Unaudited Interim Condensed Combined Financial Statements

For the three month period ended 31 March 2015

15 May 2015

Unaudited interim combined income statement for the three month period ended 31 March 2015

US$ '000	Notes	Three months ended 31 March 2015	Three months ended 31 March 2014
Revenue	4	316,746	301,764
Cost of sales		(95,738)	(85,834)
Gross profit		**221,008**	**215,930**
Sales and marketing		(51,529)	(50,968)
General and administrative expenses		(54,085)	(56,947)
Operating profit	4	**115,394**	**108,015**
Interest expense		(14,721)	(14,800)
Interest and other financial income		473	629
Foreign exchange gain (loss), net		1,426	1,579
Profit (loss) before taxes from continuing operations		**102,572**	**95,423**
Charge for taxes, net		(17,328)	(17,986)
Net (loss) profit for the period		**85,244**	**77,437**

The accompanying notes are an integral part of these unaudited interim condensed or combined financial statements.

Unaudited interim condensed combined statement of comprehensive income for the three month period ended 31 March 2015

US$ '000	Three months ended 31 March 2015	Three months ended 31 March 2014
Net profit (loss) for the period	85,244	77,437
Other comprehensive income:		
Exchange differences on translation of operations to the US dollars reporting currency	(10,308)	8,414
Total comprehensive income (loss) for the period	**74,936**	**85,851**

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Unaudited interim condensed combined statement of financial position as at 31 March 2015

US$ '000	Notes	31 March 2015	31 December 2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	6	132,142	135,637
Property, plant and equipment, net	7	680,701	702,740
Deferred tax assets		8,135	7,067
Amounts due from related parties (non-current)	8	7,416	9,062
Other non-current assets		656	686
TOTAL NON-CURRENT ASSETS		**829,050**	**855,192**
CURRENT ASSETS			
Inventories		38,476	31,336
Trade receivables, net		33,208	38,637
Amounts due from non-controlling interests, associates and joint venture partners	8	198,827	458,171
Prepayments and accrued income		34,742	33,284
Current income tax assets		4,375	17,230
Supplier advances for capital expenditure		17,075	17,298
Other current assets		13,322	21,085
Restricted cash		2,376	2,339
Cash and cash equivalents		99,918	89,867
TOTAL CURRENT ASSETS		**442,319**	**709,247**
TOTAL ASSETS		**1,271,369**	**1,564,439**

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Unaudited interim condensed combined statement of financial position at 31 March 2015 (continued)

US$ '000	Notes	31 March 2015	31 December 2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		14,009	14,009
Equity contribution reserve		6,680	6,314
Other reserves		80,347	90,655
Retained profits		166,863	419,378
TOTAL EQUITY		**267,899**	**530,356**
LIABILITIES			
Non-current liabilities			
Amounts due to associates and joint venture partners	8	8,147	9,813
Other debt and financing	9	781,002	780,491
Provisions and other non-current liabilities		23,347	22,869
Deferred tax liabilities		656	716
Total non-current liabilities		**813,152**	**813,889**
Current liabilities			
Payables and accruals for capital expenditure		37,440	50,503
Trade payables		33,400	41,969
Amounts due to associates and joint venture partners	8	8,507	8,111
Accrued interest and other expenses		64,193	74,797
Current income tax liabilities		6,599	7,429
Provisions and other current liabilities		40,179	37,385
Total current liabilities		**190,318**	**220,194**
TOTAL LIABILITIES		**1,003,470**	**1,034,083**
TOTAL EQUITY AND LIABILITIES		**1,271,369**	**1,564,439**

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

MILLICOM

Unaudited interim condensed combined statement of cash flows for the three month period ended 31 March 2015

