Unaudited Interim Condensed Consolidated Financial Statements of Telefónica Celular del Paraguay S.A.

For the three month period ended March 31, 2019

May 30, 2019

Unaudited interim condensed consolidated income statement for the three-month period ended March 31, 2019

PYG millions	Notes	Three months ended March 31, 2019	Three months ended March 31, 2018 (i)
Revenue		721,666	799,272
Cost of sales		(131,987)	(162,457)
Gross profit		**589,679**	**636,815**
Operating expenses	2	(251,979)	(240,699)
Depreciation	2	(83,933)	(90,610)
Amortization	2	(50,714)	(34,985)
Other operating income (expenses), net	4	5,673	29,221
Operating profit		**208,726**	**299,742**
Interest expense		(147,158)	(65,376)
Interest and other financial income		12,867	817
Exchange loss, net		(34,192)	8,672
Profit before taxes		**40,243**	**243,855**
Charge for taxes, net		(15,311)	(27,714)
Net profit and comprehensive income for the period		**24,932**	**216,141**
Attributable to:			
Equity holders of the company		24,932	216,141

(i) Not restated for the application of IFRS 16 as the Group elected the modified retrospective approach (see note 2).

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

Unaudited interim condensed consolidated statement of financial position as at March 31, 2019

PYG millions	Notes	31 March 2019	31 December 2018 (i)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	6	1,101,016	1,091,407
Property, plant and equipment, net	5	1,577,823	1,850,823
Right of use assets	2	342,458	-
Deferred tax assets		72,989	80,827
Contract costs, net		936	844
Other non-current assets		49,571	28,246
Amounts due from related parties ST		166,441	166,441
TOTAL NON-CURRENT ASSETS		**3,311,234**	**3,218,588**
CURRENT ASSETS			
Inventories, net		48,298	37,753
Trade receivables, net		340,246	397,545
Contract assets, net		76,083	78,274
Amounts due from related parties ST	9	1,865,556	1,588,852
Prepayments and accrued income	2	195,357	162,623
Supplier advances for capital expenditure		50,404	48,335
Other current assets		151,135	116,050
Cash and cash equivalents		115,645	147,771
TOTAL CURRENT ASSETS		**2,842,724**	**2,577,203**
Assets held for sale	4	10,009	12,422
TOTAL ASSETS		**6,163,967**	**5,808,213**

(i) Not restated for the application of IFRS 16 as the Group elected the modified retrospective approach (see note 2).

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

Unaudited interim condensed consolidated statement of financial position as at March 31, 2019 (continued)

PYG millions	Notes	31 March 2019	31 December 2018 (i)
EQUITY AND LIABILITIES EQUITY			
Share capital and premium		164,008	164,008
Legal reserve		50,110	50,110
Other reserves		7,754	7,206
Retained profits		807,342	205,483
Profit for the year attributable to equity holders		24,932	601,859
Equity attributable to owners of the Company		**1,054,146**	**1,028,666**
TOTAL EQUITY		**1,054,146**	**1,028,666**
LIABILITIES			
Non-current liabilities			
Debt and financing	7	982,498	2,790,874
Lease liabilities	2	281,831	-
Provisions and other non-current liabilities		400,650	391,215
Total non-current liabilities		**1,664,979**	**3,182,089**
Current liabilities			
Debt and financing	7	2,052,027	212,884
Payables and accruals for capital expenditure		329,543	485,198
Lease liabilities	2	52,601	-
Other trade payables		197,813	172,169
Amounts due to related parties	9	156,159	171,562
Accrued interest and other expenses		324,385	239,001
Current income tax liabilities		9,279	9,379
Contract liabilities		49,144	143,516
Provisions and other current liabilities		271,880	161,316
Total current liabilities		**3,442,831**	**1,595,025**
Liabilities directly associated with assets held for sale	4	2,011	2,433
TOTAL LIABILITIES		**5,109,821**	**4,779,547**
TOTAL EQUITY AND LIABILITIES		**6,163,967**	**5,808,213**

(i) Not restated for the application of IFRS 16 as the Group elected the modified retrospective approach (see note 2).

