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**Interim condensed combined financial statements of Tigo Guatemala Companies  
for the nine month period ended September 30, 2014**

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## INDEX TO FINANCIAL STATEMENTS

### **Interim condensed combined Financial Statements of Tigo Guatemala Companies for the nine month period Ended September 30, 2014**

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**Interim condensed combined Income Statement for the nine month  
period ended September 30, 2014**

| <b>US\$ '000 (unaudited)</b>              | <b>Notes</b> | <b>Nine month period<br/>ended September<br/>30, 2014</b> | <b>Nine month period<br/>ended September<br/>30, 2013</b> |
|-------------------------------------------|--------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Revenue .....                             | 5            | 917,394                                                   | 855,833                                                   |
| Cost of sales .....                       |              | (270,981)                                                 | (236,922)                                                 |
| <b>Gross profit</b> .....                 |              | <b>646,413</b>                                            | <b>618,911</b>                                            |
| Sales and marketing .....                 |              | (148,584)                                                 | (152,329)                                                 |
| General and administrative expenses ..... |              | (160,692)                                                 | (134,466)                                                 |
| Other operating expense .....             |              | (132)                                                     | —                                                         |
| <b>Operating profit</b> .....             | 5            | <b>337,005</b>                                            | <b>332,116</b>                                            |
| Interest expense .....                    |              | (44,873)                                                  | (21,036)                                                  |
| Interest income .....                     |              | 1,474                                                     | —                                                         |
| Foreign exchange gain (loss), net .....   |              | 8,945                                                     | (691)                                                     |
| <b>Profit before tax</b> .....            |              | <b>302,551</b>                                            | <b>310,389</b>                                            |
| Charge for taxes .....                    |              | (48,614)                                                  | (46,802)                                                  |
| <b>Net profit for the period</b> .....    |              | <b>253,937</b>                                            | <b>263,587</b>                                            |

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

**Interim condensed combined Statement of Comprehensive Income  
for the nine month period ended September 30, 2014**

| <b>US\$ '000 (unaudited)</b>                                 | <b>Nine months ended<br/>September 30, 2014</b> | <b>Nine months ended<br/>September 30, 2013</b> |
|--------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Net profit for the period.....                               | 253,937                                         | 263,587                                         |
| <b><i>Other comprehensive income:</i></b>                    |                                                 |                                                 |
| Exchange differences on translating foreign operations ..... | 12,456                                          | 1,202                                           |
| <b>Total comprehensive income for the period .....</b>       | <b>266,393</b>                                  | <b>264,789</b>                                  |

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

**Interim condensed combined Statement of Financial Position  
as at September 30, 2014**

| US\$ '000                                      | Notes | September 30,<br>2014 (unaudited) | December 31,<br>2013 |
|------------------------------------------------|-------|-----------------------------------|----------------------|
| <b>ASSETS</b>                                  |       |                                   |                      |
| <b>Non-Current Assets</b>                      |       |                                   |                      |
| Intangible assets, net .....                   | 7     | 130,763                           | 140,919              |
| Property, plant and equipment, net.....        | 8     | 663,035                           | 636,054              |
| Deferred taxation.....                         |       | 7,168                             | 3,539                |
| Amounts due from related parties .....         | 9     | 3,188                             | 2,973                |
| Other non-current assets.....                  |       | 2,286                             | 2,883                |
| <b>Total Non-Current Assets .....</b>          |       | <b>806,440</b>                    | <b>786,368</b>       |
| <b>Current Assets</b>                          |       |                                   |                      |
| Inventories.....                               |       | 22,439                            | 31,637               |
| Trade receivables, net.....                    |       | 40,943                            | 64,111               |
| Amounts due from related parties .....         | 9     | 382,030                           | 172,735              |
| Prepayments and accrued income .....           |       | 32,293                            | 11,508               |
| Supplier advances for capital expenditure..... |       | 26,304                            | 20,310               |
| Current income tax assets.....                 |       | 16,182                            | 2,203                |
| Other current assets .....                     |       | 22,183                            | 18,238               |
| Restricted cash .....                          |       | 2,183                             | 2,766                |
| Cash and cash equivalents.....                 |       | 76,004                            | 50,089               |
| <b>Total Current Assets.....</b>               |       | <b>620,561</b>                    | <b>373,597</b>       |
| <b>TOTAL ASSETS .....</b>                      |       | <b>1,427,001</b>                  | <b>1,159,965</b>     |

