

# Financial and operating report

## First quarter 2016

Gerardo Kuri Kaufmann  
CEO

Karla Ileana Arroyo Morales  
Investor Relations  
[relacionconinversionistas@telesites.com.mx](mailto:relacionconinversionistas@telesites.com.mx)  
Telephone: 5125 0205

Telesites, S. A. B. de C. V. (“Telesites” or the “Company”) reports its financial and operating results as of the first quarter of 2016.

**Mexico City, April 28, 2016.** Telesites operated the complete first quarter of 2016 as a fully independent company apart from America Movil. The administration has carried out actions to achieve independence in decisions, in order to align the direction of the Company to the interests of its all shareholders.

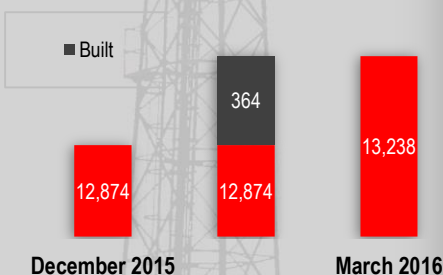
Telesites ended the first quarter of 2016 with 13,238 sites in its portfolio, which compared to 12,874 sites reported in the previous quarter; it presents an increase of 364 sites and a growth of 2.8% in the quarter.

At the end of the first quarter of 2016, the company had 529 towers in process of being built, in addition to the 364 built, with a pace of 70 sites starting construction each week.

Moreover, Telesites through its subsidiary Telesites Internacional founded a company in Costa Rica, where currently owns a Built To Suit project for Claro Costa Rica. The project consists of 314 towers. The company reported 79 completed and 30 sites in the process of being built. Proceeds from this project will be reflected in the financial statements of the 2016 second quarter.

Revenues recorded on March 31 integrate Telcel 13,032 sites and 110 sites of other operators compared to 12,512 sites recorded in revenues at the end of December, representing a growth of 5.0% in new sites recorded.

### Towers built

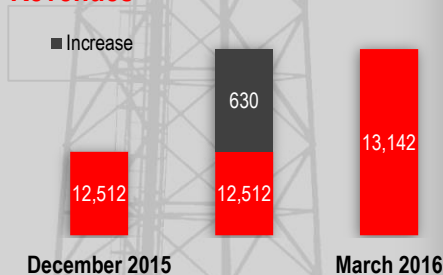


### Costa Rica 314 sites

Completed 79 (25.2%)

Being built 30 (9.5%)

### Sites registered in Revenues



# Financial and operating report

## First quarter 2016

**Tenancy Ratio:**

1.037

tenants per tower

**Average monthly rent:**

19,573 pesos

+6%

versus 4Q15

The company began working on colocations at the end of the previous quarter; in total, the tenancy ratio of the company for closing 1Q16 was 1.037 operators per tower, 266 contracts with other operators and additional spaces occupied by Telcel.

With 12,385 registered sites in revenues in September, 12,512 in December and 13,142 in March, the monthly average rent per site for 1Q16 is equivalent to 19,573 pesos, that is 6% higher than average rent to 4T15 of 18,452 pesos.

**About the Company.**

Our main business is to build, install, maintain, operate and commercialize, directly or indirectly, various types of towers and other supporting structures and physical spaces and other non-electronic elements for installation of radiating equipment that make up the passive infrastructure, and on which agreements for service and sharing the same are signed.

Telesites business model includes three main factors influencing the growth of profitability: increase in number of towers, new colocations and maintain a fixed cost structure.

# Financial and operating report

## First quarter 2016

### Results

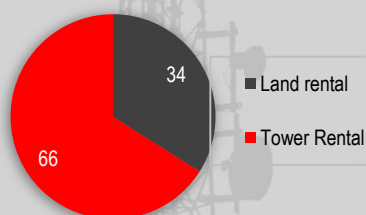
Total revenues for the first quarter of 2016 were 1,236.5 million pesos compared to rental revenues of 4Q15 present a growth of 193.8 million pesos in which there are non-recurring 51.9 million pesos, within there is an increase of 141.9 million, that represents 13.6% QoQ.

Land revenues were 421.1 million pesos, 34% of total revenues, while tower rental revenues were 815.1 million pesos, representing 66%.

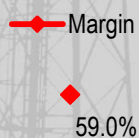
1Q16 EBITDA was 59% margin with a generation of 729.9 million pesos, presenting an 18% growth with additional 111 million pesos versus the previous quarter.

On February 18, 2016 the company issued 2,500 million pesos, of which 1,000 million were taken to replace debt with banks and 1,500 million pesos will be occupied for investments in new towers. The total debt to March is 21,354.8 million pesos, an amount that is below the initially projected of 22,000 million pesos.

### Revenues



### EBITDA



March 16

# Financial and operating report

## First quarter 2016

The cash position of the company at the end of 1Q16 was 899.1 million pesos.

Net debt of the company in March is 20,455.7 million pesos and EBITDA of the last twelve months is 2,658.5 million pesos. Measuring leverage, as Net Debt / EBITDA (last twelve months), the ratio is equal to 7.7 times.

