

# **COMCEL TRUST**

## **Unaudited Interim Condensed Combined Financial Statements**

**As at and for the six-months period  
ended 30 June 2016**

30 August 2016

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
for the six-months period ended 30 June 2016**

**Unaudited interim condensed combined income statement for the six  
months period ended 30 June 2016**

US\$ '000	Notes	Six months ended 30 June 2016	Six months ended 30 June 2015 (i)
Revenue .....	4	640,404	639,590
Cost of sales .....	4	(127,361)	(116,084)
<b>Gross profit</b> .....	4	<b>513,043</b>	<b>523,506</b>
Operating expenses .....	4	(196,007)	(193,534)
Depreciation & Amortisation .....	4	(89,365)	(96,675)
Other operating income (expenses), net .....	4	(1,300)	(334)
<b>Operating profit</b> .....	4	<b>226,371</b>	<b>232,963</b>
Interest expense .....		(42,899)	(29,571)
Interest and other financial income.....		1,007	836
Foreign exchange gain (loss), net .....		(297)	1,269
<b>Profit before taxes from continuing operations</b> .....		<b>184,182</b>	<b>205,497</b>
Charge for taxes, net .....		(34,613)	(34,501)
<b>Net profit for the period</b> .....		<b>149,569</b>	<b>170,996</b>

(i) Presentation of the combined income statement from cost of sales to operating profit has been amended compared to the combined income statement reported in 2015 for the period ended 30 June 2015.

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

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
for the six-months period ended 30 June 2016**

**Unaudited interim condensed combined statement of comprehensive  
income for the six months period ended 30 June 2016**

US\$ '000	Six months ended 30 June 2016	Six months ended 30 June 2015
Net profit for the period .....	149,569	170,996
<b><i>Other comprehensive income:</i></b>		
Exchange differences on translation of operations to the US dollars reporting currency .....	(1,150)	(8,854)
<b>Total comprehensive income for the period .....</b>	<b>148,419</b>	<b>162,142</b>

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

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
for the six-months period ended 30 June 2016**

**Unaudited interim condensed combined statement of financial position as  
at 30 June 2016**

US\$ '000	Notes	30 June 2016	31 December 2015
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets, net.....	6	131,109	132,085
Property, plant and equipment, net .....	7	710,114	704,598
Deferred tax assets .....		4,728	4,723
Amounts due from related parties (non-current) .....	8	14	22
Other non-current assets.....		786	727
<b>TOTAL NON-CURRENT ASSETS .....</b>		<b>846,751</b>	<b>842,155</b>
<b>CURRENT ASSETS</b>			
Inventories .....		31,163	24,985
Trade receivables, net .....		47,571	46,671
Amounts due from non-controlling interests, associates and joint venture partners.....	8	22,676	634,210
Prepayments and accrued income .....		35,369	35,682
Current income tax assets.....		6,703	31,356
Supplier advances for capital expenditure .....		16,155	5,222
Other current assets .....		17,264	20,663
Restricted cash .....		2,957	3,315
Cash and cash equivalents .....	9	573,339	151,550
<b>TOTAL CURRENT ASSETS.....</b>		<b>753,197</b>	<b>953,654</b>
<b>TOTAL ASSETS .....</b>		<b>1,599,948</b>	<b>1,795,809</b>

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

Unaudited interim condensed combined statement of financial position at  
30 June 2016 (continued)

US\$ '000	Notes	30 June 2016	31 December 2015
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital and premium.....		14,009	14,009
Equity contribution reserve .....		8,406	7,708
Other reserves .....		87,944	89,094
Retained profits.....		233,973	400,211
<b>TOTAL EQUITY .....</b>		<b>344,332</b>	<b>511,022</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other debt and financing .....	10	984,315	983,616
Provisions and other non-current liabilities.....		37,854	24,394
Deferred tax liabilities .....		2,303	2,437
<b>Total non-current liabilities .....</b>		<b>1,024,472</b>	<b>1,010,447</b>
<b>Current liabilities</b>			
Payables and accruals for capital expenditure.....		55,086	67,670
Trade payables.....		28,713	51,292
Amounts due to associates and joint venture partners ...	8	20,751	18,394
Accrued interest and other expenses .....		77,803	74,494
Current income tax liabilities.....		6,411	21,407
Provisions and other current liabilities .....		42,380	41,083
<b>Total current liabilities .....</b>		<b>231,144</b>	<b>274,340</b>
<b>TOTAL LIABILITIES .....</b>		<b>1,255,616</b>	<b>1,284,787</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>		<b>1,599,948</b>	<b>1,795,809</b>

