

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11 Case No.
	:	
TRICOM, S.A., et al.,	:	08-10720 (SMB)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**FIRST AMENDED DISCLOSURE STATEMENT RELATING TO THE
FIRST AMENDED PREPACKAGED JOINT CHAPTER 11 PLAN OF
REORGANIZATION FOR TRICOM, S.A AND ITS AFFILIATED DEBTORS**

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Dated: May 8, 2009



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THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY SECURITIES.

FIRST AMENDED DISCLOSURE STATEMENT, DATED MAY 8, 2009

**Solicitation of Votes on the
Joint Plan of**

TRICOM, S.A.

**and its primary operating subsidiaries, TCN Dominicana, S.A.
and Tricom USA, Inc.**



THE VOTING DEADLINE TO ACCEPT OR REJECT THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR TRICOM, S.A. AND ITS AFFILIATED DEBTORS IS 5:00 P.M., PACIFIC TIME, ON _____, 2009, UNLESS EXTENDED BY THE DEBTORS.

HOLDING COMPANY STOCK TO BE ISSUED IN EXCHANGE FOR CERTAIN EXISTING CLAIMS AGAINST TRICOM, S.A. AND ITS PRIMARY OPERATING SUBSIDIARIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR SIMILAR STATE SECURITIES OR “BLUE SKY” LAWS. THESE SECURITIES ARE TO BE ISSUED UNDER THE PLAN OF REORGANIZATION PURSUANT TO THE EXEMPTIONS SET FORTH HEREIN.

HOLDING COMPANY STOCK TO BE ISSUED ON THE EFFECTIVE DATE HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE JOINT PLAN OF REORGANIZATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN THIS DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. THE TERMS OF THE FIRST AMENDED JOINT PLAN OF REORGANIZATION GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THIS DISCLOSURE STATEMENT.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE FIRST AMENDED JOINT PLAN OF REORGANIZATION OR OBJECTING TO CONFIRMATION. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

INTRODUCTION

IMPORTANT — PLEASE READ

Tricom, S.A. (“Tricom”) and its primary operating subsidiaries, TCN Dominicana, S.A. (“TCN”) and Tricom USA, Inc. (“Tricom USA” and collectively with Tricom and TCN, the “Debtors”), are soliciting acceptances of the First Amended Prepackaged Joint Chapter 11 Plan of Reorganization for Tricom, S.A. and its Affiliated Debtors (the “Plan”) attached as Exhibit “1” to this Disclosure Statement. This solicitation is being conducted at this time in order to obtain sufficient votes to enable the Plan to be confirmed by the Bankruptcy Court. Capitalized terms used in this Disclosure Statement but not defined herein have the meanings ascribed to such terms in the Plan.

The Debtors commenced their Chapter 11 cases on February 29, 2008 (the “Petition Date”). The Debtors are commencing this solicitation on the Plan after extensive discussions and negotiations with, among others, (i) an ad hoc committee consisting of certain holders of Unsecured Financial Claims (the “Ad Hoc Committee”); (ii) certain affiliates of Tricom’s largest shareholders (collectively, the “Affiliated Creditors”); and (iii) Banco Leon, which negotiations lead to significant amendments to the Original Plan.

The Ad Hoc Committee is represented by Manatt, Phelps & Phillips LLP, as legal advisors, and Chanin Capital Partners, as financial advisors. The Affiliated Creditors are represented by White & Case LLP, as legal advisors, and Broadspan Capital LLC, as financial advisors.

WHO IS ENTITLED TO VOTE: The holders of (i) Credit Suisse Existing Secured Claims and (ii) Unsecured Financial Claims are impaired under the Plan and are entitled to vote on the Plan. Holders of (i) Priority Claims, (ii) GE Existing Secured Claims, (iii) Non-Lender Secured Claims and (iv) General Unsecured Claims are unimpaired under the Plan and deemed to accept the Plan and are not entitled to vote to accept or reject the Plan. The holders of Statutorily Subordinated Claims and Existing Tricom Equity Interests are impaired under the Plan, will neither receive nor retain any distributions or value under the Plan (other than in the case of holders of Existing Tricom Equity Interests who will retain de minimis value) and are deemed to reject the Plan.

The Debtors have entered into a Plan Support and Lock-Up Agreement, dated as of January 10, 2007, as amended by the Amendment to Plan Support and Lock-Up Agreement, dated as of August 31, 2007, and as further amended by the Second Amendment to Plan Support and Lock-Up Agreement, dated as of December 21, 2007 (as the same may be amended and/or restated from time to time in accordance with the terms thereof, the “Plan Support and Lock-Up Agreement”), with (i) certain members of the Ad Hoc Committee who, at that time, collectively, beneficially owned approximately 57% of the principal amount of the Unsecured Financial Claims, (ii) the holders of the Credit Suisse Existing Secured Claims, and (iii) the Affiliated Creditors who, at that time, collectively owned approximately 15% of the principal amount of the Unsecured Financial Claims. The Debtors believe the members of the Ad Hoc Committee and Affiliated Creditors continue to hold similar amounts of the Unsecured Financial Claims or otherwise conveyed their Claims to parties who agreed to be bound by the Plan Support and

Lock-Up Agreement. Pursuant to the terms and conditions of the Plan Support and Lock-Up Agreement, and subject to the approval of the Disclosure Statement by the Bankruptcy Court, each of the signatories thereto has agreed, among other things, to vote to accept the Plan. The Plan Support and Lock-Up Agreement is attached as Exhibit “2” to the Original Disclosure Statement.

The Debtors’ legal advisors are Morrison & Foerster LLP and their financial advisors are FTI Consulting, Inc. The Debtors’ advisors can be contacted at:

Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104
(212) 468-8000
Attn: Larren M. Nashelsky, Esq.
Norman S. Rosenbaum, Esq.

FTI Consulting, Inc.
3 Times Square
New York, NY 10036
(212) 247-1010
Attn: Kevin Lavin

The following table summarizes the treatment of the Claims and Existing Tricom Equity Interests held by creditors and equity holders under the Plan. For a complete explanation, please refer to the discussion in Section IV, “The Plan of Reorganization,” and to the Plan itself.¹

Class	DESCRIPTION	Treatment	Estimated Recovery²
1	Priority Claims	Unimpaired	100%
2	INTENTIONALLY LEFT BLANK ³	-	-
3	Credit Suisse Existing Secured Claims	Impaired	100%
4	GE Existing Secured Claims	Unimpaired	100%
5	Non-Lender Secured Claims	Unimpaired	100%
6	Unsecured Financial Claims	Impaired	[23]% - [28]%
7	General Unsecured Claims	Unimpaired	100%

¹ The table below is a summary only. In the event of a conflict, the Plan governs.

² Recoveries based on projected amount of claims as of the Effective Date.

³ The Claims identified in the Original Plan as the “Banco del Progreso Existing Secured Claims” and designated as Class 2 have, since the filing of the Original Plan, been satisfied in full by the Debtors pursuant to the Order Pursuant to Section 363 of the Bankruptcy Code Authorizing the Debtors to Satisfy Secured Claim of Banco Dominicano del Progreso, S.A. [Docket No. 270] entered by the Court on or about July 23, 2008. Because the Banco del Progreso Existing Secured Claims have been satisfied in full, Class 2 has been eliminated from the Plan. For ease of reference, the reference to Class 2 “Intentionally Left Blank” has been inserted to avoid renumbering the classes of Claims and Interests identified in the Original Plan.

Class	DESCRIPTION	Treatment	Estimated Recovery²
8	Statutorily Subordinated Claims	Impaired	0%
9	Existing Tricom Equity Interests	Impaired	0%

In connection with the Plan, upon the Effective Date of the Plan, the holders of the Credit Suisse Existing Secured Claims will receive Pro Rata Shares of the Credit Suisse New Secured Debt to be issued by Tricom in the aggregate principal amount of \$25,529,781.88, with such loan to be guaranteed by Tricom USA, and TCN, in exchange for all of the Credit Suisse Existing Secured Claims. Holders of Unsecured Financial Claims will receive their Pro Rata Share of 10 million shares of Holding Company Stock to be issued by Holding Company, a new entity to be formed that will own at a minimum approximately [98%] of the equity of Tricom and, directly or indirectly, approximately [98%] of the equity of TCN and Tricom USA, in exchange for all of their Unsecured Financial Claims. GE Existing Secured Claims, Non-Lender Secured Claims and General Unsecured Claims will be unimpaired. Holders of Statutorily Subordinated Claims will not receive distributions on account of their Claims and Existing Tricom Equity Interests will be reduced to a *de minimis* amount with a *de minimis* value through dilution. See Section IV, “The Plan of Reorganization,” for a more detailed discussion of the Plan.

For detailed historical and projected financial information and financial estimates, see Section V, “Projections and Valuation Analysis.” Additional financial information is contained in Tricom’s Annual Reports on Form 20-F for the fiscal years ended December 31, 2004, December 31, 2005, and December 31, 2006, which are attached as Exhibits “3”, “4” and “5” to the Original Disclosure Statement, the Debtors’ audited financial statements for the fiscal year ended December 31, 2007, annexed hereto as Exhibit 2 and the Debtors’ 2008 unaudited financial results for the year ended December 31, 2008 as set forth in Section I.F, “Description of the Business—Current Performance.”

Summary of Voting Procedures

To be counted, your vote (or the Master Ballot cast on your behalf) must be received, pursuant to the following instructions, by either (i) Kurtzman Carson Consultants LLC (the “Voting Agent”) or, (ii) The Altman Group, Inc (the “Public Securities Voting Agent”) with respect to the Senior Notes, at the following respective addresses, before 5:00 p.m. (Pacific Time) on [__, __ 2009] (the “Voting Deadline”):

TRICOM BALLOT PROCESSING
C/O KURTZMAN CARSON CONSULTANTS LLC
2335 ALASKA AVENUE
EL SEGUNDO, CA 90245
Telephone: (866) 381-9100

TRICOM BALLOT PROCESSING
C/O THE ALTMAN GROUP, INC.
60 EAST 42ND ST., SUITE 916,
NEW YORK, NY 10165
TELEPHONE: (212) 681-9600

1. IF YOU ARE, AS OF THE [_____] RECORD DATE, THE OWNER OF CREDIT SUISSE EXISTING SECURED CLAIMS (CLASS 3):

Please complete the information requested on the Ballot, sign, date and indicate your vote on the Ballot, and return your completed Ballot in the enclosed pre-addressed postage-paid envelope so that it is actually received by the Voting Agent before the Voting Deadline.

2. IF YOU ARE, AS OF THE [_____] RECORD DATE, THE OWNER OF UNSECURED FINANCIAL CLAIMS (CLASS 6):

Please complete the information requested on the Ballot, sign, date and indicate your vote on the Ballot, and return your completed Ballot in the enclosed pre-addressed postage-paid envelope so that it is actually received by the Voting Agent or the Public Securities Voting Agent, as applicable, before the Voting Deadline.

Pursuant to section 1127(d) of the Bankruptcy Code, if you previously voted to either accept or reject the Original Plan and do not cast a vote to accept or reject the Plan by the Voting Deadline, you will be deemed to have accepted or rejected the Plan, as applicable, based on your vote on the Original Plan.

If the return envelope provided with your Ballot was addressed to your bank or brokerage firm, please allow sufficient time for that firm to process your vote on a “Master Ballot” before the Voting Deadline [__:00 p.m., Pacific Time, ____, __ 2009].

IF YOU ARE ENTITLED TO VOTE AND YOU HAVE RETURNED YOUR BALLOT BUT FAILED TO INDICATE ON THE BALLOT WHETHER YOU ACCEPT OR REJECT THE PLAN, SUCH BALLOT WILL BE COUNTED AS A VOTE TO ACCEPT THE PLAN.

IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS UNDER THE PLAN, YOU SHOULD RECEIVE A SEPARATE BALLOT FOR EACH CLASS IN WHICH YOU HOLD CLAIMS. HOLDERS OF CLAIMS MAY NOT SPLIT THEIR VOTES. EACH HOLDER MUST VOTE ALL HIS, HER, OR ITS VOTING AMOUNT EITHER TO ACCEPT OR REJECT THE PLAN.

* * *

For detailed voting instructions, see Section VII, “Voting Procedures and Requirements,” and the instructions on your Ballot.

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Exhibits to Disclosure Statement

- | | |
|-----------|---|
| Exhibit 1 | First Amended Prepackaged Joint Chapter 11 Plan of Reorganization for Tricom, S.A. and its Affiliated Debtors |
| Exhibit 2 | Audited Financial Statement for Tricom, S.A. and its Affiliates for the Fiscal Year ended December 31, 2007 |

I.

DESCRIPTION OF THE BUSINESS

A. History and Overview of Debtors

1. Tricom, S.A.

Tricom was incorporated in the Dominican Republic as a *sociedad anónima* on January 25, 1988 and, at the time, was known as Telepuerto San Isidro, S.A. A name change was effected in December 1995 and Telepuerto San Isidro, S.A. formally became known as Tricom, S.A. Tricom's operations are headquartered at Avenida Lope de Vega No. 95, Santo Domingo, Dominican Republic. Since its inception in 1988, Tricom, together with its subsidiaries, has been one of the preeminent full service communications service providers in the Dominican Republic. Tricom, directly or through its Debtor subsidiaries, offers local, long distance, and mobile telephone services, cable television and broadband data transmission and internet services, which as of December 31, 2008, are provided to over 756,262 customers. Tricom's wireless network covers approximately 90% of the Dominican Republic's population. Tricom's local service network is 100% digital, giving Tricom the ability to transmit higher quality signals at lower cost. Tricom also owns interests in undersea fiber optic cable networks that connect and transmit telecommunications signals between Central America, the Caribbean, the United States and Europe.

2. Tricom USA, Inc.

Tricom USA, a wholly owned subsidiary of Tricom, was incorporated in Delaware in 1992, and at that time was known as Domtel Communications. A name change was effected in 1997 and Domtel Communications formally became known as Tricom USA, Inc. Tricom USA originates, transports and terminates international long distance traffic using switching stations located in New York and Florida. In 1995, pursuant to Section 214 of the Communications Act of 1934, as amended, the Federal Communications Commission (the "FCC") authorized Tricom USA to be a domestic and international facilities-based carrier and an international resale carrier of voice, data and private line services between the United States and points outside the United States, including the Dominican Republic. The FCC has classified Tricom USA as a non-dominant carrier on all routes, including those in the Dominican Republic. Tricom USA's domestic and international Section 214 authority permits it to provide inter-exchange (long distance) service between the states within the United States and service to and from destinations outside the United States. For inter-exchange service from destinations outside the United States, Tricom USA has entered into international settlement or call termination agreements with other carriers. On a monthly basis, Tricom USA typically provides approximately 52 million minutes of domestic and international inter-exchange service.

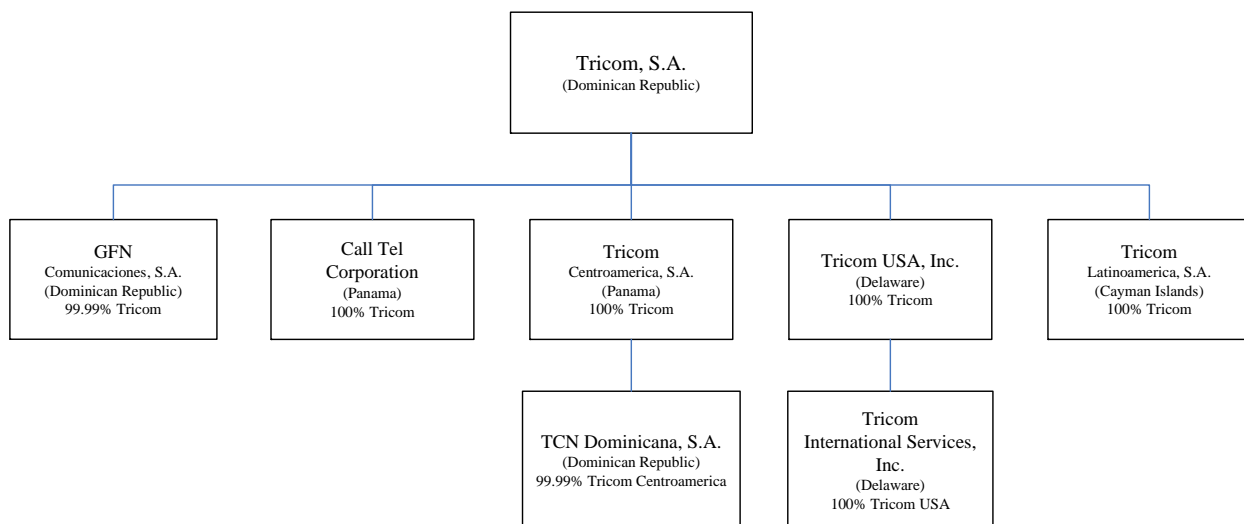
3. TCN Dominicana, S.A.

TCN was incorporated in 2001 by Telecable Nacional, C. por A. ("Telecable"), a Dominican Republic corporation and provider of cable television services that began operating in

the Dominican Republic in 1982. Telecable contributed its assets and liabilities to the capital of TCN on or about August 31, 2001. Upon completion of the capitalization of TCN by Telecable, Tricom acquired Telecable's interest in TCN and TCN became a wholly owned subsidiary of Tricom. Tricom's acquisition of TCN allowed the Debtors to offer a more complete product portfolio and to gain access to new customer segments to which they could market their services. TCN provides cable television service, as well as a variety of multimedia and telecommunications services, including interactive cable television programming, high speed internet access, and digital audio programming. TCN is the largest cable television operator in Santo Domingo and one of the largest in the Dominican Republic. As of December 31, 2008, TCN provides cable services to a mix of more than 77,455 residential and commercial customers in Santo Domingo, La Romana, and Juan Dolio. TCN's commercial customers are primarily hotels. TCN also generates revenue from the sale of advertising space on the channels it broadcasts.

4. Corporate Structure^{4,5}

Tricom and its Subsidiaries as of December 2008



With the exception of TCN and Tricom USA, Tricom's direct and indirect subsidiaries have ceased operations, have not filed Chapter 11 cases and will not be affected by

⁴ Article 56 of the Commerce Code of the Dominican Republic, as amended, provides that a corporation incorporated in the Dominican Republic must have at least seven (7) shareholders. Accordingly, the Dominican entities listed on the above chart are shown as being 99.99% owned by their direct parent to reflect the existence of six other shareholders. However, the New Dominican Corporate Law has changed the minimum number of directors to two (2).

⁵ Tricom International Services, Inc., a Delaware corporation and wholly owned subsidiary of Tricom USA, was dissolved on December 6, 2006.

the Plan. The Debtors anticipate that their non-operating subsidiaries will be wound up and dissolved in the near future.

B. Business Lines

1. International Long Distance

The Debtors provide international long distance services to local access line customers and mobile customers in the Dominican Republic. In addition, the Debtors offer a prepaid calling card for international long distance, the Bla Bla Bla® card, which can be used from any telephone in the Dominican Republic. The Debtors operate telephone centers that provide access to telephone services to individual customers who either do not have telephone services in their own homes or who are attracted by the competitive pricing of the telephone centers. These centers offer a wide range of telephone services in addition to long distance.

Tricom USA provides international carrier services to resellers and carriers, which accounts for an increasing share of the international long distance traffic between the United States and the Dominican Republic. Through the third quarter of 2008, resellers originated approximately 76% of the international long distance minutes received by Tricom in the Dominican Republic from the United States. Through Tricom USA's telecommunications switching facilities in the United States, Tricom USA has been able to provide resellers and carriers with an alternate channel for sending international long distance traffic.

Tricom USA also offers national and international long distance services in New York, New Jersey and Florida, through a carrier identification code, which is a four-digit number used by end-user customers to reach the services of inter-exchange carriers through equal access arrangements. Tricom USA's primary customers for this service are money transfer agents in certain locations who operate international long distance telephone centers for individuals who do not have telephone service in their homes.

2. Domestic Telephony

Tricom is a competitive local exchange carrier in the Dominican Republic. As of December 31, 2008, Tricom had 207,742 local access lines in service, which represents approximately 19% of the Dominican Republic local access line market. Tricom's local access network covers areas containing approximately 65% of the population of the Dominican Republic's three major cities. All of Tricom's local telephone service customers have access to a range of value-added services, including call forwarding, three-way calling, call waiting, caller ID and voicemail applications. Tricom also provides outbound international and long distance services to consumers and business customers. Broad flexibility in assembling customized packages of services provides Tricom's customers with cost savings and enhanced control over their consumption of telephone services. Customers may choose from a menu of services, including domestic and international long distance services, local service and value-added services. Customers may also bundle their local access service with cellular or personal communication services ("PCS"), cable television and internet services. Service packages permit customers to preset their monthly bills based upon, for example, local service minutes or long distance minutes.

Tricom also offers data transmission and other value-added services attractive to businesses and higher usage consumer subscribers. Tricom sells fully integrated systems and components for both turnkey systems and private telephone networks used within enterprises. Tricom is also a distributor of private branch exchanges and key telephone systems and is a leading provider of computer telephony integration systems in the Dominican Republic.

3. Mobile

Tricom's mobile network covers approximately 90% of the Dominican Republic's population. Tricom offers PCS to its mobile customers. As of December 31, 2008, Tricom had approximately 433,267 mobile subscribers (predominately prepaid) representing approximately 6% of the Dominican mobile telephony market.⁶ Tricom has a prepaid card program that offers PCS mobile services to individuals who do not meet Tricom's current credit standards.

For large, medium and small businesses with one or more mobile phones included as part of each service contract, Tricom offers a range of mobile fleet management services, specifically designed to help its business customers manage their fleet communication needs. Tricom's fleet mobile management service offers cost reductions for "on-net" calls, flat rates for calls to wireline and mobile phones, and cost control for "off-net" calls through a comprehensive on-line report suite.

Tricom also offers domestic as well as international roaming services to participating subscribers. Subscribers who pay the roaming rates gain access to Tricom's nationwide mobile network, while subscribers paying the international roaming fees are able to roam outside of the Dominican Republic using the networks of cellular service providers with which Tricom has entered into roaming agreements.

4. Cable Television

TCN is the largest provider of cable television services in Santo Domingo and one of the largest in the Dominican Republic. As of December 31, 2008, TCN's cable network served over 77,455 subscribers, including approximately 52,768 basic programming subscribers, 18,785 occupied hotel and other commercial rooms (based on internal calculations) and approximately 5,901 subscribers of cable modem and digital music. In addition to publicly available programming, TCN licenses or otherwise acquires programming from various providers for broadcast on its cable television network. TCN also produces a limited amount of original programming which is intended for exclusive broadcast on TCN's network. TCN currently offers 105 basic and expanded cable programming channels. TCN also sells advertising time to corporate clients and agencies on those channels it broadcasts in the Dominican Republic.

TCN offers digital cable television and high-speed internet access over coaxial cable via cable modems under the brand name Internet Tornado[®]. TCN's digital cable television offering includes an on-screen interactive program guide, 17 pay-per-view channels, 2 video

⁶ Source: *Instituto Dominicano de las Telecomunicaciones*.

music channels and 50 channels of commercial free CD-quality music. TCN also offers digital audio programming provided by DMX Music International through its hybrid fiber coaxial network. TCN's customers, primarily hotels, choose from 50 exclusive music channels that transmit 24 hours a day, seven days a week.

5. Data Transmission and Internet

The Debtors are the second largest internet service providers in the Dominican Republic.⁷ As of December 31, 2008, there were approximately 340,322 data and internet subscribers in the Dominican Republic, of which approximately 37,798 were Tricom subscribers, giving the Debtors an approximate 11% share of the internet market.⁸ The Debtors provide internet connectivity to the consumer and business markets through traditional dial-up connections, digital subscriber lines (DSL), dedicated lines and cable modems. In addition, the Debtors' cellular PCS services are fully integrated with their internet services, offering e-mail and digital messaging through Tricom's website, www.tricom.net.

The Debtors also provide broadband data transmission services to large business customers in the Dominican Republic through several means of delivery, including fiber optic cable and digital wireless point-to-point radio links. Tricom provides these large customers with data circuits, internet access, private networks and frame relay services. The Debtors also offer computer network security services such as firewalls, bandwidth control and auto-bandwidth, filtering, captive portal, content, and virtual private networks.

In 1994, the *Dirección General de Telecomunicaciones*, the former Dominican government agency charged with regulating the development and marketing of telecommunications services in the Dominican Republic, awarded Tricom a license entitling it to 30 MHz of national spectrum in the 3.5 GHz band to provide WiMAX (Worldwide Interoperability for Microwave Access) services in the Dominican Republic. WiMAX is a wireless standard that aims to provide wireless data over long distances, in a variety of ways, from point-to-point links to full mobile cellular-type access. WiMAX enables a user, for example, to browse the internet or make VoIP (Voice-over-IP) phone calls without being physically connected to a wireline network. WiMAX enables the delivery of wireless broadband access as an alternative to cable and DSL.

Tricom's WiMAX license is for a term of 31 years. Tricom has launched its WiMAX infrastructure connecting both Tricom and customer locations in Santo Domingo, Haina, and Punta Cana. The Debtors are considering additional infrastructure deployments, and the decision to do so will in part depend on service economics and the availability of the necessary capital.

Other operators in the Dominican Republic who have been awarded similar national WiMAX licenses are WIND TELECOM, ONEMAX, and BECTEL.

⁷ Source: Indotel and the Debtors' books and records.

⁸ Source: Indotel and the Debtors' books and records.

C. Competition

The following table sets forth information about the Debtors' market share for each of their primary business lines:⁹

Service	Approximate Market Share (%)	Rank	Number of Providers
Local Telephony	19%	2	2
Mobile	6%	3	4
Cable	60%	1	Multiple/Unknown
Data and Internet	11%	2	5+

1. International Long Distance

The international telecommunications industry is extremely competitive and subject to rapid change precipitated by changes in the regulatory environment and advances in technology. Neither *Instituto Dominicano de las Telecomunicaciones* ("Indotel"), the Dominican government agency charged with regulating the development and marketing of telecommunication services in the Dominican Republic, nor the FCC publish current information on international long distance traffic. The Debtors' success in this segment depends upon their ability to compete with a variety of other telecommunications providers in the United States and in each of their other international markets. International long distance traffic has expanded in the last five years as the price per minute charged to consumers has declined. The Debtors' competitors include (i) large facilities-based multinational carriers, (ii) smaller facilities-based long distance wholesale service providers in the United States and overseas, which have emerged as a result of deregulation, and (iii) switched-based resellers of international long distance services. The Debtors also face competition in this area from operators carrying international traffic through the internet and then "domesticating" this traffic once it surfaces in the Dominican Republic. Competition is mainly based on price, although reliability, quality of transmission, routing capacity and customer service are also competitive factors. Tricom and Compañía Dominicana de Telefonos, C. por A. ("Codetel")¹⁰ are the two primary Dominican carriers that terminate Dominican-bound international long distance traffic. In addition, over the past four years, four entities, Orange Dominicana, S.A. ("Orange"), SkyMax Dominicana, S.A., Tecnologia Digital, S.A. and Local Free Zone Services, S.A. have emerged as competitors carrying international traffic to the Dominican Republic. For service originating in the Dominican Republic and terminating in the United States, the Debtors also compete with All America Cables and Radio, Inc. Dominican Republic ("Trilogy International Partners (Viva)").

⁹ Based upon (i) information published by Indotel as of September 30, 2008 and (ii) other information generated by the Debtors.

¹⁰ Codetel, previously a subsidiary of Verizon, was acquired by America Movil in 2006.

2. Local, Mobile, Data and Internet

In local, data and internet services, the Debtors' main competitor is Codetel. Codetel is an integrated communications service provider, which, as of December 31, 2008, had the largest market share of local access lines, and the largest number of subscribers for local, data and internet services in the Dominican Republic. Since 2002, several other companies, including Trilogy International Partners (Viva), WIND TELECOM, and ONEMAX, have been offering local access service and broadband internet access to businesses using wireless technologies; however, Tricom believes that they have not obtained a significant percentage of the market for local access or internet services.

In mobile service, Tricom competes with (i) Codetel, (ii) Orange, and (iii) Trilogy International Partners (Viva), which offers PCS mobile services. As of December 2008, Codetel was operating both its GSM (Global System for Mobile Communications) network and its CDMA (Code Division Multiple Access) network and was the largest provider of mobile services in the Dominican Republic. Trilogy International Partners (Viva) relaunched its mobile business on a new GSM network, with an aggressive expansion strategy based on low prices for mobile equipment, low airtime charges and extensive marketing. GSM technology was first developed in 1987 and is the mobile technology utilized by most Latin American operators, all European operators and AT&T-Cingular and T-Mobile in the United States, while CDMA technology is currently the network standard used in the United States by Verizon and Sprint-Nextel. Tricom, Codetel, and Trilogy International Partners (Viva) maintain CDMA networks.

Orange, the second largest operator in the Dominican Republic, supports only GSM handsets. Orange operates a GSM 1900 MHz network in the Dominican Republic's main cities and in certain smaller towns. Orange has traditionally adopted an expansion strategy based on low prices for mobile equipment, a strong dealer distribution network and a large advertising and promotional budget. The Dominican government has also granted several concessions to other telecommunications companies, which have either not yet commenced operations or have insignificant operations. Each of these concessions allows for the provision of some or all of the telecommunications services provided by the Debtors in the Dominican Republic.

3. Cable Television

As of December 31, 2008, TCN was the largest cable television operator in Santo Domingo, and one of the largest cable television operators in the Dominican Republic, based on the number of subscribers for its services. Indotel has indicated that there are more than 100 cable operators in the Dominican Republic, including many illegal cable television providers. However, in TCN's principal markets, which are Santo Domingo and its surrounding areas and La Romana, TCN faces competition from only a small number of cable television operators, including Aster Vision Dominicana, S.A. and Codetel.

In addition, TCN faces competition from pirated direct broadcast satellite (DBS) transmission. There is no legal DBS service offered in the Dominican Republic. In addition, for several years, TCN has been harmed by persistent violations of copyright laws or "piracy" by which non-paying residences connect to its cable infrastructure to gain access to its programming using their own set-top boxes or converter boxes. TCN has deployed encoding technology to

reduce piracy from its network, but this piracy will not be eliminated until TCN is able to fully digitalize its own infrastructure end-to-end. TCN has continued the digitalization of its Santo Domingo head end and subscriber base since 2008.

All pay television service providers, including cable television systems, direct to home (“DTH”) satellite services and multi-point, multi-channel distribution system operators, face substantial competition from other signal delivery methods, including television broadcasters. In the Dominican Republic, consumers are able to directly receive traditional public over-the-air television signals from television broadcasters.

D. Regulation

1. General

The legal framework for the telecommunications sector in the Dominican Republic consists of (i) General Telecommunications Law No. 153-98 dated May 27, 1998 (“Law No. 153-98”), which repealed and superseded the prior telecommunications law (General Telecommunications Law No. 118 enacted on February 1, 1966 (“Law No. 118”)), (ii) resolutions and regulations issued by Indotel and/or its predecessor, and (iii) the concession agreements entered into by the Dominican government with the individual service providers.

Law No. 153-98 established a basic framework for the regulation, installation, maintenance and operation of telecommunications networks and the provision of telecommunications services and equipment in the Dominican Republic. In addition, Law No. 153-98 created Indotel, an independent government agency with strong regulatory powers and set forth Indotel’s authority, as well as its responsibilities and the general procedures to be followed by the agency. Indotel’s responsibilities include implementing telecommunications development projects to satisfy the requirements of the principles set forth in Law No. 153-98. Indotel is responsible for all frequency bands and channels of radio transmission and communications within the Dominican Republic and its territorial waters.

In addition to the industry-specific legal framework, the Constitution of the Dominican Republic affects the telecommunications sector. Among other individual and social rights, the Dominican Constitution guarantees Dominican citizens the freedom of trade. The Constitution specifically provides that monopolies can be established only by law and only for the benefit of the Dominican government. None of the existing telecommunications concession agreements grants a monopoly in any sector of the telecommunications industry to any carrier, and the Dominican government has announced a policy of encouraging growth through competition in the telecommunications industry.

In 1930, Codetel was granted a concession to operate telecommunications services in the Dominican Republic. Over the years, while other service providers entered the Dominican telecommunications market, none of them was successful in becoming a full service telephone company able to compete with Codetel because Codetel was not required to allow other service providers to interconnect their services with Codetel’s physical infrastructure. To provide services, a company would have to install its own wireline telecommunications network.

The expense required to do so dramatically stifled competition in the telecommunications sector. As a result, Codetel held a *de facto* monopoly in the industry for over 60 years.

To substantially increase the number of Dominican citizens with access to a telephone and to allow for the establishment and growth of other modern telecommunications services, in the late 1980s the Dominican government adopted a policy designed to liberalize the telecommunications sector. In 1990, the Dominican government granted the Debtors a concession to provide a full range of telecommunications services within, from and to the Dominican Republic. Additionally, advancements in wireless technologies made it more cost-effective for companies to penetrate the Dominican market even without being able to interconnect to Codetel's network. However, interconnection remained important for full service competition.

In 1994, the Dominican government enacted a series of interconnection resolutions requiring all service providers in the Dominican Republic to interconnect with all other service providers via mutual contracts, or interconnection agreements. The guidelines for interconnection agreements are set forth in the resolutions. In May 1994, Tricom entered into an interconnection agreement with Codetel that became effective in November 1994. The agreement allowed Tricom to become the second full service telecommunications provider in the Dominican Republic.

In 2005, Indotel issued a statement mandating the reduction of interconnection rates for access charges related to incoming calls to the Dominican Republic from abroad. As a consequence of such mandate, which went into effect on September 30, 2007, the interconnection rates for calls originating outside the Dominican Republic and terminating in both fixed and wireless lines in the Dominican Republic have been reduced by 1.5 cents per minute. The elimination of these international access charges has had a negative impact on Tricom's and its local competitors' revenues and earnings.

2. Concession Agreement/Licenses

In accordance with former Law No. 118, on June 23, 1990 Tricom entered into a concession agreement (the "Tricom Concession") with the Dominican Ministry of Public Works and Communications (the "DMPWC") under which Tricom was issued a non-exclusive license for a 20-year period to establish, maintain and operate a system of telecommunications services throughout the Dominican Republic, as well as between the Dominican Republic and international points. The services that Tricom was authorized to provide under the Tricom Concession included telegraphy, radio communications, paging, cellular and local domestic and international telephone services.

In February 1996, Tricom entered into a new concession agreement (the "New Tricom Concession") with the DMPWC, which superseded the Tricom Concession. Under the New Tricom Concession, Tricom was granted the same non-exclusive license as provided in the Tricom Concession to establish, maintain and operate a telecommunications system throughout the Dominican Republic until June 30, 2010. Under the New Tricom Concession, the DMPWC originally had the right to decline to renew a license so long as it gave Tricom notice at least three years prior to the expiration date of the New Tricom Concession.

On March 23, 1982, TCN's predecessor, Telecable Nacional, entered into a concession agreement with the DMPWC pursuant to which Telecable Nacional was granted a license to provide closed circuit cable television services within the Dominican Republic. TCN acquired this concession (the "TCN Concession") in 2001 in connection with Telecable's capitalization of TCN. Originally, the TCN Concession was for an unlimited term.

Law No. 153-98, which was enacted in 1998, established a new regulatory framework for telecommunications services in the Dominican Republic. Pursuant to Law No. 153-98, where necessary, Tricom and TCN were required to adjust the Tricom and TCN Concessions to conform to the new legislation. Law No. 153-98 required such adjustments to be made within one year of its enactment and were to be executed through procedures established thereunder. However, to date, Indotel has neither fully established nor implemented these procedures within the term initially established.

Pursuant to Law No. 153-98, Indotel has the discretion to determine the extent to which any existing concession requires adjustments to comply with the new legislation. However, until the adjustments are complete, Article 119.2 of Law No. 153-98 provides that concessions granted prior to its enactment remain in full force and effect. Law No. 153-98 provides the adjustment procedures to be implemented in a manner that will maintain the rights granted to the holder of the original concession with respect to the scope of services covered by the concession, while guarantying equality among concession holders. Furthermore, under Law No. 153-98, a concession may only be cancelled for the reasons expressly established in the concession and for the specific causes described in Article 29 of Law No. 153-98.

Once the procedures for adjusting the concessions and bringing them into compliance with Law No. 153-98 are established and fully implemented, concessions in the Dominican Republic will have terms ranging from 5 to 20 years based on the term originally provided for in such concession. For concessions granted under Law No. 118 that did not have a fixed term, Article 119 of Law No. 153-98 establishes that the new term is automatically 20 years. The term of such amended concessions will commence on the date they are approved by a resolution enacted by Indotel's board.

As of the date hereof, under the provisions of Indotel's resolution 024-06, Tricom has received an adjustment and Indotel's Executive Director is authorized to amend the Tricom New Concession. Pursuant to provisions of Article 80.9 of the Licenses and Concessions application regulation ("Licenses Regulation"), the amended New Tricom Concession will automatically have a term of 20 years. Because the TCN Concession does not have a specified term, once approved by Indotel, the new term for the amended TCN Concession will be for 20 years. Each of the amended New Tricom Concession and the amended TCN Concession, once amended, will be renewable for successive 20-year periods. However, if the holder of a concession fails to comply with provisions of Law No. 153-98, Indotel is entitled to deny the request for a renewal of the concession.

E. Current Operations

1. Employees

As of December 31, 2008, the Debtors had 1,695 employees in the aggregate, with Tricom employing 1,406 persons, including 179 executives, directors and managers and 1,227 technicians, sales, service and staff employees. TCN employed 281 persons, including 14 executives and 267 technicians, sales, service and staff employees, and Tricom USA employed 8 persons, including 2 executives. The Debtors' workforce is not unionized.

Employees in the Dominican Republic enjoy statutory severance benefits in the event their employment is terminated at will or without cause. These statutory benefits are calculated by reference to the length of the employee's service pursuant to fixed formulas. Employees with more than five years of service receive the greatest level of benefits, having the right to receive a severance payment equal to the sum of 23 days of salary for each year of employment and, at the lower end, after continuous employment of no less than three months and no more than six months, employees are entitled to an amount equal to six days ordinary salary, among other compensation established by the Labor Code of the Dominican Republic. In addition, employees with more than three months of service terminated without cause are entitled to receive notice of the termination of their employment, which ranges from a minimum of seven days to a maximum of 28 days, based on the term of their employment. If such prior notice is not provided, the employee is entitled to receive compensation equivalent to the applicable notice term, which shall not exceed 28 days of compensation. Virtually all employees are entitled to some level of severance benefits, provided they have been employed for a minimum of three months. All of the Debtors' employees are eligible for these statutory severance payments, with the exception of those few persons employed by Tricom USA.

The Debtors have entered into retention agreements with 16 top executives (with the exception of Mr. Hector Castro Noboa, Tricom's President and CEO). Thirteen of these retention agreements provide an additional 12 months of salary to the covered executive if (a) there occurs an assignment or change of more than 50% in the ownership or control of Tricom's equity, regardless of the type of transaction triggering such assignment or change and (b) within six months from such assignment or change ("Covered Period") (i) the employment relationship between Tricom and the covered executive terminates for any reason, other than for cause or resignation of the covered executive or (ii) a change of the covered executive's obligations, level of authority or responsibility occurs. The agreements for the other three employees provide for, among other things, 18 months of salary under similar conditions. All of the retention agreements expire by their terms upon expiration of the Covered Period.

2. Property, Plant and Equipment

The Debtors' principal properties consist of a fiber optic network, satellite earth stations, nodes and real estate. As of December 31, 2008, the net book value of the Debtors' real estate and equipment was approximately \$242 million. The Debtors' real estate holdings are strategically located throughout the Dominican Republic, providing the infrastructure for the telecommunications network and sales facilities. Most of the Debtors' properties are related directly to their telecommunications operations and are used for network equipment of various

types, such as telephone exchanges, transmission stations, wireless point-to-point radio equipment and digital switching nodes. Tricom's headquarters is located at Ave. Lope de Vega No. 95, Santo Domingo, Dominican Republic in a building which Tricom owns. TCN is also headquartered at that location. The main operations center for both Tricom and TCN is located at Autopista Duarte Km. 14, La Venta, Dominican Republic. Tricom USA maintains its headquarters at One Exchange Place, Suite 400, Jersey City, NJ 07302.

As a result of the Debtors' financial problems (*see* Section II.A, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization"), for the past several years the Debtors have significantly reduced their capital expenditures. The Debtors' combined capital expenditures for 2003, 2004, 2005, 2006, 2007 and 2008 were \$15.0, \$15.7, \$28.9, \$26.1, 27.9 and 28.7, respectively, an annual average of \$23.72 million. In contrast, for the years ended December 31, 2001 and December 31, 2002, the Debtors' capital expenditures were approximately \$113.3 million and \$65.7 million, respectively. The levels of capital expenditures for 2003 through 2008 were not sufficient to allow the Debtors to complete the upgrade of their network infrastructure. As a result, following their emergence from Chapter 11, the Debtors expect they will require substantial capital expenditures for the following business segments and purposes, including, but not limited to, the following:

- Replacing , during 2010, obsolete wireless switching and cell site equipment and systems;
- Completing the digitalization of TCN's cable head end and replacing certain customer set top boxes with digital equipment;
- Replacing certain aerial segments of Tricom's wireline network (especially those with the highest count wires) to reduce cable theft and mitigate outages related to hurricanes;
- Investing in local loop switching and data/internet infrastructure and plant to increase switching and internet equipment, fixed plant infrastructure, and coverage and capacity while replacing certain obsolete switching platforms; and
- Expanding international sub-sea and internet access.

F. Current Performance

1. Results of Operations for twelve-month period ended December 31, 2008

As reflected in the charts below, the Debtors' operating revenues were \$217.3 million for the twelve month period ended December 31, 2008, an increase of approximately \$2.3 million as compared to operating revenues of \$215.0 million for the same period in 2007.¹¹ During 2008, the Debtors' subscriber base continued to exhibit growth in local access lines, internet services, and cable television.

¹¹All 2008 figures are unaudited.

The Debtors' consolidated operating costs and expenses during 2008 were higher than during the comparable period for the prior year, totaling \$234.7 million for the year ended December 31, 2008, compared to \$230.3 million for the same period in 2007. This change reflects the Debtors' increase in cost of sales and services and SG&A from \$170.1 million in 2007 to \$174.5 million for the corresponding period in 2008, due to increases in international traffic volumes, an increase in special items and higher restructuring costs in 2008 of \$16.8 million as compared to \$15.5 million for 2007. Net interest expense decreased \$42.2 million during 2008 compared to the corresponding period in 2007, primarily as a result of the Debtors' Chapter 11 filing on February 29, 2008, which allowed the Debtors to cease accruing interest on their unsecured claims.

The Debtors' net losses totaled \$28.9 million, or \$0.45 per share, for the twelve month period ended December 31, 2008, compared to a \$71.4 million, or \$1.11 per share, net loss for the corresponding period in 2007.

TRICOM, S.A. AND SUBSIDIARIES
Consolidated Statement of Operations (Unaudited)*
(In US\$ Thousands)

	YTD As Of December 31,	
	2007	2008
	(Audited)	(Unaudited)*
Operating revenues	\$ 215,042	\$ 217,259
Operating costs and expenses:		
Cost of sales and services	86,822	90,502
Selling, general and administrative expenses	83,304	83,995
Depreciation and amortization	44,673	43,327
Special items and restructuring costs	15,459	16,828
Total operating costs and expenses	230,258	234,651
Operating income (loss)	(15,216)	(17,392)
Other income (expenses):		
Interest expense	(56,322)	(14,137)
Interest income	1,160	401
Interest expense, net	(55,162)	(13,736)
FX gain (loss)	669	1,239
Other, net	617	3,172
Other expenses, net	(53,876)	(9,325)
Earnings (Loss) before income taxes	(69,091)	(26,717)
Income taxes, net	(2,324)	(2,207)
Net earnings (loss)	\$ (71,415)	\$ (28,924)
Earnings (Loss) per common share	\$ (1.11)	\$ (0.45)
Average number of common shares used in calculation	64,603	64,603

*These statements are unaudited and subject to change.

Primarily as a result of the Debtors' Chapter 11 filing on February 29, 2008, which resulted in the Debtors' ceasing to accrue interest on their unsecured claims (*see* Section II.A.6, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Default on Unsecured Debt and Formation of Ad Hoc Committee" and Section III "Commencement of and Events During the Chapter 11 Cases," their total debt, including borrowed funds, commercial paper and the current accelerated portion of the long-term debt remained essentially unchanged at December 31, 2008 compared to December 31, 2007.

As of December 31, 2008, the Debtors had approximately \$12.1 million of cash on hand compared to the \$23.2 million of cash on hand as of the end of 2007. The reduced cash balance is the result of the administrative expenses and restructuring costs incurred during the pendency of the Chapter 11 Cases and the Debtors' payment of the secured debt due Banco Dominicano del Progreso, S.A. ("Banco del Progreso") in September 2008 (*see* Section III.D., "Commencement of and Events During the Chapter 11 Cases—Payment of the Banco del Progreso Existing Secured Debt").

TRICOM, S.A. AND SUBSIDIARIES

Consolidated Balance Sheets

(In US\$)

	As of December 31,	
	2007	2008
	(Audited)	(Unaudited)
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalents	\$ 23,183,441	\$ 12,069,432
Accounts Receivable:		
Customers	16,785,010	17,592,294
Carriers	7,389,428	11,689,185
Related Parties	-	-
Other	1,254,539	1,565,588
	<u>25,428,977</u>	<u>30,847,067</u>
Allowance for doubtful accounts	(3,332,162)	(5,116,233)
Accounts receivable, net	<u>22,096,815</u>	<u>25,730,834</u>
Accounts receivable - Officers and Employees	46,004	60,824
Inventories	2,694,060	2,403,750
Certificates of deposit and other investments, net	337,666	144,368
Prepaid Expenses	8,825,966	6,190,145
Deferred Income Taxes	133,141	133,141
Total current assets	<u>57,317,093</u>	<u>46,732,494</u>
Property and Equipment	562,264,625	586,920,502
Accumulated Depreciation	(304,760,723)	(344,597,261)
Property and equipment, net	<u>257,503,902</u>	<u>242,323,241</u>
Other assets	<u>7,515,209</u>	<u>7,173,755</u>
	<u>\$ 322,336,204</u>	<u>\$ 296,229,490</u>

TRICOM, S.A. AND SUBSIDIARIES
Consolidated Balance Sheets (cont.)
(In US\$)

	As of	
	December 31,	
	2007	2008
	(Audited)	(Unaudited)
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Notes payable:		
Borrowed funds	\$ 60,483,268	\$ 63,549,734
Commercial paper	54,665,405	54,629,213
Current portion of long-term debt	328,317,030	320,370,627
	<u>443,465,703</u>	<u>438,549,574</u>
Capital leases	-	-
Accounts payable:		
Carriers	5,962,575	9,796,141
Suppliers	14,709,891	17,335,072
Other	467,598	503,092
	<u>21,140,064</u>	<u>27,634,305</u>
Accrued expenses	17,402,653	12,253,363
Other liabilities	2,440,941	2,041,862
Deferred revenues	2,550,919	2,324,666
Interest payable	269,218,268	278,199,217
Total current liabilities	<u>756,218,548</u>	<u>761,002,986</u>
Reserve for severance indemnities	245,000	233,192
Deferred income taxes	133,141	133,141
Long term debt:		
Credit Facilities	3,890,380	2,902,007
Total liabilities	<u>760,487,069</u>	<u>764,271,326</u>
Stockholder's equity:		
Class A Common Stock at par value RD\$10:		
Authorized 55,000,000 shares; 45,458,041 shares		
issued at December 31, 2005 and 2006	24,951,269	24,951,270
Class B Stock at par value RD\$10:		
Authorized 25,000,000 shares; 19,144,544 shares		
issued at December 31, 2005 and 2006	12,595,095	12,595,095
Additional Paid in capital	275,496,964	275,496,988
Retained earnings (loss)	(749,170,436)	(778,094,781)
Other comprehensive income - foreign		
currency translation	(2,023,757)	(2,990,408)
Stockholders' equity, Net	<u>(438,150,865)</u>	<u>(468,041,836)</u>
	<u>322,336,204</u>	<u>296,229,490</u>

For more detailed financial information concerning Tricom and its affiliates, see Section IX, "Financial Information."

G. Trading of Tricom Stock and Current Ownership

1. Delisting of Tricom's American Depositary Shares

Prior to May 19, 2004, Tricom's American Depositary Shares ("ADSs") traded on the New York Stock Exchange ("NYSE") under the ticker symbol TDR. Pursuant to an agreement dated May 4, 1998 (the "Depository Agreement"), the Bank of New York ("BNY") was appointed as the depository for the ADSs. On May 11, 2004, the NYSE determined to suspend trading and to pursue the delisting of Tricom's ADSs. On May 19, 2004, Tricom's ADSs began trading on the OTC Bulletin Board (the "OTCBB"), under the symbol "TRICY.OB". On July 25, 2004, the OTCBB suspended trading of Tricom's ADSs, and the ADSs began trading on the "pink sheets" under the symbol "TRICY.PK". Trading on the pink sheets ceased on March 29, 2007.

In December 2006, BNY, as depository for Tricom's ADSs, notified Tricom and the holders of Tricom's ADSs that BNY was terminating the ADS facility effective March 29, 2007. As a result of the termination, ADS holders had until March 2008 to surrender their ADSs to BNY and request delivery of the underlying shares upon payment of certain taxes and processing fees to BNY. ADS holders who did not exercise this right will receive the net proceeds, if any, of the sale of the underlying shares in accordance with the Depository Agreement. For further details, ADS holders should refer to the notice dated December 28, 2006 addressed to them by BNY.¹² The Debtors are not aware that any such sale has taken place.

Upon the termination of the Depository Agreement, most of BNY's obligations thereunder terminated. As a result, BNY is not obligated to perform any functions in connection with voting the shares underlying the ADSs. Any holder of ADSs that does not become a shareholder of record before the applicable record date will not be able to vote in the Tricom shareholders' meetings which will be necessary to effect the restructuring contemplated by the Plan.

On October 29, 2007, Tricom filed Form 15 with the SEC to terminate Tricom's SEC reporting requirements. As a result, Tricom is no longer required to file any annual or periodic reports with the SEC.

2. Current Ownership of Tricom Stock

Tricom has two outstanding classes of common stock, Class A common stock ("Tricom Class A Stock") and Class B stock ("Tricom Class B Stock"). The table below sets forth certain information known to the Debtors as of approximately January 31, 2008 with respect to the beneficial ownership of the (i) Tricom Class A Stock (unless otherwise indicated) by each person who beneficially owns 5% or more of the Tricom Class A Stock and all officers and directors as a group and (ii) Tricom Class B Stock. Except as otherwise indicated, the

¹² In addition, under Dominican corporate law, further action would be required by Tricom for a holder who opted to tender its ADSs, to become a shareholder of record of Tricom and be eligible to participate in any shareholders' meetings.

holders listed below have sole voting and investment power with respect to all shares beneficially owned by them.

Each share of Tricom Class B Stock is freely convertible at any time into one share of Tricom Class A Stock, subject to adjustment, and may not be transferred except to Oleander Holdings, Inc. (“Oleander”), one of the GFN Parties, and Motorola, Inc. (“Motorola”) or any of their permitted transferees under the Current Shareholders’ Agreement (defined below). Each share of Tricom Class B Stock has ten votes and each share of Tricom Class A Stock has one vote. Oleander and Motorola own 100% of the outstanding shares of Tricom Class B Stock.

As of about January 31, 2008 (i) Manuel Arturo Pellerano Peña (“Mr. Pellerano”) directly, and (ii) a trust established for the benefit of Mr. Pellerano, his mother, his siblings and other members of his family, indirectly through wholly owned subsidiaries controlled by the trust (collectively, Mr. Pellerano in his capacity as a direct holder and such wholly owned subsidiaries, the “GFN Affiliated Shareholders”) held approximately 55.9% of the voting power and 44.8% of the economic ownership of Tricom Stock (including shares of Tricom Class A Stock and Tricom Class B Stock owned by them). Motorola holds approximately 32.3% of the voting power and 11.9% of the economic ownership of Tricom Stock. The following chart illustrates the ownership of Tricom Stock as of January 31, 2008.¹³

¹³ This chart represents the holders of Tricom Stock as of January 31, 2008, according to certain information in possession of the Debtors, including their internal records, reports issued by BNY, as Transfer Agent, on or about June 26, 2007. The holdings and related percentages listed on the chart for GFN Affiliated Shareholders include shares resulting from a private placement of Tricom’s Stock effected in 2002 and the ADSs held by GFN Affiliated Shareholders.

	Class A¹⁴	Class A % Economic Ownership	Class B	Class B % Economic Ownership	Total Shares Owned	Total % Economic Ownership	Voting Control
GFN Affiliated Shareholders	17,453,874	38.4%	11,486,720	60.0%	28,940,594	44.8%	55.9%
Motorola	–	0.0%	7,657,818	40.0%	7,657,818	11.9%	32.3%
Marino A. Ginebra Hurtado and affiliate	3,306,037	7.3%	–	0.0%	3,306,037	5.1%	1.4%
Global Capital Finance Ltd.	3,030,303	6.7%	–	0.0%	3,030,303	4.7%	1.3%
Verkid Finance, S.A..	3,030,303	6.7%	–	0.0%	3,030,303	4.7%	1.3%
Directors and executive officers as a group, other than Mr. Pellerano	98,873	0.2%	–	0.0%	98,873	0.2%	0.2%
Others ¹⁵	18,538,655	40.7%	6	0.0%	18,538,661	28.6%	7.8%
Total	45,458,045	100%	19,144,544	100.0%	64,602,589	100%	100%

Oleander, Motorola, Zona Franca San Isidro, S.A. and certain nominal shareholders designated by Tricom or the GFN Affiliated Shareholders are parties to an Amended and Restated Shareholders' Agreement, dated May 8, 1998 (the "Current Shareholders' Agreement"). The Current Shareholders' Agreement governs, among other things, the respective rights among the parties thereto with respect to the appointment of Tricom's directors, including Tricom's two (2) independent directors. The Current Shareholders' Agreement also governs the number of affirmative votes which must be obtained in order for Tricom's Board of Directors to approve certain actions. For a more detailed discussion of the Current Shareholders' Agreement, *see* Tricom's Form 20-F for the year ended December 31, 2006 annexed to the Original Disclosure Statement as Exhibit "5".

3. Current Management

Tricom is managed by a Board of Directors, the members of which, in accordance with its current by-laws, are elected at the Annual General Meeting of Shareholders and serve for a period of one year or until the next Annual General Meeting of Shareholders. The Board of Directors typically meets at least once every three months. Each Director (when elected) holds office until the next Annual General Meeting of Shareholders following his election and until his successor is elected or until his earlier resignation or removal. If any vacancies occur on the Board of Directors, or if the authorized number of directors is increased, the directors then in office may continue to act, and such vacancies may be filled by a majority of the directors then in office.

¹⁴ Includes ADRs (American Depositary Receipts).

¹⁵ The term "Others" refers to all other holders who do not individually hold 5% or more of Tricom Stock. Such numbers reflect shares held by entities not otherwise included in this chart and include ADSs and shares resulting from the Placement.

Pursuant to the Current Shareholders' Agreement, Tricom's Board of Directors is to consist of twelve members of which two are independent directors. Tricom's by-laws mandate that Tricom's Board of Directors shall consist of up to fifteen and not less than eight directors. Pursuant to the Current Shareholders' Agreement, the GFN Affiliated Shareholders are entitled to appoint six directors plus one independent director and Motorola is entitled to appoint four directors plus one independent director.

On or before the Effective Date, the management, control, and operation of each of the Debtors shall be the general responsibility of the respective management of each of the Debtors. Entry of the Confirmation Order will ratify and approve all actions taken by the boards of directors of each of the Debtors from the Petition Date through and until the Confirmation Date.

The names of Tricom's directors and executive officers as of December 31, 2008 are set forth below.

Board of Directors

<u>Name</u>	<u>Position</u>
<i>Appointed by GFN Affiliated Shareholders:</i>	
Ricardo Valdez	Chairman of the Board
Hector Castro Noboa	Director and Acting Secretary
Pablo Linares	Director
Rosangela Pellerano Peña	Director
Adriano Tejada	Director
Anibal de Castro*	Director
<i>Appointed by Motorola, Inc.:</i>	
Thomas C. Canfield	Director
Gerald L. Gitner*	Director
Carlos Castillo	Director
James Deane	Director

* Independent Directors

<u>Name</u>	<u>Position</u>
<u>Executive Officers</u>	
Hector Castro Noboa	President, Chief Executive Officer
Erwin Mendez	Vice President, Finance & Administration
Ryan Larrauri	Chief Operating Officer
Angela Vega	Vice President, Human Resources & Process
Waldo Aguasvivas	1st Vice President, Corporate Finance
Alfredo Arredondo	1st Vice President, IT
Julio German	Vice President, Engineering
Reporting to Chief Operating Officer:	
Bela Szabo	Vice President, Business Division (Local Middle Market, Corporate Clients & International)
Jose Salce	Vice President, Residential & Small Businesses
Vladimir de Leon	2nd Vice President, Mobile Division

H. Related Parties¹⁶

Since Tricom's formation in 1988, the majority voting power of the Tricom Stock has been under the control of Mr. Pellerano, members of his family and certain entities in which he and members of his family hold a controlling interest. From 1994 until late 2003, Mr. Pellerano was the Chairman of Tricom's Board of Directors, its President and its Chief Executive Officer. In late 2003, Mr. Pellerano resigned his position as Chairman of Tricom's Board of Directors, and as Tricom's President and Chief Executive Officer. Mr. Pellerano remained a director of Tricom until late 2008. The GFN Affiliated Shareholders have the right

¹⁶ The information available to the Debtors concerning GFN Corporation Ltd., the GFN Affiliated Shareholders and individuals and entities affiliated or formerly affiliated with them (other than the Debtors themselves) is limited. The discussion in this Disclosure Statement regarding GFN Corporation, Ltd., the GFN Affiliated Shareholders and their affiliates is based on publicly available information, statements made to the Debtors that they are not able to independently verify, the Debtors' overall understanding of these entities and a report issued by the Special Committee, as defined in Section II.A.10. See Section II.A.10, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—2002 Private Placement Transaction, Special Committee Report and Restatement of 2002 Financial Statements."

to appoint a majority of the members of Tricom's Board of Directors and, indirectly, the right to control selection of Tricom's management.

From time to time, the entities under the control of Mr. Pellerano and his family have been engaged in numerous businesses, including banking, insurance, credit card issuance, equipment leasing and securities brokerage-dealing. Many of these interests were held by GFN International Investments Corp. ("GFN International"), a financial services holding company incorporated in the Cayman Islands, which as of December 31, 2002, was wholly owned and controlled by Mr. Pellerano and members of his family. As of December 31, 2002, the Debtors believe GFN International was the parent company, directly or indirectly, of, among other entities, the following:

- Banco Nacional de Credito S.A., a Dominican Republic Bank ("Bancredito Dominican Republic");
- Bancredito Panama;
- Bancredit Cayman;
- Acciones y Valores, S.A., a Dominican Republic broker-dealer ("ACYVAL");
- Compañía Nacional de Seguros, a Dominican Republic insurance company ("SEGNA");
- Grupo Financiero Nacional, S.A., a Dominican Republic holding company ("GFN, S.A."); and
- Compañía Nacional de Arrendamientos S.A., a Dominican Republic equipment leasing company ("Conaresa").

As of December 31, 2002, Mr. Pellerano was President of Bancredito Dominican Republic, one of the largest commercial banks in the Dominican Republic, as well as Vice President of Bancredito Panama and Vice President of the Board of Directors of Bancredit Cayman. In addition, at that time, most of the Tricom directors named by certain of the GFN Affiliated Shareholders and certain of Tricom's executive officers may have held, or previously held, positions with entities, other than Tricom and its subsidiaries, controlled by Mr. Pellerano and members of his family. *See* Item 6, "Directors, Senior Management and Employees" in Exhibit "3" to the Original Disclosure Statement, Tricom's Annual Report on Form 20-F for the fiscal year ended December 31, 2004 for additional information.

Business conglomerates of this scope and diversity under the control of individuals and/or families are fairly common in the Dominican Republic. Some other well-known family-controlled enterprises in the Dominican Republic include enterprises under the control of the Leon Jimenez, the Vicini, the Bonetti, the Hazoury, the Corripio, the Grullon and the Ramos families. In addition, related party transactions among affiliated companies that are part of such conglomerates are common.

For example, prior to 2004, various affiliates of GFN Corporation, Ltd., (“GFN”) provided the Debtors with a variety of services, including managerial, security and other professional services. Tricom also leased equipment and premises from GFN and its affiliates and was a party to capital leases with Conaresa. During this time frame, the Debtors obtained insurance through SEGNA. Certain of the Debtors also borrowed substantial funds from GFN International’s banking subsidiaries and maintained investments with these entities. In turn, the Debtors provided telecommunications services to various GFN affiliates.

During 2001 and 2002, due to a decline in operating results and its general financial condition, Tricom was limited in its ability to access traditional financing sources to meet its capital requirements. Similarly, it no longer had easy access to the international public debt markets to raise new financing. As a result, various affiliates of GFN and GFN International, including Bancredito Dominican Republic and Bancredito Panama, extended significant amounts of credit to Tricom and limited financing to TCN. This financing allowed Tricom to refinance certain existing obligations and provided additional working capital to Tricom and TCN. Subsequently, Tricom took steps to reduce these obligations. *See* Section II.A.4, “Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Tricom Liquidity Issues.”

II.

KEY EVENTS LEADING TO THE SOLICITATION AND DECISION TO COMMENCE VOLUNTARY CHAPTER 11 REORGANIZATION CASES

A. Factors and Circumstances Leading to Reorganization

Commencing in 2001, a combination of macro-economic factors and circumstances specific to the Debtors contributed to a steady and significant decline in the Debtors’ operating performance and financial condition over the succeeding years and, ultimately, to the Debtors’ inability to satisfy the Unsecured Financial Claims and the decision to pursue a pre-packaged plan of reorganization. These macro-economic conditions and factors specific to the Debtors included, among others, the following:

- Worldwide decline in the telecommunications sector;
- Adverse economic conditions precipitated by the events of September 11, 2001;
- The Dominican Republic’s banking crisis of 2003 and the economic crisis affecting the country thereafter, including the devaluation of the Dominican peso;
- The Debtors’ unprofitable investments in certain new business segments; and
- Increased competition in Dominican markets for local, long distance and mobile services triggered by entry of multinational telecommunications providers.

