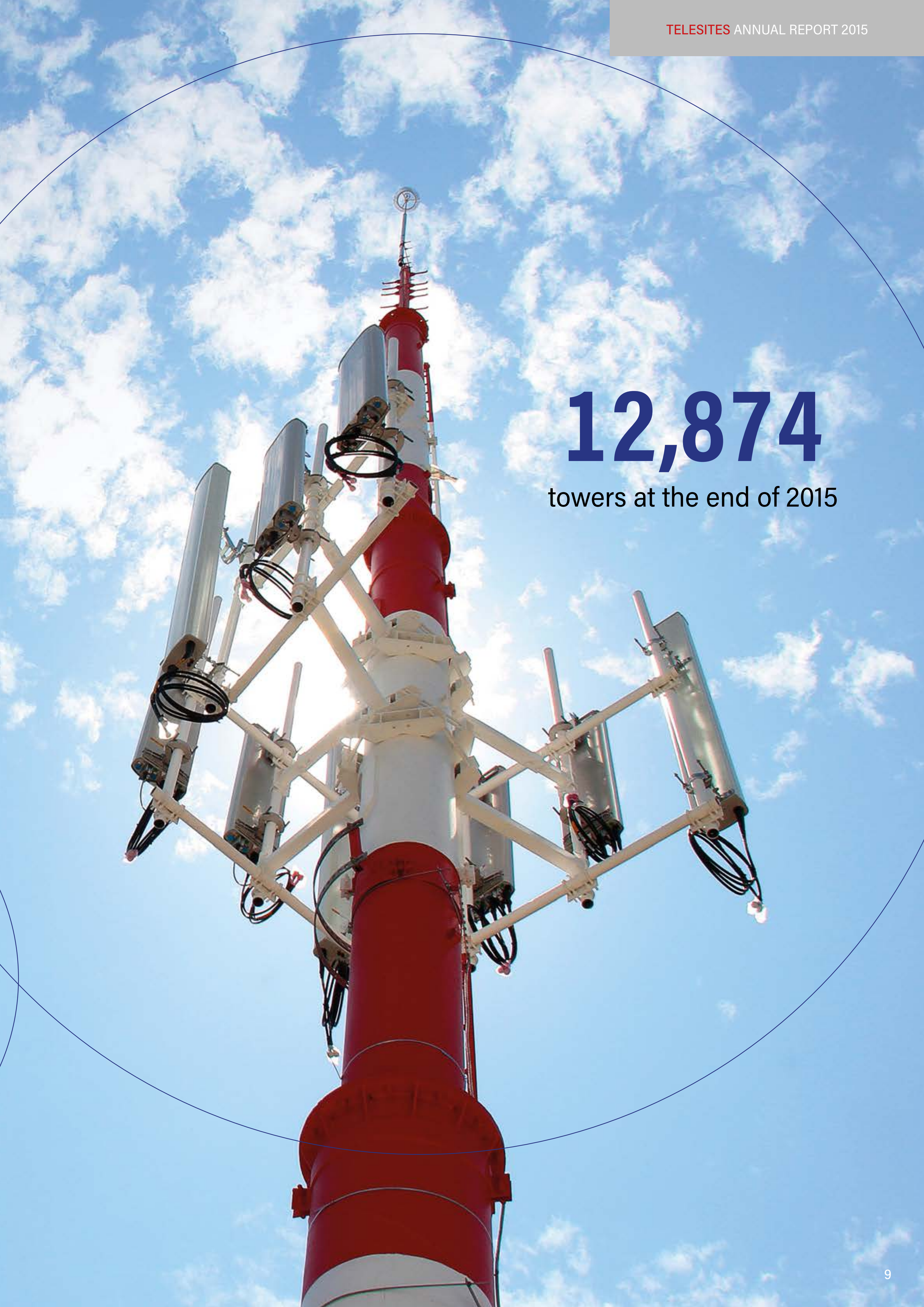
Growth of

1,000*

towers per year

* Estimate of at least 1,000 towers per year during the next 5 years

Most experienced tower builder in Mexico



12,874

towers at the end of 2015

QUALITY
operation

We have more than 16 years' experience in the construction and operation of towers in our country. We have a workforce composed of engineers, architects and management staff capable of coordinating one of the largest tower constructions in the world, of efficiently operating our portfolio and of providing specific follow-up to the needs of each customer.

223*
Employees at the end of 2015

* Includes outsourcing

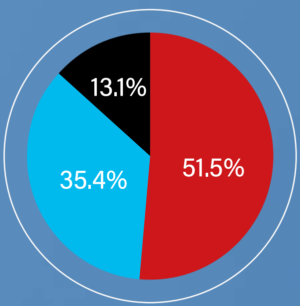
High

GROWTH POTENTIAL

We are in a market of close to 25,000 telecommunications towers which the IFT (Federal Telecommunications Institute) estimates will demand a growth of more than three times its current size.

The penetration of mobile data presents exponential growth and demands that justify the expansion of the telecommunications network in the country.

MARKET SHARE*



- Telesites
- American Tower
- Others

TELECOMMUNICATIONS MARKET IN MEXICO

Technology	Operator 1	Operator 2	Operator 3
2G	92%	80%	75%
3G	87%	73%	69%
4G	50%	14%	10%

Source: IFT

87%

mobile penetration in Mexico vs 119% in Latin America

Up to the second quarter of 2015, with figures from the IFT

* Calculations obtained from AMT public information, starting with an approximate of 25,000 total towers in the market.

Executive SUMMARY

The operations of Telesites began on January 5, 2015 through its subsidiary OPSIMEX. Our company is the result of the spin off of the passive infrastructure held of Telcel. The division took place on three levels, with OPSIMEX, the company that owns the assets in Mexico, spun off from Radiomóvil Dipsa; Promotora de Sites as the sub holding spun off of Sercotel (without operations); and lastly the holding, Telesites, spun off from América Móvil.

As a result of the division, América Móvil shareholders received one share of Telesites for every 20 América Móvil shares. Telesites does not have an ADR program and therefore its shares are only quoted locally in the Mexican Stock Exchange.

The total portfolio of division towers was of 11,766 which invoiced the entire year.

The decision of creating Telesites and operating the Tower business independently allows us to:

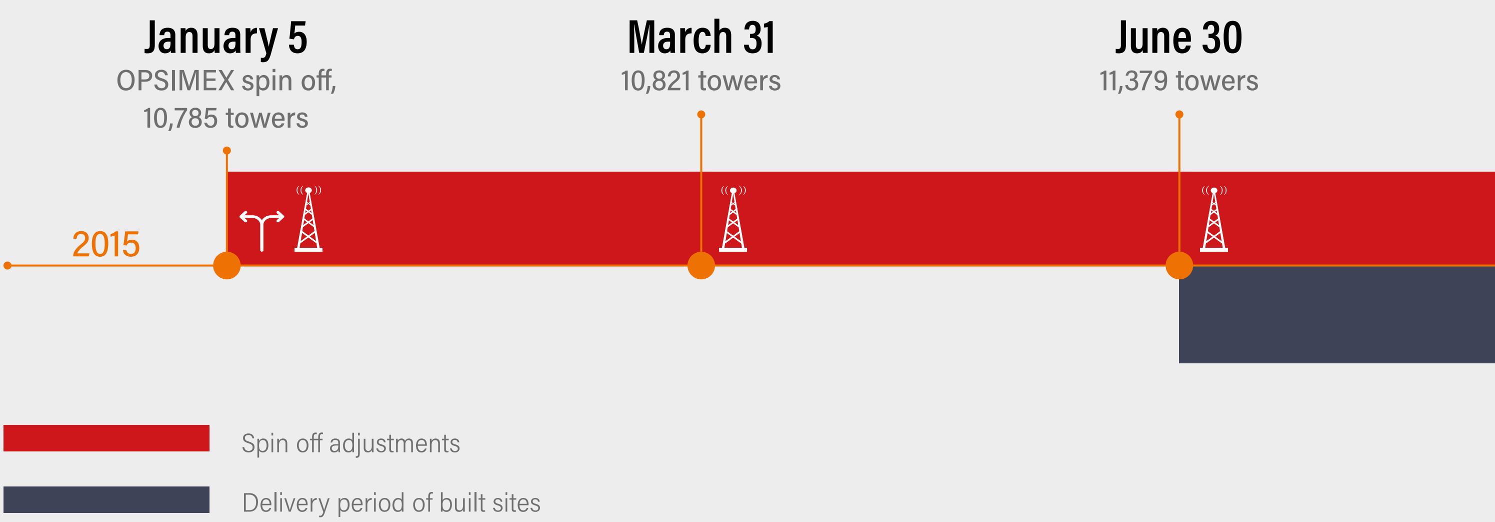
- Offer our infrastructure to all telecommunications operators in Mexico under equal circumstances.
- Take advantage of a tower company's structure, assigning assets the corresponding value.