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

Unaudited interim condensed combined statement of cash flows for the six months period ended 30 June 2016

US\$ '000	Notes	Six months ended 30 June 2016	Six months ended 30 June 2015
<b>Cash flows from operating activities</b>			
<b>Profit before taxes</b>		<b>184,182</b>	<b>205,497</b>
<b>Adjustments to reconcile to net cash:</b>			
Interest expense .....		42,899	29,571
Interest and income .....		(1,007)	(836)
Foreign exchange loss / (gain), net .....		297	(1,269)
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization .....	6,7	89,365	96,675
Loss on disposal and impairment of assets .....		1,300	334
Share-based compensation .....	5	697	732
		<b>317,733</b>	<b>330,704</b>
Increase in trade receivables, prepayments and other current assets.....		(2,107)	(7,970)
Increase in inventories.....		(6,143)	(3,389)
Decrease in trade and other payables.....		(14,133)	(15,087)
<b>Changes in working capital.....</b>		<b>(22,383)</b>	<b>(26,446)</b>
Interest paid .....		(34,666)	(29,077)
Interest received.....		1,035	783
Taxes paid .....		(37,740)	(37,055)
<b>Net cash provided by operating activities .....</b>		<b>223,979</b>	<b>238,909</b>
<b>Cash flows from investing activities:</b>			
Purchase of intangible assets and licenses .....	6	(12,884)	(3,012)
Purchase of property, plant and equipment .....	7	(73,900)	(59,466)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired .....		—	(302)
Proceeds from sale of property, plant and equipment.....		48	197
Net decrease / (increase) in restricted cash.....		1,203	(434)
<b>Net cash used by investing activities .....</b>		<b>(85,533)</b>	<b>(63,017)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from other debt and financing .....		—	107,675
Proceeds from shareholders loans repayments .....		317,709	—
Payment of dividends, advances and shareholders loans .....		(33,079)	(218,255)
<b>Net cash provided (used) by financing activities .....</b>		<b>284,630</b>	<b>(110,580)</b>
Exchange losses on cash and cash equivalents, net.....		(1,287)	(23)
<b>Net increase in cash and cash equivalents .....</b>		<b>421,789</b>	<b>65,289</b>
Cash and cash equivalents at the beginning of the year .....		151,550	89,867
<b>Cash and cash equivalents at the end of the period / year .....</b>		<b>573,339</b>	<b>155,156</b>

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**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
for the six-months period ended 30 June 2016**

**Unaudited interim condensed combined statements of changes in equity for  
the years ended 30 June 2016 and 31 December 2015**

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)
<b>Balance on 31 December 2014</b>	<b>14,009</b>	<b>6,314</b>	<b>90,655</b>	<b>419,378</b>	<b>530,356</b>
<i>Profit for the period.....</i>	—	—	—	170,996	170,996
<i>Currency translation differences.....</i>	—	—	(8,854)	—	(8,854)
Total comprehensive income for the period.....	—	—	(8,854)	170,996	162,142
Dividends (iii).....	—	—	—	(337,772)	(337,772)
Share based compensation.....	—	732	—	—	732
<b>Balance on 30 June 2015</b>	<b>14,009</b>	<b>7,046</b>	<b>81,801</b>	<b>252,602</b>	<b>355,458</b>
<i>Profit for the period.....</i>	—	—	—	147,609	147,609
<i>Currency translation differences.....</i>	—	—	7,293	—	7,293
Total comprehensive income for the period.....	—	—	7,293	147,609	154,902
Dividends (iii).....	—	—	—	—	—
Share based compensation.....	—	662	—	—	662
<b>Balance on 31 December 2015</b>	<b>14,009</b>	<b>7,708</b>	<b>89,094</b>	<b>400,211</b>	<b>511,022</b>
<i>Profit for the period.....</i>	—	—	—	149,569	149,569
<i>Currency translation differences.....</i>	—	—	(1,150)	—	(1,150)
Total comprehensive income for the period.....	—	—	(1,150)	149,569	148,419
Share based compensation.....	—	697	—	—	697
Dividends (iii).....	—	—	—	(315,807)	(315,807)
<b>Balance on 30 June 2016</b>	<b>14,009</b>	<b>8,405</b>	<b>87,944</b>	<b>233,973</b>	<b>344,331</b>