1. Downturn in Telecom Industry

Beginning in 2001, the Debtors' liquidity was negatively impacted by a worldwide contraction in the telecommunications industry which began in 2000. The reasons for the decline in the telecom sector were varied, but generally resulted from overcapacity, excess competition and the bursting of the technology bubble. The worldwide telecommunications industry experienced a large number of bankruptcies and liquidations during 2001 and 2002. During 2001, approximately 72 telecommunications companies commenced bankruptcy proceedings in the United States, resulting in the liquidation of 55 of these entities. In 2002, 59 entities commenced bankruptcy proceedings in the United States, resulting in 23 liquidations. All segments of the industry were affected, including competitive carriers, fiber long-haul providers, long distance resellers and internet providers/hosting companies. Between 2001 and 2002, \$250 billion of assets were affected by these telecom bankruptcies, and approximately \$200 billion in liabilities were compromised. Overall, the telecom downturn significantly limited the credit available to the industry and drove investors away from the telecommunications industry. The industry did not begin to see signs of recovery until the end of 2003.

2. Impacts of Events of September 11, 2001

Following almost a decade of economic expansion between 1992 through 2000, the Dominican Republic economy suffered, as did much of the world, from the effects of the terrorist attacks of September 11, 2001. The events of September 11, 2001 had a particularly dramatic effect on the United States, the Dominican Republic's largest trading partner. The events contributed to rising petroleum prices, and a concomitant decline in Dominican tourism, the Dominican Republic's principal economic activity, resulting in a deficit in the balance of payments between the Dominican Republic and the U.S. During 2002, there was a general consensus that the Dominican economy had entered a recessionary period.

3. Unprofitable Investments

Between 2001 and 2003, several of the Debtors' lines of business and related investments proved to be unprofitable, resulting in the Debtors' incurrence of substantial losses. These investments included, among others, investments in Central America, investments in a wireless local loop network, and investments in broadband internet services for rural schools located throughout the Dominican Republic.

a. Investments in Central America

Between 2000 and 2003, the Debtors invested approximately \$50 million in Central America through Tricom Latinoamerica, S.A., a wholly owned subsidiary of Tricom organized on May 12, 2000 under the laws of the Cayman Islands. Tricom Latinoamerica, S.A. acted as the holding company for Tricom's telecommunications operations in Central America and the Caribbean. The Debtors' objective was to establish several wireless trunking businesses in Panama, El Salvador and Guatemala and to exploit what was then perceived to be a promising market for telecommunications services in those areas. By December 31, 2003, Tricom

Latinoamerica, S.A. had a book value of \$49,228,323 and included a digital trunking network and business in Panama, as well as radio frequency rights in Guatemala and El Salvador.

By the third quarter of 2003, as a result of increased competition in Panama, the incurrence of substantial operating losses from its Panamanian operations, material litigation and the inability to make further investments, the Debtors elected to discontinue the Central American line of business and sell the related assets. During the fourth quarter of 2003, the Debtors began negotiating with various Panamanian groups for the sale of these assets. On February 19, 2004, the Debtors completed the sale of their Central American trunking assets (including a digital trunking network in Panama and radio frequency rights in Guatemala and El Salvador) to a group of Panamanian investors for a purchase price of approximately \$12.5 million. The purchase price was paid in installments from which Tricom realized approximately \$10.7 million, net of expenses. The Debtors reported losses from the discontinuance of their Central American operations, after minority interest, of \$7.3 million in 2002 and \$46.7 million in 2003.

In January of 2009, Tricom Latinamerica, S.A. commenced a suit in Panama against the purchaser of the Debtors' Central American trunking assets seeking to recover approximately \$1.5 million of the purchase price. The action is pending.

b. Investments in Wireless Local Loop Technology

In early 1999, the Debtors began investing in the deployment of wireless local loop ("WLL") and fixed cellular technology to enable them to reach rural and suburban customers in the Dominican Republic who would otherwise be too expensive to reach with wireline copper facilities. By the end of 2001, the Debtors' \$89 million investment in WLL facilities supported almost 68,000 customer locations with fixed WLL services.

Despite initial customer roll-out success, the Debtors experienced (i) lack of long-term vendor support and (ii) poor availability of electricity at customer premises, which made high cost, specialized battery packs essential for supporting customer phone services. These imported battery packs had a life expectancy of 18 months. However, higher than expected deployment and replacement of customer battery packs, especially in light of the escalating Dominican Republic's currency devaluation, resulted in operating losses. By mid-2002, the Debtors elected to deemphasize the sale of WLL services, refocusing instead on wireline telephony and internet access. By the third quarter of 2003, the Debtors had approximately 34,000 fixed wireless customers left, of which only 40% remained active by the end of the third quarter of 2007.

c. Termination of Government-Sponsored School Initiative

In March 2000, Tricom entered into a number of agreements for the purchase of customer premises equipment, computers and broadband satellite links to implement a government-supported program awarded to Tricom for purposes of providing broadband internet to selected rural schools in the Dominican Republic. The aggregate cost of the customer premises equipment for this program was approximately \$6.3 million. Prior to the end of 2002, the Dominican government cancelled its financial support for this initiative and suspended its

payments to Tricom. As a result, beginning in January 2003, Tricom defaulted on its own commitments for equipment and satellite links. The Debtors estimate that an amount in excess of RD\$45 million (then equivalent to approximately US\$2 million) associated with this program could not be collected by Tricom from the Dominican government.

4. Tricom Liquidity Issues

As a consequence of the combined effects of the downturn in the telecommunications industry, the effects of the events of September 11, 2001 and the losses incurred from the unprofitable investments described above, during 2001, 2002 and continuing into 2003, Tricom suffered from liquidity constraints and increasingly came to rely on short-term borrowings, as well as secured lending, for financial support. As of December 31, 2001, December 31, 2002 and December 31, 2003, on a consolidated basis, Tricom and its subsidiaries' current liabilities exceeded their current assets by \$175.6 million, \$86.5 million, and \$497.2 million (after acceleration of essentially all of their long-term debt), respectively.

During 2001 and 2002, Tricom issued short-term commercial paper to investors (denominated in both U.S. dollars and Dominican pesos) in the aggregate approximate principal amounts of US\$38.1 million and RD\$136.7 million, respectively (collectively, the "Original CPs"). Maturity periods under the Original CPs ranged from approximately 30 days to one year. Interest rates ranged from 8% to 12% for the Original CPs denominated in US\$ and from 13% to 21% for the Original CPs denominated in RD\$.

Historically, to meet their capital requirements, the Debtors relied on credit in the form of short-term loans from Dominican banks and related entities. Dominican banks generally make short-term demand loans with the intention of renegotiating interest rates in the event market conditions change. During 2002 and 2003, excluding the issuance of the Original CPs described above, the Debtors borrowed \$70 million and \$24 million, respectively, under short-term financial obligations. During the same period, the Debtors borrowed \$21 million and \$10 million on a secured basis from Dominican banks.

The Debtors' worsening financial condition and exposure on both their short-term and long-term debt obligations, raised concerns during 2002 that the Debtors would be unable to either repay or refinance the obligations at maturity. In September 2002, Tricom retained Bear Stearns & Co. to assist the Debtors in developing and implementing strategies to address their liquidity concerns and, specifically, to refinance or restructure the 11 3/8% Senior Notes. Tricom, however, did not adopt any measures at that time.

In December 2002, a group of investors purchased shares of Tricom Class A Stock for an aggregate purchase price of approximately US\$70 million (the "Placement").¹⁷ The Debtors' management believes that the proceeds of the Placement may have been used to satisfy indebtedness and other amounts then owed by Tricom to Bancredito Dominican Republic, Bancredito Panama, Bancredit Cayman, Conaresa and SEGNA. *See* Section II.A.10, "Key

¹⁷ All discussions of the Placement set forth in this Disclosure Statement are qualified in their entirety by the Debtors' Management's discussion of the Placement in Item 7 of Tricom's Annual Report on Form 20-F for the fiscal year ended December 31, 2004, attached to the original Disclosure Statement as Exhibit "3".

Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—2002 Private Placement Transaction, Special Committee Report and Restatement of 2002 Financial Statements” for a more detailed discussion of the Placement.

On December 18, 2002, Tricom filed a registration statement with the SEC in connection with a proposed offer to exchange the 11 3/8% Senior Notes for new senior notes in the same aggregate principal amount with a later maturity. However, as a consequence of the Debtors’ worsening financial condition and the banking crisis which occurred in the Dominican Republic in 2003, Tricom withdrew the registration statement.

Since the end of 2003, the Debtors have not obtained any new outside financing.

5. Dominican Republic Banking and Liquidity Crisis of 2003

After a decade of strong economic growth, during 2003, the Dominican Republic experienced a banking crisis which required the intervention of the Central Bank of the Dominican Republic (the “Central Bank”) to avert a potential collapse of the Dominican banking system.

Starting in September 2002, Banco Intercontinental, S.A. (“Baninter”), the Dominican Republic’s second largest private bank at the time, began to experience a marked increase in withdrawals of its customers’ deposits. As a result of an investigation of Baninter, stemming from a potential transaction to sell the bank, a fraudulent scheme involving double sets of accounting books was uncovered. Due to the magnitude of the fraud, in April 2002, the Monetary Board of the Dominican Republic (the “Monetary Board”), the highest regulatory body of the Dominican Financial and Monetary Administration, authorized the Central Bank to take control of the operations of Baninter. In May 2003, the Governor of the Central Bank announced that the fraud at Baninter amounted to approximately RD\$55 billion, or US\$2.2 billion, at the exchange rate in effect at that time. This announcement was followed by the eventual liquidation and dissolution of Baninter, authorized by the Monetary Board in July 2003.

Early in 2003, the Monetary Board announced that irregularities had been discovered at two other Dominican banks: Bancredito Dominican Republic, an affiliate of GFN International and Tricom’s primary lender at the time, and Banco Mercantil. According to the Monetary Board, such institutions exhibited weaknesses in financial controls, suffered from material interest rate gaps between assets and liabilities, and incurred substantial losses as a result of loans made to affiliated entities.

The failure of Baninter and the irregularities discovered at other Dominican banks had ripple effects throughout the Dominican banking system and profound adverse effects on the Dominican economy. During 2003, it is estimated that the collapse of Baninter cost the Dominican Republic approximately 12% to 15% of its Gross Domestic Product and led to a 70% depreciation of the Dominican peso versus the U.S. dollar, as well as a quadrupling of the inflation rate.

Beginning in 2003, the Central Bank initiated measures to prevent the failure of the Dominican banking system. These measures included providing essential financial support

and facilitating the transfer of control of certain banking and financial institutions. Certain of these measures involved the Debtors, GFN and current and former affiliates of GFN. *See* Section II.A.11, “Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Related Party Events.”

6. Default on Unsecured Debt and Formation of Ad Hoc Committee

On September 2, 2003, the Debtors announced that they would not be making the interest payment due on the 11 3/8% Senior Notes. In October 2003, the Debtors announced that they were suspending the payment of principal and interest on the Unsecured Financial Claims, and principal payments on their secured obligations. This suspension of payments triggered a default on account of substantially all of the Unsecured Financial Claims. On September 1, 2004, the Debtors announced that they would not be making the \$200 million dollar principal payment due on the 11 3/8% Senior Notes. The Debtors subsequently resumed making payments of the principal amount of certain of their secured obligations.

Shortly after the September 2003 default, the Ad Hoc Committee was formed and retained counsel and financial advisors. Discussions between and among the Debtors, GFN and affiliates of GFN and the Ad Hoc Committee were initiated. To assist the Debtors in their restructuring efforts, in December 2003, Tricom retained Kevin Lavin of FTI as Chief Restructuring Officer.

7. Divestiture of Central American Assets

As discussed in Section II.A.3.a, “Investments in Central America,” in February 2004, the Debtors sold their Central American operations, including Tricom’s digital trunking network in Panama and the Debtors’ radio frequency rights in Guatemala and El Salvador to various Panamanian groups. As of December 31, 2003, these assets had a book value of \$49,228,323. The net sale price of these assets was \$10,661,300, and as a result of the difference between the net sale proceeds and the net book value of these assets, the Debtors recorded a \$38.6 million loss from impairment of assets held for sale in 2003.

8. Devaluation of the Dominican Peso and Related Impacts

In connection with the banking crisis of 2003 and the recession that followed, according to the Central Bank, the average annual exchange rate of the Dominican peso to the U.S. dollar increased approximately 26.2%, 66.4%, and 36.1% in 2002, 2003, and 2004, respectively. In turn, the annual inflation rate in the Dominican Republic was 10.5%, 42.7%, and 28.7% in 2002, 2003, and 2004, respectively.

The Debtors have historically and continue to derive a substantial portion of their revenue in Dominican pesos. For 2003 and 2004, Tricom earned between 30.6% and 46.8% of its operating revenue in Dominican pesos and the remainder of its operating revenue in foreign currency, making it fairly sensitive to exchange rate fluctuations. In addition, most of Tricom and TCN’s indebtedness and many of their other obligations are U.S. dollar denominated and, hence, must be paid in U.S. dollars. For example, substantially all of the Debtors’ communications equipment vendors and cable programming providers require payment in U.S.

dollars; likewise, electric and fuel expenses and many maintenance items in the Dominican Republic are pegged to the U.S. currency. As a result, the dramatic and sustained devaluation of the Dominican peso, which occurred between 2002 and 2003 and continued into 2004, had a substantial adverse effect on the U.S. dollar value of the Debtors' revenue and, hence, the ability of the Debtors to service their U.S. dollar-denominated debt. The Debtors did not have, and do not have, hedging or other arrangements in place to protect themselves against the adverse effects of currency fluctuations.

Moreover, the sustained economic recession in the Dominican Republic contributed to the decline in the Debtors' operating and financial condition. The country's inflationary conditions led to a decline in real wages which contributed to a reduction in the usage and demand for the Debtors' services. In turn, this impacted the Debtors' ability to purchase U.S. dollars in order to service the Debtors' debt obligations.

During the fourth quarter of 2003, Tricom performed an annual impairment review and recorded a non-cash asset impairment charge of \$191.3 million related to long-lived assets, goodwill, and other intangible assets. *See* Tricom's Annual Report on Form 20-F for the fiscal year ended December 31, 2004, annexed to the Original Disclosure Statement as Exhibit "3". These asset impairment charges, which recognized the eroding carrying value of the affected assets because such value exceeded projected future undiscounted cash flows, were driven primarily by the impact of currency devaluation together with competitive pressures on the Debtors' telecommunications business. In particular, Tricom recognized a \$165.1 million impairment charge in relation to mobile network assets and certain other fixed assets.

9. Increased Competition

Competition in the Dominican Republic's telecommunications industry increased significantly in the early part of the millennium. In addition to Codetel, the largest market supplier of telecommunications services, Tricom was, and still is, faced with competitors such as Orange and Trilogy International Partners (Viva) through its acquisition of Centennial Dominicana. Orange and Trilogy International Partners (Viva) have developed an aggressive marketing strategy of offering services at discounts and employing GSM technology. The combined action of Codetel, Orange and Trilogy International Partners (Viva) competing with each other in the Dominican market resulted in the erosion of Tricom's market share for wireless services. Additionally, Tricom experienced higher costs for customer acquisitions due to greater competition and price compression.

10. 2002 Private Placement Transaction, Special Committee Report and Restatement of 2002 Financial Statements

a. Introduction and Background

In December 2002, a group of investors purchased shares of Tricom's Class A Stock for an aggregate purchase price of approximately US\$70 million. The circumstances surrounding the Placement ultimately led to the appointment of a special committee of the Board of Directors (the "Special Committee") and the restatement of Tricom's financial statements for the year ended December 31, 2002.

In October 2004, Tricom's former independent auditor, the member firm of KPMG International in the Dominican Republic ("KPMG"), advised Tricom's Board of Directors that it was withholding its consent to filing Tricom's Annual Report on Form 20-F for the fiscal year ended December 31, 2003. KPMG sought further clarification of the Placement, in which funds were loaned to the investors in the Placement by Bancredito Panama, at the time an affiliate of GFN. Tricom's management believes that the proceeds of the Placement were used to satisfy indebtedness and other amounts then owed by Tricom to Bancredito Dominican Republic, Bancredito Panama, Bancredito Cayman, Conaresa and SEGNA, all of which at the time were affiliated entities. In a letter dated November 1, 2004, KPMG requested that Tricom's Board of Directors initiate an independent investigation of the Placement to determine whether any illegal acts occurred in any of the jurisdictions involved, *i.e.*, the Dominican Republic, Panama, the Cayman Islands and the United States, and whether the Placement qualified to be recorded as equity on Tricom's consolidated balance sheet as of December 31, 2002. Subsequently, Tricom's Board of Directors appointed the Special Committee, composed of Thomas Canfield, James Deane and Gerald Gitner to determine (i) whether Tricom had any undisclosed actual or contingent liabilities as a result of the Placement, (ii) other facts reasonably necessary to allow Tricom and its advisors to determine the appropriate accounting treatment to be given to the Placement, and (iii) such other matters as might be reasonably proposed by KPMG. The Special Committee retained Hunton & Williams LLP as legal counsel, who in turn retained BDO Seidman, LLP to assist them in analyzing certain accounting matters. In a letter dated February 9, 2005, addressed to the Special Committee, KPMG requested that the scope of the Special Committee's investigation be expanded to include any other related party transactions that may be, directly or indirectly, associated with the Placement.

b. Special Committee Report

In September 2005, the Special Committee made available to Tricom's Board of Directors and senior management its initial report (the "Special Committee Report") summarizing the Special Committee's findings through that time. It contained observations to the following effect:

- It is possible that Tricom may have certain undisclosed actual or contingent liabilities arising out of the Placement under the laws of the jurisdictions in which Tricom operated at the time of the Placement;
- The disclosure as to the Placement and related transactions contained in Tricom's Annual Report on Form 20-F for the fiscal year ended December 31, 2002, may have been deficient and/or inconsistent with information presented to the Special Committee. The Special Committee recommended that Tricom consider amending certain portions of that 20-F Annual Report; and
- Varying conclusions can be reached as to whether Tricom properly accounted for the Placement, based on different hypothetical fact scenarios. Under certain hypothetical fact scenarios, the accounting treatment of the Placement as equity would remain unchanged and under certain other hypothetical fact scenarios, the proceeds of the Placement would be recorded on Tricom's consolidated balance sheet as at December 31, 2002 outside of permanent equity as "mezzanine financing."

In addition, the Special Committee offered certain corrective recommendations on corporate governance and related matters, as described in Tricom's Form 6-K report filed on December 9, 2005.

In May 2007, after the process of restating Tricom's 2002 consolidated financial statements was essentially complete, Tricom's Board of Directors voted to terminate the activities of the Special Committee. Thereafter, counsel to the Special Committee updated the Special Committee Report and, in July 2007, delivered to Tricom's Board of Directors the Special Committee's final report.

c. Restatement of 2002 Financial Statements

Following delivery of the Special Committee Report and appointment of its new auditors, Sotomayor & Associates, LLP, Tricom analyzed the relevant findings of the Special Committee to determine what amendments to its Annual Report on Form 20-F for the fiscal year ended December 31, 2002, would be appropriate. On several occasions during this process, Tricom's representatives and auditors consulted with the Special Committee's advisors on matters relevant to the accounting treatment of, and disclosure as to the circumstances surrounding, the Placement. At the conclusion of this process, Tricom restated its 2002 consolidated financial statements to address the following:

- The involvement of various related parties in the transactions constituting the Placement, including: the participation of an affiliate of GFN and at least one of Tricom's directors as investors in the Placement; the provision by Bancredito Panama, at the time an affiliate of GFN of financing for the entire purchase price of the shares sold in the Placement, apparently on a non-recourse basis and backed solely by the Tricom shares issued in the Placement; the use of the proceeds of the Placement to satisfy indebtedness and other amounts then owed by Tricom to Bancredito Dominican Republic, Bancredito Panama, Bancredito Cayman, Conaresa and SEGNA, all of which at the time were entities affiliated with the Debtors; and payment of an arrangement fee to ACYVAL, a broker dealer that, at the time, was an affiliate of GFN;
- After weighing various factors, Tricom's management concluded that, on balance, and subject to the matters set forth in the Stockholders' Equity footnote (*see* Exhibit "3" to the Original Disclosure Statement, Annual Report on Form 20-F for the fiscal year ended December 31, 2004), the Placement should continue to qualify as equity on Tricom's consolidated balance sheet as of December 31, 2002; and
- Disclosure of certain loss contingencies arising out of the Placement.

For further details concerning the Placement, the Special Committee Report and the resulting restatement of Tricom's 2002 consolidated financial statements, *see* Exhibit "3" to the Original Disclosure Statement, Annual Report on Form 20-F for the fiscal year ended December 31, 2004, which includes, in addition to the financial statements required by applicable regulations, Tricom's restated audited consolidated balance as of December 31, 2002, and related footnotes.

11. Related Party Events

a. Related Party Borrowing and Commercial Paper Program

During 2002, the Debtors significantly increased their borrowing from, and other indebtedness to, various GFN affiliates from approximately \$54 million as of December 31, 2001 to approximately \$142 million by the end of 2002. In addition, Tricom's management believes that, on December 30 and 31, 2002, Tricom repaid approximately \$68 million of its debts due to various GFN affiliates from the proceeds of the Placement. *See* Section II.A.10, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—2002 Private Placement Transaction, Special Committee Report and Restatement of 2002 Financial Statements." Accordingly, as of December 31, 2002, approximately \$74 million was owed to various GFN affiliates by the Debtors.

As previously noted, during 2001 and 2002, Tricom issued short-term commercial paper to investors in the form of the Original CPs. In order for Tricom to exchange the Original CPs for long-term commercial paper, in March 2002, GFN Capital Corp. ("GFN Capital") assumed from Tricom an obligation to pay approximately US\$38.1 million and RD\$137 million of the Original CPs, in exchange for which Tricom simultaneously issued new long-term commercial paper to GFN Capital (the "GFN CPs"). In effect, the Original CPs were "swapped" for the GFN CPs.

The Debtors are of the view that, except as noted below, some of the investors holding the Original CPs received payment from GFN Capital, and/or from affiliates of GFN, of the amounts due to them under the Original CPs. The Debtors are not, however, in possession of any documents reflecting such payment. From June 2003 through February 2005, Tricom made several payments in favor of certain third party holders of the Original CPs, who they believed had not otherwise been paid, in the principal amount of approximately US\$4.3 million and RD\$7 million. Based on the fact that the Debtors have not received any demands over the last several years for payment of the Original CPs, the Debtors are of the view that the amounts owed under the Original CPs were either paid by the Debtors, GFN Capital and/or its various affiliates or otherwise settled. The majority of GFN CPs that remain outstanding are currently held by Ellis Portafolio, S.A. ("Ellis Portafolio") and various GFN affiliates.

b. Tripartite Agreement

By early 2003, in connection with the Dominican Republic banking crisis, the Central Bank took steps designed to prevent the collapse of Bancredito Dominican Republic. Initially, the Central Bank utilized Central Bank rediscount facilities and, thereafter, the Debtors believe, the Central Bank requested that GFN International sell Bancredito Dominican Republic to a third party. By the middle of June 2003, the Debtors understand that certain companies owned by Grupo Bancredito S.A., including Bancredito Dominican Republic, Bancredicard, S.A., ACYVAL, Bolsa de Valores, S.A. and Conaresa were sold to the Leon family, one of the wealthiest families in the Dominican Republic. Conaresa was previously a holder of Unsecured Financial Claims. *See* Section II.B.3.e, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Debtors' Prepetition Debt

Obligations—Unsecured Financial Claims—Conaresa Lease Claims/Deutsche Bank Claims—\$15,377,825.” The Debtors believe, but are not able to independently verify, that the sale was backed by the Central Bank through a bank bailout package under which the Central Bank assumed certain obligations due to Bancredito Dominican Republic by certain GFN affiliates, including Tricom. Specifically, it is the Debtors’ understanding that (i) the Central Bank, (ii) Bancredito Dominican Republic, (iii) GFN, S.A., (iv) ACYVAL, and (v) Messrs. Carlos Guillermo Leon and Manuel C. Peña-Morros, on behalf of the purchasers (collectively, the “Leon Asencio Family”) entered into an agreement dated July 2, 2003 (the “Tripartite Agreement”).¹⁸ Based on their review of the Tripartite Agreement, the Debtors believe that, under the Tripartite Agreement:

- Bancredito Dominican Republic transferred to the Central Bank certain loans and other obligations due to it from certain affiliates of GFN, S.A., including Tricom, which were guaranteed by GFN, S.A. (the “GFN, S.A. Obligations”) in exchange for Cash and/or bank paper in an amount equivalent to these obligations. The GFN, S.A. Obligations included approximately RD\$10.6 billion, and US\$156 million relating to commercial paper and other obligations placed through ACYVAL and/or Bancredito Dominican Republic;
- GFN, S.A. agreed to repay the GFN, S.A. Obligations acquired by the Central Bank in five (5) years, subject to automatic renewal, with such obligations to bear interest at a rate of 2% payable annually¹⁹;
- GFN, S.A. established an escrow account in favor of the Central Bank in the amount of RD\$1.8 billion;
- GFN, S.A., as security for its obligations under the Tripartite Agreement, pledged its shares in several of its affiliates, including Tricom, to the Central Bank and, in connection therewith, agreed that the express consent of the Central Bank would be required in order for it to make any variation to the percentage of its ownership in any of such affiliates; and
- In the event of a change of over 10% in the ownership of the shares of any of the affiliates that make up the related party portfolio subject to the alleged pledge to the Central Bank (which would include Tricom), such affiliate would lose the benefits of the Tripartite Agreement.

The Debtors do not know what, if any, ramifications may result, if any provisions of the Tripartite Agreement, including the purported restriction on share transfers, are

¹⁸ Assuming the Tripartite Agreement is valid and in force, the Debtors cannot independently verify (i) whether the parties to the Tripartite Agreement have fulfilled their various obligations or exercised the various rights granted to them, including, but not limited to, the perfection of any collateral pledges, or (ii) whether the Tripartite Agreement has been amended or superseded by amendments or related supplements.

¹⁹ The Debtors believe based on public information and informal communications from certain GFN affiliates, that the Central Bank may have only disbursed RD\$10.6 billion and approximately US\$53 million under the Tripartite Agreement. The Debtors believe that GFN, S.A. and/or one of its affiliates has filed suit in a Dominican court seeking to recover the difference between the disbursement provided for in the Tripartite Agreement and the amount actually disbursed from the Central Bank on the theory that they may continue to be liable to Bancredito Dominican Republic for such amount.

contravened. *See* Section VI.C.4, “Certain Risk Factors Affecting the Debtors—Certain Dominican Legal and Regulatory Issues—Tripartite Agreement.”

c. Litigation

The collapse of the banking system triggered a number of civil and criminal actions by the Dominican government and by holders of certificates of deposit or other instruments issued by the failing Dominican banks and their affiliates. The largest civil action in which Tricom was included as a codefendant was an approximate US\$156 million claim filed by holders of certificates of deposit and other instruments issued by Creditcard International, S.A., GFN Capital, GFN International, and Bancredit Cayman. The trial court rendered a judgment against certain of the defendants; however, Tricom was not included among the defendants against whom the judgment was entered. Following the initial judgment, certain parties to the judgment appealed the judgment to the Court of Appeals of the National District (the “Court of Appeals”). The Court of Appeals upheld this decision on June 29, 2007, excluding Tricom from the judgment. To date, Tricom has not been included in the parties found liable in this action.

The Court of Appeals also invalidated Section 1(b) of the Tripartite Agreement, which provides that the sum of US\$156,000,000 that corresponds to the portfolio of commercial paper and instruments marketed and placed through ACYVAL, and/or Bancredito Dominican Republic constitutes a contingent obligation of the Central Bank if the issuers cannot redeem such instruments.²⁰ The Court of Appeals held that Article 1(b) violated Dominican law prohibiting the Central Bank from assuming financial obligations of third parties. Plaintiffs, and several defendants who were found liable, have appealed the judgment by the Court of Appeals to the Civil Chamber of the Supreme Court of Justice (the “Supreme Court”). It is possible that the Court of Appeals’ decision could have an adverse effect on the Debtors. *See* Section VI.G.2, “Certain Risk Factors Affecting the Debtors—Litigation Against the Debtors and Contingent Claims—Grupo Economico Lawsuit.”

Former investors of Bancredito Dominican Republic’s offshore affiliates and holders of Bancredito Dominican Republic certificates of deposit also brought a criminal action in the Dominican courts against Mr. Pellerano, GFN and certain of its affiliates, including Tricom, for alleged wrongdoing in connection with the Tripartite Agreement. Tricom, GFN and certain of GFN’s affiliates entered into a number of settlements which resolved all monetary issues. The trial court, however, found Mr. Pellerano guilty on certain criminal counts, which ruling was ultimately upheld by the Second Courtroom of the Criminal Chambers of the National District Court of Appeals on September 11, 2008, and later by the Supreme Court of Justice on November 3, 2008. Government authorities also brought charges against certain Bancredito Dominican Republic officers, including Mr. Pellerano. Such charges were initially dismissed but subsequently reinstated and the case is now before the trial court.

d. Bancredit Cayman Liquidation and Litigation

Neither Bancredito Panama nor its wholly owned affiliate, Bancredit Cayman, were parties to, or otherwise the subject of, the Tripartite Agreement. In September 2003,

²⁰ Unofficial English translation of Section 1(b) of the Tripartite Agreement.

Bancredito Panama was intervened in Panama and a Panamanian intervener was appointed to oversee Bancredito Panama. At or about that time, the Cayman Islands Monetary Authority (“CIMA”) appointed controllers to operate Bancredit Cayman. In November 2003, the Superintendency of Banks of the Republic of Panama forced Bancredito Panama into liquidation. In turn, in April 2004, the controllers of Bancredit Cayman recommended to CIMA that Bancredit Cayman be placed into liquidation. Thereafter, CIMA petitioned the Cayman Grand Court for a winding up order regarding Bancredit Cayman. On May 31, 2004, the court granted the petition and appointed Richard Fogerty and G. James Cleaver, both of Kroll (Cayman) Limited, as Joint Official Liquidators (“JOLs”) of Bancredit Cayman.

On or about May 10, 2006, the JOLs filed a voluntary petition for relief under Chapter 15 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. The JOLs sought recognition of the Bancredit Cayman liquidation as a Foreign Main Proceeding under section 1521 of the Bankruptcy Code. On June 16, 2006, the Bankruptcy Court entered an order recognizing the proceeding as a Foreign Main Proceeding under section 1517 of the Bankruptcy Code (the “Recognition Order”). In accordance with the Recognition Order, the JOLs have served subpoenas on, among others, Tricom, Tricom USA, and Sotomayor & Associates, the Debtors’ independent auditors. Tricom, Tricom USA, and Sotomayor & Associates have each interposed objections to the subpoenas. To date, the JOLs have taken no further action in connection with such subpoenas.

On or about November 16, 2007, and in connection with the Bancredit Cayman chapter 15 case, the JOLs commenced an adversary proceeding by the filing of a complaint (the “Bancredit Cayman Complaint”) against Tricom in the United States Bankruptcy Court for the District of New Jersey (adversary no. 07-2595) pursuant to which the JOLs seek to recover \$120 million from Tricom, plus interest and costs (the “Bancredit Cayman Action”). The Bancredit Cayman Action was subsequently transferred to the United States Bankruptcy Court for the Southern District of New York. The action was stayed upon the filing of the Debtors’ Chapter 11 Cases. Bancredit Cayman has filed the Bancredit Cayman Disputed Claim in the Chapter 11 Cases in the approximate amount of \$148.7 million, which Claim, among other things, restates the causes of action set forth in the Bancredit Cayman Complaint. The Debtors believe that the claims alleged in the Bancredit Cayman Action and the Bancredit Cayman Disputed Claims are unsubstantiated and without merit and, if necessary, intend to vigorously contest such alleged claims.²¹ See Section VI.G.1, “Certain Risk Factors Affecting Debtors—Litigation Against the Debtors and Contingent Claims—Claims Arising from the Placement and Other Claims.”

²¹ Statements contained in this Disclosure Statement shall not otherwise prejudice, affect or otherwise constitute a waiver of any of the Debtors’ rights or defenses in the Bancredit Cayman Action, the Bancredit Cayman Chapter 15 case, and the Debtors’ Chapter 11 Cases.

B. Debtors' Prepetition Debt Obligations

1. Introduction

As of the Petition Date, the Debtors had approximately (i) \$413.3 million of outstanding principal amount of Unsecured Financial Claims, comprised of \$200 million of principal under the 11 3/8% Senior Notes, with the balance arising under certain other credit facilities and unsecured debt instruments, and (ii) \$35.0 million of secured debt obligations. The accrued and unpaid interest on the Unsecured Financial Claims as of the Petition Date, calculated at the contract or "non-default" rates, is approximately \$222.3 million.

As described more fully below, on account of the settlement of the Claims asserted against the Debtors by Banco Leon and various payments made during the Chapter 11 Cases (i) the approximate aggregate amount of the Allowed Unsecured Financial Claims treated under the Plan is \$678.3 million inclusive of principal and interest calculated by reference to the applicable contract or non-default rates of interest, and (ii) the Debtors' secured debt obligations under the Plan total approximately \$30.1 million. (See Section III.D, "Commencement of and Events During the Chapter 11 Cases—Payment of Banco del Progreso Existing Secured Debt"; Section III.E, "Commencement of and Events During the Chapter 11 Cases—Adequate Protection to Secured Creditors"; and Section III.F.10, "Commencement of and Events During the Chapter 11 Cases—Matters Pertaining to the Proofs of Claim filed by Bancredit Cayman, Bancredito Panama and Banco Multiple Leon—Banco Leon Settlement".)

2. Secured Lender Debt

a. Credit Suisse Existing Secured Debt – \$25,529,781.88

As of the Petition Date, Credit Suisse held approximately \$25,529,781.88 of principal amount of Tricom secured debt obligations which it acquired on the secondary market (the "Credit Suisse Existing Secured Debt"). The Credit Suisse Existing Secured Debt consists of a number of promissory notes issued by Tricom under the following agreements:

(i) *Reconocimiento y Reestructuración de Deuda e inclusion de Garantia Hipotecaria* (Debt Acknowledgement and Restructuring Agreement and Mortgage), dated April 30, 2002, between Banco BHD, S.A. and Tricom, as issuer. The promissory notes issued under this facility were issued on May 2, 2002 in amounts totaling \$11,191,515.17, have varying maturity dates of approximately four to five years, and bear interest at 12%. This obligation is secured by a first priority mortgage on five parcels of real property owned by Tricom (which include its headquarters building) and a separate pledge of certain vehicles and telecommunications equipment;

(ii) *Contrato de Prestamo con Garantia Hipotecaria* (Loan Agreement and Mortgage), dated June 15, 2002, between Financial Card Corporation and Tricom. The promissory note issued under this facility was issued on June 15, 2003 in the amount of \$3,000,000, has a stated maturity of November 30, 2007, and bears interest at 12.5%. This obligation is secured by a first priority mortgage on one parcel of real property and a separate pledge of telecommunications equipment;

(iii) A promissory note issued on August 4, 2003, to Banco Popular de Puerto Rico Sucursal Internacional in the amount of \$3,000,000, which note bears interest at 5% and matured on September 9, 2003. The note is secured by a pledge of certain telecommunications equipment; and

(iv) *Contrato de Prestamo con Garantia Hipotecaria y Prendaria* (Loan Agreement, Mortgage, and Pledge), dated August 8, 2003, between Citibank N.A. and Tricom. The promissory note under this facility was issued on September 29, 2003 in the amount of \$10,000,000, was payable in 30 monthly installments and bears interest at 10%. This obligation is secured by a mortgage on certain parcels of land and a separate pledge of certain telecommunications equipment.

The Debtors have been advised that as of the date hereof, Credit Suisse has participated 100% of the Credit Suisse Existing Secured Debt to Everest Capital Global Fund, L.P.

b. General Electric Existing Secured Debt – \$4,569,428²²

As of the Petition Date, General Electric Credit Corporation of Tennessee and General Electric Capital Corporation de Puerto Rico, Inc. (collectively, “GE”) held approximately \$4,569,428 of principal amount of Tricom secured debt obligations (the “GE Existing Secured Debt”). Tricom and Tricom USA are jointly and severally liable for the GE Existing Secured Debt under that certain Addendum to Chattel Mortgage Agreement Accessory to the Loan Agreement, dated July 22, 2005, among GE, Tricom and Tricom USA. An amended and restated promissory note for the GE Existing Secured Debt was issued on July 22, 2005, in the amount of \$6,000,000. The note bears interest at 9%, and is payable in 84 monthly installments in various amounts as set forth in the note. The GE Existing Secured Debt is secured by a pledge of certain telecommunications equipment. The Debtors have been making monthly adequate protection payments to GE pursuant to a stipulation and order approved by the Bankruptcy Court.

3. Unsecured Financial Claims

DUE TO SECONDARY TRADING OF THE UNSECURED FINANCIAL CLAIMS, THE DEBTORS ARE UNABLE TO IDENTIFY ALL CURRENT HOLDERS OF SUCH CLAIMS.

a. 11 3/8% Senior Notes – \$200 Million

In August 1997, Tricom issued \$200 million of 11 3/8% Senior Notes due September 1, 2004, in accordance with the Indenture, dated August 21, 1997, with the Bank of New York as Indenture Trustee. Interest accrues on the 11 3/8% Senior Notes at the rate of 11 3/8% and was payable semi-annually. The 11 3/8% Senior Notes are unsecured obligations of Tricom and guaranteed by certain Tricom subsidiaries, including TCN and Tricom USA.

²² The Credit Suisse Existing Secured Debt and the GE Existing Secured Debt shall together be referred to collectively as the “Existing Secured Debt.”

b. Commercial Paper – \$54,665,405

As of the Petition Date, the Debtors had approximately \$54,665,405 principal amount of commercial paper obligations (the “Commercial Paper”) owed to parties including parties who acquired such debt on the secondary market and the Affiliated Creditors. The Affiliated Creditors hold \$36.3 million of the Commercial Paper. The Commercial Paper bears interest at rates between 11% and 29% and are either payable on demand or have relatively short term maturities. The Commercial Paper has matured and Tricom is in default of its obligations thereunder.

c. Unsecured Financial Institution Debt – \$101,588,054

As of the Petition Date, the Debtors had outstanding approximately \$101,588,054 principal amount of unsecured debt obligations owed to various financial institutions (the “Unsecured Financial Institution Debt”), including parties who acquired such debt on the secondary market and Affiliated Creditors. The Unsecured Financial Institution Debt is part of the Unsecured Financial Claims. \$21.4 million of the Unsecured Financial Institution Debt is owed to Affiliated Creditors. These obligations include promissory notes with varying maturities, demand notes, \$1.056 million of expired purchase financing arrangements for Softnet Systems, and \$616,000 related to the cancellation notice period for satellite network connectivity for Loral Cyberstar, Inc. and bear interest at various rates. All such obligations have matured either by their terms or by acceleration.

**d. Unsecured Claims Under Export Credit Agency Obligations
(including EXIM Bank and Export Development of Canada) –
\$41,603,013**

Tricom, as borrower, the International Bank of Miami, as lender, Tricom USA, as guarantor, and the Export Import Bank of the United States are parties to a Credit Agreement, dated July 19, 2000 (the “EXIM Credit Agreement”). Pursuant to the EXIM Credit Agreement, Tricom issued three promissory notes to the International Bank of Miami:

(i) a promissory note, dated June 15, 2001, in the amount of \$23,015,265.93 which bears interest at 6.48% and is payable in ten (10) semi-annual installments starting on June 15, 2002. As of the Petition Date, the principal amount outstanding on this promissory note was \$18,412,212.75;

(ii) a promissory note, dated December 15, 2001, in the principal amount of \$3,317,888.25, which bears interest at 5.75% and is payable in ten (10) semi-annual installments starting on June 15, 2002. As of the Petition Date, the principal outstanding on this promissory note was \$2,654,310.59; and

(iii) a promissory note, dated June 17, 2002, in the amount of \$7,740,808.20, bearing interest at a rate of 5.60% and payable in nine (9) semi-annual installments starting on December 15, 2002. As of the Petition Date, the principal outstanding on this promissory note was \$6,880,718.40.

Tricom, as borrower, The International Bank of Miami, as lender, Tricom USA, as guarantor, and the Export Import Bank of the United States are also parties to a Facility Agreement (the “Facility Agreement”), dated November 27, 2000, for the purchase of goods and services exported from the United States. The Facility Agreement was further amended by a Letter Agreement, dated as of April 2, 2002. Pursuant to the Facility Agreement, as amended, Tricom issued ten (10) promissory notes as follows:

- A promissory note, dated December 15, 2001, in the principal amount of \$5,426,869 bearing interest at a rate of 5.75% and payable in eight (8) semi-annual installments starting on March 25, 2002. As of the Petition Date, the principal outstanding on this promissory note was \$3,391,793.54;
- On March 18, 2002, Tricom issued seven (7) promissory notes under the Facility Agreement in the aggregate principal amount of \$9,067,283.54. These notes bear interest at 5.51%, 5.72% or 5.86% annually and are payable in semi-annual installments over periods ranging between four (4) and five (5) years. As of the Petition Date, the principal outstanding on these promissory notes was \$7,057,637.54; and
- On June 17, 2002, Tricom issued two (2) promissory notes, one in the amount of \$1,571,916.99, bearing interest at 4.90% and payable in nine (9) semi-annual installments, and another in the amount of \$1,077,172.88, bearing interest at 5.06% and payable in ten (10) semi-annual installments. As of the Petition Date, the principal outstanding on these promissory notes was \$2,084,340.40.

Tricom, as borrower, Export Development Canada, as Lender, and Tricom USA, as guarantor, are parties to a Credit Agreement, dated as of May 27, 2002 (the “EDC Credit Agreement”). Pursuant to the EDC Credit Agreement, Tricom issued a promissory note to Export Development Canada dated June 14, 2002, in the amount of \$1,870,000.00, which bears interest at a floating rate equal to LIBOR plus 4% and is payable in five (5) semi-annual installments starting on September 30, 2002. As of the Petition Date, the principal outstanding on this promissory note was \$1,122,000.

e. Conaresa Lease Claims/Deutsche Bank Claims – \$15,377,825²³

Between May 1999 and January 2001, Tricom entered into eighteen different lease agreements (collectively, the “Conaresa Leases”) with Conaresa, pursuant to which Tricom leased certain vehicles and telecommunications equipment from Conaresa in return for monthly rent payments. The rent payments included imputed interest relative to the financing of the leased assets and the corresponding Tax on the Transfer of Industrialized Goods and Services (“ITBIS”). The original term of the leases was 48 months. In addition, purchase option agreements were entered into by Tricom and Conaresa whereby Conaresa granted Tricom an option to purchase the leased equipment upon the expiration of the term of the corresponding lease for a fixed price. On April 1, 2002, the Conaresa Leases were amended to increase the

²³ Total includes \$3,454,997 promissory note issued to Ellis Portafolio and \$11,922,828 promissory note assigned to Deutsche Bank.

lease term to 60 months and to adjust the amount of the monthly rent installments. In July 2003, Tricom defaulted on its payment obligations under the Conaresa Leases.

On December 31, 2003, an undivided 28.08% interest of the amounts owed to Conaresa under the Conaresa Leases was assigned by Conaresa to GFN Capital. The Conaresa Leases were not assigned to GFN Capital by Conaresa. In connection with the foregoing assignment to GFN Capital, a promissory note in the principal amount of \$3,454,997 was issued to Ellis Portafolio at the direction of GFN Capital.

Following Tricom's payment default under the Conaresa Leases, a dispute arose between Tricom and Conaresa over the amount due under the Conaresa Leases. Among other issues, Conaresa disputed that an undivided 28.08% interest in the principal amount of the Conaresa obligations was assigned to Ellis Portafolio; instead, Conaresa alleged that certain leases were assigned to Ellis Portafolio. The parties also disagreed as to the applicable rate of interest to be applied to the underlying obligations and the extent other charges were properly assessable under the Conaresa Leases.

On August 2, 2007, Conaresa entered into an assignment agreement with Northbridge Enterprises, Inc. ("Northbridge") pursuant to which Conaresa purportedly assigned and transferred to Northbridge certain of its monetary claims under the Conaresa Leases.

Tricom's disagreement with Conaresa and Northbridge was further complicated by unrelated disputes between GFN, S.A. and Conaresa which led to the service of certain payment oppositions upon Tricom by GFN, S.A. and its assignee, Artag Meridian, Ltd. ("Artag"), which had the effect of precluding Tricom from making any payments to Conaresa or Northbridge and precipitated litigation in the Dominican Republic between Conaresa and GFN, S.A. relating to the payment oppositions.²⁴

On December 21, 2007, following extensive negotiations, Tricom, Conaresa, Northbridge, GFN, S.A., GFN Capital, Ellis Portafolio and Artag reached a global compromise, documented through various agreements, of their respective disputes. The Conaresa dispute presented a significant obstacle to the restructuring process. Accordingly, the resolution thereof greatly facilitated the ability of the Debtors, the Ad Hoc Committee and the Affiliated Creditors to move forward with the restructuring process. Specifically, in connection with the global settlement, Tricom, Conaresa and Northbridge agreed upon the amount of principal and outstanding interest owed to Conaresa under the Conaresa Leases and the rate of interest to be applied going forward. In connection with the global resolution, Tricom entered into a Settlement, Termination and Release Agreement with Conaresa and Northbridge (the "Conaresa Settlement Agreement"). Pursuant to the Conaresa Settlement Agreement, mutual releases were exchanged and all claims held by Conaresa and Northbridge against Tricom in connection with the Conaresa Leases were settled through the issuance by Tricom of a promissory note to Northbridge in the amount of \$17,655,970 comprised of (i) \$11,922,827.56 of principal and (ii)

²⁴ Under the laws of the Dominican Republic, "Payment Oppositions" are *ex parte* notices which are utilized to, among other purposes, put the recipient on notice that the issuer of the Payment Opposition is owed debts (either directly or indirectly) by a creditor of the recipient, and therefore, payments to such creditor should be frozen until the creditor satisfies its payment obligations to the issuer of the Payment Oppositions.

\$5,733,142.44 of past due interest (the “Northbridge Promissory Note”). The Northbridge Promissory Note bears interest at 13% per annum on the \$11,922,827.56 principal amount only, and Northbridge is not entitled to accrue interest on the \$5,733,142.44 of past due interest. In addition, Tricom made a separate payment of \$1,112,796 to Northbridge. Contemporaneously with the execution of the Conaresa Settlement Agreement, the Northbridge Promissory Note was sold and assigned to Deutsche Bank. Lastly, all related litigation between Conaresa and GFN, S.A. was resolved, and all pending payment oppositions served on Tricom were withdrawn.

Also in connection with the global resolution, Tricom USA entered into a Supplementary Settlement Agreement with Arttag that provided for a payment of \$987,500 from Tricom USA to Arttag in consideration for certain releases and the discontinuance of certain litigation as set forth in such agreement.

C. Formation of Ad Hoc Committee and Negotiations With Creditors

As a result of Tricom’s decision to suspend payment of principal and interest on the 11 3/8% Senior Notes and other Unsecured Financial Claims (*see* Section II.A.6. “Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Default on Unsecured Debt and Formation of Ad Hoc Committee”), in late 2003, a group of certain holders of the 11 3/8% Senior Notes and certain holders of other Unsecured Financial Claims formed the Ad Hoc Committee and retained Manatt, Phelps & Phillips LLP, as legal advisor, and Chanin Capital Partners as financial advisor. Beginning in or about early 2004, representatives of the Debtors, the Ad Hoc Committee, the GFN Parties and their respective legal and financial advisors commenced discussions regarding a potential consensual restructuring of the Debtors’ secured and unsecured obligations.

The parties to such discussions recognized that a major deleveraging of the Debtors’ balance sheet was required in order for the Debtors to compete successfully going forward. In light of the Debtors’ diverse stakeholders and the lack of a tested and reliable statutory scheme under Dominican law governing corporate rehabilitation, the parties eventually agreed that a rehabilitation under the Bankruptcy Code through the mechanism of a pre-packaged plan of reorganization would provide the most feasible and economic means for achieving the Debtors’ financial restructuring. The process of negotiating, documenting and achieving consensus on the terms for the financial restructuring took several years due to several factors, including, but not limited to:

- the magnitude of the Existing Secured Debt and Unsecured Financial Claims;
- the Debtors’ diverse creditors and shareholders;
- the condition of the Dominican economy;
- the level of competition in the Dominican telecom sector and the effect of the Dominican economic recession on the Debtors’ operating results;

- various criminal and civil actions brought against Tricom, GFN, certain of GFN's affiliates and Tricom's senior management; and
- Turnover in Tricom's senior management.

During this time, the Debtors did not enter into any type of formal or written forbearance arrangement with their creditors and, thus, had no assurance that one or more of such creditors would not attempt to exercise rights to collect debts owed to them or take other actions, including, without limitation, the exercise of provisional remedies under Dominican law.

During the course of the negotiations, the parties exchanged different proposals for the Debtors' financial restructuring, the principal components of which called for (i) a substantial reduction in the Debtors' unsecured indebtedness through the conversion of such indebtedness into 100% of the equity to be issued by a reorganized entity and Tricom's issuance of a series of new notes to be secured by junior liens on Tricom's assets and (ii) the issuance of new senior secured notes to the holders of secured obligations or such other treatment of Tricom's secured indebtedness, which would have the effect of leaving these interests unimpaired under the Bankruptcy Code. These proposals became the basis for a comprehensive restructuring of the Debtors' obligations, which has led to the Original Plan.

In January 2007, the Debtors, the Affiliated Creditors, and the Ad Hoc Committee agreed upon the final terms for the restructuring of the Debtors' indebtedness to be embodied in a plan of reorganization. Those terms were memorialized in a term sheet, which was subsequently amended on December 21, 2007 (as amended, the "Term Sheet"). The Term Sheet was the foundation for the Original Plan. As earlier contemplated, the parties agreed that the relief accorded by Chapter 11 would help maintain the confidence of the Debtors' creditors and enable the Debtors to take the necessary actions to protect and enhance their businesses and the value that will inure to creditors. To this end, the Debtors, the Ad Hoc Committee, and the GFN Parties originally agreed that a "prepackaged" Chapter 11 plan would be the best vehicle to implement the proposed restructuring.

In connection with the negotiation of the Term Sheet, the Debtors, the Ad Hoc Committee and the Affiliated Creditors entered into the Plan Support and Lock-Up Agreement. In connection with the execution of the Plan Support and Lock-Up Agreement, the Debtors and Credit Suisse entered into an agreement that provides for certain additional terms and conditions for the implementation of certain provisions of the Plan Support and Lock-Up Agreement relating to Credit Suisse.

Approximately 35 holders of Unsecured Financial Claims representing approximately 72% of the principal amount of such Claims, and 100% of the holders of the Credit Suisse Existing Secured Claims executed the Plan Support and Lock-Up Agreement. The Plan Support and Lock-Up Agreement was subsequently amended on two occasions by the following: (i) Amendment to Plan Support and Lock-Up Agreement dated as of August 31, 2007 (the "First Amendment") and (ii) Second Amendment to Plan Support and Lock-up Agreement dated as of December 21, 2007 (the "Second Amendment"). The number of creditors that executed both the First Amendment and the Second Amendment was in excess of the majority of

original signatories to the Plan Support and Lock-Up Agreement required by the terms thereof to make each amendment effective.

Pursuant to the express terms of the Plan Support and Lock-Up Agreement, those creditors who have executed the Plan Support and Lock-Up Agreement (the “Supporting Creditors”) have agreed, among other things, (i) to vote all of their claims (including claims subsequently acquired by them) to accept the Plan, (ii) to generally refrain from taking action inconsistent with the process by which the Debtors will seek confirmation of the Plan, and (iii) not to assign, pledge, sell or hypothecate all or any portion of their claims, unless the transferee agrees to become a party to the Plan Support and Lock-Up Agreement pursuant to a form of transferee undertaking attached thereto.

In certain circumstances, a Supporting Creditor had the right to terminate the Plan Support and Lock-Up Agreement, but only as to that Supporting Creditor, in advance of the Debtors’ solicitation of votes for the Original Plan. With the exception of one notice which the Debtors do not consider to be valid, the Debtors did not receive any such terminations.²⁵ The Plan Support and Lock-Up Agreement also provides that it may be terminated by the signatories thereto (but only as to such signatories) prior to commencement of the Chapter 11 Cases if certain events occur and were not waived in accordance with Section 16 of the Plan Support and Lock-Up Agreement. The Debtors did not receive notice of any such terminations.

Subsequent to the Petition Date, under certain circumstances, each Supporting Creditor has the right to terminate the Plan Support and Lock-Up Agreement as to that Supporting Creditor, including as a consequence of the Original Plan not becoming effective within 365 days of the Petition Date. As of the date hereof, the Debtors have not received any post-Petition Date terminations from Supporting Creditors. If, however, a sufficient number of Supporting Creditors terminate the Plan Support and Lock-Up Agreement such that the Debtors no longer have the support of all holders of impaired Secured Lender Claims and at least two-thirds in amount and one-half in number of the holders of Unsecured Financial Claims, the Plan Support and Lock-Up Agreement will automatically terminate by its terms.

D. Initial Shareholders’ Meeting

Article 20 of Tricom’s current by-laws requires the affirmative vote of two-thirds of the outstanding shares entitled to vote in order to approve the filing of a bankruptcy petition. Article 33(c) of TCN’s current by-laws requires the affirmative vote of 51% of the outstanding shares entitled to vote in order to approve the filing of a bankruptcy petition. Tricom USA’s by-laws do not have such a requirement. On January 31, 2008, in accordance with the Plan Support and Lock-up Agreement, Tricom and TCN conducted shareholders’ meetings at which Tricom and TCN received approval for the filing of their respective Chapter 11 Cases. Tricom USA’s Board of Directors also authorized the filing of the Tricom USA Chapter 11 Case on or before that date.

²⁵ On or about September 5, 2007, the Debtors received notice from Cheyne Capital International Limited (on behalf of Cheyne Latam High Income Fund) (“Cheyne”) purporting to terminate Cheyne’s status as a signatory to the Plan Support and Lock-Up Agreement. Cheyne’s notice was deficient in several respects and the Debtors have notified Cheyne in writing that they do not consider the purported termination to be valid.

III.

COMMENCEMENT OF AND EVENTS DURING THE CHAPTER 11 CASES

The Debtors commenced the Chapter 11 Cases on February 29, 2008.

A. Significant “First Day” Motions

During the Chapter 11 Cases, the Debtors obtained certain orders from the Bankruptcy Court designed to minimize disruptions of business operations, address administrative matters and to facilitate their reorganization. These include, but are not limited to, the following:

1. Retention of Professionals

a. Morrison & Foerster LLP

To assist them in carrying out their duties as Debtors in Possession and to represent their interests otherwise in the Chapter 11 Cases, on the Petition Date, the Debtors were authorized to retain Morrison & Foerster LLP as their restructuring counsel pursuant to the Order Pursuant to Section 327(a) of the Bankruptcy Code and Fed. R. Bankr. P. 2014 and 2016 Authorizing the Retention and Employment of Morrison & Foerster LLP as Attorneys to the Debtors *Nunc Pro Tunc* to the Petition Date [Docket No. 96] entered by the Court on or about March 26, 2008.

b. FTI Consulting, Inc.

To assist them in carrying out their duties as Debtors in Possession and to represent their interests in the Chapter 11 Cases, the Debtors were authorized to retain FTI Consulting, Inc. as their restructuring consultants pursuant to the Order Pursuant to Sections 363 and 105 of the Bankruptcy Code Authorizing the Employment and Retention of FTI Consulting, Inc. as Restructuring Consultants to the Debtors and Debtors in Possession [Docket No. 98] entered by the Court on or about March 26, 2008.

c. Sotomayor & Associates, LLP

The Debtors were authorized to retain Sotomayor & Associates, LLP as the Debtors’ auditors and accounting and tax advisors pursuant to the Order Pursuant to Section 327(a) of the Bankruptcy Code and Fed. R. Bankr. P. 2014 and 2016 Authorizing the Retention and Employment of Sotomayor and Associates, LLP as Auditors, Tax Advisors and Regulatory Compliance Advisors to the Debtors *Nunc Pro Tunc* to the Petition Date [Docket No. 99] entered by the Court on or about March 26, 2008.

d. Squire, Sanders & Dempsey Peña Prieto Gamundi

The Debtors were authorized to retain Squire, Sanders & Dempsey Peña Prieto Gamundi as the Debtors’ special Dominican Republic legal counsel pursuant to the Order Pursuant to Sections 327(e) and 328 of the Bankruptcy Code and Fed. R. Bankr. P. 2014 and

2016 Authorizing the Retention and Employment of Squire, Sanders & Dempsey Peña Prieto Gamundi as Special Dominican Counsel to the Debtors *Nunc Pro Tunc* to the Petition Date [Docket No. 97] entered by the Court on or about March 26, 2008.

e. Thompson Hine LLP

The Debtors were authorized to retain Thompson Hine LLP as the Debtors' U.S. corporate and securities counsel and conflicts counsel pursuant to the Order Pursuant to Sections 327(a) and (e) of the Bankruptcy Code and Fed. R. Bankr. P. 2014 and 2016 Authorizing the Retention and Employment of Thompson Hine LLP as U.S. Corporate and Securities Counsel and Conflicts Counsel to the Debtors *Nunc Pro Tunc* to the Petition Date [Docket No. 95] entered by the Court on or about March 26, 2008.

f. Kurtzman Carson Consultants LLC

The Debtors were authorized to retain Kurtzman Carson Consultants LLC as the Debtors' official claims, noticing and balloting agent pursuant to the Order Authorizing and Approving the Retention of Kurtzman Carson Consultants LLC as Noticing and Claims Agent *Nunc Pro Tunc* to the Petition Date [Docket No. 103] entered by the Court on or about March 27, 2008.

g. Ordinary Course Professionals

In addition, pursuant to Order Granting Motion of the Debtors and Debtors in Possession for Entry of an Order Pursuant to Sections 105(a), 327 and 330 of the Bankruptcy Code Authorizing the Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Businesses *Nunc Pro Tunc* to the Petition Date [Docket No. 186] entered by the Court on or about May 23, 2008, the Debtors were authorized to employ certain professionals, utilized in the ordinary course, to assist in the Debtors' day-to-day business operations.

2. Employment Obligations--Prepetition Wages/Insurance/Workers' Compensation/Other Benefits

The efforts of the Debtors' employees are critical to a successful restructuring. On the Petition Date, the Debtors filed with the Bankruptcy Court a motion for an order authorizing the Debtors to (i) honor payment of prepetition wages, salaries and other compensation outstanding as of the Petition Date and honor payroll taxes, employee benefits and administrative obligations incurred therewith and (ii) continue the Debtors' workers' compensation programs, insurance policies and related agreements. The relief requested in this motion was approved by the Court pursuant to Order (A) Authorizing the Debtors and Debtors in Possession to Pay Prepetition Wages, Salaries and Benefits; (B) Authorizing the Debtors and Debtors in Possession to Continue Employee Benefit Programs; and (C) Directing All Banks to Honor Prepetition Checks for Payment of Prepetition Wage, Salary and Benefit Obligations [Docket No. 37], entered by the Court on or about March 4, 2008.

3. Vendors and Customer Obligations

The Debtors believe that it is necessary to maintain good relationships with their suppliers and customers during the pendency of the Chapter 11 Cases to ensure the uninterrupted functioning of the Debtors' businesses. In addition, both the Original Plan and the Plan provide for unimpaired treatment of such Claims. On the Petition Date, the Debtors filed with the Bankruptcy Court a motion seeking entry of an order authorizing the Debtors to make payments on account of pre-Petition Date unimpaired vendor claims and authorizing the Debtors to honor pre-Petition Date customer creditors. The relief requested in this motion was approved by the Court pursuant to (i) the Order Authorizing and Approving (A) the Payment of Unimpaired Claims Due Vendors in the Ordinary Course of Business and (B) the Debtors to Honor Customer Credits and Pre-Paid Services [Docket No. 39] entered by the Court on or about March 4, 2008, and (ii) the Order Authorizing and Approving (A) the Continued Payment of Unimpaired Claims Due Vendors in the Ordinary Course of Business and (B) the Payment of Certain Limited Severance Benefits Due Under Dominican Law in the Ordinary Course of Business [Docket No. 100] entered by the Court on or about March 26, 2008 (collectively, the "Vendor Orders").

4. Stabilization of Debtors' Business Operations

a. Bank Accounts, Cash Management and Business Forms

While each of the Debtors has its own checking accounts, the Debtors manage their cash on a centralized basis. In practice, all three Debtors pool their cash balances at the end of every working day to (i) pay local currency payables, (ii) buy U.S. dollar balances to hedge against devaluation, and (iii) manage their cash together in AAA grade investment accounts. While cash balances are, thus, managed centrally by the same treasury staff, cash transfers among the Debtors are recorded in their accounting books as inter-company payables and receivables.