Most significant events

During 2015, the company was spun off, Senior Bonds were issued, the company began operating independently and was also listed on the Stock Exchange. Following the spin off of OPSIMEX, a program for the issue of Senior Bonds of up to 22 billion pesos was authorized. The company executed the program in three issues of 5, 10 and 15 years and variable and fixed rates, all in Mexican pesos. At the close of 2015, 18.835 billion had been issued within the program.

In addition to the 11,766 towers that made the spun off initial portfolio, Telesites built 1,108 towers during 2015, closing the year with 12,874 towers in its portfolio, equivalent to a 9.4% growth over the year.

Timeline



The entire initial portfolio is rented to Telcel and therefore occupation is of one operator per tower.

Revenues:
4,735.2
million pesos

EBITDA
2,876.6
million pesos

Margin
60.7%

Results

Total revenues for 2015 were 4,735.2 million pesos, out of which 56.6% were generated by the rent of towers, that is to say, 2,678.3 million pesos. Land rent for floor space, which is transferred in its entirety to the customer and did not represent any type of use or source of resources, was of 1,552.3 million pesos.

Additionally, the revenue includes 4,38.1 million pesos derived from a change in the estimate of the provision for asset retirement.

The EBITDA generated in 2015 had a margin of 60.7% with a total amount of 2,876.6 million pesos. At the close of 2015, the company posted a debt of 19,769.5 million pesos with a cash position of 470.3 million pesos, resulting in a Net Debt of 19,299.6 million pesos. The ratio of Net Debt / EBITDA leverage is the equivalent of 6.7x.

The company's debt at the close of 2015 was composed in the following manner:

(Billion pesos)	Amount	Rate	Term	Due date
Cebur OSM 15	7,210	7.97%	10 years	July 23, 25
Cebur OSM 15-2	4,500	TIIE 28 + 0.50	5 years	July 29, 20
Cebur OSM 15 Udis	7,126*	4.75%	15 years	July 17, 30
Bank Credit	1,000	TIIE + 0.45%		February
Amortized Cost	(67)			
Total Debt	19,769			

* The rate of this credit is the real rate because the notional value of the debt is restated for inflation.
TIIE: (Interbank Rate).

Corporate GOVERNANCE

The management of our company is entrusted to a Board of Directors which is currently composed by a total of six (6) statutory members without the appointment of any alternates. Pursuant to the charter, the Board of Directors must be composed of a minimum of five and a maximum of twenty one statutory members and the same number of alternates. The members of the board do not have to be shareholders, nevertheless, the majority of statutory and alternate members of the board must be of Mexican nationality and appointed by Mexican shareholders.

The appointment or reelection of statutory and alternate members of the board is carried out during the general shareholders meeting. As established in the LMV (Securities Market Act, LMV for its acronym in Spanish), the shareholders meeting must assess the independence of members of the board, nevertheless the CNBV (National Banking and Securities Commission, CNBV for its acronym in Spanish) may object to the aforesaid assessment. Pursuant to what is established in our Charter and in the LMV, at least 25% of the members of the board must be independent and we currently have a percentage of close to 70% of independent members of the board, which is significantly above the percentage required by legal dispositions. In order for the board of directors to legally meet, the majority of the members thereof must be in attendance.

Additionally, our Charter states that the members of the Board of Directors will be appointed to exercise their appointments during one year. However, pursuant to what is established in the LGSM (General Law of Mercantile Corporations, LGSM for its acronym in Spanish), the members of the board will remain in office until up to thirty (30) days after the expiration of the term in office when their substitutes have not been appointed or when the appointed substitutes have not yet taken the aforesaid office. In some cases established in the LMV, the board of directors may appoint interim members of the board and the shareholders meeting may ratify the aforesaid appointments or appoint the corresponding substitutes.

Board of DIRECTORS

The names of the current members of the Board of Directors of TELESITES, their position, experience in the business, including additional experience as a member of a board, are listed below.:

Member of the Board	Position/Type of member	Biography
Juan Rodríguez Torres	Statutory Member of the Board **Independent**	Civil Engineer from the National Autonomous University of Mexico. He is 76 years old. He is a member of the board of Procorp, S.A. de C.V., Sociedad de Inversión de Capitales, Grupo Sanborns, S.A.B. de C.V., Elementia, S.A. de C.V. and Chairman of its Audit Committee, advisor of Minera Frisco, S.A.B. de C.V. and Chairman of its Audit Committee, advisory councilor of Grupo Financiero Banamex. Advisor in the following Spanish companies: Fomento de Construcciones y Contratas, S.A. and a member of its committees, advisor for Cementos Portland Valderrivas, S.A. and its committees, Non-Executive Chairman of the REALIA Business, S.A. Real-estate group. He is the founder of several companies in the real-estate and shoe sector.
Daniel Díaz Díaz	Statutory Member of the Board **Independent**	Civil Engineer from the National Autonomous University of Mexico. He is 81 years old. In the public sector he held the office of Undersecretary of Infrastructure and Secretary of Communications and Transport. From 1990 to 1997 he was a member of the governing body of the National Autonomous University of Mexico. Mr. Diaz was the General Director of the Mexican Institute of Transport and from 2000 to 2001 he was the General Director of Federal Roads and Bridges of Revenue and Related Revenue. From 2003 to 2005 he held the office of advisor for infrastructure projects of the Fundación del Centro Histórico de México, A.C. (Historic Center Foundation), and is currently a member of the board of Carso Infraestructura y Construcción, S.A. de C.V. and of Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V.
Luis Ramos Lignan	Statutory Member of the Board **Independent**	Civil Engineer with a Master's Degree in Hydraulics from the National Autonomous University of Mexico. He is 76 years old. He was President of the College of Civil Engineers of Mexico and of the National Chamber of Consultancy Enterprises. He is currently the Chief Executive Officer of Ingeniería y Procesamiento Electrónico, S.A. de C.V. and holds the office of the President of the Instituto Mexicano de Auditoría Técnica, A.C.
Daniel Goñi Díaz	Statutory Member of the Board **Independent**	Law Graduate from the National Autonomous University of Mexico. He is 64 years old. He is Notary Public Number 80 in the State of Mexico. He was Secretary, Vice-President and President of the National Red Cross on several occasions. Similarly, he has held the office of Commissioner for Citizens Rights in the State Election Commission in the State of Mexico.
Víctor Adrián Pandal González	Statutory Member of the Board **Related**	Business Administration degree from the Universidad Iberoamericana. He is 42 years old. Bachelor's Degree in Business Administration from Boston University. From April 2002 to date he has held the position of Chief Executive Officer of Fundación del Centro Histórico de la Ciudad de México, A.C.
Gerardo Kuri Kaufmann	Statutory Member of the Board **Related**	Industrial Engineer from the Universidad Anáhuac. He is 32 years old. From 2008 to 2010 he held the post of Purchasing Director of Carso Infraestructura y Construcción, S.A. de C.V. Since the constitution of Inmuebles Carso, S.A.B. de C.V. in 2010, he assumed the office of Chief Executive Officer of the aforesaid company, until 2015. Additionally, he is a member of the Boards of Directors of Minera Frisco, S.A.B. de C.V., Elementia, S.A. de C.V., Fomento de Construcciones y Contratas, S.A. and Cementos Portland Valderrivas, S.A.

AUDIT and BEST CORPORATE PRACTICES committee report

Mexico City, April 6, 2016

BOARD OF DIRECTORS OF
TELESITES, S.A.B. DE C.V.

As established in the terms in Sections I and II in Article 43 in the Securities Market Act ("LMV" for its acronym in Spanish) and pursuant to the recommendations included in the Best Corporate Practices Code, in the name of the Audit and Best Corporate Practices Committee of TELESITES, S.A.B. de C.V. (the "Company" or "TELESITES"), we hereby inform you about the activities executed by the aforesaid Committee as part of its functions during the financial year that concluded on December 31, 2015.

