

COMCEL TRUST

Unaudited Interim Condensed Combined Financial Statements

**As at and for the three-month period
ended 31 March 2016**

27 May 2016

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements
for the three-months period ended 31 March 2016**

**Unaudited interim condensed combined income statement for the three
month period ended 31 March 2016**

US\$ '000	Notes	Three months ended 31 March 2016	Three months ended 31 March 2015 (i)
Revenue	4	319,103	316,746
Cost of sales		(61,690)	(57,170)
Gross profit		257,413	259,576
Operating expenses		(96,504)	(96,670)
Depreciation & Amortisation		(44,009)	(47,351)
Other operating income (expenses), net		(42)	(161)
Operating profit	4	116,858	115,394
Interest expense		(19,151)	(14,721)
Interest and other financial income.....		381	473
Foreign exchange gain (loss), net		(1,190)	1,426
Profit before taxes from continuing operations		96,898	102,572
Charge for taxes, net		(17,097)	(17,328)
Net profit for the period		79,801	85,244

(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 31 March 2015.

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

Unaudited interim condensed combined statement of comprehensive
income for the three month period ended 31 March 2016

US\$ '000	Three months ended 31 March 2016	Three months ended 31 March 2015
Net profit for the period	79,801	85,244
Other comprehensive income:		
Exchange differences on translation of operations to the US dollars reporting currency	(5,598)	(10,308)
Total comprehensive income for the period	74,203	74,936

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 three-months period ended 31 March 2016**

**Unaudited interim condensed combined statement of financial position as
at 31 March 2016**

US\$ '000	Notes	31 March 2016	31 December 2015
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net.....	6	126,958	132,085
Property, plant and equipment, net	7	705,068	704,598
Deferred tax assets		4,678	4,723
Amounts due from related parties (non-current)	8	23	22
Other non-current assets.....		607	727
TOTAL NON-CURRENT ASSETS		837,334	842,155
CURRENT ASSETS			
Inventories		24,497	24,985
Trade receivables, net		40,758	46,671
Amounts due from non-controlling interests, associates and joint venture partners.....	8	652,144	634,210
Prepayments and accrued income.....		44,060	35,682
Current income tax assets.....		5,702	31,356
Supplier advances for capital expenditure		17,962	5,222
Other current assets		19,684	20,663
Restricted cash		2,843	3,315
Cash and cash equivalents		179,128	151,550
TOTAL CURRENT ASSETS.....		986,778	953,654
TOTAL ASSETS		1,824,112	1,795,809

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 2016 (continued)

US\$ '000	Notes	31 March 2016	31 December 2015
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium.....		14,009	14,009
Equity contribution reserve.....		8,057	7,708
Other reserves.....		83,496	89,094
Retained profits.....		480,012	400,211
TOTAL EQUITY		585,574	511,022
LIABILITIES			
Non-current liabilities			
Amounts due to associates and joint venture partners ...	8	14	-
Other debt and financing	9	982,095	983,616
Provisions and other non-current liabilities.....		30,416	24,394
Deferred tax liabilities		2,359	2,437
Total non-current liabilities		1,014,884	1,010,447
Current liabilities			
Payables and accruals for capital expenditure.....		46,555	67,670
Trade payables.....		31,992	51,292
Amounts due to associates and joint venture partners ...	8	15,943	18,394
Accrued interest and other expenses.....		63,655	74,494
Current income tax liabilities.....		20,768	21,407
Provisions and other current liabilities.....		44,741	41,083
Total current liabilities		223,654	274,340
TOTAL LIABILITIES		1,238,538	1,284,787
TOTAL EQUITY AND LIABILITIES		1,824,112	1,795,809

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
three month period ended 31 March 2016

US\$ '000	Notes	Three months ended 31 March 2016	Three months ended 31 March 2015
Cash flows from operating activities			
Profit before taxes		96,898	102,572
Adjustments to reconcile to net cash:			
Interest expense		19,151	14,721
Interest and income		(381)	(473)
Foreign exchange loss / (gain), net		1,190	(1,426)
Adjustments for non-cash items:			
Depreciation and amortization	6,7	44,009	47,351
Loss on disposal and impairment of assets		42	161
Share-based compensation	5	349	366
		161,258	163,272
(Increase)/Decrease in trade receivables, prepayments and other current assets		(3,568)	63
Decrease/(Increase) in inventories		234	(7,347)
(Decrease) in trade and other payables		(12,916)	(5,408)
Changes in working capital		(16,250)	(12,692)
Interest paid		(31,048)	(27,500)
Interest received		419	447
Taxes paid		(18,318)	(18,758)
Net cash provided by operating activities		96,061	104,769
Cash flows from investing activities:			
Purchase of intangible assets and licenses	6	(9,589)	(7,845)
Purchase of property, plant and equipment	7	(42,441)	(32,001)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired		—	(302)
Proceeds from sale of property, plant and equipment		16	109
Net (increase) in restricted cash		(2,071)	(1,735)
Net cash used by investing activities		(54,085)	(41,774)
Cash flows from financing activities:			
Payment of dividends, advances and shareholders loans		(15,000)	(55,000)
Net cash used by financing activities		(15,000)	(55,000)
Exchange gains (losses) on cash and cash equivalents, net		602	(23)
Net increase in cash and cash equivalents		27,578	7,972
Cash and cash equivalents at the beginning of the year		151,550	91,946
Cash and cash equivalents at the end of the period / year		179,128	99,918

