

Financial and operating report

Second quarter 2017

Date of publication: July 28th, 2017

Telesites, S. A. B. de C. V. ("Telesites" or "the Company") reports its financial and operating results as of second quarter of 2017.

Portfolio growth (LTM):

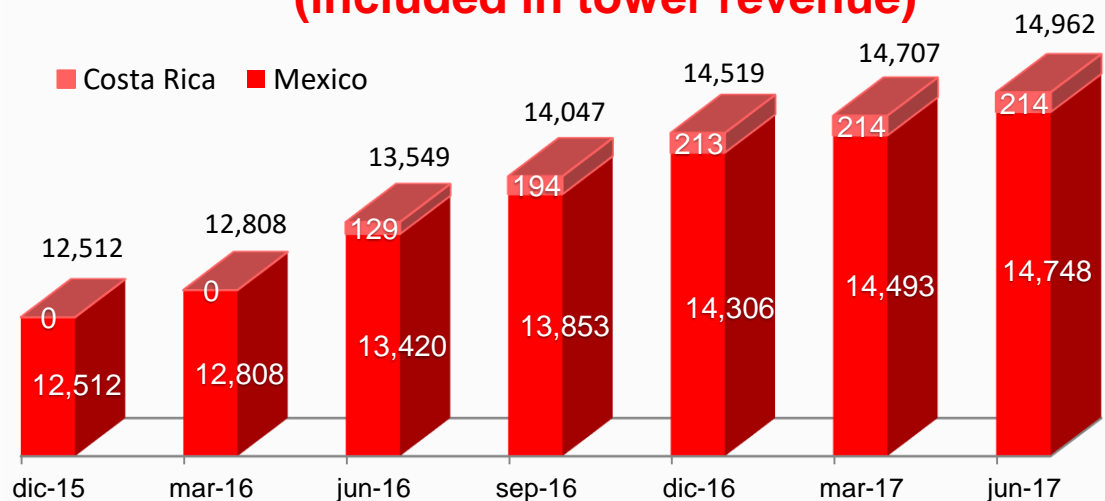
10.43%

2Q16 vs. 2Q17

As of the second quarter of 2017, Telesites reports a global portfolio of 14,962 towers included in revenue, meaning an increase of 255 towers vis a vis previous quarter. Observed increase for the last twelve months was of 1,413 towers, equivalent to 10.43% growth. Currently, 265 towers are on some stage into building process. Talking about co-locations ex-AMX, Telesites has signed 523 individual site agreements by the end of the 2Q17.

Graph 1: Telesites total towers (Considering Mexico & Costa Rica)

Global Total Towers (included in tower revenue)



Global portfolio of towers: 14,962 towers

Mexico
14,748 (98.5%)

Costa Rica
214 (1.5%)

2017 new adds included in tower revenues:

443

Signed co-locations (Ex-AMX) as of 2Q17:

523

Results

Accumulated revenues during the second quarter were 1,389.6 million pesos, of which 928.4 million pesos come from tower income (66.8%). From April to June of 2017, revenues were 7.6% higher than the same quarter of the previous year. Excluding the effect of non-recurrent income during 2Q16, the growth reached 12.3% on the same period.

Accumulated EBITDA from April to June of 2017 was 831.5 million pesos, resulting 59.8% margin. EBITDA generated during this three months represented an increase of 12.5% YoY and remained in line with the previous quarter.

Financial and operating report

Second quarter 2017

Date of publication: July 28th, 2017

Revenues 2Q17:

1,389.6
million pesos

EBITDA 2Q17:

831.5
million pesos

Average rent per tower 2Q17:

19,611
pesos per month

Tenancy Ratio:

1.065

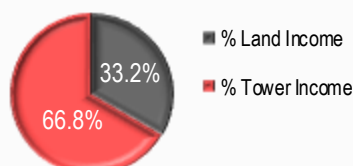
tenants per tower

Leverage ratio: 6.7x

Table 1: Telesites QoQ revenue breakdown

| | 3Q16 | 4Q16 | 1Q17 | 2Q17 |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Revenues (MM\$MX) | 1,324.6 | 1,327.0 | 1,372.3 | 1,389.6 |
| Land rent | 473.0 | 448.9 | 458.1 | 461.2 |
| Tower revenues | 851.6 | 878.0 | 914.1 | 928.4 |
| Total Costs (MM\$MX) | 511.7 | 559.8 | 541.1 | 558.1 |
| Land rent | 427.9 | 438.7 | 451.8 | 462.7 |
| Administrative and operating expenses | 83.8 | 121.1 | 89.2 | 95.4 |
| Administrative expenses | 24.3 | 27.9 | 19.8 | 24.6 |
| Operating expenses | 59.5 | 93.2 | 69.4 | 70.9 |
| EBITDA (MM\$MX) | 812.9 | 767.1 | 831.2 | 831.5 |