- (i) *Equity Contribution Reserve made up only with share-based compensation expense.*  
(ii) *Other reserves mainly include legal reserves of \$ 90 million and currency translation differences at 30 June 2016. Legal reserves are undistributable.*  
(iii) *Dividends — see note 11.*

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

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
for the six-months period ended 30 June 2016**

**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
Intertrust SPV (Cayman) Limited. ....	Cayman

Intertrust SPV (Cayman) Limited, acting as trustee of the Comcel Trust, is a trust established and consolidated by Comunicaciones Celulares, S.A. for the purposes of the bond issued (refer to note 9). The Comcel Trust is not a separate legal entity under Cayman Islands law. Intertrust SPV (Cayman) Limited as Trustee carries out the purposes for which the Comcel Trust was established. All references herein to the Comcel Trust shall be construed as references to Intertrust SPV (Cayman) Limited acting as Trustee under the Declaration of Trust.

In January 2014, the Comcel Trust issued a bond of US\$800 million which is guaranteed by Comunicaciones Celulares, S.A. and is listed on the Luxembourg Stock Exchange. In accordance with IFRS, the Comcel Trust is consolidated within the combined Tigo Guatemala Companies.

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 Six months period ended 30 June 2016. 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.

Until January 2014, the Tigo Guatemala Companies were under the joint control of Millicom and Miffin. Effective 16 January 2014 Millicom and Miffin, have reached an agreement giving Millicom control of the Tigo Guatemala Companies. Miffin had 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 that expired on 31 December 2015 had no impact on the combined financial statements.

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
for the six-months period ended 30 June 2016**

**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 2015. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2015 combined financial statements, as disclosed in note 2 of those financial statements. The following changes to standards effective for annual periods starting after 1 January 2016 did not have a significant impact on Millicom:

- Amendment to IAS 1, ‘Presentation of financial statements’ on the disclosure initiative. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports;
- Annual improvements 2014. These set of amendments impacts 4 standards: IFRS 5, ‘Non-current assets held for sale and discontinued operations’ regarding methods of disposal, IFRS 7, ‘Financial instruments: Disclosures’, IAS 19, ‘Employee benefits’ regarding discount rates, IAS 34, ‘Interim financial reporting’ regarding disclosure of information;
- Amendments to IAS 38 and IAS 16 clarification of acceptable methods of depreciation and amortization issued by the IASB in July 2014 and applicable as of 1 January 2016;
- Amendments to IFRS 11 accounting for acquisitions of interests in joint operations issued by the IASB in May 2014 and applicable as of 1 January 2016.
- Amendments to IFRS 10, ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’.

**3. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**

During the six months period ended 30 June 2016, The Combined Group has not been made acquisitions of new companies.

**4. ANALYSIS OF OPERATING PROFIT**

The Combined Group’s operating income and expenses are as follows:

US\$ '000	Six months ended 30 June 2016	Six months ended 30 June 2015
Revenue.....	640,404	639,590
Cost of rendering telecommunication services (i) .....	(127,361)	(116,084)
Depreciation and amortization .....	(89,365)	(96,675)
Dealer commissions.....	(42,546)	(43,396)
Employee related costs.....	(28,244)	(24,642)
Sites and network maintenance .....	(28,111)	(27,952)
Advertising and promotion .....	(12,913)	(12,556)
Phone subsidies.....	(28,263)	(26,278)
External services.....	(17,136)	(19,079)
Operating lease expense.....	(21,702)	(23,467)
Other fees and costs.....	(4,371)	(2,652)
Loss on disposal and impairment of assets, net .....	(1,300)	(334)
Other expenses.....	(12,721)	(13,512)
<b>Operating profit</b>	<b>226,371</b>	<b>232,963</b>

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
for the six-months period ended 30 June 2016**

**4. ANALYSIS OF OPERATING PROFIT (Continue)**

(i) In 2014, the Company entered into five years contracts with the Guatemala Government to provide video surveillance to the Civil National Police. The service includes camera lease, connectivity, storage of images, monitoring centers and software with analytics. During 2016, these contracts generated \$ 16 million of accounts receivable (2015: \$26 million). As at 30 June 2016, no payment has been received under this contract due to government budget restrictions. A provision for impairment of these receivables has been made in 2015 and 2016 leaving an outstanding receivable of \$8 million.

