

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.

Demonasa, S.A. de C.V.

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