Revenues 2Q17



EBITDA Margin (QoQ)

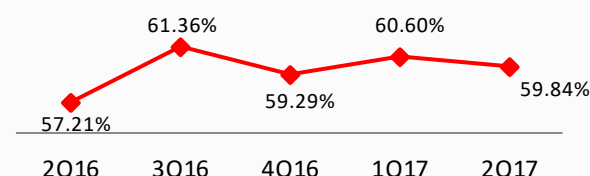


Table 3: Quarterly breakdown of Telesites tower leases

| | | |
|--------------|--|--------|
| Mexico | Portfolio of towers included in revenues EOP | 14,748 |
| | Total quantity of rents included in revenues EOP | 15,715 |
| Costa Rica | Portfolio of towers included in revenues EOP | 214 |
| | Total quantity of rents included in revenues EOP | 214 |
| Consolidated | Portfolio of towers included in revenues EOP | 14,962 |
| | Rents included in revenues EOP: AMX | 14,962 |
| | Rents included in revenues EOP: AMX adds (equivalents) | 674 |
| | Rents included in revenues EOP: Others | 293 |
| | Total rents included in revenues EOP | 15,929 |
| | Tenancy ratio EOP | 1.065 |

Financial and operating report

Second quarter 2017

Date of publication: July 28th, 2017

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

Consolidated statements of Financial Position

(In thousands of Mexican pesos)

| | As of June 30th 2017 | | As of June 30th 2016 | | 2Q17 vs. 2Q16 |
|-------------------------------------|----------------------|--------------|----------------------|--------------|----------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and equivalents | 335,593 | 0.8% | 689,038 | 1.7% | (51.3)% |
| Accounts Receivable | 405,779 | 0.93% | 349,705 | 0.9% | 16.0 % |
| Recoverable taxes | 18,336 | 0.0% | 137,547 | 0.3% | (86.7)% |
| Total current assets | 759,708 | 1.7% | 1,176,290 | 2.9% | (35.4)% |
| Non-current assets | | | | | |
| Towers, construction and others | 49,037,523 | 112.2% | 42,248,442 | 105.5% | 16.1 % |
| Property and equipment, net | 40,825 | 0.1% | 20,625 | 0.1% | 97.9 % |
| Depreciation | (6,256,908) | (14.3)% | (3,529,702) | (8.8)% | 77.3 % |
| Total non-current assets | 42,821,440 | 98.0% | 38,739,366 | 96.8% | 10.5 % |
| Deferred tax assets | 5,531 | 0.0% | 6,902 | 0.0% | (19.9)% |
| Other assets | 122,291 | 0.3% | 107,746 | 0.3% | 13.5 % |
| Total assets | 43,708,970 | 100% | 40,030,303 | 100% | 9.2 % |
| Liabilities and equity | | | | | |
| Short term debt | 362,697 | 0.8% | 161,103 | 0.4% | 0.0 % |
| Accounts payable | 594,203 | 1.4% | 336,545 | 0.8% | 76.6 % |
| Taxes payable | 82,743 | 0.2% | 47,954 | 0.1% | 72.5 % |
| Interests payable | 493,041 | 1.1% | 485,944 | 1.2% | 1.5 % |
| Total short term liabilities | 1,532,684 | 3.5% | 1,031,546 | 2.6% | 48.6 % |
| Long term debt | 21,773,162 | 49.8% | 21,310,294 | 53.2% | 2.2 % |
| Deferred income taxes | 10,213,113 | 23.4% | 9,448,444 | 23.6% | 8.1 % |
| Asset retirement obligation | 841,119 | 1.9% | 772,107 | 1.9% | 8.9 % |
| Other liabilities | 4,121 | 0.0% | 1,196 | 0.0% | 244.6 % |
| Total long term liabilities | 32,831,515 | 75.1% | 31,532,041 | 78.8% | 4.1 % |
| Total liabilities | 34,364,199 | 78.6% | 32,563,587 | 81.3% | 5.5 % |
| Equity | | | | | |
| Share capital | 35,000 | 0.1% | 35,000 | 0.1% | 0.0 % |
| Surplus | 23,356,921 | 53.4% | 23,096,331 | 57.7% | 1.1 % |
| Other components of equity | (13,414,870) | (30.7)% | (15,400,629) | (38.5)% | (12.9)% |
| Conversion effect | 190 | 0.0 % | (38) | (0.0)% | 0.0 % |
| Net income for the year | (632,470) | (1.4)% | (263,948) | (0.7)% | 139.6 % |
| Total Equity | 9,344,771 | 21.4% | 7,466,716 | 18.7% | 25.2 % |
| Total liabilities and equity | 43,708,970 | 100% | 40,030,303 | 100% | 9.2 % |