US$ '000	Notes	Three months ended 31 March 2015	Three months ended 31 March 2014
Cash flows from operating activities			
Profit (loss) before taxes		**102,572**	**95,423**
Adjustments to reconcile to net cash:			
Interest expense		14,721	14,800
Interest and income		(473)	(629)
Revaluation of previously held interest		(1,426)	(1,579)
Adjustments for non-cash items:			
Depreciation and amortization	6,7	47,351	42,228
Loss on disposal and impairment of assets		161	1,879
Share-based compensation	5	366	381
		163,272	**152,503**
(Increase)/Decrease in trade receivables, repayments and other current assets		63	(133)
(Increase)/Decrease in inventories		(7,347)	326
Increase/(Decrease) in trade and other payables		(5,408)	2,152
Changes in working capital		**(12,692)**	**2,345**
Interest paid		(27,500)	(7,429)
Interest received		447	488
Taxes paid		(18,758)	(17,960)
Net cash provided by operating activities		**104,769**	**129,947**
Cash flows from investing activities:			
Purchase of intangible assets and licenses	6	(7,845)	(2,687)
Purchase of property, plant and equipment	7	(32,001)	(57,526)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired		(302)	—
Proceeds from sale of property, plant and equipment		109	1,106
Net increase in restricted cash		(1,735)	(1,232)
Net cash used by investing activities		**(41,774)**	**(60,339)**
Cash flows from financing activities:			
Proceeds from other debt and financing		—	778,584
Repayment of debt and financing		—	(404,077)
Payment of dividends, advances and shareholders loans		(55,000)	(395,950)
Net cash from (used by) financing activities		**(55,000)**	**(21,443)**
Exchange gains (losses) on cash and cash equivalents, net		(23)	1,196
Net (decrease) increase in cash and cash equivalents		**7,972**	**49,361**
Cash and cash equivalents at the beginning of the year		91,946	50,089
Cash and cash equivalents at the end of the period / year		**99,918**	**99,450**

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

MILLICOM
THE DIGITAL LIFESTYLE

Unaudited interim condensed combined statements of changes in equity for the years ended 31 March 2015 and 31 December 2014

US$ '000	Share capital (000's)	Equity Contribution Reserve (i) (000's)	Other reserves (ii) (000's)	Retained earnings (000's)	Total equity (000's)
Balance on 31 December 2013	**14,009**	**4,850**	**73,487**	**444,754**	**537,100**
Profit for the period……………………………………	—	—	—	*77,437*	*77,437*
Currency translation differences……………………..	—	—	*8,414*	—	*8,414*
Total comprehensive income for the period………..	—	—	8,414	77,437	85,851
Share based compensation…………………………	—	381	—	—	381
Balance on 31 March 2014	**14,009**	**5,231**	**81,901**	**522,191**	**623,332**
Profit for the period……………………………………	—	—	—	*266,742*	*266,742*
Currency translation differences…………………….	—	—	*8,754*	—	*8,754*
Total comprehensive income for the period………..	—	—	8,754	266,742	275,496
Dividends (iii)……………………………………....	—	—	—	*(369,555)*	*(369,555)*
Share based compensation…………………………..	—	1,083	—	—	1,083
Balance on 31 December 2014	**14,009**	**6,314**	**90,655**	**419,378**	**530,356**
Profit (loss) for the period……………………………..	—	—	—	*85,244*	*85,244*
Currency translation differences…………………….	—	—	*(10,308)*	—	*(10,308)*
Total comprehensive income for the period………..	—	—	(10,308)	85,244	74,936
Share based compensation…………………………	—	366	—	—	366
Dividends (iii) ……………………………………..	—	—	—	(337,759)	(337,759)
Balance on 31 March 2015	**14,009**	**6,680**	**80,347**	**166,863**	**267,899**

(i) Equity Contribution Reserve made up only with share-based compensation expense.
(ii) Other reserves include legal reserves of $ 92million and negative currency translation differences of $ 12million at March 31, 2015. Legal reserves are undistributable.
(iii) Dividends — see note 10.