Note is made that one of the fundamental responsibilities of the administration of the Company is the issue of financial statements generated based on applicable financial information regulations. The aforesaid financial statements must clearly, sufficiently and accurately reflect the Company's operations and those of the corporations it controls. Similarly, the Company's management is responsible for the implementation of adequate internal control and internal audit systems for the Company, as well as for the accurate and timely disclosure of any information that is relevant for the investing public as established in the terms of all applicable legal dispositions. On the other hand, the Audit and Best Corporate Practices Committee, as the auxiliary body of the Board of Directors, is responsible for the scrutiny of the management, operation and execution of the businesses of the Company and of the corporations the Company controls, for verifying the Company's compliance with various operating procedures and for matters of internal control.

During the execution of its functions, the Company's Audit and Best Corporate Practices Committee has reviewed both the consolidated financial statements of the Company with figures up to December 31 of 2015, and the report on said matters issued by the Company's External Auditor.

The following activities were carried out in compliance with the core Auditing functions:

a) During the first meeting of this decision making body we were informed about the transactions executed by the Company and the corporations the controlled thereby during the execution of their business purposes and the expected results of the aforesaid projects.

b) The hiring of Office of Mancera, S.C., a member of Ernest & Young Global Limited, was discussed and considered acceptable, therefore recommending that the Board of Directors ratify the hiring of Mancera, S.C. as the External Auditor for the execution of the review of the financial statements and drafting of the corresponding financial opinion on the Company and the corporations controlled thereby for the 2015 fiscal year. The appropriate drafting and presentation of the Company's intermediate financial information was verified for the aforesaid purposes, confirming that the aforesaid information was clear, precise and in compliance with applicable financial information regulations.

c) The fees payable to the External Auditor and the work program for the opinion on the financial statements for the 2015 fiscal year were approved.

d) No relevant cases of non-compliance with the operations and accounting records guidelines and policies of the Company and subsidiaries thereof up to December 31, 2015 were reported.

e) Since the hiring of additional or complementary services for the external audit was not required, this Committee did not issue any resolutions thereon.

f) The financial statements of the Company and subsidiaries thereof up to December 31, 2015, the report of the External Auditor and the accounting policies employed for the drafting of the financial statements were reviewed and the disclosure of the necessary information was verified, as established in the applicable current regulations. Following a discussion on the content thereof with the persons responsible for the drafting thereof and after having listened to the comments of the External Auditor, who is responsible for the expression of his opinion on the reasonability of the financial statements and the adherence thereof with the regulations on financial information, the Committee recommended that the Board of Directors of the Company grant their approval in order for the aforesaid financial statements to be presented to the annual ordinary shareholders meeting, if and when the Committee considers that the aforesaid statements reasonably reflect the inancial situation of the Company up to the aforementioned date.

g) No modifications and/or authorizations in matters of the accounting policies of Company and subsidiaries thereof were issued.

h) The Committee provided all necessary support to the Board of Directors for the drafting of the reports mentioned in Section IV in Article 28 in the LMV.

i) The operations executed by the Company were reviewed and a favorable opinion was granted thereto, pursuant to the terms established in Section III in Article 28 in the LMV.

Additionally and pursuant to the principal functions in matters of Best Corporate Practices, the following activities were carried out:

a) The review and follow-up of the operations that were executed during the normal course of business and under market conditions with persons related to TELESITES and corporations controlled thereby was initiated.

b) The process for the standardization of working conditions and compensation of Company employees was analyzed, including all relevant officers thereof.

c) Based on the analysis of the results of the Company and the meetings held with relevant officers, we consider that their performance during the fiscal year has been satisfactory.

d) No applications for waivers pursuant to the terms in Subparagraph f), Section III in Article 28 in the LMV were received.

e) Supervision of the corporate and legal situation of the Company was maintained, verifying full compliance with all applicable regulations.

It is duly noted that no observations made by investors, advisors, relevant officers or third parties were received regarding accounting, internal controls and issues related to the Company's internal or external audit, nor were any complaints filed on matters that are regarded as irregular by management.

We have reviewed the Company's consolidated financial statements up to December 31, 2015 and the opinion of the Company's External Auditor; we believe that the aforesaid financial statements were drafted as established in accounting policies, procedures and practices pursuant to the terms in the regulations on financial information and we are in agreement with the content therein given that we consider that they reasonably reflect the Company's financial situation up to December 31, 2015 and, we believe that the management, operation and execution of the Company's businesses during the 2015 fiscal year has been adequately carried out by the Company's management.

We hereby provide the aforementioned opinion in compliance with the obligations established in the LMV that are the responsibility of this decision-making body and with any other function that is, or may be, assigned to us by the Board of Directors of the Company, duly noting that for the purpose of the drafting of the present report, the opinions of the relevant officers of the Company were duly listened to.

Sincerely
Daniel Díaz Díaz
Chairman of the Audit and Best Corporate Practices Committee.
TELESITES, S.A.B. de C.V.

Consolidated FINANCIAL STATEMENTS

Report of independent auditors

To the Shareholders of
Telesites, S.A.B. de C.V. and subsidiaries

We have audited the accompanying consolidated financial statements of Telesites, S.A.B. de C.V. and subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Telesites, S.A.B. de C.V. and subsidiaries as at 31 December 2015 and their consolidated financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Our audit opinion and the accompanying financial statements and footnotes have been translated from the original Spanish version into English for convenience purposes only.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

José Andres Marin
Mexico City
April 6, 2016

Consolidated statement of financial position

TELESITES, S.A.B. DE C.V. AND SUBSIDIARIES
(Amounts in thousands of Mexican pesos)

		As at 31 December 2015
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	Ps.	470,279
Accounts receivable		618
Related parties (Note 6)		10,593
Recoverable taxes		9,545
Other current assets (Note 5)		200,993
Total current assets		692,028
Non-current assets:		
Property and equipment, net (Note 7)		38,687,768
Deferred tax assets (Note 16)		31,271
Other non-current assets (Note 5)		145,436
Total assets	Ps.	39,556,503
Liabilities and equity		
Current liabilities:		
Short-term debt and interest (Note 9)	Ps.	1,000,377
Interest payable on long-term debt (Note 9)		388,908
Accounts payable and accrued liabilities (Note 14)		264,899
Taxes and contributions payable		572,778
Related parties (Note 6)		205,823
Employee benefits (Note 13)		3,201
Total current liabilities		2,435,986
Non-current liabilities:		
Long-term debt (Note 9)		18,769,543
Deferred tax liabilities (Note 16)		9,886,089
Retirement benefits (Note 12)		1,199
Asset retirement obligation (Note 8)		732,990
Total liabilities		31,825,807
Equity (Note 15):		
Share capital		35,000
Surplus from revaluation of assets		22,446,129
Other components of equity		(16,228,640)
Retained earnings		1,411,023
Net income for the year		67,184
Total equity		7,730,696
Total liabilities and equity	Ps.	39,556,503

The accompanying notes are an integral part of these financial statements.

Consolidated statement of comprehensive income

TELESITES, S.A.B. DE C.V. AND SUBSIDIARIES
(Amounts in thousands of Mexican pesos)

		For the period from 5 January to 31 December 2015
Operating revenue:		
Infrastructure rent	Ps.	4,230,638
Revenue from alteration services		66,464
Other income (Note 2r)		438,124
		4,735,226
Operating costs and expenses:		
Depreciation (Note 7)		2,322,780
Leases (Note 11)		1,552,339
Alteration service costs		63,141
Operating expenses		242,912
Other expenses		211
		4,181,383
Operating income		553,843
Net financing cost:		
Accrued interest receivable		143,662
Accrued interest payable		(422,280)
Foreign exchange loss, net		(126,320)
		(404,938)
Income before income tax		148,905
Income tax (Note 16)		(81,721)
Net income for the year	Ps.	67,184
Components of other comprehensive income		
Revaluation surplus, net of taxes	Ps.	22,446,129
Total other comprehensive income		22,446,129
Comprehensive income	Ps.	22,513,313
Weighted average number of outstanding shares (thousands of shares)		3,300,000
Net income per share attributable to equity holders of the parent	$	0.020

The accompanying notes are an integral part of these financial statements.

