

COMCEL TRUST

Unaudited Interim Condensed Combined Financial Statements

**As at and for the nine-month period
ended 30 September 2015**

13 November 2015

Unaudited interim condensed combined income statement for the nine month period ended 30 September 2015

US\$ '000	Notes	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Revenue	4	963,216	917,394
Cost of sales		(288,854)	(270,981)
Gross profit		674,362	646,413
Sales and marketing		(157,563)	(148,584)
General and administrative expenses		(161,010)	(160,692)
Other operating expenses		—	(132)
Operating profit	4	355,789	337,005
Interest expense		(47,907)	(44,873)
Interest and other financial income.....		1,292	1,474
Foreign exchange gain (loss), net		(1,369)	8,945
Profit before taxes from continuing operations		307,805	302,551
Charge for taxes, net		(52,165)	(48,614)
Net profit for the period		255,640	253,937

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 nine month period ended 30 September 2015

US\$ '000	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Net profit for the period	255,640	253,937
<i>Other comprehensive income:</i>		
Exchange differences on translation of operations to the US dollars reporting currency	(11,435)	12,456
Total comprehensive income for the period	244,205	266,393

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

Unaudited interim condensed combined statement of financial position as
at 30 September 2015

US\$ '000	Notes	30 September 2015	31 December 2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net.....	6	131,530	135,637
Property, plant and equipment, net	7	671,431	702,740
Deferred tax assets		6,995	7,067
Amounts due from related parties (non-current)	8	5,660	9,062
Other non-current assets		666	686
TOTAL NON-CURRENT ASSETS		816,282	855,192
CURRENT ASSETS			
Inventories		31,056	31,336
Trade receivables, net		55,917	38,637
Amounts due from non-controlling interests, associates and joint venture partners	8	538,608	458,171
Prepayments and accrued income		35,142	33,284
Current income tax assets		6,296	17,230
Supplier advances for capital expenditure		17,266	17,298
Other current assets		28,638	21,085
Restricted cash		2,438	2,339
Cash and cash equivalents		134,793	89,867
TOTAL CURRENT ASSETS.....		850,154	709,247
TOTAL ASSETS		1,666,436	1,564,439

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

Unaudited interim condensed combined statement of financial position at
30 September 2015 (continued)

US\$ '000	Notes	30 September 2015	31 December 2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium.....		14,009	14,009
Equity contribution reserve		7,412	6,314
Other reserves		79,220	90,655
Retained profits.....		337,246	419,378
TOTAL EQUITY		437,887	530,356
LIABILITIES			
Non-current liabilities			
Amounts due to associates and joint venture partners ...	8	6,586	9,813
Other debt and financing	9	981,955	780,491
Provisions and other non-current liabilities.....		24,308	22,869
Deferred tax liabilities		543	716
Total non-current liabilities		1,013,392	813,889
Current liabilities			
Payables and accruals for capital expenditure.....		43,915	50,503
Trade payables		30,204	41,969
Amounts due to associates and joint venture partners ...	8	13,287	8,111
Accrued interest and other expenses		71,292	74,797
Current income tax liabilities.....		6,077	7,429
Provisions and other current liabilities		50,382	37,385
Total current liabilities		215,157	220,194
TOTAL LIABILITIES		1,228,549	1,034,083
TOTAL EQUITY AND LIABILITIES		1,666,436	1,564,439

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
nine month period ended 30 September 2015

US\$ '000	Notes	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Cash flows from operating activities			
Profit before taxes		307,805	302,551
Adjustments to reconcile to net cash:			
Interest expense		47,907	44,873
Interest and income		(1,292)	(1,474)
Foreign exchange loss / (gain), net		1,369	(8,945)
Adjustments for non-cash items:			
Depreciation and amortization	6,7	138,964	130,071
Loss on disposal and impairment of assets		389	2,086
Share-based compensation	5	1,098	1,215
(Increase) in trade receivables, prepayments and other current assets.....		(16,067)	5,911
(Increase)/Decrease in inventories.....		(53)	9,811
Increase/(Decrease) in trade and other payables		(4,858)	(5,994)
Changes in working capital.....		(20,978)	9,728
Interest paid		(59,305)	(35,009)
Interest received.....		1,229	1,063
Taxes paid		(55,055)	(58,150)
Net cash provided by operating activities		362,131	388,009
Cash flows from investing activities:			
Purchase of intangible assets and licenses	6	(7,266)	(7,460)
Purchase of property, plant and equipment	7	(104,311)	(145,116)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired.....		(744)	—
Proceeds from sale of property, plant and equipment.....		350	3,821
Net increase in restricted cash.....		(99)	(583)
Net cash used by investing activities		(112,070)	(149,338)
Cash flows from financing activities:			
Proceeds from other debt and financing		200,093	773,942
Repayment of debt and financing		—	(399,727)
Payment of dividends, advances and shareholders loans		(405,605)	(588,359)
Net cash from (used by) financing activities		(205,512)	(214,144)
Exchange gains (losses) on cash and cash equivalents, net		377	1,388
Net (decrease) increase in cash and cash equivalents		44,926	25,915
Cash and cash equivalents at the beginning of the year		89,867	50,089
Cash and cash equivalents at the end of the period / year		134,793	76,004