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Notes to the unaudited interim condensed combined statements

1. ORGANIZATION

The combined financial statements are composed of 9 companies (the "Combined Group" or "Tigo Guatemala Companies") as detailed in the table below:

Name of the company	Country
Comunicaciones Celulares, S.A.	Guatemala
Comunicaciones Corporativas, S.A.	Guatemala
Servicios especializados en telecomunicaciones, S.A.	Guatemala
Distribuidora de comunicaciones de occidente, S.A.	Guatemala
Distribuidora central de comunicaciones, S.A. ...	Guatemala
Distribuidora de comunicaciones de oriente, S.A.	Guatemala
Distribuidora internacional de comunicaciones, S.A.	Guatemala
Servicios Innovadores de Comunicación y Entretenimiento, S.A.	Guatemala
Navega.com, S.A.	Guatemala

There were no changes in ownership of the Tigo Guatemala Companies in the periods presented.

Our Combined Financial Statements do not consolidate the subsidiaries over which Comcel and the other Note Guarantors exerted control as of, and for, the periods presented. The only such subsidiary is Newcom Ltd. Bermuda, which represented less than 1% of the combined total revenue, less than 1% of the combined Adjusted EBITDA, less than 1% of the combined total assets and less than 1% of the combined total liabilities of Comcel and the other Note Guarantors as of, and for the three month period ended March 31, 2015. We do not intend to consolidate these or any other subsidiaries that may exist from time to time in future combined financial statements of Comcel and the other Note Guarantors, including those prepared for purposes of "Description of the Notes—Covenants of the Note Guarantors—Provision of Financial Information."

The Combined Group provides mobile and data telephony services, corporate solutions, fixed-line broadband, fixed-line telephone, cable TV and mobile financial services to retail and business customers in Guatemala. Two entities (Millicom Cable 206 N.V. and Newcom Bermuda) not material to the Combined Group have been excluded from this combination.

All Tigo Guatemala Companies have registered offices located at Km 9.5 Carretera a El Salvador, Plaza Tigo Sta. Catarina Pinula, Guatemala. They are owned jointly by Millicom Group ("MIC Group"), whose ultimate holding company is Millicom International Cellular S.A. ("MIC") and by Miffin Associates Corp together the "Combined Group owners".

The Combined Group shareholders are Millicom Group and Miffin which own respectively 55% and 45% interests in each of the Tigo Guatemala Companies. Those entities form one single business in substance as all of the entities have one single common management. The Combined Group is governed by a shareholders' agreement.

On January 16, 2014 Millicom and its local partner in Guatemala, Miffin, reached an agreement that gives Millicom control of the Tigo Guatemala Companies. Miffin has granted Millicom, for consideration of $ 15 million and a minimum term of two years, an unconditional call option for its 45% stake in Tigo Guatemala Companies. In return, Millicom has granted Miffin a put option for the same duration, exercisable in the event Millicom sells its 55% interest in Tigo Guatemala Companies or undergoes a change of control. This agreement has no impact on these combined financial statements. Following this event Millicom control is exclusive.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

These interim condensed combined financial statements of the Group are unaudited. They are presented in US dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as adopted by the European Union. In the opinion of management, these unaudited condensed interim combined financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods. Millicom's operations are not affected by significant seasonal or cyclical patterns

These unaudited condensed interim combined financial statements should be read in conjunction with the combined financial statements for the year ended 31 December 2014. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2014 combined financial statements, as disclosed in note 2 of those financial statements. The following changes to standards effective for annual periods starting after 1 July 2014 did not have a significant impact on Millicom:

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

- Defined Benefit Plans (amendments to IAS 19);
- Annual Improvements projects impacting IFRS 2, Share based payment; IFRS 3; Business Combinations, IFRS 8, Operating Segments; IFRS 13, Fair Value Measurement; IAS 16, Property, plant and equipment; IAS 24, Related party disclosures; and IAS 38, Intangible Assets.

3. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the three month period ended March 31, 2015, one small company was acquired (Dalia).
This acquisition was not material for the Combined Group.

4. ANALYSIS OF OPERATING PROFIT

The Combined Group's operating income and expenses analyzed by nature of expense is as follows:

US$ '000	Three months ended 31 March 2015	Three months ended 31 March 2014
Revenue…….……………	316,746	301,764
Cost of rendering telecommunication services	(57,170)	(55,786)
Depreciation and amortization	(47,351)	(42,228)
Dealer commissions……	(23,038)	(23,348)
Employee related costs………..	(12,588)	(11,864)
Sites and network maintenance	(17,568)	(15,989)
Advertising and promotion	(5,355)	(6,117)
Phone subsidies…………………..	(12,570)	(11,412)
External services……….	(9,159)	(8,664)
Operating lease expense	(9,188)	(9,221)
Other fees and costs………	(1,298)	(1,444)
(Loss) gain on disposal and impairment of assets, net	(161)	(1,879)
Other expenses……	(5,906)	(5,797)
Operating profit	**115,394**	**108,015**

5. EMPLOYEE RELATED COSTS

Employee related costs are comprised of the following:

US$ '000	Three months ended 31 March 2015	Three months ended 31 March 2014
Wages and salaries………………	(12,527)	(10,540)
Social security………………	(741)	(657)
Share based compensation (see note 9)	(366)	(381)
Other employee related costs (i)……	1,046	(286)
Total………	**(12,588)**	**(11,864)**

(i) There are no defined benefit pension plans.

6. INTANGIBLE ASSETS

The Combined Group used cash for the purchase of intangible assets and licenses as follows:

US$ '000 (unaudited)	Three months ended 31 March 2015	Three months ended 31 March 2014
Additions	145	159
Increase in payables for intangibles	7,700	2,528
Cash used for the purchase of intangible assets and licenses	**7,845**	**2,687**

6. INTANGIBLE ASSETS (Continued)

The charge for depreciation on intangible assets and license renewals for the three month period ended March 31, 2015 was $2 million (March 31, 2014: $4 million).

During the three month period ended March 31, 2015 and 2014, Tigo Guatemala companies did not dispose any intangibles.

7. PROPERTY, PLANT AND EQUIPMENT

The Combined Group used cash for the purchase of property, plant and equipment as follows:

US$ '000 (unaudited)	Three months ended 31 March 2015	Three months ended 31 March 2014
Additions	26,924	37,625
Increase in suppliers advances	159	7,371
Decrease in payables for property, plant and equipment	5,236	12,530
Cash used for the purchase of property, plant and equipment	**32,319**	**57,526**

The charge for depreciation on property, plant and equipment for the three month period ended March 31, 2015 was $45 million (March 31, 2014: $38 million).

During the three month period ended March 31, 2015, Tigo Guatemala companies have not disposed of any property, plant and equipment (March 31, 2014: $1 million).

8. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three month period ended 31 March 2015:

US$ '000 (unaudited)	Three months ended 31 March 2015	Three months ended 31 March 2014
Expenses		
Purchase of goods and services (MIC)	659	1,468
Purchases of goods and services (Miffin)	28,357	26,319
Purchases of goods and services (Other RP)	1,982	942
Total	**30,998**	**28,729**

US$ '000 (unaudited)	Three months ended 31 March 2015	Three months ended 31 March 2014
Income / gains		
Sale of goods and services (MIC)	1	—
Sale of goods and services (Miffin)	53,468	53,594
Sale of goods and services (Other RP)	508	639
Total	**53,977**	**54,233**

As at 31 March 2015 the Company had the following balances with related parties:

US$ '000 (unaudited)	At 31 March 2015	At 31 December 2014
Liabilities		
MIO S.A	11,038	8,000
Miffin Associates Corp	2,498	7,375
Other	3,118	2,549
Total	**16,654**	**17,924**