Consolidated statement of changes in equity

TELESITES, S.A.B. DE C.V. AND SUBSIDIARIES
For the Period from 5 January to 31 December 2015
(Amounts in thousands of Mexican pesos)
(Note 15)

	Share capital	Other components of equity	Retained earnings	Revaluation surplus	Comprehensive income	Total equity
Spin-off balances as at 5 January 2015 (Note 1)	Ps. 35,000	Ps.(16,228,640)	Ps. –	Ps. –	Ps. –	Ps. (16,193,640)
Revaluation surplus, net of taxes		–	–	23,857,152	23,857,152	23,857,152
Allocation effect of surplus, net of taxes		–	1,411,023	(1,411,023)	(1,411,023)	–
Net income for the year		–	–		67,184	67,184
Comprehensive income for the year					Ps. 22,513,313	
Balance as at 31 December 2015	**Ps. 35,000**	**Ps.(16,228,640)**	**Ps. 1,411,023**	**Ps.22,446,129**		**Ps. 7,730,696**

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows

TELESITES, S.A.B. DE C.V. AND SUBSIDIARIES
(Amounts in Mexican pesos)

		For the period from 5 January to 31 December 2015
Operating activities		
Income before income tax	Ps.	148,905
Items not affecting cash flows:		
Depreciation		2,322,780
Accrued interest income		(143,662)
Accrued interest expense		422,280
Foreign exchange loss, net		126,320
Net periodic benefit cost		1,199
		2,877,822
Changes in operating assets and liabilities:		
Accounts receivable		(618)
Related parties		195,230
Other current and non-current assets		(346,429)
Accounts payable and accrued liabilities		321,252
Asset retirement obligation		419,783
Taxes and contributions payable		111,836
Net cash flows from operating activities		3,578,876
Investing activities		
Interest received		143,662
Property and equipment		(6,615,695)
Net cash flows used in investing activities		(6,472,033)
Financing activities		
Short-term debt		1,000,377
Long-term debt		18,642,058
Interest paid on short-term debt		(6,422)
Interest paid on long-term debt		(70,227)
Loans from related party spin-offs		21,000,000
Loans repaid to related parties		(21,000,000)
Interest paid to related parties		(8,710)
Spun off share capital		35,000
Other components of equity		(16,228,640)
Net cash flows from financing activities		3,363,436
Net increase in cash and cash equivalents		470,279
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of year	Ps.	470,279

The accompanying notes are an integral part of these financial statements.

Notes to consolidated financial statements

TELESITES, S.A.B. DE C.V. AND SUBSIDIARIES
31 December 2015
(Amounts in thousands of Mexican pesos, unless otherwise indicated)

1. Description of the Business and Relevant Events

I. Description of the business

Telesites, S.A.B. de C.V. and subsidiaries (the Company) was incorporated in Mexico City on 19 October 2015. The Company was created as a result of its spin-off from América Móvil, S.A.B. de C.V. (AMX) and it is primarily engaged in leasing passive mobile telecommunications infrastructure comprised of physical space on its towers for the installation of signal transmission and reception equipment and auxiliary equipment (including power generators, backup batteries, air conditioning systems, alarm systems and other equipment).

The Company's operating period and fiscal year is from 5 January through 31 December 2015.

The Company's corporate offices are located in Mexico City at Lago Zurich No. 245, Edificio Presa Falcón, 14th floor, Ampliación Granada, Miguel Hidalgo, postal code 11529.

On 6 April 2016, the Company's Board of Directors authorized the issue of the accompanying consolidated financial statements.

II. Relevant events

a) Spin-off

At an ordinary shareholders meeting held in April 2015, the shareholders of AMX agreed to spin off Telesites, S.A.B. de C.V. from AMX. As a result of the spin-off, certain assets and liabilities of AMX were transferred to the newly created company. An analysis of the consolidated effects of the spin-off are as follows:

		As at 5 January 2015
Assets		
Current assets:		
Cash and cash equivalents	Ps.	216,626
Recoverable taxes		4,422
Other current assets		37,952
Total current assets		259,000
Non-current assets:		
Property and equipment, net		6,239,999
Other non-current assets		77,653
Prepaid expenses		27,634
Total assets	Ps.	6,604,286
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued liabilities	Ps.	191,067
Related parties		21,000,000
Total current liabilities		21,191,067
Non-current liabilities:		
Asset retirement obligation		1,480,919
Deferred taxes		125,940
Total liabilities		22,797,926
Equity:		
Share capital		35,000
Retained earnings		(16,228,640)
Total equity		(16,193,640)
Total liabilities and equity	Ps.	6,604,286

b) New entities

Telesites, S.A.B. de C.V.

After receiving approval from the Federal Telecommunications Institute (IFT) and the Tax Administration Service (SAT) to be spun off from AMX, Telesites was incorporated on 19 October 2015 to be the group's controlling company.

Promotora de Sites, S.A. de C.V.

After receiving approval from the Federal Telecommunications Institute (IFT) and the Tax Administration Service (SAT) to be spun off from Sercotel, S.A. de C.V. (Sercotel), Promotora de Sites, S.A. de C.V. (Promotora) was incorporated on 19 October 2015 to be an intermediate holding company of the group.

Telesites Internacional, S.A. de C.V.

Telesites Internacional, S.A. de C.V. (Teleint) was incorporated on 5 November 2015 as an intermediate holding company of foreign related parties.

Operadora de Sites Mexicanos, S.A. de C.V.

Operadora de Sites Mexicanos, S.A. de C.V. (Opsimex) was incorporated on 5 January 2015 as a result of its spin-off from Radiomóvil Dipsa, S.A. de C.V. (Telcel) and it is primarily engaged in leasing towers and physical space for passive mobile telecommunications infrastructure to mobile carriers.

Demonsa, S.A. de C.V.

Demonsa, S.A. de C.V. (Demonsa) was incorporated on 10 December 2014 and is primarily engaged in providing personnel services to Opsimex.

2. Basis of Preparation of the Consolidated Financial Statements and Summary of Significant Accounting Policies

a) Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financing Reporting Standards (IFRS), effective as at 31 December 2015, as issued by the International Accounting Standards Board (IASB).

The preparation of the Company's consolidated financial statements in accordance with IFRS requires the use of critical estimates and assumptions that affect the reported amounts of certain assets and liabilities, and revenue and expenses. It also requires management to exercise judgment in how it applies the Company's accounting policies.

The Company's functional and reporting currency is the Mexican peso.

b) Consolidation

The accompanying consolidated financial statements include the accounts of Telesites and those of the subsidiaries over which the Company exercises significant control. The financial statements of the subsidiaries have been prepared for the same reporting period and following the same accounting policies as those of the Company. Most of the companies operate in the telecommunications sector or provide services to companies related to these activities. All intercompany balances and transactions have been eliminated on consolidation.

The operating results of the subsidiaries were included in the Company's consolidated financial statements as of the month following their incorporation.

A description of the Company's main investments in its subsidiaries as at 31 December 2015 is as follows:

Company name	% equity interest as at 31 December 2015	Country	Date of first consolidation	Type of operations
Intermediate holding company				
Promotora de Sites, S.A. de C.V.	**99.99%**	Mexico	October 2015	Intermediate holding company
Telesites Internacional, S.A. de C.V.	**99.99%**	Mexico	November 2015	Intermediate holding company
Infrastructure				
Operadora de Sites Mexicanos, S.A. de C.V.	**99.99%**	Mexico	January 2015	Infrastructure
Services				
Demonsa, S.A. de C.V.	**99.99%**	Mexico	January 2015	Services

c) Revenue recognition
Rental income
The Company recognizes its revenue from passive infrastructure rentals as it accrues based on the terms of each lease agreement. Rent charged for infrastructure is reviewed and increased based on the National Consumer Price Index (NCPI) and the amount of rent is generally determined based on the specific characteristics of the location of the leased passive infrastructure.

d) Use of estimates
The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions in certain areas. Actual results could differ from these estimates. The Company based its assumptions and estimates on the best available information at the time the consolidated financial statements were prepared. However, the existing circumstances and assumptions about future events may change due to changes in the market or circumstances that are beyond the Company's control. Such changes are reflected in the estimates and their effects are shown in the financial statements as they occur.

These assumptions mainly refer to the following:

- Useful life estimates of items of property and equipment
- Allowance for doubtful accounts
- Impairment in the value of long-lived assets
- Fair value of financial instruments
- Employee benefits

e) Financial assets and liabilities
Financial assets and liabilities that are within the scope of International Accounting Standard (IAS) 39, Financial Instruments: Recognition and Measurement, generally include investments in financial instruments, debt and equity instruments, accounts receivable and other accounts receivable, loans and financing, accounts payable and accrued liabilities.