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

Unaudited interim condensed consolidated statement of cash flows for the three-month period ended March 31, 2019

PYG millions	Notes	March 31, 2019	March 31, 2018
Cash flows from operating activities			
Profit before taxes from continuing operations		40,243	243,855
Adjustments to reconcile to net cash:			
Interest expense (income), net		147,158	65,376
Interest and other financial income		(12,867)	(817)
Exchange gain/(loss) on foreign exchange		34,192	(8,672)
Adjustments for non-cash items:			
Depreciation and amortization		134,647	125,595
Loss/(gain) on disposal and impairment of assets, net		(5,673)	(29,221)
Shared Based Compensation		548	-
Changes in working capital:			
Decrease in trade receivables, prepayments and other current assets		(162,608)	(108,762)
Decrease in inventories		(10,545)	7,889
Increase (decrease) in trade and other payables		90,156	27,009
Changes in contract assets, liabilities and costs, net		7,367	-
Total changes in working capital		**(75,630)**	**(73,864)**
Interest paid		(27,998)	(25,397)
Interest received		232	1,548
Taxes paid		(2,752)	(55,354)
Net cash provided by operating activities		**232,100**	**243,049**
Cash flows from investing activities:			
Purchase of intangible assets and licenses	6	(158,924)	(220,722)
Purchase of property, plant and equipment	5	(40,541)	(44,474)
Proceeds from sale of property, plant and equipment	4, 5	7,521	61,691
Debt and other financing granted to related parties, net		(174,688)	16,644
Net cash used in investing activities		**(366,632)**	**(186,861)**
Cash flows from financing activities:			
Repayment of debt and financing		(70,958)	(42,510)
Repayment of Leases		(5,876)	
Proceeds from issuance of debt and other financing		177,000	-
Net cash used by financing activities		**100,166**	**(42,510)**
Exchange impact on cash and cash equivalents, net		2,240	(4,948)
Net increase in cash and cash equivalents		**(32,126)**	**8,730**
Cash and cash equivalents at the beginning of the year		147,771	477,172
Cash and cash equivalents at the end of the year		**115,645**	**485,902**

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

Unaudited interim condensed consolidated statements of changes in equity for the three-month period and years ended March 31, 2019, December 31, 2018 and December 31, 2017

PYG millions	Number of shares	Share Capital	Retained profits	Legal reserves	Other Reserves	Total equity
Balance as of December 31, 2017	**10,000**	**164,008**	**827,654**	**50,110**	**5,032**	**1.046,804**
Adjustment on adoption of IFRS 15 and IFRS 9 (net of tax)	-	-	38,440	-	-	38,440
Total comprehensive income for the yeaer			601,859			601,859
Dividends			(660,611)	-	-	(660,611)
Share based compensation	-	-	-	-	2,174	2,174
Balance as of December 31, 2018	**10,000**	**164,008**	**807,342**	**50,110**	**7,206**	**1,028,666**
Total comprehensive income for the period	-	-	24,932	-	-	24,932
Share based compensation	-	-	-	-	548	548
Balance as of March 31, 2019	**10,000**	**164,008**	**832,274**	**50,110**	**7,754**	**1,054,146**

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

Notes to the unaudited interim condensed consolidated statements

1. ORGANIZATION

Telefónica Celular del Paraguay S.A. (the "Company"), a Paraguayan Company, and its subsidiaries: Teledeportes Paraguay S.A. and Lothar Systems S.A. (the "Group" or "Telecel") is a Paraguayan group providing communications, information, entertainment and solutions in Paraguay. The Company maintains multiple license contracts with Comision Nacional de Telecomunicaciones (Conatel), the regulator of the telecommunications system in Paraguay, to operate cellular and cable telephony business in Paraguay. The Company was formed in 1992. The general administration of the Company is located at Zavala Cue esq. Artilleria, Fernando De La Mora, Paraguay.

Telecel is a wholly owned subsidiary of Millicom International III N.V. The ultimate parent company is Millicom International Cellular S.A. a Luxembourg Société Anonyme whose shares are traded on the Stockholm stock exchange under the symbol MIC and over the counter in the US under the symbol MIICF.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements of the Group are unaudited. They are presented in Paraguayan Guaranies and have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' issued by the International Accounting Standard (IASB). In the opinion of management, these unaudited interim condensed consolidated financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods. The Company's operations are not affected by significant seasonal or cyclical patterns.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2018 consolidated financial statements, except for the changes described below.

New and amended IFRS standards

The following changes to standards effective for annual periods starting on January 1, 2019 have been adopted by the Group:

- IFRS 16 "Leases". The Group had to change its accounting policies as a result of adopting IFRS 16 Leases.

  On adoption, an additional lease liability of PYG 179,601 million has been recognized and the application of the new standard decreased operating expenses by PYG 11,690 million as compared to what our results would have been if we had continued to follow IAS 17 in the three months ended March 31, 2019. The impact of the adoption of the leasing standard and the new accounting policies are further explained below. The application of this standard also affects the Group's depreciation, operating and financial expenses, debt and other financing and leverage ratios. The change in presentation of operating lease expenses results in a corresponding increase in cash flows derived from operating activities and a decline in cash flows from financing activities.

