



# US\$800,000,000 COMCEL TRUST

(a Cayman Islands Trust)

**6.875% Senior Notes due 2024**

guaranteed by

**Comunicaciones Celulares, S.A.**

**and the other Note Guarantors named herein**

The 6.875% senior notes due 2024 offered hereby (the “Notes”) are being issued by Intertrust SPV (Cayman) Limited (the “Cayman Trustee”) acting as trustee of Comcel Trust (the “Trust”) established pursuant to a Declaration of Trust dated January 8, 2014 (the “Declaration of Trust”). The net proceeds obtained from the sale of the Notes will be used by the Cayman Trustee to acquire as an asset of the Trust, pursuant to a Participation Agreement (the “Participation Agreement”) between the Cayman Trustee and Credit Suisse AG, Cayman Islands Branch (the “Lender”), a 100% participation interest (the “Participation”) in a US\$800,000,000 senior unsecured loan (the “Loan”) made by the Lender to Comunicaciones Celulares, S.A. (“Comcel” or the “Borrower”), a stock corporation (*sociedad anónima*) organized under the laws of the Republic of Guatemala, pursuant to a Credit and Guaranty Agreement (the “Credit and Guaranty Agreement”) among the Lender, the Borrower, and Comunicaciones Corporativas, S.A., Distribuidora Central de Comunicaciones, S.A., Distribuidora de Comunicaciones de Occidente, S.A., Distribuidora de Comunicaciones de Oriente, S.A., Distribuidora Internacional de Comunicaciones, S.A., Navega.com, S.A., Servicios Especializados en Telecomunicaciones, S.A. and Servicios Innovadores de Comunicación y Entretenimiento, S.A., affiliates of Comcel, as guarantors (together, the “Loan Guarantors”) (such guarantees, the “Loan Guarantees”). The principal asset of the Trust is the Participation and certain related rights described herein. The Trust is not a separate legal entity under Cayman Islands law; accordingly, references herein to the Trust should, where the context so requires, be construed as references to the Cayman Trustee acting in its capacity as trustee of the Trust pursuant to the Declaration of Trust and in relation to the assets forming the property of the Trust.

Interest on the Notes is payable on February 6 and August 6 of each year, commencing on August 6, 2014. The Notes will mature on February 6, 2024.

The Notes will be issued under an Indenture (the “Indenture”) entered into with The Bank of New York Mellon (the “Indenture Trustee”). The Notes will be limited recourse obligations of the Cayman Trustee referable solely to the Trust, secured by the Participation and certain other rights described herein. The Notes will be guaranteed (each a “Note Guarantee”) on a senior unsecured basis by Comcel, the Loan Guarantors and certain of Comcel and the Loan Guarantors’ future subsidiaries (together, the “Note Guarantors”), subject to certain exceptions, including the Note Guarantee being net of any amounts paid by Comcel to the Lender under the Loan.

The Borrower may prepay the Loan, in whole or in part, on or after February 6, 2019 at the applicable prepayment prices set forth in this offering memorandum, plus accrued and unpaid interest. Before February 6, 2019, the Borrower may also prepay the Loan, in whole or in part, by paying the greater of 100% of the outstanding principal amount and a “make-whole” amount, in each case plus accrued and unpaid interest. In addition, the Borrower may prepay the Loan, in whole but not in part, at a price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest, upon the occurrence of specified events relating to tax law, as set forth in this offering memorandum. Upon any such prepayment of the Loan, the Trust will redeem an aggregate principal amount of Notes equal to the aggregate principal amount of the Loan that has been prepaid.

The Loan, the Loan Guarantees and the Note Guarantees will constitute general senior unsecured obligations of the Note Guarantors, as applicable. The Loan, the Loan Guarantees and the Note Guarantees will rank *pari passu* in right of payment with all of the Note Guarantors’ existing and future senior unsecured indebtedness, except for liabilities preferred under mandatory provisions of Guatemalan law, and will be effectively subordinated to all of the Note Guarantors’ secured indebtedness with respect to the value of the assets securing such indebtedness and to all of the existing and future liabilities of any of the Note Guarantors’ subsidiaries that do not guarantee the Loan or the Notes.

There is currently no market for the Notes. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF Market of the Luxembourg Stock Exchange.

**Investing in the Notes involves risks that are described in the “Risk Factors” section beginning on page 32 of this offering memorandum.**

**Offering Price: 98.233% plus accrued interest, if any, from February 6, 2014.**

The Notes and the Note Guarantees (together the “Securities”) have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”) or the securities laws of any other jurisdiction. The Trust has not been registered and will not be registered as an investment company under the United States Investment Company Act of 1940 (the “Investment Company Act”), in reliance on the exemption set forth in Section 3(c)(7) thereof. The Securities are being offered and sold only to investors that are either (1) U.S. Persons (as defined in Regulation S under the Securities Act, or Regulation S) who are both qualified institutional buyers (“QIBs”) in reliance on Rule 144A and “Qualified Purchasers” within the meaning of Section 2(a)(51)(A) of the Investment Company Act or (2) non-U.S. Persons (within the meaning of Regulation S of the Securities Act) outside of the United States. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemptions from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from the Investment Company Act provided by Section 3(c)(7) thereof. Outside the United States, the offering is being made in reliance on Regulation S. For further details about eligible offerees and resale restrictions, see “Plan of Distribution” and “Transfer Restrictions.”

The Notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about February 6, 2014.

Joint Bookrunners

Credit Suisse

Citigroup

Morgan Stanley

The date of this offering memorandum is January 30, 2014.



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## NOTICE TO INVESTORS

References to the “Issuer” refer to the Cayman Trustee acting as trustee of Comcel Trust, as issuer of the Notes,

References to “Comcel” or the “Borrower” refer to Comunicaciones Celulares, S.A.

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to “we,” “our,” “ours,” “us,” the “Company” or similar terms refer to Comcel and the other Note Guarantors together.

We, having made all reasonable inquiries, confirm that the information contained in this offering memorandum with regard to us is true and accurate in all material respects, that the opinions and intentions expressed in this offering memorandum are honestly held, and that there are no other facts the omission of which would make this

offering memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. We accept responsibility accordingly.

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**This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to purchase, the Securities offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. Neither the delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in our affairs or that the information set forth in this offering memorandum is correct as of any date subsequent to the date of this offering memorandum.**

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes. We and the Initial Purchasers (as defined herein) reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered by this offering memorandum. This offering memorandum does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. Distribution of this offering memorandum by you to any person other than those persons retained to advise you is unauthorized, and any disclosure of any of the contents of this offering memorandum without our prior written consent is prohibited.

You must (1) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the Notes, and (2) obtain any required consent, approval or permission for the purchase, offer or sale by you of the Notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales, and neither we nor the Initial Purchasers have any responsibility therefor. See “Transfer Restrictions” for information concerning some of the transfer restrictions applicable to the Notes.

You acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;
- you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with your investigation of the accuracy of such information or your investment decision;
- you have had the opportunity to consult with your own advisors concerning certain consequences in light of your particular situation as well as any consequences arising under the laws of any other jurisdiction in relation to the Securities and this offering memorandum; and
- no person has been authorized to give any information or to make any representation concerning us or the Securities other than those as set forth in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

**In making an investment decision, you must rely on your own examination of our business and the terms of this offering, including the merits and risks involved. These Notes have not been recommended, approved or disapproved by the United States Securities and Exchange Commission (the “SEC”) or any other federal or state securities commission or regulatory authority. Furthermore, these authorities have not confirmed the accuracy or determined the adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.**

**In Guatemala, the Notes will comply with the rules of the Securities and Commodities Market Law (Decree 34-96 and any of its existing or future amendments, including without limitation Decree 49-2008 of the Guatemalan Congress) and its regulation (Governmental Accord 557-97). The Notes will not be registered for public offering with the Securities Market Registry (*Registro del Mercado de Valores y Mercancías*) of Guatemala, and, accordingly, the Notes will not be offered or sold: (i) to any person in an open market, directly or indirectly by means of massive communication; (ii) through a third party or intermediary to any individual person or entity that is considered an institutional investor, including entities that are under the**

supervision of the Banking Regulator, the Social Security Institute of Guatemala (*Instituto de Seguridad Social-IGSS*) and its affiliates; (iii) to any entity or vehicle used for purposes of collective investment; or (iv) to more than 35 individual persons or entities.

The Trust is relying upon an exemption from registration under the Securities Act for an offer and sale of securities which do not involve a public offering. The Trust has not been registered and will not be registered as an investment company under the Investment Company Act. By purchasing Notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under “Transfer Restrictions” in this offering memorandum. The Notes are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See “Plan of Distribution” and “Transfer Restrictions.”

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (the “FSMA”) (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) through (d) of the Order (all such persons together being referred to as “relevant persons”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In relation to each member state of the European Economic Area (“EEA”) which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), no offer of Notes may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant representative(s) of the Issuer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

This offering memorandum has been prepared on the basis that any offer of Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for the Issuer or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Initial Purchasers to publish a prospectus for such offer.

For the purposes of the above provisions, (1) the expression “an offer to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State, (2) the expression “Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State, and (3) the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

**This offering memorandum may only be used for the purposes for which it has been published. The Initial Purchasers make no representation, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers as to the past or future. The Initial Purchasers assume no responsibility for the accuracy or completeness of any such information.**

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See “Risk Factors,” following the “Summary,” for a description of certain factors relating to an investment in the Notes, including information about our business. None of us, the Initial Purchasers or any of our or their representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes.

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## **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT, OR AN APPLICATION FOR A LICENSE, HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED, OR A PERSON IS LICENSED, IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

## **ENFORCEMENT OF CIVIL LIABILITIES**

The majority of our directors and executive officers reside outside the United States, substantially all of our assets are located outside the United States, and certain of the experts named in this offering memorandum also reside outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or these persons or to enforce against any of them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. However, we will appoint CT Corporation System, with offices currently located at 111 Eighth Avenue, New York, NY 10011, as our authorized agent in connection with the Notes and the indenture governing the Notes, upon which process may be served in any suit or proceeding arising out of or relating to the foregoing that may be instituted in any federal or state court located in the County of New York, State of New York.

Judgments of non-Guatemalan courts for civil liabilities predicated upon non-Guatemalan securities laws may be enforced in Guatemala, subject to certain requirements described below. A judgment against us or the persons described above obtained outside Guatemala would be enforceable in Guatemala against us or such persons without reconsideration of the merits by a Guatemalan court, subject to the conditions enumerated in the next sentence. Enforcement generally will occur if the foreign judgment: (a) fulfills all formalities required for its enforceability under an applicable treaty or in the absence of such a treaty, fulfills all formalities required under the laws of the country where the foreign judgment is granted, whose courts would enforce, reciprocally, judgments by Guatemalan courts, (b) is rendered by a competent court after proper service of process and was not rendered in default of

defendant, (c) is final and not subject to appeal or any further proceedings, (d) is authenticated by a Guatemalan consular office in the country where the foreign judgment is issued and is translated into Spanish by a certified translator in Guatemala and (e) refers to a civil or commercial action *in personam*, to obligations that are legal in Guatemala, and is not contrary to Guatemalan overriding public policy (as set forth in Guatemalan law). Notwithstanding the foregoing, no assurance can be given that enforcement will be obtained, that the process described above can be conducted in a timely manner or that a Guatemalan court would enforce a monetary judgment for violation of non-Guatemalan securities laws with respect to the Notes. We have been advised by Guatemalan counsel, that (a) original actions predicated upon non-Guatemalan securities laws may be brought in Guatemalan courts and that, subject to Guatemalan rules of international private law, public policy, public morality and national sovereignty, Guatemalan courts may enforce civil liabilities in such actions against us, our directors, certain of our officers and the advisors named herein, (b) a default judgment rendered against us in a foreign jurisdiction would likely not be enforceable in Guatemala, and (c) the ability of a judgment creditor or other persons named above to satisfy a judgment by attaching certain of our assets is limited by certain provisions of Guatemalan law.

The Trust is a Cayman Islands purpose trust (commonly known as a “STAR trust”) to which Part VIII of the Trusts Law (as amended) of the Cayman Islands shall apply. The Trust is not an entity with independent legal existence. The Cayman Trustee is a company with limited liability incorporated under the laws of the Cayman Islands. Accordingly, references herein to the Trust should, where the context so requires, be construed as references to the Cayman Trustee acting as trustee of the Trust in relation to the assets forming the property of the Trust.

The Cayman Trustee has been advised by its Cayman Islands counsel that there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts obtained against the Cayman Trustee as trustee of the Trust predicated upon the civil liability provisions of the securities laws of the United States or any state thereof, or (ii) be competent to hear original actions brought in each respective jurisdiction, against the Cayman Trustee as trustee of the Trust predicated upon the securities laws of the United States or any state thereof.

The Cayman Trustee has been further advised that a final and conclusive judgment in federal or state courts of the United States under which a sum of money is payable, other than a sum payable in respect of taxes, fines, penalties or similar charges, may be subject to enforcement proceedings by way of an action commenced on the judgment debt in the courts of the Cayman Islands. See “Risk Factors—Certain Factors Relating to the Notes.”

## **ADDITIONAL INFORMATION**

For so long as any Notes remain outstanding, we have agreed to make available to any holder or beneficial owner of an interest in the Notes, or to any prospective purchasers designated by such holder or beneficial owner, upon request of such holder or beneficial owner, information required to be delivered under paragraph (d)(4) of Rule 144A unless, at the time of such request, we are subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the “Exchange Act”), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Application has been made to admit the Notes offered hereby to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market of that exchange. See “Listing and General Information.” We will comply with any undertakings given by us from time to time to the Luxembourg Stock Exchange in connection with the Notes, and we will furnish to them all such information as the rules of the Luxembourg Stock Exchange may require in connection with the listing of the Notes. The Luxembourg Stock Exchange takes no responsibility for the contents of this offering memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This offering memorandum contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this offering memorandum can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate” and “potential,” among others. These statements appear in a number of places in this offering memorandum and include, but are not limited to, statements regarding our intent, belief or current expectations with respect to:

- the implementation of our principal operating and funding strategies and capital expenditure plans;
- our level of capitalization;
- the performance of the Guatemalan economy and regional and global economies in general;
- developments in, or changes to, the laws, regulations, tax matters and governmental policies governing or affecting our business;
- adverse legal or regulatory disputes or proceedings;
- the declaration or payment of extraordinary dividends;
- other factors or trends affecting our financial condition or results of operations;
- our ability to retain key personnel and ability to hire new personnel;
- general economic and political conditions, government and regulatory policies and business conditions in the markets we serve;
- economic, political and business conditions of the global economy, including, in particular, the economic conditions in the United States and the impact of any decrease in remittances to Guatemala;
- telecommunications usage levels, including traffic and customer growth;
- changes in the preferences and financial condition of our customers;
- competitive forces, including pricing pressures, technological developments and our ability to retain market share in the face of competition from existing and new market entrants;
- regulatory developments and changes, including with respect to the level of tariffs, the terms of interconnection, if any, customer access and international settlement arrangements, and the outcome of litigation related to regulation;
- the success of business, operating and financing initiatives and product and service offerings, the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets, costs of handsets and other equipment, the successful deployment of new systems and applications to support new initiatives, and local conditions;
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements, and the success of the Company’s investments, operations and alliances;
- the factors discussed under the section entitled “Risk Factors” in this offering memorandum; and
- other statements contained in this offering memorandum regarding matters that are not historical facts.



Forward-looking statements are only our current expectations and are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements as a result of various factors, including, but not limited to, those identified under the section entitled "Risk Factors" in this offering memorandum. These risks and uncertainties include factors relating to the Guatemalan and global economies and political conditions, securities and foreign exchange markets, which exhibit volatility and can be adversely affected by developments in other countries, factors relating to the Guatemalan mobile telecommunications industry and changes in its regulatory environment and factors relating to the competitive markets in which we operate. Other risks and uncertainties may adversely affect our results, which may differ materially from the expectations expressed in the forward-looking statements. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. In addition, you should not interpret statements regarding past trends or activities as assurances that those trends or activities will continue in the future.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

This offering memorandum includes the audited combined financial statements of Comcel and the Loan Guarantors as of, and for the years ended, December 31, 2012 and 2011 (the “Audited Combined Financial Statements”), which have been audited by Ernst & Young and PricewaterhouseCoopers, respectively.

This offering memorandum also includes the interim condensed combined financial statements of Comcel and the Loan Guarantors as of, and for, the nine-month periods ended September 30, 2013 and 2012 (the “Interim Combined Financial Statements”).

Our Audited Combined Financial Statements and our Interim Combined Financial Statements (collectively referred to as the “Combined Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”). Because the Notes have not been registered with the SEC, our Combined Financial Statements contained elsewhere in this offering memorandum are not required to comply with the applicable requirements of the Securities Act, and the related rules and regulations adopted by the SEC, which would apply if the Notes were being registered with the SEC.

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 subsidiaries were Newcom Ltd. Bermuda and Millicom Cable 206 N.V., 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 Loan Guarantors as of, and for, the nine-month period ended September 30, 2013. 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.”

### **Market and industry data**

It is difficult to obtain precise market and industry information in the Guatemalan market. Other than for the calculation of market share and churn, we have generally obtained market, industry and competitive position data in this offering memorandum from regulatory reports, reports from our competitors and industry analytical services, such as Pyramid Research and Factset, that we believe to be reliable. However, neither we nor the Initial Purchasers nor any of our or their respective advisors can verify the accuracy and completeness of such information or has independently verified or audited such market and position data. We do, however, accept responsibility for the correct reproduction of this information and, as far as we are aware and can ascertain from information published, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In addition, in many cases we make statements in this offering memorandum regarding our industry and position in the industry based on our experience and own investigation of market conditions. Neither we, nor the Initial Purchasers nor any of our or their respective advisors can assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information have been verified by independent sources.

### **Market Share and Penetration Rates**

Market share data presented in this offering memorandum is as calculated by us unless otherwise indicated.

For our mobile business, market share refers to a share of all mobile customers in a particular market. Market share can be calculated using different methodologies. We calculate our market share data by using the traffic passing through our own network as a basis for determining usage, but we exclude from such calculations customers who only make on-net calls in our network. In order to calculate the number of total mobile telephony users in the market, as we do not have data for subscribers that make on-net calls in our competitors’ networks, we calculate the ratio of our on-net only users to our cross-net traffic and then apply such ratios to our competitors based on cross-net calls made to or from their network to our network in order to determine their estimated market share. This methodology adjusts for inactive subscribers that may be reported by our competitors, and which may therefore be inflating our competitors’ own market share calculations. We believe that our methodology adjusts for inactive customers, which we define as customers who have been inactive for more than 60 days. We believe that, in view of

the lack of any official public figures on market share, this is the most accurate method to determine our market share, the market share of each operator and the size of the entire market. Although we believe our market share data is appropriate and accurately reflects the market, we cannot assure you this is the case.

For our fixed-line, cable TV and other businesses, market share refers to a share of all customers in the relevant market. We calculate market share in these markets based on available public information and our own investigation of market conditions.

Penetration rates are measured by dividing the number of customers by the total population. Penetration rates in this offering memorandum have been extracted or derived from third party publications and industry reports.

## **Churn**

Churn rates are calculated by dividing the number of customers whose service is disconnected during a period, whether voluntarily or involuntarily (such as when a customer fails to pay a bill) by the average number of customers during the period. We believe that we apply conservative policies in calculating customer totals and related churn rates. For example, we count a customer as an active “customer” only when the customer has made a revenue generating call within a 60-day period. Other operators with whom we compete generally use less restrictive definitions, such as labeling an active “customer” any customer who has made a revenue generating call within a 90-day or 120-day period. Our more conservative definitions may result in different churn rates than if we used criteria or methodologies employed by other operators in calculating customer churn and market share.

## **Macroeconomic Data**

Facts, forecasts and statistics in this document relating to Guatemala and its economy are derived from various official and other publicly available sources that we generally believe to be reliable. However, we cannot guarantee the quality and reliability of such official and other sources of materials. In addition, these facts, forecasts and statistics have not been independently verified by us and, therefore, we make no representation as to the accuracy of these facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of Guatemala and may not be complete or up to date. We have taken reasonable care in reproducing or extracting the information from such sources. However, because of possibly flawed or ineffective methodologies underlying the published information or discrepancies between the published information and market practice and other problems, these facts, forecasts or statistics may be inaccurate.

## **Rounding**

We have made rounding adjustments to reach some of the figures included in this offering memorandum. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them and percentage calculations using these adjusted figures may not result in the same percentage values as are shown in this offering memorandum.

## **Currency and Exchange Rate**

All references herein to the “*quetzal*,” “*quetzales*” or “Q” are to the official currency of Guatemala. All references to “U.S. dollars,” “dollars,” “US\$,” “\$” or “USD” are to U.S. dollars.

We have translated some of the *quetzal* amounts contained in this offering memorandum into U.S. dollars for convenience purposes only. Unless otherwise indicated, the rate used to translate such amounts was the *quetzal*/U.S. dollar exchange rate for purchasing U.S. dollars, or reference exchange rate, reported by the Bank of Guatemala on its website, <http://www.banguat.gob.gt/cambio/>, for September 30, 2013 of Q7.9337 = US\$1.00. The Federal Reserve Bank of New York does not report a noon buying rate for the *quetzal*. The U.S. dollar equivalent information presented in this offering memorandum is provided solely for the convenience of investors and should not be construed as implying that the *quetzal* amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate. For more information regarding translation of *quetzales* into U.S. dollars, see “Exchange Rates and Currency.”

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## SUMMARY

*This summary highlights selected information described in greater detail elsewhere in this offering memorandum and may not contain all the information that may be important to you. We urge you to read this entire offering memorandum carefully, including “Risk Factors” and our Combined Financial Statements and the notes thereto, included elsewhere in this offering memorandum, before deciding to invest in the Notes.*

*Unless otherwise indicated, all references to non-financial data in this offering memorandum are as of September 30, 2013.*

### Overview

We are the leading provider of mobile communications services in Guatemala, providing communications, data, entertainment and solutions services under the Tigo brand across the most extensive 2G and 3G networks in the country. With 8.3 million subscribers, we estimate our market share of mobile users in Guatemala at approximately 53.7% as of September 30, 2013. We established ourselves in 1990 as the first mobile operator in Guatemala and have maintained a market-leading position since 2007, following the entry of additional mobile operators in 1999. We are evolving beyond traditional mobile communications and data services to offer a combination of corporate solutions, fixed-line, cable TV, broadband services and mobile financial services, or MFS, to retail and business customers in Guatemala.

We are jointly owned by Millicom International Cellular S.A. (“Millicom” and together with its subsidiaries, the “Millicom Group”), which indirectly holds a 55% ownership interest in Comcel and each of the other Note Guarantors, and Mifflin Associates Corp. (“Mifflin”), which holds the remaining 45% ownership interest. Millicom offers digital lifestyle products and services primarily through wireless and cable TV/broadband networks in Central America, South America and Africa, mainly under the Tigo brand. We benefit from Millicom’s vast emerging markets operating experience, product development and technical expertise and sharing of best practices gained from its operations in 15 emerging market nations. We also benefit from the economies of scale that result from being part of Millicom’s global purchasing and supply chain. Mifflin is a holding company with interests in several lines of business, including telecommunications, real estate and renewable power. As Millicom’s local partner, Mifflin has greatly contributed to our success through its deep understanding of Guatemala’s economy and demographics (including our customer base) and through its relationships with commercial, industry and government partners.

We offer our products through four business units:

- Tigo Mobile (voice, SMS, data and other value-added services);
- Tigo Business (corporate and productivity solutions);
- Tigo Home (cable TV, fixed-line broadband and fixed-line telephone services); and
- Tigo Money (MFS).

For the twelve-month period ended September 30, 2013, we generated US\$1,143.7 million of revenue, of which US\$260.2 million was denominated in US dollars, and Adjusted EBITDA of US\$596.0 million, yielding an Adjusted EBITDA margin of 52.1%. Our net profit for the period was US\$362.5 million.

The following figure shows our revenue by business unit for the twelve-month period ended September 30, 2013:

	<b>Total revenue Twelve Months Ended September 30, 2013</b>
	<b>(in millions of US\$)</b>
Tigo Mobile.....	918.0
Tigo Business.....	105.5
Tigo Home .....	16.9
Tigo Money.....	1.0

*Tigo Mobile:* As of September 30, 2013, we had approximately 8.3 million mobile customers, which we estimate represented approximately 53.7% of the total mobile customer base in Guatemala, and our network comprised 4,322 cell sites and covered 87.4% of the country's total population. Our networks provide the most extensive coverage and highest reliability in our market, which has reached a mobile penetration rate of approximately 125%. We have developed an extensive distribution network for the sale of our products and services across the country.

In order to maintain our leading market share and enhance our profitability in a market with high penetration, we tailor our mobile service offerings to meet the communications needs of our targeted customer segments and offer a comprehensive range of prepaid and postpaid service plans. We target customer segments by classifying them by, among other factors, projected average revenue per user per month ("ARPU"), preferred activities, education level, budget, region, age, type of device and gender. As of September 30, 2013, 95.3% of our customers received our services on a prepaid basis and 4.7% of our customers received our services on a postpaid basis. Our prepaid customers generated 83.4% of our mobile revenue for the twelve months ended September 30, 2013. Our postpaid customers, who have a higher ARPU and tend to use more value-added services that we have introduced to the Guatemalan market, such as MMS, music and video streaming, generated 16.0% of our mobile revenue for the same period. While ARPU among our prepaid customers is lower, these customers receive no handset subsidies from us and can be serviced at a lower cost than our postpaid customers.

As smartphone penetration and data usage increase in Guatemala, we will continue to design and offer bundle packages that promote continued usage of our voice and SMS services while allowing us to capture and monetize growth in mobile broadband. We tailor our offers to meet the divergent data usage patterns and differing demands of the prepaid and postpaid customer segments. For example, in order to provide lower cost options we offer prepaid plans with lower voice minute rates at certain times of the day and plans with volume discounts for certain bundles of voice minutes and SMS. In the postpaid segment we offer flexibility to our customers by allowing them to build their own data plans based on their needs. Additionally, we offer our postpaid customers discounts for smartphones in attractive pricing packages.

*Tigo Business:* Through this business unit we offer an array of corporate and productivity solutions and services to the Guatemalan operations of multinational corporations, large businesses, small and medium enterprises ("SME") and home offices in Guatemala. These services include mobile products and services, fixed-line broadband, enterprise VoIP, IP video conferencing, IP-PBX and cloud services. This business unit's differentiating proposition is to provide attractive pricing, end-to-end solutions and after-sales customer service in a market where many businesses have limited experience and resources to maintain IT infrastructure. As of September 30, 2013, Tigo Business had 8,286 customers, which we estimate represents approximately 32.3% of the total corporate market in Guatemala.

*Tigo Home:* Tigo Home currently offers consumers fixed-line broadband and cable TV services in Guatemala City and its high-density surrounding areas. Through a dedicated in-house team in charge of inorganic growth in this segment, we have focused on consolidating our network and expanding our customer base through a series of acquisitions beginning in January 2012. We expect this process of inorganic growth to continue as Tigo Home grows scale. Tigo Home currently provides services branded under Cable Fusión and other legacy brands, had

118,759 cable TV subscribers as of September 30, 2013, which we estimate represents approximately 15% of the market in Guatemala. The home internet and cable TV market in Guatemala is fragmented. We estimate that Claro, the market leader, currently services approximately 21% of the market while approximately 64% of the market is serviced by more than 500 small providers, predominantly in rural areas of the country. In the near future, we expect to offer fixed-line telephone services through this business unit using existing cable infrastructure and VOIP technology, which will allow us to offer “triple-play” bundled video, data and voice services. Currently, we offer our Tigo Home services only on a postpaid basis, but we expect to offer prepaid cable TV, prepaid fixed-line broadband and, in rural areas of the country and areas without HFC network coverage, direct broadcast satellite (direct-to-home, or DTH) television services in the near future. We believe that the addition of these products tailored to additional segments of the consumer market will allow us to expand our Tigo Home customer base significantly.

*Tigo Money:* Through our Tigo Money business unit, we offer MFS products to our mobile customers including mobile top-ups, peer-to-peer credits, bill payment to Tigo Mobile and several other third parties including utility companies and local and international remittances. We believe that MFS products offer a significant untapped opportunity in Guatemala to generate incremental revenue largely by using our existing products and infrastructure and for our products and services to become further embedded in our customers’ lives. Our mobile subscribers who use our MFS services tend to generate higher ARPU and churn less frequently. Millicom has shown strong penetration of MFS in other of its markets where it introduced MFS earlier than we have in Guatemala, with MFS penetration of 43% in Tanzania and 29% in Paraguay as of June 30, 2013. As of September 30, 2013, our MFS products had been used on 534,729 registered handsets and at least once in the prior 60 days on 284,950 registered handsets. As part of our growth strategy for this unit, we are focusing on increasing transactional volume and the MFS products available to our mobile subscriber base, for example by developing salary payment products and building bank alliances.

### **Competitive Strengths**

We believe the following strengths will help us maintain our position as the leading provider of mobile communications and allow our additional and developing products and services to continue to succeed in Guatemala:

***Superior Network Coverage and Reliability.*** We have made significant capital investments to expand the reach, capacity and reliability of our 2G and 3G networks. As a result, we provide the most extensive coverage in the country and the highest strength signal in the majority of our coverage area. Customer satisfaction surveys indicate that our network is considered to be the highest quality network in Guatemala. Our 2G network is deployed in all urban areas in Guatemala, which represents 87.4% of the country’s population. We launched our 3G network in 2008, initially deploying it in Guatemala’s most densely populated urban areas, and as the popularity of smartphones increases we continue to expand our 3G network into other parts of the country. We currently offer voice and value-added services over our 3G network to a geographic area covering 60.2% of the country’s population. Our networks have been designed to support significant traffic volumes above current levels without sacrificing service quality. We intend to make disciplined investments in the future to ensure our networks continue to provide the superior coverage and quality for which our Tigo brand is known.

***Strong Brand.*** We believe that our Tigo brand, launched in 2004, is one of the most recognized and well-respected brands in Guatemala. Tigo is generally associated with high quality, availability, customer service and innovation. Through our use of extensive, unique and customized integrated marketing strategies and programs which are designed to target the different consumer segments that we cover, we cultivate a fresh, modern image that has resonated with both the young urban and the corporate customer markets, thus forging a strong emotional bond with Guatemalans. Our highest profile and most successful marketing efforts include Tigo Fest, an annual music event that has succeeded in bringing top international performers including Enrique Iglesias, Jennifer Lopez, Pitbull, Mana, Mark Anthony, Paul van Dyk, Red Hot Chili Peppers and Shakira to Guatemala, and our sponsorship of the national soccer association. We believe that market research and other key performance indicators demonstrate the strength of our brand in Guatemala, including mobile market share, which we estimate to be approximately 53.7% as of September 30, 2013. Our own market research conducted in August 2013 shows we have a “top of mind” indicator (reflecting the brand named by subjects when asked to name any mobile brand) of 66% in Guatemala, which is over 45 percentage points higher than the second-placed brand, and a “spontaneous awareness” indicator

(reflecting a subject's familiarity with a brand) of 95% in Guatemala. Furthermore, our "brand preference" indicator is 54%, which is over 30 percentage points higher than the second-placed brand. We believe we further benefit from recognition due to the popularity of the Tigo brand in other Central and South American markets serviced by other Millicom affiliates.

***Extensive and Highly Efficient Distribution Network.*** We have the most extensive and efficient distribution network in the market, allowing our customers to conveniently purchase our products and services. Our distribution network consists of six exclusive dealers who operate on a regional basis within Guatemala and have a longstanding presence in their local service areas. Our exclusive dealers are responsible for the distribution of our products to over 65,000 retail outlets throughout Guatemala. We sell directly to customers through our company-owned, Tigo-branded service centers and mini service centers. We also sell our products and services through freelance sales representatives and via our in-house corporate sales team. Through our relationships with international distributors, including IDT, KDDI, Touch Tel, DARIA, ISEND and Dollar Phone, our customers can receive airtime credits sent by their family and friends from the United States and Canada, where a large number of expatriate Guatemalans live. We allow our customers to purchase airtime through various methods, including scratch cards, SMS-based recharging via an electronic platform, or "ePin", and other electronic formats and portals. Over the past several years, we have grown ePin to be the primary balance recharge method (approximately 80%-90% of top-ups since 2009) used by our customers as it substantially reduces our inventory costs, minimizes inventory stock-outs, reduces fraud and is easier for us to monitor. We leverage our distribution with a proprietary, in-house system to monitor the performance of our dealers, airtime sales, scratch card and equipment inventory, and sales activations of new SIM cards and handsets.

***History of Market Share Leadership.*** We were the first provider of mobile communications services in Guatemala, launching our commercial operations in 1990. Despite an increasingly competitive environment over the past several years and the presence in Guatemala of large mobile operators América Móvil S.A.B. de C.V. and Telefónica S.A., we have maintained our market leading position since 2007 and currently have a market share of approximately 53.7% in a market with three nationwide mobile operators. For a discussion of how we calculate our market share, see "Presentation of Financial and Other Information—Market Share." We believe our leading market position provides us with certain key benefits. The size of our customer base relative to that of our competitors enables our customers to make in-network calls (for which we do not have to charge or pay interconnection fees) to a greater number of individuals, allowing us to offer competitive price plans that reward in-network calling and also incentivizes our customers not to use SIM cards from multiple operators.

***Consumer-Focused and Innovative Culture.*** We have developed a unique corporate culture based on consumer focus, innovation, flexibility and commitment to our employees and the communities we serve. We seek to leverage our experienced employee base and their deep knowledge of the Guatemalan market to anticipate the needs of our customers, to develop innovative products and services tailored specifically for our market, and to provide superior customer service. We have a dedicated internal team that analyzes and serves our most loyal and highest ARPU customers (those whose average ARPU in the previous four months is at least Q140, or US\$17.65), which we refer to as high value consumers, or HVC, and also have a cross-business unit business intelligence team whose purpose is to generate competitive advantages by aggregating, analyzing and converting data into actionable information. Through these and related initiatives, in recent years we have introduced a number of innovative products and services, including per-second billing, the ability for our customers to transfer airtime and SMS credits to one another ("Peer to Peer" balance lending) and to borrow airtime and SMS credits from us through our "Tigo Lends You", or "*Tigo Te Presta*," service, as well as products tailored to specific customer segments, such as our daily personalized offers, or "*Paquetigos*." Our consumer-focused culture has been instrumental in creating a rewarding customer experience and increasing customer loyalty. Our consumer focus and ability to innovate will be greatly beneficial as we progress to products other than traditional mobile communications and data services.

***Shareholders with Significant Emerging Markets and Local Expertise.*** We benefit greatly from the knowledge and resources of our shareholders. Millicom, our largest shareholder, is a global telecommunications group offering mobile and fixed-line telephony, cable and broadband businesses in 15 countries in Central America, South America and Africa. Millicom has over 20 years of experience in emerging markets, and Guatemala is one of its most important ventures. We also benefit greatly from the local knowledge, relationships and expertise of our other significant shareholder, Mifflin. A major contributor to our success has been our ability to leverage best



practices, resources, and products and services developed in Millicom's other operations around the world. Our ability to leverage Millicom's experience and agreements with equipment suppliers has also contributed to reducing our cost structure, which allows us to pass along savings to customers in the form of affordable plans and equipment. While Millicom helps to guide our strategic direction and capital investments, it also provides us the flexibility to adapt our culture and services to our specific market. Our management team has benefited from secondments to other Millicom operations across the world, building on their global knowledge and expertise.

***Experienced Management Team with Demonstrated Track Record of Success.*** Our management team has considerable expertise in the telecommunications industry and comprises a unique combination of local knowledge, product development and customer care capabilities. Our demonstrated track record of cost-efficient management and sustainable growth is exhibited by our Adjusted EBITDA margins, which were 51.6%, 55.2% and 56.2% in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011, respectively. The team has proven execution capabilities, as shown by successfully expanding the reach, capacity and reliability of our networks in order to provide our customers the most extensive coverage in Guatemala, demonstrating that it has the potential to steer our business beyond traditional mobile communications and into our customers' homes and businesses. Our management's expertise, continuity and capabilities are key competitive advantages in the evolving Guatemalan telecommunications industry.

## **Business Strategy**

We believe the following components of our business strategy provide the foundation for us to maintain and grow our market leading position in Guatemala and enhance our profitability:

**Retain and Build on Our Leading Mobile Communications Market Share.** At 53.7%, we have the largest share of the mobile communications market in Guatemala. Our strategy is to retain and grow that market share by:

- continuing to make disciplined investments, particularly in enhancing our extensive 3G network and incorporating technologies that improve our capabilities and network efficiency, to support our long-term business plan and the increasing demand for value-added services in our market;
- increasing customer loyalty and improving customer experience through the continued use of personalized promotions and offers resulting from our extensive business intelligence and data analysis of the various customer segments in our market and the critical mass of our subscriber base;
- employing a distribution strategy that seeks to maximize the accessibility of our products and services—for example, by educating our clients on the benefits of smartphones via our distribution channels—through our extensive distribution network and proprietary distribution management system;
- continuing to introduce innovative products and services that expand our appeal to users and offers them a holistic digital experience; and
- continuing to build brand equity through relevant and integrated marketing strategies and programs.

***Grow Mobile Value-Added Services Revenue.*** Value-added services (non-voice) accounted for 35.3% of our recurring revenue (total revenue less the sale of telephone handsets and equipment and revenue from off-network customers) for the twelve months ended September 30, 2013. We plan to continue to develop and market innovative value-added products and services to grow our ARPU, diversify our sources of revenue, attract new customers and increase the number of products and services we sell per customer. We began to offer value-added services with the introduction of SMS in 1999 and our portfolio has grown rapidly since. Our portfolio of value-added products and services currently includes offerings such as SMS and MMS and is focused on data services such as mobile internet access, mobile television, content downloads, ring tones, cloud-based products, customized ringback tones based on customers' music preferences and music sharing, as well as services that permit our prepaid customers to continue using our products and services despite having exhausted their account balance. Given our leading market position and the high level of penetration in our market, we believe we are well positioned to capitalize on opportunities to cross-sell and up-sell these higher value services to our existing customer base, especially through the growth we are

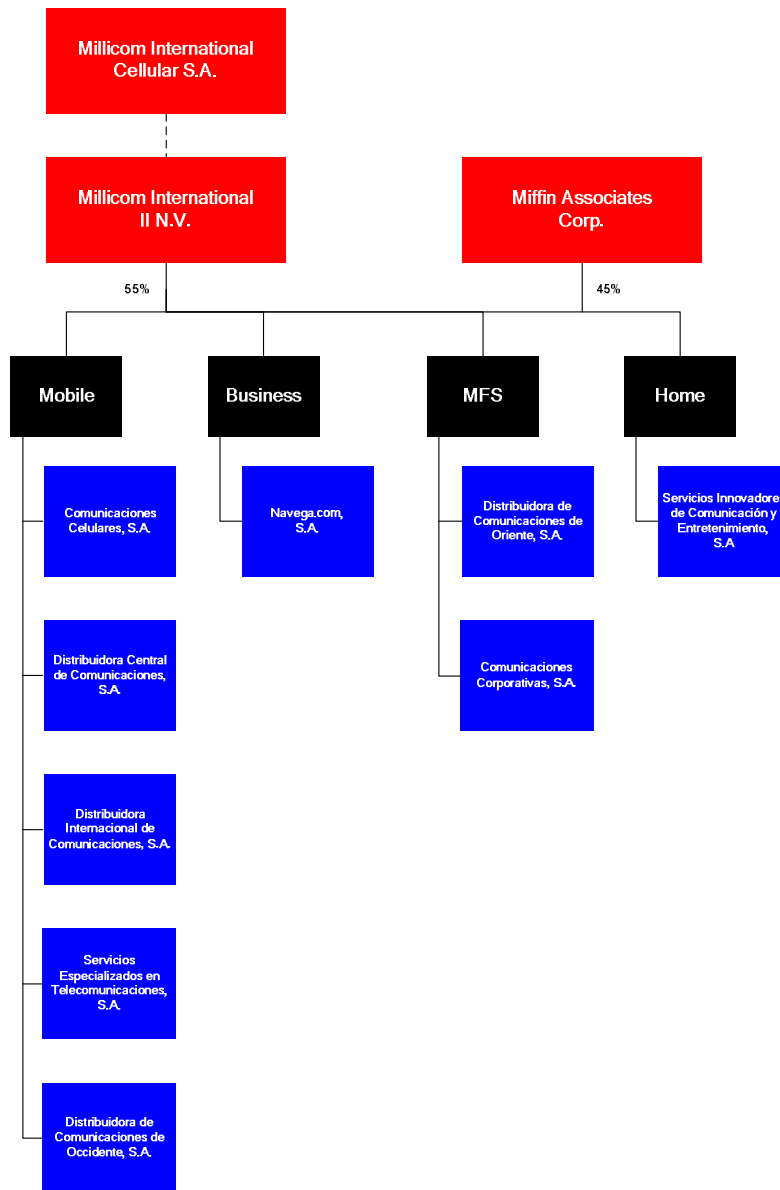
experiencing in mobile broadband. Our focus is therefore on generating higher ARPU from existing customers rather than solely on adding new subscribers.

***Maximize the Cross-selling Potential of Tigo Business and Tigo Home.*** Given the competitive nature of our market, we are evolving beyond traditional mobile communications and data services to offer a combination of corporate solutions, fixed-line broadband, fixed-line telephone, cable TV and MFS products to retail and business customers in Guatemala. Positioning Tigo Business as an integral solutions provider and strategic partner to our corporate customers, and making cable TV and fixed-line broadband our gateway into our customers' homes through Tigo Home are significant elements of this strategy. Through Tigo Business, we intend to maximize cross-selling opportunities by expanding our portfolio of products and services and designing end-to-end customer solutions that incorporate mobile and fixed-line technologies. For Tigo Home, our strategy is to continue growing our network and customer base through disciplined, bolt-on acquisitions, organic growth (especially following the re-branding of our offerings under the "Tigo" brand), and, ultimately, offering triple-play bundled services to our home customers and increasing penetration of services such as digital TV and video-on-demand.

***Capitalize on our MFS Competitive Advantage.*** We believe that our MFS in Guatemala, under the brand name "Tigo Money", provide significant convenience and efficiency benefits to our customers and set us apart from our competitors. Tigo Money's products, which are accessible by mobile telephone and are available exclusively to our customers, include international and national money transfers, "Peer to Peer" payments and payments for local services such as electricity and water. Tigo Money products incentivize customers to use our mobile products and services, make their Tigo phones a more essential part of their daily lives, and therefore reduce churn in our mobile customer base. Our market research estimates that Tigo Money has the largest share of the MFS market in Guatemala, and as of September 2013 approximately 3.6% of our mobile customers regularly used one or more of these services. We expect that a growing proportion of our customers will use our MFS products in the future. These convenient and innovative services marketed under our brand name and through our approximately 65,000 points of sale and 3,000 activation points around the country offers us a sustainable competitive advantage.

## **Corporate Structure**

Millicom indirectly owns a 55% indirect interest in Comcel and each of the other Note Guarantors. The remaining 45% is owned by Miffin Associates Corp. The list below sets forth each Note Guarantor under its respective business unit. For further details about our relationship with Millicom and Miffin, see "Certain Relationships and Related Party Transactions."

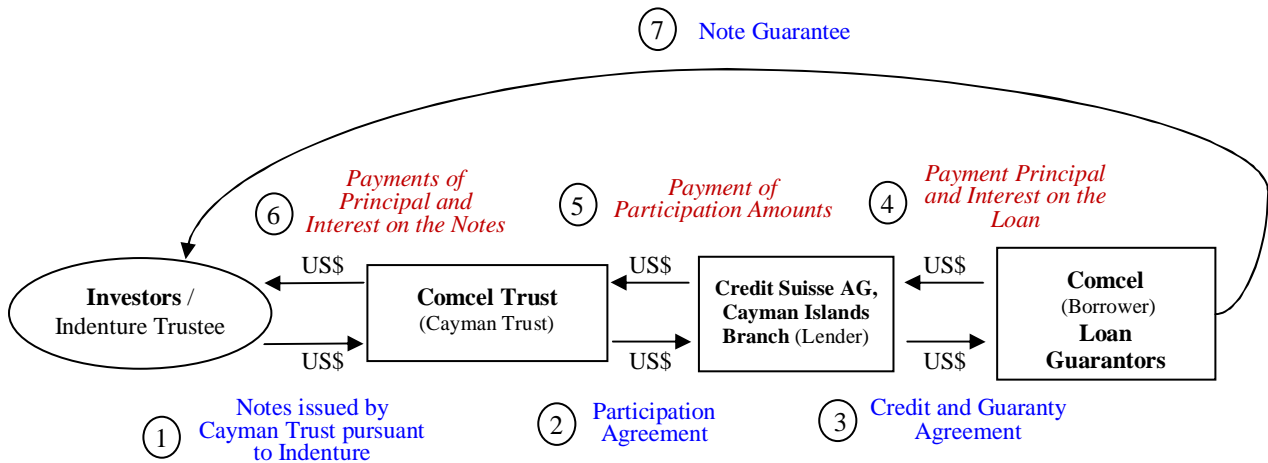


### Corporate Headquarters

Our principal executive offices are located at Km 9.5 Carrera a El Salvador, Plaza Tigo, 4to nivel Torre 1, Santa Catarina Pinula, Guatemala, and our telephone number is +502 2428-1000. Our website is [www.tigo.com.gt](http://www.tigo.com.gt). Information in or connected to our website is not part of this offering memorandum.

## TRANSACTION DIAGRAM

*The following diagram illustrates the structure of the transaction described in this offering memorandum. The diagram is intended to provide an overview of the flow of funds to and from the Trust and investors. The diagram does not purport to be complete and is qualified in its entirety by, and should be reviewed in conjunction with, the more detailed information included elsewhere in the offering memorandum and the other documents described herein.*



1. The Trust issues and sells US\$800,000,000 of the Notes pursuant to the Indenture entered into with the Indenture Trustee that are purchased by investors.

As described herein, the Trust is not a separate legal entity under Cayman Islands law. The Cayman Trustee, whose liability will be limited to the assets of the Trust, will carry out the purposes for which the Trust was established. All references herein to the Trust shall, where the context so requires, be construed as references to the Cayman Trustee acting as trustee under the Declaration of Trust described under “The Trust” below.

2. The Trust uses the proceeds of such issuance to acquire from the Lender a loan participation (the “Participation”) pursuant to the Participation Agreement described under “The Participation Agreement.” Through the Participation Agreement, the Trust assumes the credit risk associated with the Loan made under the Credit and Guaranty Agreement.

3. The Lender makes the Loan to Comcel, as Borrower, and the Loan Guarantors guarantee the Loan, as provided in the Credit and Guaranty Agreement. See “The Credit and Guaranty Agreement and the Loan.”

4. Comcel, as the Borrower, makes principal, interest and other payments to the Lender in accordance with the terms of the Credit and Guaranty Agreement.

5. The payments payable to, or received by, the Lender are transferred to the Trust pursuant to the Participation and the Participation Agreement.

6. Pursuant to the Indenture, the Trust pledges its assets, including its interest in the Participation, certain rights under the Expense Reimbursement and Indemnity Agreement (as defined below) and certain other property, to the Indenture Trustee acting on behalf of the holders of Notes and, as a result, distributes payments payable to, or received from, the Lender under the Participation Agreement and certain payments under the Expense Reimbursement and Indemnity Agreement to the holders of the Notes.

7. Comcel and the Loan Guarantors, as the Note Guarantors, guarantee the interest and principal payments on the Notes net of any amounts paid by the Borrower to the Lender on account of the Loan, regardless of whether the Trust has received such amounts, and the performance of all other obligations of the Trust under the Indenture and the Notes, which guarantee is subject only to the condition that the Loan shall have been fully disbursed to the Borrower.

Upon a default or an event of default under the Credit and Guaranty Agreement and certain other circumstances, the Lender may assign to the Trust all of the Lender's right, title and interest under the Credit and Guaranty Agreement and certain related agreements. See "The Credit and Guaranty Agreement and the Loan—Assignments."

### **The Trust**

The Trust was constituted on January 8, 2014, pursuant to a Declaration of Trust (as the same may be amended, supplemented or otherwise modified from time to time, the "Declaration of Trust") made by the Cayman Trustee, and acknowledged by GTCS Enforcers Limited, as the enforcer (the "Enforcer"). The Trust is a Cayman Islands purpose trust (commonly known as a "STAR trust") to which Part VIII of the Trusts Law (as amended) of the Cayman Islands shall apply. The legal name of the Trust is Comcel Trust.

The Cayman Trustee as trustee of the Trust holds a 100% participation interest, and certain related rights described herein, in the Loan. The Declaration of Trust provides that the primary purposes of the Trust are to issue the Notes to investors pursuant to the Indenture, to pay all amounts owed under the Notes and the Indenture when such amounts are due solely out of the proceeds obtained from the Participation and other assets constituting the Trust Assets and to perform its obligations under the other transaction documents to which it is a party in connection with the issuance of the Notes and the transactions contemplated therein. The Declaration of Trust further provides that:

- the Cayman Trustee is entitled to resign as the trustee of the Trust on giving sixty days' notice to the Indenture Trustee and the Enforcer;
- the Cayman Trustee will not be liable for the consequences of any act or omission of itself or any agent, delegate or adviser, or any breach of trust, unless it shall constitute gross negligence (as defined in the Declaration of Trust), willful default, fraud or reckless disregard;
- the Cayman Trustee is entitled to be remunerated in accordance with the provisions of the Expense Reimbursement and Indemnity Agreement and to be reimbursed for its expenses incurred by reason of its duties relating to the Trust;
- the Enforcer has a fiduciary duty to act responsibly with a view to the proper execution of the Trust;
- the Enforcer is entitled to be remunerated in accordance with the provisions of the Expense Reimbursement and Indemnity Agreement for acting as enforcer and the Declaration of Trust provides for the indemnification of the Enforcer under the circumstances described therein; and
- the Enforcer has no duty to supervise or investigate the administration of this Trust save that the Enforcer shall investigate any allegation of wrongdoing or unfitness on the part of the Cayman Trustee made by the Indenture Trustee or any other person named in the business plan of the Trust.

The Trust is not a legal entity. Accordingly, references to the Trust shall, where applicable, mean the Cayman Trustee acting as trustee of the Trust or its duly appointed agent or delegate. All references to the Cayman Trustee shall, for the avoidance of doubt unless otherwise stated, mean the Cayman Trustee acting as trustee of the Trust.

The holders of the Notes only have a contractual relationship with the Cayman Trustee under the Indenture. The holders of the Notes are not beneficiaries of the Trust and neither the Trust nor the Cayman Trustee owes them any fiduciary duties.

The Cayman Trustee is a wholly owned subsidiary of Intertrust Holding (Cayman) Limited. The Cayman Trustee holds a trust license under the Banks and Trust Companies Law (as amended) of the Cayman Islands. Subject to the provisions of the Declaration of Trust, the Cayman Trustee has overall responsibility for the trusteeship and administration of the Trust, save as may be delegated under such provisions.

The Enforcer of the Trust is GTCS Enforcers Limited. The Enforcer is owned by Genesis Trust & Corporate Services Limited, which is a fully licensed trust company in the Cayman Islands regulated by the Cayman Islands Monetary Authority.

### **The Credit and Guaranty Agreement and the Participation Agreement**

Concurrently with the closing of this offering, Comcel will enter into the Credit and Guaranty Agreement in the aggregate amount of US\$800,000,000, which we refer to as the Credit and Guaranty Agreement. The Loan under the Credit and Guaranty Agreement will be made in a single disbursement on the Closing Date. The Loan will rank *pari passu* in right of payment with all of Comcel and the Loan Guarantors' existing and future senior indebtedness, and will be effectively subordinated to all of Comcel and the Loan Guarantors' secured indebtedness with respect to the value of the assets securing such indebtedness and to all of the existing and future liabilities of Comcel and the Loan Guarantors' subsidiaries that do not guarantee the Loan. For further information on the Credit and Guaranty Agreement, see "The Credit and Guaranty Agreement and the Loan."

As part of the closing of the Credit and Guaranty Agreement, the Lender will enter into the Participation Agreement with the Trust in order to grant a participation interest in substantially all of the rights and remedies of the Lender under the Credit and Guaranty Agreement. As a result of the Participation granted pursuant to the Participation Agreement, the Trust shall be entitled to receive all of the payments of principal, interest and other amounts payable by Comcel on, or with respect to, the Credit and Guaranty Agreement that are actually received by the Lender, together with all of the rights and remedies available to the Lender thereunder, subject to certain limited exceptions. Such rights and remedies will be exercisable by the Indenture Trustee, on behalf of the holders of the Notes, as a result of the pledge of the assets held by the Trust to the Indenture Trustee pursuant to the Indenture governing the Notes offered hereby. See "The Participation Agreement."

Credit Suisse AG, Cayman Islands Branch, an affiliate of Credit Suisse, one of the Initial Purchasers, will act as a lender under the Credit and Guaranty Agreement. See "Plan of Distribution."

## THE OFFERING

*The following is a brief summary of certain terms of the offering. For a more complete description of the terms of the offering, see “The Credit and Guaranty Agreement and the Loan,” “The Participation Agreement,” “The Trust” and “Description of the Notes and the Note Guarantees” in this offering memorandum. Capitalized terms used but not defined herein have the meanings assigned to such terms therein and in the Transaction Documents. You should carefully consider the risk factors under the caption “Risk Factors” before purchasing any Notes.*

### General Terms of the Notes

The Issuer	<p>Comcel Trust, or the Trust. The Trust is not a separate legal or juridical entity and all actions of the Trust shall in fact be actions of the Cayman Trustee acting as trustee thereof.</p> <p>The holders of the Notes will only have a contractual relationship with the Cayman Trustee as a result of the Indenture. The holders of the Notes are not beneficiaries of the Trust and the Cayman Trustee does not owe the holders of the Notes any fiduciary duties.</p>
Declaration of Trust	<p>The Trust was established under a Declaration of Trust, dated January 8, 2014 which is governed by the laws of the Cayman Islands.</p>
Notes Offered	<p>US\$800,000,000 aggregate principal amount of 6.875% senior notes due 2024 payable in U.S. dollars.</p>
Closing Date	<p>February 6, 2014.</p>
Maturity Date	<p>February 6, 2024.</p>
Note Interest	<p>The Notes will bear interest equal to that payable by the Borrower on the Loan at a fixed rate of 6.875% per annum, payable semiannually in arrears on February 6 and August 6 of each year, commencing on August 6, 2014. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.</p>
Amounts Payable under the Loan	<p>The principal amount of the Loan and the interest payable under the Credit and Guaranty Agreement are the same as the corresponding amounts owed in respect of the Notes, and the schedule of payments under the Loan corresponds to the schedule of payments under the Notes.</p>
Ranking	<p>The Notes will be senior secured obligations of the Trust and will rank <i>pari passu</i>, without any preference among themselves, with all other present and future obligations of the Trust (other than obligations preferred by statute or by operation of law).</p>

#### The Trust Assets

The assets of the Trust will consist of all cash and other proceeds received in connection with the Indenture, the Participation Agreement and the Participation in the Loan, the Credit and Guaranty Agreement (if it has been assigned to the Trust pursuant to the terms thereof), the Expense Reimbursement and Indemnity Agreement and the Additional Transaction Documents (as defined hereafter), as applicable, and all rights related to the foregoing (the “Trust Assets”).

#### Security

As security for the Notes, all of the Trust Assets will be pledged to the Indenture Trustee for the benefit of the holders of the Notes pursuant to the Indenture. See “Description of the Notes and the Note Guarantees—Security.”

#### Note Guarantees

The Borrower and Distribuidora Central de Comunicaciones, S.A., Distribuidora Internacional de Comunicaciones, S.A., Servicios Especializados en Telecomunicaciones, S.A., Distribuidora de Comunicaciones de Occidente, S.A., Navega.com, S.A., Distribuidora de Comunicaciones de Oriente, S.A., Comunicaciones Corporativas, S.A. and Servicios Innovadores de Comunicación y Entretenimiento, S.A. (collectively the “Loan Guarantors” and, together with the Borrower, the “Note Guarantors”) will absolutely, unconditionally and irrevocably guarantee, jointly and severally, to the Indenture Trustee, on behalf of the holders of the Notes (i) the punctual payment of the Notes, (ii) the performance of all other obligations of the Trust under the Indenture and the Notes (net, in each case, of any amounts paid by the Borrower in accordance with the Loan, whether or not those amounts have been paid to the Issuer or the Indenture Trustee in accordance with the terms of the Participation Agreement and the Indenture) and (iii) the performance of all obligations of the Borrower under the Expense Reimbursement and Indemnity Agreement.

The Note Guarantees will constitute senior, direct, unsecured, unconditional and unsubordinated obligations of the Note Guarantors, will rank *pari passu* in right of payment with all other present and future senior, unsecured and unsubordinated indebtedness of the Note Guarantors.

#### Limited Recourse Obligations

Payments will be made on the Notes, and the Notes will be redeemed, only to the extent the Trust receives funds from the Trust Assets available to do so. See “Description of the Notes and the Note Guarantees—Source of Available Funds.” Remedies are subject to certain limitations described under “Description of the Notes and the Note Guarantees—Limitations on



	<p>Remedies.” The Notes do not represent interests in or obligations of the Lender or any of its affiliates or any other person or entity other than the Trust, and are subject to the limited recourse provisions described under “Description of the Notes and the Note Guarantees.” However, claims under the Note Guarantees are direct claims on the Note Guarantors.</p>
Use of Proceeds	<p>The net proceeds from the offering of the Notes will be used by the Trust on the Closing Date to acquire the Participation. The Lender will use the proceeds of the sale of the Participation to disburse the Loan to the Borrower.</p>
Indenture	<p>The Notes will be issued pursuant to the Indenture among the Trust, as issuer, The Bank of New York Mellon, as Indenture Trustee, (the “Indenture Trustee”) Registrar, New York Paying Agent and Transfer Agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent thereunder.</p>
Change of Control Offer	<p>Upon the Trust’s receipt from the Borrower or the Lender of a notice of a change of control that results in a rating decline, pursuant to the Credit and Guaranty Agreement, the Trust will offer to purchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest thereon to the purchase date, and any Additional Amounts (as defined hereafter), thereon, pursuant to the Borrower’s change of control offer under the Credit and Guaranty Agreement. See “The Credit and Guaranty Agreement and The Loan—Certain Covenants—Mandatory Prepayments—Change of Control Prepayment” and “Description of the Notes and the Note Guarantees—Change of Control.”</p>
Redemption	<p>The Notes will be subject to redemption upon the occurrence of any optional or mandatory prepayment by the Borrower of the amounts outstanding from time to time under the Credit and Guaranty Agreement and the Loan due to the occurrence of:</p> <ul style="list-style-type: none"> <li>• an optional prepayment of the Loan described under “The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment with a Make-Whole Premium,”</li> <li>• an optional prepayment of the Loan as described under “The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment Without a Make-Whole Premium,”</li> <li>• an optional prepayment of the Loan as described under “The Credit and Guaranty Agreement and the</li> </ul>

Loan—Optional Prepayments—Optional Prepayment upon a Withholding Tax Event,”

- an optional prepayment of the Loan as described in “The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment upon a Change of Control Remainder,”
- a prepayment of the Loan as described under “The Credit and Guaranty Agreement and the Loan—Mandatory Prepayments—Change of Control Prepayment,”
- an Asset Sale Prepayment Event as described under “The Credit and Guaranty Agreement and the Loan—Mandatory Prepayments—Asset Sale Prepayment Event”; or
- an acceleration of amounts as a result of the occurrence of an event of default under the Indenture.

See “Description of the Notes and the Note Guarantees—Redemption Events.”

#### Tax Reimbursement Payments

Subject to certain exceptions, the Borrower and the Loan Guarantors will pay the Trust such additional amounts (“Tax Reimbursement Payments”) as may be necessary (after taking into account the effect of any Additional Amounts paid by Borrower or any Loan Guarantor pursuant to the Credit and Guaranty Agreement) to ensure that the amounts received by the Trust and the holders of the Notes, after giving effect to any taxes imposed or levied by or on behalf of Guatemala, the Cayman Islands, Switzerland, the United States or any other jurisdiction where the Borrower or any Loan Guarantor is organized, resident for tax purposes, or is subject to net income or franchise tax, from or through which payments under the Credit and Guaranty Agreement are made, or any political subdivision thereof or any authority therein having the power to tax, will equal the respective amounts that would have been receivable in respect of the Credit and Guaranty Agreement, the Notes and the Note Guarantees in the absence of such taxes. See “The Trust—Expense Reimbursement and Indemnity Agreement—Tax Reimbursement Payments.”

#### Covenants of the Trust

The terms of the Indenture will require the Cayman Trustee, acting as trustee of the Trust, among other things, to:

- pay all amounts owed by the Trust, and comply with all its other obligations under the Notes and the Indenture, to the extent of the amount available in

the Trust from funds received under the Participation;

- perform each of its obligations under the various other documents entered into in respect of the Trust in connection with the issuance of the Notes and the transactions contemplated herein;
- maintain all necessary governmental approvals and consents;
- maintain the books and records of the Trust in accordance with applicable law;
- maintain an agent in New York County for the purpose of service of process;
- give notice to the Indenture Trustee of certain events;
- maintain its existence;
- comply with all applicable laws;
- pay any applicable taxes;
- maintain the ranking of the Notes; and
- provide certain financial statements, if any, to the Indenture Trustee.

In addition, the terms of the Indenture will restrict the Cayman Trustee's ability, among other things, to:

- undertake certain mergers, consolidations or similar transactions with respect to the Trust;
- create liens on the Trust Assets (other than the lien on the assets of the Trust securing the Notes);
- enter into sale and lease-back transactions with respect to the Trust;
- cause the termination of the Trust without the required consent of the holders of the Notes.

#### Covenants of the Note Guarantors

The terms of the Indenture will contain covenants that will limit the Note Guarantors and their restricted subsidiaries' ability to, among other things:

- incur, assume or guarantee additional indebtedness;
- pay dividends or distributions on, or redeem or repurchase, their capital stock or subordinated debt;

- make certain investments and other restricted payments;
- create limitations on the ability of their restricted subsidiaries to pay dividends, make loans, or transfer property to the Note Guarantors;
- enter into sale and leaseback transactions with respect to their assets or property;
- incur liens;
- guarantee the Note Guarantors' subordinated debt;
- dispose of assets;
- enter into certain transactions with affiliates;
- engage in business other than the telecommunications services and related businesses, including media and financial services; and
- consolidate, merge or transfer all or substantially all of their assets and the assets of their subsidiaries.

These covenants are subject to a number of important limitations and exceptions. See "Description of the Notes and the Note Guarantees—Covenants of the Note Guarantors." In particular, although the Indenture will contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of important qualifications and exceptions, and the debt incurred in compliance with these restrictions could be substantial.

#### Events of Default under the Indenture

The Indenture will set forth that an event of default under the Credit and Guaranty Agreement will constitute an "event of default" under the Indenture. There are no other events of default under the Notes. See "Description of the Notes and the Note Guarantees—Events of Default."

The Credit and Guaranty Agreement contains events which may trigger an event of default and acceleration of the Loan. See "The Credit and Guaranty Agreement and the Loan—Events of Default." An acceleration of the Loan would trigger the obligation to mandatorily prepay the Notes.

## General Terms of the Loan Documents

Loan	US\$800,000,000 senior unsecured loan made by Credit Suisse AG, Cayman Islands Branch, as Lender, to Comcel, as Borrower, pursuant to the Credit and Guaranty Agreement.
Maturity Date	February 6, 2024.
Interest	The Loan will bear interest at a fixed rate of 6.875% per year (the “Interest Rate”). Interest on the Loan will be payable semiannually in arrears on February 6 and August 6 of each year (each such date, a “Payment Date”), or if such date is not a business day, the next succeeding business day, commencing on August 6, 2014. Interest on the Loan will be computed on the basis of a 360-day year of twelve 30-day months.
Loan Guarantee	Upon receipt by the Borrower of the full amount of the Loan, the Loan Guarantors will absolutely, unconditionally and irrevocably guarantee to the Lender (i) the punctual payment of the principal, interest, and other amounts due under the Loan and (ii) the performance of all other obligations of the Borrower under the Credit and Guaranty Agreement. See “The Credit and Guaranty Agreement and the Loan—Loan Guarantee.”
Ranking	<p>The indebtedness evidenced by the Loan will be senior, direct and unsecured and will rank <i>pari passu</i> in right of payment with all of the Borrower’s existing and future senior unsecured and unsubordinated indebtedness, and will be effectively subordinated to all of the Borrower’s secured indebtedness with respect to the value of the assets securing such indebtedness and to all of the existing and future liabilities of the Borrower’s subsidiaries that do not guarantee the Loan.</p> <p>The Loan Guarantor’s obligations under the Loan Guarantees will be senior, direct, unsecured, unconditional and unsubordinated obligations of the Loan Guarantors and will rank <i>pari passu</i> in right of payment with all other present and future senior, unsecured and unsubordinated indebtedness of the Loan Guarantors.</p>
Use of Proceeds	The Borrower intends to use the net proceeds from the borrowings under the Credit and Guaranty Agreement, after deducting estimated fees and expenses, to repay the existing indebtedness of the Borrower and the Loan Guarantors and to lend the balance of the proceeds of the Loan to the Borrower’s shareholders. See “Use of Proceeds.”

#### Optional Prepayment

At any time on or after February 6, 2019, the Borrower may prepay the Loan, in whole or in part, at the prepayment prices set forth in “The Credit and Guaranty Agreement and the Loan—Optional Prepayment—Optional Prepayment Without a Make-Whole Premium”, plus accrued and unpaid interest thereon (including Additional Amounts (as defined hereafter) and Tax Reimbursement Payments (as defined hereafter)), if any, to the applicable prepayment date.

At any time prior to February 6, 2019, the Borrower may prepay the Loan, in whole or in part, at a prepayment price the greater of the outstanding principal amount of the Loan and a “make-whole” amount, plus accrued and unpaid interest thereon (including Additional Amounts and Tax Reimbursement Payments), if any, to the applicable prepayment date. See “The Credit and Guaranty Agreement and the Loan—Optional Prepayment—Optional Prepayment with a Make-Whole Premium.”

#### Optional Prepayment upon a Withholding Tax Event

The Borrower may prepay the Loan, in whole but not in part, at the principal amount thereof, plus accrued and unpaid interest (including Additional Amounts, if any) to but excluding the prepayment date, if, as a result of (i) any enactment of new laws or any change in, or amendment to, the laws (or any regulations or rulings issued thereunder) of Guatemala, the Cayman Islands, Switzerland, the United States or any other jurisdiction where the Borrower or any Loan Guarantor is organized, resident for tax purposes, or is subject to net income or franchise tax, from or through which payments under the Credit and Guaranty Agreement are made, or any political subdivision thereof or any authority having the power to tax therein, as applicable, or (ii) any change in the official application, administration or interpretation of such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction) in such jurisdiction, the Borrower has or will become obligated to pay Additional Amounts or Tax Reimbursement Payments in excess of those payable as of the date of the Credit and Guaranty Agreement on or in respect of the Credit and Guaranty Agreement, the Expense Reimbursement and Indemnity Agreement, the Indenture, the Notes, or the Note Guarantees which change or amendment is announced or occurs on or after the date of the Credit and Guaranty Agreement, and which obligation cannot be avoided by the Borrower taking reasonable measures available to it. See “The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment upon a Withholding Tax Event.”

#### Change of Control Prepayment

Upon the occurrence of a specified change of control event as described in this offering memorandum that results in a rating decline, the Borrower will be required to make an offer to prepay all or any portion of the Loan as requested by the Lender at a prepayment price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of prepayment and any Additional Amounts and Tax Reimbursement Payments due thereon. The actual amount of the Loan to be prepaid will be determined by the Lender acting upon instructions of the Trust, which itself will act based upon the aggregate amount of Notes validly tendered and not validly withdrawn pursuant to the Trust's Notes Change of Control Offer (as defined hereafter), as certified to the Indenture Trustee by the Trust pursuant to notice received by the Trust from the applicable tender agent for the offer (which may be the Indenture Trustee). See "The Participation Agreement—Administration of the Participation" and "Description of the Notes and the Note Guarantees—Change of Control."

#### Additional Amounts

Subject to certain exceptions, the Borrower and the Loan Guarantors will pay such Additional Amounts in respect of any Taxes imposed or levied by or on behalf of Guatemala, the Cayman Islands, Switzerland, the United States or any other jurisdiction where the Borrower or any Loan Guarantor is organized, resident for tax purposes, or is subject to net income or franchise tax, from or through which payments under the Credit and Guaranty Agreement are made, or any political subdivision thereof or any authority therein having the power to tax as may be necessary to ensure that the amounts received by the Administrative Agent or the Lender after such withholding or deduction will equal the respective amounts that would have been receivable under the Credit and Guaranty Agreement in the absence of such withholding or deduction (taking into account any taxes payable in respect of such Additional Amounts) whether or not such Taxes were correctly or legally imposed or asserted by the Relevant Taxing Jurisdiction.

The Participant will be entitled to payments of Additional Amounts to the same extent as if it were the Lender. In respect of periods during which the Participation is in effect, the provisions describing Additional Amounts shall be read by substituting "Participant (or beneficial owner on whose behalf the Participant holds the Participation)" for "Lender." See "The Credit and Guaranty Agreement and the Loan—Additional Amounts."

## Covenants

The terms of the Credit and Guaranty Agreement and the Additional Transaction Documents will require the Borrower and the Loan Guarantors, jointly and severally, among other things, to:

- pay all amounts owed by the Borrower under the Credit and Guaranty Agreement when those amounts are due and perform each of the Borrower's other obligations under the various Transaction Documents;
- maintain their respective books and records;
- maintain an agent in New York to whom notices and demands may be served;
- give notice to the Lender of any default or event of default under the Credit and Guaranty Agreement and of certain other events;
- preserve each of their corporate existence; and
- comply with laws and maintain government approvals.

## Events of Default

The Credit and Guaranty Agreement will contain certain events of default, consisting of the following:

- failure to pay principal on the due date thereof;
- failure to pay interest or any Additional Amounts due on the Loan within 30 days of the due date thereof;
- failure to make an Change of Control Offer (as defined hereafter) or Asset Sale Offer (as defined hereafter) and thereafter prepay a portion of the Loan in an amount sufficient to permit the Trust to accept and pay for Notes tendered when and as required pursuant to the Credit and Guaranty Agreement or the Borrower or any Loan Guarantor fails to comply with the covenant described in "Description of the Notes and the Note Guarantee—Merger, Consolidations and Certain Sales of Assets of the Note Guarantors";
- failure by the Borrower or any Loan Guarantor to perform certain obligations in the Credit and Guaranty Agreement or any Additional Transaction Document, and such failure continues for 60 days after written notice of such default has been given to the Borrower;
- the occurrence with respect to any debt of the Borrower or any Loan Guarantor or any of the



Borrower's or any Loan Guarantor's significant subsidiary having an outstanding principal amount of US\$50.0 million or more in the aggregate (x) of an event of default that results in such debt being accelerated prior to its scheduled maturity or (y) failure to make any payment of such indebtedness when due at stated maturity and such defaulted payment is not made, waived or extended within the applicable grace period;

- failure to pay one or more final judgments against any of the Borrower or any Loan Guarantor or any of their significant subsidiaries, aggregating \$50.0 million or more, for which, either (i) there is a period of 60 days or more following such judgment(s) during which such judgment(s) are not paid, discharged or stayed or (ii) an enforcement proceeding has been commenced by any creditor upon such judgments and is not dismissed within 60 days following commencement of such enforcement proceedings;
- certain bankruptcy defaults occur with respect to the Borrower, any Loan Guarantor or any significant subsidiary;
- any governmental authority of Guatemala (i) nationalizes, seizes or expropriates all or a substantial portion of the assets of the Borrower or one or more of the Loan Guarantors (taken together on a stand-alone basis) that represent, as of the end of the period of four full fiscal quarters most recently ended (the "*reference period*"), more than (a) 65% of combined EBITDA of the Borrower and the Loan Guarantors and their subsidiaries for such reference period or (b) more than 65% of combined total assets of the Borrower and the Loan Guarantors and their subsidiaries as of the end of such reference period (such one or more of the Loan Guarantors, the "*reference Loan Guarantors*"), or (ii) seizes, expropriates or impedes the use by the Borrower or the reference Loan Guarantors of an asset that is indispensable to their provision of mobile telecommunications services, or (iii) assumes control of the business and operations of the Borrower or the reference Loan Guarantors; and
- (i) the Credit and Guaranty Agreement or any Additional Transaction Document, at any time after their execution and delivery and for any reason, other than as expressly permitted hereunder and thereunder, shall cease to be in full force and effect or enforceable against any party thereto in accordance with their terms, or (ii) the Borrower or any Loan Guarantor shall contest the validity or

enforceability of any of the Credit and Guaranty Agreement or any Additional Transaction Document.

For more information, see “The Credit and Guaranty Agreement and the Loan—Events of Default.”

#### Assignment of the Loan

The Lender may, under certain circumstances and in accordance with applicable law, assign its Loan, in whole or in part, to the Cayman Trustee or certain other persons. For more information, see “The Credit and Guaranty Agreement and the Loan—Assignments.”

#### Participation Agreement

The Lender will enter into the Participation Agreement, dated as of the Closing Date, with the Trust.

Pursuant to the Participation Agreement, the Lender will grant a participation interest in all of the rights and remedies of the Lender under the Credit and Guaranty Agreement and the Loan and all proceeds thereof and rights and related interests with respect thereto, subject to certain limited exceptions.

As a result of the Participation granted pursuant to the Participation Agreement, the Trust shall be entitled to receive all of the payments of principal, interest and other amounts payable by the Borrower on, or with respect to, the Credit and Guaranty Agreement and the Loan as are actually received by the Lender, together with all of the rights and remedies available to the Lender thereunder (other than certain rights and interests retained by the Lender). Such rights and remedies will be exercisable by the Indenture Trustee, on behalf of the holders of the Notes, as a result of the pledge of the Trust Assets to the Indenture Trustee pursuant to the Indenture. See “The Participation Agreement.”

#### Expense Reimbursement and Indemnity Agreement

The Borrower and the Loan Guarantors will also enter into an Expense Reimbursement and Indemnity Agreement with the Lender, the Cayman Trustee, the Enforcer and the Indenture Trustee, for itself and for the benefit of the holders of the Notes, providing for reimbursement of specified expenses and indemnities, including indemnities with respect to securities law matters, taxes and other matters incurred in connection with the granting of the Loan, the administration of the Indenture and the issuance of the Notes, all as described under “The Trust—Expense Reimbursement and Indemnity Agreement.”

## Governing Law

The Credit and Guaranty Agreement, the Participation Agreement and the Expense Reimbursement and Indemnity Agreement will be governed by the laws of the State of New York. The promissory note under the Credit and Guaranty Agreement will be governed by the laws of Guatemala.

## Specific Terms of the Notes

### Plan of Distribution; Form of Notes

The Trust is offering the Notes in the United States only to “qualified institutional buyers” in reliance on Rule 144A under the Securities Act who are also “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act and outside the United States in compliance with Regulation S of the Securities Act. The Notes will be in fully registered form without interest coupons attached and will be represented by one or more Global Notes deposited with, or on behalf of, DTC. Definitive Notes will be available only under the limited circumstances described herein. See “Issuance, Form and Denomination.” Payments on the Notes will be settled in same-day funds to the extent received from the Borrower.

### Minimum Denominations

The Notes will be denominated and payable in U.S. dollars and will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

### Transfer Restrictions; Trading

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state in the United States and are subject to certain restrictions on transfer and resale. There is currently no market for the Notes, and we cannot assure you as to the development or liquidity of a market for the Notes. See “Risk Factors—Risks Relating to the Notes—The Notes are subject to transfer restrictions” and “—An active trading market for the Notes may not develop.”

### U.S. Federal Income Tax Consequences

For a discussion of the United States tax treatment of the Notes, see “Taxation—U.S. Federal Income Tax Matters.”

### Clearance and Settlement

The Notes will be issued in book-entry form through the facilities of DTC for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, or Euroclear, and Clearstream Banking, *société anonyme*, or Clearstream. Beneficial interests in the Notes held in book-entry form will not be entitled to receive physical delivery of definitive Notes except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see “Issuance, Form and Denomination.”

### Listing

The Trust has applied to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trade the Notes on the Euro MTF Market of the Luxembourg Stock Exchange.

Governing Law

The Indenture, the Notes and the Note Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The promissory note under the Credit and Guaranty Agreement will be governed by the laws of Guatemala. The Trust will be governed by, and construed in accordance with, the laws of the Cayman Islands.

Indenture Trustee, Registrar, New York Paying Agent and Transfer Agent

The Bank of New York Mellon.

Luxembourg Paying Agent and Transfer Agent

The Bank of New York Mellon (Luxembourg) S.A.

Risk Factors

Prospective investors should carefully consider the information under “Risk Factors” in connection with the other information contained in this offering memorandum.

## SUMMARY HISTORICAL FINANCIAL AND OTHER INFORMATION

The following table presents our summary historical financial data. The income statement data for the years ended December 31, 2012 and 2011 and the statement of financial position data as of December 31, 2012 and 2011 set forth below have been derived from our Audited Combined Financial Statements included elsewhere in this offering memorandum. The income statement data for the nine-month periods ended September 30, 2013 and 2012 and the statement of financial position data as of September 30, 2013 set forth below have been derived from our Interim Combined Financial Statements included elsewhere in this offering memorandum. The Interim Combined Financial Statements have been prepared on the same basis as the Audited Combined Financial Statements and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein. These combined financial statements have been presented in accordance with IFRS as adopted by the EU. Our summary combined financial information for the twelve months ended September 30, 2013 has been derived by adding our summary combined financial information for the year ended December 31, 2012 to our summary combined financial information for the nine months ended September 30, 2013 and subtracting our summary combined financial information for the nine months ended September 30, 2012. Such compilation has not been audited or reviewed.

Our Combined Financial Statements do not consolidate the subsidiaries over which Comcel and the Loan Guarantors exerted control as of, and for, the periods presented. The only such subsidiaries were Newcom Ltd. Bermuda and Millicom Cable 206 N.V., 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 Loan Guarantors as of, and for, the nine-month periods ended September 30, 2013. 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 Loan Guarantors, including those prepared for purposes of “Description of the Notes—Covenants of the Note Guarantors—Provision of Financial Information.”

This data is qualified in its entirety by reference to, and should be read in conjunction with, our Combined Financial Statements and accompanying notes, “Capitalization,” “Selected Historical Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this offering memorandum. The historical results are not necessarily indicative of our future results of operations or financial condition.

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
	(in thousands of US\$ except percentages and ratios)				
<b>Income Statement Data:</b>					
Revenue .....	1,143,680	855,833	841,206	1,129,053	1,111,512
Cost of sales .....	(315,343)	(236,922)	(209,479)	(287,900)	(286,045)
<b>Gross profit</b> .....	<b>828,337</b>	<b>618,911</b>	<b>631,727</b>	<b>841,153</b>	<b>825,467</b>
Sales and marketing .....	(205,215)	(152,329)	(139,021)	(191,907)	(181,950)
General and administrative expenses .....	(175,880)	(134,466)	(125,834)	(167,248)	(144,105)
<b>Operating profit</b> .....	<b>447,242</b>	<b>332,116</b>	<b>366,872</b>	<b>481,998</b>	<b>499,412</b>
Interest expense .....	(26,970)	(21,036)	(19,746)	(25,680)	(24,508)
Interest income .....	(1,607)	—	3,951	2,344	7,327
Other non-operating expenses, net .....	—	—	—	—	(171)
Foreign exchange gain (loss), net .....	3,710	(691)	(6,727)	(2,326)	9,755
<b>Profit before tax</b> .....	<b>422,375</b>	<b>310,389</b>	<b>344,350</b>	<b>456,336</b>	<b>491,815</b>
Charge for taxes .....	(59,842)	(46,802)	(40,801)	(53,841)	(53,501)
<b>Net profit</b> .....	<b>362,533</b>	<b>263,587</b>	<b>303,549</b>	<b>402,495</b>	<b>438,314</b>

	<b>Twelve Months Ended September 30, 2013</b>	<b>Nine Months Ended September 30,</b>		<b>Year Ended December 31,</b>	
		<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>
		<b>(in thousands of US\$ except percentages and ratios)</b>			
<b>Other Financial Data and Ratios</b>					
Recurring revenue(1) .....	1,041,364	779,650	767,910	1,029,624	1,004,926
Adjusted EBITDA(2) .....	595,993	441,768	468,609	622,834	624,191
Adjusted EBITDA Margin(3) .....	52.1%	51.6%	55.7%	55.2%	56.2%
Net debt to Adjusted EBITDA(4) .....	0.67	—	—	0.73	0.55
Total debt to Adjusted EBITDA(5) .....	0.73	—	—	0.78	0.68

- (1) Recurring revenue consists of monthly subscription fees, airtime usage fees, interconnection fees, roaming fees and fees from other telecommunications services such as data services, short message services and other value-added services and exclude revenue from the sale of telephone handsets and equipment and roaming fees from visitors to our network who are not our customers, which we believe reflects the regular and ongoing revenue of our customers and is therefore an appropriate metric to analyze the results of our operations. Recurring revenue is not a recognized term or recognized measure of performance under IFRS and should not be considered as an alternative to revenue as a measure of operating performance. We consider recurring revenue to be an important supplemental measure of our performance, which also facilitates operating performance comparisons from period to period. Because recurring revenue is not determined in accordance with IFRS, recurring revenue as presented may not be comparable to similarly titled measures of other companies.
- (2) We calculate Adjusted EBITDA by adding net finance costs; income tax; depreciation and amortization; net loss on disposal and impairment of assets and exchange gains and losses to our total comprehensive income. Adjusted EBITDA is not a recognized term or recognized measure of performance under IFRS and should not be considered as an alternative to net profits as a measure of operating performance or to net cash provided by operating activities as a measure of liquidity. We consider Adjusted EBITDA to be an important supplemental measure of our performance, which also facilitates operating performance comparisons from period to period. Because Adjusted EBITDA is not determined in accordance with IFRS, Adjusted EBITDA as presented herein may not be comparable to similarly titled measures of other companies.
- (3) We define Adjusted EBITDA Margin as our Adjusted EBITDA divided by revenue. Adjusted EBITDA Margin is not a recognized term or measure of performance under IFRS.
- (4) We calculate Net debt to Adjusted EBITDA by dividing our total borrowings (comprised of: debt and financing due to related parties; current other debt and financing; and non-current other debt and financing), less cash and cash equivalents, by our Adjusted EBITDA.
- (5) We calculate Total debt to Adjusted EBITDA by dividing our total borrowings (comprised of: debt and financing due to related parties; current other debt and financing; and non-current other debt and financing) by our Adjusted EBITDA.

The following table is a reconciliation of our net profit to Adjusted EBITDA:

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
(in thousands of US\$)					
Net profit.....	362,533	263,587	303,549	402,495	438,314
Net finance costs (1) .....	28,577	21,036	15,795	23,336	17,181
Income taxes.....	59,842	46,802	40,801	53,841	53,501
Depreciation and amortization.....	145,586	108,729	101,563	138,420	121,995
(Gain) loss on disposal and impairment of assets, net.....	3,165	923	174	2,416	2,955
Exchange (gains) losses, net.....	(3,710)	691	6,727	2,326	(9,755)
<b>Adjusted EBITDA.....</b>	<b>595,993</b>	<b>441,768</b>	<b>468,609</b>	<b>622,834</b>	<b>624,191</b>

(1) Net finance costs are equal to finance cost net of finance income.