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

**Interim condensed combined Statement of Financial Position  
as at September 30, 2014 (Continued)**

| US\$ '000                                           | Notes | September 30,<br>2014 (unaudited) | December 31,<br>2013 |
|-----------------------------------------------------|-------|-----------------------------------|----------------------|
| <b>EQUITY AND LIABILITIES</b>                       |       |                                   |                      |
| <b>EQUITY</b>                                       |       |                                   |                      |
| Share capital .....                                 |       | 14,009                            | 14,009               |
| Equity contribution reserve .....                   |       | 6,065                             | 4,850                |
| Other reserves .....                                |       | 85,943                            | 73,487               |
| Retained earnings .....                             |       | 329,136                           | 444,754              |
| <b>TOTAL EQUITY</b> .....                           |       | <b>435,153</b>                    | <b>537,100</b>       |
| <b>LIABILITIES</b>                                  |       |                                   |                      |
| <b>Non-current Liabilities</b>                      |       |                                   |                      |
| Debt and financing due to related parties .....     | 9     | 3,600                             | 2,890                |
| Other debt and financing .....                      | 11    | 779,961                           | 315,337              |
| Provisions and other non-current liabilities .....  |       | 18,766                            | 18,180               |
| Deferred taxation .....                             |       | 895                               | 2,382                |
| <b>Total non-current liabilities</b> .....          |       | <b>803,222</b>                    | <b>338,789</b>       |
| <b>Current Liabilities</b>                          |       |                                   |                      |
| Other debt and financing .....                      | 11    | —                                 | 83,711               |
| Amounts due to related parties .....                | 9     | 3,084                             | 8,282                |
| Payables and accruals for capital expenditure ..... |       | 36,640                            | 46,740               |
| Other trade payables .....                          |       | 30,834                            | 57,933               |
| Other accrued interest and accrued expenses .....   |       | 63,085                            | 38,715               |
| Current income tax liabilities .....                |       | 6,135                             | 6,721                |
| Provisions and other current liabilities .....      |       | 48,848                            | 41,974               |
| <b>Total current liabilities</b> .....              |       | <b>188,626</b>                    | <b>284,076</b>       |
| <b>TOTAL LIABILITIES</b> .....                      |       | <b>991,848</b>                    | <b>622,865</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b> .....           |       | <b>1,427,001</b>                  | <b>1,159,965</b>     |