- The following new or amended standards became applicable for the current reporting period and did not have any significant impact on the Group's accounting policies or disclosures and did not require retrospective adjustments.
  - Amendments to IFRS 9 "Financial instruments" on prepayment features with negative compensation.
  - IFRIC 23 "Uncertainty over Income Tax Treatments" clarifies how the recognition and measurement requirements of IAS 12 Income taxes, are applied where there is uncertainty over income tax treatments.
  - Amendments to IAS 19 "Employee benefits" on plan amendment, curtailment or settlement.
  - Amendments to IAS 28 "Investments in associates" on long term interests in associates and joint ventures.
  - Annual improvements 2015-2017

The following changes to standards, which are not expected to materially affect the Group, will be effective from January 1, 2020:

- Amendments to IFRS 3 - definition of a business. This amendment revises the definition of a business. The Group does not expect these amendments to have a material impact on the consolidated financial statements. These amendments have not yet been endorsed by the EU.
- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors'. These amendments have not yet been endorsed by the EU.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 "Leases" on the Group's financial statements and discloses the new accounting policies that have been applied from January 1, 2019.

The Group adopted the standard using the modified retrospective approach with the cumulative effect of applying the new Standard recognized in retained profits as of January 1, 2019. Comparatives for the 2018 financial statements were not restated.

a) Adjustments recognized on adoption of IFRS 16
On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8.6%. For leases previously classified as finance leases the Company recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.
The measurement principles of IFRS 16 are only applied after that date.

PYG millions	**2019**
Operating lease commitments disclosed as at December 31, 2018	**192,002**
(Plus): Non lease components obligations	29,674
(Less): Short term leases recognized on a straight line basis as expense	-
(Less): Low value leases recognized on a straight line basis as expense	(2,186)
(Plus/less): Other	4,299
Gross lease liabilities	**242,398**
Discounted using the lessee's incremental borrowing rate at the date of the initial application	(62,797)
Incremental lease liabilities recognized at January 1, 2019	179,601
(Plus): Finance lease liabilities recognized at December 31, 2018	162,526
Lease liabilities recognized at January 1, 2019	**342,127**
Of which are:	
Current lease liabiliities	60,593
Non-current lease liabilities	**281,534**

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

The application of IFRS 16 affected the following items in the statement of financial position on January 1, 2019

FINANCIAL POSITION PYG millions	As at January 1, 2019 before application	Effect of adoption of IFRS 16	As at January 1, 2019 after application	Reason for the change
ASSETS				
Property, plant and equipment, net	1,850,823	(171,829)	1,678,994	(i)
Right-of-use NEW	-	351,430	351,430	(ii)
LIABILITIES				
Lease liabilities (non-current) NEW	-	281,534	281,534	(iii)
Debt and other financing (non-current)	2,790,874	(147,369)	2,643,505	(iv)
Lease liabilities (current) NEW	-	60,593	60,593	(iii)
Debt and other financing (current)	212,884	(15,157)	197,727	(iv)

(i) Transfer of previously capitalized assets under finance leases to Right-of-Use assets.
(ii) Initial recognition of Right-of-Use assets, transfer of previously recognized finance leases and of lease prepayments being part of the Right-of-Use asset cost at transition.
(iii) Initial recognition of lease liabilities and transfer of previously recognized finance lease liabilities.
(iv) Transfer of previously recognized finance lease liabilities to new Lease liabilities accounts.

The application of IFRS 16 also impacts classifications within the statement of cash flows, segment information and EPS for the period starting from January 1, 2019. Its application had nevertheless no significant impact on the Group's retained profits. In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made when applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

b) Leases accounting policy applied from January 1, 2019 are as follows:

The Group leases various lands, sites, towers (including those related to towers sold and leased back), offices, warehouses, retail stores, equipment and cars. Rental contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Through December 31, 2018, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the statement of income on a straight-line basis over the period of the lease.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied can have a significant impact on the net present value of the lease liability recognized under IFRS 16.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise ITequipment and small items of office furniture.

Furthermore, the Group has taken the additional following decisions in adopting the standard:

- Non-lease components are capitalized (IFRS16.15)
- Intangible assets are out of IFRS 16 scope (IFRS16.4)

According to the new Standard, lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate if the lessee is reasonably certain not to exercise that option. The assessment of such options is performed at the commencement of a lease. As part of the assessment, the Group introduced the 'time horizon concept': the reasonable term under which the company expects to use a leased asset considering economic incentives, management decisions, business plans and the fast-paced industry the Group operates in. The assessment must be focused on the economic incentives for the Group to exercise (or not) an option to early terminate/extend a contract. The Group has decided to work on the basis the lessor will generally accept a renewal/not early terminate a contract, as there is an economic incentive to maintain the contractual relationship.