The following table is a reconciliation of our cash and cash equivalents to total debt and net debt:

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
(in thousands of US\$ except for ratios)					
Cash, cash equivalents at the end of the year/period.....	38,125	38,125	83,881	32,474	83,324
<b>Non-current Liabilities</b>					
Debt and other financing due to related parties.....	3,242	3,242	8,327	3,207	—
Other debt and financing .....	341,785	341,785	425,098	398,397	286,350
<b>Current Liabilities</b>					
Other debt and financing .....	83,560	83,560	141,116	83,611	139,604
Amounts due to related parties.....	6,234	6,234	4,076	—	—
<b>Total debt.....</b>	<b>434,821</b>	<b>434,821</b>	<b>578,617</b>	<b>485,215</b>	<b>425,954</b>
<b>Net debt.....</b>	<b>396,696</b>	<b>396,696</b>	<b>494,736</b>	<b>452,741</b>	<b>342,630</b>
<b>Net debt to Adjusted EBITDA.....</b>	<b>0.67</b>	—	—	<b>0.73</b>	<b>0.55</b>
<b>Total debt to Adjusted EBITDA .....</b>	<b>0.73</b>	—	—	<b>0.78</b>	<b>0.68</b>

The following table shows certain information regarding our recurring revenue:

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
(in thousands of US\$ )					
Revenue from value-added services.....	367,106	279,363	246,579	334,323	266,282
Other recurring revenue.....	674,259	500,288	521,331	695,302	738,644
<b>Recurring revenue .....</b>	<b>1,041,364</b>	<b>779,650</b>	<b>767,910</b>	<b>1,029,624</b>	<b>1,004,926</b>
Non-recurring revenue .....	102,316	76,183	73,296	99,429	106,586
<b>Total revenue .....</b>	<b>1,143,680</b>	<b>855,833</b>	<b>841,206</b>	<b>1,129,053</b>	<b>1,111,512</b>



**Statement of Financial Position:**

	As of September 30, 2013	As of December 31, 20122011	
	(in thousands of US\$)		
<b>Assets</b>			
<b>Non-Current Assets</b>			
Intangible assets, net .....	142,144	146,997	155,338
Property, plant and equipment, net.....	619,597	566,862	504,363
Deferred taxation .....	1,463	1,235	1,774
Other non-current assets .....	1,933	2,620	459
<b>Total Non-Current Assets .....</b>	<b>765,137</b>	<b>717,714</b>	<b>661,934</b>
<b>Current Assets</b>			
Inventories.....	32,834	36,176	29,940
Trade receivables, net.....	64,962	52,494	45,024
Amounts due from related parties .....	116,291	353,051	423,101
Prepayments and accrued income .....	11,006	10,534	5,649
Current income tax assets .....	1,071	—	—
Supplier advances for capital expenditure .....	44,776	18,425	6,570
Other current assets.....	24,235	17,520	15,378
Restricted Cash .....	2,671	2,601	837
Cash and cash equivalents .....	38,125	32,474	83,324
<b>Total current assets.....</b>	<b>335,971</b>	<b>523,275</b>	<b>609,823</b>
<b>Total assets .....</b>	<b>1,101,108</b>	<b>1,240,989</b>	<b>1,271,757</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity contribution.....	14,009	14,009	4,366
Equity contribution reserve.....	4,579	3,620	2,586
Other reserves .....	67,668	66,466	69,617
Retained Earnings .....	324,958	444,111	543,369
<b>Total equity .....</b>	<b>411,214</b>	<b>528,206</b>	<b>619,938</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Debt and financing due to related parties .....	3,242	3,207	—
Other debt and financing.....	341,785	398,397	286,350
Provisions and other non-current liabilities .....	22,824	22,207	19,442
Deferred taxation.....	4,264	3,964	3,166
<b>Total non-current liabilities .....</b>	<b>372,115</b>	<b>427,775</b>	<b>308,958</b>
<b>Current Liabilities</b>			
Other debt and financing.....	83,560	83,611	139,604
Payables and accruals for capital expenditure .....	72,050	61,651	67,397
Other trade payables .....	45,670	32,670	12,657
Amounts due to related parties .....	6,234	—	—
Other accrued interest and accrued expenses .....	52,692	59,935	66,368
Current income tax liabilities .....	10,877	4,205	12,286
Provisions and other current liabilities.....	46,696	42,936	44,549
<b>Total current liabilities .....</b>	<b>317,779</b>	<b>285,008</b>	<b>342,861</b>
<b>Total liabilities .....</b>	<b>689,894</b>	<b>712,783</b>	<b>651,819</b>
<b>Total equity and liabilities.....</b>	<b>1,101,108</b>	<b>1,240,989</b>	<b>1,271,757</b>

# Statement of Cash Flows:.

	Nine Months Ended September 30,		Year Ended December 31,	
	2013	2012	2012	2011
	(in thousands of US\$)			
<b>Profit before tax .....</b>	<b>310,389</b>	<b>344,350</b>	<b>456,336</b>	<b>491,815</b>
<b>Adjustments for non-operating items:</b>				
Interest expense.....	21,036	19,746	25,680	24,508
Interest and income .....	—	(3,951)	(2,344)	(7,327)
Other non-operating expenses, net.....	—	—	—	171
Foreign exchange loss / (gain), net.....	691	6,727	2,326	(9,755)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization .....	108,729	101,563	138,420	121,995
Loss on disposal and impairment of assets, net .....	923	174	2,416	2,955
Impairment of goodwill .....	—	—	—	—
Share-based compensation .....	959	778	1,034	750
Other non-cash items.....	—	(2,090)	(2,090)	742
	<b>442,727</b>	<b>467,297</b>	<b>621,778</b>	<b>625,854</b>
(Increase)/Decrease in trade receivables, prepayments and other current assets .....	(18,125)	(59,094)	(8,537)	(13,796)
(Increase)/Decrease in inventories.....	3,342	(9,220)	(6,132)	(7,347)
Increase/(Decrease) in trade and other payables.....	19,991	13,724	21,810	19,830
<b>Changes to working capital</b>	<b>5,208</b>	<b>(54,590)</b>	<b>7,141</b>	<b>(1,313)</b>
Interest paid .....	(18,259)	(17,442)	(22,782)	(20,643)
Interest received .....	858	3,557	1,941	4,455
Taxes paid.....	(31,030)	(43,247)	(53,930)	(54,311)
<b>Net cash provided by operating activities .....</b>	<b>399,504</b>	<b>355,575</b>	<b>554,148</b>	<b>554,042</b>
<b>Cash flows from (used in) investing activities:</b>				
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired.....	(8,504)	(328)	(10,131)	(9,722)
Purchase of intangible assets and license renewals.....	(1,361)	—	—	(95)
Purchase of property, plant and equipment .....	(172,174)	(134,136)	(213,643)	(129,727)
Proceeds from sale of property, plant and equipment .....	407	—	—	3,003
Proceeds from sale of intangible assets.....	—	—	—	65
Net increase in restricted cash.....	(70)	(1,228)	(1,764)	(837)
Cash (used) provided by other investing activities .....	(722)	(1,164)	(2,159)	—
<b>Net cash used in investing activities .....</b>	<b>(182,424)</b>	<b>(136,856)</b>	<b>(227,697)</b>	<b>(137,313)</b>
<b>Cash flows from (used in) financing activities:</b>				
Proceeds from issuance of debt and other financing.....	11,579	265,379	205,425	407,321
Repayment of debt and financing.....	(68,229)	(121,498)	(146,209)	(343,278)
Payment of dividends .....	(155,439)	(361,918)	(436,957)	(497,600)
<b>Net cash used in financing activities</b>	<b>(212,089)</b>	<b>(218,037)</b>	<b>(377,741)</b>	<b>(433,557)</b>
Exchange losses (gains) on cash and cash equivalents.....	660	(125)	440	3,235
<b>Net (decrease) increase in cash and cash equivalents.....</b>	<b>5,651</b>	<b>557</b>	<b>(50,850)</b>	<b>(13,593)</b>
Cash and cash equivalents at the beginning of the year/period.....	32,474	83,324	83,324	96,917
<b>Cash, cash equivalents at the end of the year/period .....</b>	<b>38,125</b>	<b>83,881</b>	<b>32,474</b>	<b>83,324</b>

The following table is a reconciliation of our net cash provided by operating activities to Adjusted EBITDA:

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
		(in thousands of US\$)			
<b>Net cash provided by operating activities .....</b>	<b>598,077</b>	<b>399,504</b>	<b>355,575</b>	<b>554,148</b>	<b>554,042</b>
<b>Adjustments for non-cash items</b>					
Share-based compensation .....	1,215	959	778	1,034	750
Other non-operating expenses.....	—	—	—	—	171
Other non-cash items .....	—	—	(2,090)	(2,090)	742
Changes to working capital .....	66,939	5,208	(54,590)	7,141	(1,313)
Interest paid .....	(23,599)	(18,259)	(17,442)	(22,782)	(20,643)
Interest received.....	(758)	858	3,557	1,941	4,455
Taxes paid .....	(41,713)	(31,030)	(43,247)	(53,930)	(54,311)
<b>Adjusted EBITDA.....</b>	<b>595,993</b>	<b>441,768</b>	<b>468,609</b>	<b>622,834</b>	<b>624,191</b>

#### Operating Data:

	As of/for the nine months ended September 30,		As of/for the year ended December 31,	
	2013	2012	2012	2011
<b>Number of mobile customers .....</b>	<b>8,322,557</b>	<b>7,575,987</b>	<b>7,921,732</b>	<b>7,122,987</b>
Postpaid.....	391,410	373,542	367,056	332,644
Prepaid.....	7,946,841	7,202,455	7,554,676	6,790,343
<b>Monthly churn % (1)</b>				
Postpaid handset .....	1.2%	1.7%	1.6%	1.3%
Postpaid datacard.....	8.5%	9.0%	10.4%	6.7%
Total postpaid.....	3.0%	4.2%	4.4%	3.0%
Prepaid handset.....	3.0%	3.3%	3.1%	3.1%
Prepaid data card.....	3.5%	3.1%	3.3%	4.3%
Total prepaid .....	3.0%	3.3%	3.1%	3.1%
Total monthly churn (2)	3.0%	3.3%	3.2%	3.1%
<b>Monthly ARPU (US\$) (3)</b>				
Postpaid.....	33.9	32.4	33.0	36.9
Prepaid.....	8.7	9.8	9.6	10.7
Total monthly ARPU (4) .....	9.9	10.9	10.7	11.9
<b>Number of employees.....</b>	<b>1,681</b>	<b>1,230</b>	<b>1,466</b>	<b>846</b>

- (1) Termination of our services by our customers is referred to as “churn.” Churn is calculated by dividing the net disconnection of customers during the period by the average number of customers for the period. The average number of customers is calculated by dividing the sum of the opening customer balance for the period and the closing customer balance for the period by two.
- (2) Our total monthly churn is individually calculated by reference to our aggregate prepaid and postpaid customers.
- (3) Average monthly revenue per customer is calculated based on a historical exchange rate of Q7.94 to US\$1.00 for the nine-month periods ended September 30, 2013 and 2012 and of Q7.84 to US\$1.00 for the years ended December 31, 2012 and 2011.
- (4) Our total ARPU is individually calculated by reference to our aggregate prepaid and postpaid customers.

## **RISK FACTORS**

*You should carefully consider the risks and uncertainties described below as well as the other information in this offering memorandum before making an investment in the Notes. The risks described below are not the only ones that may affect us, the Notes, or investments in Guatemala in general. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. There are a number of factors, including those described below, which may adversely affect our ability to make payments on the Notes.*

*This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this offering memorandum. See “Cautionary Statement Regarding Forward-Looking Statements.”*

### **Certain Factors Relating to Our Business**

***We operate in only one country – Guatemala – and the majority of our revenue is derived from that country.***

Substantially all of our operations, property and customers are located in Guatemala. We are not geographically diversified, and as a result, our business, financial condition and results of operations depend primarily on macroeconomic and political conditions prevailing in Guatemala. Our operations could also be adversely affected by government actions, such as controls on imports or prices, tariffs, new forms of taxation, foreign exchange controls and restrictions, changes in fiscal regimes and increased government regulation in Guatemala, natural or man-made disasters in the country, or the level of remittances from expatriate Guatemalans. See “—Certain Factors Relating to Guatemala.”

***We face intense competition from other telecommunications providers.***

Mobile telecommunications operators in Guatemala compete for customers principally on the basis of price, services and products offered, advertising and brand image, quality and reliability of service and coverage area. The cost and availability of spectrum also affect the level of competition in the country. Many of our current and prospective competitors are, or are affiliated with, major companies that have financial, technical, personnel and marketing resources equal to or greater than ours (including spectrum holdings, brands and intellectual property). For example, our two principal competitors Claro and Movistar are controlled by América Móvil, S.A.B de C.V. and Telefónica, S.A., respectively. Competition has resulted in, and may continue to lead to, pricing pressure, reduced margins and profitability and increased customer churn. The level of competition is influenced by the continuous and swift technological advances that characterize the industry and by regulatory developments affecting competition. In the event that we are unable to develop innovative and attractive products and services or maintain the quality or capacity of our networks, we may lose customers and market share. We may also lose customers if new competitors enter Guatemala, or as a result of existing or future price competition, or if competing connectivity or transmission technologies (such as WiFi) provide customers with cheaper or free alternatives.

We expect that the current trends of declining demand for voice traffic and increasing demand for data services will create new opportunities for competition in Guatemala. For example, as handset selection and pricing become increasingly important to customers, the lack of availability to us of any of the latest or most popular handsets—as a result of exclusive arrangements by our competitors or otherwise—could put us at a significant competitive disadvantage and could make it more difficult for us to attract or retain our customers. The industry also competes on the basis of distribution. Like us, many of our competitors use third-party dealers to market and sell their products and services. Our exclusive relationship with our largest dealers is a key part of our ability to distribute our mobile products throughout Guatemala. Competition for dealers is intense. If we were to have difficulty attracting and retaining dealers or maintaining exclusivity with any particular dealer, we may be unable to continue to distribute our products as widely or rapidly or at the same cost as today.

If we fail to compete effectively, our business, financial condition and results of operations may be materially adversely affected.

***High levels of penetration of mobile phone services in our market could inhibit future growth.***

Mobile phone service penetration in our market is approximately 125%. This high penetration rate could lead to a slowdown in growth. A failure to attract new customers and increase the ARPU of our existing and future customers by developing value-added products and services and implementing technologies that consumers find desirable could have an adverse effect on our business, financial condition and results of operations.

***The market in which we operate may become subject to increased regulation, which could increase uncertainty within our business operations and affect our profitability.***

The Superintendence of Telecommunications (*Superintendencia de Telecomunicaciones*) (“SIT”), which is part of the Ministry of Communication, Housing and Infrastructure (*Ministerio de Comunicaciones, Infraestructura y Vivienda*) (“CIV”), regulates the mobile telephone industry in Guatemala. Unlike in many other jurisdictions, where radio frequencies are licensed to mobile operators, radio frequencies in Guatemala have been granted as a usufruct, a type of property right, for a term of 20 years. See “Business—Our Industry Sectors—Mobile Telephony.” Pursuant to new regulations that came into effect in December 2012, our radio frequency usufructs have been granted through either December 2032 or December 2033, depending on the original expiration date of the particular usufruct. There is no guarantee that we will be granted the same usufruct rights once our current usufruct rights expire or that these will be available at commercially acceptable prices. There also is no guarantee of the timing or terms of future allocations of spectrum, including for fourth generation long-term evolution mobile technology, or 4G LTE, services.

The SIT also regulates certain aspects of the operation of mobile telephone networks and the registration of broadband internet providers as network operators. Permits for the construction of cell sites and network and telecommunications infrastructure are regulated at the local level by municipalities. Our cable TV business requires a license to operate as a cable TV network provider from the CIV’s Control and Supervision Unit (*Unidad de Control y Supervision*). It also requires local permits for the construction of networks and use of public areas. Our fixed line, or broadband, business is required to register as a local and commercial network operator and to provide periodic reports on network and transmission methods. Existing regulations issued by SIT, other national regulators and the various municipalities throughout Guatemala typically require numerous governmental permits both at the national and local level. In addition, the provision of mobile financial services (“MFS”) requires compliance with applicable local and international anti-money laundering and anti-terrorism laws and regulations.

While we do not believe that compliance with the laws and regulations applicable to us has been onerous, regulation is inherently uncertain and subject to change. To the extent that our operations depend on governmental approval and regulatory decisions, our business may be adversely affected by arbitrary, unforeseeable or non-transparent governmental or regulatory actions.

***If we are unable to successfully defend against disputes or legal actions, we could face substantial liabilities or suffer harm to our financial and operational prospects.***

From time to time, we are a party to disputes, litigation and other legal proceedings arising from normal business activities, including disputes with Guatemalan tax authorities and with our largest competitors. In particular, the Guatemalan tax authorities have sought to apply a 3% stamp tax on our payment of dividends to our shareholders through coupons attached to share certificates for certain tax years. We estimate that, should we lose the appeal, the additional tax assessment, plus interest and penalties, could be approximately \$91 million, for which management takes the view that no provision should be made. See “Business— Legal and Administrative Proceedings.” The result of any current or future disputes, litigation or other legal proceedings is inherently unpredictable. Defending against disputes, litigation or other legal proceedings may involve significant expense and diversion of management’s attention and resources from other matters. Due to the inherent uncertainties of litigation, we may not prevail in these actions. In addition, our ongoing operations may subject us to litigation risks and costs in the future. The costs of defending lawsuits, and any settlements or judgments against us, could adversely affect our results of operations.

***Our ability to maintain and to expand our telecommunications networks may be affected by disruption of supplies and services from our principal suppliers.***

We rely on a limited number of leading international and domestic communications equipment manufacturers to provide network and telecommunications equipment and technical support. We have limited influence over our key suppliers, the majority of which are large multinational companies, and cannot assure you that we will be able to obtain required equipment on favorable terms or at all. While we believe there are a number of alternative suppliers of network equipment, handsets and accessories available to us, if we are unable to obtain adequate alternative supplies of equipment or technical support in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, including because of new barriers to the import of such products, our ability to maintain and to expand our telecommunications networks and business may be adversely affected.

***The majority of our mobile customers purchase services from us on a prepaid basis, which exposes us to higher risk of customer churn and ARPU sharing.***

Prepaid customers, those customers who pay for service in advance through the purchase of mobile airtime, represented 95.3% of our customers as of September 30, 2013 and 83.5% of our mobile revenue for the nine months then ended. Prepaid customers are not required to sign service contracts, which makes them more susceptible to switching mobile service providers. Postpaid customers enter into short-term contracts for 12, 18 or 24 months. In addition, some of our customers are first-time users of mobile telecommunications services and have a tendency to migrate among service providers more frequently than established users to take advantage of promotions. To the extent our competitors offer incentives to switch mobile service providers, through eliminating connection fees and/or subsidizing or giving away handsets, the risk of churn increases. Our inability to retain existing prepaid customers and manage churn levels could have an adverse effect on our business, financial condition and results of operations. Our average levels of monthly churn for prepaid customers for the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were 3.0%, 3.1% and 3.1%, respectively.

ARPU sharing, or the use by a prepaid customer of SIM cards from multiple providers to avoid paying higher prices for calls made to numbers outside of our network of customers, or off-net calls, is common in our market and it impacts us and our competitors. Historically, off-net calls have been more expensive than on-net calls in Guatemala. For this reason, many prepaid customers in Guatemala engage in SIM card switching, resulting in ARPU sharing, which has negatively affected our revenue with respect to customers who use our network as their primary service provider. In response, we have developed pricing strategies in order to mitigate the impact of ARPU sharing. Despite the adoption of a “smart pricing strategy,” whereby we create different products based on the needs of our different customers, we cannot ensure that ARPU sharing will decrease or remain at current levels. If we are unable to effectively price and market our services to mitigate the impact of ARPU sharing, we could lose additional revenue due to ARPU sharing, which could have an adverse effect on our business, financial condition and results of operations.

***We derive the majority of our revenue from our high value consumers, or HVCs, and our failure to retain these HVCs or our inability to derive the same level of revenue from our HVCs could have a material adverse effect on us.***

We have consistently derived a majority of our revenue from a relatively small group of HVCs with high ARPU. HVCs are customers whose average ARPU in the previous four months equals at least Q140, or US\$17.65. For the nine-month period ended September 30, 2013, HVCs represented a relatively small proportion of our mobile customer base and accounted for the majority of our mobile revenue. Over 80% of the customers that we classify as HVC are customers with prepaid accounts, which historically have been more subject to churn than customers with postpaid accounts. Our future results of operations depend, in significant part, upon our ability to retain and grow our HVC base and our ability to derive the same amount of revenue from our HVCs. We operate in a highly competitive industry and face intense competition from other telecommunications providers for the relatively small number of HVCs in the Guatemalan market. If our network quality or coverage area were to decline or be perceived to decline relative to that of our competitors, or if our competitors were to develop products or services that HVCs found more desirable than our products and services, we could stop adding or lose HVCs and/or derive lower ARPU from our existing HVCs. Our inability to retain our HVCs or derive the same level of revenue from them in the future could have a material adverse effect on our business, financial condition and results of operations.

***Our industry is characterized by rapid technological change, which could render our products, technology and services obsolete.***

The mobile telecommunications industry has been, and we believe will continue to be, characterized by significant technological changes, including the rapid development and introduction of new technologies, products, and services, such as high-speed data technologies (UMTS, HSPA and 4G), social networking services, streaming audio, streaming video, mobile gaming, advertising services, video conferencing, voice-over internet protocol (VoIP), location-based services using global positioning satellites (GPS), mapping technology and a wide range of mobile financial services.

Additionally, telecommunications infrastructure, including core elements such as backbone transmission infrastructure and ancillary technologies such as platforms for providing value-added services, becomes obsolete in our rapidly evolving industry and must be replaced. We have both GSM and UMTS/HSPA networks. The GSM standard has been most appropriate for our market because it has the greatest availability of handsets with strong functionality and has relatively low repair and maintenance costs. As new technologies are developed, such as fourth generation systems, including WiMAX-e and LTE, equipment may need to be replaced or upgraded or a mobile telephone network may need to be rebuilt in whole or in part, at substantial cost to us, to remain competitive. Wired and mobile fixed networks used to provide broadband internet and cable TV services need to be adapted to accommodate updated technologies such as quadruple play services in order to satisfy the demands of customers, and increased demand for bandwidth-intensive multimedia services has required us to upgrade our GSM/GPRS/EDGE systems to third generation technologies that provide increased bandwidth and speed. Such upgrades have required, and will continue to require, significant capital expenditures. We cannot assure you that technological development, foreseen and unforeseen, will not render our services unpopular with customers or our technology and services obsolete. To the extent our equipment or systems become obsolete, we may be required to recognize an impairment charge to such assets as well as increased costs, which may have a material adverse effect on our business, financial condition and results of operations.

***It is not known when or on what terms the government will grant LTE radio spectrum capacity, which will be important to our future growth.***

Our ability to compete in our industry is dependent on our ability to upgrade our network to be able to provide the benefits of the most recent technological advances to our customers. The Guatemalan mobile market is currently transitioning from voice-only second generation, or 2G, to voice- and data-capable third generation, or 3G, networks. We do not believe there is currently sufficient market demand to support the development of 4G LTE services on commercially satisfactory terms. As demand for data services and increased speed grows in Guatemala, however, we and other operators may be required to upgrade our networks to be 4G LTE capable. The SIT has not yet granted rights to LTE radio spectrum capacity to mobile telecommunications providers in Guatemala, and it is unclear when such rights will be auctioned. When this process occurs, there is a risk that SIT will not grant us sufficient capacity to keep up with technological advances, which may limit our ability to provide platforms for value-added services and consequently could reduce our profitability. Additionally, as a result of the auctions for this spectrum, SIT may grant our competitors more capacity than it grants to us, or it may grant our competitors LTE radio spectrum capacity before it grants it to us, either of which could affect our competitiveness and could result in loss of revenue and market share.

***Our mobile operations are dependent upon interconnection agreements and transmission and leased lines.***

Our operations are dependent upon interconnection agreements with other providers, which give our customers access to networks other than our own. Our ability to secure and maintain interconnection agreements with other mobile and local, domestic and international fixed-line operators on cost-effective terms is critical to the economic viability of our operations. Interconnection is required to complete calls that originate on our respective networks but terminate outside of our respective networks, or that originate from outside of our respective networks and terminate on our respective networks. A significant increase in costs with respect to our interconnect agreements as a result of new regulations or a lack of available line capacity for interconnection could have a material adverse effect on our ability to provide services. Our inability to maintain or improve the current terms of our interconnection agreements, particularly for international transmissions, may have an adverse effect on our business, financial condition and results of operations.

***If we cannot successfully develop and manage our mobile networks and distribution, we may be unable to expand our customer base and may lose market share and revenue.***

Our ability to increase or retain our customer base and maintain or grow our market share depends upon our ability to upgrade and manage our networks and distribution. Risks and uncertainties exist that may delay the introduction of service, interrupt existing service and increase the cost of network construction and maintenance. Such uncertainties include natural disasters, sabotage and theft. As we upgrade our networks we may need to construct more cellular communications towers. We require national and local permits in order to construct new cell sites. These include permits from the Ministry of the Environment and Natural Resources (*Ministerio de Ambiente y Recursos Naturales*), the Civil Aviation Agency (*Dirección General de Aeronáutica Civil*), and municipal permits. In the past we have been required to obtain permits from local community councils (*Consejos Comunitarios de Desarrollo*) (“COCODES”) in order to obtain municipal construction permits. While the fees we have had to pay in connection with these permits have, to date, been relatively low, there is a risk that in the future we may be unable to obtain requisite permits on commercially acceptable terms or at all. Most of the sites on which our telecommunications infrastructure, including towers, is located are leased for terms ranging between 8 and 15 years. Any failure or delay in securing the renewal of these leases on acceptable terms could have an adverse effect on our business, financial condition and results of operations. An increase in minutes of use and mobile broadband internet use may require us to increase the capacity of our networks to satisfy customer demand, the cost or failure of which could have an adverse effect on our business, financial condition and results of operations. To the extent we fail to maintain and expand our network and distribution capabilities on a timely basis, we may experience difficulty in retaining or expanding our customer base.

In addition, our ability to operate successfully is dependent upon our ability to deploy sufficient resources to operate the networks we own or manage. The failure or breakdown of key components of our networks, including hardware and software, may have a material adverse effect on the results of our operations. In addition, a breach in network security could cause network downtime, revenue leakage and brand impact. Some of the emerging services such as those for video or other content delivery, have a higher degree of risk as the equipment for them is not yet standardized. Cyber-attacks are becoming more frequent in the telecommunications industry. We have an information security framework and organization in place; however, a cyber-attack to any of our switches or core platforms could cause service downtime and negatively affect our revenue and brand. We cannot assure you that we will be able to prevent such attacks, and if we are unable to do so, there could be a material adverse effect on our results of operations.

***Equipment and network systems failures, including failures caused by unreliable electricity supply, could reduce user traffic and revenue, require unanticipated capital expenditures or harm our reputation.***

Our technological infrastructure is vulnerable to damage and disruptions from numerous events, including fire, flood, tropical storms, hurricanes, and other natural disasters, power outages, terrorist acts, equipment and system failures, human error and intentional wrongdoing, including breaches of our network and information technology security. Unanticipated problems at our facilities, network or system failures or the occurrence of such unanticipated problems at the facilities, network or systems of third parties on which we rely could result in reduced user traffic and revenue or require unanticipated capital expenditures. Risks to our network include sabotage, theft and poor equipment maintenance, which are ongoing risks. The occurrence of network or system failure could also harm our reputation or impair our ability to retain current subscribers or attract new subscribers, which could have a material adverse effect on our business, financial condition and results of operations. In addition, our business is dependent on certain sophisticated critical systems, including exchanges, switches and other key network elements, physical infrastructure and our billing and customer service systems. If damage were to occur to any of these systems, or if these systems develop other problems, such events could prevent us from providing services to our customers and result in substantial uninsured losses; which could have a material adverse effect on our business, financial condition and results of operations.

***Failure to maintain the reputation of our brand or loss of our key intellectual property rights would adversely affect our business.***

Our intellectual property rights, including our key trademarks and domain names, which are well known in Guatemala, are important to our business. The brand name “Tigo” and our accompanying trademark are extremely important assets. If we are unable to maintain the reputation of and value associated with our “Tigo” brand name, we may not be able to successfully retain and attract subscribers. Our reputation may be harmed if any of the risks



described in this “Risk Factors” section materialize. Any damage to our reputation or to the value associated with our “Tigo” brand name could have a material adverse effect on our business, financial condition, results of operations and prospects.

A significant part of our revenue is derived from products and services marketed under our “Tigo” brand name. We rely upon a combination of trademark and copyright laws, database protections and contractual arrangements, where appropriate, to establish and protect our intellectual property rights. We may be required to bring claims against third parties in order to protect our intellectual property rights, and we may not succeed in protecting such rights. As a result, we may not be able to use intellectual property that is material to the operation of our business. The diversion of our management’s time and resources along with potential significant expenses that could be involved could materially adversely affect our business, financial condition, results of operations and prospects. In addition, any lawsuits concerning intellectual property, regardless of their outcome, could have a material adverse effect on our business, financial condition and results of operations.

***We rely on a limited number of suppliers for key services.***

We depend upon a small number of suppliers to provide us with key services. For example, Huawei provides us with services with respect to our network and Byte provides us with services with respect to the operation of, and the implementation of developments to our billing system. If these suppliers fail to provide services to us on the requisite standards of quality and on a timely basis, we may be unable to provide services to our subscribers in an optimal manner until an alternative source can be found, which may result in loss of customers by us and could have a material adverse effect on our results of operations.

***Our operations depend on our ability to maintain, upgrade and efficiently operate accounting, billing, customer service, information technology and management information systems.***

Sophisticated information processing systems are vital to our growth and our ability to monitor costs, create monthly invoices for services, process customer orders, provide customer service and achieve operating efficiencies. The proper functioning of our accounting information and processing systems is critical to our business and our ability to compete effectively. We cannot assure you that we will be able to successfully operate and upgrade our accounting, information and processing systems or that they will continue to perform as expected. Any failure in our accounting, information and processing systems could impair our ability to collect payments from customers and respond satisfactorily to customer needs, which could adversely affect our business, financial condition and results of operations.

We have backup data for our key information and data processing systems that could be used in the event of a catastrophe or a failure of our primary systems, and we have established alternative communication networks where available. However, we cannot assure you that our business activities would not be materially disrupted if there were a partial or complete failure of any of these primary information technology systems or communication networks. Such failures could be caused by, among other things, software bugs, computer virus attacks or conversion errors due to system upgrading. In addition, any security breach caused by unauthorized access to information or systems, or intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, could have a material adverse effect on our business, results of operations and financial condition.

Our ability to remain competitive and achieve further growth will depend in part on our ability to upgrade our information technology systems and increase our capacity on a timely and cost effective basis. Any substantial failure to improve or upgrade information technology systems effectively or on a timely basis could materially and adversely affect our competitiveness, results of operations and financial condition.

***Our Tigo Home business is new and depends on the integration of add-on acquisitions.***

To date, our expansion into cable TV and home broadband has largely been attributable to acquisitions of network and clients from other operators. Going forward, we expect the acquisitions of businesses and products to continue to play a significant role in the growth of this business. In connection with such acquisitions, we make certain business assumptions, determinations, evaluations and projections, which could prove to be incorrect. In addition, any acquisition or investment by us entails risks, including that:

- we may not be able to make acquisitions at attractive prices or at all;

- the advantages and benefits we anticipate from acquisitions may not materialize or may not materialize to the extent anticipated;
- anticipated synergies, including cost savings, may not be achieved within the originally expected timeframe or at all;
- our management may not be able to integrate the acquired companies into our existing operations at the initially planned costs or at all, or without diverting its attention from other important aspects of our business;
- liabilities or losses could arise from control of acquired businesses; and
- the diligence we conduct in connection with acquisitions may not be sufficient to uncover all liabilities and risks associated with an acquisition.

The realization of one or several of these risks could have a material adverse effect on our business, financial condition and results of operations.

***Our results depend on the contribution of key management and employees and our failure to successfully retain and recruit other qualified personnel could have a material adverse effect on us.***

Our future results of operations depend, in significant part, upon the continued contributions of key senior management and technical personnel and our relationships with our shareholders, Millicom and Mifflin. Our success also depends, in part, on our ability to continue to attract, retain and motivate qualified personnel. Competition for personnel in our markets is intense due to a relatively small number of qualified individuals. Failure to successfully manage our personnel needs could have a material adverse effect on our business, financial condition and results of operations.

***Concerns about the actual or perceived health risks relating to electromagnetic and radio frequency emissions, as well as the extensive publicity or possible resultant litigation, may have an adverse effect on our business, financial condition and results of operations.***

Media and other reports have suggested that electromagnetic and radio frequency emissions from mobile telephone handsets and base stations may cause health problems, including cancer. In May 2011, the International Agency for Research on Cancer, an agency of the World Health Organization (“WHO”), issued a press release classifying radiofrequency electromagnetic fields as possibly carcinogenic to humans (Group 2B), based on an increased risk for glioma, a malignant type of brain cancer, associated with mobile phone use. In June 2011, the WHO publication noted that to date, no adverse health effects have been established as being caused by mobile phone use. While an increased risk of brain tumors is not established, the increasing use of mobile phones and the lack of data for mobile phone use over time periods longer than 15 years warrant further research regarding mobile phone use and brain cancer risk, particularly given recent popular use by younger people with potentially longer periods of exposure. Also, while there is currently a safe harbor under Guatemalan regulations for companies, including us, whose products emit non-ionizing radiation, if a link between electromagnetic or radio frequency emissions and adverse health concerns is demonstrated, government authorities may increase regulation of mobile handsets and base stations as a result of these health concerns. Mobile telephone operators, including us, and handset manufacturers could be held liable for all or part of the costs or damages associated with these concerns.

There is also some concern that these emissions may interfere with the operation of certain electronic equipment, including aircraft guidance systems, automobile braking and steering systems (e.g., GPS), and civil and military radars. Although we expect that the actual or perceived risks relating to mobile communications devices and base stations, or press reports about these risks, will not significantly adversely affect us, their actual impact is difficult to estimate. Such risks may have the effect of reducing our customer growth rate, customer base or average use per customer.

Any such developments could have an adverse effect on our business, financial condition and results of operations.

***We may incur significant costs from mobile fraud, which could adversely affect us.***

We currently, and may continue to, incur costs and revenue losses associated with the unauthorized use of our networks, including administrative and capital costs associated with the unpaid use of our networks as well as with detecting, monitoring and reducing the incidences of fraud. Fraud also impacts interconnection costs, capacity costs, administrative costs and payments to other carriers for unbillable fraudulent roaming charges. Any such continued or new fraudulent schemes could have an adverse effect on our business, financial condition and results of operations.

***We are a privately held company not subject to the compliance and disclosure policies required of a public company and may not be able to address certain conflicts of interest in an impartial manner.***

We are not, as a private company, subject to the same level of corporate governance, financial reporting practices and policies or similar compliance procedures required of a publicly traded company in the United States or elsewhere. Because we are not a reporting company in the United States, we are exempt from the provisions of Regulation FD aimed at preventing issuers from making selective disclosures; the SEC proxy statement and information statement rules do not apply to us; we are not directly subject to stock exchange or other corporate governance standards or conflict-of-interest rules; and our officers, directors and principal shareholders are not required to file reports detailing their beneficial ownership of our shares. The frequency and scope of information made publicly available about us is not equivalent to that of a reporting company. This lack of information about us makes it more difficult to make investment decisions about us.

***Fraud, labor disruptions or increased labor costs could materially adversely affect our business.***

Though we have implemented and consistently evaluate our systems of internal controls, we have been in the past and may in the future be susceptible to fraudulent activity by our employees or third party contractors, which could have a material adverse effect on our results of operations. If we experience a material labor disruption, strike, or significantly increased labor costs, we may not be able to timely or cost effectively meet customer demands and provide our standard level of customer care, which could reduce our profitability. In addition, since a significant portion of our personnel is made up of third party contractors, a material labor disruption suffered by one of the companies that provides our personnel could affect our business and reduce our profitability.

While we have enjoyed good relations with our employees and have not, in the past, been party to labor disputes, we cannot assure you that any such disputes will not arise in the future. Any such future disputes could have an adverse effect on our business, financial conditions or results of operations. Additionally, labor issues that affect third parties that we rely on for services and technology could also have a material adverse effect on us if those issues interfere with our ability to obtain necessary services and technology on a timely basis.

***We could be subject to current or future financial services regulation that could expose us to liability, force us to change our business practices or force us to stop selling or modify our products and services.***

Our MFS platform offers our existing customers, many of whom have limited access to traditional banking services, the ability to use their mobile phone to transfer funds to any other registered in-country customer on our network. In the absence of specific regulation, we currently operate based on a commission merchant license which allows us to function as an intermediary in merchant transactions. Under applicable regulation in Guatemala, we are subject to anti-money laundering provisions including certain *know your customer* requirements. One or more governmental agencies that regulate or monitor banks or other types of providers of electronic commerce services may conclude that we are engaged in banking or other financial services activities that are regulated. Regulatory requirements that could be applicable to us if we are determined to be involved in banking or other financial services activities may include, for example:

- disclosure of consumer rights and our business policies and practices;
- restrictions on uses and disclosures of customer information;
- error resolution procedures;
- limitations on consumers' liability for unauthorized account activity;

- data security requirements;
- government registration; and
- reporting and documentation requirements.

If we were deemed to be in violation of any current or future regulations that are deemed applicable to us, we could be exposed to criminal prosecution, financial liability and adverse publicity or forced to change our business practices or stop selling some of our products and services. As a result, we could face significant legal fees, delays in extending our product and services offerings, and damage to our reputation that could harm our business and reduce demand for our products and services. Even if we are not required to change our business practices, we could be required to obtain licenses or regulatory approvals that could cause us to incur substantial costs.

***Our MFS products increase our exposure to fraud, money laundering and reputational risk.***

Since our MFS product involves cash handling, it increases our exposure to risk of fraud and money laundering. If we are deemed not to have safeguards in place to prevent such fraud or money laundering or if we are deemed to have failed to comply with *know your customer* regulations, we could be exposed to liability and could be required to pay financial penalties. We could also be exposed to adverse publicity and potential reputational damage which could reduce demand for our products and services and reduce our profitability.

**Certain Factors Relating to Guatemala**

***Certain economic risks are inherent in any investment in an emerging market country such as Guatemala.***

Investing in an emerging market country such as Guatemala carries economic risks. These risks include many different factors that may affect Guatemala's economic results, including the following:

- interest rates in the United States and financial markets outside Guatemala;
- changes in economic or tax policies;
- changes in tax laws and regulations;
- changes in foreign currency restrictions or controls, including transfers of funds in and out of the country;
- the imposition of tariffs and other trade barriers;
- changes in general economic, business or political or other conditions in Guatemala, Latin America or global markets;
- changes in capital markets in general that may affect policies or attitudes towards investing in Guatemala;
- the ability of Guatemala to effect key economic reforms;
- high levels of inflation or deflation;
- the impact of hostilities or political unrest in other countries that may affect international trade, commodity prices and the global economy; and
- the decisions of international financial institutions regarding the terms of their financial assistance to Guatemala.

Any of these factors, as well as volatility in the markets for securities similar to the Notes, may adversely affect the liquidity of, and trading markets for, the Notes. See "Forward-Looking Statements" in this offering memorandum.

***Our business, results of operations and financial condition may be adversely affected by economic, political, social or legal developments in Guatemala.***

We are a Guatemalan company and substantially all of our operations and assets are located in Guatemala. As a result, our business, financial condition and results of operations may be affected by the general condition of the Guatemalan economy.

Guatemala is an emerging market country and, in general, operations of businesses in such countries may be subject to different stresses than operations of businesses in countries such as the United States. These include conditions influenced by political events such as wars, civil unrest and significant changes in national economic policies or laws, all of which may be more likely to occur in an emerging market country. Guatemala is affected by political, social, security and other problems and conditions, including, among others, trafficking in drugs and people, organized crime, high crime rates, corruption, human rights concerns and a need to implement political, economic and social reforms. While the current administration intends to devote resources and efforts to combat these political, social, security and other problems, no assurance can be given that these problems and conditions will be remedied.

The Guatemalan government has exercised, and continues to exercise, significant influence over the Guatemalan economy. Guatemalan governmental actions concerning the economy could have a significant effect on Guatemalan private sector entities, including us, and on market conditions, prices and returns on Guatemalan securities, including the Notes. In addition, any change in the economic policies under the current administration could have a significant effect on Guatemalan financial institutions and us, as well as on market conditions and the prices of and returns on Guatemalan securities.

We cannot provide any assurance that future economic, political, social or legal developments in Guatemala, over which we have no control, will not have an unfavorable impact on our financial condition or results of operations or impair our ability to make payments under the Notes.

***Currency fluctuations and exchange controls may adversely affect our ability to engage in foreign exchange activities, which could affect our business, results of operations or financial condition.***

The majority of our revenue is denominated in Guatemalan *quetzales*. Major devaluation or depreciation of the *quetzal* may limit our ability to transfer or to convert *quetzales* into U.S. dollars and other currencies for the purposes of making timely payments of interest and principal on our indebtedness or purchasing equipment network, handsets or other equipment from our suppliers. Currency variations between the Guatemalan *quetzal* and the U.S. dollar also affect our results of operations as reported in U.S. dollars.

Since 1994, the Monetary Board has allowed the exchange rate for the Guatemalan *quetzal* to be determined predominantly by market forces. The Guatemalan Central Bank has intervened in the foreign exchange market by buying or selling U.S. dollars in order to counter temporary imbalances of supply and demand or counter drastic fluctuations in the exchange rate caused by speculative, cyclical or seasonal factors affecting the balance of payments. There can be no assurance that the Guatemalan government will not implement restrictive exchange rate policies in the future. Any such restrictive exchange control policy would adversely affect our ability to engage in foreign exchange activities and could also have a material adverse effect on our business, financial condition, results of operations or prospects. In addition, restrictive exchange control policies may adversely affect our ability to transfer or convert *quetzals* into U.S. dollars and other currencies for the purpose of making timely payments of interest and principal of the Notes.

***The Guatemalan economy, and consequently we, could be adversely affected by economic developments or difficulties in regional or global markets.***

Although economic and market conditions in other countries may differ significantly from economic conditions in Guatemala, investors' reactions to developments in other countries may have an adverse effect on the market value of securities of Guatemalan companies and capital flows into Guatemala. A recession or economic slowdown in the United States may adversely affect the Guatemalan economy and remittance levels.

Developments or conditions in emerging market countries have from time to time affected significantly the availability of credit in the Guatemalan economy and resulted in considerable outflows of funds and declines in the

amount of foreign currency invested in Guatemala. Developments in the debt markets in the United States or other highly developed economies, including the ongoing credit and subprime crisis, may affect securities issued in emerging markets. For example, the concern over the effects of the collapse of Long Term Capital Management in the United States in 1998 (occurring at approximately the same time as the Russian debt crisis), harmed the market for non-investment grade fixed income securities of all types, including most securities issued by emerging market companies in the fourth quarter of 1998. Increases in interest rates by the Federal Reserve Board in the United States often have been associated with subsequent adverse economic effects in emerging markets of the type described above.

More recently, the financial and credit crisis generated global effects affecting also the Guatemalan economy. In addition, significant concerns regarding the sovereign debt of numerous countries have developed and required some of these countries to seek emergency financing. The downgrade of the U.S. credit rating and the ongoing European debt crisis has contributed to the instability in global credit markets. The sovereign debt crisis could adversely impact the financial health of the global banking system and lower consumer confidence, which could impact global financial markets and economic conditions in the United States and throughout the world. The Guatemalan economy could be adversely affected by negative economic or financial developments in other countries.

A significant decline in the economic growth of any of Guatemala's major trading partners could adversely affect Guatemala's economic growth. In addition, because international investors' reactions to the events occurring in one emerging market country sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavored by international investors, Guatemala could be adversely affected by negative economic or financial developments in other emerging market countries.

It is uncertain whether these or similar circumstances may recur in the future and, if they do, the extent of the adverse secondary effects they may have on the Guatemalan economy, on our ability to obtain financing in the international and domestic capital markets, on the cost of such financing, on the market value of the Notes or on our customers.

There can be no assurance that any crises such as those described above or similar events will not negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Guatemala. In addition, there can be no assurance that these events will not adversely affect Guatemala's economy, its ability to raise capital in the external debt markets in the future or its ability to service its public debt.

### **Certain Factors Relating to Our Stockholders**

***Our stockholders have significant influence over our business and we depend on them for key operational functions.***

Millicom holds 55% ownership interest in Comcel and each of the other Note Guarantors, and Miffin holds the remaining 45%, and we depend on them for, among other things, the benefits and transactions described in "Certain Relationships and Related Party Transactions." As a result, Millicom and Miffin may exercise control over our decisions to enter into any corporate transaction or capital restructuring and have the ability to approve or prevent any transaction that requires the approval of our stockholders, regardless of the interests of holders of the Notes. The interests of our stockholders may differ or adversely affect your interests as holders of the Notes. Millicom and Miffin may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks or be adverse to holders of the Notes. For example, to the extent permitted by the Indenture, Millicom and Miffin could cause us to make acquisitions that increase the amount of our indebtedness, or to sell revenue-generating assets, impairing our ability to make payments under the Notes. Millicom or Miffin may be able to strongly influence or effectively control our decisions as long as they own a significant portion of our equity.

***We are subject to risks inherent in being operated as a joint venture.***

Comcel is operated as a joint venture between Millicom and Miffin. Joint ventures are often accompanied by risks, including:

- the possibility that either joint venture partner will default in connection with its agreements or obligations;

- the possibility that either joint venture partner will hinder development by blocking capital increases and other decisions if that partner runs out of money, disagrees with the other joint venture partner's views on developing the business, or loses interest in pursuing the joint projects;
- the difficulty of maintaining uniform standards, controls, procedures and policies; and
- the loss of either joint venture partner and the associated benefits, such as insight into operating our business and its relationships with third parties.

The occurrence of any of these events may have a material adverse effect on our business, results of operations, financial condition or prospects.

***We are party to a number of arrangements with affiliates, and we cannot assure you that they are on an arm's length basis.***

Millicom provides us with increased bargaining power with our suppliers, as well as certain technical and management contributions, such as business strategies, marketing and publicity services, and advisory services related to the construction, installation, operation, management and maintenance of our networks. Miffin affiliates provide us with, among other things, administrative services, product distribution and related services, handset sales and network maintenance and leases of sites for our telecommunications equipment, including towers. If any of our affiliates that we transact with is unable to continue providing services on a timely basis and at a level that meets our needs we may not be able to replace such services on the same terms or at all, our operations may be disrupted and our business, financial condition and results of operations could be adversely affected. See "Certain Relationships and Related Party Transactions."

#### **Certain Factors Relating to the Notes**

***The Notes are limited recourse obligations.***

The Notes represent secured limited recourse obligations of the Trust secured by, and repayable solely from, the Trust Assets. The Notes are not direct obligations of any of the Lender, Comcel or the other Note Guarantors, except as set forth in the Note Guarantee, the Cayman Trustee (other than in its capacity as trustee subject to the limited recourse provisions described herein) or the Indenture Trustee. Payments on the Notes by the Trust will be made solely from payments by the Lender under the Participation Agreement. If the proceeds from any payments by the Lender paid to the Trust under the Participation Agreement and the Additional Transaction Documents, from payments made by Comcel as Borrower and the other Note Guarantors, are not sufficient to pay all amounts due to the holders of Notes, no other assets of the Trust or the Lender will be available for payment of any shortfall. The obligations of the Lender under the Participation Agreement are non-recourse and are limited to its obligation to make payments to the extent they are received from Comcel or the other Note Guarantors.

In addition, in the event that the Borrower pays the Lender the amounts due and owed under the Credit and Guaranty Agreement and the Lender fails to make the required payments to the Trust pursuant to the Participation and the Participation Agreement, the Note Guarantees will not be available with respect to such amounts.

The Trust's ability to pay principal, interest and other amounts due on the Notes will therefore be dependent upon its receiving payments under, or with respect to, the Credit and Guaranty Agreement and the Additional Transaction Documents and, as a result, on the financial condition and results of operations of Comcel and the other Note Guarantors. If the financial condition or results of operations of Comcel and the other Note Guarantors is adversely affected, the Lender and, indirectly, the Trust and the Indenture Trustee may be unable to recover sufficient proceeds under the Credit and Guaranty Agreement or the Note Guarantee provided by Comcel and the other Note Guarantors to repay all amounts with respect to the Notes at their scheduled maturity or earlier upon any redemption prior to the scheduled maturity date.

***There are limited events of default under the Notes.***

While the Indenture sets forth certain standard covenants with respect to the Trust, failure by the Trust to comply with these obligations will not give rise to any event of default under the Indenture that affords the holders of the Notes any claim against the Lender and/or us under the Credit and Guaranty Agreement, the Senior

Unsecured Loan or give rise to any default, event of default or right to accelerate the Senior Unsecured Loan. However, any breach of the Trust's obligations under the Indenture or the Notes will have the benefit of the Note Guarantee, subject to certain limitations.

The Indenture will provide that an event of default under the Credit and Guaranty Agreement will constitute an event of default with respect to the Notes. If such an event of default shall have occurred and be continuing with respect to the Notes, either the Indenture Trustee or the holders of not less than 25% of the total principal amount of the Notes then outstanding may declare the principal of all outstanding Notes and the interest accrued and unpaid thereon, if any, to be due and payable immediately.

***Following this offering, we may still be able to incur substantially more debt.***

We may be able to incur substantial additional indebtedness, including secured indebtedness, in the future. The terms of the Indenture will restrict, but will not completely prohibit, us from doing so. In addition, the Credit and Guaranty Agreement will allow us to borrow more funds, and the Trust will in turn issue additional notes under certain circumstances, which will also be guaranteed by the Comcel and the other Note Guarantors. In addition, the Credit and Guaranty Agreement will not prevent us from incurring other liabilities that do not constitute indebtedness. See "Description of Credit and Guaranty Agreement and the Loan." If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify.

***Fraudulent conveyance laws may void the Notes and/or the Note Guarantees or subordinate the Notes and/or the Note Guarantees.***

The issuance of the Notes may be subject to review under applicable bankruptcy law or relevant fraudulent conveyance laws if a bankruptcy lawsuit is commenced by or on behalf of the Note Guarantors' creditors. Under these laws, if in such lawsuit a court were to find that, at the time the Notes are issued, we:

- incurred this debt with the intent of hindering, delaying or defrauding current or future creditors; or
- received less than reasonably equivalent value or fair consideration for incurring this debt and the issuer:
  - was insolvent or was rendered insolvent by reason of the related financing transactions;
  - was engaged, or about to engage, in a business or transaction for which our remaining assets constituted unreasonably small capital to carry on our business; or
  - intended to incur, or believed that we would incur, debts beyond its ability to pay these debts as they mature, as all of the foregoing terms are defined in our interpreted under the relevant fraudulent transfer or conveyance statutes;

then the court could void the Notes or subordinate the Notes to our presently existing or future debt or take other actions detrimental to you.

We cannot assure you as to what standard a court would apply in order to determine whether we were "insolvent" as of the date the Notes were issued, and we cannot assure you that, regardless of the method of valuation, a court would not determine that we were insolvent on that date. Nor can we assure you that a court would not determine, regardless of whether we were insolvent on the date the Notes were issued, that the payments constituted fraudulent transfers on another ground.

The Note Guarantees may also be subject to review under various laws for the protection of creditors. The analysis set forth above would generally apply, except that the Note Guarantees could also be subject to the claim that, since the Note Guarantees were incurred for our benefit, and only indirectly for the benefit of the Note Guarantors, the obligations of the Note Guarantors thereunder were incurred for less than reasonably equivalent value or fair consideration. A court could void a Note Guarantor's obligation under its Note Guarantee, subordinate the Note Guarantee to the relevant Note Guarantor or to a fund for the benefit of its creditors, or take other action detrimental to the holders of the Notes. In addition, the liability of each Note Guarantor under the indenture will be limited to the amount that will result in its Note Guarantee not constituting a fraudulent conveyance, and there can



be no assurance as to what standard a court would apply in making a determination as to what would be the maximum liability of each Note Guarantor.

***It is possible that the Note Guarantees may not be enforceable in the event of insolvency or bankruptcy.***

The Note Guarantees provide a basis for a direct claim against the Note Guarantors. However, it is possible that the Note Guarantees may not be enforceable under the laws of various jurisdictions or U.S. federal or state law. In particular, while the laws of these jurisdictions do not prevent the Note Guarantees from being granted, in the event that a Note Guarantor is declared insolvent or bankrupt, the relevant Note Guarantee may be deemed to have been a fraudulent transfer and declared void, based upon the Note Guarantor being deemed not to have received fair consideration in exchange for such guarantee.

***We may be unable to make a change of control offer required by the Credit and Guaranty Agreement, which would cause defaults under the Credit and Guaranty Agreement and the Indenture governing the Notes.***

The terms of the Credit and Guaranty Agreement will require us to make an offer to prepay the Senior Unsecured Loan, and thereby the Notes, upon the occurrence of a change of control that results in a rating decline at a purchase price equal to 101% of the principal amount thereof, plus accrued interest to the date of the purchase. The Lender will thereby have the right to require us to prepay all or a portion of the Senior Unsecured Loan. Any financing arrangements we may enter may require repayment of amounts outstanding in the event of a change of control and limit our ability to fund the prepayment of the Senior Unsecured Loan in certain circumstances. It is possible that we will not have sufficient funds at the time of the change of control to make the required prepayment or that restrictions in our credit facilities and other financing arrangements will not allow the prepayment. See “The Credit and Guaranty Agreement and The Loan—Mandatory Prepayments—Change of Control Prepayment.”

***The terms of the Notes impose, or will impose, restrictions on us that may affect our ability to successfully operate our business.***

The Indenture governing the Notes contains covenants that, among other things, limit our ability to incur additional indebtedness, make certain payments, undertake asset sales, create certain liens and undertake the consolidation, merger, sale or conveyance of the Company and the other Note Guarantors. These covenants could materially and adversely affect our ability to finance our future operations or capital needs and to engage in other business activities that may be in our best interest. All of these covenants may restrict our ability to expand or to pursue our business strategies. Our ability to comply with these covenants may be affected by events beyond our control, such as prevailing economic conditions and changes in regulations, and if such events occur, we cannot be sure that we will be able to comply. A breach of these covenants could result in a default under the Indenture governing the Notes.

***Payments on the Notes will be made from funds received from the Lender pursuant to the Participation Agreement.***

The ability of the Trust to make payments on the Notes is dependent in part on the performance by the Lender of its obligations under the Credit and Guaranty Agreement and the Participation Agreement. Payments made by the Lender pursuant to the Participation Agreement will be the Trust’s sole source of funds for payments made by the Trust pursuant to the Indenture. Accordingly, if the Lender defaults on or is otherwise unable to meet its obligations under the Participation Agreement, the Trust’s sole source of funds for payment on the Notes will be any recovery on claims against the Lender. In the event that Comcel pays the Lender the amounts due and owed under the Credit and Guaranty Agreement and the Lender fails to make the required payments to the Issuer pursuant to the Participation and the Participation Agreement, the Note Guarantees will not be available with respect to such amounts. In the event that the Lender enters into bankruptcy, receivership or similar proceedings and the asset owned by the Trust pursuant to the Participation Agreement is characterized as a nonrecourse unsecured debt obligation of the Lender rather than an undivided ownership interest in Comcel’s payments made under the Credit and Guaranty Agreement, the ability of the Trust to receive payments from the Lender may be subject to delays, moratorium, or the claims of other unsecured creditors of the Lender. Any failure or inability to make payments to the Trust by the Lender will not confer on the holders of the Notes any rights against Comcel or any of the other Note Guarantors.

***An assignment of the Loan may lead to increased tax withholding.***

Credit Suisse AG, Cayman Islands Branch will be the lender with respect to the Loan on the date the loan is disbursed. However, Credit Suisse AG, Cayman Islands Branch, acting as Lender, may assign its interest in the Credit and Guaranty Agreement and the Loan to the Trust upon a Default or an Event of Default under the Credit and Guaranty Agreement or in cases of illegality. In addition, in other instances, the Lender may assign its interest in the Loan with the consent of the Borrower or without the consent of the Borrower to certain qualified institutions. See “Credit and Guaranty Agreement and the Loan—Assignments and Participation.” Upon any such assignment, the Lender will have no further responsibility to the Trust or the holders of the Notes with respect to any matter relating to the Loan and the Trust or such third party will succeed to all rights of the Lender under the Credit and Guaranty Agreement, the Loan and any Additional Transaction Documents as lender under the Loan. In such event, it is contemplated that the holders of the Notes and the Indenture Trustee will continue to have the right to direct the Trust with respect to all matters relating to the Loan. Any assignment of the Loan to the Trust may give rise at such time to a significant increase in applicable Guatemalan tax withholding imposed on the Borrower, which may affect our ability to make interest payments on the Notes and lead to a possible redemption of the Notes.

***The Lender and its affiliates have other relationships with us and our shareholders.***

The Lender and its affiliates have and will continue to have a wide range of banking, insurance, trust and other financial relationships with us and our shareholders. As a consequence of these relationships, the Lender or its affiliates may take actions that, directly or indirectly, may entitle them to appear in proceedings with respect to claims against Comcel. As a result of such relationships, the Lender may take a position in favor of us or contrary to the interests of the Trust and the holders of the Notes. In managing such relationships, the Lender and its affiliates are under no obligation to consider the effect of their actions on the holders of the Notes. In addition, in the course of such relationships or otherwise, the Lender or its affiliates may come into possession of material nonpublic information with respect to us. The Lender will not be required to disclose any such information under the Participation Agreement or in connection with the transactions described herein or to use such information for the benefit of the holders of the Notes, nor will the possession of such information prevent the Lender from taking actions under the Participation Agreement.

***Holders of the Notes must direct the Lender, who is not an agent of the Trust, to take action and the Lender may decline to do so.***

Under the terms of the Participation Agreement, so long as the Lender is the lender with respect to the Loan subject to such agreement, the Lender has agreed to seek the instructions of the Trust (and indirectly those of the holders of the Notes) with respect to the management and administration of the Credit and Guaranty Agreement and the Loan. In the absence of any such instructions, it is possible that the Lender may decline to take any action with respect to collection, management or enforcement of the Credit and Guaranty Agreement or the Loan.

Although it is expected that the Lender will generally follow such instructions, the Lender will not have any fiduciary duty to the holders of the Notes or the Trust. The Lender has retained the right to decline following such instructions if it believes that giving effect to the instructions of the Trust (and the holders of the Notes) will be in conflict with its other business interests as described under “The Participation Agreement—Administration of the Participation” and may decline to follow such instructions, which may have an adverse effect on the holders of the Notes, including with respect to the recovery of amounts due in respect thereof.

***We cannot assure you that the credit ratings for the Notes will not be lowered, suspended or withdrawn by the rating agencies.***

The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes.

***The Notes are subject to transfer restrictions.***

The Trust is relying on an exemption under the Investment Company Act. As a result, the holders' ability to transfer their Notes in the United States is limited for the life of the Notes to resales to "qualified purchasers" as that term is defined under the Investment Company Act. The Notes have not been registered under the Securities Act or any state securities laws, and we are not required to and currently do not plan on making any such registration in the immediate future. As a result, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Prospective investors should be aware that investors may be required to bear the financial risks of this investment for an indefinite period of time. We have not registered the Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of Notes within the United States and other countries comply with applicable securities laws. See "Transfer Restrictions."

***There is no established trading market for the Notes and holders of the Notes may not be able to sell them quickly or at the price that they paid.***

The Notes are a new issue of securities and there is no established trading market for the Notes. The holders of Notes will not have any right to require the Trust to register the resale of the Notes pursuant to the Securities Act. Application has been made to list the Notes on the Euro MTF market of the Luxembourg Stock Exchange. The Initial Purchasers have advised the Trust and Comcel that they intend to make a market in the Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time, in their sole discretion. As a result, the Trust and Comcel cannot assure holders of the Notes as to the liquidity of any trading market for the Notes. The Trust and Comcel also cannot assure holders of the Notes that such holders will be able to sell their Notes at a particular time or that the prices that such holders receive when they sell will be favorable. Consequently, a holder of Notes and an owner of beneficial interests in those Notes must be able to bear the economic risk of their investment in the Notes for the term of the Notes.

Future trading prices of the Notes will depend upon many factors, including:

- the operating performance and financial condition of Comcel;
- the interest of securities dealers in making a market in the Notes; and
- the market for similar securities.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruptions may have a negative effect on the holders of the Notes, regardless of Comcel's prospects and financial performance.

***Exchange control and exchange rate risks.***

Our obligations to make, or cause to be made, payments in respect of interest on the Notes are based on the cash flow available for our debt service, which is denominated primarily in *quetzales*. These obligations with respect to the cash flow available for our debt service are subject to the ability to convert *quetzales* into U.S. dollars, the rates at which such conversions occur, and the ability to repatriate such funds into the United States. The *quetzal* may be subject to significant fluctuations in the future. See "Exchange Rates and Exchange Controls" and "—Certain Factors Relating to Guatemala—Currency fluctuations and exchange controls may adversely affect our ability to engage in foreign exchange activities, which could hurt our business, results of operations or financial condition."

***The U.S. federal income tax consequences of investing in the Notes are not entirely certain and potential alternative characterizations could result in adverse U.S. federal income tax consequences to investors.***

The Trust will treat, and each holder of a Note and beneficial owner of a Note by acquiring a beneficial interest in a Note agrees to treat, solely for U.S. federal, state and local tax purposes, (a) the Notes as an ownership interest in the Loan, and (b) the Trust as a mere security arrangement that serves to secure and facilitate payment of principal, interest, and other amounts due under the Loan to holders of the Notes pursuant to the Participation Agreement. However, there are no statutory, judicial or administrative authorities that address the U.S. federal income tax treatment of a structure consisting of instruments and arrangements similar to the Notes, the Trust, the Participation Agreement, and the Loan and, accordingly, this treatment is not certain.

There are possible alternative U.S. federal income tax characterizations of the Notes and other aspects of the structure that may be adverse to investors in the Notes. See “Taxation—Certain U.S. Federal Income Tax Consequences—Possible Alternative Tax Treatments.” In particular, if the Notes were treated as an ownership interest in a foreign grantor trust, U.S. Holders (as defined in “Taxation—Certain U.S. Federal Income Tax Consequences”) may be subject to potentially onerous information reporting requirements. See “Taxation—Certain U.S. Federal Income Tax Consequences—U.S. Holders—Possible Alternative Tax Treatments—Notes May Be Treated as Ownership Interests in a Grantor Trust for U.S. Federal Income Tax Purposes.” Accordingly, prospective investors should consult their own tax advisors regarding such alternative characterizations.

Under one possible treatment of the Notes, interest payments on the Notes could potentially be treated as U.S.-source interest, depending on the Lender’s circumstances. In this event, although such payments made to a Non-U.S. Holder (as defined in “Taxation—Certain U.S. Federal Income Tax Consequences”) generally would be eligible for the portfolio interest exemption from U.S. withholding tax, the Non-U.S. Holder may be required to provide an IRS Form W-8 to the applicable withholding agent in order to establish eligibility for the exemption. See “Taxation—Certain U.S. Federal Income Tax Consequences.”

***Holders of Notes may find it difficult to enforce civil liabilities against the Trust.***

The Trust is a Cayman Islands purpose trust (commonly known as a “STAR trust”) to which Part VIII of the Trusts Law (as amended) of the Cayman Islands shall apply. The Trust is not an entity with an independent legal existence. The Cayman Trustee is a company with limited liability incorporated under the laws of the Cayman Islands. As a result, it may not be possible for investors to effect service of process upon the Trust or the Cayman Trustee within the United States or to enforce against the Trust or the Cayman Trustee in United States courts judgments predicated upon the civil liability provisions of the securities laws of the United States.

The Cayman Trustee has been advised by Walkers, its Cayman Islands counsel, that there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts obtained against the Cayman Trustee predicated upon the civil liability provisions of the securities laws of the United States or any state thereof, or (ii) be competent to hear original actions brought in each respective jurisdiction, against the Cayman Trustee predicated upon the securities laws of the United States or any state thereof.

Walkers has further advised the Trust that a final and conclusive judgment in federal or state courts of the United States under which a sum of money is payable, other than a sum payable in respect of taxes, fines, penalties or similar charges, may be subject to enforcement proceedings by way of an action commenced on the judgment debt in the courts of the Cayman Islands.

***It may be difficult to enforce civil liabilities against us or our directors, executive officers and controlling persons.***

Most of our directors, executive officers and controlling persons are non-residents of the United States and substantially all of the assets of such non-resident persons and a significant portion of all of the assets of Comcel and the other Note Guarantors are located in Guatemala or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or Comcel or the other Note Guarantors or to enforce against them or us in courts of any jurisdiction outside Guatemala, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated substantially upon the civil liability provisions of United States federal and state securities laws. We have been advised that there are certain limitations and formal requirements for the enforceability in Guatemalan courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside Guatemala, of civil liabilities arising under the laws of any jurisdiction outside Guatemala, including any judgment predicated solely upon United States federal or state securities laws. No treaty is currently in effect between the United States and Guatemala that covers the reciprocal enforcement of foreign judgments. In the past, Guatemalan courts have enforced judgments rendered in the United States by virtue of principles of reciprocity and comity as well as the provisions of Guatemalan law relating to the enforcement of foreign judgments in Guatemala, consisting of the review by Guatemalan courts of the United States judgment in order to ascertain whether Guatemalan legal principles of due process and public policy (*orden público*), among other requirements, have been duly complied with, without reviewing the merits of the subject matter of the case, provided that U.S. courts would grant reciprocal treatment to Guatemalan judgments. See “Enforcement of Civil Liabilities.”

## **USE OF PROCEEDS**

The net proceeds from the issuance of the Notes offered hereby are estimated to be approximately US\$775.9 million, after deducting the Initial Purchasers' discount and commissions and the estimated fees and expenses related to the offering.

The Trust intends to use the net proceeds from the offering of the Notes to purchase, pursuant to the Participation Agreement, the Participation in the Loan made by the Lender to the Borrower pursuant to the Credit and Guaranty Agreement.

The Borrower intends to use approximately US\$434.8 million of the net proceeds from the borrowings under the Credit and Guaranty Agreement to repay the existing indebtedness of the Borrower and the Loan Guarantors at the time of issuance of the Notes, including indebtedness owed to affiliates of the Initial Purchasers. See "Plan of Distribution—Other Relationships".

The Borrower intends to lend to its shareholders the balance of the net proceeds from the borrowings under the Loan Agreement, which is approximately US\$341.1 million.

## EXCHANGE RATES AND CURRENCY

The Bank of Guatemala reports an average daily U.S. dollar exchange rate at <http://www.banguat.gob.gt/cambio/>. The average daily rate is determined on the basis of the weighted average exchange rates corresponding to all currency purchases and sales by the institutions that make up the Guatemalan institutional foreign exchange market, established at 18:00 hours on the same business day.

The Federal Reserve Bank of New York does not report a noon buying rate for the *quetzal*.

On January 21, 2014, the exchange rate was Q7.8316 = US\$1.00.

The following table sets forth, for each of the last five years and through January 21, 2014, the low, high, average and period-end exchange rates published by the Bank of Guatemala, expressed in *quetzales* per one U.S. dollar. These rates are presented for information purposes.

	Low	High	Period Average(1)	Period End
<b>Year ended December 31,</b>	<b>(quetzales per U.S. dollar)</b>			
2009	7.7725	8.3635	8.1595	8.3544
2010	7.9335	8.3948	8.0593	8.0136
2011	7.5753	8.0287	7.7898	7.8108
2012	7.6782	8.0153	7.8341	7.9023
2013	7.7712	7.9980	7.8588	7.8414
<b>Month</b>				
August 2013	7.8353	7.9736	7.8890	7.9634
September 2013	7.9060	7.9980	7.9417	7.9337
October 2013	7.9227	7.9810	7.9621	7.9227
November 2013	7.8621	7.9227	7.8986	7.9005
December 2013	7.8340	7.9005	7.8928	7.8414
January 2014 (through January 21)	7.8246	7.8881	7.8547	7.8316

- (1) “Period average” means the average of the exchange rates on the last business day of each month for annual averages and the average of the exchange rates on each business day during the relevant period for monthly averages.

Since 1994, the Monetary Board has allowed the exchange rate for the *quetzal* to be determined predominantly by market forces. The Bank of Guatemala intervenes in the foreign exchange market by buying or selling U.S. dollars to counter drastic fluctuations in the exchange rate caused by speculative, cyclical or seasonal factors that affect the balance of payments.

Since 1996, the Bank of Guatemala has intervened in the foreign exchange market through the “*Sistema Electrónico de Negociación de Divisas*,” an electronic system for buying and selling foreign exchange. Currently, there are no restrictions on the conversion of *quetzales* into other currencies. On May 1, 2001, the Law of Free Transfer of Foreign Currency came into effect, permitting both domestic and foreign banks in Guatemala to freely enter into foreign-currency-denominated contracts and accept monetary deposits and offer bank accounts in foreign currency.

We have translated some of the *quetzal* amounts contained in this offering memorandum into U.S. dollars for convenience purposes only. Unless otherwise indicated, the rate used to translate such amounts was the *quetzal*/U.S. dollar exchange rate for purchasing U.S. dollars, or reference exchange rate, reported by the Bank of Guatemala for September 30, 2013 of Q7.9337 = US\$1.00.

## CAPITALIZATION

The following table presents our capitalization (i) as of September 30, 2013 and (ii) as adjusted to give effect, as of September 30, 2013, to this offering, as well as the application of the net proceeds of approximately US\$775.9 million in the manner described in “Use of Proceeds” including approximately \$341.1 million lent to shareholders.

	As of September 30, 2013	
	Actual	As Adjusted
	(in thousands of U.S. dollars)	
Cash and cash equivalents(1).....	38,125	38,125
<b>Current liabilities</b>		
Borrowings .....	89,794 <sup>(2)</sup>	—
<b>Non-current liabilities</b>		
Borrowings(3).....	345,027 <sup>(2)</sup>	775,900
<b>Total shareholders’ equity.....</b>	<b>411,214</b>	<b>411,214</b>
<b>Total capitalization.....</b>	<b>846,035</b>	<b>1,187,114</b>

- (1) On December 31, 2013, we made a loan to our shareholders in the amount of \$50.1 million. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Shareholder Distributions.”
- (2) Comprised of debt and financing due to related parties and other debt financing.
- (3) As adjusted borrowings are net of issue and underwriting discounts and certain estimated expenses related to the offering.

## SELECTED FINANCIAL AND OTHER INFORMATION

The following table presents our selected historical financial data. The income statement data for the years ended December 31, 2012 and 2011 and the statement of financial position data as of December 31, 2012 and 2011 set forth below have been derived from our Audited Combined Financial Statements included elsewhere in this offering memorandum. The income statement data for the nine-month periods ended September 30, 2013 and 2012 and the statement of financial position data as of September 30, 2013 set forth below have been derived from our Interim Combined Financial Statements included elsewhere in this offering memorandum. The Interim Combined Financial Statements have been prepared on the same basis as the Audited Combined Financial Statements and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein. These combined financial statements have been presented in accordance with IFRS as adopted by the EU. Our summary combined financial information for the twelve months ended September 30, 2013 has been derived by adding the our summary combined financial information for the year ended December 31, 2012 to our summary combined financial information for the nine months ended September 30, 2013 and subtracting our summary combined financial information for the nine months ended September 30, 2012. Such compilation has not been audited or reviewed.

Our Combined Financial Statements do not consolidate the subsidiaries over which Comcel and the Loan Guarantors exerted control as of, and for, the periods presented. The only such subsidiaries were Newcom Ltd. Bermuda and Millicom Cable 206 N.V., 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 Loan Guarantors as of, and for, the nine-month periods ended September 30, 2013. 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 Loan Guarantors, including those prepared for purposes of “Description of the Notes—Covenants of the Note Guarantors—Provision of Financial Information”.

This data is qualified in its entirety by reference to, and should be read in conjunction with, our Combined Financial Statements and accompanying notes, “Capitalization,” “Selected Historical Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this offering memorandum. The historical results are not necessarily indicative of our future results of operations or financial condition.

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
	(in thousands of US\$ except percentages and ratios)				
<b>Income Statement Data:</b>					
Revenue .....	1,143,680	855,833	841,206	1,129,053	1,111,512
Cost of sales .....	(315,343)	(236,922)	(209,479)	(287,900)	(286,045)
<b>Gross profit</b> .....	<b>828,337</b>	<b>618,911</b>	<b>631,727</b>	<b>841,153</b>	<b>825,467</b>
Sales and marketing .....	(205,215)	(152,329)	(139,021)	(191,907)	(181,950)
General and administrative expenses .....	(175,880)	(134,466)	(125,834)	(167,248)	(144,105)
<b>Operating profit</b> .....	<b>447,242</b>	<b>332,116</b>	<b>366,872</b>	<b>481,998</b>	<b>499,412</b>
Interest expense .....	(26,970)	(21,036)	(19,746)	(25,680)	(24,508)
Interest income .....	(1,607)	—	3,951	2,344	7,327
Other non-operating expenses, net .....	—	—	—	—	(171)
Foreign exchange gain (loss), net .....	3,710	(691)	(6,727)	(2,326)	9,755
<b>Profit before tax</b> .....	<b>422,375</b>	<b>310,389</b>	<b>344,350</b>	<b>456,336</b>	<b>491,815</b>
Charge for taxes .....	(59,842)	(46,802)	(40,801)	(53,841)	(53,501)
<b>Net profit</b> .....	<b>362,533</b>	<b>263,587</b>	<b>303,549</b>	<b>402,495</b>	<b>438,314</b>



	<b>Twelve Months Ended September 30, 2013</b>	<b>Nine Months Ended September 30,</b>		<b>Year Ended December 31,</b>	
		<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>
<b>(in thousands of US\$ except percentages and ratios)</b>					
<b>Other Financial Data and Ratios</b>					
Recurring revenue(1) .....	1,041,364	779,650	767,910	1,029,624	1,004,926
Adjusted EBITDA(2) .....	595,993	441,768	468,609	622,834	624,191
Adjusted EBITDA Margin(3) .....	52.1%	51.6%	55.7%	55.2%	56.2%
Net debt to Adjusted EBITDA(4) .....	0.67	—	—	0.73	0.55
Total debt to Adjusted EBITDA(5) .....	0.73	—	—	0.78	0.68

- (1) Recurring revenue consists of monthly subscription fees, airtime usage fees, interconnection fees, roaming fees and fees from other telecommunications services such as data services, short message services and other value-added services and exclude revenue from the sale of telephone handsets and equipment and roaming fees from visitors to our network who are not our customers, which we believe reflects the regular and ongoing revenue of our customers and is therefore an appropriate metric to analyze the results of our operations. Recurring revenue is not a recognized term or recognized measure of performance under IFRS and should not be considered as an alternative to revenue as a measure of operating performance. We consider recurring revenue to be an important supplemental measure of our performance, which also facilitates operating performance comparisons from period to period. Because recurring revenue is not determined in accordance with IFRS, recurring revenue as presented may not be comparable to similarly titled measures of other companies.
- (2) We calculate Adjusted EBITDA by adding net finance costs; income tax; depreciation and amortization; net loss on disposal and impairment of assets and exchange gains and losses to our total comprehensive income. Adjusted EBITDA is not a recognized term or recognized measure of performance under IFRS and should not be considered as an alternative to net profits as a measure of operating performance or to net cash provided by operating activities as a measure of liquidity. We consider Adjusted EBITDA to be an important supplemental measure of our performance, which also facilitates operating performance comparisons from period to period. Because Adjusted EBITDA is not determined in accordance with IFRS, Adjusted EBITDA as presented herein may not be comparable to similarly titled measures of other companies.
- (3) We define Adjusted EBITDA Margin as our Adjusted EBITDA divided by revenue. Adjusted EBITDA Margin is not a recognized term or measure of performance under IFRS.
- (4) We calculate Net debt to Adjusted EBITDA by dividing our total borrowings (comprised of: debt and financing due to related parties; current other debt and financing; and non-current other debt and financing), less cash and cash equivalents, by our Adjusted EBITDA.
- (5) We calculate Total debt to Adjusted EBITDA by dividing our total borrowings (comprised of: debt and financing due to related parties; current other debt and financing; and non-current other debt and financing) by our Adjusted EBITDA.

The following table is a reconciliation of our net profit to Adjusted EBITDA

	<b>Twelve Months Ended September 30, 2013</b>	<b>Nine Months Ended September 30,</b>		<b>Year Ended December 31,</b>	
		<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>
<b>(in thousands of US\$ except for ratios)</b>					
Net profit.....	362,533	263,587	303,549	402,495	438,314
Net finance costs (1) .....	28,577	21,036	15,795	23,336	17,181
Income taxes.....	59,842	46,802	40,801	53,841	53,501
Depreciation and amortization .....	145,586	108,729	101,563	138,420	121,955
(Gain) loss on disposal and impairment of assets, net .....	3,165	923	174	2,416	2,955
Exchange (gains) losses, net .....	(3,710)	691	6,727	2,326	(9,755)
<b>Adjusted EBITDA.....</b>	<b>595,993</b>	<b>441,768</b>	<b>468,609</b>	<b>622,834</b>	<b>624,191</b>

- (1) Net finance costs are equal to finance cost net of finance income.

The following table is a reconciliation of our cash and cash equivalents to total debt and net debt:

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
		(in thousands of US\$ except for ratios)			
Cash, cash equivalents at the end of the year/period .....	38,125	38,125	83,881	32,474	83,324
<b>Non-current Liabilities</b>					
Debt and other financing due to related parties .....	3,242	3,242	8,327	3,207	—
Other debt and financing .....	341,785	341,785	425,098	398,397	286,350
<b>Current Liabilities</b>					
Other debt and financing .....	83,560	83,560	141,116	83,611	139,604
Amounts due to related parties .....	6,234	6,234	4,076	—	—
<b>Total debt</b> .....	<b>434,821</b>	<b>434,821</b>	<b>578,617</b>	<b>485,215</b>	<b>425,954</b>
<b>Net debt</b> .....	<b>396,696</b>	<b>396,696</b>	<b>494,736</b>	<b>452,741</b>	<b>342,630</b>
<b>Net debt to Adjusted EBITDA</b> .....	<b>0.67</b>	—	—	<b>0.73</b>	<b>0.55</b>
<b>Total debt to Adjusted EBITDA</b> .....	<b>0.73</b>	—	—	<b>0.78</b>	<b>0.68</b>

The following table shows certain information regarding our recurring revenue:

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
		(in thousands of US\$)			
Revenue from value-added services .....	367,106	279,363	246,579	334,323	266,282
Other recurring revenue .....	674,259	500,288	521,331	695,302	738,644
<b>Recurring revenue</b> .....	<b>1,041,364</b>	<b>779,650</b>	<b>767,910</b>	<b>1,029,624</b>	<b>1,004,926</b>
Non-recurring revenue .....	102,316	76,183	73,296	99,429	106,586
<b>Total revenue</b> .....	<b>1,143,680</b>	<b>855,833</b>	<b>841,206</b>	<b>1,129,053</b>	<b>1,111,512</b>

## Statement of Financial Position:

	As of September 30, 2013	As of December 31, 2012      2011	
	(in thousands of US\$)		
<b>Assets</b>			
<b>Non-Current Assets</b>			
Intangible assets, net .....	142,144	146,997	155,338
Property, plant and equipment, net.....	619,597	566,862	504,363
Deferred taxation .....	1,463	1,235	1,774
Other non-current assets .....	1,933	2,620	459
<b>Total Non-Current Assets .....</b>	<b>765,137</b>	<b>717,714</b>	<b>661,934</b>
<b>Current Assets</b>			
Inventories.....	32,834	36,176	29,940
Trade receivables, net.....	64,962	52,494	45,024
Amounts due from related parties .....	116,291	353,051	423,101
Prepayments and accrued income .....	11,006	10,534	5,649
Current income tax assets .....	1,071	—	—
Supplier advances for capital expenditure .....	44,776	18,425	6,570
Other current assets.....	24,235	17,520	15,378
Restricted Cash .....	2,671	2,601	837
Cash and cash equivalents .....	38,125	32,474	83,324
<b>Total current assets.....</b>	<b>335,971</b>	<b>523,275</b>	<b>609,823</b>
<b>Total assets .....</b>	<b>1,101,108</b>	<b>1,240,989</b>	<b>1,271,757</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity contribution.....	14,009	14,009	4,366
Equity contribution reserve .....	4,579	3,620	2,586
Other reserves .....	67,668	66,466	69,617
Retained Earnings .....	324,958	444,111	543,369
<b>Total equity .....</b>	<b>411,214</b>	<b>528,206</b>	<b>619,938</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Debt and financing due to related parties .....	3,242	3,207	—
Other debt and financing.....	341,785	398,397	286,350
Provisions and other non-current liabilities .....	22,824	22,207	19,442
Deferred taxation.....	4,264	3,964	3,166
<b>Total non-current liabilities .....</b>	<b>372,115</b>	<b>427,775</b>	<b>308,958</b>
<b>Current Liabilities</b>			
Other debt and financing.....	83,560	83,611	139,604
Payables and accruals for capital expenditure .....	72,050	61,651	67,397
Other trade payables .....	45,670	32,670	12,657
Amounts due to related parties .....	6,234	—	—
Other accrued interest and accrued expenses .....	52,692	59,935	66,368
Current income tax liabilities .....	10,877	4,205	12,286
Provisions and other current liabilities.....	46,696	42,936	44,549
<b>Total current liabilities .....</b>	<b>317,779</b>	<b>285,008</b>	<b>342,861</b>
<b>Total liabilities .....</b>	<b>689,894</b>	<b>712,783</b>	<b>651,819</b>
<b>Total equity and liabilities.....</b>	<b>1,101,108</b>	<b>1,240,989</b>	<b>1,271,757</b>

## Statement of Cash Flows:

	Nine Months Ended September 30,		Year Ended December 31,	
	2013	2012	2012	2011
	(in thousands of US\$)			
<b>Profit before tax</b> .....	<b>310,389</b>	<b>344,350</b>	<b>456,336</b>	<b>491,815</b>
<b>Adjustments for non-operating items:</b>				
Interest expense .....	21,036	19,746	25,680	24,508
Interest and income .....	—	(3,951)	(2,344)	(7,327)
Other non-operating expenses, net .....	—	—	—	171
Foreign exchange loss / (gain), net .....	691	6,727	2,326	(9,755)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization .....	108,729	101,563	138,420	121,995
Loss on disposal and impairment of assets, net .....	923	174	2,416	2,955
Impairment of goodwill .....	—	—	—	—
Share-based compensation .....	959	778	1,034	750
Other non-cash items .....	—	(2,090)	(2,090)	742
	<b>442,727</b>	<b>467,297</b>	<b>621,778</b>	<b>625,854</b>
(Increase)/Decrease in trade receivables, prepayments and other current assets .....	(18,125)	(59,094)	(8,537)	(13,796)
(Increase)/Decrease in inventories .....	3,342	(9,220)	(6,132)	(7,347)
Increase/(Decrease) in trade and other payables .....	19,991	13,724	21,810	19,830
<b>Changes to working capital</b> .....	<b>5,208</b>	<b>(54,590)</b>	<b>7,141</b>	<b>(1,313)</b>
Interest paid .....	(18,259)	(17,442)	(22,782)	(20,643)
Interest received .....	858	3,557	1,941	4,455
Taxes paid .....	(31,030)	(43,247)	(53,930)	(54,311)
<b>Net cash provided by operating activities</b> .....	<b>399,504</b>	<b>355,575</b>	<b>554,148</b>	<b>554,042</b>
<b>Cash flows from (used in) investing activities:</b>				
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired .....	(8,504)	(328)	(10,131)	(9,722)
Purchase of intangible assets and license renewals .....	(1,361)	—	—	(95)
Purchase of property, plant and equipment .....	(172,174)	(134,136)	(213,643)	(129,727)
Proceeds from sale of property, plant and equipment .....	407	—	—	3,003
Proceeds from sale of intangible assets .....	—	—	—	65
Net increase in restricted cash .....	(70)	(1,228)	(1,764)	(837)
Cash (used) provided by other investing activities .....	(722)	(1,164)	(2,159)	—
<b>Net cash used in investing activities</b> .....	<b>(182,424)</b>	<b>(136,856)</b>	<b>(227,697)</b>	<b>(137,313)</b>
<b>Cash flows from (used in) financing activities:</b>				
Proceeds from issuance of debt and other financing .....	11,579	265,379	205,425	407,321
Repayment of debt and financing .....	(68,229)	(121,498)	(146,209)	(343,278)
Payment of dividends .....	(155,439)	(361,918)	(436,957)	(497,600)
<b>Net cash used in financing activities</b> .....	<b>(212,089)</b>	<b>(218,037)</b>	<b>(377,741)</b>	<b>(433,557)</b>
Exchange losses (gains) on cash and cash equivalents .....	660	(125)	440	3,235
<b>Net (decrease) increase in cash and cash equivalents</b> .....	<b>5,651</b>	<b>557</b>	<b>(50,850)</b>	<b>(13,593)</b>
Cash and cash equivalents at the beginning of the year/period .....	32,474	83,324	83,324	96,917
<b>Cash, cash equivalents at the end of the year/period</b> .....	<b>38,125</b>	<b>83,881</b>	<b>32,474</b>	<b>83,324</b>

The following table is a reconciliation of our net cash provided by operating activities to Adjusted EBITDA:

	Twelve Months Ended September 30, 2013	Nine Months Ended September 30,		Year Ended December 31,	
		2013	2012	2012	2011
(in thousands of US\$)					
<b>Net cash provided by operating activities .....</b>	<b>598,077</b>	<b>399,504</b>	<b>355,575</b>	<b>554,148</b>	<b>554,042</b>
<b>Adjustments for non-cash items</b>					
Share-based compensation .....	1,215	959	778	1,034	750
Other non-operating expenses.....	—	—	—	—	171
Other non-cash items .....	—	—	(2,090)	(2,090)	742
Changes to working capital .....	66,939	5,208	(54,590)	7,141	(1,313)
Interest paid.....	(23,599)	(18,259)	(17,442)	(22,782)	(20,643)
Interest received.....	(758)	858	3,557	1,941	4,455
Taxes paid .....	(41,713)	(31,030)	(43,247)	(53,930)	(54,311)
<b>Adjusted EBITDA.....</b>	<b>595,993</b>	<b>441,768</b>	<b>468,609</b>	<b>622,834</b>	<b>624,191</b>

#### Operating Data:

	As of/for the nine months ended September 30,		As of/for the year ended December 31,	
	2013	2012	2012	2011
<b>Number of mobile customers .....</b>	<b>8,322,557</b>	<b>7,575,987</b>	<b>7,921,732</b>	<b>7,122,987</b>
Postpaid.....	391,410	373,542	367,056	332,644
Prepaid.....	7,946,841	7,202,455	7,554,676	6,790,343
<b>Monthly churn % (1)</b>				
Postpaid handset .....	1.2%	1.7%	1.6%	1.3%
Postpaid datacard.....	8.5%	9.0%	10.4%	6.7%
Total postpaid.....	3.0%	4.2%	4.4%	3.0%
Prepaid handset.....	3.0%	3.3%	3.1%	3.1%
Prepaid data card.....	3.5%	3.1%	3.3%	4.3%
Total prepaid .....	3.0%	3.3%	3.1%	3.1%
Total monthly churn (2) .....	3.0%	3.3%	3.2%	3.1%
<b>Monthly ARPU (US\$) (3)</b>				
Postpaid.....	33.9	32.4	33.0	36.9
Prepaid.....	8.7	9.8	9.6	10.7
Total monthly ARPU (4) .....	9.9	10.9	10.7	11.9
<b>Number of employees.....</b>	<b>1,681</b>	<b>1,230</b>	<b>1,466</b>	<b>846</b>

(1) Termination of our services by our customers is referred to as “churn.” Churn is calculated by dividing the net disconnection of customers during the period by the average number of customers for the period. The average number of customers is calculated by dividing the sum of the opening customer balance for the period and the closing customer balance for the period by two.