Financial and operating report

Second quarter 2017

Date of publication: July 28th, 2017

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

Consolidated statements of Comprehensive Income

(In thousands of Mexican pesos)

| | As of June 30th 2017 | As of June 30th 2016 | 2Q17 vs. 2Q16 |
|---------------------------------------|----------------------|----------------------|-----------------|
| Revenues | 1,389,551 | 1,291,854 | 7.6 % |
| Land | 461,184 | 446,644 | 3.3 % |
| Tower | 928,366 | 845,210 | 9.8 % |
| Expenses | (1,269,709) | (1,160,217) | 9.4 % |
| Land Rent | (462,681) | (446,308) | 3.7 % |
| Administration and Operating Expenses | (95,415) | (106,478) | (10.4)% |
| Depreciation and Amortization | (711,613) | (607,432) | 17.2 % |
| Operating Result | 119,842 | 131,637 | (9.0)% |
| Financial Expenses | (416,860) | (285,730) | 45.9 % |
| Other Income | 4,823 | 9,603 | (49.8)% |
| | (412,037) | (276,127) | 49.2 % |
| Loss Before Income Taxes | (292,195) | (144,490) | 102.2 % |
| Current Income Taxes | (132,952) | (76,284) | 74.3 % |
| Deferred Taxes | 151,352 | 636,615 | (76.2)% |
| | 18,400 | 560,332 | (96.7)% |
| Net Income | (273,796) | 415,841 | (165.8)% |
| EBITDA | 831,455 | 739,069 | 12.5 % |

Financial and operating report

Second quarter 2017

Date of publication: July 28th, 2017

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

Consolidated statements of Cash Flows

(In thousands of Mexican pesos)

| | From January 1st 2017 to June 30th 2017 | From January 1st 2016 to June 30th 2016 | 2Q17 vs. 2Q16 |
|---|--|--|----------------|
| Operating activities | | | |
| Net income | (632,470) | (263,948) | 139.6% |
| Taxes | (106,457) | (132,634) | -19.7% |
| Interest gained and paid, net | 976,872 | 670,120 | 45.8% |
| Depreciation and Amortization | 1,421,913 | 1,206,926 | 17.8% |
| Account receivables | (152,503) | (230,231) | -33.8% |
| Other accounts receivables | 67,710 | 40,742 | 66.2% |
| Account payable | (29,747) | (166,406) | -82.1% |
| Other accounts payable | 298,978 | (215,936) | N/A |
| Other adjustments | (864) | (32) | N/A |
| Income taxes paid | (393,297) | (562,351) | -30.1% |
| | 1,450,135 | 346,250 | 318.8% |
| Investment activities | | | |
| Property, equipment and site construction | (631,324) | (1,258,524) | -49.8% |
| Intangible asset acquisitions | (3,560) | | N/A |
| Interest gain | 10,338 | 24,839 | -58.4% |
| | 825,589 | (887,435) | -193.0% |
| Financing activities | | | |
| Loans | 855,000 | 2,665,311 | -67.9% |
| Loans paid | (855,000) | (1,000,000) | N/A |
| Interes paid | (721,529) | (559,117) | 29.0% |
| | 104,060 | 218,759 | -52.4% |
| Net increase in cash and cash equivalents | 104,060 | 218,759 | -52.4% |
| Cash at the beginning of the period | 231,533 | 470,279 | -50.8% |
| Cash at the end of the period | 335,593 | 689,038 | -51.3% |

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.