In order to avoid disruptions to their operations during Chapter 11 by being forced to change their bank accounts, cash management system and business forms, the Debtors sought authority to maintain their existing bank accounts, business forms and cash management system. This relief was granted by the Order Granting Motion of the Debtors and Debtors in Possession for Entry of an Order (A) Authorizing Continued Use of Existing Cash Management System; (B) Authorizing Maintenance of Existing Bank Accounts Pending Confirmation of the Debtors' Plan of Reorganization; (C) Authorizing Continued Use of Existing Business Forms; and (D) Extending the Time for the Debtors to Comply with the Requirements of Section 345 of the Bankruptcy Code Pending Confirmation of the Debtors' Plan of Reorganization [Docket No. 33] entered by the Court on or about March 4, 2008.

b. Sales and Use Taxes

On the Petition Date, Debtors filed a motion with the Bankruptcy Court for an order authorizing the Debtors to pay specified prepetition sales and use taxes to various state, local and Dominican taxing authorities. The Debtor received authorization to pay these taxes pursuant to the Order Authorizing (A) The Debtors and Debtors in Possession to Pay Prepetition Sales and Use, Franchise and Other Taxes and Regulatory Fees in the Ordinary Course of

Business and (B) Banks and Financial Institutions to Honor and Process Checks and Transfers Related Thereto [Docket No. 38] entered by the Court on or about March 4, 2008.

c. Utilities

On the Petition Date, the Debtors filed a motion with the Bankruptcy Court for a final order (i) establishing procedures for the Debtors' provision of adequate assurance of payment to utility providers and (ii) prohibiting the utility providers from altering, refusing or discontinuing services to the Debtors before such procedures are finalized. Pursuant to the Order Granting Amended Motion of the Debtors and Debtors in Possession for Entry of an Order Pursuant to Sections 105(a) and 366 of the Bankruptcy Code (A) Prohibiting U.S.-Based Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors and Debtors in Possession on Account of Prepetition Invoices; (B) Establishing Procedures for Determining Adequate Assurance of Payment; (C) Establishing Procedures for U.S.-Based Utilities to Object to or Opt Out of the Debtors' Proposed Procedures for Determining Adequate Assurance of Payment; and (D) Granting Certain Related Relief [Docket No. 102] entered by the Court on or about March 27, 2008, the Debtors provided adequate protection payments to their utility providers located in the United States.

d. Enforcement of Automatic Stay

To avoid disruptions of their operations and their restructuring efforts, particularly arising from potential conduct on account of the Debtors' creditors and other parties located in the Dominican Republic during the pendency of the Chapter 11 Cases, the Debtors filed a motion with the Bankruptcy Court seeking entry of an order enforcing the automatic stay against Tricom's creditors located outside the United States. The relief requested in this motion was approved by the Court pursuant to Order Enforcing and Restating the Automatic Stay [Docket No. 36] entered by the Court on or about March 4, 2008.

B. Schedules and Statements

On or about May 2, 2008, each of the Debtors filed their schedules of assets and liabilities and the statements of financial affairs identified as Docket Nos. 174 and 175 in Case No. 08-10720, Docket Nos. 9 and 10 in Case No. 08-10723, and Docket Nos. 9 and 10 in Case No. 08-10724 (collectively the "Schedules") with the Bankruptcy Court. The Schedules may be amended or supplemented by the Debtors in Possession from time to time in accordance with Bankruptcy Rule 1009.

C. Bar Date

The Bankruptcy Court directed that the Debtors establish a bar date for the filing of proofs of claims (the "Bar Date"). Given that the vast majority of the Debtors' employees, vendors, and customers are located in the Dominican Republic, the Court directed that approximately sixty days' notice of the Bar Date be furnished. Pursuant to an Order of the Court dated May 8, 2008, the Court established July 8, 2008 at 5:00 p.m. as the Bar Date.

As of the Bar Date, approximately sixty (60) parties had filed approximately 121 proofs of claim asserting Claims against the Debtors. These proofs of claim total an approximate

amount of \$873 million. As of May 8, 2009, approximately eight (8) parties had filed approximately nine (9) late-filed proofs of claim asserting Claims against the Debtors. These late-filed proofs of claim total an approximate amount of \$38 million. The Debtors believe that the aggregate amount of Claims filed against the Debtors that ultimately will be Allowed is significantly less than the amounts asserted in the proofs of claim filed in these Chapter 11 Cases. Specifically, the Debtors contend that the Unsecured Financial Claims listed on Exhibit B to the Plan accurately reflect the valid and outstanding Unsecured Financial Claims against their Estates. The Debtors are conducting a detailed review of these proofs of claims and, where necessary, intend to file appropriate Claims objections in accordance with the terms of the Plan.

Certain parties to the Plan Support and Lock-Up Agreement (attached to the Original Disclosure Statement as Exhibit “2”) filed proofs of claim in excess of the amounts agreed to in the Plan Support and Lock-Up Agreement. To the extent the Debtors determine that proofs of claims were filed in excess of agreed-upon amounts, the Debtors may object to the amount and validity of such Claims.

D. Payment of the Banco del Progreso Existing Secured Debt

As of February 29, 2008, Banco del Progreso held approximately \$5 million of Tricom-secured debt pursuant to the *Contrato de Prestamo con Garantia Hipotecaria* (Loan Agreement and Mortgage), dated March 22, 2002, between Banco del Progreso and Tricom. An undated promissory note issued in connection with this facility matured on September 17, 2007 which bore interest at 11% (the “Banco del Progreso Existing Secured Debt”). This obligation was secured by a first priority mortgage on nine parcels of land owned by Tricom, including Tricom’s operations center on Avenida Duarte. During the Chapter 11 Cases, the Debtors reached an agreement with Banco del Progreso regarding the total amount of the Banco del Progreso Existing Secured Debt and sought permission from the Bankruptcy Court to satisfy such debt in full. The Court authorized the satisfaction of the Banco del Progreso Existing Secured Debt pursuant to the Order Pursuant to Section 363 of the Bankruptcy Code Authorizing the Debtors to Satisfy Secured Claim of Banco Dominicano del Progreso, S.A. [Docket No. 270] entered by the Court on or about July 23, 2008. The Banco del Progreso Existing Secured Debt has been paid in full.

E. Adequate Protection to Secured Creditors

In consideration for the Debtors’ continued use of the Credit Suisse Existing Collateral and the GE Existing Collateral, pursuant to sections 361(1) and 363(e) of the Bankruptcy Code, the Debtors were authorized to furnish Credit Suisse and GE with adequate protection of their respective interests in the Existing Secured Debt Collateral in the form of monthly cash payments equal to the amount of interest accruing on their respective Existing Secured Claims at the respective contract rates of interest set forth in the Credit Suisse and GE Existing Secured Loan Documents. Under certain conditions, the Debtors and other parties in

interest have the right to challenge the application of these payments. During the pendency of the Chapter 11 Cases, the Debtors continue to make these adequate protection payments.²⁶

F. Matters Pertaining to the Proofs of Claim filed by Bancredit Cayman, Bancredito Panama and Banco Multiple Leon

1. The Proofs of Claims Filed by the Banks

Shortly after the Petition Date, Bancredit Cayman, Bancredito Panama, and Banco Leon (collectively, the “Banks”) appeared in the Chapter 11 Cases and alleged that they held substantial unsecured claims against the Debtors’ estates. Subsequently, Bancredit Cayman, Bancredito Panama and Banco Leon filed, among other claims, proofs of claims against the Debtors in the respective amounts of \$148,726,635.05 (Bancredit Cayman Proof of Claim No. 10), \$92,000,339.02 (Bancredito Panama Proof of Claim No. 8), and \$166,019,348.86 (Banco Leon Proof Claim No. 32).²⁷ The Debtors dispute each of these claims in its entirety (*see* Section VI.A.6.a, “Certain Risk Factors Affecting the Debtors —Certain U.S. Bankruptcy Law Considerations— Feasibility—Introduction”).

2. The Estimation and Summary Judgment Motions

In light of the magnitude of the Banks’ Claims, on April 1, 2008, the Debtors filed a motion to estimate the alleged claims of Bancredit Cayman and Bancredito Panama at zero solely for purposes of confirmation of the Original Plan (the “Estimation Motion”). Shortly thereafter, the Court established a briefing schedule and hearing to consider the Estimation Motion and adjourned the date originally scheduled by the Bankruptcy Court to consider approval of the Original Disclosure Statement and confirmation of the Original Plan (the “Combined Hearing”) from April 15, 2008 to August 6, 2008.

²⁶ The adequate protection payments to GE and Credit Suisse were authorized pursuant to the following stipulations and orders entered by the Court:

(i) Stipulation and Order Pursuant to Sections 361 and 363 of the Bankruptcy Code Providing for Adequate Protection to General Electric Credit Corporation of Tennessee and General Electric Capital Corporation De Puerto Rico, Inc. on Account of Interest in Collateral [Docket No. 232] entered on or about June 27, 2008;

(ii) Stipulation and Order Extending and Amending Adequate Protection Stipulation By and Among the Debtors, General Electric Credit Corporation of Tennessee and General Electric Capital Corporation De Puerto Rico, Inc. on Account of Interest in Collateral [Docket No. 406] entered on or about January 26, 2009;

(iii) Stipulation and Order Pursuant to Sections 361, 363, 365 and 503(B) of the Bankruptcy Code Providing for (A) Adequate Protection to Credit Suisse International on Account of Interest in Collateral and (B) Debtors’ Performance Under Prepetition Agreements Between Debtors and Credit Suisse International [Docket No. 269] entered on or about July 23, 2008; and

(iv) Amended Stipulation and Order Pursuant to Sections 361, 363, 365 And 503(B) of the Bankruptcy Code Providing for (A) Adequate Protection to Credit Suisse International on Account of Interest in Collateral and (B) Debtors’ Performance Under Prepetition Agreements Between Debtors and Credit Suisse International [Docket No. 271] entered on or about July 24, 2008.

²⁷ Banco Leon also filed proof of claim No. 26 against TCN Dominicana, S.A. in the amount of \$18,520,586. Banco Leon acknowledges that proof of claim No. 26 is duplicative of proof of claim No. 32 filed by Banco Leon.

On July 8, 2008, the Debtors filed a motion for partial summary judgment with respect to the Estimation Motion (the “Motion for Partial Summary Judgment”), which addressed the majority of the Claims filed by Bancredito Panama and Bancredit Cayman. The Motion for Partial Summary Judgment was heard and denied on August 13, 2008. The Combined Hearing was subsequently adjourned *sine die* (without date).

3. Settlement Negotiations With the Banks

Following the denial of the Motion for Summary Judgment, and after giving careful consideration to: (a) the Debtors’ financial condition, operations and business plan, including their future capital expenditure requirements; (b) the status of the Estimation Motion; (c) the nature and size of the Banks’ disputed claims; and (d) market conditions, the Debtors proceeded to develop a strategy and framework designed to provide fair treatment to the Banks on account of their disputed claims, and to advance the Chapter 11 Cases to a successful conclusion as soon as practicable and without the need for time consuming and expensive litigation.

The Debtors, the Ad Hoc Committee and the Affiliated Creditors, engaged in extensive efforts to achieve a consensus among all of the parties and engaged in an extensive negotiation process with each of Bancredito Panama, Bancredit Cayman and Banco Leon. The Debtors were able to reach a settlement with Banco Leon to be consummated in connection with the Plan pursuant to which the Banco Leon filed Claims are being Allowed in the amount of \$42.5 million and classified and treated as Unsecured Financial Claims. The terms and conditions of the Banco Leon Settlement are reflected in the Plan and are more fully described below in Section IV.G.10, “The Plan of Reorganization—Means of Implementation of the Plan—Banco Leon Settlement.” The Debtors are in the process of finalizing the terms of the Banco Leon settlement with Banco Leon. As of the date hereof, the Debtors, the Ad Hoc Committee and the Affiliated Creditors have been unable to achieve settlements with either Bancredit Cayman or Bancredito Panama; however, the Debtors, the Ad Hoc Committee and the Affiliated Creditors are continuing their negotiations with Bancredito Panama.

The Plan classifies the Bancredit Cayman Disputed Claim and Bancredito Panama Disputed Claim as disputed Class 6 Unsecured Financial Claims, and to the extent such claims are ultimately allowed (either through litigation or settlement), treats such claims as Class 6 Unsecured Financial Claims. In the event that the Debtors cannot reach a consensual resolution of the disputed claims filed by Bancredito Panama or Bancredit Cayman, the Plan establishes a reserve for such disputed Claims. (*See* Section IV.G.14.g, “The Plan of Reorganization—Provisions Governing Distributions—Procedures for Treating Contested Claims Under Plan—Class 6 Unsecured Financial Claims”).

G. Assumption of Real Property Leases

On August 27, 2008, the Debtors filed the Motion for Entry of an Order Pursuant to Section 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006 Authorizing the Debtors to Assume Certain Unexpired Leases of Nonresidential Real Property [Docket No. 332] (the “Lease Assumption Motion”). The vast majority of the 87 leases subject to the Lease Assumption Motion are leases of nonresidential real property located throughout the Dominican Republic

necessary to accommodate and operate equipment for the Debtors' wireless and wireline networks. The Court approved the relief sought in the Order Pursuant to Section 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006 Authorizing the Debtors to Assume Certain Unexpired Leases of Nonresidential Real Property [Docket No. 343] entered on or about September 11, 2008.

H. Plan Support and Lock-Up Agreement Fees Stipulation

The Plan Support and Lock-Up Agreement provides that the Debtors shall pay all reasonable fees and costs of the legal and financial advisors to the Ad Hoc Committee and the Affiliated Creditors. During the pendency of the Chapter 11 Cases, the legal and financial advisors to the Ad Hoc Committee and the Affiliated Creditors provided services in accordance with the Plan Support and Lock-Up Agreement. To date, no payments have been made to these advisors for services rendered subsequent to the Petition Date. On October 1, 2008, the Debtors filed the Motion of the Debtors and Debtors in Possession for Entry of Stipulation and Order Pursuant to Section 365 of the Bankruptcy Code Authorizing Payment of Fees and Expenses Incurred Subsequent to the Petition Date by the Professional Advisors to the Ad Hoc Committee and the Affiliated Creditors Pursuant to the Plan Support and Lock-Up Agreement [Docket No. 352]. The motion seeks approval of a stipulation among the Debtors and each of the advisors to the Ad Hoc Committee and Affiliated Creditors to satisfy their fees and expenses incurred subsequent to the Petition Date and to continue to satisfy such fees and expenses in the ordinary course subject to certain terms and conditions. Several parties objected to the Debtors' motion, including Banco Leon [Docket No. 356], Banccredit Cayman [Docket No. 357] and the Office of the United States Trustee [Docket No. 364]. This motion was adjourned without date.

I. Extensions of Exclusivity

On February 10, 2009, the Debtors filed the Motion of the Debtors and Debtors in Possession Pursuant to Section 1121(d)(1) of the Bankruptcy Code for Entry of an Order Further Extending the Debtors' Exclusive Period to Solicit and Obtain Acceptances of the Prepackaged Joint Chapter 11 Plan of Reorganization for Tricom, S.A. and its Affiliated Debtors [Docket No. 417]. The Debtors had previously received two extensions of the exclusive period to solicit and obtain acceptances of the Plan pursuant to orders entered by the Court on or about August 13, 2008 [Docket No. 320] and January 27, 2009 [Docket No. 409]. Pursuant to the Order Further Extending the Exclusive Period to Solicit and Obtain Acceptances of the Debtors' Plan of Reorganization and Establishing Related Dates [Docket No. 450], the Debtors' exclusive period was extended through and including June 9, 2009. The Debtors' have reserved their rights to seek further extensions of the exclusive period.

IV.

THE PLAN OF REORGANIZATION

A. Introduction

The following is a non-technical discussion of the provisions of the Plan. This Disclosure Statement and the descriptions herein are qualified in their entirety by reference to the

provisions of the Plan and its Exhibits, a copy of which is attached hereto as Exhibit “1”. Each holder of a Claim or Tricom Equity Interest is urged to carefully review the terms of the Plan and its Exhibits. In the event of any inconsistency between the provisions of the Plan and the summary contained herein, the terms of the Plan will govern. All capitalized terms not otherwise defined in this Disclosure Statement will have the meanings set forth in the Plan.

Generally, a Chapter 11 plan (i) separates claims and Equity Interests into different classes; (ii) specifies the property or treatment that each class is to receive under the plan; and (iii) contains other provisions necessary to effect the reorganization or liquidation of the debtor.

Specifically, the Plan (i) provides that holders of the Credit Suisse Existing Secured Claims will receive their Pro Rata Shares of a new loan issued in the face amount of the original debt; (ii) provides that holders of the Unsecured Financial Claims will receive their respective portions of stock in Holding Company; (iii) does not impair Tax Claims, Priority Claims, GE Existing Secured Claims, Other Secured Claims and General Unsecured Claims; and (iv) reduces the Existing Tricom Equity Interests to a *de minimis* amount with a *de minimis* value through dilution. The reorganization will have the effect of reducing the current cash obligations of the Debtors and will permit them to conduct their business operations in a substantially deleveraged position, thus affording them maximum potential to improve profitability. The new Holding Company Stock being issued pursuant to the Plan is described in detail in Section IV.D, “The Plan of Reorganization—Securities to be Issued Pursuant to the Plan.”

As described in Section IV.K.6, “The Plan of Reorganization—Effect of Confirmation—Limited Release,” the Plan provides certain parties with releases of all claims and causes of action based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date.

The result of the restructuring will be a significant reduction of the Debtors’ indebtedness. The Debtors believe that the proposed restructuring will provide the Debtors with the necessary liquidity to fund their operations and essential capital expenditures and will allow them to compete more effectively. The Debtors believe, and will demonstrate to the Bankruptcy Court, that creditors will receive at least as much, if not more, in value under the Plan than they would receive in a liquidation case under Chapter 7 of the Bankruptcy Code.

B. Substantive Consolidation for Plan Purposes Only

The Plan is premised upon the substantive consolidation of the Debtors for Plan purposes only, with the exception of the GE Existing Secured Claims. Accordingly, on the Effective Date, all of the Debtors and their Estates will, for Plan purposes only, be deemed merged and (i) all assets and liabilities of the Debtors will be treated for Plan purposes only as though they were merged; (ii) all guarantees of any Debtor or non-Debtor subsidiary of Tricom of the payment, performance or collection of obligations of any Debtor will be eliminated and cancelled; (iii) all joint obligations of two or more Debtors, and all multiple Claims against such entities on account of such joint obligations, will be considered a single Claim against the Debtors; (iv) any Claim filed in the Chapter 11 Cases of any Debtor or otherwise deemed Allowed by the Plan will be deemed filed or Allowed, as applicable, against the consolidated

Debtors and will be a single obligation of the consolidated Debtors on and after the Effective Date; and (v) any obligation due any Debtor as of the Petition Date shall be considered an obligation due each of the consolidated Debtors and will be subject to setoff by the consolidated Debtors against any Claim asserted against the Debtors arising or accruing as of the Petition Date. Such substantive consolidation will not (other than for Plan voting, treatment and distribution purposes), except as otherwise provided for in the Plan, affect (a) the legal and corporate structures of the Debtors, (b) any Intercompany Claims, (c) any Debtor's interests in its subsidiaries, or (d) the GE Existing Secured Claims or any obligations thereunder. Additional details on the substantive consolidation for Plan purposes only is set forth in Section IV.G.1, "The Plan of Reorganization—Means of Implementation of the Plan—Substantive Consolidation for Plan Purposes Only."

C. Classification and Treatment of Claims and Equity Interests Under the Plan

One of the key concepts under the Bankruptcy Code is that only claims and Equity Interests that are "allowed" may receive distributions under a Chapter 11 plan. This term is used throughout the Plan and the descriptions below. In general, an "allowed" claim or "allowed" Equity Interest means that the debtor agrees, or in the event of a dispute, that the Bankruptcy Court or other court of appropriate jurisdiction determines, that a claim or Equity Interest, and the amount thereof, is in fact a valid obligation of the debtor. Section 502(a) of the Bankruptcy Code provides that a timely filed claim or Equity Interest is automatically "allowed" unless the debtor or another party in interest objects to the claim. However, section 502(b) of the Bankruptcy Code specifies certain claims that may not be "allowed" in bankruptcy even if a proof of claim is filed. These include, but are not limited to, claims that are unenforceable under a governing agreement between the debtors and the claimant or under applicable non-bankruptcy law, claims for unmatured interest, property tax claims in excess of the debtors' equity in the property, claims for services that exceed their reasonable value, lease and employment contract rejection damage claims in excess of specified amounts, late-filed claims and contingent claims for contribution and reimbursement.

In addition, the Plan contemplates that Existing Tricom Equity Interests will be reduced to a *de minimis* amount with a *de minimis* value through dilution and that no distributions will be made on account of such interests, and that Statutorily Subordinated Claims, if any, will not receive any distributions under the Plan.

The Bankruptcy Code requires that, for purposes of treatment and voting, a Chapter 11 plan divides the different claims against, and equity interests in, a debtor into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are equity interests of a substantially similar legal nature. Because an entity may hold multiple claims and/or equity interests that give rise to different legal rights, the "claims" and "equity interests" themselves, rather than their holders, are classified.

Under a Chapter 11 plan, the separate classes of claims and equity interests must be designated either as "impaired" (affected by the plan) or "unimpaired" (unaffected by the plan). If a class of claims is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims, such as the right to vote on the plan and the right to receive, under the Chapter 11 plan, no less value than the holder would receive if the debtor were liquidated in a

case filed under Chapter 7 of the Bankruptcy Code. Under section 1124 of the Bankruptcy Code, a class of claims or interests is “impaired” unless the plan (i) does not alter the legal, equitable and contractual rights of the holder or (ii) irrespective of the holder’s acceleration rights, cures all defaults (other than those arising from the debtor’s insolvency, the commencement of the case or nonperformance of a nonmonetary obligation), reinstates the maturity of the claims or interests in the class, compensates the holder for actual damages incurred as a result of its reasonable reliance upon any acceleration rights, and does not otherwise alter its legal, equitable and contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the effective date of the plan or the date on which amounts owing are actually due and payable, payment in full, in cash, with postpetition interest to the extent appropriate and provided for under the governing agreement (or if there is no agreement, under applicable nonbankruptcy law), and the remainder of the debtor’s obligations, if any, will be performed as they come due in accordance with their terms. Thus, the holder of an unimpaired claim will be placed in the position it would have been in had the debtor’s case not been commenced.

Under certain circumstances, a class of claims or equity interests may be deemed to reject a plan of reorganization. For example, a class is deemed to reject a plan of reorganization under section 1126(g) of the Bankruptcy Code if the holders of claims or interests in such class do not receive or retain property under the plan of reorganization on account of their claims or equity interests. Under this provision of the Bankruptcy Code, the holders of Statutorily Subordinated Claims in Class 8 and Existing Tricom Equity Interests in Class 9, are deemed to reject the Plan because they receive no distribution under the Plan. The Plan discharges the Debtors’ obligations to holders of Existing Tricom Equity Interests through the Restructuring Dilution Transactions, pursuant to which Existing Tricom Equity Interests will be reduced to a *de minimis* amount with a *de minimis* value through dilution.²⁸ Because Classes 8 (Statutorily Subordinated Claims) and 9 (Existing Tricom Equity Interests) are deemed to reject the Plan, the Debtors are required to demonstrate that the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code with respect to such Class. Among these are the requirements that the Plan be “fair and equitable” and not “discriminate unfairly” against the holders of equity interests in such Class. For a more detailed description of the requirements for confirmation, *see* Section VIII.B, “Confirmation of the Plan of Reorganization—Requirements for Confirmation of the Plan.”

Consistent with these requirements, the Plan divides the Claims against, and Equity Interests in, the Debtors into the following classes:

Classification	Description	Treatment
Unclassified	Administrative Expenses	Unimpaired
Unclassified	Tax Claims	Unimpaired
Class 1	Priority Claims	Unimpaired

²⁸ The Plan contemplates that following the implementation thereof, holders of Existing Tricom Equity Interests will hold in the aggregate less than approximately 2% of post-Effective Date Tricom Equity Interests.

Classification	Description	Treatment
Class 2	INTENTIONALLY LEFT BLANK	-
Class 3	Credit Suisse Existing Secured Claims	Impaired
Class 4	GE Existing Secured Claims	Unimpaired
Class 5	Non-Lender Secured Claims	Unimpaired
Class 6	Unsecured Financial Claims	Impaired
Class 7	General Unsecured Claims	Unimpaired
Class 8	Statutorily Subordinated Claims	Impaired
Class 9	Existing Tricom Equity Interests	Impaired

These classes of Claims against and Equity Interests in each of the Debtors will be treated under the Plan as follows; provided, however, to the extent any Claim is subordinated by Final Order of the Bankruptcy Court, with the exception of Statutorily Subordinated Claims, which shall be given the treatment set forth herein, the Plan provides that the treatment of any such subordinated Claims will be determined by the Bankruptcy Court in accordance with such Final Order:

Administrative and Tax Claims

Administrative Claims and Tax Claims are treated in accordance with sections 1129(a)(9)(A) and 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are unimpaired under the Plan and in accordance with section 1123(a)(1) of the Bankruptcy Code, are not designated as classes of Claims for the purposes of the Plan or for the purposes of sections 1123, 1124, 1125, 1126 or 1129 of the Bankruptcy Code.

Administrative Claims

Administrative expenses are the actual and necessary costs and expenses of the Chapter 11 Cases that are allowed under sections 503(b) and 507(a)(1) of the Bankruptcy Code. Those expenses will include, but are not limited to, amounts owed to vendors providing goods and services to the Debtors during the Chapter 11 Cases and tax obligations incurred after the Petition Date (“Administrative Claims”). Other Administrative Claims include Claims by a Person retained or to be compensated for services rendered or costs incurred on or after the Petition Date and on or prior to the Effective Date pursuant to section 327, 328, 329, 330, 503(b) or 1103 of the Bankruptcy Code in the Chapter 11 Cases (“Fee Claims”). In addition, to the extent authorized by the Bankruptcy Court, the amounts due and owing to the professional advisors to the Ad Hoc Committee and Affiliated Creditors under the Plan Support and Lock-Up Agreement constitute Administrative Claims.

All Administrative Claims will be treated as follows:

The holder of an Administrative Claim, other than (i) a Fee Claim, (ii) a liability incurred and payable in the ordinary course of business by any of the Debtors (and not past due) or (iii) an Administrative Claim that has been deemed Allowed by Final Order of the Bankruptcy Court, must file with the Bankruptcy Court and serve on the Debtors, any official committee appointed in the Chapter 11 Cases and the Office of the United States Trustee, notice of such Administrative Claim within twenty-five (25) days after service of the Notice of Confirmation. Such request for payment must include at a minimum (i) the name of the Debtor(s) that are purported to be liable for the Claim, (ii) the name of the holder of the Claim, (iii) the amount of the Claim and (iv) the basis of the Claim. Failure to file and serve such request for payment timely and properly will result in the Administrative Claim being forever barred and discharged.

Each Professional Person who holds or asserts a Fee Claim will be required to file a Fee Application with the Bankruptcy Court, and serve notice on all parties required to receive notice, not later than ninety (90) days after the Effective Date. The failure to timely file and serve such Fee Application will result in the Fee Claim being forever barred and discharged.

An Administrative Claim with respect to which request for payment has been properly filed and served pursuant to Section 5.2(a) of the Plan will, to the extent not otherwise deemed Allowed by Final Order of the Bankruptcy Court prior to such date, become an Allowed Administrative Claim if no objection is filed within sixty (60) days after the Effective Date, or such later date as may be approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such 60-day period (or any extension thereof), the Administrative Claim will become an Allowed Administrative Claim only to the extent allowed by Final Order. A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 5.2(b) of the Plan will become an Allowed Administrative Claim only to the extent allowed by Final Order.

On the Distribution Date, each holder of an Allowed Administrative Claim will receive (i) the amount of such holder's Allowed Claim in one Cash payment or (ii) such other treatment as may be agreed upon in writing by the Debtors and such holder; provided that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at the Debtors' election in the ordinary course of business.

Tax Claims

Tax Claims essentially consist of unsecured Claims of federal and state governmental authorities for the kinds of taxes specified in section 507(a)(8) of the Bankruptcy Code, such as certain income taxes, property taxes, excise taxes, and employment and withholding taxes. Tax Claims are given a statutory priority in right of payment. As of May 8, 2009, nine (9) Tax Claims have been filed against the Debtors in the approximate amount of \$294,000. The Debtors do not believe such Claims are valid and are working to resolve them with the applicable tax authorities. Other than such filed Claims, the Debtors believe they have satisfied all of their Tax Claims pursuant to the Bankruptcy Court's orders authorizing their payment of such Claims.

At the election of the Debtors, each holder of an Allowed Tax Claim will receive in full satisfaction of such holder's Allowed Tax Claim (i) the amount of such holder's Allowed Tax Claim, with interest thereon from and after the Distribution Date at the rate determined by the Bankruptcy Court in accordance with section 511 of the Bankruptcy Code, in equal annual cash payments on each anniversary of the Petition Date, until the fifth anniversary of the Petition Date (provided that Holding Company or the applicable Debtor may prepay the balance of any such Allowed Tax Claim at any time without penalty); (ii) a lesser amount in one cash payment as may be agreed upon in writing by such holder; or (iii) such other treatment as may be agreed upon in writing by such holder. The Confirmation Order will enjoin any holder of a Tax Claim from commencing or continuing any action or proceeding against any responsible person or officer or director of the Debtors that would otherwise be liable to such holder for payment of a Tax Claim so long as no default has occurred with respect to such Tax Claim under Section 5.3 of the Plan.

Class 1 – Priority Claims

(Unimpaired. Presumed to accept the Plan and not entitled to vote.)

Priority Claims include certain Claims that are granted priority in payment under section 507(a) of the Bankruptcy Code, including certain wage, salary and other compensation obligations to employees of the Debtors. Each holder of an Allowed Priority Claim will be unimpaired under the Plan and such Allowed Priority Claims will either be paid in full in cash on the Effective Date or, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which such Claim entitles such holder in respect of such Claim will be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed Priority Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) will be paid in full in accordance with such reinstated rights.

Class 3 – Credit Suisse Existing Secured Claims²⁹

(Impaired. Entitled to vote.)

Class 3 consists of the Credit Suisse Existing Secured Claims. As of the Petition Date, the aggregate principal amount of Allowed Credit Suisse Existing Secured Claims was \$25,529,781.88. The Plan provides that each Credit Suisse Existing Secured Claim is an Allowed Credit Suisse Existing Secured Claim.

Each holder of an Allowed Credit Suisse Existing Secured Claim will be impaired under the Plan and will receive in consideration of the cancellation of the Credit Suisse Existing

²⁹ The Claims identified in the Original Plan as the “Banco del Progreso Existing Secured Claims” and designated as Class 2 have, since the filing of the Original Plan, been satisfied in full by the Debtors pursuant to the Order Pursuant to Section 363 of the Bankruptcy Code Authorizing the Debtors to Satisfy Secured Claim of Banco Dominicano del Progreso, S.A. [Docket No. 270] entered by the Court on or about July 23, 2008. Because the Banco del Progreso Existing Secured Claims have been satisfied in full, Class 2 has been eliminated from the Plan. For ease of reference, the “Intentionally Left Blank” reference to Class 2 has been inserted into the Plan to avoid renumbering the previously identified classes of Claims and Interests.

Secured Claims its Pro Rata Share of the Credit Suisse New Secured Debt. Tricom's obligations under the Credit Suisse Credit Agreement will be secured by a first priority lien on the Credit Suisse Collateral pursuant to the Credit Suisse Mortgage and Credit Suisse Pledge. In addition, reorganized TCN and Tricom USA will furnish Credit Suisse with a limited guaranty of collection under the Credit Suisse Guarantee pursuant to which TCN and Tricom USA will guarantee the collection of any deficiency following the foreclosure of the Credit Suisse Existing Collateral (the "Credit Suisse Guarantee").

The Debtors estimate that the overall recovery for Class 3 will be approximately 100% under the Plan.

Class 4 – GE Existing Secured Claims

(Unimpaired. Presumed to accept the Plan and not entitled to vote.)

Class 4 consists of GE Existing Secured Claims. As of the Petition Date, the aggregate principal amount of Allowed GE Existing Secured Claims was \$4,569,428. The Plan provides that each GE Existing Secured Claim is an Allowed GE Existing Secured Claim.

Each holder of an Allowed GE Existing Secured Claim will be unimpaired under the Plan and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and contractual rights to which such Claim entitles such holder in respect of such Claim will be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed GE Existing Secured Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) will be paid and secured in accordance with the GE Existing Loan Documents.

Class 5 – Non-Lender Secured Claims

(Unimpaired. Presumed to accept the Plan and not entitled to vote.)

Class 5 consists of Non-Lender Secured Claims, which are Secured Claims other than Class 3 Credit Suisse Existing Secured Claims and Class 4 GE Existing Secured Claims. The Debtors estimate the amount of Allowed Non-Lender Secured Claims to be zero. Each holder of an Allowed Non-Lender Secured Claim, if any, will be unimpaired under the Plan and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and contractual rights to which such Claim entitles such holder in respect of such Claim will be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed Non-Lender Secured Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) will be paid in full in accordance with such reinstated rights.

Class 6 – Unsecured Financial Claims

(Impaired. Entitled to vote.)

Class 6 consists of the Allowed Unsecured Financial Claims. All Unsecured Financial Claims are deemed to be Allowed Claims in the respective principal amounts set forth

on Exhibit B to the Plan. In addition, Exhibit B to the Plan sets forth the interest that has accrued on such claims through and including the Petition Date by reference to the applicable contract rate or non-default rate of interest. Each Unsecured Financial Claim will be deemed to be an Allowed Claim in the respective amounts of principal and interest set forth on Exhibit B to the Plan, or as such schedule may be amended and filed with the Bankruptcy Court on or prior to the Confirmation Date, without the necessity of filing a proof of claim.

As of the Petition Date, the aggregate principal amount of Allowed Unsecured Financial Claims was approximately \$413.5 million. As a result of the Debtors' Settlement with Banco Leon (discussed below) which provides for an allowed claim of \$42.5 million in favor of Banco Leon, the current principal amount of Allowed Unsecured Financial Claims is approximately \$456 million. All Unsecured Financial Claims, with the exception of Disputed Unsecured Financial Claims, are treated as Allowed Claims under the Plan. Each holder of an Allowed Unsecured Financial Claim will receive the treatment set forth below:

Subclass 1: Each holder of an Allowed Non-Affiliated Creditors Unsecured Financial Claim will be impaired under the Plan and will receive its Pro Rata Share of Holding Company Stock. All Holding Company Stock to be issued to holders of Allowed Non-Affiliated Creditors Unsecured Financial Claims will be Holding Company Class A Stock.

Subclass 2: Each holder of an Allowed Affiliated Creditors Unsecured Financial Claim will be impaired under the Plan and will receive its Pro Rata Share of Holding Company Stock. All Holding Company Stock to be issued to holders of Allowed Affiliated Creditors Unsecured Financial Claims will be Holding Company Class B Stock.

All Holding Company Class A Stock to be distributed to holders of Allowed Non-Affiliated Creditors Unsecured Financial Claims shall have equal rights and treatment under the Plan. All Holding Company Class B Stock to be distributed to holders of Allowed Affiliated Creditors Unsecured Financial Claims shall have equal rights and treatment under the Plan. Except as provided for in the Plan, all holders of Allowed Unsecured Financial Claims shall be entitled to equal treatment under the Plan on account of their Allowed Claims.

The Debtors estimate that the overall recovery for holders of Allowed Unsecured Financial Claims in Class 6 will range from approximately [23%] to [28%] under the Plan based on the equity value of Holding Company and a projected amount of Allowed Unsecured Financial Claims ranging from approximately \$678.3 to \$832.3 million in the aggregate. The projected ranges in recoveries reflect the inclusion of the Disputed Unsecured Claims in the aggregate amount of \$154 million. The high estimate assumes such Claims are disallowed in their entirety or that such Claims are treated as subordinated. Accordingly, the high estimate assumes approximately \$636 in principal and accumulated interest as of the Petition Date at the applicable contract or non-default rates plus the Banco Leon Allowed Claim in the aggregate amount of \$42.5 million for total Allowed Unsecured Financial Claims of \$678.3 million. The low estimate assumes that the Disputed Unsecured Financial Claims are Allowed in the maximum amount permitted by the Unsecured Financial Claims Reserve, i.e., 154 million, such that the total Allowed Unsecured Financial Claims shall be approximately \$832.3 million in the aggregate. The actual recovery to holders of Allowed Unsecured Financial Claims will depend on the amount, if any, in which the Disputed Unsecured Financial Claims are Allowed. The

Debtors project that the equity value of Holding Company as of the Effective Date will equal approximately [\$191.1] million in the aggregate. *See* Section V, “Projections and Valuation Analysis.”

Class 7 – General Unsecured Claims

(Unimpaired. Deemed to accept the Plan and not entitled to vote.)

Class 7 consists of General Unsecured Claims, which means any Claim against a Debtor other than an Administrative Claim, Tax Claim, Priority Claim, Credit Suisse Existing Secured Claim, GE Existing Secured Claim, Non-Lender Secured Claim, Unsecured Financial Claim, Statutorily Subordinated Claim, or Intercompany Claim. Pursuant to the Orders entered by the Bankruptcy Court on March 4, 2008 and March 26, 2008, respectively, the Debtors were authorized to, and have, satisfied substantially all of the Allowed General Unsecured Claims. The Debtors believe that any remaining General Unsecured Claims, including those for which proofs of claim have been filed are neither material nor valid.

Each holder of a General Unsecured Claim will be unimpaired under the Plan, and pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and contractual rights to which such Claim entitles such holder in respect of such Claim will be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed General Unsecured Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) will be paid in full in accordance with such reinstated rights.

Class 8 – Statutorily Subordinated Claims

(Deemed to reject the Plan. Not entitled to vote.)

Class 8 consists of all Statutorily Subordinated Claims, which means any Claim against any of the Debtors that is subject to subordination under section 510(b) of the Bankruptcy Code arising from the rescission of a purchase or sale of a security of one or more of the Debtors, for damages arising from the purchase or sale of such security or for reimbursement or contributions allowed under section 502 of the Bankruptcy Code on account of such a Claim. The Debtors estimate that as of the Petition Date, the Allowed amount of Statutorily Subordinated Claims will be zero.

Each holder of a Statutorily Subordinated Claim will be impaired under the Plan and each holder of an Allowed Statutorily Subordinated Claim will not receive or retain any interest or property under the Plan on account of such Allowed Statutorily Subordinated Claim. The treatment of Statutorily Subordinated Claims under the Plan is in accordance with and gives effect to the provisions of section 510(b) of the Bankruptcy Code.

Class 9 – Existing Tricom Equity Interests

(Deemed to reject the Plan. Not entitled to vote.)

Class 9 consists of Existing Tricom Equity Interests. Each holder of an Existing Tricom Equity Interest will be impaired under the Plan and all or substantially all of the Existing Tricom Equity Interests (within the then authorized and issued capital of Tricom) will, pursuant to the Restructuring Dilution Transactions described in Section 7.9 of the Plan, be reduced to a *de minimis* amount with a *de minimis* value.

D. Credit Suisse New Secured Debt

The summary below describes the anticipated principal terms of the Credit Suisse New Secured Debt. It does not purport to be a complete description of the terms and conditions of the Credit Suisse New Secured Debt, certain terms and conditions of which have not yet been determined.

The following summary of the Credit Suisse New Secured Debt is qualified in its entirety by reference to the Credit Suisse Credit Agreement and the Credit Suisse Guarantee which will be filed with the Plan Supplement.

CREDIT SUISSE NEW SECURED DEBT

Borrower	Tricom, S.A.
Face Amount	\$25,529,781.88.
Term.....	Seven years from the effective date of the Plan of Reorganization.
Amortization Schedule.....	Bullet at maturity.
Prepayment	Tricom will be entitled to prepay the Credit Suisse New Secured Debt at any time without premium or penalty.
Prepayment Offer Upon Change of Control.....	If a change of control occurs at Tricom, Tricom will be required to make an offer to prepay the Credit Suisse New Secured Debt at 100% of its principal amount.
Interest.....	11.0% payable in cash semi-annually.
Default Rate	If any principal or interest payable in respect of the Credit Suisse New Secured Debt is not paid when due, such overdue amount shall accrue interest at a rate equal to 1% in excess of the otherwise applicable interest rate.
Ranking	The Credit Suisse New Secured Debt will rank (i) <i>pari passu</i> in right of payment with the GE Existing Secured Debt, the Exit Financing, permitted additional senior indebtedness and any refinancing of the Credit Suisse New Secured Debt or any of the

foregoing and (ii) to the extent of the Credit Suisse Existing Collateral, senior to any other indebtedness of Tricom.

- Security The Credit Suisse New Secured Debt will be secured by a first priority lien in the Credit Suisse Existing Collateral. Such security interest may be evidenced by one or more security instruments. All maximum collateral value limitations contained in the Credit Suisse Existing Loan Documents will be removed from the collateral documentation to be entered into to memorialize the first priority lien in the Credit Suisse Existing Collateral to secure the Credit Suisse New Secured Debt. Tricom will bear the costs relating to the registration of the corresponding security instruments.
- Deficiency Guarantee..... If after an event of default has occurred and is continuing, and complete satisfaction of the Credit Suisse New Secured Debt has not occurred through foreclosure or other disposition of the Credit Suisse Existing Collateral, then any deficiency shall be deemed to be an unsecured claim against Tricom to be guaranteed by reorganized Tricom USA and TCN pursuant to the Credit Suisse Guarantee.
- Withholding Tax
Gross-Up All payments made by Tricom or any Guarantor under the Credit Suisse New Secured Debt Documents will be made free and clear of withholding taxes. If any withholding or deduction is required on account of Dominican Republic taxes, the payments in question will, subject to certain exceptions, be grossed up such that the net amount received by holders of the Credit Suisse New Secured Debt will not be less than the amount that would have been received in the absence of such withholding or deduction.
- Reporting Requirements For so long as the Credit Suisse New Secured Debt is outstanding, unless the below specified financial statements and other reports are filed with the SEC under cover of an appropriate form, Tricom will provide to the holders of the Credit Suisse New Secured Debt:
- (a) annual audited consolidated financial statements not later than 180 days after the end of each fiscal year;
 - (b) quarterly unaudited consolidated financial statements not later than 90 days after the end of each fiscal quarter;
 - (c) a “Management Discussion and Analysis of Financial Condition and Results of Operations” for each applicable

reporting period;

- (d) all information that would be required to be filed with the SEC on Form 6-K or 8-K, as applicable; and
- (e) any reports required to be filed in Holding Company's and/or Tricom's jurisdiction of organization.

Covenants..... The Credit Suisse New Secured Debt Documents will include prohibitions on the following:

- (a) Any incurrence or guarantee of indebtedness by Tricom or any of its direct or indirect subsidiaries if, after giving pro forma effect to such indebtedness, the Consolidated Leverage Ratio (debt to EBITDA) for the four most recent quarters would exceed 3.5 to 1.0, subject to exceptions for, among other matters, GE Existing Secured Debt, the Exit Financing, additional senior indebtedness of up to \$8 million, vendor financings and any refinancing of the Credit Suisse New Secured Debt or any of the foregoing;
- (b) Liens on any Credit Suisse Existing Collateral, subject to exceptions for acquired properties, taxes and other matters;
- (c) Any disposition of Credit Suisse Existing Collateral, subject to certain exceptions;
- (d) Payment of dividends and similar amounts, subject to certain exceptions;
- (e) Any transaction with any affiliate of Tricom, subject to certain exceptions; and
- (g) Maintenance of a minimum Consolidated Interest Coverage Ratio (EBITDA to interest expense) and a minimum Consolidated Fixed Charge Coverage Ratio (EBITDA minus capital expenditures to interest expense).

Events of Default Events of default will include default in payments of principal and interest; failure to comply with covenants; cross default; judgment default; termination or loss of telecommunications license; certain bankruptcy and insolvency events; and invalidity of guarantees.

Expenses Tricom will reimburse Credit Suisse's reasonable attorneys fees and expenses incurred in connection with the negotiation and

documentation of the Credit Suisse New Secured Debt Documents and the Chapter 11 Cases, excluding reimbursement in connection with litigation or any opposition or similar action to the restructuring or Tricom's implementation of the restructuring. Any reimbursement of Credit Suisse's attorneys' fees and expenses will be subject to reasonable review by Tricom and a cap of \$30,000 per month.

Governing Law

The Credit Suisse New Secured Debt Documents, other than the collateral documentation to be entered into to create a valid and enforceable first priority lien in the Credit Suisse Existing Collateral under Dominican law, shall be governed by the laws of the state of New York.

E. Securities to be Issued Pursuant to the Plan³⁰

1. New Holding Company Stock

Pursuant to the Plan, on the Effective Date, 10 million shares of Holding Company Stock consisting of Class A Stock ("Holding Company Class A Stock") and Class B stock ("Holding Company Class B Stock"), representing 100% of Holding Company's issued and outstanding stock, will be distributed to the holders of Class 6 Allowed Unsecured Financial Claims. *See* Section IV.C, "The Plan of Reorganization—Classification and Treatment of Claims and Equity Interests Under the Plan—Class 6 – Unsecured Financial Claims."

a. Rights of Holders of Holding Company Stock

Holding Company will issue Holding Company Stock pursuant to the Plan. On or before the Effective Date, the holders of Holding Company Stock will enter into and be bound by the terms of the Shareholders' Agreement which, together with Holding Company Constituent Documents will provide, among other things, for the following:

³⁰For purposes of the Plan and specifically, for purposes of describing, *inter alia*, the requisite Holding Company Constituent Documents, Holding Company Stock, the Shareholders' Agreement and all other documents related to formation and operation of Holding Company and the rights and obligations of holders of Holding Company Stock as contemplated by the Plan, the Plan assumes that Holding Company will be formed as a Bahamian corporation. However, the Plan permits the formation of Holding Company in an alternative jurisdiction satisfactory to the Ad Hoc Committee. As discussed below in Section IV.G.2.a, "Plan of Reorganization—Means of Implementation of the Plan—Holding Company and the Reorganized Debtors—Holding Company Jurisdiction," the most likely alternative jurisdiction for the formation of Holding Company is Delaware. If Delaware is chosen, Holding Company would most likely be formed as a Delaware limited liability company ("Delaware LLC"). Accordingly, all references to "Holding Company" in the Plan allow for the formation of Holding Company as a Delaware LLC. The Debtors believe that formation of Holding Company as a Delaware LLC will not have any material impacts on creditors, but would require modification of certain Plan Documents. For example, if Holding Company is formed as a Delaware LLC, Holding Company Constituent Documents would likely consist of an Operating Agreement and a Certificate of Formation, or similar documents. Likewise, Holding Company Stock would instead become Holding Company membership interests. The Debtors believe that any documents required to be prepared in connection with formation of Holding Company as a Delaware LLC will generally encompass the same rights and obligations contemplated by the Holding Company Constituent Documents, the Shareholders' Agreement and any other Plan Documents, as discussed herein.

Dividends

The shares of Holding Company Class A Stock and Holding Company Class B Stock will be entitled to identical dividends, if and when declared.

Liquidation Rights

The shares of Holding Company Class A Stock and Holding Company Class B Stock will be entitled to identical distributions on any dissolution or winding up of Holding Company.

Preemptive Rights

The Holding Company Constituent Documents will provide for preemptive rights for all the holders of Holding Company Stock.

Conversion of Class B Stock

Any share of Holding Company Class B Stock that is transferred to any holder other than any of the GFN Parties or any of the Affiliated Creditors or the Affiliated Creditors' Affiliates will automatically convert to a share of Holding Company Class A Stock upon such transfer. In addition, all outstanding shares of Holding Company Class B Stock will automatically convert to shares of Holding Company Class A Stock upon the first date following the Effective Date on which the GFN Parties, the Affiliated Creditors and the Affiliated Creditors' Affiliates cease to collectively hold shares of Holding Company Stock equal to an aggregate of at least 10% of the fully diluted Holding Company Stock immediately following the Effective Date.

Voting Rights

Except as otherwise required by applicable laws in the jurisdiction in which Holding Company is created and as otherwise provided in the Plan, a simple majority of the shares of Holding Company Class A Stock and Holding Company Class B Stock, voting together as one class, will be required for all actions requiring approval of the holders of Holding Company Stock, except that:

(a) During the period commencing upon the Effective Date and terminating upon the one year anniversary of the Effective Date, the following actions will not be taken without the approval of a majority of the shares of Holding Company Class B Stock, voting as a separate class:

(i) Merger of Holding Company or Tricom with or into any entity if the aggregate consideration to the holders of Holding Company Stock or Holding Company, as applicable, for such merger transaction is less than or equal to \$325 million; and

(ii) Sale or disposition of all or substantially all of the assets of Holding Company or Tricom if the aggregate consideration to the holders of Holding Company

Stock, Holding Company or Tricom, as applicable, for such transactions is less than or equal to \$325 million.

Any decision with respect to any of the transactions described in items (i) and (ii) above with an aggregate consideration in excess of \$325 million during the period commencing upon the Effective Date and terminating upon the one year anniversary of the Effective Date, or with any consideration at any time after the expiration of such period, will only require the approval of a simple majority of the members of the Holding Company Board of Directors.

(b) During the period commencing upon the Effective Date and terminating upon the date on which all Holding Company Class B Stock has been converted into Holding Company Class A Stock, the following actions will not be taken without the approval of a majority of the shares of Holding Company Class B Stock, voting as a separate class:

(i) Any issuance of additional Holding Company Class B Stock or any securities convertible into, exchangeable for, or exercisable for Holding Company Class B Stock;

(ii) Any amendments to the Holding Company Constituent Documents that would adversely affect the rights of the holders of Holding Company Class B Stock described in the Plan; and

(iii) Any amendment of any of the Transaction Documents which would adversely affect the rights of the holders of Holding Company Class B Stock described in the Plan.

(c) In addition, during the period commencing upon the Effective Date and terminating upon the date on which all Holding Company Class B Stock has been converted into Holding Company Class A Stock, the following actions will not be taken, unless (y) Holding Company will have received an opinion from an investment bank of internationally recognized standing that such transaction is fair, from a financial point of view, to the holders of Holding Company Stock, or (z) a majority of the shares of Holding Company Class B Stock, voting as a separate class, will have approved the following actions:

(i) Any issuance by Holding Company of any class of Holding Company Stock or any other equity securities of Holding Company (other than Class B Stock), or any securities convertible into, exchangeable for, or exercisable for any class of Holding Company Stock or any other equity securities of Holding Company (other than Holding Company Class B Stock);

(ii) Any issuance by any direct or indirect subsidiary of Holding Company of any class of equity securities, or any securities convertible into, exchangeable for, or exercisable for any class of equity securities of such subsidiary;

(iii) Any sale or disposition of any shares or other Equity Interests in any direct or indirect subsidiary of Holding Company (other than Tricom);

(iv) Any sale or disposition of all or substantially all of the assets of any direct or indirect subsidiary of Holding Company (other than Tricom); and

(v) Any merger of any subsidiary of Holding Company (other than Tricom) with or into any entity, other than another wholly owned subsidiary of Holding Company.

2. Securities Law Matters

No registration statement will be filed under the Securities Act of 1933, as amended (the “Securities Act”) or any state securities and “blue sky” laws with respect to the offer and issuance under the Plan of Holding Company Stock. The Debtors believe (i) that the offer of Holding Company Stock is exempt from federal and state securities registration requirements pursuant to section 1145 of the Bankruptcy Code and, for offers made prior to the Petition Date, Section 3(a)(9) of the Securities Act or Regulation D promulgated thereunder, and that (ii) the issuance of Holding Company Stock is exempt from federal and state securities registration requirements under section 1145(a)(1) of the Bankruptcy Code. Further, if Holding Company is incorporated outside of the United States, the Debtors also believe that the offer of Holding Company Stock to certain offerees made prior to the Petition Date, may be exempt from registration requirements under Regulation S promulgated under the Securities Act.

a. The Solicitation

(i) For offers made subsequent to the Petition Date, the Debtors rely on section 1145(a)(1) of Bankruptcy Code which exempts the offer and sale of securities under a plan of reorganization from registration under section 5 of the Securities Act and any state law registration requirements when such securities are to be exchanged for claims or principally in exchange for claims and partly for cash. *See* Section IV.E.2.b, “The Plan of Reorganization—Securities to be Issued Pursuant to the Plan—Securities Law Matters—The Issuance of Holding Company Stock”.

(ii) For offers made prior to the Petition Date, the Debtors rely on the following:

- (A) For creditors who are “Accredited Investors,” as such term is defined in Regulation D, promulgated under the Securities Act, Regulation D is being relied on for the offer of Holding Company Stock. If Holding Company is a non-U.S. issuer, Regulation S will also be relied on for the offer of Holding Company Stock to creditors who are not “U.S. Persons,” as such term is defined in Regulation S, promulgated under the Securities Act.
- (B) Section 4(2) of the Securities Act (“Section 4(2)”) exempts from the registration requirements of the Securities Act transactions by an issuer not involving a public offering. Rules 502 and 506 of Regulation D provide that an offering to Accredited Investors, as defined in Regulation D, will be deemed to be a transaction not involving a public offering under Section 4(2). If applicable, Regulation S provides that the registration requirements of the Securities Act do not apply to an offer of securities made “outside the United States” which, if Holding Company is a foreign issuer, can be accomplished by the offer meeting

certain criteria, including that they are made to other than “U.S. Persons.”

- (C) For holders that are not Accredited Investors as such term is defined in Regulation D and, if applicable, for holders that are U.S. Persons, as such term is defined in Regulation S, Section 3(a)(9) of the Securities Act (“Section 3(a)(9)”) is being relied on for the offer of Holding Company Stock. Section 3(a)(9) exempts certain offers of securities issued pursuant to an exchange offer from registration under the Securities Act if the following requirements are satisfied: (i) there is an identity of the issuer of the securities surrendered with the issuer of the securities received by exchanging security holders; (ii) the exchange is with existing security holders only; (iii) existing security holders exchange their securities without giving any other consideration; and (iv) no commission or other remuneration is paid or given directly or indirectly for soliciting the exchange. The Debtors believe that, to the extent that Holding Company is deemed to be an issuer of Holding Company Stock for U.S. securities law purposes, the offer of Holding Company Stock is exempt from registration under Section 3(a)(9) of the Securities Act.

b. The Issuance of Holding Company Stock

Section 1145(a) of the Bankruptcy Code generally exempts the issuance of a debtor’s securities under a Chapter 11 plan from the registration requirements of the Securities Act and the equivalent state securities or “blue sky” laws if the following conditions are satisfied: (i) the securities are issued by a debtor, an affiliate participation in a joint plan of reorganization with the debtor, or a successor of the debtor under a plan of reorganization, (ii) the recipients of the securities hold a claim against, an interest in, or a claim for an administration expense against, the debtor, and (iii) the securities are issued entirely in exchange for the recipient’s claim against or interest in the debtor, or are issued “principally” in such exchange and “partly” for cash or property. The Debtors believe that the issuance of a Holding Company Stock contemplated by the Plan will satisfy the aforementioned requirements and therefore is exempt from federal and state securities law, although as discussed in Section c below, subsequent transfers of Holding Company Stock by certain types of holders may be subject to registration requirements under such securities laws.

c. Subsequent Transfer of Holding Company Stock Issued Under the Plan

Following the initial issuance under the Plan, Holding Company Stock may be freely transferred without registration under the Securities Act and state securities or “blue sky” laws pursuant to the exemption therefrom provided by section 1145 of the Bankruptcy Code, unless the holder is an “underwriter” as defined therein with respect to Holding Company Stock.

Section 1145(b)(1) of the Bankruptcy Code defines four types of persons as “underwriters”:

- (A) persons who purchase a claim against, an interest in, or a claim for an administrative expense in the case concerning the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest;
- (B) persons who offer to sell securities offered or sold under the plan for the holders of such securities;
- (C) persons who offer to buy securities offered or sold under the plan from the holders of such securities, if such offer to buy is:
 - (i) with a view to distribution of such securities; and
 - (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or
- (D) a person who is an “issuer” as used in Section 2(11) of the Securities Act, with respect to such securities.

As used in Section 2(11) of the Securities Act, the term “issuer” includes any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control of the issuer. “Control” (as defined in Rule 405 of Regulation C promulgated under the Securities Act) means the direct or indirect possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

Persons who are “underwriters” under section 1145(b)(1)(D) (other than Holding Company) may be able to sell such Holding Company Stock without registration pursuant to the provisions of Rule 144 under the Securities Act subject to applicable volume limitations, notice and manner of sale requirements and certain other conditions.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT HEREBY PROVIDE ANY OPINION OR ADVICE WITH RESPECT TO, THE SECURITIES LAW AND BANKRUPTCY LAW MATTERS DESCRIBED ABOVE. IN LIGHT OF THE COMPLEX AND SUBJECTIVE INTERPRETIVE NATURE OF WHETHER A PARTICULAR RECIPIENT OF SECURITIES UNDER THE PLAN MAY BE DEEMED TO BE AN “UNDERWRITER” WITHIN THE MEANING OF SECTION 1145(b)(1) OF THE BANKRUPTCY CODE AND THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (INCLUDING, WITHOUT LIMITATION, RULE 144) AND EQUIVALENT STATE SECURITIES AND “BLUE SKY” LAWS, POTENTIAL RECIPIENTS OF HOLDING COMPANY STOCK MUST CONSIDER CAREFULLY AND CONSULT WITH HIS, HER OR ITS OWN LEGAL ADVISOR(S) WITH RESPECT TO SUCH (AND ANY RELATED) MATTERS.

d. Listing of Holding Company Stock/Legends

Upon the Effective Date, Holding Company Stock will not be publicly traded or listed on any nationally recognized market or exchange. Accordingly, no assurance can be given that a holder of Holding Company Stock will be able to sell such securities in the future or as to the price at which any sale may occur. Holding Company will have no affirmative obligation to register the Holding Company Stock under the Exchange Act or list the stock on any recognized exchange.

Certificates evidencing shares of Holding Company Stock received by holders of at least ten percent (10%) of the outstanding Holding Company Stock will bear a legend substantially in the form below:

THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE SOLD, OFFERED FOR SALE OR OTHERWISE TRANSFERRED UNLESS REGISTERED OR QUALIFIED UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR UNLESS HOLDING COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED.

F. Means of Implementation of the Plan

1. Substantive Consolidation for Plan Purposes Only

As discussed above, the Plan is premised upon the substantive consolidation of the Debtors for Plan purposes only, with the exception of the GE Existing Secured Claims. Accordingly, on the Effective Date, all of the Debtors and their Estates will, for Plan purposes only, be deemed merged and (i) all assets and liabilities of the Debtors will be treated for Plan purposes only as though they were merged; (ii) all guarantees of any Debtor of the payment, performance, or collection of obligations of any other Debtor will be eliminated and cancelled; (iii) all joint obligations of two or more Debtors or Tricom's non-Debtor subsidiaries, and all multiple Claims against such entities on account of such joint obligations, will be considered a single Claim against the Debtors; (iv) any right of set-off belonging to any Debtor may be applied to any Allowed Claim against any Debtor, subject to the provisions of section 553 of the Bankruptcy Code; and (v) any Claim filed in the Chapter 11 Cases of any Debtor will be deemed filed against the consolidated Debtors and a single obligation of the consolidated Debtors on and after the Effective Date. Such substantive consolidation for Plan purposes will not (other than for Plan voting, treatment and distribution purposes), except as otherwise provided for in the Plan, affect (a) the legal and corporate structures of the Debtors, (b) any Intercompany Claims, (c) any Debtors' interests in its subsidiaries or (d) the GE Existing Secured Claims or any obligations thereunder.

Except as set forth in Section 7.1 of the Plan, such substantive consolidation for Plan purposes only will not (other than for purposes related to the Plan) (i) affect the legal and corporate structures of the Reorganized Debtors; (ii) cause any Debtor to be liable for any Claim

under the Plan for which it otherwise is not liable, and the liability for any such Claim will not be affected by such substantive consolidation; (iii) affect Intercompany Claims; or (iv) affect any obligations under any leases or contracts assumed in the Plan or otherwise subsequent to the filing of the Chapter 11 Cases.

On the Effective Date, except as otherwise provided for in the Plan, (i) the Intercompany Claims of Debtors or their Affiliates against Debtors will be reinstated or discharged and satisfied at the option of the Reorganized Debtors by contributions, distributions or otherwise; and (ii) except as otherwise set forth in the Plan, the Interests of a Debtor in any Debtor or non-Debtor subsidiary will remain outstanding. The following is a schedule of Intercompany Claims as of September 30, 2008:

Creditor Entity

<u>Debtor Entity</u>	<u>Creditor Entity</u>		
	Tricom	Tricom USA	TCN
	Tricom	\$0	\$0
	Tricom USA	\$52,894,492	\$0
	TCN	\$57,791	\$0

Unless the Bankruptcy Court has approved the substantive consolidation of the Chapter 11 Cases by a prior order, the Plan will serve as, and will be, a motion for entry of an order substantively consolidating the Debtors for Plan purposes only as provided in Section 7.1 of the Plan.

If no objection to substantive consolidation for Plan purposes is timely filed and served by any holder of a Claim that is impaired by the Plan as provided in the Plan on or before the deadline for objection to confirmation of the Plan, the Confirmation Order may be entered by the Bankruptcy Court. If any such objections are timely filed and served, a hearing with respect to the substantive consolidation for Plan purposes of the Chapter 11 Cases and the objections thereto will be scheduled by the Bankruptcy Court, which hearing will coincide with the Confirmation Hearing.