(2) Our total monthly churn is individually calculated by reference to our aggregate prepaid and postpaid customers.

(3) Average monthly revenue per customer is calculated based on a historical exchange rate of Q7.94 to US\$1.00 for the nine-month periods ended September 30, 2013 and 2012 and of Q7.84 to US\$1.00 for the years ended December 31, 2012 and 2011.

(4) Our total ARPU is individually calculated by reference to our aggregate prepaid and postpaid customers.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the Combined Financial Statements and the notes thereto of Comcel and the other Note Guarantors presented in accordance with IFRS, included elsewhere in this offering memorandum, as well as the information presented under "Presentation of Financial and Other Information," and "Selected Financial and Other Information."*

*The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those set forth in "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."*

### Overview

We are the leading provider of mobile communications services in Guatemala, providing communications, data, entertainment and solutions services under the Tigo brand across the most extensive 2G and 3G networks in the country. With 8.3 million mobile subscribers, we estimate our market share of mobile users in Guatemala at approximately 53.7% as of September 30, 2013. We established ourselves in 1990 as the first mobile operator in Guatemala and have maintained a market-leading position since 2007, following the entry of additional mobile operators in 1999. We are evolving beyond traditional mobile communications and data services to offer a combination of corporate solutions, fixed-line, cable TV, broadband services and MFS to retail and business customers in Guatemala.

We are jointly owned by the Millicom Group, which holds a 55% ownership interest in Comcel and each of the other Note Guarantors, and Miffin, which holds the remaining 45% ownership interest. Millicom offers digital lifestyle products and services primarily through wireless and cable TV/broadband networks in Central America, South America and Africa, mainly under the Tigo brand. We benefit from Millicom's vast emerging markets operating experience, product development and technical expertise and sharing of best practices gained from its operations in 15 emerging market nations. We also benefit from the economies of scale that result from being part of Millicom's global purchasing and supply chain. Miffin is a holding company with interests in several lines of business, including telecommunications, real estate and renewable power. As Millicom's local partner, Miffin has greatly contributed to our success through its deep understanding of Guatemala's economy and demographics (including our customer base) and through its relationships with commercial, industry and government partners.

We offer our products through four business units:

- Tigo Mobile (voice, SMS, data and other value-added services);
- Tigo Business (corporate and productivity solutions);
- Tigo Home (cable TV, fixed-line broadband and fixed-line telephone services); and
- Tigo Money (MFS).

*Tigo Mobile:* As of September 30, 2013, we had approximately 8.3 million mobile customers, which we estimate represented approximately 53.7% of the total mobile customer base in Guatemala, and our network comprised 4,322 cell sites and covered 89% of the country's total population. Our networks provide the most extensive coverage and highest reliability in our market, which has reached a mobile penetration rate of approximately 125%. We have developed an extensive distribution network for the sale of our products and services across the country.

In order to maintain our leading market share and enhance our profitability in a market with high penetration, we tailor our mobile service offerings to meet the communications needs of our targeted customer segments and offer a comprehensive range of prepaid and postpaid service plans. We target customer segments by classifying them by, among other factors, projected ARPU, preferred activities, education level, budget, region, age, type of device and gender. As of September 30, 2013, 95.3% of our customers received our services on a prepaid basis and

4.7% of our customers received our services on a postpaid basis. Our prepaid customers generated 83.4% of our mobile revenue for the twelve months ended September 30, 2013. Our postpaid customers, who have a higher ARPU and tend to use more value-added services that we have introduced to the Guatemalan market, such as MMS, music and video streaming, generated 16.0% of our mobile revenue for the same period. While ARPU among our prepaid customers is lower, these customers receive no handset subsidies from us and can be serviced at a lower cost than our postpaid customers.

As smartphone penetration and data usage increase in Guatemala, we will continue to design and offer bundle packages that promote continued usage of our voice and SMS services while allowing us to capture and monetize growth in mobile broadband. We tailor our offers to meet the divergent data usage patterns and differing demands of the prepaid and postpaid customer segments. For example, in order to provide lower cost options we offer prepaid plans with lower voice minute rates at certain times of the day and plans with volume discounts for certain bundles of voice minutes and SMS. In the postpaid segment we offer flexibility to our customers by allowing them to build their own data plans based on their needs. Additionally, we offer our postpaid customers discounts for smartphones in attractive pricing packages.

*Tigo Business:* Through this business unit we offer an array of corporate and productivity solutions and services to the Guatemalan operations of multinational corporations, large businesses, SME and home offices in Guatemala. These services include mobile products and services, fixed-line broadband, enterprise VoIP, IP video conferencing, IP-PBX and cloud services. This business unit's differentiating proposition is to provide attractive pricing, end-to-end solutions and after-sales customer service in a market where many businesses have limited experience and resources to maintain IT infrastructure. As of September 30, 2013, Tigo Business had 8,286 customers, which we estimate represents approximately 32.3% of the total corporate market in Guatemala.

*Tigo Home:* Tigo Home currently offers consumers fixed-line broadband and cable TV services in Guatemala City and its high-density surrounding areas. Through a dedicated in-house team in charge of inorganic growth in this segment, we have focused on consolidating our network and expanding our customer base through a series of acquisitions beginning in January 2012. We expect this process of inorganic growth to continue as Tigo Home grows scale. Tigo Home currently provides services branded under Cable Fusión and other legacy brands, had 118,769 cable TV subscribers as of September 30, 2013, which we estimate represents approximately 15% of the market in Guatemala. The home internet and cable TV market in Guatemala is fragmented. We estimate that Claro, the market leader, currently services approximately 21% of the market while approximately 64% of the market is serviced by more than 500 small providers, predominantly in rural areas of the country. In the near future, we expect to offer fixed-line telephone services through this business unit using existing cable infrastructure and VOIP technology, which will allow us to offer "triple-play" bundled video, data and voice services. Currently, we offer our Tigo Home services only on a postpaid basis, but we expect to offer prepaid cable TV, prepaid fixed-line broadband and, in rural areas of the country and areas without HFC network coverage, direct broadcast satellite (direct-to-home, or DTH) television services in the near future. We believe that the addition of these products tailored to additional segments of the consumer market will allow us to expand our Tigo Home customer base significantly.

*Tigo Money:* Through our Tigo Money business unit, we offer MFS products to our mobile customers including mobile top-ups, peer-to-peer credits, bill payment to Tigo Mobile and several other third parties including utility companies and local and international remittances. We believe that MFS products offer a significant untapped opportunity in Guatemala to generate incremental revenue largely by using our existing products and infrastructure and for our products and services to become further embedded in our customers' lives. Our mobile subscribers who use our MFS services tend to generate higher ARPU and churn less frequently. Millicom has shown strong penetration of MFS in other of its markets where it introduced MFS earlier than we have in Guatemala, with MFS penetration of 43% in Tanzania and 29% in Paraguay as of June 30, 2013. As of September 30, 2013, our MFS products had been used on 534,729 registered handsets and at least once in the prior 60 days on 284,950 registered handsets. As part of our growth strategy for this unit, we are focusing on increasing transactional volume and the MFS products available to our mobile subscriber base, for example by developing salary payment products and building bank alliances.

#### **Non-Consolidation of Subsidiaries of the Note Guarantors**

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 subsidiaries were Newcom Ltd. Bermuda and Millicom Cable 206 N.V. , 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, 2013. 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.”

## **Factors Affecting our Results of Operations**

Our operating results are primarily affected by the following factors:

### *The State of the Guatemalan Economy*

We derive all of our revenue from Guatemala, an emerging market. Inflation rates, rates of GDP growth and remittance levels affect our business, financial condition and results of operations. See “Risk Factors—Certain Factors Relating to Our Business and the Guatemalan Cellular Market.”

### *Taxes*

Our effective tax rate for the years ended December 31, 2012 and 2011 was 12% and 11%, respectively.

The Guatemalan tax authorities have sought to apply a 3% stamp tax on the payment of dividends from Comcel to the Millicom Group through coupons attached to share certificates for the 2007 and 2010 tax years. We believe that these dividend payments are specifically exempt from stamp tax and are disputing the tax authority’s determination that a stamp tax is due for these dividend payments. We estimate that, should we lose the appeal, the additional tax assessment, plus interest and penalties, could be approximately \$91 million, for which management takes the view that no provision should be made. See “Business—Legal and Administrative Proceedings.”

### *Interconnection Rates*

Interconnection rates and terms are not subject to specific regulation in Guatemala and are thus set by private contract. Our operations are dependent upon interconnection agreements with other providers, which give our customers access to networks other than our own. Interconnection is required to complete calls that originate on our networks but terminate outside our networks, or that originate outside our networks and terminate on our networks. Interconnection rates have not varied significantly over recent years, with the domestic interconnection rate being unchanged since 1998.

### *Revenue*

We generate our revenue mainly from the provision of communication, information, entertainment, and solutions services to our customers primarily through monthly subscription fees, airtime and data usage fees, roaming fees, interconnect fees, connection fees, fees from the provision of broadband internet, VoIP, data transmission fees on mobile money transfer and related financial services, cable TV, sale of content and other services, tower rental, equipment and phone sales. We generally seek to increase our revenue through the growth of our customer base and through the introduction of new products and value-added services. Our results of operations are therefore dependent on our customer base, the introduction of new products and value-added services, and the number of distribution points that offer our products and services. Due to our high market share, our revenue is also impacted by interconnection rates between communications operators, including interconnection fees charged for a call originating from a competitor’s network and terminating on our network.

A substantial proportion of our revenue, or 22.5%, 22.5% and 21.2% for the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011, respectively, was denominated in US dollars. We generate US dollar-denominated revenue from, among others, roaming, interconnect and other fees and from the sale of airtime credits through international distributors.

In common with our industry, our revenue derived from higher-margin voice and SMS services has been declining, with a corresponding reduction in ARPU, as a result of the increasing popularity of data-capable devices and the development of mobile applications, such as Viber, Skype and WhatsApp, that generally reduce demand for voice and SMS services. We expect this trend will continue in the future. In response, we have begun to diversify our sources of revenue through the development of a growing number of value-added services in our mobile



operations and by our expansion into corporate solutions, fixed-line broadband, fixed-line telephone, cable TV and MFS products to retail and business customers in Guatemala.

#### *Customer Base and Churn*

The number of customers we have is dependent upon the number of new customers we obtain and the number of customers that terminate our service, or churn. Our total mobile customer base grew from approximately 7.6 million customers as of September 30, 2012 to approximately 8.3 million customers as of September 30, 2013, an annual growth rate of approximately 10.1%. During this period we also saw our market share of mobile users in Guatemala increase by approximately 240 basis points. Our average churn rate (handsets and datacards) per month for the year ended December 31, 2012 and the nine months to September 30, 2013 was approximately 3.2% and 3.0%, respectively. Our policy is to terminate prepaid customers after 60 days of inactivity. We believe the measurement of churn may be overstated by our existing customers who migrate from being prepaid customers to postpaid customers and in some cases disconnect their old telephone numbers and are therefore included in the churn calculation. Our average churn rate also reflects the high churn in postpaid datacards adopted by customers in connection with promotional campaigns to encourage data use in the Guatemalan market, which were subsequently abandoned as a result of a divergence between customer expectations and network performance and increased smartphone adoption.

To reduce our churn rate we undertake focused customer loyalty activities, such as balance promotions and retention subsidy promotions. We are also focused on improving the quality of our network. Our primary retention activity, however, is the day-to-day maintenance of brand value and high quality customer service that we offer to our customers.

#### *Cost of Sales*

The primary components of our cost of sales are interconnection costs, telephone handset and equipment costs, roaming costs, costs of leasing lines to connect the switches and main base stations, other transmission costs, frequency fees, taxes, value-added services costs, programming and content costs, depreciation and any impairment of network equipment data services and other direct costs.

As we add customers, we continue to seek new ways to control our cost of sales in order to continue to improve our operating margins and to seek new ways to reduce our overall general and administrative cost base. We try to reduce our support costs by identifying synergies with our parent and affiliate companies, such as sharing branding, human resources and global supply arrangements. See “Certain Relationships and Related Party Transactions.” We have sought to implement various cost-saving and cost-reduction initiatives, including reducing the average handheld subsidy per user and renegotiating the fees we pay for interconnection and value-added services.

#### *Gross Margins*

We expect that future gross margin percentages will be primarily affected by pricing, interconnection fees and the mix of revenue generated from the level of telephone and equipment sales, voice, SMS services, value-added services, broadband internet, cable TV and data traffic exclusively within our networks and those between our networks and other networks. Calls made exclusively within our networks have a higher gross margin because we do not incur interconnection charges to access other networks.

#### *Sales and Marketing*

Sales and marketing costs are primarily comprised of commissions to dealers for the sale of prepaid reloads, the sale of handsets and other equipment, smartphone subsidies aimed at obtaining and maintaining customers, as well as general advertising and promotion costs, point of sale materials for our retail outlets and staff costs.

### **Critical Accounting Policies**

Our Combined Financial Statements have been prepared in accordance with IFRS as adopted by the EU on a historical cost basis and expressed in US dollars. For information on the exchange rates used, see note 2.4 to our Audited Combined Financial Statements for the years ended December 31, 2012 and 2011. In preparing our Combined Financial Statements, management needs to make assumptions, estimates and judgments, which are often subjective and may be affected by changing circumstances or changes in its analysis. Material changes in these

assumptions, estimates and judgments have the potential to materially alter our results of operations. We have identified below those accounting policies that we believe could potentially produce materially different results if we were to change our underlying assumptions, estimates and judgments. For a detailed discussion of these and other accounting policies, see note 2 to the Combined Financial Statements included elsewhere in this offering memorandum. 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. Significant management judgment is required to determine any provision for 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 our control. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated.

#### ***Impairment of non-financial assets***

At each reporting date, we assess whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, we make an estimate of the asset's recoverable amount. We determine the recoverable amount based on the higher of its fair value less cost to sell, and its value in use, for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Where no comparable market information is available, the fair value less cost to sell is determined based on the estimated future cash flows discounted to their present value using a discount rate that reflects current market conditions for the time value of money and risks specific to the asset. The foregoing analysis also evaluates the appropriateness of the expected useful lives of the assets. Impairment losses of continuing operations are recognized in the combined income statement in those expense categories consistent with the function of the impaired asset.

At each reporting date, we assess whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Other than for goodwill, a previously recognized impairment loss is reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### ***Inventories***

Inventories, which mainly consist of mobile telephone handsets and related accessories, are stated at the lower of cost and net realizable value and tested for impairment (including obsolescence) annually. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### ***Trade receivables***

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment is recorded when there is objective evidence that we will not be able to collect amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The provision is recognized in the combined income statement within "Cost of sales."

### ***Provisions***

Provisions are recognized when we have a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where we expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, risks specific to the liability. Where discounting is used, increases in the provision due to the passage of time are recognized as interest expenses.

### ***Revenue recognition***

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services, net of value added tax, rebates and discounts and after eliminating intra-group sales.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured.

Recurring revenue from telecom services, which we believe reflects the regular and ongoing revenue of our customers and is therefore an appropriate metric to analyze the results of our operations, consists of monthly subscription fees, airtime usage fees, interconnection fees, roaming fees, revenue from online product and service sales, MFS commissions and fees from other telecommunications services such as data services, short message services and other value-added services and exclude revenue from the sale of telephone handsets and equipment and roaming fees from visitors to our network who are not our customers. Recurring revenue is recognized on an accrual basis (i.e., as the related services are rendered). Unbilled revenue for airtime usage and subscription fees resulting from services provided from the billing cycle date to the end of each month is estimated and recorded.

Subscription products and services are deferred and amortized over the estimated life of the customer relationship. Related costs are also deferred, to the extent of the revenue deferred, and amortized over the estimated life of the customer relationship. The estimated life of the customer relationship is calculated based on historical disconnection percentage for the same type of customer.

Where customers purchase a specified amount of airtime in advance, revenue is recognized as airtime is used. Unutilized airtime is carried in the statement of financial position as deferred revenue within “other current liabilities.”

Revenue from value-added content services such as video messaging, ringtones, games, etc., is recognized net of payments to the providers of these services if the providers are responsible for content and determining the price paid by the customer. For such services we are considered to be acting in substance as an agent. Where we are responsible for the content and determines the price paid by the customer then the revenue is recognized gross amount.

Revenue from the sale of handsets and accessories on a stand-alone basis (without multiple deliverables) is recognized when the significant risks and rewards of ownership of handsets and accessories have been passed to the buyer.

Revenue arrangements with multiple deliverables (bundled offers such as equipment and services sold together) are divided into separate units of accounting if the deliverables in the arrangement meet certain criteria. The arrangement consideration is then allocated among the separate units of accounting based on their relative fair values or on the residual method. Revenue is then recognized separately for each unit of accounting.

### ***Deferred tax***

Deferred income tax is provided using the liability method and calculated from temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a

transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward of unused tax credits and losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry-forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax assets relate to deductible temporary differences from initial recognition of an asset or liability in a transaction that is not a business combination, and, at the time of the transaction, affects neither accounting, nor taxable, profit or loss.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize the deferred income tax asset. Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent it is probable that future taxable profit will enable the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate expected to apply in the year when the assets are realized or liabilities settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Income tax relating to items recognized directly in equity is recognized in equity and not in the combined income statement. Deferred tax assets and deferred tax liabilities are offset where legally enforceable set off rights exist and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Results of Operations

### *Nine months ended September 30, 2013 and 2012*

The following table sets forth certain income statement items and operating information at or for the periods and dates indicated:

	Nine months Ended September 30,		Impact on comparative results for period	
	2013	2012	Amount of variation	Percent change
<i>(in thousands of USD, except percentages, subscribers, employees and ARPU)</i>				
Revenue .....	855,833	841,206	14,627	1.7%
Cost of sales .....	(236,922)	(209,479)	(27,443)	13.1%
<b>Gross profit</b> .....	<b>618,911</b>	<b>631,727</b>	<b>(12,816)</b>	<b>(2.0)%</b>
Sales and marketing .....	(152,329)	(139,021)	(13,308)	9.6%
General and administrative expenses .....	(134,466)	(125,834)	(8,632)	6.9%
<b>Operating profit</b> .....	<b>332,116</b>	<b>366,872</b>	<b>(34,756)</b>	<b>(9.5)%</b>
Interest expense .....	(21,036)	(19,746)	(1,290)	6.5%
Interest income .....	—	3,951	(3,951)	(100.0)%
Foreign exchange gain (loss), net .....	(691)	(6,727)	6,036	(89.7)%
<b>Profit before tax</b> .....	<b>310,389</b>	<b>344,350</b>	<b>(33,961)</b>	<b>(9.9)%</b>
Charge for taxes .....	(46,802)	(40,801)	(6,001)	14.7%
<b>Net profit</b> .....	<b>263,587</b>	<b>303,549</b>	<b>(39,962)</b>	<b>(13.2)%</b>

### Operating Data:

<b>Number of mobile subscribers</b> .....	<b>8,338,251</b>	<b>7,575,987</b>	<b>762,264</b>	<b>10.1</b>
Postpaid .....	391,410	373,542	17,868	4.8
Prepaid .....	7,946,841	7,202,445	744,396	10.3
<b>Monthly churn%</b>				
Postpaid handset .....	1.2%	1.7%	(0.5)	(29.4)%
Postpaid datacard .....	8.5%	9.0%	(0.5)	(5.6)%
Total postpaid .....	3.0%	4.2%	(1.2)	(28.6)%
Prepaid handset .....	3.0%	3.3%	(0.3)	(9.1)%
Prepaid datacard .....	3.5%	3.1%	4.0	12.9%
Total prepaid .....	3.0%	3.3%	(0.3)	(9.1)%
Total monthly churn (1) .....	3.0%	3.3%	(0.3)	(9.1)%

	Nine months Ended September 30,		Impact on comparative results for period	
	2013	2012	Amount of variation	Percent change
<i>(in thousands of USD, except percentages, subscribers, employees and ARPU)</i>				
<b>Monthly ARPU (US\$) (2)</b>				
Postpaid.....	33.9	32.4	1.5	4.6%
Prepaid.....	8.7	9.8	(1.1)	(11.2)%
Total monthly ARPU (3).....	9.9	10.9	(1.0)	(9.2)%
<b>Number of employees.....</b>	<b>1,681</b>	<b>1,230</b>	<b>451</b>	<b>36.7</b>

(1) Our total monthly churn is individually calculated by reference to our aggregate prepaid and postpaid customers.

(2) ARPU is calculated based on a historical exchange rate of Q7.94 to US\$1.00.

(3) Our total ARPU is individually calculated by reference to our aggregate prepaid and postpaid customers.

### *Revenue*

In the process of evolving beyond offering only traditional mobile communications and data services, our revenue mix increasingly reflects the provision of not only communications services, but also information, entertainment and solutions services. We currently offer our products and services through four business units: (i) Tigo Mobile (voice, SMS, data and other value-added services); (ii) Tigo Business (corporate and productivity solution); (iii) Tigo Home (cable TV, fixed-line broadband and fixed-line telephone services); and (iv) Tigo Money (MFS).

Revenue for the nine months ended September 30, 2013 amounted to \$855.8 million, up 1.7% from \$841.2 million for the nine months ended September 30, 2012. Despite a decline in prepaid ARPU, revenue increased from growth in our mobile customer base of 10.1% since September 30, 2012, an increase of 4.6% in postpaid ARPU, increased fees derived from international incoming traffic and increased sales of telephone handsets and related equipment as we promoted the penetration of smartphones in the country to sell additional data-driven products and services. Innovation continues to be a major focus for us as we seek to grow revenue by developing and selling additional products and services through which we can gain a greater share of customers' disposable income, increase loyalty and reduce churn. In the first nine months of 2013, value-added services represented 35.8% of recurring revenue and grew by 13.3% to \$279.4 million (out of a total of \$779.7 million in recurring revenue) for the nine months ended September 30, 2013.

Analyzing our revenue by business unit, Tigo Mobile revenue decreased 0.1%, to \$ 684.7 million, for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, primarily due to lower revenue from voice and SMS services causing a decline in prepaid ARPU. Tigo Business revenue grew 4.9%, to \$ 80.0 million, for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, primarily due to a successful customer segmentation strategy and a wider portfolio of business solutions leading to an increase of our customer base. Additionally, Tigo Business experienced growth in revenue from growth in mobile data, in particular broadband internet and data links. Tigo Home revenue grew by 154.5%, to \$14.3 million, for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, primarily as a result of our consolidation of the fragmented Cable TV market in Guatemala through the acquisition of the assets and subscribers of smaller cable companies. Tigo Money revenue grew 50.9%, to \$0.7 million, for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, primarily as a result of increased remittance business driven by a dedicated street sales force.

### *Cost of sales*

Our cost of sales related primarily to interconnection costs, roaming costs, leased lines to connect the switches and main base stations, cost of handsets, purchase of content and the depreciation of network equipment. Interconnection costs are a direct function of calls made by our customers, an increase in which results in increased revenue, and therefore these costs increased in connection with the growth in revenue described above. Network depreciation increased as we continued to expand our networks (mostly in 3G). Handset and equipment costs also increased as more of our revenue was generated by the sale of smartphones. Cost of sales increased by 13.1% for the nine months ended September 30, 2013, to \$236.9 million from \$209.5 million for the nine months ended September 30, 2012, as a result of product mix, as our growth came from less profitable products (such as data, value-added

products and services, corporate solutions and cable TV) than voice and SMS, an increase in smartphone sales, which are typically at a low margin, to increase penetration, and an increase in content revenue and its related costs.

As a result of the foregoing, gross profit margin decreased to 72.3% for the nine months ended September 30, 2013 from 75.1% for the nine months ended September 30, 2012.

#### *Sales and marketing*

Sales and marketing expenses increased by 9.6% for the nine months ended September 30, 2013 to \$152.3 million from \$139.0 million for the nine months ended September 30, 2012. Sales and marketing costs were comprised mainly of commissions to dealers for the sale of prepaid reloads, the sale of handsets and other equipment, smartphone subsidies, as well as general advertising and promotion costs, point of sale materials for our retail outlets and staff costs. The increase in sales and marketing costs for the nine months ended September 30, 2013 as compared to the nine months ended September 30, 2012 was mainly a result of an increase in the amount of handset subsidies that we gave our customers in connection with our smartphone market penetration strategy, notwithstanding the fact that our average subsidy per user decreased to \$220.0 in the nine months ended September 30, 2013 from \$299.0 in the nine months ended September 30, 2012. As a percentage of revenue, sales and marketing expenses increased to 17.8% for the nine months ended September 30, 2013 from 16.5% for nine months ended September 30, 2012.

#### *General and administrative expenses*

General and administrative expenses increased by 6.9% for the nine months ended September 30, 2013 to \$134.5 million from \$125.8 million for the nine months ended September 30, 2012. The increase was mainly attributable to higher maintenance costs as a result of our continued network expansion and higher billing costs, as postpaid customers increased by 5.0% period to period. As a percentage of revenue, general and administrative expenses increased from 15.0% for the nine-month period ended September 30, 2012 to 15.7% the nine-month period ended September 30, 2013.

#### *Operating profit*

Operating profit decreased by 9.5% for the nine months ended September 30, 2013 to \$332.1 million from \$366.9 million for the nine months ended September 30, 2012. Our operating margin decreased from 43.6% for the nine months ended September 30, 2012 to 38.8% for the nine months ended September 30, 2013. This decrease was mainly a result of efforts taken to expand our business such as personnel growth in order to support new businesses in our Tigo Home and Tigo Money business units, increased handset subsidies in order to increase data penetration, commission paid in connection with our “Desfrijolizate” campaign promoting smartphones, and network growth to support data and new businesses.

#### *Net finance costs*

Net finance costs, which include interest expense, net of interest income, increased by 32.9% for the nine months ended September 30, 2013 to \$21.0 million from \$15.8 million for the nine months ended September 30, 2012 due to average borrowings during the period.

#### *Foreign exchange gain (loss)*

Net foreign exchange loss decreased by 89.7% for the nine months ended September 30, 2013 to \$0.7 million from \$6.7 million for the nine months ended September 30, 2012. Foreign exchange gains and losses primarily result from movements in the GTQ/USD exchange rate resulting in a revaluation of our U.S. dollar borrowings, loans to shareholders, accounts receivable and payable and cash and cash equivalents. The average GTQ /USD exchange rate for the nine-month periods ended September 30, 2013 and September 30, 2012 was Q7.85 and Q7.83, respectively.

#### *Charge for taxes*

Our charge for taxes increased by 14.7% for the nine months ended September 30, 2013 to \$46.8 million from \$40.8 million for the nine months ended September 30, 2012, resulting primarily from the Guatemalan congress

increasing the tax rate on revenue from 5.0% to 6.0%. Our effective tax rate for the nine months ended September 30, 2013 was 15.0% compared to 12.0% for the nine months ended September 30, 2012.

#### *Net profit for the period*

As a result of the foregoing, net profit for the nine months ended September 30, 2013 decreased by 13.2% to \$263.6 million compared to a net profit of \$303.5 million for the nine months ended September 30, 2012.

#### *Years Ended December 31, 2012 and 2011*

The following table sets forth certain income statement items and operating information at or for the periods and dates indicated:

	Year Ended December 31,		Impact on comparative results for period	
	2012	2011	Amount of variation	Percent change
<i>(in thousands of USD, except percentages, subscribers, employees and ARPU)</i>				
Revenue .....	1,129,053	1,111,512	17,541	1.6%
Cost of sales .....	(287,900)	(286,045)	(1,855)	0.6%
<b>Gross profit</b> .....	<b>841,153</b>	<b>825,467</b>	<b>15,686</b>	<b>1.9%</b>
Sales and marketing .....	(191,907)	(181,950)	(9,957)	5.5%
General and administrative expenses .....	(167,248)	(144,105)	(23,143)	16.1%
<b>Operating profit</b> .....	<b>481,998</b>	<b>499,412</b>	<b>(17,414)</b>	<b>(3.5)%</b>
Interest expense .....	(25,680)	(24,508)	(1,172)	4.8%
Interest income .....	2,344	7,327	(4,983)	(68.0)%
Other non-operating expenses, net .....	—	(171)	171	(100.0)%
Foreign exchange gains (loss), net .....	(2,326)	9,755	(12,081)	(123.8)%
<b>Profit before tax</b> .....	<b>456,336</b>	<b>491,815</b>	<b>(35,479)</b>	<b>(7.2)%</b>
Charge for taxes .....	(53,841)	(53,501)	(340)	0.6%
<b>Net profit</b> .....	<b>402,495</b>	<b>438,314</b>	<b>(35,819)</b>	<b>(8.2)%</b>

#### **Operating Data:**

<b>Number of mobile subscribers</b> .....	<b>7,921,732</b>	<b>7,122,987</b>	<b>798,745</b>	<b>11.2%</b>
Postpaid .....	367,056	332,644	34,412	10.3%
Prepaid .....	7,554,676	6,790,343	764,333	11.3%
<b>Monthly churn %</b>				
Postpaid handset .....	1.6%	1.3%	0.3	23.1%
Postpaid datacard .....	10.4%	6.7%	3.7	55.2%
Total postpaid .....	4.4%	3.0%	1.4	46.7%
Prepaid handset .....	3.1%	3.1%	—	—
Prepaid datacard .....	3.3%	4.3%	(23.3)	(23.3)%
Total prepaid .....	3.1%	3.1%	—	—
Total monthly churn (1) .....	3.2%	3.1%	0.1	3.2%
<b>Monthly ARPU (US\$) (2)</b>				
Postpaid .....	33.0	36.9	(3.9)	(10.6)%
Prepaid .....	9.6	10.7	(1.1)	(10.3)%
Total monthly ARPU (3) .....	10.7	11.9	(1.2)	(10.1)%
<b>Number of employees</b> .....	<b>1,466</b>	<b>846</b>	<b>620</b>	<b>73.3%</b>

(1) Our total monthly churn is individually calculated by reference to our aggregate prepaid and postpaid customers.

(2) ARPU is calculated based on a historical exchange rate of Q7.84 to US\$1.00.

(3) Our total ARPU is individually calculated by reference to our aggregate prepaid and postpaid customers.

#### *Revenue*

Total revenue increased by 1.6% for the year ended December 31, 2012 to \$1,129.1 million from \$1,111.5 million for the year ended December 31, 2011. Growth in revenue was impacted primarily by growth in the number of customers and the type and number of value-added services purchased by customers, which trended toward an

increasing level of higher-revenue generating value-added services. Our recurring revenue from value-added services increased from 26.5% of total recurring revenue for the year ended December 31, 2011 to 32.5% for the year ended December 31, 2012.

As of December 31, 2012, our mobile customer base was 7.9 million, an increase of 11.2% from 7.1 million as of December 31, 2011. As of December 31, 2012, prepaid customers accounted for 95.4%, or 7.5 million, of our total mobile customers compared to 95.3%, or 6.8 million, as of December 31, 2011.

Growth in our mobile customer base slowed during the year ended December 31, 2011 given the high level of penetration in the Guatemalan market. However, capital expenditures resulted in further improvements in the quality of our networks and increased capacity and coverage (2G and 3G) which attracted additional customers during the year ended December 31, 2012. We further expanded our distribution network, which helped drive customer growth and consumption by increasing the number of points of sale where we sell our products, making the products more accessible. Additionally, in 2012 we launched our cable TV business, which contributed \$7.2 million in revenue.

#### *Cost of sales*

Cost of sales increased by 0.6% for the year ended December 31, 2012 to \$287.9 million from \$286.0 million for the year ended December 31, 2011. Our cost of sales primarily related to the increased cost of transmission and bandwidth as we continued to focus on data penetration and the expansion of our networks, the increase in cable TV programming costs in line with incremental revenue from Tigo Home, an increase in bad debt as a result of the migration of customers from prepaid to postpaid, obsolescence due to change in handset portfolio mix (an increase in high-end smartphones and datacards) and depreciation due to 3G network expansion. Interconnection and roaming costs decreased despite the growth in revenue described above.

Gross profit margin increased to 74.5% for the year ended December 31, 2012 from 74.3% for the year ended December 31, 2011, resulting primarily from the renegotiation of the fees associated with international outgoing traffic and value-added services and a 7.0% decrease in telephone and equipment sales, which resulted in decreased costs.

#### *Sales and marketing*

Sales and marketing expenses increased by 5.5% for the year ended December 31, 2012 to \$191.9 million from \$182.0 million for the year ended December 31, 2011. Sales and marketing costs were comprised mainly of commissions to dealers for the sale of prepaid reloads, the sale of handsets and other equipment, smartphone subsidies aimed at obtaining and maintaining customers, as well as general advertising and promotion costs, point of sale materials for our retail outlets and staff costs. The increase in sales and marketing costs was mainly attributable to increased handset subsidies to increase smartphone penetration and our postpaid customer base. As a percentage of revenue, sales and marketing expenses increased to 17.0% for the year ended December 31, 2012 from 16.4% for the year ended December 31, 2011.

#### *General and administrative expenses*

General and administrative expenses increased by 16.1% for the year ended December 31, 2012 to \$167.2 million from \$144.1 million for the year ended December 31, 2011. The increase in general and administrative expenses was attributable to higher network maintenance costs, as well as operating leases as we continued to expand our 3G network coverage. Additionally, we incurred higher personnel costs as a result of our expansion into other business lines (Tigo Home and Tigo Money). As a percentage of revenue, general and administrative expenses increased from 13.0% for the year ended December 31, 2011 to 14.8% for the year ended December 31, 2012.

#### *Operating profit*

Operating profit decreased by 3.5% for the year ended December 31, 2012 to \$482.0 million from \$499.4 million for the year ended December 31, 2011. The operating margin decreased from 44.9% for the year ended December 31, 2011 to 42.7% for the year ended December 31, 2012. This decrease was mainly a result of efforts taken to expand our business such as personnel growth in order to support new businesses in our Tigo Home, Tigo Business and Tigo Money business units, increased handset subsidies and an increase in maintenance costs related to the expansion of our network.



### *Net finance costs*

Net finance costs, which include interest expense, net of interest income, increased by 35.8% for the year ended December 31, 2012 to \$23.3 million from \$17.2 million for the year ended December 31, 2011. This increase was mainly due to our higher level of indebtedness for the year ended December 31, 2012 compared to the year ended December 31, 2011.

### *Other non-operating expenses*

Other non-operating expenses were \$nil for the year ended December 31, 2012. Other non-operating expenses were \$0.2 million for the year ended December 31, 2011.

### *Foreign exchange gain (loss)*

There were net foreign exchange losses for the year ended December 31, 2012 of \$2.3 million compared to net exchange gains of \$9.8 million for the year ended December 31, 2011. Exchange gains and losses primarily result from movements in the GTQ/USD exchange rate resulting in a revaluation of our U.S. dollar borrowings, loans to shareholders, accounts receivable and payable and cash and cash equivalents. The average GTQ /USD exchange rate for the years ended December 31, 2012 and December 31, 2011 was Q7.84 and Q7.81, respectively.

### *Charge for taxes*

The charge for taxes increased by 0.6% year-on-year to \$53.8 million for the year ended December 31, 2012, from \$53.5 million for the year ended December 31, 2011, due primarily to an increase in revenue. The effective tax rate remained relatively stable at 12.0% for the year ended December 31, 2012 compared to 11.0% for the year ended December 31, 2011.

### *Net profit*

As a result of the foregoing, net profit for the year ended December 31, 2012 was \$402.5 million, a 8.2% decrease over our net profit of \$438.3 million for the year ended December 31, 2011.

## **Trend Information**

Our strategy is to maintain our voice and SMS revenue and market share while growing our revenue in value-added products and services such as mobile internet access, content downloads, and music and video streaming. During the first nine months of 2013, value-added services increased as a percentage of recurring revenue to 35.8% from 32.1% for the nine months ended September 30, 2012. Data usage is increasing among consumers as a result of an increasingly digital lifestyle. At the same time, smartphone market penetration is increasing as a result of lower prices and more phone options available to consumers. We expect innovation to be an important driver of growth in the years ahead. Although these new services tend to have lower profit margins than our core communications business, we aim to limit any drop in margins by controlling costs and through economies of scale. New competitors entering our markets and/or price competition could erode the profitability of our mobile operations, however.

## **Liquidity and Capital Resources**

Historically we have relied, and in the future we intend to continue to rely, primarily on cash from operations and external financings to fund our operations, capital expenditures and working capital requirements.

We believe that our sources of liquidity are sufficient for our present requirements. We intend to pay our total debt (consisting of debt and other financing), which was \$425.3 million as of September 30, 2013, using the proceeds from the offering of the notes. See "Use of Proceeds". We intend to continue to focus on investments in property, systems and equipment (fixed assets) and working capital management, including timely collection of accounts receivable and efficient management of accounts payable.

For a further discussion on financing- and liquidity-related risks, see note 24 to the Audited Combined Financial Statements included elsewhere in this offering memorandum.

### ***Capital Expenditures***

Our capital expenditures on property, plant and equipment, licenses and other intangible assets for the nine-month periods ended September 30, 2013 and 2012 amounted to \$173.5 million and \$134.1 million, respectively, and for the years ended December 31, 2012 and 2011 amounted to \$213.6 million and \$129.8 million, respectively.

We expect to finance our expected aggregate capital expenditures of \$687.9 million for the years ended December 31, 2013, 2014 and 2015 through cash from operations.

As of September 30, 2013, we had commitments to purchase, within one year, network equipment, land and buildings and other fixed assets for an aggregate consideration equal to \$86.0 million. We expect to meet these commitments from our current cash balances and cash generated from operations.

### ***Shareholder Distributions***

Our shareholder distribution practice has been to distribute to our shareholders up to the level of free cash generated after debt repayments which is not required to fund our operations. Historically, dividend payments have offset loans previously made to our shareholders.

After analyzing our results of operations, our board of directors makes a recommendation to our shareholders on the amount of dividends, if any, that should be paid. The shareholders then resolve in a shareholders' meeting the amount of dividends, if any, that should be paid to shareholders. At the same time our board of directors decides whether the amount not paid as dividends should be retained as retained results of the Company or directed to a legal reserve account.

In the first nine months of 2013 we distributed \$155.4 million to shareholders and for the years ended December 31, 2012 and 2011, we paid \$437.0 million and \$497.6 million of dividends to our shareholders, respectively. On December 31, 2013, we made an additional loan to our shareholders in the amount of \$50.1 million. See "Certain Relationships and Related Party Transactions—Distributions to Shareholders."

### ***Cash Flows***

The table below sets forth our cash flows for the periods indicated:

	<b>Nine Months Ended September 30,</b>		<b>Year Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>(in thousands of USD)</b>			
Net cash provided by operating activities.....	399,504	355,575	554,148	554,042
Net cash used in investing activities .....	(182,424)	(136,856)	(227,697)	(137,313)
Net cash used in financing activities .....	(212,089)	(218,037)	(377,741)	(433,557)
<b>Net (decrease) increase in cash and cash equivalents.....</b>	<b>5,651</b>	<b>557</b>	<b>(50,850)</b>	<b>(13,593)</b>
Cash and cash equivalents at the end of the period.....	38,125	83,881	32,474	83,324

#### ***Nine months Ended September 30, 2013 and 2012***

For the nine months ended September 30, 2013 cash provided by operating activities was \$399.5 million compared to \$355.6 million for the nine months ended September 30, 2012. The lower cash provided by operating activities in the nine months ended September 30, 2012 was due to a temporary increase in trade receivables that normalized by year-end.

Cash used in investing activities was \$182.4 million for the nine months ended September 30, 2013 compared to \$136.9 million for the nine months ended September 30, 2012. The increase in cash used for investing activities for the nine months ended September 30, 2013 was mainly attributable to higher capital expenditures of \$39.4 million.

Cash used in financing activities was \$212.1 million for the nine months ended September 30, 2013 compared to \$218.0 million for the nine months ended September 30, 2012. The lower cash used for financing activities for the nine months ended September 30, 2013 was mainly as a result of lower dividends paid.

The net increase in cash and cash equivalents for the nine months ended September 30, 2013 was \$5.7 million compared to \$0.6 million for the nine months ended September 30, 2012. We had closing cash and cash equivalents of \$38.1 million as of September 30, 2013 compared to \$83.9 million as of September 30, 2012.

#### *Years Ended December 31, 2012 and 2011*

For the year ended December 31, 2012 cash provided by operating activities was \$554.1 million compared to \$554.0 million for the year ended December 31, 2011. Lower profit before tax in 2012 was offset by an increase in the adjustments for depreciation and amortization derived from purchases of property, plant and equipment.

Cash used in investing activities was \$227.7 million for the year ended December 31, 2012 compared to \$137.3 million for the year ended December 31, 2011. The increase in cash used for investing activities for the year ended December 31, 2012 was mainly attributable to higher capital expenditures of \$83.8 million.

Cash used in financing activities was \$377.7 million for the year ended December 31, 2012 compared to \$433.6 million for the year ended December 31, 2011. The lower cash used for financing activities for the year ended December 31, 2012 was mainly as a result of lower dividends paid.

The net decrease in cash and cash equivalents for the year ended December 31, 2012 was \$50.9 million compared to \$13.6 million for the year ended December 31, 2011. We had closing cash and cash equivalents of \$32.5 million as of December 31, 2012 compared to \$83.3 million as of December 31, 2011.

#### *Investments and Acquisitions*

We expect to continue to invest in our existing mobile, internet and cable TV businesses, where we believe we can generate attractive returns. In addition, we may pursue new license or acquisition opportunities where we determine there is potential for synergies related to our existing core businesses. We may also attempt to expand our footprint through acquisitions or greenfield projects in areas similar to our existing core businesses.

If we do consummate any acquisition, it could be material to our business and require us to incur additional debt. There can be no assurance that additional financing will be available when required or, if available, that it will be on terms satisfactory to us.

#### *Financing*

We intend to pay our total debt (consisting of debt and other financing) of \$425.3 million as of September 30, 2013 using the proceeds from the offering of the notes. See "Use of Proceeds".

Our interest expense for the nine months ended September 30, 2013 was \$21.0 million.

For further details on our total debt during the periods discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations, see note 15 to the Audited Combined Financial Statements and note 11 to the Interim Combined Financial Statements included elsewhere in this offering memorandum

#### *Derivative Transactions*

Historically, we have not entered into derivative transactions for hedging, speculative or other purposes and do not currently intend to do so in the future. However, we cannot assure you that this will continue to be the case and we may enter into hedging transactions in the future, including with respect to our obligations under the Notes.

**Research and Development, Patents and Licenses**

As we established an early presence in our market, we were able to secure our usufruct rights over radio frequencies at a low cost. Historically, we have been successful in renewing our expiring usufruct rights, generally on terms similar to the original grant. In December 2012, new regulations came into effect in Guatemala that granted telecommunications operators the right to apply for automatic 20-year extensions of all existing rights. We successfully applied to extend our radio frequency usufructs through either December 2032 or December 2033, depending on the original expiration date of the particular usufruct.

At this time we do not engage in research and development and we do not own any patents. We depend on Millicom for a significant portion of the technology and “know-how” we utilize in our business. See “Risk Factors” and “Certain Relationships and Related Party Transactions.”

**Off-Balance Sheet Arrangements**

We had no off-balance sheet arrangements as of September 30, 2013 and have not entered into any since then.

## BUSINESS

### Overview

We are the leading provider of mobile communications services in Guatemala, providing communications, data, entertainment and solutions services under the Tigo brand across the most extensive 2G and 3G networks in the country. With 8.3 million subscribers, we estimate our market share of mobile users in Guatemala at approximately 53.7% as of September 30, 2013. We established ourselves in 1990 as the first mobile operator in Guatemala and have maintained a market-leading position since 2007, following the entry of additional mobile operators in 1999. We are evolving beyond traditional mobile communications and data services to offer a combination of corporate solutions, fixed-line, cable TV, broadband services and mobile financial services, or MFS, to retail and business customers in Guatemala.

We are jointly owned by Millicom, which indirectly holds a 55% ownership interest in Comcel and each of the other Note Guarantors, and Miffin, which holds the remaining 45% ownership interest. Millicom offers digital lifestyle products and services primarily through wireless and cable TV/broadband networks in Central America, South America and Africa, mainly under the Tigo brand. We benefit from Millicom's vast emerging markets operating experience, product development and technical expertise and sharing of best practices gained from its operations in 15 emerging market nations. We also benefit from the economies of scale that result from being part of Millicom's global purchasing and supply chain. Miffin is a holding company with interests in several lines of business, including telecommunications, real estate and renewable power. As Millicom's local partner, Miffin has greatly contributed to our success through its deep understanding of Guatemala's economy and demographics (including our customer base) and through its relationships with commercial, industry and government partners.

We offer our products through four business units:

- Tigo Mobile (voice, SMS, data and other value-added services);
- Tigo Business (corporate and productivity solutions);
- Tigo Home (cable TV, fixed-line broadband and fixed-line telephone services); and
- Tigo Money (MFS).

For the twelve-month period ended September 30, 2013, we generated US\$1,143.7 million of revenue, of which US\$260.2 million was denominated in US dollars, and Adjusted EBITDA of US\$596.0 million, yielding an Adjusted EBITDA margin of 52.1%. Our net profit for the period was US\$362.5 million.

The following figure shows our revenue by business unit for the twelve-month period ended September 30, 2013:

	<b>Total revenue Twelve Months Ended September 30, 2013</b>
	<b>(in millions of US\$)</b>
Tigo Mobile.....	918.0
Tigo Business.....	105.5
Tigo Home .....	16.9
Tigo Money.....	1.0

*Tigo Mobile:* As of September 30, 2013, we had approximately 8.3 million mobile customers, which we estimate represented approximately 53.7% of the total mobile customer base in Guatemala, and our network comprised 4,322 cell sites and covered 89% of the country's total population. Our networks provide the most extensive coverage and highest reliability in our market, which has reached a mobile penetration rate of

approximately 125%. We have developed an extensive distribution network for the sale of our products and services across the country.

In order to maintain our leading market share and enhance our profitability in a market with high penetration, we tailor our mobile service offerings to meet the communications needs of our targeted customer segments and offer a comprehensive range of prepaid and postpaid service plans. We target customer segments by classifying them by, among other factors, projected ARPU, preferred activities, education level, budget, region, age, type of device and gender. As of September 30, 2013, 95.3% of our customers received our services on a prepaid basis and 4.7% of our customers received our services on a postpaid basis. Our prepaid customers generated 83.4% of our mobile revenue for the twelve months ended September 30, 2013. Our postpaid customers, who have a higher ARPU and tend to use more value-added services that we have introduced to the Guatemalan market, such as MMS, music and video streaming, generated 16.0% of our mobile revenue for the same period. While ARPU among our prepaid customers is lower, these customers receive no handset subsidies from us and can be serviced at a lower cost than our postpaid customers.

As smartphone penetration and data usage increase in Guatemala, we will continue to design and offer bundle packages that promote continued usage of our voice and SMS services while allowing us to capture and monetize growth in mobile broadband. We tailor our offers to meet the divergent data usage patterns and differing demands of the prepaid and postpaid customer segments. For example, in order to provide lower cost options we offer prepaid plans with lower voice minute rates at certain times of the day and plans with volume discounts for certain bundles of voice minutes and SMS. In the postpaid segment we offer flexibility to our customers by allowing them to build their own data plans based on their needs. Additionally, we offer our postpaid customers discounts for smartphones in attractive pricing packages.

*Tigo Business:* Through this business unit we offer an array of corporate and productivity solutions and services to the Guatemalan operations of multinational corporations, large businesses, SME and home offices in Guatemala. These services include mobile products and services, fixed-line broadband, enterprise VoIP, IP video conferencing, IP-PBX and cloud services. This business unit's differentiating proposition is to provide attractive pricing, end-to-end solutions and after-sales customer service in a market where many businesses have limited experience and resources to maintain IT infrastructure. As of September 30, 2013, Tigo Business had 8,286 customers, which we estimate represents approximately 32.3% of the total corporate market in Guatemala.

*Tigo Home:* Tigo Home currently offers consumers fixed-line broadband and cable TV services in Guatemala City and its high-density surrounding areas. Through a dedicated in-house team in charge of inorganic growth in this segment, we have focused on consolidating our network and expanding our customer base through a series of acquisitions beginning in January 2012. We expect this process of inorganic growth to continue as Tigo Home grows scale. Tigo Home currently provides services branded under Cable Fusión and other legacy brands, had 118,769 cable TV subscribers as of September 30, 2013, which we estimate represents approximately 15% of the market in Guatemala. The home internet and cable TV market in Guatemala is fragmented. We estimate that Claro, the market leader, currently services approximately 21% of the market while approximately 64% of the market is serviced by more than 500 small providers, predominantly in rural areas of the country. In the near future, we expect to offer fixed-line telephone services through this business unit using existing cable infrastructure and VOIP technology, which will allow us to offer "triple-play" bundled video, data and voice services. Currently, we offer our Tigo Home services only on a postpaid basis, but we expect to offer prepaid cable TV, prepaid fixed-line broadband and, in rural areas of the country and areas without HFC network coverage, direct broadcast satellite (direct-to-home, or DTH) television services in the near future. We believe that the addition of these products tailored to additional segments of the consumer market will allow us to expand our Tigo Home customer base significantly.

*Tigo Money:* Through our Tigo Money business unit, we offer MFS products to our mobile customers including mobile top-ups, peer-to-peer credits, bill payment to Tigo Mobile and several other third parties including utility companies and local and international remittances. We believe that MFS products offer a significant untapped opportunity in Guatemala to generate incremental revenue largely by using our existing products and infrastructure and for our products and services to become further embedded in our customers' lives. Our mobile subscribers who use our MFS services tend to generate higher ARPU and churn less frequently. Millicom has shown strong penetration of MFS in other of its markets where it introduced MFS earlier than we have in Guatemala, with MFS penetration of 43% in Tanzania and 29% in Paraguay as of June 30, 2013. As of September 30, 2013, our MFS products had been used on 534,729 registered handsets and at least once in the prior 60 days on 284,950 registered handsets. As part of our growth strategy for this unit, we are focusing on increasing transactional volume and the

MFS products available to our mobile subscriber base, for example by developing salary payment products and building bank alliances.

## **Competitive Strengths**

We believe the following strengths will help us maintain our position as the leading provider of mobile communications and allow our additional and developing products and services to continue to succeed in Guatemala:

***Superior Network Coverage and Reliability.*** We have made significant capital investments to expand the reach, capacity and reliability of our 2G and 3G networks. As a result, we provide the most extensive coverage in the country and the highest strength signal in the majority of our coverage area. Customer satisfaction surveys indicate that our network is considered to be the highest quality network in Guatemala. Our 2G network is deployed in all urban areas in Guatemala, which represents 87.4% of the country's population. We launched our 3G network in 2008, initially deploying it in Guatemala's most densely populated urban areas, and as the popularity of smartphones increases we continue to expand our 3G network into other parts of the country. We currently offer voice and value-added services over our 3G network to a geographic area covering 60% of the country's population. Our networks have been designed to support significant traffic volumes above current levels without sacrificing service quality. We intend to make disciplined investments in the future to ensure our networks continue to provide the superior coverage and quality for which our Tigo brand is known.

***Strong Brand.*** We believe that our Tigo brand, launched in 2004, is one of the most recognized and well-respected brands in Guatemala. Tigo is generally associated with high quality, availability, customer service and innovation. Through our use of extensive, unique and customized integrated marketing strategies and programs which are designed to target the different consumer segments that we cover, we cultivate a fresh, modern image that has resonated with both the young urban and the corporate customer markets, thus forging a strong emotional bond with Guatemalans. Our highest profile and most successful marketing efforts include Tigo Fest, an annual music event that has succeeded in bringing top international performers including Enrique Iglesias, Jennifer Lopez, Pitbull, Mana, Mark Anthony, Paul van Dyk, Red Hot Chili Peppers and Shakira to Guatemala, and our sponsorship of the national soccer association. We believe that market research and other key performance indicators demonstrate the strength of our brand in Guatemala, including mobile market share, which we estimate to be approximately 53.7% as of September 30, 2013. Our own market research conducted in August 2013 shows we have a "top of mind" indicator (reflecting the brand named by subjects when asked to name any mobile brand) of 66% in Guatemala, which is over 45 percentage points higher than the second-placed brand, and a "spontaneous awareness" indicator (reflecting a subject's familiarity with a brand) of 95% in Guatemala. Furthermore, our "brand preference" indicator is 54%, which is over 30 percentage points higher than the second-placed brand. We believe we further benefit from recognition due to the popularity of the Tigo brand in other Central and South American markets serviced by our affiliates.

***Extensive and Highly Efficient Distribution Network.*** We have the most extensive and efficient distribution network in the market, allowing our customers to conveniently purchase our products and services. Our distribution network consists of six exclusive dealers who operate on a regional basis within Guatemala and have a longstanding presence in their local service areas. Our exclusive dealers are responsible for the distribution of our products to over 65,000 retail outlets throughout Guatemala. We sell directly to customers through our company-owned, Tigo-branded service centers and mini service centers. We also sell our products and services through freelance sales representatives and via our in-house corporate sales team. Through our relationships with international distributors, including IDT, KDDI, Touch Tel, DARIA, ISEND and Dollar Phone, our customers can receive airtime credits sent by their family and friends from the United States and Canada, where a large number of expatriate Guatemalans live. We allow our customers to purchase airtime through various methods, including scratch cards, SMS-based recharging via an electronic platform, or "ePin", and other electronic formats and portals. Over the past several years, we have grown ePin to be the primary balance recharge method (approximately 80%-90% of top-ups since 2009) used by our customers as it substantially reduces our inventory costs, minimizes inventory stock-outs, reduces fraud and is easier for us to monitor. We leverage our distribution with a proprietary, in-house system to monitor the performance of our dealers, airtime sales, scratch card and equipment inventory, and sales activations of new SIM cards and handsets.

***History of Market Share Leadership.*** We were the first provider of mobile communications services in Guatemala, launching our commercial operations in 1990. Despite an increasingly competitive environment over the

past several years and the presence in Guatemala of large mobile operators América Móvil S.A.B. de C.V. and Telefónica S.A., we have maintained our market leading position since 2007 and currently have a market share of approximately 53.7% in a market with three nationwide mobile operators. For a discussion of how we calculate our market share, see “Presentation of Financial and Other Information—Market Share.” We believe our leading market position provides us with certain key benefits. The size of our customer base relative to that of our competitors enables our customers to make in-network calls (for which we do not have to charge or pay interconnection fees) to a greater number of individuals, allowing us to offer competitive price plans that reward in-network calling, and also incentivizes our customers not to use SIM cards from multiple operators.

***Consumer-Focused and Innovative Culture.*** We have developed a unique corporate culture based on consumer focus, innovation, flexibility and commitment to our employees and the communities we serve. We seek to leverage our experienced employee base and their deep knowledge of the Guatemalan market to anticipate the needs of our customers, to develop innovative products and services tailored specifically for our market, and to provide superior customer service. We have a dedicated internal team that analyzes and serves our most loyal and highest ARPU customers (those whose average ARPU in the previous four months is at least Q140, or US\$17.65), which we refer to as high value consumers, or HVC, and also have a cross-business unit business intelligence team whose purpose is to generate competitive advantages by aggregating, analyzing and converting data into actionable information. Through these and related initiatives, in recent years we have introduced a number of innovative products and services, including per-second billing, the ability for our customers to transfer airtime and SMS credits to one another (“Peer to Peer” balance lending) and to borrow airtime and SMS credits from us through our “Tigo Lends You”, or “*Tigo Te Presta*,” service, as well as products tailored to specific customer segments, such as our daily personalized offers, or “*Paquetigos*.” Our consumer-focused culture has been instrumental in creating a rewarding customer experience and increasing customer loyalty. Our consumer focus and ability to innovate will be greatly beneficial as we progress to products other than traditional mobile communications and data services.

***Shareholders with Significant Emerging Markets and Local Expertise.*** We benefit greatly from the knowledge and resources of our shareholders. Millicom, our largest shareholder, is a global telecommunications group offering mobile and fixed-line telephony, cable and broadband businesses in 15 countries in Central America, South America and Africa. Millicom has over 20 years of experience in emerging markets, and Guatemala is one of its most important ventures. We also benefit greatly from the local knowledge, relationships and expertise of our other significant shareholder, Mifflin. A major contributor to our success has been our ability to leverage best practices, resources, and products and services developed in Millicom’s other operations around the world. Our ability to leverage Millicom’s experience and agreements with equipment suppliers has also contributed to reducing our cost structure, which allows us to pass along savings to customers in the form of affordable plans and equipment. While Millicom helps to guide our strategic direction and capital investments, it also provides us the flexibility to adapt our culture and services to our specific market. Our management team has benefited from secondments to other Millicom operations across the world, building on their global knowledge and expertise.

***Experienced Management Team with Demonstrated Track Record of Success.*** Our management team has considerable expertise in the telecommunications industry and comprises a unique combination of local knowledge, product development and customer care capabilities. Our demonstrated track record of cost-efficient management and sustainable growth is exhibited by our Adjusted EBITDA margins, which were 51.6%, 55.2% and 56.2% in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011, respectively. The team has proven execution capabilities, as shown by successfully expanding the reach, capacity and reliability of our networks in order to provide our customers the most extensive coverage in Guatemala, demonstrating that it has the potential to steer our business beyond traditional mobile communications and into our customers’ homes and businesses. Our management’s expertise, continuity and capabilities are key competitive advantages in the evolving Guatemalan telecommunications industry.

## **Business Strategy**

We believe the following components of our business strategy provide the foundation for us to maintain and grow our market leading position in Guatemala and enhance our profitability:

**Retain and Build on Our Leading Mobile Communications Market Share.** At 53.7%, we have the largest share of the mobile communications market in Guatemala. Our strategy is to retain and grow that market share by:



- continuing to make disciplined investments, particularly in enhancing our extensive 3G network and incorporating technologies that improve our capabilities and network efficiency, to support our long-term business plan and the increasing demand for value-added services in our market;
- increasing customer loyalty and improving customer experience through the continued use of personalized promotions and offers resulting from our extensive business intelligence and data analysis of the various customer segments in our market and the critical mass of our subscriber base;
- employing a distribution strategy that seeks to maximize the accessibility of our products and services—for example, by educating our clients on the benefits of smartphones via our distribution channels—through our extensive distribution network and proprietary distribution management system;
- continuing to introduce innovative products and services that expand our appeal to users and offers them a holistic digital experience; and
- continuing to build brand equity through relevant and integrated marketing strategies and programs.

**Grow Mobile Value-Added Services Revenue.** Value-added services (non-voice) accounted for 35.3% of our recurring revenue (total revenue less the sale of telephone handsets and equipment and revenue from off-network customers) for the twelve months ended September 30, 2013. We plan to continue to develop and market innovative value-added products and services to grow our ARPU, diversify our sources of revenue, attract new customers and increase the number of products and services we sell per customer. We began to offer value-added services with the introduction of SMS in 1999 and our portfolio has grown rapidly since. Our portfolio of value-added products and services currently includes offerings such as SMS and MMS and is focused on data services such as mobile internet access, mobile television, content downloads, ring tones, cloud-based products, customized ringback tones based on customers' music preferences and music sharing, as well as services that permit our prepaid customers to continue using our products and services despite having exhausted their account balance. Given our leading market position and the high level of penetration in our market, we believe we are well positioned to capitalize on opportunities to cross-sell and up-sell these higher value services to our existing customer base, especially through the growth we are experiencing in mobile broadband. Our focus is therefore on generating higher ARPU from existing customers rather than solely on adding new subscribers.

**Maximize the Cross-selling Potential of Tigo Business and Tigo Home.** Given the competitive nature of our market, we are evolving beyond traditional mobile communications and data services to offer a combination of corporate solutions, fixed-line broadband, fixed-line telephone, cable TV and MFS products to retail and business customers in Guatemala. Positioning Tigo Business as an integral solutions provider and strategic partner to our corporate customers, and making cable TV and fixed-line broadband our gateway into our customers' homes through Tigo Home are significant elements of this strategy. Through Tigo Business, we intend to maximize cross-selling opportunities by expanding our portfolio of products and services and designing end-to-end customer solutions that incorporate mobile and fixed-line technologies. For Tigo Home, our strategy is to continue growing our network and customer base through disciplined, bolt-on acquisitions, organic growth (especially following the re-branding of our offerings under the "Tigo" brand), and, ultimately, offering triple-play bundled services to our home customers and increasing penetration of services such as digital TV and video-on-demand.

**Capitalize on our MFS Competitive Advantage.** We believe that our MFS in Guatemala, under the brand name "Tigo Money", provide significant convenience and efficiency benefits to our customers and set us apart from our competitors. Tigo Money's products, which are accessible by mobile telephone and are available exclusively to our customers, include international and national money transfers, "Peer to Peer" payments and payments for local services such as electricity and water. Tigo Money products incentivize customers to use our mobile products and services, make their Tigo phones a more essential part of their daily lives, and therefore reduce churn in our mobile customer base. Our market research estimates that Tigo Money has the largest share of the MFS market in Guatemala, and as of September 2013 approximately 3.6% of our mobile customers regularly used one or more of these services. We expect that a growing proportion of our customers will use our MFS products in the future. These convenient and innovative services marketed under our brand name and through our approximately 65,000 points of sale and 3,000 activation points around the country offers us a sustainable competitive advantage.

## **Our Industry Sectors**

The following is a brief description of the industry sectors in which we operate in Guatemala and of the regulatory framework applicable to each of them.

### ***Mobile Telephony***

Comcel was founded in 1990 as the first mobile telecommunications operator in Guatemala. We enjoyed a sole provider position until 1999, when Telefónica, a Spanish company, and Telgua, the former state company that was purchased by América Móvil of Mexico, entered the market.

Our principal competitors in mobile telephony are América Móvil, which operates under the commercial name Claro, and Telefónica, which operates under the commercial name Movistar. Our competitors provide mobile services on 2G and 3G network technology. We estimate that the mobile penetration rate in Guatemala is approximately 125% and that our current market share in terms of customers is approximately 53.7%, equal to approximately 8.3 million subscribers, followed by Claro with an estimated market share of 25.9% and Movistar with 20.5%. See “Presentation of Financial and Other Information—Market Share.”

The SIT, which is part of the CIV, regulates the mobile telephone industry in Guatemala. Unlike many other jurisdictions, where radio frequencies are licensed to mobile operators, radio frequencies in Guatemala are granted as a usufruct, a type of property right, for a term of 20 years. A usufruct is generally viewed as more favorable than a license since it is exclusive, negotiable and non-revocable by the government (except for non-use of the frequency). In December 2012, new regulations came into effect in Guatemala that granted telecommunications operators the right to apply for automatic 20-year extensions of all existing rights. We successfully applied to extend our radio frequency usufructs through either December 2032 or December 2033, depending on the original expiration date of the particular usufruct.

The SIT also regulates the operation of mobile telephone networks and the registration of broadband internet providers as network operators. Interconnection rates and terms are not subject to specific regulation in Guatemala and are thus set by private contract. Permits for the construction of cell sites and network and telecommunications infrastructure are regulated at the local level by municipalities. Existing regulations issued by SIT, other national regulators and the various municipalities throughout Guatemala typically require numerous governmental permits both at the national and local level. Additionally, in the past we have been required to obtain permits from the relevant COCODES in order to obtain municipal construction permits.

### ***Fixed-line Internet***

Claro is the incumbent fixed-line, or broadband, network operator in Guatemala and leads the market through its bundling of cable TV, internet and phone services. Fixed-line broadband penetration in Guatemala as of June 30, 2013 was 13.0%, representing approximately 379,580 customers. Little independent data is available on the broadband market in Guatemala, so subscriber estimates are largely derived from operator statistics. While the broadband market growth remains relatively small and fragmented, we estimate that it grew by approximately 12.4% in the year to June 30, 2013 and is expected to continue to grow rapidly in the coming years. Claro’s advantages as first-mover in broadband have diminished as other operators have expanded their networks in recent years and increasingly are able to compete on a more even footing.

Broadband providers in Guatemala are required to register with the SIT as local and commercial network operators. They are also required to provide to the SIT certain periodic network and transmission reports. Permits for the construction of network infrastructure are regulated at the local level by municipalities.

### ***Cable TV***

We estimate that only 27% of households in Guatemala have pay TV services. The pay TV industry is currently fragmented and characterized by the prevalence of small operators, often providing illegally obtained content. We are the second largest provider of pay TV services in Guatemala, with a market share of 15% as of September 30, 2013. The largest operator for pay TV service is Claro TV, which offers cable TV service in Guatemala City and other metro areas and also offers satellite TV service throughout the country. No other operator commands a significant share of the market for pay TV services, and we believe the industry is ripe for consolidation.

Our cable TV business requires a license from the CIV's Control and Supervision Unit (*Unidad de Control y Supervisión*) to operate as a network provider. It also requires local permits for the construction of networks and use of public areas.

### ***Mobile Financial Services***

The market for MFS is at an early stage in Guatemala. We believe that this presents an opportunity of significant potential. According to a study published by Fitch in March 2012, approximately 75.9% of the Guatemalan population is unbanked.

The provision of MFS requires compliance with applicable local and international anti-money laundering and anti-terrorism laws and regulations. As a provider of MFS, we are required to register as a remittances agency with the Superintendence of Banks and to implement certain suspicious transaction monitoring procedures and are subject to certain *know your customer* requirements.

### **Our Products and Services**

The following table presents, at the dates and for the periods indicated, selected operating data for each of our business units.

Market	Total customers			
	As of September 30,		As of December 31,	
	2013	2012	2011	2010
Tigo Mobile(1) .....	8,322,557	7,921,732	7,122,987	6,308,543
Tigo Business .....	8,286	7,985	7,321	—
Tigo Home .....	118,769	86,748	43,399	—
Tigo Money(2).....	284,950	156,191	38,013	—

(1) Percentage of customers that are prepaid has been consistently over 95% for the periods presented.

(2) Number of handsets on which MFS had been used at least once in the prior 60 days.

### ***Tigo Mobile***

We offer a comprehensive range of high-quality, nationwide mobile communications services through a variety of pricing plans over Guatemala's most extensive and reliable mobile network. As of September 30, 2013, we had 8.3 million mobile customers, representing a market share of 53.7%, and our network of 4,322 cell sites covered 89% of the country's population.

#### ***Prepaid and Postpaid Plans***

We offer a variety of prepaid and postpaid price plans that include basic voice service, mobile broadband, SMS, MMS, several OTT services and certain enhanced features such as voicemail, call waiting and multi-party conference calling. Local regulations permit us to offer same services at different price levels, so our offering is significantly segmented and personalized based on our customers' attributes.

As of September 30, 2013, approximately 95% of our customers utilize our services on a prepaid basis. Our prepaid service plans enable individuals to obtain mobile voice, SMS and data services without a long-term contract or credit verification, by paying in advance. We offer prepaid customers segmented plans tailored to usage patterns and aim to find the balance between price and willingness to pay. For example, some plans offer lower rates at certain times of the day and volume discounts for bundles of minutes and SMS. ePin is the main method to purchase airtime and SMS credits in prepaid accounts, accounting for approximately 90% of all top-ups. Over the past several years, we have grown ePin to be the primary balance recharge method used by our customers as it substantially reduces our inventory costs, minimizes inventory stock-outs, reduces fraud and is easier for us to monitor. Scratch cards are sold in denominations ranging from Q5 (US\$0.63) to Q100 (US\$12.60) and ePin balance is sold in denominations ranging from Q5 (US\$0.63) to Q300 (US\$37.81). SMS top-ups, which currently account for approximately 7.5% of reloads, range from Q1 (US\$0.13) to Q6 (US\$0.76).

As of September 30, 2013, approximately 5.0% of our customers utilize our services on a postpaid basis. Our postpaid service plans are generally offered on a one- or two-year contract, and service is billed and provided on a monthly basis according to the applicable chosen rate plan. For postpaid customers, we offer a variety of plans at prices ranging from Q105 (US\$13.23) to Q789(US\$99.45). All postpaid plans consist of a bundle of voice minutes, SMS and data. Postpaid service plans that include a subsidized handset are offered according to a monthly plan value and contract duration. Postpaid plans also include value-added features such as unlimited music, handset insurance and designated favorite on-net numbers to call without deduction from the customer's balance. For postpaid corporate customers, we offer unlimited calls among the covered corporate subscribers. Although our postpaid customers represent a relatively small component of our customer base, we expect to increasingly focus on postpaid customer service in the future, including the migration of current prepaid customers to postpaid plans, given their higher propensity to use data and other value-added services which contribute to higher ARPU.

We receive in-bound roaming revenue from overseas customers who travel to Guatemala and use our network. We have arrangements with 170 operators in 94 countries that allow our customers to use voice, SMS and data services when travelling outside of our coverage area.

### *Data*

Our mobile broadband service, available in all areas covered by our 2G and 3G networks, enables our customers to access applications such as e-mail, social networks, video and audio streaming, enterprise applications, image downloads and full internet browsing capabilities at broadband speeds, through smartphones and other data capable handsets, laptop computers and tablets. We offer mobile internet services that allow both our prepaid and postpaid customers to connect their devices to the internet over our 3G networks at data connection speeds of up to 8 Mbps. Handset and datacard plans are available to our postpaid customers on a monthly fee basis and to our prepaid customers on a pay-as-you-go basis, with pricing based on usage and time of expiration. Plans are offered to prepaid subscribers on hourly, daily and monthly packages of increasing capacity. We offer postpaid subscribers contracts for 12, 18 or 24 months and offer a partial or full subsidy of a smartphone. Data penetration in smartphones increased to 61%, out of a total of 980,000 smartphones, as of September 30, 2013 from 57%, out of a total of 440,000 smartphones, as of September 30, 2012. We had approximately 82,000 postpaid datacard customers and approximately 213,000 prepaid datacard customers as of September 30, 2013. Our total data users across our business units as of September 30, 2013 were 1.5 million.

### *Handsets*

We currently offer our customers a portfolio of approximately 60 handset models from leading global manufacturers, including Alcatel, Apple, Samsung, BlackBerry, Huawei, LG, Nokia and Sony. We plan to maintain a relatively small selection of handsets in our inventory portfolio and focus on the models we believe will be the most successful with our customers. Neither we nor Millicom have exclusivity contracts with any handset manufacturer, which we believe gives us more flexibility to build and manage our handset portfolio. We offer entry-level, mid-range handsets as well as smartphone mobile devices. As of September 30, 2013 approximately 35% of our handset portfolio comprised entry-level, low and mid-range models and the remaining 65% consisted of smartphones.

Since the beginning of 2012, Millicom has engaged in negotiations with our providers outside of Guatemala on a regional basis (Latin America). We believe we benefit significantly from this arrangement as it allows us to benefit from economies of scale in equipment and handset purchases. We have strict quality-control procedures to qualify new devices for use on our 2G and 3G networks. Our handset quality assurance team works on each device prior to its introduction to the market to ensure that it will meet our minimum requirements in terms of radio and transmission operation, reliability, user interface and ability to support all of our services.

### *Tigo Business*

Tigo Business offers a variety of corporate solutions such as business management applications, hosting (through which we monitor a customer's network), housing (through which we house a customer's network hardware in our facilities), network monitoring, security applications (antivirus and antispam) video conference, broadband internet and virtual private network ("VPN") related services, generally to business customers and in most cases bundled with postpaid mobile plans.

Our fiber optic network provides us with the ability to cross-sell technological solutions that we offer such as videoconferencing, Tigo Cloud (which is a monthly subscription service allowing customers to synchronize information such as emails, contacts and calendars among mobile phones, tablets and internet web browsers), antivirus services, antispam services, and Tigo Network Monitor (which is a monitoring tool that notifies the IT department of the customer upon detecting any deficiency or performance issue with respect to the customer's networks, servers and applications).

### ***Tigo Home***

Tigo Home offers consumers fixed-line broadband and cable TV services. This business unit is currently geographically concentrated in Guatemala City and its high-density surrounding areas, and has focused on consolidating network and customers through a series of acquisitions beginning in January 2012. Our technology enables us to provide broadband Internet using the same coaxial cable that delivers video and audio to our cable TV customers. It also provides residential customers with a more stable connection than the wireless (Wimax) connections offered by us and some of our competitors, at high speeds (ranging from 512 kilobytes per second, or kbps, to 10 megabytes per second, or mbps), which allows customers to use several related value-added products such as video-on-demand, online gaming, social networking and movie downloads. Our Tigo Home products, which are currently branded under Cable Fusión and other legacy brands, had 118,769 cable TV customers as of September 30, 2013. In the near future, we expect to offer fixed-line telephone services through this business unit using existing cable infrastructure, which will allow us to offer "triple-play" bundled services.

We expect that Tigo Home will begin offering cable TV and fixed line broadband on a prepaid basis and, in rural areas of the country, satellite television in the near future. We believe these developments will allow us to expand our customer base significantly.

### ***Tigo Money***

We began offering MFS under the Tigo Money brand in January 2011. Tigo Money offers money and airtime transfer services to customers who have an account with us. As of September 30, 2013, our MFS products had been used on 534,729 registered handsets and at least once in the prior 60 days on 284,950 registered handsets.

Our "Tigo Money" service is a mobile wallet system that allows subscribers to send money to anyone in the Tigo network using their mobile phone. Subscribers deposit cash with a Tigo Cash agent at a Tigo point of sale. Once the subscriber has received a text message confirming the deposit, the subscriber can access the Tigo Cash menu on his phone to transfer money to another customer. The recipient of the money transfer can then go to a Tigo point of sale and withdraw cash. Tigo MFS allows us to provide an affordable, fast, convenient and safe way to transfer money using a mobile phone, a service that can be especially valuable to subscribers who do not have bank accounts or convenient access to financial institutions.

Our MFS offering includes the ability to collect payments for Tigo Mobile customers and several other third parties. Tigo Money is the second largest collector of payments for Tigo Mobile and is one of the top-five collectors of electricity payments in Guatemala's rural areas.

Pursuant to an agreement entered into between Millicom and Western Union in April 2011, we have launched an international money transfer service for our customers in Guatemala. The service allows our customers to receive money from Western Union customers directly to their mobile accounts and to withdraw cash at any of our locations that offer the Tigo Money facility. The agreement with Western Union is expected to allow millions of our customers to benefit from Western Union's extensive network of approximately 510,000 agent locations across 200 countries and territories and to allow us to benefit financially from facilitating a portion of the estimated US\$5.2 billion of remittances that are sent annually to Guatemala by expatriated Guatemalans.

## **Product Development and Marketing**

### ***Business Categories***

In addition to operating through business units to deliver our products to our customers, we have implemented an organizational structure consisting of four categories that are designed to accelerate the development of new

products, deepen our understanding of our consumers and bring innovation to our go-to-market strategies, while continuing to focus on increasing efficiency.

The four categories operate across our business units and consist of:

- the communications category, which is responsible for the development of products and services relating to voice, SMS and roaming services;
- the information category, which is responsible for the development of products and services relating to the provision of data services;
- the entertainment category, which is responsible for the development and management of entertainment-based applications and services through which our customers can receive digital content provided by third parties and OTTs such as weather, movie listings, horoscopes, airline information, ringtones, games, music, videos, and promotions (historically through SMS but increasingly through the use of data); and
- the solutions category, which is responsible for managing all our products that are intended to enhance our customers' efficiency and/or promote their cost savings, such as our "Zero Balance" products, which allow customers to continue to communicate after running out of airtime balance, voicemail and contact back-up, and corporate solutions products such as sales force inventory and collections management applications as well as health and assistance services.

### ***High Value Consumers***

We have a special team within our mobile business unit that analyzes and serves our most loyal and highest ARPU customers, which we refer to as high value consumers, or HVCs. For the nine-month period ended September 30, 2013, HVC represented a relatively small proportion of our mobile customer base and accounted for the majority of our mobile revenue. Approximately 75% of our postpaid customers are classified as HVCs, while approximately 16% of our prepaid customers are classified as HVCs.

In order to grow the number of our HVCs we are focused on offering customers a best-in-class service offering at a reasonable price. In our postpaid plans we offer bundle packages that combine mobile talk minutes, SMS and data services. We also offer flexibility to our customers and allow them to build their own data plans based on their needs. Additionally, we offer scaled discounts on desirable smartphones for our HVCs based on their usage and payment history.

### ***The Tigo Brand***

The Tigo brand was developed by Millicom in 2004 in connection with the deployment of GSM technology across its operations in Central and South America. The Tigo brand has been integrated into Millicom's operations throughout the world, which we believe has allowed us to enjoy increased brand recognition and to realize cost savings from the standardization of marketing materials.

Through our use of unique and customized integrated marketing strategies and programs which are designed to target the different consumer segments that we cover, we cultivate a fresh, modern image that has resonated with both the young urban and the corporate customer markets, thus forging a strong emotional bond with Guatemalans. Our highest profile and most successful marketing efforts include Tigo Fest, an annual music event that has succeeded in bringing top international performers including Enrique Iglesias, Jennifer Lopez, Pitbull, Mana, Mark Anthony, Paul van Dyk, Red Hot Chili Peppers and Shakira to Guatemala, and our sponsorship of the national soccer association. We believe our commitment to social responsibility in Guatemala has fostered a loyal clientele and differentiates Tigo from competing brands. Market research and other key performance indicators demonstrate the strength of our brand in Guatemala, including mobile market share, which we estimate to be approximately 53.7% as of September 30, 2013. Our own market research shows we have a "top of mind" indicator (reflecting the brand named by subjects when asked to name any mobile brand) of 66% in Guatemala, which is over 45 percentage points higher than the second-placed brand, and a "spontaneous awareness" indicator (reflecting a subject's familiarity with a brand) of 95% in Guatemala. Furthermore, our "brand preference" indicator is 54%, which is over 30 percentage points higher than the second-placed brand. We believe we further benefit from recognition due to the popularity of the Tigo brand in other Central and South American markets serviced by our affiliates.

### ***Customer Service***

We believe that quality customer service increases customer satisfaction and retention, and is a key differentiator in the mobile communications industry. Providing superior customer service to satisfy and retain existing customers is critical to our financial performance and is a core element of our Tigo brand.

We offer our customers various options for making requests and inquiries in an attempt to maximize convenience and control costs. Customers are able to contact us by telephone, e-mail, chat and social media, as well as in person at our company-owned service centers and Tigo Express centers, which are small independently owned service centers. For customers who contact us by telephone, we have live operator agents and an automated interactive voice response system. Customers can contact us by using three-digit speed dialing on their mobile phones or through a conventional toll-free number. We focus on ensuring quick and accurate problem resolution with minimal wait times.

We also make online self-service tools available to our customers so that our customers can help themselves 24 hours a day, seven days a week.

### **Sales and Distribution**

We have developed the most extensive sales and distribution network in our market. We employ a mix of indirect and direct distribution channels in order to increase customer growth and reduce customer acquisition costs. Our indirect channel targets prepaid customers through our exclusive dealers. Our direct channel targets prepaid and postpaid consumer and business customers, and consists of freelance sales representatives, or freelancers, and an in-house corporate sales team. We have approximately 65,000 points of sale and 3,000 activation points around the country, which has helped to create strong distribution channels in order to make our products available in both urban and rural parts of Guatemala.

#### ***Exclusive Dealers***

Our core group of six exclusive dealers operates on a regional basis within Guatemala and has a longstanding presence in their local service areas. We make our products and services available, at discounted rates, to our exclusive dealers who are responsible for distribution to over 65,000 retail outlets throughout Guatemala. The retail outlets are generally independently-owned small and medium size businesses such as convenience stores, gas stations and kiosks.

All of our exclusive dealers have contractual arrangements that require them to meet our strict standards of operations and to demonstrate financial stability. We operate training and evaluation programs for dealers to ensure our required level of service quality, and we do not renew the contracts of dealers who do not meet our established standards of service. We leverage our distribution through a proprietary, in-house system to monitor, in real-time, the performance of our dealers.

#### ***Freelancers***

An increasingly important component of our distribution strategy is freelancers, who sell the full range of products and services offered by our Tigo Mobile and Tigo Money business units solely on a commission basis and who have direct relationships with our individual customers. Our freelancers are paid a fixed fee (minimum salary by law) and they supplement their income with variable pay which is based on their sales and/or the training sessions they hold.

We have 1,200 freelancers who focus on sale of our mobile products and services. Freelancers sell to our customers and also train them on the use of our mobile products and services, including MFS.

#### ***Corporate Sales***

We employ an in-house team of approximately 85 sales representatives (62 of which are our own employees) specifically trained to serve our corporate clients. For customer service purposes, we divide our corporate clients into six groups based on revenue and into two additional groups for government and wholesale clients. This allows us to staff our sales representatives more efficiently and provide the best service possible to all our customers throughout the different points of contact.

### ***Tigo Stores***

We own and operate 31 Tigo-branded stores in Guatemala and our sales footprint is enhanced by an additional 450 Tigo Express centers (mini service centers) owned and managed by our dealers, which offer local, personalized service to customers throughout Guatemala. Our dedicated service centers, which we own, sell our full range of products and services, provide technical assistance and handle billing inquiries and payments, and most of our dedicated service centers include an “experience zone” where our customers can try our latest phone handsets, tablets and similar products. Our Tigo Express centers are aimed at providing customer care in centers with a high level of traffic of people such as universities and supermarkets located in areas where we aim to provide personalized attention to customers.

### ***International Dealers***

Tigo subscribers in Guatemala receive airtime credit on their mobile phones through Top Ups sent from family and friends from the United States and, to a lesser extent, Canada. Our international distributors in North America include IDT, KDDI, Touch Tel, DARIA, ISEND and Dollar Phone.

For the nine-month period ended September 30, 2013 and the years ended December 31, 2012 and 2011, US\$54.3 million, US\$72.9 million and US\$66.7 million, respectively, were sent in airtime credit to our subscribers in Guatemala from their family and friends in the United States.

## **Technology**

### ***Mobile Networks***

We operate both fixed and mobile telecommunications networks. Our mobile networks are based on the 3PP family of standards. We have both GSM and UMTS/HSPA networks, which are the most commonly adopted networks for mobile telecommunications systems worldwide. GSM/GPRS/EDGE are often referred as 2G (second generation) technologies and they are able to support voice, value-added services, lower bandwidth data services and GSM systems allow enhanced roaming capability virtually worldwide. 3G networks support bandwidth-intensive data applications such as full motion video, video conferencing and full internet access to mobile devices. 3G network speeds are increasing dramatically as the network technology evolves. Through the use of HSPA (High Speed Packet Access) and HSPA+ technology, data speeds on 3G networks can reach speeds substantially faster than in 2G networks, depending on the capabilities of the devices and the network. 3G technologies have enabled us to offer our users a wide range of advanced services while achieving greater network capacity through improved spectral efficiency. 3G further enables us to offer new services to our users such as video calls, mobile broadband data, and an improved internet experience with richer mobile content.

We have nationwide usufruct rights which allow us to operate our 2G and 3G networks in the 850 MHz, 900 MHz and 2600 MHz spectrum bands in which we hold a total bandwidth of 48 MHz, 12 MHz and 25 MHz, respectively. New regulations came into effect in Guatemala in December 2012 that granted telecommunications operators the right to apply for automatic 20-year extensions of their existing rights. We successfully applied to extend our usufruct rights through December 2032 and December 2033, depending on expiration date of the original usufruct right.

Our mobile network architecture includes 13 2G mobile switching centers (MSC & MSSERV), 4 3G/SRAN (MSOFT & ATCAs) and 2 Tandems (MSOFT) geographically distributed to secure traffic balance and service availability to serve over 3,563 2G and 2,855 3G cellular base stations. We estimate that our 2G coverage footprint covers over 87.4% and our 3G footprint covers 60% of the Guatemalan population.

### ***Fixed-line Broadband Networks***

We provide fixed-line internet service over our Wimax network, our fiber optic network and our cable internet network. Our Wimax network provides internet to homes using both Wimax D and Wimax E technologies. Our fiber optic network, which uses fiber optic cables as a medium to provide data services for companies in need of secure connectivity and higher bandwidth for their daily operations. Our fixed wireless network is composed of more than 134 Wimax base stations, including the new generation cell sites. We also provide fixed internet service using our new HFC network, which is also used to providing cable TV service. Our Wimax and HFC networks are mainly



intended to serve home users while our FTTx (Fiber to the Home/Building) network is used to serve our corporate customers. The FTTx network is deployed in the primary cities in Guatemala and is currently being expanded with GPON (Gigabit Passive Optical Network) technology.

Broadband data represents a large growth opportunity in our markets. We have initiated a program to modernize our networks and drive new revenue streams from value-added services, implementing DPI/PCRF (deep packet inspection/policy and charging rules function), real-time billing systems, cache engines, peering, Single RAN and Single Core technologies. As the demand for higher mobile backhaul capacity and quality increases, we are gradually moving from TDM (time-division multiplexing) to IP-based backhaul as necessary. We own a robust urban/rural backbone and last mile transmission infrastructure with over 9,000 Km of fiber optic network cable.