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 nine-month period ended 30 September 2015**

**Unaudited interim condensed combined statements of changes in equity for
the years ended 30 September 2015 and 31 December 2014**

US\$ '000	Share capital (000's)	Equity Contribution Reserve (i) (000's)	Other reserves (ii) (000's)	Retained earnings (000's)	Total equity (000's)
Balance on 31 December 2013	14,009	4,850	73,487	444,754	537,100
<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
Dividends (iii).....	—	—	—	(369,555)	(369,555)
Share based compensation.....	—	1,215	—	—	1,215
Balance on 30 September 2014	14,009	6,065	85,943	329,136	435,153
<i>Profit for the period</i>	—	—	—	90,242	90,242
<i>Currency translation differences</i>	—	—	4,712	—	4,712
Total comprehensive income for the period.....	—	—	4,712	90,242	94,954
Dividends (iii).....	—	—	—	—	—
Share based compensation.....	—	249	—	—	249
Balance on 31 December 2014	14,009	6,314	90,655	419,378	530,356
<i>Profit (loss) for the period</i>	—	—	—	255,640	255,640
<i>Currency translation differences</i>	—	—	(11,435)	—	(11,435)
Total comprehensive income for the period.....	—	—	(11,435)	255,640	244,205
Share based compensation.....	—	1,098	—	—	1,098
Dividends (iii).....	—	—	—	(337,772)	(337,772)
Balance on 30 September 2015	14,009	7,412	79,220	337,246	437,997

- (i) *Equity Contribution Reserve made up only with share-based compensation expense.*
- (ii) *Other reserves mainly include legal reserves of \$ 90 million and negative currency translation differences of \$ 11 million at September 30, 2015. Legal reserves are undistributable.*
- (iii) *Dividends — see note 10.*

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

Notes to the unaudited interim condensed combined statements

1. ORGANIZATION

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

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

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

Our Combined Financial Statements do not consolidate the subsidiaries over which Comcel and the other Note Guarantors exerted control as of, and for, the periods presented. The only such subsidiary is Newcom Ltd. Bermuda, which represented less than 1% of the combined total revenue, less than 1% of the combined Adjusted EBITDA, less than 1% of the combined total assets and less than 1% of the combined total liabilities of Comcel and the other Note Guarantors as of, and for the nine month period ended September 30, 2015. We do not intend to consolidate these or any other subsidiaries that may exist from time to time in future combined financial statements of Comcel and the other Note Guarantors, including those prepared for purposes of “Description of the Notes—Covenants of the Note Guarantors—Provision of Financial Information.”

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

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

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

On January 16, 2014 Miffin 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 or its expiry on 31 December 2015 has no impact on these combined financial statements.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

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

These unaudited condensed interim combined financial statements should be read in conjunction with the combined financial statements for the year ended 31 December 2014. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2014 combined financial statements, as disclosed in note 2 of those financial statements. The following changes to standards effective for annual periods starting after 1 January 2015 did not have a significant impact on Millicom:

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements
for the nine-month period ended 30 September 2015**

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

- IFRIC 21, 'Levies', which provides guidance on when to recognise a levy imposed by a government;
- Defined Benefit Plans (amendments to IAS 19);
- Annual Improvements projects impacting IFRS 2, Share based payment; IFRS 3; Business Combinations, IFRS 8, Operating Segments; IFRS 13, Fair Value Measurement; IAS 16, Property, plant and equipment; IAS 24, Related party disclosures; and IAS 38, Intangible Assets.

3. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the nine month period ended September 30, 2015, one small company was acquired (Dalia). This acquisition was not material for the Combined Group.

4. ANALYSIS OF OPERATING PROFIT

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

US\$ '000	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Revenue.....	963,216	917,394
Cost of rendering telecommunication services.....	(174,563)	(170,875)
Depreciation and amortization.....	(138,964)	(130,071)
Dealer commissions.....	(65,944)	(66,558)
Employee related costs.....	(36,961)	(35,661)
Sites and network maintenance.....	(75,642)	(73,436)
Advertising and promotion.....	(19,836)	(18,602)
Phone subsidies.....	(38,120)	(33,135)
External services.....	(29,250)	(25,011)
Operating lease expense.....	(4,545)	(4,058)
Other fees and costs.....	(4,118)	(3,948)
(Loss) gain on disposal and impairment of assets, net.....	(389)	(2,217)
Other expenses.....	(19,095)	(16,817)
Operating profit	355,789	337,005

5. EMPLOYEE RELATED COSTS

Employee related costs are comprised of the following:

US\$ '000	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Wages and salaries.....	(31,453)	(31,765)
Social security.....	(2,271)	(1,866)
Share based compensation.....	(1,098)	(1,215)
Other employee related costs (i).....	(2,139)	(815)
Total	(36,961)	(35,661)

(i) There are no defined benefit pension plans.