**5. EMPLOYEE RELATED COSTS**

Employee related costs are comprised of the following:

US\$ '000	Six months ended 30 June 2016	Six months ended 30 June 2015
Wages and salaries.....	(24,225)	(20,860)
Social security.....	(1,843)	(1,498)
Share based compensation .....	(697)	(732)
Other employee related costs (i).....	(1,479)	(1,552)
<b>Total .....</b>	<b>(28,244)</b>	<b>(24,642)</b>

(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	Six months ended 30 June 2016	Six months ended 30 June 2015
Additions .....	7,379	266
Decrease in payables for intangible assets.....	5,505	2,745
<b>Cash used for the purchase of intangible assets and licenses.....</b>	<b>12,884</b>	<b>3,012</b>

The charge for depreciation on intangible assets and license renewals for the six months period ended 30 June 2016 was \$3 million (30 June 2015: \$5 million).

During the six months period ended 30 June 2016 and 2015, Tigo Guatemala companies did not dispose of any intangible assets.

**7. PROPERTY, PLANT AND EQUIPMENT**

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

US\$ '000	Six months ended 30 June 2016	Six months ended 30 June 2015
Additions .....	82,849	57,077
(Decrease) in suppliers advances .....	(15,090)	(4,135)
Decrease payables for property, plant and equipment.....	6,141	6,524
<b>Cash used for the purchase of property, plant and equipment.....</b>	<b>73,900</b>	<b>59,466</b>

The charge for depreciation on property, plant and equipment for the six months period ended 30 June 2016 was \$83 million (30 June 2015: \$92 million).

During the six months period ended 30 June 2016, Tigo Guatemala Companies disposed of property, plant and equipment and received \$48 thousand (30 June 2015: \$197 thousand).

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
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**8. RELATED PARTY TRANSACTIONS**

***Millicom Group subsidiaries***

The Combined Group conducts transactions with one of its shareholders MIC, which in turn is partly owned by its principal shareholder investment AB Kinnevik ("Kinnevik").

In the normal course of business, the Combined Group receives business support and financing from various Millicom Group entities including MIC the ultimate holding company and Millicom International Operations S.A. ("MIO S.A.").

The Combined Group also recharges to other Millicom Group entities certain services performed on their behalf.

As of 30 June 2016, the balance of accounts receivable from Millicom International II NV amounts to \$8.25 million as "Letra de Cambio" due April 30th 2017. The decrease of this balance compared to 31 December 2015 is mainly resulting from the repayment of a shareholder loan of \$174.8 million during the second quarter of 2016 together with the dividend declared for \$ 164.3 million.

Transactions with related parties are made on an arm's length basis.

***Miffin Associates Corp***

As of 30 June 2016, the balance of accounts receivable from Miffin Associates Corp. amounts to \$6.75 million as "Letra de Cambio" due April 30th 2017. The decrease in this balance compared to 31 December 2015 is mainly resulting from the repayment of a shareholder loan of \$142.7 million during the second quarter of 2016 together with the dividend declared for \$ 134.4 million.

Transactions with Miffin shareholders represent recurring commercial operations such as purchase of handsets, lease of buildings and towers and sale of airtime.

Transactions with such parties are made on an arm's length basis.

***Kinnevik***

Kinnevik is a Swedish holding company with interests in the telecommunications, media, publishing, paper industries and financial services. As of 30 June 2016 and 2015, Kinnevik owned approximately 38% of MIC. During 2016 and 2015 the Combined Group purchased services from Kinnevik subsidiaries including fraud detection, procurement and professional services.