### ***Information Technology***

Our IT strategy is to leverage best-of-breed solutions, from established vendors, that provide a high degree of functionality, flexibility and reliability to support our business strategy. We consider high availability of mission-critical systems and data integrity as paramount to our operations. As a result, we employ clustered and fully-redundant configurations, and have a comprehensive business continuity plan to ensure recovery from unforeseen disruptions. Our system backup and data retention policies observe a structured regime consisting of daily, weekly and monthly backups with redundant offsite storage. Our backup operations are standardized on a Datamain/Avamar/Networker solution.

Our IT infrastructure is comprised of storage solutions, software, databases, a virtualization environment with more than 256 virtual machines, 705 physical servers and 3 geographically distributed SANs, which utilize solutions from leading companies such as IBM, SUN, Dell, HP, EMC, APC, Juniper, Cisco, Extreme, VMware, PowerVM, Oracle and SQL Server.

Our business support systems include: Basset's Rev-Up, Callgate and Watchdog solutions for intercarrier billing, mediation and fraud management, respectively; AS400 STC-4 solution for postpaid billing, inventory management, and customer life-cycle management; Evolving Systems' Tertio solution for service provisioning; Fusion Middleware solution for Service Bus and MACH solutions to enable and support customer roaming.

The primary responsibility of our IT operations division is to ensure that all IT infrastructure and business support systems are working as expected on a continuous basis, as well as to provide company-wide incident first-response support. Our IT-related acquisitions are centralized by our supply chain group, which allows us to reduce costs through volume discounts and other agreements.

### **Research and Development; Intellectual Property**

We do not engage in research and development activities and we do not own any patents. We believe we benefit from product development which is conducted by Millicom and certain of its controlled companies, for example, many of the elements of our Tigo Money MFS were developed by Millicom and originally commercialized in Millicom operations in Africa and elsewhere in Latin America.

We own or have rights to certain trademarks in our business, including the following trademarks: "Tigo," "sonríe tienes Tigo," "Tigo Money," "Tigo Business," "Cable Fusión" and "Tigo Fest".

### **Property, Plant and Equipment**

The properties we use in our activities primarily consist of technical sites, commercial stores, administrative facilities and warehouses for equipment and product storage, the majority of which we currently occupy through leases.

Our management offices, warehouses and customer service offices are located in leased properties, which include:

- three corporate facilities in Guatemala City, including our headquarters, in which we house the majority of our personnel for our four business units;

- 31 customer service offices (12 located in the metropolitan area of Guatemala City and the rest in major cities across the country); and
- five main warehouses (the largest being in Guatemala City and measuring more than 4,000m<sup>2</sup>) and several smaller warehouses and facilities.

We own, or operate through long-term leases or licenses, properties consisting of plant and equipment used to provide mobile telephone services, consisting of:

- switching, transmission and receiving equipment;
- connecting lines (cables, wires, poles and other support structures, conduits and similar items);
- land and buildings;
- easements and other rights of use; and
- other miscellaneous properties (work equipment, furniture and plants under construction).

### **Employees**

As of September 30, 2013, we employed 1,681 employees and 2,394 third party contractors. None of our employees or third party contractors is unionized, and we believe our relationship with them to be good and the compensation and benefits we offer to be highly competitive.

We are consistently ranked as a top-three employer of choice in Guatemala in surveys conducted by Aragón y Asociados, Tecoloco, Captura and Dichter & Neira.

### **Legal and Administrative Proceedings**

From time to time we are a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. The Guatemalan tax authorities have sought to apply a 3% stamp tax on our payment of dividends to our shareholders through coupons attached to share certificates for certain tax years. We believe that these dividend payments are specifically exempt from stamp tax and are disputing the tax authority's determination that a stamp tax is due for these dividend payments. We estimate that, should we lose the appeal, the additional tax assessment, plus interest and penalties, could be approximately \$91 million, for which management takes the view that no provision should be made. Except as otherwise disclosed in this offering memorandum, we are not at this time a party, as plaintiff or defendant, to any legal proceedings which, individually or in the aggregate, would be expected to have a material adverse effect on our business, financial conditions or results of operations.

## MANAGEMENT

Comcel is managed by a Board of Directors (the “Board of Directors” or the “Board”) and by its executive officers.

### Board of Directors

Members of the Board of Directors (*Consejo de Administración*) are elected by the Company’s stockholders for a three-year term (or until their replacement is elected) and may be reelected. The Board of Directors consists of five primary directors and five alternate directors. The President and Vice-President of the Board of Directors, acting together, are the legal representatives of the Company.

The Board of Directors is responsible for, among other things, the overall supervision and administration of the Company’s business activities, the appointment and removal of the Company’s executive officers, the review of the Company’s combined financial statements and the approval of the Company’s budget.

The current Board of Directors was elected on November 14, 2013 and each director’s term will end upon the election of the new board members in November 2016.

The following table lists the current members of the Board of Directors:

Name	Age	Position
Mario Luis Zanotti Cavazzoni.....	51	President
Mario David López Estrada .....	75	Vice-President
Hans-Holger Albrecht .....	50	First Director
Martin Weiss.....	46	Second Director
Mario López Pérez .....	45	Third Director
Esteban Iriarte.....	41	Alternate President
John A. Boord.....	46	Alternate Vice-President
Salvador Escalón.....	38	Alternate First Director
Marcelo Benítez Aldana .....	37	Alternate Second Director
José Ramón González.....	37	Alternate Third Director

Included below is certain biographical information regarding the members of the Board of Directors.

*Mario Luis Zanotti Cavazzoni.* Mr. Zanotti was appointed Millicom’s Senior Executive Vice President of Operations in December 2012. Previously, he served as Millicom’s COO of Categories and Global Sourcing from January 2012, Millicom’s Chief of Latin America from 2008 and Millicom’s Head of Central America from 2002. Mr. Zanotti joined the Millicom Group in 1992 as a General Manager of Telecel in Paraguay. In 1998, he became Managing Director of Tele2 Italy and in 2000 he was appointed Chief Executive Officer of YXK Systems. Before joining the Millicom Group he worked as an electrical engineer at the Itaipu Hydroelectric Power Plant and later as Chief Engineer of the largest electrical contractor company in Paraguay. He holds a degree in Electrical Engineering from the Pontificia Universidade Catolica in Porto Alegre, Brazil and a Master of Business Administration degree from INCAE and the Universidad Católica de Asunción, Paraguay.

*Mario David López Estrada.* Mr. López has served as the Vice President of the Board of Directors since 2002. He also serves as the Chairman of Miffin Associates Corp., Grupo Onyx and Blue Tower Ventures Inc. Additionally, Mr. López is the Founder and President of Fundación Tigo, a charitable organization dedicated to the development of educational and health programs. Mr. López holds a degree in Civil Engineering from Universidad de San Carlos in Guatemala.

*Hans-Holger Albrecht.* Mr. Albrecht was appointed Millicom’s President and Chief Executive Officer in July 2012 with effect from October 31, 2012. He was a member of Millicom’s board of directors from May 2010 until July 2012. Before joining the Millicom Group, he was the President and CEO of Modern Times Group MTG AB, a position he held starting in August 2000. During this period, MTG’s broadcasting operations expanded strongly

from its core Nordic and Baltic regions to become one of the leading commercial broadcasters in Europe. Before joining MTG in 1997, he worked for Daimler-Benz and for the Luxembourg-based media group CLT, where he was responsible for all television activities and for business development in Germany and Eastern Europe. Hans-Holger Albrecht has been co-Chairman of the board of directors of CTC Media, Inc., the largest commercial television broadcaster in Russia, of which MTG is the largest shareholder, and is also a member of the board of directors of the International Academy of Television Arts & Sciences. Hans-Holger Albrecht studied law at the University of Freiburg in Germany. He also graduated with a Ph.D. from the University of Bochum, Germany.

*Martin Weiss.* Mr. Weiss was appointed Millicom's Executive Vice President Strategy and Corporate Development in June 2013. Between 1996 and 2013, Mr. Weiss was a founding partner at Solon Management Consulting, where he developed extensive experience advising telecommunications and media companies internationally, including consulting with the Millicom Group. From 1993 to 1996, Mr. Weiss was Engagement Manager at McKinsey & Company. Mr. Weiss holds a Master's Degree in Public Administration from Harvard and Bachelor's Degree in Economics from the London School of Economics.

*Mario López Pérez.* Mr. López has served as member of the Board of Directors since 2008. He also serves as Director of Miffin Associates Corp. and CEO of Grupo Onyx, a company dedicated to real estate development and tower subleases. Mr. López has a degree in Civil Engineering from Universidad del Valle de Guatemala.

*Esteban Iriarte.* Mr. Iriarte has served as General Manager for Millicom's Colombian subsidiary since April 2012. Previously he served as Millicom's Global Head Home & Corporate Business. He joined the Millicom Group in 2009 as Chief Executive Officer of Millicom's subsidiaries, Amnet & Navega. Prior to that, he served as Manager for Cablevision (Grupo Clarín) from 1999 and also served as a Brand Manager in Multicanal. Mr. Iriarte also worked for L'OREAL as a Trade Marketing Manager from 1996 to 1999. Mr. Iriarte holds a degree in Business Administration from the Universidad Austral de Buenos Aires (2003), and a Master of Business Administration degree from Universidad Católica de Argentina (2005).

*John A. Boord.* Mr. Boord is the founder and Managing Partner of John A. Boord Advisers Inc. an alternative investments and strategic corporate finance advisory firm. He joined Blue Tower Ventures in 2010 as Senior Adviser. Prior to joining Blue Tower Ventures, Mr. Boord was Head of Citi's Latin America Investment Banking group, where he participated in billions of dollars' worth of transactions in a variety of industry sectors and products including M&A, privatizations, public and private equity issuances, debt capital markets and loan syndications. Mr. Boord holds a Bachelor's degree with a major in Finance from the Wharton School of the University of Pennsylvania, a Master of Arts degree in International Relations and a Master of Public and Private Management degree from Yale University.

*Salvador Escalón.* Mr. Escalón has served as Millicom's General Counsel since April 2013. Between 2006 and 2013, Mr. Escalón served as Millicom's Associate General Counsel for Latin America, and between 2006 and 2010 he served as Senior Counsel for the Latin America Global Downstream group of Chevron Corporation. Previously, Mr. Escalón was in private legal practice with the international law firms Skadden, Arps, Slate, Meagher & Flom LLP and Morgan, Lewis & Bockius LLP, focusing his practice on mergers and acquisitions, as well as corporate finance. Mr. Escalón holds a Juris Doctor degree from Columbia Law School and a Bachelor's Degree in Finance and International Business from Florida International University.

*Marcelo Benítez Aldana.* Mr. Benitez was appointed Millicom's B2B & International Markets Director in January 2013. Between 2011 and 2012, Mr. Benitez was the country manager of Millicom operations in El Salvador. Previously he served as Millicom's LATAM Mobile Financial Services Director from 2009 and as Millicom's Global VAS Manager from 2007. Mr. Benitez joined Millicom in 1997 where he started his career in Telecel Paraguay. He holds a Master of Business Administration degree from the Pontificia Universidad Católica de Chile and a Bachelor's Degree in Business Administration from the Universidad del Pacífico de Asunción, Paraguay.

*José Ramón González.* Mr. Gonzalez has served as Blue Tower Ventures Inc.'s CFO since 2010. Prior to joining Blue Tower Ventures Inc., Mr. Gonzalez was a Director in Citi's Media & Telecom Investment Banking Group, where he participated in billions of dollars' worth of transactions in a variety of industry sectors and products, including M&A, public and private equity offerings, bond issuances and syndicated loans. Mr. Gonzalez holds a Bachelor's of Science in Management from Tulane University.

## Corporate Policies

Millicom has established certain corporate governance-related policies for its subsidiaries which are communicated to our board of directors. These policies address:

- input by the board on our strategic and operating plans;
- oversight by the board of annual performance evaluations for our management, including our Chief Executive Officer;
- our information policy regarding who is authorized to speak on the Company's behalf;
- annual assessments by Millicom's board of our board's performance; and
- monitoring by Millicom's board of director conflicts of interest.

## Committees

There are currently no standing committees within our board. Pursuant to our by-laws, our board may create committees delegated to undertake activities related to the development of our business.

## Internal Audit

Our internal audits are conducted by Millicom's Internal Audit Team, which reports any findings directly to Millicom's Audit Committee. Millicom's Audit Committee convenes at least four times a year and special meetings may be convened as required. Currently, Millicom's Audit Committee is comprised of four members, all of whom are independent non-executive directors of Millicom.

## Nomination and Compensation

Millicom has established policies and procedures related to the nomination and compensation of members of our board. The members of the board of directors are selected by our shareholders from a pool of different directors and executive officers involved in other Millicom operations and candidates proposed by Mifflin. Six of the members of our board are Millicom employees.

## Executive Officers

The Company's executive officers are appointed and removed by the Board of Directors at its discretion. The following table lists the Company's current executive officers of each area or department:

Name	Age	Position
Luis Valladares .....	40	Chief Executive Officer
Carlos Navarrete .....	37	Chief Financial Officer
Francis Estuardo Barillas Berger .....	37	Head of Operations
Acisclo Valladares .....	37	Chief of Corporate Affairs
Alejandro Mirón Estrada .....	38	Mobile Business Unit Manager
Miguel Francisco Mancilla del Cid .....	43	Corporate Business Unit Manager
Marvin Alfredo Martínez Molina .....	38	Home Business Unit Manager
Rafael Antonio Wug .....	34	MFS Business Unit Manager
María Margarita Wever Carrera .....	55	Human Resources Director
María Ximena Rodríguez Lagrange .....	49	Marketing Director

Included below is certain biographical information regarding the Company's executive directors.

*Luis Valladares.* Mr. Valladares has been Comcel's Chief Executive Officer since 2011. He joined Comcel in 2000 as In-House Corporate Counselor and soon became Legal Department Director. In 2007 he was appointed Chief Executive Officer of Navega which at the time was operated as a joint venture between the Company's shareholders and Guatemala's electric company. In 2010 Mr. Valladares was appointed Comcel's Chief of Corporate Affairs and in 2011 became Comcel's Chief Executive Officer. Mr. Valladares has a Bachelor's Degree

in Social and Juridical Sciences and a Master's of Science in Finances and Taxation from Universidad Francisco Marroquin de Guatemala.

*Carlos Navarrete.* Mr. Navarrete joined Comcel in 2012 as Chief Financial Officer. Prior to joining Comcel, Mr. Navarrete acquired valuable experience as Director of Financial Planning & Strategy for Kraft Foods Mexico. Mr. Navarrete holds a Bachelor's Degree in Industrial Engineering from Universidad Iberoamericana, a Master of Business Administration degree from the Instituto Panamericano de Alta Dirección de Empresa at Universidad Panamericana and a specialization in Pharma and Biotech Strategy from Babson College.

*Francis Estuardo Barillas Berger.* Mr. Barillas joined Comcel in 2013. In this position he is in charge of managing all of our technical operations including supply chain and customer operations, which includes managing our retail stores and call centers. Prior to joining Comcel, Mr. Barillas was the Chief Financial Officer for Columbus Networks Central America from 2012 to 2013. From 2002 to 2012, he held various positions in Jeans Manufacturing Company (Denimatrix) and served as Commercial Vice President for his last two years with the company. Mr. Barillas holds a Bachelor's Degree in Industrial Engineering from Universidad Rafael Landivar and a Master's Degree in Business Administration and Marketing from Universidad Francisco Marroquin in Guatemala.

*Acisclo Valladares.* Mr. Valladares joined Comcel in 2008 as Legal Director to later take on his current role of Chief of Corporate Affairs. Prior to joining Comcel, Mr. Valladares worked as External Relations Manager Central America for Procter & Gamble. Mr. Valladares holds a Bachelor's Degree in Political Science, Attorney at Law and Notary from Universidad Francisco Marroquin de Guatemala. Additionally, Mr. Valladares holds a Master of Business Administration degree from Universidad Francisco Marroquin and a Master of Laws, International Business Studies degree from Georgetown University.

*Alejandro Mirón Estrada.* Mr. Mirón joined Comcel in 2007 as Chief Risk Officer. Currently, Mr. Mirón is responsible for managing and operating the Mobile Business Unit. Prior to joining Comcel, Mr. Mirón was Chief Operating Officer at PLC Ventures, where he expanded his experience within the Telecom industry. Mr. Mirón holds a Bachelor's Degree in Chemical Engineering from Universidad del Valle de Guatemala and a Master of Business Administration degree with applied economics from Texas A&M/Universidad del Valle.

*Miguel Francisco Mancilla del Cid.* Mr. Mancilla joined Comcel in 1999 as IT Senior Analyst and has held various positions within the Company. Mr. Mancilla has acquired experience through his roles as Chief Information Officer, Chief Technical Officer and Head of Operations. Prior to joining Comcel, Mr. Mancilla worked for Multibanco, S.A. where he served as IT Project Manager. Mr. Mancilla holds a Bachelor's Degree in Industrial Administration from Universidad Rafael Landivar de Guatemala. Additionally, Mr. Mancilla holds a Master's Degree in Industrial Administration from Universidad Rafael Landivar de Guatemala.

*Marvin Alfredo Martínez Molina.* Mr. Martínez joined Comcel in 2001 as Sales Coordinator of Corporate Broadband, and later became Value-Added Services Director where he managed important initiatives to increase Value-Added Services revenue and penetration. Mr. Martínez served as Innovation Manager prior to taking on his current role as Chief Home Business Unit in 2011. Prior to joining Comcel, Mr. Martínez held a managerial position in Grupo Mast-Tech S.A. and focused on the development of LAN and WAN Networks. Mr. Martínez holds a Bachelor's Degree in Systems Administration from Universidad Francisco Marroquin de Guatemala and a Master's Degree in Business from Galileo University in Guatemala.

*Rafael Antonio Wug.* Mr. Wug joined Comcel in 2007 as Marketing Brand Manager responsible for the mobile prepaid business, and then became Business Intelligence and Consumer Manager for two years and later Indirect Salesforce Director, where he acquired valuable experience in sales and distribution. Currently, Mr. Wug serves as MFS Business Unit Chief and is charged with driving and promoting financial services primarily for unbanked customers. Prior to joining Comcel, Mr. Wug worked as a commercial manager for AC Nielsen, and was responsible for El Salvador and Honduras operations for six years. Mr. Wug holds a Bachelor's Degree in Business Administration from Universidad Rafael Landivar de Guatemala and a Master of Business Administration degree from York University.

*María Margarita Wever Carrera.* Ms. Wever joined Comcel in 2005 as Human Resources Director. Prior to joining Comcel, Ms. Wever worked as Human Resource Manager at Fresh Start Bakeries. Additionally, Ms. Wever previously served as General Manager of Tecno Uno. Ms. Wever holds a degree in Civil Engineering from

Universidad San Carlos, a Master's Degree in Operations Research from Universidad Francisco Marroquin and a doctorate in Human Dynamics & Mental Health from Universidad Mariano Gálvez.

*María Ximena Rodríguez Lagrange.* Ms. Rodríguez joined Comcel in 2008 and is responsible for the marketing strategy of the company. Prior to joining Comcel, Ms. Rodríguez worked as Marketing Vice-President at Cervecería Regional, Venezuela. Additionally, Ms. Rodríguez has experience as Global Brand Manager for other firms such as Coca-Cola and Procter & Gamble. Ms. Rodríguez holds a Bachelor's Degree in Engineering from Universidad Metropolitana and a Master of Business Administration degree from Instituto de Estudios Superiores de Administración (IESA).

### **Compensation**

Overall compensation (including bonuses) for executive officers was US\$1,194,000 for the nine months ended September 30, 2013 and US\$2,465,020 for the year ended December 31, 2012. Bonuses for the prior year are paid in the first fiscal quarter of each year and are reflected in the compensation figures above. In February 2012, bonuses of US\$957,020 in the aggregate were paid to our executive officers. None of the members of the Board of Directors are remunerated by Comcel.

## PRINCIPAL STOCKHOLDERS

The table below sets out certain information known to Comcel as of September 30, 2013 with respect to beneficial ownership of shares of its common stock, par value Q50,000 each:

Shareholder	Number of Shares	Percentage
Millicom International II N.V. (1) .....	275	55%
Mifflin Associates Corp. ....	225	45%
<b>Total</b> .....	<b>500</b>	<b>100%</b>

(1) An indirect wholly-owned subsidiary of Millicom International Cellular S.A., or Millicom.

The holders listed above have sole voting and investment power with respect to all shares beneficially owned by them. For purposes of this table, a person or group of persons is deemed to have “beneficial ownership” of any shares as of a given date on which such person or group of persons has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by each person, or group of persons, named above on a given date, any security which such person or persons has the right to acquire within 60 days after such date (including shares which may be acquired upon exercise of vested portions of share options) is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

Pursuant to our articles of incorporation, all questions before an ordinary meeting of our stockholders require an affirmative vote of 80% of our outstanding shares of common stock and all questions before an extraordinary meeting of our stockholders require an affirmative vote of 85% of our outstanding shares of common stock. As a result, the agreement of both of our stockholders is required for any question before our stockholders to be decided.

On January 16, 2014, Millicom announced that it had entered into a put-call agreement with Mifflin whereby Mifflin granted Millicom an unconditional call option for its 45% stake with a minimum term of two years. In return, Millicom granted Mifflin a put option for the same duration, exercisable in the event Millicom were to sell its interest in the Borrower or undergo a change of control.



## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

We have engaged, and in the future intend to continue to engage, in transactions with our shareholders and companies affiliated with our shareholders. We do not have any material business relationships or transactions with our officers or directors other than customary executive and director employment and compensation arrangements. For further information about our related party transaction see note 23 to our Annual Combined Financial Statements and note 9 to our Interim Combined Financial Statements.

### **Millicom**

The following is a summary of certain benefits that we derive from our relationship with Millicom.

#### *The Tigo Brand*

The Tigo brand was developed by Millicom in 2004 to coincide with the deployment of GSM across its operations in Central and South America. The Tigo brand has been integrated into Millicom's operations throughout the world, which we believe has allowed us to enjoy increased brand recognition and to realize cost savings from the standardization of marketing materials in the region.

#### *Employee Secondment*

Our staff benefit from Millicom's employee rotation plan, a training program designed to encourage cross-functional learning, to improve communications and teamwork across departments and regions, and to serve as a forum for sharing best practices. Local staff members are given the opportunity to take a secondment to Millicom operations throughout the world for further training and development.

#### *Global Supply Arrangements*

Millicom negotiates contracts for the supply of telephone handsets and equipment globally and on a group basis, under which we are able to make purchases as needed for our business, which we believe results in favorable pricing for our handsets and equipment due to Millicom's extensive relationship on a global basis with our suppliers.

#### *Interconnection and roaming providers*

We have interconnection and roaming agreements with other Millicom companies including Celtel Honduras, S.A ("Celtel") and Telemovil El Salvador, S.A. de C.V ("Telemovil"). Our revenue derived from transactions with Celtel in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 was \$0.5 million, \$0.6 million and \$0.7 million, respectively. Our costs derived from transactions with Celtel in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$0.6 million, \$0.9 million and \$0.9 million, respectively. Our revenue derived from transactions with Telemovil in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$0.5 million, \$0.7 million and \$0.8 million, respectively. Our costs derived from transactions with Telemovil in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$0.5 million, \$0.7 million and \$1.1 million, respectively.

### **Miffin**

The following is a summary of the material transactions entered into with companies directly or indirectly controlled by, or under common control with, our shareholder Miffin.

Our revenue derived from transactions with Miffin affiliates in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 was \$163.3 million, \$220.0 million and \$186.7 million, respectively. Our costs derived from transactions with Miffin affiliates in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$90.0 million, \$94.7 million and \$81.5 million, respectively.

### *Administrative Services; Commercial Leases*

Asistencia Global provides administrative services, in particular the administration of our call centers. costs derived from transactions with Asistencia Global in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$3.9 million, \$3.5 million and \$2.5 million, respectively.

Promociones Acertadas provides administrative services and has administered our call centers. Our costs derived from transactions with Promociones Acertadas in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$2.8 million, \$3.9 million and \$1.9 million, respectively.

Comercial Everest, S.A. (“Comercial Everest”) leases us office space and provides us office maintenance services. Our costs derived from transactions with Comercial Everest in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$2.3 million, \$2.9 million and \$2.7 million, respectively.

We lease office and warehouse space from Maquinaria de Occidente, S.A. (“Maquinaria de Occidente”). Our costs derived from transactions with Maquinaria de Occidente in the nine months ended September 30, 2013 and in the years ended December 31, 2012 and 2011 were \$1.0 million, \$1.2 million and \$0.1 million, respectively.

### *Product Distribution and Related Services*

Nexcel, S.A. (“Nexcel”) is a distributor of our products and services, specifically mobile airtime minutes, “Paquetigos” and MFS. We recognize revenue for these products and services on an accrual basis, as they are delivered to end customers. For the nine months ended September 30, 2013 and for the years ended December 31, 2012 and 2011, the revenue we derived from products and services distributed through Nexcel was \$161.7 million, \$21.7 million and \$0.2 million, respectively. Our costs derived in the form of commissions to Nexcel in the nine months ended September 30, 2013 and in the year ended December 31, 2012 were \$0.9 million, \$0.4 million and, respectively. We did not derive costs from transactions with Nexcel in the year ended December 31, 2011.

In the past, Glencoe, S.A. (“Glencoe”) has served as distributor of our mobile airtime minutes and mobile devices. For the years ended December 31, 2012 and 2011, the revenue we derived from products and services distributed through Glencoe was \$196.0 million and \$184.4 million, respectively. Our costs derived from transactions with Glencoe in the years ended December 31, 2012 and 2011 were \$3.3 million and \$3.3 million, respectively. We did not derive revenue or costs from Glencoe in the nine months ended September 30, 2013.

Supervisora de Occidente, S.A. (“Supervisora de Occidente”) administers our customer loyalty program. Our costs derived from transactions with Supervisora de Occidente in the nine months ended September 30, 2013 and in the year ended December 31, 2012 were \$3.4 million and \$0.4 million, respectively. We did not derive costs from transactions with Supervisora de Occidente in the year ended December 31, 2011.

Innovaprint, S.A. (“Innovaprint”) prints our customer invoices and also produces mobile airtime top-up cards and prepaid kits for us. Our costs derived from transactions with Innovaprint in the nine months ended September 30, 2013 and the year ended December 31, 2012 were \$2.8 million and \$2.9 million, respectively. We did not derived costs from transactions with Innovaprint in the year ended December 31, 2011.

Crompton Corporation provides us with printing services, including the production of prepaid kits. Our costs derived from transactions with Crompton Corporation in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$0.8 million, \$3.1 million and \$8.8 million, respectively.

In the past, Megaprint, S.A. (“Megaprint”) has provided electronic billing services. Our costs derived from transactions with Megaprint in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$0.5 million, \$0.6 million and \$1.8 million, respectively.

### *Handset Purchases*

We purchase Samsung handsets from Celution Corporation. Our costs derived from transactions with Celution Corporation in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$26.7 million, \$25.5 million and \$24.6 million, respectively.

We purchase Huawei handsets from LarkCapital Group. Our costs derived from transactions with Lark Capital Group in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$8.8 million, \$4.9 million and \$1.5 million, respectively.

#### *Network and Telecommunications Infrastructure*

We lease sites for our telecommunication infrastructure, including towers, from Equiman, S.A. (“Equiman”). Our costs derived from transactions with Equiman in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$1.0 million, \$1.2 million and \$1.2 million, respectively.

Industrias Masscardy, S.A. (“Masscardy”) provides us with maintenance services for our telecommunication infrastructure. Our costs derived from transactions with Masscardy in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$14.8 million, \$18.1 million and \$7.3 million, respectively.

We lease sites for our telecommunication infrastructure, including towers, from Las Azaleas, S.A. (“Azaleas”). Our costs derived from transactions with Azaleas in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 were \$19.4 million, \$22.2 million and \$24.6 million, respectively.

#### *Provision of Telecommunications Services*

We provide telecommunications services to multiple Miffin affiliates. With the exception of Asistencia Global, to which Comcel provides fixed-line telephone services and mobile airtime that represented revenue of \$1.4 million in the nine months ended September 30, 2013, the provision of such services is for amounts lower than \$1.0 million per annum.

#### **Distributions to Shareholders**

Historically, we have made loans to our shareholders. Shareholders have chosen to partially or totally offset the loans when dividends are declared. The amount we lent to shareholders in the nine months ended September 30, 2013 and the years ended December 31, 2012 and 2011 totaled \$107.6 million, \$345.9 million and \$423.1 million, respectively. In the first nine months of 2013 we distributed \$155.4 million to shareholders and for the years ended December 31, 2012 and 2011, we paid \$437.0 million and \$497.6 million of dividends to our shareholders, respectively. As of September 30, 2013, the amount of outstanding loans to our shareholders was \$107.6 million. On December 31, 2013, we made an additional loan to our shareholders in the amount of \$50.1 million. See “Use of Proceeds” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

## THE CREDIT AND GUARANTY AGREEMENT AND THE LOAN

*The following is a description of the material provisions of the Credit and Guaranty Agreement among the Lender, the Borrower and the Loan Guarantors (the “Credit and Guaranty Agreement”). The following information does not purport to be a complete description of the Credit and Guaranty Agreement and is subject to, and qualified in its entirety by reference to, such documents, copies of which may be obtained by contacting the Indenture Trustee at the address set forth above under the caption “Where You Can Find More Information.”*

### General

Pursuant to the terms of the Credit and Guaranty Agreement among Credit Suisse AG Cayman Islands Branch, as lender (the “Lender”), Comunicaciones Celulares S.A., as borrower (the “Borrower”), and The Bank of New York Mellon, as administrative agent for the Lender (the “Administrative Agent”), and Comunicaciones Corporativas, S.A., Distribuidora Central de Comunicaciones, S.A., Distribuidora de Comunicaciones de Occidente, S.A., Distribuidora de Comunicaciones de Oriente, S.A., Distribuidora Internacional de Comunicaciones, S.A., Navega.com, S.A., Servicios Especializados en Telecomunicaciones, S.A. and Servicios Innovadores de Comunicación y Entretenimiento, S.A., as guarantors (the “Loan Guarantors”), the Lender will agree to make the Loan as provided herein on or about the closing date for the issuance of the Notes (the “Disbursement Date”) in the aggregate amount of US\$800,000,000 (the “Loan”). The Loan will be made in a single disbursement on the Disbursement Date, subject to “—Further Advances.”

The Loan will not be subject to being repaid and reborrowed and once repaid may not be reborrowed. The Loan will not be secured by any collateral.

The Credit and Guaranty Agreement provides that principal, interest and premium, if any, on the Loan are payable only in U.S. dollars.

### Principal and Maturity

The aggregate principal amount of the Loan will be US\$800,000,000, which will mature on February 6, 2024 (the “Maturity Date”).

### Interest

The Loan will bear interest at a fixed rate of 6.875% per year (the “Interest Rate”). Interest on the Loan will be payable semiannually in arrears on February 6 and August 6 of each year (each such date, a “Payment Date”), commencing on August 6, 2014.

### Evidence of Loan

The Loan made by the Lender shall be evidenced by one or more accounts or records maintained by the Lender in the ordinary course of its business. In addition, the Borrower and, in their capacity as guarantors, the Guarantors shall execute and deliver to the Lender a promissory note, subject to the laws of Guatemala (the “Promissory Note”). The Promissory Note shall: (a) be payable to the order of the Lender and be dated the date of the Credit and Guaranty Agreement, (b) be in a stated principal amount equal to the amount of the Loan payable at the Maturity Date as set forth in the Promissory Note and (c) bear interest as provided in the Credit and Guaranty Agreement.

### Optional Prepayments

The Loan will not be subject to optional prepayment by the Borrower prior to the Maturity Date, except as set forth below.

#### *Optional Prepayment with a Make-Whole Premium*

At any time or from time to time prior to February 6, 2019, the Borrower will have the right, at its option, to prepay the Loan, in whole or in part, at a redemption price equal to 100% of the principal amount of the Loan being

prepaid plus the excess, if any, of: (a) the present value (as determined by the Independent Investment Banker) at such prepayment date of (i) the prepayment price of the Loan at February 6, 2019 (such prepayment price being set forth in the table below under “—Optional Prepayment Without a Make-Whole Premium”) plus (ii) all required interest payments thereon through February 6, 2019 (excluding accrued but unpaid interest to the prepayment date) up to and including February 6, 2019, assuming payment of the prepayment price for that date as set forth below, computed using a discount rate equal to the Treasury Rate as of such prepayment date plus 50 basis points, over (b) the then outstanding principal amount of the notes that is being prepaid (the “Make-Whole Amount”), plus, in each case, any accrued and unpaid interest (including Additional Amounts (as defined below under “—Additional Amounts”), if any) on the principal amount of the Loan to the date of prepayment.

“*Comparable Treasury Issue*” means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the period from the redemption date to February 6, 2019; provided that if the period from the redemption date to February 6, 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“*Comparable Treasury Price*” means, with respect to any prepayment date (i) the average as determined by an Independent Investment Banker, of the Reference Treasury Dealer Quotations for such prepayment date after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (ii) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average, as determined by such Independent Investment Banker, of all such quotations.

“*Independent Investment Banker*” means one of the Reference Treasury Dealers appointed by the Borrower.

“*Reference Treasury Dealer*” means Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC or any of their affiliates which are primary United States government securities dealers and one other primary United States government securities dealers in New York City designated by the Borrower; provided that, if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a “Primary Treasury Dealer”), the Trust will substitute therefore another Primary Treasury Dealer.

“*Reference Treasury Dealer Quotation*” means, with respect to each Reference Treasury Dealer and any prepayment date, the average, as determined by an Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to such Independent Investment Banker by such Reference Treasury Dealer at 3:30 pm New York City time on the third Business Day preceding such prepayment date.

“*Treasury Rate*” means, with respect to any prepayment date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day-count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such prepayment date.

#### ***Optional Prepayment Without a Make-Whole Premium***

At any time and from time to time on or after February 6, 2019, the Borrower may, at its option, prepay all or part of the Loan upon not less than 30 nor more than 60 days’ prior notice to the Lender and the Indenture Trustee, at the prepayment prices, expressed as percentages of principal amount, set forth below, plus accrued and unpaid interest thereon (including Additional Amounts, if any) to the applicable prepayment date, if prepaid during the 12 month period beginning on February 6 of the years indicated below:

Year	Percentage
2019.....	103.438%
2020.....	102.292%
2021.....	101.146%
2022 and thereafter.....	100.000%

### ***Optional Prepayment upon a Withholding Tax Event***

The Loan may be prepaid, in whole but not in part, at the Borrower's option, subject to applicable Guatemalan Laws, at a prepayment price equal to 100% of the outstanding principal amount of the Loan, plus accrued and unpaid interest (including Additional Amounts, if any) to but excluding the prepayment date, if, as a result of any enactment of new laws or change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below under "—Additional Amounts"), or any change in the official application, administration or interpretation of such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction) in such jurisdiction, the Borrower has or will become obligated to pay Additional Amounts or Tax Reimbursement Payments (as defined under "The Trust—Expense Reimbursement and Indemnity Agreement—Tax Reimbursement Payments") in excess of the Additional Amounts or Tax Reimbursement Payments payable as of the date of the Credit and Guaranty Agreement on or in respect of the Credit and Guaranty Agreement, the Expense Reimbursement and Indemnity Agreement, the Indenture, the Notes or the Note Guarantees ("*Excess Additional Amounts*"), if such change or amendment is announced or occurs on or after the date of the Credit and Guaranty Agreement and such obligation cannot be avoided by the Borrower taking reasonable measures available to it (a "*Withholding Tax Event*"); *provided* that no notice of prepayment will be given earlier than 60 days prior to the earliest date on which the Borrower would be obligated to pay such Excess Additional Amounts, were a payment in respect of the Loan then due. Prior to the giving of notice of prepayment of the Loan, the Borrower will deliver to the Lender an Officer's Certificate to the effect that the Borrower is or at the time of the prepayment will be entitled to effect such a prepayment pursuant to the Credit and Guaranty Agreement, setting forth in reasonable detail the circumstances giving rise to such right of prepayment, and stating that the Borrower cannot avoid payment of such Excess Additional Amounts by taking reasonable measures available to the Borrower. The Officer's Certificate will be accompanied by a written opinion of recognized counsel of the applicable Relevant Taxing Jurisdiction, independent of the Borrower, to the effect, among other things, that the Borrower is, or is reasonably expected to become, obligated to pay such Excess Additional Amounts as a result of a change or amendment, as described above.

### ***Optional Prepayment upon a Change of Control Remainder***

The Borrower may prepay the remaining outstanding principal amount of the Loan at any time, in whole, but not in part, upon the occurrence of a Change of Control Remainder Event pursuant to a notice to the Lender and the Administrative Agent given no more than 30 days following the Change of Control Remainder Event at the prepayment price required to be offered in a Change of Control Offer as described under "—Change of Control," subject to satisfaction of the conditions set forth below.

The Borrower will be required, prior to exercising its prepayment option, to deliver to the Lender an Officer's Certificate together with a written legal opinion of an independent recognized counsel acceptable to the Lender and experienced in such matters or other independent recognized counsel from the relevant jurisdiction experienced in such matters, in a form satisfactory to the Lender stating that a Change of Control Remainder Event has occurred.

"*Change of Control Remainder Event*" means that, in the event that the Lender requests that not less than 95% of the aggregate outstanding principal amount of the Loan be repaid pursuant to a Change of Control Offer (as defined below), the Borrower or a third party repays such amount.

### ***Prepayments in Connection with Defeasance and Discharge***

The Loan may be prepaid, in whole but not in part, at the Borrower's option, in connection with legal defeasance or covenant defeasance of the Notes, at a price equal to the amount required to be deposited by the Trust with the Indenture Trustee to effectuate a legal defeasance or covenant defeasance of the Notes, in each case, pursuant to "Description of the Notes and the Note Guarantees—Defeasance and Discharge."

### ***Prepayments in Part***

Any prepayment of the Loan in part shall be constrained by any procedures and requirements set forth in the indenture among the Comcel Trust, the Borrower, the Note Guarantors and the Indenture Trustee (the "*Indenture*") or the Notes concerning the selection of Notes to be redeemed in part and related minimum denomination requirements.

### ***Notice of Prepayment***

The Borrower shall give notice of prepayment in the manner provided for in “—Notices,” not less than 45 nor more than 60 days prior to the prepayment date to the Lender and the Administrative Agent (with a copy to the Cayman Trustee). All notices of prepayment shall state:

- the prepayment date;
- the prepayment price and the amount of accrued interest payable;
- whether or not the Borrower is prepaying the outstanding principal amount of the Loan in full or a portion thereof; and
- if the Borrower is not repaying the outstanding principal amount of the Loan in full, the aggregate principal amount of the Loan that the Borrower is repaying and the aggregate principal amount of the Loan that shall remain outstanding after the partial prepayment.

*provided* that notwithstanding any provision to the contrary herein, such notice of prepayment in respect of “—Optional Prepayment with a Make-Whole Premium,” and “—Optional Prepayment Without a Make-Whole Premium,” may state that such prepayment is conditioned on other conditions precedent (including but not limited to the effectiveness of other credit facilities), in which case such notice of prepayment may be revoked by the Borrower (by notice to the Lender and the Administrative Agent on or prior to the prepayment date) if such condition is not satisfied.

If the Borrower gives notice of prepayment in accordance herewith, the Loan, or the portion of the Loan, to be prepaid shall, on the prepayment date, subject to the provisions of the prepayment notice given in accordance with the preceding paragraph, become due and payable at the repurchase price specified in the notice (together with accrued interest, if any, to the prepayment date) and from and after the prepayment date (unless the Borrower shall default in the payment of the redemption price and accrued interest) the Loan that is prepaid, or the portion of the Loan, as applicable, shall cease to bear interest.

### **Mandatory Prepayments**

#### ***Change of Control Prepayment***

Upon the occurrence of a Change of Control Prepayment Event, the Borrower shall provide a Change of Control Notice and make an offer to prepay the Loan (the “Change of Control Offer”), pursuant to which the Borrower shall be required, if requested by the Lender, to purchase all or a portion of the Loan, at a prepayment price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the prepayment date and any Additional Amounts thereon (the “Change of Control Payment”).

#### ***Asset Sale Prepayment***

Upon the occurrence of an Asset Sale Prepayment Event, the Borrower shall provide an Asset Sale Notice and make an offer to prepay the Loan in a principal amount up to the Asset Sale Prepayment Amount (the “*Asset Sale Offer*”), pursuant to which the Borrower shall be required, if requested by the Lender, to purchase up to the Asset Sale Prepayment Amount in principal amount of the Loan at a prepayment price equal to 100% of the principal amount thereof, plus any accrued and unpaid interest thereon to the prepayment date and any Additional Amounts thereon.

### **Payments and Computations**

The Borrower will make each payment under the Credit and Guaranty Agreement, without regard to the existence of any counterclaim, set-off, defense or other right that the Borrower may have at any time against the Lender or Administrative Agent or any other person, whether in connection with the transaction contemplated in the Credit and Guaranty Agreement or any unrelated transaction, not later than 10:00 AM (New York City time) two (2) Business Days prior to the date due in U.S. dollars to the Administrative Agent in same day immediately available funds.

If the Borrower or any Guarantor is required to make a payment under the Note Guarantee to the Indenture Trustee in respect of any amount of principal and/or interest due on the Notes, or if the Trust, the Borrower or any Guarantor shall tender the Notes to the Indenture Trustee for cancellation, then all amounts so paid to the Indenture Trustee (excluding Additional Amounts) or Notes tendered and cancelled shall be deemed to be a payment by the Borrower to the Lender to reduce amounts outstanding under the Loan such that the principal or interest amounts outstanding of the Loan (after giving effect to such payment under the Note Guarantee or the Notes cancelled) shall be equal to the principal and interest amounts outstanding under the Indenture.

All computations of interest on the Loan will be made on the basis of a 360-day year of twelve 30-day months, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Lender of an interest amount or fee under the Credit and Guaranty Agreement shall be conclusive and binding for all purposes, absent manifest error.

## **Ranking**

The Borrower's obligations under the Loan will be senior, direct, unsecured, unconditional and unsubordinated obligations of the Borrower, will rank *pari passu* in right of payment with all other present and future senior, unsecured and unsubordinated indebtedness of the Borrower, and will be effectively subordinated to all of the Borrower's secured indebtedness with respect to the value of the assets securing such indebtedness and to all of the existing and future liabilities of the Borrower's subsidiaries.

## **Further Advances**

The Lender may (and for the avoidance of doubt, shall not be obligated to), from time to time, agree with the Borrower to make further advances under the Credit and Guaranty Agreement; *provided* that (i) no Default or Event of Default shall have occurred and be continuing or shall result from such additional advance (ii) such additional advances rank *pari passu* with and have the same terms and benefits as the Loan, (iii) all representations and warranties in the Credit and Guaranty Agreement shall be true and correct and (iv) satisfactory customary closing conditions. Any additional advances will then form part of the Loan. The Lender will have no commitment or other obligation to make further advances under the Credit and Guaranty Agreement.

## **Loan Guaranty**

### ***General***

Each Loan Guarantor will absolutely, irrevocably and unconditionally guarantee, jointly and severally, as primary obligor and not as surety, to the Lender and the Administrative Agent and each of their respective successors and assigns (the "*Loan Guaranty*") (i) the punctual payment when due (whether at stated maturity, by required prepayment, by acceleration or otherwise) of the principal, premium, interest, Additional Amounts, penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the Loan, any and all expenses (including, without limitation, fees and expenses of counsel) incurred by the Lender and/or the Administrative Agent in enforcing any rights under the Loan Guaranty, the Credit and Guaranty Agreement or any other Additional Transaction Document, and all other amounts owing by the Borrower under the Credit and Guaranty Agreement and the other Additional Transaction Documents and (ii) the performance of all other obligations of the Borrower under the Credit and Guaranty Agreement under the other Additional Transaction Documents (such obligations being the "*Guaranteed Obligations*").

The obligations of the Loan Guarantors, in respect of the Loan Guaranty will be limited to the maximum amount as will result in the obligations not constituting a fraudulent conveyance, fraudulent transfer or similar illegal transfer under applicable law.

The Loan Guarantors' obligations under the Loan Guaranty will be senior, direct, unsecured, unconditional and unsubordinated obligations of the Loan Guarantors and will rank *pari passu* in right of payment with all other present and future senior, unsecured and unsubordinated indebtedness of the Loan Guarantors.



### ***Payment***

Pursuant to the Loan Guaranty, in the event that the Borrower has not performed its obligations under the Credit and Guaranty Agreement, upon notice of such nonperformance or nonpayment by the Lender to the Loan Guarantors, the Loan Guarantors will be required to make immediate payment of principal, interest or premium, if any, as is due and payable under the Loan.

The Loan Guarantors' obligations under the Loan Guaranty will remain in full force and effect until (a) all the Guaranteed Obligations have been paid or satisfied in full or (b) in respect of each Loan Guarantor, the date on which such Loan Guarantor's Note Guarantee is terminated or discharged pursuant to the terms of such Note Guarantee. The Loan Guarantors will agree that the Loan Guaranty will continue to be effective or be reinstated, as the case may be if any payment is made in respect of the Guaranteed Obligations and such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any person, all as if such payment had not been made.

All amounts payable by the Loan Guarantors under the Loan Guaranty shall be payable in cash immediately upon receipt of notice of nonpayment or nonperformance of the Borrower. The Loan Guarantors will not be relieved of their obligations under the Loan Guaranty unless and until the Lender shall have received all amounts required to be paid by the Borrower under the Credit and Guaranty Agreement.

### ***Subrogation***

Until such time as the Lender has irrevocably been paid in full all amounts owing under the Credit and Guaranty Agreement, the Loan Guarantors shall not be entitled to be subrogated to any of the rights of the Lender against the Borrower for the payment of the Guaranteed Obligations, nor shall any Loan Guarantor seek or be entitled to seek any contribution from any other Loan Guarantor in respect of payments made by such Loan Guarantor pursuant to the Loan Guaranty.

### ***Additional Amounts***

The Loan Guarantors will make all payments of amounts due under the Loan Guaranty without setoff or counterclaim and free and clear of and without deduction for any Taxes imposed or levied by any Relevant Taxing Jurisdiction unless the Loan Guarantor is compelled by law to make such deduction or withholding. If any such Taxes are required to be deducted or withheld, such Loan Guarantor will pay such additional amounts in respect of such Taxes as may be necessary to ensure that the amounts received by the Administrative Agent or the Lender after such withholding or deduction of Taxes will equal the respective amounts that would have been receivable under the Credit and Guaranty Agreement in the absence of such withholding or deduction.

### ***Termination of Loan Guaranty***

The Loan Guaranty of a Loan Guarantor will terminate upon:

- (1) the date on which all the Guaranteed Obligations are indefeasibly paid in full in cash or
- (2) in respect of each Loan Guarantor, the date on which such Loan Guarantor's guarantee of the obligations under the Indenture is terminated, released or discharged pursuant to "Description of the Notes and the Note Guarantees—Note Guarantees."

### ***Future Guarantors***

If the Borrower or any Loan Guarantor acquires or creates any Subsidiary after the date of the Credit and Guaranty Agreement that is required pursuant to the terms of the Indenture to provide a Note Guarantee, the Borrower or the Loan Guarantor, as applicable, shall cause such new Subsidiary to execute a guaranty joinder agreement or such comparable documentation to become a Loan Guarantor under the Credit and Guaranty Agreement.

## **Covenants**

For so long as any of the Loans are outstanding and any amount remains unpaid under the Credit and Guaranty Agreement and the Loans, the Borrower and the Loan Guarantors will, and will cause their Subsidiaries to, comply with the terms of the covenants described below, among others:

### ***Performance of Obligations Under the Loan***

The Borrower and the Guarantors will pay all amounts owed by them and comply with all their other obligations under the terms of the (i) Credit and Guaranty Agreement and (ii) the Administrative Agent Fee Letter, the Lender Fee Letter, the Promissory Note, the Expense Reimbursement and Indemnity Agreement, the Participation Agreement, the Indenture, the Notes, the Note Guarantees and any other document entered into in connection with the transactions described herein including the syndication or assignment of the Loan or sales of any participation of the Loan (the “*Additional Transaction Documents*”), to which it is a party in accordance with the terms thereof.

### ***Maintenance of Books and Records***

The Borrower and the Loan Guarantors will, and will cause their Subsidiaries to, maintain books, accounts and records as may be necessary to comply with all applicable laws and to enable its financial statements to be prepared.

### ***Maintenance of Office or Agency***

The Borrower and the Loan Guarantors will appoint an agent in New York County, where notices to and demands upon the Borrower or any Loan Guarantor in respect of this Agreement may be served. The Borrower and the Loan Guarantors shall agree not to change the designation of such agent without giving at least 5 Business Days’ prior written notice to the Lender and the Administrative Agent wherein a replacement office or agency in New York County is also designated.

### ***Notice of Certain Events***

The Borrower and the Loan Guarantors shall deliver to the Lender and the Administrative Agent, upon becoming aware of any default or Event of Default under the Credit and Guaranty Agreement, a written notice setting forth the nature of such default or Event of Default and what action the Borrower is taking or proposes to take in respect thereof. In addition, the Borrower and the Loan Guarantors shall deliver to the Lender and the Administrative Agent within 120 days after the end of each fiscal year of the Borrower and the Loan Guarantors commencing with the fiscal year ending December 31, 2014 an Officer’s Certificate stating that in the course of the performance by the signers of their duties as officers of the Borrower and the Loan Guarantors they would normally have knowledge of any default or Event of Default and whether or not, to the best of his or her knowledge, the signers know of any default or Event of Default that has occurred during such period, and describing any such default or Event of Default, its status and what action the Borrower and the Loan Guarantors are taking or propose to take with respect thereto.

### ***Proper Legal Form***

Each of the Borrower and the Loan Guarantors will, as promptly as practicable and in no event later than 90 days following the Disbursement Date, cause at its expense the Credit and Guaranty Agreement and any other documents or agreements reasonably requested by the Lender to be consularized, notarized and translated into Spanish and otherwise prepared in proper legal form in accordance with the laws of Guatemala to allow for its submission of the same into evidence in an enforcement or other legal proceeding in Guatemala.

### ***Further Actions***

Each of the Borrower and the Loan Guarantors will, at its own cost and expense, and will cause its Subsidiaries to, at their own cost and expense, satisfy any condition or take any action (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required, as may be necessary or as the Lender may reasonably request, in accordance with applicable laws and/or regulations, to be taken, fulfilled or done in order (a) to enable the Borrower and the Loan Guarantors to lawfully enter into, exercise their rights and perform and comply with their obligations under the Credit and

Guaranty Agreement and the Additional Transaction Documents to which it is a party, (b) to ensure that the Borrower and the Loan Guarantors' obligations under the Credit and Guaranty Agreement and each of the Additional Transaction Documents entered into in connection therewith to which it is a party, are legally binding and enforceable, (c) to make the Credit and Guaranty Agreement and each of the Additional Transaction Documents entered into in connection therewith to which it is a party admissible in evidence in the courts of the State of New York or Guatemala and (d) to enable the Lender and/or the Administrative Agent to exercise and enforce its rights under and carry out the terms, provisions and purposes of the Credit and Guaranty Agreement and each of the Additional Transaction Documents and any other documents entered into in connection therewith to which it is a party.

### ***Maintenance of Existence***

Subject to the covenant described in "Description of the Notes and the Note Guarantees— Merger, Consolidations and Certain Sales of Assets of the Note Guarantors," the Borrower will preserve and keep in full force and effect its corporate existence and rights.

### ***Compliance with Laws***

The Borrower and the Loan Guarantors will, and will cause each of their Subsidiaries to, comply in all material respects with all Laws to which each of them is subject and will obtain and maintain in effect all material licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of its properties or to the conduct of its businesses, except to the extent that the failure to comply with such Laws or the failure to obtain or maintain in effect such licenses, permits, franchises and other governmental authorizations, in jurisdictions other than Guatemala, could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

### ***Ranking***

The Borrower and the Loan Guarantors will ensure that all claims under the Loan are senior, direct, unsecured, unconditional and unsubordinated obligations of the Borrower and the Loan Guarantors and which rank *pari passu* in right of payment with all other present and future unsecured and unsubordinated indebtedness of the Borrower and the Loan Guarantors.

### **Additional Amounts**

All payments of principal, premium, interest or any other amount by, at the direction of or on behalf of the Borrower or any Loan Guarantor under the Credit and Guaranty Agreement will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto ("*Taxes*") imposed or levied by or on behalf of Guatemala, the Cayman Islands, Switzerland, the United States or any other jurisdiction where the Borrower or any Guarantor is organized, resident for tax purposes, or is subject to net income or franchise tax, from or through which payments under the Credit and Guaranty Agreement are made, or any political subdivision thereof or any authority therein having power to tax (each, a "*Relevant Taxing Jurisdiction*"), unless the Borrower or any Loan Guarantor is compelled by law to deduct or withhold such Taxes.

If any such Taxes are required to be deducted or withheld, the Borrower or any Loan Guarantor will pay such additional amounts ("*Additional Amounts*") in respect of Taxes as may be necessary to ensure that the amounts received by the Administrative Agent or the Lender after such withholding or deduction will equal the respective amounts that would have been receivable in respect of the Credit and Guaranty Agreement in the absence of such withholding or deduction (taking into account any taxes imposed on such Additional Amounts) whether or not such Taxes were correctly or legally imposed or asserted by the Relevant Taxing Jurisdiction; *provided* that no Additional Amounts will be payable with respect to the following ("*Excluded Taxes*"):

- (i) any Tax imposed by reason of the Lender having a present or former direct or indirect connection with the Relevant Taxing Jurisdiction other than solely by reason of the Lender's holding or owning the Loan or participation in the transactions effected by the Credit and Guaranty Agreement or any Additional Transaction Document, the enforcement of rights with respect to the Credit and Guaranty

Agreement or any Additional Transaction Document, and the receipt of payments thereunder or the enforcement of rights in respect thereof;

- (ii) any Tax that would not have been imposed but for the failure of the Lender to comply with any reasonable certification, identification, information, documentation or other reporting requirement that the Lender is legally able to comply with (within 30 calendar days following a written request from the Borrower, a Loan Guarantor, the Administrative Agent or (in the case of a Participant (as defined below)) the Lender) to the extent such compliance is required by applicable law or an applicable treaty as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes;
- (iii) any estate, inheritance, gift, personal property, sales, use, transfer or other similar Tax imposed;
- (iv) any Tax that would not have been imposed but for the fact that the Lender presented evidence of the Credit and Guaranty Agreement for payments (where presentation is required) more than 30 days after the later of (x) the date on which such payment became due and (y) the date on which the amount payable is actually available for payment; provided, however, that the Borrower shall pay Additional Amounts to which the Lender would have been entitled had evidence of the Loan been presented on the last day of such 30-day period;
- (v) any Tax not imposed by means of deduction or withholding;
- (vi) any withholding or deduction imposed on or in respect of Section 1471 through 1474 of the Code (“*FATCA*”), any current or future regulations or official interpretations thereof, the laws of any Relevant Taxing Jurisdiction implementing FATCA, any agreement between the Borrower or any Loan Guarantor and the United States or any authority thereof entered into for FATCA purposes and any agreements entered into pursuant to Section 1471(b)(1) of the Code;
- (vii) any Tax imposed on a payment on the Loan required to be made pursuant to Council Directive 2003/48/EC of the Council of the European Union on the taxation of savings income in the form of interest payments (or any European Union Directive otherwise implementing the conclusions of the ECOFIN Council Meeting of 26 and 27 November 2000) or any law implementing or complying with, or introduced in order to conform to, any such Directive; and

any combination of items (i) through (vii) above.

All references herein to principal, premium or interest payable hereunder will be deemed to include references to any Additional Amounts payable with respect to such principal, premium or interest.

The Borrower:

- (i) at least fourteen Business Days before the first interest payment date on which any Taxes (the “*Relevant Withholding Taxes*”) shall be required to be deducted or withheld from any payment under the Loan (and at least ten Business Days before each succeeding interest payment date if there has been any change with respect to such matters), shall deliver to the Administrative Agent an Officer’s Certificate: (A) specifying the amount (if any) required to be so deducted or withheld and the Additional Amounts (if any) due in connection with such payment and (B) certifying that the Borrower will pay to the appropriate taxing authority such deduction or withholding on or before the date on which such amount is due;
- (ii) on or before the due date for the payment thereof, shall pay any such Relevant Withholding Taxes, together with any penalties or interest applicable thereto;
- (iii) after paying such Relevant Withholding Taxes, shall promptly deliver to the Lender and the Administrative Agent evidence of such payment and of the remittance thereof to the relevant taxing authority reasonably satisfactory to the Lender and the Administrative Agent.

The Borrower and the Guarantors will pay promptly when due any present or future stamp, court or documentary taxes or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the

execution, delivery or registration of the Credit and Guaranty Agreement or any other Additional Transaction Documents (each such tax, an “*Other Tax*”).

The Participant will be entitled to payments of Additional Amounts (subject to the limitations described above) to the same extent as if it were the Lender. Accordingly, in respect of periods during which the Participation is in effect, the provisions of the first two paragraphs of this section “Additional Amounts” (including, for the avoidance of doubt, the definition of Excluded Taxes) shall be read by substituting “Participant (or a beneficial owner on whose behalf the Participant holds the Participation)” for “Lender.” The Borrower will provide the Participant with documentation reasonably satisfactory to the Participant evidencing the payment of any amounts deducted or withheld promptly upon the Borrower’s payment thereof.

Without limiting the foregoing, each of the Borrower and the Loan Guarantors shall without duplication jointly and severally indemnify the Lender, and shall make payment in respect thereof for the full amount of any Taxes or Other Taxes imposed by a Relevant Taxing Jurisdiction (including Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this section “Additional Amounts” but excluding Excluded Taxes determined by application to the Lender in its own capacity) withheld or deducted by the Borrower, any Loan Guarantor or the Administrative Agent or otherwise incurred or paid by the Lender, as the case may be, relating to the Credit and Guaranty Agreement and the Additional Transaction Documents and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. For the avoidance of doubt, the Borrower shall not be required to make duplicative payments of any amounts payable pursuant to this paragraph.

#### **Increased Costs**

If the Lender determines that any Change in Law affecting the Lender, or its holding company, as the case may be, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on capital for the Lender or its holding company, if any, as a consequence of the Credit and Guaranty Agreement, the commitment of the Lender or the Loan, to a level below that which the Lender or its holding company could have achieved but for such Change in Law (taking into consideration the Lender’s or its holding company’s policies, as applicable, with respect to capital adequacy), then from time to time and as specified by the Lender, the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender or its holding company for any such reduction suffered.

In the event the Lender makes a request for additional amounts under the preceding paragraph, the Lender shall (at the written request of the Borrower) use commercially reasonable efforts to designate a different lending office for funding or booking the Loan hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of the Lender, such designation or assignment would (i) eliminate or reduce amounts payable or that may thereafter accrue under the preceding paragraph, *provided* that (i) the Borrower shall provide written consent to any such assignment and reimburse the Lender and the Administrative Agent for all costs and expenses incurred as a result of any such designation or assignment of the Loan (including, but not limited to, all legal and administrative costs and expenses arising as a result therefrom), (ii) any such assignee shall assume the Lender’s obligations under the Credit and Guaranty Agreement and any participation of the Credit and Guaranty Agreement and the Loan that is effective as of the date of such assignment and comply with the “know your client” and other documentary requirements described in the Credit and Guaranty Agreement and (iii) such assignment would not subject the Lender or the Administrative Agent to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Lender or the Administrative Agent; *provided, however*, that the Borrower may at any time revoke its election to require the Lender to designate a different lending office or assign its rights and obligations pursuant to this paragraph by written notice to the Lender and the Administrative Agent, whereupon the Borrower will not be required to pay any additional costs and expenses incurred by the Lender and the Administrative Agent following the Lender’s and the Administrative Agent’s receipt of such revocation notice from the Borrower.

#### **Events of Default**

Each of the following constitutes an event of default (each, an “*Event of Default*”):

- (a) default in the payment of all or any portion of the principal amount of the Loan when due and payable, whether at maturity or upon prepayment or otherwise (including, without limitation, any amounts

payable by way of any optional prepayment or mandatory prepayment, together with any applicable premium required to be paid in respect of any such prepayment), when the same shall become due and in the place of payment and currency of payment as originally agreed;

- (b) default in the payment of any interest, any Additional Amount, or other amount on, or with respect to, the Loan (including any reimbursement amounts due under “—Increased Costs” and the Expense Reimbursement and Indemnity Agreement) within thirty days after the due date and in the place of payment and currency of payment as originally agreed (excluding any other amount payable in respect of the principal amount of the Loan upon any prepayment, which shall be subject to clause (a) hereof);
- (c) the Borrower fails to make an Change of Control Offer or Asset Sale Offer and thereafter prepay a portion of the Loan in an amount sufficient to permit the Trust to accept and pay for Notes tendered when and as required pursuant to “—Change of Control Prepayment” or “—Asset Sale Prepayment” or the Borrower or any Guarantor fails to comply with “Description of the Notes and the Note Guarantees—Merger, Consolidations and Certain Sales of Assets of the Note Guarantors”;
- (d) failure by the Borrower, any Loan Guarantor or any of their Subsidiaries to perform or observe any covenant or agreement (not specified in clauses (a), (b), or (c) above) contained in the Credit and Guaranty Agreement or any other Additional Transaction Document, on its part to be performed or observed, and such failure continues for 60 days after written notice of such default has been given to the Borrower by the Lender or the Administrative Agent pursuant to notice from the Cayman Trustee (acting pursuant to the instructions of the holders of at least 25% in aggregate principal amount of the Outstanding Notes or the Indenture Trustee on behalf of such holders);
- (e) the occurrence with respect to any Debt of the Borrower or any Loan Guarantor or any Significant Subsidiary, having an outstanding principal amount of \$50.0 million or more in the aggregate for all such Debt (i) of an event of default that results in such Debt being accelerated prior to its scheduled maturity or (ii) failure to make any payment of such Debt when due and such defaulted payment is not made, waived or extended within the applicable grace period;
- (f) failure by the Borrower or any Loan Guarantor or any Significant Subsidiary to pay one or more final judgments against any of them, aggregating \$50.0 million or more, for which, either (i) there is a period of 60 consecutive days or more following such judgment(s) during which such judgment(s) are not paid, discharged or stayed or (ii) an enforcement proceeding has been commenced by any creditor upon such judgments and is not dismissed within 60 days following commencement of such enforcement proceedings;
- (g) an involuntary case or other proceeding is commenced against the Borrower, any Significant Guarantor or any Significant Subsidiary with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against the Borrower any Significant Guarantor or any Significant Subsidiary under the federal bankruptcy laws as now or hereafter in effect;
- (h) the Borrower, any Significant Guarantor or any Significant Subsidiary (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Borrower, any Significant Guarantor or any Significant Subsidiary or for all or substantially all of the property and assets of the Borrower, any Significant Guarantor or any Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors;
- (i) any Governmental Authority of Guatemala (i) nationalizes, seizes or expropriates all or a substantial portion of the assets of the Borrower or one or more of the Loan Guarantors (taken together on a stand-alone basis) that represent, as of the end of the period of four full fiscal quarters most recently ended (the “reference period”), more than (a) 65% of combined EBITDA of the Borrower and the Loan

Guarantors and their Subsidiaries for such reference period or (b) more than 65% of combined total assets of the Borrower and the Loan Guarantors and their Subsidiaries as of the end of such reference period (such one or more of the Loan Guarantors, the “reference Loan Guarantors”), or (ii) seizes, expropriates or impedes the use by the Borrower or the reference Loan Guarantors of an asset that is indispensable to their provision of mobile telecommunications services, or (iii) assumes control of the business and operations of the Borrower or the reference Loan Guarantors; or

- (j) (i) the Credit and Guaranty Agreement or any Additional Transaction Document, at any time after its execution and delivery and for any reason, other than as expressly permitted hereunder and thereunder, shall cease to be in full force and effect or enforceable against any party thereto in accordance with its terms, or (ii) the Borrower or any Loan Guarantor shall contest the validity or enforceability of the Credit and Guaranty Agreement or any Additional Transaction Document.

Upon the occurrence and continuation of any Event of Default, the Lender may, by notice to the Borrower, declare the Loan, all interest thereon and all other amounts payable under the Credit and Guaranty Agreement to be forthwith due and payable, whereupon the Loan, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Borrower; *provided, however*, that any time after a declaration of acceleration has occurred and before a judgment for payment of the money due has been obtained by the Lender, the Lender, by written notice to the Borrower, may rescind and annul such declaration and its consequences if the rescission would not conflict with any judgment or decree of a court of competent jurisdiction, all existing Events of Default, other than the nonpayment of the principal of the Loan and interest on the Loan that have become due solely by the declaration of acceleration, have been cured or waived, and no such rescission shall affect any subsequent Default or impair any right consequent thereon; *provided, however*, that in the case of an Event of Default described in clauses (g) or (h) above, all such interest and all such amounts shall be deemed to have been accelerated in full and shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are expressly waived by the Borrower.

#### **Amendment and Modification**

No amendment or waiver of any provision of the Credit and Guaranty Agreement, nor consent to any departure by the Borrower or any Loan Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender and the Administrative Agent (and, in the case of an amendment, the Borrower and the Loan Guarantors), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The Lender will consent to any such amendment or waiver only in accordance with the terms of the Credit and Guaranty Agreement and the Additional Transaction Documents.

#### **Waiver of Set-off**

The Lender will waive any right of set-off, counterclaim, deduction, diminution or abatement based upon any claim it may have against the Borrower under the Credit and Guaranty Agreement or any Additional Transaction Document.

#### **Assignments**

- (a) The Loan will be assignable by the Lender, in accordance with applicable law, in whole or in part, only in the following circumstances:
  - (1) to the Cayman Trustee, in its capacity as trustee of the Trust upon the occurrence of (i) a Default or an Event of Default (ii) a declaration of a general suspension of payment or a moratorium on the payment of debt of the Borrower or any Loan Guarantor (which does not expressly exclude the Credit and Guaranty Agreement, the Indenture and the Note Guarantees) by any Governmental Authority of Guatemala or (iii) a Change in Law that, in the Borrower’s reasonable judgment, would result in an adverse change or effect described under clause (b) of the definition of Material Adverse Change, *provided* that the Lender shall thereafter provide the Borrower with prompt notice of such occurrence, and such assignment shall not require the consent of the Borrower,

- (2) subject to paragraph (b) below, to the Cayman Trustee, in its capacity as trustee of the Trust in the event (a) of a Change in Law that imposes a material restriction affecting any of the Credit and Guaranty Agreement or the Additional Transaction Documents or the ability of the parties thereto to comply with their respective obligations thereunder or (b) that any change in the accounting rules or interpretation thereof, or compliance by the Lender with such change or interpretation, has the effect of changing the accounting treatment, balance sheet usage or reporting method applicable to the Lender in connection with the Loan or the Participation, and such assignment shall not require the consent of the Borrower; *provided* that, (x) the Lender has given the Borrower 30 days' prior notice of its intention to effect an assignment contemplated by this clause (2) (unless, in the reasonable opinion of the Lender, a shorter notice period is required under applicable law to effect such an assignment) and (y) the Borrower may, at its sole expense and effort, upon 10 days prior written notice to the Lender no later than the 20th day following the Lender's notice, request that the Lender assign all of its interests, rights and obligations under the Credit and Guaranty Agreement and the Additional Transaction Documents to an assignee selected by the Borrower, *provided further* that (i) any such assignee selected by the Borrower assumes the Lender's obligations under the Credit and Guaranty Agreement and any participation that is effective as of the date of such assignment, (ii) the Lender and the Administrative Agent shall be satisfied with the results of "know your client" or other checks in relation to the identity of the assignee and (iii) such assignment shall have been consummated within 30 days (unless, in the reasonable opinion of the Lender, a shorter period is required under applicable law to effect such assignment) of receipt by the Lender of the notice from the Borrower referred to above. If an assignment requested by the Borrower as described in subclause (y) of the previous sentence is not consummated within such 30-day period, then the Lender may assign the Loan and its interest in the Credit and Guaranty Agreement to the Cayman Trustee as provided in this paragraph (2).
- (3) subject to paragraph (b) below, to the Cayman Trustee, in its capacity as trustee of the Trust, if the Lender determines, in its sole discretion, that (a) there is an implementation or adoption of, or change in, any applicable law or regulation, or the interpretation or administration thereof by any court, tribunal or regulatory authority with competent jurisdiction, or the Lender reasonably anticipates the imminent occurrence of any of the foregoing, the effect of which is that (1) it is or would be unlawful, impossible or impracticable for the Lender to maintain or carry out its obligations under the Credit and Guaranty Agreement, any of the Additional Transaction Documents or any participation or any activity contemplated thereby, or (2) compliance with the foregoing will result in materially increased costs for the Lender, or (b) there is a change in the Lender's interpretation of, or internal position with respect to, any applicable law or regulation, or the interpretation or administration thereof by any court, tribunal or regulatory authority with competent jurisdiction that (1) would make it unlawful, impossible or impracticable for the Lender to maintain or carry out its obligations under the Credit and Guaranty Agreement or any of the Additional Transaction Documents or any activity contemplated thereby, or (2) compliance with the foregoing will result in materially increased costs for the Lender; *provided* that, (x) the Lender has given the Borrower 30 days' prior notice of its intention to effect an assignment contemplated by this clause (c) (unless, in the reasonable opinion of the Lender, a shorter notice period is required under applicable law to effect such an assignment), (y) the Borrower agrees to deliver to the Lender all documents and information reasonably requested by the Lender to enable the Lender to make any determination under this clause (3); and (z) the Borrower may, at its sole expense and effort, upon 10 days prior written notice to the Lender no later than the 20th day following the Lender's notice, request that the Lender assign all of its interests, rights and obligations under the Credit and Guaranty Agreement and the Additional Transaction Documents to an assignee selected by the Borrower, *provided further* that (i) any such assignee selected by the Borrower assumes the Lender's obligations under the Credit and Guaranty Agreement and any participation that is effective as of the date of such assignment, (ii) the Lender and the Administrative Agent shall be satisfied with the results of "know your client" or other checks in relation to the identity of the assignee and (iii) such assignment shall have been consummated within 30 days (unless, in the reasonable opinion of the Lender, a shorter period is required under applicable law to effect such assignment) of receipt by the Lender of the notice from the Borrower referred to above. If an assignment requested by the Borrower as described in subclause (z) of the



previous sentence is not consummated within such 30-day period, then the Lender may assign the Loan and its interest in this Agreement to the Cayman Trustee as provided in this paragraph (3); or

- (4) to any Person (other than a natural person) for any other reason with the consent of the Borrower (which shall not be unreasonably withheld), provided that, no consent of the Borrower shall be required if such transfer is (a) to another non-Guatemalan banking or financial institution that is an entity fully licensed under the law of its country of origin (provided that immediately after giving effect to the proposed transfer, the Borrower would not be obligated to pay Excess Additional Amounts) or (b) in connection with any of sub-clauses (1), (2) and (3) above and for any reason such assignment to the Cayman Trustee cannot become effective, and, in each case, such assignee assumes the Lender's obligations under the Credit and Guaranty Agreement and any participation that is effective as of the date of such assignment.
- (a) The Cayman Trustee, in its capacity as trustee of the Trust shall be deemed to have irrevocably accepted any assignment of the Loan in subclauses (1), (2) or (3) of this clause (a) in exchange for the cancellation of the Participation (as defined hereafter) and the termination of the participation agreement, and an Assignment and Assumption in respect of the full principal amount of the Loan outstanding on the date such assignment occurs shall be deemed duly delivered by all parties thereto upon the Lender's delivery of the Assignment and Assumption to the Administrative Agent and notice by the Lender to the Borrower and the Administrative Agent thereof.
- (b) Prior to any assignment to the Cayman Trustee pursuant to clauses (a)(2) and (3) above, the Lender shall promptly notify the Administrative Agent and the Borrower of the Lender's intention to assign the Loan and, at the written request of the Borrower, for a period not exceeding 30 days after such notice (which shall run concurrently with the 30 day notice period referred to in subclauses (a)(2) and (3) above), the Lender shall use its commercially reasonable efforts to designate a different lending office for funding or booking the Loan hereunder or assign its rights and obligations hereunder to another of its offices, branches or Affiliates or to such other non-Guatemalan banking or financial institution that is an entity fully licensed under the law of its country of origin, if, in the judgment of the Lender, such designation or assignment would prevent or avoid any of the events and/or results set forth in clauses (a)(2) and (3) above from occurring, provided that (i) the Borrower shall provide written consent to any such assignment and reimburse the Lender and the Administrative Agent for all costs and expenses incurred as a result of any such designation or assignment of the Loan (including, but not limited to, all legal and administrative costs and expenses arising as a result thereof), (ii) such assignee shall assume the Lender's obligations under the Credit and Guaranty Agreement and any participation that is effective as of the date of such assignment, (iii) such assignment would not otherwise be disadvantageous to the Lender; and (iv) after giving effect to such assignment or designation, the Borrower would not be obligated to pay Excess Additional Amounts; provided, however, the Borrower may at any time revoke its election pursuant to this provision by written notice to the Lender and the Administrative Agent, at which point the Borrower will not be required to pay any additional costs and expenses incurred by the Lender and the Administrative Agent following the Lender's and the Administrative Agent's receipt of such revocation notice.
- (c) In the event that
  - (1) the Lender requests compensation under "—Increased Costs," the Borrower has requested the Lender to designate a different lending office or assign its rights and obligations and the Lender is unable to designate or assign the Loan to a different lending office for funding or booking the Loan or assign its rights and obligations to another of its offices, branches or Affiliates to avoid or mitigate (x) the increased costs necessitating compensation under "—Increased Costs" and (y) the Borrower's obligation to pay Excess Additional Amounts after giving effect to such designation or assignment;
  - (2) the Borrower becomes obligated to pay Excess Additional Amounts in respect of the jurisdiction of the Lender or its lending office, and, after the Borrower has requested the Lender to designate a different lending office or assign its rights and obligations, the Lender is unable to designate or assign the Loan to a different lending office for funding or booking the

Loan or assign its rights and obligations to another of its offices, branches or Affiliates to avoid or mitigate the Borrower's obligation to pay Excess Additional Amounts;

- (3) the Lender is in bankruptcy, insolvency, reorganization, liquidation or other similar proceedings; or
- (4) FATCA withholding is imposed on payments made under the Credit and Guaranty Agreement and the Additional Transaction Documents due to the Lender's status under FATCA;

then in any such case, the Lender shall if requested by the Borrower, at the Borrower's sole expense and effort, upon 10 days prior written notice by the Borrower to the Lender, assign all of its interests, rights (other than its existing rights to payments pursuant to "—Additional Amounts" and "—Increased Costs" and its existing rights pursuant to the expense reimbursement and indemnity provisions of the Credit and Guaranty Agreement and the Expense Reimbursement and Indemnity Agreement) and obligations under the Credit and Guaranty Agreement and the related Additional Transaction Documents to an assignee selected by the Borrower, provided that (A) such assignee assumes the Lender's obligations under this Agreement and any Participation that is effective as of the date of such assignment, (B) the Lender shall be satisfied with the results of "know your client" or other checks in relation to the identity of the assignee and, and (C) such assignment shall have been consummated within 30 days of receipt by the Lender of the notice referred to above.

- (d) The Lender may, with the consent of the Borrower which shall not be unreasonably withheld (unless an Event of Default exists, in which case the Borrower shall have no consent rights), in accordance with applicable law, sell or agree to sell to one or more other Persons (each a "*Participant*") a participation (the "*Participation*") in all or any part of the Loan held by it (and the related Promissory Note) (each such sale, a "*Participation Transfer*"); *provided, however*, that the Borrower will expressly consent to the sale of a Participation by the Lender to a Participant on the date of the Credit and Guaranty Agreement, and *provided further*, that, such Participant shall not have any rights or obligations under the Credit and Guaranty Agreement except to the extent expressly set forth therein (the Participant's rights against the Lender in respect of such Participation to be those set forth in the agreements executed by the Lender in favor of the Participant) and the other parties hereto shall have no rights against or obligations to such Participant under the Credit and Guaranty Agreement except to the extent expressly set forth herein. Any agreement or instrument pursuant to which the Lender sells such a Participation (i) shall provide that the Lender or the Administrative Agent on behalf of the Lender shall retain the right to enforce the Credit and Guaranty Agreement with respect to the Participation (but may do so at the direction of the Participant or its designee), (ii) may provide that the Lender may agree to take certain actions under the Credit and Guaranty Agreement (including, without limitation, consenting to any amendment, modification or waiver of any provision of the Credit and Guaranty Agreement and/or any applicable Promissory Note) only with the prior written agreement, or direction, of the Participant or its designee delivered to the Lender and (iii) may contemplate that in the event of the bankruptcy of the Lender or the Borrower, the Participant will have the option, subject to applicable law, to (a) elevate its position as a Participant to the rights of the Lender under the Credit and Guaranty Agreement or (b) designate a third party financial institution to be the lender of record to the Borrower.

## **Governing Law**

The Credit and Guaranty Agreement will be governed by the laws of the State of New York. The Promissory Note will be governed by the laws of Guatemala.

## **Jurisdiction**

The Borrower and the Loan Guarantors will consent to the exclusive jurisdiction of any court of the State of New York or any U.S. federal court sitting in the Borough of Manhattan in The City of New York, New York, United States and any appellate court from any thereof. The Borrower and the Loan Guarantors will appoint an authorized agent in The City of New York, New York upon which service of process may be served in any action or proceeding brought in any court of the State of New York or any U.S. federal court sitting in The City of New York in connection with the Credit and Guaranty Agreement.

## Waiver of Immunities

To the extent that any of the Borrower or the Loan Guarantors may be or become entitled to claim for itself or its property or revenues any immunity from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment or execution of a judgment, and to the extent that in any such jurisdiction there may be attributed such an immunity (whether or not claimed), each of the Borrower and the Loan Guarantors hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity with respect to its obligations under the Credit and Guaranty Agreement and each of the Additional Transaction Documents.

## Judgment Currency

The obligations of each of the Borrower and the Loan Guarantors under the Credit and Guaranty Agreement and the Additional Transaction Documents to the Lender or Administrative Agent (an “*Entitled Person*”) to make payment in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the Judgment Currency (as defined below) such Entitled Person may in accordance with normal banking procedures purchase, and transfer to New York, New York, Dollars in the amount originally due to such Entitled Person with the Judgment Currency. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (“*Judgment Currency*”), the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Entitled Person could purchase such Dollars at New York, New York, with the Judgment Currency on the Business Day immediately preceding the day on which such judgment is rendered. Each of the Borrower and the Loan Guarantors agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Entitled Person against, and to pay each Entitled Person on demand, in Dollars, the amount (if any) by which the sum originally due to such Entitled Person in Dollars hereunder exceeds the amount of the Dollars purchased and transferred as aforesaid.

## Certain Definitions

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “*control*,” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “*controlling*” and “*controlled*” have meanings correlative to the foregoing.

“*Asset Sale Notice*” means notice of an Asset Sale Offer made pursuant to the Credit and Guaranty Agreement, which shall be sent to the Lender and the Administrative Agent within 30 days following the date upon which an Asset Sale Prepayment Event occurred in the manner provided for in “—Notices” and which notice shall govern the terms of the Asset Sale Offer and shall state:

- (1) that an Asset Sale Prepayment Event has occurred, the circumstances or events causing such Asset Sale Prepayment Event and that an Asset Sale Offer is being made pursuant to the Credit and Guaranty Agreement, and that an outstanding principal amount of the Loan up to the Asset Sale Prepayment Amount requested by the Lender to be prepaid will be prepaid by the Borrower;
- (2) the Asset Sale Prepayment Amount, the prepayment price at which the principal amount of the Loan is to be repaid pursuant to the Asset Sale Offer, and the Asset Sale Payment Date;
- (3) that the outstanding principal amount of the Loan not requested by the Lender to be prepaid shall continue to accrue interest;
- (4) that the principal amount of the Loan repaid pursuant to the Asset Sale Offer shall cease to accrue interest from and after the Asset Sale Payment Date;
- (5) that the Lender requesting to have any principal amount of the Loan repaid pursuant to the Asset Sale Offer must notify the Borrower, the Administrative Agent and the Cayman Trustee of the principal amount to be repaid on or prior to close of business on the third Business Day preceding the Asset Sale Payment Date;

- (6) that the Lender shall be entitled to adjust the principal amount of the Loan to be repaid or withdraw the request for prepayment if the Borrower, the Administrative Agent and the Cayman Trustee receive not later than the close of business on the third Business Day preceding the Asset Sale Payment Date, a notice from the Lender adjusting the principal amount or withdrawing the Lender's request to have the Loan or portions thereof repaid pursuant to the Asset Sale Offer; and
- (7) any other information necessary to enable the Lender to have any portion of the principal amount of the Loan repaid pursuant to the Credit and Guaranty Agreement.

*"Asset Sale Payment Date"* means a Business Day no earlier than 35 days nor later than 65 days subsequent to the date on which the Asset Sale Notice is delivered (other than as may be required by applicable law).

*"Asset Sale Prepayment Amount"* means the principal amount of the Loan the Borrower is required to offer to the Lender to prepay as a result of an Asset Sale Prepayment Event.

*"Asset Sale Prepayment Event"* means the Borrower has become obligated to make an offer to the Lender to prepay any portion of the principal amount of the Loan as a result of a the covenant of the Borrower and Loan Guarantors pursuant to "Description of the Notes and the Note Guarantees—Covenants of the Note Guarantors—Limitation on Asset Dispositions."

*"Business Day"* means a day (other than a Saturday or Sunday) that is not (i) a day on which banking institutions in New York, New York, Guatemala City, Guatemala or the Cayman Islands generally are authorized or obligated by law, regulation or executive order to close, or (ii) a day on which banking and financial institutions in New York, New York, Guatemala City, Guatemala or the Cayman Islands are closed for business with the general public.

*"Capital Lease Obligation"* of any Person means the obligation to pay rent or other payment amounts under a lease of real or personal property of such Person which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such Person in accordance with IFRS. The Stated Maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of Debt represented by such obligation shall be the capitalized amount thereof that would appear on the face of a balance sheet of such Person in accordance with IFRS.

*"Capital Stock"* of any Person means any and all shares, interests, participation or other equivalents (however designated) of corporate stock or other equity participation, including partnership interests, whether general or limited, of such Person.

*"Change in Law"* means the occurrence, after the date of the Credit and Guaranty Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change or amendment in any law, rule, regulation or treaty (including any binding opinions or rulings promulgated thereunder) or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

*"Change of Control"* means the occurrence of one or more of the following events:

- (1) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that the Permitted Holders, individually or together, (A) cease to be the beneficial owners, directly or indirectly, of more than 50% of the outstanding Voting Stock of (i) the Borrower or (ii) one or more of the Borrower and the Loan Guarantors (taken together on a stand-alone basis) that represent, as of the end of the period of four full fiscal quarters most recently ended (the *"reference period"*), more than (a) 50% of combined EBITDA of the Borrower and the Guarantors and their

Subsidiaries for such reference period or (b) more than 50% of combined total assets of the Borrower, the Guarantors and their Subsidiaries as of the end of such reference period, measured by voting power rather than number of shares, or (B) do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Borrower or the Loan Guarantors referred to in clause (A)(ii) above; or

- (2) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower and the Loan Guarantors and their Subsidiaries, taken as a whole, to any Person other than to one of the Borrower or Loan Guarantors or any of their Subsidiaries or a Permitted Holder.

*“Change of Control Notice”* means notice of a Change of Control Offer, which shall be sent to the Lender and the Administrative Agent (with a copy to the Cayman Trustee) within 30 days following the date upon which a Change of Control Prepayment Event occurred in the manner provided for in *“—Notices”* and which notice shall govern the terms of the Change of Control Offer and shall state:

- (1) that a Change of Control Prepayment Event has occurred, the circumstances or events causing such Change of Control Prepayment Event and that a Change of Control Offer is being made pursuant to the Credit and Guaranty Agreement, and that any outstanding principal amount of the Loan up to the Change of Control Payment requested by the Lender to be prepaid will be prepaid by the Borrower;
- (2) the prepayment price at which the principal amount of the Loan is to be repaid pursuant to the Change of Control, and the Change of Control Payment Date;
- (3) that the outstanding principal amount of the Loan not requested by the Lender to be prepaid shall continue to accrue interest;
- (4) that the principal amount of the Loan repaid pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;
- (5) that the Lender requesting to have any principal amount of the Loan repaid pursuant to the Change of Control Offer must notify the Borrower, the Administrative Agent and the Cayman Trustee of the principal amount to be repaid on or prior to close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that the Lender shall be entitled to adjust the principal amount of the Loan to be repaid or withdraw the request for prepayment if the Borrower, the Administrative Agent and the Cayman Trustee receive, not later than the close of business on the third Business Day preceding the Change of Control Payment Date, a notice from the Lender adjusting the principal amount or withdrawing the Lender’s request to have the Loan or portions thereof repaid pursuant to the Change of Control Offer;
- (7) that, in the event that the Lender requests that not less than 95% of the aggregate outstanding principal amount of the Loan be repaid pursuant to the Change of Control Offer and the Borrower or a third party repays such amount, the Borrower shall have the right, upon prior notice, to repay the remaining outstanding principal amount of the Loan in accordance with *“—Optional Prepayments—Optional Prepayment upon a Change of Control Remainder”*; and
- (8) any other information necessary to enable the Lender to have any portion of the principal amount of the Loan prepaid pursuant to the Credit and Guaranty Agreement.