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

**Interim condensed combined Statement of Cash Flows  
for the nine month period ended September 30, 2014**

| US\$ '000 (unaudited)                                                                | Notes | Nine months<br>ended September<br>30, 2014 | Nine months<br>ended September<br>30, 2013 |
|--------------------------------------------------------------------------------------|-------|--------------------------------------------|--------------------------------------------|
| <b>Profit before tax</b> .....                                                       |       | <b>302,551</b>                             | <b>310,389</b>                             |
| <b>Adjustments for non-operating items:</b>                                          |       |                                            |                                            |
| Interest expense .....                                                               |       | 44,873                                     | 21,036                                     |
| Interest and income .....                                                            |       | (1,474)                                    | —                                          |
| Foreign exchange loss / (gain), net .....                                            |       | (8,945)                                    | 691                                        |
| <b>Adjustments for non-cash items:</b>                                               |       |                                            |                                            |
| Depreciation and amortization .....                                                  | 7,8   | 130,071                                    | 108,729                                    |
| Loss on disposal and impairment of assets .....                                      |       | 2,086                                      | 923                                        |
| Share-based compensation .....                                                       | 6,10  | 1,215                                      | 959                                        |
|                                                                                      |       | <b>470,377</b>                             | <b>442,727</b>                             |
| (Increase)/Decrease in trade receivables, prepayments and other current assets ..... |       | 5,911                                      | (18,125)                                   |
| (Increase)/Decrease in inventories .....                                             |       | 9,811                                      | 3,342                                      |
| Increase/(Decrease) in trade and other payables .....                                |       | (5,994)                                    | 19,991                                     |
| <b>Changes to working capital</b> .....                                              |       | <b>9,728</b>                               | <b>5,208</b>                               |
| Interest paid .....                                                                  |       | (35,009)                                   | (18,259)                                   |
| Interest received .....                                                              |       | 1,063                                      | 858                                        |
| Taxes paid .....                                                                     |       | (58,150)                                   | (31,030)                                   |
| <b>Net cash provided by operating activities</b> .....                               |       | <b>388,009</b>                             | <b>399,504</b>                             |
| <b>Cash flows from investing activities:</b>                                         |       |                                            |                                            |
| Acquisition of subsidiaries, joint ventures and associates .....                     |       | —                                          | (8,504)                                    |
| Purchase of intangible assets and license renewals .....                             | 7     | (7,460)                                    | (1,361)                                    |
| Purchase of property, plant and equipment .....                                      | 8     | (145,116)                                  | (172,174)                                  |
| Proceeds from sale of property, plant and equipment .....                            |       | 3,821                                      | 407                                        |
| Net increase in restricted cash .....                                                |       | (583)                                      | (70)                                       |
| Cash (used) provided by other investing activities .....                             |       | —                                          | (722)                                      |
| <b>Net cash used in investing activities</b> .....                                   |       | <b>(149,338)</b>                           | <b>(182,424)</b>                           |
| <b>Cash flows from financing activities:</b>                                         |       |                                            |                                            |
| Proceeds from issuance of debt and other financing .....                             |       | 773,942                                    | 11,579                                     |
| Repayment of debt and financing .....                                                |       | (399,727)                                  | (68,229)                                   |
| Payment of dividends and repayment of shareholder loans .....                        |       | (588,359)                                  | (155,439)                                  |
| <b>Net cash used in financing activities</b> .....                                   |       | <b>(214,144)</b>                           | <b>(212,089)</b>                           |
| Exchange gains on cash and cash equivalents .....                                    |       | 1,388                                      | 660                                        |
| <b>Net increase in cash and cash equivalents</b> .....                               |       | <b>25,915</b>                              | <b>5,651</b>                               |
| Cash and cash equivalents at the beginning of the year .....                         |       | 50,089                                     | 32,474                                     |
| <b>Cash, cash equivalents at the end of the period</b> .....                         |       | <b>76,004</b>                              | <b>38,125</b>                              |