The Group considered the specialized nature of most of its assets under lease, the low likelihood the lessor can find a third party to substitute the Group as a lessee and past practice to conclude that, pending clarification from IFRIC, the lease term can go beyond the notice period when there is more than an insignificant penalty for the lessor not to renew the lease. This analysis requires judgment by the management of The Group and has a significant impact on the lease liability recognized under IFRS 16.

Under the IFRS 16, the accounting of sale and leaseback transactions has changed as the underlying sale transaction needs to be firstly analyzed using the guidance of IFRS 16. The seller/lessee recognizes a right-of-use asset in the amount of the proportional original carrying amount that relates to the right of use retained. Accordingly, only the proportional amount of gain or loss from the sale must be recognized. The impact from sale and leaseback transactions was not material for the Group as of the date of initial application.

3. ACQUISITION AND DISPOSAL OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER NON-CONTROLLING INTERESTS

Acquisitions

During the three month period ended March 31, 2019, the Group did not complete any significant acquisitions.

4. ASSETS HELD FOR SALE

Assets held for sale and liabilities directly associated with assets held for sale

The following table summarises the nature of the assets and liabilities reported under assets held for sale and liabilities directly associated with assets held for sale as at March 31, 2019:

Assets and liabilities reclassified as held for sale (PYG millions)	As at March 31, 2019	As at December 31,2018
Towers	10,009	12,422
Total assets of held for sale	**10,009**	**12,422**
Towers	2,011	2,443
Total liabilities directly associated with assets held for sale	**2,011**	**2,443**
Net assets held for sale / book value	**7,998**	**9,989**

Tower Sale and Leasebacks

In 2017, the Group announced an agreement to sell and leaseback wireless communications towers to a subsidiary of American Tower Corporation ("ATC") whereby we agreed the cash sale of tower assets and to lease back a dedicated portion of each tower where our network equipment is installed. The portions of the assets that will be transferred and that have not yet been leased back by our operations are classified as assets held for sale as completion of their sale is highly probable.

The table below summarises the main aspects of these deals and impacts on the Group financial statements:

	Paraguay
Signature date	April 26, 2017
Total number of towers expected to be sold	1,410
Total number of towers transferred so far	1,286
Expected total cash proceeds (PYG millions)	718,394
Cash proceeds received in 2017 (PYG millions)	425,941
Cash proceeds received in 2018 (PYG millions)	223,670
Cash proceeds received in 2019 (PYG millions) - as of March 31	16,859
Upfront gain on sale recognized in 2017 (PYG millions)	147,341
Upfront gain on sale recognized in 2018 (PYG millions)	110,136
Upfront gain on sale recognized in 2019 (PYG millions) – as of March 31	-

5. PROPERTY, PLANT AND EQUIPMENT

During the three-month period ended March 31, 2019, the Group added property, plant and equipment for PYG 40,541 million (March 31, 2018: PYG 44,474 million) and received PYG 7,521 million in cash from disposal of property, plant and equipment (March, 2018: PYG 61,694).

6. INTANGIBLE ASSETS

During the three-month period ended March 31, 2019, the Group added intangible assets of PYG 158,924 million (March 31, 2018: PYG 202,722 million) and did not received proceeds from disposal of intangible assets (March 31, 2018: PYG nil).

7. DEBT AND FINANCING

Bond financing

In January 2019, Telecel obtained a seven-year loan from BBVA Bank for PYG 117,000 million (approximately $20 million), denominated in Paraguayan guaranies ("PYG") which bears a fixed annual interest rate of 8.94%.

On March 27, 2019, Telecel announced that it commenced a cash tender offer for any and all of its $300 million (PYG 1,854,300 million) 6.75% Senior Notes due 2022 (the "Telecel 2022 Notes") at a redemption price of 102.530%. The tender offer expired on April 2, 2019 and $244 million (PYG 1,508,164 million) out of the $300 million Telcel 2022 Notes were accepted for early redemption for a cash payment of $255 million (PYG 1,576,155 million) including an early redemption premium of $6 million (PYG 37,086 million). The remaining $56 million (PYG 346,136 million) Telecel 2022 Notes were repurchased on April 5, 2019 at a redemption price of 102.25%, or $57 million (PYG 352,617 million), including a redemption premium of $1 million (PYG 6,181 million). As the amount of the repurchase was able to be estimated at March 31, 2019, the $7 million (PYG 43,627 million) premium and $3 million (PYG 18,543 million) of related unamortized costs were included as financial expenses in the statement of income in the three month period ended March 31, 2019 and the Notes were disclosed in current liabilities as at March 31, 2019. Telecel made the cash payments in April and May 2019.