The breakdown of debt as of March 2016 is as following:

(M Ps)	Amount	Rate	Term	Due
Cebur OSM 15	9,720	7.97%	10 years	jul-23-25
Cebur OSM 15-2	4,500	TIIE 28 + 0.50%	5 years	jul-29-20
Cebur OSM 15U	7,209 *	4.75% + inflación	15 years	jul-17-30
Amortized Cost	-	74		
<b>Total debt</b>	<b>21,355</b>			

\* The amount of this tranche is indexed to inflation, so that the interest rate is real

Deuda Neta: 20.455.7 millones de pesos

Apalancamiento: 7.7 x

# Financial and operating report

## First quarter 2016

**Telesites, S. A. B. de C. V.**
**Consolidated statements of Financial Position**

(In thousands of Mexican pesos)

As of march 31, 2016
**Assets**
**Current assets:**

Cash	899,074
Related parties and advanced payments	210,350
<b>Total current assets</b>	<b>1,109,424</b>

**Non- current assets:**

Property and equipment, net	38,568,126
Other assets	110,890
<b>Total non- current assets</b>	<b>38,679,016</b>

<b>Total assets</b>	<b>39,788,440</b>
---------------------	-------------------

**Liabilities and equity**
**Current liabilities:**

Short term debt	0
Accounts payable	240,428
Taxes payable	138,169
Interests payable	191,772
<b>Total current liabilities</b>	<b>570,369</b>

**Long term liabilities:**

Long term debt	21,354,811
Deferred income taxes	10,078,158
Asset retirement obligations	732,990
Other liabilities	1,199
<b>Total long term liabilities</b>	<b>32,167,158</b>

<b>Total liabilities</b>	<b>32,737,527</b>
--------------------------	-------------------

**Equity**

Capital Stock	35,000
Net income	-679,789
Surplus from revaluation of property and equipment	23,096,331
Effect of the spin off	-15,400,629

<b>Total Equity</b>	<b>7,050,913</b>
---------------------	------------------

<b>Total Liabilities and Equity</b>	<b>39,788,440</b>
-------------------------------------	-------------------

# Financial and operating report

## First quarter 2016

**Telesites, S. A. B. de C. V.**
**Consolidated Statements of Comprehensive Income**

(In thousands of Mexican pesos)

From January 1 to March  
31, 2016

<b>Rental revenues:</b>	
Land rental	421,377
Tower rental	815,131
	<b>1,236,508</b>
<b>Operating costs and expenses:</b>	
Salaries	-33,264
Operating cost	-28,827
Land rental	-421,104
Administration expenses	-23,360
Depreciation and amortization	-599,495
	<b>-1,106,050</b>
<b>Operating Result</b>	<b>130,458</b>
Interests expenses	-382,549
<b>Loss before income taxes</b>	<b>-252,091</b>
Income taxes	-427,697
<b>Net Income</b>	<b>-679,788</b>
<b>EBITDA</b>	<b>729,952</b>

# Financial and operating report

## First quarter 2016

**Telesites, S. A. B. de C. V.**
**Consolidated Statements of Cash Flows**  
(In thousands of Mexican pesos)

From January 1 to  
March 31, 2016

**Operating Activities**

Loss before income taxes	-	252,092.00
--------------------------	---	------------

**Non cash Activities**

Depreciation		599,495.00
--------------	--	------------

Interests gain	-	15,109.00
----------------	---	-----------

Interest paid		314,117.00
---------------	--	------------

Exchange Loss		83,679.00
---------------	--	-----------

## Working capital adjustments:

Related parties	-	295,180.00
-----------------	---	------------

Advanced payments	-	7,211.00
-------------------	---	----------

Other assets		142,513.00
--------------	--	------------

Accounts payables	-	753,896.00
-------------------	---	------------

Paid taxes	-	193,551.00
------------	---	------------

<b>Cash provided by operating activities</b>	<b>-</b>	<b>377,235.00</b>
--	----------	-------------------

**Investment activities**

Interests gained		15,109.00
------------------	--	-----------

Property and equipment and construction activities	-	479,853.00
--	---	------------

<b>Cash used for investing activities</b>	<b>-</b>	<b>464,744.00</b>
---	----------	-------------------

**Financing activities**

Borrowings from Notes (Certificados Bursatiles)		2,585,268.00
---	--	--------------

Banks loans	-	1,000,377.00
-------------	---	--------------

Interest paid	-	314,117.00
---------------	---	------------

<b>Cash provided by (used for) financing activities</b>		<b>1,270,774.00</b>
---	--	---------------------

Net increase in Cash and Cash Equivalents		428,795.00
---	--	------------

<b>Cash at the beginning of period</b>		<b>470,279.00</b>
--	--	-------------------

<b>Cash at the end of period</b>		<b>899,074.00</b>
----------------------------------	--	-------------------

Telesites, S.A.B. de C.V. ("Telesites") quarterly reports and all other written materials may from time to time contain forward-looking statements that reflect the current views and/or expectations of Telesites and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance, or achievements, and may contain words like "believe", "anticipate", "expect", "envisages", "will likely result", or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions.

We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this report. In no event, neither Telesites nor any of its subsidiaries, affiliates, directors, officers, agents or employees shall be liable before any third party (including investors) for any investment or business decision made or action taken in reliance on the information and statements contained in this document or for any consequential, special or similar damages.