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

**Interim condensed combined Statement of changes in equity  
for the nine month period ended September 30, 2014**

| (unaudited)                                            | Share<br>capital                           | Equity<br>Contribution<br>Reserve (i) | Other<br>reserves<br>(ii) | Retained<br>earnings | Total equity   |
|--------------------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------|----------------------|----------------|
|                                                        | US\$ '000                                  | US\$ '000                             | US\$ '000                 | US\$ '000            | US\$ '000      |
|                                                        | <b>Balance as of January 1, 2013</b> ..... | <b>14,009</b>                         | <b>3,620</b>              | <b>66,466</b>        | <b>444,111</b> |
| <i>Profit for the period</i> .....                     | —                                          | —                                     | —                         | 263,587              | 263,587        |
| <i>Currency translation differences</i> .....          | —                                          | —                                     | 1,202                     | —                    | 1,202          |
| Total comprehensive income for the period .....        | —                                          | —                                     | 1,202                     | 263,587              | 264,789        |
| Share based compensation .....                         | —                                          | 959                                   | —                         | —                    | 959            |
| Dividends (iii).....                                   | —                                          | —                                     | —                         | (382,740)            | (382,740)      |
| <b>Balance as of September 30, 2013 (unaudited)</b> .. | <b>14,009</b>                              | <b>4,579</b>                          | <b>67,668</b>             | <b>324,958</b>       | <b>411,214</b> |
| <i>Profit for the period</i> .....                     | —                                          | —                                     | —                         | 119,796              | 119,796        |
| <i>Currency translation differences</i> .....          | —                                          | —                                     | 5,819                     | —                    | 5,819          |
| Total comprehensive income for the period .....        | —                                          | —                                     | 5,819                     | 119,796              | 125,615        |
| Share based compensation .....                         | —                                          | 271                                   | —                         | —                    | 271            |
| Dividends (iii) .....                                  | —                                          | —                                     | —                         | —                    | —              |
| <b>Balance as of December 31, 2013</b> .....           | <b>14,009</b>                              | <b>4,850</b>                          | <b>73,487</b>             | <b>444,754</b>       | <b>537,100</b> |
| Balance as of January 1, 2014 .....                    | 14,009                                     | 4,850                                 | 73,487                    | 444,754              | 537,100        |
| <i>Profit for the period</i> .....                     | —                                          | —                                     | —                         | 253,937              | 253,937        |
| <i>Currency translation differences</i> .....          | —                                          | —                                     | 12,456                    | —                    | 12,456         |
| Total comprehensive income for the period .....        | —                                          | —                                     | 12,456                    | 253,937              | 266,393        |
| Share based compensation .....                         | —                                          | 1,215                                 | —                         | —                    | 1,215          |
| Dividends (iii).....                                   | —                                          | —                                     | —                         | (369,555)            | (369,555)      |
| <b>Balance as of September 30, 2014 (unaudited)</b> .. | <b>14,009</b>                              | <b>6,065</b>                          | <b>85,943</b>             | <b>329,136</b>       | <b>435,153</b> |

(i) *Equity Contribution Reserve — see note 10*

(ii) *Other reserves includes legal reserves of \$ 92 million and negative currency translation differences of \$ 7 million at September 30, 2014, negative \$ 20 million at December 31, 2013 and negative \$ 27 million at January 1, 2013. Legal reserves are non-distributable.*

(iii) *Dividends — see note 12.*

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



**Notes to the interim condensed combined financial statements at  
September 30, 2014 and for the nine month period then ended**

**1. CORPORATE INFORMATION**

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

| <u>Name of the company</u>                                    | <u>Country</u> |
|---------------------------------------------------------------|----------------|
| 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 nine month period ended September 30, 2014. 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 whereby 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.

**2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES**

These interim condensed combined financial statements of the Combined Group are unaudited. The interim condensed combined financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’, as published by the International Accounting Standards Board (“IASB”) and as adopted by the European Union (“EU”). In the opinion of the management, these unaudited condensed interim consolidated financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods.

As of September 30, 2014, International Financial Reporting Standards as adopted by the EU are similar to those published by the IASB, except for IAS 39, ‘Financial Instruments’ that has been partially adopted by the EU and for new standards and interpretations not yet endorsed but effective in future periods. Since the provisions that have not been adopted by the EU are not applicable to the Combined Group, the combined financial statements comply with both IFRS as issued by the IASB and as adopted by the EU.

These interim condensed combined financial statements should be read in conjunction with the annual combined financial statements for the year ended December 31, 2013.

**2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES (Continued)**

**Notes to the interim condensed combined financial statements at  
September 30, 2014 and for the nine month period then ended**

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2014 that have a material impact on the Combined Group.

*Amendment to IAS 32, 'Financial Instruments: Presentation'*, which updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify certain requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group adopted the amendment on its effective date for the accounting period beginning on January 1, 2014. There was no significant impact on the Combined Group as a result of adoption.

*Amendment to IAS 36, 'Impairment of Assets'*, which amends certain disclosure requirements regarding disclosure of recoverable amounts and measurement of fair value less costs to sell when an impairment loss has been recognized or reversed. There was no significant impact on the Combined Group as a result of adoption.

*Amendment to IAS 39, 'Financial Instruments: Recognition and Measurement'*, which covers novation of hedging instruments to central counterparties. There was no impact on the Combined Group as a result of adoption.

### **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

#### *Contingent liabilities*

Contingent liabilities are potential liabilities that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Combined Group. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities is based on management's judgment.