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements
for the nine-month period ended 30 September 2015**

6. INTANGIBLE ASSETS

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

US\$ '000	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Additions	555	4,352
Decrease in payables for intangible assets	6,711	3,108
Cash used for the purchase of intangible assets and licenses	7,266	7,460

The charge for depreciation on intangible assets and license renewals for the nine month period ended September 30, 2015 was \$7 million (September 30, 2014: \$12 million).

During the nine month period ended September 30, 2015 and 2014, 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	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Additions	104,798	131,730
(Decrease) increase in suppliers advances	28	5,330
(Decrease) increase payables for property, plant and equipment	(515)	8,056
Cash used for the purchase of property, plant and equipment	104,311	145,116

The charge for depreciation on property, plant and equipment for the nine month period ended September 30, 2015 was \$132 million (September 30, 2014: \$119 million).

During the nine month period ended September 30, 2015, Tigo Guatemala Companies disposed of property, plant and equipment and received \$350 thousand (September 30, 2014: \$4 million).

8. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the nine month period ended 30 September 2015:

US\$ '000	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Expenses		
Purchase of goods and services (MIC)	2,198	3,029
Purchases of goods and services (Miffin)	95,865	97,537
Purchases of goods and services (Other RP)	3,535	5,946
Total	101,598	106,512

US\$ '000	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Income / gains		
Sale of goods and services (MIC)	3	—
Sale of goods and services (Miffin)	180,355	155,580
Sale of goods and services (Other RP)	2,719	1,793
Total	183,077	157,373

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements
for the nine-month period ended 30 September 2015**

8. RELATED PARTY TRANSACTIONS (Continued)

As at 30 September 2015 the Company had the following balances with related parties:

US\$ '000	At 30 September 2015	At 31 December 2014
Liabilities		
MIO S.A	8,000	8,000
Miffin Associates Corp	7,577	7,375
Other	4,296	2,549
Total	19,873	17,924

US\$ '000	At 30 September 2015	At 31 December 2014
Assets		
MIO S.A	299,687	249,577
Miffin Associates Corp	241,201	209,522
Navega Nicaragua	—	2,906
Other	3,380	5,228
Total	544,268	467,233

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	At 30 September 2015	At December 31, 2014
Due within:		
After five years	981,955	780,491
Total debt	981,955	780,491

As at June 30, 2015 and December 31, 2014, none of the shareholders had issued any guarantees to secure the obligations of the Combined Group's operations.

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

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 June 30, 2015 and December 31, 2014, the assets pledged by the Combined Group's operations for these debts and financings are nil.

**COMCEL TRUST - Unaudited Interim Condensed Combined Financial Statements
for the nine-month period ended 30 September 2015**

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 September 30, 2015, the entities of the Combined Group had declared a dividend related to 2014 of \$338 million (2014: \$370 million). Dividends are typically paid over two fiscal years.

11. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Tigo Guatemala Companies are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As of September 30, 2015, and December 31, 2014, the total amount of claims against the Combined Group's operations was not significant. As at September 30, 2015, and December 31, 2014, \$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.

Capital commitments

As of September 30, 2015, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$54 million (December 31, 2014: \$40 million), from a number of suppliers.

12. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 30 September 2015 and 31 December 2014:

	Carrying Value		Fair Value	
	30 September 2015 (unaudited)	31 December 2014 (audited)	30 September 2015 (unaudited)	31 December 2014 (audited)
US\$ '000				
FINANCIAL ASSETS				
<i>Loans and receivables</i>				
Other non-current assets	666	686	666	686
Trade receivables, net	55,917	38,637	55,917	38,637
Amounts due from related parties	544,268	467,233	544,268	467,233
Prepayments and accrued income	35,142	33,284	35,142	33,284
Other current assets	45,904	38,383	45,904	38,383
Restricted cash	2,438	2,339	2,438	2,339
Cash and cash equivalents	134,793	89,867	134,793	89,867
Total	819,128	670,429	819,128	670,429
Current	812,802	660,681	812,802	660,681
Non-current	6,326	9,748	6,326	9,748
FINANCIAL LIABILITIES				
Other debt and financing	981,955	780,491	688,315	664,983
Trade payables	30,204	41,969	30,204	41,969
Payables and accruals for capital expenditure	43,915	50,503	43,915	50,503
Amounts due to related parties	13,287	8,111	13,287	8,111
Accrued interest and other expenses	71,292	74,797	71,292	74,797
Other liabilities	16,139	6,528	5,175	6,528
Total	1,157,255	962,399	863,615	846,891
Current	175,300	181,908	175,300	181,908
Non-current	981,955	780,491	688,315	664,983

13. SUBSEQUENT EVENTS

MIC Group reports to authorities potential improper payments on behalf of the Combined Group.

On 21 October 2015, MIC Group reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the company's joint venture in Guatemala. It is not possible at this time to predict the matter's likely duration or outcome.