2. Holding Company and the Reorganized Debtors

a. Holding Company Jurisdiction

The Debtors are seeking to incorporate Holding Company in the Bahamas and are working through certain issues under Bahamian law to determine the eligibility of Holding Company to be formed as a Bahamian corporation. The Debtors are also reviewing alternative jurisdictions in which to incorporate Holding Company in the event the Debtors determine that the Bahamas is not a feasible jurisdiction. The Debtors believe, at this time, that formation of Holding Company as a Delaware limited liability company will be the most likely alternative to the Bahamas, if necessary.

b. New Constituent Documents

Tricom and TCN are required by the *Ley General de las Sociedades Comerciales y Empresas Individuales de Responsabilidad Limitada No. 479-08*, enacted on December 11, 2008 and which will become effective on June 19, 2009 (the “Dominican New Corporate Law”) to bring their corporate documents into conformity with the terms of said law, on or before June 11, 2008. Consequently, pursuant to the Dominican New Corporate Law, Tricom and TCN will be required to adopt new by-laws on or before June 14, 2009 in accordance with the terms of said legislation. In addition, on the Confirmation Date or as soon as practicable thereafter, the shareholders of the relevant Debtor shall approve the relevant New Constituent Documents. As soon as practicable after such approval, but within the required term to do so under applicable law, if any, the Debtors shall, as and to the extent required, file with the Secretary of State in the State of its incorporation, the *Registro Mercantil* maintained by the *Camara de Comercio y Producción* of Santo Domingo (the “Mercantile Registry”) or with such other relevant governmental or other body as may be required by applicable law, such Debtor’s New Constituent Documents, required to be so filed. At any time following approval of the Debtor’s applicable New Constituent Documents in the manner stated above, any Debtor may amend or modify its respective New Constituent Documents in a manner consistent with the Plan, such documents and as permitted by applicable law. As soon as practicable to timely implement the provisions of the Plan, Holding Company will be formed and the Holding Company Constituent Documents will be adopted and the same will be filed with the relevant governmental or other body as may be required by applicable law.

c. Initial Boards of Directors of the Reorganized Debtors and of Holding Company

On or before the Effective Date, the members of the board of directors of the Debtors shall be appointed in accordance with the provisions of their respective New Constituent Documents. On or before the Effective Date, the members of the Holding Company Board of Directors shall be appointed in accordance with the provisions of the Holding Company Constituent Documents and Shareholders’ Agreement. The Holding Company Board of Directors will consist of nine members, including the chairperson of the Holding Company Board of Directors. The members of the Holding Company Board of Directors shall be elected to initial terms of three years. Upon the completion of the initial terms, the members of the Holding Company Board of Directors shall be elected to terms of one year. The holders of Holding Company Class A Stock shall be entitled to elect six members of the Holding Company Board of Directors, and the holders of Holding Company Class B Stock shall be entitled to elect three members of the Holding Company Board of Directors. Any member of the Holding Company Board of Directors will be automatically removed from the Holding Company Board of Directors upon the criminal conviction of that member; provided that any such removal shall not affect the rights of the holders of Holding Company Stock to elect the number of members of the Holding Company Board of Directors set forth in the Plan and the Holding Company Constituent Documents.

d. Officers of the Reorganized Debtors and Holding Company

The initial officers of Holding Company, together with biographical information, will be disclosed in a filing to be made with the Bankruptcy Court prior to the Confirmation Date. On or before the Effective Date, the officers of each of the Debtors will be selected and appointed by the respective Boards of Directors of such Debtors in accordance with, and pursuant to, the provisions of applicable law and their respective New Constituent Documents. On or before the Effective Date, the officers of Holding Company shall be selected and appointed by the Holding Company Board of Directors in accordance with, and pursuant to, the provisions of the Holding Company Constituent Documents and Shareholders' Agreement. The appointment and removal of all senior management of the Holding Company, including, without limitation, the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer of Holding Company will require the affirmative vote of a majority of at least six members of the Holding Company Board of Directors. Any member of senior management of Holding Company will be automatically removed from his or her position upon criminal conviction; provided that the vacancy created by any such removal shall be filled as set forth in the Plan, the Holding Company Constituent Documents and the Shareholder Agreement.

e. Transition Services Agreement

On or before the Effective Date, Holding Company and the Transition Services Company shall execute and deliver the Transition Services Agreement. The Transition Services Company will be formed by the GFN Parties. The Transition Services Agreement shall have a term of three years and shall provide that in exchange for the services to be furnished under the Transition Services Agreement, Transition Services Company will receive 300,000 restricted shares of Holding Company Class B Stock, which will vest in equal quarterly installments over a three year period upon the satisfaction of the conditions described in the Transitions Services Agreement; provided, however, that all restricted shares of Holding Company Class B Stock will immediately vest upon a change of control of Holding Company. The Transition Services Company will be entitled to exercise the voting rights of the restricted shares of Holding Company Class B Stock upon their grant and will be entitled to receive dividends and other distributions with respect to the restricted shares of Holding Company Class B Stock prior to vesting, unless the restricted shares of Holding Company Class B Stock are forfeited.

3. Cancellation/Termination of the 11 3/8% Senior Notes Indenture and Related Documents

On the Effective Date or as soon as practicable thereafter, the 11 3/8% Senior Notes Indenture and all other 11 3/8% Senior Notes Documents, including, without limitation, the 11 3/8% Senior Notes, and all guarantees thereof, shall be deemed terminated and/or cancelled. The indenture trustee under the 11 3/8% Senior Notes Indenture, Tricom and all other relevant parties to the 11 3/8% Senior Notes Indenture and the other 11 3/8% Senior Notes Documents shall be authorized and required to take all such actions as shall be necessary or appropriate to effectuate or implement the foregoing termination and/or cancellation of the 11 3/8% Senior Notes Indenture and all other 11 3/8% Senior Notes Documents, including, without limitation, the 11 3/8% Senior Notes. In the event a relevant party does not take the

necessary actions required to implement the foregoing termination and/or cancellation, Tricom shall be authorized to act as attorney-in-fact for such party.

The 11 3/8% Senior Notes Indenture Trustee Allowed Claims will be deemed allowed as of the Effective Date of the Plan and paid on or after the Effective Date in accordance with sections 4.1(g) and 5.2(d) of the Plan. Notwithstanding sections 14.2, 14.4, 14.5 and 14.20 of the Plan: (i) the 11 3/8% Senior Notes Indenture Trustee Lien will not be discharged unless and until 11 3/8% Senior Notes Indenture Trustee Allowed Claims are paid in full.

4. General Corporate Action

The entry of the Confirmation Order shall contain provisions that authorize, direct and require the Debtors, Holding Company and their respective shareholders, directors and officers to take or cause to be taken all corporate actions needed or required under the Plan and/or applicable law, including, without limitation, as applicable, adoption by TCN and Tricom's shareholders of the relevant Restructuring Resolutions necessary or appropriate to implement all of the provisions of, and to consummate, the Plan and the transactions contemplated by the Plan, prior to and on and after the Effective Date, including, without limitation, as appropriate, (i) assignment and cancellation of prepetition indebtedness, including, without limitation, cancellation of the Unsecured Financial Claims, (ii) the Capital Increase, (iii) one or more Accordion Transactions, (iv) reduction of the Existing Tricom Equity Interests to a *de minimis* amount with a *de minimis* value through the Restructuring Dilution Transactions, (v) issuance of all or substantially all of the Tricom Stock to Holding Company and (vi) entry into and/or issuance and delivery of the Credit Suisse New Loan Documents and Exit Financing facility documents, and all such actions taken or caused to be taken will be deemed to have been ordered, authorized, directed and approved by the Bankruptcy Court without further approval, act, or action under any applicable law, order, rule or regulation, except as required by applicable Dominican law, including the Dominican New Corporate Law. Except as otherwise provided in the Plan, on the Confirmation Date, the then officers and directors of the Holding Company and/or the Debtors shall be authorized and directed to execute, issue and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary actions required in connection therewith in the name of and on behalf of the Debtors.

The Restructuring Dilution Transactions and other Dominican corporate actions contemplated by the Plan assume that Tricom's current Shareholders' Agreement has been terminated and/or amended, as necessary and/or appropriate, and Articles 5 and 6 of Tricom's existing by laws have been amended prior to implementation of such transactions in order to, among other things, allow the issuance of Tricom Class B Stock to Holding Company.

5. Dominican Corporate Actions

**NUMBERS USED IN THIS SECTION ARE FOR ILLUSTRATIVE PURPOSES ONLY
AND ARE SUBJECT TO CHANGE**

a. Introduction

Notwithstanding the provisions of the Bankruptcy Code which allow for the cancellation of equity in the context of a Chapter 11 plan, Dominican law does not allow such a

result. In addition, under the tax laws of the Dominican Republic, any cancellation of Tricom and TCN's debt provided for under the Plan, other than debt exchanged for shares in accordance with the Plan,³¹ will be taxed as cancellation of debt income ("COD Income") and the amount of net operating losses ("NOLs") which may be used to offset such income is limited (*see* Section XII, "Certain Dominican Republic Tax Consequences to the Plan of Reorganization").

In order to accomplish the (i) cancellation of all of the Dominican Unsecured Financial Claims,³² (ii) dilution to a *de minimis* amount with *de minimis* value of Existing Tricom Equity Interests, (iii) issuance of new Tricom Stock to Holding Company through which the transfer of the control of Tricom to Holding Company will be effected, (iv) elimination or substantial reduction of Tricom's existing cumulative capital deficit, and (v) minimization of adverse tax impacts arising from the cancellation of the Dominican Unsecured Financial Claims and certain interest accrued on Tricom's books that is not part of any Allowed Claim or otherwise treated under the Plan (together, the "Dominican Restructuring Objectives"), a combination of one or more of the following actions/transactions will be carried out before, on, or after the Effective Date, as necessary and appropriate:

- Issuance of Tricom Unissued Stock to Holding Company;
- Capital Increase and corresponding issuance of Tricom Stock to Holding Company;
- One or more Accordion Transactions;
- Cancellation of debt;
- Implementation of the TCN Debt Restructuring; and
- Use of NOLs and current year operating losses to offset COD Income.

b. Restructuring Dilution Options

Under the Plan, Existing Tricom Equity Interests (Class 9) are impaired and Holders of Existing Tricom Equity Interests neither receive nor retain any effective value under the Plan. Because neither Dominican insolvency nor corporate law, including the New Dominican Corporate Law, provides a mechanism for the outright cancellation of all of the Existing Tricom Equity Interests, the Plan provides for the dilution of Existing Tricom Equity Interests to a [two percent (2%)] or less ownership interest in Tricom (the "Restructuring Dilution").

Under Dominican law, the Restructuring Dilution can be achieved (i) by Tricom's shareholders increasing Tricom's Current Authorized Capital, defined below, in an amount to be

³¹ On a dollar per Dollar basis, as described in detail below.

³² The Dominican Unsecured Financial Claims will be the amount of Unsecured Financial Claims less the amount of Tricom USA Unsecured Financial Claims.

determined by Tricom's board of directors ("Capital Increase") that will allow Tricom to cancel, taking into account the other Restructuring Dilution Transactions and other actions/transactions described herein, all of the Dominican Unsecured Financial Claims that will not be cancelled pursuant to the other Restructuring Dilution Transactions and the other actions/transactions described herein, (ii) issuance of Tricom Unissued Stock to Holding Company, and (iii) one or more Accordion Transactions (further described below), or (iv) some combination of the transactions described in (i) to (iii) above (the "Restructuring Dilution Transactions"). Each of the Restructuring Dilution Transactions is a multi-step process that will require (x) corporate actions, including, without limitation, the adoption of one or more applicable Restructuring Resolutions and (y) the issuance of new Tricom Stock to Holding Company in exchange for cancellation of the Dominican Unsecured Financial Claims equal to the value of such shares.³³

As of the date hereof, Tricom has an authorized capital of RD\$800,000,000 ("Tricom's Current Authorized Capital"), divided into 55,000,000 shares of Tricom Class A Stock and 25,000,000 shares of Tricom Class B Stock with a par value of RD\$10.00 each. There are (a) 45,458,045 shares of Tricom Class A Stock currently issued and outstanding and 9,541,955 shares of Tricom Class A Stock currently unissued and (b) 19,144,544 shares of Tricom Class B Stock currently issued and outstanding and 5,855,456 shares of Tricom Class B Stock currently unissued. The New Dominican Corporate Law requires that on or before June 11, 2009, Tricom's existing by-laws be amended to increase the par value of each share of Tricom Stock to RD\$100.00, which increase may result in a small (i) increase in Tricom's paid-in capital and (ii) reduction of Tricom's existing unissued capital, which currently amounts to RD\$153,974,110 (the "Tricom Unissued Capital").³⁴

If, assuming the current capital structure of Tricom, the Restructuring Dilution were to be accomplished exclusively by Capital Increase, Tricom would likely have to increase its authorized capital by up to RD\$16,000,000,000 to have the practical effect of diluting the Existing Tricom Equity Interests to a *de minimis* amount with *de minimis* value. This, in turn, as discussed below, would result in Holding Company owning approximately [98%] or more of the Tricom Equity Interests. There are, however, some adverse tax consequences which would result from this pure Capital Increase, as explained below.

Tricom could also effect the Restructuring Dilution solely through the use of Accordion Transactions. Accordion Transactions are typically defined by corporate practitioners as a pre-planned capital reduction followed back-to-back by a Capital Increase. Under the Dominican New Corporate Law, an Accordion Transaction would encompass two steps. The first step is a paid-in capital reduction of no more than 90% of a corporation's authorized capital

³³ In order to avoid negative tax implications, calculation will be done on a dollar per dollar basis and therefore for each dollar of Dominican Unsecured Financial Claims which is contributed in exchange for shares, Tricom will issue the equivalent amount in shares of Tricom, based on the nominal value of the shares and calculated at the applicable exchange rate. For example, using an exchange rate of RD\$35 for each US\$1, Tricom would issue RD\$3,500 of value to Holding Company in shares of Tricom, (35 shares of RD\$100 each), in exchange for a contribution by Holding Company of US\$100 of Dominican Unsecured Financial Claims. The New Dominican Corporate Law requires that an independent valuation be performed in respect to any in-kind contributions, such as the contribution contemplated herein.

³⁴ For example, if a shareholder currently has 18 shares of RD\$10.00 par value each, an additional contribution of RD\$20.00 will need to be made in order to exchange the shares for two (2) new RD\$100.00 shares.

(the “Maximum Allowed Capital Reduction Amount”). In this step, a company’s accumulated losses are reduced by virtue of a prorated cancellation of equity interests held by the existing shareholders up to the above-referenced maximum capital reduction permitted by Dominican law.³⁵ The second step consists of issuing new shares to the same or different shareholders.

To illustrate an Accordion Transaction, assume a corporation has an authorized and paid-in capital of \$100, divided in 10 shares of \$10 each. The first step is to reduce the issued and outstanding capital by the Maximum Allowed Capital Reduction Amount to no less than \$10, or 10% of the authorized capital, by absorbing an amount of accumulated losses equal to the amount of the capital reduction. The 9 shares representing the \$90 of paid-in capital reduced by the capital reduction are effectively cancelled and new shares representing such \$90 of paid-in capital being reduced become available for issuance. Assuming that such new shares are issued to a new shareholder, the net result of this issuance would be that the former shareholders would collectively hold one share (equal to the \$10 of paid-in capital) and the new shareholder(s) would hold 9 shares equal to \$90 of paid-in capital.

The number of Accordion Transactions and time needed to accomplish the Dominican Restructuring Objectives, including completion of the Restructuring Dilution, will depend on, among other things, Tricom’s authorized capital and cumulative losses at the time of actual implementation of the Accordion Transactions. If, assuming the current capital structure of Tricom, the Restructuring Dilution were to be accomplished exclusively by the use of Accordion Transactions, multiple Accordion Transactions would be required to have the practical effect of diluting the Existing Tricom Equity Interests to a *de minimis* amount with *de minimis* value. This process would take several months to complete due to the number of corporate steps involved.

As of the date hereof, the Debtors are unable to confirm the exact methods or combination thereof by which they will achieve the Dominican Restructuring Objectives; however, the Debtors believe that a combination of Capital Increase, issuance of Tricom Unissued Stock to Holding Company and one or more Accordion Transactions, jointly with other actions/transactions described herein, will likely present the most feasible, economic and tax efficient method to achieve the Restructuring Dilution and the other Dominican Restructuring Objectives.

c. Necessary Tax Considerations to Determine the Appropriate Method to Achieve the Restructuring Dilution

To determine the Restructuring Dilution Transactions by which to achieve the Restructuring Dilution and the other Dominican Restructuring Objectives, the Debtors must consider that, among other things, Dominican law imposes a tax on authorized Capital Increases of 1% of the amount of the increase. For instance, an authorized Capital Increase of RD\$16

³⁵ The reduction of accumulated losses is on a dollar per dollar basis and therefore for each dollar of accumulated losses reduced, the equivalent amount in shares of Tricom is cancelled, on a prorated basis.

billion, which may be necessary to achieve the Restructuring Dilution solely by Capital Increase, would result in tax liability to Tricom of approximately RD\$160 million or US\$4.6 million.³⁶

Another important tax consideration is that the cancellation of debt is considered “income” (COD Income) under Dominican tax laws and, therefore, subject to a 25% income tax. However, cancelling Claims comprising the Dominican Unsecured Financial Claims in exchange for issuance of new Tricom Stock to Holding Company, as contemplated under the Plan,³⁷ would not be considered COD Income for income tax purposes under the Dominican Tax Code. Thus, any debt on the books of Tricom, including any portion of the Dominican Unsecured Financial Claims, not exchanged by Holding Company for new Tricom Stock and cancelled under the Plan would, when cancelled upon the completion of the Restructuring Dilution Transactions, generate COD Income subject to this 25% tax; however, as contemplated by the Dominican Tax Code, up to 20% per each fiscal year of Tricom’s accumulated NOLs, as well as current operating losses, would be available to offset this COD income, either completely or partially depending on the amount of COD Income generated.

Tricom intends to effect the Restructuring Dilution by a method, or combination of methods, to maximize the use of the NOLs and minimize, or eliminate, any COD income. For a further discussion of the Dominican tax implications of the Restructuring Dilution, *see* Section XII, “Certain Dominican Republic Tax Consequences to the Plan of Reorganization”. As expressed above, as of the date hereof, Debtors are unable to confirm the exact method or combination of methods by which they will effect the Restructuring Dilution; nevertheless, the Debtors and their advisors are continuing their review and analysis of this issue. As noted, this decision will in part depend on, among other things, the tax implications arising from the Capital Increase and cancellation of the debt, as well as the amount of NOLs that Debtors will have available to offset any COD income generated.

Prior to the Confirmation Hearing, the Debtors will file with the Bankruptcy Court and serve on parties in interest, a detailed discussion of the Restructuring Dilution Transactions, as well as such other transactions, if any, that they will propose to achieve the Dominican Restructuring Objectives, which will describe the attendant costs and tax implications (the “Restructuring Dilution Process”). The Debtors will seek express approval of the Restructuring Dilution Process in the Confirmation Order. **Accordingly, all information relating to the Restructuring Dilution Transactions and other Dominican corporate actions described herein to accomplish the Dominican Restructuring Objectives is provided, at this time, for illustrative purposes only and is therefore subject to change.**

d. Example of Restructuring Dilution, Substantial Cancellation of Dominican Unsecured Financial Claims and Reduction of Tricom’s Accumulated Losses Effected Through Combination of Issuance of Tricom Unissued Stock, Capital Increase and Accordion Transactions

Pursuant to the Plan and Confirmation Order and in accordance with Tricom’s then existing by laws, as soon as practicable after the Confirmation Date and subject to the

³⁶ An exchange rate of RD\$35 per US\$1 has been used throughout this Section.

³⁷ On a dollar per dollar basis, as explained above.

Indotel Approval for the change in control of Tricom to Holding Company, Tricom's shareholders shall adopt one or more Restructuring Resolutions that shall, among other things, (a) authorize, subject to the existing shareholders' Preemptive Rights³⁸, the issuance of shares of Tricom Stock representing the Tricom Unissued Capital to Holding Company in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the actual shares of Tricom Stock representing the Tricom Unissued Capital to be issued to Holding Company, (b) authorize the Capital Increase, and (c) authorize, subject to the existing shareholders' Preemptive Rights, the issuance of shares of Tricom Stock representing the Capital Increase to Holding Company in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the shares of Tricom Stock representing the Capital Increase to be issued to Holding Company.³⁹

The following example illustrates the process of effecting the Dominican Restructuring Objectives by a combination of Capital Increase and one Accordion Transaction based on the assumption that the total amount of Dominican Unsecured Financial Claims equals US\$511.5 million.⁴⁰

At the implementation phase, such amount will be revised to reflect the actual amount of Allowed Holding Company Unsecured Financial Claims Portion to be included as the Dominican Unsecured Financial Claims. This example is for illustrative purposes only. As noted above, the final Restructuring Dilution Transactions chosen by Tricom, including the number of Accordion Transactions and the amount of the Capital Increase utilized is subject to change and will be set forth in the Restructuring Dilution Process.

³⁸ The Dominican New Corporate Law granted a right to all existing shareholders of a Dominican Corporation to subscribe their pro rata share in any issuance of such corporation's stock, unless such right is waived and/or transferred.

³⁹ Given a minimum notice period of fifteen (15) days for shareholders' meetings and a minimum period of forty-five days for evaluation of any capital reduction by the verifying officer, as required by the Dominican New Corporate Law, a Restructuring Dilution Process employing, for example, one Capital Increase and one Accordion Transaction, would likely require forty-five (45) days to fifty (50) days to complete requiring the celebration of two (2) shareholders' meetings. Completing the Restructuring Dilution solely by Capital Increase, however, could take as little as twenty (20) days, as only one (1) shareholders' meeting would be required to approve a Capital Increase and the new shares could be issued to Holding Company immediately following the registration with the Mercantile Registry of the minutes of such shareholders' meeting. Implementation of the Restructuring Dilution solely by Capital Increase requires the steps set forth above in an amount necessary to dilute the holders of Existing Tricom Equity Interest to 1% or less.

⁴⁰ The amount of the Dominican Unsecured Financial Claims used in this example is equal to the aggregate amount of the Holding Company Unsecured Financial Claims Portion (\$635.8 million) less the Tricom USA Unsecured Financial Claims, which, in this example, equal \$124.3 million, for a total of \$511.5 million. The Tricom USA Unsecured Financial Claims will not be taken into consideration for purposes of the Restructuring Dilution Transactions and, instead, will be cancelled pursuant to the Plan without any tax consequences. See Section XI, "Certain U.S. Federal Income Tax Consequences of the Plan Of Reorganization."

i. Increase in Nominal Par Value of Tricom Stock, Capital Increase and Issuance of Tricom Stock to Holding Company

Pursuant to the Plan and the Confirmation Order and the then existing by laws, in order to approve and/or implement the Restructuring Resolutions necessary to achieve the Dominican Restructuring Objectives, as soon as practicable after the Confirmation Date (a) Holding Company will submit to Tricom's board of directors an offer to acquire 100% of the shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase and (b) as soon as practicable after Tricom's board of directors' receipt of such offer, Tricom's board of directors will call an extraordinary shareholders' meeting ("First Shareholders' Meeting") to discuss and approve (i) the issuance of the Tricom Unissued Capital, (ii) the Capital Increase, (iii) the issuance, subject to the existing shareholders' Preemptive Rights, of shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase to Holding Company in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase, and (iv) the report issued by the public accountant to be appointed by Tricom's board of directors pursuant to Article 279 of the Dominican New Corporate Law to assess the fairness of the proposed transaction, if any such accountant, in fact, were appointed for such purpose by Tricom's board of directors.

At this First Shareholders' Meeting, Tricom's shareholders would vote to increase Tricom's authorized capital from the current RD\$800,000,000 to, in this example, RD\$6,200,000,000, a Capital Increase of RD\$5,400,000,000. All of the Tricom Stock representing such Capital Increase, namely 54,000,000 shares with a par value of RD\$100 each, will be shares of Tricom Class A Stock, a portion of which will be available for issuance to Holding Company in exchange for cancellation of an amount of Dominican Unsecured Financial Claims equal to the value of the Tricom Stock to be issued. Pursuant to the Dominican Tax Code, this Capital Increase will have a tax impact of 1% of the amount of the increase, in this example RD\$54 million or approximately US\$1.5 million.

In addition, Article 279 of the Dominican New Corporate Law sets forth that prior to the issuance of shares for non-cash consideration (such as the issuance of shares to Holding Company in exchange for cancellation of Dominican Unsecured Financial Claims) a third party independent accountant ("Verifying Officer") may be appointed by the shareholders to issue a report regarding the value of the non-cash consideration (in kind contribution) offered for the shares to be issued and the fairness of the proposed transaction.⁴¹ In this case, an amount of Dominican Unsecured Financial Claims equal to the value of fifty-one percent (51%) of the Tricom Stock representing the Tricom Unissued Capital and Capital Increase to be issued will be

⁴¹ Otherwise, failing the appointment of a Verifying Officer, the board of directors would assume complete responsibility for the value assigned to the non-cash consideration, which may present a liability for the members of the board.

capitalized as described below⁴². If a Verifying Officer is in fact appointed for such purposes by Tricom's board of directors, he/she will issue his or her report/recommendation and the same shall be submitted for the consideration of Tricom's shareholders at this First Shareholders' Meeting. No Tricom Stock can or will be issued to Holding Company unless and until the minutes of this First Shareholders' Meeting have been filed and registered with the Mercantile Registry.

Upon registration of the minutes and issuance of 51% of the Tricom Stock representing the Tricom Unissued Stock and Capital Increase to Holding Company, Holding Company will have obtained approximately 81.4% of the Tricom Stock representing the then Existing Tricom Equity Interest, in exchange for cancellation of and/or capitalization of an amount of the Dominican Unsecured Financial Claims equal to namely, approximately RD\$2.83 billion or approximately US\$78.7 million.⁴³

Pursuant to the Confirmation Order and the Dominican New Corporate Law, (a) the issuance of shares of Tricom Stock representing the Tricom Unissued Capital shall be approved by a simple majority of the outstanding shares of Tricom Stock entitled to vote at the First Shareholders' Meeting and (b) the Capital Increase and issuance of shares of Tricom Stock representing such Capital Increase shall be approved by shareholders representing two-thirds of the outstanding shares of Tricom Stock entitled to vote at the First Shareholders' Meeting and assumes that Article 5 of Tricom's by laws has been amended. In addition, in the First Shareholders' Meeting, pursuant to Paragraph I of Article 284 of the Dominican New Corporate Law, Motorola and each of the GFN Parties holding shares of Tricom Stock, including, without limitation, Oleander will agree to waive in favor of and/or transfer to Holding Company their rights to subscribe shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase⁴⁴. Immediately after the foregoing Restructuring Resolutions are approved by Tricom's shareholders, such resolutions and amended Tricom's by laws will be submitted for registration with the Mercantile Registry. Immediately after such registration is perfected, Tricom will issue the corresponding Unrestricted Shares⁴⁵ to Holding Company.

ii. Accordion Transaction

Concurrently with or as soon as practicable after Tricom's board of directors calls the First Shareholders' Meeting, Tricom's board of directors shall be required, pursuant to the

⁴² The calculation is based on the percentage of shares held by GFN and Motorola on the day of this First Shareholders' Meeting. Since they will be required to expressly waive or transfer their right of first option to subscribe new shares, the percentage of the Tricom Stock representing the Tricom Unissued Stock and the Capital Increase to which said shareholders would have been entitled, will be available to Holding Company for immediate issuance.

⁴³ Of all the Dominican Unsecured Financial Claims a balance of US\$9.4 million, which is the portion of the Dominican Unsecured Financial Claims corresponding to TCN, will not be cancelled at this stage, but, rather, will be capitalized by Holding Company in exchange for shares of new Tricom Stock and cancelled in accordance with the TCN Debt Restructuring. *See* Section IV.F.5.e, "Plan of Reorganization—Means of Implementation of the Plan—Dominican Corporate Actions—TCN Corporate Actions."

⁴⁵ The Unrestricted Shares are those shares subject to Preemptive Rights with respect to which the relevant shareholder has either waived or transferred such shareholders' Preemptive Rights to another Person.

Confirmation Order, to call another extraordinary meeting of Tricom's shareholders to adopt one or more Restructuring Resolutions to implement one Accordion Transaction (the "Second Shareholders' Meeting"). Two-thirds of the outstanding shares of Tricom Stock entitled to vote in the Second Shareholders' Meeting shall be required to approve such Accordion Transaction Restructuring Resolutions.

Following completion of the transactions to be approved in and implemented pursuant to the Restructuring Resolutions adopted in the First Shareholders' Meeting (a) Tricom's Authorized Capital will be RD\$6,200,000,000 divided into 62,000,000 shares of Tricom Stock of which approximately a total of 34.8 million will be issued and outstanding, (b) approximately 6.4 million shares will be held by non-Holding Company shareholders, (c) 28.4 million shares of Tricom stock will be held by Holding Company, (d) an amount of the Dominican Unsecured Financial Claims equal to RD\$2.83 billion or US\$78.7 million will have been capitalized and (e) an estimated amount of US\$434 million of the Dominican Unsecured Financial Claims will still remain to be cancelled.

At the Second Shareholders' Meeting, Tricom's shareholders shall, pursuant to the Plan and Confirmation Order:

(a) discuss and approve a reduction of the First Shareholders' Meeting Resulting Paid In Capital up to the Maximum Allowed Capital Reduction Amount, namely 90% of Tricom's then issued and outstanding capital of approximately RD\$3.5 billion (in this example, RD\$3.1 billion), in order to reduce Tricom's existing cumulative capital deficit by such amount, (b) discuss and approve cancellation, on a pro rata basis, of an aggregate amount of shares of Tricom Stock representing the First Shareholders' Meeting paid In Capital equal to the Maximum Allowed Capital Reduction Amount (the "First Set of Cancelled Shares"), (c) discuss Holding Company's offer to acquire, subject to the existing shareholders' Preemptive Rights, new shares of Tricom Stock in an amount equal to the First Set of Cancelled shares in consideration for cancellation of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the First Set of Cancelled Shares ("First Set of Newly Unissued Shares"), (d) take notice, discuss and approve the report of the Verifying Officer setting forth the Verifying Officers' opinion regarding the causes and conditions of the First Shareholders' Meeting Resulting Paid In Capital reduction, and (e) approve the issuance of the First Set of Newly Unissued Shares to Holding Company, subject to the existing shareholders' Preemptive Rights.

As a result of the above, an additional amount of Tricom's accumulated capital deficit equal to the aggregate value of the First Set of Cancelled Shares, namely RD\$RD\$2.9 billion or approximately US\$78.7 million, will be cancelled.

Pursuant to the Plan and Confirmation Order, at the end of the Second Shareholders' Meeting and upon completion of the transactions contemplated thereby (a) Holding Company shall control approximately [96.7%]

of Tricom Stock, (b) an estimated additional amount of approximately US\$79 million of the Dominican Unsecured Financial Claims will have been cancelled, and (c) an estimated US\$355 million of Dominican Unsecured Financial Claims will still remain to be cancelled and (d) an additional amount of RD\$2.9 billion, or US\$78.7 million, of Tricom's accumulated capital deficit will be reduced/cancelled.

Upon expiration of the Preemptive Rights Waiting Period, all shares of Tricom Stock representing the Tricom Unissued Stock, Capital Increase and First Set of Newly Unissued Shares that were not previously issued to and subscribed by Tricom's existing shareholders during such period shall be issued to Holding Company in consideration of cancellation of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of such unissued and unsubscribed shares.

The actions and transactions described above in respect to the Capital Increase, the Accordion Transactions or any combination thereof shall, pursuant to the Confirmation Order, be repeated as many times as necessary and appropriate, taking into account the other Restructuring Dilution Transactions and other actions/transactions described herein, in order to (a) accomplish the Restructuring Dilution, (b) cancel the total amount of the Dominican Unsecured Financial Claims, and (c) substantially reduce Tricom's existing cumulative capital deficit. Following completion of the Restructuring Dilution Transactions, Tricom shall cancel (i) the remaining Dominican Unsecured Financial Claims relating to Tricom not cancelled pursuant to any of the Restructuring Dilution Transactions and other actions/transactions described herein and (ii) certain interest accrued on Tricom's books that is not part of any Allowed Claim or otherwise treated under the Plan. The cancellation of this remaining Tricom debt will result in COD Income to Tricom, which Tricom shall offset with the application of allowed NOLs and current year operating losses.

e. TCN Corporate Actions

As of the date hereof, the Debtors are unable to confirm the exact method or transactions by which they will effect the TCN Debt Restructuring, as defined below. The Debtors and their advisors are continuing their review and analyze this issue. However, the Debtors believe that the TCN Debt Restructuring will likely be implemented through the transactions described below. As previously noted, prior to the Confirmation Hearing, the Debtors shall file with the Bankruptcy Court, seek approval of in the Confirmation Order and serve on parties in interest, the Restructuring Dilution Process, which, as discuss above, shall include, in addition to the process to accomplish the Restructuring Dilution and the other Dominican Restructuring Objectives, a detailed discussion of the process by which the Debtors intend to implement the TCN Debt Restructuring. Accordingly, the following description is subject to change.

Because the Plan provides for substantive consolidation for Plan purposes only and the identical treatment of holders of Unsecured Financial Claims against any of the Debtors, the Dominican Unsecured Financial Claims to be exchanged with Tricom in the Restructuring Dilution include Claims against both Tricom and TCN. In order to cancel the portion of the

Dominican Unsecured Financial Claims relating to TCN⁴⁶ (non-cash consideration) (collectively, the “TCN Debt Restructuring”). Implementation of the TCN Debt Restructuring will require certain corporate actions, including, but not limited to, one or more shareholders’ meetings to approve an appropriate capital increase by TCN and the issuance of new TCN stock for non-cash consideration to Tricom. These corporate actions will be subject, as applicable, to the same requirements/processes set forth above relating to the Capital Increase by Tricom and the issuance of shares of Tricom Stock representing such Capital Increase to Holding Company.

Pursuant to this Plan and Confirmation Order, as soon as practicable after the entering of the Confirmation Order and prior to the Effective Date, and in order to accomplish the TCN Debt Restructuring, the then existing members of TCN’s board of directors shall call one or more shareholders’ meetings to (i) implement the appropriate capital increase⁴⁷ and (ii) because there will be no cash payment in consideration for the issuance of the new TCN stock to Tricom (such stock will be issued in exchange for the portion of the Dominican Unsecured Financial Claims relating to TCN), approve the issuance of such stock to Tricom. To be approved, this Capital Increase will require amending TCN’s by laws through the affirmative vote of two-thirds of the outstanding shares of TCN entitled to vote at the meeting.

Pursuant to the Dominican Tax Code, the Capital Increase associated with the TCN Debt Restructuring will have a tax impact of 1% of the amount of the increase, which, in this example, will equal RD\$3.2 million, or approximately US\$93,500.

6. Unsecured Financial Claims Cap

Unless otherwise (i) consented to by each of the Ad Hoc Committee and the Affiliated Creditors in writing, (ii) pursuant to a Final Order entered in connection with any proceeding seeking an adjudication of the Bancredito Panama Disputed Claim, or the Bancredit Cayman Disputed Claim, or (iii) necessary to comply with a final judgment issued by a court of competent jurisdiction in connection with any litigation seeking adjudication and/or disposition of the Bancredito Panama Disputed Claim, or the Bancredit Cayman Disputed Claim, under no circumstances will the aggregate amount of all Allowed Unsecured Financial Claims exceed \$738,500,000 (the “Unsecured Financial Claims Cap”), inclusive of not more than \$101,500,000 in the aggregate on account of the Banco Leon Allowed Claim and any settlement of the Bancredito Panama Disputed Claim, or the Bancredit Cayman Disputed Claim (the “Settlement Claims Cap”). Notwithstanding the foregoing, on and prior to the Effective Date, the Banco Leon Allowed Claim shall be increased to account for any increase in the Settlement Claims Cap on account of any binding settlement reached with Bancredit Cayman with respect to the Bancredit Cayman Disputed Claim or Bancredito Panama with respect to the Bancredito Panama

⁴⁶ The current Dominican Unsecured Financial Claims relating to TCN, as used in the examples herein, is equal to US\$9.4 million, which forms part of the total US\$11.5 million that, in this example, constitutes the Dominican Unsecured Financial Claims.

⁴⁷ Currently, TCN has an authorized capital of RD\$433,000,000 divided into 4,330,000 shares with a par value of RD\$100.00 each. There are 4,328,600 shares currently issued and outstanding and 1,400 unissued shares. TCN’s authorized capital would need to be increased from the current RD\$433,000,000 to, in this example, RD\$760,000,000, a capital increase of RD\$327,000,000 (TCN will be required to issue 3,270,000 new shares of RD\$100.00 each to Tricom in order to cancel the portion of Dominican Unsecured Financial Claims relating to TCN).

Disputed Claim, in each case on or prior to the Effective Date, in an amount sufficient to maintain a Banco Leon Claim Percentage of 41.9%. Subsequent to the Effective Date, the Banco Leon Allowed Claim shall be adjusted upwards (the “Adjusted Banco Leon Allowed Claim”) to account for any increase in the Settlement Claims Cap on account of any binding settlement reached with Bancredit Cayman with respect to the Bancredit Cayman Disputed Claim or Bancredito Panama with respect to the Bancredito Panama Disputed Claim, in each case subsequent to the Effective Date, in an amount sufficient to maintain a Banco Leon Claim Percentage of 41.9%. Banco Leon shall only be entitled to its Pro Rata Share of any Distribution made from any Surplus Distribution on account of the Adjusted Banco Leon Allowed Claim.

7. The Credit Suisse New Secured Debt

On or before the Effective Date, Tricom and Credit Suisse and all other relevant parties shall execute and deliver the Credit Suisse New Secured Debt Documents. Unless necessary to preserve Credit Suisse’s existing rights and priorities with respect to the Credit Suisse Existing Collateral upon execution and delivery of the Credit Suisse New Secured Debt Documents and perfection of the liens on the Credit Suisse Existing Collateral to be created pursuant to the Credit Suisse New Secured Debt Documents, the Credit Suisse Existing Secured Loan Documents shall be deemed terminated and/or cancelled. Credit Suisse, Tricom and all other relevant parties to the Credit Suisse Existing Secured Loan Documents shall be authorized and required to take all such actions and execute and deliver all such documents as shall be necessary or appropriate to implement or effectuate the termination and/or cancellation of the Credit Suisse Existing Secured Loan Documents.

8. Causes of Action

Except as otherwise provided in the Plan, all Causes of Action assertable by any of the Debtors, including, but not limited to, Avoidance Actions, shall, upon the occurrence of the Effective Date, be retained by, and be vested in, the Debtors, in accordance with the Plan. Except as otherwise provided in the Plan, the Debtors’ rights to commence such Causes of Action (including Avoidance Actions) shall be preserved notwithstanding consummation of the Plan. **Parties in interest, including, without limitation, creditors, may not rely on the absence of a specific reference in the Plan or this Disclosure Statement to any Cause of Action against them as any indication that the Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Debtors’ Estates expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise provided in the Plan.**

9. Sources of Cash for Plan Distributions/Exit Financing

All Cash necessary for Holding Company or the applicable Debtor and/or Reorganized Debtor to make payments and Plan Distributions pursuant to the Plan shall be obtained from a combination of the Debtors’ existing Cash balances and the Exit Financing. A non-binding Exit Financing facility term sheet setting forth proposed terms for the Exit Financing is annexed as Exhibit B to the Plan. The Exit Financing Facility term sheet provides for a term loan to be made to Tricom in an amount up to \$7 million, with such loan to be secured by the Banco del Progreso Collateral. Among other provisions, the non-binding term sheet calls

for a two year term, an interest rate of 12%, and for the principal to be paid at maturity. The prior written consent of counsel to the Ad Hoc Committee will be required for the Reorganized Debtors to consummate any Exit Financing, which consent may not be unreasonably withheld. The Debtors are continuing their negotiations with the proposed Exit Financing Facility lender, Amzak Capital Management, LLC (or an affiliate thereof) and the terms set forth in the term sheet annexed to the Plan are subject to change.

10. Banco Leon Settlement

The Plan incorporates a compromise and settlement of the Banco Leon Filed Claims in accordance with Rule 9019 of the Bankruptcy Rules and section 1123(b)(3) of the Bankruptcy Code, pursuant to which, among other things, (i) the Banco Leon Filed Claims in the approximate amount of \$166 million are being allowed in the amount of \$42.5 million and treated as an Allowed Unsecured Financial Claim, subject to upward adjustment as provided for in Section 7.10 of the Plan; (ii) each of the Debtors, the members of the Ad Hoc Committee, the Affiliated Creditors, GFN Parties and Banco Leon have mutually agreed to furnish the releases set forth in Section 7.24(2) of the Plan; and (iii) each of the Debtors, the Affiliated Creditors, the members of the Ad Hoc Committee and the GFN Parties, and Banco Leon have agreed to make certain modifications to the Original Plan which are reflected in the Plan.

In addition, each of the Debtors, the Affiliated Creditors, the members of the Ad Hoc Committee, and the GFN Parties have agreed that neither such parties nor their successors or assigns, shall file, give or obtain, nor assist or cause any other Person in filing, giving or obtaining, any Payment Opposition, embargo, injunction, similar notice or order to prevent (i) Holding Company's issuance of and delivery to Banco Leon of its distribution of Holding Company Class A Stock provided for hereunder on account of the Banco Leon Allowed Claim or (ii) Banco Leon's receipt of such Holding Company Class A Stock.

The delivery to Banco Leon of its distribution of Holding Company Class A Stock provided for in the Plan, subject to any reserve applicable to all holders of Unsecured Financial Claims, shall be a condition to the effectiveness of the Banco Leon Settlement and the occurrence of the Effective Date; provided, however, that, if such delivery would contravene any Payment Opposition, embargo, injunction or similar notice or order filed, given and or obtained by any Person other than Debtors, the Affiliated Creditors, the members of the Ad Hoc Committee, and the GFN Parties or any of such parties successors and assigns (provided that none of the foregoing assisted or caused the filing of the same by such Person), the Banco Leon Settlement Delivery Condition shall be deemed satisfied.

Each of the Affiliated Creditors, the members of the Ad Hoc Committee, and Banco Leon have agreed not to transfer or participate in all or any portion of any of their respective Claims against the Debtors unless the proposed transferee or participant previously agrees in writing to all terms and conditions of the Plan and the other Plan Documents, and to vote, or cause to be voted in the case of a participation, the Claims transferred or participated in support of the Plan.

Each of the Affiliated Creditors, the members of the Ad Hoc Committee, and Banco Leon have agreed to vote all of their Allowed Unsecured Financial Claims to accept the Plan.

The Banco Leon Settlement includes such other terms and conditions as are set forth in Exhibit D to the Plan.

The Banco Leon Settlement is subject to the occurrence of the Effective Date. In the event that the Effective Date does not occur, the settlement, release, exculpations and injunctions provided for under or with respect the Plan, the Banco Leon Settlement or any related order shall have no effect and, accordingly, the rights and Claims of Banco Leon shall be reinstated in the full amount asserted in the Banco Leon Filed Claims, subject to the right of each of Ad Hoc Committee, the Affiliated Creditors, the GFN Affiliates, the Debtors and any other party in interest, to object to such Claims to the same extent that they would have had the Banco Leon Settlement not been consummated under the Plan.

G. Provisions Governing Distributions

1. Dates of Distributions

Unless otherwise provided in the Plan, each Plan Distribution will be made on the relevant Distribution Date therefor and will be deemed to have been timely made if made on such date or within thirty (30) days thereafter.

2. Plan Distributions by Holding Company or Reorganized Debtors

Holding Company or the applicable Reorganized Debtors will make all Plan Distributions in accordance with the provisions of the Plan or as soon thereafter as possible. Whenever any Plan Distribution will be due on a day other than a Business Day, such Plan Distribution will instead be made, without interest, on the immediately succeeding Business Day but will be deemed to have been made on the date due. For federal income tax purposes, a Plan Distribution will be allocated to the principal amount of a Claim first and then, to the extent the Plan Distribution exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest.

3. Record Date for Distribution

At the close of business on the Distribution Record Date, there will be no further changes in the record holders of the Credit Suisse Existing Secured Claims or the Unsecured Financial Claims. The Reorganized Debtors and Holding Company will have no obligation to recognize any transfer of any Credit Suisse Existing Secured Claims or Unsecured Financial Claims occurring after the Distribution Record Date and will be entitled instead to recognize and deal for all purposes hereunder with only those record holders as of the close of business on the Distribution Record Date.

4. Timing of Plan Distributions

Each Plan Distribution shall be made on the relevant Distribution Date therefor and shall be deemed to have been timely made if made on such date or within thirty (30) days thereafter; provided, however, that no Plan Distribution shall be made on account of any Payment Opposition Claim until the corresponding Payment Opposition to which such Payment Opposition Claim is subject is lifted or otherwise resolved by a court of competent jurisdiction.

5. Address for Delivery of Plan Distributions

Subject to Bankruptcy Rule 9010, any Plan Distribution or delivery to a holder of an Allowed Claim shall be made at the address of such holder as set forth in the Schedules, or if different from the address included on the Schedules: (a) on any proof of Claim filed by such holder; (b) in any notice of assignment filed with the Court with respect to such Claim pursuant to Bankruptcy Rule 3001(e); (c) in any notice served by such holder giving details of a change of address, (d) on any Ballot submitted in connection with the Plan; or (e) in the case of the holders of 11 3/8% Senior Notes, to The Bank of New York, as indenture trustee under the 11 3/8% Senior Notes Indenture, for distribution to the holders of the 11 3/8% Senior Notes.

If any holder's Plan Distribution or payment is returned to Holding Company or the applicable Reorganized Debtor as undeliverable, no Plan Distributions or payments to such holder will be made to such holder unless Holding Company or the applicable Reorganized Debtor is notified of such holder's then current address within three months after such Plan Distribution was returned. After such date, if such notice was not provided, a holder will have forfeited its right to such Plan Distribution, and the undeliverable Plan Distributions will revert to the applicable Reorganized Debtor.

6. Time Bar to Cash Payments

Checks issued in respect of Allowed Claims will be null and void if not negotiated within one hundred and eighty (180) days after the date of issuance thereof. Requests for reissuance of any voided check must be made directly to Holding Company or the applicable Debtor by the holder of the Allowed Claim with respect to which such check originally was issued. Any request in respect of such a voided check must be made on or before the later of (a) the first anniversary of the date on which such Plan Distribution or payment was made and (b) one hundred and eighty (180) days after the date of the issuance of such check. If no request is made as provided in the preceding sentence, all Claims in respect of voided checks will be discharged and forever barred and such unclaimed Plan Distributions will revert to the Debtors.

7. Manner of Payment Under Plan

Unless the Person receiving a Plan Distribution agrees otherwise, any Plan Distribution to be made in Cash under the Plan will be made, at the election of Holding Company, the applicable Debtor or Reorganized Debtor, by check drawn on a U.S. domestic bank or by wire transfer from a domestic bank. Notwithstanding the definition of "Cash" in the Plan, cash payments to foreign creditors may be made, at the option of the Debtors, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

8. Expenses Incurred on or After the Effective Date and Claims of Holding Company or the Debtors

Except as otherwise ordered by the Bankruptcy Court or as provided in the Plan, the amount of any reasonable fees and expenses incurred (or to be incurred) by Holding Company or the applicable Debtor or Reorganized Debtor on or after the Effective Date (including, but not limited to, taxes) shall be paid when due. Professional fees and expenses incurred by Holding Company or the applicable Debtor or Reorganized Debtor from and after the Effective Date in connection with the effectuation of the Plan shall be paid in the ordinary course of business. Any dispute regarding compensation shall be resolved by agreement of the parties or if the parties are unable to agree, as determined by the Bankruptcy Court.

9. Fractional Plan Distributions

Notwithstanding anything to the contrary contained in the Plan, unless otherwise agreed to by the Debtors or Reorganized Debtors: (i) no Cash payments of fractions of cents will be made; fractional cents shall be rounded to the nearest whole cent (with any amount equal to or less than 0.5 cents to be rounded down); and (ii) fractional shares of Holding Company Stock shall be rounded down to the next lower whole number of shares.

10. Allocation of Plan Distributions Between Principal and Interest

Under the Plan, distributions in respect of Credit Suisse Existing Secured Claims and Unsecured Financial Claims will be allocated first to the principal amount of such Allowed Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of such Allowed Claims, to any portion of such Allowed Claims for accrued but unpaid interest. *See* Section XI.E.3, “Certain U.S. Federal Income Tax Consequences of the Plan Of Reorganization—Consequences to U.S. Holders of Credit Suisse Existing Secured Claims and Unsecured Financial Claims—Distributions in Discharge of Accrued but Unpaid Interest.”

11. Surrender of Instruments

Except as otherwise provided in Section 8.4 of the Plan with respect to the 11 3/8% Senior Notes, as a condition to receiving any Plan Distribution, on or before the Distribution Date, each holder of Claims must surrender all certificates or instruments representing such Claims to Holding Company, the applicable Debtor or applicable Reorganized Debtor, as the case may be, with respect to such debt, and must execute and deliver such other documents as may be necessary to effectuate the Plan. No Plan Distribution will be made to or on behalf of any holder of such Claims unless and until such certificate or instruments are surrendered to Holding Company, the applicable Debtor, or applicable Reorganized Debtor, as the case may be, or unless any relevant holder provides to Holding Company, the applicable Debtor, or applicable Reorganized Debtor, as the case may be, an affidavit of loss or such other documents as may be required by Holding Company, the applicable Debtor, or applicable Reorganized Debtor, as the case may be, together with an appropriate indemnity in the customary form.

Holders of, or any other party in possession of, Tricom Stock will surrender all certificates or instruments representing the Cancelled Shares immediately when the decision to cancel such shares is made by Tricom's shareholders as part of the Restructuring Dilution Transactions. Holders of, or any other party in possession of Existing Tricom Equity Interests that have not been cancelled or reduced by the Restructuring Dilution Transactions, shall, following completion of the Restructuring Dilution Transactions, surrender all certificates or instruments representing such Equity Interests. Upon the Effective Date, to the extent any holders (other than the Debtors) of, or any other party otherwise in possession (other than the Debtors) of, Equity Interests have not surrendered their respective certificates or instruments representing such Equity Interests, the Confirmation Order will constitute an injunction directing such holders to surrender such certificates or instruments.

Any holder of a Claim or Equity Interest who fails to surrender such certificate or interest or otherwise fails to deliver an affidavit of loss and indemnity in accordance with Section 8.9 of the Plan, prior to the second anniversary of the Effective Date, will be deemed to have forfeited its rights, Claims and Equity Interests. All property in respect of such forfeited Claims and Equity Interests will revert to the Reorganized Debtors.

12. Setoff Rights

In the event that any Debtor has a Claim of any nature whatsoever against the holder of a Claim against such Debtor, then such Debtor may, but is not required to, set off against such Claim (and any payments or other Plan Distributions to be made in respect of such Claim hereunder) such Debtor's Claim against such holder, subject to the provisions of section 553 of the Bankruptcy Code, with the exception that the Debtors will not have any such setoff rights against the Banco Leon Allowed Claims. Neither the failure to set off nor the allowance of any Claim under the Plan will constitute a waiver or release of any Claims that any Debtor may have against the holder of any Claim.

13. Distributions After Effective Date

Plan Distributions made after the Effective Date to holders of Contested Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims will be deemed to have been made on the Effective Date.

14. Procedures for Treating Contested Claims Under Plan

a. Claim Objections Deadline

Except as provided in Section 9.7 of the Plan, any objections to Claims, other than Administrative Claims, will be served upon the holders of each Claim and filed as soon as practicable on or before the latest of (a) one hundred eighty (180) days after the Effective Date, or (b) such date as may be fixed by the Bankruptcy Court. Notwithstanding the foregoing, the Debtors and Reorganized Debtors reserve the right to object to Claims on the basis of classification and seek to reclassify any Claim until such time as a final decree is entered in the Chapter 11 Cases or as otherwise directed by the Bankruptcy Court.

b. Prosecution of Contested Claims

The Debtors may object to the Allowance of Claims filed with the Bankruptcy Court with respect to which liability is disputed in whole or in part. All objections that are filed and prosecuted as provided herein shall be litigated to Final Order or compromised and settled in accordance with Section 9.3 of the Plan.

c. Claims Settlement Guidelines

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, and except as provided in Section 9.7 of the Plan, from and after the Effective Date, all Claims and Causes of Action (including Avoidance Actions) that Holding Company or the applicable Debtor or Reorganized Debtor asserts against other parties may be compromised and settled according to the following procedures:

A. Subject to Section 9.3(b) of the Plan, the settlement or compromise of (a) a Claim pursuant to which such Claim is Allowed in an amount of \$100,000 or less; and (b) a Claim where the difference between the amount of the Claim listed on the Debtors' Schedules and the amount of the Claim proposed to be Allowed under the settlement is \$100,000 or less, does not require the review or approval of the Bankruptcy Court or any other party in interest.

B. Any settlement or compromise (a) not described in subsection 9.3(a) of the Plan and (b) of a claim or claims asserted by Holding Company or applicable Debtor that involves an "insider," as defined in section 101(31) of the Bankruptcy Code, shall be submitted to the Bankruptcy Court for approval.

d. No Plan Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payment or Plan Distribution shall be made with respect to any Claim to the extent it is a Contested Claim, unless and until such Contested Claim becomes an Allowed Claim, subject to the Debtors' setoff rights as provided in Section 14.16 of the Plan.

e. Plan Distributions After Allowance

Payments and Plan Distributions to each holder of a Contested Claim, to the extent that such Claim ultimately becomes Allowed, shall be made in accordance with the provision of the Plan governing the class of Claims to which the respective holder belongs. Plan Distributions made after the Effective Date to holders of Contested Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims will be deemed to have been made on the Effective Date.

f. Estimation of Claims

Holding Company, the applicable Debtor or applicable Reorganized Debtor, as the case may be, may, at any time, request that the Bankruptcy Court estimate any Contested Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether Holding Company, or the applicable Debtor or Reorganized Debtor has previously objected to such Claim

or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Contested Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, Holding Company, the applicable Debtor or Reorganized Debtor, as the case may be, may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

g. Class 6 Unsecured Financial Claims

Voting and Other Rights of Holders of Unsecured Financial Claims

Pursuant to Bankruptcy Rule 3018, no Disputed Unsecured Financial Claims will be counted for voting purposes unless an order of the Bankruptcy Court is entered after notice and a hearing temporarily allowing such Disputed Unsecured Financial Claims for voting purposes under Bankruptcy Rule 3018. Such disallowance for voting purposes is without prejudice to the claimant's right to seek to have its Disputed Unsecured Financial Claims allowed for purposes of distributions under the Plan, subject to the provisions of Section 9.7(e) of the Plan.

No Distributions Pending Allowance

No payments or distributions will be made with respect to all or any portion of a Disputed Unsecured Financial Claim unless and until the Disputed Unsecured Financial Claim has become an Allowed Claim subject to the provisions and limitations of Section 9.7 of the Plan.

Treatment of Unsecured Financial Claims

The Bancredit Cayman Disputed Claim and the Bancredito Panama Disputed Claim shall be classified and, to the extent Allowed, treated as Unsecured Financial Claims.

Establishment and Maintenance of Reserve for Unsecured Financial Claims

The Reorganized Debtors shall establish a reserve (the "Unsecured Financial Claims Reserve") consisting of shares of Holding Company Stock to which holders of Disputed Unsecured Financial Claims would be entitled to on account of their filed claims, as if such Disputed Unsecured Financial Claims were Allowed Claims, but subject to the limitations set forth in Section 9.7(d) of the Plan. The Plan provides that the Disputed Claims Reserve will be determined by reserving Holding Company Stock assuming a maximum aggregate Allowed amount for the Bancredito Panama Disputed Claim and the Bancredit Cayman Disputed Claim, as follows:

- \$92 million – \$70 million in principal and \$22 million in interest included in the Bancredito Panama Disputed Claim and the Bancredit Cayman Disputed Claim and on account of which the Debtors shall establish only one reserved amount;⁴⁸ and
- \$62 million – the remainder of the Bancredit Cayman Disputed Claim.

Total Value of Unsecured Financial Claims Reserve = \$154 Million

The Debtor may, but shall not be required to, at any time prior to the Confirmation Hearing and regardless of whether an objection to the Disputed Unsecured Financial Claim has been brought, request that the Bankruptcy Court estimate, set, fix or liquidate the amount of any Disputed Unsecured Financial Claim. In lieu of estimating, fixing, or liquidating the amount of any Disputed Unsecured Financial Claim (singularly or in the aggregate), the amount may also be fixed by an agreement in writing by and between the Debtors, counsel to the Ad Hoc Committee and the holder of such Disputed Unsecured Financial Claim.

Procedures for Allowance of the Bancredito Panama Filed Claims and the Bancredit Cayman Filed Claim

The Debtors and/or Reorganized Debtors shall commence proceedings in a court of Appropriate Jurisdiction (defined below), other than the Bankruptcy Court, to adjudicate the Bancredito Panama Disputed Claim and the Bancredit Cayman Disputed Claim (collectively, the “Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings”). Except as otherwise provided in Section 9.7(e) of the Plan, the Bankruptcy Court shall not retain jurisdiction over the Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings. The Confirmation Order shall expressly provide that the Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings shall be directed to a tribunal or tribunals with appropriate jurisdiction outside of the United States, including, but not limited to, the courts of the Dominican Republic, the Cayman Islands and/or the Republic of Panama (each, an “Appropriate Jurisdiction”).

Following a ruling by a court of an Appropriate Jurisdiction in a Bancredito Panama and Bancredit Cayman Disputed Claims Proceeding (as applicable) that is not or is no longer subject to appeal, and pursuant to which such court has ruled the holder of a Bancredito Panama Disputed Claim or Bancredit Cayman Disputed Claim is entitled to a net affirmative recovery from the Debtors as a result of such ruling (an “Adjudicated Class 6 Disputed Claim”), such holder must have such Adjudicated Class 6 Disputed Claim deemed Allowed by the Bankruptcy Court in order for such Adjudicated Class 6 Disputed Claim to become an Allowed Claim. To have an Adjudicated Class 6 Disputed Claim deemed Allowed by the Bankruptcy Court, the holder of the Adjudicated Class 6 Disputed Claim must request formal allowance of the Adjudicated Class 6 Disputed Claim by filing a request for allowance, or similar request for

⁴⁸ Both Bancredit Cayman and Bancredito Panama claimed interest on the \$70 million, in the amounts of \$22,000,339 and \$16,525,274, respectively. For purposes of establishing the Unsecured Financial Claims Reserve, the Debtors have reserved for only one interest claim in the higher amount of \$22,000,339, as set forth in the Bancredito Panama Filed Claims.

relief, with the Bankruptcy Court on notice to the Debtor, the Ad Hoc Committee, Affiliated Creditors and Office of the United States Trustee. The Bankruptcy Court shall retain jurisdiction to determine whether an Adjudicated Class 6 Disputed Claim is an Allowed Claim.

The holder of an Adjudicated Class 6 Disputed Claim that becomes an Allowed Claim subsequent to the Effective Date shall receive Distributions from the Unsecured Financial Claims Reserve, in an amount deemed Allowed by the Bankruptcy Court, as soon as practical following the date on which such Claim becomes an Allowed Claim.

Surplus Distribution

To the extent that any Disputed Unsecured Financial Claim is not Allowed or becomes an Allowed Claim in an amount less than the amount of such Disputed Unsecured Financial Claim, any excess Holding Company Stock in the Unsecured Financial Claims Reserve attributable to such Unsecured Financial Claim over the amount of Holding Company Stock actually distributed on account of such Disputed Unsecured Financial Claim, shall constitute a surplus distribution ("Surplus Distribution"). Subject to the Distributions to be made to Banco Leon pursuant to Sections 7.10 and 7.22 of the Plan on account of the Adjusted Banco Leon Allowed Claim, the holders of Allowed Unsecured Financial Claims shall receive their Pro Rata Share of the Surplus Distributions attributable to such holders' Unsecured Financial Claims as soon as practicable after such Surplus Distribution is determined; provided, however, that Holding Company and/or the Reorganized Debtors shall not be under any obligation to make Surplus Distributions unless the aggregate market value of the Surplus Distributions (which value shall be determined based on the value on the Effective Date) exceeds \$50,000; provided, further, that, if the final Surplus Distribution for Class 6 Allowed Claims is less than \$25,000 in aggregate market value, such Surplus Distributions shall revert in Holding Company.

H. Provisions Governing Executory Contracts and Unexpired Leases

1. Assumed Executory Contracts and Unexpired Leases

The Plan provides that pursuant to section 365 of the Bankruptcy Code, any executory contracts or unexpired leases of the Debtors which have not been previously assumed or rejected or are not subject to a motion to reject on or before the Effective Date shall be deemed to be assumed by the Debtors on the Effective Date; provided, however, that the Plan Support and Lock-Up Agreement shall be deemed to be assumed as of the Confirmation Date. Prior to the Effective Date, the Debtors shall continue to fully perform under and comply with all terms and provisions of all executory contracts and unexpired leases which (i) have not been rejected or (ii) are not the subject of a motion to reject such executory contract or unexpired lease.

Except as otherwise provided in the Plan, or in any contract, instrument, lease, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each Debtor will be deemed to have assumed each executory contract and unexpired lease to which it is a party, unless such contract or lease (i) was previously assumed or rejected by a Debtor, (ii) previously expired or terminated pursuant to its own terms or (iii) is the subject of a motion to reject filed on or before the Confirmation Date. The Confirmation Order

will constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the contract and lease assumptions or rejections described above, as of the Effective Date.

Each executory contract and unexpired lease that is assumed and relates to the use, ability to acquire or occupancy of real property will include (a) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such executory contract or unexpired lease and (b) all executory contracts or unexpired leases appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real estate or rights *in rem* related to such premises, unless any of the foregoing agreements have been rejected pursuant to an order of the Bankruptcy Court.

As set forth above in Section II.K above, the Debtors have previously assumed substantially all of their unexpired leases of non-residential real property.

2. Payments Related to Assumption of Executory Contracts and Unexpired Leases

Except as otherwise provided in this sentence, all cure payments which may be required by section 365(b)(1) of the Bankruptcy Code under any executory contract or unexpired lease which is assumed under the Plan will be made by the Debtors on the Effective Date or as soon as practicable thereafter. If there is a dispute regarding (i) the nature or amount of any cure, (ii) the ability of the Debtors or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (iii) any other matter pertaining to assumption, cure will occur following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be.

3. Rejection of Executory Contracts and Unexpired Leases

The Plan provides that except for the rejection of any contract, instrument, lease, release, indenture or other agreement or document underlying Claims in Classes 3, 6, and 8 or the Equity Interests in Class 9, for which any Claims arising from such rejection will be satisfied by the treatment afforded such Claims and interests under the Plan, none of the executory contracts and unexpired leases to which a Debtor is a party will be rejected hereunder. The Debtors, however, reserve the right, at any time prior to the Confirmation Date, to seek, through separate motion or in connection with the Plan, to reject any executory contract or unexpired lease to which a Debtor is a party.

4. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Claims arising from the rejection of executory contracts or unexpired leases or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed with the Bankruptcy Court and served on the Debtors (a) in the case of an executory contract or unexpired lease rejected by the Debtors prior to the Confirmation Date, or

(b) in the case of an executory contract or unexpired lease that (i) was terminated or expired by its terms prior to the Confirmation Date, or (ii) is rejected pursuant to Section 12.3 of the Plan, except to the extent such claims are satisfied by treatment under the Plan as set forth in Section 12.3 of the Plan, no later than thirty (30) days after the Confirmation Date. **Any such Claims for which a Proof of Claim is not filed and served within such time will be forever barred from assertion and will not be enforceable against the Debtors, their estates, assets, properties, or interests in property, or against the property of a third party that receives payment of such Claim.** Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided in the Plan will be treated as General Unsecured Claims under the Plan subject to objection by the Debtors.

I. Conditions Precedent to Confirmation

Pursuant to Section 10.1 of the Plan, the following are conditions precedent to confirmation of the Plan:

(d) the Clerk of the Bankruptcy Court shall have entered an order (i) approving this Disclosure Statement as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code; (ii) approving the solicitation of votes with respect to the Plan and determining that all such votes are binding and have been properly tabulated with acceptances or rejection of the Plan; (iii) confirming the Plan and determining that all applicable tests, standards, and burdens in connection therewith have been duly satisfied and met by the Debtors and the Plan; (iv) approving the Plan Documents; and (v) authorizing the Debtors to execute, enter into and deliver the Plan Documents and to execute, implement and to take all actions otherwise necessary or appropriate to give effect to, the transactions contemplated by the Plan and the Plan Documents.

(e) the Confirmation Order, the Plan Documents, and the Plan shall be, in form and substance, acceptable to the Debtors, Ad Hoc Committee, and Affiliated Creditors, and reasonably acceptable to Banco Leon with respect to those terms affecting the Banco Leon Settlement.

J. Conditions Precedent to Effective Date of the Plan

Pursuant to Section 10.2 of the Plan, the occurrence of the Effective Date of the Plan is subject to satisfaction of the following conditions precedent:

- (i) the Confirmation Order will have been entered by the Clerk of the Bankruptcy Court, be in full force and effect, not be subject to any stay or injunction;
- (ii) the Confirmation Order shall have become a Final Order;
- (iii) the Indotel Approval has been granted;
- (iv) Holding Company has been capitalized in accordance with Section 7.7 of the Plan;

- (v) Holding Company has obtained ownership of [81%] or more of Tricom Stock;
- (vi) all of the Transaction Documents have been executed, issued and/or delivered, as applicable, as set forth in the Plan, by all of the relevant parties thereto;
- (vii) Holding Company has consummated Exit Financing subject to the terms of Section 7.21 of the Plan;
- (viii) the Banco Leon Settlement Release Condition shall have been satisfied; and
- (ix) the GFN Parties shall have executed and delivered to counsel to the Debtors, the GFN Parties' Consent.

1. Waiver of Conditions Precedent

The Debtors, with the consent of the Ad Hoc Committee and Affiliated Creditors, may waive any one or more of the conditions set forth in Section 10.1 of the Plan (other than the condition in Section 10.1(a) or 10.2 of the Plan (other than the condition in Section 10.2 (a) of the Plan) in a writing executed by each of them without notice or order of the Bankruptcy Court and without notice to any parties in interest, provided that, the waiver of the conditions set forth in Section 10.1(h) and (i) of the Plan shall also require the consent of Banco Leon.

2. Effect of Non-Occurrence of the Effective Date

If the Effective Date does not occur, notwithstanding Section 10.3 of the Plan, the Plan shall be null and void and nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims against or Equity Interests in a Debtor; (b) prejudice in any manner the rights of the Debtors, including, without limitation, the right to seek a further extension of the exclusive periods under section 1121(d) of the Bankruptcy Code; or (c) constitute an admission, acknowledgement, offer or undertaking by the Debtors, the Ad Hoc Committee, the Affiliated Creditors, the GFN Affiliates and/or Banco Leon.

K. Effect of Confirmation

1. Re-Vesting of Assets

Upon the occurrence of the Effective Date, title to all of the Assets of the Debtors shall vest in the Reorganized Debtors free and clear of all liens, Claims, Causes of Action, interests, security interests and other encumbrances, except as expressly provided in the Plan. Except as otherwise provided in the Plan and the Plan Documents, the Reorganized Debtors may operate their business and may use, acquire and dispose of their Assets free of any restrictions of the Bankruptcy Code on and after the occurrence of the Effective Date.

2. Binding Effect

The Plan will be binding upon and inure to the benefit of the Debtors, the holders of all Claims and Equity Interests, and their respective successors and assigns. To the extent any provision of any disclosure statement delivered pursuant to section 1125 of the Bankruptcy Code or any other solicitation document may be inconsistent with the terms of the Plan, the terms of the Plan will be binding and conclusive.

3. Discharge of the Debtors

Except to the extent otherwise provided in the Plan, the treatment of all Claims against, or Equity Interests in, the Debtors under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims against or Equity Interests in the Debtors of any nature whatsoever, known or unknown, including, without limitation, any interest accrued or expenses incurred thereon from and after the Petition Date, or against their Estates or properties or interests in property. Except as otherwise provided in the Plan, upon the Effective Date, all Claims against, and Equity Interests in, the Debtors will be satisfied, discharged and released in full exchange for the consideration provided under the Plan. Except as otherwise provided in the Plan, all entities will be precluded from asserting against the Debtors or the Reorganized Debtors or their respective properties or interests in property, any other Claims based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

4. Term of Injunctions or Stays

On the Effective Date and except as otherwise provided in the Plan, including, without limitation, Section 7.24 of the Plan, all Persons who have been, are, or may be holders of Claims against or Equity Interests in the Debtors shall be permanently enjoined from taking any of the following actions against or affecting the Debtors, the Estates, the Assets, or Holding Company, the applicable Debtor, or Reorganized Debtor or any of their respective directors, officers, employees, agents, members, shareholders and professionals, successors and assigns or their respective assets and property with respect to such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under the Plan):

(f) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, all suits, actions, and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice);

(g) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order;

(h) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance; and

(i) asserting any setoff, right of subrogation or recoupment of any kind; provided that any defenses, offsets or counterclaims which the Debtors may have or assert in

respect of the above-referenced Claims are fully preserved in accordance with Section 14.16 of the Plan.

Unless otherwise provided, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the Effective Date.

5. Indemnification Obligations

Subject to the occurrence of the Effective Date, the obligations of the Debtors as of the Petition Date to indemnify, defend, reimburse or limit the liability of directors or officers who were directors or officers of the Debtors, on or after the Petition Date, respectively, against any claims or causes of action as provided in the Debtors' certificates of incorporation, bylaws or applicable state law, will survive confirmation of the Plan, remain unaffected thereby and not be discharged, irrespective of whether such indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before or after the Petition Date.

6. Limited Releases

a. Releases by the Debtors

Except as expressly provided below as of the Effective Date, for good and valuable consideration, each of the Debtors in their individual capacities and as Debtors in Possession, shall be presumed conclusively to have forever released, waived and discharged all Causes of Action, including all Causes of Action which give rise to any Avoidance Actions (other than the rights of the Debtors to enforce the Plan, the Plan Documents and any other contract, instrument, release, indenture and other agreements or documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors (including, for the avoidance of doubt, Avoidance Actions), the Chapter 11 Cases or the Plan and that could have been asserted by the Debtors against (i) their respective current and former directors, officers, employees (other than for money borrowed from or owed to the Debtors or their respective subsidiaries by any such directors, officers or employees as set forth in the Debtors' books and records), agents, members, shareholders and professionals, excluding KPMG International and its affiliates; (ii) the GFN Parties; (iii) the Ad Hoc Committee and each of its individual members; (iv) each of the signatories to the Plan Support and Lock-Up Agreement; (v) the Affiliated Creditors; (vi) the Motorola Affiliates; and (vii) with respect to each of the foregoing, their respective Affiliates, current and former directors, officers, employees, agents, members, shareholders, and professionals, including but not limited to, legal and financial advisors.

b. Releases by Holders of Claims and Equity Interests

General Releases. As of the Effective Date, for good and valuable consideration, each Consenting Releasing Party (other than Banco Leon) and the Motorola Affiliates shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-

Related Causes of Action against (i) the Debtors and the Debtor Affiliates; (ii) any of the Debtors' and the Debtor Affiliates' current and former directors, officers, employees, agents, members, shareholders and professionals, including, their legal and financial advisors, but excluding KPMG International and its Affiliates; (iii) the GFN Parties; (iv) the Affiliated Creditors; (v) the Ad Hoc Committee and each of its individual members, including successors and assigns of such members; (vi) each of the signatories to the Plan Support and Lock-Up Agreement, including successors and assigns of such signatories as a party to the Plan Support and Lock-Up Agreement; (vii) the Motorola Affiliates; and (viii) with respect to each of the foregoing, their respective Affiliates, current and former officers, directors, employees, agents, members, shareholders and professionals, including, their legal and financial advisors.

Banco Leon Releases. As of the Effective Date, for good and valuable consideration:

- (a) Banco Leon and its Affiliates shall be deemed and presumed conclusively to have forever released, waived and discharged (A) any Tricom-Related Causes of Action against the Debtors (in their individual capacities, as Debtors in Possession and/or as Reorganized Debtors) and the Debtor Affiliates, and (B) any Tricom-Related Causes of Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order) against (i) solely in their representative capacities as such, any of the Debtors' and Debtor Affiliates' current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors, but specifically excluding KPMG International and its Affiliates; (ii) the GFN Parties and, solely in their representative capacities as such, the GFN Parties' respective (x) current professionals, including legal and financial advisors, and (y) current and former officers and directors; (iii) the Affiliated Creditors and, solely in their representative capacities as such, their respective current professionals, including legal and financial advisors; (iv) the Ad Hoc Committee, each of the Ad Hoc Committee's individual members, each of such individual member's Affiliates and successors and assigns and, with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors; (v) each of the signatories to the Plan Support and Lock-Up Agreement (other than the Affiliated Creditors, the GFN Parties and Affiliates of any of the foregoing), including successors to and assigns of each of such signatories as a party to the Plan Support and Lock-Up Agreement, and with respect to each of the foregoing, their Affiliates and, in addition, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including their legal and financial advisors; and (vi) the Motorola Affiliates, the Affiliates to the Motorola Affiliates and, with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees,

agents, members, shareholders and professionals, including their legal and financial advisors.

- (b) The Debtors (in their individual capacities, as Debtors in Possession and/or Reorganized Debtors) and the Debtor Affiliates and their respective Estates shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action including any Cause of Action which would give rise to an Avoidance Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order) against Banco Leon and, solely in their representative capacities as such, any of Banco Leon's and its Affiliates' current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors.
- (c) (i) The GFN Parties and (ii) the Affiliated Creditors shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order of the Bankruptcy Court) against Banco Leon and, solely in their representative capacities as such, Banco Leon's current professionals, including legal and financial advisors.
- (d) (i) The Ad Hoc Committee, each of the Ad Hoc Committee's individual members and each of such member's Affiliates and successors and assigns and (ii) each of the signatories to the Plan Support & Lock-Up Agreement, including successors and assigns of such signatories as a party to the Plan Support & Lock-Up Agreement and the Affiliates of each of the foregoing, shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order) against Banco Leon and its Affiliates, and with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors.
- (e) The Motorola Affiliates and the Affiliates of the Motorola Affiliates shall be presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order) against Banco Leon and its Affiliates and, with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors.

- (f) Notwithstanding anything to the contrary contained in the Plan or in any Plan Document:
- (i) Banco Leon's and Banco Leon's Affiliates' release, waiver and discharge provided to the Persons listed in Sections 7.24.2(a)(iii) and (iv) of the Plan pursuant to the provisions thereof and such Persons' release, waiver and discharge of Banco Leon and its Affiliates pursuant to Plan Sections 7.24.2(c) and (d) of the Plan, shall only be effective to the extent such applicable Person, Banco Leon and/or Banco Leon's applicable Affiliate, as the case may be, is reciprocally bound by the releases provided by such Person, Banco Leon and/or Banco Leon's Affiliate pursuant to Plan Sections 7.24.2(a)(iii)-(iv) and 7.24(c)-(d), as applicable;
 - (ii) If notwithstanding the releases provided pursuant to Section 7.24(2) of the Plan, Banco Leon, any of Banco Leon's Affiliates or any of the other Persons providing releases pursuant to Section 7.24(2) of the Plan pursue a Tricom-Related Cause of Action against Banco Leon, any of Banco Leon's Affiliates and/or any other Person who is a beneficiary of any of the releases described in Section 7.24(2), as applicable, then without otherwise limiting or affecting the Claims or rights under the Plan of Banco Leon, Banco Leon's applicable Affiliate or such other Plan Section 7.24(2) release beneficiary, at the sole option and discretion of Banco Leon, Banco Leon's Affiliate and/or such other Plan Section 7.24(2) release beneficiary, as applicable, any such release or similar rights of the Person pursuing the Tricom-Related Cause of Action will be null and void and without affect; and
 - (iii) Nothing in Plan Section 7.24 shall constitute a release by Banco Leon of any of its current and former directors, officers, employees, agents, members, shareholders and professionals.
- (g) Notwithstanding anything in the Plan or in any Plan Document to the contrary, neither the Plan (including, Section 7.24 of the Plan) nor any Plan Document shall release any non-Debtors who are the beneficiaries of releases hereunder, including the GFN Parties, the Affiliated Creditors or Banco Leon, respectively, from the following (collectively, the "Banco Leon Carve-Out"):
- (i) any Tricom-Related Causes of Action to the extent such Tricom-Related Causes of Action may reduce any liability by or judgment against any non-Debtor Person, including by way of contribution, indemnification or reimbursement, as against one or more non-Debtor Persons, including the GFN Parties, the Affiliated Creditors or Banco Leon, respectively, in any litigation commenced against any one or more of them; provided, however, that the foregoing

shall not include any affirmative recovery beyond any such reduction of liability or judgment; and

(ii) the following matters:

(v) *Demanda en cobro de pesos y reparación de daños y perjuicios* filed in the Dominican Republic by German A. Polanco Guaba and others against Banco Leon, certain GFN Parties and other Persons: Case Number 035-2004-1610;

(w) *Demanda en declaratoria de grupo económico, solidaridad, rendición de documentos de inversión, ejecución de contrato y reparación de daños y perjuicios* filed in the Dominican Republic by Luisa Berges de Medina and others against Banco Leon, certain GFN Parties and other Persons: Case Number 026-03-06-0345;

(x) *Querella directa con constitución en parte civil* commenced in the Dominican Republic at the request of Adagerlina Rivera Torres against Banco Leon, certain GFN Parties and other Persons: Case Number 2004-0248-00110;

(y) *Bancredit Cayman Limited v. Regions Bank Corporation, f/k/a Union Planters Bank*, Case No. 06-11026 (SMB), Bankr. S.D.N.Y., Chapter 15, Adversary Case No. 07-1882 (RAM), United States Bankruptcy Court, Southern District of Florida, Miami Division; and

(z) *Bancredito (Panama) S.A. (in Compulsory Liquidation) v. Union Planters Bank, N.A. d/b/a Regions Financial Corporation*, Case No. 07-22738-CIV-KING, United States Bankruptcy Court, Southern District of Florida, Miami Division (dismissed without prejudice; included to the extent reinstated or re-commenced in whole or in part).

No Third Party Beneficiaries of Releases. Notwithstanding anything else to the contrary in the Plan or in any Plan Document, the releases described in Plan Section 7.24 (each, a “Section 7.24 Release”), shall inure only to the benefit of the Person to whom the relevant Section 7.24 Release (each a “Section 7.24 Releasee”) is given and there shall be no third-party beneficiaries of the Section 7.24 Releases. Additionally, the Section 7.24 Releases shall in no way restrict the rights of any Person, other than the Debtors or the Reorganized Debtors, who did not exchange mutual Section 7.24 Releases, from asserting and/or pursuing claims against each other. Where any Person has received, or receives, a Section 7.24 Release by virtue of being a successor to, or assignee of, a Person who is or was a beneficiary of a Section 7.24 Release (in either circumstance, including Persons described in the Plan as being a “successor” or “assignee,” each, a “Successor Releasee”), such Successor Releasee may only enforce the relevant Section 7.24 Release with respect to, and to the extent of, those Tricom-Related Causes of Action that the Person who originally gave the relevant Section 7.24 Release could have

asserted against the Person from whom such Successor Releasee obtained the relevant Section 7.24 Release.

Retention of Certain Claims. Notwithstanding anything else to the contrary in the Plan or any Plan Document, each Consenting Releasing Party that is a creditor of any of the Debtors and filed one or more Proofs of Claim against any of the Debtors shall retain any and all Claims related to the transactions and events set forth in such Proof(s) of Claim against any Person other than (x) the Debtors, their respective Estates and the Debtor Affiliates and (y) a Section 7.24 Releasee but only to the extent of the Section 7.24 Release given to any such Section 7.24 Releasee.

Bank of New York as Indenture Trustee Releases. As of the Effective Date, each Consenting Releasing Party shall release and forever discharge the Bank of New York in its capacity as indenture trustee under the 11 3/8% Senior Notes, and its shareholders, members, partners, associates and employees, principals, participating principals, managing or other agents, management personnel, advisors, officers, directors, administrators, attorneys, consultants, employees, accountants, servants, and representatives from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, demands, liabilities, rights to subrogation, rights to contribution, rights to indemnity and remedies of any nature whatsoever arising out of or in connection with the 11 3/8% Senior Notes, the 11 3/8% Senior Notes Indenture and The Bank of New York's acceptance and administration of its duties thereunder, including any and all transactions contemplated thereby (the "11 3/8% Senior Notes Released Claims"). As of the Effective Date, the Bank of New York in its capacity as indenture trustee under the 11 3/8% Senior Notes, and its shareholders, members, partners, associates and employees, principals, participating principals, managing or other agents, management personnel, advisors, officers, directors, administrators, attorneys, consultants, employees, accountants, servants, and representatives, shall be deemed and presumed conclusively to have granted a reciprocal release of the 11 3/8% Senior Notes Released Claims to (i) the Debtors and the Debtor Affiliates, (ii) any of the Debtors' and the Debtor Affiliates' current and former directors, officers, employees, agents, members, shareholders and professionals, including, their legal and financial advisors, but excluding KPMG International and its Affiliates.

L. Avoidance Actions and other Causes of Action

Except as otherwise provided in the Plan, all Causes of Action assertable by any of the Debtors, including, but not limited to, Avoidance Actions, will, upon the occurrence of the Effective Date, be retained by, and be vested in, the Debtors, in accordance with the Plan. Except as otherwise provided in the Plan, the Debtors' rights to commence such Causes of Action (including Avoidance Actions) will be preserved notwithstanding consummation of the Plan. **Parties in interest, including, without limitation, creditors, may not rely on the absence of a specific reference in the Plan or this Disclosure Statement to any Cause of Action against them as any indication that the Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Debtors' Estates expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise provided in the Plan.**

M. Retention of Jurisdiction

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Bankruptcy Court shall retain and shall have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases or the Plan, or (c) that relates to the following:

(i) to hear and determine any and all motions or applications pending on the Confirmation Date or thereafter brought in accordance with Article XII of the Plan for the assumption and/or assignment or rejection of executory contracts or unexpired leases to which any of the Debtors is a party or with respect to which any of the Debtors may be liable, and to hear and determine any and all Claims and any related disputes (including, without limitation, the exercise or enforcement of setoff or recoupment rights, or rights against any third party or the property of any third party resulting therefrom or from the expiration, termination or liquidation of any executory contract or unexpired lease);

(ii) to determine any and all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by Holding Company or the applicable Debtor, Debtors, Reorganized Debtors or Reorganized Debtors, as applicable, after the Effective Date;

(iii) to hear and determine any objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without limitation, to hear and determine any objections to the classification of any Claim and to allow, disallow or estimate any Contested Claim in whole or in part; provided, however, that the Bankruptcy Court shall not retain jurisdiction over the Bancredito Panama and Bancredito Cayman Disputed Claims Proceedings as provided for in Section 9.7(e) of the Plan;

(iv) to hear and determine any request seeking to allow any Adjudicated Class 6 Disputed Claim as an Allowed Class 6 Unsecured Financial Claim;

(v) to issue such orders in aid of execution of the Plan to the extent authorized or contemplated by section 1142 of the Bankruptcy Code;

(vi) to consider any modifications of the Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(vii) to hear and determine all Fee Applications and applications for allowances of compensation and reimbursement of any other fees and expenses authorized to be paid or reimbursed under the Plan, the Bankruptcy Code or any Bankruptcy Court order;

(viii) to hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Plan, the Plan Documents or their interpretation, implementation, enforcement, or consummation;

(ix) to hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Confirmation Order (and all Plan Documents) or its interpretation, implementation, enforcement, or consummation;

(x) to the extent that Bankruptcy Court approval is required, to consider and act on the compromise and settlement of any Claim, including any Disputed Unsecured Financial Claim, or Cause of Action by, on behalf of, or against the Estates;

(xi) to determine such other matters that may be set forth in the Plan or the Confirmation Order, or that may arise in connection with the Plan or the Confirmation Order;

(xii) to hear and determine matters concerning state, local, and federal taxes, fines, penalties, or additions to taxes for which the Debtors, the Debtors in Possession, or Holding Company or the applicable Debtor may be liable, directly or indirectly, in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(xiii) to hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with any setoff and/or recoupment rights of the Debtors or any Person asserting such rights against the Debtors;

(xiv) to hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with Causes of Action of the Debtors (including Avoidance Actions) commenced by Holding Company, the applicable Debtor or Debtors, or Reorganized Debtor or Reorganized Debtors, as applicable before or after the Effective Date;

(xv) to hear and determine all controversies regarding the statutory subordination of any Claim pursuant to sections 510(b)-(c) of the Bankruptcy Code at any time after the entry of the Confirmation Order;

(xvi) to enter an order or final decree closing the Chapter 11 Cases;

(xvii) to issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order; and

(xviii) to hear and determine any other matters related to the Plan and not inconsistent with Chapter 11 of the Bankruptcy Code.

N. Miscellaneous Provisions

1. Payment of Statutory Fees

All fees payable under section 1930, Chapter 123, title 28, United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, will be paid on or before the Effective Date.

2. Administrative Expenses Incurred After the Confirmation Date

Administrative expenses incurred by the Debtors or the Reorganized Debtors after the Confirmation Date, including, without limitation, Claims for professionals' fees and expenses, will not be subject to application and may be paid by the Debtors or the Reorganized Debtors, as the case may be, in the ordinary course of business and without further Bankruptcy Court approval.

3. Amendment

As provided in section 1127 of the Bankruptcy Code, modification of the Plan may be proposed in writing by the Debtors, following consultation with the Ad Hoc Committee, the Affiliated Creditors, and Banco Leon at any time before confirmation; provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Debtors may modify the Plan at any time after the Confirmation Date and before substantial consummation; provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified under section 1129 of the Bankruptcy Code and the circumstances warrant such modifications. Pursuant to the Plan, a holder of a Claim that has accepted the Plan shall be deemed to have accepted such Plan as modified if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

4. Section 1125(e) of the Bankruptcy Code

As of the Confirmation Date, the Debtors will be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code and applicable non-bankruptcy law. The Debtors, and, to the extent they participated in the offer and issuance of securities under the Plan, the Ad Hoc Committee and each of their respective successors, predecessors, control persons, members, affiliates, agents, directors, officers, employees, investment bankers, financial advisors, accountants, attorneys and other professionals have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of the securities under the Plan. Accordingly, such entities and individuals will not be liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of the securities under the Plan.

5. Compliance with Tax Requirements

In connection with the Plan and all instruments issued in connection therewith and distributed thereunder, any party issuing any instruments or making any Plan Distributions will comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all Plan Distributions will be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a Plan Distribution will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income,

withholding and other tax obligations, on account of such Plan Distribution. Any party issuing any instruments or making any Plan Distribution has the right, but not the obligation, to not make a Plan Distribution until such holder has made arrangements satisfactory to such issuing or distributing party for payment of any such tax obligations.

6. Exemption from Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, lien, pledge, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. All sale transactions, if any, consummated by the Debtors and approved by the Bankruptcy Court on and after the Petition Date, through and including the Effective Date, including, without limitation, the transfers effectuated under the Plan, the sale by the Debtors of owned property pursuant to section 363(b) of the Bankruptcy Code, and the assumption, assignment and sale by the Debtors of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, will be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, will not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

7. Expedited Tax Determination

Holding Company or the applicable Debtor is authorized under the Plan to file a request for expedited determination under section 505(b) of the Bankruptcy Code for all tax returns filed with respect to the Debtors.

8. Severability of Plan Provisions

Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the Debtors may modify the Plan in accordance with Section 14.14 of the Plan so that such provision will not be applicable to the holder of any Claim or Equity Interest. Such a determination of unenforceability will not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

9. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules), the laws of the State of New York, without giving effect to the conflicts of laws principles thereof, will govern the construction of the Plan and any agreements, documents, and instruments executed in connection with the Plan, except as otherwise expressly provided in such instruments, agreements or documents.

10. Revocation of the Plan

Pursuant to Section 14.15 of the Plan, the Debtors reserve the right to revoke and withdraw the Plan with respect to any one or more of the Debtors prior to the occurrence of the

Effective Date. If the Debtors revoke or withdraw the Plan with respect to any one or more of the Debtors, or if the Effective Date does not occur as to any Debtor, then, as to such Debtor, the Plan and all settlements and compromises set forth in the Plan shall be deemed null and void and nothing contained therein and no acts taken in preparation for consummation of the Plan shall be deemed to constitute a waiver or release of any Claims against or Equity Interests in such Debtor or to prejudice in any manner the rights of any of the Debtors or any other Person in any other further proceedings involving such Debtor.

11. Exculpation

None of the Debtors, or any of their respective members, officers, directors, employees, agents, representatives, advisors, attorneys, successors and assigns shall be liable for any Cause of Action arising in connection with or out of the administration of the Chapter 11 Cases, pursuit of confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for gross negligence or willful misconduct as determined by a Final Order of the Bankruptcy Court, and in all respects shall be entitled to rely upon the advice of counsel and all information provided by other exculpated persons in the Plan without any duty to investigate the veracity or accuracy of such information with respect to their duties and responsibilities under the Plan.

All obligations of the Debtors to indemnify and hold harmless their respective current and former directors, officers and employees, whether arising under the Debtors' constituent documents, contract, law or equity, shall be assumed by the Debtors upon the occurrence of the Effective Date with the same effect as though such obligations constituted executory contracts that are assumed under section 365 of the Bankruptcy Code, and all such obligations shall be fully enforceable on their terms from and after the Effective Date.

V.

PROJECTIONS AND VALUATION ANALYSIS

A. Consolidated Condensed Projected Financial Statements

1. Responsibility for and Purpose of the Projections

As a condition to confirmation of a plan of reorganization, the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor. In connection with the development of the Plan, and for purposes of determining whether the Plan satisfies this feasibility standard, management of the Debtors and the Debtors' professionals have analyzed the ability of the Debtors to meet their obligations under the Plan and retain sufficient liquidity and capital resources to conduct their businesses assuming the consummation of the Plan.

The projections contained herein (the "Projections") should be read in conjunction with Section VI below, entitled "Certain Risk Factors Affecting the Debtors," and the assumptions, qualifications and footnotes to tables containing the Projections set forth herein, the historical consolidated financial information (including the notes and schedules thereto) and the

other information set forth in Tricom's Annual Reports on Form 20-F for the fiscal years ended December 31, 2004, 2005, and 2006 and annexed to the Original Disclosure Statement as Exhibits "3", "4" and "5", respectively, the full texts of which are incorporated herein by reference, the Selected Financial Data appearing in Item 3 of the Forms 20-F, and Tricom's audited financials for the fiscal year ended December 31, 2007, attached hereto as Exhibit 2. The Projections were prepared in good faith based upon assumptions believed to be reasonable and applied in a manner consistent with past practice.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO COMPLYING WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THE DEBTORS' INDEPENDENT ACCOUNTANTS HAVE NEITHER COMPILED NOR EXAMINED THE ACCOMPANYING PROSPECTIVE FINANCIAL INFORMATION TO DETERMINE THE REASONABLENESS THEREOF AND, ACCORDINGLY, HAVE NOT EXPRESSED AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT THERETO.

THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH THEIR PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITIONS, RESULTS OF OPERATIONS OR CASH FLOWS. ACCORDINGLY, THE DEBTORS DO NOT INTEND, AND DISCLAIM ANY OBLIGATION TO, (A) FURNISH UPDATED PROJECTIONS TO HOLDERS OF CLAIMS OR EQUITY INTERESTS PRIOR TO THE EFFECTIVE DATE OR TO HOLDERS OF HOLDING COMPANY STOCK OR ANY OTHER PARTY AFTER THE EFFECTIVE DATE, (B) INCLUDE SUCH UPDATED INFORMATION IN ANY DOCUMENTS, IF ANY, THAT MAY BE REQUIRED TO BE FILED WITH THE SEC, OR (C) OTHERWISE MAKE SUCH UPDATED INFORMATION PUBLICLY AVAILABLE.

THESE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY MANAGEMENT OF THE DEBTORS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. ACCORDINGLY, THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE REORGANIZED DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE, AND EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THESE PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR MAY BE UNANTICIPATED, AND THUS MAY AFFECT FINANCIAL RESULTS IN A MATERIAL AND POSSIBLY ADVERSE MANNER. THE PROJECTIONS, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

THE FOLLOWING ASSUMPTIONS AND RESULTANT COMPUTATIONS WERE MADE SOLELY FOR PURPOSES OF PREPARING THE

PROJECTIONS. THE REORGANIZED DEBTORS WILL BE REQUIRED TO ESTIMATE THEIR REORGANIZATION VALUE, THE FAIR VALUE OF THEIR ASSETS, AND THEIR ACTUAL LIABILITIES AS OF THE EFFECTIVE DATE. SUCH DETERMINATION WILL BE BASED UPON THE FAIR VALUES AS OF THAT DATE, WHICH COULD BE MATERIALLY GREATER OR LOWER THAN THE VALUES ASSUMED IN THE FOREGOING ESTIMATES. IN ALL EVENTS, THE ESTIMATE OF THE REORGANIZATION VALUE, AS WELL AS THE DETERMINATION OF THE FAIR VALUE OF THE REORGANIZED DEBTORS' ASSETS AND THE DETERMINATION OF THEIR ACTUAL LIABILITIES, WILL BE MADE AS OF THE EFFECTIVE DATE. ALTHOUGH THE DEBTORS EXPECT TO UTILIZE A CONSISTENT METHODOLOGY, THE AMOUNTS OF ANY OR ALL OF THE FOREGOING ESTIMATES AS ASSUMED IN THE PROJECTIONS, AS COMPARED WITH THE ACTUAL AMOUNTS THEREOF AS OF THE EFFECTIVE DATE, MAY BE MATERIAL.

2. Summary of Significant Assumptions

The Projections are based on and assume the successful implementation of the business plan prepared by management of the Debtors and include assumptions with respect to the future performance of the Debtors, the performance of the industry, competition in the markets in which the Debtors operate, general business and economic conditions and other matters, many of which are beyond the control of management. Therefore, while the Projections are necessarily presented with numerical specificity, the actual results achieved during the Projection period will vary from the projected results, and may vary substantially. No representation can be or is being made with respect to the ability of the Debtors to achieve the projected results. While management believes that the assumptions underlying the Projections are reasonable in light of current circumstances and in light of the information available, holders of Claims and Equity Interests must make their own determinations as to the reasonableness of the assumptions and the reliability of the Projections in deciding whether to vote to accept the Plan.

Additional information concerning the assumptions underlying the Projections is as follows:

a. Plan Terms and Consummation

The Projections assume an Effective Date as of November 30, 2009 with Allowed Claims and Equity Interests treated in accordance with the treatment provided in the Plan with respect to such Allowed Claims and Equity Interests. With respect to the Projection of expenses to be incurred as a result of the Chapter 11 Cases, if the Effective Date does not occur by November 30, 2009, additional bankruptcy expenses will be incurred until such time as a plan of reorganization is confirmed. These expenses could significantly impact the Debtors' results of operations and cash flows.

b. Assumptions Preceding the Effective Date

The Fiscal Year 2008 unaudited financial results and Projections for the period January 1, 2009 through November 30, 2009 were prepared with financial information as of December 31, 2008. The business is projected to continue at its current level for the period from December 31, 2008 through the Effective Date.

c. General Economic Conditions

The Projections were prepared assuming that economic conditions in the markets served by the Debtors will not differ markedly over the next five years from current economic conditions. No major devaluation of the Dominican peso is assumed during the period. Likewise, the Projections assume that there will be no natural disasters, for example major hurricanes, affecting the population centers of the country where the Debtors have deployed their network infrastructure.

d. Revenues

Revenue is generated by providing access to and usage of the Debtors' network of landlines, cell towers and undersea cables. The Projections assume that the Debtors will not divest of or wind down any of their existing lines of business. Revenue is comprised of five major lines of business—domestic telephony, international long distance, wireless mobile services, data and internet and cable revenue. Over the Projection period, revenues are projected to increase in the aggregate due to an increase in the levels of the Debtors' subscribers.

e. Cost of Service

Cost of service consists primarily of network expenses, roaming expenses, and third party carrier expenses. Cost of service expenses as a percentage of revenues are expected to remain relatively stable during the Projection period.

f. Selling, General and Administrative

General and administrative expenses consist primarily of accounting, finance, legal and human resource functions. General and administrative expenses as a percentage of revenues are expected to remain relatively stable when translated into U.S. dollars over the Projection period. Sales and marketing expenses consist primarily of costs related to the acquisition of new subscribers and the retention of current subscribers. These expenses include advertising, salary and benefits for the sales personnel and sales commissions. Sales and marketing expenses as a percentage of revenues are projected to remain relatively stable during the Projection period.

g. Restructuring Expenses

Restructuring expenses represent professional fees incurred by the Debtors for accounting, legal, financial and consulting work.

h. Interest Expense

The Projections through November 30, 2009 include eleven months of interest expense under the Credit Suisse Existing Secured Debt and the scheduled 2009 payments of interest corresponding to the GE Existing Secured Debt. Following the Effective Date, interest expense will reflect the interest expense associated with the Debtors' post-restructuring debt: (i) the Credit Suisse New Secured Debt at 11% interest, (ii) the GE Existing Secured Debt as per the amortization schedule and (iii) the Exit Financing. The Banco del Progreso Existing Secured Debt has been paid in full.

i. Income Taxes

Although the Projections reflect substantial net income for 2009, such income is principally due to fresh start accounting adjustments (which do not apply for U.S. federal income tax purposes) and the gain on cancellation of debt. This COD Income is projected to be offset by the use of Tricom NOLs and current year operating losses, Tricom USA tax attributes, and the Restructuring Dilution Transactions.

j. Capital Expenditures

The projected capital expenditures consist primarily of (i) capital expenditures intended to increase the capacity of the Debtors' network, (ii) expansion of the coverage of the Debtors' wireless network to new geographic areas and (iii) costs associated with required upgrades to the networks.

k. Fresh Start Accounting

The American Institute of Certified Public Accountants has issued a Statement of Position on Financial Reporting by Entities in Reorganization under the Bankruptcy Code ("SOP 90-7"). SOP 90-7 is intended to provide guidance for financial reporting by Chapter 11 debtors during and following their Chapter 11 cases. The Projections, where applicable, have been prepared in accordance with the "fresh start" reporting principles set forth in SOP 90-7, giving effect thereto as of and through November 30, 2009.

Under SOP 90-7, reorganized Tricom will be required to write-down the value of its assets such that the value of the total assets equals the reorganization value as of the Effective Date. For purposes of the Projections, it has been assumed that the reorganization value of Reorganized Tricom is equal to approximately \$258.8 million which is the total enterprise value of approximately \$219.6 million, plus deferred income tax and current liabilities (excluding the current portion of long-term debt), of approximately \$39.0 million. *See* Section V.B, "Projections and Valuation Analysis—Valuation." Under SOP 90-7, the Debtors are required to allocate the total reorganization value to their assets and liabilities based upon their fair value at the date of emergence. For purposes of these Projections, the Debtors have not determined the fair value of their assets and liabilities upon emergence but have allocated the total reorganization value to identifiable assets and liabilities based on historical book value. Upon emergence, the Debtors will allocate the total reorganization value to identifiable net assets, based on their fair value, and the difference will be reflected as reorganization value in excess of

identifiable net assets. These amounts may be significantly different from the amounts assumed and included in these Projections.

Under SOP 90-7, for the period ending November 30, 2009, the results of operations and cash flows for the period prior to emergence should be reflected as Tricom prior to consummation of the Plan (“Predecessor Tricom”), and the results of operations and cash flows for the period subsequent to emergence should be reflected as Reorganized Tricom.

l. Working Capital

Components of working capital are projected on the basis of historic patterns applied to projected levels of operation.

m. Total Debt

The Projections reflect the debt service (interest, withholding tax, and principal payments as required) related to the Credit Suisse New Secured Debt, the GE Existing Secured Debt and the Exit Financing. The Projections reflect that the Banco del Progreso Existing Secured Debt has been paid in full.

3. Special Note Regarding Forward-Looking Statements

Some matters discussed herein contain forward-looking statements that are subject to certain risks, uncertainties or assumptions and may be affected by certain other factors which may impact future results and financial condition. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “could,” “expects,” “plans,” “projected,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continues,” or the negative of these terms or other comparable terminology. In addition, except for historical facts, the “Projections and Valuation Analysis” provided in Section V, and “Certain Risk Factors Affecting the Debtors” provided in Section VI, should be considered forward-looking statements. Should one or more of these risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of the Debtors may vary materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are based on beliefs and assumptions of the Debtors’ management and on information currently available to such management. Forward-looking statements speak only as of the date they are made, and the Debtors undertake no obligation to publicly update any of them in light of new information or future events. Undue reliance should not be placed on such forward-looking statements, which are based on current expectations. Forward-looking statements are not guarantees of performance. For additional information about the Debtors, their operating and financial condition, and relevant risk factors, reference is made to Tricom’s Annual Report on Form 20-F for the fiscal years ended December 31, 2004, 2005 and 2006 attached to the Original Disclosure Statement as Exhibits “3”, “4” and “5” and the Debtors’ audited financial statements for the year ended December 31, 2007, attached hereto as Exhibit 2.

4. Financial Projections

Each of the following tables summarizes management's Projections for the five fiscal years ending December 31, 2009, 2010, 2011, 2012 and 2013.

The Projections include the Projected Condensed Consolidated Balance Sheet, the Projected Condensed Consolidated Statement of Operations and the Projected Condensed Consolidated Statement of Cash Flows.

Tricom, S.A.
Projected Condensed Consolidated Balance Sheet
(in thousands of USD)
(Unaudited)

	<i>Unaudited</i> <i>Dec-08</i>	<i>YTD</i> <i>Nov-09</i>	<i>Dec-09</i>	<i>Dec-10</i>	<i>Dec-11</i>	<i>Dec-12</i>	<i>Dec-13</i>
ASSETS							
Current Assets							
Cash & Cash Equivalents	12,069	3,839	7,572	10,864	8,672	17,326	28,075
Accounts Receivable, net	25,792	25,775	25,813	25,813	27,585	28,743	30,079
Inventory	2,404	2,864	2,868	2,941	3,065	3,194	3,342
Prepaid Expenses and Other Current Assets	6,323	6,323	6,323	6,323	6,323	6,323	6,323
Total Current Assets	46,588	38,802	42,577	45,941	45,645	55,586	67,819
Long Term Assets							
Property & Equipment, gross	586,921	212,709	214,710	243,171	270,601	298,674	328,420
Less: Accum Depreciation	(344,597)	-	(3,341)	(31,211)	(54,266)	(74,658)	(91,247)
Property & Equipment, net	242,323	212,709	211,369	211,960	216,335	224,017	237,173
Other Assets	7,318	7,318	7,318	7,318	7,318	7,318	7,318
Total Long Term Assets	249,641	220,027	218,687	219,278	223,653	231,335	244,491
Total Assets	296,229	258,829	261,264	265,219	269,298	286,921	312,310
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Accounts Payable	27,634	22,117	22,130	23,046	23,440	24,080	24,871
Current Portion LTD	438,429	988	1,081	1,183	632	-	-
Accrued Interest	278,199	-	-	-	-	-	-
Current Portion Capital Leases	-	-	-	-	-	-	-
Accrued Expenses	12,253	12,253	12,253	12,253	12,253	12,253	12,253
Other Liabilities	4,488	4,488	4,488	4,488	4,488	4,488	4,488
Total Current Liabilities	761,003	39,846	39,952	40,970	40,813	40,821	41,612
Long Term Liabilities							
Existing Secured Debt	2,902	27,529	27,344	26,162	25,530	25,530	25,530
Exit Financing	-	-	7,000	7,000	-	-	-
Deferred Income Tax and Other	366	366	366	366	366	366	366
Total Liabilities	764,271	67,742	74,663	74,498	66,709	66,717	67,508
Total Equity	(468,042)	191,087	186,602	190,721	202,589	220,204	244,802
Total Liabilities and Stockholders' Equity	296,229	258,829	261,264	265,219	269,298	286,921	312,310

Tricom, S.A.
Projected Condensed Consolidated Statement of Operations
(in thousands of USD)
(Unaudited)

	<i>Yr. Ended Dec-08</i>	<i>YTD Nov-09</i>	<i>Yr. Ended Dec-09</i>	<i>Yr. Ended Dec-10</i>	<i>Yr. Ended Dec-11</i>	<i>Yr. Ended Dec-12</i>	<i>Yr. Ended Dec-13</i>
Total Revenues	217,259	191,644	209,375	214,674	223,741	233,137	243,974
Expenses:							
Cost of Service	117,643	77,776	85,185	88,371	91,397	93,998	96,335
Selling, General and Administrative	56,854	76,672	82,927	86,712	89,264	91,624	95,132
Depreciation and Amortization	43,327	37,574	40,915	27,870	23,055	20,391	16,590
Total Operating Expenses	217,824	192,022	209,026	202,953	203,715	206,013	208,057
Operating Income / (Loss)	(564)	(378)	349	11,721	20,026	27,124	35,917
Reorganization Items ¹	16,828	(665,144)	(660,494)	-	-	-	-
Litigation	-	-	-	500	500	500	-
Interest Expense	14,137	3,008	3,368	4,270	3,702	3,137	3,120
Other, Net	(3,172)	342	342	-	-	-	-
Foreign exchange losses	(1,239)						
Interest Income	(401)						
Net Income / (Loss) before Income Taxes	(26,717)	661,416	657,133	6,951	15,824	23,487	32,797
Income Taxes	2,207	2,287	2,495	2,831	3,956	5,872	8,199
Net Income / (Loss)	(28,924)	659,129	654,637	4,120	11,868	17,615	24,598

Tricom, S.A.
Projected Condensed Statement of Cash Flows
(in thousands of USD)
(Unaudited)

	<i>Yr. Ended Dec-08</i>	<i>YTD Nov-09</i>	<i>Yr. Ended Dec-09</i>	<i>Yr. Ended Dec-10</i>	<i>Yr. Ended Dec-11</i>	<i>Yr. Ended Dec-12</i>	<i>Yr. Ended Dec-13</i>
Cash Flow from Operating Activities:							
Net Income	(28,924)	659,129	654,637	4,120	11,868	17,615	24,598
Depreciation & Amortization	43,327	37,574	40,915	27,870	23,055	20,391	16,590
Gain on Cancellation of Debt and Interest		(499,997)	(499,997)				
Fresh Start Adjustments		(174,047)	(174,047)				
Changes in Working Capital ^[1]							
Accounts Receivable	(4,746)	16	(22)	-	(1,771)	(1,158)	(1,336)
Inventory	1,275	(460)	(464)	(73)	(124)	(129)	(148)
Prepaid Expenses	2,636	-	-	-	-	-	-
Deferred Taxes	-	-	-	-	-	-	-
Accounts Payable	2,115	(5,518)	(5,505)	916	394	640	791
Accrued Expenses	(5,162)	-	-	-	-	-	-
Non-cash Interest Expense	8,981	-	-	-	-	-	-
Other Liabilities	4,009	-	-	-	-	-	-
Net Cash (used in) / provided by Operating Activities	23,511	16,698	15,518	32,834	33,421	37,360	40,494
Cash Flow from Investing Activities							
Capital Expenditures	(28,720)	(25,000)	(27,001)	(28,461)	(27,431)	(28,073)	(29,746)
Sale of Assets	-						
Net Cash (used in) / provided by Investing Activities	(28,720)	(25,000)	(27,001)	(28,461)	(27,431)	(28,073)	(29,746)
Cash Flow from Financing Activities							
Principal Payments	(5,519)	(1,588)	(1,674)	(1,081)	(8,183)	(632)	-
Debt Issuance/reclassification		1,660	8,660	-	-	-	-
Other	(386)	-	-	-	-	-	-
Net Cash (used in) / provided by Financing Activities	(5,905)	72	6,986	(1,081)	(8,183)	(632)	-
Beginning Cash Balance	23,183	12,069	12,069	7,572	10,864	8,672	17,326
Net Change in Cash	(11,114)	(8,230)	(4,497)	3,292	(2,192)	8,654	10,748
Ending Cash Balance	12,069	3,839	7,572	10,864	8,672	17,326	28,075

¹ Reflects reclassification of certain accounts.

B. Valuation

1. General

The Debtors have retained FTI as their financial advisor to assist them in connection with their restructuring, including, without limitation, the formulation of the Plan. In furtherance of the Plan, and in an effort to estimate the percentage of recovery to be received by the holders of the Allowed Claims receiving Holding Company Stock pursuant to the Plan, the Debtors have requested that FTI perform a valuation analysis of the Reorganized Debtors.

Estimates of Reorganized Tricom's going concern enterprise value do not purport to be appraisals nor do they necessarily reflect the values that might be realized if the Reorganized Debtors were to be sold. Such estimates were developed solely for purposes of formulation and negotiation of the Plan and analysis of implied relative recoveries to parties in interest thereunder. Such estimates reflect the implied going concern enterprise value of the Reorganized Debtors based upon the terms of the Plan and do not purport to reflect or constitute appraisals, liquidation values, or estimates of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan, which may be significantly different from the amounts set forth herein. The value of an operating business is subject to

uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial conditions and prospects of such a business. As a result, the estimate of going concern enterprise value set forth herein is not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. Because such estimates are inherently subject to uncertainties, neither the Debtors nor their officers, directors or advisors assume responsibility for their accuracy.

In addition, the valuation of newly issued securities is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets, the anticipated initial securities holding of prepetition creditors, some of whom may prefer to liquidate their investment rather than hold them on a long-term basis, the fact that the securities are not listed on any securities exchange, and other factors that generally influence the prices of securities. Actual prices of such securities may also be affected by the bankruptcy case or by other factors not possible to predict. Accordingly, the going concern enterprise value estimated by FTI does not necessarily reflect, and should not be construed as reflecting, values that will be attained in the public or private markets.

As used in this Section V.B, (i) “Enterprise Value” means FTI’s estimate of the value of the Reorganized Debtors on November 30, 2009, as determined as of November 2008 and based upon the assumptions and data identified herein, FTI’s application of various valuation techniques thereto, and FTI’s independent professional judgment; and (ii) “Reorganized Debtors” means Tricom and its primary operating subsidiaries (Tricom USA and TCN) following consummation of the Plan.

In connection with delivering this analysis, FTI has, among other things, (i) analyzed financial statements and other information relating to Debtors; (ii) analyzed certain internal financial statements and other non-public financial and operating data relating to the Debtors; (iii) discussed appropriate capital structure requirements with management; (iv) discussed the past and current operations, financial projections and the current financial condition of the Debtors with management; (v) compared the financial performance of the Debtors with the financial performance of a selected group of peer companies, and evaluated the prices and valuation multiples of such peer companies; (vi) searched for precedent merger and acquisition transactions in which the Debtors believe the target to be similar in some respect to them; and (viii) performed other examinations and analyses and considered other factors that the Debtors deemed appropriate.

In preparing its analysis, FTI assumed and relied upon the accuracy and completeness of all of the financial and other information that was available to it from public sources and that was provided to FTI by the Debtors or their representatives and has not assumed any responsibility for independent verification of any such information. With respect to the financial Projections supplied to FTI, FTI assumed the accuracy thereof and assumed that such Projections were reasonably prepared in good faith and on a basis reflecting the best currently available estimates and judgments of the Debtors as to the future operating and financial performance of the Debtors. Such Projections have been prepared and reviewed by management of Tricom. To the extent that all or a portion of Tricom’s business performs at levels not

consistent with those expected in the business plan, any adjustments to the business plan may have a material impact on the operating Projections and valuations as presented herein.

With respect to the valuation of the Reorganized Debtors, in addition to the foregoing, FTI relied upon the following assumptions and/or methodologies:

- the enterprise valuation indicated assumes the pro forma debt levels (as set forth in the financial Projections included herein) to calculate equity values;
- the Debtors will emerge from Chapter 11 on or before November 30, 2009; and
- Tricom's financial performance will be in line with that described in the financial Projections in Section V.A.4.

As a result of such analyses, reviews, discussions, considerations and assumptions, FTI estimates that the total enterprise value of the Reorganized Debtors ranges from a minimum of approximately [\$198 million] to a maximum of approximately [\$239 million.] These estimated values represent the estimated hypothetical value of the Reorganized Debtors derived through the application of various valuation techniques described in the following sections. FTI has further assumed that the enterprise value of the Reorganized Debtors can be estimated at approximately [\$219.6 million]. As a result, and taking into account that the value of the total long-term debt of the Reorganized Debtors as of the Effective Date is \$28.5 million, which includes \$25.5 million of the Credit Suisse New Secured Debt, the GE Existing Secured Debt in the amount of \$3.0 million, the equity value of the Reorganized Debtors as of the Effective Date will be equal to approximately [\$191.1] million.

SUCH ANALYSIS DOES NOT PURPORT TO REPRESENT VALUATION LEVELS, PURCHASE PRICES, OR TRADING LEVELS, WHICH WOULD BE ACHIEVED IN, OR ASSIGNED BY, THE CAPITAL MARKETS FOR EQUITY SECURITIES OR IN A SALE OF ALL OR SUBSTANTIALLY ALL OF THE REORGANIZED DEBTORS' ASSETS OR OTHER CHANGE OF CONTROL TRANSACTION.

FTI's estimate is necessarily based on economic, market, financial and other conditions as they exist on, and on the information made available to it as of, the date of this Disclosure Statement. It should be understood that, although subsequent developments may affect FTI's conclusions, FTI does not have any obligation to update, revise or reaffirm its estimate.

2. Summary of Financial Analyses

The following is a brief summary of certain financial analyses performed by FTI to arrive at its estimation of the enterprise value and equity value of the Reorganized Debtors. FTI performed certain procedures, including each of the financial analyses described below, and reviewed the assumptions upon which such analyses were based and other factors, including the projected financial results of the Reorganized Debtors with management.

Analysis of Certain Publicly Traded Companies. To provide contextual data and comparative market information, FTI compared selected projected operating and financial ratios for the Reorganized Debtors to the corresponding data and ratios of a number of selected Latin American public telecom companies, including those companies having wireline, cable and/or wireless operations whose securities are publicly traded and which FTI believes have operating, market and trading valuations similar in certain respects to what might be expected of the Reorganized Debtors. Such data and ratios include the enterprise value of such comparable companies as multiples of earnings before interest, taxes, depreciation and amortization (EBITDA) for historical and projected periods.

Although public telecommunications companies in Latin American were used for comparison purposes, none of those companies are directly comparable to the Reorganized Debtors. Accordingly, an analysis of the results of such a comparison is not purely mathematical, but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the Latin American public telecom companies and other factors that could affect the public trading value of the Reorganized Debtors to which they are being compared.

Discounted Cash Flow Analysis. To provide information with regard to valuation in terms of the future potential cash flows of the Reorganized Debtors, FTI estimated a potential enterprise value based on forecasted cash flows to total invested capital (also known as debt-free cash flows) and a terminal enterprise value achieved through the value of the cash flows as provided to FTI by management. Using this approach, FTI derived the present value of such cash flows by discounting the expected cash flows at a rate that reflects the degree of risk of the cash flows. The estimated discount rate is a function of the expected cost of capital of the Reorganized Debtors, based on the estimated cost of capital for public telecom companies and adjusted for relative size and the specific country risk associated with a company with the majority of its operations residing in the Dominican Republic. The estimated cost of capital has been adjusted further to account for the expected capital structure of the Reorganized Debtors.

As the estimated cash flows, estimated discount rate and expected capital structure of the Reorganized Debtors are used to derive a potential value, an analysis of the results of such an estimate is not purely mathematical, but instead involves complex considerations and judgments concerning potential variances in the projected financial and operating characteristics of the Reorganized Debtors and other factors that could affect the future prospects and cost of capital considerations of the Reorganized Debtors.

The summary set forth above does not purport to be a complete description of the analyses performed by FTI. The preparation of an estimate involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods in the particular circumstances and, therefore, such an estimate is not readily susceptible to summary description. In performing the analyses, FTI and the Debtors made numerous assumptions with respect to industry performance, business and economic conditions and other matters. The analyses performed by FTI are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses.

FTI relied on the accuracy and reasonableness of the Projections and the underlying assumptions as prepared by the Debtors. FTI's valuation assumes that operating results projected by the Debtors will be achieved or exceeded in all material respects, including revenue, operating margins, earnings, cash flow, working capital, expenses and other elements. To the extent that the valuation is dependent upon the Reorganized Debtors' achievement of the Projections, the valuation must be considered speculative. For purposes of the valuation analysis, FTI relied on the accuracy and reasonableness of the tax assumptions prepared by the Debtors. To the extent that any tax assumptions indicate that the restructuring or forgiveness of debt would have a different impact on the operating performance or cash generation of the Debtors than that assumed herein, it may have a material effect on the valuation range included herein.

VI.

CERTAIN RISK FACTORS AFFECTING THE DEBTORS

A. Certain U.S. Bankruptcy Law Considerations

1. Failure to Satisfy Vote Requirement

If the holders of Credit Suisse Existing Secured Claims and Unsecured Financial Claims (Classes 3 and 6) vote to accept the Plan in accordance with the requirements of the Bankruptcy Code, the Debtors intend to seek confirmation of the Plan. Although the Debtors anticipate that sufficient votes will be received to accept the Plan, in the event that sufficient votes are not received, the Debtors may seek to accomplish an alternative restructuring of their capitalization and their obligations to creditors through modifications to the Plan or a new plan. There can be no assurance that the terms of any such alternative restructuring would be similar to or as favorable to holders of Credit Suisse Existing Secured Claims and Unsecured Financial Claims as those proposed in the Plan. If an alternative reorganization could not be agreed to in a timely manner, it is possible that the Debtors would have to liquidate their assets, in which case it is likely that holders of Claims would receive less than they would receive pursuant to the Plan. *See* Section X, "Alternatives to Confirmation and Consummation of the Plan of Reorganization."

2. Risk of Non-Confirmation of the Plan

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that further modifications of the Plan will not be required for confirmation.

Even if the requisite acceptances are received, the Bankruptcy Court, a court of equity with substantial discretion, may decide not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtors (*see* Section VIII.B.1.d, "Confirmation of the Plan of Reorganization—Requirements for Confirmation of the Plan—Requirements of Section 1129(a) of the Bankruptcy Code—

Feasibility”), and that the value of distributions under the Plan to dissenting members of an accepting impaired Class is not less than the value such holders would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. *See* Section VIII.B.1.b, “Confirmation of the Plan of Reorganization—Requirements for Confirmation of the Plan—Requirements of Section 1129(a) of the Bankruptcy Code—Best Interests Test.” Although the Debtors believe that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. Inability to Enforce Confirmation Order and Terms of Plan

The Debtors believe that the automatic stay imposed by section 362 of the Bankruptcy Code and the Confirmation Order will bind all holders of Claims and Existing Tricom Equity Interests in the United States who are subject to the jurisdiction of the United States courts. However, there can be no assurance that a Dominican court would give effect to either the automatic stay or the Confirmation Order and, by implication, the terms of the confirmed Plan, if any non-U.S. holder of a Claim or Existing Tricom Equity Interest brought an action against the Debtors in a Dominican court asserting a Claim or cause of action against the Debtors that is treated under the Plan. If a Dominican court did not enforce the automatic stay, the Confirmation Order, or the terms of the confirmed Plan, there is some risk that the holder of the Claim or Existing Tricom Equity Interests bringing such an action may receive better treatment than that provided to similarly situated parties under the Plan or succeed in forcing the Debtors into bankruptcy proceedings in the Dominican Republic.

4. Non-Consensual Confirmation

In the event any impaired class of Claims or Equity Interests does not accept the Plan, the Bankruptcy Court may nevertheless confirm such plan at the proponent’s request if at least one impaired class has accepted the Plan (with such acceptance being determined without including the vote of any “insider” in such class), and as to each impaired class that has not accepted the Plan, the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to the dissenting impaired classes. *See* Section VIII.B, “Confirmation of the Plan of Reorganization—Requirements for Confirmation of the Plan.” Because the Plan deems that Class 8 (Statutorily Subordinated Claims) and Class 9 (Existing Tricom Equity Interests) reject the Plan, these requirements must be satisfied with respect to such Classes. The Debtors believe that the Plan satisfies these requirements.

5. Risk of Non-Occurrence of the Effective Date and Conditions Precedent to Banco Leon Settlement

Although the Debtors believe that the Effective Date will occur within approximately one-hundred and twenty (120) days after the Confirmation Date, there can be no assurance as to such timing. The effectiveness of the Plan is conditioned upon numerous conditions described in Section 10.2 of the Plan. In the event the Effective Date does not occur, the Banco Leon Settlement will be of no force and effect. No assurance can be given that these conditions will be satisfied or, if not satisfied, that the Debtors and other parties whose consent is required could or would waive such conditions. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will become effective. *See*

Section IV.J, “The Plan of Reorganization—Conditions Precedent to Effective Date of the Plan.” If the Effective Date does not occur, the Debtors may propose and solicit votes on the Plan as modified an alternative plan of reorganization that may not be as favorable to parties in interest as the Plan.

The effectiveness of the Banco Leon Settlement is subject to the occurrence of certain conditions precedent. *See* Section IV.F.10, “The Plan of Reorganization—Means of Implementation of the Plan—Banco Leon Settlement.” If those conditions are not satisfied or waived in accordance with the Plan, the Effective Date will not occur.

6. Feasibility

a. Introduction

To confirm the Plan, section 1129(a) of the Bankruptcy Code requires the Debtors to demonstrate that the Plan is feasible. To demonstrate feasibility, the Debtors intend to rely on their financial Projections. *See* Section V, “Projections and Valuation Analysis.” The Plan provides for unimpaired treatment of General Unsecured Claims (Class 7) and, accordingly, that all Allowed General Unsecured Claims, will be paid in full as and when they become due and owing. The Debtors believe that as of the date hereof, they have satisfied substantially all of their valid General Unsecured Claims in the ordinary course of business and pursuant to the Vendor Orders. To the extent the Debtors dispute liability for and/or the amount of any General Unsecured Claim, the Plan requires the Debtors to satisfy such Contested Claim only if the Contested Claim (or disputed portion of the Contested Claim) becomes an Allowed General Unsecured Claim. The Debtors contemplate that either the Debtors or the holder of a Contested Claim would commence a proceeding before a court or other tribunal which has jurisdiction over the dispute to determine whether the Debtors are liable for any Contested Claim, and if liability is imposed, the amount of such Claim. With respect to obligations alleged to be due by Tricom or TCN, a Dominican court is likely to have jurisdiction to hear and determine such Claims subsequent to the Effective Date. To the extent any substantial Claim disputed by the Debtors ultimately becomes an Allowed General Unsecured Claim (Class 7) and such Claim is not otherwise subject to reclassification as a Statutorily Subordinated Claim (Class 8), the Debtors may be unable to demonstrate that the Plan is feasible.

The Plan also provides for the classification and treatment of certain Claims as Statutorily Subordinated Claims (Class 8) and provides for the Bankruptcy Court to retain jurisdiction to hear and determine requests to reclassify any Claim as a Statutorily Subordinated Claim subsequent to the Effective Date. Class 8 Claims are impaired under the Plan and holders of Class 8 Claims will not receive any distributions on account of their Claims. Accordingly, in the event a tribunal with appropriate jurisdiction imposes liability against any Debtor under the proposed Plan on account of any Claim subsequent to the Effective Date, the Debtors would have the right to commence a proceeding before the Bankruptcy Court to subordinate such Claim under section 510(b)⁴⁹ of the Bankruptcy Code to the extent such Claim is subject to

⁴⁹ Section 510(b) of the Bankruptcy Code provides in pertinent part:

(b) For the purpose of distribution under this title, a claim arising from rescission of a purchase or sale of a security of the debtor or of an affiliate of the debtor, for damages arising from the purchase or sale of such

subordination under such section, and with the approval of the Bankruptcy Court, to classify and treat the Claim as a Class 8 Claim.

In addition, subsequent to the Effective Date, and notwithstanding any reservation of jurisdiction provided for under the Plan or in the Confirmation Order, the Bankruptcy Court, as well as any other Federal Court, may determine it lacks jurisdiction to hear and consider a proceeding to statutorily subordinate a Claim under section 510(b) of the Bankruptcy Code or may decline to consider such proceedings.