#### *Estimates*

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Because of inherent uncertainties in this evaluation process, actual results may be different from originally estimated amounts. In addition, significant estimates are involved in the determination of impairments, provisions related to taxes and litigation risks. These estimates are subject to change as new information becomes available and may significantly affect future operating results.

Accounting for property, plant and equipment, and intangible assets involves the use of estimates for determining fair values at acquisition dates, particularly in the case of such assets acquired in a business combination. Furthermore, the expected useful lives of these assets must be estimated. The determination of fair values of assets and liabilities, as well as of useful lives of the assets is based on management judgment.

### **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)**

For our critical accounting estimates reference is made to the relevant individual notes to these combined financial statements, more specifically note 7—Intangible assets, note 8—Property, plant and equipment, note 13—Commitments and contingencies.

### **4. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**

During the nine month period ended September 30, 2014, three small companies were acquired (Aria, Atenas and Eos). Those acquisitions were not material for the Combined Group.

### **5. ANALYSIS OF OPERATING PROFIT**

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

| US\$ '000 (unaudited)                                   | Nine months ended<br>September 30, 2014 | Nine months ended<br>September 30, 2013 |
|---------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Revenue .....                                           | 917,394                                 | 855,833                                 |
| Cost of rendering telecommunication services .....      | (170,875)                               | (150,786)                               |
| Depreciation and amortization (see notes 7 and 8) ..... | (130,067)                               | (108,729)                               |

**Notes to the interim condensed combined financial statements at  
September 30, 2014 and for the nine month period then ended**

|                                                             |                |                |
|-------------------------------------------------------------|----------------|----------------|
| Dealer commissions .....                                    | (66,558)       | (64,504)       |
| Employee related costs (see note 6) .....                   | (35,661)       | (34,929)       |
| Sites and network maintenance .....                         | (73,436)       | (61,121)       |
| Advertising and promotion .....                             | (18,602)       | (20,006)       |
| Phone subsidies .....                                       | (33,135)       | (40,078)       |
| External services .....                                     | (25,011)       | (19,444)       |
| Operating lease expense .....                               | (4,058)        | (3,984)        |
| Other fees and costs .....                                  | (3,948)        | (3,575)        |
| (Loss) gain on disposal and impairment of assets, net ..... | (2,217)        | (923)          |
| Other expenses .....                                        | (16,821)       | (15,638)       |
| <b>Operating profit .....</b>                               | <b>337,005</b> | <b>332,116</b> |

## 6. EMPLOYEE RELATED COSTS

Employee related costs are comprised of the following:

| US\$ '000 (unaudited)                        | Nine months ended<br>September 30, 2014 | Nine months ended<br>September 30, 2013 |
|----------------------------------------------|-----------------------------------------|-----------------------------------------|
| Wages and salaries .....                     | (31,765)                                | (31,016)                                |
| Social security .....                        | (1,866)                                 | (2,419)                                 |
| Share based compensation (see note 10) ..... | (1,215)                                 | (959)                                   |
| Other employee related costs (i) .....       | (815)                                   | (535)                                   |
| <b>Total .....</b>                           | <b>(35,661)</b>                         | <b>(34,929)</b>                         |

(i) There are no defined benefit pension plans.

## 7. INTANGIBLE ASSETS

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

| US\$ '000 (unaudited)                                                     | Nine months ended<br>September 30, 2014 | Nine months ended<br>September 30, 2013 |
|---------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Additions .....                                                           | 4,352                                   | 3,562                                   |
| Increase in payables for intangibles .....                                | 3,108                                   | (2,201)                                 |
| <b>Cash used for the purchase of intangible assets and licenses .....</b> | <b>7,460</b>                            | <b>1,361</b>                            |

**Notes to the interim condensed combined financial statements at  
September 30, 2014 and for the nine month period then ended**

**7. INTANGIBLE ASSETS (Continued)**

The charge for depreciation on intangible assets and license renewals for the nine month period ended September 30, 2014 was \$12 million (September 30, 2013: \$11 million).

During the nine month period ended September 30, 2014 and 2013, Tigo Guatemala Companies did not dispose any intangible assets.