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**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements
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**Unaudited interim condensed combined statements of changes in equity for
the years ended 31 March 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)
Balance on 31 December 2014	14,009	6,314	90,655	419,378	530,356
<i>Profit for the period</i>	—	—	—	85,244	85,244
<i>Currency translation differences</i>	—	—	(10,308)	—	(10,308)
Total comprehensive income for the period.....	—	—	(10,308)	85,244	74,936
Dividends (iii).....	—	—	—	(337,759)	(337,759)
Share based compensation.....	—	366	—	—	366
Balance on 31 March 2015	14,009	6,680	80,347	166,863	267,899
<i>Profit for the period</i>	—	—	—	233,348	233,348
<i>Currency translation differences</i>	—	—	8,747	—	8,747
Total comprehensive income for the period.....	—	—	8,747	233,348	242,095
Dividends (iii).....	—	—	—	—	—
Share based compensation.....	—	1,028	—	—	1,028
Balance on 31 December 2015	14,009	7,708	89,094	400,211	511,022
<i>Profit for the period</i>	—	—	—	79,801	79,801
<i>Currency translation differences</i>	—	—	(5,598)	—	(5,598)
Total comprehensive income for the period.....	—	—	(5,598)	79,801	74,203
Share based compensation.....	—	349	—	—	349
Dividends (iii).....	—	—	—	—	—
Balance on 31 March 2016	14,009	8,057	83,496	480,012	585,574

(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 31 March 2016. Legal reserves are undistributable.*

(iii) *Dividends — see note 10.*

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

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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 Three month period ended 31 March 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.

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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.

3. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the three month period ended 31 March 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 analyzed by nature of expense is as follows:

US\$ ‘000	Three months ended 31 March 2016	Three months ended 31 March 2015
Revenue.....	319,103	316,746
Cost of rendering telecommunication services.....	(61,690)	(57,170)
Depreciation and amortization.....	(44,009)	(47,351)
Dealer commissions.....	(21,220)	(23,038)
Employee related costs.....	(12,846)	(12,588)
Sites and network maintenance	(14,443)	(17,568)
Advertising and promotion.....	(6,487)	(5,355)
Phone subsidies.....	(12,852)	(12,570)
External services.....	(8,406)	(9,159)
Operating lease expense.....	(10,702)	(9,188)
Other fees and costs.....	(2,191)	(1,298)
(Loss) gain on disposal and impairment of assets, net	(42)	(161)
Other expenses.....	(7,357)	(5,906)
Operating profit	116,858	115,394

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5. EMPLOYEE RELATED COSTS

Employee related costs are comprised of the following:

US\$ '000	Three months ended 31 March 2016	Three months ended 31 March 2015
Wages and salaries.....	(14,539)	(12,527)
Social security.....	(922)	(741)
Share based compensation	(349)	(366)
Other employee related costs (i).....	2,964	1,046
Total	(12,846)	(12,588)

(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	Three months ended 31 March 2016	Three months ended 31 March 2015
Additions	1,485	145
Increase in payables for intangible assets	8,104	7,700
Cash used for the purchase of intangible assets and licenses.....	9,589	7,845

The charge for depreciation on intangible assets and license renewals for the three months period ended 31 March 2016 was \$2 million (31 March 2015: \$2 million).

During the three months period ended 31 March 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	Three months ended 31 March 2016	Three months ended 31 March 2015
Additions	43,092	26,924
(Decrease) in suppliers advances	(13,299)	(159)
Increase payables for property, plant and equipment	12,648	5,236
Cash used for the purchase of property, plant and equipment.....	42,441	32,001

The charge for depreciation on property, plant and equipment for the three months period ended 31 March 2016 was \$42 million (31 March 2015: \$45 million).