Certain Claims may also be subject to subordination under 510(c) of the Bankruptcy Code; however, there can be no assurance that any such action to equitably subordinate such Claim would be successful, and even if successful, there would be no guarantee of the scope of relief granted in such action.⁵⁰

b. Potential for Duplicate Claims

A portion of the Debtors' payment obligations have been subject to one or more transfers or re-documentation both with respect to third parties and Affiliates and former Affiliates of the Debtors. Accordingly, there can be no assurance that multiple Claims relating to the identical underlying liability have not or will not be asserted against the Debtors arising from, among other circumstances, alleged defects in the transfer documentation, lack of required consents or failure to obtain appropriate approvals. Such risk may exist in connection with certain transfers of debt between Affiliates of the Debtors. *See* Section II.A.4, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Tricom Liquidity Issues." The Debtors believe that the Banco Leon Filed Claims, the Bancredit Cayman Disputed Claim and the Bancredito Panama Disputed Claim are, in certain respects, duplicative.

c. Establishment of Unsecured Financial Claims Reserve

The Plan provides for the creation of the Unsecured Financial Claims Reserve assuming a maximum cap on the Allowed Amount of the Bancredit Cayman Disputed Claim and the Bancredito Panama Disputed Claim of approximately \$154 million in the aggregate. There can be no assurance that Bancredito Panama, Bancredit Cayman or another party in interest may not seek to contest the Unsecured Financial Claims Reserve. The Debtors believe the level of the Unsecured Financial Claims Reserve is warranted given that each of the Bancredit Cayman Disputed Claim and the Bancredito Panama Disputed Claim assert identical Claims of \$70 million relating to the Private Placement; however, there can be no assurance that the Debtors

a security, or for reimbursement or contribution allowed under section 502 on account of such a claim, shall be subordinated to all claims or interests that are senior to or equal the claim or interest represented by such security, except that if such security is common stock, such claim has the same priority as common stock.

⁵⁰ Section 510(c) provides that, notwithstanding sections 510(a) and (b), after notice and a hearing, the court may:

(1) under principles of equitable subordination, subordinate for purposes of distribution all or part of an allowed claim to all or part of another allowed claim or all or part of an allowed interest to all or part of another allowed interest; or

(2) order that any lien securing such a subordinated claim be transferred to the estate.

would prevail in any such contested proceeding. If the Debtors do not prevail they may propose a modification of the Plan and seek to confirm the Plan as modified or pursue an alternative Plan. Such modification or alternative plan would require the consent of the Ad Hoc Committee and the Affiliated Creditors.

7. Creditor Challenge to Allowance of Prepetition Date Interest

The debts underlying the Unsecured Financial Claims bear interest at various and, in some cases, widely divergent interest rates. During the course of the negotiations of the Plan Support and Lock-Up Agreement and the Term Sheet, certain holders of the Unsecured Financial Claims, either (i) advanced the position that the Debtors should cease accruing interest on their unsecured debts so as to maintain the status quo among creditors whose investments bear interest at various rates or (ii) were under the mistaken belief that interest had ceased accruing on those Claims as a result of the Debtors' default on the obligations underlying such Claims in 2003. However, neither the Debtors nor any of the holders of the Debtors' unsecured debts ever agreed to cease the accrual of interest on the Debtors' unsecured debts, and there is no United States or Dominican law which would have prevented the accrual of interest during the relevant time period. The parties to the Plan Support and Lock-Up Agreement, including the Supporting Creditors, have agreed that the interest to be accrued on the Unsecured Financial Claims as of the Petition Date, shall be by reference to the underlying contract or non-default rate, as applicable. There can be no assurance that certain holders of Unsecured Financial Claims, other than the Supporting Creditors, would not oppose confirmation of the Plan and/or the amount of certain of the Allowed Unsecured Financial Claims to be treated under the Plan on the basis that (i) the Debtors agreed to cease the accrual of interest on the Unsecured Financial Claims, or (ii) they are entitled to interest on their Claims in an amount greater than that which the Debtors have determined. Certain holders of Unsecured Financial Claims, including certain Supporting Creditors, have filed Claims asserting Claims for interest at default rates. The Debtors believe they would have meritorious defenses to such allegations and Claims, but there can be no assurance that the Debtors would prevail. Such opposition may also prolong the Plan confirmation process and as a result, delay the occurrence of the Effective Date.

B. Bankruptcy Proceedings in the Dominican Republic

Although the Debtors have commenced their Chapter 11 cases in the Bankruptcy Court, the Debtors may become subject to concurrent bankruptcy proceedings in the Dominican Republic. The bankruptcy laws of the Dominican Republic are significantly different from, and are much less developed than, those of the United States. There have been very few bankruptcy proceedings in the Dominican Republic and none has involved an entity with operations as significant or a capital structure as complex as the Debtors. Except for a mandatory amicable settlement process, Dominican bankruptcy law does not provide for a reorganization process for debtors or for an automatic stay on collection or foreclosure efforts by secured creditors.

Unless creditors' claims are resolved in a mandatory amicable settlement process referred to above or in negotiations among creditors and the debtor, Dominican law provides only for the liquidation of a debtor's business and distribution of the proceeds in the following order:

- (1) judicial costs of the bankruptcy;
- (2) alimony payments allocated to the debtor and the debtor's family;
- (3) general privileged creditors (including the State, employees, attorneys, notaries and suppliers);
- (4) special privileged creditors;⁵¹
- (5) secured creditors;⁵² and
- (6) unsecured creditors.

Mandatory amicable settlement and liquidation proceedings may be time consuming and subject to significant delays. The Debtors' business and market position would likely be adversely and significantly affected by the proceedings and the adverse publicity that would accompany the settlement.

C. Certain Dominican Legal and Regulatory Issues

1. Challenge to the Accordion Transactions

The Debtors have been advised by their Dominican counsel that other Dominican companies have used accordion transactions similar to the Accordion Transactions described in Section IV, "Plan of Reorganization—Means of Implementation of the Plan—Dominican Corporate Actions." The Debtors believe that the Accordion Transactions contemplated under the Plan are allowed under Dominican law, including the Dominican New Corporate Law. The Debtors, however, are not aware of any judicial decisions affirming the validity of such types of transactions. Accordingly, given the absence of judicial precedent, there can be no assurance that Accordion Transactions would withstand challenges in a Dominican Court by disaffected shareholders or other parties in interest.

⁵¹ Creditors with a legal privilege over specific personal property of a debtor are the following, according to Article 2102 of the Civil Code, as amended by Article 550 of the Commercial Code:

- (i) The owner of real property rented to the industrial or commercial establishments of the debtor, for the payment of owed rent, over the personal property of the debtor contained in the establishment (Art. 550 C. Com.);
- (ii) Expenses for the preservation of assets over such assets;
- (iii) Accommodation establishments for the payment of their services over the property of the guest;
- (iv) Expenses for the transport of assets over such assets; and
- (v) Claims against public officers for offenses committed during their office over the bonds they may have provided.

Creditors with a legal privilege over specific real property of the debtor are the following, as resulting from Article 2103 of the Civil Code:

- (a) The seller of real property for the payment of the price;
- (b) The lenders of the purchase price of real property for the payment of the loan;
- (c) Heirs over real property of the deceased for the payment of their part of the inheritance; and
- (d) Architects, engineers and contractors who have worked on the construction or repair of buildings for the payment of their services, as well as those who have advanced the funds for the payment of workers.

⁵² For personal property, special privileged creditors have priority over secured creditors, and the ranking among contractual liens over the same asset depends on the date of registration. For real property, the priority among the different types of special privileged creditors and secured creditors depends solely on the date of registration.

2. Dominican New Corporate Law

The Dominican New Corporate Law provides for a new framework for regulating commercial entities in the Dominican Republic. It introduces, among other provisions, several new provisions such as preemptive rights for subscribing shares and protection for minority shareholders, all of which are new legal concepts under Dominican corporate law. Given its recent enactment, there may be differences in interpretation of some of the new provisions of the Dominican New Corporate Law that may result in challenges before a Dominican Court to certain of actions contemplated to be carried out in order to achieve the Dominican Restructuring Objectives. In particular, the Debtors interpret the preemptive rights under the Dominican New Corporate Law to be limited to the pro rata amount held by the shareholder and to not extend to other shares for which the applicable shareholders waive their preemptive rights. It is possible that other parties may interpret this provision in a different manner to allow existing shareholders priority to rights to shares for which other shareholders have waived their preemptive rights. If any such challenge is made, there can be no assurance that the Debtors would prevail or that the occurrence of the Plan Effective Date would not be delayed.

3. Failure to Obtain Indotel Approval

Tricom and TCN provide telecommunications services under various concessions granted by the Dominican government. *See* Section I.D.2, “Description of the Business—Regulation—Concession Agreement/Licenses.” The Dominican Republic’s Regulations for Concessions, Registrations and Licenses for the Provision of Telecommunications Services (the “Telecommunications Regulations”) provide that in order for any entity that holds a telecommunications concession or license from Indotel to maintain such telecommunications concession or license following a change in control, prior approval by Indotel is required. The Plan provides for Reorganized Tricom and Reorganized TCN to become wholly owned and indirect wholly owned subsidiaries of Holding Company, respectively. As such, the change in control of Tricom, and consequently the indirect transfer of control of TCN, contemplated by the Plan requires the prior approval of Indotel.

Following the commencement of the solicitation of votes on the Plan, Tricom and TCN will initiate the process of obtaining Indotel approval for the change in control of Tricom to Holding Company. The Debtors have been advised by their Dominican counsel that the approval process will likely take between three to four months. Even though Indotel has established applicable time periods for the phases of the change of control approval process, under Dominican law there is no fixed time period for the entire process, hence, the approval process may take more or less than three to four months and may take substantially longer. In addition, the criteria upon which Indotel will review the change in control are set forth in the Telecommunications Regulations; however, they are somewhat general and refer to the technical qualifications and financial capabilities of the applicant. Although the Debtors are confident that Indotel will grant the necessary approval, no assurances can be given that such approval will be granted or, if granted, the date on which Indotel approval will be obtained.

The Telecommunications Regulations require that Tricom furnish public notice of the proposed change in control to be effected by the Plan, and parties in interest, including the Central Bank and the Debtors’ competitors, may appear before Indotel to contest approval of the

change in control. There can be no assurance that parties in interest will not oppose the change in control.

4. Tripartite Agreement

It is the Debtors' understanding that GFN, S.A. pledged to the Central Bank certain of its shares in certain of its Affiliates, including Tricom, under the Tripartite Agreement. *See* Section II.A.5, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Dominican Republic Banking and Liquidity Crisis of 2003." Although Tricom is not a party to the Tripartite Agreement and has no independent records of any amounts purportedly advanced by the Central Bank thereunder, a report written by D.S. Consulting under a Central Bank contract, which report was published by the electronic newspaper Clave Digital in February 2006, states that the Central Bank advanced, either directly or indirectly, RD\$20,480,000 to Tricom and RD\$94,006,000 to TCN, respectively, during July and August 2003, in connection with the Tripartite Agreement.

The Debtors believe that the Plan and Confirmation Order will properly authorize the taking of all actions necessary to implement the Plan, including, but not limited to, the Restructuring Dilution Transactions and issuance of the new Tricom Stock to Holding Company. However, no assurance can be given that the Central Bank will not take the position that the commencement of the Chapter 11 Cases, the corporate actions necessary to the capitalization of Holding Company, the Accordion Transactions, the issuance of new Tricom Stock to Holding Company or the consummation of the Plan contravenes the terms of the Tripartite Agreement. If any such contrary position is taken, the Debtors may be unable to predict the form of opposition the Central Bank may interpose, the forum in which it would be asserted or the likelihood that it will be successful. Likewise, no assurance can be given that the Central Bank will not file or assert claims against Tricom or TCN in a forum other than the Bankruptcy Court. If such claims are brought outside of the United States, the Debtors may be unable to enforce the automatic stay of section 362(a) of the Bankruptcy Code. In addition, if brought, the Debtors may be unable to predict whether the assertion of such claims would result in liability on the part of the Debtors. In the event of the allowance of any significant Allowed Claim on the part of the Central Bank in the Chapter 11 Cases, the Debtors may be unable to demonstrate that the Plan is feasible. *See* Section VIII.B.1.d, "Confirmation of the Plan of Reorganization—Requirements for Confirmation of the Plan—Requirements of Section 1129(a) of the Bankruptcy Code—Feasibility."

5. Dominican Risk Factors

a. Risks Associated with Emerging Markets and the Dominican Economy

There are certain risks generally related to emerging markets that may affect the Debtors' performance, including currency risk and political risk.

b. Increased Tax Rates

The Dominican government has in the past changed tax rates and created new taxes, as well as modified the system of taxation with some frequency. In addition, no assurances can be given that the Dominican government would not impose taxes related to the telecommunications industry that may affect the financial performance of the Debtors.

c. Legal System

Laws governing telecommunications, the rights of investors and creditors, customer protection, and other laws in the Dominican Republic are generally less developed than those in the United States and may be less protective of the rights and interests of foreign investors and owners of property in general. In addition, in the Dominican Republic, creditors could experience significant legal difficulties, impediments and delays in taking possession of, or otherwise in enforcing its rights with respect to collateral. Thus, it may be more difficult for creditors to pursue claims or obtain effective enforcement of their rights by legal or arbitration proceedings.

Poverty, social unrest and shortages of basic services in the Dominican Republic could affect the use of telecommunications services, which would decrease the Debtors' revenue. The Dominican Republic has widespread poverty. The country has experienced riots from time to time, partly as a result of price increases and shortages of water and electricity. Increases in poverty levels, heightened social unrest or the shortage of basic services could adversely affect the use of telecommunications services.

D. Capital Expenditures

As a result of their worsening financial condition, from 2003 through 2008, the Debtors significantly reduced their capital expenditures. *See* Section I.E.2, "Description of the Business—Current Operations—Property, Plant and Equipment." The levels of capital expenditures during this time frame were not sufficient to allow the Debtors to upgrade or even maintain their network infrastructure. Following their emergence from the Chapter 11 Cases, the Debtors expect that they will require substantial capital expenditures for several of their business segments to maintain their facilities and to remain competitive. There can be no assurance that the Debtors will have the ability to finance such capital expenditures or make such capital expenditures from their future cash flows.

E. Factors Affecting the Value of the Securities to be Issued Under the Plan

1. Capital Requirements

The business of the Reorganized Debtors is expected to have substantial capital expenditure needs. The Reorganized Debtors' ability to gain access to additional capital, if needed, cannot be assured, particularly in view of competitive factors and industry conditions.

2. New Management

Upon the Effective Date of the Plan, the Debtors will have new directors and are expected to be managed by a new management team that may not presently work for the Debtors and may have limited recent involvement with the Debtors. No assurance can be given that the Reorganized Debtors' or Holding Company's respective new management teams or management structures will be successful.

3. Variances from Projections

The fundamental premise of the Plan is the capitalization and realization of the Debtors' business plan, as reflected in the Projections contained in this Disclosure Statement. The Projections reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors, some of which may not materialize. Such assumptions include, among other items, assumptions concerning the general economy, the ability to make necessary capital expenditures, the ability to establish market strength, consumer purchasing trends and preferences, and the ability to stabilize and grow the Debtors' sales base and control future operating expenses. The Debtors believe that the assumptions underlying the Projections are reasonable; however, unanticipated events and circumstances occurring subsequent to the preparation of the Projections may affect the actual financial results of Reorganized Tricom. Additionally, upon the Effective Date, Reorganized Tricom will have new directors and is expected to be operated by a new management team who may not utilize the same business plans that underlie these Projections and who may not have the ability to successfully implement such business plans, which could have a material adverse impact on Reorganized Tricom's results of operations and financial condition. Therefore, the actual results achieved throughout the periods covered by the Projections may necessarily vary from the projected results, and such variations may be material and adverse.

Moreover, the estimated percentage recovery by holders of Allowed Unsecured Financial Claims is based upon Tricom's estimate of the value of Holding Company Stock. Because the market and economic conditions upon which such values are based are beyond the control of the Reorganized Debtors and Holding Company, the actual results achieved may necessarily vary from the estimate. Such variations may be material and adverse.

4. Disruption of Operations

The Debtors may be unable to confirm the Plan in the time frame contemplated as a consequence of a contested confirmation proceeding, or the occurrence of the Effective Date may be delayed for an unanticipated period as a result of various factors. Either circumstance could adversely affect the Debtors' commercial relationships, as well as their ability to retain or attract high quality employees. In such event, weakened operating results may occur that could give rise to variances from the Debtors' Projections. Although the Debtors believe that they have good relationships with their customers, there can be no assurance that such customers will continue to use their services in the event of unanticipated delays in confirming the Plan or the occurrence of the Effective Date.

5. Lack of Trading Market

Because the Holding Company Stock will not be listed on any public exchange or otherwise qualified to trade on a public market, no assurance can be given that a market for Holding Company Stock will develop or that a holder of Holding Company Stock will be able to sell such securities in the future or as to the price at which any sale may occur. If a holder of Holding Company Stock is able to sell such securities in the future, the price of the securities could be higher or lower than the value ascribed to them in this Disclosure Statement, depending upon many factors, including prevailing interest rates, markets for similar securities, industry conditions and the performance of, and investor expectations for, the Reorganized Debtors.

6. Dividend Policies

Holding Company does not anticipate that any dividends will be paid on Holding Company Stock in the foreseeable future.

F. Certain Tax Matters

1. Treatment of Interest on Unsecured Financial Claims

In or about 2004, the Debtors elected to allocate the interest accrued and to be accrued on the instruments underlying the Unsecured Financial Claims to Tricom USA, which is a guarantor of certain, but not all, of these obligations. The Debtors' tax advisors concluded that it was appropriate to not register such interest on Tricom's books. As of the Petition Date, approximately US\$123.4 million of accrued and unpaid interest and US\$22 million in additional interest accrued on Tricom USA's books that is not part of any Allowed Claim or otherwise treated under the Plan. There can be no assurance, however, that the Internal Service (the "IRS"), another U.S. agency, or the DGII, the Tax Authorities of the Dominican Republic, would not seek to challenge this accrual. To the extent such interest is allocated to Tricom, Tricom would be required to pay all requisite taxes on such interest and, it is possible, albeit unlikely, that Tricom could incur additional fines and penalties in the Dominican Republic. However, the Debtors believe the incurrence of fees and penalties for not properly accruing the interest on Tricom's books and records and making the withholding is unlikely based on certain research and communications with the DGII.

2. Withholding on Payment of Advisor Fees

Article 305 of the Dominican Tax Code requires that Dominican companies withhold and pay to the tax administration, 25% of all payments of Dominican source income made abroad, including fees paid to foreign service providers. The Debtors', the Ad Hoc Committee's, and the Affiliated Creditors' restructuring advisors, including financial and legal advisors, have been paid substantial fees in connection with the restructuring. Almost all of such fees have been paid by Tricom USA, a Delaware entity. Tricom and its tax advisors believe that it has no tax withholding obligations related to the payment of fees by Tricom USA because, among other things, Tricom USA is a foreign entity paying foreign advisors and Tricom has not taken any tax deductions or credits related to such fee payments. However, there is no assurance that the Dominican tax authorities would not take a contrary position and attempt to collect

alleged withholding obligations related to the payment of the foreign advisors pursuant to their discretionary powers.

G. Litigation Against the Debtors and Contingent Claims

1. Claims Arising from the Placement and Other Claims

a. The Bancredit Cayman Action

As noted, in November 2007, the JOLs for Bancredit Cayman commenced the Bancredit Cayman Action by the filing of the Bancredit Cayman Complaint. The Bancredit Cayman Complaint alleges that between December 2002 and August 2003, Bancredit Cayman transferred approximately \$120 million to Tricom, including \$70 million related to the Placement and an additional \$50 million on account of which the Bancredit Cayman Complaint alleges Bancredit Cayman received no benefit. Pursuant to the Bancredit Cayman Complaint, the JOLs seek to recover \$120 million from Tricom, plus interest and attorneys' fees. As of the Petition Date, the Bancredit Cayman Action has been stayed. *See* Section II.A.11.d, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Related Party Events—Bancredit Cayman Liquidation and Litigation." The causes of action alleged by Bancredit Cayman in the Bancredit Cayman Action are similar, if not identical to, the Claims included in the Bancredit Cayman Filed Claims.

b. The Bancredit Cayman Disputed Claim and Bancredito Panama Disputed Claim

As noted above (*see* Section III.F.1, "Commencement of and Events During the Chapter 11 Cases—Matters Pertaining to the Proofs of Claim filed by Bancredit Cayman, Bancredito Panama and Banco Multiple Leon—Proofs of Claim Filed by the Banks"), Bancredito Panama has also asserted Claims in connection with the Placement.

The Debtors believe that the JOLs' claims in the Bancredit Cayman Action, the Bancredit Cayman Disputed Claim and the Bancredito Panama Disputed Claim are without merit and that the Debtors have viable defenses to such Claims. Under the Plan, the Bancredit Cayman Disputed Claim and Bancredito Panama Disputed Claim are treated as disputed Unsecured Financial Claims for which reserves are established. The Debtors intend to vigorously dispute such claims. Further, irrespective of the validity of the Bancredit Cayman Disputed Claim and the Bancredito Panama Disputed Claim, the Debtors believe that the portions of such Claims relating to the Placement necessarily arise out of the purchase and sale of Tricom Stock and would be subject to subordination under section 510(b) of the Bankruptcy Code and treatment as a Class 8 Claim (Statutorily Subordinated Claim) under the Plan.

c. Other Potential Claims Arising out of the Placement

The Debtors also believe that it is possible that other parties may assert claims arising out of the Placement. Nonetheless, the Debtors are not able to determine with any certainty who specifically might assert Claims, the precise nature of any Claims that may be asserted, the jurisdiction in which such Claims may be brought, the theories on which such

Claims may be based, the validity of any such Claims, whether viable defenses would be available to such Claims and whether any judgment or award arising out of such Claims would be enforceable against the Debtors or their Assets. With the exception of the Bancredit Cayman Disputed Claim, the Bancredito Panama Disputed Claim, and the Banco Leon Filed Claims, no other Claims have been filed against the Debtors' estates in connection with the Private Placement or Tricom's restatement of its the 2002 financial statements.

The circumstances surrounding the Placement ultimately led to the appointment of the Special Committee and restatement of Tricom's financial statements for the year ended December 31, 2002. *See* Section II.A.10, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—2002 Private Placement Transaction, Special Committee Report and Restatement of 2002 Financial Statements." In addition to the Banks' Claims, it is possible that further Claims may be asserted in connection with the restatement of the 2002 financial statements and the facts and circumstances giving rise to such restatement. At the present time, the Debtors are unable to determine the possibility of such additional Claims being asserted against them or the validity or amount of such Claims.

d. GFN Corporation, Ltd. Winding Up

On or about January 16, 2009, upon the petition of Bancredit Cayman, the Grand Court of the Cayman Islands ordered the winding of GFN Corporation Ltd. Richard Fogerty and G. James Cleaver of Kroll (Cayman) Ltd. were appointed by the Cayman Grand Court as the Joint Official Liquidators. GFN Corporation Ltd is an Affiliate of Mr. Pellarano and is, or formerly was, a GFN Affiliated Shareholder. Based on information available to them, the Debtors understand that GFN Corporation Ltd. is currently, or formerly was, the direct or indirect parent of Oleander, a GFN Affiliated Shareholder, and one of Tricom's significant shareholders. *See* Section I.G.2, "Description of the Business—Trading of Tricom Stock and Current Ownership--Current Ownership of Tricom Stock." In pleadings filed with the Bankruptcy Court, Bancredit Cayman has reported that the Joint Official Liquidators for GFN Corporation Ltd. are investigating the facts surrounding the ownership interest in Oleander, Tricom and other entities and have advised that the potential control of the Debtors may be implicated. Bancredit Cayman further advises that this may have potential implications for the Debtors' ability to implement the Restructuring Dilution, which requires certain shareholder votes.⁵³ The Debtors are not parties to the proceedings in the Cayman Islands relating to GFN Corporation Ltd and have not being notified nor do they have any knowledge of any order entered in the Cayman proceeding or otherwise relating to the ownership of Oleander or Tricom.

2. Grupo Economico Lawsuit

In April 2004, a suit was brought by certain holders of certificate of deposits and other instruments issued by Creditcard International, S.A., GFN Corporation Ltd., GFN

⁵³ *See* Objection of Bancredit Cayman Ltd. (In Official Liquidation) to Motion of the Debtors and Debtors-in-Possession Pursuant to Section 1121(d)(1) of the Bankruptcy Code for Entry of an Order Further Extending the Debtors' Exclusive Period to Solicit and Obtain Acceptances of the Prepackaged Joint Chapter 11 Plan of Reorganization for Tricom, S.A. and its Affiliated Debtors. [Docket No. 423]

International, and Bancredit Cayman seeking to impose joint and several liability against Tricom, TCN and the other co-defendants named in the suit (including, *inter alia*, the Central Bank, Banco Profesional, GFN Corporation Ltd. and certain GFN affiliates, including Bancredito Dominican Republic) for the amounts owed by Creditcard International, S.A., GFN, GFN International, and Bancredit Cayman to the plaintiffs. The Second Courtroom of the Civil and Commercial Chamber of the Court of First Instance of the National District found in favor of the plaintiffs, and entered a judgment against certain defendants. Tricom and certain of the other defendants named in the lawsuit were excluded from the trial court's judgment. The trial court further ruled that the Tripartite Agreement had to be honored and, as a result, certain of the co-defendants were found liable for the amount of US\$156,000,000 with such amount to accrue interest at 1%. This amount was subsequently reduced (upon a motion filed by the plaintiffs) to US\$13,338,213.25 plus RD\$5,489,543.32, but with no reduction in the interest accrued on such judgment. The plaintiffs appealed the trial court's decision to the Court of Appeals seeking, *inter alia*, the reinstatement of Tricom as a co-defendant. On June 29, 2007, the Court of Appeals found against the plaintiffs on their appeal and denied their request to reinstate Tricom as a defendant. In addition, the Court of Appeals further reduced the trial court's award to the plaintiffs against certain defendants from US\$13,502,080 to US\$4,299,765, with interest to accrue at 14%.

As discussed in Section II.A.5, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Factors and Circumstances Leading to Reorganization—Dominican Republic Banking and Liquidity Crisis of 2003," the Court of Appeals also invalidated Section 1(b) of the Tripartite Agreement, which purportedly provides that the sum of US\$156,000,000 regarding the portfolio marketed and placed through ACYVAL, and/or Bancredito Dominican Republic constitutes a contingent obligation of the Central Bank. The Court of Appeals held that Article 1(b) violated Dominican law prohibiting the Central Bank from assuming financial obligations of third parties. The Debtors believe that the invalidation of Article 1(b) could possibly result in the Central Bank asserting damages against certain entities, including Tricom, relating to sums advanced under the Tripartite Agreement.

On September 17, 2007, the plaintiffs appealed the judgment rendered by the Court of Appeals to the Supreme Court. Several defendants also appealed the Court of Appeals judgment to the Supreme Court. Along with its appeal, one of the defendants, Banco Leon, also filed a suspension lawsuit which was decided in its favor by the Supreme Court on December 17, 2008, which stays the enforceability of the Court of Appeals' judgment until the Supreme Court decides the suspension request. Hearings on Banco Leon's appeal have not yet been scheduled in the Supreme Court; therefore, a decision is not likely to be rendered in the near term. The Debtors believe it is unlikely that Tricom will be found liable in these proceedings.

H. Other Pending Litigation or Demands Asserting Prepetition Liability

Except as disclosed in this Disclosure Statement or the exhibits hereto, as of the date of this Disclosure Statement, there are no pending demands or litigation asserting prepetition liability which the Debtors believe will have a material adverse effect upon the operations or financial position of the Debtors, the Reorganized Debtors or their subsidiaries, if determined unfavorably to the Debtors.

VII.

VOTING PROCEDURES AND REQUIREMENTS

A. Voting Deadline

IT IS IMPORTANT THAT THE HOLDERS OF CLAIMS IN CLASS 3 (Credit Suisse Existing Secured Claims) AND CLASS 6 (Unsecured Financial Claims) TIMELY EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN. All known holders of Credit Suisse Existing Secured Claims and Unsecured Financial Claims entitled to vote on the Plan have been sent a Ballot together with this Disclosure Statement. Such holders should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement.

The Debtors have engaged Kurtzman Carson Consultants LLC as their Voting Agent to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. The Altman Group, Inc., the Debtors' Public Securities Voting Agent is assisting the Debtors with the transmission of voting materials and in the tabulation of votes with respect to the 11 3/8 % Senior Notes. IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE RECEIVED BY THE VOTING AGENT OR THE PUBLIC SECURITIES VOTING AGENT, AS APPROPRIATE, AT THE ADDRESS SET FORTH BELOW BEFORE THE VOTING DEADLINE OF 5:00 P.M., PACIFIC TIME, ON [___], 2009.

Pursuant to section 1127(d) of the Bankruptcy Code, if you previously voted to either accept or reject the Original Plan and do not cast a vote to accept or reject the Plan by the Voting Deadline, you will be deemed to have accepted or rejected the Plan, as applicable, based on your vote on the Original Plan.

IF YOU MUST RETURN YOUR BALLOT TO YOUR BANK, BROKER OR OTHER NOMINEE, OR TO THEIR AGENT, YOU MUST RETURN YOUR BALLOT TO THEM IN SUFFICIENT TIME FOR THEM TO PROCESS IT AND RETURN IT TO THE VOTING AGENT BEFORE THE VOTING DEADLINE.

IF A BALLOT IS DAMAGED OR LOST, YOU MAY CONTACT THE DEBTORS' VOTING AGENT AT THE NUMBER SET FORTH BELOW. ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OF REORGANIZATION WILL BE COUNTED AS A VOTE TO ACCEPT THE PLAN.

IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE VOTING AGENT OR THE PUBLIC SECURITIES AGENT, AS APPROPRIATE, AT:

TRICOM BALLOT PROCESSING
C/O KURTZMAN CARSON CONSULTANTS LLC
2335 ALASKA AVENUE
EL SEGUNDO, CA 90245
TELEPHONE: (866) 381-9100

TRICOM BALLOT PROCESSING
C/O THE ALTMAN GROUP, INC.
60 EAST 42ND ST., SUITE 405
NEW YORK, NY 10165
TELEPHONE: (212) 681-9600

Additional copies of this Disclosure Statement are available upon request made to the Voting Agent, at the address set forth immediately above. This Disclosure Statement and the Plan is also available on the Debtors' Claims and Balloting Agent Kurtzman Carson Consultants' website at www.kccllc.net/Tricom.

B. Holders of Claims Entitled to Vote

Class 3 and Class 6 (Credit Suisse Existing Secured Claims and Unsecured Financial Claims) are the only classes of Claims and Equity Interests under the Plan that are impaired and entitled to vote to accept or reject the Plan. Each holder in Class 3 and Class 6 (Credit Suisse Existing Secured Claims and Unsecured Financial Claims) as of **[Insert Voting Record Date]** (the record date established by the Debtors for purposes of this solicitation) may vote to accept or reject the Plan.

C. Vote Required for Acceptance by a Class

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of Claims occurs when holders of at least two-thirds in dollar amount and more than one-half in number of the allowed claims of that class that cast ballots for acceptance or rejection of the plan of reorganization vote to accept the plan. Thus, acceptance of the Plan by Class 3 and Class 6 (Credit Suisse Existing Secured Claims and Unsecured Financial Claims) will occur only if at least two-thirds in dollar amount and a majority in number of the holders of Claims in each of Class 3 and Class 6, respectively, cast their Ballots vote in favor of acceptance. As noted, the Debtors have entered into the Plan Support and Lock-Up Agreement with among others (i) certain members of the Ad Hoc Committee who collectively beneficially own approximately 72% of the principal amount of the Unsecured Financial Claims, including the Affiliated Creditors, and (ii) the holders of Credit Suisse Existing Secured Claims. *See* Section II.C, "Key Events Leading to the Solicitation and Decision to Commence Voluntary Chapter 11 Reorganization Cases—Formation of Ad Hoc Committee and Negotiations with Creditors." Pursuant to the terms and conditions of the Plan Support and Lock-Up Agreement, each such holder noted above has agreed to vote to accept the Plan.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

D. Voting Procedures

1. Holders of Class 3 and Class 6 Claims

All record holders of Class 3 (Credit Suisse Existing Secured Claims) and Allowed Class 6 (Unsecured Financial Claims) should complete the enclosed Ballot and return it to the Voting Agent or the Public Securities Voting Agent, as appropriate, so that it is received by the Voting Agent or the Public Securities Voting Agent before the Voting Deadline.

All record holders of Class 3 and Class 6 Claims that have returned Ballots will be deemed to have consented to the releases provided in Article 7.24 of the Plan, unless such holder affirmatively elects in the Ballot not to grant such releases.

Pursuant to Bankruptcy Rule 3018, no Disputed Unsecured Financial Claims will be counted for voting purposes unless an order of the Bankruptcy Court is entered after notice and a hearing temporarily allowing such Disputed Unsecured Financial Claim for voting purposes under Bankruptcy Rules 3018. Such disallowance for voting purposes is without prejudice to the claimant's right to seek to have its Disputed Unsecured Financial Claim allowed for purposes of distributions under the Plan, subject to the provisions of Section 9.7(e) of the Plan.

Pursuant to section 1127(d) of the Bankruptcy Code, all record holders of Class 3 and Class 6 Claims who previously voted to either accept or reject the Original Plan and who do not cast a vote to accept or reject the Plan by the Voting Deadline, will be deemed to have accepted or rejected the Plan, as applicable.

2. Withdrawal of Ballot or Master Ballot

Any voter that has delivered a valid Ballot or Master Ballot may withdraw its vote by delivering a written notice of withdrawal to the Voting Agent or the Public Securities voting agent, as appropriate, before the Voting Deadline. To be valid, the notice of withdrawal must (a) be signed by the party who signed the Ballot or Master Ballot to be revoked and (b) be received by the Voting Agent or the Public Securities Agent, as appropriate, before the Voting Deadline. The Debtors may contest the validity of any withdrawals.

Any holder that has delivered a valid Ballot or Master Ballot may change its vote by delivering to the Voting Agent a properly completed subsequent Ballot or Master Ballot so as to be received before the Voting Deadline. In the case where more than one timely, properly completed Ballot or Master Ballot is received, only the Ballot or Master Ballot that bears the latest date will be counted.

VIII.

CONFIRMATION OF THE PLAN OF REORGANIZATION

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after appropriate notice, to hold a hearing on confirmation of a plan of reorganization. The Confirmation Hearing in respect of the Plan has been scheduled for [], 2009 at :00 __. m., prevailing Eastern Time, before the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court, One Bowling Green, New York, New York 10004. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan of reorganization. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of claims or interests held or asserted by the objector against a Debtors' Estate or property, the basis for the objection and the specific grounds therefore, and must be filed with the Bankruptcy Court, with a copy to Chambers, together with proof of service thereof, and served upon (i) Morrison & Foerster LLP, Attorneys for the Debtors, 1290 Avenue of the Americas, New York, New York 10104, Attention: Larren M. Nashelsky, Esq.; (ii) White & Case LLP, Attorneys for the Affiliated Creditors, 200 South Biscayne Boulevard, Suite 400, Miami, Florida 33131, Attention: John Cunningham, Esq.; and (iii) Manatt, Phelps & Phillips LLP, Attorneys for the Ad Hoc Committee, 11355 West Olympic Boulevard, Los Angeles, California 90064, Attention: Alan Feld, Esq., so as to be received no later than [, 2009] at 4:00 p.m., prevailing Eastern Time (the "Confirmation Objection Deadline").

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS SERVED AND FILED ON OR BEFORE THE CONFIRMATION OBJECTION DEADLINE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Requirements for Confirmation of the Plan

1. Requirements of Section 1129(a) of the Bankruptcy Code

a. General Requirements

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in section 1129 of the Bankruptcy Code have been satisfied:

(1) The Plan complies with the applicable provisions of the Bankruptcy Code.

(2) The Debtors have complied with the applicable provisions of the Bankruptcy Code.

(3) The Plan has been proposed in good faith and not by any means proscribed by law.

(4) Any payment made or promised by the Debtors or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court.

(5) The Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of each Debtor and Holding Company, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity holders and with public policy, and the Debtors have disclosed the identity of any insider that will be employed or retained by the Debtors, and the nature of any compensation for such insider.

(6) Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtors has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval.

(7) With respect to each class of Claims or equity interests, each holder of an impaired claim or impaired equity interest either has accepted the Plan or will receive or retain under the Plan on account of such holder's claim or equity interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. (*See* discussion of "Best Interests Test" below.)

(8) Except to the extent that the Plan meets the requirements of section 1129(b) of the Bankruptcy Code (discussed below), each class of Claims or Equity Interests has either accepted the Plan or is not impaired under the Plan.

(9) Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims and Priority Claims will be paid in full on the Effective Date and that Tax Claims will receive on account of such Claims deferred Cash payments, over a period not exceeding five years from the Petition Date, of a value, as of the Effective Date, equal to the allowed amount of such Claims.

(10) At least one class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a claim in such class.

(11) Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successor to the

Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. (*See* discussion of “Feasibility” below.)

(12) All fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

(13) The Plan provides for the continuation after the Effective Date of payment of all Retiree Benefits (as defined in section 1114 of the Bankruptcy Code), at the level established pursuant to Section 1114(e)(1)(B) or 1114(g) of the Bankruptcy Code at any time prior to confirmation of the Plan, for the duration of the period the Debtors have obligated themselves to provide such benefits.

b. Best Interests Test

As described above, the Bankruptcy Code requires that each holder of an impaired Claim or Equity Interest either (a) accepts the Plan of reorganization or (b) receives or retains under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date.

The first step in meeting this test is to determine the dollar amount that would be generated from the liquidation of the Debtors’ assets and properties in the context of a Chapter 7 liquidation case. The gross amount of Cash available would be the sum of the proceeds from the disposition of the Debtors’ assets and the Cash held by the Debtors at the time of the commencement of the Chapter 7 case. The next step, however, is to reduce that total by the amount of any claims secured by such assets, the costs and expenses of the liquidation, and such additional administrative expenses and priority claims that may result from the termination of the Debtors’ business and the use of Chapter 7 for the purposes of liquidation. Any remaining net Cash would be allocated to creditors and shareholders in strict priority in accordance with section 726 of the Bankruptcy Code (see discussion below). Finally, the present value of such allocations (taking into account the time necessary to accomplish the liquidation) is compared to the value of the property that is proposed to be distributed under the Plan on the Effective Date.

The Debtors’ costs of liquidation under Chapter 7 would include the fees payable to a Chapter 7 trustee in bankruptcy, as well as those that might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtors during the Chapter 11 Cases and allowed in the Chapter 7 cases, such as compensation for attorneys, financial advisors, appraisers, accountants and other professionals. Moreover, additional Claims would arise by reason of the breach or rejection of obligations incurred and executory contracts or leases entered into by the Debtors both prior to, and during the pendency of, the Chapter 11 Cases.

The foregoing types of Claims, costs, expenses, fees and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay pre-Chapter 11 priority and unsecured claims. Under the absolute priority rule, no junior creditor would receive any distribution until

all senior creditors are paid in full, with interest, and no equity holder receives any distribution until all creditors are paid in full, with interest.

After consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in a Chapter 11 case, including (i) the increased costs and expenses of a liquidation under Chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) the erosion in value of assets in a Chapter 7 case in the context of the expeditious liquidation required under Chapter 7 and the “forced sale” atmosphere that would prevail and (iii) substantial increases in claims which would be satisfied on a priority basis, the Debtors have determined that confirmation of the Plan will provide each creditor and equity holder with a recovery that is not less than it would receive pursuant to a liquidation of the Debtors under Chapter 7 of the Bankruptcy Code.

Moreover, the Debtors believe that the value of any distributions from the liquidation proceeds to each class of allowed Claims in a Chapter 7 case would be the same or less than the value of distributions under the Plan because such distributions in a Chapter 7 case may not occur for a substantial period of time. In this regard, it is possible that distribution of the proceeds of the liquidation could be delayed for a year or more after the completion of such liquidation in order to resolve the claims and prepare for distributions. In the event litigation is necessary to resolve claims asserted in the Chapter 7 case, the delay could be further prolonged and administrative expenses further increased.

The Debtors’ liquidation analysis is an estimate of the proceeds that may be generated as a result of a hypothetical Chapter 7 liquidation of the assets of the Debtors. The analysis is based upon a number of significant assumptions which are described. The liquidation analysis does not purport to be a valuation of the Debtors’ assets and is not necessarily indicative of the values that may be realized in an actual liquidation.

c. Liquidation Analysis

The Debtors’ Chapter 7 liquidation analysis and assumptions are set forth below (the “Liquidation Analysis”). Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired Allowed Claim or Equity Interest either (a) accepts the plan of reorganization or (b) receives or retains under such plan property of a value, as of the consummation date of the plan, that is not less than the value such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

The purpose of the Liquidation Analysis that follows is to provide information in order for the Bankruptcy Court to determine that the Plan satisfies this requirement. The Liquidation Analysis was prepared to assist the Bankruptcy Court in making this determination and should not be used for any other purpose.

The following presents the general assumptions that were used in preparing the Liquidation Analysis assuming a Chapter 7 case in which a Chapter 7 trustee is charged with reducing to cash any and all assets of the Debtors and making distributions to the holders of

Allowed Claims and Equity Interests in accordance with the distributive provisions of section 726 of the Bankruptcy Code.

Conversion of the Debtors' cases to cases under Chapter 7 of the Bankruptcy Code would likely result in additional costs to the estates. Costs of liquidation under Chapter 7 of the Bankruptcy Code would include the compensation of a trustee as well as professionals retained by the trustee, asset disposition expenses (including brokers' fees and other commissions), personnel costs, and costs and expenses associated with preserving and protecting the Debtors' assets during the liquidation period.

The Liquidation Analysis is limited to presenting information provided by management and does not include an independent evaluation of the underlying assumptions. The Liquidation Analysis has not been examined or reviewed by independent accountants in accordance with standards promulgated by the American Institute of Certified Public Accountants. The estimates and assumptions, although considered reasonable by management, are inherently subject to significant uncertainties and contingencies beyond the control of management. Accordingly, there can be no assurance that the results shown would be realized if the Debtors were liquidated, and actual results in such case could vary materially from those presented. If actual results are different from those shown, or if the assumptions used in formulating the Liquidation Analysis were not realized, then distributions to and recoveries by holders of Allowed Claims and Equity Interests would be materially affected.

In addition, the actual amounts of Claims against the Debtors' estates could vary significantly from estimated amounts depending upon the Claims asserted during the pendency of the Chapter 7 case, by reason of, among other things, the breach or rejection of executory contracts and leases. The Liquidation Analysis does not include liabilities that may arise as a result of litigation, certain new tax assessments, or other potential Claims. The Liquidation Analysis also does not include recoveries from potential avoidance actions. For the foregoing reasons and others, the Liquidation Analysis is not necessarily indicative of the values that may be realized in an actual liquidation, which values could vary materially from the estimates provided herein.

The Liquidation Analysis, which was prepared by the Debtors in consultation with their financial and legal advisors, is based upon a number of estimates and assumptions that, although developed and considered reasonable by management, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and management. The Liquidation Analysis is based upon assumptions with regard to liquidation decisions that would be made by the trustee (not management) and that are subject to change. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis would be realized by the Debtors were they, in fact, to undergo such a liquidation.

General Assumptions

(1) The Liquidation Analysis is based upon an estimate of the proceeds that would be realized by the Debtors in the event that the Debtors' assets are liquidated under Chapter 7 of the Bankruptcy Code. The Liquidation Analysis is based upon a balance sheet as of December 31, 2008. Management of the Debtors does not believe that historical information or

future projected information will vary significantly. However, this analysis is subject to change as a result of any changes in the Debtors' operations.

(2) The Chapter 7 liquidation period is assumed to be 8 to 12 months following the appointment or election of a Chapter 7 trustee. The collection of receivables and the marketing and sale of property, plants and equipment are assumed to be completed by the end of the fourth month. It is assumed that services would be provided to the Debtors' customers only during the first 30 to 45 days during the liquidation period and the wind-down of business operations of the Debtors will occur during the three months after all service is discontinued. The wind-down costs have been estimated by the Debtors' management and any deviation from this assumed period could have a material impact on the wind-down costs, the amount of administrative claims, proceeds from asset sales and the ultimate recovery to the creditors of the Debtors' estates.

(3) All distributions will be made as and when proceeds from the disposition of assets and collection of receivables are received; however, the projected recoveries have not been discounted to reflect the present value of any distributions.

(4) The Claim amounts reflected in the Liquidation Analysis were estimated based on the Debtors' balance sheet as of December 31, 2008, the Bancredit Cayman Disputed Claim, the Bancredito Panama Disputed Claim, the Claim filed by Banco Leon and estimates of Claims that would arise in the event the Debtors' cases were converted to cases under Chapter 7 of the Bankruptcy Code. The actual amount of Claims allowed may change as a result of the resolution of various disputed, contingent, or unliquidated Claims that have been or may be filed with the Bankruptcy Court.

(5) Management believes that it is unlikely that material taxable gains would be triggered through a liquidation of the Debtors' assets. However, if for some reason there were to be a taxable gain from the liquidation of the Debtors' assets, any realized gains could be offset by the Debtors' current pretax losses and/or net operating loss carryforwards with minimal tax liability resulting.

(6) The values reflected in the Liquidation Analysis are based on the assumption that the Debtors will pursue a liquidation strategy and, if possible, distressed sales under Chapter 7 of the Bankruptcy Code. As a result, the values reflected in the Liquidation Analysis are not indicative of the values that might be received were the Debtors to sell any of their businesses as going concerns in a formal business sale transaction.

Notes to Liquidation Analysis

The notes below identify and describe the significant assumptions that are incorporated in the Liquidation Analysis:

(1) The Debtors' Cash and Cash equivalents as of December 31, 2008 total approximately \$13.0 million. In liquidation, the estimated recovery on the balance of Cash and Cash Equivalents is 100%.

- (2) The Debtors' accounts receivable are primarily amounts owed by their customers. The Debtors' management believes that liquidation would have a significant impact on collections of accounts receivable. An estimated recovery percentage has been assigned to each category of receivable. The estimated recovery percentage on receivables is approximately 29% to 52%.
- (3) Inventories consist primarily of new and refurbished wireless handsets, accessories, and cable boxes. The estimated recovery percentage on inventories is between 9% and 20%.
- (4) Prepaid expenses and other current assets consist primarily of prepaid insurance and prepaid taxes in the Dominican Republic and United States. The estimated recovery of these assets reflects an estimated recovery percentage of 50% to 100% on prepaid Dominican Republic sales tax as an offset against payable taxes and 50% to a 100% on prepaid insurance.
- (5) Property and equipment consist primarily of land and buildings, cell site and switching equipment, a network comprising optical, copper and coaxial facilities, submarine cables, leasehold improvements, hardware and software, furniture, office equipment, and vehicles. The recoveries for telecommunications equipment were based on management's resale value estimates for those that can be sold to third parties and the "liquidation" value estimates for the rest and ranged from \$10.1 million to \$15.2 million and the recovery of buildings is estimated to be between \$11.5 million to \$17.4 million. The recoveries for office equipment and furniture are estimated to be 7% to 10% of gross value and the recovery for vehicles is estimated to be 6% to 10% of gross value. The estimated recovery values for the assets of TCN are considered separately as a potential distressed sale in order to maximize recovery value in a Chapter 7 liquidation context.
- (6) Other assets include restructuring fee retainers, deferred taxes and charges, intangibles, various supplier deposits, cash held by embargos in Tricom's bank accounts, and equipment held for investment. No recovery is estimated from the liquidation of deferred taxes and charges, intangibles, and equipment held for investment. The estimated recoveries for the various supplier deposits and cash held by embargos are estimated to be between 40% and 80%. The recovery for restructuring fee retainers is estimated at 100%.
- (7) Sale of TCN assumes that the estimated Chapter 7 recovery for the cable entity ranges from a low estimate of the liquidation value (estimated at \$2.2 million) of its assets to a high estimate representing the potential proceeds from its distressed sale of the business assets by the Chapter 7 trustee to a third party (assuming a net transaction value of \$29.1 million – representing a net per subscriber sale of \$400. The sale of TCN is assumed to be completed within the context of a Chapter 7 liquidation and assumes substantive consolidation of all debtor entities and their creditors (including those with TCN Claims).
- (8) Sale of Tricom's Wireless Subscribers includes, on the high-end estimate, the potential proceeds from a distressed sale of Tricom's existing mobile subscribers to a competitor. The net transaction value per subscriber is assumed at \$40 for each prepaid customer and

\$100 per each postpaid customer, respectively. Should a sale not materialize, there would be no recovery from the sale of Tricom's wireless subscribers.

- (9) Sale of WiMAX spectrum includes, on the high-end estimate, the potential proceeds from a sale of Tricom's rights to WiMAX spectrum. Should a sale of these rights not materialize, there would be no recovery from Tricom's current WiMAX spectrum.
- (10) Wind-down expenses include operating costs and expenses associated with providing 30 to 45 days of service to customers before the final discontinuance of their service and the liquidation of assets thereafter. These expenses include certain field employee salaries, interconnection and access charges, building occupancy costs, legal and professional services, and insurance costs. Also included is the severance payment to all Tricom employees as calculated by Dominican Republic labor laws. Revenue collections for services provided during the final 30 to 45 days for domestic telephony, postpaid mobile and cable are estimated to be 15% to 25%.
- (11) Trustee fees are projected to be approximately 3% of gross liquidation proceeds in accordance with section 326 of the Bankruptcy Code.
- (12) Professional fees represent the costs of a Chapter 7 case for attorneys, accountants, appraisers and other professionals retained by the Chapter 7 trustee as well as the remainder of the Chapter 11 professional fees. Fee estimates were based upon management's review of the nature of these costs.
- (13) The payment of expenses was assumed to take place throughout the 10-month liquidation period as and when proceeds from the disposition of assets and collection of receivables occur. No interest income is assumed to be earned on the net liquidation proceeds.
- (14) Secured Claims consist of the estimated value of the collateral securing the Credit Suisse Existing Secured Debt and GE Existing Secured Debt.
- (15) Two scenarios are contemplated with respect to Unsecured Financial Claims. The first (or low) scenario values the Disputed Unsecured Financial Claims at full value, or \$406.7 million. The second (or high) scenario values the Disputed Unsecured Financial Claims at zero. For purposes of the Liquidation Analysis, the Debtors have assumed that there are no settlements of any of Banco Leon filed Claims, Bancredit Cayman Disputed Claim or Bancredito Panama Disputed Claim.
- (16) Deficiency Claims comprise the estimated undersecured portion of the existing secured loans.
- (17) Financial Claims include all principal and accrued interest on unsecured Claims.
- (18) Certain other interest accruals and tax provisions do not receive any distribution.
- (19) Accounts payable include local suppliers, international purchase orders and cable programming.

- (20) Accrued expenses and other liabilities include taxes, insurance, customer deposits, local services (rent and utilities), professional and legal services, advertising and other subcontractors.
- (21) Contract/lease rejection Claims that would arise in a Chapter 7 liquidation scenario have not been calculated; however, the Debtors believe that such Claims could have a material impact on recoveries by unsecured creditors. Pursuant to an order of the Bankruptcy Court, the Debtors' have assumed approximately 87 leases of non-residential real property.

TRICOM, S.A. AND SUBSIDIARIES
PRELIMINARY LIQUIDATION SCENARIO
(\$ IN THOUSANDS)

I. STATEMENT OF ASSETS

	Book Value 12/31/08 (Unaudited)	Hypothetical Recovery Percentage		Estimated Liquidation Value (Unaudited)	
		Low	High	Low	High
Current Assets					
Cash & Cash Equivalents	12,069.43	100%	100%	\$ 12,069.4	\$ 12,069.4
Accounts Receivables, net	25,791.7	29%	52%	7,437.9	13,425.3
Inventory	2,403.8	9%	20%	214.7	480.8
Prepaid Expenses and Other Current Assets	6,323.3	46%	46%	2,911.8	2,911.8
Total Current Assets	\$ 46,588.1	49%	62%	\$ 22,633.9	\$ 28,887.3
Long Term Assets					
Property & Equipment, net	242,323.2	10%	15%	\$ 24,232.3	\$ 36,348.5
Other Assets	7,318.1	20%	24%	1,495.3	1,746.9
Total Long Term Assets	\$ 249,641.4	10%	15%	\$ 25,727.6	\$ 38,095.4
Sale of TCN Dominicana, S.A.				2,243.7	29,120.0
Sale of Wireless Subscribers				-	18,200.0
Sale of wireless Spectrum				-	10,000.0
Gross Estimated Proceeds Available for Distribution	\$ 296,229.5	17%	42%	\$ 50,605.2	\$ 124,302.7
Less:					
Wind-Down Expenses					
Operating Costs & Expenses				(17,985.9)	(17,985.9)
Severance Costs				(10,637.0)	(10,637.0)
Revenue Collections for 30 to 45 days of Continued Service				1,806.4	3,010.7
Net Proceeds Available for Distribution				\$ 23,788.79	\$ 98,690.52

II. DISTRIBUTION OF PROCEEDS

	Book Value 12/31/08 (Unaudited)			Estimated Liquidation Value (Unaudited)	
				Low	High
Administrative and Priority Claims					
Professional Fees (Chapter 11)				(6,565.8)	(6,565.8)
Professional Fees (Chapter 7)				(2,150.0)	(2,150.0)
Trustee Fees				(713.7)	(2,960.7)
Total Administrative and Priority Claims				(9,429.5)	(11,676.5)
Proceeds Available for Payment of Secured & Unsecured Claims				14,359.3	87,014.0
Existing Secured Claims					
CSFB	25,529.8	47.7%	65.5%	12,179.4	16,729.0
GE	4,569.4	47.7%	32.8%	2,179.9	1,500.0
Total Secured Claims	30,099.2	47.7%	60.6%	14,359.3	18,229.0
Proceeds Available for Payment of Unsecured Claims				-	68,785.0
Unsecured Claims - Scenario 1: Full Value of Disputed Claims					
Deficiency Claims (for Existing Secured)	11,870.2	0.0%	6.3%	-	746.3
Financial Claims (Principal & Interest)	635,653.2	0.0%	6.3%	-	39,965.8
Disputed Claims	406,746.0	0.0%	6.3%	-	25,573.6
Default Interest & Tax Provision	40,610.2	0.0%	0.0%	-	-
Accounts Payable	23,010.1	0.0%	6.3%	-	1,446.7
Accrued Expenses and Other Liabilities	16,741.0	0.0%	6.3%	-	1,052.6
Contract/Lease Rejection Claims ^[1]	-	0.0%	0.0%	-	-
Total Unsecured Claims	1,134,630.6	0.0%	6.3%	-	68,785.0
Unsecured Claims - Scenario 2: Zero Value of Disputed Claims					
Deficiency Claims (for Existing Secured)	11,870.2	0.0%	10.0%	-	1,188.0
Financial Claims (Principal & Interest)	635,653.2	0.0%	10.0%	-	63,618.5
Disputed Claims	-	0.0%	0.0%	-	-
Default Interest & Tax Provision	40,610.2	0.0%	0.0%	-	-
Accounts Payable	23,010.1	0.0%	10.0%	-	2,302.9
Accrued Expenses and Other Liabilities	16,741.0	0.0%	10.0%	-	1,675.5
Contract/Lease Rejection Claims ^[1]	-	0.0%	0.0%	-	-
Total Unsecured Claims	727,884.7	0.0%	10.0%	-	68,785.0

Note:

[1] The Liquidation Analysis does not consider potential damages claims in the event the Chapter 11 Cases are converted to cases under Chapter 7 and the Debtors breach assumed contracts and leases. In the event of a liquidation, these damages claims could be substantial.

d. Feasibility

The Bankruptcy Code requires a debtor to demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor unless so provided by the plan of reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations as contemplated thereunder. As part of this analysis, the Debtors have prepared the Projections contained in Section V, “Projections and Valuation Analysis.” These Projections are based upon the assumption that the Plan will be confirmed by the Bankruptcy Court and, for Projection purposes, that the Effective Date of the Plan and its substantial consummation will take place on or about November 30, 2009. The Projections include balance sheets, statements of operations and statements of cash flows. Based upon the Projections, the Debtors believe it will be able to make all payments required to be made pursuant to the Plan.

2. Requirements of Section 1129(b) of the Bankruptcy Code

The Bankruptcy Court may confirm the Plan over the rejection or deemed rejection of the Plan by a class of Claims or equity interests if the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to such class.

No Unfair Discrimination. This test applies to classes of Claims or equity interests that are of equal priority and are receiving different treatment under a plan of reorganization. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

Fair and Equitable Test. This test applies to classes of different priority (e.g., unsecured versus secured) and includes the general requirement that no class of Claims receive more than 100% of the allowed amount of the claims in such class. As to the dissenting class, the test sets different standards, depending on the type of claims or interests in such class.

Secured Claims. Each holder of an impaired secured claim either (i) retains its liens on the property (or if sold, on the proceeds thereof) to the extent of the allowed amount of its secured claim and receives deferred Cash payments having a value, as of the Effective Date, of at least the allowed amount of such claim or (ii) receives the “indubitable equivalent” of its allowed secured claim.

Unsecured Claims. Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed unsecured claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the plan of reorganization.

Equity Interests. Either (i) each equity interest holder will receive or retain under the plan of reorganization property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock, or (ii) the holders of interests that are junior to the equity interests of the dissenting class will not receive or retain any property under the plan of reorganization.

The Debtors believe the Plan will satisfy the “fair and equitable” requirement notwithstanding that Class 8 (Statutorily Subordinated Claims) and Class 9 (Existing Tricom Equity Interests) are deemed to reject the Plan because no class that is junior to such dissenting classes will receive or retain any property on account of the claims or Equity Interests in such class.

3. Reservation of “Cram Down” Rights

The Bankruptcy Code permits the Bankruptcy Court to confirm a Chapter 11 plan of reorganization over the dissent of any class of Claims or Equity Interests as long as the standards in section 1129(b) are met. This power to confirm a plan over dissenting classes—often referred to as “cram down”—is an important part of the reorganization process. It assures that no single group (or multiple groups) of claims or interests can block a restructuring that otherwise meets the requirements of the Bankruptcy Code and is in the interests of the other constituents in the case.

The Debtors reserve the right to seek confirmation of the Plan, notwithstanding the rejection of the Plan by any Class entitled to vote. In the event a Class votes to reject the Plan, the Debtors will request that the Bankruptcy Court rule that the Plan meets the requirements specified in section 1129(b) of the Bankruptcy Code with respect to such Class. The Debtors will also seek such a ruling with respect to each Class that is deemed to reject the Plan.

IX.

FINANCIAL INFORMATION

A. General

The audited consolidated balance sheets as of December 31, 2004, December 31, 2005 and December 31, 2006 and the related consolidated statements of operations and cash flows for the years ended December 31, 2004, December 31, 2005 and December 31, 2006 for Tricom and its subsidiaries are contained in Item 18, “Financial Statements” in Tricom’s Annual Reports on Form 20-F for the fiscal years ended December 31, 2004, December 31, 2005 and December 31, 2006 each of which are annexed to the Original Disclosure Statement.⁵⁴ The audited financial statements for the year ended December 31, 2007 for Tricom and its

⁵⁴ Audited consolidated financial statements for Tricom and its subsidiaries for the years ended December 31, 2004, 2005 and 2006 are included in the Annual Reports on Form 20-F for the fiscal years ended December 31, 2004, 2005 and 2006 which constitute Exhibits “3”, “4” and “5”, respectively, to the Original Disclosure Statement. The audited consolidated financial statements for the year ended December 31, 2004 include consolidated balance sheets as of December 31, 2002, 2003 and 2004 and the related consolidated statements of operations, stockholders’ equity (deficit) and comprehensive loss and cash flows for the years ended December 31, 2002, 2003 and 2004.

The consolidated balance sheet as of December 31, 2002 and the related statements of operations, stockholders’ equity (deficit) and comprehensive loss and cash flows for the year then ended were restated to reflect adjustments to the financial information and footnotes previously reported on the Company’s Annual Report on Form 20-F for the fiscal year ended December 31, 2002. The adjustments relate primarily to the Placement and also address an adjustment to 2002 deferred income taxes.

subsidiaries are annexed hereto as Exhibit 2. For Tricom's unaudited financial information for the period January 1, 2008 through December 31, 2008, *see* Section I.F, "Description of the Business—Current Performance."

This financial information is provided to permit the holders of Claims and Equity Interests to better understand the Debtors' historical business performance and the impact of the Reorganization Case on the Debtors' business.

B. Selected Financial Data

See Item 3, "Selected Financial Data" set forth in the Annual Report on Form 20-F for the fiscal years ended December 31, 2004, 2005 and 2006, annexed as Exhibits "3", "4" and "5" to the Original Disclosure Statement.

C. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a detailed discussion by management of Tricom's financial condition, results of operations, and liquidity and capital resources, *see* Item 5, "Operating and Financial Review and Prospects" in the Annual Report on Form 20-F for the fiscal year ended December 31, 2006, annexed as Exhibit "5" to the Original Disclosure Statement.

D. Recent Performance

See Section I.F, "Description of the Business—Current Performance."

X.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN OF REORGANIZATION

If the Plan is not confirmed and consummated, the alternatives to the Plan include (i) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code and (ii) an alternative Chapter 11 plan of reorganization.

A. Liquidation Under Chapter 7

If no plan can be confirmed, the Debtors' Chapter 11 Cases may be converted to cases under Chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a Chapter 7 liquidation would have on the recovery of holders of Claims and Equity Interests and the Debtors' liquidation analysis are set forth in Section VIII.B.1.b, "Confirmation of the Plan of Reorganization—Requirements for Confirmation of the Plan—Requirements of Section 1129(a) of the Bankruptcy Code—Best Interests Test." The Debtors believe that liquidation under Chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in the Plan because of (a) the likelihood that the assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion over a shorter period of time, (b) additional administrative

expenses involved in the appointment of a trustee and (c) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations.

B. Alternative Plan

If the Plan is not confirmed, the Debtors (or if Debtors' exclusive period in which to file a plan of reorganization has expired, any other party in interest) could attempt to formulate a different Chapter 11 plan of reorganization. Such a plan of reorganization might involve either a reorganization and continuation of the Debtors' businesses or an orderly liquidation of their assets under Chapter 11. With respect to an alternative plan, the Debtors have explored various alternatives in connection with the formulation and development of the Plan. The Debtors believe that the Plan, as described herein, enables creditors to realize the most value under the circumstances. In a liquidation under Chapter 11, the Debtors' assets would be sold in an orderly fashion over a more extended period of time than in a liquidation under Chapter 7, possibly resulting in somewhat greater (but indeterminate) recoveries than would be obtained in Chapter 7. Further, if a trustee were not appointed, because such appointment is not required in a Chapter 11 case, the expenses for professional fees would most likely be lower than those incurred in a Chapter 7 case. Although preferable to a Chapter 7 liquidation, the Debtors believe that any alternative liquidation under Chapter 11 is a much less attractive alternative to creditors than the Plan because of the greater return provided by the Plan.