**8. PROPERTY, PLANT AND EQUIPMENT**

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

| US\$ '000 (unaudited)                                                    | Nine months ended<br>September 30, 2014 | Nine months ended<br>September 30, 2013 |
|--------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Additions .....                                                          | 131,730                                 | 154,021                                 |
| Decrease in suppliers advances.....                                      | 5,330                                   | 26,307                                  |
| Decrease (increase) in payables for property, plant and equipment.....   | 8,056                                   | (8,198)                                 |
| <b>Cash used for the purchase of property, plant and equipment .....</b> | <b>145,116</b>                          | <b>172,174</b>                          |

The charge for depreciation on property, plant and equipment for the nine month period ended September 30, 2014 was \$119 million (September 30, 2013: \$98 million).

During the nine month period ended September 30, 2014, Tigo Guatemala Companies disposed of property, plant and equipment and received \$4 million (September 30, 2013: \$0.4 million).

**9. RELATED PARTIES**

The Tigo Guatemala Companies conduct transactions with its shareholders: Millicom Group Companies (of which the parent company MIC is partly owned by its principal shareholder: Investment AB Kinnevik ("Kinnevik") and Miffin Associates Corp.

***Millicom Group subsidiaries***

In the normal course of business, the Combined Group receives business support 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.

The receivable balance with MIO S.A. is mainly dividend advances. Transactions with related parties are made on an arm's length basis.

***Miffin Associates Corp***

The receivable balance with Miffin Associates Corp represents dividend advances. Transactions with Miffin shareholders represent recurring commercial operations such as purchase of handsets 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 September 30, 2014, and December 31, 2013 Kinnevik owned approximately 38% of MIC. During the nine month period ended September 30, 2014 and 2013 the Combined Group purchased services from Kinnevik subsidiaries including fraud detection, procurement and professional services.

Amount due from related parties (non-current portion)

| US\$ '000 (unaudited) | September 30,<br>2014 | December 31,<br>2013 |
|-----------------------|-----------------------|----------------------|
| Navega Nicaragua..... | 2,906                 | 2,906                |
| Others.....           | 282                   | 67                   |
| <b>Total .....</b>    | <b>3,188</b>          | <b>2,973</b>         |

**Notes to the interim condensed combined financial statements at  
September 30, 2014 and for the nine month period then ended**

**9. RELATED PARTIES (Continued)**

Amount due from related parties (current portion)

| <b>US\$ '000 (unaudited)</b>    | <b>September 30,<br/>2014</b> | <b>December 31,<br/>2013</b> |
|---------------------------------|-------------------------------|------------------------------|
| MIO S.A (i).....                | 203,913                       | 81,272                       |
| Miffin Associates Corp (i)..... | 173,528                       | 78,487                       |
| MIC S.A.....                    | 4,043                         | 12,262                       |
| Others.....                     | 546                           | 715                          |
| <b>Total</b> .....              | <b>382,030</b>                | <b>172,735</b>               |

(i) *These amounts correspond to dividend advances (MIO S.A. and Miffin Associates Corp) or amounts incurred in the normal course of business. They are collectible on demand.*

Debt and financing to related parties (non-current portion)

| <b>US\$ '000 (unaudited)</b> | <b>September 30,<br/>2014</b> | <b>December 31,<br/>2013</b> |
|------------------------------|-------------------------------|------------------------------|
| MIO S.A. ....                | 3,600                         | —                            |
| Others.....                  | —                             | 2,890                        |
| <b>Total</b> .....           | <b>3,600</b>                  | <b>2,890</b>                 |

Amounts due to related parties (current portion)

| <b>US\$ '000 (unaudited)</b> | <b>September 30,<br/>2014</b> | <b>December 31,<br/>2013</b> |
|------------------------------|-------------------------------|------------------------------|
| MIO S.A. ....                | —                             | 3,600                        |
| Miffin Associates Corp.....  | —                             | 3,080                        |
| Others.....                  | 3,084                         | 1,602                        |
| <b>Total</b> .....           | <b>3,084</b>                  | <b>8,282</b>                 |

**10. SHARE BASED COMPENSATION**

*(a) Long-Term Incentive Plans*

Long term incentive awards consist of three-year deferred share awards and performance share awards plans. Shares represent shares in MIC, one of the joint shareholders of the Tigo Guatemala Companies, the cost of which is recorded as equity contribution reserve. Shares granted under the deferred plans are based on past performance and vest 16.5% at the end of each of the first and second years of the plans and 67% at the end of the final year. Shares granted under the performance plans are based on future performance, subject to various market and non-market conditions and vest at the end of three-year periods. All shares issued are MIC shares and the fair value of equity-settled shares granted is estimated at the date of grant using the market price of MIC shares on that date.