During the three months period ended 31 March 2016, Tigo Guatemala Companies disposed of property, plant and equipment and received \$16 thousand (31 March 2015: \$109 thousand).

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.

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8. RELATED PARTY TRANSACTIONS (Continue)

As of March 31, 2016 we have accounts receivable from Millicom International II NV for \$339.3 million as "Letra de Cambio" due April 30th 2016 (shareholders approved that payment will be required on May 15th 2016. By date 26 May 2016, shareholders have agreed to extend the payment terms to June 10th 2016) and \$8.25 million as "Letra de Cambio" due April 30th 2017.

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

Miffin Associates Corp

As of March 31, 2016 we have accounts receivable from Miffin Associates Corp. \$277.1 million as "Letra de Cambio" due April 30th 2016 (shareholders approved that payment will be required on May 15th 2016. By date 26 May 2016, shareholders have agreed to extend the payment terms to June 10th 2016) and \$6.75 million as "Letra de Cambio" due April 30th 2017.

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 31 March 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 three months period ended 31 March 2016:

US\$ '000	Three months ended 31 March 2016	Three months ended 31 March 2015
Expenses		
Purchase of goods and services (MIC)	790	659
Purchases of goods and services (Miffin)	35,079	28,357
Purchases of goods and services (Other RP)	1,334	1,982
Total	37,203	30,998

US\$ '000	Three months ended 31 March 2016	Three months ended 31 March 2015
Income / gains		
Sale of goods and services (MIC)	8	1
Sale of goods and services (Miffin)	64,065	53,468
Sale of goods and services (Other RP)	897	508
Total	64,970	53,977

As at 31 March 2016 the Company had the following balances with related parties:

US\$ '000	As at 31 March 2016	As at 31 December 2015
Liabilities		
MIC S.A	1,394	1,822
Miffin Associates Corp	6,267	7,722
Millicom Spain S.L.	4,345	3,951
Cable Honduras	1,521	2,013
Other	2,430	2,886
Total	15,957	18,394

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8. RELATED PARTY TRANSACTIONS (Continue)

US\$ '000	As at 31 March 2016	As at 31 December 2015
Assets		
Millicom International II NV	361,750	—
MIO S.A.....	—	353,087
Miffin Associates Corp	287,522	280,168
Other	2,895	977
Total.....	652,167	634,232

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 2016	As at 31 December 2015
Due within:		
After five years	982,095	983,616
Total debt	982,095	983,616

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

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.

Pledged assets

As at 31 March 2016 and 31 December 2015, 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 31 March 2016, the entities of the Combined Group have not declared dividends related with retained earnings 2015.

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 31 March 2016, and 31 December 2015, the total amount of claims against the Combined Group's operations was not significant. As at 31 March 2016, and 31 December 2015, \$1 million 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.

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11. COMMITMENTS AND CONTINGENCIES (Continued)

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. On 4 May 2016 Millicom received notification from the Swedish Public Prosecutor that its preliminary investigation has been discontinued on jurisdictional grounds.

Millicom continues to cooperate with law enforcement authorities in the United States. As at 31 March 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 31 March 2016, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$53 million (31 December 2015: \$58 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 2016 and 31 December 2015:

US\$ '000	Carrying Value		Fair Value	
	31 March 2016 (unaudited)	31 December 2015 (audited)	31 March 2016 (unaudited)	31 December 2015 (audited)
FINANCIAL ASSETS				
Loans and receivables				
Other non-current assets	607	727	607	727
Trade receivables, net	40,758	46,671	40,758	46,671
Amounts due from related parties	652,167	634,232	652,167	634,232
Prepayments and accrued income	44,060	35,682	44,060	35,682
Other current assets	37,646	52,019	37,646	52,019
Restricted cash	2,843	3,315	2,843	3,315
Cash and cash equivalents	179,128	151,550	179,128	151,550
Total	957,209	924,196	957,209	924,196
Current	956,579	923,447	956,579	923,447
Non-current	630	749	630	749
FINANCIAL LIABILITIES				
Other debt and financing	982,095	983,616	834,630	837,338
Trade payables	31,992	51,292	31,992	51,292
Payables and accruals for capital expenditure	46,555	67,670	46,555	67,670
Amounts due to related parties	15,957	18,394	15,957	18,394
Accrued interest and other expenses	63,655	74,494	63,655	74,494
Other liabilities	7,613	8,454	7,613	8,454
Total	1,147,867	1,203,920	1,000,402	1,057,642
Current	165,758	220,304	165,772	220,304
Non-current	982,109	983,616	834,630	837,338

13. SUBSEQUENT EVENTS

There is no subsequent event since 31 March 2016 and up to the date of those financial statements.