XI.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN OF REORGANIZATION

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, U.S. HOLDERS AND NON-U.S. HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY U.S. HOLDERS OR NON-U.S. HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON U.S. HOLDERS OR NON-U.S. HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE DEBTORS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) U.S. HOLDERS AND NON-U.S. HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to Tricom, TCN, Tricom USA and certain holders of Credit Suisse Existing Secured Claims and Unsecured Financial Claims that are citizens or residents of the United States or domestic corporations or otherwise subject to U.S.

federal income tax on a net income tax basis in respect of Credit Suisse Existing Secured Claims or Unsecured Financial Claims (a “U.S. Holder”). The following summary does not address the U.S. federal income tax consequences to holders of Claims whose Claims are unimpaired (*i.e.*, holders of Priority Claims, GE Existing Secured Claims, Non-Lender Secured Claims and General Unsecured Claims) or holders of Existing Tricom Equity Interests, whose interests are extinguished without a distribution in exchange therefore. The following discussion contains a limited discussion of U.S. federal income tax consequences of the implementation of the Plan to non-U.S. persons that are not subject to U.S. federal income tax on a net income basis (“Non-U.S. Holder”). Such discussion is limited to the portions thereof that specifically refer to Non-U.S. Holders. The discussion does not address U.S. federal income tax consequences that may be relevant in light of a particular Non-U.S. Holder’s circumstances, for example, certain Non-U.S. Holders who spend at least 183 days in the United States during the year in which the Plan is implemented or who are subject to special tax rules relating to U.S. expatriates.

The following summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the IRS, all as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary does not address foreign, state or local tax consequences of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to special classes of U.S. Holders (such as banks, tax-exempt entities, insurance companies, regulated investment companies, S corporations, persons who are subject to the alternative minimum tax or to the branch profits tax, dealers in securities or currencies, traders in securities electing to mark to market, persons holding a Claim as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction, or U.S. Holders that have a “functional currency” other than the U.S. dollar). Moreover, this summary does not address the U.S. federal estate and gift taxes of the Plan. This summary also does not address any tax consequences to holders that acquire the Credit Suisse New Secured Debt or Holding Company Stock subsequent to the Effective Date.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds a Claim, the tax treatment of a partner in a partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding a Claim should consult its own tax advisors with respect to the consequences of the Plan and the ownership or disposition of the Credit Suisse New Secured Debt, Holding Company Class A Stock or Holding Company Class B Stock.

In the case of U.S. Holders, this summary is directed solely to U.S. Holders that hold their Credit Suisse Existing Secured Claims and Unsecured Financial Claims and that, on or after the Effective Date, will hold the Credit Suisse New Secured Debt, Holding Company Class A Stock and Holding Company Class B Stock as capital assets within the meaning of Section 1221 of the Code, which generally means as property held for investment.

This discussion assumes that the various debt and other arrangements to which a Debtor is a party will be respected for U.S. federal income tax purposes in accordance with their form.

As discussed above, the Debtors are seeking to incorporate Holding Company as a corporation in the Bahamas but are also reviewing alternative jurisdictions of which the State of Delaware is the most likely alternative. If formed in Delaware, Holding Company will be formed as an LLC. Where relevant, the summary below discusses both the situation in which Holding Company is incorporated in the Bahamas and the situation in which Holding Company is formed as a Delaware LLC. The following summary assumes that if Holding Company is incorporated in the Bahamas, it will be treated as a corporation for U.S. federal income tax purposes, and that if Holding Company is formed in Delaware, it will be treated as a partnership for U.S. federal income tax purposes, as further discussed below. The following summary further assumes that, following effectuation of the transactions contemplated by the Plan, Holding Company will limit its activities to holding Tricom Stock and that Holding Company will neither distribute nor dispose off any of its interests in Tricom.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, FOREIGN, STATE, LOCAL AND OTHER TAX CONSEQUENCES TO THEM AS A RESULT OF THE PLAN.

A. Consequences to Tricom and TCN

Neither Tricom nor TCN is a domestic corporation, nor is either of them engaged in a U.S. trade or business. Accordingly, there should be no material U.S. federal income tax consequences to Tricom or TCN resulting from the Plan.

B. Consequences to Tricom USA

In general, the Code provides that a debtor in a bankruptcy case does not include COD Income in its gross income for U.S. federal income tax purposes and that such debtor must reduce certain of its tax attributes—such as NOL carryovers, current year NOLs, tax credits and tax basis in assets—by the amount of any COD Income. COD Income is the amount by which the indebtedness discharged (reduced by any unamortized discount) exceeds any consideration given in exchange therefore. Certain statutory or judicial exceptions can apply to limit the amount of COD Income (such as where the payment of the cancelled debt would have given rise to a tax deduction). Any reduction in tax attributes as a result of COD Income does not effectively occur until the first day of the taxable year following the taxable year in which the COD Income is incurred and, consequently, any resulting COD Income does not impair the debtor's ability to use its tax attributes (to the extent otherwise available) to reduce its tax liability, if any, otherwise resulting from the implementation of the Plan. In addition, to the extent the amount of COD Income exceeds the tax attributes available for reduction, the remaining COD Income has no further effect for U.S. federal income tax purposes.

As a result of the discharge of Claims pursuant to the Plan, the Debtors expect that the amount of COD Income to Tricom USA will exceed the combined amount of all its tax attributes as of the first day of its taxable year following the year in which the COD Income arises. The foregoing assumes that interest accrued and to be accrued on the instruments underlying the Unsecured Financial Claims which will be discharged pursuant to the Plan, and which was accrued at Tricom USA, constitutes indebtedness of Tricom USA for U.S. federal income tax purposes. (See Section VI.F.1, “Certain Risk Factors Affecting the Debtors—Certain Tax Matters—Treatment of Interest on Unsecured Financial Claims.”) Based on the foregoing assumption, as a result of the Plan, the Debtors expect that Tricom USA’s NOL carryforwards, tax credits and its tax basis in all of its assets existing as of that date will be reduced to zero. Such reduction in tax basis will result in Tricom USA not being able to claim depreciation or amortization deductions for U.S. federal income tax purposes in future years with respect to its assets existing as of such date and could result in taxable gain to the extent of future disposition of such assets or future collection if such assets constitute accounts or notes receivable.

C. Consequences to Holding Company Formed as a Bahamas Corporation

If Holding Company is incorporated in the Bahamas, it will neither be a domestic corporation nor will it engage in a U.S. trade or business with the result that there should be no material U.S. federal income tax consequences to Holding Company.

D. Consequences to Holding Company Formed as an LLC

If Holding Company is formed as an LLC, the LLC operating agreement will reflect the intent that Holding Company will be classified as a partnership subject to subchapter K of the Code for U.S. federal income tax purposes and will provide that Holding Company will not elect an alternative classification. Accordingly, the Debtors expect that Holding Company will be classified as a partnership for U.S. federal income tax purposes and will not be subject to entity-level taxation by the U.S. unless Holding Company is treated as a “publicly traded partnership” taxable as a corporation under the provisions of Section 7704 of the Code. In general, a publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). Holding Company Class A Stock and Holding Company Class B Stock will initially not be traded on an established securities market. However, trading of Holding Company Class A Stock and Holding Company Class B Stock might be contemplated in the future. In such case, Holding Company may be exempt from classification as a publicly traded partnership taxable as a corporation under an exemption that would apply if 90% or more of its gross income consists of passive type “qualifying income” within the meaning of Section 7704(d) of the Code and the Treasury Regulations thereunder. The Debtors currently expect that 90% or more of Holding Company’s gross income will consist of qualifying income and Holding Company should, as such, not be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. On the assumption that, once the transactions proposed by the Plan have been completed, the activities of Holding Company will be limited to holding Tricom Stock, qualifying income to the extent relevant should include interest, dividends, gain from the sale or disposition of a capital asset giving rise to interest or dividend income and subpart F income (which term is described under Section XI.E.6.a below).

The following discussion assumes, where relevant, that Holding Company, if formed as an LLC, will be treated as a partnership and not as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. For the avoidance of doubt, the defined terms “Holding Company Class A Stock” and “Holding Company Class B Stock” with respect to the situation in which Holding Company is formed as a Delaware LLC should be understood to constitute partnership interests for U.S. federal income tax purposes.

E. Consequences to U.S. Holders of Credit Suisse Existing Secured Claims and Unsecured Financial Claims

Pursuant to and in accordance with the Plan, U.S. Holders of Credit Suisse Existing Secured Claims will receive the Credit Suisse New Secured Debt in exchange for their Credit Suisse Existing Secured Claims; and U.S. Holders of Unsecured Financial Claims will receive Holding Company Class A Stock or Holding Company Class B Stock, as applicable pursuant to the Plan, in satisfaction of their Unsecured Financial Claims.

1. Exchange of Credit Suisse Existing Secured Claims for the Credit Suisse New Secured Debt

U.S. Holders

The U.S. federal income tax consequences of the Plan to U.S. Holders of Credit Suisse Existing Secured Claims could depend, in part, on whether such Claims constitute “securities” of Tricom for U.S. federal income tax purposes. The term “security” is not defined in the Code or in the Treasury Regulations promulgated thereunder and has not been clearly defined by judicial decisions. The determination of whether a particular debt constitutes a “security” generally depends on an overall evaluation of the nature of the original debt. One of the most significant factors considered in determining whether a particular debt is a security is its original term. In general, debt obligations issued with a weighted average maturity at issuance of five years or less (*e.g.*, trade debt and revolving credit obligations) do not constitute securities; whereas, debt obligations with a weighted average maturity at issuance of ten years or more constitute securities. Because the Credit Suisse Existing Secured Claims have a weighted average maturity at issuance of five years or less, Credit Suisse Existing Secured Claims should not constitute “securities” for purposes of the Code, although the IRS could take a contrary position. The discussion below assumes that the Credit Suisse Existing Secured Claims do not constitute “securities” for purposes of the Code. Accordingly, the discussion below assumes that the distribution of Credit Suisse New Secured Debt in exchange for Credit Suisse Existing Secured Claims should not constitute a tax-free “recapitalization” for U.S. federal income tax purposes. U.S. Holders are advised to consult their tax advisors with respect to whether the Credit Suisse Existing Secured Claims constitute “securities” for U.S. tax purposes.

Under general principles of U.S. federal income tax law, the modification of a debt instrument, which includes an exchange of the original debt instrument for a modified debt instrument, creates a deemed exchange (“Deemed Exchange”) upon which gain or loss is realized if the modified debt instrument differs materially either in kind or in extent from the original debt instrument (a “significant modification”). A modification of a debt instrument that is not a significant modification does not create a Deemed Exchange.

If the transactions proposed by the Plan become effective, although not free from doubt, the exchange of the Credit Suisse Existing Secured Claims for the Credit Suisse New Secured Debt should cause a Deemed Exchange of the Credit Suisse Existing Secured Claims because the resulting extension in the maturity date should constitute a significant modification for U.S. federal income tax purposes as defined in the applicable Treasury Regulations. A U.S. Holder of Credit Suisse Existing Secured Claims would recognize all of its realized gain or loss on the Deemed Exchange (other than amounts received attributable to accrued interest, which will be taxed as such). The amount of gain realized, if any, will equal the excess of the issue price (as discussed below) of the Credit Suisse New Secured Debt over the U.S. Holder's adjusted tax basis in the Credit Suisse Existing Secured Claims. A U.S. Holder's adjusted tax basis in the Credit Suisse Existing Secured Claims generally equals the amount paid therefore, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Credit Suisse Existing Secured Claims. Subject to the application of the market discount rules, as discussed below, any gain recognized on the exchange will be capital gain. A U.S. Holder's basis in any portion of the Credit Suisse New Secured Debt received pursuant to the Deemed Exchange will equal the issue price of the Credit Suisse New Secured Debt and the U.S. Holder's holding period for such portion of the Credit Suisse New Secured Debt will begin the day following the receipt of such portion.

If a U.S. Holder acquired the Credit Suisse Existing Secured Claims with market discount, any gain recognized by the U.S. Holder on the Deemed Exchange will be treated as ordinary income to the extent of the portion of the market discount that has accrued while such Credit Suisse Existing Secured Claims were held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues.

The issue price of the Credit Suisse New Secured Debt depends on whether a substantial amount of the Credit Suisse Existing Secured Claims or the Credit Suisse New Secured Debt at or around the time of the exchange are treated as "traded on an established market" within the meaning of the applicable Treasury Regulations. An "established market" includes, among other things, that "price quotations are readily available from dealer, brokers or traders." If the Credit Suisse Existing Secured Claims or Credit Suisse New Secured Debt were traded on an established market, the issue price of the Credit Suisse New Secured Debt would equal the fair market value of either the Credit Suisse Existing Secured Claims or Credit Suisse New Secured Debt, as applicable. If neither the Credit Suisse Existing Secured Claims nor the Credit Suisse New Secured Debt are traded on an established market, then the Credit Suisse New Secured Debt would have an issue price equal to its stated principal amount. The Debtors do not expect the Credit Suisse Existing Secured Claims or Credit Suisse New Secured Debt to be traded on an established market and, accordingly, intend to treat the Credit Suisse New Secured Debt as having an issue price equal to its stated principal amount.

Non-U.S. Holders

There should be no U.S. federal income tax consequences to Non-U.S. Holders of an exchange of Credit Suisse Existing Secured Claims for the Credit Suisse New Secured Debt.

2. Exchange of Unsecured Financial Claims for Holding Company Class A Stock or Holding Company Class B Stock

a. Holding Company Formed as a Bahamian Company

Pursuant to and in accordance with the Plan, U.S. Holders and Non-U.S. Holders will exchange their Unsecured Financial Claims with Tricom for Holding Company Class A Stock or Holding Company Class B Stock.

U.S. Holders

Under Section 351 of the Code, no gain or loss is recognized if “property” is transferred to a corporation by one or more persons in exchange for stock in such corporation and immediately after the exchange such person or persons are in “control” of the corporation, defined as ownership of at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock.

If the transactions proposed by the Plan become effective, the exchange of Unsecured Financial Claims for Holding Company Class A Stock or Holding Company Class B Stock (the “Exchange”), as applicable under the Plan, should result in the holders of Unsecured Financial Claims being in “control” of Holding Company, that is, after the Exchange, such holders should own at least 80% of the total combined voting power of all classes of Holding Company Stock entitled to vote and at least 80% of the total number of shares of all other classes of stock of Holding Company. The Unsecured Financial Claims should be considered property for purposes of Section 351 of the Code because the Unsecured Financial Claims are not indebtedness of the Holding Company. As a result, the Exchange should be considered a transaction described in Section 351 of the Code, unless holders as a group lose control through transactions (*e.g.*, sales of Holding Company Stock) considered for U.S. tax purposes to be part of the same plan as the Exchange. The discussion below assumes that Section 351 of the Code applies to the Exchange. As a result a U.S. Holder of such Unsecured Financial Claims generally will not recognize loss upon the Exchange, but will recognize gain to the extent of any market discount accrued while the Unsecured Financial Claim was held by the U.S. Holder.

Any gain recognized on the Exchange will be capital gain. However, if a U.S. Holder acquired the Unsecured Financial Claims with a market discount, any gain recognized by the U.S. Holder on the Exchange will be treated as ordinary income to the extent of the portion of the market discount that has accrued while such Unsecured Financial Claims were held by the U.S. Holder, unless the U.S. Holder has elected to include a market discount in income currently as it accrues.

A U.S. Holder’s aggregate tax basis in Holding Company Class A Stock or Holding Company Class B Stock will equal the U.S. Holder’s aggregate adjusted tax basis in its Unsecured Financial Claims increased by any gain recognized by the U.S. Holder on the Exchange.

In general, a U.S. Holder’s holding period for Holding Company Class A Stock or Holding Company Class B Stock will include the U.S. Holder’s holding period for the Unsecured Financial Claims.

Under Section 367 of the Code, if a United States person transfers property to a foreign corporation in connection with an exchange described in Section 351 of the Code, the United States person is required to recognize any gain realized on the transfer, unless the transferred property is stock or securities of a foreign corporation and the United States person owns less than 5% (including attribution rules) of both the total vote and value of the stock of the foreign corporation immediately after the exchange. The amount of gain recognized is unaffected by the transfer of items of property on which loss is realized but not recognized because of the application of Section 351 of the Code. Thus, to the extent that gain is realized by a U.S. Holder on the Exchange that is in excess of any amount of gain required to be recognized under Section 351 of the Code, unless the exception described above applies, such gain should be recognized by such U.S. Holder under Section 367 of the Code and should be taken into account in computing such U.S. Holder's basis in Holding Company Class A Stock or Holding Company Class B Stock and such U.S. Holder's holding period for Holding Company Class A Stock or Holding Company Class B Stock will not include the U.S. Holder's holding period for the Unsecured Financial Claims. U.S. Holders are urged to consult their own tax advisors regarding the consequences of Section 367 of the Code and the potential application of the exception described above.

Non-U.S. Holders

There should be no U.S. federal income tax consequences to Non-U.S. Holders of an exchange of Unsecured Financial Claims for Holding Company Class A Stock or Holding Company Class B Stock.

b. Holding Company Formed as a U.S. Entity

Pursuant to and in accordance with the Plan, U.S. Holders and Non-U.S. Holders will exchange their Unsecured Financial Claims with Tricom for Holding Company Class A Stock or Holding Company Class B Stock.

U.S. Holders

Under Section 721 of the Code, no gain or loss is recognized if property is transferred to an entity that is a partnership for U.S. federal income tax purposes by one or more persons in exchange for an interest in such partnership. The Unsecured Financial Claims exchanged for Holding Company Class A Stock or Holding Company Class B Stock should constitute property for this purpose. Holding Company, if formed as a Delaware LLC, should be a partnership for U.S. federal income tax purposes. As a result, under Section 721 of the Code, a U.S. Holder should not recognize any gain or loss on its Unsecured Financial Claims transferred to Holding Company in exchange for Holding Company Class A Stock or Holding Company Class B Stock.

In general, a U.S. Holder's initial aggregate tax basis in Holding Company Class A Stock or Holding Company Class B Stock will equal the U.S. Holder's aggregate adjusted tax basis in its Unsecured Financial Claims exchanged for Holding Company Class A Stock or Holding Company Class B Stock plus the U.S. Holder's share (as determined for U.S. federal income tax purposes), if any, of liabilities of Holding Company. Holding Company's aggregate

tax basis in such portion of the Unsecured Financial Claims will equal the U.S. Holder's aggregate adjusted tax basis in such portion. If, at the time a U.S. Holder transfers its Unsecured Financial Claims in exchange for Holding Company Class A Stock or Holding Company Class B Stock, the fair market value of such Unsecured Financial Claims exceeds or is less than such U.S. Holder's tax basis for such Unsecured Financial Claims, any excess will be a "Built-in Gain" and any shortfall will be a "Built-in Loss" for purposes of Section 704(c) of the Code. If Holding Company later disposes of such U.S. Holder's Unsecured Financial Claims in a transaction in which gain or loss is recognized, Section 704(c) of the Code will generally require that such gain or loss be allocated to such U.S. Holder to the extent of the Built-in Gain or Built-in Loss.

If the transactions proposed by the Plan become effective, Holding Company will exchange a portion of the Unsecured Financial Claims transferred to it by U.S. Holders for new Tricom Stock, and the remaining portion of such Unsecured Financial Claims will be cancelled (the "Tricom Exchange"). The U.S. federal income tax consequences of the Tricom Exchange to Holding Company and U.S. Holders of Unsecured Financial Claims depends, in part, on whether the Unsecured Financial Claims constitute "securities" (the term "securities" is described above under Section XI.E.1) of Tricom for U.S. federal income tax purposes. Although a portion of the Unsecured Financial Claims should not constitute securities because such claims have weighted average maturities at issuance of five years or less, it is unclear whether the 11 3/8% Senior Notes constitute securities for U.S. federal income tax purposes, because the 11 3/8% Senior Notes had weighted average maturities at issuance of seven years.

As described above, under Section 351 of the Code, no gain or loss is recognized if property is transferred to a corporation by one or more persons in exchange for stock in such corporation and immediately after the exchange such person or persons are in control of the corporation. Following the Tricom Exchange, Holding Company will own substantially all the stock of Tricom. Under Section 351(d) of the Code, new Tricom Stock issued for non-security debt of Tricom would not be considered to be issued in return for property. For purposes of the control requirement, under applicable regulations, so long as a substantial portion of the Unsecured Financial Claims transferred by Holding Company to Tricom constitutes "securities," then all of the new Tricom Stock received by Holding Company should count toward satisfaction of the "control" requirement.

In addition to the potential application of Section 351 of the Code to the Tricom Exchange, an exchange by Holding Company of particular Unsecured Financial Claims for new Tricom Stock could constitute a recapitalization for U.S. federal income tax purposes on which no gain or loss would be recognized to the extent such Unsecured Financial Claims constitute "securities" for tax purposes.

In determining whether to report the Tricom Exchange as a transaction qualifying under Section 351 of the Code, and in determining whether to report any particular exchange of Unsecured Financial Claims for new Tricom Stock as a recapitalization, the Debtors intend to take the position that none of the Unsecured Financial Claims constitute securities except for the 11 3/8% Senior Notes.

Based on such position, the Tricom Exchange should be reported as qualifying as a transaction described in Section 351 of the Code, since a substantial portion (about half) of Unsecured Financial Claims transferred for new Tricom Stock would be reported as qualifying as securities. The IRS could take a contrary position.

Based on the position that Section 351 of the Code applies to the Tricom Exchange, no loss would be recognized on the transfer of any of the Unsecured Financial Claims. However, gain would be recognized with respect to any Unsecured Financial Claims not constituting “securities.”

To the extent that gain is not recognized on an exchange of particular Unsecured Financial Claims for new Tricom Stock because Section 351 of the Code applies to the Tricom Exchange, the impact of Section 367 of the Code must be taken into consideration. Under Section 367 of the Code, if a United States person (such as Holding Company) transfers property to a foreign corporation in connection with an exchange that is described in Section 351 of the Code, the United States person is generally required to recognize any gain realized on the transfer. The amount of gain recognized is unaffected by the transfer of items of property on which loss is realized but not recognized because of the application of Section 351 of the Code or because of the qualification as a recapitalization. Thus, to the extent that gain is realized by a U.S. Holder on the Exchange that is in excess of any amount of gain required to be recognized under Section 351 of the Code, Section 367 of the Code could operate to require such U.S. Holder to recognize that gain, unless an exception applies. Further, under Section 704(c) of the Code, discussed above, Built-In Gain that is recognized by Holding Company with respect to any Unsecured Financial Claims must be allocated to and recognized by the U.S. Holder that transferred those claims to Holding Company. However, in the case of the Tricom Exchange, two exceptions to Section 367 gain recognition may be available. First, the gain recognition provision under Section 367 of the Code should not apply to the Tricom Exchange to the extent the Tricom Exchange qualifies as a recapitalization. Second, the gain recognition provision under Section 367 of the Code should not apply if Holding Company enters into a “five year gain recognition agreement” with the IRS. To the extent gain recognition that would otherwise be required under Section 367 of the Code can be avoided by entering into a “five year gain recognition agreement” with the IRS, Holding Company intends to enter into such an agreement.

In general, a U.S. Holder’s aggregate tax basis in Holding Company Class A Stock or Holding Company Class B Stock is increased by any Built-in Gain recognized and decreased by any Built-in Loss recognized and will be further adjusted, as described below, to give effect to U.S. Holder’s share of Holding Company’s tax items.

In general, a U.S. Holder’s holding period for the Holding Company Class A Stock or Holding Company Class B Stock will include the U.S. Holder’s holding period for the Unsecured Financial Claims.

Non-U.S. Holders

There should be no U.S. federal income tax consequences to Non-U.S. Holders of an exchange of Unsecured Financial Claims for Holding Company Class A Stock or Holding Company Class B Stock.

3. Distributions in Discharge of Accrued but Unpaid Interest

Pursuant to the Plan, Plan Distributions in respect of any Claim will be allocated first to the principal amount of such Claim, as determined for U.S. federal income tax purposes and, thereafter, to the extent the consideration exceeds such amount, to any portion of such Claim representing accrued but unpaid interest. However, there is no assurance that such allocation would be respected by the IRS for U.S. federal income tax purposes. Accordingly, the extent to which any amounts received by U.S. Holders of Claims will be allocated to any accrued but unpaid interest for U.S. federal income tax purposes is unclear.

In general, to the extent that any amount received by a U.S. Holder of a Claim (whether Holding Company Class A Stock or Holding Company Class B Stock, or other consideration) is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the U.S. Holder as interest income (if not previously included in the U.S. Holder's gross income). Conversely, a U.S. Holder generally recognizes a deductible loss to the extent any accrued interest claimed was previously included in its gross income and was not paid in full. Each U.S. Holder is urged to consult its tax advisor with respect to the allocation of amounts received between the principal and interest portions of its Claim.

4. Ownership and Disposition of Credit Suisse New Secured Debt

Interest on the Credit Suisse New Secured Debt will generally be taxable to a U.S. Holder as ordinary income at the time it is accrued or paid in accordance with U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

U.S. Holders of Credit Suisse New Secured Debt issued with original issue discount ("OID") will be subject to special tax accounting rules. The discussion below assumes that the Credit Suisse New Secured Debt will not be issued with OID, because the stated redemption price at maturity of the Credit Suisse New Secured Debt does not exceed its issue price. For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price." The "stated redemption price at maturity" of a Credit Suisse New Secured Debt is the sum of all payments required to be made on the Credit Suisse New Secured Debt other than "qualified stated interest" payments. As discussed above, the Debtors intend to treat the "issue price" of a Credit Suisse New Secured Debt as its stated principal amount.

In general, a disposition of a Credit Suisse New Secured Debt will result in capital gain or loss to a U.S. Holder equal to the difference between the amount realized on the disposition (except the amount attributable to accrued but unpaid interest on the Credit Suisse New Secured Debt, which amount will be treated as ordinary interest income to the extent not previously included in U.S. Holder's income) and U.S. Holder's adjusted tax basis in the Credit Suisse New Secured Debt immediately before the disposition. Any gain or loss recognized will generally be capital gain or loss. The capital gain or loss will generally be long-term capital gain or loss if the U.S. Holder has held the Credit Suisse New Secured Debt for more than one year. Otherwise, the capital gain or loss will be a short-term capital gain or loss. The deductibility of capital losses is subject to limitations.

5. Ownership and Disposition of Holding Company Class A Stock and Holding Company Class B Stock

a. Holding Company Formed as a Bahamas Corporation

U.S. Holders

Subject to the discussion regarding the passive foreign investment company (“PFIC”) and controlled foreign corporation (“CFC”) rules below, a U.S. Holder that actually or constructively receives a distribution on Holding Company Class A Stock or Holding Company Class B Stock must include the distribution in gross income as a taxable dividend on the date of its receipt of the distribution, but only to the extent of Holding Company’s current or accumulated earnings and profits, as calculated under U.S. federal income tax principles. Such amount must be included without reduction for any Bahamas tax withheld. Dividends paid by Holding Company will not be eligible for the dividends-received deduction allowed to corporations with respect to dividends received from certain domestic corporations. Dividends paid by Holding Company will not be eligible for preferential rates applicable to qualified dividend income (“QDI”), as described below.

To the extent a distribution exceeds Holding Company’s current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of U.S. Holder’s adjusted tax basis in the Holding Company Class A Stock or Holding Company Class B Stock, and thereafter as capital gain. Preferential tax rates for long-term capital gain may be applicable to individual U.S. Holders. With respect to individual U.S. Holders, for taxable years beginning before January 1, 2011, dividends that are treated as QDI are taxable at a maximum tax rate of 15%. Among other requirements, dividends generally will be treated as QDI if either (i) the Holding Company Class A Stock or Holding Company Class B Stock are readily tradable on an established securities market in the United States, or (ii) Holding Company is eligible for the benefits of a comprehensive income tax treaty with the United States which includes an information exchange program and which is determined to be satisfactory by the U.S. Treasury. Dividends distributed by Holding Company will not be treated as QDI.

U.S. Holders should consult their own tax advisors regarding availability of foreign tax credits with respect to foreign taxes paid by Tricom or Holding Company.

Subject to the discussion below regarding Section 108(e)(7) and the PFIC and CFC rules, U.S. Holders generally will recognize taxable gain or loss realized on the sale or other taxable disposition of Holding Company Class A Stock or Holding Company Class B Stock equal to the difference between the U.S. dollar value of (i) the amount realized on the disposition (*i.e.*, the amount of Cash plus the fair market value of any property received), and (ii) the U.S. Holder’s adjusted tax basis in the Holding Company Class A Stock or Holding Company Class B Stock. Such gain or loss will be capital gain or loss.

If a U.S. Holder has held the Holding Company Class A Stock or Holding Company Class B Stock for more than one year at the time of disposition, such capital gain or loss will be long-term capital gain or loss. Preferential tax rates for long-term capital gain (currently, with a maximum rate of 15% for taxable years beginning before January 1, 2011) will

apply to individual U.S. Holders. If a U.S. Holder has held the Holding Company Class A Stock or Holding Company Class B Stock for one year or less, such capital gain or loss will be short-term capital gain or loss taxable as ordinary income at your marginal income tax rate. The deductibility of capital losses is subject to limitations.

Under Section 108(e)(7) of the Code, any gain recognized by a U.S. Holder of Holding Company Class A Stock or Holding Company Class B Stock upon a subsequent taxable disposition of such stock (or any stock or property received for it in a later tax-free exchange) will be treated as ordinary income for U.S. federal income tax purposes to the extent of (i) any bad debt deductions (or additions to a bad debt reserve) claimed with respect to the Unsecured Financial Claim for which such stock was received and any ordinary loss deductions incurred upon satisfaction of the Unsecured Financial Claim, less any income (other than interest income) recognized by the U.S. Holder upon satisfaction of the Unsecured Financial Claim, and (ii) with respect to a cash basis holder, any amount that would have been included in its gross income if the U.S. Holder's Unsecured Financial Claim had been satisfied in full but that was not included by reason of the cash method of accounting.

Special tax rules under the Code apply to the ownership of shares in a foreign corporation which is a CFC or a PFIC. U.S. Holders should consult their own tax advisors with respect to ownership and disposition of Holding Company Class A Stock and Holding Company Class B Stock if Holding Company or Tricom is treated as a CFC or a PFIC.

Generally, a CFC is any foreign corporation with more than 50% of the total combined voting power of all classes of stock of such corporation entitled to vote or more than 50% of the total value of the stock of the corporation owned (directly or indirectly, and applying certain attribution rules) by one or more United States shareholders. Thus, whether Holding Company and Tricom are CFCs will depend on whether U.S. Holders which are also United States shareholders own, directly or indirectly (and taking into account applicable attribution rules), more than 50% of the voting power or value of the stock of Holding Company or Tricom.

In general, if a corporation is a CFC (as described above) then, for each tax year, its United States shareholders will be required to recognize on a current basis their respective shares of the CFC's "subpart F income" (limited, however, to their respective shares of the CFC's earnings and profits, as computed for U.S. tax purposes, for such tax year), even if the income has not been distributed to the shareholders in the form of dividends or otherwise. Subpart F income consists of certain specified categories of income including, among others, dividends, interest, rents, royalties and net gains from the sale of property giving rise to such income. In addition, under Section 1248 of the Code, if a United States shareholder sells stock in a CFC, the gain recognized on the sale is required to be included in income as a dividend (rather than as capital gain from the sale of stock) to the extent of the United States shareholder's share of the earnings and profits of the CFC that were accumulated during periods that the United States shareholder held stock of the CFC and not previously distributed to the United States shareholder as dividends or previously taxed to the United States shareholder as subpart F income.

A foreign corporation will generally be a PFIC if, for a taxable year, either (a) 75% or more of its gross income for such taxable year is passive income (the "income test"),

or (b) 50% or more of the average percentage, generally determined by fair market value, of its assets either produce passive income or are held for the production of passive income (the “asset test”). “Passive income” includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities and certain gains from commodities transactions. Certain look-through rules apply for purposes of the income and asset tests described above. If a foreign corporation owns, directly or indirectly, 25% or more of the total value of the outstanding value of another foreign corporation, it will be treated as if it (a) held a proportionate share of the other corporation’s assets and (b) directly received a proportionate share of the other corporation’s income. Because Holding Company will own, directly or indirectly, 100% of Tricom and because Tricom will own 100% of Tricom USA and, directly or indirectly, 100% of TCN, Holding Company should be entitled to take into account the assets and income of Tricom, Tricom USA and TCN in determining whether it is a PFIC. The Debtors believe that Holding Company should not be treated as a PFIC for U.S. federal income tax purposes. If Holding Company were treated as a PFIC, U.S. Holders may under certain circumstances be required to pay additional tax and interest in respect of distributions from and gains realized from the sale or disposition of Holding Company Class A Stock and Holding Company Class B Stock. A U.S. Holder electing to treat Holding Company as a “qualified electing fund” or making a “mark-to-market” election will be taxed differently. U.S. Holders should consult their own tax advisors with respect to ownership and disposition of Holding Company Class A Stock and Holding Company Class B Stock, if Holding Company is treated as a PFIC. In general, during any period in which Tricom was a CFC and a particular U.S. Holder was considered to be a “United States shareholder” with respect to Tricom for purposes of Section 1297(e) of the Code, Tricom would not be treated as a PFIC with respect to that U.S. Holder. Certain special rules apply if Tricom’s status as a CFC, or the U.S. Holder’s status as a “United States shareholder,” ends.

Non-U.S. Holders

Holding Company should not be treated as engaged in a trade or business in the United States, and therefore there should be no U.S. federal income tax consequences to Non-U.S. Holders of their ownership and disposition of Holding Company Class A Stock or Holding Company Class B Stock.

b. Holding Company Formed as an LLC

As an entity classified as a partnership for U.S. federal income tax purposes, Holding Company itself will not be subject to U.S. federal income tax.

U.S. Holders

U.S. Holders of Holding Company Class A Stock and Holding Company Class B Stock will be taxed on their respective distributive shares of Holding Company’s income, gain, loss, deductions and credits for the taxable year of Holding Company ending within or with the taxable year of the U.S. Holder, without regard to whether the U.S. Holder actually receives any distribution of money or property from Holding Company. Accordingly, a U.S. Holder’s taxable income or tax liability related to Holding Company could exceed amounts distributed by Holding Company to the U.S. Holder in a particular year. Holding Company’s taxable year will be

determined in accordance with the requirements of the Code, and will not necessarily be the calendar year. U.S. Holders will be required to treat Holding Company's tax items consistently with their treatment on the U.S. information tax returns filed by Holding Company.

Holding Company will determine its U.S. taxable income or loss on an annual basis, and will make allocation thereof to U.S. Holders, in accordance with the LLC agreement. In general, Holding Company's tax allocations will be respected for U.S. federal income tax purposes if they have "substantial economic effect" or are determined to be in accordance with the respective interests in Holding Company.

Any cash distributed by Holding Company in excess of the U.S. Holder's adjusted tax basis in its interest in Holding Company generally will be treated as gain from the sale or exchange of the U.S. Holder's partnership interest (as further discussed below). A U.S. Holder's tax basis in its partnership interest will be adjusted as required under the Code to give effect on an ongoing basis to the U.S. Holder's share of Holding Company's tax items, distributions and liabilities. The rules governing basis adjustments and the taxation of distributions are complex, and investors are urged to consult with their own U.S. tax advisors concerning these rules.

Subject to the discussion regarding the PFIC and CFC rules below, if Holding Company actually or constructively receives a distribution on new Tricom Stock, Holding Company must include the distribution in gross income as a taxable dividend on the date of its receipt of the distribution, but only to the extent of Tricom's current or accumulated earnings and profits, as calculated under U.S. federal income tax principles. Such amount must be included without reduction for any Dominican Republic tax withheld. Dividends paid by Tricom will not be eligible for the dividends-received deduction allowed to corporations with respect to dividends received from certain domestic corporations. Dividends paid by Tricom will not be eligible for preferential rates applicable to qualified dividend income, as described below.

To the extent a distribution exceeds Tricom's current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of Holding Company's adjusted tax basis in the new Tricom Stock, and thereafter as capital gain. Preferential tax rates for long-term capital gain may be applicable to individual U.S. Holders. With respect to individual U.S. Holders, for taxable years beginning before January 1, 2011, dividends that are treated as QDI are taxable at a maximum tax rate of 15%. Among other requirements, dividends generally will be treated as QDI if either (i) the new Tricom Stock is readily tradable on an established securities market in the United States, or (ii) Tricom is eligible for the benefits of a comprehensive income tax treaty with the United States which includes an information exchange program and which is determined to be satisfactory by the U.S. Treasury. Dividends distributed by Tricom will not be treated as QDI.

U.S. Holders should consult their own tax advisors regarding availability of foreign tax credits with respect to foreign taxes paid by Tricom.

Subject to the discussion below of Sections 751 and 108(e)(7) of the Code and the CFC and PFIC rules, a U.S. Holder who sells its interest in the Holding Company typically will recognize taxable gain or loss based upon the difference between the U.S. Holder's "amount realized" (as determined for U.S. federal income tax purposes) and the U.S. Holder's adjusted

tax basis in such interest. A U.S. Holder's "amount realized" generally will include both the fair market value of the consideration received and the U.S. Holder's allocable share (as determined for tax purposes) of liabilities, if any, of Holding Company. Gain or loss from sale of an interest in Holding Company would generally be treated as capital gain or loss. If a U.S. Holder has held the Holding Company Class A Stock or Holding Company Class B Stock for more than one year at the time of disposition, such capital gain or loss will be long-term capital gain or loss. Preferential tax rates for long-term capital gain (currently, with a maximum rate of 15% for taxable years beginning before January 1, 2011) will apply to individual U.S. Holders. If a U.S. Holder has held the Holding Company Class A Stock or Holding Company Class B Stock for one year or less, such capital gain or loss will be short-term capital gain or loss taxable as ordinary income at your marginal income tax rate. The deductibility of capital losses is subject to limitations.

Notwithstanding the general rule, under Section 751 of the Code, a U.S. Holder may recognize ordinary income or loss on a sale of its interest in Holding Company to the extent of such U.S. Holder's interest in any "unrealized receivables" or "inventory items" of Holding Company as defined for U.S. federal income tax purposes. In particular, one category of unrealized receivable is the share of ordinary dividend income that would have been allocated to the U.S. Holder under Section 1248 of the Code if Holding Company had sold the stock of Tricom for its fair market value on the date that the U.S. Holder sold its interest in Holding Company. This amount may be taxed to the U.S. Holder as ordinary income on a sale of its interest in Holding Company. Under Section 1248 of the Code, if a "United States shareholder" (such as Holding Company) sells stock in a CFC (such as Tricom), the gain recognized on the sale is required to be included in income as a dividend (rather than as capital gain from sale of stock) to the extent of the "United States shareholder's" share of the earnings and profits of the CFC that were accumulated during periods that the "United States shareholder" held stock of the CFC and not previously distributed to the "United States shareholder" as dividends or previously taxed to the "United States shareholder" as subpart F income.

In addition, under Section 108(e)(7) of the Code, any gain recognized by a U.S. Holder on a sale of its interest in Holding Company will be treated as ordinary income for U.S. federal income tax purposes to the extent of (i) any bad debt deductions (or additions to a bad debt reserve) claimed with respect to the Unsecured Financial Claim for which such interest in the Holding Company was received and any ordinary loss deductions incurred upon satisfaction of the Unsecured Financial Claim, less any income (other than interest income) recognized by the U.S. Holder upon satisfaction of the Unsecured Financial Claim and (ii) with respect to a cash basis holder, any amount that would have been included in its gross income if the U.S. Holder's Unsecured Financial Claim had been satisfied in full but that was not included by reason of the cash method of accounting.

Special tax rules under the Code apply to the ownership of shares in a foreign corporation which is a CFC or a PFIC. U.S. Holders should consult their own tax advisors with respect to the application of the CFC and PFIC rules to their ownership and disposition of Holding Company Class A Stock and Holding Company Class B Stock.

As described above, a CFC generally is any foreign corporation with more than 50% of the total combined voting power of all classes of stock of such corporation entitled to

vote or more than 50% of the total value of the stock of the corporation owned (directly or indirectly, and applying certain attribution rules) by one or more United States shareholders. The term “United States shareholder” means a United States person who or that owns (directly or indirectly, and applying certain attribution rules) 10% or more of the total combined voting power of all classes of stock entitled to vote of the foreign corporation. A domestic partnership (such as Holding Company) would be treated as a United States person for these purposes and will, therefore, be a United States shareholder of Tricom. As a result, since Holding Company will own substantially all of the Tricom Stock, Tricom will be considered a CFC for U.S. federal income tax purposes. In general, if a corporation is a CFC, then, for each tax year, its United States shareholders will be required to recognize on a current basis their respective shares of the CFC’s “subpart F income” (limited, however, to their respective shares of the CFC’s earnings and profits, as computed for U.S. tax purposes, for such tax year), even if the income has not been distributed to the shareholders in the form of dividends or otherwise. Subpart F income consists of certain specified categories of income, including, among others, dividends, interest, rents, royalties and net gains from the sale of property giving rise to such income. Holding Company would be required to include in its income, on a current basis, its share (based on its percentage of ownership of Tricom Stock) of any subpart F income earned by Tricom (but limited to its share of Tricom’s earnings and profits for the tax year), whether or not Tricom distributes such amounts to its shareholders in the form of dividends or otherwise. As a tax partnership, Holding Company would further allocate to the U.S. Holders their respective shares of any subpart F income required to be included in income by Holding Company. Holding Company would not necessarily have cash available to distribute to U.S. Holders with respect to inclusions of items of subpart F income.

As mentioned above, special tax rules under the Code apply to the ownership of shares in a foreign corporation which is a PFIC. These rules can apply to U.S. persons (such as U.S. Holders) that hold stock in a foreign corporation (such as Tricom) indirectly through a partnership (such as Holding Company). A foreign corporation will generally be a PFIC if, for a taxable year, either (a) 75% or more of its gross income for such taxable year is passive income (the “income test”), or (b) 50% or more of the average percentage, generally determined by fair market value, of its assets either produce passive income or are held for the production of passive income (the “asset test”). “Passive income” includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities and certain gains from commodities transactions. Certain look-through rules apply for purposes of the income and asset tests described above. If a foreign corporation owns, directly or indirectly, 25% or more of the total value of the outstanding value of another foreign corporation, it will be treated as if it (a) held a proportionate share of the other corporation’s assets and (b) directly received a proportionate share of the other corporation’s income. Because Tricom will own 100% of Tricom USA and, directly or indirectly 100% of TCN, Tricom should be entitled to take into account the assets and income of Tricom USA and TCN in determining whether it is a PFIC. The Debtors believe that Tricom should not be treated as a PFIC for U.S. federal income tax purposes. If Tricom were treated as a PFIC, U.S. Holders may under certain circumstances be required to pay additional tax and interest in respect of their shares of distributions from and gains attributable to the sale or other disposition of stock of Tricom (as well as in respect of gain on the sale of interests in Holding Company to the extent that such gain is attributable to Holding Company’s investment in Tricom). A U.S. Holder electing to treat Tricom as a “qualified electing fund” or making a “mark-to-market” election will be taxed differently. U.S. Holders

should consult their own tax advisors with respect to ownership and disposition of Holding Company Class A Stock and Holding Company Class B Stock if Tricom is treated as a PFIC. In general, during any period in which Tricom was a CFC and a particular U.S. Holder was considered to be a “United States shareholder” with respect to Tricom for purposes of Section 1297(e) of the Code, Tricom would not be treated as a PFIC with respect to that U.S. Holder. Certain special rules apply if Tricom’s status as a CFC, or the U.S. Holder’s status as a United States shareholder, ends.

Non-U.S. Holders

Holding Company should not be treated as engaged in a trade or business in the United States and, therefore, there should be no U.S. federal income tax consequences to Non-U.S. Holders or their ownership and disposition of Holding Company Class A Stock or Holding Company Class B Stock.

F. Information Reporting and Withholding

All distributions to holders of Claims under the Plan are subject to any applicable withholding (including employment tax withholding). Under U.S. federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to “backup withholding” at the then applicable rate (currently 28%). Backup withholding generally applies if the U.S. Holder (a) fails to furnish its social security number or other taxpayer identification number (“TIN”), (b) furnishes an incorrect TIN, (c) fails to properly report interest or dividends or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is a United States person that is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and the appropriate information is supplied to the IRS. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, the following: (1) certain transactions that result in the taxpayer claiming a loss in excess of specified thresholds and (2) certain transactions in which the taxpayer’s book-tax differences exceed a specified threshold in any tax year. U.S. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the U.S. Holders’ tax returns.

Certain U.S. Holders of stock in a foreign corporation may be required to file an information return on Form 5471 with respect to their ownership of such stock. U.S. Holders should consult their own tax advisors with respect to the potential application of this requirement to them.

XII.

CERTAIN DOMINICAN REPUBLIC TAX CONSEQUENCES OF THE PLAN OF REORGANIZATION

The following is a summary of the potential tax consequences of the implementation of the Plan to Tricom and TCN as well as to holders of Unsecured Financial Claims that are Dominican citizens or otherwise are subject to Dominican taxes with respect to such Unsecured Financial Claims (“Dominican Holders”). This summary contains only a basic description of the most significant Dominican tax consequences of the implementation of the Plan to Tricom, TCN and the Dominican Holders, and does not purport to be a comprehensive description of all such tax consequences. Accordingly, Dominican Holders should consult their tax advisors as to the tax effects that may derive from the Plan based on their particular situation. In addition, this summary does not address the Dominican tax consequences to any holder other than Dominican Holders, including holders of Unsecured Financial Claims and Existing Tricom Equity Interests.

This summary is based on the Tax Code of the Dominican Republic - Law No. 11-92, enacted on May 16, 1992, as amended (the “Tax Code”), as well as the complementary regulations (the “Tax Regulations”), in effect as of April 30th, 2009, which are subject to change from time to time. The Debtors have not requested a ruling or opinion from the DGII with respect to any of the tax components of the Plan; therefore, no assurance can be given as to the potential position that the DGII will take with respect to any component of the Plan which has Dominican tax implications. *See* Section VI.F, “Certain Risk Factors Affecting the Debtors — Certain Tax Matters.” The discussion herein assumes that the transactions contemplated by the Plan which have Dominican tax implications will be respected by the DGII in accordance with their form.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN DOMINICAN INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, FOREIGN, STATE, LOCAL AND OTHER TAX CONSEQUENCES TO THEM AS A RESULT OF THE PLAN OF REORGANIZATION.

A. Consequences to Tricom and TCN

The Debtors believe that the only potential tax consequences to Tricom and TCN that may result from the implementation of the Plan are as follows⁵⁵:

⁵⁵ On March 9, 2007, the DGII issued Communication No. 11906 pursuant to which Tricom was authorized to use up to RD\$9,480,000,000 (approximately US\$257,216,000) of its accumulated losses to offset potential income arising from the cancellation of debt within the context of the restructuring. The DGII’s authorization, however, was premised on, among other things, Tricom using these accumulated losses in fiscal year 2007. Because Tricom was unable to utilize the benefit of Communication No. 11906 in fiscal year 2007, Tricom will only be able to

1. Tax Effects of the Cancellation of Debt

As described in Section IV.G.4, “The Plan of Reorganization—Means of Implementation of the Plan—Dominican Corporate Actions,” the Debtors are contemplating utilizing a combination of Capital Increase, Accordion Transactions, or some combination of both to achieve the Restructuring Dilution. In connection with or through the Restructuring Dilution Transactions, the Debtors will reduce the Existing Tricom Equity Interests to a *de minimis* amount with a *de minimis* value through the issuance of new Tricom Stock to Holding Company in consideration for a portion of the Dominican Unsecured Financial Claims, as well as cancel the remaining Dominican Unsecured Financial Claims, if any.

The cancellation of any remaining Tricom debt not otherwise cancelled through the exchange of new Tricom Stock with Holding Company will be considered taxable income under the Tax Code for the year in which the obligations are restructured and would ordinarily be taxable as income to Tricom at a rate of 25%.⁵⁶ However, under the Tax Code, Tricom may use NOLs and current year operating losses to offset COD Income within the context of the restructuring. As described in Section IV.G.4, “The Plan of Reorganization—Means of Implementation of the Plan—Dominican Corporate Actions,” the Debtors expect to effect the Restructuring Dilution to optimize the Dominican tax impact. Accordingly, the Debtors believe that most, if not all, of the COD Income that is generated, and not otherwise cancelled through the exchange of new Tricom Stock with Holding Company, will be offset by the allowed NOLs and current year operating losses.

The Restructuring Dilution and other corporate actions that will be effected under the Plan assume that the interest accrued on the instruments underlying the Unsecured Financial Claims that the Debtors have allocated to Tricom USA, which are being discharged pursuant to the Plan, will not be challenged by the DGII. See Section VI.F, “Certain Risk Factors Affecting the Debtors—Certain Tax Matters.” Although, the Debtors’ tax advisors concluded that it was appropriate to not accrue such interest on Tricom’s books, in the event that such accrual is challenged, and based on such challenge, Tricom and TCN are ultimately required to accrue and then discharge such interest, then the Debtors could be subject to payment of withholding tax in an amount which could approximate \$15-20 million. In addition, it is possible that significant penalties and fines may be imposed. However, the Debtors believe the incurrence of fees and penalties for not properly accruing the interest on Tricom’s books and records and making the withholding is unlikely to be based on certain research and communications with the DGII.

2. Tax Effects of the Increase in Authorized Capital

As described in Section IV.G.4, “The Plan of Reorganization—Means of Implementation of the Plan—Dominican Corporate Actions,” in connection with the Restructuring Dilution Transactions and the TCN Debt Restructuring, Tricom and TCN may,

utilize 20% of losses per year available under the Dominican tax laws, as opposed to approximately 60% of Tricom’s projected accumulated losses that would have been available under Communication No. 11906.

⁵⁶ The cancellation of the portion of the Holding Company Unsecured Financial Claims Portion relating to Tricom USA (approximately \$124.3 million, inclusive of principal and interest) will not be subject to such tax upon the cancellation of such debt because Tricom USA is a U.S. entity.

pursuant to shareholders' resolutions, approve, respectively, Capital Increases. Any capital increase will be subject to a capital increase tax of 1.00% of the amount of each increase.

3. Withholding on Payment of Interest

Subsequent to the Effective Date, payment of interest from Debtors to any non-Dominican creditor will be subject to withholding at a rate of 25%, unless such creditor is a foreign financial institution,⁵⁷ in which case, the withholding rate is 10% of the interest portion, in accordance with Article 306 of the Tax Code. This withholding tax is due at the time the payment is made or in any manner put at the disposal of the creditor. Any interest paid will be deductible from the Debtors' gross income; provided that the corresponding withholding is made and paid. The Debtors believe the New Secured Notes Indenture Trustee will be a qualified foreign financial institution within the purview of the Tax Code.

B. Consequences to Dominican Holders of the Exchange of Unsecured Financial Claims for Holding Company Class A Stock or Holding Company Class B Stock and Dominican Holders of Existing Secured Debt

The Debtors believe that the treatment afforded under the Plan to Dominican Holders of Unsecured Financial Claims, Credit Suisse Existing Secured Claims and the GE Existing Secured Claims will carry the following tax consequences:

1. Income Tax

Pursuant to Article 269 of the Tax Code, all Dominican citizens or persons otherwise domiciled in the Dominican Republic will pay income tax on their Dominican source income, and on income resulting from foreign sources derived from investments and financial gains.⁵⁸ In addition, Article 272 specifically includes as Dominican source income: (i) income derived from capital, assets or rights situated, placed or economically utilized in the Dominican Republic; and (ii) income resulting from interest paid on notes issued by companies domiciled in the Dominican Republic and those deriving from loans secured in whole or in part by real estate located in the Dominican Republic.

Accordingly, to the extent that any amount received by a Dominican Holder subsequent to the Effective Date (whether from Credit Suisse New Secured Debt, GE Existing Secured Loan Documents, Holding Company Class A Stock or Holding Company Class B Stock, or other consideration) is received either in satisfaction of accrued interest or as stock dividend during its holding period, such amount will be taxable to the Dominican Holder, at the applicable income tax rate for the period.

⁵⁷ Neither the Tax Code nor the regulations promulgated thereunder define the term "foreign financial institution" as such term is used in the Tax Code.

⁵⁸ Article 2 of the Income Tax Regulation 139-98 adds to the definition of investments and financial gains "such as stock dividends or interest on loans or bank deposits, income obtained in transactions with banks and financial institutions, bonds, corporate notes, letters and other personal assets or instruments tradable in the securities market."

2. Capital Gain and Losses

A Dominican Holder will recognize a gain to the extent the combined value of the Holding Company Class A Stock or Holding Company Class B Stock received by such Dominican Holder is higher than the local currency value of the Unsecured Financial Claim as of the date of acquisition by the Dominican Holder, adjusted for inflation. On the other hand, to the extent the combined value received in Holding Company Class A Stock or Holding Company Class B Stock by such Dominican Holder is lower than the value of the Unsecured Financial Claim as of the date of acquisition by the Dominican Holder, adjusted for inflation, then the Dominican Holder will recognize a loss. Any such gain or loss will be considered a capital gain or loss; however, to the extent that the Dominican Holder allocates any consideration received to the payment of interest accrued, then such amount shall be considered as regular Dominican source income under Dominican tax laws.

At the time of disposition of a Holding Company Class A Stock or Holding Company Class B Stock, there will be a capital gain or loss to a Dominican Holder equal to the difference between the amount realized on the disposition and the adjusted tax basis in the Holding Company Class A Stock or Holding Company Class B Stock immediately before the disposition.

C. Dominican Tax Consequences to Non-Dominican Holders

Pursuant to section (h) of Article 272 of the Tax Code, interest payments on notes issued by companies domiciled in the Dominican Republic and from loans secured in whole or in part by real estate located in the Dominican Republic, are considered as Dominican-source income. Pursuant to Articles 297 and 305 of the Tax Code, interest payments made to creditors that are not financial institutions and that are located outside the Dominican Republic are subject to a 25% withholding tax. Article 306 of the Tax Code provides that interest payments made to financial institutions located outside the Dominican Republic are subject to a 10% withholding tax.

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE PLAN AND OWNERSHIP AND DISPOSITION OF THE CREDIT SUISSE NEW SECURED DEBT, THE NEW SECURED NOTES, HOLDING COMPANY CLASS A STOCK OR HOLDING COMPANY CLASS B STOCK. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES APPLICABLE UNDER THE PLAN OF REORGANIZATION.

CONCLUSION

The Debtors believe that confirmation and implementation of the Plan is in the best interests of the holders of Credit Suisse Existing Secured Claims and Allowed Unsecured Financial Claims and urge such holders entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by returning their Ballots so that they will be received by the Voting Agent or the Public Securities Voting Agent, as applicable, no later than 5:00 p.m., Pacific Time, on [____], 2009.

Dated: May 8, 2009

Respectfully submitted,

TRICOM, S.A.
TCN DOMINICANA, S.A.
TRICOM USA, INC.

By: /s/ Hector Castro Noboa
Name: Hector Castro Noboa
Title: President

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Exhibit 1

**THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re)	
)	Chapter 11 Case
)	
TRICOM, S.A., <u>et al.</u> ,)	Case Nos. 08-10720, 08-10723, 08-
)	10724 (SMB)
Debtors.)	
)	Jointly Administered under Case
		No. 08-10720 (SMB)

**FIRST AMENDED PREPACKAGED JOINT CHAPTER 11 PLAN OF
REORGANIZATION FOR TRICOM, S.A. AND ITS AFFILIATED DEBTORS**

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Attorneys for the Debtors and Debtors in
Possession

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Tricom, S.A., TCN Dominicana, S.A., and Tricom USA, Inc., debtors and debtors in possession in the above-captioned jointly administered chapter 11 cases, hereby collectively and jointly propose the following first amended joint prepackaged chapter 11 plan of reorganization:

ARTICLE I.

DEFINITIONS AND INTERPRETATION

1.1. Definitions.

Capitalized terms used herein shall have the respective meanings set forth below:

1.1.1 “11 3/8% Senior Notes” means those certain 11 3/8% senior debentures due September 1, 2004, issued by Tricom in the aggregate principal amount of \$200,000,000 pursuant to the 11 3/8% Senior Notes Indenture.

1.1.2 “11 3/8% Senior Notes Released Claims” shall have the meaning set forth in 7.24.5 hereof.

1.1.3 “11 3/8% Senior Notes Documents” means the 11 3/8% Senior Notes Indenture and any and all documents entered into or issued in connection with the 11 3/8% Senior Notes Indenture, including, without limitation, the 11 3/8% Senior Notes.

1.1.4 “11 3/8% Senior Notes Indenture” means that certain Indenture, dated August 21, 1997, between Tricom, as issuer, and The Bank of New York, as trustee, as amended or supplemented from time to time.

1.1.5 “11 3/8% Senior Notes Indenture Trustee Allowed Administrative Claim” means the claim for amounts due and owing to The Bank of New York, as indenture trustee under the 11 3/8% Senior Notes Indenture, incurred from and after the Petition Date and on or prior to the Effective Date under the 11 3/8% Senior Notes Documents, including, but not limited to, fees and expenses (including attorneys' fees and disbursements).

1.1.6 “11 3/8% Senior Notes Indenture Trustee Allowed Claims” means the 11 3/8% Senior Notes Indenture Trustee Allowed Pre-Petition Claim and the 11 3/8% Senior Notes Indenture Trustee Allowed Administrative Claim.

1.1.7 “11 3/8% Senior Notes Indenture Trustee Allowed Pre-Petition Claim” means the claim for amounts due and owing to The Bank of New York, as indenture trustee under the 11 3/8% Senior Notes Indenture, incurred prior to the Petition Date under the 11 3/8% Senior Notes Documents, including, but not limited to, fees and expenses (including attorneys' fees and disbursements), to the extent not paid by the Debtors pursuant to the Vendor Payment Order.

1.1.8 “11 3/8% Senior Notes Indenture Trustee Lien” means the lien granted to The Bank of New York, as indenture trustee, pursuant to section 7.07 of the 11 3/8% Senior Notes Indenture.

1.1.9 “Accordion Transactions” shall have the meaning set forth in Section 7.9 hereof.

1.1.10 “Ad Hoc Committee” means the ad hoc committee consisting of certain holders of Unsecured Financial Claims.

1.1.11 “Adjudicated Class 6 Disputed Claims” shall have the meaning set forth in Section 9.7(e).

1.1.12 “Administrative Claim” means a Claim incurred by a Debtor (or its Estate) on or after the Petition Date and before the Effective Date for a cost or expense of administration in the Chapter 11 Cases entitled to priority under sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, Fee Claims and The Bank of New York Indenture Trustee Allowed Administrative Claim.

1.1.13 “Affiliate” means, with respect to any Person, all Persons that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code, if such Person was a debtor in a case under the Bankruptcy Code.

1.1.14 “Affiliated Creditors” means, collectively, Balking Trading, Eastern, Editorial, Ellis, Minstar and Porter.

1.1.15 “Affiliated Creditors Unsecured Financial Claims” means the Unsecured Financial Claims held by the Affiliated Creditors.

1.1.16 “Allowed,” means when used

(i) with respect to any Claim, except for a Claim that is an Administrative Claim, such Claim to the extent it is not a Contested Claim;

(ii) with respect to an Administrative Claim, an Administrative Claim that has become fixed in amount pursuant to the procedures set forth in Section 5.2; and

(iii) with respect to Equity Interests, the Equity Interests in any Debtor as reflected in the stock transfer register of such Debtor as of the Effective Date.

1.1.17 “Appropriate Jurisdiction” shall have the meaning set forth in Section 9.7(e).

1.1.18 “Assets” means, with respect to any Debtor, all of such Debtors’ right, title and interest of any nature in property of any kind, wherever located, as specified in section 541 of the Bankruptcy Code.

1.1.19 “Avoidance Actions” means all Causes of Action of the Estates that arise under the Bankruptcy Code, including, but not limited to, all preference, fraudulent transfer, and other Causes of Action arising under Chapter 5 of the Bankruptcy Code.

1.1.20 “Balking Trading” means Balking Trading, Inc., a Panamanian corporation and one of the Affiliated Creditors.

1.1.21 “Ballot” means any ballot prepared by the Debtors and distributed to holders of Credit Suisse Existing Secured Claims and Unsecured Financial Claims against the Debtors for voting to accept or reject this Plan.

1.1.22 “Banco del Progreso Collateral” means the real property of Tricom, which previously secured the claims identified in the Original Plan as the Banco del Progreso Existing Secured Claims, as described in Article 11 of that certain *Contrato de Préstamo con Garantía Hipotecaria* (Loan Agreement and Mortgage), dated March 22, 2002, between Banco Dominicano del Progreso, S.A.

1.1.23 “Banco Leon” means Banco Múltiple León S.A., a banking entity operating under the Monetary and Financial Law of the Dominican Republic no. 183-02.

1.1.24 “Banco Leon Allowed Claim” means a claim in the aggregate amount of \$42,500,000 which is deemed Allowed and classified as an Unsecured Financial Claim, as identified on the schedule attached hereto as Exhibit B; provided, however, that the Banco Leon Allowed Claim shall be subject to adjustment in accordance with Section 7.10 hereof.

1.1.25 “Banco Leon Carve-Out” shall have the meaning set forth in Section 7.24.2(g) hereof.

1.1.26 “Banco Leon Claims Percentage” means the ratio, expressed as a percentage, of the Banco Leon Allowed Claim to the Settlement Claims Cap.

1.1.27 “Banco Leon Filed Claims” means, collectively, Proof of Claim No. 26 filed in the Chapter 11 Cases by Banco Leon in the aggregate amount \$18,520,586.24 and Proof of Claim No. 32 filed in the Chapter 11 Cases by Banco Leon in the aggregate amount of \$166,019,348.

1.1.28 “Banco Leon Settlement” has the meaning set forth in Section 7.22 hereof.

1.1.29 “Banco Leon Settlement Delivery Condition” shall have the meaning set forth in Section 7.22 hereof.