The Combined Group has accounted for share based compensation for the management and key employees of the companies included in the Combined Group.

A summary of the plans at September 30, 2014 is as follows:

| <b>Plans (unaudited)</b>                         | <b>Actual/expected charge<br/>over the vesting period<br/>(US\$ '000)</b> |
|--------------------------------------------------|---------------------------------------------------------------------------|
| 2011 Deferred Plan.....                          | 873                                                                       |
| 2011 Performance Plan.....                       | 57                                                                        |
| <b>Total actual for fully vested plans</b> ..... | <b>930</b>                                                                |
| 2012 Deferred Plan.....                          | 907                                                                       |
| 2012 Performance Plan.....                       | 97                                                                        |
| 2013 Deferred Plan.....                          | 1,242                                                                     |
| 2013 Performance Plan.....                       | 339                                                                       |
| 2014 Deferred Plan.....                          | 1,651                                                                     |
| 2014 Performance Plan.....                       | 381                                                                       |
| <b>Total expected for other plans</b> .....      | <b>4,617</b>                                                              |
| <b>Total</b> .....                               | <b>5,547</b>                                                              |

**Notes to the interim condensed combined financial statements at  
September 30, 2014 and for the nine month period then ended**

**10. SHARE BASED COMPENSATION (Continued)**

*(b) Total share-based compensation expense*

Total share-based compensation for the nine month periods ended September 30, 2014 and 2013 was as follows:

| US\$ '000 (unaudited)                               | Nine months ended<br>September 30, 2014 | Nine months ended<br>September 30, 2013 |
|-----------------------------------------------------|-----------------------------------------|-----------------------------------------|
| 2011 LTIPs .....                                    | —                                       | 99                                      |
| 2012 LTIPs .....                                    | 158                                     | 236                                     |
| 2013 LTIPs .....                                    | 375                                     | 624                                     |
| 2014 LTIPs .....                                    | 682                                     | —                                       |
| <b>Total share-based compensation expense .....</b> | <b>1,215</b>                            | <b>959</b>                              |

**11. BORROWINGS**

*Analysis of debt and other financing by maturity*

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

| US\$ '000               | As at September 30,<br>2014 (unaudited) | As at December 31,<br>2013 |
|-------------------------|-----------------------------------------|----------------------------|
| Due within:             |                                         |                            |
| One year .....          | —                                       | 83,711                     |
| One-two years .....     | —                                       | 86,261                     |
| Two-three years .....   | —                                       | 83,425                     |
| Three-four years .....  | —                                       | 67,908                     |
| Four-five years .....   | —                                       | 75,192                     |
| After five years .....  | 779,961                                 | 2,551                      |
| <b>Total debt .....</b> | <b>779,961</b>                          | <b>399,048</b>             |

As at September 30, 2014 and December 31, 2013, 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 September 30, 2014 and December 31, 2013, the assets pledged by the Combined Group's operations for these debts and financings are nil.

**12. 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 September 30, 2014, the entities of the Combined Group had declared a dividend related to 2013 of \$370 million (2013 related to 2012: \$383 million). Dividends are typically paid over two fiscal years.

**13. COMMITMENTS AND CONTINGENCIES**

*Operational environment*

The Combined Group operates in Guatemala, where the regulatory, political, technological and economic environments are evolving. As a result, there are uncertainties that may affect future operations, the ability to conduct business, foreign exchange transactions and debt repayments and which may impact upon agreements with other parties. In the normal course of business, the Combined Group faces uncertainties regarding taxation, interconnect, license renewal and tariff arrangements, which can have a significant impact on the long-term economic viability of its operations.