On April 8, 2019, Telecel issued a $300 million (PYG 1,854,300 million) 5.875% senior notes due 2027 (the "Telecel 2027 Notes"). The Telecel 2027 Notes bear interest at 5.875% p.a., payable semi-annually in arrears on April 15 and October 15 of each year, starting on October 15, 2019. The net proceeds of the Telecel 2027 Notes have been used to finance the purchase of the Telecel 2022 Notes (see above).

The outstanding amount of Bonds financing as at March 31, 2019 was PYG 1,854,300 million (December 2018: PYG 1,769,553 million).

The carrying amounts of borrowings do not significantly differ from their fair value at the balance sheet dates.

Bank and Development Financial Institution financings

(PYG millions)	Issuance date	Maturity date	Fixed interest rate	As at March 31, 2019	As at December 31, 2018
Banco Continental S.A.E.C.A.	09/2015	09/2023	9.00%	233,750	247.500
Banco Itaú Paraguay S.A.	10/2015	09/2020	9.00%	154,425	205,934
Banco Continental S.A.E.C.A.	08/2016	09/2023	10.25%	50,830	53,820
Inter-American Development Bank / IPS (*)	07/2017	05/2022	10.08%	364,815	364,426
Banco Continental S.A.E.C.A.	06/2018	06/2025	9.00%	85,000	85,000
Banco Regional S.A.E.C.A.	07/2018	06/2025	8.90%	115,000	115,000
Banco BBVA S.A.	01/2019	11/2025	8.94%	176,495	-
Bank and Development Financial Institution financing				**1,180,225**	**1,071,680**

(*) This Facility is guaranteed by Millicom.

7. DEBT AND FINANCING (Continued)

Analysis of debt and other financing by maturity

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

$ millions	**As at March 31, 2019**	**As at December 31, 2018 (i)**
Due within:		
One year	2,052,027	212,884
One-two years	235,398	273,823
Two-three years	263,756	1,949,685
Three-four years	217,415	167,888
Four-five years	126,412	55,325
After five years	139,517	344,153
Total debt	**3,034,525**	**3,003,758**

(i) As at December 31, 2018, Debt and financing included finance lease liabilities of PYG 162,526 million. As at March 31, 2019, and as a result of application of IFRS 16, these are now shown under lease liabilities in the statement of financial position and therefore excluded from the table above in 2019.

8. COMMITMENTS AND CONTINGENCIES

Litigation & claims

Telecel is operating in an emerging market, 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, Telecel 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.

The Company and its subsidiaries are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As of March 31, 2019, the total amount of provisions related to claims against the Group's operations was PYG 9,356 million (December 31, 2018: PYG 8,845 million). 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 Group's financial position and operations..

Capital commitments

At March 31, 2019, the Company had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of PYG 118,109 million (December 31, 2018: PYG 686,857 million).

9. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three-month period ended March 31, 2019:

PYG millions (unaudited)	Three months ended March 31, 2019	Three months ended March 31, 2018
Millicom - Other Paraguayan Operations	34,280	49,429
Millicom - Non-Paraguayan companies	(13,273)	(3,208)
Total	**21,007**	**39,221**

As at March 31, 2019 the Group had the following balances with related parties:

PYG millions (unaudited)	At March 31, 2019	At December 31, 2018
Receivables		
Millicom - Other Paraguayan Operations	195,818	151,951
Millicom - Non-Paraguayan companies	1,669,738	1,436,901
Total	**1,865,556**	**1,588,852**

PYG millions (unaudited)	At March 31, 2019	At December 31, 2018
Receivables Long Term		
Millicom - Other Paraguayan Operations	166,441	166,441
Total	**166,441**	**166,441**

PYG millions (unaudited)	At March 31, 2019	At December 31, 2018
Payables		
Millicom - Other Paraguayan Operations	150,828	65,207
Millicom - Non-Paraguayan companies	5,331	10,516
Total	**156,159**	**75,723**

10. SUBSEQUENT EVENTS

Financing

On April 8, 2019, Telecel issued a $300 million 5.875% senior notes due 2027 (the “Telecel 2027 Notes”). The Telecel 2027 Notes bear interest at 5.875% p.a., payable semi-annually in arrears on April 15 and October 15 of each year, starting on October 15, 2019. The net proceeds of the Telecel 2027 Notes have been used to finance the purchase of the Telecel 2022 Notes (see note 7).

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