Financial assets and liabilities are initially measured at fair value, plus directly attributable transactions costs, except for those designated upon initial recognition at fair value through profit or loss. Financial assets and liabilities are subsequently measured based on their classification into one of the following categories: (i) at fair value through profit or loss; (ii) held-to-maturity or available-for-sale; or (iii) loans and receivables.

The Company's financial assets consist of cash and cash equivalents, accounts receivable and other assets.

The Company's financial liabilities are classified as either: i) financial liabilities measured at fair value through profit or loss, or ii) financial liabilities measured at amortized cost.

The Company's financial liabilities consist of short and long-term debt, accounts payable and accrued liabilities, and related party payables. The Company's debt under its issuances of structured notes (certificados bursátiles) is recognized as a financial liability measured at amortized cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position if, and only if, (i) there is a currently enforceable legal right to offset the recognized amounts; and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's-length market transactions; reference to the current fair value of another financial instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

The hierarchy used for determining fair values is as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Variables other than the quoted prices included in level 1 that are observable for assets or liabilities, either directly (prices) or indirectly (price derivatives); and

Level 3. Variables used for assets or liabilities that are not based on observable market data (unobservable variables).

Note 10 provides an analysis of the fair values of the Company's financial instruments.

f) Cash and cash equivalents
Cash in banks earns interest at floating rates on daily account balances. Cash equivalents are represented by short-term deposits made for terms ranging from one to three days, and which bear interest at rates common for each type of short-term investment. These investments are stated at cost plus accrued interest, which is similar to their market value.

g) Property and equipment, net

The Company's property includes passive infrastructure, which includes non-electronic components used in telecommunications networks, including masts, towers and poles. These fixed assets are measured at fair value using the revaluation model specified in IAS 16, Property, Plant and Equipment. Company management periodically reviews the stated amounts of the Company's fixed assets whenever it believes that there is a significant difference between the carrying amount of an asset and its fair value. Depreciation is determined on fair values on a straight-line basis over the estimated useful lives of the assets starting at the time the assets are available for use.

The Company's equipment is carried at cost, net of accumulated depreciation, in accordance with IAS 16, Property, Plant and Equipment. Depreciation is determined on carrying amounts on a straight-line basis over the estimated useful lives of the assets starting in the first month after they are available for use.

The Company periodically reviews the residual values, useful lives and depreciation methods of its fixed assets and adjusts them prospectively where appropriate at the end of each reporting period, in accordance with IFRS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in other operating income or other operating expenses when the asset is derecognized.

Depreciation rates are as follows:

Passive infrastructure	6.25% and 5%
Automotive equipment	20%
Other equipment	10%

The carrying amount of property and equipment is reviewed annually whenever there are indicators of impairment in the value of such assets. When the recoverable amount of an asset, which is the higher of the asset's expected net selling price and its value in use (the present value of future cash flows), is less than its net carrying amount, the difference is recognized as an impairment loss.

As at 31 December 2015, there were no indicators of impairment in the values of the Company's fixed assets.

h) Impairment in the value of long-lived assets

The Company assesses at each reporting date whether there is an indication that its long-lived assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired, and its carrying amount is written down to its recoverable amount, and the loss is immediately recognized in profit or loss.

The depreciation and amortization expense for future periods is adjusted to the new carrying amount during the remaining useful life of the related assets. Recoverable amounts are determined for each individual asset, unless the asset generates cash inflows that are closely dependent on the cash flows generated by other assets or group of assets (cash generating units).

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset or assets.

- Operating leases

Leases in which the Company does not transfer substantially all of the risks and rewards inherent to the ownership of the asset are classified as operating leases. Payments made under operating lease agreements are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease.

j) Provisions, contingent liabilities and commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provision amounts are determined as the present value of the expected outflow of resources to settle the obligation. The provisions are discounted using a pre-tax rate that reflects the current market conditions at the date of the statement of financial position and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financing cost.

Contingent liabilities are recognized only when it is probable that an outflow or resources embodying economic benefits will be required to settle the obligation. Also, contingencies are recognized only when they generate a loss.

k) Asset retirement obligation
The Company records a reserve for the decommissioning costs associated with the sites where its passive infrastructure is located. Decommissioning costs are measured at the estimated fair values of the asset costs expected to be incurred to settle the Company's obligation to decommission the assets. These fair values are determined using estimated cash flows, and asset retirement costs are capitalized as part of the carrying amounts of the related assets. Estimated cash flows are discounted at a pre-tax rate that reflects the risks associated with the asset retirement obligation. Reversals of previous discount rates are recognized in profit or loss as a financing cost as incurred. Estimated future decommissioning costs are reviewed annually and are revised when needed. Changes in future cost estimates or discount rates are recognized as an increase or a decrease in the carrying amount of the asset.

l) Employee benefits
The Company annually recognizes the liability for seniority premiums based on independent actuarial calculations applying the projected unit credit method, using financial assumptions net of inflation. The latest actuarial calculation was prepared on 31 December 2015.

The Company creates a provision for the cost of compensated absences, such as paid annual leave, which is recognized using the accrual method.

m) Employee profit sharing
Current employee profit sharing is presented as part of operating expenses in the statement of comprehensive income.

n) Income tax
Current income tax is recognized as a current liability, net of prepayments made during the year.

Deferred income tax is calculated using the asset and liability method established in IAS 12, Income Taxes.

Deferred income tax is calculated using the asset and liability method, based on the temporary differences between financial reporting and tax values of assets and liabilities at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be used. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

o) Earnings per share
Earnings per share are determined by dividing net income for the year by the weighted-average number of shares outstanding attributable to ordinary equity holders of the parent during the year. The calculation of the weighted average number of shares outstanding in 2015 excludes treasury shares.

p) Statement of cash flows
The statement of cash flows reports the cash generated and used by the Company during the year. It first shows the Company's income before income tax, followed by its cash flows resulting from operating activities, then its cash flows resulting from investing activities, and lastly its cash flows resulting from financing activities.

For the year ended 31 December 2015, the statement of cash flows was prepared using the indirect method.

q) Concentration of risk
The main financial instruments used to fund the Company's operations are comprised of bank loans, lines of credit, accounts payable and related party payables. The Company holds several financial assets, such as cash and cash equivalents, accounts receivable, related party receivables and other current assets that are directly related to its business.

The main risks associated with the Company's financial instruments are cash flow risk and market, credit and liquidity risks. The Company performs sensitivity analysis to measure potential losses in its operating results based on a theoretical increase of 100 basis points in interest rates. The Board of Directors approves the risk management policies that are proposed by the Company's management.

Credit risk is the risk that the counterparty will default on its payment obligations with the Company. The Company is also exposed to market risks associated with fluctuations in interest rates.

Financial assets which potentially subject the Company to concentrations of credit risk are cash and cash equivalents, short-term deposits and debt financial instruments. The Company's policy is designed to not restrict its exposure to any one financial institution.

The Company continuously monitors its customer accounts and a portion of the Company's surplus cash is invested in time deposits in financial institutions with strong credit ratings.

r) Statement of comprehensive income presentation

Costs and expenses shown in the Company's statement of comprehensive income are presented based on a combination of their function and their nature, which provides a clearer picture of the components of the Company's operating income, since such classification allows for comparability of the Company's financial statements with those of other companies in its industry.

Operating income is recognized in the statement of comprehensive income, since it is an important indicator used for evaluating the Company's operating results. Operating income consists of ordinary revenues and operating costs and expenses.

An analysis of the Company's other income is as follows:

		2015
Sale of scrap	**Ps.**	**3,402**
Changes in estimates underlying the asset retirement obligation		**434,722**
	Ps.	**438,124**

3. New Accounting Pronouncements

The following new accounting pronouncements are effective for annual periods beginning on or after 1 January 2014:

IAS 24, *Related Party Disclosures*

The amendment clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

IAS 32, *Financial Instruments: Presentation*

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

IAS 36, *Impairment of Assets*

This amendment has been issued to remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts of assets or CGUs for which an impairment loss has been recognized or reversed during the period.

IFRS 13, *Fair Value Measurement*

This amendment clarifies that the portfolio exception under IFRS 13 applies not just to financial assets and financial liabilities, but to all contracts within the scope of IAS 39. This new accounting rule must be applied retrospectively.