*“Change of Control Payment Date”* means a Business Day no earlier than 35 days nor later than 65 days subsequent to the date on which the Change of Control Notice is delivered (other than as may be required by applicable law).

*“Change of Control Prepayment Event”* means the occurrence of both a Change of Control and a Rating Decline.

“*Debt*” means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

- (1) the principal of and premium, if any, in respect of every obligation of such Person for money borrowed;
- (2) the principal of and premium, if any, in respect of every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses;
- (3) every reimbursement obligation of such Person with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such Person (but only to the extent such obligations are not reimbursed within five Business Days following receipt by such Person of a demand for reimbursement);
- (4) every obligation of such Person issued or assumed as the deferred purchase price of property or services (including securities repurchase agreements but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business);
- (5) every Capital Lease Obligation of such Person;
- (6) all Redeemable Stock issued by such Person;
- (7) the net obligation of such Person under Interest Rate, Currency or Commodity Price Agreements of such Person; and
- (8) every obligation of the type referred to in clauses (1) through (7) of another Person and all dividends of another Person the payment of which, in either case, such Person has Guaranteed or is responsible or liable for, directly or indirectly, as obligor, Guarantor or otherwise.

The “amount” or “principal amount” of Debt at any time of determination as used herein represented by (a) any Debt issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, and (b) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof.

“*Default*” means an event that with the passing of time or the giving of notice, or both would constitute an Event of Default.

“*Fitch*” means Fitch Ratings Ltd. and its successors.

“*Governmental Authority*” means the government of Guatemala or of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“*Gradation*” means a gradation within a Rating Category or a change to another Rating Category, which shall include: (i) “+” and “-” in the case of Fitch’s current Rating Categories (e.g., a decline from BB+ to BB would constitute a decrease of one gradation), (ii) 1, 2 and 3 in the case of Moody’s current Rating Categories (e.g., a decline from Ba1 to Ba2 would constitute a decrease of one gradation), or (iii) the equivalent in respect of successor Rating Categories of Fitch or Moody’s or Rating Categories used by Rating Agencies other than Fitch and Moody’s.

“*Interest Rate, Currency or Commodity Price Agreement*” of any Person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including, without limitation, caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates, currency exchange rates or commodity prices or indices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

“*Investment Grade*” means a rating equal to or higher than (a) BBB-, in the case of S&P and Fitch, and (b) Baa3, in the case of Moody’s.

“*Material Adverse Effect*” means a material adverse change in or effect on (a) the performance of the Credit and Guaranty Agreement, any Additional Transaction Document or the consummation of any of the transactions contemplated thereby, (b) the condition (financial or otherwise), prospects, earnings, business or properties of the Borrower and the Loan Guarantors and their subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, (c) the legality, validity, binding effect or enforceability of any of the Credit and Guaranty Agreement and the Additional Transaction Documents or (d) the rights and remedies of the Lender or the Administrative Agent under any of the Credit and Guaranty Agreement and the Additional Transaction Documents.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor thereto.

“*Outstanding*” when used with respect to Notes, means, as of the date of determination, all Notes theretofore authenticated and delivered under the Indenture, *except*:

- (i) Notes theretofore cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;
- (ii) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Indenture Trustee or any paying agent under the Indenture (other than the Borrower or a Loan Guarantor) in trust or set aside and segregated in trust by the Borrower or a Loan Guarantor (if such Borrower or Loan Guarantor shall act as its own paying agent) for the holders of such Notes; provided that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Indenture Trustee has been made; and
- (iii) Notes which have been paid or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture, other than any such Notes in respect of which there shall have been presented to the Indenture Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Borrower or any Loan Guarantor;

*provided, however*, that in determining whether the holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Borrower or any Loan Guarantor or any other obligor upon the Notes or any Affiliate of the Borrower or any Loan Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a responsible officer of the Indenture Trustee receives written notice confirming that such Notes are so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee’s right so to act with respect to such Notes and that the pledgee is not the Borrower or any Loan Guarantor or any other obligor upon the Notes or any Affiliate of any Loan Guarantor or of such other obligor.

“*Permitted Holders*” means Millicom International Cellular S.A. or Miffin Associates Corp. or any Person or Persons who controls, or any Person or Persons who are directly or indirectly controlled, by Millicom International Cellular S.A. or Miffin Associates Corp.

“*Person*” means any individual, corporation (including a business trust), company, voluntary association, partnership, limited liability company, joint venture, trust, unincorporated organization or Governmental Authority or other entity of whatever nature.

“*Rating Agencies*” means each of Fitch, Moody’s and S&P, or if any of the foregoing shall not make a rating on the Notes publicly available, a “nationally recognized statistical organization” (within the meaning of Rule 15c(3)-1(c)(2)(vi)(F) under the Exchange Act) as selected by the Borrower, which shall be substituted for Moody’s, Fitch or S&P, as the case may be.

“*Rating Category*” means (i) with respect to Fitch, any of the following categories (any of which may include a “+” or “-”): AAA, AA, A, BBB, BB, B, CCC, CC, C, R, SD and D (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories (any of which may include a “1,” “2” or “3”): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C (or equivalent successor categories), and (iii) the equivalent of any such categories of Fitch or Moody’s used by another Rating Agency, if applicable.

“*Rating Date*” means the date which is the earlier of (i) 90 days prior to the occurrence of an event specified in clauses (1) or (2) of the definition of Change of Control and (ii) the date of the first public announcement of the possibility of such event.

“*Rating Decline*” means the occurrence if at any time within the earlier of (i) 90 days after the date of public notice of a Change of Control, or of the Borrower’s intention or the intention of any Person to effect a Change of Control and (ii) the occurrence of the Change in Control (which period shall in either event be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency), a Rating Agency withdraws its rating of the Notes or the rating of the Notes is decreased by a Rating Agency as follows:

- (a) if the Notes are not rated Investment Grade by two or more Rating Agencies on the Rating Date, by one or more Gradations; or
- (b) if the Notes are rated Investment Grade by two or more Rating Agencies on the Rating Date, either (i) by two or more Gradations or (ii) such that the Notes are no longer rated Investment Grade

*provided*, in each case, that any such Rating Decline is expressly stated to be, in whole or in part, due to a Change of Control.

“*Redeemable Stock*” of any Person means any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Debt or is redeemable at the option of the holder thereof, in whole or in part, at any time prior to the final Stated Maturity of the Loan.

“*Restricted Subsidiary*” means any Subsidiary of the Loan Guarantors or any Restricted Subsidiary, other than an Unrestricted Subsidiary.

“*S&P*” means Standard & Poor’s Rating Service or any successor thereto.

“*Significant Guarantor*” means any Loan Guarantor that represents, in respect of the Loan Guarantors and their Subsidiaries taken as a whole, more than 10% of any financial parameter set forth in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Disbursement Date.

“*Significant Subsidiary*” means any Restricted Subsidiary that would be, in respect of the Parent Note Guarantors and their Subsidiaries taken as a whole, a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Disbursement Date.

“*Stated Maturity*,” when used with respect to any security or any installment of interest thereon, means the date specified in such security as the fixed date on which the principal of such security or such installment of interest is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

“*Subsidiary*” of any Person means (i) a corporation more than 50% of the combined voting power of the outstanding Voting Stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation) in which such Person, or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.



*“Unrestricted Subsidiary”* means (1) any Subsidiary designated as such by a Loan Guarantor’s board of directors as set forth in “Description of the Notes and the Note Guarantees—Covenants of the Note Guarantors—Unrestricted Subsidiaries” and (2) any Subsidiary of an Unrestricted Subsidiary.

*“Voting Stock”* of any Person means Capital Stock of such Person which ordinarily has voting power for the election of directors (or persons performing similar functions) of such Person, whether at all times or only so long as no senior class of securities has such voting power by reason of any contingency.

## THE PARTICIPATION AGREEMENT

*The following is a description of the material provisions of the Participation Agreement among the Lender and the Cayman Trustee (the "Participation Agreement"). The following information does not purport to be a complete description of the Participation Agreement and is subject to, and qualified in its entirety by reference to, such document, a copy of which may be obtained by contacting the Indenture Trustee at the address set forth above under the caption "Where You Can Find More Information." Capitalized terms, if not defined in this section are as defined under "The Credit and Guaranty Agreement and the Loan."*

### General

The Lender, with the consent of the Borrower, will enter into the Participation Agreement with the Trust in order to grant a participation interest in substantially all of the rights and remedies of the Lender under the Loan pursuant to the Participation Agreement between the Trust, as participant, and the Lender, which will remain as lender and servicer of the Loan. The Trust will purchase and pay for a 100% participation interest (the "*Participation*") in the Credit and Guaranty Agreement, the Loan and the proceeds thereof and all rights and related interests with respect thereto out of the net proceeds of the sale of the Notes. As a result of the purchase of the Participation, the Trust shall be entitled to receive an amount equal to all of the payments of principal, interest and other amounts payable by the Borrower on, or with respect to, the Credit and Guaranty Agreement and the Loan as are actually received by the Lender (except for certain retained interests in connection with the Lender's Retained Interest (as defined under "—Lender's Retained Interest" below)), together with the right to instruct the Lender with respect to all of the rights and remedies available to the Lender thereunder.

### Payments to the Participant

Pursuant to the Credit and Guaranty Agreement, the Administrative Agent, acting under the Lender's instruction, shall receive all funds from the Borrower into its account. In light of the Trust having pledged the Participation to the Indenture Trustee under the Indenture, and at the instruction of the Trust, the Lender or Administrative Agent on behalf of the Lender, as the case may be, will pay over to a designated account of the Indenture Trustee established in connection with the issuance of the Notes all payments of principal, premium, interest and other amounts received from the Borrower and directed toward the Lender from time to time on or with respect to the Loan (except for amounts received in connection with the Lender's Retained Interest), so that all such amounts will be promptly paid to the Indenture Trustee (on behalf of the Trust) for payment and distribution to the holders of the Notes.

The Trust will acknowledge that if any payment under the Note Guarantee is required to be paid to the Indenture Trustee in respect of any amount of principal and/or interest due on the Notes, or if the Trust, the Borrower or any Note Guarantor shall tender any Notes to the Indenture Trustee for cancellation, then all amounts so paid (excluding Additional Amounts) or Notes tendered and cancelled shall be deemed to be a payment by the Borrower to the Lender to reduce amounts outstanding under the Credit and Guaranty Agreement such that the principal or interest amounts outstanding of the Loan (after giving effect to such payment under the Note Guarantee or the Notes cancelled) shall be equal to the principal and interest amount of Notes outstanding under the Indenture.

### Delivery of Documents and Information

Upon receipt of any (i) notifications and information delivered by the Borrower to the Administrative Agent under the Credit and Guaranty Agreement or the Additional Transaction Documents or in respect of the Lender's right, title and interest (excluding any in respect of the Lender's Retained Interest) in the Loan and related to the Credit and Guaranty Agreement and the Additional Transaction Documents and (ii) any other information the Borrower requests in writing that the Administrative Agent transmit to the Cayman Trustee and/or the Indenture Trustee, the Administrative Agent will promptly (and in no event later than five Business Days after receipt) deliver such notifications and information to the Trust, the Indenture Trustee and the Lender.

The Administrative Agent will also transmit to the Borrower any documents or information in its possession which the Trust or the Indenture Trustee may request in writing of the Administrative Agent to be transmitted to the Borrower.

Promptly after a responsible officer of the Administrative Agent receives written notice of a Default or Event of Default, the Administrative Agent shall deliver to the Trust and the Indenture Trustee a notice of such event describing the same in reasonable detail.

### **Administration of the Participation**

In administering the Credit and Guaranty Agreement and the Loan, from time to time the Lender, or the Administrative Agent at the written instruction of the Lender, will seek instructions from the Trust, which shall in turn seek instructions from the Indenture Trustee who shall seek instructions from the holders of the Notes in accordance with the terms of the Indenture, as to all matters and actions that shall be required to be taken under the Credit and Guaranty Agreement, the Loan and the Expense Reimbursement and Indemnity Agreement, including instructions relating to the exercise of rights and remedies with respect to any of the foregoing (other than those in respect of the Lender's Retained Interest).

Subject to the following paragraph and the Lender's right to indemnification from the Trust under the Participation Agreement, the Lender will (i) act in good faith and in a manner in which the Lender would act if no Participation had been sold and administer and manage the Participation at the Trust's expense (subject to reimbursement pursuant to the Expense Reimbursement and Indemnity Agreement) in the ordinary course of business and in accordance with its usual practices, modified from time to time as it deems appropriate under the circumstances and (ii) be entitled to use its discretion in taking or refraining from taking any actions in connection with the Participation.

Notwithstanding the foregoing, (a) subject to the requirements of the Credit and Guaranty Agreement and the Additional Transaction Documents, the Lender, or the Administrative Agent at the instruction of the Lender, shall promptly notify the Trust in writing of any matter (other than in respect of the Lender's Retained Interest) in respect of which the Lender, or the Administrative Agent at the written instruction of the Lender, may act under the Loan, the Credit and Guaranty Agreement or any Additional Transaction Document and (b) subject to the requirements of the Credit and Guaranty Agreement and the Loan and to the extent not related to the Lender's Retained Interest, the Lender, or the Administrative Agent at the written instruction of the Lender, (x) shall not take any action, or refrain from taking any action, with respect to the Borrower, the Loan or the Credit and Guaranty Agreement without the written consent of the Trust and (y) shall take all action, or refrain from taking any action, as the Trust shall direct in writing; *provided, however*, that, notwithstanding anything in the Participation Agreement or herein to the contrary, the Lender shall not be required to take, and shall not be required to refrain from taking, any action to the extent that doing the same would be inconsistent with the Lender's corporate policies or adversely affect or conflict with any election made by the Lender or any of its Affiliates in connection with loans, commitments or other claims held for its own account or for the account of others, and neither the Lender nor the Administrative Agent on behalf of the Lender shall be required to take or refrain from taking, any action to the extent such action or inaction would (1) violate or cause the Lender, the Administrative Agent, or any of their respective Affiliates to violate any provision of applicable law or any documents executed in connection with the Loan or (2) require any new money advances except as contemplated under "The Credit and Guaranty Agreement and the Loan—Further Advances."

As a result of the purchase of the Participation by the Trust, the Trust will benefit from the rights and remedies of the Lender under the Credit and Guaranty Agreement and the Additional Transaction Documents (other than the Lender's Retained Interest) by directing the Lender, and the Administrative Agent on behalf of the Lender, subject to the foregoing limitations and in accordance with the Indenture and the Participation Agreement, to either take any action or withhold any action including, without limitation, those that relate generally to (i) the Credit and Guaranty Agreement and any amendment thereto, (ii) appointment of any agent, (iii) additional payments due to the Lender as a result of prepayment of principal, (iv) assignments and participations involving the Lender's rights and obligations under the Credit and Guaranty Agreement and the Loan (other than those relating to the Lender's Retained Interest) and (v) all matters relating to expenses and indemnities contemplated in the Credit and Guaranty Agreement and the Expense Reimbursement and Indemnity Agreement.

Notwithstanding anything to the contrary herein the Lender will not, and will not direct the Administrative Agent to,

- (i) agree to any modification of the terms of the Credit and Guaranty Agreement or any Additional Transaction Document without having first received directions from the Trust, acting upon, as a result of the pledge described herein, as provided in and as required by the Indenture, the direction of the Indenture Trustee, which, in certain instances as set forth in the Indenture may require the written consent of the Required Holders (as defined in “Description of the Notes and the Note Guarantees—Certain Definitions”) or all of the holders of the Notes, as applicable;
- (ii) notify the Borrower of any Default under the clause (d) of the section “The Credit and Guaranty Agreement and the Loan—Events of Default” without having first received directions with respect thereto from the Cayman Trustee upon direction of the holders of at least 25% of the aggregate principal amount of the Outstanding Notes (or the Indenture Trustee acting on behalf of such holders), each acting in accordance with the terms of the Indenture; and
- (iii) declare the Loan, all interest thereon and all other amounts payable under the Credit and Guaranty Agreement to be forthwith due and payable upon the occurrence and continuation of any Event of Default under the Credit and Guaranty Agreement without having first received directions with respect thereto from the Trust (which directions it shall follow) acting pursuant to the direction of the Indenture Trustee or the holders of at least 25% of the aggregate principal amount of the Outstanding Notes, each acting in accordance with and as specified in the terms of the Indenture; provided, however, that the Loan, all interest thereon and all other amounts payable under the Credit and Guaranty Agreement shall be automatically deemed due and payable without any action on the part of the Lender, the Trust, the Indenture Trustee or the holders of the Notes upon the occurrence of an Event of Default described in clauses (g) or (h) of “The Credit and Guaranty Agreement and the Loan—Events of Default.”

Notwithstanding anything in this section to the contrary, the Lender may, at its discretion, assign the Loan to the Cayman Trustee or another Person pursuant to the terms of the Credit and Guaranty Agreement and, in respect of an assignment to the Trust, “—Assignment of the Lender’s Rights and Obligations under the Loan and Acceptance by the Participant” with or without the direction of the Cayman Trustee.

Neither the Lender, Administrative Agent, nor the Indenture Trustee shall be required to take any action or refrain from taking any action under or pursuant to the Participation Agreement, the Credit and Guaranty Agreement or any other Additional Transaction Document, unless such Person is indemnified to its satisfaction against any liability, cost or expense (including without limitation the fees and disbursements of counsel) which may be incurred in connection therewith. None of the Lender, the Administrative Agent or the Indenture Trustee will be under any obligation to take any action or refrain from taking any action under the Participation Agreement, the Credit and Guaranty Agreement or any other Additional Transaction Document and nothing in the Participation Agreement, the Credit and Guaranty Agreement or any other Additional Transaction Document shall require such Person to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties thereunder or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity or security against such risk or liability is not reasonably assured to it.

Nothing in the Participation Agreement shall entitle the Cayman Trustee to share in any fee or other payment in respect of the Lender’s Retained Interest under the Credit and Guaranty Agreement except as expressly set forth in the Participation Agreement.

### **Standard of Care**

The Lender shall be required under the Participation Agreement to act in good faith and in a manner in which the Lender would act if no Participation had been sold. Notwithstanding the foregoing, the Participation Agreement will provide that:

- (i) the Lender shall have no liability in respect of the Lender’s omission to take any act for which notice to the Trust is (in the Lender’s reasonable judgment) required, to the extent that the Trust has not agreed in writing that the Lender may take such act and that the Lender will be indemnified for any costs incurred in connection with taking such act or as a result of taking such act;

- (ii) the Trust shall acknowledge that the sale of the Participation and the other matters related thereto is without recourse to the Lender, and that the Trust expressly assumes all risk of loss in connection therewith;
- (iii) the Lender shall have no liability, express or implied, for any action taken or omitted to be taken by the Lender or for any failure or delay in exercising any right or power possessed by the Lender in connection with the Participation, the Credit and Guaranty Agreement or the Loan, except for actual and direct damages, if any, suffered by the Trust that are directly caused by the Lender's own gross negligence or willful misconduct (as determined by a final, non-appellable judgment by a court of competent jurisdiction); and
- (iv) the Lender (a) shall not be deemed to be a trustee or agent for the Trust in connection with any extension of credit made pursuant to the sale of the Participation; *provided, however*, that the Lender agrees that any proceeds (other than proceeds related to the Retained Interest) that the Lender receives in connection with the Participation shall be held by the Lender for the Trust's account and shall be paid to the Indenture Trustee, unless otherwise instructed by the Cayman Trustee, in each case on the terms and conditions, as provided in the Participation Agreement; (b) may serve as a voting member of a creditors' committee in regards to a plan of reorganization related to the Participation; (c) may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of banking business with, the Borrower, any Loan Guarantor and their respective Subsidiaries and Affiliates; (d) may directly or indirectly purchase or otherwise acquire any capital stock, shares, participations, certificates of interest, bonds, notes, debentures or other securities, or a beneficial interest therein, issued by the Borrower and other parties to the Credit and Guaranty Agreement and the Loan and may make capital contributions and receive payments in connection with any such instrument; and (e) may act as financial adviser to the Borrower, any Loan Guarantor, their respective Subsidiaries and Affiliates and other parties to the Credit and Guaranty Agreement and the Loan or as a placement agent for any debt or equity securities of the Borrower, any Loan Guarantor, their respective Subsidiaries and Affiliates, the Cayman Trustee, the Indenture Trustee or other parties to the Credit and Guaranty Agreement and the Loan; and
- (v) nothing in the Participation Agreement shall place the Lender or the Administrative Agent under any obligation to inquire as to the occurrence or otherwise of an Event of Default or other event or action under or relating to the Credit and Guaranty Agreement.

### **Lender's Retained Interest**

Notwithstanding anything herein to the contrary, the Lender will retain its right, title and interest in, and to, (i) any payments or distributions payable to the Lender in respect of the Lender's fee under any fee letter and any indemnification or expense reimbursement under the Credit and Guaranty Agreement or any of the Additional Transaction Documents and (ii) the Lender's right to assign the Loan, in whole or in part, in accordance with "The Credit and Guaranty Agreement and the Loan—Assignments" (the "*Lender's Retained Interest*").

### **Relationship with the Borrower**

Each of the Cayman Trustee, the Trust, and the Lender and their Affiliates may engage in any kind of business or relationship with the Borrower or any of its Affiliates without liability to the other parties to the Participation Agreement or any obligation to disclose such business or relationship to the other parties.

### **Transfer of the Participation**

Other than as contemplated in the Indenture, the Trust will agree not to sell, assign, or otherwise transfer its rights and obligations under the Participation Agreement and not to grant any participation or subparticipation in those rights and obligations without the prior written consent of the Lender.

## **Assignment of the Lender's Rights and Obligations under the Loan and Acceptance by the Participant**

The Lender shall have the right to assign the Loan to the Cayman Trustee pursuant to clauses (a)(1), (2) and (3) set forth under "The Credit and Guaranty Agreement and the Loan—Assignments," and the Trust shall be obligated to accept such assignment in exchange for the cancellation of the Participation and the termination of the Participation Agreement. For the avoidance of doubt, this paragraph does not limit the rights of the Lender as set forth in the Credit and Guaranty Agreement to assign the Loan to another Person.

Upon the occurrence of an Event of Default under the Credit and Guaranty Agreement and any of the other conditions set forth in clauses (a)(1), (2) and (3) set forth under "The Credit and Guaranty Agreement and the Loan—Assignments," the Credit and Guaranty Agreement and the Loan may be immediately assigned to the Trust without requiring any action of the Borrower, the Cayman Trustee, the Indenture Trustee or the noteholders.

## **Relationship Between the Lender and the Trust**

The Lender and the Trust will agree that the relationship between them is that of seller and buyer and not of debtor and creditor, that neither party is a trustee, agent, or partner of the other, and that neither party owes fiduciary obligations to the other.

## **Agreement by Lender**

The Lender will agree not to petition or take any action for the bankruptcy of the Trust until the later of (a) one year and one day after the date on which the Participation Agreement has terminated in its entirety and all settlements thereunder have been effected in full and (b) the expiration of any then applicable preference period under the laws of the Cayman Islands and Guatemala.

The obligations of the Trust are limited in recourse to the amounts remaining after application of the Trust Assets towards the redemption or repayment of the Notes in accordance with the Indenture and, to the extent there is any shortfall, any outstanding obligations of the Trust shall be extinguished and the Trust shall have no further liability to the Lender.

## **Additional Amounts**

If either of the Lender or the Administrative Agent in its reasonable discretion is required by applicable law or regulation to withhold or deduct any amount from any payment to the Trust under the Participation Agreement (a "*Participation Tax*"), the Lender or the Administrative Agent, as applicable, will withhold or deduct the amount so required and will remit the amount withheld or deducted to the applicable Governmental Authority without any liability therefor. Neither the Lender nor the Administrative Agent will be required to pay any additional amounts to the Trust on account of any such Participation Tax. For the avoidance of doubt, in accordance with "—Payments to the Participant" above, the Lender, or the Administrative Agent on behalf of the Lender, shall pass on to the Participant any Additional Amounts received from the Borrower pursuant to "The Credit and Guaranty Agreement and the Loan—Additional Amounts."

## **Amendment**

No amendment of any provision of the Participation Agreement, or consent to any departure by the Lender or the Participant, therefrom, shall in any event be effective unless it is in writing and signed by the Lender and the Participant, acting in accordance with the terms of the Declaration of Trust and the Indenture, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No such amendment, waiver or consent to any departure by any party to the Participation Agreement in connection with the Participation Agreement, to the extent such amendment, waiver or consent to any departure by any party to the Participation Agreement could reasonably be materially adverse to the Borrower's interest under the Credit and Guaranty Agreement and the Additional Transaction Documents, will be effective unless the Borrower has consented in writing which consent will not be unreasonably withheld (unless and Event of Default exists, in which case the Borrower will have no consent rights).

## **Governing Law**

The Participation Agreement will be governed by the laws of the State of New York.

## THE TRUST

*The following is a description of the material provisions of the Declaration of Trust among the Cayman Trustee and the Enforcer (the “Declaration of Trust”) and the Expense Reimbursement and Indemnity Agreement among the Lender, Indenture Trustee, Luxembourg Paying Agent, Cayman Trustee Enforcer and the Borrower and the Loan Guarantors (the “Expense Reimbursement and Indemnity Agreement”). The following information does not purport to be a complete description of the Declaration of Trust and the Expense Reimbursement and Indemnity Agreement and is subject to, and qualified in its entirety by reference to, such documents, a copy of which may be obtained by contacting the Indenture Trustee at the address set forth above under the caption “Where You Can Find More Information.” Capitalized terms, if not defined in this section are as defined under “The Credit and Guaranty Agreement and the Loan.”*

### General

#### *The Trust*

The Trust was constituted on January 8, 2014 under the laws of the Cayman Islands by Intertrust SPV(Cayman) Limited, herein referred to as the Cayman Trustee, pursuant to the Declaration of Trust. The legal name of the Trust is the Comcel Trust.

The Cayman Trustee, acting solely in its capacity as trustee of the Trust, has not, and will not have, prior to the Disbursement Date conducted any operations with respect to the Trust other than activities incidental to the formation of the Trust. On the Disbursement Date, the Trust will issue the Notes to the Initial Purchasers for sale to investors on such date or thereafter.

The Trust will not, as is the case under U.S. law, be a separate legal, or juridical, entity. The holders of Notes only have a contractual relationship with the Cayman Trustee as a result of the Indenture. The holders of the Notes are not beneficiaries of the Trust and the Cayman Trustee does not owe them any fiduciary duties. For ease of reference, when used herein, the term “Trust” shall not refer to a separate legal entity but shall, unless the context otherwise requires, refer to the Cayman Trustee acting as trustee of the Trust under the Declaration of Trust.

#### *The Cayman Trustee*

The Cayman Trustee was incorporated in the Cayman Islands on December 14, 1995 and provides corporate and trustee services to a wide variety of clients. The corporate services involve, inter alia, providing administration, registered office and corporate director services for Cayman Islands companies. The trustee services involve establishing and acting as trustee of a variety of trusts including, but not limited to, trusts used as structured finance special purpose vehicles, orphan trusts for holding shares of SPVs, STAR trusts, charitable trusts and unit trusts. Intertrust SPV(Cayman) Limited is regulated in the Cayman Islands as an unrestricted trust company under the Banks and Trust Companies Law (as amended). The principal office of Intertrust SPV(Cayman) Limited is at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

#### *The Enforcer*

The Enforcer of the Trust is GTCS Enforcers Limited. The Enforcer is owned by Genesis Trust Corporate Services Ltd., which is a fully licensed trust company in the Cayman Islands regulated by the Cayman Islands Monetary Authority. GTCS Enforcers Limited was set up by the partners of KPMG Cayman Islands, which following a management buyout in 2004, became KPMG International.

### Purpose and Powers

The Trust will engage in only those activities required or expressly authorized by the Declaration of Trust, the Indenture, the Notes and the Participation Agreement and the other Additional Transaction Documents. The sole purposes of the Trust shall be to (i) issue the Notes pursuant to the Indenture, (ii) use the proceeds thereof to acquire the Participation in the Credit and Guaranty Agreement and the Loan, (iii) pledge the Trust Assets (as defined below) to secure the obligations of the Trust under the Notes and the Indenture, (iv) execute the Indenture, the

Notes, the Participation Agreement and the Additional Transaction Documents, as applicable, (v) receive funds and/or notices from the Lender under the Participation Agreement, (vi) provide the Lender with instructions as requested or required or as necessary under, or in connection with, the Participation and/or the Participation Agreement, (vii) accept an outright assignment of the Credit and Guaranty Agreement and the Loan on terms and conditions described below under “—Assignment of the Loan” and (viii) all matters reasonably incidental to any or all of the foregoing.

### **Limited Recourse and Nature of Obligations of the Cayman Trustee**

As noted above, unlike trusts established under U.S. law, the Trust is not a separate legal entity and cannot take actions in its own name. The Cayman Trustee is acting solely in its capacity as trustee of the Trust in relation to the issuance of the Notes and entry into the Indenture and the Participation Agreement. Pursuant to the Indenture, the Notes will be secured obligations of the Trust but are limited in recourse solely to the assets securing the Notes. The assets of the Trust will consist principally of all cash and other proceeds received in connection with the Indenture, the Participation Agreement and the Participation in the Loan, the Credit and Guaranty Agreement (if it has been assigned to the Trust pursuant to the terms thereof), the Expense Reimbursement and Indemnity Agreement and the Additional Transaction Documents, as applicable, and all rights related to the foregoing (the “*Trust Assets*”). Accordingly, the holders of the Notes must rely solely on amounts payable under or in respect of the Trust Assets as the source for the payment of principal of and interest and other amounts due on, or with respect to, the Notes. The Notes do not represent interests in or obligations of the Lender or any of its affiliates or any person or entity other than the contractual obligations of the Cayman Trustee referable to the Trust Assets and the Trust subject to the limited recourse provisions described herein.

To the extent that the Trust Assets are not sufficient to meet in full the claims of all holders of the Notes, the holders of the Notes may not take any action (including, without limitation, the filing of any petition for the bankruptcy, winding-up or insolvency of the Cayman Trustee) to enforce their rights other than to require the realization of such assets. Claims of the holders of the Notes in respect of any shortfall remaining after collection or other realization in respect of the Trust Assets will be extinguished.

### **Assignment of the Loan**

Except as set forth under “The Credit and Guaranty Agreement and the Loan,” the Lender may not assign its rights or obligations under the Credit and Guaranty Agreement or the Loan without the prior written consent of the Borrower (which may not be unreasonably withheld). Any purported assignment without such prior written consent shall be null and void.

Except in connection with the termination of the Trust and a distribution of the Trust Assets to the holders of the Notes secured thereby as contemplated by the Indenture, the Trust will agree not to sell, assign, or otherwise transfer its rights and obligations under the Participation Agreement and not to grant any participation or sub-participation in those rights and obligations without the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed.

Notwithstanding the foregoing, upon the occurrence of any Default or Event of Default with respect to the Loan and certain other events described under “The Credit and Guaranty Agreement and the Loan—Assignments,” the Lender shall have the right to assign the Lender’s interest in the Loan and the Credit and Guaranty Agreement outright to the Trust, and the Trust shall have the obligation to accept such assignment, in exchange for the cancellation of the Participation and termination of the Participation Agreement. Any such assignment shall be effected without any payment by or to the Lender or the Participant and upon consummation thereof, the Participation Agreement and the Participation shall be of no further force and effect. Upon any such assignment the Lender shall have no further responsibility to the Trust or the holders of the Notes with respect to any matter relating to the Loan, and will relinquish its rights and be released from its obligations under the Participation Agreement.

### **Amendment, Supplement and Modification**

#### ***Modification of Declaration of Trust***

The Declaration of Trust may not be amended or modified except with the written consent of the Indenture Trustee acting in accordance with the Indenture upon the written instruction of a majority of the holders of the Notes



and as otherwise set forth under “Description of the Notes and the Note Guarantees—Modification of the Credit and Guaranty Agreement and the Transaction Documents.”

### **Covenants Relating to the Separateness of the Trust**

Pursuant to the terms of the Declaration of Trust, in order to protect the separateness of the Trust, the Cayman Trustee will covenant (i) not to commingle or pool funds or other assets attributable to the Trust with those of any other person or with other assets of the Cayman Trustee; (ii) to maintain records and books of account relating to the Trust separate from those of any other person; (iii) not to create, assume or incur any indebtedness or obligations of any kind or nature as trustee of the Trust, except pursuant to the Indenture, the Notes and the Participation Agreement; and (iv) not, as trustee of the Trust, to lend money to any person, or to guarantee or become obligated to provide funds for the purpose of supporting the indebtedness or obligations of any person, except pursuant to the Indenture, the Notes and the Participation Agreement, or, to the extent practicable, permit any person to guarantee, become obligated for, or hold itself or property out to be responsible for, or available to satisfy, the debts or obligations of the Trust. The Cayman Trustee shall make no transfer of the Trust Assets except in accordance with the Additional Transaction Documents and after adherence to requisite Cayman Islands trust formalities.

### **Standard of Care for the Cayman Trustee**

Pursuant to the Declaration of Trust, the Cayman Trustee (or any present or former officer, employee or affiliate of the Cayman Trustee) shall not be liable for the consequences (including legal and other expenses) of any act or omission of itself or any agent, delegate or adviser, whether affiliated or unaffiliated, or any answer to any enquiries or generally any breach of any duty or trust unless it shall constitute gross negligence (as defined in the Declaration of Trust), willful default or fraud on the part of the Cayman Trustee or shall prove to have been made, given, or omitted with a sufficient absence of care to constitute reckless disregard on the part of the Cayman Trustee itself or its officers or employees of the duties and obligations imposed by the Declaration of Trust.

These protections extend to any present or former officer, employee or affiliate of the Cayman Trustee acting as a director, officer or agent of the Cayman Trustee or other entity, and shall protect them for accepting in good faith any instructions, recommendations or advice from any authorized person given by word of mouth, letter, cable, telephone, telex, telefacsimile or any other means and the burden of proving that no such instructions, recommendations or advice have been given shall lie with the person making that allegation.

The Cayman Trustee shall not be liable for acting in accordance with the advice of qualified professional advisers with respect to the Trust unless when it does so it knows or has reasonable cause to suspect that the advice was given in ignorance of material facts or proceedings are pending to obtain the decision of the court on the matter.

The Cayman Trustee shall not be responsible for the default of a person to whom its powers are delegated (even if the delegation of this power was not strictly necessary or expedient), *provided* that the Cayman Trustee took reasonable care in his selection and supervision.

### **Appointment, Removal and Resignation of the Cayman Trustee**

Pursuant to the Declaration of Trust and subject to the consent of Comcel (so long as no Event of Default (as defined in the Indenture) shall have occurred and is continuing), the Indenture Trustee at the written direction of the Required Holders (as defined in the Indenture) has the power to remove the Cayman Trustee as the trustee of the Trust and appoint a replacement trustee; *provided, however*, that the Cayman Trustee may not be removed until a successor trustee with the requisite qualifications stipulated in the Declaration of Trust has been appointed and has accepted the appointment in a written instrument signed by such successor trustee.

The Cayman Trustee may resign at any time by giving not less than 60 days' prior written notice to the Enforcer and the Indenture Trustee, in which event they will use their reasonable best efforts to promptly appoint a successor trustee that meets the standards set forth in the Declaration of Trust.

If no successor trustee shall have been appointed and accepted as provided in the Declaration of Trust within 30 days after delivery to the Enforcer and the Indenture Trustee of a notice of resignation, the Cayman Trustee, the Enforcer and the Indenture Trustee at the written direction of the majority of the holders of the Notes pursuant to the Indenture may petition any court of competent jurisdiction at the expense of the Borrower to appoint a successor

trustee to act until such time as a successor trustee has been appointed and accepted as above provided. Such court may, after prescribing such notice, if any, as it may deem proper and prescribe, appoint a successor trustee. Any resignation of the trustee and appointment of a successor trustee will not become effective until written acceptance of the appointment and novation of the Additional Transaction Documents to the successor trustee or until the Trust Assets have been completely liquidated and the proceeds thereof distributed to the holders of the Notes. The successor trustee shall promptly notify the Rating Agencies in writing of its appointment.

Section 105 of the Trusts Law (as amended) of the Cayman Islands applies to the Trust, which means the Trust must have either a Cayman Islands licensed trust company or registered private trust company appointed as its trustee at all times.

### **Liquidation/Termination**

The Trust will terminate at such time as (a) the Cayman Trustee receives an acknowledgement of satisfaction and discharge from the Indenture Trustee (pursuant to the applicable provisions of the Indenture) in respect of the Cayman Trustee's obligations under the Indenture and the Notes; and (b) the Cayman Trustee's rights and obligations in respect of the other Additional Transaction Documents to which the Cayman Trustee is a party have been discharged and concluded.

Upon termination of the Trust, remaining Trust Assets (if any) will be liquidated and applied in accordance with the relevant provisions of the Indenture (set forth in "Description of the Notes and the Note Guarantees—Payments on the Notes"), and the Trust will pay or apply the remaining property specified in the Declaration of Trust to or for such charity as the Cayman Trustee shall determine.

### **Expense Reimbursement and Indemnity Agreement**

The Borrower and the Loan Guarantors will enter into an Expense Reimbursement and Indemnity Agreement with the Lender, the Cayman Trustee, the Enforcer, any agents as appointed pursuant to the Indenture and the Indenture Trustee and for the benefit of the holders of the Notes providing for reimbursement of specified expenses and tax payments as described herein.

#### ***Expenses***

The Borrower and the Loan Guarantors will agree to, jointly and severally, pay or reimburse each of the Cayman Trustee, the Enforcer, the Indenture Trustee, any agents appointed pursuant to the Indenture (the "Agents") and the holders of the Notes, as appropriate, for all costs and expenses from time to time incurred by the Cayman Trustee, the Enforcer, the Indenture Trustee, such Agents and/or the holders of the Notes, as applicable, based upon, arising out of, in connection with or relating to (i) the establishment and continued existence of the Trust and all matters contemplated by the Declaration of Trust and the performance by it of its duties thereunder and the taking of actions pursuant thereto, including any government and registrar fees, the fees costs and expenses of the Cayman Trustee for acting as such under the Declaration of Trust, the Indenture and the Participation Agreement or otherwise as contemplated in the Expense Reimbursement and Indemnity Agreement, (ii) the fees costs and expenses of the Enforcer for acting as such under the Declaration of Trust, (iii) any expenses, indemnities or other costs or liabilities provided, or required to be provided by the Cayman Trustee, on behalf of the Trust, to, the Lender under, or in respect of the Participation Agreement, including the indemnity given to the Lender under the Expense Reimbursement and Indemnity Agreement in connection with the Lender's acting upon any instructions of the Cayman Trustee, the Indenture Trustee and/or the holders of the Notes (pursuant to their right under the Indenture to give instructions to the Cayman Trustee as to matters relating to the Participation Agreement and the Expense Reimbursement and Indemnity Agreement), (iv) the issuance of the Notes and the Note Guarantees pursuant to the Indenture, including, without limitation, all compensation as the Borrower, the Agents and the Indenture Trustee shall from time to time agree in writing for all services rendered by the Indenture Trustee or such other Agents, as applicable under the Indenture and the related documents (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all fees and expenses of the Indenture Trustee and the Agents (including, without limitation, the reasonable fees and expenses of its counsel) from time to time incurred in connection with the issuance of the Notes and the Note Guarantees, the costs of arranging and maintaining the clearance of the Notes through The Depository Trust Company or otherwise, the listing of the Notes on the Luxembourg Stock Exchange and any costs incurred in administrating, maintaining, performing, exercising and enforcing all rights, powers, duties and obligations under the Indenture, the Notes the Note Guarantees and each

other Additional Transaction Document, including costs and expenses (including reasonable counsel fees and disbursements) necessary to maintain the pledge contemplated thereunder, in connection with instructions from the holders of the Notes with respect to the Expense Reimbursement and Indemnity Agreement, the Indenture, the Credit and Guaranty Agreement, the Participation Agreement or otherwise, to implement any mandatory or optional redemption of the Notes as set forth under the Indenture and take all action contemplated to be taken by the Indenture Trustee and/or the Agents under the Indenture and/or the related documents or reasonably incidental thereto from time to time in connection with the performance or exercise of the Indenture Trustee's or such Agents duties, obligations and/or the rights under the Indenture and/or the related documents, (v) enforcing the rights of the Cayman Trustee, the Enforcer, the Indenture Trustee, the Agents and the holders of the Notes with respect to the foregoing (including reasonable counsel fees and disbursements) and (vi) to the extent not provided above or otherwise provided for in the Expense Reimbursement and Indemnity Agreement, any and all reasonable and necessary expenses, indemnities or other costs (including all associated interest and penalties and reasonable counsel fees and disbursements) of the Cayman Trustee, the Enforcer, the Indenture Trustee, the Agents and the holders of the Notes in connection with the transactions contemplated in this Offering Memorandum and used in connection with the sale of the Notes or in any of the Credit and Guaranty Agreement or Additional Transaction Documents.

### ***Tax Reimbursement Payments***

The Borrower and the Loan Guarantors, jointly and severally, will agree to pay the Cayman Trustee such additional amounts ("*Tax Reimbursement Payments*") as may be necessary (after taking into account the effect of any Additional Amounts paid by Borrower or any Loan Guarantor pursuant to the Credit and Guaranty Agreement) to ensure that the amounts received by the Cayman Trustee and the holders or beneficial owners of the Notes, after giving effect to any Taxes imposed or levied by or on behalf of a Relevant Taxing Jurisdiction, will equal the respective amounts that would have been receivable in respect of the Credit and Guaranty Agreement, the Notes and the Note Guarantees in the absence of such Taxes. Subject to the exclusion described below, the Taxes to which Tax Reimbursement Payments will apply include any and all:

- (i) Taxes levied or imposed upon the Cayman Trustee and the Trust;
- (ii) Taxes in respect of which the Borrower or any Loan Guarantor has an obligation to pay Additional Amounts, as described above;
- (iii) Taxes withheld or deducted from payments or distributions by the Trust to the holders of the Notes, or on amounts received by the Trust, indirectly or directly from the Borrower or the Lender;
- (iv) Taxes imposed upon holders of the Notes by means of withholding or deduction or otherwise imposed in respect of the issuance of the Notes; and
- (v) any other Tax that has the effect of reducing the net after-tax amount paid to a Note holder below the stated amount payable pursuant to the Notes;

including, in each case, Taxes imposed on amounts payable under the Expense Reimbursement and Indemnity Agreement.

However, no such Tax Reimbursement Payments will be payable in respect of:

- (i) (i) any Tax imposed by reason of the holder of the Notes (or beneficial owner of the Notes) (the "Holder") having a present or former direct or indirect connection with the Relevant Taxing Jurisdiction other than solely by reason of the Holder's holding or owning the Notes or participation in the transactions effected by the Additional Transaction Documents and the receipt of payments thereunder or the enforcement of rights in respect thereof;
- (ii) (ii) any Tax that would not have been imposed but for the failure of the Holder to comply with any reasonable certification, identification, information, documentation or other reporting requirement that such Holder is legally able to comply with to the extent (a) such compliance is required by applicable law or an applicable treaty as a precondition to exemption from, or reduction in the rate of such Taxes and (b) at least 20 days before the first

Record Date with respect to which the obligor with respect to a payment shall apply this clause (ii), such recipient shall have been notified in writing that such recipient will be required to comply with such requirement;

- (iii) (iii) any Tax that would not have been imposed but for the failure of the Holder to present evidence of the Note for payment (where presentation is required) more than 30 days after the date on which such payment became due; provided, however, that Borrower and the Guarantors will pay Tax Reimbursement Payments to which such person would have been entitled had such evidence been presented on any day (including the last day) within such 30-day period;
- (iv) (iv) any estate, inheritance, gift, personal property, sales, use, stamp, transfer or other similar Tax imposed;
- (v) (v) any Tax imposed on a payment on the Notes required to be made pursuant to Council Directive 2003/48/EC of the Council of the European Union on the taxation of savings income in the form of interest payments (or any European Union Directive otherwise implementing the conclusions of the ECOFIN Council Meeting of 26 and 27 November 2000) or any law implementing or complying with, or introduced in order to conform to, any such Directive;
- (vi) (vi) any Tax on holders of the Notes other than by deduction or withholding; or
- (vii) (vii) any combination of items (i) through (vi) above.

Without duplication of amounts payable pursuant to the Credit and Guarantee Agreement or elsewhere in the Expense Reimbursement and Indemnity Agreement, the Borrower or any of the Loan Guarantors will (i) pay promptly when due, any and all Other Taxes in respect of any Additional Transaction Documents, and (ii) pay the Lender (acting in its own capacity) any and all Taxes imposed on the Lender that arise in connection with the transactions contemplated under the Declaration of Trust, the Additional Transaction Documents, the Indenture, the Participation Agreement or in connection with the existence of the Cayman Trustee, other than Excluded Taxes.

Notwithstanding anything to the contrary in the preceding paragraph, none of the Borrowers and the Guarantors shall be required to pay any Tax Reimbursement Payments with respect to any withholding or deduction imposed on or in respect of any Note pursuant to the Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act (generally referred to as "FATCA"), the laws of any Relevant Taxing Jurisdiction implementing FATCA, or any agreement between any Borrower or Guarantor and the United States or any authority thereof entered into for FATCA purposes.

Payments in respect of the foregoing shall be made by the Borrower or any Loan Guarantor to the Lender or Cayman Trustee, as applicable, at least 10 Business Days before the deduction, withholding or payment of the taxes, duties, assessments or other governmental charges for which such amounts are being paid is required or due. At such time, the Borrower or any Loan Guarantor will deliver information that the Lender or the Trust, as applicable, shall reasonably request for tax purposes.

### **Governing Law**

The Declaration of Trust will be governed by the laws of the Cayman Islands. The Expense Reimbursement and Indemnity Agreement will be governed by the laws of the State of New York.

## DESCRIPTION OF THE NOTES AND THE NOTE GUARANTEES

### General

The Notes will be issued by the Trust in the international capital markets as a financing mechanism. The proceeds received from the sale of the Notes will be used to invest in and purchase the Participation in the Loan that will be disbursed by the Lender to Comunicaciones Celulares, S.A. simultaneously with, and using the proceeds from, the issuance of the Notes. Except where otherwise indicated, capitalized terms used in this section of this offering memorandum but not defined herein are used as defined elsewhere in this offering memorandum.

Payments received by the Trust pursuant to the Participation will be used to make payments of principal, interest, additional amounts in respect of taxes and other amounts payable by the Trust pursuant to the Indenture and the Notes. The principal obligation of the Trust will be to account to the holders of the Notes for all such payments when, as and if actually received by the Lender and, as a result of the Participation, by the Trust pursuant thereto. The Notes do not represent an obligation of the Lender, the Indenture Trustee, any agent appointed pursuant to the Indenture or the Cayman Trustee (other than in its capacity as trustee and subject always to the limited recourse provisions described herein), or the Borrower (except in its capacity as Note Guarantor under its Note Guarantee), and none of the foregoing shall be required, in the event funds received in respect of the Loan are insufficient to make payments described below that are due on the Notes, to make up any such shortfall from their own respective funds.

The Notes will be unconditionally and irrevocably guaranteed on a general senior, unsecured and unsubordinated basis by the Note Guarantors. See “—Note Guarantees.”

The Trust and its operations are governed by Cayman Islands law. The Trust is not a separate legal entity, but is rather an equitable obligation binding the Cayman Trustee to deal with property in a particular way. All references herein to the Trust shall in fact refer to the Cayman Trustee acting as such under the Declaration of Trust. See “The Trust.” The Cayman Trustee acting in respect of the Trust will issue the Notes under the Indenture among the Cayman Trustee, the Note Guarantors, The Bank of New York Mellon, as Indenture Trustee, Registrar, New York Paying Agent and Transfer Agent and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent.

The Notes will have the following basic terms:

- The Notes will be in an aggregate principal amount (the initial outstanding “*Note Principal Amount*”) of US\$800,000,000. The Note Principal Amount will be payable in full in a single payment on the Maturity Date unless redeemed or repaid earlier as a result of one or more redemption events described herein pursuant to the terms of the Indenture as a result of a prepayment or acceleration of the Loan.
- The Notes will bear interest at a fixed rate of 6.875% per annum (the “*Note Interest*”) from the date of issuance until all required amounts due in respect thereof have been paid, which rate is equal to the rate of interest payable by the Borrower on the Loan. Interest on the Notes will be paid semiannually on February 6 and August 6 of each year, commencing on August 6, 2014, to the holders of the Notes registered as such as of the close of business on a record date being the tenth day preceding such payment date other than the interest payment date which is the same as the Maturity Date, in which case, it will be the Maturity Date (whether or not a Business Day) (the “*Record Date*”). Interest for the first interest period will accrue from February 6, 2014. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.
- As security for the Notes, the Cayman Trustee will pledge all of the Trust Assets to the Indenture Trustee, which Trust Assets will consist, as described under “The Trust,” of the Participation in the Loan (which will have a principal amount equal to the Note Principal Amount), the Credit and Guaranty Agreement and all cash paid in respect thereof, any accounts into which such cash or the proceeds of the foregoing shall be deposited pursuant to the Credit and Guaranty Agreement, the Participation Agreement, the Indenture or otherwise and the rights related thereto with respect to the Loan. All outstanding Notes will share *pari*

*passu* in the proceeds from the Trust Assets, except to the extent Notes are repurchased as a result of a redemption as provided herein.

- The Notes will be limited recourse obligations of the Cayman Trustee referable to the Trust and will be payable solely out of the Trust Assets (including payments received from the Lender as a result of the Participation) and neither the Cayman Trustee, the Trust nor the Indenture Trustee in its individual capacity or any agent appointed pursuant to the Indenture will have any liability, duty or responsibility in respect of all or any portion of the Credit and Guaranty Agreement and will not be bound thereby.
- The Notes are being offered and sold only to investors that are either (1) U.S. Persons (as defined in Regulation S under the Securities Act) who are QIBs in reliance on Rule 144A under the Securities Act and also Qualified Purchasers (as defined in Section 2(a)(51)(A) of the United States Investment Note Guarantors Act of 1940 (the “*Investment Note Guarantors Act*”) or (2) non-U.S. Persons (within the meaning of Regulation S of the Securities Act) outside of the United States.

As of September 30, 2013, the Parent Note Guarantors had US\$425.3 million of combined total indebtedness, none of which was secured indebtedness. Our non-guarantor subsidiaries had no indebtedness. As of the same date, after giving effect to the issuance and sale of the Notes and incurrence of the Loan and the application of the net proceeds thereof as described under “Use of Proceeds,” the Parent Note Guarantors would have had total indebtedness of US\$775.9 million, none of which would have been secured indebtedness, and our non-guarantor subsidiaries would have had no indebtedness.

#### **Note Principal Amount**

The Indenture Trustee will make payments of principal and premium, if any, in respect of the Note Principal Amount to holders of the Notes out of (a) payments in respect of principal arising as a result of repayment at maturity or earlier as a result of an acceleration or prepayment of the Loan received by the Lender from the Borrower and paid to the Trust pursuant to the Participation and, (b) any payments of premium or other amounts payable in connection with any prepayment or repayment of the principal of the Loan as provided in the Credit and Guaranty Agreement. The Note Principal Amount is US\$800,000,000. The Note Principal Amount will be due and payable in full, together with accumulated and unpaid Note Interest and other amounts due under the Indenture, on the same date as the maturity date for the Loan, such date being February 6, 2024 (the “Maturity Date”), to the extent the Notes have not been redeemed or repurchased prior thereto as provided below under “—Redemption Events.” No default under the Notes will occur in the event the Trust fails to receive payments from the Lender in respect of the Participation and amounts due in respect of the Note Principal Amount will be delayed until payments in respect of the principal amount of the Loan are received by the Trust pursuant to the Participation and paid pursuant to the Indenture to the Indenture Trustee. The failure by the Trust to pay the Note Principal Amount when due and payable will not be an Event of Default under the Credit and Guaranty Agreement.

#### **Note Interest**

The Indenture Trustee will make payments in respect of the Note Interest to holders of the Notes out of payments of interest on the Loan received by the Lender from the Borrower and paid to the Trust pursuant to the Participation on any day on which payments are received by the Trust. Note Interest will accumulate at 6.875% per annum (being the rate of interest payable on the Loan) and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Note Interest will be payable semiannually in arrears on February 6 and August 6 of each year and on the Maturity Date for the Loan, or, if such date is not a Business Day, the next succeeding Business Day, commencing on August 6, 2014. No default under the Notes will occur in the event the Trust fails to receive payments from the Lender in respect of the Participation and amounts due in respect of Note Interest will be delayed until payments in respect of interest on the Loan are received by the Trust pursuant to the Participation and paid pursuant to the Indenture to the Indenture Trustee. The failure by the Trust to pay any Note Interest when due and payable will not be an Event of Default under the Credit and Guaranty Agreement. Payments of Note Interest will be made to the holders of the Notes of record on the related Record Date.

#### **Source of Available Funds**

As provided above, the Trust will pay all amounts due on or with respect to the Notes solely from the periodic payments it receives from the Lender under the Participation Agreement representing funds received by the Lender,

subject to certain limited exceptions, in respect of the Credit and Guaranty Agreement, the Loan and in respect of expenses, taxes and certain other amounts, the Expense Reimbursement and Indemnity Agreement.

## **Note Guarantees**

### ***General***

Upon the receipt by the Borrower of the full amount of the Loan, the Borrower, Distribuidora Central de Comunicaciones, S.A., Distribuidora Internacional de Comunicaciones, S.A., Servicios Especializados en Telecomunicaciones S.A., Distribuidora de Comunicaciones de Occidente, S.A., Navega.com, S.A., Distribuidora de Comunicaciones, S.A., Comunicaciones Corporativas, S.A. and Servicios Innovadores de Comunicacion y Entretenimiento, S.A. (together, the “*Parent Note Guarantors*”) and any Subsidiary Note Guarantors, as defined below (together with the Parent Note Guarantors the “*Note Guarantors*”), will absolutely, unconditionally and irrevocably guarantee, jointly and severally, to the Indenture Trustee, on behalf of the holders of the Notes (collectively, the “*Note Guarantees*”) (i) the punctual payment of the Notes and (ii) the performance of all other obligations of the Trust under the Indenture and the Notes (net, in each case, of any amounts paid by the Borrower in accordance with the Loan, whether or not those amounts have been paid to the Trust or the Indenture Trustee in accordance with the terms of the Participation Agreement and the Indenture) (such obligations being the “*Guaranteed Obligations*”). The Note Guarantors will guarantee the full punctual payment when due, whether at the expected Maturity Date, by acceleration, redemption or otherwise, of the principal of, premium, if any, and interest on the Notes constituting Guaranteed Obligations and agree to pay any and all expenses (including, without limitation, fees and expenses of counsel) incurred by the Indenture Trustee in enforcing any rights under the Note Guarantees or any other Transaction Document or otherwise owed to the Indenture Trustee under the Indenture.

If any Note Guarantor is required to make a payment under its Note Guarantee to the Indenture Trustee in respect of any amount due on the Notes or the Indenture, or if the Trust or any Note Guarantor shall tender the Notes to the Indenture Trustee for cancellation, then all amounts so paid to the Indenture Trustee (excluding Additional Amounts) or Notes tendered and cancelled shall be deemed to be a payment by the Borrower to the Lender to reduce amounts outstanding under the Credit and Guaranty Agreement such that the principal or interest amounts outstanding of the Loan (after giving effect to such payment under the Note Guarantee or the Notes cancelled) shall be equal to the principal and interest amounts outstanding under the Indenture.

In the event that the Borrower pays the Lender the amounts due and owed under the Credit and Guaranty Agreement and the Lender fails to make the required payments to the Trust pursuant to the Participation and the Participation Agreement, the Note Guarantees shall not be available with respect to such amounts.

The obligations of each Note Guarantor in respect of its Note Guarantee will be limited to the maximum amount as will result in the obligations not constituting a fraudulent conveyance, fraudulent transfer or similar illegal transfer under applicable law.

Each Note Guarantor’s obligations under its Note Guarantee will be a senior, direct, unsecured, unconditional and unsubordinated obligation of such Note Guarantor and will rank *pari passu* in right of payment with all other present and future senior, unsecured and unsubordinated indebtedness of such Note Guarantor, but effectively junior to their present and future secured obligations, with respect to the value of the assets securing such indebtedness, and statutory obligations resulting under applicable law.

The Note Guarantors will waive the right to any defenses to which they may be entitled under applicable Guatemalan Law, to the extent permitted under Guatemalan law.

### ***Payment***

Pursuant to the Note Guarantees, in the event that the Trust has not made payment to the Indenture Trustee under the Indenture because the Borrower has not performed its obligations under the Credit and Guaranty Agreement, upon notice of such non-payment by the Indenture Trustee (as a result of such non-performance by the Borrower) to any Note Guarantor, such Note Guarantor will be required to make immediate payment of all amounts as are due and payable under the Notes and the Indenture, in favor of the Trust, the Indenture Trustee and the noteholders.

All amounts payable by the Note Guarantors under the Note Guarantees shall be payable in cash immediately upon receipt of notice of non-payment by the Trust (as a result of such non-performance by the Borrower).

### ***Subrogation***

Until such time as the holders of the Notes have irrevocably been paid in full all amounts owing under the Notes, the Note Guarantors shall not be entitled to be subrogated to any of the rights of the Indenture Trustee or any noteholder against the Trust or any other person or any collateral security or guarantee or right of offset held by the Indenture Trustee or any noteholder for the payment of the Guaranteed Obligations, nor shall the Note Guarantors seek or be entitled to seek any contribution or reimbursement from the Trust or any other person in respect of payments made by the Note Guarantors pursuant to the Note Guarantees. If any amount shall be paid to any Note Guarantor on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been paid in full, such amount shall be held by such Note Guarantor in trust for the Indenture Trustee and the noteholders, segregated from other funds of such Note Guarantor, and shall, forthwith upon receipt by such Note Guarantor, be turned over to the Indenture Trustee in the exact form received by such Note Guarantor (duly indorsed by the Note Guarantor to the Indenture Trustee, if required), to be applied against the Guaranteed Obligations.

### ***Continuation of the Note Guarantees***

The Note Guarantors' obligations under the Note Guarantees will remain in full force and effect until all the Guaranteed Obligations have been paid or satisfied in full. The Note Guarantees will continue to be effective or be reinstated, as the case may be, if at any time any payment of all or any portion of the Guaranteed Obligations is rescinded or must otherwise be returned by the Indenture Trustee or any noteholder upon the insolvency, bankruptcy or reorganization of the Lender, the Trust, any Note Guarantor, any Loan Guarantor or the Borrower, all as though such payment had not been made.

The Note Guarantees and all rights related thereto will be assigned to, and continue in full force and effect for the benefit of, any person to whom the Indenture and the Notes are assigned. The covenants of the Borrower contained in the Credit and Guaranty Agreement will be deemed made in the Note Guarantees by the Note Guarantors for the benefit of the Indenture Trustee.

### ***Additional Amounts and Tax Reimbursement Payments***

The Note Guarantors will make all payments of amounts due under the Note Guarantees free of taxes under principles similar to those set forth under "The Trust—Expense Reimbursement and Indemnity Agreement—Tax Reimbursement Payments."

### ***Amendments***

The Note Guarantees may only be amended and waived in accordance with their terms pursuant to a written document which has been duly executed and delivered by the Note Guarantors and the Indenture Trustee at the written direction of the Required Holders. For purposes of determining whether the holders of the Outstanding Notes have taken any action with respect to the Note Guarantees, any Notes of which a responsible officer of the Indenture Trustee has received written notice that such Notes are directly or indirectly owned by the Note Guarantors or any of their respective Affiliates, will be disregarded and not deemed to be outstanding.

### ***Governing Law***

The Note Guarantees will be governed by the laws of the State of New York.

### ***Jurisdiction***

The Note Guarantors will consent to the exclusive jurisdiction of any court of the State of New York or any U.S. federal court sitting in the Borough of Manhattan in The City of New York, New York, United States and any appellate court from any thereof. The Note Guarantors will appoint an authorized agent in The City of New York, New York as their authorized agent upon which service of process may be served in any action or proceeding brought in any court of the State of New York or any U.S. federal court sitting in The City of New York in connection with the Note Guarantees.



### ***Waiver of Immunities***

To the extent that any Note Guarantor may, in any jurisdiction, claim for itself or its assets immunity from a suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in connection with its Note Guarantee (or, as applicable, the Credit and Guaranty Agreement) and to the extent that in any jurisdiction there may be immunity attributed to any Note Guarantor or its assets, whether or not claimed, such Note Guarantor will irrevocably agree with the Indenture Trustee not to claim, and irrevocably waive, immunity to the fullest extent permitted by law.

### ***Currency Rate Indemnity***

Each Note Guarantor will agree that, if a judgment or order made by any court for the payment of any amount in respect of any of its obligations under its Note Guarantee is expressed in a currency other than U.S. dollars, it will indemnify the recipient, against any deficiency arising from any variation in rates of exchange between the date as of which the denomination currency is notionally converted into the judgment currency for the purposes of the judgment or order and the date of actual payment. This indemnity will constitute a separate and independent obligation from the Note Guarantors' other obligations under the Note Guarantees, will give rise to a separate and independent cause of action, will apply irrespective of any waiver of such indemnity by the Lender under the comparable provisions of the Credit and Guaranty Agreement (or waiver by the Lender of any other provisions of the Credit and Guaranty Agreement or any other Transaction Document) granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due in respect of the Credit and Guaranty Agreement or under any such judgment or order.

### ***Release of Note Guarantors***

Other than the Note Guarantee of the Borrower, the Note Guarantee of a Note Guarantor will terminate upon:

- (1) a sale or other disposition (including by way of consolidation or merger) of such Note Guarantor or the sale or disposition of all or substantially all the assets of such Note Guarantor (other than to another Note Guarantor) otherwise permitted by the Indenture, *provided* that in the case of a sale of a Note Guarantor by an entity that is not another Note Guarantor, such release and termination shall not be effective unless (i) the sale is consummated in compliance with the provisions of clauses (1) and (2) of the first paragraph of the covenant titled "Limitation on Asset Dispositions" below and (ii) the seller, whether or not party to the Indenture, or another Note Guarantor, makes an Asset Sale Offer in accordance with the terms of the covenant titled "Limitation on Asset Dispositions" below in the amount of (A) the Net Available Proceeds of such sale (provided such amount, taken together with any other funds available for similar use from all prior similar sales or Asset Dispositions in the same fiscal year and not so used exceed US\$30.0 million) or, (B) assuming the investment of any such proceeds in compliance with clause (3) of the first paragraph of the covenant titled "Limitation on Asset Dispositions" below with respect to the remaining Note Guarantors, the Excess Proceeds (provided such amount (having deducted any amount used to purchase, prepay, repay or reduce Debt of a Parent Note Guarantor that is secured or *pari passu* with the Notes or Debt of an Restricted Subsidiary that is not a Note Guarantor), taken together with any other funds available for similar use from all prior similar sales or Asset Dispositions in the same fiscal year and not so used exceed US\$30 million); or
- (2) the designation in accordance with the Indenture of such Note Guarantor as an Unrestricted Subsidiary or such Note Guarantor otherwise ceases to be a Restricted Subsidiary in accordance with the Indenture.

### ***Future Note Guarantors***

As of the Issue Date, the following Subsidiaries of the Parent Note Guarantors will not provide Note Guarantees: Newcom Ltd. Bermuda and Millicom Cable 206 N.V., 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 the Borrower and the Loan Guarantors as of, and for, the nine-month

period ended September 30, 2013. In certain circumstances, the Parent Note Guarantors will cause a Restricted Subsidiary to promptly execute a supplemental indenture and deliver an Officer's Certificate and Opinion of Counsel to the Indenture Trustee pursuant to which such Restricted Subsidiary (each, a "*Subsidiary Note Guarantor*") will provide a Note Guarantee at the times and to the extent required by the Indenture, as described below.

If any Parent Note Guarantor or a Restricted Subsidiary acquires or creates any Significant Subsidiary on or after the Issue Date, then that newly acquired or created Significant Subsidiary shall provide a Note Guarantee and become a Subsidiary Note Guarantor and execute a supplemental indenture and deliver an Officer's Certificate and Opinion of Counsel to the Indenture Trustee; *provided* that (i) such Significant Subsidiary's Note Guarantee will be limited to the maximum amount that would not result in a breach or violation by such Significant Subsidiary of any provision of any agreement to which it is party existing at the time of such acquisition or creation; *provided*, that such provision was not adopted in connection with, or in contemplation of, such acquisition or creation or to avoid providing a Note Guarantee, and (ii) such Significant Subsidiary will not be required to execute any such supplemental indenture if the execution or enforcement of such supplemental indenture and the resultant Note Guarantee thereunder is prohibited by, or in violation of, any applicable law to which such Significant Subsidiary is subject and the Borrower has delivered to the Trustee an Opinion of Counsel to that effect. Notwithstanding the foregoing, if at the time of such acquisition or creation, such Significant Subsidiary has no Indebtedness, such Significant Subsidiary shall not be required to become a Subsidiary Note Guarantor or execute any such supplemental indenture; *provided* that if at any time after such acquisition or creation, such Significant Subsidiary Incurs any Indebtedness, at the time of such Incurrence such Significant Subsidiary will become a Subsidiary Note Guarantor and execute a supplemental indenture and deliver an Officer's Certificate and Opinion of Counsel to the Trustee in accordance with, and subject to the limitations in, the preceding sentence.

Notwithstanding the foregoing, from time to time, if as of the end of the period of four full fiscal quarters most recently ended (the "*reference period*"), (i) combined EBITDA of the Note Guarantors (taken together on a standalone basis) for such reference period represents less than 80% of combined EBITDA of the Parent Note Guarantors and their Subsidiaries for such reference period or (ii) combined assets of the Note Guarantors (taken together on a standalone basis) as of the end of such reference period represent less than 80% of combined total assets of the Parent Note Guarantors and their Subsidiaries as of the end of such reference period, the Parent Note Guarantors will, promptly following the date on which the combined financial statements of the Parent Note Guarantors for the fiscal quarter ended on the last day of such reference period become available, cause one or more Restricted Subsidiaries to become Subsidiary Note Guarantors, subject to applicable legal limitations, and provide the Trustee with an Officer's Certificate to the effect that after giving effect to the delivery of the Note Guarantee, the combined EBITDA and assets of the Note Guarantors (taken together on a standalone basis) in aggregate represent at least 80% of the (x) combined total assets of the Parent Note Guarantors and their Subsidiaries as of the end of such reference period, and (y) combined EBITDA of the Note Guarantors and their Subsidiaries for such reference period.

The Note Guarantors will not permit any Restricted Subsidiary, directly or indirectly, to Guarantee any Indebtedness in the form of securities or notes of any Note Guarantor unless such Restricted Subsidiary (a) is a Note Guarantor or (b) executes and delivers to the Trustee an Officer's Certificate, an Opinion of Counsel and a supplemental indenture providing for such Restricted Subsidiary's Note Guarantee, which Note Guarantee will rank senior in right of payment to or equally in right of payment with such Restricted Subsidiary's Guarantee of such other Indebtedness.

## **Security**

The Notes will be secured by a first priority perfected security interest in the Trust Assets and, by virtue of the same, the holders of the Notes will have recourse to be repaid amounts due on or in respect of the Notes solely to the Trust Assets and no person or entity, other than the Trust (subject to the limited recourse provisions described herein), shall have any liability in respect thereof. Upon the occurrence of an Event of Default under the Loan and certain other circumstances described under "The Credit and Guaranty Agreement and the Loan—Assignments," the Lender will have the right to assign the Credit and Guaranty Agreement and the Loan to the Trust outright and, as a result of the Trust's pledge of the Trust Assets, the holders of the Notes will succeed to a first priority security interest in the same in consideration of a release of any security interest in the Participation.

## Further Issuances

The Indenture by its terms does not limit the aggregate principal amount of Notes that may be issued thereunder and permits the issuance, from time to time, of additional Notes of the same series as is being offered hereby; *provided, however*, that among other requirements (i) the Lender has made an additional disbursement under the Loan equal to the aggregate face amount of the additional Notes to be issued, (ii) the Participation Agreement has been amended to reflect the additional disbursement, (iii) no Default or Event of Default under the Credit and Guaranty Agreement shall have occurred and then be continuing or shall occur as a result of such additional issuance, (iv) such additional Notes rank *pari passu* with, and have equivalent terms and benefits as, the Notes offered hereby, and (v) each rating agency that theretofore has rated the Notes has confirmed to the Trust in writing (with a copy to the Indenture Trustee), prior to the issuance of such additional Notes, that the issuance of such additional Notes will not result in a lowering or a withdrawal of the then existing rating of the Notes.

Such additional Notes under the Indenture shall have the same terms in all respects as the Notes (except that such additional Notes may have a different issue price or first payment date), *provided, however*, that unless such additional Notes are issued under a separate CUSIP number, such additional Notes must be fungible with the Notes for U.S. federal income tax purposes. The Notes offered hereby and any additional Notes would be treated as a single class for all purposes under the Indenture and will vote together as one class on all matters with respect to the Notes. For purposes of this “Description of the Notes and the Note Guarantees,” whether or not expressly stated, reference to the Notes includes additional Notes except as otherwise indicated.

## Accounts

On or prior to the Issue Date, the Trust will establish a segregated non-interest bearing trust account at the Indenture Trustee in the name of the Indenture Trustee (the “*Loan Collection Account*”). The Trust will deposit, or cause to be deposited (including pursuant to a request to the Lender), into the Loan Collection Account, so long as the Indenture Trustee has a security interest in the Trust Assets pursuant to the Indenture, all payments received by the Trust from the Lender or the Administrative Agent on behalf of the Lender under the Participation Agreement and any Additional Transaction Documents, including all periodic principal, interest and other payments received by the Trust in respect of the Participation representing funds received in respect of the principal, interest and other payments payable by the Borrower under the Credit and Guaranty Agreement.

The Indenture Trustee will also establish or cause to be established and maintain a segregated non-interest bearing trust account at the Indenture Trustee into which it will deposit any amounts allocated for payment in respect of the Notes received by the Trust in respect of the Participation and on deposit in the Loan Collection Account (the “*Note Payment Account*”).

## Payments on the Notes

Pursuant to the Indenture, on each date a payment in respect of principal, interest or other amounts is due on, or with respect to, the Notes (a “*Note Payment Date*”), the Trust will direct the Indenture Trustee in writing to withdraw all amounts then credited to the Loan Collection Account and apply such amounts in the following order of priority:

- (i) *first*, to the Lender, the Administrative Agent, the Indenture Trustee and any agents appointed pursuant to the Indenture in an amount equal to any due but unpaid amounts owing by the Borrower and the Loan Guarantors under the Expense Reimbursement and Indemnity Agreement in respect of fees and expenses to the extent the Borrower or any Loan Guarantor has not theretofore paid the same; and
- (ii) *second*, the remainder to the Note Payment Account for application in accordance with the terms of the Indenture.

Pursuant to the Indenture, the Indenture Trustee, or such Paying Agent as the Trust shall appoint with respect to the Notes, will distribute the funds deposited into the Note Payment Account in the following order of priority, with the amount of each such distribution (and the components thereof) being determined as set forth in the Indenture and the Notes:

- (i) *first*, to each holder of Notes, its proportionate interest of the accumulated and unpaid Note Interest then due and payable in respect of the Notes held by such holder of Notes; and
- (ii) *second*, to each holder of Notes, its proportionate interest of the Note Principal Amount then due and payable in respect of the Notes held by such holder of Notes.

The Indenture will provide that each holder of Notes will be deemed to assent and agree, by its acceptance of a Note, that it will promptly remit to the Indenture Trustee any excess payment it has received on the Notes.

### **Payment Procedures**

Payments in respect of the Note Principal Amount and Note Interest will be made at the Corporate Trust Office of the Indenture Trustee in New York by the Indenture Trustee or at the specified office of any Paying Agent appointed by the Trust for such purpose; *provided, however*, that so long as the Notes are held in the name of a nominee of DTC, the Indenture Trustee, or such Paying Agent, will make such payments to DTC or its nominee, as the case may be, in accordance with DTC's applicable procedures. The Note Principal Amount of any Note, whether due on the Maturity Date or on the date of a redemption pursuant to a Note Redemption (as defined below under "—Redemption Events"), will be payable only upon surrender of such Note at the Corporate Trust Office of the Indenture Trustee or at the specified office of any Paying Agent appointed by the Trust. All payments of interest will be made to the holders of the Notes of record as of the Record Date applicable to such Note Interest Payment and payments of principal and interest due on the Maturity Date will be paid to holders of record as of the Maturity Date.

Payments with respect to any Note will be made by wire transfer in immediately available funds to the account of such holder of Notes at a bank or other entity having appropriate facilities therefor if such holder of Notes has notified the Indenture Trustee or the Paying Agent, as applicable, in writing of wire instructions by the Record Date immediately prior to the applicable Note Payment Date. If a holder of the Notes does not provide the Indenture Trustee or the Paying Agent, as applicable, with such wire transfer instructions, the Indenture Trustee or the Paying Agent, as applicable, will make payments by U.S. dollar check to the mailing address of such holder of the Notes appearing in the Note register maintained by the registrar. Until revoked in writing, such instructions will remain in effect with respect to any future payments payable to such holder of the Notes with respect to such Notes.

If the due date for payment of the Note Principal Amount in respect of any Note is not a Business Day, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day and will not be entitled to any further interest or other payment in respect of any such delay.

The Indenture will provide that any funds deposited with the Indenture Trustee or any Paying Agent in trust for the payment of the Note Principal Amount and Note Interest on any Note and remaining unclaimed for two years after such Note Principal Amount and Note Interest have become due and payable will be paid to the Trust upon written request of the Cayman Trustee, and the holder of such Notes will thereafter look only to the Trust for payment thereof, and all liability of the Indenture Trustee or such Paying Agent with respect to such funds will thereupon cease.

### **Redemption Events**

The Notes shall be subject to redemption upon the occurrence of any optional or mandatory prepayment by the Borrower of the amounts outstanding from time to time under the Credit and Guaranty Agreement and the Loan due to the occurrence of an

- (1) optional prepayment with a make-whole premium as set forth under "The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment with a Make-Whole Premium";
- (2) optional prepayment without a make-whole premium as set forth under "The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment Without a Make-Whole Premium";

- (3) optional prepayment upon the occurrence of a Withholding Tax Event, as set forth under “The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment upon a Withholding Tax Event”;
- (4) optional prepayment upon the occurrence of a Change of Control Remainder Event, as set forth under “The Credit and Guaranty Agreement and the Loan—Optional Prepayments—Optional Prepayment upon a Change of Control Remainder”;
- (5) Change of Control Prepayment Event as set forth under “The Credit and Guaranty Agreement and the Loan—Mandatory Prepayments—Change of Control Prepayment”;
- (6) Asset Sale Prepayment Event as set forth under “The Credit and Guaranty Agreement and the Loan—Mandatory Prepayments—Asset Sale Prepayment Event”; or
- (7) upon the acceleration of the Loan as a result of the occurrence of an Event of Default under the Credit and Guaranty Agreement (an “*Acceleration Redemption*”)

(the events described in clauses (1), (2), (3) and (4), the “*Optional Redemptions*,” and together with the redemption events described in clauses (5), (6) and (7) the “*Note Redemptions*”).

#### ***Optional Prepayment with a Make-Whole Premium***

Pursuant to the Credit and Guaranty Agreement, at any time or from time to time prior to February 6, 2019, the Borrower will have the right, at its option, to prepay the Loan, in whole or in part, at a prepayment price equal to 100% of the principal amount of the Loan plus the excess, if any, of: (a) the present value (as determined by the Independent Investment Banker) at such prepayment date of (i) the prepayment price of the Loan at February 6, 2019 (such prepayment price being set forth in the table below under “—Optional Prepayment Without a Make-Whole Premium”) plus (ii) all required interest payments thereon through February 6, 2019 (excluding accrued but unpaid interest to the prepayment date) up to and including February 6, 2019, assuming payment of the prepayment price for that date as set forth below, computed using a discount rate equal to the Treasury Rate as of such prepayment date plus 50 basis points, over (b) the principal amount of the Loan that is being prepaid (the “*Make-Whole Amount*”), plus, in each case, any accrued and unpaid interest (including Additional Amounts (as defined under “The Credit and Guaranty Agreement and the Loan—Additional Amounts”), if any) on the principal amount of the Loan to the date of prepayment.

“*Comparable Treasury Issue*” means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the period from the redemption date to February 6, 2019; provided that if the period from the redemption date to February 6, 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“*Comparable Treasury Price*” means, with respect to any prepayment date (i) the average as determined by an Independent Investment Banker, of the Reference Treasury Dealer Quotations for such prepayment date after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (ii) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average, as determined by such Independent Investment Banker, of all such quotations.

“*Independent Investment Banker*” means one of the Reference Treasury Dealers appointed by the Borrower.

“*Reference Treasury Dealer*” means Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC or any of their affiliates which are primary United States government securities dealers and one other primary United States government securities dealers in New York City designated by the Borrower; provided that, if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a “*Primary Treasury Dealer*”), the Trust will substitute therefore another Primary Treasury Dealer.

“*Reference Treasury Dealer Quotation*” means, with respect to each Reference Treasury Dealer and any prepayment date, the average, as determined by an Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to

such Independent Investment Banker by such Reference Treasury Dealer at 3:30 pm New York City time on the third Business Day preceding such prepayment date.

“*Treasury Rate*” means, with respect to any prepayment date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day-count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such prepayment date.

#### ***Optional Prepayment Without a Make-Whole Premium***

Pursuant to the terms of the Credit and Guaranty Agreement, at any time and from time to time on or after February 6, 2019, the Borrower may, at its option, prepay all or part of the Loan upon not less than 30 nor more than 60 days’ prior notice to the Lender and the Indenture Trustee, at the prepayment prices, expressed as percentages of principal amount, set forth below, plus accrued and unpaid interest thereon (including Additional Amounts, if any) to the applicable prepayment date, if prepaid during the 12 month period beginning on February 6 of the years indicated below:

Year	Percentage
2019.....	103.438%
2020.....	102.292%
2021.....	101.146%
2022 and thereafter.....	100.000%

#### ***Optional Prepayment upon a Withholding Tax Event***

Pursuant to the terms of the Credit and Guaranty Agreement, the Loan may be prepaid, in whole but not in part, at the Borrower’s option, subject to applicable Guatemalan laws, at a prepayment price equal to 100% of the outstanding principal amount of the Loan, plus accrued and unpaid interest (including Additional Amounts, if any) to but excluding the prepayment date, if, as a result of any enactment of new laws or change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under “The Credit and Guaranty Agreement and the Loan—Additional Amounts”), or any change in the official application, administration or interpretation of such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction) in such jurisdiction, the Borrower has or will become obligated to pay Additional Amounts or Tax Reimbursement Payments (as defined under “The Trust—Expense Reimbursement and Indemnity Agreement—Tax Reimbursement Payments”) in excess of the Additional Amounts or Tax Reimbursement Payments payable as of the date of the Credit and Guaranty Agreement on or in respect of the Credit and Guaranty Agreement, the Expense Reimbursement and Indemnity Agreement, the Indenture, the Notes or the Note Guarantees (“*Excess Additional Amounts*”), if such change or amendment is announced or occurs on or after the date of the Credit and Guaranty Agreement and such obligation cannot be avoided by the Borrower taking reasonable measures available to it (a “*Withholding Tax Event*”); *provided* that no notice of prepayment will be given earlier than 60 days prior to the earliest date on which the Borrower would be obligated to pay such Excess Additional Amounts, were a payment in respect of the Loan then due. Prior to the giving of notice of prepayment of the Loan, the Borrower will deliver to the Lender an Officer’s Certificate to the effect that the Borrower is or at the time of the prepayment will be entitled to effect such a prepayment pursuant to the Credit and Guaranty Agreement, setting forth in reasonable detail the circumstances giving rise to such right of prepayment, and stating that the Borrower cannot avoid payment of such Excess Additional Amounts by taking reasonable measures available to the Borrower. The Officer’s Certificate will be accompanied by a written opinion of recognized counsel of the applicable Relevant Taxing Jurisdiction, independent of the Borrower, to the effect, among other things, that the Borrower is, or is reasonably expected to become, obligated to pay such Excess Additional Amounts as a result of a change or amendment, as described above.

#### ***Optional Prepayment upon a Change of Control Remainder***

Pursuant to the terms of the Credit and Guaranty Agreement, the Borrower may prepay the remaining outstanding principal amount of the Loan at any time, in whole, but not in part, upon the occurrence of a Change of Control Remainder Event pursuant to a notice to the Lender and the Administrative Agent given not more than 30

days following the Change of Control Remainder Event at the prepayment price required to be offered in an Change of Control Offer as described under “—Change of Control,” subject to satisfaction of the conditions set forth below.

The Borrower will be required, prior to exercising its prepayment option in connection with a Change of Control Remainder Event, to deliver to the Lender an Officer’s Certificate together with a written legal opinion of an independent recognized counsel reasonably acceptable to the Lender and experienced in such matters or other independent recognized counsel from the relevant jurisdiction experienced in such matters, in a form reasonably satisfactory to the Lender stating that a Change of Control Remainder Event has occurred.

“*Change of Control Remainder Event*” means that, in the event that the Lender requests that not less than 95% of the aggregate outstanding principal amount of the Loan be repaid pursuant to a Change of Control Offer, the Borrower or a third party repays such amount.

### ***Optional Redemption Procedures***

Upon the Trust’s receipt from the Lender or the Borrower of a notice of Optional Redemption in accordance with the Credit and Guaranty Agreement, the Trust shall deliver a copy of the notice to the Indenture Trustee and promptly send (or the Indenture Trustee, in the name of and at the expense of the Trust, upon the Trust providing written instruction to the Indenture Trustee at least 10 days before the notice of redemption is to be given (or such shorter times as is acceptable to the Indenture Trustee), shall give) to each holder of Notes a notice of redemption setting forth the reason for the redemption (as set forth in the notice given by the Borrower to the Lender pursuant to the Credit and Guaranty Agreement and forwarded or provided to the Trust), the expected amount of Notes to be redeemed, the applicable redemption price payable per US\$1,000 principal amount of the Notes (including any make-whole premium), the applicable record date, the applicable CUSIP numbers and the applicable redemption date with respect to such redemption. Notice of an Optional Redemption will be given at least 35 but not more than 60 days before the redemption date to holders of the Notes to be redeemed in accordance with the provisions described below in “—Notices.”

Upon payment by the Borrower to the Lender or the Administrative Agent on behalf of the Lender of the applicable prepayment or repayment amounts with respect to a Note Redemption, as provided for under “The Credit and Guaranty Agreement and the Loan” (a “*Redemption Amount*”), the Lender shall promptly pay over the Redemption Amounts so received from the Borrower for deposit to the Loan Collection Account for the benefit of the Trust and, as described herein, the Indenture Trustee on behalf of the holders from time to time of the Notes.

If fewer than all of the Notes are being redeemed, the Notes to be redeemed shall be selected as follows: (1) if the Notes are listed on an exchange, in compliance with the requirements of such exchange or (2) on a pro rata basis to the extent practicable, or, if the pro rata basis is not practicable for any reason, by lot or by such other method as the Indenture Trustee in its sole discretion will deem to be fair and appropriate, and in each case, as long as the Notes are in global form, the selection of the Notes to be redeemed shall be subject to customary DTC procedures (in integral multiples of US\$1,000; provided that the remaining principal amount of such holder’s Note will not be less than US\$200,000). Upon surrender of any Note redeemed in part, the holder will receive a new Note equal in principal amount to the unredeemed portion of the surrendered Note. Once notice of redemption is sent to the holders, and unless such notice is revocable in accordance with its terms and is revoked prior to the redemption date or such shorter period as specified therein for such revocation, Notes called for redemption become due and payable at the redemption price on the redemption date, and, commencing on the redemption date, Notes redeemed will cease to accrue interest (unless the Trust defaults in the payment of the redemption price).

Notes called for redemption will become due on the date fixed for redemption. The Trust will pay the redemption price for the Notes together with accrued and unpaid interest thereon and Additional Amounts to but not including the date of redemption solely out of the Redemption Amount received from the Borrower with respect to such redemption. On and after the applicable redemption date, interest will cease to accrue on the Notes as long as the Trust has deposited with the Paying Agent funds in satisfaction of the applicable redemption price together with accrued and unpaid interest thereon and Additional Amounts pursuant to the Indenture. Upon redemption of the Notes by the Trust, the redeemed Notes will be cancelled and cannot be reissued.

Notwithstanding anything herein to the contrary, the funds available to be used to so redeem the Notes shall be limited to funds in respect of the prepayment amount actually received in the Loan Collection Account by the Trust

from the Lender following receipt of the same from the Borrower. To the extent amounts are due and owing and unpaid, there may be an Event of Default under the Credit and Guaranty Agreement.

#### ***Asset Sale Redemption***

The Notes shall be subject to redemption upon the occurrence of any prepayment by the Borrower of amounts outstanding from time to time under the Credit and Guaranty Agreement and the Loan due to the occurrence of an Asset Sale Prepayment Event as further described under “Covenants of the Note Guarantors—Limitation on Asset Dispositions” (an “*Asset Sale Redemption*”).