**Notes to the interim condensed combined financial statements at  
September 30, 2014 and for the nine month period then ended**

**13. COMMITMENTS AND CONTINGENCIES (Continued)**

*Litigation*

The Tigo Guatemala Companies are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As of September 30, 2014, and December 31, 2013, the total amount of claims against the Combined Group's operations was not significant. As at September 30, 2014, and December 31, 2013, respectively \$106 thousands and \$20 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 September 30, 2014, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$68 million (December 31, 2013: \$70 million), from a number of suppliers.

**14. FINANCIAL INSTRUMENTS**

The fair value of the Combined Group's financial instruments is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of all financial assets and all financial liabilities except debt and financial approximate their carrying value largely due to the short-term maturities of these instruments. The fair values of all debt and financing have been estimated by the Combined Group management based on discounted future cash flows at market interest rates.

The following tables show the carrying and fair values of financial instruments as at 30 September 2014 and 31 December 2013:

|                                                       | Carrying value                                    |                                   | Fair value                                        |                                   |
|-------------------------------------------------------|---------------------------------------------------|-----------------------------------|---------------------------------------------------|-----------------------------------|
|                                                       | September<br>30, 2014<br>(unaudited)<br>US\$ '000 | December<br>31, 2013<br>US\$ '000 | September<br>30, 2014<br>(unaudited)<br>US\$ '000 | December<br>31, 2013<br>US\$ '000 |
| <b>FINANCIAL ASSETS</b>                               |                                                   |                                   |                                                   |                                   |
| <i>Loans and receivables</i>                          |                                                   |                                   |                                                   |                                   |
| Other non-current assets.....                         | 2,286                                             | 2,883                             | 2,286                                             | 2,883                             |
| Trade receivables, net.....                           | 40,943                                            | 64,111                            | 40,943                                            | 64,111                            |
| Amounts due from related parties .....                | 385,218                                           | 175,708                           | 389,618                                           | 175,708                           |
| Prepayments and accrued income .....                  | 32,293                                            | 11,508                            | 32,293                                            | 11,508                            |
| Other current assets .....                            | 48,487                                            | 38,548                            | 48,487                                            | 38,548                            |
| Restricted cash .....                                 | 2,183                                             | 2,766                             | 2,183                                             | 2,766                             |
| Cash and cash equivalents.....                        | 76,004                                            | 50,089                            | 76,004                                            | 50,089                            |
| <b>Total .....</b>                                    | <b>587,414</b>                                    | <b>345,613</b>                    | <b>591,814</b>                                    | <b>345,613</b>                    |
| Current .....                                         | 581,940                                           | 339,757                           | 581,940                                           | 339,757                           |
| Non-current .....                                     | 5,474                                             | 5,856                             | 9,874                                             | 5,856                             |
| <b>FINANCIAL LIABILITIES</b>                          |                                                   |                                   |                                                   |                                   |
| Other debt and financing .....                        | 779,961                                           | 399,048                           | 343,364                                           | 368,573                           |
| Trade payables .....                                  | 30,834                                            | 57,933                            | 30,834                                            | 57,933                            |
| Payables and accruals for capital<br>expenditure..... | 36,640                                            | 46,740                            | 36,640                                            | 46,740                            |
| Amounts due to related parties.....                   | 6,684                                             | 8,282                             | 3,084                                             | 8,282                             |
| Accrued interest and other expenses .....             | 63,085                                            | 38,715                            | 63,085                                            | 38,715                            |
| Other liabilities.....                                | 15,413                                            | 8,306                             | 15,413                                            | 8,306                             |
| <b>Total .....</b>                                    | <b>932,617</b>                                    | <b>559,024</b>                    | <b>513,275</b>                                    | <b>528,549</b>                    |
| Current .....                                         | 152,656                                           | 243,687                           | 149,056                                           | 243,687                           |
| Non-current .....                                     | 779,961                                           | 315,337                           | 343,364                                           | 284,862                           |

**15. SUBSEQUENT EVENTS**

There are no subsequent events affecting the Combined Group.