At the date of the report on these financial statements, these accounting standards are not yet effective and the Company has not opted to apply them early:

IFRS 9, *Financial Instruments: Classification and Measurement*

This standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required but comparative information is not compulsory. Application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2016.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2015 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

Company management is analyzing what effects the adoption of these new standards will have on the Company's financial statements.

4. Cash and Cash Equivalents

An analysis of cash and cash equivalents as at 31 December 2015 is as follows:

		2015
Cash	Ps.	45
Banks		469,716
Readily marketable securities		518
	Ps.	470,279

5. Other Current and Non-current Assets

An analysis of this caption as at 31 December 2015 is as follows:

		2015
Advances to suppliers	Ps.	132,808
Value added tax payable, net		68,185
Total other current assets	Ps.	200,993
Security deposits	Ps.	85,758
Rent paid in advance		59,678
Total other non-current assets	Ps.	145,436

6. Related Parties

a) An analysis of balances due from and to the Company's related parties as at 31 December 2015 is as follows. The companies mentioned in this note are considered associates or affiliates, since the Company's principal shareholders hold direct or indirect stakes in these companies.

		2015
Receivables:		
Radiomóvil Dipsa, S.A. de C.V. (i)	Ps.	10,593
	Ps.	10,593
Payables:		
Operadora Cicsa, S.A. de C.V. (ii)	Ps.	97,526
Radiomóvil Dipsa, S.A. de C.V. (iv)		106,167
Other related parties		2,130
	Ps.	205,823

b) During the year ended 31 December 2015, the Company had the following transactions with related parties:

			2015
Revenues			
Radiomóvil Dipsa, S.A. de C.V.	Leasing (i)	Ps.	4,229,915
	Alteration services (i)		66,464
Expenses			
Operadora Cicsa, S.A. de C.V.	Construction (ii)		553,458
Seguros Inbursa, S.A., Grupo Financiero Inbursa	Insurance (iii)		13,925
Radiomóvil Dipsa, S.A. de C.V.	Leasing (iv)		124,389
Carso Global Telecom, S.A. de C.V.	Interest (v)		4,923
Empresas y Controles en Comunicaciones, S.A. de C.V.	Interest (v)		3,787

(i) On 23 March 2015, the Company entered into a five-year agreement with Telcel to lease its passive infrastructure and to provide alteration services to the related party. Leased passive infrastructure is comprised of non-electronic components used in telecommunications networks, including masts, towers, posts, sites, land and physical space. Alteration services refer to the modifications that the Company makes to passive infrastructure as requested by Telcel. For the year ended 31 December 2015, revenue earned from these passive infrastructure leasing and alteration services totaled Ps. 4,229,915 and Ps. 66,464, respectively. As at 31 December 2015, the Company's account receivable to Telcel is Ps. 10,593.

[ii] During the period from 5 January to 31 December 2015, the Company had transactions related to the construction of passive infrastructure with Operadora Cicsa, S.A. de C.V. (CICSA). For the year ended 31 December 2015, the total charge for maintenance services received from CICSA was Ps. 553,458. As at 31 December 2015, the Company's account payable to CICSA is Ps. 97,526.

[iii] During the period from 5 January to 31 December 2015, the Company entered into insurance agreements, as required under its passive infrastructure lease agreements, with Seguros Inbursa, S.A., Grupo Financiero Inbursa (Inbursa). For the year ended 31 December 2015, the Company's total charge for insurance costs was Ps. 13,925. As at 31 December 2015, the Company has no account payable to Inbursa.

[iv] During the period from 5 January to 31 December 2015, the Company had transactions related to leases of locations and land for passive infrastructure with Telcel. For the year ended 31 December 2015, the Company's total rent expense was Ps. 124,389. As at 31 December 2015, the account payable to Telcel is Ps. 106,167.

[v] During the period from 5 January to 31 December 2015, as a result of the spin-off, the Company had a loan of Ps. 10,000,000 that is received from Empresas y Controles en Comunicaciones, S.A. de C.V. (ECC), which bears annual interest of 7.322%, and two loans that it received from Carso Global Telecom, S.A. de C.V. (Telecom) of Ps. 8,000,000 and Ps. 3,000,000, which bear annual interest of 7.322% and 6.254%, respectively. For the year ended 31 December 2015, the Company's interest expense was Ps. 3,787 and Ps. 4,923, respectively. As at 31 December 2015, the loans payable to ECC and Telecom have been repaid in full.

7. Property and Equipment, net

The Company has two main types of towers: rooftop towers and greenfield towers, which are located in open areas. Most of the Company's greenfield towers can accommodate up to three customers, except for towers that are more than 45 meters high, which can accommodate up to five customers. Rooftop towers equipped with additional masts can accommodate more customers, provided that there is sufficient floor space available on-site to install the additional masts. As at 31 December 2015, the Company's passive infrastructure is comprised of 12,346 towers.

The Company's passive infrastructure is located in Mexico, distributed across nine cellular regions as defined by telecommunications sector rules and regulations.

An analysis of property and equipment as at 31 December 2015 is as follows:

Item	Passive infrastructure	Automotive equipment	Other equipment	Construction in process	Total
Investment:					
As at 5 January 2015	Ps. 5,235,866	Ps. 4,403	Ps. 456	Ps. 348,395	Ps. 5,589,120
Revaluation gain (Note 2g)	32,994,758	-	-	-	32,994,758
Additions	1,048,265	573	7,044	994,494	2,050,376
Additions from revaluation surplus (Note 2g)	1,086,887	-	-	-	1,086,887
Retirements	-	-	-	(1,048,265)	(1,048,265)
As at 31 December 2015	Ps. 40,365,776	Ps. 4,976	Ps. 7,500	Ps. 294,624	Ps. 40,672,876
Depreciation:					
As at 5 January 2015	Ps. -	Ps. -	Ps. -	Ps. -	Ps. -
Depreciation for the year	2,320,279	2,042	459	-	2,322,780
Retirements	-	-	-	-	-
As at 31 December 2015	Ps. 2,320,279	Ps. 2,042	Ps. 459	Ps. -	Ps. 2,322,780
Asset retirement obligation:					
As at 5 January 2015	Ps. 650,879	Ps. -	Ps. -	Ps. -	Ps. 650,879
Cancellations	(341,567)	-	-	-	(341,567)
Increase for the year	28,360	-	-	-	28,360
As at 31 December 2015	Ps. 337,672	Ps. -	Ps. -	Ps. -	Ps. 337,672
Carrying amount:					
As at 31 December 2015	Ps. 38,383,169	Ps. 2,934	Ps. 7,041	Ps. 294,624	Ps. 38,687,768
As at 5 January 2015	Ps. 5,886,745	Ps. 4,403	Ps. 456	Ps. 348,395	Ps. 6,239,999

Depreciation expense for the year ended 31 December 2015 was Ps. 2,322,780.

8. Asset Retirement Obligation

An analysis of the Company's asset retirement obligation as at 31 December 2015 is as follows:

		2015
Balance as at 5 January 2015	Ps.	**1,480,919**
Effects of changes to cash flow estimates and discount rates:		
Effect on property and equipment		**(341,567)**
Effect on net earnings for the year		**(434,722)**
		(776,289)
Increase for additions of passive infrastructure		**28,360**
Charges		-
Balance as at 31 December 2015	Ps.	**732,990**

Changes to cash flow estimates and discount rates during the year ended 31 December 2015 are the result of a reduction in the expected decommissioning costs on a per-asset basis, and an increase in both the discount rate and the expected long-term inflation rate.

9. Short- and Long-term Debt

An analysis of the Company's short- and long-term debt is as follows:

Breakdown of debt			2015
Bank loans	Short-term	Ps.	**1,000,377**
Structured notes ("certificados bursátiles")	Long-term		**18,835,584**
Amortized cost			**(66,041)**
			18,769,543
Interest payable on structured notes	Short-term		**388,908**
Total debt		Ps.	**20,158,828**

a) Issue of structured notes ("Certificados Bursátiles")

On 17 July 2015, as part of its structured note placement program through Inversora Bursátil, S.A. de C.V., Casa de Bolsa Grupo Financiero Inbursa (Inversora), Opsimex was authorized to issue five-year structured notes of up to Ps. 22,000,000 or its equivalent in UDIs (investment units). Opsimex issued the following structured notes under this program:

i) On 5 August 2015, Opsimex issued series 1 OSM-15 Mexican peso structured notes for a total issue of Ps. 3,500,000 and with a maturity date of 23 July 2025. These structured notes bear annual gross interest of 7.97%.

