

Financial and operating report Third quarter 2016

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

Mexico City, October 20, 2016.- As of the third quarter of 2016, Telesites reports a global portfolio of towers of 14,551, meaning an increase of 508 towers representing 3.6% of growth quarter to quarter.

In a country level, the Company grew 474 torres in México, ending with a portfolio of 14,347 (3.4% higher than last quarter).

In Costa Rica, Telesites completed 204 towers in its portfolio, 20% higher compared to second quarter of 2016.

Portfolio growth:

3.6%

3q16 vs. 2q16

Global Portfolio of towers: 14,551 towers

Mexico
14,347 (98.6%)

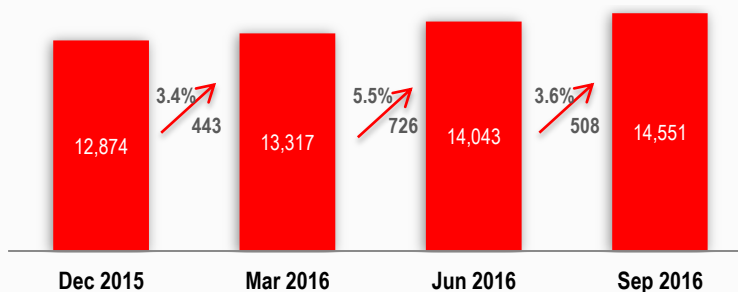
Costa Rica
204 (1.4%)

New towers in the portfolio:

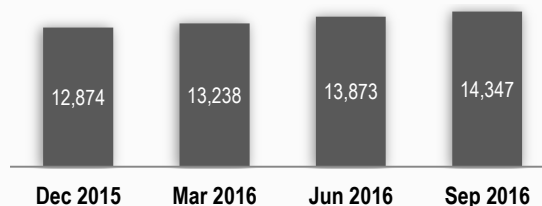
1,677

in 2016

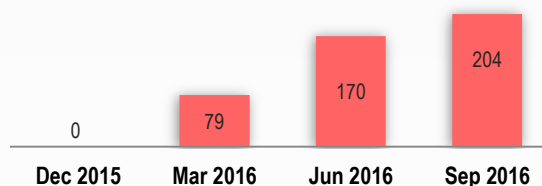
Total Towers (Mexico & Costa Rica)



Towers Mexico



Towers Costa Rica



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As of September, Telesites booked on revenues 14,343 sites in Mexico, and 14,537 sites of global operation, already generating revenues.

On the third quarter tower revenues include 23.7 million pesos of upgrades and services made on the towers, billed to the operators.

	1q16	2q16	3q16	Accumulated 2016
Revenues	1,236.5	1,291.8	1,324.6	3,852.9
Land rent	421.4	446.6	473.0	1,341.0
Tower revenues	815.1	845.2	851.6	2,511.9
Tower rent (regular)	756.2	790.2	827.9	2,374.3
Non recurrent "advanced bills"	51.9	-	-	51.9
Upgrades	4.4	52.5	23.7	80.6
Retroactive revenues for tower rent	2.6	2.5	-	5.1

Tenancy Ratio:

1.034

operators per tower

In this quarter, average monthly rent was 19,316 pesos.

Average monthly rent:

19,316 pesos

	1Q	2Q	3Q	Jan - Sep 2016
Revenues (mps)	1,177,508	1,236,729	1,324,550	3,852,912
Tower leasing revenues (mps)*	756,131	790,085	827,966	2,374,182
# Initial sites	12,512	13,142	14,039	12,512
# Final sites	13,142	14,039	14,537	14,537
# Average sites	12,827	13,591	14,288	13,525
Average Rent (ps)	19,649	19,378	19,316	19,505

* Adjusted: Without 59 million pesos of upgrades and non recurrent income of 1q16, 55.1 million pesos of 2q16, and 23.7 million pesos of third quarter.

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The next table present data of the growth in portfolio of towers, tenants and sites booked on revenues.

	4Q15	1Q16	2Q16	3Q16
Mexico				
Portfolio of towers at the end of the period	12,874	13,238	13,873	14,347
Total quantity of sites included in revenues at end of period	12,512	13,142	13,910	14,343
Costa Rica				
Portfolio of towers at the end of the period	79	170	204	
Total quantity of sites included in revenues at end of period	0	129	194	
Consolidated				
Portfolio of towers at the end of the period	12,874	13,317	14,043	14,551
Tenants Amx	12,874	13,317	14,043	14,551
Tenants Amx adds (equivalent)	0	224	224	224
Tenants Non Amx	0	266	266	266
Total tenants	12,874	13,807	14,533	15,041
Tenancy ratio at the end of the period	1,000	1,037	1,035	1,034
Quantity of towers included in revenues at end of period	12,512	12,808	13,549	14,041
Quantity of sites included in revenues at end of period: AMX	12,512	12,808	13,549	14,047
Quantity of sites included in revenues at end of period: AMX adds (equivalent)	0	224	224	224
Quantity of sites included in revenues at end of period: non-AMX	0	110	266	266
Total quantity of sites included in revenues at end of period	12,512	13,142	14,039	14,537

**Acumulated
growth 2016 :**

**Mexico
11.4%**

**Global
13.0%**

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Results

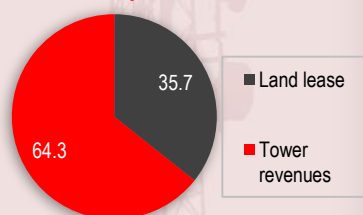
Accumulated revenues during the first nine months of 2016 were 3,852.9 million pesos, of which 2,511.8 million pesos are tower revenues (65.2%).