#### ***Acceleration Redemption***

The Notes will also be subject to mandatory redemption upon the occurrence of any acceleration of amounts due under the Credit and Guaranty Agreement as a result of the occurrence and continuation of an Event of Default under the Credit and Guaranty Agreement.

#### **Change of Control**

The Notes shall be subject to redemption upon the occurrence of any prepayment by the Borrower of amounts outstanding from time to time under the Credit and Guaranty Agreement and the Loan due to the occurrence of a Change of Control Prepayment as set forth under “The Credit and Guaranty Agreement and the Loan—Mandatory Prepayments—Change of Control Payment” (a “*Change of Control Redemption*”).

Pursuant to the terms of the Credit and Guaranty Agreement, upon the occurrence of a Change of Control Prepayment Event, the Borrower shall provide a Change of Control Notice to the Lender and the Administrative Agent (with a copy to the Cayman Trustee) and make an offer to prepay the Loan (the “*Change of Control Offer*”), pursuant to which the Borrower shall be required, if requested by the Lender, to purchase all or a portion of the Loan, in the principal amount as shall be requested by the Lender, at a prepayment price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the prepayment date and any Additional Amounts thereon (the “*Change of Control Payment*”). The actual amount of the Loan to be prepaid will be determined by the Lender acting upon instructions of the Trust, which itself will act upon instructions of the Indenture Trustee based upon the aggregate amount of Notes validly tendered and not validly withdrawn pursuant to the Trust’s Notes Change of Control Offer, as defined below, as certified to the Indenture Trustee by the Trust pursuant to notice received by the Trust from the applicable tender agent for the offer (which may be the Indenture Trustee). See “The Participation Agreement—Administration of the Participation.”

The Borrower and the Trust will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent any such rule, laws and regulations are applicable in connection with the prepayment of all or any part of the Loan and the purchase of all or part of the Notes in connection with a Change of Control Offer, as applicable. To the extent that the provisions of any applicable securities laws or regulations conflict with the Change of Control provisions of the Credit and Guaranty Agreement or the Indenture, the Borrower and the Trust will comply with such securities laws and regulations and will not be deemed to have breached the obligations under the Credit and Guaranty Agreement or the Indenture by doing so.

Other existing and future indebtedness of the Borrower may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that Indebtedness be purchased upon a Change of Control. Moreover, the exercise by the Lender of the right to require the Borrower to repurchase the Loan upon a Change of Control Prepayment Event may cause a default under such indebtedness even if the Change of Control itself does not.

If a Change of Control Offer occurs, the Borrower may not have available funds sufficient to make the Change of Control Payment for the full principal amount of the Loan that might be requested to be repaid by the Lender pursuant to the Change of Control Offer. In the event the Borrower is required to repay the Loan pursuant to a Change of Control Offer, the Borrower expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations and any other obligations it may have. However, we cannot assure you that the Borrower would be able to obtain necessary financing, and the terms of the Indenture may restrict the ability of the Borrower to obtain such financing.



The Lender will not be entitled to require the Borrower to repay the Loan upon a Rating Decline in the event of a takeover, recapitalization, leveraged buyout or similar transaction which is not a Change of Control.

The Borrower will not be required to make a Change of Control Offer upon a Change of Control Prepayment Event if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements, set forth in the Credit and Guaranty Agreement, that are applicable to an Change of Control Offer made by the Borrower and such third party makes the Change of Control Payment or (ii) notice of redemption for the full outstanding principal amount of the Loan has been given pursuant to the Credit and Guaranty Agreement as described above, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, the Borrower may make a Change of Control Offer in advance of a Change of Control and conditioned upon the consummation of such Change of Control and a Rating Decline, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

One of the events that constitutes a Change of Control under the Credit and Guaranty Agreement is the disposition of “all or substantially all” of the assets of the Borrower or the Loan Guarantors taken as a whole under certain circumstances. This term varies based upon the facts and circumstances of the subject transaction and has not been interpreted under New York State law (which is the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in certain circumstances there may be uncertainty in ascertaining whether a particular transaction involved a disposition of “all or substantially all” of the assets of a Person. In the event that the Lender requires the Borrower to repay a portion or all of the Loan and the Borrower contests such demand, there can be no assurance as to how a court interpreting New York State law would interpret that phrase under certain circumstances.

Covenants in the Indenture restricting the ability of the Note Guarantors and their Restricted Subsidiaries to incur additional indebtedness, to grant liens on property, to make restricted payments and to make asset dispositions may also make more difficult or discourage a takeover of a Note Guarantor, whether favored or opposed by its management or its Board of Directors. The consummation of any asset disposition may, in certain circumstances, require redemption or repurchase of the Notes, and the Note Guarantors or the acquiring party may not have sufficient financial resources to effect such redemption or repurchase. In addition, restrictions on transactions with affiliates may, in certain circumstances, make more difficult or discourage any leveraged buyout of any Note Guarantor or any of its Subsidiaries. While these restrictions cover a wide variety of arrangements that have traditionally been used to effect highly leveraged transactions, the Indenture may not afford the holders of the Notes protection in all circumstances from the adverse aspects of a highly leveraged transaction, reorganization, restructuring, merger, recapitalization or similar transaction.

### ***Change of Control Redemption Procedures***

The Borrower will provide a Change of Control Notice to the Trust on the same date it provides such notice to the Lender and the Administrative Agent under the Credit and Guaranty Agreement. Upon the Trust's receipt from the Lender or the Borrower of a Change of Control Notice in accordance with the Credit and Guaranty Agreement, the Trust will deliver a copy of the notice to the Indenture Trustee and promptly (and in no event later than 30 days prior to the Change of Control Payment Date) send (or the Indenture Trustee, in the name of and at the expense of the Trust, upon the Trust providing written instruction to the Indenture Trustee at least 3 Business Days before the notice is to be given to the holders (or such shorter time as is acceptable to the Indenture Trustee) shall give) notice as described in “—Notices” below to each holder of Notes (with a copy to the Indenture Trustee unless the Indenture Trustee sends the notice) offering to purchase (subject to the receipt by the Trust from the Lender of the Change of Control Payment) the Notes on the Change of Control Payment Date at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest up to, but excluding, the date of purchase and any Additional Amounts thereon upon substantially identical terms as and pursuant to the Borrower's Change of Control Offer (the “Notes Change of Control Offer”). In addition to the information contained in the Borrower's Change of Control Notice, the notice of the Notes Change of Control Offer will include instructions and materials necessary to enable holders to tender Notes pursuant to the offer.

The Change of Control Payment Date shall be no earlier than 30 days nor later than 60 days subsequent to the date on which the Notes Change of Control Offer is delivered to holders of the Notes (other than as may be required by applicable law). For the avoidance of doubt, the Change of Control Payment Date under the Credit and Guaranty Agreement and pursuant to the Indenture will be the same date.

Upon a Notes Change of Control Offer, each holder of the Notes will have the right to require that the Trust purchase (subject to the receipt by the Trust from the Lender of the Change of Control Payment) all or a portion of the holder's Notes in integral multiples of US\$1,000; *provided* that the remaining principal amount of such holder's Note will not be less than US\$200,000. Tender of any Notes to be purchased in connection with the Notes Change of Control Offer must be received by the Trust no later than five Business Days preceding the Change of Control Payment Date and may also be withdrawn until the same.

The Trust will provide prompt notice (and in any event no later than four Business Days prior to the Change of Control Payment Date) to the Lender of the aggregate principal amount of Notes validly tendered and not validly withdrawn, and upon notice from the Lender setting forth the aggregate principal amount of the Loan corresponding to the principal amount of the Notes validly tendered and not validly withdrawn, the Borrower will be required to prepay the Loan in the amount of the Change of Control Payment, pursuant to the Credit and Guaranty Agreement.

No later than three Business Days prior to the Change of Control Payment Date, the Trust will deliver to the Indenture Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof to be purchased by the Trust.

On the Change of Control Payment Date, the Trust will, to the extent lawful, accept for payment all Notes or portions thereof validly tendered and not validly withdrawn, make payment or cause payment to be made for such Notes or portions thereof accepted for payment and deliver or cause to be delivered to the Indenture Trustee the Notes so accepted, and the Trust shall instruct the Indenture Trustee to cancel such Notes in accordance with its applicable procedures.

The Trust will not be required to make a Notes Change of Control Offer if a third party makes a Notes Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements, set forth in the Indenture, that are applicable to a Notes Change of Control Offer made by the Trust and such third party purchases all Notes properly tendered and not withdrawn under the Notes Change of Control Offer.

### **Acceptance of the Loan by the Trustee**

Under the Loan, the Lender has reserved the right to assign all of its rights under the Credit and Guaranty Agreement and the Loan outright without the consent of the Borrower to the Trust upon the occurrence of a Default or an Event of Default on the Loan and in certain other instances as set forth in "The Credit and Guaranty Agreement and the Loan—Assignments," in which event, after giving Borrower notice of the same, the Lender will have no further obligations with respect to any of the foregoing. See "The Credit and Guaranty Agreement and the Loan—Assignments." In such event, the Trust will succeed to all rights of the Lender under the Credit and Guaranty Agreement and the Loan. In the event that the Trust succeeds to all rights of the Lender under the foregoing, the Indenture Trustee, acting pursuant to the written instructions of the Required Holders, shall have the right to direct the Trust with respect to all matters relating to the Credit and Guaranty Agreement and the Loan as contemplated below under "—Voting Rights."

To facilitate the assignment and distribution of the Credit and Guaranty Agreement, the Loan and the Expense Reimbursement and Indemnity Agreement to the Trust and by the Trust to the Indenture Trustee on behalf of the holders of the Notes, each holder of the Notes will be deemed, by its purchase of a Note, to consent to any subsequent assignment to the Trust of all or any portion of the Credit and Guaranty Agreement, the Loan and the Expense Reimbursement and Indemnity Agreement to, or for the benefit of, such holder of the Notes. See "Notice to Investors" for the representations that each holder of the Notes will make as an assignee pursuant to such form of assignment and acceptance.

### **Voting Rights**

#### ***General***

The holders of the Notes will have the right (unless otherwise specifically provided in the Indenture) to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or vote or direct the exercise of any trust or power conferred upon the Indenture Trustee under the Indenture, subject to the requirements that an opinion of a United States nationally recognized outside tax counsel experienced in such matters to the effect that following such action, the Trust will not be classified as an association (or a publicly traded

partnership) taxable as a corporation for U.S. federal income tax purposes. Unless otherwise specified in the Indenture, all action to be taken by the holders of the Notes shall require the consent of the Required Holders. For purposes of determining whether the holders of the Notes have taken any action authorized by the Indenture with respect to giving instructions, consents or approvals, or with respect to any other matter, any Notes actually known by a responsible officer of the Indenture Trustee to be directly or indirectly owned by the Note Guarantors or any of their respective Affiliates, will be disregarded and not deemed to be outstanding.

#### ***Voting Rights With Respect to the Participation***

Promptly upon receipt by the Trust of written notice from the Lender, the Administrative Agent on behalf of the Lender or the Borrower of any action upon which the Trust is entitled to exercise a right or remedy under the Credit and Guaranty Agreement or the Loan pursuant to the Participation Agreement, the Trust will send written notification to the Indenture Trustee, and the Indenture Trustee will within ten Business Days of the receipt of such notice from the Trust thereupon send to each holder of the Notes, a copy of such notice that will contain (i) a statement that the holders of the Notes at the close of business on a specified record date will be entitled, subject to any applicable provision of law or of the Indenture, to direct the Trust (and, indirectly, the Lender) as to the exercise of such right or remedy and (ii) a brief statement as to the manner in which such specific directions may be given. Any notice that is given in the manner provided in the Indenture to a holder of the Notes will be conclusively presumed to have been duly given, whether or not the holder of the Notes receives such notice.

With respect to the exercise of any right or remedy under the Credit and Guaranty Agreement or the Loan that requires the consent of the Lender, upon receipt by the Trust of specific written direction from the Required Holders or the Indenture Trustee acting on behalf of and at the direction of the Required Holders (or such other percentage of holders of Outstanding Notes as may be permitted or required pursuant to the terms of the Indenture) approving the exercise of such right or remedy, the Trust will promptly notify the Lender that it consents to such exercise and, to the extent necessary, the Lender shall so inform the Borrower subject to such limitations on the obligation of the Lender to take action, or refrain from taking action, as are specified in “The Participation Agreement—Administration of the Participation.”

The Indenture Trustee and the Trust will not take any such action in accordance with the directions of the holders of the Notes unless the Trust has obtained an opinion of a United States nationally recognized outside tax counsel experienced in such matters to the effect that such action will not result in the Trust being classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

#### **Modification of the Credit and Guaranty Agreement and the Transaction Documents**

##### ***Amendment with Consent of Holders***

The Lender, or the Administrative Agent on behalf of the Lender, will provide written notice to the Trust and the Trust will provide written notice to the Indenture Trustee promptly of any and all matters relating to the Transaction Documents, including any request by the Borrower for amendment, waiver or consent or any other affirmative action with respect to the Borrower and the Transaction Documents and at least fifteen Business Days prior to effectiveness of any such amendment, waiver or consent. Notwithstanding anything to the contrary therein, the Lender shall not agree to any modification of the terms of the Transaction Documents to which it is a party without having first received directions from the Trust, acting upon and as a result of the pledge described herein and the directions of the Indenture Trustee, acting upon the written instructions of the Required Holders, except as set forth below and under “—Amendments to Transaction Documents without Consent of Holders.”

However, no modification of any Transaction Documents may be made, without the consent or without the direction of the holder of each outstanding Note that would or, whose effect would be to:

- change the maturity of any payment of principal of or any installment of interest on any Note;
- reduce the principal amount or the rate of interest, or change the method of computing the amount of principal, interest or Additional Amounts, or any premium payable upon the redemption thereof or repurchase thereof pursuant to a Notes Change of Control Offer, payable under any Transaction Document on any date;

- change any place of payment where the principal of or interest under any Transaction Document is payable;
- change the coin or currency in which the principal of or interest under any Transaction Document is payable;
- impair the right of the holders of the Notes to institute suit for the enforcement of any payment on or after the date due;
- release the security interest in the Trust Assets created under the Indenture or waive any of the payment obligations of the Trust that would otherwise be payable to the holders of the Notes;
- following the delivery of notice to the holders of the Notes by the Trust (or the Indenture Trustee on behalf of the Trust) of any Notes Change of Control Offer or Notes Asset Sale Offer, modify any such offer in a manner adverse to the noteholders;
- reduce the percentage in principal amount of the outstanding Notes, the consent of whose holders is required for any modification or the consent of whose holders is required for any waiver of compliance with certain provisions of the Indenture; or
- modify any of the provisions of certain sections of the Indenture except to increase any percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of each holder of the Notes.

Following the receipt of the consent of the holder of each outstanding Note to any of the above, the Trust may amend the Transaction Documents to which it is a party and the Borrower may amend the Credit and Guaranty Agreement subject to the procedures described above.

“*Transaction Documents*” means the Notes, the Note Guarantees the Indenture, the Credit and Guaranty Agreement, the Promissory Note, the Participation Agreement and the Expense Reimbursement and Indemnity Agreement.

#### ***Amendments to Transaction Documents without Consent of Holders***

Notwithstanding the foregoing, the Borrower, the Lender, the Trust and the Indenture Trustee are permitted to amend or modify any Transaction Document without the direction of the holders of the Notes (i) to cure any ambiguity; (ii) to correct or supplement any provision in the Indenture, Credit and Guaranty Agreement and the Additional Transaction Documents or in any amendment thereto that may be defective or inconsistent with any other provision of the Transaction Documents or in any amendment to the Transaction Documents; (iii) to conform to any change in the Investment Company Act or securities law or any change in interpretation or application of the rules and regulations promulgated thereunder by any legislative body, court, government agency or regulatory authority; (iv) to modify, eliminate or add to any provisions of the Transaction Documents to such extent as shall be necessary to ensure that the Trust will not be classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes; (v) to modify, eliminate and add to any provision of the Transaction Documents to such extent as may be necessary or desirable; *provided* that such amendments do not have an adverse effect on the rights, preferences or privileges of the Trust and, to the extent applicable, the Indenture Trustee and the holders of the Notes under the Transaction Documents; (vi) to conform any Transaction Document to this “Description of the Notes and the Note Guarantees,” “The Credit and Guaranty Agreement and the Loan”, “The Participation Agreement” or “The Trust” or (vii) to make such other provisions in regard to matters or questions arising under the Transaction Documents as the Trust and, to the extent applicable, the Indenture Trustee and the holders of the Notes may deem necessary or desirable and which will not adversely affect the interests of the Trust and, to the extent applicable, the Indenture Trustee and the holders of the Notes thereunder.

Notwithstanding the foregoing, the Trust has agreed in the Indenture that it will not amend or waive or instruct the Lender to amend or waive any provision of the Credit and Guaranty Agreement or any Additional Transaction Document unless it has obtained an opinion of a United States nationally recognized outside tax counsel experienced in such matters to the effect that following such amendment, the Trust will not be classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

Prior to the execution of any amendment to any Transaction Document, the Trust and the Indenture Trustee will be entitled to receive an opinion of counsel as to whether such amendment is permitted by, and conforms to the requirements of, the Indenture or such other additional Transaction Document, as applicable, and any conditions precedent to such amendment shall have been satisfied and that such amendment is legal, valid and binding obligation of the Trust and/or the Borrower, as applicable, enforceable against it in accordance with its terms.

As long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Trust, or any person acting on behalf of the Trust, will notify the Luxembourg Stock Exchange of any modification or supplement to the Indenture.

### **Limitations on Remedies**

The obligations of the Trust under the Notes and the Indenture are, from time to time and at any time, limited recourse obligations of the Cayman Trustee, payable solely from the Trust Assets at such time. The Trust will not sell or otherwise dispose of the Participation without the consent of all of the holders of the Notes and payment of all amounts owing to the Indenture Trustee and agents appointed pursuant to the Indenture. Following realization or collection of the Trust Assets and application of proceeds thereof in accordance with the terms of the Indenture to the payment of the Notes, none of the holders of the Notes, the Indenture Trustee, the Trust (including the Cayman Trustee), the Lender or any of the other parties to the Additional Transaction Documents will be entitled to take any further action to recover any sums due but remaining unpaid with respect to the Notes and all claims in respect of which will be extinguished and shall not thereafter revive.

### **No Personal Liability**

The Trust will represent and warrant in the Indenture that the Trust is the legal owner of the Participation and other Trust Assets free and clear of all liens and the Trust (including the Cayman Trustee) has not made any other representation or warranty of any kind (other than in the Transaction Documents and/or Additional Transaction Documents) and neither the Trust nor the Indenture Trustee will assume responsibility with respect to (i) any statements, representations or warranties made by the Borrower in or in connection with the Credit and Guaranty Agreement, the Loan and the Expense Reimbursement and Indemnity Agreement or this offering memorandum, including the accuracy or completeness of the information set forth herein or in any other document used in connection therewith or herewith, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of any of the Credit and Guaranty Agreement and the Loan, (iii) the financial condition of the Borrower and any other Note Guarantor or any of its Subsidiaries or affiliates or any other person for the performance or observance by any such person of any of its obligations under any of the Additional Transaction Documents entered into in connection with the issuance of the Notes or the making of the Loan or any instrument or document furnished pursuant thereto, or (iv) legality of the sale of the Notes for the effects of such sale.

In addition, there will be no recourse for the payment of any amount owing in respect of the Notes against any trustee, officer, director, authorized signatory, employee or shareholder of the holders of the Notes, the Indenture Trustee, the Cayman Trustee, the Lender, the Administrative Agent, the Initial Purchasers, or any of their respective Affiliates, any of their respective directors, officers, employees, agents or representatives, or any of their successors or assigns for any amounts payable under the Notes or the Indenture. Each holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Neither the Cayman Trustee (other than in its capacity as trustee and subject to the limited recourse provisions described herein) or the Indenture Trustee nor any successor trustee will be personally liable under any circumstances, except for its own willful misconduct or gross negligence (as conclusively determined by a court of competent jurisdiction).

### **Tax Reimbursement Payments**

The Trust will comply with all applicable withholding tax requirements (including, without limitation, any United States backup withholding tax requirements). The Trust will file (or cause to be filed) any required forms with all applicable tax authorities and, unless an exemption from withholding and backup withholding tax is properly established by a holder of the Notes, will remit amounts withheld with respect to the holder of the Notes to the applicable tax authorities. Under the Participation Agreement and Expense Reimbursement and Indemnity Agreement, subject to certain exceptions, the Trust shall hold payments of certain additional amounts in respect of any such taxes in an amount sufficient to provide the holders of the Notes with aggregate amounts equal to the

amounts that such holders would have received had no such tax been imposed. The Trust will provide required notifications under the terms of the Indenture that such reimbursement amounts are payable and promptly upon receipt thereof, will cause such reimbursement amounts to be paid over to holders of the Notes in the manner described above.

### **Covenants of the Note Guarantors**

The Indenture will contain the covenants, among others, described below with respect to the Note Guarantors.

#### ***Limitation on Debt***

The Parent Note Guarantors may not, and may not permit any of their respective Restricted Subsidiaries to, Incur any Debt, unless the Leverage Ratio for the most recently completed fiscal quarter for which financial statements are available would be less than 4.0 to 1.

Notwithstanding the foregoing limitation, the following Debt ("*Permitted Debt*") may be Incurred:

- (i) any direct or indirect obligations owed in connection with the payment obligations on the Loan, Loan Guarantees, and the Note Guarantees, excluding any Loan Guarantees of additional amounts issued under the Loan Agreement or Note Guarantees of additional Notes;
- (ii) Debt (other than Debt described in another clause of this paragraph) outstanding, committed or mandated on the date of the Indenture;
- (iii) Debt owed by any of the Note Guarantors to any other of the Note Guarantors or any of the Restricted Subsidiaries or Debt owed by any of the Restricted Subsidiaries to any of the Note Guarantors or any other of the Restricted Subsidiaries; *provided, however*, that upon either (1) the transfer or other disposition by such Note Guarantor or such Restricted Subsidiary of any Debt so permitted to a Person other than a Note Guarantor or a Restricted Subsidiary or (2) such Restricted Subsidiary ceasing to be a Restricted Subsidiary, the provisions of this clause (iii) shall no longer be applicable to such Debt and such Debt shall be deemed to have been Incurred at the time of such transfer or other disposition;
- (iv) Acquired Debt;
- (v) Debt consisting of Permitted Interest Rate, Currency or Commodity Price Agreements;
- (vi) Debt of any Note Guarantor Incurred in exchange for or the proceeds of which are used to refinance or refund or replace, or any extension or renewal of (including, in each case, successive refinancings, extensions and renewals), outstanding Debt of any Note Guarantor or any Restricted Subsidiary and (b) Debt of any Restricted Subsidiary Incurred in exchange for or the proceeds of which are used to refinance or refund or replace, or any extension or renewal of (including, in each case, successive refinancings, extensions and renewals), outstanding Debt of any Restricted Subsidiary (each of the foregoing, a "*refinancing*"), in an aggregate principal amount not to exceed the principal amount of the Debt so refinanced plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Debt so refinanced or the amount of any premium reasonably determined by the issuer thereof as necessary to accomplish such refinancing by means of a tender offer or privately negotiated repurchase, plus the fees and expenses (including premiums and defeasance costs) of the issuer thereof reasonably incurred in connection with such refinancing; *provided, however*, that (A) (x) in the case of any refinancing of the Notes or Debt which is *pari passu* to the Notes, the refinancing Debt is made *pari passu* to the Notes or subordinated to the Notes, and (y) in the case of any refinancing of Debt which is subordinated to the Notes, the refinancing Debt is so subordinated at least to the same extent; and (B) the refinancing Debt by its terms, or by the terms of any agreement or instrument pursuant to which such Debt is issued, (1) has a Weighted Average Life to Maturity longer than the Weighted Average Life to Maturity of the Debt being refinanced and (2) has a final maturity that is no earlier than the final maturity of the Debt being refinanced;
- (vii) Debt of any Note Guarantor or any Restricted Subsidiary represented by letters of credit in order to provide security for workers' compensation claims, health, disability or other employee benefits,

payment obligations in connection with self-insurance or similar requirements of the Note Guarantors or any Restricted Subsidiary in the ordinary course of business;

- (viii) customary indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any assets of any Note Guarantor or any Restricted Subsidiary, and earn-out provisions or contingent payments in respect of purchase price or adjustment of purchase price or similar obligations in acquisition agreements other than Guarantees of Debt incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of each such Incurrence of such Debt will at no time exceed the gross proceeds actually received by s Note Guarantor or Restricted Subsidiary in connection with the related disposition;
- (ix) obligations in connection with bid proposals or applications for telecommunications spectrum licenses, telecommunications usufruct rights or other licenses, in the ordinary course of business and not related to Debt for borrowed money and (b) obligations in respect of bid, performance, completion, guarantee, surety and similar bonds, including guarantees or obligations of any Note Guarantor or Restricted Subsidiary with respect to letters of credit supporting such obligations, in the ordinary course of business and not related to Debt for borrowed money;
- (x) Debt of any Note Guarantor or Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument including, but not limited to, electronic transfers, wire transfers, netting services and commercial card payments, drawn against insufficient funds; *provided* that such Debt is extinguished within five Business Days of Incurrence;
- (xi) Debt of any Note Guarantor or any Restricted Subsidiary, including but not limited to obligations under Capital Lease Obligations, mortgage financings or purchase money obligations, Incurred on or after the Issue Date no later than 180 days after the date of purchase or completion of construction or improvement of property, plant or equipment or other assets, whether through direct purchase of or the Capital Stock of any Person owning such property, plant or equipment or other assets, for the purpose of financing all or any part of the purchase price or cost of construction or improvement; *provided* that the principal amount of any Debt Incurred pursuant to this clause at any time outstanding may not exceed the greater of (a) US\$30.0 million (or the equivalent in other currencies) or (b) 3.0% of the Note Guarantors' Combined Net Tangible Assets, less the aggregate outstanding amount of Debt Incurred pursuant to clause (vi) to refinance Debt Incurred pursuant to this clause; and
- (xii) Debt not otherwise permitted to be Incurred pursuant to clauses (i) through (xi) above, which, together with any other outstanding Debt Incurred pursuant to this clause (xii), has an aggregate principal amount at any time outstanding not in excess of US\$75 million.

For the purposes of determining compliance with this covenant, in the event that an item of Debt meets the criteria of more than one of the types of Permitted Debt or is entitled to be Incurred pursuant to the first sentence of “—Limitation on Debt,” the Note Guarantors in their sole discretion may classify and from time to time reclassify such item of Debt or any portion thereof and only be required to include the amount of such Debt as one of such types.

For the purposes of determining compliance with any covenant in the Indenture or whether an Event of Default has occurred, in each case, where Debt is denominated in a currency other than U.S. dollars, the amount of such Debt will be the U.S. Dollar Equivalent determined on the date of such Incurrence; *provided, however*, that if any such Debt that is denominated in a different currency is subject to an Interest Rate, Currency or Commodity Price Agreement with respect to U.S. dollars covering principal and premium, if any, payable on such Debt, the amount of such Debt expressed in U.S. dollars will be adjusted to take into account the effect of such an agreement.

### **Limitation on Restricted Payments**

The Parent Note Guarantors may not, and may not permit any of their respective Restricted Subsidiaries to, directly or indirectly,

- (i) declare or pay any dividend or make any distribution in respect of the Parent Note Guarantors' or their respective Restricted Subsidiaries' Capital Stock, excluding (a) any dividends or distributions by the Parent Note Guarantors or the Restricted Subsidiaries payable solely in shares of any Parent Note Guarantor's or Restricted Subsidiary's Capital Stock (other than Redeemable Stock) or in options, warrants or other rights to acquire any Parent Note Guarantor's Capital Stock (other than Redeemable Stock) and (b) any dividends or distributions payable to the Parent Note Guarantors or any of their Restricted Subsidiaries (and, if such Restricted Subsidiary has shareholders other than the Parent Note Guarantors or any Subsidiary of the Parent Note Guarantors, to its other shareholders on a pro rata basis (or on less than a pro rata basis to such shareholders));
- (ii) purchase, redeem, or otherwise acquire or retire for value (a) any of a Parent Note Guarantor's or Restricted Subsidiary's Capital Stock or (b) any options, warrants or other rights to acquire shares of a Parent Note Guarantor's or Restricted Subsidiary's Capital Stock (in respect of (a) and (b) above, in each case, other than (x) from a Parent Note Guarantor or any Restricted Subsidiary and (y) any such acquisition of the shares or rights to acquire shares of a Restricted Subsidiary by a Parent Note Guarantor or another Restricted Subsidiary);
- (iii) redeem, repurchase, defease or otherwise acquire or retire for value prior to any scheduled maturity, repayment or sinking fund payment the Parent Note Guarantor's Debt which is subordinate in right of payment to the Notes (other than any direct or indirect obligations by the Parent Note Guarantors for the sole purpose of effectuating payments on the Notes); or
- (iv) make any Investment, other than Permitted Investments;

(each of clauses (i) through (iv) being a "Restricted Payment")

if:

- (1) a Default or an Event of Default shall have occurred and is continuing or would result from such Restricted Payment; or
- (2) after giving pro forma effect to such Restricted Payment as if such Restricted Payment had been made at the beginning of the applicable fiscal quarter period, the Parent Note Guarantors could not Incur at least US\$1.00 of additional Debt pursuant to the first paragraph of "—Limitation on Debt"; or
- (3) upon giving effect to such Restricted Payment, the aggregate of all Restricted Payments from the date of the Indenture exceeds the sum of
  - (i) the difference of (x) 100% of cumulative combined EBITDA from January 1, 2013 through the last day of the last full fiscal quarter ended immediately prior to the date of such Restricted Payment for which the Parent Note Guarantors' quarterly or annual financial statements are available minus (y) the product of 1.5 times cumulative Combined Interest Expense from January 1, 2013 through the last day of the last full fiscal quarter ended immediately prior to such Restricted Payment for which the Parent Note Guarantors quarterly or annual financial statements are available; plus
  - (ii) the net reduction in the Parent Note Guarantors' Investments in any Unrestricted Subsidiary resulting from payments of interest on Debt, dividends, return of capital, repayments of loans or advances, or other transfers of assets, in each case to the Parent Note Guarantors or any of their respective Restricted Subsidiaries from such Unrestricted Subsidiary or from re-designations of Unrestricted Subsidiaries as Restricted Subsidiaries; provided that the amount included in clause (ii) shall not exceed the amount of Investments previously made by the Parent Note Guarantors and the Restricted Subsidiaries in such Unrestricted Subsidiary; plus
  - (iii) the cash return, after the Issue Date, on any other Investment made after the Issue Date pursuant to this paragraph, as a result of any sale for cash, repayment, redemption, liquidating distribution or other cash realization (not included in Combined Net Income), not to exceed the amount of such Investment so made; plus



- (iv) an amount not to exceed the sum of the aggregate net proceeds received by the Parent Note Guarantors after the date of the Indenture, including the fair market value of property other than cash (determined in good faith by the Parent Note Guarantor's Board of Directors as evidenced by a resolution of the Board of Directors filed with the Indenture Trustee), from contributions of capital or the issuance and sale (other than to any of the Parent Note Guarantors or Restricted Subsidiaries) of any of the Parent Note Guarantor's Capital Stock (other than Redeemable Stock), options, warrants or other rights to acquire any of the Parent Note Guarantor's Capital Stock (other than Redeemable Stock) or any Parent Note Guarantor's Debt or Debt of any of its Restricted Subsidiaries that has been converted into or exchanged for such Parent Note Guarantor's Capital Stock (other than Redeemable Stock and other than by or from any of the Parent Note Guarantors' Restricted Subsidiaries) after the date of the Indenture; provided that any such net proceeds received by the Parent Note Guarantors from an employee stock ownership plan financed by loans from any Parent Note Guarantor or any of its respective Subsidiaries shall be included only to the extent such loans have been repaid with cash on or prior to the date of determination; excluding, in each case any net proceeds applied in accordance with clause (E) of the second paragraph of this covenant; minus
- (v) any Note Guarantors or their respective Subsidiaries' deposits withdrawn and acquired by the depository institution (and not returned to the Note Guarantors or one of their Subsidiaries) as the result of any netting or set-off arrangement entered into by the Note Guarantors or any of their Subsidiaries (except to the extent such deposits are used to satisfy obligations solely of the Note Guarantors or their Subsidiaries).

Notwithstanding the foregoing,

- (A) the Parent Note Guarantors may pay any dividend on Capital Stock of any class within 60 days after the declaration thereof if, on the date when the dividend was declared, the Parent Note Guarantors could have paid such dividend in accordance with the foregoing provision;
- (B) any of the Note Guarantors and any of the Restricted Subsidiaries may refinance any Debt otherwise as permitted by clause (vi) of the second paragraph under "—Limitation on Debt" above or in exchange for or out of the net proceeds of the substantially concurrent sale (other than from or to any of the Note Guarantors or Restricted Subsidiaries or from or to an employee stock ownership plan financed by loans from any of the Note Guarantors or any of the Restricted Subsidiaries) of shares of any of the Note Guarantors' Capital Stock (other than Redeemable Stock), *provided* that the amount of net proceeds from such exchange or sale shall be excluded from the calculation of the amount available for Restricted Payments pursuant to clause (3) above;
- (C) any of the Note Guarantors and any of the Restricted Subsidiaries may purchase, redeem, acquire or retire any shares of its Capital Stock solely in exchange for or out of the net proceeds of (i) the substantially concurrent sale (other than from or to any of the Note Guarantors or Restricted Subsidiaries or from or to an employee stock ownership plan financed by loans from any of the Note Guarantors or any of the Restricted Subsidiaries) of shares of any of the Note Guarantors' Capital Stock (other than Redeemable Stock) or (ii) an Asset Disposition to the extent of the funds remaining as referred to in clause (3)(ii) of "Limitation on Asset Dispositions," *provided* that the amount of net proceeds from such exchange or sale shall be excluded from the calculation of the amount available for Restricted Payments pursuant to clause (3) above;
- (D) the Note Guarantors and any of the Restricted Subsidiaries may make loans to employees in connection with such employees' exercise of options to purchase Capital Stock or otherwise in the ordinary course of business;
- (E) the Note Guarantors may make any Restricted Payment through the application of the net proceeds received by the Parent Note Guarantors after the date of the Indenture, including the fair market value of property other than cash (determined in good faith by the Note Guarantor's Board of Directors as evidenced by a resolution of the Board of Directors filed with the Indenture Trustee), from a substantially concurrent contribution of capital or issuance and sale (other than to any of the Note Guarantors or Restricted Subsidiaries) of any of the Parent Note Guarantor's Capital Stock (other than Redeemable Stock), options, warrants or other rights to acquire any of the Parent Note Guarantor's

Capital Stock (other than Redeemable Stock) or any of the Parent Note Guarantor's Debt or Debt of any of its Restricted Subsidiaries that has been converted into or exchanged for such Parent Note Guarantor's Capital Stock (other than Redeemable Stock and other than by or from any of the Parent Note Guarantors' Restricted Subsidiaries) after the date of the Indenture; *provided* that any such net proceeds received by the Parent Note Guarantors from an employee stock ownership plan financed by loans from any Parent Note Guarantor or any of its respective Subsidiaries shall be included only to the extent such loans have been repaid with cash on or prior to the date of determination; *provided further* that the amount of any such net proceeds will be excluded from clause (3)(iii) of the first paragraph of this covenant (and were not included therein at any time);

- (F) the making or facilitation of a loan to the holders of Capital Stock of the Borrower or other Parent Note Guarantors, in each case from the proceeds of the incurrence of the Loan as described under "Use of Proceeds"; provided such loan shall be paid or made or facilitated within 180 days of the Issue Date; and (ii) if such loan is repaid in whole or in part, from time to time, the subsequent declaration and payment of a dividend or other distribution in respect of the Capital Stock of the Borrower or other Parent Note Guarantors in an amount equal to the amount of the loan that has been so repaid; and
- (G) Restricted Payments not otherwise permitted hereby in an aggregate amount not to exceed US\$25.0 million (or the equivalent in other currencies).

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expensed pursuant to clauses (A) or (D) of this paragraph will be included in such calculation and amounts expended pursuant to clauses (B), (C), (E), (F) or (G) of this paragraph will not be included in such calculation.

***Limitation on Dividend and Other Payment Restrictions Affecting the Parent Note Guarantors and Restricted Subsidiaries***

The Parent Note Guarantors may not, and may not permit any of their respective Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any such Parent Note Guarantor or Restricted Subsidiary

- (i) to pay dividends (in cash or otherwise) or make any other distributions in respect of its Capital Stock to the Parent Note Guarantors or any other Restricted Subsidiary or pay any Debt or other obligation owed to the Parent Note Guarantors or any other such Restricted Subsidiary;
- (ii) to make loans or advances to the Parent Note Guarantors or any other Restricted Subsidiary; or
- (iii) to transfer any of its property or assets to the Parent Note Guarantors or any other Restricted Subsidiary.

Notwithstanding the foregoing, the Parent Note Guarantors may, and may permit any of their respective Restricted Subsidiaries to, suffer to exist any such encumbrance or restriction

- (1) Pursuant to the Credit and Guaranty Agreement, the Indenture and the Note Guarantees;
- (2) pursuant to any agreement in effect on the date of the Indenture;
- (3) pursuant to an agreement relating to any Debt Incurred by a Person prior to the date on which such Person became such a Restricted Subsidiary and outstanding on such date and not Incurred in anticipation of becoming such a Restricted Subsidiary which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person so acquired;
- (4) pursuant to an agreement by which the Parent Note Guarantors or a Restricted Subsidiary obtains financing; *provided* that (x) such restriction is not materially more restrictive than customary provisions in comparable financing agreements and (y) the Parent Note Guarantors' management determines that at the time such agreement is entered into such restriction will not materially impair the Parent Note Guarantors' ability to make payments on the Loan and the Notes;

- (5) pursuant to an agreement effecting a renewal, refunding or extension of Debt Incurred pursuant to an agreement referred to in clause (1), (2), (3) or (4) above; *provided, however*, that the provisions contained in such renewal, refunding or extension agreement relating to such encumbrance or restriction are no more restrictive in any material respect than the provisions contained in the agreement the subject thereof, as determined in good faith by the Parent Note Guarantors' management;
- (6) in the case of clause (iii) above, restrictions contained in any security agreement (including a capital lease) securing Debt of any of the Parent Note Guarantors' Restricted Subsidiaries otherwise permitted under the Indenture, but only to the extent such restrictions restrict the transfer of the property subject to such security agreement;
- (7) in the case of clause (iii) above, customary nonassignment provisions entered into in the ordinary course of business in leases to the extent such provisions restrict the transfer or subletting of any such lease;
- (8) pursuant to customary restrictions contained in asset sale agreements limiting the transfer of property subject to such agreements pending the closing of such sales or pursuant to customary restrictions in share purchase agreements otherwise permitted under the Indenture for the sale of Subsidiaries on such sold Subsidiaries;
- (9) customary restrictions pursuant to joint venture agreements or similar documents that restrict the transfer of ownership interests in or the payment of dividends or distributions from such joint venture or similar Person or agreements entered into in the ordinary course of business; *provided further* that the Parent Note Guarantor's respective Board of Directors determines that, at the time such encumbrance or restriction arises or is agreed to, it will not materially impair such Parent Note Guarantor's ability to make payments on the Notes; or
- (10) if such encumbrance or restriction is the result of applicable law or regulation.

#### ***Limitation on Sale and Leaseback Transactions***

The Parent Note Guarantors shall not, and shall not permit any of their respective Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction with respect to any of its assets or property unless:

- (i) such Parent Note Guarantor or such Restricted Subsidiary would be entitled to: (a) Incur Debt in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction pursuant to the first paragraph of "—Limitation on Debt," and (b) create a Lien on such assets or property securing such Attributable Debt without also securing the Notes pursuant to "—Limitation on Liens," and
- (ii) such Sale and Leaseback Transaction is effected in compliance with the covenant described under "—Limitation on Asset Dispositions."

#### ***Limitation on Liens***

The Parent Note Guarantors shall not, and shall not permit any of their respective Restricted Subsidiaries to, Incur or suffer to exist any Lien (other than Permitted Liens) on or with respect to any property or assets now owned or hereafter acquired to secure any Debt unless the Loan, the Loan Guarantees and the Note Guarantees are equally and ratably secured by such Lien; *provided* that, if the Debt secured by such Lien is subordinate or junior in right of payment to the Loan, the Loan Guarantees and the Note Guarantees, then the Lien securing such Debt shall be subordinate or junior in priority to the Lien securing the Loan, the Loan Guarantees and the Note Guarantees.

#### ***Limitation on Guarantees of the Note Guarantors' Subordinated Debt***

The Parent Note Guarantors may not permit any of their Restricted Subsidiaries, directly or indirectly, to assume, Guarantee or in any other manner become liable with respect to any of the Note Guarantors' Debt that is expressly by its terms subordinate or junior in right of payment to any other Debt of a Note Guarantor.

### ***Limitation on Asset Dispositions***

Each of the Parent Note Guarantors may not, and may not permit any of its Restricted Subsidiaries to, make any Asset Disposition in one or more related transactions unless:

1. such Parent Note Guarantor or Restricted Subsidiary, as the case may be, receives consideration for such disposition at least equal to the fair market value for the assets sold or disposed of as determined by its Board of Directors in good faith and, in the case of any Asset Disposition in excess of US\$40.0 million, evidenced by a Board Resolution filed with the Indenture Trustee;
2. at least 75% of the consideration for such disposition consists of (a) cash or readily marketable cash equivalents or the assumption of such Parent Note Guarantor's or Restricted Subsidiary's Debt or other liabilities (other than Debt or liabilities that are subordinated to the Loan or the Notes) or Debt or other liabilities of such Restricted Subsidiary relating to such assets and, in each case, such Parent Note Guarantor or the Restricted Subsidiary, as applicable, is released from all liability on the Debt assumed or (b) Related Assets, or any combination thereof; and
3. the Net Available Proceeds from such disposition, less any amounts invested within 360 days of such disposition in a Related Business or committed to such investment (such amount, "*Excess Proceeds*"), shall be applied (i) first, at such Parent Note Guarantor's option, to purchase, prepay, repay or reduce any Note Guarantor's Debt that is secured or is *pari passu* with the Notes or Debt of any Restricted Subsidiary that is not a Note Guarantor or for the Borrower to make an Asset Sale Offer to the Lender pursuant to the terms of the Credit and Guaranty Agreement as set forth in "The Credit and Guaranty Agreement and the Loan—Mandatory Prepayments—Asset Sale Prepayment," and (ii) second, to the extent of any such funds remaining, to any other use as determined by such Parent Note Guarantor which is not otherwise prohibited by the Indenture.

For purposes of this paragraph, any securities, notes or other obligations received by such Parent Note Guarantor or any such Restricted Subsidiary from such transferee that are promptly converted by the recipient thereof into cash, Cash Equivalents or readily marketable securities (to the extent of the cash, Cash Equivalents or readily marketable securities received in that conversion), shall be deemed cash.

Notwithstanding the foregoing, the Borrower will not be required to make an Asset Sale Offer to repay the Loan pursuant to the requirements described above if the funds available for such use in respect of an Asset Disposition, together with the funds available for such use in respect of all prior Asset Dispositions in the same fiscal year, which were not so used pursuant to the provisions described in this paragraph, are less than US\$30.0 million.

Pursuant to the terms of the Credit and Guaranty Agreement, upon the determination of the Borrower to make an offer to the Lender to prepay all or a portion of the principal amount of the Credit and Guaranty Agreement, the Borrower shall provide an Asset Sale Notice and make an offer to prepay the Loan in a principal amount up to the Asset Sale Prepayment Amount (the "*Asset Sale Offer*"), pursuant to which the Borrower shall be required, if requested by the Lender (for the avoidance of doubt, as instructed by the Trust, who shall be instructed by the Indenture Trustee at the instruction of the Required Holders), to purchase up to the Asset Sale Prepayment Amount in principal amount of the Loan at a prepayment price equal to 100% of the principal amount of the Loan being prepaid, plus accrued and unpaid interest thereon to but excluding the prepayment date and any Additional Amounts thereon.

Upon the Trust's receipt from the Lender or the Borrower of an Asset Sale Notice in accordance with the Credit and Guaranty Agreement, the Trust shall give a copy of the notice to the Indenture Trustee and promptly (and in no event later than 30 days prior to the Asset Sale Payment Date) give (or the Indenture Trustee, in the name of and at the expense of the Trust, upon the Trust providing written instruction to the Indenture Trustee at least 3 Business Days before the notice is to be given to the holders (or such shorter time as is acceptable to the Indenture Trustee) shall give) notice as described in "—Notices" below to each holder of Notes (with a copy to the Indenture Trustee unless the Indenture Trustee gives the notice) offering to purchase the Notes pursuant to the Borrower's Asset Sale Offer (the "*Notes Asset Sale Offer*"). In addition to the information contained in the Borrower's Asset Sale Notice, the Notes Asset Sale Offer will include instructions and materials necessary to enable holders to tender Notes pursuant to the offer.

The Asset Sale Payment Date shall be a Business Day no earlier than 30 days nor later than 60 days subsequent to the date on which the Notes Asset Sale Offer is delivered to holders of the Notes (other than as may be required by applicable law).

Upon a Notes Asset Sale Offer, each holder of the Notes will have the option to tender to the Trust all or a portion of the holder's Notes in integral multiples of US\$1,000; *provided* that the remaining principal amount of such holder's Note will not be less than US\$200,000. Tender of any Notes to be purchased in connection with the Notes Asset Sale Offer must be received by the Trust no later than five Business Days preceding the Asset Sale Payment Date and may also be withdrawn until the same.

The Trust will provide prompt notice to the Lender of the aggregate principal amount of Notes validly tendered, and upon notice from the Lender setting forth the aggregate principal amount of the Loan corresponding to the principal amount of the Notes validly tendered, the Borrower will be required to prepay such aggregate principal amount of the Loan, plus accrued and unpaid interest to but excluding the prepayment date and any Additional Amounts in an amount up to the Asset Sale Prepayment Amount.

To the extent that holders of Notes and holders of other Debt, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or the other Debt in an aggregate amount exceeding the amount of Excess Proceeds, the Borrower will purchase a principal amount of the Loan (and the Trust, therefore, will purchase a principal amount of the Notes) and the Borrower will purchase such other Debt on a pro rata basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global Note will be made, as appropriate). Notes (or portions thereof) purchased pursuant to a Notes Asset Sale Offer will be cancelled and cannot be reissued.

On the Asset Sale Payment Date, the Trust will, to the extent lawful, accept for payment all Notes or portions thereof properly tendered and accepted pursuant to the previous paragraph and not withdrawn and deliver or cause to be delivered to the Indenture Trustee the Notes so accepted. No later than three Business Days prior to the Asset Sale Payment Date, the Trust shall deliver to the Indenture Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof to be purchased by the Trust.

### ***Transactions with Affiliates***

Each of the Parent Note Guarantors may not, and may not permit any of its Restricted Subsidiaries to, enter into any transaction (or series of related transactions) involving aggregate consideration in excess of US\$1.0 million with any Parent Note Guarantor's Affiliate (other than the Parent Note Guarantors or any of the Restricted Subsidiaries), either directly or indirectly, unless such transaction is on terms no less favorable to the Parent Note Guarantor or such Restricted Subsidiary than those that could be obtained in a comparable arm's length transaction with an entity that is not an Affiliate of the Parent Note Guarantor or such Restricted Subsidiary. For any such transaction (or series of related transactions) that involves in excess of (a) US\$10.0 million, a majority of the members of the relevant Parent Note Guarantor's Board of Directors (including a majority of the disinterested members thereof) shall approve such transaction and determine that such transaction satisfies the above criteria and shall evidence such a determination by a Board Resolution filed with the Trustee and (b) US\$25.0 million, an internationally recognized accounting, appraisal or investment banking firm shall deliver an opinion as to the fairness of such transaction from a financial point of view to such Parent Note Guarantor or such Restricted Subsidiary.

The foregoing restriction shall not apply to

- (i) reasonable and customary payments to or on behalf of a Parent Note Guarantor's directors, officers or employees or any of the directors, officers or employees of a Parent Note Guarantor's Restricted Subsidiaries, or in reimbursement of reasonable and customary payments or reasonable and customary expenditures made or incurred by such Persons as directors, officers or employees;
- (ii) any Restricted Payment permitted under "—Limitation on Restricted Payments" or Permitted Investments;

- (iii) any loan or advance by a Parent Note Guarantor or any of its Restricted Subsidiaries to employees of any of them in the ordinary course of business;
- (iv) contributions to the common equity capital of a Parent Note Guarantor or the issue or sale of Capital Stock of the Parent Note Guarantors;
- (v) (A) transactions with customers, clients, distributors, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, on market terms and consistent with past practice or industry norms, or (B) transactions with joint ventures or other similar arrangements entered into in the ordinary course of business, on market terms and consistent with past practice or industry norms; or
- (vi) any transactions existing on the Issue Date and described under “Related Party Transactions” and any amendment, supplement, restatement, replacement, renewal, extension, refinancing thereof or thereto, including without limitation with different counterparties (so long as the renewed, replaced or new agreement, when taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement in effect on the Issue Date).

### ***Existence and Maintenance of Properties***

Each of the Parent Note Guarantors will do or cause to be done all things necessary to preserve and keep in full force and effect such Parent Note Guarantor’s existence, rights (charter and statutory) and franchises; *provided, however,* that (a) no Parent Note Guarantor shall be required to preserve any such right or franchise if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of such Parent Note Guarantor’s business and that the loss thereof is not disadvantageous in any material respect to the holders and (b) the foregoing shall not apply to a transaction permitted under “—Merger, Consolidations and Certain Sales of Assets of the Note Guarantors.” Each Parent Note Guarantor will cause all material properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and will cause to be made all necessary repairs thereof, all in such Parent Note Guarantor’s judgment; *provided, however,* that nothing in this paragraph shall prevent any Parent Note Guarantor or any Restricted Subsidiary from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in such Parent Note Guarantor’s judgment, desirable in the conduct of its business or the business of the Parent Note Guarantors or such Restricted Subsidiary and not disadvantageous in any material respect to the holders. The Parent Note Guarantors shall, and shall cause their Restricted Subsidiaries to, keep at all times all of their properties which are of an insurable nature insured against loss or damage with insurers believed by us to be responsible to the extent that property of a similar character is usually so insured by corporations similarly situated and owning like properties in accordance with good business practice.

### ***Payment of Taxes***

The Parent Note Guarantors will pay or discharge or cause to be paid or discharged, before the same becomes delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Note Guarantors or any of their Restricted Subsidiaries, or the Parent Note Guarantors’ or any of their Restricted Subsidiaries’ income, profits or property, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the Parent Note Guarantors’ property, or the Restricted Subsidiaries’ property; *provided, however,* that the Parent Note Guarantors shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings or where the failure to do so would not have a material adverse effect on the Note Guarantors.

### ***Provision of Financial Information***

The Parent Note Guarantors will furnish to the Indenture Trustee and the holders, without cost to any of them:

- (1) within 120 days after the end of each fiscal year, the Parent Note Guarantors’ audited combined financial statements for the two most recent years (including income statements, statements of financial position, cash flow statements and statements of changes in shareholders’ equity) and related

notes thereto prepared in accordance with IFRS, as issued by the International Accounting Standards Board and as adopted by the EU, consistently applied, together with a “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section with scope and content substantially similar to the corresponding section of this offering memorandum (after taking into consideration any changes to the Parent Note Guarantors’ business and operations after the Issue Date) and, with respect to the annual financial information, a report thereon by the Parent Note Guarantors’ certified independent auditors together with a certificate of the chief financial officer of each Parent Note Guarantor stating that, to the best of such officer’s knowledge after due inquiry, each Parent Note Guarantor during such period has kept, observed, performed and fulfilled each and every covenant and condition contained in the Indenture and the Credit and Guaranty Agreement and that such officer has obtained no knowledge of any Default or Event of Default; and

- (2) within 60 days after the end of each of the first three fiscal quarters of each fiscal year, quarterly reports attaching the Parent Note Guarantors’ unaudited combined interim financial statements for the period then ended and the comparable period in the prior year (including income statements, statements of financial position, cash flow statements and statements of changes in shareholders’ equity) prepared in accordance with IFRS, as issued by the International Accounting Standards Board and as adopted by the EU, together with footnote disclosure and a summary “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section (after taking into consideration any changes to the Note Guarantors’ business and operations after the Issue Date).

So long as the Notes are listed on the Luxembourg Stock Exchange, copies of the information and reports referred to in clauses (1) through (2) of the first paragraph of “—Provision of Financial Information” will be available during normal business hours at the offices of the Paying Agent in Luxembourg.

For as long as the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Parent Note Guarantors will, to the extent required, furnish to any holder of Notes holding an interest in a Restricted Global Note, or to any prospective purchaser designated by such holder of Notes, upon request of such holder of Notes, financial and other information described in paragraph (d)(4) of Rule 144A with respect to the Parent Note Guarantors to the extent required in order to permit such holder of Notes to comply with Rule 144A with respect to any resale of its Notes, unless during that time, the Parent Note Guarantors are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or are exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act and no such information about the Parent Note Guarantors is otherwise required pursuant to Rule 144A.

### ***Limitation on Lines of Business***

The Note Guarantors, together with their Restricted Subsidiaries, shall not primarily engage in any business other than in a Related Business.

### ***Unrestricted Subsidiaries***

Any Note Guarantor may designate any of its Restricted Subsidiaries to be an “Unrestricted Subsidiary” as provided below, in which event such Subsidiary and each other Person that is then or thereafter becomes a Subsidiary of such Subsidiary will be deemed to be an Unrestricted Subsidiary. “*Unrestricted Subsidiary*” means (1) any Subsidiary designated as such by a Note Guarantor’s Board of Directors as set forth below and (2) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of any Note Guarantor may designate any of such Note Guarantor’s Subsidiaries to be an Unrestricted Subsidiary *provided* (A) no default with respect to any Debt of such Subsidiary or any Subsidiary (other than any Unrestricted Subsidiary) of such Subsidiary (including any right which the holders thereof may have to take enforcement action against such Subsidiary) would permit (upon notice, lapse of time or both) any holder of Debt to declare a default on such Debt or cause the payment thereof to be accelerated or payable prior to its Stated Maturity, and (B) if the Subsidiary to be so designated has total assets in excess of US\$250,000, the Note Guarantors could make a Restricted Payment as a Permitted Investment in an amount equal to the fair market value of such Note Guarantor’s Investment in such Subsidiary pursuant to the “—Limitation on Restricted Payments” covenant and such amount is thereafter treated as a Restricted Payment for the purpose of calculating the aggregate amount available for Restricted Payments thereunder.

### ***Covenant Suspension***

If on any date following the Issue Date (i) the Notes have Investment Grade Ratings from at least two of Fitch, Moody's and S&P, and (ii) no default or Event of Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), the Note Guarantors and their Restricted Subsidiaries will not be subject to the following covenants (collectively, the "*Suspended Covenants*");

- clause (iii) of the first paragraph of "—Merger, Consolidations and Certain Sales of Assets of the Note Guarantors,"
- "—Limitation on Debt,"
- "—Limitation on Restricted Payments,"
- "—Limitation on Dividend and Other Payment Restrictions Affecting Subsidiaries" and
- "—Limitation on Asset Dispositions."

In the event that the Note Guarantors and their Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") at least two of Fitch, Moody's or S&P no longer give the Notes an Investment Grade Rating, then the Note Guarantors and their Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture.

The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to in this description as the "*Suspension Period*." In the event of any such reinstatement, no action taken or omitted to be taken by the Note Guarantors or any of their Restricted Subsidiaries in respect of the Suspended Covenants prior to such reinstatement will give rise to a Default or Event of Default under the Indenture; provided that (1) with respect to Restricted Payments made after any such reinstatement, the amount of Restricted Payments made will be calculated as though the covenant described under "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period, provided further that any Subsidiaries designated as Unrestricted Subsidiaries during the Suspension Period shall automatically become Restricted Subsidiaries on the Reversion Date (subject to the Company's right to subsequently designate them as Unrestricted Subsidiaries pursuant to "—Unrestricted Subsidiaries"), and (2) all Debt Incurred or Redeemable Stock issued, during the Suspension Period will be classified to have been Incurred or issued pursuant to clause (ii) of the second paragraph of "—Covenants—Limitation on Debt."

There can be no assurance that the Notes will ever achieve or maintain a rating of Investment Grade from the Rating Agencies.

### **Merger, Consolidations and Certain Sales of Assets of the Note Guarantors**

A Parent Note Guarantor may not, in a single transaction or a series of related transactions, (a) consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into such Parent Note Guarantor or (b) directly or indirectly, convey, transfer, sell, lease or otherwise dispose of all or substantially all of such Parent Note Guarantor's assets to any other Person, unless:

- (i) in a transaction in which such Parent Note Guarantor does not survive or in which such Parent Note Guarantor sells, leases or otherwise disposes of all or substantially all of its assets, the Parent Note Guarantor's successor entity shall expressly assume, by a supplemental indenture executed and delivered to the Indenture Trustee in form satisfactory to the Indenture Trustee, all of the Parent Note Guarantor's obligations under the Indenture, its Note Guarantee and the Credit and Guaranty Agreement;
- (ii) immediately after giving effect to such transaction and treating any Debt which becomes the Note Guarantor's obligation or that of any of its Restricted Subsidiaries as a result of such transaction as



having been Incurred by such Note Guarantor or such Restricted Subsidiary at the time of the transaction, no Default or Event of Default shall have occurred and be continuing;

- (iii) immediately after giving effect to such transaction and treating any Debt which becomes a Parent Note Guarantor's obligation, or that of any of its Restricted Subsidiaries, as a result of such transaction as having been Incurred at the time of the transaction, the Parent Note Guarantor (including any successor entity) could Incur at least US\$1.00 of additional Debt pursuant to the first paragraph under "— Limitation on Debt"; *provided, however*, that this clause (iii) will not apply if, in the good faith determination of the Parent Note Guarantor's Board of Directors, which determination shall be evidenced by a Board Resolution, the principal purpose of such transaction is to change the Parent Note Guarantor's jurisdiction of incorporation; and
- (iv) certain other conditions are met.

The Indenture will provide that upon any consolidation or merger in which a Parent Note Guarantor is not the continuing corporation or any transfer (excluding any lease) of all or substantially all of the assets of a Parent Note Guarantor in accordance with the foregoing, the successor entity shall succeed to, and be substituted for, and may exercise every right and power of, such Parent Note Guarantor under the Notes, its Note Guarantee and the Indenture with the same effect as if such successor entity had been named as such.

No Subsidiary Note Guarantor may, in a single transaction or a series of related transactions, (a) consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into such Subsidiary Note Guarantor or (b) directly or indirectly, convey, transfer, sell, lease or otherwise dispose of all or substantially all of such Subsidiary Note Guarantor's assets to any other Person, unless:

- (A) (i) the other Person is a Parent Note Guarantor or any Restricted Subsidiary that is a Note Guarantor or becomes a Note Guarantor concurrently with the transaction;
  - (ii) (1) either (x) the Subsidiary Note Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person (if not such Subsidiary Note Guarantor) expressly assumes by supplemental indenture all of the obligations of the Subsidiary Note Guarantor under its Note Guarantee; and (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or
  - (iii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Note Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Note Guarantor (in each case other than to a Parent Note Guarantor or a Restricted Subsidiary) otherwise permitted by the Indenture; and
- (B) certain other conditions are met.

### **Covenants of the Trust**

For so long as any of the Notes are outstanding and the Trust has obligations under the Indenture and the Notes, the Trust will comply with the terms of the covenants set forth below.

#### ***Payment Obligations under the Notes and the Indenture***

The Trust shall duly and punctually pay all amounts owed by it, and comply with all its other obligations, under the terms of the Notes and the Indenture, to the extent of availability of the amount in the Trust Assets.

#### ***Performance Obligations under the Additional Transaction Documents***

The Trust will agree to duly and punctually perform, comply with and observe all obligations and agreements to be performed by it set forth in the Indenture, the Notes, the Participation Agreement, the Expense Reimbursement and Indemnity Agreement, the Declaration of Trust and the DTC letter of representations.

### ***Maintenance of Approvals***

The Trust will duly obtain and maintain in full force and effect all governmental approvals, consents or licenses of any Governmental Authority under the laws of the Cayman Islands or any other jurisdiction having jurisdiction over it, its business or the transactions contemplated herein, as well as of any third party under any agreement to which the Trust may be subject, in connection with its execution, delivery and performance of the Additional Transaction Documents, to which it is a party (including, without limitation, any authorization required to obtain and transfer U.S. dollars or any other currency which at that time is legal tender in the United States out of the Cayman Islands in connection with the Notes, the Indenture, the Participation Agreement and the Declaration of Trust) or validity or enforceability thereof.

### ***Maintenance of Books and Records***

The Trust will maintain books, accounts and records as may be necessary to comply with all applicable laws and to enable its financial statements to be prepared, if any, and it will allow the Indenture Trustee, by prior written request, access to copies of those books, accounts and records at reasonable times.

### ***Maintenance of Office or Agency***

The Trust will maintain an agent in New York County, where notices to and demands upon the Trust in respect of the Indenture and the Notes may be served. Initially this office will be at the offices of CT Corp., and the Trust will agree not to change the designation of such office without prior written notice to the Indenture Trustee and designation of a replacement office in the same general location.

### ***Maintenance of Existence***

The Cayman Trustee will maintain in effect the existence of the Trust and all registrations necessary therefor and take all actions to maintain all rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations; *provided, however*, that this covenant shall not require the Cayman Trustee to maintain any such right, privilege, title to property, franchise or the like of the Trust, if the failure to do so does not, and will not, have a material adverse effect on the Trust or have a material adverse effect on the rights of the holders of the Notes.

### ***Consolidations, Merger, Conveyance or Transfer***

The Cayman Trustee will not establish or acquire any subsidiaries as part of the Trust Assets or in one or a series of transactions, consolidate, amalgamate or merge the Trust into any other trust or convey, lease or transfer either all or substantially all of the Trust Assets to any other person or permit any person to merge with or into it other than an affiliate, or acquire the Trust Assets.

### ***Negative Pledge***

The Trust will not grant any lien, pledge, charge, security interest or encumbrance of any kind or nature on any of the Trust Assets except as described under the Indenture.

### ***Compliance with Laws***

The Trust will comply at all times with all applicable laws, rules, regulations, orders and directives of any government or government agency or authority having jurisdiction over the Trust, the Trust's business or any of the transactions contemplated herein, except where the failure by the Trust to comply would not have a material adverse effect on the Trust or have a material adverse effect on the rights of the Lender, the Indenture Trustee or the holders of the Notes.

### ***Limitation on Nature of Business***

The Trust will not be permitted to engage in any lines of business with respect to the Trust and having reference to the Trust Assets other than (i) holding the Participation and issuing the Notes and other matters described under "The Trust—Purpose and Powers" and (ii) those matters that are reasonably related and ancillary to the ownership of, and enforcement of the Trust's rights with respect to, the same.

### ***Payments of Taxes and Other Claims***

Subject to reimbursement by the Borrower under the Expense Reimbursement and Indemnity Agreement, the Trust will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all taxes, assessments and governmental charges levied or imposed upon the Trust *provided, however*, that the Trust will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith and, if appropriate, by appropriate legal proceedings or where the failure to do so would not have a material adverse effect on the Trust or have a material adverse effect on the rights of the holders of the Notes.

### ***Ranking***

The Trust will ensure that the Notes will constitute general senior, unsubordinated obligations of the Trust and will rank *pari passu*, without any preferences among themselves, with all other present and future obligations of the Trust (other than obligations preferred by statute or by operation of law).

### ***Limitations on Sale and Leaseback Transactions***

The Trust will not enter into any sale and leaseback transaction with respect to any of the Trust Assets.

### ***No Liquidation or Termination without Consent***

To the extent applicable, the Cayman Trustee shall not terminate or commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seek the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or make a general assignment or conveyance for the benefit of creditors, or take any corporate action to authorize any of the foregoing without the unanimous consent of the holders of the Outstanding Notes. Insofar as the Trust operates through the Cayman Trustee, the Cayman Trustee will agree to refrain from taking any of the foregoing actions unless and until a successor trustee has assumed the obligations of the Cayman Trustee with respect to the Trust, including any obligations under the Transaction Documents.

### ***Notice of Event of Default***

Promptly, and in any event, within ten calendar days after a responsible officer of the Trust, acting on behalf of the Trust, becomes aware of a Default or Event of Default under the Credit and Guaranty Agreement, the Trust will furnish written notice of the same to the Indenture Trustee, specifically stating the event or condition that caused the Default or Event of Default, specifically stating that such event or condition has occurred and describing it and any action being or proposed to be taken by the Borrower with respect thereto. Upon receipt of such notice from the Trust, the Indenture Trustee will promptly give such notice to the holders of the Notes.

### ***Provision of Financial Statements and Reports***

For as long as the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Trust will, to the extent required, furnish to any holder of Notes holding an interest in a Restricted Global Note, or to any prospective purchaser designated by such holder of Notes, upon request of such holder of Notes, financial and other information described in paragraph (d)(4) of Rule 144A with respect to the Trust to the extent required in order to permit such holder of Notes to comply with Rule 144A with respect to any resale of its Notes, unless during that time, the Trust is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act and no such information about the Trust is otherwise required pursuant to Rule 144A.

In addition, in the event the Trust shall be required under the law of the Cayman Islands to prepare any financial statements or reports or shall publish or otherwise make such statements or reports publicly available, the Trust shall promptly furnish a copy of such statements or reports to the Indenture Trustee for delivery to the holders of the Notes. It is not expected that the Trust will prepare any such financial statements and reports under Cayman Islands law and the only reports or information to be furnished by the Trust to the Indenture Trustee will be reports, financial statements or other materials provided for under the Indenture and reports, financial statements and other

materials relating to the Borrower, the Credit and Guaranty Agreement and the Loan as are received by the Lender and furnished to the Trust pursuant to the Participation Agreement.

Delivery of such reports, information and documents to the Indenture Trustee (and any reports or information pursuant to “Covenants of the Note Guarantors—Provision of Financial Information”) is for informational purposes only and the Indenture Trustee’s receipt of such shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Trust’s or any other Person’s compliance with any of its covenants under the Indenture or any other Transaction Document (as to which the Indenture Trustee is entitled to rely exclusively on Officer’s Certificates).

## **Events of Default**

The Indenture will provide that an Event of Default under the Credit and Guaranty Agreement will constitute an “Event of Default” under the Indenture. See “The Credit and Guaranty Agreement and the Loan—Events of Default.”

If an Event of Default (other than an Event of Default specified in clause (g) or (h) of “The Credit and Guaranty Agreement and the Loan—Events of Default”) has occurred and is continuing, the Indenture Trustee or the holders of at least 25% in principal amount of Outstanding Notes may declare the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Trust (and the Indenture Trustee if given by the holders of the Notes) specifying the Event of Default and that it is a “notice of acceleration.” If an Event of Default specified in clause (g) or (h) of “The Credit and Guaranty Agreement and the Loan—Events of Default” occurs, then the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Indenture Trustee or any noteholder.

At any time after a declaration of acceleration has occurred and before a judgment for payment of the money due has been obtained, the Required Holders, by written notice to the Trust (with a copy to the Indenture Trustee), may rescind and annul such declaration and its consequences if the rescission would not conflict with any judgment or decree of a court of competent jurisdiction, all existing Events of Default, other than the nonpayment of the principal of the Notes and interest on the Notes that have become due solely by the declaration of acceleration, have been cured or waived, and no such rescission shall affect any subsequent Default or impair any right consequent thereon.

## **Purchase**

The Note Guarantors and their respective affiliates may at any time and from time to time purchase any Note in the open market or otherwise at any price, but any such Note shall not be treated as Outstanding for purposes of any vote to be taken by the holders of the Notes under the Indenture or otherwise, except in the circumstances described in “—Voting Rights.”

## **Defeasance and Discharge**

The Borrower may discharge the obligations of the Trust under the Notes and the Indenture by irrevocably prepaying the Loan and causing the Lender to deposit in trust with the Indenture Trustee money and/or U.S. Government Obligations in such amounts as shall be, in the written opinion of an independent auditor delivered to the Indenture Trustee, sufficient to pay principal of and interest (including any Additional Amounts or Tax Reimbursement Payments) on the Notes to maturity or redemption (provided any such redemption date shall be irrevocably designated by an Officer’s Certificate of the Trust delivered to the Indenture Trustee on or prior to the date of deposit and shall be accompanied by an irrevocable request that the Indenture Trustee give notice of redemption to the holders not less than 30 nor more than 60 days prior to such redemption date in accordance with the Indenture and including a form of such redemption notice including all information required to be set forth therein), subject to meeting certain other conditions.

The Borrower may also elect to cause the Trust to:

- (1) discharge most of the obligations of the Trust in respect of the Notes and the Indenture, not including obligations related to the defeasance trust or to the replacement of Notes or its obligations to the Indenture Trustee (“legal defeasance”) or

- (2) discharge its obligations under most of the covenants under the Indenture and under clause (iii) of the first paragraph of “Merger, Consolidations and Certain Sales of Assets of the Note Guarantors” (and the events listed in clauses (c), (d), (e) and (f) under “Events of Default” will no longer constitute Events of Default) (“covenant defeasance”)

by irrevocably prepaying the Loan and causing the Lender to deposit in trust with the Indenture Trustee money and/or U.S. Government Obligations in such amounts as shall be, in the written opinion of an independent auditor delivered to the Indenture Trustee, sufficient to pay principal of and interest (including any Additional Amounts or Tax Reimbursement Payments) on the Notes to maturity or redemption and by meeting certain other conditions, including delivery to the Indenture Trustee of either a ruling received from the Internal Revenue Service or an Opinion of Counsel to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance and will be subject to U.S. federal income tax on the same amount, and in the same manner and at the same times as would otherwise have been the case. The defeasance would in each case be effective when 123 days have passed since the date of the deposit of money and/or U.S. Government Obligations in trust.

In the case of either discharge or defeasance, the Note Guarantees, if any, will terminate.

### **The Indenture Trustee**

The Bank of New York Mellon is the Indenture Trustee under the Indenture and has been appointed by the Trust as registrar and paying agent with respect to the Notes. The Cayman Trustee, the Trust and the Indenture Trustee may have normal banking relationships with the Borrower in the ordinary course of business. The address of the Indenture Trustee is 101 Barclay Street, Floor 7 East New York, New York 10286, Attention: Corporate Trust.

### **Paying Agents; Transfer Agents; Registrars**

The Trust has initially appointed The Bank of New York Mellon as paying agent, registrar and transfer agent. The Trust may at any time appoint new paying agents, transfer agents and registrars. However, the Trust will at all times maintain a paying agent in New York City until the Notes are paid. The Trust will maintain a paying agent and transfer agent in Luxembourg to the extent required to do so or desirable in connection with the listing of the Notes on the Luxembourg Stock Exchange. The Trust will provide prompt notice of the termination, appointment or change in the office of any paying agent, transfer agent or registrar acting in connection with the Notes.

### **Listing**

The Trust will make application to list the Notes on the Official List of the Luxembourg Stock Exchange and it has made an application for admission to trading on the Euro MTF Market of the Luxembourg Stock Exchange. So long as the Notes are listed on the Luxembourg Stock Exchange, the Trust will satisfy any reporting requirement of such exchange; *provided* that if the Trust deems such requirements to be unduly burdensome it may delist from such exchange and seek to list the Notes with an alternative exchange.

### **Notices**

Notices to holders of non-Global Notes will be mailed to them at their registered addresses. Notices to holders of Global Notes will be given to DTC in accordance with its applicable procedures. Each person owning a beneficial interest in a Global Note who is not a participant in DTC must rely on the procedures of the participant through which the person owns its interest in the Global Note to receive notices provided to DTC.

In addition, from and after the date the Notes are listed on the Official List of the Luxembourg Stock Exchange and so long as it is required by the rules of such exchange, all notices to holders of Notes will be published in English in a leading daily newspaper of general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*, and/or on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

Notices will be deemed to have been given on the date of delivery to DTC or mailing, as applicable, or of publication as aforesaid or, if published on different dates, on the date of the first such publication.

## Governing Law

The Indenture, the Notes and the Note Guarantees will be governed by the laws of the State of New York.

## Certain Definitions

“*Acquired Debt*” means Debt of any Person at the time it becomes a Restricted Subsidiary; provided that the Leverage Ratio of the Parent Note Guarantors and their Restricted Group, after giving pro forma effect to the transaction or transactions by which such Person becomes a Restricted Subsidiary, would be not more than such ratio of the Parent Note Guarantors and their Restricted Group before giving effect to such transactions.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “*control*,” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “*controlling*” and “*controlled*” have meanings correlative to the foregoing.

“*Asset Disposition*” means any transfer, conveyance, sale, lease or other disposition (including by way of a Sale and Leaseback Transaction) by any Parent Note Guarantor or any Restricted Subsidiary (including a consolidation or merger or other sale of any such Restricted Subsidiary with, into or to another Person in a transaction in which such Restricted Subsidiary ceases to be a Restricted Subsidiary, but excluding a disposition by a Restricted Subsidiary to a Parent Note Guarantor or Restricted Subsidiary which is an 80% or more owned Subsidiary of one or more Note Guarantors or by any Parent Note Guarantor to a Restricted Subsidiary which is an 80% or more owned Subsidiary of any Parent Note Guarantor or by any Parent Note Guarantor to another Parent Note Guarantor) of

- (i) shares of Capital Stock (other than directors’ qualifying shares) or other ownership interests of a Restricted Subsidiary,
- (ii) substantially all of the assets of any Parent Note Guarantor or any Restricted Subsidiary representing a division or line of business or
- (iii) other assets or rights of the Parent Note Guarantors or any Restricted Subsidiary outside of the ordinary course of business;

*provided* that in each case the aggregate consideration for such transfer, conveyance, sale, lease or other disposition is equal to US\$25.0 million or more;

*provided further* that the term “Asset Disposition” shall not include

- (1) any Sale or Leaseback of Tower Equipment;
- (2) leases or subleases to third parties of real property owned in fee or leased by a Parent Note Guarantor or a Restricted Subsidiary or a disposition or assignment (as lessor) of a lease of real property or right of way or other interest in real property, or license of intellectual property, in each case, in the ordinary course of business;
- (3) any disposition of property or assets of any Parent Note Guarantor or any of its Subsidiaries in the ordinary course of business, or that in the reasonable judgment of such Parent Note Guarantor, have become uneconomic, obsolete or worn out;
- (4) the incurrence of Liens not prohibited by the indenture and the disposition of assets related to such Liens by the secured party pursuant to a foreclosure;
- (5) any disposition of cash or Cash Equivalents and other assets referred to in clause (1) of the definition of “Permitted Investments” in the ordinary course of business; (x) the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Parent Note Guarantors and the Restricted Subsidiaries taken as a whole (which will be governed by the provisions of the Indenture described above under the caption “—Certain Covenants—Merger,

Consolidation or Sale of all or Substantially all Assets” and not by the provisions of the Asset Disposition covenant); (y) any transaction subject to, and permitted under, “—Limitation on Restricted Payments”; or (z) any Permitted Investment.

“*Asset Sale Notice*” means notice of an Asset Sale Offer made pursuant to the Credit and Guaranty Agreement, which shall be sent by the Borrower to the Lender and the Administrative Agent within 30 days following the date upon which an Asset Sale Prepayment Event occurred in the manner provided for in “The Credit and Guaranty Agreement and the Loan—Notices” and which notice shall govern the terms of the Asset Sale Offer and shall state:

- (1) that an Asset Sale Prepayment Event has occurred, the circumstances or events causing such Asset Sale Prepayment Event and that an Asset Sale Offer is being made pursuant to the Credit and Guaranty Agreement, and that an outstanding principal amount of the Loan up to the Asset Sale Prepayment Amount requested by the Lender to be prepaid will be prepaid by the Borrower;
- (2) the Asset Sale Prepayment Amount, the prepayment price at which the principal amount of the Loan is to be repaid pursuant to the Asset Sale Offer, and the Asset Sale Payment Date;
- (3) that the outstanding principal amount of the Loan not requested by the Lender to be prepaid shall continue to accrue interest;
- (4) that the principal amount of the Loan repaid pursuant to the Asset Sale Offer shall cease to accrue interest from and after the Asset Sale Payment Date;
- (5) that the Lender requesting to have any principal amount of the Loan repaid pursuant to the Asset Sale Offer must notify the Borrower, the Administrative Agent and the Cayman Trustee of the principal amount to be repaid on or prior to close of business on the third Business Day preceding the Asset Sale Payment Date;
- (6) that the Lender shall be entitled to adjust the principal amount of the Loan to be repaid or withdraw the request for prepayment if the Borrower, the Administrative Agent and the Cayman Trustee receive, not later than the close of business on the third Business Day preceding the Asset Sale Payment Date, a notice from the Lender adjusting the principal amount or withdrawing the Lender’s request to have the Loan or portions thereof repaid pursuant to the Asset Sale Offer; and
- (7) any other information necessary to enable the Lender to have any portion of the principal amount of the Loan prepaid pursuant to the Credit and Guaranty Agreement.

“*Asset Sale Payment Date*” means a Business Day no earlier than 35 days nor later than 65 days subsequent to the date on which the Asset Sale Notice is delivered by the Borrower to the Lender and the Administrative Agent (other than as may be required by applicable law).

“*Asset Sale Prepayment Amount*” means the principal amount of the Loan the Borrower is required to offer to the Lender to prepay as a result of an Asset Sale Prepayment Event.

“*Asset Sale Prepayment Event*” means the Borrower has become obligated to make an offer to the Lender to prepay any portion of the principal amount of the Loan as a result of a the covenant of the Borrower and Loan Guarantors pursuant to “Description of the Notes and the Note Guarantees—Covenants of the Note Guarantors—Limitation on Asset Dispositions.”

“*Attributable Debt*” in respect of a Sale and Leaseback Transaction means, at any date of determination,

- (1) if such Sale and Leaseback Transaction is a Capital Lease Obligation, the amount of Debt represented thereby according to the definition of “Capital Lease Obligation,” and
- (2) in all other instances, the present value (discounted at the interest rate borne by the Notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended).

“*Board of Directors*” means the board of directors of any Parent Note Guarantor.

“*Board Resolution*” means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary or sole administrator (*administrador único*) of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Indenture Trustee.

“*Business Day*” means a day (other than a Saturday or Sunday) that is not (i) a day on which banking institutions in New York, New York, Guatemala City, Guatemala or the Cayman Islands generally are authorized or obligated by law, regulation or executive order to close, or (ii) a day on which banking and financial institutions in New York, New York, Guatemala City, Guatemala or the Cayman Islands are closed for business with the general public.

“*Capital Lease Obligation*” of any Person means the obligation to pay rent or other payment amounts under a lease of real or personal property of such Person which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such Person in accordance with IFRS. The Stated Maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of Debt represented by such obligation shall be the capitalized amount thereof that would appear on the face of a balance sheet of such Person in accordance with IFRS.

“*Capital Stock*” of any Person means any and all shares, interests, participation or other equivalents (however designated) of corporate stock or other equity participation, including partnership interests, whether general or limited, of such Person.

“*Cash Equivalents*” means, with respect to any Person:

- (1) United States dollars, Euros, Quetzals or money in other currencies received in the ordinary course of business;
- (2) Government Securities;
- (3) deposit accounts, certificates of deposit and Eurodollar time deposits and money market deposits, bankers’ acceptances and overnight bank deposits, in each case issued by or with a bank or trust company which is organized under the laws of the United States of America, any state thereof, any member state of the European Union, or Guatemala, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$100 million (or the foreign currency equivalent thereof) and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a U.S. registered broker dealer or mutual fund distributor;
- (4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper having the highest rating obtainable from Fitch or Moody’s and in each case maturing within six months after the date of acquisition;
- (6) with respect to any Person organized under the laws of, or having its principal business operations in, a jurisdiction outside the United States, those investments that are of the same type as investments in clauses (2), (4) and (5) except that the obligor thereon is organized under the laws of the country (or any political subdivision thereof) in which such Person is organized or conducting business;
- (7) marketable direct obligations issued or unconditionally guaranteed by Guatemala, (b) demand deposits, time deposits or certificates of deposit with maturities not exceeding one year from the



date of acquisition thereof by a Parent Note Guarantor or a Restricted Subsidiary of (i) the following financial institutions: Grupo Financiero Agromercantil, Grupo Financiero Corporación BI, Grupo Financiero G&T Continental, Grupo Financiero Banrural, Grupo Financiero BAC-Credomatic, Grupo Financiero Citibank de Guatemala, Grupo Financiero de Occidente, Grupo Financiero Banco Internacional, Bancolombia, Banco General de Panamá, Banco de Desarrollo Rural, Credito Hipotecario Nacional, Banco de los Trabajadores, Banco Agromercantil de Guatemala and Banco Reformador, S.A., (ii) any Guatemalan Bank that is an Affiliate of any Parent Note Guarantor, so long as (x) any transaction entered into in connection with such demand deposits, time deposits or certificates of deposit is on terms no less favorable to the Parent Note Guarantor or such Restricted Subsidiary than those that could be obtained in a comparable arm's length transaction with an entity that is not an Affiliate of the Parent Note Guarantor or such Restricted Subsidiary and (y) such demand deposits, time deposits or certificates of deposit are not, at any point during the period of four full fiscal quarters most recently ended, in excess of 10% of the combined EBITDA of the Note Guarantors and their Subsidiaries for such period; or (iii) another Guatemalan bank (other than any affiliate of any Parent Note Guarantor), the commercial paper or other short-term unsecured debt obligations of which (or in the case of a bank that is the principal subsidiary of a holding company, the holding company) are rated the highest rating of any Guatemalan bank, but in no event less than the short-term rating of A-2 by S&P or P-2 by Moody's, and maturing within 90 days (unless the short-term rating is not less than A-1 by S&P or P-1 by Moody's in which case maturing within one year from the date of acquisition thereof by a Parent Note Guarantor or a Restricted Subsidiary), (c) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (a) above entered into with a bank (other than any affiliate of any Parent Note Guarantor) meeting the qualifications described in clause (b) above, or (d) commercial paper of a Guatemalan issuer (other than any affiliate of any Parent Note Guarantor) the long-term unsecured debt obligations of which are rated with a rating at least equal to the rating of the long term debt issued by the Republic of Guatemala and maturing within one year from the date of acquisition thereof by any Parent Note Guarantor or a Restricted Subsidiary;

- (8) up to US\$2.0 million in aggregate of other Investments held by any of the Parent Note Guarantors or their Restricted Subsidiaries.

*“Change of Control”* means the occurrence of one or more of the following events:

- (1) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that the Permitted Holders, individually or together, (A) cease to be the beneficial owners, directly or indirectly, of more than 50% of the outstanding Voting Stock of (i) the Borrower or (ii) one or more Parent Note Guarantors (taken together on a stand-alone basis) that represent, as of the end of the period of four full fiscal quarters most recently ended (the *“reference period”*), more than (a) 50% of combined EBITDA of the Parent Note Guarantors and their Subsidiaries for such reference period or (b) more than 50% of combined total assets of the Parent Note Guarantors and their Subsidiaries as of the end of such reference period, measured by voting power rather than number of shares, or (B) do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Borrower or the Parent Note Guarantors referred to in clause (A)(ii) above; or
- (2) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent Note Guarantors and their Subsidiaries, taken as a whole, to any Person other than to one of the Parent Note Guarantors or any of their Subsidiaries or a Permitted Holder.

*“Change of Control Notice”* means notice of a Change of Control Offer, which shall be sent by the Borrower to the Lender and the Administrative Agent within 30 days following the date upon which a Change of Control Prepayment Event occurred in the manner provided for in *“The Credit and Guaranty Agreement and the Loan—Notices”* and which notice shall govern the terms of the Change of Control Offer and shall state:

- (1) that a Change of Control Prepayment Event has occurred, the circumstances or events causing such Change of Control Prepayment Event and that a Change of Control Offer is being made pursuant to the Credit and Guaranty Agreement, and that any outstanding principal amount of the Loan up to the Change of Control Payment requested by the Lender to be prepaid will be prepaid by the Borrower;
- (2) the Change of Control Payment, and the Change of Control Payment Date;
- (3) that the outstanding principal amount of the Loan not requested by the Lender to be prepaid shall continue to accrue interest;
- (4) that the principal amount of the Loan repaid pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;
- (5) that the Lender requesting to have any principal amount of the Loan repaid pursuant to the Change of Control Offer must notify the Borrower, the Administrative Agent and the Cayman Trustee of the principal amount to be repaid on or prior to close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that the Lender shall be entitled to adjust the principal amount of the Loan to be repaid or withdraw the request for prepayment if the Borrower, the Administrative Agent and the Cayman Trustee receive, not later than the close of business on the third Business Day preceding the Change of Control Payment Date, a notice from the Lender adjusting the principal amount or withdrawing the Lender's request to have the Loan or portions thereof repaid pursuant to the Change of Control Offer;
- (7) that, in the event that the Lender requests that not less than 95% of the aggregate outstanding principal amount of the Loan be repaid pursuant to the Change of Control Offer and the Borrower or a third party repays such amount, the Borrower shall have the right, upon prior notice, to repay the remaining outstanding principal amount of the Loan; and
- (8) any other information necessary to enable the Lender to have any portion of the principal amount of the Loan prepaid pursuant to the Credit and Guaranty Agreement.

*“Change of Control Payment Date”* means a Business Day no earlier than 35 days nor later than 65 days subsequent to the date on which the Change of Control Notice is delivered by the Borrower to the Lender and the Administrative Agent (other than as may be required by applicable law).