II) On 23 September 2015, Opsimex reissued its series 1 OSM-15R Mexican peso structured notes for a total issue pf Ps. 3,710,000 and with a maturity date of 23 July 2025. These structured notes bear annual gross interest of 7.97%.

III) On 5 August 2015, Opsimex issued series 2 OSM-152 Mexican peso structured notes for a total issue of Ps. 4,500,000 and with a maturity date of 29 July 2020. These structured notes bear annual gross interest of 0.5% plus the 28-day Mexican weighted interbank rate (TIIE).

iv) On 5 August 2015, Opsimex issued series 3 OSM-15U structured notes denominated in UDIs for a total issue of Ps. 7,000,000 (equal to 1,324,169 UDIs) and with a maturity date of 17 July 2030. These structured notes bear annual gross interest of 4.75%.

An analysis of the historical amounts and the outstanding accrued interest under the structured notes of Opsimex as at 31 December 2015 is as follows:

Series	Maturity date	Long-term debt	Interest payable
OSM-15 Mexican pesos series 1	23 July 2025	**Ps. 3,500,000**	**Ps. 114,679**
OSM-15R Mexican pesos series 1	23 July 2025	**3,710,000**	**131,083**
OSM-152 Mexican pesos series 2	29 July 2020	**4,500,000**	**4,000**
OSM-15U UDIs series 3	17 July 2030	**7,125,584**	**139,146**
		Ps. 18,835,584	**Ps. 388,908**

As at 31 December 2015, the value of the UDI was $ 5.3812 pesos per UDI. As at 6 April 2016, the date of the audit report on these financial statements, the value of the UDI was $ 5.4463 pesos per UDI.

Redemptions

The Series 1 (OSM-15), Series 1 (OSM-15R), Series 2 (OSM-152) Mexican peso structured notes and Series 3 (OSM-15U) structured notes in UDIs of Opsimex do not stipulate early redemptions during their lifetimes, and principal is repayable to noteholders at maturity.

b) Bank loans

An analysis of the Company's short-term bank loans as at 31 December 2015 is as follows:

Currency	lender	Rate	Maturity date	Short-term debt		Interest	
Mexican pesos:	Banco Santander, S.A. [i]	0.45%+TIIE	25 January 2016	Ps.	400,000	Ps.	177
	BBVA Bancomer, S.A. [ii]	0.45%+TIIE	26 January 2016		400,000		133
	Banco Nacional de México, S.A. [iii]	0.45%+TIIE	27 April 2016		200,000		67
	Total debt			Ps.	1,000,000	Ps.	377

[i] On 27 October 2015, the Company obtained a loan of Ps. 400,000 from Banco Santander S.A. (Santander) which matures on 25 January 2016. The loan bears annual interest equal to 0.45 basis points plus the 28-day TIIE, which is payable monthly.

[II] On 27 October 2015, the Company obtained a loan of Ps. 400,000 from BBVA Bancomer, S.A. (Bancomer) which matures on 26 January 2016. The loan bears annual interest equal to 0.45 basis points plus the 28-day TIIE, which is payable monthly.

[III] On 27 October 2015, the Company obtained a loan of Ps. 200,000 from Banco Nacional de México, S.A. (Banamex), which matures on 27 April 2016. The loan bears annual interest equal to 0.45 basis points plus the 28-day TIIE, which is payable monthly.

10. Financial Assets and Financial Liabilities

An analysis of the Company's financial assets and financial liabilities as at 31 December 2015 is as follows:

	2015	
	Carrying amount	Fair value
Long-term debt	**Ps. 18,769,543**	**Ps. 18,761,287**

The fair values of financial assets and financial liabilities are equal to the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and cash equivalents, trade receivables, trade payables and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

11. Leases

The Company has entered into various operating lease agreements for the properties where its passive infrastructure is located. The agreements are for periods ranging from five to ten years, and the minimum annual lease payments are adjusted for inflation each year based on the NCPI. An analysis of minimum annual lease payments for the next five years is as follows:

		2015
2016	**Ps.**	**1,603,566**
2017		**1,764,566**
2018		**2,036,875**
2019		**2,466,416**
2020		**3,103,028**
Total	**Ps.**	**10,974,451**

For the year ended 31 December 2015, rent under operating leases was Ps. 1,552,339.

12. Retirement Benefits

a) An analysis of the net periodic benefit cost as at and for the year ended 31 December 2015 is as follows:

		2015 Retirement benefits
Analysis of net periodic benefit cost		
Current year service cost	Ps.	**80**
Interest cost		**50**
Net periodic benefit cost	Ps.	**130**

b) An analysis of changes in the defined benefit obligation is as follows:

		Retirement benefits
Defined benefit obligation		
Present value of defined benefit obligation as at 5 January 2015	Ps.	**988**
Current year service cost		**80**
Interest cost		**50**
Benefits paid		**-**
Actuarial loss on defined benefit obligation		**81**
Present value of defined benefit obligation as at 31 December 2015	Ps.	**1,199**

c) An analysis of the net current projected liability is as follows:

		2015 Retirement benefits
Provisions for		
Vested benefit obligation	Ps.	**1,199**
Net projected liability	Ps.	**1,199**

d) The key assumptions used in the actuarial study were as follows:

	2015
Financial assumptions	
Discount rate	**7.31%**
Expected salary increase rate	**4.00%**
Inflation rate	**3.50%**
Biometric assumptions	
Mortality rate	**EMMSA 2009**
Permanent disability	**IMSS 1997**

e) In 2015, the Company assumed the employer obligations of the technical personnel transferred to it from Telcel. These employees are distributed across the nine geographic regions where the Company's passive infrastructure is located.

13. Employee Benefits

As at 31 December 2015, the Company has recognized accrued liabilities for short-term employee benefits. An analysis is as follows:

		Balance as at 5 January 2015		Increases for the year		Charges		Balance as at 31 December 2015
Paid annual leave	Ps.	**-**	Ps.	**1,706**	Ps.	**512**	Ps.	**1,194**
Vacation premium		**-**		**3,599**		**1,592**		**2,007**
	Ps.	**-**	Ps.	**5,305**	Ps.	**2,104**	Ps.	**3,201**

The Company has no employee profit sharing payable, since in accordance with Article 126 of the Mexican Labor Law, newly incorporated companies are exempt from paying employee profit sharing in their first year of operations.

14. Accounts Payable and Accrued Liabilities

An analysis of the Company's accounts payable and accrued liabilities is as follows:

		2015
Suppliers and accounts payable	Ps.	122,646
Rent payable		122,763
Provisions and accrued liabilities		19,490
Total	Ps.	264,899

The above-mentioned provisions represent expenses incurred in 2015 or services contracted during the year that are to be paid in 2016. There is uncertainty as to both the final amounts payable and the timing of the Company's cash outlay and thus, the amounts shown above may vary.

15. Equity

a) An analysis of the Company's share capital as at 31 December 2015 is as follows:

		2015		
Series	Share capital	Shares	Amount	
A	Fixed minimum	31,593,716	Ps.	232
AA	Fixed minimum	1,169,231,633		8,571
L	Fixed minimum	3,573,660,860		26,197
		4,774,486,209	Ps.	35,000

b) The Company's share capital is variable, with an authorized fixed minimum of Ps. 35,000, represented by 4,774,486,209 common registered shares with no par value. The Company's series "L" shares have no par value and have limited voting rights and all of the Company's shares are issued and outstanding.

c) As per the Company's bylaws, "AA" shares must represent no less than 20% and no more than 51% of the value of the Company's share capital, and said shares must all be common registered shares, issued and outstanding, with no par value. "AA" shares may only be acquired by Mexican investors. Series "L" shares, which have limited voting rights and which may be acquired by non-Mexican investors, may represent up to 80% of the Company's share capital.

d) As at 31 December 2015, the Company had treasury shares comprised of 185,752 Series "A" shares and 1,474,300,457 Series "L" shares for subsequent reissuance in terms of the Mexican Securities Trading Act.

e) Capital increases must be represented proportionally by newly issued series "AA" and "L" shares. The Company may issue unsubscribed shares of any of its series to be subscribed sometime in the future.

f) Series "L" shares may be acquired by all manner of Mexican investors and foreign individuals, legal entities or foreign economic units, and by Mexican legal entities that are wholly-owned by foreign investors or which are controlled by a foreign interest. Series "L" shares are classified as neutral investments in terms of Article 18 and other applicable sections of the Foreign Investment Law.

g) Series "AA" shares may only be acquired by Mexican investors, and they must represent at least 20% of the value of the Company's share capital. Series "L" shares, which may be acquired by non-Mexican investors, may not exceed 80% of the value of the Company's share capital.

h) In accordance with the Mexican Corporations Act, the Company is required to appropriate at least 5% of the net income of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's share capital. As at 31 December 2015, the Company has not created the legal reserve.