The following transactions were conducted with related parties during the six months period ended 30 June 2016:

US\$ '000	Six months ended 30 June 2016	Six months ended 30 June 2015
<b>Expenses</b>		
Purchase of goods and services (MIC).....	1,543	1,337
Purchases of goods and services (Miffin).....	87,194	55,646
Purchases of goods and services (Other).....	2,726	4,108
<b>Total</b> .....	<b>91,463</b>	<b>61,091</b>

US\$ '000	Six months ended 30 June 2016	Six months ended 30 June 2015
<b>Income / gains</b>		
Sale of goods and services (MIC).....	20	2
Sale of goods and services (Miffin).....	131,101	112,548
Sale of goods and services (Other).....	1,964	1,040
<b>Total</b> .....	<b>133,085</b>	<b>113,590</b>

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements  
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**8. RELATED PARTY TRANSACTIONS (Continue)**

As at 30 June 2016 the Company had the following balances with related parties:

US\$ '000	As at 30 June 2016	As at 31 December 2015
<b>Liabilities</b>		
MIC S.A.....	1,403	1,822
Miffin Associates Corp .....	11,206	7,722
Cable Honduras .....	1,162	2,013
Millicom Spain S.L. ....	4,912	3,951
Other .....	2,068	2,886
<b>Total.....</b>	<b>20,751</b>	<b>18,394</b>

US\$ '000	As at 30 June 2016	As at 31 December 2015
<b>Assets</b>		
Millicom International II NV .....	8,250	—
MIO S.A.....	—	353,087
Miffin Associates Corp .....	10,247	280,168
Other .....	4,193	977
<b>Total.....</b>	<b>22,690</b>	<b>634,232</b>

**9. CASH AND CASH EQUIVALENTS**

As at 30 June 2016, the cash & cash equivalents position benefits from the proceeds of shareholder loans repayments as explained in note 8.

**10. 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 30 June 2016	As at 31 December 2015
Due within:		
After five years .....	984,315	983,616
<b>Total debt .....</b>	<b>984,315</b>	<b>983,616</b>

On 30 January 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 31 December 2013. The bond was issued at 98.233% of the principal and has an effective interest rate of 7.168%.

In June 2015, Tigo Guatemala Companies obtained a Credit Loan in local currency with two major banks; Banco Industrial in the amount of GTQ 600 million (\$78 million) and Banco G&T contract was signed for an amount of GTQ 1 billion (\$122 million) with a partial drawdown of \$30 million. The remaining balance has been received during July. The effective combined interest rate is of 7.16% with monthly installments, a 10 year term and principal payment at maturity.

As at 30 June 2016 and 31 December 2015, none of the shareholders had issued any guarantees to secure the obligations of the Combined Group's operations.

*Pledged assets*

As at 30 June 2016 and 31 December 2015, the assets pledged by the Combined Group's operations for these debts and financings are nil.

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**11. 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 30 June 2016, the entities of the Combined Group had declared a dividend related to 2015 of \$316 million (2014: \$345 million).

**12. 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 30 June 2016, and 31 December 2015, the total amount of claims against the Combined Group's operations was not significant. As at 30 June 2016 \$570 thousand, and 31 December 2015, \$308 thousand 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.

On 21 October 2015, Millicom reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Tigo Guatemala Companies.

Millicom continues to cooperate with law enforcement authorities in the United States. On 4 May 2016, Millicom received notification from the Swedish Public Prosecutor that its preliminary investigation has been discontinued on jurisdictional grounds. As at 30 June 2016, Management is currently not able to assess the potential impact on these combined financial statements. This matter is being overseen by a Special Committee of the Millicom Board of Directors (as disclosed on the 21 October 2015, Millicom press release), rather than by Comcel.

*Capital commitments*

As of 30 June 2016, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$50 million (31 December 2015: \$58 million), from a number of suppliers.

**13. FINANCIAL INSTRUMENTS**

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 30 June 2016 and 31 December 2015:

	Carrying Value		Fair Value	
	30 June 2016 (unaudited)	31 December 2015 (audited)	30 June 2016 (unaudited)	31 December 2015 (audited)
<b>US\$ '000</b>				
<b>FINANCIAL LIABILITIES</b>				
Other debt and financing .....	984,315	983,616	917,877	837,338

**14. SUBSEQUENT EVENTS**

There is no subsequent event since 30 June 2016 and up to the date of those financial statements.

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