*“Change of Control Prepayment Event”* means the occurrence of both a Change of Control and a Rating Decline.

*“Combined Interest Expense”* means for any period the combined interest expense included in a combined income statement (without deduction of interest income) of the Parent Note Guarantors and their Restricted Group for such period calculated on a combined basis in accordance with IFRS, including without limitation or duplication (or, to the extent not so included, with the addition of):

- (1) the amortization of Debt discounts;
- (2) any payments or fees with respect to letters of credit, bankers' acceptances or similar facilities;
- (3) fees with respect to interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements;
- (4) Preferred Stock dividends (other than with respect to Redeemable Stock) declared paid or payable;
- (5) accrued Redeemable Stock dividends whether or not declared or paid;

- (6) interest on Debt guaranteed by any Parent Note Guarantors or any member of their Restricted Group; and
- (7) the interest component of any Capital Lease Obligation.

“*Combined Net Income*” for any period means the combined net income (or loss) of the Parent Note Guarantors and their Restricted Group for such period determined on a combined basis in accordance with IFRS; provided that there shall be excluded therefrom (without duplication):

- (1) the net income (or loss) of any Person acquired by the Parent Note Guarantors or a member of their Restricted Group for any period prior to the date of such transaction;
- (2) the net income (or loss) of any Person that is not a member of the Restricted Group of the Parent Note Guarantors except to the extent of the amount of dividends or other distributions actually paid to a Note Guarantor or a member of the Restricted Group by such Person during such period;
- (3) gains or losses on Asset Dispositions by any Parent Note Guarantor or any member of its Restricted Group or other dispositions of assets outside the ordinary course of business;
- (4) all extraordinary, non-recurring or exceptional gains and extraordinary, non-recurring or exceptional losses;
- (5) the cumulative effect of changes in accounting principles (whether effected through cumulative effect adjustment or a retroactive application, in each case, in accordance with IFRS);
- (6) non-cash gains or losses resulting from fluctuations in currency exchange rates;
- (7) non-cash compensation expense incurred with any issuance or grant of equity interests to an employee of the Note Guarantors or any other member of the Restricted Group;
- (8) any restructuring charges, severance payments and charges relating to litigation settlements or judgments; and
- (9) the tax effect of any of the items described in clauses (1) through (8) above.

“*Combined Net Tangible Assets*” means, as of any date of determination, the total assets shown on the combined balance sheet of the Parent Note Guarantors and their Restricted Subsidiaries as of the most recent date for which such a balance sheet is available, determined on a combined basis in accordance with IFRS, less all goodwill, patents, tradenames, trademarks, copyrights, franchises, experimental expenses, organization expenses and any other amounts classified as intangible assets in accordance with IFRS (and, in the case of any determination relating to any Permitted Investment, on a pro forma basis including any property or assets being acquired in connection therewith).

“*Commission*” means the Securities and Exchange Commission, as from time to time constituted, created under the U.S. Exchange Act, or, if at any time after the execution of the Indenture such Commission is not existing and performing the duties now assigned to it under the U.S. Trust Indenture Act of 1939, then the body performing such duties at such time.

“*Common Stock*” of any Person means Capital Stock of such Person that does not rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Capital Stock of any other class of such Person.

“*Combined Income Tax Expense*” for any period means the combined provision for income taxes of the Parent Note Guarantors and their Restricted Group for such period calculated on a combined basis in accordance with International Financial Reporting Standards.

“*Debt*” means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

- (1) the principal of and premium, if any, in respect of every obligation of such Person for money borrowed;
- (2) the principal of and premium, if any, in respect of every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses;
- (3) every reimbursement obligation of such Person with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such Person (but only to the extent such obligations are not reimbursed within five Business Days following receipt by such Person of a demand for reimbursement);
- (4) every obligation of such Person issued or assumed as the deferred purchase price of property or services (including securities repurchase agreements but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business);
- (5) every Capital Lease Obligation of such Person;
- (6) all Redeemable Stock issued by such Person;
- (7) the net obligation of such Person under Interest Rate, Currency or Commodity Price Agreements of such Person; and
- (8) every obligation of the type referred to in clauses (1) through (7) of another Person and all dividends of another Person the payment of which, in either case, such Person has Guaranteed or is responsible or liable for, directly or indirectly, as obligor, Guarantor or otherwise.

The “amount” or “principal amount” of Debt at any time of determination as used herein represented by (a) any Debt issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, and (b) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof. Notwithstanding anything else to the contrary, for all purposes under the Indenture, the amount of Debt Incurred, repaid, redeemed, repurchased or otherwise acquired by a Restricted Subsidiary shall equal the liability in respect thereof determined in accordance with IFRS and reflected on the Note Guarantors’ combined balance sheet.

“*Default*” means an event that with the passing of time or the giving of notice, or both would constitute an Event of Default.

“*EBITDA*” for any period means the Combined Net Income of the Parent Note Guarantors and their Restricted Group for such period plus the following (without duplication) to the extent deducted in calculating Combined Net Income:

- (1) Combined Interest Expense of the Parent Note Guarantors and their Restricted Group for such period;
- (2) Combined Income Tax Expense of the Parent Note Guarantors and their Restricted Group for such period;
- (3) the combined depreciation and amortization expense included in the income statement of the Parent Note Guarantors and their Restricted Group for such period;
- (4) other non-cash items reducing Combined Net Income, including impairments and expenses and charges related to any equity offering, incurrence of Debt, Investment, acquisition or divestiture permitted by the Indenture, whether or not consummated (other than any non-cash items increasing net income to the extent that it will result in payments in the future); and
- (5) the amount of any expense relating to any minority interest of Restricted Subsidiaries;

*provided, however*, that for purposes of any determination pursuant to the provisions of clause (c)(i)(x) of the “—Limitation on Restricted Payments,” there shall be excluded therefrom the EBITDA (if positive) of any Restricted Subsidiary (calculated separately for such Person in the same manner as provided above for the Parent Note Guarantors and their Restricted Group) that is subject to a restriction to the extent it would have prevented the payment of dividends or the making of distributions to the Note Guarantors or another Restricted Subsidiary at all times during such period, to the extent of such restriction;

*provided further* that, in the event a Parent Note Guarantor has made Investments, Asset Dispositions or acquisitions of assets not in the ordinary course of business (including acquisitions of other Persons by merger, consolidation or purchase of Capital Stock) during or after such period, EBITDA shall be calculated on a pro forma basis as if the Investments, Asset Dispositions or acquisitions had taken place on the first day of such period.

“*Excess Proceeds*” has the meaning set forth in “Covenants of the Note Guarantors—Limitation on Asset Dispositions.”

“*Fitch*” means Fitch Ratings Ltd. and its successors.

“*Government Securities*” means direct obligations of, or obligations guaranteed by, the United States of America for the payment of which obligations or guarantee the full faith and credit of the United States is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein.

“*Governmental Authority*” means the government of Guatemala or of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“*Gradation*” means a gradation within a Rating Category or a change to another Rating Category, which shall include: (i) “+” and “-” in the case of Fitch’s current Rating Categories (e.g., a decline from BB+ to BB would constitute a decrease of one gradation), (ii) 1, 2 and 3 in the case of Moody’s current Rating Categories (e.g., a decline from Ba1 to Ba2 would constitute a decrease of one gradation), or (iii) the equivalent in respect of successor Rating Categories of Fitch or Moody’s or Rating Categories used by Rating Agencies other than Fitch and Moody’s.

“*Guarantee*” by any Person means any obligation, contingent or otherwise, of such Person guaranteeing, or having the economic effect of guaranteeing, any Debt of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, and including, without limitation, any obligation of such Person

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Debt;
- (2) to purchase property, securities or services for the purpose of assuring the holder of such Debt of the payment of such Debt; or
- (3) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt (and “*Guaranteed*,” “*Guaranteeing*” and “*Guarantor*” shall have meanings correlative to the foregoing); *provided, however*, that the Guarantee by any Person shall not include endorsements by such Person for collection or deposit, in either case, in the ordinary course of business.

“*IFRS*” means International Financial Reporting Standards, as in effect from time to time.

“*Incur*” means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Debt or other obligation, including by acquisition of Subsidiaries (the Debt of any other Person becoming a Subsidiary of such Person being deemed for this purpose to have been incurred at the time such other Person becomes a Subsidiary), or the recording, as required pursuant IFRS or otherwise, of any such Debt or other obligation on the balance sheet of

such Person (and “Incurrence,” “Incurred,” “Incurable” and “Incurring” shall have meanings correlative to the foregoing); provided, however, that a change in IFRS that results in an obligation of such Person that exists at such time becoming Debt shall not be deemed an Incurrence of such Debt.

“*Interest Rate, Currency or Commodity Price Agreement*” of any Person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including, without limitation, caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates, currency exchange rates or commodity prices or indices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

“*Investment*” by any Person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Debt issued by, any other Person, including any payment on a Guarantee of any obligation of such other Person, but shall not include (a) trade accounts receivable in the ordinary course of business on credit terms made generally available to the customers of such Person, or (b) commission, travel, payroll, entertainment, relocation and similar advances to officers and employees and profit sharing and other employee benefit plan contributions made in the ordinary course of business.

“*Investment Grade*” means a rating equal to or higher than (a) BBB-, in the case of S&P and Fitch, and (b) Baa3, in the case of Moody’s.

“*Issue Date*” means the first date of issuance of Notes under the Indenture.

“*Leverage Ratio*,” when used in connection with any Incurrence (or deemed Incurrence) of Debt, means the ratio of (i) the principal amount of Debt of the Note Guarantors and their Restricted Group on a combined basis outstanding as of the most recent available quarterly or annual balance sheet, after giving pro forma effect to (a) the Incurrence of such Debt and any other Debt Incurred since such balance sheet date, (b) the receipt and application of the proceeds thereof and (c) (without duplication) the repayment, redemption or repurchase of any other Debt since such balance sheet date, to (ii) EBITDA for the last four full fiscal quarters prior to the Incurrence of such Debt for which combined financial statements are available, determined on a pro forma basis as if any such Debt had been Incurred and the proceeds thereof had been applied, or such other Debt had been repaid, redeemed or repurchased, as applicable, at the beginning of such four fiscal quarter period.

“*Lien*” means, with respect to any or assets, any mortgage, pledge, security interest, lien, charge, encumbrance, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

“*Maturity*,” when used with respect to any Note, means the date on which the principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor thereto.

“*Net Available Proceeds*” from any Asset Disposition means cash or readily marketable cash equivalents received (including by way of sale or discounting of a note, installment receivable or other receivable, but excluding any Related Assets and other consideration received in the form of assumption by the acquiror of Debt or other obligations relating to such properties or assets) therefrom by any Note Guarantor or any Restricted Subsidiary, net of: all legal, title and recording tax expenses, commissions and other fees and expenses Incurred and all federal, state, provincial, foreign and local taxes required to be accrued as a liability as a consequence of such Asset Disposition;

- (1) all payments made by any Parent Note Guarantor or any Restricted Subsidiary, on any Debt which is secured by such assets in accordance with the terms of any Lien upon or with respect to such assets or which must by the terms of such Debt or Lien, or in order to obtain a necessary consent to such Asset Disposition or by applicable law, be repaid out of the proceeds from such Asset Disposition;

- (2) all distributions and other payments made to other equity holders in the Note Guarantors' Restricted Subsidiaries, or joint ventures as a result of such Asset Disposition; and
- (3) appropriate amounts to be provided by the Parent Note Guarantors or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS, against any liabilities associated with such assets and retained by the Parent Note Guarantors or any Restricted Subsidiary, as the case may be, after such Asset Disposition, including, without limitation, liabilities under any indemnification obligations and severance and other employee termination costs associated with such Asset Disposition, in each case as determined by the Board of Directors, in its reasonable good faith judgment evidenced by a resolution of the Board of Directors filed with the Trustee; *provided, however*, that any reduction in such reserve within twelve months following the consummation of such Asset Disposition will be treated for all purposes of the Indenture and the Notes as a new Asset Disposition at the time of such reduction with Net Available Proceeds equal to the amount of such reduction.

“*Note Guarantor Expenses*” means (A) the reasonable fees and expenses actually incurred in connection with service of the Loan and the Notes or any exchange of securities or tender for outstanding Notes, (B) fees, taxes and expenses required to maintain the corporate existence of the Note Guarantors, and (C) any other fees and expenses relating to (A) or (B).

“*Officer's Certificate*” means a certificate signed by the President, Chairman of the board of directors, any Vice Chairman of the board of directors, any Director, the Chief Executive Officer, the Chief Financial Officer, any Senior Vice President, or the Secretary of the board of directors of any Person, or in the case of the Trust, by any authorized signatory thereof, and delivered to the Indenture Trustee.

“*Outstanding*,” when used with respect to Notes, means, as of the date of determination, all Notes theretofore authenticated and delivered under the Indenture, *except*:

- (i) Notes theretofore cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;
- (ii) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent (other than a Note Guarantor) in trust or set aside and segregated in trust by a Note Guarantor (if such Note Guarantor shall act as its own Paying Agent) for the holders of such Notes; provided that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made; and
- (iii) Notes which have been paid or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture, other than any such Notes in respect of which there shall have been presented to the Indenture Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of any Note Guarantor;

*provided, however*, that in determining whether the holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by any Note Guarantor or any other obligor upon the Notes or any Affiliate of any Note Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a responsible officer of the Indenture Trustee receives written notice confirming that such Notes are so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not any Note Guarantor or any other obligor upon the Notes or any Affiliate of any Note Guarantor or of such other obligor.

“*Permitted Holders*” means Millicom International Cellular S.A. or Miffin Associates Corp. or any Person or Persons who controls, or any Person or Persons who are directly or indirectly controlled by, Millicom International Cellular S.A. or Miffin Associates Corp.

*“Permitted Interest Rate, Currency or Commodity Price Agreement”* of any Person means any Interest Rate, Currency or Commodity Price Agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect such Person against fluctuations in interest rates or currency exchange rates or with respect to Debt Incurred and which shall have a notional amount no greater than the payments due with respect to the Debt being hedged thereby, or in the case of currency or commodity protection agreements against currency exchange or commodity price fluctuations in the ordinary course of business relating to then existing financial obligations and not for purposes of speculation.

*“Permitted Investments”* means:

- (1) Investments in (i) Cash Equivalents or (ii) deposit accounts, certificates of deposit and time deposits and money market deposits, bankers’ acceptances and overnight bank deposits, in each case issued by or with a bank or trust company which is organized under the laws of the jurisdiction in which the Note Guarantor or Restricted Subsidiary which makes such Investment operates; *provided* that the Parent Note Guarantors shall use their reasonable efforts to ensure that any such bank or trust company described in this clause (ii) is a credit-worthy institution;
- (2) Investments by any Parent Note Guarantor or any Restricted Subsidiary in a Note Guarantor or a Restricted Subsidiary that is primarily engaged in a Related Business;
- (3) Investments by a Parent Note Guarantor or any Restricted Subsidiary in a Person, if as a result of such Investment (i) such Person becomes a Restricted Subsidiary that is primarily engaged in a Related Business or (ii) such Person is merged, consolidated or amalgamated into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, a Note Guarantor or a Restricted Subsidiary that is primarily engaged in a Related Business;
- (4) Investments acquired as consideration as permitted under *“Limitation on Asset Dispositions”*;
- (5) Restricted Payments directly or indirectly to a Parent Note Guarantor to fund permitted Parent Note Guarantor Expenses;
- (6) Investments in customers and suppliers in the ordinary course of business which either (A) generate accounts receivable or (B) are accepted in settlement of bona fide disputes;
- (7) loans or advances to employees and officers (or loans to any direct or indirect parent, the proceeds of which are used to make loans or advances to employees or officers, or guarantees of third-party loans to employees or officers) in the ordinary course of business;
- (8) stock, obligations or securities received in satisfaction of judgments, foreclosure of liens or settlement of debts (whether pursuant to a plan of reorganization or similar arrangement or otherwise);
- (9) advances in the ordinary course of business for purchases of equipment, handsets, construction and other advances in the ordinary course of business;
- (10) any Investment existing on the Issue Date;
- (11) Investments in Interest Rate, Currency or Commodity Price Agreements not otherwise prohibited under the Indenture; and
- (12) other Investments in Persons primarily engaged in a Related Business in an aggregate cumulative amount at any time outstanding not to exceed US\$40.0 million.

*“Permitted Liens”* means:

- (1) Liens for taxes, assessments or governmental charges or levies on the property of any Parent Note Guarantor or any Restricted Subsidiary if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceeds promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision that shall



be required in conformity with International Financial Reporting Standards shall have been made therefor;

- (2) Liens imposed by law, such as statutory Liens of landlords', carriers', warehousemen's and mechanics' Liens and other similar Liens, on the property of any Parent Note Guarantor or any Restricted Subsidiary arising in the ordinary course of business or Liens arising solely by virtue of any statutory or common law (but not contractual) provisions relating to bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;
- (3) Liens on the property of any Parent Note Guarantor or any Restricted Subsidiary Incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit performance or return-of-money bonds, surety bonds, obligations in connection with a bid or other process for the award or acquisition of a telecommunications license or usufruct right, or other obligations of a like nature and Incurred in a manner consistent with industry practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Parent Note Guarantors and the Restricted Group taken as a whole;
- (4) Liens on property at the time any Parent Note Guarantor or any Restricted Subsidiary acquired such property, including any acquisition by means of a merger or consolidation with or into the a Parent Note Guarantor or any Restricted Subsidiary; *provided, however*, that any such Lien may not extend to any other property of any Parent Note Guarantor or any Restricted Subsidiary; *provided further, however*, that such Liens shall not have been Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such property was acquired by any Parent Note Guarantor or any Restricted Subsidiary;
- (5) Liens on the property of a Person at the time such Person becomes a Restricted Subsidiary; *provided, however*, that any such Lien may not extend to any other property of any Parent Note Guarantor, any other Restricted Subsidiary that is not a direct or, prior to such time, indirect Subsidiary of such Person; *provided further, however*, that any such Lien was not Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Person became a Restricted Subsidiary;
- (6) pledges or deposits by any Parent Note Guarantor or any Restricted Subsidiary under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which any Parent Note Guarantor or any Restricted Subsidiary is party, or deposits to secure public or statutory obligations of any Parent Note Guarantor or any Restricted Subsidiary or deposits for the payment of rent, in each case Incurred in the ordinary course of business;
- (7) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;
- (8) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by any Parent Note Guarantor or a Restricted Subsidiary in a transaction entered into in the ordinary course of business of any Parent Note Guarantor or a Restricted Subsidiary and for which kind of transaction it is customary market practice for such retention of title provision to be included;
- (9) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default hereunder so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been fully terminated or the period within which such proceedings may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;

- (10) any Lien securing Debt permitted to be Incurred under any Permitted Interest Rate, Currency or Commodity Price Agreements pursuant to clause (v) of the second paragraph of “—Limitation on Debt”;
- (11) Liens on and pledges of the Capital Stock of any Unrestricted Subsidiary to secure Debt of that Unrestricted Subsidiary;
- (12) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which any Parent Note Guarantor or any Restricted Subsidiary has easement rights or on any real property leased by any Parent Note Guarantor or any Restricted Subsidiary or similar agreements relating thereto and (ii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (13) Liens existing on the date of the Indenture;
- (14) Liens in favor of any Parent Note Guarantor or any Restricted Subsidiary;
- (15) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Debt in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;
- (16) Liens on the property of any Parent Note Guarantor or any Restricted Subsidiary to replace in whole or in part, any Lien described in the foregoing clauses (1) through (15); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Debt being refinanced or in respect of property that is the security for a Permitted Lien hereunder;
- (17) Liens on any escrow account used in connection with pre-funding a refinancing of Debt otherwise permissible by the Indenture; and
- (18) Liens for the purpose of securing Debt incurred for the payment of all or any part of the purchase price of property, plant or equipment or other assets, included but not limited to obligations under Capital Lease Obligations, mortgage financings or purchase money obligations, in each case covering only the assets acquired with or financed by such Debt (including, for the avoidance of doubt, Capital Stock); *provided* that, in each case, (A) the aggregate principal amount of Debt does not exceed the cost of the assets or property so acquired or constructed and (B) such Liens are created within 180 days of the construction or acquisition of such assets or property and do not encumber any other assets or property of the Note Guarantor or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;
- (19) Liens on any Parent Note Guarantor’s deposits in favor of financial institutions arising from any netting or set-off arrangement for the purpose of netting debt and credit balances in connection with existing or future cash pooling arrangements with Millicom International Cellular S.A. or any Affiliate thereof, provided that such outstanding amount of obligations of such Parent Note Guarantor represented thereby does not exceed an outstanding amount at any one time equal to the lesser of (i) the amount of Restricted Payments that can be made in reliance on clause 3 of “Limitation on Restricted Payments”, and (ii) US\$300.0 million (or the equivalent in other currencies); and
- (20) Liens incurred in the ordinary course of business of the Parent Note Guarantors or any Restricted Subsidiary with respect to obligations that do not exceed the greater of US\$85 million or 15% of Combined Net Tangible Assets at any one time outstanding and that do not in the aggregate materially detract from the value of the property of the Parent Note Guarantors and the Restricted Subsidiaries, taken as a whole, or materially impair the use thereof in the operation of business by such Parent Note Guarantor or such Restricted Subsidiary.

“*Person*” means any individual, corporation (including a business trust), company, voluntary association, partnership, limited liability company, joint venture, trust, unincorporated organization or Governmental Authority or other entity of whatever nature.

“*Preferred Stock*” of any Person means Capital Stock of such Person of any class or classes (however designated) that ranks prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Capital Stock of any other class of such Person.

“*Rating Agencies*” means each of Fitch, Moody’s and S&P, or if any of the foregoing shall not make a rating on the Notes publicly available, a “nationally recognized statistical organization” (within the meaning of Rule 15c(3)-1(c)(2)(vi)(F) under the Exchange Act) as selected by the Borrower, which shall be substituted for Moody’s, Fitch or S&P, as the case may be.

“*Rating Category*” means (i) with respect to Fitch, any of the following categories (any of which may include a “+” or “-”): AAA, AA, A, BBB, BB, B, CCC, CC, C, R, SD and D (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories (any of which may include a “1,” “2” or “3”): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C (or equivalent successor categories), and (iii) the equivalent of any such categories of Fitch or Moody’s used by another Rating Agency, if applicable.

“*Rating Date*” means the date which is the earlier of (i) 90 days prior to the occurrence of an event specified in clauses (1) or (2) of the definition of Change of Control and (ii) the date of the first public announcement of the possibility of such event.

“*Rating Decline*” means the occurrence if at any time within the earlier of (i) 90 days after the date of public notice of a Change of Control, or of the Borrower’s intention or the intention of any Person to effect a Change of Control and (ii) the occurrence of the Change in Control (which period shall in either event be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency), a Rating Agency withdraws its rating of the Notes or the rating of the Notes is decreased by a Rating Agency as follows:

- (a) if the Notes are not rated Investment Grade by two or more Rating Agencies on the Rating Date, by one or more Gradations; or
- (b) if the Notes are rated Investment Grade by two or more Rating Agencies on the Rating Date, either (i) by two or more Gradations or (ii) such that the Notes are no longer rated Investment Grade

*provided*, in each case, that any such Rating Decline is expressly stated to be, in whole or in part, due to a Change of Control.

“*Redeemable Stock*” of any Person means any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Debt or is redeemable at the option of the holder thereof, in whole or in part, at any time prior to the final Stated Maturity of the Loan.

“*Related Assets*” means all assets, rights (contractual or otherwise) and properties, whether tangible or intangible (including ownership interests), used or intended for use in connection with a Related Business.

“*Related Business*” means any business in which any Note Guarantor or its Subsidiaries are engaged, directly or indirectly, that consists primarily of, or are related to, operating, acquiring, developing or constructing any telecommunications, media or financial services (including, without limitation, fixed and mobile telephony, broadband internet, network-related services, cable television, satellite television, broadcast, music and video-related content, software, applications, value-added services (VAS), network-neutral services, electronic transactional, financial and commercial services related to the remittance of money, including licensed banking operations, or provision of telephony or internet services) and related businesses.

*“Related Person”* of any Person means any other Person directly or indirectly owning (a) 5% or more of the outstanding Common Stock of such Person (or, in the case of a Person that is not a corporation, 5% or more of the equity interest in such Person) or (b) 5% or more of the combined voting power of the Voting Stock of such Person.

*“Relevant Taxing Jurisdiction”* means Guatemala, Switzerland, the Cayman Islands, the United States, or any other jurisdiction from or through which payments under the Credit and Guaranty Agreement, the Participation Agreement, the Expense Reimbursement Agreement or the Notes are made, or any political subdivision thereof or any authority therein having power to tax.

*“Restricted Group”* means the Parent Note Guarantors and the Restricted Subsidiaries, taken together on a combined basis.

*“Restricted Subsidiary”* means any Subsidiary of the Parent Note Guarantors or any Restricted Subsidiary, other than an Unrestricted Subsidiary.

*“Required Holders”* means holders of more than 50% of the aggregate principal amount of the Outstanding Notes.

*“S&P”* means Standard & Poor’s Rating Service or any successor thereto.

*“Sale and Leaseback Transaction”* means any direct or indirect arrangement relating to assets or property now owned or hereafter acquired whereby any Parent Note Guarantor or a Restricted Subsidiary transfers such assets or property to another Person and such Parent Note Guarantor or such Restricted Subsidiary leases it from such Person.

*“Significant Guarantor”* means any Note Guarantor that represents, in respect of the Note Guarantors and their Subsidiaries taken as a whole, more than 10% of any financial parameter set forth in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the date of the Indenture.

*“Significant Subsidiary”* means any Restricted Subsidiary that would be, in respect of the Note Guarantors and their Subsidiaries taken as a whole, a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the date of the Indenture.

*“Stated Maturity,”* when used with respect to any security or any installment of interest thereon, means the date specified in such security as the fixed date on which the principal of such security or such installment of interest is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

*“Subsidiary”* of any Person means (i) a corporation more than 50% of the combined voting power of the outstanding Voting Stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation) in which such Person, or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

*“Taxes”* means all taxes, withholdings, duties, levies, assessments, value-added taxes or other governmental charges (including interest and penalties) imposed or levied by or on behalf of any Relevant Taxing Jurisdiction.

*“Tower Equipment”* means means passive infrastructure related to telecommunications services, excluding telecommunications equipment, but including, without limitation, towers (including tower lights and lightning rods), power breakers, deep cycle batteries, generators, voltage regulators, main AC power, rooftop masts, cable ladders, grounding, walls and fences, access roads, shelters, air conditioners and BTS batteries owned by any Parent Guarantor or any Subsidiary of a Parent Guarantor.

*“U.S. Dollar Equivalent”* means with respect to any monetary amount in a currency other than U.S. dollars, at any time of determination thereof, the amount of U.S. dollars obtained by translating such other currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable other currency as published in the Financial Times on the date that is two Business Days prior to such determination.

“*U.S. Government Obligations*” means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer’s option.

“*Voting Stock*” of any Person means Capital Stock of such Person which ordinarily has voting power for the election of directors (or persons performing similar functions) of such Person, whether at all times or only so long as no senior class of securities has such voting power by reason of any contingency.

“*Weighted Average Life to Maturity*” means, when applied to any Debt or Preferred Stock at any date, the number of years obtained by dividing (a) the then outstanding principal amount of such Debt or liquidation preference of such Preferred Stock, as the case may be, into (b) the total of the product obtained by multiplying (x) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal or upon mandatory redemption, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment.

## ISSUANCE, FORM AND DENOMINATION

### General

The Notes have not been registered and will not be registered under the Securities Act, any U.S. state securities laws, the Securities and Commodities Market of Guatemala (and any of its existing or future amendments (Decree 49-2008)) or the laws of any other jurisdiction, and may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act and the securities laws of any other jurisdiction. The Trust has not been registered under the Investment Company Act, in reliance on the exemption set forth in Section 3(c)(7) thereof. Accordingly, the Notes are being offered and sold only:

- in the United States in reliance on Rule 144A under the Securities Act to investors that are both (1) QIBs and (2) Qualified Purchasers; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 in reliance on Regulation S under the Securities Act.

The Notes will be issued on the issue date only against payment in full in immediately available funds. The Notes will be issued in registered form without interest coupons. No Notes will be issued in bearer form. The Notes will be issued in minimum denominations of US\$200,000 and in integral multiples of US\$1,000 in excess thereof.

### Book-Entry, Delivery and Form

Notes offered and sold to QIBs who are also Qualified Purchasers in reliance on Rule 144A under the Securities Act (the “Rule 144A Notes”) will be represented by a one or more, permanent global note in definitive, fully registered form (the “Rule 144A Global Notes”) which will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the Notes represented thereby with a custodian for DTC for credit to the respective accounts of such purchasers (or to such other accounts as they may direct) at DTC.

Notes offered and sold in reliance on Regulation S (the “Regulation S Notes”) will be represented by one or more, permanent global notes in definitive, fully registered form (the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “Global Notes”) which will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the Notes represented thereby with a custodian for DTC for credit to the respective accounts of such purchasers (or to such other accounts as they may direct) at Euroclear or Clearstream.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described below. See “—Exchange of Global Notes for Certificated Notes.”

The Notes (including beneficial interests in the Global Notes) will be subject to certain restrictions on transfer and will bear restrictive legends as described under “Transfer Restrictions.” In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time.

### Depository Procedures

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of DTC and are subject to changes from time to time. None of the Trust, the Indenture Trustee or any of their respective agents takes any responsibility for these operations and procedures and urges investors to contact DTC or its participants directly to discuss these matters.

The Trust understands that DTC is a limited purpose trust company organized under the laws of the State of New York, a “banking organization” within the meaning of New York Banking Law, a member of the Federal

Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. The Trust further understands that DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations (“Participants”). The Trust further understands that indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (“Indirect Participants”).

Persons who are not DTC Participants may beneficially own securities held by or on behalf of DTC only through the DTC Participants or the Indirect DTC Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the DTC Participants and the Indirect DTC Participants. DTC has also advised the Trust that, pursuant to procedures established by it, (i) upon deposit of the Global Notes, DTC will credit the accounts of the DTC Participants designated by the Initial Purchaser with portions of the face amount of the Global Notes and (ii) ownership of such interests in the Global Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the DTC Participants) or by the DTC Participants and the Indirect DTC Participants (with respect to other owners of beneficial interests in the Global Notes).

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or holders of the Notes thereof under the Indenture for any purpose.

Payments in respect of the Note Principal Amount, Note Interest or other amounts on the Global Notes will be payable to DTC (or its nominee) in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Trust and the Indenture Trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Trust, the Indenture Trustee or any agent of any of the same has or will have any responsibility or liability for (i) any aspect of DTC’s records or any DTC Participant’s or Indirect DTC Participant’s records relating to, or payments made on account of, beneficial interest in the Global Notes, or for maintaining, supervising or reviewing any of DTC’s records or any DTC Participant’s or Indirect DTC Participant’s records relating to the beneficial interests in the Global Notes or (ii) any other matter relating to the actions and practices of DTC or any DTC Participants or Indirect DTC Participants. DTC has advised the Trust that its current practice, upon receipt of any payment in respect of securities such as the Global Notes (including payment of the Note Principal Amount and Note Interest), is to credit the accounts of the relevant DTC Participants with the payment on each Note Payment Date, in amounts proportionate to their respective holdings in the Note Principal Amount of beneficial interest in the relevant security as shown on the records of DTC or its nominee unless DTC has reason to believe it will not receive payment on such Note Payment Date.

Payments by the DTC Participants and the Indirect DTC Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the DTC Participants or the Indirect DTC Participants and will not be the responsibility of DTC, the Trust, the Indenture Trustee or any of their respective agents. None of the Trust, the Cayman Trustee, the Indenture Trustee or any of their respective agents will be liable for any delay by DTC or any DTC Participants in identifying the beneficial owners of the Notes, and the Trust and the Cayman Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all such purposes.

Subject to the transfer restrictions set forth under “Transfer Restrictions,” transfers between DTC Participants will be effected in accordance with DTC’s procedures, and will be settled in same-day funds.

Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Before the 40th calendar day after the later of the commencement of the offering of the Notes and the issue date, transfers by an owner of a beneficial interest in the Regulation S Global Notes to a transferee who takes delivery of such interest through the Rule 144A Global Notes will be made only in accordance with the applicable procedures and upon receipt by the Indenture Trustee of a written certification from the transferor in the form

provided in the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB and a Qualified Purchaser in a transaction meeting the requirements of Rule 144A.

Transfers by an owner of a beneficial interest in the Rule 144A Global Notes to a transferee who takes delivery of such interest through the Regulation S Global Notes, whether before, on or after the 40th calendar day referred to above, will be made only upon receipt by the Indenture Trustee of a written certification from the transferor in the form provided in the Indenture to the effect that such transfer is being made in accordance with Regulation S. Any beneficial interest in a Global Note that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to have an interest in the first Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note.

Subject to compliance with the transfer restrictions applicable to the Notes, the Trust understands that crossmarket transfers between DTC Participants, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such crossmarket transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels or Luxembourg time, respectively). The Trust understands that Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositories of Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Rule 144A Global Note from a DTC Participant will be credited during the securities settlement processing day immediately following the DTC settlement date, and such credit will be reported to the relevant Euroclear or Clearstream participant on such business day following the DTC settlement date. Cash received in Euroclear or Clearstream as a result of sales of interests in the Regulation S Global Notes by or through a Euroclear or Clearstream participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

The Trust expects that DTC will take any action permitted to be taken by a holder of Notes only at the direction of the Participant to whom interests in the applicable Global Notes are credited and only in respect of the aggregate principal amount of Notes as to which such Participant has given such direction. Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants, they are under no obligation to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Trust, the Indenture Trustee or any of their respective agents will have any responsibility for the performance by Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

#### **Exchange of Global Notes for Certificated Notes**

A Global Note is exchangeable for Notes in certificated form in accordance with the terms of the Indenture only if an Event of Default has occurred and is continuing under the Indenture or if DTC notifies the Trust that it is unwilling or unable to continue as depository for the Global Notes or that it has ceased to be a clearing agency registered under Section 17A of the Exchange Act and, in either case, the Trust thereupon fails to appoint a successor depository within 90 calendar days after the date of such notice. In all cases, certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures). Such certificated Notes will bear the restrictive legends referred to under “Transfer Restrictions,” and will be subject to the transfer restrictions referred to in such legends, unless the Trust determines otherwise in compliance with applicable law.



## **Replacement, Transfer and Exchange**

If any Note at any time is mutilated, defaced, lost, destroyed or stolen, then on the terms set forth in the Indenture, such Note may be replaced at the cost of the applicant (including legal fees and expenses of the Trust, the Indenture Trustee, and the relevant agents) at the office of the Indenture Trustee. The applicant for a new Note will, in the case of any mutilated or defaced Note, surrender such Note to the Indenture Trustee and, in the case of any lost, destroyed or stolen Note, furnish evidence satisfactory to the Indenture Trustee of such loss, destruction or theft, and, in each case, furnish evidence satisfactory to the Trust of the ownership and authenticity of a Note together with such indemnity as the Indenture Trustee and the Trust may require.

Initially, the Indenture Trustee will act as the note registrar and Notes may be presented for registration of transfer and exchange at the offices of the note registrar with a written instruction of transfer in form satisfactory to the note registrar, duly executed by such holder of the Notes or by such holder's attorney, duly authorized in writing. Such holder of the Notes will also provide a written certificate to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Transfer Restrictions." The registered holder of a Note will be treated as its owner for all purposes.

## TAXATION

*The following discussion summarizes certain Guatemalan and U.S. federal income considerations that may be relevant to you if you invest in the Notes. This summary is based on laws, regulations, rulings and decisions now in effect in Guatemala and the United States, which, in each case, may change. Any change could apply retroactively and could affect the continued validity of this summary.*

*This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisers about the tax consequences of holding the Notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.*

***Persons considering the purchase, ownership or disposition of Notes should consult their tax advisers concerning the tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.***

### Guatemala Tax Considerations

The following summary contains a description of the principal Guatemalan tax consequences of the purchase, ownership and disposition of the Notes by a Non-Guatemalan holder (as defined below). It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes. In addition, it does not describe any tax consequences: (1) arising under the laws of any taxing jurisdiction other than Guatemala; or (2) that are applicable to a resident of Guatemala for tax purposes.

Decree 10-2012 of the Congress of the Republic (the “Income Tax Act”) (*Ley del Impuesto Sobre la Renta*) entered into force on January 1, 2013. Pursuant to the Income Tax Act a “Non-Guatemalan Holder” is a holder who is not a resident in Guatemala for tax purposes, *inter alia*. In general, individuals or legal or corporate entities that: (1) do not reside in the territory of Guatemala for more than 183 days (whether or not consecutive) in any one year; (2) whose main center of economic interests is not in Guatemala; or (3) do not have a permanent establishment in Guatemala (even if a resident outside Guatemala), are not considered to be a resident in Guatemala for Income Tax Act purposes.

This summary is based upon the Guatemalan tax code (*Código Tributario*) and the Income Tax Act, its executive rules in effect and certain interpretative opinions issued by the tax authorities, as of the date of this offering memorandum, which are subject to change. Prospective purchasers of the Notes should consult their own tax advisers as to the Guatemalan or other tax consequences of the purchase, ownership and acquisition of the Notes, including, in particular, the effect of the laws of any foreign state. The acquisition of the Notes by an investor who is a resident of Guatemala will be made under the investor’s own responsibility.

Under the Income Tax Act, and the regulations thereunder, neither payments of principal, interest, nor additional payments on the Notes made by the Issuer will be subject to Guatemalan withholding or other similar taxes. Capital gains related to the sale or other disposition of the Notes by a Non-Guatemalan Holder, outside Guatemala, will not be subject to any Guatemalan capital gains or other taxes.

Payments on the Loan by the Borrower will likewise not be subject to Guatemalan withholding or other taxes if made on account of loans made by banking and financial institutions to entities regulated in their own jurisdiction (pursuant to Article 104, 2a. of the Income Tax Act), the Guatemalan tax code and certain interpretative opinions issued by the tax authorities. Payments of the Participation by the Trust will not be subject to Guatemalan withholding or similar taxes. If the Trust becomes an assignee of the Loan, payments on the Loan may be subject to Guatemalan withholding tax at a rate of 10%.

A Non-Guatemalan Holder will not be liable for Guatemalan estate, gift, inheritance or similar taxes with respect to the acquisition, ownership, of disposition of the Notes, nor will it be liable for any Guatemalan stamp, issue, registration or similar taxes, to the extent that the relevant transactions, the assets, or the beneficiaries are not situated within the jurisdiction of Guatemala.

## Certain U.S. Federal Income Tax Consequences

**This disclosure is limited to the U.S. federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the U.S. federal tax treatment of the Notes. This tax disclosure was written in connection with the marketing of the Notes, and it cannot be used by any investor for the purpose of avoiding penalties that may be asserted under the Internal Revenue Code of 1986, as amended (the “Code”). Prospective investors should seek their own advice based on their particular circumstances from an independent tax adviser.**

The following is a summary of certain U.S. federal income tax consequences of owning and disposing of Notes purchased in this offering at the “issue price,” which we assume will be the price indicated on the cover of this offering memorandum, and held as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax consequences, as well as differing tax consequences that may apply if you are, for instance:

- a financial institution;
- a regulated investment company;
- a dealer or trader in securities subject to a mark-to-market method of tax accounting with respect to the Notes;
- holding Notes as part of a “straddle” or integrated transaction;
- a U.S. Holder whose functional currency is not the U.S. dollar;
- a tax-exempt entity; or
- a partnership for U.S. federal income tax purposes.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

This summary is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this offering memorandum may affect the tax consequences described herein. This summary does not address any aspect of state or local taxation, or any taxes other than income taxes, nor does it address the Medicare contribution tax. You should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as the tax laws of any state, local or non-U.S. jurisdiction.

### **Characterization of the Transaction for U.S. Federal Income Tax Purposes**

There are no statutory, judicial or administrative authorities that address the U.S. federal income tax treatment of a transaction consisting of instruments and arrangements similar to the Notes, the Trust, the Participation Agreement, and the Loan and, accordingly, the proper characterization of the Notes is not certain.

The Trust intends to take the position, for U.S. federal income tax purposes, that the Notes are ownership interests in the Loan, with the Trust serving as a mere security arrangement that facilitates and secures all payments and distributions due under the Loan, and that the Notes will therefore be characterized as indebtedness of the Borrower. Each beneficial owner of a Note, by acquiring a beneficial interest in a Note, agrees to treat, solely for U.S. federal, state and local tax purposes, (a) the Notes as ownership interests in the Loan and (b) the Trust as a mere security arrangement that serves to facilitate and secure payment of distributions due under the Loan to investors in the Notes pursuant to the Participation Agreement. Each of the Borrower and the Lender has agreed that, in the absence of an administrative determination or judicial ruling to the contrary, it will take no position for U.S. federal income tax purposes that is inconsistent with the positions to be taken by the Trust and beneficial owners of the Notes.

However, it is possible that the Notes may, instead, be characterized as: (1) ownership interests in the Trust, in which event the Trust may be classified for U.S. federal income tax purposes as either (a) a grantor trust or (b) a partnership (assuming the timely and effective filing of a U.S. protective entity classification election on IRS Form 8832 or successor form), that represents ownership or participation interests in the Loan; (2) indebtedness of the Trust; or (3) interests in an obligation of the Lender. The U.S. federal income tax consequences to a U.S. Holder of a Note under any of these alternative characterizations of the structure may differ materially from the consequences described below. See the discussion below under the caption “Possible Alternative Tax Treatments.”

Except as expressly noted, the discussion below assumes that the Notes will be treated as ownership interests in the Loan, with the Trust serving as a mere security arrangement.

## **U.S. Holders**

This section applies to you if you are a U.S. Holder. You are a U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a Note and are:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

### ***Treatment of the Notes as Ownership Interests in the Loan***

#### ***Certain Additional Payments***

There are circumstances in which we might be required to make payments on a Note that would increase the yield of the Note, as described under “The Credit and Guaranty Agreement and the Loan – Prepayment of Loan and Repurchase of Notes upon a Change of Control.” We intend to take the position that the possibility of such payments does not result in the Notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. Our position is not binding on the Internal Revenue Service (“IRS”), but is binding on you unless you disclose your contrary position in the manner required by applicable Treasury Regulations. If the IRS takes a contrary position, you may be required to accrue interest income based upon a “comparable yield” (as defined in the Treasury Regulations) determined at the time of issuance of the Notes (which is not expected to differ significantly from the stated yield on the Notes), with adjustments to such accruals when any contingent payments are made that differ from the payments based on the comparable yield. In addition, any income on the sale, exchange, retirement or other taxable disposition of the Notes would be treated as ordinary interest income rather than as capital gain. You should consult your tax adviser regarding the tax consequences if the Notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes are not treated as contingent payment debt instruments.

#### ***Payments of Interest***

Stated interest on a Note will be taxable to you as ordinary interest income at the time it accrues or is received, in accordance with your method of accounting for federal income tax purposes. It is expected, and this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes. If, however, the principal amount of a Note exceeds its issue price by more than a *de minimis* amount, as determined under the applicable Treasury regulations, the excess is treated as “original issue discount.” For this purpose, the issue price of the Notes is the first price at which a substantial amount of the Notes is sold for money to investors (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). If the Notes are issued with original issue discount, you will be required to include the original issue discount in income (as ordinary income) for U.S. federal income tax purposes as it accrues (regardless of your accounting method for U.S. federal income tax purposes), in accordance with a constant yield method based on a compounding of interest, before the receipt of cash payments attributable to income. Under this method, you generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

The amount of interest taxable as ordinary income will include amounts withheld in respect of any taxes imposed by a Relevant Taxing Jurisdiction and, without duplication, any Additional Amounts or Tax Reimbursement Payments paid. Interest income earned with respect to a Note will constitute foreign-source income for U.S. federal income tax purposes. Subject to applicable limitations, some of which may vary depending upon your particular circumstances, any income taxes imposed by a Relevant Taxing Jurisdiction and withheld from interest income on a Note at a rate not in excess of any applicable treaty rate may be creditable against your U.S. federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the availability of foreign tax credits in your particular circumstances.

#### *Sale or Other Taxable Disposition of the Notes*

Upon the sale or other taxable disposition of a Note, you will generally recognize taxable gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and your adjusted tax basis in the Note. Your adjusted tax basis in a Note will equal the cost of your Note, increased by original issue discount, if any, included in income. Gain or loss, if any, will generally be U.S.-source income for purposes of computing your foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is treated as described under “Payments of Interest” above. This gain or loss will generally be capital gain or loss and will be long term capital gain or loss if at the time of the sale or other taxable disposition you have held the Note for more than one year. Long-term capital gains recognized by non-corporate taxpayers are subject to reduced tax rates. The deductibility of capital losses is subject to limitations.

#### *Possible Alternative Tax Treatments*

##### *Notes May Be Treated as Ownership Interests in a Grantor Trust for U.S. Federal Income Tax Purposes*

The Notes may be treated as ownership interests in the Trust for U.S. federal income tax purposes. In that case, the Trust could be treated as a grantor trust for U.S. federal income tax purposes. If the Trust were treated as a grantor trust for U.S. federal income tax purposes, the Trust would not be subject to U.S. federal net income taxation, and you would be treated as the beneficial owner of your proportionate share of the assets that are beneficially owned by the Trust. In that case, you would be treated as the beneficial owner of its your proportionate share of the Loan. Under this characterization, the U.S. federal income tax treatment of the Notes generally would be the same as above—that is, the Notes would be treated as ownership interests in the Loan with the Trust serving as a mere security arrangement. However, under Section 6048 of the Code and the Treasury Regulations issued thereunder, you would be subject to certain potentially onerous information reporting requirements applicable to ownership of, transfers of money or other property to, and distributions from, a foreign trust. Substantial penalties may apply to the failure to comply with these requirements.

##### *Notes May Be Treated as Ownership Interests in a Partnership for U.S. Federal Income Tax Purposes*

If the Notes were treated as ownership interests in the Trust for U.S. federal income tax purposes, and the Trust were treated as a “foreign eligible entity” under the Treasury Regulations relating to entity classification for business entities, subject to the discussion below regarding Section 7704 of the Code, the Trust could be treated as a partnership or, in the absence of an election by the Trust to be classified as a partnership for U.S. federal tax purposes, as an association taxable as a corporation. While the Trust intends to take the position that Notes are not ownership interests in the Trust, a protective entity classification election to classify the Trust for U.S. federal tax purposes as a partnership will be made to prevent any potential adverse U.S. federal income tax consequences that could result to U.S. Holders were the Trust classified as a corporation. Each beneficial owner of a Note, by acquiring a beneficial interest in a Note, will be deemed to have consented to this protective election. Under Section 7704 of the Code, partnerships that are “publicly traded partnerships” are generally treated in the same manner as corporations for U.S. federal income tax purposes, except in the case of publicly traded partnerships that recognize “qualifying income” (e.g. certain interest and capital gains) equal to at least 90% of their gross income. It is anticipated that the Trust will have sufficient qualifying income to satisfy this exception and avoid treatment as a publicly traded partnership taxable as a corporation.

In the event that the Notes are treated as ownership interests in the Trust and the Trust is classified as a partnership for U.S. federal tax purposes, you would be required to report on your U.S. federal income tax return your allocable share of the Trust’s income, gains, losses, deductions and credits for the taxable year of the Trust ending within or with your taxable year, whether or not cash or other property associated with that income or gain is

distributed to you. Certain rules may apply to limit your ability to deduct expenses incurred (or deemed to be incurred) by the Trust (or may affect the timing of such deductions). The character and source of items of income and gain you derive from the Trust generally would be determined as if you had directly recognized such income or gain, but if you are a cash-basis taxpayer you would be treated as recognizing income on the Notes when the corresponding payments under the Participation Agreement are received by the Trust and not when you receive distributions from the Trust. The source of income will depend on whether the Participation is treated as an interest in the Loan, in which case the treatment described above under “Treatment of the Notes as Ownership Interests in the Loan” would generally apply, or as an obligation of the Lender, in which case the treatment described below under “—Notes May Be Treated as an Obligation of the Lender” would generally apply. In addition, under Section 6038B of the Code and the Treasury Regulations issued thereunder, you could be subject to certain information reporting requirements applicable to transfers of money to a foreign partnership in excess of \$100,000 within a twelve-month period with respect to an acquisition of Notes. Substantial penalties may apply to the failure to comply with these requirements.

#### *Notes May Be Treated as Debt of the Trust for U.S. Federal Income Tax Purposes*

It is also possible, although unlikely, that the Notes could be treated, in accordance with their form, as indebtedness of the Trust for U.S. federal income tax purposes. In that case, we would treat the Notes as described above under “Treatment of the Notes as Ownership Interests in the Loan.”

#### *Notes May Be Treated as an Obligation of the Lender*

It is also possible, although unlikely, that the Notes could be treated as an obligation of the Lender. Under this treatment, payments of interest on the Notes could potentially be treated as U.S.-source interest, depending on the Lender’s circumstances. If interest on the Notes were treated as U.S.-source, a U.S. Holder would not be able to use foreign tax credits in respect of Guatemalan or other income taxes the U.S. Holder is treated as paying in respect of the Notes, unless the U.S. Holder has other foreign-source income. A U.S. Holder should consult its tax adviser about these issues.

#### ***Backup Withholding and Information Reporting***

Information returns may be required to be filed with the IRS in connection with payments on the Notes and proceeds received from a sale or other disposition of the Notes unless you are an exempt recipient. You may also be subject to backup withholding on these payments in respect of your Notes unless you provide your taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules or you provide proof of an applicable exemption. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

#### **Non-U.S. Holders**

This section applies to you if you are a Non-U.S. Holder. You are a Non-U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a Note that is:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

You are not a Non-U.S. Holder if you are a nonresident alien individual present in the United States for 183 days or more in the taxable year of disposition, or if you are a former citizen or former resident of the United States, in either of which case you should consult your tax adviser regarding the U.S. federal income tax consequences of owning or disposing of a Note.

In the event that payments of interest on the Notes are treated as being from non-U.S. sources, payments on the Notes made to you will not be subject to U.S. federal withholding tax. If payments on the Notes were treated as U.S.-source interest, as discussed above under “Possible Alternative Tax Treatments—Notes May Be Treated as an

Obligation of the Lender,” you would be required to provide a duly executed IRS Form W-8 to the paying agent in order to avoid potential U.S. withholding tax on payment on the Notes at the rate of 30% (or lower treaty rate). While we do not intend to take the position that the Notes are an obligation of the Lender, another withholding agent could require that you provide an IRS Form W-8 in order to receive payments of interest on the Notes without withholding tax. You should consult your tax adviser about these issues.

### **Cayman Islands Intergovernmental Agreement and FATCA**

The Cayman Islands Government has signed a Model 1 intergovernmental agreement (the “Cayman Islands IGA”) with the United States with respect to the implementation of FATCA. The terms of the Cayman Islands IGA will require the Cayman Trustee to comply with Cayman Islands legislation that would be implemented to give effect to FATCA. When the legislation is implemented, the Cayman Trustee would be responsible for collecting information in respect of any U.S. holders and providing such information to the Tax Information Authority of the Cayman Islands. The Tax Information Authority would then pass on such information to the IRS as required pursuant to the terms of the Cayman Islands IGA.

### **Cayman Islands Taxation**

The Cayman Trustee will apply for, under Section 81 of the Trusts Law (as amended), of the Cayman Islands, and expects to receive an undertaking for a period of 50 years from the Governor in Cabinet of the Cayman Islands that no law thereafter enacted in the Cayman Islands imposing any tax or duty to be levied on income or on capital assets, gains or appreciation or any tax in the nature of estate duty or inheritance tax shall apply to any property comprised in or income arising under the Trust or to the trustee thereof or any beneficiaries thereof in respect of any such property or income.

## PLAN OF DISTRIBUTION

Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Morgan Stanley & Co. LLC are acting as the Initial Purchasers in connection with the offering (the “Initial Purchasers”). Subject to the terms and conditions set forth in a purchase agreement among the Trust and the Initial Purchasers and a facilitation agreement among us and the Initial Purchasers, the Trust has agreed to sell to the Initial Purchasers, and each Initial Purchaser has severally agreed to purchase from the Trust, the principal amount of Notes set forth opposite its name below:

Initial Purchaser	Principal Amount of Notes
Citigroup Global Markets Inc.	US\$266,667,000
Credit Suisse Securities (USA) LLC	US\$266,667,000
Morgan Stanley & Co. LLC	US\$266,666,000
Total	<u>US\$800,000,000</u>

Subject to the terms and conditions set forth in the purchase agreement, the Initial Purchasers have agreed to purchase all of the Notes sold under the purchase agreement if any of these Notes are purchased.

The Trust and we have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

The Initial Purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by their counsels, including the validity of the Notes, and other conditions contained in the purchase agreement and the facilitation agreement, such as the receipt by the Initial Purchasers of officers’ certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers and to reject orders in whole or in part.

### Offering Terms

The Initial Purchasers have advised us that they propose initially to offer the Notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price or any other term of the offering may be changed. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

### Notes Are Not Being Registered

The Notes have not been registered under the Securities Act or any state securities laws. The Trust has not been registered and will not be registered as an investment company under the Investment Company Act, in reliance on the exemption set forth in Section 3(c)(7) thereof. The Notes are being offered and sold only to investors that are either (1) U.S. Persons (as defined in Regulation S under the Securities Act) who are both qualified institutional buyers in reliance on Rule 144A under the Securities Act and qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act or (2) non-U.S. Persons (within the meaning of Regulation S of the Securities Act) outside of the United States. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemptions from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from the Investment Company Act provided by Section 3(c)(7) thereof.

The Initial Purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The Initial Purchasers will not offer or sell the Notes except to persons they reasonably believe to be qualified institutional buyers and qualified purchasers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the



Notes will be deemed to have made acknowledgments, representations and agreements as described under “Transfer Restrictions.”

### **New Issue of Notes**

The Notes are a new issue of securities with no established trading market. Neither we nor the Trustee intends to apply for listing of the Notes on any national securities exchange or for inclusion of the Notes on any automated dealer quotation system, except that the Trust has applied to list the Notes on the Official List of the Luxembourg Stock Exchange. We have been advised by the Initial Purchasers that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure you of the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

### **Settlement**

We expect that delivery of the Notes will be made to investors on February 6, 2014 which will be the fifth business day following the date of this offering memorandum (such settlement being referred to as “T + 5”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder may be required, by virtue of the fact that the Notes initially settle in T + 5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

### **No Sales of Similar Securities**

We have agreed that we will not, for a period of 90 days after the date of this offering memorandum, without first obtaining the prior written consent of the Initial Purchasers, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, directly or through a trust any of our U.S. dollar-denominated debt securities or securities exchangeable for, supported by or convertible into our debt securities with a maturity of greater than one year, except for the Notes sold to the Initial Purchasers pursuant to the purchase agreement.

### **Short Positions**

In connection with the offering, the Initial Purchasers may purchase and sell Notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the Initial Purchasers of a greater number of Notes than they are required to purchase in the offering.
- Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.
- Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchasers commence any of these transactions, they may discontinue them at any time.

## **Notice to Prospective Investors in the European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) no offer of Notes may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Initial Purchaser; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided* that no such offer of Notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This offering memorandum has been prepared on the basis that any offer of Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for us or the Initial Purchasers to publish a prospectus for such offer.

For the purpose of the above provisions, the expression “an offer to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Any offer or sale of the Notes in any member state of the European Economic Area which has implemented the Prospectus Directive must be addressed to qualified investors (as defined in the Prospectus Directive) only.

## **Notice to Prospective Investors in the United Kingdom**

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

## **Notice to Members of the Public in the Cayman Islands**

No invitation is made by or on behalf of the Issuer to the public in the Cayman Islands to subscribe for the Notes.

## Chilean Selling Restriction

The offer of the Notes is subject to General Rule No. 336 of the Chilean Securities Commission (*Superintendencia de Valores y Seguros de Chile*, or the “SVS”). The Notes being offered are not registered in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS and, therefore, the Notes are not subject to the supervision of the SVS. As unregistered securities, we are not required to disclose public information about the Notes in Chile. The Notes may not be publicly offered in Chile unless they are registered in the corresponding securities registry.

*La oferta de los valores está acogida a la NCG 336 de la Superintendencia de Valores y Seguros de Chile (la “SVS”). La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que los valores no están sujetos a la fiscalización de dicho organismo. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Estos valores no pueden ser objeto de oferta pública a menos que sean inscritos en el registro de valores correspondiente.*

## Guatemalan Selling Restriction

The Notes have not been, and will not be, registered for public offering in Guatemala with the Securities Market Registry under the Securities and Commodities Market Law, Decree 34-96 of Guatemala’s Congress, amended by the Decree number 49-2008 (the “Guatemalan Securities and Commodities Act”). Accordingly, the notes may not be offered or sold in Guatemala, except in certain limited transactions exempted from the registration requirements of the Guatemalan Securities and Commodities Act. The notes do not benefit from tax incentives accorded by the Guatemalan Securities and Commodities Act and are not subject to regulation or supervision by the Securities Market Registry.

## Other Relationships

The Initial Purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

A portion of the net proceeds of the offering will be used to repay indebtedness of certain of the Note Guarantors pursuant to

- a term loan facility among the Borrower, Citibank Europe PLC as arranger, Citibank International PLC as agent, and Citibank Europe PLC as lender pursuant to which \$7.7 million in principal amount was outstanding as of January 22, 2014;
- a credit agreement dated as of October 26, 2011 among the Borrower and certain of the other Note Guarantors, Citibank N.A. as administrative agent, Citibank, N.A. as lender and the other lenders party

thereto pursuant to which \$195.9 million in principal amount was outstanding as of January 21, 2014, \$65.9 million of which was owed to Citibank, N.A.; and

- a credit agreement dated as of December 21, 2011, among the Borrower and certain of the other Note Guarantors, Citibank, N.A. as lender and facility agent, and Citigroup Global Markets Inc. as arranger pursuant to which \$50.0 million in principal amount was outstanding as of January 21, 2014.

Each of Citibank Europe PLC and Citibank, N.A. are affiliates of Citigroup Global Markets Inc., one of the Initial Purchasers, acts as arranger, lender and administrative agent for the lenders. See “Use of Proceeds.”

An affiliate of Credit Suisse Securities (USA) LLC, one of the Initial Purchasers, will act as lender under the Credit and Guaranty Agreement and we will pay customary fees and expenses for these services from time to time.

## TRANSFER RESTRICTIONS

The Notes have not been registered and will not be registered under the Securities Act, any U.S. state securities laws, the Securities and Commodities Market of Guatemala (and any of its existing or future amendments (Decree 49-2008)) or the laws of any other jurisdiction, and may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act and the securities laws of any other jurisdiction. The Trust has not been registered under the Investment Company Act, in reliance on the exemption set forth in Section 3(c)(7) thereof. Accordingly, the Notes are being offered and sold only:

- in the United States in reliance on Rule 144A under the Securities Act to investors that are both (1) QIBs and (2) Qualified Purchasers; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 in reliance on Regulation S under the Securities Act.

### **Purchasers' Representations and Restrictions on Resale and Transfer**

#### ***Rule 144A Notes***

Each purchaser of the Rule 144A Notes (including the registered holders and beneficial owners of the Notes as they exist from time to time, including as a result of transfers, in each case, as of the time of purchase) must be able to and will be deemed to have represented and agreed, on its own behalf and on behalf of each account for which it is purchasing, as follows:

1. It is a QIB who is also a Qualified Purchaser; is aware the sale of the Notes to it is being made in reliance on Rule 144A; is acquiring such Notes for its own account or the account of a QIB who is also a Qualified Purchaser as to which the purchaser exercises sole investment discretion; and it and each such account:
  - (i) is not a broker-dealer which owns and invests on a discretionary basis less than \$25,000,000 in securities of unaffiliated issuers;
  - (ii) is not formed for the purpose of investing in the Trust;
  - (iii) will provide notice of the transfer restrictions described in this "Transfer Restrictions" to any subsequent transferees; and
  - (iv) acknowledges that the Trust may receive a list of participants holding positions in the Rule 144A Global Notes from one or more book-entry depositories.
2. It understands that if at any time the Trust determines in good faith that a holder of the Notes (or of any beneficial interest therein) is in breach, at the time given, of any of the representations and agreements contained in this "Transfer Restrictions," the Trust may require such holder to transfer such Notes (or beneficial interest therein) to a transferee acceptable to the Trust who is able to and who does make all of the representations and agreements set forth in this "Transfer Restrictions." Pending such transfer, such holder will be deemed not to be the holder of such Notes for any purpose, including but not limited to receipt of principal and interest payments on such Notes, and such holder will be deemed to have no interest whatsoever in such Notes except as otherwise required to sell its interest therein as described in this paragraph.
3. It understands that the Trust is not and will not be registered as an "investment company" under the Investment Company Act.
4. It understands and acknowledges that such Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States, within the meaning of the Securities Act, and the Rule 144A Notes offered hereby have not been and will not be registered under the Securities Act or with any securities regulatory authority of any U.S. state, the Securities and Commodities Market Law of Guatemala or any other

jurisdiction, and may not be offered, resold, pledged or otherwise transferred except (a) to us, (b) to a person who the seller reasonably believes is both a QIB and a Qualified Purchaser in a transaction meeting the requirements of Rule 144A, or (c) upon delivery of a written certification in the form provided in the Indenture, in an offshore transaction in accordance with Rule 904 or Regulation S, in each case in accordance with all applicable securities laws of the states of the United States.

5. It understands and acknowledges that Rule 144A Global Notes (or any interest therein) may be purchased, sold, pledged or otherwise transferred only in minimum principal amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof.
6. It understands that each Rule 144A Global Note, and each definitive Note issued in exchange for all or part of a Rule 144A Global Note or an interest therein, will bear a legend to the following effect, unless the Trust determines otherwise in compliance with applicable law:

THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF \$200,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF. IF AT ANY TIME THE TRUST DETERMINES IN GOOD FAITH THAT A HOLDER OR BENEFICIAL OWNER OF THIS SECURITY OR BENEFICIAL INTERESTS HEREIN IS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE, THE TRUST MAY REQUIRE SUCH HOLDER TO TRANSFER THIS SECURITY (OR INTEREST HEREIN) TO A TRANSFEREE ACCEPTABLE TO THE TRUST WHO IS ABLE TO AND WHO DOES SATISFY ALL OF THE REQUIREMENTS SET FORTH HEREIN AND IN THE INDENTURE. PENDING SUCH TRANSFER, SUCH HOLDER WILL BE DEEMED NOT TO BE THE HOLDER OF THIS SECURITY (OR INTEREST HEREIN) FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO RECEIPT OF PRINCIPAL AND INTEREST PAYMENTS ON THE SECURITY, AND SUCH HOLDER WILL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN THE SECURITY EXCEPT AS OTHERWISE REQUIRED TO SELL ITS INTEREST THEREIN AS DESCRIBED HEREIN.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE ISSUER OF THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO THE TRUST OR (A)(1) TO A PERSON WHO IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND RELATED RULES), IN EACH CASE PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHO IS ALSO A QUALIFIED PURCHASER AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION, IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A, AND PROVIDED THAT EACH SUCH PERSON AND ACCOUNT FOR WHICH SUCH PERSON IS PURCHASING (A) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT ITS AFFILIATED PERSONS, (C) IS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE TRUST, (D) UNDERSTANDS THAT THE TRUST MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THIS SECURITY FROM ONE OR MORE BOOK-ENTRY DEPOSITARIES AND (E) MUST BE ABLE TO AND WILL BE DEEMED TO REPRESENT THAT IT AGREES TO COMPLY WITH THE APPLICABLE TRANSFER RESTRICTIONS, AND WILL NOT TRANSFER THIS SECURITY OR ANY BENEFICIAL INTERESTS HEREIN EXCEPT TO A PURCHASER WHO CAN MAKE THE SAME REPRESENTATIONS AND AGREEMENTS ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 OF REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT, AND (B) IN EACH CASE IN ACCORDANCE WITH ALL

APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER THEREOF, THE TRUST OR THE INDENTURE TRUSTEE MAY REQUIRE THE DELIVERY OF ANY DOCUMENTS, INCLUDING AN OPINION OF COUNSEL, THAT THE TRUST, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE TRUST THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM THE HOLDER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THE FOREGOING LEGENDS MAY BE REMOVED FROM THIS NOTE ONLY ON THE CONDITIONS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN.

7. It understands that no representation can be made as to the availability of the exemption provided by Rule 144 for resales of the Notes offered hereby.
8. It acknowledges that the Indenture Trustee will not be required to accept for registration of transfer any Notes, except upon presentation of evidence satisfactory to the Trust that the restrictions set forth herein have been complied with.
9. It acknowledges that we, the Trust, the Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of the Notes are no longer accurate, it shall promptly notify us, the Trust and the Initial Purchaser. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
10. If it, or any other person for which it is acting, is an investment company exempted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or Section 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received consent of the beneficial owners who acquired their interest on or before April 30, 1996, with respect to its treatment as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder.
11. It acknowledges that the Cayman Trustee is subject to anti-money laundering legislation in the Cayman Islands pursuant to the Proceeds of Crime Law (as amended) and The Money Laundering Regulations (as amended). Accordingly, if Notes are issued in definitive or certificated form, the Trust may, except in relation to certain categories of institutional investors, require a detailed verification of an Investor's identity and the source of the payment used by such Investor for purchasing the Notes. The laws of other major financial centers may impose similar obligations upon the Trust.

#### ***Regulation S Notes***

Each purchaser of Regulation S Notes must be able to and will be deemed to have represented and agreed as follows:

1. It is a non-U.S. person who is acquiring such Regulation S Notes in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.
2. It understands that such Regulation S Notes are being offered only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act and that the Regulation S Notes offered hereby have not been and will not be registered under the Securities Act or with any securities regulatory authority of any U.S. state, the Securities and Commodities Market Law of Guatemala or any other jurisdiction, and may not be offered, resold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons except as permitted by the legend set forth in paragraph (5) below.

3. It agrees that it will deliver to each person to whom it transfers the Regulation S Notes notice of any restrictions on transfer of such Regulation S Notes.
4. It understands that each Regulation S Global Notes, and each definitive note issued in exchange for all or part of a Regulation S Global Note or interest therein, will bear a legend to the following effect, unless the Trust determines otherwise in compliance with applicable law:

THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF \$200,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

5. It acknowledges that the Indenture Trustee will not be required to accept for registration of transfer any Notes, except upon presentation of evidence satisfactory to the Trust that the restrictions set forth herein have been complied with.
6. It acknowledges that we, the Trust, the Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of the Notes are no longer accurate, it shall promptly notify us, the Trust and the Initial Purchaser. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
7. It acknowledges that the Cayman Trustee is subject to anti-money laundering legislation in the Cayman Islands pursuant to the Proceeds of Crime Law (as amended) and The Money Laundering Regulations (as amended). Accordingly, if Notes are issued in definitive or certificated form, the Trust may, except in relation to certain categories of institutional investors, require a detailed verification of an Investor's identity and the source of the payment used by such Investor for purchasing the Notes. The laws of other major financial centers may impose similar obligations upon the Trust.

#### **Representations and Restrictions on Resale and Transfer by Guatemalan Purchasers**

Each Guatemalan purchaser of Notes and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have acknowledged, represented and agreed as follows:

1. that the Notes have not been registered under the Securities and Commodities Market Law of Guatemala or any other jurisdiction;
2. that the Notes have only been privately offered as described in this offering memorandum;
3. that pursuant to the Securities and Commodities Market Law, (i) the Notes were not offered to them in an open market or directly or indirectly by means of massive communication; (ii) the Notes were not offered to them with the involvement or intervention of a third party or intermediary; (iii) it is not an entity under the supervision of the Guatemalan Superintendence of Banks, nor is it related to the Social Security Institute of Guatemala (*Instituto de Seguridad Social – IGSS*), its affiliates or regarded as a public or private social welfare entity; and (iv) it is not an entity or vehicle used for purposes of collective investment; and
4. it acknowledges that the Notes may not be publicly offered or sold in Guatemala.



## LISTING AND GENERAL INFORMATION

We expect that the Notes will be accepted for clearance through DTC, Euroclear and Clearstream. The CUSIP and ISIN numbers for the Notes are as follows:

	<b>Rule 144A Global Note</b>	<b>Regulation S Global Note</b>
CUSIP	200303 AA3	G2300T AA0
ISIN	US200303AA32	USG2300TAA00

For so long as any of the Notes are outstanding, copies of the Indenture and the form of transfer certificates may be inspected during normal business hours at the specified office of each agent, including at the offices of the paying agent in Luxembourg. Any present and future annual and interim reports of the Issuer to the extent published will be available free of charge during normal business hours at the specified office of each agent, including at the offices of the paying agent in Luxembourg.

Except as disclosed in this offering memorandum, there has been no material adverse change in our financial position since September 30, 2013, the date of the latest financial information included in this offering memorandum.

Except as disclosed in this offering memorandum, we are not involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor so far as we are aware is any such litigation or arbitration pending or threatened.

Our Combined Financial Statements and their respective notes thereto are included elsewhere in this offering memorandum.

Application has been made to admit the Notes offered hereby to listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF market of that exchange.

The issuance, offer and sale of the Notes were authorized by our shareholders on November 15, 2013.

### **Cayman Islands Anti-Money Laundering Regulations**

The Cayman Trustee is subject to anti money laundering legislation in the Cayman Islands pursuant to the Proceeds of Crime Law (as amended) of the Cayman Islands (the “PCL”). Pursuant to the PCL the Cayman Islands government enacted The Money Laundering Regulations (as amended) of the Cayman Islands, which impose specific requirements with respect to the obligation “to know your client.” Except in relation to certain categories of institutional investors, the Cayman Trustee (and its agents on its behalf) will require a detailed verification of each investor’s identity and the source of the payment used by such investor for purchasing the Notes in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any person who is resident in the Cayman Islands knows or has a suspicion that a payment to us (by way of investment or otherwise) contains the proceeds of criminal conduct, that person must report such suspicion to the Cayman Islands authorities pursuant to the PCL. If the Cayman Trustee were determined by the Cayman Islands government to be in violation of the PCL or The Money Laundering Regulations (as amended) of the Cayman Islands, the Cayman Trustee could be subject to substantial criminal penalties which may adversely impact the performance of its obligations in respect of the Notes. The Cayman Trustee may be subject to similar restrictions in other jurisdictions.

## **VALIDITY OF NOTES**

The validity of the Notes offered and sold in this offering, will be passed upon for us under New York law by our special U.S. counsel, Davis Polk & Wardwell LLP, and for the Initial Purchasers under New York law by Milbank, Tweed, Hadley & McCloy LLP. Certain matters of Guatemalan law relating to the Notes will be passed upon for us by Asensio, Barrios, Andrade & Asociados, and for the Initial Purchasers by Cuestas PPQ. Certain matters of Cayman Islands law relating to the Notes will be passed upon for us by Walkers.

## **INDEPENDENT AUDITORS**

Our combined financial statements as at, and for the year ended, December 31, 2012 included in this offering memorandum have been audited by Ernst & Young, independent auditors, as stated in their report included elsewhere in this offering memorandum. Our combined financial statements as at, and for the year ended, December 31, 2011 included in this offering memorandum have been audited by PricewaterhouseCoopers, independent auditors, as stated in their report included elsewhere in this offering memorandum.

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## Report on review of interim condensed combined financial statements

To the Board of Directors of Comunicaciones Celulares, S.A

### *Introduction*

We have reviewed the accompanying interim condensed combined financial statements of the entities under the joint control of Millicom International II N.V. and Miffin Associates Corp. operating in Guatemala ("Tigo Guatemala companies") as of 30 September 2013 and the related interim condensed combined statement of income, comprehensive income, changes in equity and cash flows for the nine month period then ended and explanatory notes. The Board of Directors of Comunicaciones Celulares, S.A is responsible for the preparation and fair presentation of these interim condensed combined financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed combined financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed combined financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'Olivier Lemaire'.

Olivier LEMAIRE

**Interim condensed combined Income Statements for the nine months  
period ended September 30, 2013**

<b>US\$ '000 (unaudited)</b>	<b>Notes</b>	<b>Nine month period ended September 30, 2013</b>	<b>Nine month period ended September 30, 2012</b>
Revenue .....	5	855,833	841,206
Cost of sales.....		(236,922)	(209,479)
<b>Gross profit</b> .....		<b>618,911</b>	<b>631,727</b>
Sales and marketing .....		(152,329)	(139,021)
General and administrative expenses.....		(134,466)	(125,834)
<b>Operating profit</b> .....		<b>332,116</b>	<b>366,872</b>
Interest expense .....		(21,036)	(19,746)
Interest income.....		—	3,951
Foreign exchange gain (loss), net .....		(691)	(6,727)
<b>Profit before tax</b> .....		<b>310,389</b>	<b>344,350</b>
Charge for taxes .....		(46,802)	(40,801)
<b>Net profit for the period</b> .....		<b>263,587</b>	<b>303,549</b>

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

**Interim condensed combined Statements of Comprehensive Income  
for the nine month period ended September 30, 2013**

<b>US\$ '000 (unaudited)</b>	<b>Nine months ended September 30, 2013</b>	<b>Nine months ended September 30, 2012</b>
Net profit for the period.....	263,587	303,549
<b><i>Other comprehensive income:</i></b>		
Exchange differences on translating foreign operations.....	1,202	(8,220)
<b>Total comprehensive profit for the period .....</b>	<b>264,789</b>	<b>295,329</b>

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

**Interim condensed combined Statements of Financial Position  
as at September 30, 2013**

<b>US\$ '000</b>	<b>Notes</b>	<b>September 30, 2013 (unaudited)</b>	<b>December 31, 2012</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible assets, net .....	7	142,144	146,997
Property, plant and equipment, net.....	8	619,597	566,862
Deferred taxation.....		1,463	1,235
Other non-current assets.....		1,933	2,620
<b>Total Non-Current Assets .....</b>		<b>765,137</b>	<b>717,714</b>
<b>Current Assets</b>			
Inventories.....		32,834	36,176
Trade receivables, net.....		64,962	52,494
Amounts due from related parties .....	9	116,291	353,051
Prepayments and accrued income .....		11,006	10,534
Current income tax assets.....		1,071	—
Supplier advances for capital expenditure.....		44,776	18,425
Other current assets .....		24,235	17,520
Restricted cash .....		2,671	2,601
Cash and cash equivalents.....		38,125	32,474
<b>Total Current Assets.....</b>		<b>335,971</b>	<b>523,275</b>
<b>TOTAL ASSETS .....</b>		<b>1,101,108</b>	<b>1,240,989</b>

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

**Interim condensed combined Statements of Financial Position  
as at September 30, 2013**

<b>US\$ '000</b>	<b>Notes</b>	<b>September 30, 2013 (unaudited)</b>	<b>December 31, 2012</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital .....		14,009	14,009
Equity contribution reserve .....		4,579	3,620
Other reserves .....		67,668	66,466
Retained Earnings .....		324,958	444,111
<b>TOTAL EQUITY .....</b>		<b>411,214</b>	<b>528,206</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Debt and financing to related parties .....	9	3,242	3,207
Other debt and financing .....	11	341,785	398,397
Provisions and other non-current liabilities .....		22,824	22,207
Deferred taxation .....		4,264	3,964
<b>Total non-current liabilities .....</b>		<b>372,115</b>	<b>427,775</b>
<b>Current Liabilities</b>			
Other debt and financing .....	11	83,560	83,611
Payables and accruals for capital expenditure .....		72,050	61,651
Other trade payables .....		45,670	32,670
Amounts due to related parties .....	9	6,234	—
Other accrued interest and accrued expenses .....		52,692	59,935
Current income tax liabilities .....		10,877	4,205
Provisions and other current liabilities .....		46,696	42,936
<b>Total current liabilities .....</b>		<b>317,779</b>	<b>285,008</b>
<b>TOTAL LIABILITIES .....</b>		<b>689,894</b>	<b>712,783</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>		<b>1,101,108</b>	<b>1,240,989</b>

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



**Interim condensed combined Statements of Cash Flows  
for the nine month period ended September 30, 2013**

<b>US\$ '000 (unaudited)</b>	<b>Notes</b>	<b>Nine months ended September 30, 2013</b>	<b>Nine months ended September 30, 2012</b>
<b>Profit before tax</b> .....		<b>310,389</b>	<b>344,350</b>
<b>Adjustments for non-operating items:</b>			
Interest expense .....		21,036	19,746
Interest and income .....		—	(3,951)
Foreign exchange loss / (gain) .....		691	6,727
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization .....	7,8	108,729	101,563
Loss on disposal and impairment of assets .....		923	174
Impairment of goodwill .....		—	—
Other non-cash items .....		—	(2,090)
Share-based compensation .....	6,10	959	778
		<b>442,727</b>	<b>467,297</b>
(Increase)/Decrease in trade receivables, prepayments and other current assets .....		(18,125)	(59,094)
(Increase)/Decrease in inventories .....		3,342	(9,220)
Increase/(Decrease) in trade and other payables .....		19,991	13,724
<b>Changes to working capital</b> .....		<b>5,208</b>	<b>(54,590)</b>
Interest paid .....		(18,259)	(17,442)
Interest received .....		858	3,557
Taxes paid .....		(31,030)	(43,247)
<b>Net cash provided by operating activities</b> .....		<b>399,504</b>	<b>355,575</b>
<b>Cash flows from investing activities:</b>			
Acquisition of subsidiaries, joint ventures and associates .....		(8,504)	(328)
Purchase of intangible assets and license renewals .....	7	(1,361)	—
Purchase of property, plant and equipment .....	8	(172,174)	(134,136)
Proceeds from sale of property, plant and equipment .....		407	—
Net increase in restricted cash .....		(70)	(1,228)
Cash (used) provided by other investing activities .....		(722)	(1,164)
<b>Net cash used in investing activities</b> .....		<b>(182,424)</b>	<b>(136,856)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of debt and other financing .....		11,579	265,379
Repayment of debt and financing .....		(68,229)	(121,498)
Payment of dividends .....		(155,439)	(361,918)
<b>Net cash used in financing activities</b> .....		<b>(212,089)</b>	<b>(218,037)</b>
Exchange losses on cash and cash equivalents .....		660	(125)
<b>Net (decrease) increase in cash and cash equivalents</b> .....		<b>5,651</b>	<b>557</b>
Cash and cash equivalents at the beginning of the period .....		32,474	83,324
<b>Cash, cash equivalents at the end of the period</b> .....		<b>38,125</b>	<b>83,881</b>

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

**Interim condensed combined Statements of changes in equity**  
**September 30, 2013 for the nine periods then ended**

(unaudited)					
	Share capital	Equity Contribution Reserve (i)	Other reserves (ii)	Retained earnings	Total equity
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Balance as of December 31, 2011.....</b>	<b>4,366</b>	<b>2,586</b>	<b>69,617</b>	<b>543,369</b>	<b>619,938</b>
Balance as of January 1, 2012 .....	4,366	2,586	69,617	543,369	619,938
<i>Profit for the year .....</i>	—	—	—	303,549	303,549
<i>Currency translation differences .....</i>	—	—	(8,220)	—	(8,220)
Total comprehensive income for the period .....	—	—	(8,220)	303,549	295,329
Entities absorbed by Navega.com SA.....	9,643	—	—	(9,643)	—
Share based compensation .....	—	778	—	—	778
Dividends.....	—	—	—	(492,110)	(492,110)
<b>Balance as of September 30, 2012</b>					
<b>(unaudited) .....</b>	<b>14,009</b>	<b>3,364</b>	<b>61,397</b>	<b>345,165</b>	<b>423,935</b>
<i>Profit for the period .....</i>	—	—	—	98,946	98,946
<i>Currency translation differences .....</i>	—	—	5,069	—	5,069
Total comprehensive income for the period .....	—	—	5,069	98,946	104,015
Share based compensation .....	—	256	—	—	256
<b>Balance as of December 31, 2012.....</b>	<b>14,009</b>	<b>3,620</b>	<b>66,466</b>	<b>444,111</b>	<b>528,206</b>
Balance as of January 1, 2013 .....	14,009	3,620	66,466	444,111	528,206
<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</b>					
<b>(unaudited) .....</b>	<b>14,009</b>	<b>4,579</b>	<b>67,668</b>	<b>324,958</b>	<b>411,214</b>

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

(ii) *Other reserves relates to non distributable reserves for \$ 92mn in 2012 and 2013 (mainly Legal Reserve) and Currency translation differences for \$ (27)million in 2012 and \$ (28)million in 2013.*

(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, 2013 for the nine periods then ended**

**1. CORPORATE INFORMATION**

The combined financial statements are composed of 10 companies (the “Combined Group” or “Tigo Guatemala Companies”) as detailed in the table below :

Name of the company	Country	September 30, 2013 (unaudited)	December 31, 2012	September 30, 2012 (unaudited)
		% of ownership interest	% of ownership interest	% of ownership interest
Comunicaciones Celulares, S.A. ....	Guatemala	100	100	100
Comunicaciones Corporativas, S.A. ....	Guatemala	100	100	100
Servicios especializados en telecomunicaciones, S.A. ....	Guatemala	100	100	100
Distribuidora de comunicaciones de occidente, S.A. ....	Guatemala	100	100	100
Distribuidora central de comunicaciones, S.A. ....	Guatemala	100	100	100
Distribuidora de comunicaciones de oriente, S.A. ....	Guatemala	100	100	100
Distribuidora internacional de comunicaciones, S.A. ....	Guatemala	100	100	100
Millicom Cable Guatemala, S.A. ....	Guatemala	liquidated	liquidated	liquidated
Servicios Innovadores de Comunicación y Entretenimiento, S.A. .	Guatemala	100	100	100
Navega.com, S.A. ....	Guatemala	100	100	100

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 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.

The companies composing the Combined Group are all companies of the telecommunication sector with common shareholders as they are all owned 55% by Millicom International II, N.V. and 45% by Miffin Associates Corp., under common management and decision making processes. Entities are fully combined from the date on which they are transferred to the Combined Group. They are de-combined from the date that relation ceases.

These interim financial statements are presented in US dollars and all values are rounded to the nearest thousand (US\$ '000) except when otherwise indicated. The combined financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities that have been measured at fair value.

The operations of Tigo Guatemala Companies are managed as part of the integrated management structure of the ultimate holding companies of the shareholders such that no dedicated management reporting information is presented for Tigo Guatemala Companies to a chief decision maker at this group level. Internal reporting to Shareholders’ CODM are based on the Combined Group taken as a whole (as defined in Note 1).

Accordingly, the Combined Group has only one segment and no other segment reporting is applicable.

The Combined Group is under common control of Millicom Group and Miffin which own respectively 55% and 45% interest in all 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 and under a single common management.

These interim condensed combined financial statements have been prepared in relation to a proposed bond issuance.

The representatives to the Board of Directors (“Board”) of Comunicaciones Celulares, S.A. and the other Tigo Guatemala companies have approved these combined financial statements on January 17 2014 and have authorized to include them in the bond offering document.

**Notes to the interim condensed combined financial statements at  
September 30, 2013 for the nine periods then ended**

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

These interim condensed combined financial statements of the Combined Group are unaudited. The Combined Group have been prepared on the basis of accounting policies, and presented in accordance with presentation and disclosure requirements of International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB") and adopted by the European Commission ("EU").

As of September 30, 2013, 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, 2012.

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2013 that have a material impact on the Combined Group.

### **IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1**

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Combined Group's financial position or performance.

### **IAS 32 Tax effects of distributions to holders of equity instruments (Amendment)**

The amendment to IAS 32 Financial Instruments: Presentation clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

### **IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)**

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Combined Group has a single reporting segment.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2013, have not been early adopted and are not expected to 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 Combined Group is in the process of analyzing the full impact and intends to adopt the amendment no later than its effective date for the accounting period beginning on January 1, 2014.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2013, have not been early adopted and are currently being evaluated for impact on the Combined Group:

**IFRS 9, 'Financial Instruments'**, which has yet to be adopted by the European Union, addresses the classification, measurement and recognition of financial assets and financial liabilities.

**Notes to the interim condensed combined financial statements at  
September 30, 2013 for the nine periods then ended**

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

*IFRS 13, 'Fair value measurements'*, establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by Combined Group.

A group of standards comprising *IFRS 10, 'Consolidated financial statements'* (which replaces all of the guidance on control and consolidation in IAS 27, 'Consolidated and separate financial statements', and SIC-12, 'Consolidation – special purpose entities'), *IFRS 11 'Joint Arrangements'*; *IFRS 12, 'Disclosure of interests in other entities'*; and consequential *amendments to IAS 28, 'Investments in associates'* are pending confirmation that they would have no impact to the Combined Group.

**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.

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, 2013, three small companies were acquired (Aura, Delta and Kappa). Those acquisitions were not material for the Combined Group.