8. RELATED PARTY TRANSACTIONS (Continued)

US$ '000 (unaudited)	At 31 March 2015	At 31 December 2014
Assets		
MIO S.A	112,687	249,577
Miffin Associates Corp	88,148	209,522
Navega Nicaragua	2,906	2,906
Other	2,502	4,974
Total	**206,243**	**466,979**

9. DEBT AND FINANCING

Analysis of debt and other financing by maturity

The total amount of debt and financing is repayable as follows:

US$ '000	As at 31 March 2015	As at December 31, 2014
Due within:		
After five years	781,002	780,491
Total debt	**781,002**	**780,491**

As at March 31, 2015 and December 31, 2014, none of the shareholders had issued any guarantees to secure the obligations of the Combined Group's operations.

On January 30, 2014, Tigo Guatemala Companies issued an $800 million 6.875% fixed interest rate bond repayable in 10 years, to refinance the Combined Group and to repay in 2014 each individual financing facility existing as at December 31, 2013. The bond was issued at 98.233% of the principal and has an effective interest rate of 7.168%.

Pledged assets

As at March 31, 2015 and December 31, 2014, the assets pledged by the Combined Group's operations for these debts and financings are nil.

10. DIVIDENDS

The ability of the Combined Group to make dividend payments is subject to, among other things, the terms of indebtedness, legal restrictions and the ability to repatriate funds from the combined entities. By March 31, 2015, the entities of the Combined Group had declared a dividend related to 2014 of $338 million (2014: $370 million). Dividends are typically paid over two fiscal years.

11. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Tigo Guatemala Companies are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As of March 31, 2015, and December 31, 2014, the total amount of claims against the Combined Group's operations was not significant. As at March 31, 2015, and December 31, 2014, $435 thousands have been provided for these claims in the combined statement of financial position. Management is of the opinion that while it is impossible to ascertain the ultimate legal and financial liability with respect to these claims, the ultimate outcome of these contingencies is not anticipated to have a material effect on the Combined Group's financial position and operations.

Capital commitments

As of March 31, 2015, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for $42 million (December 31, 2014: $40 million), from a number of suppliers.

12. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 31 March 2015 and 31 December 2014:

US$ '000	Carrying Value		Fair Value	
	31 March 2015 (unaudited)	31 December 2014 (audited)	31 March 2015 (unaudited)	31 December 2014 (audited)
FINANCIAL ASSETS				
Loans and receivables				
Other non-current assets	656	686	656	686
Trade receivables, net	38,324	38,637	38,324	38,637
Amounts due from related parties	201,127	467,233	201,127	467,233
Prepayments and accrued income	34,742	33,284	34,742	33,284
Other current assets	30,397	38,383	30,397	38,383
Restricted cash	2,376	2,339	2,376	2,339
Cash and cash equivalents	99,918	89,867	99,450	89,867
Total	**407,540**	**670,429**	**407,072**	**670,429**
Current	399,468	660,681	399,468	660,681
Non-current	8,072	9,748	8,072	9,748
FINANCIAL LIABILITIES				
Other debt and financing	781,002	780,491	665,208	664,983
Trade payables	33,400	41,969	33,400	41,969
Payables and accruals for capital expenditure	37,440	50,503	37,440	50,503
Amounts due to related parties	8,507	8,111	8,507	8,111
Accrued interest and other expenses	64,193	74,797	64,193	74,797
Other liabilities	5,175	6,528	5,175	6,528
Total	**929,717**	**962,399**	**813,923**	**846,891**
Current	148,715	181,908	148,715	181,908
Non-current	781,002	780,491	665,208	664,983

13. SUBSEQUENT EVENTS

On May 04, 2015, the Combined Group has signed a loan facility with Banco Industrial, S.A. in local currency for US $ 77MN with a 10 years maturity at a 7.20% fixed rate with monthly interest installments.

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