Earnings distributed in excess of the Net taxed profits account (CUFIN) balance will be subject to the payment of corporate income tax at the statutory rate at that time. The payment of this tax may be credited against the Company's current income tax.

As a result of the 2014 Mexican Tax Reform, dividends paid to foreign individuals and corporations from earnings generated as of 1 January 2014 shall be subject to an additional 10% withholding tax.

16. Income Tax

a) Income tax

The Mexican Income Tax Law (MITL) establishes a corporate income tax rate for Mexico of 30% for fiscal year 2015.

b) An analysis of income tax recognized in the statement of comprehensive income for the year ended 31 December 2015 is as follows:

		2015
Current income tax	Ps.	**577,336**
Deferred income tax		**(495,615)**
Total income tax	Ps.	**81,721**

c) A reconciliation of the Company's net deferred income tax assets and liabilities is as follows:

		2015
Effect of spin-off as at 5 January	Ps.	**(125,940)**
Current deferred income tax		**495,615**
Deferred income tax recognized in other comprehensive income		**(9,619,769)**
Deferred income tax reclassified to retained earnings		**(604,724)**
As at 31 December	Ps.	**(9,854,818)**

d) A reconciliation of the statutory corporate income tax rate to the effective income tax rate recognized by the Company for financial reporting purposes is as follows:

	2015
Statutory income tax rate	**30%**
Effect of reconciled items:	
Taxable effects of inflation	**(15)**
Property and equipment, net	**126**
Non-deductible items	**5**
Non-taxable income	**(88)**
Other items	**2**
Effect of spun-off balances	**(85)**
Tax losses no expected to be carried forward	**80**
Effective income tax rate	**55%**

e) An analysis of the effect of temporary differences giving rise to deferred tax assets and liabilities is as follows:

		2015
Deferred tax assets:		
Provisions and accrued liabilities	Ps.	**6,020**
Rent payable to individuals		**23,931**
Employee benefits		**960**
Retirement benefits		360
Total deferred tax assets		**31,271**
Deferred tax liabilities:		
Property and equipment, net	Ps.	**247,813**
Surplus from revaluation of assets		**9,619,769**
Rent paid in advance		**17,904**
Amortized cost		**603**
Total deferred tax liabilities		**9,886,089**
Deferred tax liability, net	Ps.	**9,854,818**

f) For the year ended 31 December 2015, the Company reported taxable income of Ps. 1,924,452, on which income tax payable was Ps. 577,336.

g) As at 31 December 2015, the Company has the following tax balances:

		2015
Restated contributed capital account (CUCA)	Ps.	**35,514**
Net taxed profits account (CUFIN)		**4,294**

17. Contingencies and Commitments

For the past two years, the Mexican government has been formulating a new regulatory framework for the country's telecommunications and the broadcast sectors. This new regulatory framework is based on a set of constitutional reforms that were enacted in June 2013, which took effect in July 2014, and which led to the enactment of a new Federal Telecommunications and Broadcasting Law and Mexican Public Broadcasting System Law to replace the existing regulatory framework.

The Federal Telecommunications Institute (IFT) was created as an independent agency tasked with promoting and regulating access to Mexico's telecommunications and broadcast infrastructure (including site infrastructure).

The IFT also has the power to oversee fair competition in the telecommunications and broadcast sectors by imposing asymmetric regulations on sector participants that it deems market dominant and it may also declare that a company is a so-called "preponderant economic agent" in either of these two sectors.

In March 2014, the IFT issued a ruling (the Ruling) through which it declared that America Movil and Telcel, together with others market participants, represented an "economic interest group" that is a so-called "preponderant economic agent" in the telecommunications sector. The IFT ordered America Movil and Telcel to take specific actions to force both companies to grant access to and to share their passive infrastructure with other carriers. Telcel's passive infrastructure includes new tower space, as well as space on towers where telecommunications equipment is already installed.

The Federal Telecommunications and Broadcasting Law that was published in July 2014 states that the IFT shall be tasked with promoting the execution of agreements between asset owners and customers in order for the former to provide access to this passive infrastructure to the latter. Whenever the negotiations surrounding these agreements prove unsuccessful, the IFT may intercede to determine the pricing and the terms of the commercial agreements. The IFT also has the power to regulate the terms of passive infrastructure agreements between assets owners and their customers, and it may assess the agreements in terms of fair competition and take actions to ensure that the terms and conditions for the use and sharing of the passive infrastructure are non-discriminatory.

Reference Offer

As per the Ruling and in terms of the new regulatory framework, Telcel was ordered to create a reference offer and submit it to the IFT for approval. Telcel submitted this reference to the IFT and the IFT approved its offer for shared access to its passive infrastructure, which was valid until 31 December 2015. As a result, Opsimex, as the transferee of Telcel and owner of the passive infrastructure, is subject to the terms of the Ruling.

As per the terms of the reference offer, carriers must sign both a general agreement and an individual agreement for each site they acquire access to. Although the terms and conditions of these agreements will vary, they must all be for a minimum term of ten years, except when the associated property lease agreement is for a longer term. The term of the Company's first reference offer expired on 31 December 2015, and a new reference offer was approved by the IFT on November 2015. The term of the new reference offer is from 1 January 2016 to 31 December 2017.

Customers who sign the general agreement may choose to use available spaces at the site or they may choose one of the options set forth in the reference offer.

Towers and Antennas

The Company is subject to regulatory requirements regarding the registration, zoning, construction, lighting, demarcation, maintenance and inspection of towers, as well as land-use restrictions for the land on which the Company's towers are located. Failure to comply with these regulations may lead to fines for the Company. The Company believes that it complies substantially with all applicable regulations.

18. Segments

The Company has passive infrastructure installed throughout Mexico. Its principal business segment is leasing this infrastructure. At the reporting date, the Company's business is geographically divided into the following nine regions:

Region	Mexican states		Infrastructure rental revenue		Lease expense
1	Baja California Sur and Baja California	Ps.	210,285	Ps.	77,992
2	Sinaloa and Sonora		296,543		89,674
3	Chihuahua and Durango		197,337		54,447
4	Nuevo Leon, Tamaulipas and Coahuila		463,658		160,921
5	Jalisco, Michoacan, Colima and Nayarit		524,934		186,589
6	Queretaro, Guanajuato, San Luis Potosi, Aguascalientes and Zacatecas		516,889		201,963
7	Puebla, Veracruz, Oaxaca and Guerrero		665,997		229,571
8	Yucatan, Campeche, Tabasco, Chiapas and Quintana Roo		443,138		149,255
9	Hidalgo, Morelos and Mexico City		911,857		401,927
	Total	Ps.	4,230,638	Ps.	1,552,339

19. Subsequent Events

Short and long-term debt

In February 2016, the Company paid interest of Ps. 290,511 and Ps. 172,024 on its Series 1 OSM-15 and Series 2 OSM-152 Mexican peso structured notes, respectively.

In February 2016, the Company executed its second reissuance of its Series 1 OSM-15 Mexican peso structured notes in the amount of Ps. 2,500,000. At the reporting date, the total value of the issuance of this series of structured notes is Ps. 9,710,000.

In February 2016, the Company repaid in full its loans received from Santander, Bancomer and Banamex of Ps. 400,000, Ps. 400,000 and Ps. 200,000, respectively.

Merger

At an extraordinary shareholders' meeting held on 17 March 2016, the Company's shareholders agreed to merge Promotora into Opsimex.

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Information about the shares:
The series “L”, “A”, y “AA” of Telesites, S.A.B de C.V. shares are listed in the Mexican Stock Exchange, S.A.B de C.V. under the ticker symbol “SITES”.

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