Accumulated EBITDA from January to September 2016, is 2,281.8 million pesos resulting a margin of 59.2%

For the third quarter of 2016, Revenues were 1,324.5 million pesos, 2.5% higher, compared to last quarter.

EBITDA generated was 812.7 million pesos, 9.9% higher than the second quarter 2016, given the increased of margins from 57.2% to 61.4%, explained by a growth in portfolio, adjustment in land lease and administration expenses going stable.

Revenues 3q16



EBITDA 3q16



Sep 16

	1q16	2q16	3q16	Accumulated 2016
Total costs	506.6	552.8	511.8	1,571.2
Land rent	421.1	446.3	427.9	1,295.3
Administration and operating expenses	85.5	106.5	83.8	275.7
Administration expenses	23.4	35.4	24.3	83.1
Operating cost	62.1	71.1	59.5	192.6

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The Company closed third quarter with 235.5 million pesos in cash and 21,657.3 million pesos of total debt.

Leverage ratio measured as Net debt to EBITDA (LTM), was 6.43x

The breakdown of total debt as of September is as following.

(M Ps)	Amount	Rate	Term	Due
Cebur OSM 15	9,677.7	7.97%	10 years	jul-23-25
Cebur OSM 15-2	4,486.7	TIIE 28 + 0.50	5 years	jul-29-20
Cebur OSM 15 Udis	7,201.3 *	4.75%	15 years	jul-17-30
Costa Rica Short Term	291.6	Libor 3m + 1.625	3 months	
Total Debt	21,657.3			

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

** The amount of Costa Rica's debt is in USD, equal to 15,050mUSD

Net debt: 21,421.8 million pesos

Leverage ratio: 6.4x

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

Consolidated statements of Financial Position

(In thousands of Mexican Pesos)

	<u>As of September 30, 2016</u>	<u>As of December 31, 2015</u>
Assets		
Current assets		
Cash	235,465	470,279
Receivables and advanced payments	444,913	221,749
Total current assets	680,378	692,028
Non- current assets		
Non current receivables	196,720	145,436
Property and equipment, net	42,737,382	38,687,768
Othe assets	10,165	31,271
Total non current assets	42,944,267	38,864,475
Total assets	43,624,645	39,556,503
Liabilities and equity		
Short term liabilities		
Shor term debt	291,633	1,000,377
Accounts payable	500,835	473,923
Taxes payable	34,030	572,778
Interests payable	182,203	388,908
Total short term liabilities	1,008,701	2,435,986
Long term liabilities		
Long term debt	21,365,669	18,769,543
Deferred income taxes	10,612,430	9,886,089
Asset retirement obligations	800,419	732,990
Other liabilities	1,344	1,199
Total long term liabilities	32,779,862	29,389,821
Total liabilities	33,788,563	31,825,807
Equity		
Capital Stock	35,000	35,000
Net Income	- 541,683	67,184
Other accumulated results	10,342,765	7,628,512
Total equity	9,836,082	7,730,696
Total liabilities and equity	43,624,645	39,556,503

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Telesites, S. A. B. de C. V.
Consolidated Statements of Comprehensive Income
(In thousands of Mexican Pesos)

	From January 1 to September 30, 2016	From July 1 to September 30, 2016
Revenues:	3,852,912	1,324,550
Land	1,341,029	473,008
Tower	2,511,883	851,542
Expenses		
Land rent	1,295,386	427,974
Administration and operating expenses	275,742	83,812
Depreciation and amortization	1,848,576	641,650
	3,419,704	1,153,436
Operating result	433,208	171,114
Interests expenses	-	373,087
Other income	15,084	3,640
	-	369,447
Loss before income taxes	- 594,915	- 198,333
Current income taxes	-	51,476
Deferred taxes	385,349	27,926
	53,232	79,402
Net Income	- 541,683	- 277,735
EBITDA	2,281,784	812,764

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

	From January 1 to September 30, 2016	
Operating activities		
Net income	-	541,683
Taxes	-	167,336
Interests gained and paid, net		1,043,206
Depreciation and amortization		1,848,576
Provisions		145
Accounts receivables	-	189,024
Other accounts receivables		81,912
Providers		26,912
Accounts different from cash		779,768
Other adjustments	-	817,456
Income taxes paid	-	571,068
Cash flow from operating activities		1,493,952
Investment activities		
Property and equipment and construction sites	-	2,049,725
Interests gain		30,723
Cash used for investing activities	-	525,050
Financing activities		
Loans		2,887,759
Loans paid	-	1,000,377
Interests paid	-	1,597,146
	-	234,814
Net increase in Cash and Cash equivalents	-	234,814
Cash at the beginning of the period		470,279
Cash at the end of the period		235,465

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