**Notes to the interim condensed combined financial statements at  
September 30, 2013 for the nine periods then ended**

**5. ANALYSIS OF OPERATING PROFIT**

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

<b>US\$ '000 (unaudited)</b>	<b>Nine months ended September 30, 2013</b>	<b>Nine months ended September 30, 2012</b>
Revenue .....	855,833	841,206
Cost of rendering telecommunication services .....	(150,786)	(129,631)
Depreciation and amortization (see notes 8 and 9) .....	(108,729)	(101,564)
Dealer commissions .....	(64,504)	(62,244)
Employee related costs (see note 6) .....	(34,929)	(32,747)
Sites and network maintenance .....	(61,121)	(58,190)
Advertising and promotion .....	(20,006)	(20,542)
Phone subsidies .....	(40,078)	(34,546)
External services .....	(19,444)	(14,779)
Operating lease expense .....	(3,984)	(2,956)
Other fees and costs .....	(3,575)	(2,360)
(Loss) gain on disposal and impairment of assets, net .....	(923)	1,917
Other expenses .....	(15,638)	(16,692)
<b>Operating profit .....</b>	<b>332,116</b>	<b>366,872</b>

**6. EMPLOYEE RELATED COSTS**

Employee related costs are comprised of the following:

<b>US\$ '000 (unaudited)</b>	<b>Nine months ended September 30, 2013</b>	<b>Nine months ended September 30, 2012</b>
Wages and salaries .....	(31,016)	(29,826)
Social security .....	(2,419)	(1,824)
Share based compensation (see note 10) .....	(959)	(778)
Other employee related costs (i) .....	(535)	(319)
<b>Total .....</b>	<b>(34,929)</b>	<b>(32,747)</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:

<b>US\$ '000 (unaudited)</b>	<b>Nine months ended September 30, 2013</b>	<b>Nine months ended September 30, 2012</b>
Additions .....	3,562	—
Increase in payables for intangibles .....	(2,201)	—
<b>Cash used for the purchase of intangible assets and licenses .....</b>	<b>1,361</b>	<b>—</b>

The charge for depreciation on intangible assets and license renewals for the nine month period ended September 30, 2013 was \$11 million (September 30, 2012: \$13 million).

During the nine month period ended September 30, 2013 and 2012, Tigo Guatemala companies did not dispose any intangibles.

**Notes to the interim condensed combined financial statements at  
September 30, 2013 for the nine periods then ended**

## **8. PROPERTY, PLANT AND EQUIPMENT**

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

<b>US\$ '000 (unaudited)</b>	<b>Nine months ended September 30, 2013</b>	<b>Nine months ended September 30, 2012</b>
Additions .....	154,021	112,031
Increase in suppliers advances .....	26,307	404
Increase in payables for property, plant and equipment .....	(8,198)	21,701
<b>Cash used for the purchase of property, plant and equipment .....</b>	<b>172,174</b>	<b>134,136</b>

The charge for depreciation on property, plant and equipment for the nine month period ended September 30, 2013 was \$98 million (September 30, 2012: \$89 million).

During the nine month period ended September 30, 2013, Tigo Guatemala companies disposed of property, plant and equipment and received \$407 thousands (September 30, 2012: \$154 thousands).

## **9. RELATED PARTIES**

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

### ***Millicom Group subsidiaries***

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.

Receivable balance with MIO S.A. is especially dividend advances related. Transactions with related parties are made at arm's length principle.

### ***Miffin Associates Corp***

Receivable balance with Miffin Associates Corp is especially dividend advances related. Transactions with related parties are made at arm's length principle.

### ***Kinnevik***

Kinnevik is a Swedish holding company with interests in the telecommunications, media, publishing, paper industries and financial services. As of September 30, 2013, and December 31, 2012 Kinnevik owned approximately 38% of one of the joint shareholders MIC. During 2013 and 2012 the Combined Group purchased services from Kinnevik subsidiaries including fraud detection, procurement and professional services.

Amount due from related parties (current portion)

<b>US\$ '000 (unaudited)</b>	<b>September 30, 2013</b>	<b>December 31, 2012</b>
MIO S.A (i).....	60,189	186,639
Miffin associates Corp (i) .....	47,367	159,246
MICSA.....	5,572	7,104
Others (ii).....	3,163	62
<b>Total .....</b>	<b>116,191</b>	<b>353,051</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.

(ii) Receivables with Newcom Bermuda Ltd, for an amount of \$1.4 million, are fully impaired.

**Notes to the interim condensed combined financial statements at  
September 30, 2013 for the nine periods then ended**

**9. RELATED PARTIES (Continued)**

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

US\$ '000 (unaudited)	September 30, 2013	December 31, 2012
Others.....	3,242	3,207
<b>Total .....</b>	<b>3,242</b>	<b>3,207</b>

Amounts to related parties (current portion)

US\$ '000 (unaudited)	September 30, 2013	December 31, 2012
MIC SA.....	1,392	—
Others.....	4,842	—
<b>Total .....</b>	<b>6,234</b>	<b>—</b>

Other trade payables and transactions conducted with related parties as at September 30, 2013 are aligned with the information disclosed as at December 31, 2012.

**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.

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, 2013 is as follows:

Plans (unaudited)	Shares vested in 2013 (Shares 000's)	Actual/expected charge over the vesting period (US\$ '000)
2010 Deferred Plan .....	9	478
2010 Performance Plan .....	2	99
<b>Total actual for fully vested plans.....</b>	<b>11</b>	<b>577</b>
2011 Deferred Plan .....	4	853
2011 Performance Plan .....	—	55
2012 Deferred Plan .....	2	1,051
2012 Performance Plan .....	—	114
2013 Deferred Plan .....	—	1,505
2013 Performance Plan .....	—	326
<b>Total expected for other plans.....</b>	<b>6</b>	<b>3,904</b>
<b>Total.....</b>	<b>17</b>	<b>4,481</b>



**Notes to the interim condensed combined financial statements at  
September 30, 2013 for the nine periods 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, 2013 and 2012 was as follows:

<b>US\$ '000 (unaudited)</b>	<b>Nine months ended September 30, 2013</b>	<b>Nine months ended September 30, 2012</b>
2010 LTIPs .....	—	117
2011 LTIPs .....	99	223
2012 LTIPs .....	236	438
2013 LTIPs .....	624	—
<b>Total share-based compensation expense .....</b>	<b>959</b>	<b>778</b>

**11. BORROWINGS**

*Analysis of debt and other financing by maturity*

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

<b>US\$ '000</b>	<b>As at September 30, 2013 (unaudited)</b>	<b>As at December 31, 2012</b>
Due within:		
One year .....	83,560	83,611
One-two years .....	86,081	96,265
Two-three years .....	83,934	83,611
Three-four years .....	72,272	80,774
Four-five years .....	74,889	88,571
After five years .....	24,609	49,176
<b>Total debt .....</b>	<b>425,345</b>	<b>482,008</b>

As at September 30, 2013 and December 31, 2012, none of the joint shareholders had issued any guarantees to secure the obligations of the Combined Group's operations.

*Pledged assets*

As at September 30, 2013 and December 31, 2012, 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. In September 2013, the entities of the Combined Group declared dividend of \$383 million (2012: \$492 million) which are usually 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, 2013 for the nine periods 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, 2013, the total amount of claims against the Combined Group's operations was not significant. As at September 30, 2013, \$17 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, 2013, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$86 million (December 31, 2012: \$67 million), from a number of suppliers.

**14. SUBSEQUENT EVENTS**

In the 4<sup>th</sup> quarter 2013, the 4th Chamber of the Court of Administrative Litigation ruled in favour of Comunicaciones Celulares, S.A. in the case related to adjustments to income tax for the tax years 2005 and 2006, for retention in interconnection payments made abroad by a total of around \$1.7 million. The tax authority may exercise its right to appeal the judgment of the Court of Administrative filing a complaint of the appeal.

On January 16, 2014 Millicom announced that Millicom International Cellular SA and its local partner in Guatemala, Mifin reached an agreement that gives Millicom control of Tigo Guatemala Companies. Mifin 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 Mifin 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.

## Report on the combined financial statements

To the Board of Directors of Comunicaciones Celulares, S.A

We have audited the accompanying combined financial statements of the entities under the joint control of Millicom International II N.V. and Miffin Associates Corp. operating in Guatemala ("Tigo Guatemala companies") which comprise the combined statement of financial position as at December 31, 2012, the combined income statement, the combined statement of comprehensive income, the combined statement of changes in equity, the combined cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The combined financial statements as of December 31, 2011 and for the year then ended were audited by another auditor which issued an unqualified opinion on January 17, 2014.

### *Board of Directors' responsibility for the combined financial statements*

The Board of Directors of Comunicaciones Celulares, S.A is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the combined financial statements give a true and fair view of the financial position of Tigo Guatemala Companies as of December 31, 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'Olivier Lemaire'.

Olivier LEMAIRE



## **Independent auditor's report on special purpose combined financial statements**

To the Board of Directors of Comunicaciones Celulares S.A.

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We have audited the accompanying combined financial statements, which comprise the combined balance sheet of the entities set out in Note 1 to the combined financial statements as at 31 December 2011 and the combined statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### *Board of Director's responsibility for the special purpose combined financial statements*

The Board of Directors is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, for determining that the basis of preparation is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the entities set out in note 1 to the combined financial statements as at 31 December 2011, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### *Basis of Accounting*

Without modifying our opinion, we draw your attention to notes 1 and 2 of the combined financial statements which describe the basis of accounting. The combined financial statements are prepared by the Board of Directors of Comunicaciones Celulares S.A. to present the financial position, financial performance and cash flows of the combined entities set out in note 1 and in connection with the transaction described in that note. As a result, the combined financial statements may not be suitable for other purposes.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 17 January 2014

A handwritten signature in black ink, appearing to read "G. Vanderweylen".

Gilles Vanderweylen

**Combined Income Statements for the years ended  
December 31, 2012 and 2011**

	<u>Notes</u>	<u>2012</u> US\$ '000	<u>2011</u> US\$ '000
Revenue .....		1,129,053	1,111,512
Cost of sales .....		(287,900)	(286,045)
<b>Gross profit</b> .....		<b>841,153</b>	<b>825,467</b>
Sales and marketing .....		(191,907)	(181,950)
General and administrative expenses .....		(167,248)	(144,105)
<b>Operating profit</b> .....	5	<b>481,998</b>	<b>499,412</b>
Interest expense .....		(25,680)	(24,508)
Interest income .....		2,344	7,327
Other non operating expenses, net .....		—	(171)
Foreign exchange gain (loss), net .....		(2,326)	9,755
<b>Profit before tax</b> .....		<b>456,336</b>	<b>491,815</b>
Charge for taxes .....	7	(53,841)	(53,501)
<b>Net profit for the year</b> .....		<b>402,495</b>	<b>438,314</b>

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

**Combined Statements of Comprehensive Income  
for the years ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
	US\$ '000	US\$ '000
Net profit for the year .....	402,495	438,314
<b><i>Other comprehensive income:</i></b>		
Exchange differences on translating foreign operations .....	(3,151)	19,401
<b>Total comprehensive income for the year.....</b>	<b>399,344</b>	<b>457,715</b>

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



**Combined Statements of Financial Position**  
**as at December 31, 2012, 2011 and January 1, 2011**

	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>January 1,</u> <u>2011</u> <u>(unaudited)</u>
		US\$ '000	US\$ '000	US\$ '000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Intangible assets, net .....	8	146,997	155,338	157,654
Property, plant and equipment, net.....	9	566,862	504,363	449,775
Deferred taxation.....	7	1,235	1,774	694
Other non-current assets.....		2,620	459	306
<b>Total Non-Current Assets .....</b>		<b>717,714</b>	<b>661,934</b>	<b>608,429</b>
<b>Current Assets</b>				
Inventories.....	10	36,176	29,940	22,007
Trade receivables, net.....	11	52,494	45,024	50,034
Amounts due from related parties .....	23	353,051	423,101	394,026
Prepayments and accrued income .....		10,534	5,649	5,864
Supplier advances for capital expenditure.....		18,425	6,570	3,604
Other current assets.....		17,520	15,378	—
Restricted cash .....	12	2,601	837	—
Cash and cash equivalents.....	12	32,474	83,324	96,917
<b>Total Current Assets.....</b>		<b>523,275</b>	<b>609,823</b>	<b>572,452</b>
<b>TOTAL ASSETS .....</b>		<b>1,240,989</b>	<b>1,271,757</b>	<b>1,180,881</b>

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

**Combined Statements of Financial Position**  
as at December 31, 2012, 2011 and January 1, 2011

	Notes	2012 US\$ '000	2011 US\$ '000	January 1, 2011 (unaudited) US\$ '000
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity contribution.....	13	14,009	4,366	4,365
Equity contribution reserve .....		3,620	2,586	1,836
Other reserves .....		66,466	69,617	50,216
Retained Earnings .....		444,111	543,369	593,641
<b>TOTAL EQUITY</b> .....		<b>528,206</b>	<b>619,938</b>	<b>650,058</b>
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
Debt and financing to related parties.....	23	3,207	—	—
Other debt and financing .....	15	398,397	286,350	236,885
Provisions and other non-current liabilities.....	19	22,207	19,442	18,763
Deferred taxation.....	7	3,964	3,166	3,565
<b>Total non-current liabilities</b> .....		<b>427,775</b>	<b>308,958</b>	<b>259,213</b>
<b>Current Liabilities</b>				
Other debt and financing .....	15	83,611	139,604	125,457
Payables and accruals for capital expenditure.....	16	61,651	67,397	39,719
Other trade payables.....	17	32,670	12,657	20,933
Other accrued interest and accrued expenses .....	18	59,935	66,368	35,785
Current income tax liabilities .....		4,205	12,286	11,561
Provisions and other current liabilities .....	19	42,936	44,549	38,155
<b>Total current liabilities</b> .....		<b>285,008</b>	<b>342,861</b>	<b>271,610</b>
<b>TOTAL LIABILITIES</b> .....		<b>712,783</b>	<b>651,819</b>	<b>530,823</b>
<b>TOTAL EQUITY AND LIABILITIES</b> .....		<b>1,240,989</b>	<b>1,271,757</b>	<b>1,180,881</b>

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

**Combined Statements of Cash Flows**  
**for the years ended December 31, 2012 and 2011**

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
		<b>US\$ '000</b>	<b>US\$ '000</b>
<b>Profit before tax</b> .....		<b>456,336</b>	<b>491,815</b>
<b>Adjustments for non-operating items:</b>			
Interest expense .....		25,680	24,508
Interest income.....		(2,344)	(7,327)
Other non operating loss .....		—	171
Foreign exchange loss / (gain) .....		2,326	(9,755)
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization .....	8,9	138,420	121,995
Loss on disposal and impairment of assets .....	8,9	2,416	2,955
Other non-cash items .....		(2,090)	742
Share-based compensation.....	6	1,034	750
		<b>621,778</b>	<b>625,854</b>
(Increase)/Decrease in trade receivables, prepayments and other current assets .....		(8,537)	(13,796)
(Increase)/Decrease in inventories .....		(6,132)	(7,347)
Increase/(Decrease) in trade and other payables .....		21,810	19,830
<b>Changes to working capital</b> .....		<b>7,141</b>	<b>(1,313)</b>
Interest paid .....		(22,782)	(20,643)
Interest received.....		1,941	4,455
Taxes paid.....		(53,930)	(54,311)
<b>Net cash provided by operating activities</b> .....		<b>554,148</b>	<b>554,042</b>
<b>Cash flows from investing activities:</b>			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired .....	4	(10,131)	(9,722)
Purchase of intangible assets and license renewals.....		—	(95)
Purchase of property, plant and equipment.....	9	(213,643)	(129,727)
Proceeds from sale of property, plant and equipment.....		—	3,003
Proceeds from sale of intangible assets.....		—	65
Net increase in restricted cash.....		(1,764)	(837)
Cash (used) provided by other investing activities .....		(2,159)	—
<b>Net cash used in investing activities</b> .....		<b>(227,697)</b>	<b>(137,313)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of debt and other financing.....		205,425	407,321
Repayment of debt and financing .....		(146,209)	(343,278)
Payment of dividends.....		(436,957)	(497,600)
<b>Net cash used in financing activities</b> .....		<b>(377,741)</b>	<b>(433,557)</b>
Exchange gains on cash and cash equivalents .....		440	3,235
<b>Net (decrease) increase in cash and cash equivalents</b> .....		<b>(50,850)</b>	<b>(13,593)</b>
Cash and cash equivalents at the beginning of the year .....		83,324	96,917
<b>Cash, cash equivalents at the end of the year</b> .....		<b>32,474</b>	<b>83,324</b>

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

**Combined Statements of Changes in Equity  
for the years ended December 31, 2012 and 2011**

	Equity Contribution (i) US\$ '000	Equity Contribution Reserve US\$ '000	Other Reserves (iv) US\$ '000	Retained earnings US\$ '000	Total equity US\$ '000
<b>Balance as of December 31, 2010</b>					
<b>(unaudited)</b> .....	<b>4,365</b>	<b>1,836</b>	<b>50,216</b>	<b>593,641</b>	<b>650,058</b>
Balance as of January 1, 2011 (unaudited) ..	4,365	1,836	50,216	593,641	650,058
Net profit for the year .....	—	—	—	438,314	438,314
Currency translation differences .....	—	—	19,401	—	19,401
Total comprehensive income for the year...	—	—	19,401	438,314	457,715
Change in scope (v) .....	1	—	—	—	1
Dividends (iii) .....	—	—	—	(488,586)	(488,586)
Share based compensation (ii) .....	—	750	—	—	750
<b>Balance as of December 31, 2011</b> .....	<b>4,366</b>	<b>2,586</b>	<b>69,617</b>	<b>543,369</b>	<b>619,938</b>
Balance as of January 1, 2012 .....	4,366	2,586	69,617	543,369	619,938
Net profit for the year .....	—	—	—	402,495	402,495
Currency translation differences .....	—	—	(3,151)	—	(3,151)
Total comprehensive income for the year...	—	—	(3,151)	402,495	399,344
Merger of three entities into Navega.com SA (vi) .....	9,643	—	—	(9,643)	—
Share based compensation (ii) .....	—	1,034	—	—	1,034
Dividends (iii) .....	—	—	—	(492,110)	(492,110)
<b>Balance as of December 31, 2012</b> .....	<b>14,009</b>	<b>3,620</b>	<b>66,466</b>	<b>444,111</b>	<b>528,206</b>

(i) Equity Contribution — see note 13.

(ii) Equity Contribution Reserve — see note 14.

(iii) Dividends — see note 20.

(iv) Other reserves include legal reserves for \$ 92mn and Currency translation differences for \$ -27mn in 2012, \$ -23mn in 2011 and \$ -42mn in 2010. Legal reserves are undistributable.

(v) Servicios Innovadores de Comunicación y entretenimiento, S.A. was incorporated in April 2011.

(vi) Entities merged into Navega.com SA are Asesoría en telecomunicaciones, SA, Newcom Guatemala, SA and Totalcom, SA.

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

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**1. CORPORATE INFORMATION**

The combined financial statements are composed of 13 companies (the “Combined Group” or “Tigo Guatemala Companies”) as detailed in the table available on next page.

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 Ltd) not material to the Combined Group have been excluded from this combination.

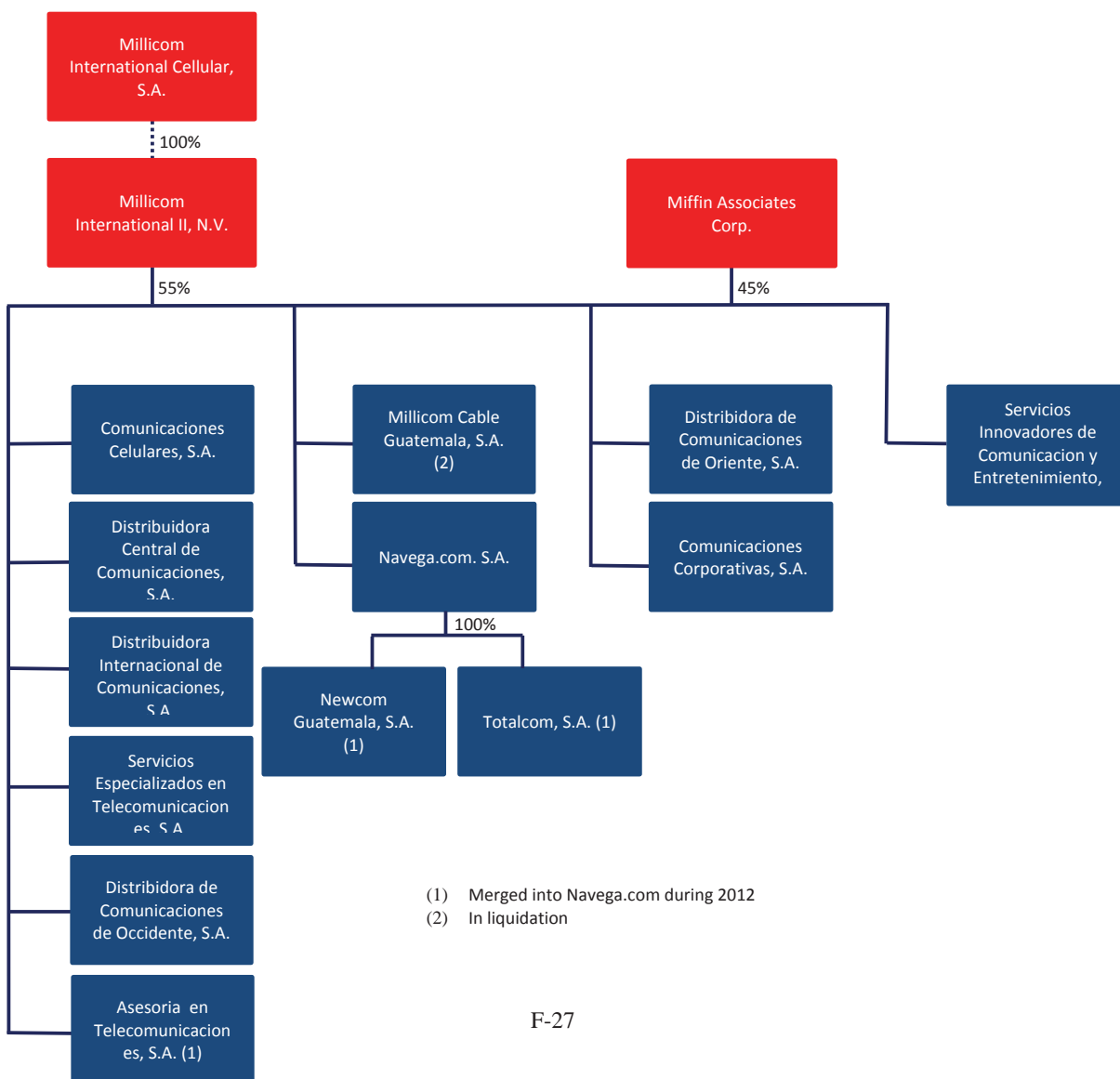
All Tigo Guatemala Companies have registered offices located Km 9.5 Carretera a El Salvador, Plaza Tigo Sta. Catarina Pinula, Guatemala. They are owned jointly by Millicom Group (“MIC Group”), whose ultimate holding company is Millicom International Cellular S.A. (“MIC”) and by Miffin Associates Corp.

The Combined Group is under joint common control of Millicom Group and Miffin which own respectively 55% and 45% interest in all 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 and under a single common management.

These combined financial statements have been prepared in relation to a proposed bond issuance (the “Transaction”).

1 January 2011 figures disclosed in these combined financial statements are unaudited.

Organization chart as at December 31, 2012 :



**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**1. CORPORATE INFORMATION (Continued)**

The Tigo Guatemala Companies which have been combined are as follows:

Name of the company	Country	December 31, 2012 % of ownership interest	December 31, 2011 % of ownership interest	January 1, 2011 (unaudited) % of ownership interest
Asesoría en telecomunicaciones, S.A. (i) .....	Guatemala	merged	100	100
Comunicaciones Celulares, S.A. ....	Guatemala	100	100	100
Comunicaciones Corporativas, S.A. ....	Guatemala	100	-	-
Servicios especializados en telecomunicaciones, S.A. ....	Guatemala	100	100	100
Distribuidora de comunicaciones de occidente, S.A. ....	Guatemala	100	100	100
Distribuidora central de comunicaciones, S.A. ....	Guatemala	100	100	100
Distribuidora de comunicaciones de oriente, S.A. ....	Guatemala	100	100	100
Distribuidora internacional de comunicaciones, S.A. ....	Guatemala	100	100	100
Millicom Cable Guatemala, S.A. ....	Guatemala	liquidated	liquidated	100
Servicios Innovadores de Comunicación y Entretenimiento, S.A (ii)	Guatemala	100	100	-
Newcom Guatemala, S.A. (i) .....	Guatemala	merged	100	100
Navega.com, S.A. (i) .....	Guatemala	100	100	100
Totalcom, S.A. (i) .....	Guatemala	merged	100	100
(i) <i>In 2011, Newcom Guatemala, S.A. and Totalcom S.A. were direct and 100%-owned subsidiaries of Navega.com S.A., which was a 100% subsidiary of Comunicaciones Celulares, S.A. Accordingly, those three companies are consolidated within these combined financial statements in 2011. In 2012, following a reorganization of the Combined Group, Newcom Guatemala, S.A. Asesoría en telecomunicaciones, S.A. and Totalcom, S.A. have been merged into Navega.com, S.A. which entity became owned, as all other entities of the Combined Group, at 55% by Millicom International II, N.V. and 45% by Miffin Associates Corp.</i>				
(ii) <i>Acquired in April 2011.</i>				

The representatives to the Board of Directors (“Board”) of Comunicaciones Celulares, S.A. and the other Tigo Guatemala companies have approved these combined financial statements on January 17 2014 and have authorized to include them in the bond offering document.

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

**2.1 Basis of preparation**

The combined financial statements of the Combined Group have been prepared on the basis of accounting policies, and presented in accordance with presentation and disclosure requirements of International Financial Reporting Standards (“IFRS”) published by the International Accounting Standards Board (“IASB”) and adopted by the European Commission (“EU”).

As of December 31, 2012, 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.

The companies composing the Combined Group are all companies of the telecommunication sector with common shareholders as they are all owned 55% by Millicom International II, N.V. and 45% by Miffin Associates Corp., under common management and decision making processes. Entities are fully combined from the date on which they are transferred to the Combined Group. They are de-combined from the date that relation ceases.

The combined financial statements are presented in US dollars and all values are rounded to the nearest thousand (US\$ '000) except when otherwise indicated. The combined financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities that have been measured at fair value.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.1 Basis of preparation (Continued)**

The preparation of financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying IFRS. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in note 3.

**2.2 First time adoption**

Accordingly, the Combined Group has prepared combined financial statements which comply with IFRS applicable for periods ending on December 31, 2012 together with the comparative period data for period ended December 31, 2011 as described in the accounting policies. In preparing these financial statements, the Combined Group's opening statement of financial position was prepared as at January 1, 2011. No combined financial statements have been prepared by the Combined Group in accordance with IFRS or other accounting principles before that date.

IFRS 1 allows first time adopters certain exemptions from the retrospective application of certain IFRS. The Combined Group has applied the following exemption:

As allowed by IFRS 1, when a subsidiary becomes a first time adopter later than its parent, the subsidiary can in its financial statements, measure its assets and liabilities at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRSs, if no adjustment were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. Accordingly the carrying values of Tigo Guatemala Companies' assets and liabilities are the carrying value as reported for the consolidated financial statements of MIC. As such, all estimates were based on the information available to MIC and Miffin Associates Corp. for the establishment of their respective consolidated financial statements.

For companies of the Combined Group that were acquired after MIC's transition to IFRS and before and after January 1, 2011, their assets and liabilities were measured at their fair value at the date of acquisition. Assets and liabilities of companies that were acquired after January 1, 2011 have been measured at the fair value on their acquisition dates.

**2.3 Combination and Consolidation**

The combined entities and the combined financial statements have the same calendar year closing and use consistent accounting policies for each year presented. All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated. Companies linked to one another by combination are integrated through the aggregation of accounts, in accordance with rules identical to those for full consolidation.

The acquisition method of accounting is used to account for acquisitions where there is a change in control (i.e. when a combined entity does obtain control over another entity or business). The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Combined Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement (see accounting policy for Goodwill). All acquisition related costs are expensed. Figures from entities entering into the combination are added to the figures of the existing combination at the time of the entry into the combination.

**2.4 Foreign currency translation**

***Functional and presentation currencies***

Items included in the financial statements of each of the Combined Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency reflects the economic substance of the underlying events and circumstances of these entities. Given the purposes of the Combined Group's combined financial statements, those are presented in U.S. dollars (the "presentation currency") while the functional currency of all entities is the Guatemalan Quetzal.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.4 Foreign currency translation (Continued)**

The following table presents relevant currency translation rates to the U.S. dollar as of December 31, 2012, 2011 and 1 January 2011 and average rates for 2012 and 2011.

Country	Currency	2012	2012	2011	2011	1 January 2011
		Average rate	Year-end rate	Average rate	Year-end rate	Closing rate
Guatemala	Quetzal	7.84	7.90	7.81	7.81	8.02

***Transactions and balances***

Transactions denominated in a currency other than the functional currency are translated into the functional currency using exchange rates prevailing on transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions, and on translation of monetary assets and liabilities denominated in currencies other than the functional currency at year-end exchange rates, are recognized in the combined income statement, except when deferred in equity as qualifying cash flow hedges.

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and end of the year.

***Translation into presentation currency***

The results and financial position of all Combined Group entities are translated into US dollar as follows:

- i) Assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- iii) All resulting exchange differences are recognized as a separate component of equity ("Other reserves").

When a combined entity is sold, exchange differences that were recorded in equity are recognized in the combined income statement as part of gain or loss on sale.

Goodwill and fair value adjustments arising on acquisition of a combined entity are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**2.5 Property, plant and equipment**

Items of property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items. The carrying amount of replaced parts is derecognized.

Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the asset and the remaining life of the license associated with the assets, unless the renewal of the license is contractually possible.

Estimated useful lives are:

Buildings .....	40 years or lease period, if shorter
Networks (including civil works) .....	5 to 15 years
Other .....	2 to 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The assets' residual value and useful life is reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Construction in progress consists of the cost of assets, labor and other direct costs associated with property, plant and equipment being constructed by the Combined Group. Once the assets become operational, the related costs are transferred from construction in progress to the appropriate asset category and depreciation commenced.



**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.5 Property, plant and equipment (Continued)**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Combined Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement in the financial period in which they are incurred. Costs of major inspections and overhauls are added to the carrying value of property, plant and equipment and the carrying amount of previous major inspections and overhauls is derecognized.

A liability for the present value of the cost to remove an asset on both owned and leased sites is recognized when a present obligation for the removal exists ("asset retirement obligations"). The corresponding cost of the obligation is included in the cost of the asset and depreciated over the useful life of the asset.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset when it is probable that such costs will result in future economic benefits for the Combined Group and the costs can be measured reliably.

**2.6 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged to the combined income statement in the year in which expenditure is incurred.

Intangible assets with finite useful lives are amortized over their estimated useful economic lives using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the combined income statement in the expense category consistent with the function of the intangible assets.

***Goodwill***

Goodwill represents the excess of cost of an acquisition, over the Combined Group's share in the fair value of identifiable assets less liabilities and contingent liabilities of the acquired business at the date of the acquisition. If the fair value of identifiable assets, liabilities or contingent liabilities or the cost of the acquisition can only be determined provisionally, then the Combined Group initially accounts for goodwill using provisional values. Within twelve months of the acquisition date, the Combined Group then recognizes any adjustments to the provisional values once the fair value of the identifiable assets, liabilities and contingent liabilities and the cost of the acquisition have been finally determined. Adjustments to provisional fair values are made as if the adjusted fair values had been recognized from the acquisition date. Goodwill on acquisition of subsidiaries is included in "intangible assets, net". Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses on goodwill are not reversed.

For the purpose of impairment testing, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Combined Group's cash generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Combined Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- Represents the lowest level within the Combined Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.6 Intangible assets (Continued)**

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

***Licenses***

Licenses are recorded at either historical cost or, if acquired in a business combination, at fair value at the date of acquisition. Licenses have a finite useful life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the licenses over their estimated useful lives.

The terms of licenses, which have been awarded for various periods, are subject to periodic review for, amongst other things, rate setting, frequency allocation and technical standards. Licenses are initially measured at cost and are amortized from the date the network is available for use on a straight-line basis over the license period. Licenses held, subject to certain conditions, are usually renewable and generally non-exclusive. When estimating useful lives of licenses, renewal periods are not included.

***Trademarks and customer bases***

Trademarks and customer bases are recognized as intangible assets only when acquired or gained in a business combination. Their cost represents fair value at the date of acquisition. Trademarks and customer bases have finite useful lives and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the trademarks and customer bases over their estimated useful lives. The estimated useful lives for trademarks and customer bases are based on specific characteristics of the market in which they exist. Trademarks and customer bases are included in “Intangible assets, net”.

Estimated useful lives are:

Trademarks .....	1 to 15 years
Customer bases .....	4 to 9 years

***Indefeasible Rights of Use***

Indefeasible rights of use (“IRU”) agreements are mainly composed of purchase and / or sale of specified infrastructure, purchase and / or sale of lit fibre capacity and exchange of network infrastructure or lit fibre capacity. These arrangements are either accounted for as leases, service contracts, or partly as leases and partly as service contracts. Determination of the appropriate classification depends on an assessment of the characteristics of the arrangements.

A network capacity contract is accounted for as a lease if, and when:

- The purchaser has an exclusive right to the capacity for a specified period and has the ability to resell (or sub-let) the capacity; and
- The capacity is physically limited and defined; and
- The purchaser bears all costs related to the capacity (directly or not) including costs of operation, administration and maintenance; and
- The purchaser bears the risk of obsolescence during the contract term.

If all of these criteria are not met, the IRU is treated as a service contract.

If the arrangement is, or contains a lease, the lease is accounted for as either an operating lease or a financial lease (see policy note Leases 2.16). A financial lease of an IRU of network infrastructure is accounted for as a tangible asset. A financial lease of an IRU on capacity is accounted for as an intangible asset.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.7 Impairment of non-financial assets**

At each reporting date the Combined Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Combined Group makes an estimate of the asset's recoverable amount. The Combined Group determines the recoverable amount based on the higher of its fair value less cost to sell, and its value in use, for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Where no comparable market information is available, the fair value less cost to sell is determined based on the estimated future cash flows discounted to their present value using a discount rate that reflects current market conditions for the time value of money and risks specific to the asset. The foregoing analysis also evaluates the appropriateness of the expected useful lives of the assets. Impairment losses of continuing operations are recognized in the combined income statement in expense categories consistent with the function of the impaired asset.

At each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Other than for goodwill, a previously recognized impairment loss is reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**2.8 Loans and receivables**

Loans and receivables (from related parties or from third parties) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified within non-current assets. Loans and receivables are carried at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortization process.

**2.9 Inventories**

Inventories (which mainly consist of mobile telephone handsets and related accessories) are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**2.10 Trade receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment is recorded when there is objective evidence that the Combined Group will not be able to collect amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are indicators of impairment. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The provision is recognized in the combined income statement within "Cost of sales".

**2.11 Deposits**

***Time deposits***

Cash deposits with banks with maturities of more than three months that generally earn interest at market rates are classified as time deposits.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.11 Deposits (Continued)**

*Pledged deposits*

Pledged deposits represent contracted cash deposits with banks that are held as security for debts at corporate or operational entity level. The Combined Group is unable to access these funds until either the relevant debt is repaid or alternative security is arranged with the lender.

**2.12 Cash, cash equivalents and restricted cash**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash held with banks related to mobile financial services which is restricted in use due to local regulations, but typically cycled out of the banking system within three months, is denoted as restricted cash.

**2.13 Impairment of financial assets**

The Combined Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognized in the combined income statement.

**2.14 Equity contribution**

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds. Equity contribution presented in the combined financial statements is the sum of the equity contribution from the parents of the combined entities as presented and described under Note 1.

**2.15 Third party borrowings**

Third party borrowings are initially recognized at fair value, net of directly attributable transaction costs. After initial recognition borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the effective interest rate. Any difference between the initial amount and the maturity amount is recognized in the combined income statement over the period of the borrowing.

Borrowings (including accrued or capitalized interest) are classified as current liabilities unless the Combined Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

**2.16 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and involves an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether or not the arrangement conveys a right to use the asset.

*Finance leases*

Finance leases, which transfer substantially all risks and benefits incidental to ownership of the leased item to the lessee, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Where a finance lease results from a sale and leaseback transaction, any excess of sales proceeds over the carrying amount of the assets is deferred and amortized over the lease term.

Capitalized leased assets are depreciated over the shorter of the estimated useful lives of the assets, or the lease term if there is no reasonable certainty that the Combined Group will obtain ownership by the end of the lease term.

*Operating leases*

Operating leases are all other leases that are not finance leases. Operating lease payments are recognized as expenses in the combined income statement on a straight-line basis over the lease term.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.17 Provisions**

Provisions are recognized when the Combined Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Combined Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, risks specific to the liability. Where discounting is used, increases in the provision due to the passage of time are recognized as interest expenses.

**2.18 Trade payables**

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method where the effect of the passage of time is material.

**2.19 Revenue recognition**

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services, net of value added tax, rebates and discounts and after eliminating intra-group sales.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Combined Group and the revenue can be reliably measured. The Combined Group operates the following revenue streams :

- The recurring revenue from telecom services consist of monthly subscription fees, airtime usage fees, interconnection fees, roaming fees, revenue from online product and service sales, mobile finance service commissions and fees from other telecommunications services such as data services, short message services and other value added services. Recurring revenues are recognized on an accrual basis, i.e. as the related services are rendered.
- Unbilled revenue for airtime usage and subscription fees resulting from services provided from the billing cycle date to the end of each month are estimated and recorded.
- Subscription products and services are deferred and amortized over the estimated life of the customer relationship. Related costs are also deferred, to the extent of the revenues deferred, and amortized over the estimated life of the customer relationship. The estimated life of the customer relationship is calculated based on historical disconnection percentage for the same type of customer.
- Where customers purchase a specified amount of airtime in advance, revenue is recognized as airtime credit is used. Unused airtime credit is carried in the statement of financial position as deferred revenue within “other current liabilities”.
- Revenue from value added content services such as video messaging, ringtones, games etc., are recognized net of payments to the providers under certain conditions including if the providers are responsible for the content and determining the price paid by the customer. For such services the Combined Group is considered to be acting in substance as an agent. Other revenue is recognized gross.
- Revenue from the sale of handsets and accessories are recognized when the significant risks and rewards of ownership of handsets and accessories have been passed to the buyer.
- Revenue arrangements with multiple service deliverables (“Bundled Offers” such as various services sold together) are divided into separate units of accounting if the deliverables in the arrangement meet certain criteria. The arrangement consideration is then allocated among the separate units of accounting based on their relative fair values or on the residual method. Revenue is then recognized separately for each unit of accounting.
- Revenue from sale of capacity is recognized when the capacity has been delivered to the customers, based on the amounts expected to be received from customers.
- Revenue from provision of mobile financial services is recognized once the primary service has been provided to the customer.
- Revenue from cable subscription, which do not vary according to usage, are recognized straight line evenly over the service period. Revenue from separate fees paid by cable subscribers for individual movies or special programs is recognized when the service is rendered. Revenue generated from sale of advertising carried on the transmission facilities is recognized in the period in which commercials or programs are broadcast. If the advertising arrangement is completed in phases, then revenue is recognized as each phase is completed.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.20 Cost of sales**

The primary cost of sales incurred by the Combined Group in relation to the provision of telecommunication services relate to interconnection costs, roaming costs, rental of leased lines, costs of handsets and other accessories sold, and royalties. Cost of sales is recorded on an accrual basis.

Cost of sales also includes depreciation and any impairment of network equipment and trade receivables.

All services provided by Millicom group companies are charged back to the combination at arm's length principle.

**2.21 Customer acquisition costs**

Specific customer acquisition costs, including dealer commissions and handset subsidies, are recorded as sales and marketing expenses when the customer is activated.

**2.22 Employee benefits**

***Share based compensation***

Share awards are granted to management and key employees of the Combined Group. Awards are settled in shares of MIC.

The cost of share-based compensation is recognized, together with a corresponding increase in equity contribution reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award (the vesting date). The cumulative expense recognized for share-based compensation at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Combined Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market conditions are satisfied, provided that all other performance conditions are satisfied. Where the terms of a share-based compensation are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

**2.23 Taxation**

***Current tax***

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those enacted or substantively enacted by the statement of financial position date.

***Deferred tax***

Deferred income tax is provided using the liability method and calculated from temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting, nor taxable, profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry-forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax assets relate to deductible temporary differences from initial recognition of an asset or liability in a transaction that is not a business combination, and, at the time of the transaction, affects neither accounting, nor taxable, profit or loss.



**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.23 Taxation (Continued)**

*Deferred tax (continued)*

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize the deferred income tax asset. Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent it is probable that future taxable profit will enable the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate expected to apply in the year when the assets are realized or liabilities settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the combined income statement. Deferred tax assets and deferred tax liabilities are offset where legally enforceable set off rights exist and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.24 Segment reporting**

The operations of Tigo Guatemala Companies are managed as part of the integrated management structure of the ultimate holding companies of the shareholders such that no dedicated management reporting information is presented for Tigo Guatemala Companies to a chief decision maker at this group level. Internal reporting to Shareholders' CODM are based on the Combined Group taken as a whole (as defined in Note 1).

Accordingly, the Combined Group has only one segment and no other segment reporting is applicable.

**2.25 Standard issued but not effective yet**

The combined financial statements as at December 31, 2012 have been prepared in accordance with combination and accounting policies consistent with those of the year ended December 31, 2011. There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2012 that have a material impact on the Combined Group.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2012 and have not been early adopted.

- IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value, and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. A final standard on hedging (excluding macro hedging) has been issued in November 2013 which aligns hedge accounting more closely with risk management, and so should result in more 'decision-useful' information to users of financial statements. A new exposure draft on impairment has been issued 7 March 2013 and a final standard is not expected before 2014. The Combined Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the compulsory adoption date.
- IFRS 10, 'Consolidated Financial Statements' build on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Combined Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after January 1, 2014.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

**2.25 Standard issued but not effective yet (Continued)**

- IFRS 11, 'Joint Arrangements', sets out the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The standard removes the option for an interest in a jointly controlled entity using proportionate consolidation, and requires equity accounting to be applied to investments in a joint venture. The standard is effective for annual periods beginning on or after January 1, 2014.
- IFRS 12, 'Disclosure of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Combined Group does not expect IFRS 12 to have a significant impact and intends to adopt IFRS 12 in the accounting period beginning on January 1, 2013.
- IFRS 13, 'Fair Value Measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS's. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. The Combined Group does not expect IFRS 13 to have a significant impact and intends to adopt IFRS 13 in the accounting period beginning on or after January 1, 2013.
- IAS 28, Investments in Associates and, reissued as IAS 28 Investments in Associates, as a result of issuance of IFRS 11, Joint Arrangements. The standard is effective for annual periods beginning on or after January 1, 2014.
- Amendment to IAS 19R, 'Employee benefits', clarifies the application of IAS19, 'Employee Benefits' (2011) – referred to as 'IAS 19R', to plans that require employees or third parties to contribute towards the cost of benefits. The amendment clarifies that the benefit of employee contributions linked to the length of services is recognised in profit or loss over the employee's working life. Contributions that are not linked to service are reflected in the measurement of the benefit obligation. The amendment does not affect the accounting for voluntary contributions. The Combined Group does not expect this amendment to have an impact and intends to adopt it in the accounting period beginning on July 1, 2014.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Combined Group.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

*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.

For our critical accounting estimates reference is made to the relevant individual notes to these combined financial statements, more specifically note 7—Taxes, note 8—Intangible assets, note 9—Property, plant and equipment, note 11—Trade receivables, note 22—Commitments and contingencies.

**4. ACQUISITIONS AND DISPOSALS**

In 2011, the Combined Group acquired Servicios Innovadores de Comunicación y Entretenimiento, S.A. In 2012, three group companies were merged, one group company is in liquidation and three small companies were acquired (Gamma, Astovision and Inta). Those acquisitions were not material for the Combined Group.



**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**5. ANALYSIS OF OPERATING PROFIT**

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

	<b>2012</b>	<b>2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Revenue .....	1,129,053	1,111,512
Cost of rendering telecommunication services .....	(178,330)	(185,244)
Depreciation and amortization (see notes 8 and 9) .....	(138,420)	(121,995)
Dealer commissions .....	(84,643)	(88,743)
Employee related costs (see note 6) .....	(43,550)	(37,731)
Sites and network maintenance .....	(57,113)	(50,602)
Advertising and promotion .....	(27,178)	(26,471)
Phone subsidies .....	(49,107)	(36,878)
External services .....	(21,205)	(19,296)
Operating lease expense (see note 22) .....	(24,162)	(20,117)
Other fees and costs .....	(3,313)	(3,333)
Loss on disposal and impairment of assets, net .....	(326)	(3,697)
Other expenses .....	(19,708)	(17,993)
<b>Operating profit</b> .....	<b>481,998</b>	<b>499,412</b>

**6. EMPLOYEE RELATED COSTS**

Employee related costs are comprised of the following:

	<b>2012</b>	<b>2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Wages and salaries .....	(39,695)	(30,761)
Social security .....	(2,586)	(1,817)
Share based compensation (see note 14) .....	(1,034)	(750)
Other employee related costs (i) .....	(235)	(4,403)
<b>Total</b> .....	<b>(43,550)</b>	<b>(37,731)</b>

(i) There are no defined benefit pension plans.

The average number of permanent employees during the years ended December 31, 2012 and 2011 was as follows:

	<b>2012</b>	<b>2011</b>
Total average number of permanent employees .....	<b>1,220</b>	<b>984</b>

**7. TAXES**

The Combined Group taxes mainly comprise income taxes of the companies which are combined. Guatemalan companies are subject to all taxes applicable to a Guatemala Limited Liability Company. The effective tax rate is 12% (2011: 11%).

The reconciliation between the weighted average statutory tax rate and the effective average tax rate is as follows:

	<b>2012</b>	<b>2011</b>
	<b>%</b>	<b>%</b>
Statutory tax rate .....	31	31
Tax based on revenue .....	(19)	(20)
<b>Effective tax rate</b> .....	<b>12</b>	<b>11</b>

The charge for income taxes is shown in the following table and recognizes that revenue and expense items may affect the financial statements and tax returns in different periods (temporary differences):

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**7. TAXES (Continued)**

	<b>2012</b>	<b>2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Current income tax charge .....	(52,475)	(54,999)
Net deferred income tax benefit (expense) .....	(1,366)	1,498
<b>Charge for taxes</b> .....	<b>(53,841)</b>	<b>(53,501)</b>

The tax effects of significant items excluding the exchange movements and comprising the Combined Group's net deferred income tax asset and liability as of December 31, 2012 and 2011 are as follows:

	<b>Combined balance sheets</b>			<b>Combined income statement</b>	
			<b>January 1, 2011</b>		
	<b>2012</b>	<b>2011</b>	<b>(unaudited)</b>	<b>2012</b>	<b>2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Temporary differences between book and tax basis of intangible assets and property, plant and equipment .....	(2,729)	(1,392)	402	(1,366)	1,498
<b>Deferred tax benefit (expense)</b> .....				<b>(1,366)</b>	<b>1,498</b>
<b>Deferred tax liabilities, net</b> .....	<b>(2,729)</b>	<b>(1,392)</b>	<b>(2,871)</b>		
Reflected in the statements of financial position as:					
Deferred tax assets .....	1,235	1,774	694		
Deferred tax liabilities .....	(3,964)	(3,166)	(3,565)		

Deferred income tax assets and liabilities reflect temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Major part of the deferred tax is long term items related. There are no carried forward tax losses within the combined entities.

**8. INTANGIBLE ASSETS**

Movements in intangible assets in 2012 were as follows:

	<b>Goodwill</b>	<b>Licenses</b>	<b>Customer lists</b>	<b>Other (ii)</b>	<b>Total</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Opening balance, net .....	<b>52,266</b>	<b>29,084</b>	<b>47,819</b>	<b>26,169</b>	<b>155,338</b>
Additions .....	2,572	—	7,268	1,464	11,304
Amortization charge (i) .....	—	(5,110)	(9,105)	(2,626)	(16,841)
Transfers .....	(235)	(58)	—	293	—
Exchange rate movements .....	(790)	(294)	(477)	(1,243)	(2,804)
<b>Closing balance, net</b> .....	<b>53,813</b>	<b>23,622</b>	<b>45,505</b>	<b>24,057</b>	<b>146,997</b>
<b>As at December 31, 2012</b>					
Cost .....	53,813	52,953	76,145	34,181	217,092
Accumulated amortization .....	—	(29,331)	(30,640)	(10,124)	(70,095)
<b>Net</b> .....	<b>53,813</b>	<b>23,622</b>	<b>45,505</b>	<b>24,057</b>	<b>146,997</b>

(i) The amortization charge for Licenses and Other is recorded under the caption "General and administrative expenses".

(ii) Other caption mainly relates to IRUs.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**8. INTANGIBLE ASSETS (Continued)**

Movements in intangible assets in 2011 were as follows:

	<b>Goodwill</b>	<b>Licenses</b>	<b>Customer lists</b>	<b>Other (iii)</b>	<b>Total</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Opening balance, net (unaudited) .....	<b>49,972</b>	<b>33,253</b>	<b>45,823</b>	<b>28,606</b>	<b>157,654</b>
Additions .....	—	—	—	29	29
Change in scope (i) .....	676	—	8,369	—	9,045
Amortization charge (ii).....	—	(5,049)	(7,613)	(3,234)	(15,896)
Exchange rate movements .....	1,618	880	1,240	768	4,506
<b>Closing balance, net .....</b>	<b>52,266</b>	<b>29,084</b>	<b>47,819</b>	<b>26,169</b>	<b>155,338</b>
<b>As at December 31, 2011</b>					
Cost.....	52,266	53,853	69,683	36,062	211,864
Accumulated amortization .....	—	(24,769)	(21,864)	(9,893)	(56,526)
<b>Net .....</b>	<b>52,266</b>	<b>29,084</b>	<b>47,819</b>	<b>26,169</b>	<b>155,338</b>

(i) Impact of the acquisition of *Servicios Innovadores de Comunicación y Entretenimiento, S.A*

(ii) The amortization charge for Licenses and Other tangible assets is recorded under the caption "General and administrative expenses".

(iii) Other caption mainly relates to IRUs.

**Impairment test of goodwill**

As at December 31, 2012 and 2011, management tested goodwill for impairment. The Combined Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill is allocated.

The recoverable amount of a cash-generating unit ("CGU") or group of CGUs is determined based on discounted cash flows. The cash flow projections used (adjusted operating profit margins, income tax, working capital, capital expenditure and license renewal cost) are extracted from financial budgets approved by management and the Board of MIC Group covering a period of three years apart. The planning horizon reflects industry practice in the countries where the Combined Group operates. Cash flows beyond this period are extrapolated using a perpetual growth rate of 2% (2011: 2%). The Combined Group has determined that the decision-making process as well as the level of detail of available information require that the Group is the only CGU. No impairment losses were recorded on goodwill for the years ended December 31, 2012, 2011 and 2010.

The recoverable amounts have been determined for the cash generating units based on discount rate of 9.0% for the year ended December 31, 2012 (2011: 8.7%)

The goodwill, net of exchange rate movements, is shown below:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
<b>Total Guatemala's operations.....</b>	<b>53,813</b>	<b>52,266</b>	<b>49,972</b>

Sensitivity analysis was performed on key assumptions within the impairment tests. The sensitivity analysis determined that sufficient margin exists from realistic changes to the assumptions that would not impact the overall results of the testing.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**9. PROPERTY, PLANT AND EQUIPMENT**

Movements in tangible assets in 2012 were as follows:

	<b>Network equipment US\$ '000</b>	<b>Land and Buildings US\$ '000</b>	<b>Construction in Progress US\$ '000</b>	<b>Other (i) US\$ '000</b>	<b>Total US\$ '000</b>
<b>Opening balance, net</b> .....	<b>458,356</b>	<b>8,566</b>	<b>16,920</b>	<b>20,521</b>	<b>504,363</b>
Additions .....	29,236	1,908	164,839	—	195,983
Net disposals .....	(1,279)	—	—	(3,319)	(4,598)
Depreciation charge (ii) .....	(109,245)	(1,901)	—	(10,433)	(121,579)
Asset retirement obligations .....	(1,442)	—	—	—	(1,442)
Transfers .....	91,574	2,267	(108,826)	14,985	—
Exchange rate movements .....	(3,264)	(116)	(1,297)	(1,188)	(5,865)
<b>Closing balance December 31, 2012</b>	<b>463,936</b>	<b>10,724</b>	<b>71,636</b>	<b>20,566</b>	<b>566,862</b>
Cost or valuation .....	935,674	15,736	71,636	50,643	1,073,689
Accumulated depreciation .....	(471,738)	(5,012)	—	(30,077)	(506,827)
<b>Net</b> .....	<b>463,936</b>	<b>10,724</b>	<b>71,636</b>	<b>20,566</b>	<b>566,862</b>

(i) The caption "Other" mainly includes office equipment and motor vehicles.

(ii) The depreciation charge for network equipment is recorded under the caption "Cost of sales" and the depreciation charge for Land and Buildings and Other tangible assets is recorded under the caption "General and administrative expenses".

Movements in tangible assets in 2011 were as follows:

	<b>Network equipment US\$ '000</b>	<b>Land and Buildings US\$ '000</b>	<b>Construction in Progress US\$ '000</b>	<b>Other (i) US\$ '000</b>	<b>Total US\$ '000</b>
<b>Opening balance, net (unaudited)</b> .....	<b>415,108</b>	<b>5,217</b>	<b>15,911</b>	<b>13,539</b>	<b>449,775</b>
Additions .....	34	—	153,637	—	153,671
Net disposals .....	(1,227)	(1)	(4,325)	(405)	(5,958)
Depreciation charge (ii) .....	(96,743)	(740)	—	(8,616)	(106,099)
Asset retirement obligations .....	(157)	—	—	—	(157)
Transfers .....	129,623	4,000	(148,652)	15,029	—
Exchange rate movements .....	11,718	90	349	974	13,131
<b>Closing balance December 31, 2011</b> ..	<b>458,356</b>	<b>8,566</b>	<b>16,920</b>	<b>20,521</b>	<b>504,363</b>
Cost or valuation .....	835,451	12,269	16,920	40,192	904,832
Accumulated depreciation .....	(377,095)	(3,703)	—	(19,671)	(400,469)
<b>Net</b> .....	<b>458,356</b>	<b>8,566</b>	<b>16,920</b>	<b>20,521</b>	<b>504,363</b>

(i) The caption "Other" mainly includes office equipment and motor vehicles.

(ii) The depreciation charge for network equipment is recorded under the caption "Cost of sales" and the depreciation charge for Land and Buildings and Other tangible assets is recorded under the caption "General and administrative expenses".

The following table provides details of cash used for the purchase of property, plant and equipment:

	<b>2012 US\$ '000</b>	<b>2011 US\$ '000</b>
Additions .....	195,983	153,671
Change in suppliers advances .....	11,914	2,898
Change in capex accruals and payables .....	5,746	(26,842)
<b>Cash used for purchase of property, plant and equipment</b> .....	<b>213,643</b>	<b>129,727</b>

Borrowing costs capitalized during the years ended December 31, 2012 and 2011 were not significant.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**10. INVENTORIES**

Inventories (including impairment for obsolescence) at 31 December of each year comprise:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Telephone and equipment .....	27,029	24,787	19,035
Sim cards .....	387	328	338
Other .....	8,760	4,825	2,634
<b>Total .....</b>	<b>36,176</b>	<b>29,940</b>	<b>22,007</b>

**11. TRADE RECEIVABLES, NET**

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Gross trade receivables .....	58,447	48,255	52,674
Less: provisions for impairment of receivables .....	(5,953)	(3,231)	(2,640)
<b>Trade receivables, net .....</b>	<b>52,494</b>	<b>45,024</b>	<b>50,034</b>

The nominal value less impairment of trade receivables approximates their fair values (see note 22). As at December 31, 2012, 2011 and January 1, 2011, the ageing analysis of trade receivables is as follows:

	<b>Neither past due nor impaired</b>	<b>Past due (net of impairments)</b>			<b>Total</b>
	<b>US\$ '000</b>	<b>&lt;30 days</b>	<b>30–90 days</b>	<b>&gt;90 days</b>	<b>Total</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
<b>2012</b>					
Telecom operators .....	12,273	2,308	265	—	14,846
Own customers .....	19,034	1,919	—	—	20,953
Others.....	16,695	—	—	—	16,695
<b>Total .....</b>	<b>48,002</b>	<b>4,227</b>	<b>265</b>	<b>—</b>	<b>52,494</b>
<b>2011</b>					
Telecom operators .....	18,996	2,231	265	—	21,492
Own customers .....	11,974	2,331	1,936	—	16,241
Others.....	6,146	375	770	—	7,291
<b>Total .....</b>	<b>37,116</b>	<b>4,937</b>	<b>2,971</b>	<b>—</b>	<b>45,024</b>
<b>January 1, 2011</b>					
Telecom operators .....	24,317	2,174	283	—	26,774
Own customers .....	7,429	4,865	1,375	—	13,669
Others.....	7,636	1,714	241	—	9,591
<b>Total .....</b>	<b>39,382</b>	<b>8,753</b>	<b>1,899</b>	<b>—</b>	<b>50,034</b>

**12. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

Cash and cash equivalents and restricted cash comprised:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Cash and cash equivalents in U.S. dollars .....	9,449	11,833	37,868
Cash and cash equivalents in other currencies.....	23,025	71,491	59,049
Restricted cash in other currencies .....	2,601	837	—
<b>Total cash, cash equivalents and restricted cash.....</b>	<b>35,075</b>	<b>84,161</b>	<b>96,917</b>

Cash balances are diversified among domestic banks in Guatemala. Restricted cash mainly refers to cash within the mobile financial services business, which is restricted in accordance with local regulations.

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**13. EQUITY CONTRIBUTION**

As at years ended December 31, 2012, 2011 and as at January 1<sup>st</sup>, 2011 the issued share capital of the combined entities consists of:

Name of the companies	2012		2011		January 1, 2011 (unaudited)	
	Shares	Par value (GTQ)	Shares	Par value (GTQ)	Shares	Par value (GTQ)
Asesoría en telecomunicaciones, S.A. (i) .....	—	—	100	1,000	100	1,000
Comunicaciones Celulares, S.A. ....	500	50,000	500	50,000	500	50,000
Comunicaciones Corporativas, S.A. ....	20	500	20	500	20	500
Servicios especializados en telecomunicaciones, S.A. ....	100	100	100	100	100	100
Distribuidora de comunicaciones de occidente, S.A. ....	20	500	20	500	20	500
Distribuidora central de comunicaciones, S.A. ....	20	500	20	500	20	500
Distribuidora de comunicaciones de oriente, S.A. ....	20,020	500	20	500	20	500
Distribuidora internacional de comunicaciones, S.A. ....	20	500	20	500	20	500
Millicom Cable Guatemala, S.A. ....	100	815	100	815	100	815
Servicios Innovadores de Comunicación y Entretenimiento, S.A. ....	20	500	20	500	—	—
Navega.com, S.A. ....	200,017	100	—	—	—	—
<i>(i) Absorbed by Navega.com, S.A. as of January 1<sup>st</sup> 2012.</i>						

**14. 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 average market price of MIC shares on the first x days of each calendar year.

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

A summary of the plans at December 31, 2012 is as follows:

Plans	Shares vested until 2012
2009 Deferred Plan.....	15,120
2009 Performance Plan .....	2,508
2010 Deferred Plan.....	3,700
2011 Deferred Plan.....	2,326
<b>Total</b> .....	<b>23,654</b>

**(b) Total share-based compensation expense**

The number of share awards expected to vest under the long term incentive plans is as follows:

	Performance shares 2012	Deferred share awards 2012	Performance shares 2011	Deferred share awards 2011	Performance shares January 1, 2011	Deferred share awards January 1, 2011
Shares granted.....	3,945	14,619	2,771	14,861	2,241	12,378
Revision for actual and expected forfeitures.....	(1,951)	(1,775)	(2,425)	(3,609)	—	(3,134)
Shares vested .....	—	—	—	(2,326)	—	(3,700)
<b>Share awards expected to vest .....</b>	<b>1,994</b>	<b>12,844</b>	<b>346</b>	<b>8,926</b>	<b>2,241</b>	<b>5,544</b>

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

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

Total share-based compensation expense for the years ended December 31, 2012 and 2011 was as follows:

	<b>2012</b>	<b>2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
2009 LTIPs .....	—	126
2010 LTIPs .....	155	191
2011 LTIPs .....	296	433
2012 LTIPs .....	583	—
<b>Total .....</b>	<b>1,034</b>	<b>750</b>

**15. BORROWINGS**

Borrowings due after more than one year:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Other debt and financing:			
Bank financing .....	482,008	375,954	312,342
<b>Total non-current other debt and financing .....</b>	<b>482,008</b>	<b>375,954</b>	<b>312,342</b>
Less: portion payable within one year .....	(83,611)	(89,604)	(75,457)
<b>Total other debt and financing due after more than one year .....</b>	<b>398,397</b>	<b>286,350</b>	<b>236,885</b>

Borrowings due within one year:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Other debt and financing:			
Bank financing .....	—	50,000	50,000
<b>Total current other debt and financing .....</b>	<b>—</b>	<b>50,000</b>	<b>50,000</b>
Portion of non-current debt payable within one year .....	83,611	89,604	75,457
<b>Total other debt and financing due within one year .....</b>	<b>83,611</b>	<b>139,604</b>	<b>125,457</b>

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

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Due within:			
One year .....	83,611	139,604	125,457
One-two years .....	96,265	56,833	104,675
Two-three years .....	83,611	53,943	46,946
Three-four years .....	80,774	53,943	42,264
Four-five years .....	88,571	53,249	18,000
After five years .....	49,176	68,382	25,000
<b>Total debt .....</b>	<b>482,008</b>	<b>425,954</b>	<b>362,342</b>

**Notes to the combined financial statements  
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**15. BORROWINGS (Continued)**

Significant individual financing facilities are described below:

Comunicaciones Celulares, S.A.

Description	Maturity	Currency	Interest rate	Amount outstanding US\$'000 2012	Amount outstanding US\$'000 2011	Amount outstanding US\$'000 January 1, 2011 (unaudited)
Citibank, N.A.	2012	USD	(fixed) 4.40%	—	50,000	50,000
Citibank Europe PLC - Tramo A	2015	USD	(floating) 0.9% + LIBOR 3M	6,439	4,281	—
Citibank Europe PLC - Tramo B	2016	USD	(floating) 0.9% + LIBOR 3M	4,833	6,245	—
Citibank, N.A. - Sindicado	2018	USD	(floating) 3.5% + LIBOR 3M	235,055	214,953	—
Citibank Opic - Tramo A	2018	USD	(fixed) 5.35%	30,000	—	—
Citibank Opic - Tramo B	2018	USD	(floating) 3.5% + LIBOR 3M	30,000	—	—
Blue Towers Ventures Inc.	2012	USD	(floating) 5.00%	—	30,000	30,000
Bancolombia Panama, S.A.	2017	USD	(floating) 5.29%	—	97,000	100,000
Bancolombia Panama, S.A.	2017	USD	(floating) 4% + LIBOR 3M	79,000	—	—
International Finance Corporation	2014	USD	(floating) 4% + LIBOR 6M	—	—	116,421

Navega.com, S.A.

Description	Maturity	Currency	Interest rate	Amount outstanding US\$'000 2012	Amount outstanding US\$'000 2011	Amount outstanding US\$'000 January 1, 2011 (unaudited)
Banco de Desarrollo Rural , S.A.	2017	GTQ	(floating) 6.50%	50,618	—	—
Banco G&T Continental S.A. - A	2012	GTQ	(floating) 7.53%	—	1,249	2,406
Banco G&T Continental S.A. - B	2016	GTQ	(floating) 6.50%	15,185	19,204	—
Banco Industrial, S.A. - B	2013	USD	(floating) 7.00%	—	2,293	3,123
Banco Industrial, S.A. - A	2012	USD	(floating) 7.00%	—	729	2,909
Banco Industrial, S.A.	2017	GTQ	(floating) 6.50%	18,223	—	—

Distribuidora Internacional de Comunicaciones, S.A.

Description	Maturity	Currency	Interest rate	Amount outstanding US\$'000 2012	Amount outstanding US\$'000 2011	Amount outstanding US\$'000 January 1, 2011 (unaudited)
Banco G&T Continental S.A.	2018	GTQ	(floating) 6.75%	12,655	—	—



**Notes to the combined financial statements  
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**15. BORROWINGS (Continued)**

Asesoría en telecomunicaciones, S.A.

Description	Maturity	Currency	Interest rate	Amount outstanding US\$'000 2012	Amount outstanding US\$'000 2011	Amount outstanding US\$'000 January 1, 2011 (unaudited)
Banco de Desarrollo Rural , S.A.	2012	USD	(floating) 5.00%	—	—	12,500
Banco G&T Continental S.A. - A	2012	USD	(floating) 5.00%	—	—	10,000
Banco G&T Continental S.A. - B	2012	USD	(floating) 7.00%	—	—	10,031
Banco Industrial, S.A.	2012	GTQ	(floating) 7.00%	—	—	24,952
<b>Total</b>				<b>482,008</b>	<b>425,954</b>	<b>362,342</b>

***Fair value of financial liabilities***

Borrowings are recorded at amortized cost. The fair value of borrowings as at December 31, 2012, 2011 and January 1, 2011 is as follows:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Other debt and financing.....	474,437	421,952	357,673

The fair value of the borrowings is calculated by discounting the expected future cash flows at market interest rates. The carrying value of the other financial liabilities is assumed to approximate their fair values (see note 25).

***Guarantees***

In the normal course of business, one of the joint shareholders (MIC) has issued guarantees to secure some of the obligations of some of the Group's combined entities under bank and supplier financing agreements. As at January 1, 2011, MIC guaranteed a \$7 million (Maximum exposure: \$16.5 millions) debt for the company Asesoría en telecomunicaciones, S.A. Amounts covered by bank guarantees are recorded in the combined statements of financial position under the caption "Other debt and financing" and amounts covered by supplier guarantees are recorded under the caption "Trade payables" or "Other debt and financing" depending on the underlying terms and conditions. The guarantee ensures payment by the guarantor of outstanding amounts of the underlying loans in case of non-payment by the obligor. As at December 31, 2012 and 2011, such guarantee was not in place.

***Pledged assets***

The assets pledged by the Combined Group's operations for these debts and financings as at January 1, 2011 amount to \$7 million of which \$7 million were pledged over property, plant and equipment. As at December 31, 2012 and 2011, such pledge was not in place.

**16. PAYABLES AND ACCRUALS FOR CAPITAL EXPENDITURE**

Payables and accruals for capital expenditure at 31 December of each year comprise:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Payables – Tangible assets.....	10,631	30,975	14,829
Payables – Intangible assets.....	8,104	—	—
Accrued expenses – Tangible Assets.....	36,770	36,422	24,890
Accrued expenses – Intangible Assets.....	6,146	—	—
<b>Total .....</b>	<b>61,651</b>	<b>67,397</b>	<b>39,719</b>

**Notes to the combined financial statements  
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**17. OTHER TRADE PAYABLES**

Other trade payables at 31 December of each year comprise:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Fixed operators .....	—	4,628	9,396
Mobile operators .....	4,463	2,389	1,682
Others.....	28,207	5,640	9,855
<b>Total .....</b>	<b>32,670</b>	<b>12,657</b>	<b>20,933</b>

The “others” caption mainly relates to consignment of phones and equipment together with some professional services.

**18. OTHER ACCRUED INTEREST AND ACCRUED EXPENSES**

Other accrued interest and accrued expenses at 31 December of each year comprise:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Accrued expenses .....	57,795	65,217	35,785
Accrued interest expenses.....	2,140	1,151	—
<b>Total .....</b>	<b>59,935</b>	<b>66,368</b>	<b>35,785</b>

The “accrued expenses” caption relates to various accruals (i.e. maintenance of network and cost of interconnection).

**19. OTHER NON-CURRENT AND CURRENT PROVISIONS AND OTHER LIABILITIES**

Provisions and other non-current liabilities at 31 December of each year comprise:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Non-current legal provisions (see note 22) .....	5	5	918
Long-term portion of asset retirement obligations.....	19,684	19,437	17,845
Other .....	2,518	—	—
<b>Total .....</b>	<b>22,207</b>	<b>19,442</b>	<b>18,763</b>

Provisions and other current liabilities at 31 December of each year comprise:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Deferred revenue.....	31,593	37,882	33,382
VAT/Sales tax payable.....	—	2,600	—
Customer deposits .....	209	153	2,753
Current legal provisions (see note 22).....	12	12	11
Current provisions (i).....	2,971	2,998	1,319
Customer and distributor restricted cash balances .....	5,062	835	22
Other .....	3,089	69	668
<b>Total .....</b>	<b>42,936</b>	<b>44,549</b>	<b>38,155</b>

(i) Relate to contingent liability recorded at fair value at the time of the acquisition of Navega acquisition in 2009.

**Notes to the combined financial statements  
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**20. 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. In 2012, the entities of the Combined Group declared dividend of \$492 million (2011: \$489 million) which are usually paid over two fiscal years.

**21. NON-CASH INVESTING AND FINANCING ACTIVITIES**

The following table gives details of non-cash investing and financing activities as at 31 December of each year :

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>(unaudited)</b>
			<b>US\$ '000</b>
<b>Investing activities</b>			
Asset retirement obligations (see note 9).....	1,442	157	—
<b>Financing activities</b>			
Share based compensation (see note 14).....	1,034	750	373

**22. 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 rate, license renewal and tariff arrangements, which can have a significant impact on the long-term economic viability of its operations.

*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 December 31, 2012, 2011 and January 1, 2011, the total amount of claims against the Combined Group's operations was not significant. As at December 31, 2012 and 2011 and January 1, 2011, \$17 thousands (2012 and 2011) and \$929 thousands, respectively, 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.

*Lease commitments*

*Finance Leases :*

There are no finance leases at the level of Tigo Guatemala Companies.

*Operating Leases:*

The Combined Group has the following annual operating lease commitments as of December 31:

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>(unaudited)</b>
			<b>US\$ '000</b>
<b>Operating lease commitments</b>			
Within: one year .....	25,005	21,459	18,782
Between: one to five years .....	152,747	145,979	131,605
After: five years .....	—	—	—
<b>Total .....</b>	<b>177,752</b>	<b>167,438</b>	<b>150,387</b>

**Notes to the combined financial statements  
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**22. COMMITMENTS AND CONTINGENCIES (Continued)**

Operating leases comprise mainly lease agreements relating to land and buildings. The operating lease terms and conditions reflect normal market conditions. Total operating lease expense was \$24 million in 2012 (2011: \$20 million - see note 5).

***Capital commitments***

As of December 31, 2012 the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$67 million (2011: \$77 million), from a number of suppliers.

**23. RELATED PARTY TRANSACTIONS AND BALANCES**

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

***Millicom Group subsidiaries***

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.

Receivable balance with MIO S.A. is especially dividend advances related. Transactions with related parties are made at arm's length principle.

***Miffin Associates Corp***

Receivable balance with Miffin Associates Corp is especially dividend advances related. Transactions with Miffin shareholders represent recurring commercial operations such as purchase of handsets, sell of airtime. Transactions with such parties are made at arm's length principle.

***Kinnevik***

Kinnevik is a Swedish holding company with interests in the telecommunications, media, publishing, paper industries and financial services. As of December 31, 2012, 2011, and January 1<sup>st</sup>, 2011 Kinnevik owned approximately 38% of one of the joint shareholders MIC. During 2012 and 2011 the Combined Group purchased services from Kinnevik subsidiaries including fraud detection, procurement and professional services.

Amount due from related parties (current portion)

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
MIO S.A (i).....	186,639	198,591	207,892
Miffin associates Corp (i) .....	159,246	217,995	170,090
MICSA.....	7,104	2,573	12,711
Others (ii).....	62	3,942	3,333
<b>Total .....</b>	<b>353,051</b>	<b>423,101</b>	<b>394,026</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.

(ii) Receivables with Newcom Bermuda Ltd, for an amount of \$1.4 million, are fully impaired.

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

	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Others.....	3,207	—	—
<b>Total .....</b>	<b>3,207</b>	<b>—</b>	<b>—</b>

**Notes to the combined financial statements  
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**23. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

Other trade payables :

	<b>2012</b>	<b>2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Miffin subsidiaries .....	8,201	11,966
<b>Total .....</b>	<b>8,201</b>	<b>11,966</b>

The following significant transactions were conducted with related parties:

	<b>2012</b>	<b>2011</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Revenue (i) .....	223,080	189,710
Cost of sales and Operating expenses (ii) .....	(97,029)	(88,302)

(i) *Mainly composed by airtime revenue, corporate transmissions and other revenue with Glencoe SA, MIC operations in El Salvador and in Honduras.*

(ii) *Mainly composed by handset acquisition, network maintenance, site rental costs, transmission costs, airtime costs and other direct costs with Celution Corporation, Lark Capital Group, Crompton Corporation, Industrias Masscardy SA, Laz Azaleas SA and MIC operations in El Salvador and in Honduras.*

**24. FINANCIAL RISK MANAGEMENT**

***Terms, conditions and risk management policies***

Exposure to interest rate, foreign currency, non-repatriation, liquidity and credit risks arise in the normal course of the Combined Group's business. Financial risk management is performed at MIC Group level, where each of these risks are analyzed individually on a MIC Group consolidated level as well as on an interconnected basis. The MIC Group defines and implements strategies to manage the economic impact on the MIC Group's performance in line with its financial risk management policy. MIC Group's risk management strategies may include the use of derivatives. MIC Group's policy is prohibiting the use of such derivatives in the context of speculative trading as presented in its financial statements.

***Interest rate risk***

Interest rate risk generally arises on borrowings. Borrowings issued at floating rates expose the Combined Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Combined Group to fair value interest rate risk. The Combined Group's exposure to risk of changes in market interest rates relates to both of the above.

Interest rate risk management is performed at MIC Group level. To manage MIC Group interest risk, MIC Group policy is to maintain a combination of fixed and floating rate debt with target for the debt to be equally distributed between fixed and variable rates to the extent possible. The Combined Group actively monitors borrowings against target and applies a dynamic interest rate hedging approach. The target mix between fixed and floating rate debt is reviewed periodically. The purpose of MIC Group's policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as our overall business strategy.

At December 31, 2012, approximately 6% of the Combined Group's third party borrowings are at a fixed rate of interest. (2011: 12%; 2010: 14%).

The table below summarizes, as at December 31, 2012, the Combined Group's fixed rate debt and floating rate debt:

	<b>Amounts due within</b>						
	<b>1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 years</b>	<b>4-5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
	<b>(in thousands of U.S. Dollars, except percentages)</b>						
Fixed rate .....	5,000	5,000	5,000	5,000	5,000	5,000	30,000
Weighted average nominal interest rate.....	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
Floating rate .....	78,611	91,265	78,611	75,774	83,571	44,176	452,008
Weighted average nominal interest rate.....	4.33%	4.56%	4.33%	4.44%	4.90%	3.96%	4.46%
<b>Total .....</b>	<b>83,611</b>	<b>96,265</b>	<b>83,611</b>	<b>80,774</b>	<b>88,571</b>	<b>49,176</b>	<b>482,008</b>
Weighted average nominal interest rate.....	4.39%	4.60%	4.39%	4.50%	4.93%	4.10%	4.52%

**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**24. FINANCIAL RISK MANAGEMENT (Continued)**

The table below summarizes, as at December 31, 2011, the Combined Group's fixed rate debt and floating rate debt:

	Amounts due within						Total
	1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	
	(in thousands of U.S. Dollars, except percentages)						
Fixed rate .....	50,000	—	—	—	—	—	50,000
Weighted average nominal interest rate.....	4.40%	—	—	—	—	—	4.40%
Floating rate .....	89,604	56,833	53,943	53,943	53,249	68,382	375,954
Weighted average nominal interest rate.....	4.54%	4.21%	4.31%	4.31%	4.35%	3.88%	4.28%
<b>Total .....</b>	<b>139,604</b>	<b>56,833</b>	<b>53,943</b>	<b>53,943</b>	<b>53,249</b>	<b>68,382</b>	<b>425,954</b>
Weighted average nominal interest rate.....	4.49%	4.21%	4.31%	4.31%	4.35%	3.88%	4.29%

The table below summarizes, as at January 1<sup>st</sup>, 2011, the Combined Group's fixed rate debt and floating rate debt:

	Amounts due within						Total
	1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	
	(in thousands of U.S. Dollars, except percentages)						
Fixed rate .....	50,022	—	—	—	—	—	50,022
Weighted average nominal interest rate.....	4.43%	—	—	—	—	—	4.43%
Floating rate .....	75,435	104,675	46,946	42,264	18,000	25,000	312,321
Weighted average nominal interest rate.....	5.68%	5.38%	5.08%	5.09%	5.29%	5.29%	5.36%
<b>Total .....</b>	<b>125,457</b>	<b>104,675</b>	<b>46,946</b>	<b>42,264</b>	<b>18,000</b>	<b>25,000</b>	<b>362,342</b>
Weighted average nominal interest rate.....	5.18%	5.38%	5.08%	5.09%	5.29%	5.29%	5.23%

A one hundred basis point fall or rise in market interest rates of all third party borrowings at December 31, 2012, would increase or reduce profit before tax for the year by approximately \$5 million (2011: \$4 million).

***Foreign currency risk***

The Combined Group operates in Guatemala and is exposed to foreign exchange risk arising from the currency exposure in Guatemala Quetzal. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Foreign currency risk management is performed at MIC Group level. The MIC Group seeks to reduce its foreign currency exposure through a policy of matching, as far as possible, assets and liabilities denominated in foreign currencies. In some cases, the Combined Group may borrow in US dollars where it is either commercially more advantageous for subsidiaries to incur debt obligations in US dollars or where US dollar denominated borrowing is the only funding source available to a subsidiary. In these circumstances, the MIC Group accepts the remaining currency risk associated with financing its subsidiaries, principally because of the relatively high cost of forward cover, when available, in the currencies in which the MIC Group operates.

At December 31, 2012, if the US\$ had weakened/strengthened by 10% against the Quetzal and all other variables held constant, then profit before tax would have increased/decreased by \$5 million and \$6 million respectively (2011: \$6 million and \$7 million respectively). This increase/decrease in profit before tax would have mainly been as a result of the conversion of the results of our operations from Quetzal to the US dollar.

***Credit and Counterparty risk***

Financial instruments that potentially subject the Combined Group to credit risk are primarily cash and cash equivalents, letters of credit, trade receivables, amounts due from shareholders, supplier advances and other current assets and derivatives. Counterparties to agreements relating to the Combined Group's cash and cash equivalents and letters of credit are with reputable financial institutions.

Combined Group management does not believe there are significant risks of non-performance by these counterparties. Combined Group management has taken steps to diversify its banking partners and is managing the allocation of deposits across banks so that the Combined Group's counterparty risk with a given bank stays within limits which have been set based on each bank credit rating to avoid any significant exposure to a specific party.

A large portion of turnover comprises prepaid airtime. For customers for whom telecom services are not prepaid, each combined entity follows risk control procedures to assess the credit quality of the customer, taking into account its financial position, past experience and other factors.

**Notes to the combined financial statements  
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**24. FINANCIAL RISK MANAGEMENT (Continued)**

Accounts receivable are mainly derived from balances due from other telecom operators. Credit risk of other telecom operators is limited due to the regulatory nature of the telecom industry, in which licenses are normally only issued to credit worthy companies. The Combined Group maintains a provision for impairment of trade receivables based upon expected collectability of all trade receivables.

As the Combined Group has a number of dispersed customers, there is no significant concentration of credit risk with respect to trade receivables.

***Liquidity risk***

Liquidity risk management is performed at the MIC Group level. The Combined Group borrowings are diversified with a significant number of banks. Except a syndicated loan managed by Citibank N.A. and a credit facility with Bancolombia Panama, S.A., there are no other material outstanding facilities as of December 31, 2012. Combined Group management believes that there is sufficient liquidity available to meet ongoing liquidity needs.

The tables below summarize the maturity profile of the Combined Group's net financial liabilities at 31 December:

<b>Year ended December 31, 2012</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Borrowings (see note 15) .....	(83,611)	(349,221)	(49,176)	(482,008)
Cash and cash equivalents, and restricted cash..	35,075	—	—	35,075
<b>Net debt</b> .....	<b>(48,536)</b>	<b>(349,221)</b>	<b>(49,176)</b>	<b>(446,933)</b>
Future interest commitments .....	(19,946)	(40,136)	(1,008)	(61,090)
Trade payables (excluding accruals).....	(51,406)	—	—	(51,406)
Other financial liabilities (including accruals)...	(145,786)	—	—	(145,786)
Trade receivables .....	52,494	—	—	52,494
Other financial assets (i) .....	388,996	2,620	—	391,616
<b>Net financial liability</b> .....	<b>175,816</b>	<b>(386,737)</b>	<b>(50,184)</b>	<b>(261,105)</b>

<b>Year ended December 31, 2011</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Borrowings (see note 15) .....	(139,604)	(217,968)	(68,382)	(425,954)
Cash and cash equivalents, and restricted cash...	84,161	—	—	84,161
<b>Net debt</b> .....	<b>(55,443)</b>	<b>(217,968)</b>	<b>(68,382)</b>	<b>(341,793)</b>
Future interest commitments .....	(15,145)	(29,207)	(1,325)	(45,677)
Trade payables (excluding accruals).....	(43,632)	—	—	(43,632)
Other financial liabilities (including accruals)....	(147,339)	—	—	(147,339)
Trade receivables .....	45,024	—	—	45,024
Other financial assets (i) .....	445,049	459	—	445,508
<b>Net financial liability</b> .....	<b>228,514</b>	<b>(246,716)</b>	<b>(69,707)</b>	<b>(87,909)</b>



**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**24. FINANCIAL RISK MANAGEMENT (Continued)**

<b>As at January 1, 2011 (unaudited)</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Borrowings (see note 15) .....	(125,457)	(211,885)	(25,000)	(362,342)
Cash and cash equivalents, and restricted cash...	96,917	—	—	96,917
<b>Net debt.....</b>	<b>(28,540)</b>	<b>(211,885)</b>	<b>(25,000)</b>	<b>(265,425)</b>
Future interest commitments .....	(15,692)	(20,398)	(661)	(36,751)
Trade payables (excluding accruals).....	(35,762)	—	—	(35,762)
Other financial liabilities (including accruals)....	(98,830)	—	—	(98,830)
Trade receivables .....	50,034	—	—	50,034
Other financial assets (i) .....	397,630	306	—	397,936
<b>Net financial liability .....</b>	<b>268,840</b>	<b>(231,977)</b>	<b>(25,661)</b>	<b>11,202</b>

(i) Mainly relates to amounts due from related parties.

**Capital management**

Capital management is performed at the MIC Group and Miffin Associates Corp. levels. The primary objective of MIC Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The MIC Group and Miffin Associates Corp. manage their capital structure and make adjustments to it, in light of changes in economic conditions.

**25. 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 financing 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. During 2011 and 2012, the Combined Group has not entered any derivative.

The following table shows the carrying and fair values of financial instruments as at 31 December:

	<b>Carrying value</b>			<b>Fair value</b>		
	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>	<b>2012</b>	<b>2011</b>	<b>January 1, 2011 (unaudited)</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
<b>FINANCIAL ASSETS</b>						
<b>Loans and receivables</b>						
Other non-current assets .....	2,620	459	306	2,620	459	306
Amounts due from related parties .....	353,051	423,101	394,026	353,051	423,101	394,026
Trade receivables, net .....	52,494	45,024	50,034	52,494	45,024	50,034
Prepayments and accrued income .....	10,534	5,649	5,864	10,534	5,649	5,864
Other current assets .....	35,945	21,948	3,604	35,945	21,948	3,604
Restricted cash .....	2,601	837	—	2,601	837	—
Cash and cash equivalents .....	32,474	83,324	96,917	32,474	83,324	96,917
<b>Total .....</b>	<b>489,719</b>	<b>580,342</b>	<b>550,751</b>	<b>489,719</b>	<b>580,342</b>	<b>550,751</b>
Current .....	487,099	579,883	550,445	487,099	579,883	550,445
Non-current .....	2,620	459	306	2,620	459	306
<b>FINANCIAL LIABILITIES</b>						
Other debt and financing (see note 15) .....	482,008	425,954	362,342	474,437	421,952	357,673
Trade payables .....	32,670	12,657	20,933	32,670	12,657	20,933
Payables and accruals for capital expenditure ...	61,651	67,397	39,719	61,651	67,397	39,719
Accrued interest and other expenses .....	59,935	66,368	35,785	59,935	66,368	35,785
Other liabilities .....	10,876	1,057	3,443	10,876	1,057	3,443
<b>Total .....</b>	<b>647,140</b>	<b>573,433</b>	<b>462,222</b>	<b>639,569</b>	<b>569,431</b>	<b>457,553</b>
Current .....	246,225	287,083	225,337	246,225	287,083	225,337
Non-current .....	400,915	286,350	236,885	393,344	282,348	232,216



**Notes to the combined financial statements  
for the years ended December 31, 2012 and 2011**

**26. SUBSEQUENT EVENTS**

In 2013, the 4th Chamber of the Court of Administrative Litigation ruled in favour of Comunicaciones Celulares, S.A. in the case related to adjustments to income tax for the tax years 2005 and 2006, for retention in interconnection payments made abroad by a total amount of around \$1.7 million. The tax authorities may still exercise its right to appeal the judgment of the Court of Administrative filing a complaint of the appeal. Management still believes that no provision should be booked in that respect.

On January 16, 2014 Millicom announced that Millicom International Cellular SA and its local partner in Guatemala, Mifflin reached an agreement that gives Millicom control of Tigo Guatemala Companies. Mifflin 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 Mifflin 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.

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