1.1.30 “Bancredit Cayman” means Bancredit Cayman Limited (In Official Liquidation) and/or Richard E.L. Fogerty and James G. Cleaver acting in their capacities as the Joint Official Liquidators of Bancredit Cayman.

1.1.31 “Bancredit Cayman Disputed Claim” means the aggregate amount of \$148,605,478, which represents the aggregate amount of the Bancredit Cayman Filed Claim less \$121,157, which amount shall be an Allowed Unsecured Financial Claim.

1.1.32 “Bancredit Cayman Filed Claim” means Proof of Claim No. 10 filed by Bancredit Cayman in the Chapter 11 Cases in the aggregate amount of \$148,726,635.

1.1.33 “Bancredito Panama” means Bancrédito (Panamá), S.A. (In Compulsory Liquidation) and/or Eduardo E. Pazmino acting in his capacity as the liquidator of Bancredito Panama.

1.1.34 “Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings” has the meaning set forth in Section 9.7(e) hereof.

1.1.35 “Bancredito Panama Disputed Claim” means Proof of Claim No. 8 filed in the Chapter 11 Cases by Bancredito Panama in the aggregate amount of \$92,000,339.02.

1.1.36 “Bancredito Panama Filed Claims” means, collectively, Proof of Claim No. 6 filed by Bancredito Panama in the Chapter 11 Cases in the aggregate amount of \$10,196,456.02, Proof of Claim No. 7 filed by Bancredito Panama in the Chapter 11 cases in the aggregate amount of \$1,874,875.56, and the Bancredito Panama Disputed Claim.

1.1.37 “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as codified at title 11 of the United States Code and as amended from time to time as applicable to the Chapter 11 Cases.

1.1.38 “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York, or such other court having jurisdiction over the Chapter 11 Cases.

1.1.39 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as prescribed by the United States Supreme Court pursuant to section 2075 of title 28 of the United States Code and as applicable to the Chapter 11 Cases.

1.1.40 “Banks” means, collectively, Banco Leon, Bancredit Cayman and Bancredito Panama.

1.1.41 “Business Day” means any day on which commercial banks are open for business in New York, New York.

1.1.42 “Cancelled Shares” means the First Set of Cancelled Shares and any additional shares of Tricom Stock cancelled or exchanged in connection with the Restructuring Dilution Transactions.

1.1.43 “Capital Increase” shall have the meaning set forth in Section 7.9 hereof.

1.1.44 “Cash” means legal tender of the United States of America.

1.1.45 “Causes of Action” means all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages or judgments, whether known or unknown and whether asserted or unasserted.

1.1.46 “Chapter 11 Cases” means the cases under chapter 11 of the Bankruptcy Code pending before the Bankruptcy Court with respect to the Debtors.

1.1.47 “Claim” means (i) any right to payment from a Debtor, whether or not such right is known or unknown, reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; (ii) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from a Debtor, whether or not such right to an equitable remedy is known or unknown, reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; or (iii) any right under section 502(h) of the Bankruptcy Code.

1.1.48 “Claims Agent” means Kurtzman Carson Consultants, LLC, the entity designated by order of the Bankruptcy Court to process proofs of claim.

1.1.49 “COD Income” means income arising from the cancellation of debt.

1.1.50 “Confirmation Date” means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

1.1.51 “Confirmation Hearing” means the hearing held by the Bankruptcy Court, as it may be continued from time to time, on confirmation of this Plan.

1.1.52 “Confirmation Order” means the order of the Bankruptcy Court confirming this Plan.

1.1.53 “Consenting Releasing Party” means (i) a holder of a Claim against, or any Equity Interest in, any of the Debtors that has not expressly indicated its intent to “opt out” of the releases provided in Section 7.24 of this Plan by a timely written election made on the Ballot submitted by such holder; and (ii) the GFN Parties to the extent they execute and deliver originally executed copies of the relevant GFN Parties’ Consent on or before the Confirmation Date.

1.1.54 “Contested Claim” means (x) a Claim (i) that is listed in the Schedules as disputed, contingent, or unliquidated, in whole or in part, and as to which no proof of claim has been filed; (ii) that is listed in the Schedules as undisputed, liquidated, and not contingent and as to which a proof of claim has been filed with the Bankruptcy Court, to the extent (A) the proof of claim amount exceeds the amount indicated in the Schedules, or (B) the proof of claim priority differs from the priority set forth in the Schedules, in each case as to which an objection was filed on or before the Objection Deadline, unless and to the extent allowed in amount and/or priority by a Final Order of the Bankruptcy Court; (iii) that is not listed in the Schedules or was listed in the Schedules as disputed, contingent or unliquidated, in whole or in part, but as to which a proof of claim has been filed with the Bankruptcy Court, in each case as to which an objection was filed on or before the Objection Deadline, unless and to the extent allowed in amount and/or priority by a Final Order of the Bankruptcy Court; or (iv) as to which an objection or request for estimation has been filed on or before the Objection Deadline; or (y) the Disputed Unsecured Financial Claims; provided, that a Claim that is fixed in amount and classification pursuant to this Plan or by Final Order on or before the Effective Date shall not be a Contested Claim.

1.1.55 “Contingent Liabilities” means all contingent, disputed, or unliquidated Claims against any of the Debtors.

1.1.56 “Credit Suisse” means Credit Suisse International, a corporation organized under the laws of England and Wales, as assignee of the Credit Suisse Existing Secured Claims, individually and in its capacity as an agent for any holders of or participants in such claims.

1.1.57 “Credit Suisse Credit Agreement” means the credit agreement to be entered into by Tricom and Credit Suisse, or any permitted assignee or participant of the Credit Suisse Existing Secured Claims, pursuant to Sections 4.1(c) and 7.6 hereof in order to amend and restate the Credit Suisse Existing Secured Loan Documents in accordance with this Plan, in substantially the form included in the Plan Supplement.

1.1.58 “Credit Suisse Existing Collateral” means the real and personal property of Tricom securing the Credit Suisse Existing Secured Claims, as more particularly described in the Credit Suisse Existing Secured Loan Documents.

1.1.59 “Credit Suisse Existing Secured Claims” means the claims in the aggregate principal amount of \$25,529,781.88 and accrued and unpaid interest, if any, under the Credit Suisse Existing Secured Loan Documents.

1.1.60 “Credit Suisse Existing Secured Loan Documents” means (i) the *Reconocimiento y Reestructuración de Deuda e inclusion de Garantía Hipotecaria* (Debt Acknowledgement and Restructuring Agreement and Mortgage), dated April 30, 2002, between Banco BHD, S.A. and Tricom as issuer, and the promissory notes issued thereunder (ii) the *Contrato de Préstamo con Garantía Hipotecaria* (Loan Agreement and Mortgage), dated June 15, 2002, between Financial Card Corporation and Tricom, and the promissory notes issued thereunder, (iii) a promissory note issued on August 4, 2003, to Banco Popular de Puerto Rico Sucursal Internacional in the amount of \$3,000,000, and (iv) the *Contrato de Préstamo con Garantía Hipotecaria y Prendaria* (Loan Agreement, Mortgage, and Pledge), dated August 8, 2003, between Citibank N.A. and Tricom, and the promissory note issued thereunder.

1.1.61 “Credit Suisse Guarantee” means the Guarantee Agreement to be entered into by Tricom USA and TCN for the benefit of Credit Suisse, in accordance with Sections 4.1 and 7.6 hereof, in substantially the form included in the Plan Supplement.

1.1.62 “Credit Suisse Mortgage” means either (i) the amendment and restatement of the existing *Garantías Hipotecarias* described in the Plan Supplement or (ii) one or more new *Contratos de Hipoteca* or *Garantías Hipotecarias* to be entered into by Tricom and Credit Suisse in accordance with Sections 4.1(c) and 7.6 hereof, in substantially the form included in the Plan Supplement, pursuant to which Tricom will grant Credit Suisse a first priority lien on the real property comprising the Credit Suisse Existing Collateral or will reaffirm, with the proper modifications to reflect the distributions to be made to Credit Suisse pursuant to this Plan, the existing first priority lien on the Credit Suisse Existing Collateral in order to secure all of Tricom’s obligations under the Credit Suisse New Secured Debt Documents.

1.1.63 “Credit Suisse New Secured Debt” means the debt memorialized by the Credit Suisse New Secured Debt Documents.

1.1.64 “Credit Suisse New Secured Debt Documents” means the Credit Suisse Credit Agreement, the Credit Suisse Mortgage, the Credit Suisse Pledge, and any other document entered into or issued in connection therewith.

1.1.65 “Credit Suisse Pledge” means one or more *Contratos de Prenda sin Desapoderamiento* or Pledge Agreements to be entered into by Tricom and Credit Suisse in accordance with Sections 4.1(c) and 7.6 hereof, in substantially the form included in the Plan Supplement, pursuant to which Tricom will grant Credit Suisse a first priority lien on the personal property comprising the Credit Suisse Existing Collateral to secure all of Tricom’s obligations under the Credit Suisse New Secured Debt Documents.

1.1.66 “Debtor Affiliates” means GFN Communications, S.A. (a Dominican Republic corporation); Call Tel Corp. (a Panamanian corporation); Tricom Centroamerica, S.A. (a Panamanian corporation); and Tricom Latinoamerica S.A. (a Cayman Islands corporation).

1.1.67 “Debtor in Possession” means any Debtor, in its capacity as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

1.1.68 “Debtors” means, collectively, Tricom, TCN and Tricom USA.

1.1.69 “Disallowed,” means, when used with respect to a Claim, a Claim, or such portion of a Claim that has been disallowed by a Final Order.

1.1.70 “Disclosure Statement” means the First Amended Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization For Tricom, S.A. And Its Affiliated Debtors, as the same may be amended, modified or supplemented from time to time.

1.1.71 “Disputed Unsecured Financial Claims” shall mean, collectively, the Bancredito Panama Disputed Claim, the Bancredit Cayman Disputed Claim, and any other claim designated as a Disputed Unsecured Financial Claim by the Debtors with the consent of the Ad Hoc Committee, by Order of the Bankruptcy Court or with the consent of the holder of the Claim.

1.1.72 “Distribution Date” means, with respect to any Claim, (i) the Effective Date, if such Claim is then an Allowed Claim, or (ii) a date that is as soon as reasonably practicable after the date such Claim becomes Allowed, if not Allowed on the Effective Date.

1.1.73 “Distribution Record Date” means the date occurring ten (10) Business Days prior to the Effective Date.

1.1.74 “DGII” means *Dirección General de Impuestos Internos*, the Taxing Authority of the Dominican Republic.

1.1.75 “Dominican New Corporate Law” means the *Ley General de las Sociedades Comerciales y Empresas Individuales de Responsabilidad*

Limitada No. 479-08, which was enacted on December 11, 2008 and will come into effect on June 19, 2009.

1.1.76 “Dominican Unsecured Financial Claims” means the Unsecured Financial Claims less the amount of Tricom USA Unsecured Financial Claims.

1.1.77 “Dominican Restructuring Objectives” shall have the meaning set forth in Section 7.9 hereof.

1.1.78 “Eastern” means Eastern Power Corporation, a Panamanian corporation and one of the Affiliated Creditors.

1.1.79 “Editorial” means Editorial AA, S.A., a Dominican Republic corporation and one of the Affiliated Creditors.

1.1.80 “Effective Date” means a date selected by the Debtors, the Ad Hoc Committee and the Affiliated Creditors which shall be a Business Day that is (a) no earlier than ten (10) days following the date upon which the Confirmation Order becomes a Final Order and (b) after the occurrence of each of the events listed on Section 10.2 hereof, unless waived pursuant to Section 10.3 hereof.

1.1.81 “Ellis” means Ellis Portfolio, S.A., a British Virgin Islands corporation and one of the Affiliated Creditors.

1.1.82 “Equity Interest” means any outstanding ownership interest in any of the Debtors, including without limitation, interests evidenced by common or preferred stock, membership interests and options or other rights to purchase any ownership interest in any of the Debtors.

1.1.83 “Estate” means the estate of any Debtor created by section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

1.1.84 “Existing Equity Interest” means any outstanding ownership interest in any of the Debtors, including without limitation, interests evidenced by common or preferred stock, membership interests and options or other rights to purchase any ownership interest in any of the Debtors, in existence on the Petition Date.

1.1.85 “Existing Secured Debt” means, collectively, the Credit Suisse Existing Secured Claims and the GE Existing Secured Claims.

1.1.86 “Existing Secured Debt Collateral” means, collectively, the Credit Suisse Existing Collateral and the GE Existing Collateral.

1.1.87 “Existing Tricom Equity Interests” means all Tricom Equity Interests in existence on the Petition Date.

1.1.88 “Exit Financing” shall have the meaning set forth in Section 7.21 hereof.

1.1.89 “Exit Financing Documents” means such documents as are necessary to implement the Exit Financing, including the mortgages to be granted thereunder.

1.1.90 “Fee Application” means an application for allowance and payment of a Fee Claim (including Claims for “substantial contribution” pursuant to section 503(b) of the Bankruptcy Code).

1.1.91 “Fee Claim” means an Administrative Claim of a Professional Person.

1.1.92 “Final Order” means (i) an order or judgment of the Bankruptcy Court or any other court or adjudicative body as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending, or (ii) in the event that an appeal, writ of certiorari, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court or any other court or adjudicative body shall have been affirmed by the highest court to which such order was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed with respect to such order.

1.1.93 “First Set of Cancelled Shares” shall have the meaning set forth in Section 7.9 hereof.

1.1.94 “First Set of Newly Unissued Shares” shall have the meaning set forth in Section 7.9 hereof.

1.1.95 “First Shareholders’ Meeting” shall have the meaning set forth in Section 7.9(b) hereof.

1.1.96 “First Shareholder’s Meeting Paid In Capital” means paid in capital resulting after issuance of stock to holding company pursuant to first shareholder meeting.

1.1.97 “GE” means, together, GE Credit Corporation of Tennessee, a Delaware corporation, and GE Capital Corporation of Puerto Rico, Inc., a Delaware corporation.

1.1.98 “GE Existing Collateral” means the personal property of Tricom securing the GE Existing Secured Claims, as more particularly described in the GE Existing Secured Loan Documents.

1.1.99 “GE Existing Secured Claims” means the principal as of February 29, 2008, in the aggregate amount of \$4,642,760 and accrued and unpaid interest as of February 29, 2008, if any, under the GE Existing Secured Loan Documents.

1.1.100 “GE Existing Secured Loan Documents” means the loans and related documents described in the Plan Supplement.

1.1.101 “General Unsecured Claim” means any Claim against a Debtor other than an Administrative Claim, Tax Claim, Priority Claim, Credit Suisse Existing Secured Claim, GE Existing Secured Claim, Non-Lender Secured Claim, Unsecured Financial Claim, Statutorily Subordinated Claim, or Intercompany Claim, and which shall include the 11 3/8 % Senior Notes Indenture Trustee Allowed Pre-Petition Claim.

1.1.102 “GFN Parties” means the following parties: (a) GFN, S.A., a Dominican corporation; (b) Grupo Segna S.A. (formerly, Grupo Financiero Nacional, S.A.), a Dominican Republic corporation; (c) GFN Capital Corp., a Grand Cayman corporation; (d) Caribbean Energy Company, a Grand Cayman corporation; (e) Alington Finance Ltd., a Panamanian corporation; (f) Oleander Holdings Inc., a Panamanian corporation; (g) Creditcard International, a Panamanian corporation; (h) Astro Desarrollo, S.A., a Costa Rican corporation; (i) MAP Trust Company, a _____ corporation; (j) MAP Trust, a _____; (k) MAP Star Trust, a _____; (l) Pradera Real Estate, S.A., a Panamanian corporation; (m) Artag Meridian, Ltd, a British Virgin Island company, (n) Mr. Pellerano; and (o) Rosangela Pellerano Peña.

1.1.103 “GFN Parties’ Consent” means the consent substantially in the form annexed hereto as Exhibit A to be executed by the GFN Parties pursuant which they consent to be bound by the terms of the Plan, including to the releases provided for under Section 7.24 of this Plan. The GFN Parties’ Consent shall include such representations and warranties on the part of the GFN Parties as may be required by the Ad Hoc Committee in form and substance reasonably acceptable to the Ad Hoc Committee.

1.1.104 “Holding Company” means a newly formed entity to be incorporated in the Bahamas or an alternative jurisdiction, which alternative jurisdiction shall be satisfactory to the Ad Hoc Committee, in its sole and absolute

discretion, on or before the Effective Date, and which will hold all or substantially all of the Tricom Equity Interests.¹

1.1.105 “Holding Company Board of Directors” means Holding Company’s board of directors, which will consist of nine members to be appointed in accordance with the Holding Company Constituent Documents and the Shareholders’ Agreement.

1.1.106 “Holding Company Class A Stock” means the Class A common stock to be issued by Holding Company as contemplated under this Plan.

1.1.107 “Holding Company Class B Stock” means the Class B common stock to be issued by Holding Company as contemplated under this Plan.

1.1.108 “Holding Company Constituent Documents” means (i) Holding Company’s Memorandum of Association and Articles of Association to be adopted by the holders of Holding Company Stock if Holding Company is incorporated in the Bahamas, or (ii) such other constituent documents as required by the jurisdiction in which Holding Company is formed, and in either case, substantially in the form included in the Plan Supplement.

1.1.109 “Holding Company Stock” means 10 million authorized shares of Holding Company Stock, consisting of Holding Company Class A Stock and Holding Company Class B Stock, which shall be authorized and issued in accordance with this Plan and the Holding Company Constituent Documents.

1.1.110 “Indotel” means the *Instituto Dominicano de las Telecomunicaciones*, the Dominican telecommunications regulatory entity.

1.1.111 “Indotel Approval” means one or more resolutions issued by Indotel authorizing the transfer of control, directly or indirectly, of Tricom and TCN to Holding Company.

1.1.112 “Intercompany Claim” means any Claim against any Debtor held by another Debtor.

1.1.113 “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and any applicable rulings, regulations (including temporary

¹ For purposes of this Plan and specifically, for purposes of describing, *inter alia*, the requisite Holding Company Constituent Documents, Holding Company Stock, the Shareholders’ Agreement and all other documents related to formation and operation of Holding Company and the rights and obligations of holders of Holding Company Stock as contemplated by the Plan Support and Lock-Up Agreement, this Plan assumes that Holding Company will be formed as a Bahamian company. However, this Plan permits the formation of Holding Company in an alternative jurisdiction satisfactory to the Ad Hoc Committee. The Debtors believe that formation of Holding Company in a jurisdiction other than the Bahamas will not have any material impacts on creditors, but could require modification of certain Plan Documents.

and proposed regulations) promulgated thereunder, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or the IRS.

1.1.114 “IRS” means the United States Internal Revenue Service.

1.1.115 “Maximum Allowed Capital Reduction Amount” means 90% of Tricom’s authorized capital.

1.1.116 “Mercantile Registry” means the Registro Mercantil maintained by the Cámara de Comercio y Producción de Santo Domingo.

1.1.117 “Minstar” means Minstar Ventures, Ltd., a British Virgin Islands corporation and one of the Affiliated Creditors.

1.1.118 “Mr. Pellerano” means Manuel Arturo Pellerano Peña and one of the GFN Parties.

1.1.119 “Motorola” means Motorola, Inc., a Delaware corporation.

1.1.120 “Motorola Affiliates” means, collectively, Motorola and all of its Affiliates that hold Tricom Class B Stock.

1.1.121 “New Constituent Documents” means the applicable bylaws, certificates of incorporation, *estatutos* or similar documents for each of the Debtors, as amended and restated as of the Effective Date, among other things, to (i) prohibit the issuance of non-voting equity securities by such Debtor as required by section 1123(a)(6) of the Bankruptcy Code, and (ii) otherwise give effect to the provisions of this Plan. The forms of New Constituent Documents for Tricom, Tricom USA and TCN are included in the Plan Supplement.

1.1.122 “Non-Affiliated Creditors Unsecured Financial Claims” means all Unsecured Financial Claims other than the Affiliated Creditors Unsecured Financial Claims.

1.1.123 “Non-Lender Secured Claims” means all Secured Claims, if any, other than the Credit Suisse Existing Secured Claims and the GE Existing Secured Claims.

1.1.124 “Notice of Confirmation” means the notice of entry of the Confirmation Order to be mailed by the Claims Agent to holders of Claims and Equity Interests.

1.1.125 “Objection Deadline” means the deadline for filing objections to Claims as set forth in Section 9.1 hereof.

1.1.126 “Original Disclosure Statement” means that certain Disclosure Statement Relating to Prepackaged Joint Chapter 11 Plan of Reorganization for Tricom, S.A. and its Affiliated Debtors dated January 28, 2008 and identified as Docket No. 21 on the electronic docket maintained in the Chapter 11 Cases and filed in the Chapter 11 Cases on March 3, 2008.

1.1.127 “Original Plan” means that certain Prepackaged Joint Chapter 11 Plan of Reorganization for Tricom S.A. and its Affiliated Debtors dated January 28, 2008, attached as Exhibit A to the Original Disclosure Statement and identified as Docket No. 22 on the electronic docket maintained in the Debtors’ Chapter 11 cases and filed in the Chapter 11 Cases on March 3, 2008.

1.1.128 “Payment Opposition” means an ex parte notice issued in the Dominican Republic, or such other jurisdiction that recognizes such or similar notices, which puts the recipient on notice that the issuer of the payment opposition is allegedly owed debts (either directly or indirectly) by a creditor of the recipient of such notice, and notifying such recipient that it is barred from making any payments or any distribution of assets to such creditor pending resolution of the payment opposition.

1.1.129 “Payment Opposition Claim” means any Claim subject to a Payment Opposition, or other similar notice, process or proceeding which has the effect of precluding the Debtors from making distributions on account of such Claim.

1.1.130 “Person” means an individual, corporation, partnership, limited liability company, joint venture, trust, estate, unincorporated association, unincorporated organization, governmental entity, or political subdivision thereof, or any other entity.

1.1.131 “Petition Date” means the date on which the Chapter 11 Cases were commenced.

1.1.132 “Plan” means this First Amended Prepackaged Joint Chapter 11 Plan of Reorganization, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time, and any exhibits and schedules hereto, as the same may be in effect at the time such reference becomes operative.

1.1.133 “Plan Distribution” means any payment or distribution, including any distribution of Holding Company Stock, as set forth in this Plan.

1.1.134 “Plan Documents” means all documents that aid in effectuating this Plan and all underlying transactions contemplated by this Plan, including but not limited to, all Transaction Documents and all orders of the Bankruptcy Court relating to the Plan, including the Confirmation Order. All Plan Documents shall be in all respects consistent with terms and provisions of the Plan.

1.1.135 “Plan Supplement” means the supplement to this Plan containing certain Plan Documents relevant to the implementation of this Plan.

1.1.136 “Plan Support and Lock-Up Agreement” means that certain Plan Support and Lock-Up Agreement, dated as of January 10, 2007, as amended by the Amendment to Plan Support and Lock-Up Agreement dated as of August 31, 2007, and as further amended by the Second Amendment to Plan Support and Lock-Up Agreement dated as of December 21, 2007 (as the same may be further amended or modified from time to time in accordance with the terms thereof), by and among (i) the Debtors, (ii) the Affiliated Creditors, (iii) certain holders (or investment managers or advisors having authority to act on behalf of the beneficial owners) of Claims arising out of the Existing Secured Debt, and (iv) certain holders (or investment managers or advisors having authority to act on behalf of the beneficial owners) of Unsecured Financial Claims.

1.1.137 “Porter” means Porter Capital, Ltd., a British Virgin Islands corporation and one of the Affiliated Creditors.

1.1.138 “Preemptive Rights” means the right granted by the Dominican New Corporate Law to all existing shareholders of a Dominican corporation to subscribe their pro rata share in any issuance of such corporation’s stock, unless such right is waived and/or transferred.

1.1.139 “Preemptive Rights Waiting Period” means the period of time contemplated by Article 285 of the Dominican New Corporate Law during which the shareholders of a privately owned Dominican corporation have the right to exercise their Preemptive Rights, which period of time expires one month after the relevant corporation gives the Preemptive Rights Waiting Period Notice to the relevant shareholder.

1.1.140 “Preemptive Rights Waiting Period Notice” means the notice to be sent by a privately owned Dominican corporation pursuant to Article 285 of the Dominican New Corporate Law to all shareholders having Preemptive Rights who have not either waived such rights or paid and subscribed their pro rata share in the applicable stock issuance within two months following the shareholders’ decision triggering the Preemptive Rights demanding that such shareholders pay and subscribe such shares within a month following such notice otherwise their Preemptive Rights will be deemed waived.

1.1.141 “Priority Claim” means any Claim to the extent such Claim is entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than Administrative Claims and Tax Claims.

1.1.142 “Pro Rata Share” means the proportion that the amount an Allowed Claim bears to the aggregate amount of all Claims in a particular class as a whole (without regard to any sub-class therein), including Contested Claims, but

not including Disallowed Claims, (i) as calculated by Holding Company or the applicable Debtor on or before any Distribution Date; or (ii) as determined by the Bankruptcy Court in an order estimating a claim pursuant to section 502(c) of the Bankruptcy Code, if such an order is sought and obtained.

1.1.143 “Professional Person” means a Person retained or to be compensated for services rendered or costs incurred on or after the Petition Date and on or prior to the Effective Date pursuant to sections 327, 328, 329, 330, 503(b), or 1103 of the Bankruptcy Code in the Chapter 11 Cases.

1.1.144 “Reorganized Debtors” means the Debtors on and after the Effective Date.

1.1.145 “Restructuring Dilution” shall have the meaning set forth in Section 7.9 hereof.

1.1.146 “Restructuring Dilution Process” shall have the meaning set forth in Section 7.9 hereof.

1.1.147 “Restructuring Dilution Transactions” shall have the meaning set forth in Section 7.9 hereof.

1.1.148 “Restructuring Resolutions” means the series of resolutions of TCN and Tricom’s shareholders necessary or required to implement the Restructuring Dilution Transactions and achieve other Dominican corporate objectives contemplated by this Plan, including, without limitation, resolutions required by section 1142 of the Bankruptcy Code, the Confirmation Order and this Plan.

1.1.149 “Schedules” means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors with the Bankruptcy Court on May 2, 2008 and identified as Docket Nos. 174 and 175 in Case No. 08-10720, Docket Nos. 9 and 10 in Case No. 08-10723, and Docket Nos. 9 and 10 in Case No. 08-10724, as such schedules and statements may be amended or supplemented by the Debtors in Possession from time to time in accordance with Bankruptcy Rule 1009.

1.1.150 “Second Shareholders’ Meeting” shall have the meaning set forth in Section 7.9(c) hereof.

1.1.151 “Section 7.24 Release” shall have the meaning set forth in Section 7.24.3 hereof.

1.1.152 “Section 7.24 Releasee” shall have the meaning set forth in Section 7.24.3 hereof.

1.1.153 “Secured Claim” means (i) a Claim secured by a lien on any Assets, which lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, and which is duly established in the Chapter 11 Cases, but only to the extent of the value of the holder’s interest in the collateral that secures payment of the Claim, (ii) a Claim against the Debtors that is subject to a valid right of recoupment or setoff under section 553 of the Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff as provided in section 506(a) of the Bankruptcy Code, and (iii) a Claim Allowed under this Plan as a Secured Claim.

1.1.154 “Settlement Claims Cap” shall have the meaning set forth in Section 7.10 hereof.

1.1.155 “Shareholders’ Agreement” means the agreement to be entered into by and among the holders of Holding Company Stock, substantially in the form included in the Plan Supplement.

1.1.156 “Statutorily Subordinated Claim” means any Claim against any of the Debtors that is subject to subordination under section 510(b) of the Bankruptcy Code arising from the rescission of a purchase or sale of a security of one or more of the Debtors, for damages arising from the purchase or sale of such security or for reimbursement or contributions allowed under section 502 of the Bankruptcy Code on account of such a Claim.

1.1.157 “Successor Releasee” shall have the meaning set forth in Section 7.24.3 hereof.

1.1.158 “Supporting Creditor” means any creditor who is a party to the Plan Support and Lock-Up Agreement.

1.1.159 “Surplus Distribution” shall have the meaning set forth in Section 9.7(f) hereof.

1.1.160 “Tax Claim” means a Claim against any of the Debtors that is of a kind specified in section 507(a)(8) of the Bankruptcy Code.

1.1.161 “TCN” means TCN Dominicana, S.A., a Dominican corporation (*sociedad anónima*), one of the Debtors and Debtors in Possession.

1.1.162 “TCN Debt Restructuring” shall have the meaning set forth in Section 7.9(d) hereof.

1.1.163 “Transaction Documents” means the Credit Suisse New Secured Debt Documents, the New Constituent Documents, the Shareholders’ Agreement, the Transition Services Agreement, and such other agreements as may be necessary to effect and consummate the Exit Financing.

1.1.164 “Transition Services Agreement” means that certain services agreement to be entered into by the Transition Services Company and Holding Company in accordance with Section 7.19 hereof, substantially in the form included in the Plan Supplement.

1.1.165 “Transition Services Company” means that certain transition services company which shall provide the services contemplated by the Transition Services Agreement.

1.1.166 “Tricom” means Tricom, S.A., a Dominican corporation (*sociedad anónima*), one of the Debtors and Debtors in Possession.

1.1.167 “Tricom Capital Increase” shall have the meaning set forth in Section 7.9(b) hereof.

1.1.168 “Tricom Class A Stock” means the Class A common stock of Tricom issued and outstanding at any time.

1.1.169 “Tricom Class B Stock” means the Class B common stock of Tricom issued and outstanding at any time.

1.1.170 “Tricom Equity Interests” means any outstanding ownership interest in Tricom, including without limitation, interests evidenced by common or preferred stock, membership interests and options or other rights to purchase any ownership interest in Tricom.

1.1.171 “Tricom-Related Causes of Action” means any Cause of Action, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on: (i) any act, omission, transfer, transaction, event or other occurrence by or to any of the Debtors, taking place on or prior to the Effective Date; or (ii) the Chapter 11 Cases or this Plan (other than with respect to (i) and (ii) above, the rights and obligations under this Plan).

1.1.172 “Tricom’s Current Authorized Capital” shall have the meaning set forth in Section 7.9(b) hereof.

1.1.173 “Tricom Stock” means, collectively, the Tricom Class A Stock and the Tricom Class B Stock.

1.1.174 “Tricom Unissued Capital” shall have the meaning set forth in Section 7.9(b) hereof.

1.1.175 “Tricom Unissued Stock” shall have the meaning set forth in Section 7.9(b) hereof.

1.1.176 “Tricom USA” means Tricom USA, Inc., a Delaware corporation, one of the Debtors and Debtors in Possession.

1.1.177 “Tricom USA Unsecured Financial Claims” means the amount of the Unsecured Financial Claims attributable to Tricom USA.

1.1.178 “Unrestricted Shares” means those shares of a Dominican corporation subject to Preemptive Right with respect to which the relevant shareholder has either waived or transferred such shareholder’s preemptive Rights to another Person.

1.1.179 “Unsecured Financial Claims” means (x) those Claims against the Debtors in the principal amounts plus accrued and unpaid interest calculated by reference to the contract or non-default rate through the Petition Date as identified on the schedule attached hereto as Exhibit B, as such schedule may be amended, from time to time by the Debtors to increase the amount of the Claims listed thereon, including through the addition of one or more holders of Claims, in accordance with Section 7.10, (y) the Banco Leon Allowed Claim and (z) the Disputed Unsecured Financial Claims.

1.1.180 “Unsecured Financial Claims Cap” shall have the meaning set forth in Section 7.10 hereof.

1.1.181 “Unsecured Financial Claims Reserve” shall have the meaning set forth in Section 9.7(d) hereof.

1.1.182 “Vendor Payment Order” means the Order Granting Motion Authorizing and Approving (A) The Payment of Unimpaired Vendor Claims in the Ordinary Course of Business and (B) The Debtors to Honor Customer Credits and Pre-Paid Services, identified as Docket No. 39 on the electronic docket maintained in the Debtors’ Chapter 11 cases.

1.1.183 “Verifying Officer” shall have the meaning set forth in Section 7.9 hereof.

1.1.184 “Voting Deadline” means [_____].

1.2. Interpretation.

Unless otherwise specified, all section, subsection, article, and exhibit references in this Plan are to the respective section in, article of, or exhibit to, this Plan, as the same may be amended, waived, or modified from time to time. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender. The Disclosure Statement may be referred to for purposes of interpretation to the extent any term or provision of this Plan is determined by the Bankruptcy Court to be ambiguous; however, the terms of this Plan control over the descriptions contained in the Disclosure Statement. To the

extent any terms contained in this Plan conflict with any documents contained in the Plan Supplement, the terms of such documents shall govern.

1.3. Application of Definitions and Rules of Construction Contained in the Bankruptcy Code.

Words and terms defined in section 101 of the Bankruptcy Code shall have the same meanings when used in this Plan, unless a different definition is given in this Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of this Plan.

1.4. Other Terms.

The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained in this Plan.

1.5. Appendices and Plan Documents.

All Plan Documents included in the Plan Supplement to be filed subsequently with the Bankruptcy Court are incorporated into this Plan by reference and are a part of this Plan as if set forth in full herein. All Plan Documents not included in the Plan Supplement shall be filed with the Clerk of the Bankruptcy Court not less than ten (10) days prior to the commencement of the Confirmation Hearing. Holders of Claims and Equity Interests may obtain a copy of the Plan Documents, once filed, by a written request sent to the following address:

Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104-0050
Attention: Darren M. Nashelsky, Esq.
Telephone: (212) 468-8000
Facsimile: (212) 468-7900
Email: lnashelsky@mof.com

ARTICLE II.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

2.1. Administrative Claims and Tax Claims.

As provided by section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Tax Claims shall not be classified under this Plan, and shall instead be treated separately as unclassified Claims on the terms set forth in Article V of this Plan.

2.2. Claims and Equity Interests Classified.

For the purposes of organization, voting and all confirmation matters, except as otherwise provided herein, all Claims (except as provided in Section 2.1) and all Equity Interests shall be classified as set forth in this Article II of this Plan.

2.3. Claims and Equity Interests.

The classes of Claims against the Debtors and Existing Tricom Equity Interests shall be treated under this Plan as follows:

Class 1 — Priority Claims.

Class 1 shall consist of all Priority Claims against any of the Debtors.

Class 2 — INTENTIONALLY LEFT BLANK²

Class 3 — Credit Suisse Existing Secured Claims.

Class 3 shall consist of all Credit Suisse Existing Secured Claims against any of the Debtors. All Credit Suisse Existing Secured Claims are deemed to be Allowed Claims.

Class 4 — GE Existing Secured Claims.

Class 4 shall consist of all GE Existing Secured Claims against any of the Debtors. All GE Existing Secured Claims are deemed to be Allowed Claims.

Class 5 — Non-Lender Secured Claims.

Class 5 shall consist of all Non-Lender Secured Claims, if any, against any of the Debtors.

Class 6 — Unsecured Financial Claims.

Class 6 shall consist of:

Subclass 1: all Affiliated Creditors Unsecured Financial Claims against any of the Debtors; and

² The Claims identified in the Original Plan as the “Banco del Progreso Existing Secured Claims” and designated as Class 2 have, since the filing of the Original Plan, been satisfied in full by the Debtors pursuant to the Order Pursuant to Section 363 of the Bankruptcy Code Authorizing the Debtors to Satisfy Secured Claim of Banco Dominicano del Progreso, S.A. [Docket No. 270] entered by the Court on or about July 23, 2008. Because the Banco del Progreso Existing Secured Claims have been satisfied in full, Class 2 has been eliminated from this Plan. For ease of reference, the reference to “Class 2 Intentionally Left Blank” has been inserted to avoid renumbering the previously identified classes of Claims and Interests.

Subclass 2: all Non-Affiliated Creditors Unsecured Financial Claims against any of the Debtors.

All Unsecured Financial Claims, with the exception of the Disputed Unsecured Financial Claims, are deemed to be Allowed Claims in the respective amounts set forth on Exhibit B hereto. Exhibit B sets forth the outstanding principal amount of the Unsecured Financial Claims included thereon plus accrued and unpaid interest on such claims through the Petition Date calculated by reference to the contract or non-default rate of interest applicable to each such Claim. Each Unsecured Financial Claim listed on Exhibit B will be deemed to be an Allowed Claim in the respective amounts of principal and interest set forth on such schedule, or as such schedule may be amended in accordance with Section 7.10, and filed with the Bankruptcy Court on or prior to the Confirmation Hearing, without the necessity of filing a proof of claim. In addition, to the Claims identified on Exhibit B, the Unsecured Financial Claims include the Banco Leon Allowed Claim in the amount thereof.

Class 7 — General Unsecured Claims.

Class 7 shall consist of all General Unsecured Claims against any of the Debtors.

Class 8 — Statutorily Subordinated Claims.

Class 8 shall consist of all Statutorily Subordinated Claims against any of the Debtors.

Class 9 — Existing Tricom Equity Interests.

Class 9 shall consist of all Existing Tricom Equity Interests.

ARTICLE III.

**IDENTIFICATION OF IMPAIRED
CLASSES OF CLAIMS AND EQUITY INTERESTS**

3.1. Unimpaired Classes of Claims.

Class 1 — Priority Claims, Class 4 — GE Secured Claims, Class 5 — Non-Lender Secured Claims and Class 7 — General Unsecured Claims are not impaired under this Plan.

3.2. Impaired Classes of Claims and Equity Interests.

Class 3 — Credit Suisse Secured Claims, Class 6 — Unsecured Financial Claims, Class 8 — Statutorily Subordinated Claims and Class 9 — Existing Tricom Equity Interests are impaired under this Plan.

3.3. Impairment Controversies.

If a controversy arises as to whether any Claim or Equity Interest, or any class of Claims or Equity Interests, is impaired under this Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

ARTICLE IV.

PROVISIONS FOR TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THIS PLAN

4.1. Claims and Equity Interests.

The classes of Claims against and Equity Interests in each of the Debtors shall be treated under this Plan as follows; provided, however, to the extent any Claim is subordinated by Final Order, with the exception of Statutorily Subordinated Claims, which shall be given the treatment set forth herein, the treatment of any Claims subject to such subordination shall be determined by such Final Order:

(a) Class 1 — Priority Claims.

Each holder of an Allowed Priority Claim shall be unimpaired under this Plan and such Allowed Priority Claims shall either be paid in full in Cash on the Effective Date or, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which such Claim entitles such holder in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed Priority Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights.

(b) Class 2 — INTENTIONALLY LEFT BLANK

(c) Class 3 — Credit Suisse Existing Secured Claims.

Each holder of an Allowed Credit Suisse Existing Secured Claim shall be impaired under this Plan and shall receive in consideration of the cancellation of the Credit Suisse Existing Secured Claims its Pro Rata Share of the Credit Suisse New Secured Debt. Tricom's obligations under the Credit Suisse Credit Agreement shall be secured by a first priority lien on the Credit Suisse Existing Collateral pursuant to the Credit Suisse Mortgage and Credit Suisse Pledge and guaranteed by TCN and Tricom USA in accordance with the Credit Suisse Guarantee, which guarantee will provide a limited guarantee of collection of any deficiency after liquidation of the collateral as set forth therein.

(d) Class 4 — GE Existing Secured Claims.

Each holder of an Allowed GE Existing Secured Claim shall be unimpaired under this Plan and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and

contractual rights to which such Claim entitles such holder in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed GE Existing Secured Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid and secured in accordance with the GE Existing Loan Documents.

(e) Class 5 — Non-Lender Secured Claims.

Each holder of an Allowed Non-Lender Secured Claim, if any, shall be unimpaired under this Plan and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and contractual rights to which such Claim entitles such holder in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed Non-Lender Secured Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights.

(f) Class 6 — Unsecured Financial Claims.

Each holder of an Allowed Unsecured Financial Claim shall receive the treatment set forth below:

Subclass 1: Each holder of an Allowed Non-Affiliated Creditors Unsecured Financial Claim shall be impaired under this Plan and shall receive its Pro Rata Share of Holding Company Stock. All Holding Company Stock to be issued to holders of Allowed Non-Affiliated Creditors Unsecured Financial Claims shall be Holding Company Class A Stock.

Subclass 2: Each holder of an Allowed Affiliated Creditors Unsecured Financial Claim shall be impaired under this Plan and shall receive its Pro Rata Share of Holding Company Stock. All Holding Company Stock to be issued to holders of Allowed Affiliated Creditors Unsecured Financial Claims shall be Holding Company Class B Stock.

All Holding Company Class A Stock to be distributed to holders of Allowed Unsecured Financial Claims shall have equal rights and treatment under this Plan. All Holding Company Class B Stock to be distributed to holders of Allowed Unsecured Financial Claims shall have equal rights and treatment under this Plan. Except as provided for in this Plan, all holders of Allowed Unsecured Financial Claims shall receive equal treatment under the Plan on account of their Allowed Unsecured Financial Claims.

(g) Class 7 — General Unsecured Claims.

Each holder of a General Unsecured Claim shall be unimpaired under this Plan and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and contractual rights to which such Claim entitles such holder in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(D) of the Bankruptcy Code, and such Allowed General Unsecured Claims (including any amounts to which such holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights.

(h) Class 8 — Statutorily Subordinated Claims.

Each holder of a Statutorily Subordinated Claim shall be impaired under this Plan and each holder of an Allowed Statutorily Subordinated Claim shall not receive or retain any interest or property under this Plan on account of such Allowed Statutorily Subordinated Claim. The treatment of Statutorily Subordinated Claims under this Plan is in accordance with and gives effect to the provisions of section 510(b) of the Bankruptcy Code.

(i) Class 9 — Existing Tricom Equity Interests.

Each holder of an Existing Tricom Equity Interest shall be impaired under this Plan and the Existing Tricom Equity Interests (within the then authorized capital of Tricom) shall, pursuant to the Restructuring Dilution Transactions, be reduced to a *de minimis* amount with a *de minimis* value through dilution.

ARTICLE V.

**PROVISIONS FOR TREATMENT
OF UNCLASSIFIED CLAIMS UNDER THIS PLAN**

5.1. Unclassified Claims.

Administrative Claims and Tax Claims are treated in accordance with sections 1129(a)(9)(A) and 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are unimpaired under this Plan and in accordance with section 1123(a)(1) of the Bankruptcy Code, are not designated as classes of Claims for the purposes of this Plan or for the purposes of sections 1123, 1124, 1125, 1126 or 1129 of the Bankruptcy Code.

5.2. Treatment of Administrative Claims.

All Administrative Claims shall be treated as follows:

(a) Time for Filing Administrative Claims.

The holder of an Administrative Claim, other than (i) a Fee Claim, or (ii) a liability incurred and payable in the ordinary course of business by any of the Debtors (and not past due), or (iii) an Administrative Claim that has been deemed Allowed by Final Order of the Bankruptcy Court, must file with the Bankruptcy Court and serve on the Debtors, any official committee appointed in the Chapter 11 Cases and the Office of the United States Trustee, request for payment of such Administrative Claim within twenty five (25) days after service of the Notice of Confirmation. Such request for payment must include at a minimum (A) the name of the Debtor(s) which are purported to be liable for the Claim, (B) the name of the holder of the Claim, (C) the amount of the Claim, and (D) the basis of the Claim. **Failure to file and serve such request for payment timely and properly shall result in the Administrative Claim being forever barred and discharged.**

(b) Time for Filing Fee Claims.

Each Professional Person who holds or asserts a Fee Claim shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a Fee Application not later than ninety (90) days after the Effective Date. **The failure to file timely and serve such Fee Application shall result in the Fee Claim being forever barred and discharged.**

(c) Allowance of Administrative Claims/Fee Claims.

An Administrative Claim with respect to which request for payment has been properly filed and served pursuant to Section 5.2(a) shall, to the extent not otherwise deemed Allowed by Final Order of the Bankruptcy Court prior to such date, become an Allowed Administrative Claim if no objection is filed within sixty (60) days after the Effective Date, or such later date as may be approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such 60-day period (or any extension thereof), the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order. A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 5.2(b) shall become an Allowed Administrative Claim only to the extent allowed by Final Order.

(d) Payment of Allowed Administrative Claims.

On the Distribution Date, each holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Claim in one Cash payment, or (ii) such other treatment as may be agreed upon in writing by the Debtors and such holder; provided, that an Administrative Claim representing a liability incurred in the ordinary course of business of any of the Debtors may be paid at such Debtor's election in the ordinary course of business.

5.3. Treatment of Tax Claims.

At the election of the Debtors, each holder of an Allowed Tax Claim shall receive in full satisfaction of such holder's Allowed Tax Claim, (a) the amount of such holder's Allowed Tax Claim, with interest thereon from and after the Distribution Date at the rate determined by the Bankruptcy Court in accordance with section 511 of the Bankruptcy Code, in equal annual Cash payments on each anniversary of the Petition Date, until the fifth anniversary of the Petition Date (provided, that Holding Company or the applicable Debtor may prepay the balance of any such Allowed Tax Claim at any time without penalty); (b) a lesser amount in one Cash payment as may be agreed upon in writing by such holder; or (c) such other treatment as may be agreed upon in writing by such holder. The Confirmation Order shall enjoin any holder of a Tax Claim from commencing or continuing any action or proceeding against any responsible person or officer or director of the Debtors that otherwise would be liable to such holder for payment of a Tax Claim so long as no default has occurred with respect to such Tax Claim under this Section 5.3.

ARTICLE VI.

ACCEPTANCE OR REJECTION OF THIS PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS OR EQUITY INTERESTS

6.1. Classes Entitled to Vote.

Class 3 – Credit Suisse Existing Secured Claims and Class 6 – Unsecured Financial Claims are impaired under this Plan, and the holders of such Claims that are Allowed shall be entitled to vote to accept or reject this Plan. Pursuant to section 1127(d) of the Bankruptcy Code, holders of Class 3 – Credit Suisse Existing Secured Claims and Class 6 – Unsecured Financial Claims, who previously voted to either accept or reject the Original Plan and who do not cast a vote to accept or reject this Plan by the Voting Deadline, and any of such holders' assignees, will be deemed to have accepted or rejected this Plan as applicable. Class 8 – Statutorily Subordinated Claims and Class 9 – Existing Tricom Equity Interests are impaired under this Plan and are deemed to reject this Plan. All other classes of Claims are unimpaired under this Plan, are deemed to have accepted this Plan, and shall not be entitled to vote on this Plan.

6.2. Class Acceptance Requirement.

A class of Claims shall have accepted this Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such class that have voted on this Plan.

6.3. Cramdown.

If all applicable requirements for confirmation of this Plan are met as set forth in section 1129(a)(1) through (16) of the Bankruptcy Code except subsection (8) thereof, the Debtors intend to request that the Bankruptcy Court confirm this Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of section 1129(a)(8), on the basis that this Plan is fair and equitable and does not discriminate unfairly with respect to each class of claims that is impaired under, and has not accepted, this Plan.

6.4. Confirmation of All Cases.

This Plan shall not be deemed to have been confirmed unless and until this Plan has been confirmed as to each of the Debtors (other than those Debtors, if any, in respect of which this Plan has been revoked or withdrawn pursuant to Section 14.15).

ARTICLE VII.

MEANS FOR IMPLEMENTATION OF THIS PLAN

7.1. Substantive Consolidation for Plan Purposes Only

This Plan is premised upon the deemed substantive consolidation of the Debtors for Plan purposes only, with the exception of the GE Existing Secured Claims. Accordingly, on the Effective Date, all of the Debtors and their Estates shall, for Plan purposes only, be deemed merged and (i) all assets and liabilities of the Debtors shall be treated for Plan purposes only as though they were merged, (ii) all guarantees of any Debtor of the payment, performance, or collection of obligations of any other Debtor shall be eliminated and canceled, (iii) all joint obligations of two or more Debtors, and all multiple Claims against such entities on account of such joint obligations, shall be considered a single Claim against the Debtors, (iv) any right of set-off belonging to any Debtor may be applied to any Allowed Claim against any Debtor, subject to the provisions of section 553 of the Bankruptcy Code, and (v) any Claim filed in the Chapter 11 Cases of any Debtor shall be deemed filed against the consolidated Debtors and a single obligation of the consolidated Debtors on and after the Effective Date. Such substantive consolidation for Plan purposes only shall not (other than for Plan voting, treatment and distribution purposes) and except as otherwise provided for in this Plan affect (a) the legal and corporate structures of the Debtors, (b) any Intercompany Claims, (c) any Debtors' interests in its subsidiaries, or (d) the GE Existing Secured Claims or any obligations thereunder.

7.2. Operations Between the Confirmation Date and the Effective Date.

During the period from the Confirmation Date through and until the Effective Date, the Debtors shall continue to operate their businesses as Debtors in Possession, subject to the supervision of the Bankruptcy Court as provided in the Bankruptcy Code and the Bankruptcy Rules.

7.3. Continued Corporate Existence of the Debtors.

Each of the Debtors shall continue to exist after the Effective Date as a separate corporate entity, with all corporate powers, in accordance with the laws of its jurisdiction of organization or incorporation and pursuant to the New Constituent Documents, as applicable, which shall become effective upon approval by the then shareholders of the relevant Debtor as soon as practicable following the Confirmation Date. As soon as practicable after such approval but within the required term to do so under applicable law, if any, the Debtors shall, as and to the extent required, file with the Secretary of State in the State of its incorporation, the Mercantile Registry or with such other relevant governmental authority or other body as may be required by applicable law, such Debtor's New Constituent Documents. At any time following approval of the Debtors' applicable New Constituent Documents in the manner stated above, any Debtor may amend or modify its respective New Constituent Documents in a manner consistent with such documents and as permitted by applicable law.

7.4. Re-vesting of Assets.

Upon the occurrence of the Effective Date, title to all of the Assets of the Debtors shall vest in the Debtors free and clear of all liens, Claims, Causes of Action, interests, security interests and other encumbrances, except as expressly provided in this Plan. Except as otherwise provided in this Plan and the Plan Documents, the Debtors may operate their business and may use, acquire and dispose of their Assets free of any restrictions of the Bankruptcy Code on and after the occurrence of the Effective Date.

7.5. Corporate Action.

The entry of the Confirmation Order shall contain provisions that authorize, direct and require the Debtors, Holding Company and their respective shareholders, directors and officers to take or cause to be taken all corporate actions needed or required under this Plan and/or applicable law, including, without limitation, as applicable, adoption of the relevant Restructuring Resolutions necessary or appropriate to implement all of the provisions of, and to consummate, this Plan and the transactions contemplated by this Plan, prior to and on and after the Effective Date, including, without limitation, as appropriate, (i) assignment and cancellation of prepetition indebtedness, including, without limitation, cancellation of the Unsecured Financial Claims, (ii) the Capital Increase, (iii) one or more Accordion Transactions, (iv) reduction of the Existing Tricom Equity Interests to a *de minimis* amount with a *de minimis* value through the Restructuring Dilution Transactions, (v) issuance of all or substantially all of the Tricom Stock to Holding Company and (vi) entry into and/or issuance and delivery of the Credit Suisse New Loan Documents and Exit Financing Documents, and all such actions taken or caused to be taken shall be deemed to have been ordered, authorized, directed and approved by the Bankruptcy Court without further approval, act, or action under any applicable law, order, rule or regulation, except as required by applicable Dominican law, including the Dominican New Corporate Law. Except as otherwise provided in this Plan, on the Confirmation Date, the then officers and directors of the Holding Company and/or the Debtors shall be authorized and directed to execute, issue and deliver all agreements, documents, instruments, notices and certificates as are contemplated by this Plan and to take all necessary actions required in connection therewith in the name of and on behalf of the Debtors.

7.6. Execution and Delivery of Credit Suisse New Secured Debt Documents and Cancellation/Termination of Credit Suisse Existing Secured Loan Documents.

On or before the Effective Date, Tricom and Credit Suisse and all other relevant parties shall execute and deliver the Credit Suisse New Secured Debt Documents. Unless necessary to preserve Credit Suisse's existing rights and priorities with respect to the Credit Suisse Existing Collateral upon execution and delivery of the Credit Suisse New Secured Debt Documents and perfection of the liens on the Credit Suisse Existing Collateral to be created pursuant to the Credit Suisse New Secured Debt Documents, the Credit Suisse Existing Secured Loan Documents shall be deemed terminated and/or cancelled. Credit Suisse, Tricom and all other relevant parties to the Credit Suisse Existing Secured Loan Documents shall be authorized and required to take all such actions and execute and deliver all such documents as shall be necessary

or appropriate to implement or effectuate the foregoing termination and/or cancellation of the Credit Suisse Existing Secured Loan Documents.

7.7. Holding Company Capitalization/Issuance of Holding Company Stock.

On or before the Effective Date, each holder of (i) an Allowed Non-Affiliated Creditors Unsecured Financial Claim shall transfer to Holding Company all of its Unsecured Financial Claims in consideration of Holding Company's issuance to such holder of such holder's Pro Rata Share of Holding Company Class A Stock and (ii) an Allowed Affiliated Creditors Unsecured Financial Claim shall transfer to Holding Company all of its Unsecured Financial Claims in consideration of Holding Company's issuance to such holder of such holder's Pro Rata Share of Holding Company Class B Stock. Holders of shares of Holding Company Class A Stock and Holding Company Class B Stock shall have the rights and obligations described in the Holding Company Constituent Documents and the Shareholders' Agreement. Tricom, the other Debtors, if applicable, each holder of Unsecured Financial Claims to be transferred to Holding Company and all other relevant parties to the underlying documents governing such Unsecured Financial Claims shall be authorized and required to take all such actions as shall be necessary or appropriate to effectuate or implement the foregoing transfer of Unsecured Financial Claims. After the aforesaid transfer of Unsecured Financial Claims to Holding Company has taken place, the Holding Company shall be the sole and absolute holder of all transferred Unsecured Financial Claims. The Claims comprising the Dominican Unsecured Financial Claims transferred to Holding Company shall be cancelled in accordance with the transactions described in Section 7.9 hereof. Pursuant to this Plan, the Tricom USA Unsecured Financial Claims shall be cancelled.

7.8. Cancellation/Termination of the 11 3/8% Senior Notes Indenture and Related Documents.

On the Effective Date or as soon as practicable thereafter, the 11 3/8% Senior Notes Indenture and all other 11 3/8% Senior Notes Documents, including, without limitation, the 11 3/8% Senior Notes, and all guarantees thereof, shall be deemed terminated and/or cancelled. The indenture trustee under the 11 3/8% Senior Notes Indenture, Tricom and all other relevant parties to the 11 3/8% Senior Notes Indenture and the other 11 3/8% Senior Notes Documents shall be authorized and required to take all such actions as shall be necessary or appropriate to effectuate or implement the foregoing termination and/or cancellation of the 11 3/8% Senior Notes Indenture and all other 11 3/8% Senior Notes Documents, including, without limitation, the 11 3/8% Senior Notes. In the event a relevant party does not take the necessary actions required to implement the foregoing termination and/or cancellation, Tricom shall be authorized to act as attorney-in-fact for such party.

The 11 3/8% Senior Notes Indenture Trustee Allowed Claims will be deemed allowed as of the Effective Date of the Plan and paid on or after the Effective Date in accordance with sections 4.1(g) and 5.2(d) of the Plan. Notwithstanding sections 14.2, 14.4, 14.5, 14.20 of the Plan: (i) The Bank of New York Indenture Trustee Lien will not be discharged unless and until The Bank of New York Indenture Trustee Allowed Claims are paid in full.

7.9. Dominican Corporate Actions.

(a) Introduction.

In order to accomplish the (i) cancellation of all of the Dominican Unsecured Financial Claims, (ii) dilution of Existing Tricom Equity Interests to a *de minimis* amount with a *de minimis* value, (iii) transfer of control of Tricom to Holding Company, (iv) elimination or substantial reduction of Tricom's existing cumulative capital deficit, and (v) minimization of adverse tax impacts arising from the cancellation of the Dominican Unsecured Financial Claims and certain interest accrued on Tricom's books that is not part of any Allowed Claim or otherwise treated under this Plan (together, the "Dominican Restructuring Objectives"), one or more of the following actions/transactions will be carried out before, on, or after the Effective Date, as necessary and appropriate: (a) issuance of Tricom Unissued Stock to Holding Company; (b) Capital Increase and corresponding issuance of Tricom Stock to Holding Company; (c) one or more Accordion Transactions; (d) cancellation of debt; (e) implementation of the TCN Debt Restructuring; and (f) use of NOLs and current year operating losses to offset COD Income.

As of the date hereof, the Debtors are unable to confirm the exact methods or combination thereof by which they will achieve the Dominican Restructuring Objectives. The Debtors believe that a combination of Capital Increase, issuance of Tricom Unissued Stock to Holding Company and one or more Accordion Transactions (collectively, the "Restructuring Dilution Transactions") and other actions/transactions described in Sections 7.9(b) and (c) below will likely present the most feasible, economic and tax efficient method to achieve the Dominican Restructuring Objectives. The Restructuring Dilution Transactions and other Dominican corporate actions contemplated by this Plan assume that Tricom's current Shareholders' Agreement has been terminated and/or amended, as necessary and/or appropriate, and Articles 5 and 6 of Tricom's existing bylaws have been amended prior to implementation of such transactions in order to, among other things, allow the issuance of Tricom Class B Stock to Holding Company.

Prior to the Confirmation Hearing, the Debtors will file with the Bankruptcy Court and serve on parties in interest a detailed discussion of the Restructuring Dilution Transactions, as well as such other transactions, if any, that they will propose to achieve the Dominican Restructuring Objectives, which will describe the attendant costs and tax implications of such transactions (the "Restructuring Dilution Process"). The Debtors will seek express approval of the Restructuring Dilution Process in the Confirmation Order. **Accordingly, all information relating to the Restructuring Dilution Transactions and other Dominican corporate actions described herein to accomplish the Dominican Restructuring Objectives is provided, at this time, for illustrative purposes only and is therefore subject to change.**

(b) Increase in Nominal Par Value of Tricom Stock, Capital Increase and Issuance of Tricom Stock to Holding Company.

Tricom currently has an authorized capital of RD\$800,000,000 ("Tricom's Current Authorized Capital"), divided into 55,000,000 shares of Tricom Class A Stock and 25,000,000 shares of Tricom Class B Stock with a par value of RD\$10.00 each. There are (a) 45,458,045 shares of

Tricom Class A Stock and 19,144,544 shares of Tricom Class B Stock currently issued and outstanding and (b) 9,541,955 shares of Tricom Class A Stock and 5,855,456 shares of Tricom Class B Stock currently unissued. The Dominican New Corporate Law requires that on or before June 11, 2009, Tricom's existing bylaws be amended to increase the par value of each share of Tricom Stock to RD\$100.00, which increase may result in a small (i) increase in Tricom's paid-in capital and (ii) reduction of Tricom's existing unissued capital, which currently amounts to RD\$153,974,110 (such unissued capital, as adjusted pursuant to the requirements of the Dominican New Corporate Law, the "Tricom Unissued Capital").

Pursuant to the Confirmation Order and in accordance with Tricom's existing bylaws, as soon as practicable after the Confirmation Date and subject to the Indotel Approval, Tricom's shareholders shall adopt one or more Restructuring Resolutions that shall, among other things, (a) authorize, subject to the existing shareholders' Preemptive Rights, the issuance of shares of Tricom Stock representing the Tricom Unissued Capital to Holding Company in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the actual shares of Tricom Stock representing the Tricom Unissued Capital to be issued to Holding Company, (b) authorize an increase of Tricom's Current Authorized Capital in an amount to be determined by Tricom's board of directors that will allow Tricom to cancel, taking into account the other Restructuring Dilution Transactions and other actions/transactions described in this Section 7.9(b) and in Section 7.9(c) below, all of the Dominican Unsecured Financial Claims that will not be cancelled pursuant to the other Restructuring Dilution Transactions and the other actions/transactions described in this Section 7.9(b) and in Section 7.9(c) below ("Capital Increase"), and (c) authorize, subject to the existing shareholders' Preemptive Rights, the issuance of shares of Tricom Stock representing the Capital Increase to Holding Company in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the shares of Tricom Stock representing the Capital Increase to be issued to Holding Company.³

In order to approve and/or implement the foregoing Restructuring Resolutions, as soon as practicable after the Confirmation Date, (a) Holding Company will submit to Tricom's board of directors an offer to acquire 100% of the shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase and (b) as soon as practicable after Tricom's board of directors' receipt of such offer, Tricom's board of directors will call an extraordinary shareholders' meeting ("First Shareholders' Meeting") to discuss and approve (i) the issuance of the Tricom Unissued Capital, (ii) the Capital Increase, (iii) the issuance, subject to the existing shareholders' Preemptive Rights, of shares of Tricom

³ The portion of the Dominican Unsecured Financial Claims corresponding to TCN will not be cancelled at this stage, but will be capitalized by Holding Company in exchange for shares of new Tricom Stock and will be cancelled in accordance with the TCN Debt Restructuring as set forth in Section 7.9(d) hereof.

Stock representing the Tricom Unissued Capital and Capital Increase to Holding Company in exchange for cancellation or capitalization of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase, and (iv) the report issued by the public accountant to be appointed by Tricom's board of directors pursuant to Article 279 of the Dominican New Commercial Law to assess the fairness of the proposed transaction, if any such accountant, in fact, were appointed for such purpose by Tricom's board of directors.

Pursuant to the Confirmation Order and Tricom's bylaws, (a) the issuance of shares of Tricom Stock representing the Tricom Unissued Capital shall be approved by a simple majority of the outstanding shares of Tricom Stock entitled to vote at the First Shareholders' Meeting and (b) the Capital Increase and issuance of shares of Tricom Stock representing such Capital Increase shall be approved by shareholders representing two-thirds of the outstanding shares of Tricom Stock entitled to vote at the First Shareholders' Meeting and will be implemented by amending Article 5 of Tricom's bylaws. In addition, in the First Shareholders' Meeting, pursuant to Paragraph I of Article 284 of the Dominican New Commercial Law, Motorola and each of the GFN Parties holding shares of Tricom Stock, including, without limitation, Oleander Holdings Inc., will agree to waive in favor of and/or transfer to Holding Company their rights to subscribe shares of Tricom Stock representing the Tricom Unissued Capital and Capital Increase. Immediately after the foregoing Restructuring Resolutions are approved by Tricom's shareholders, such resolutions and amended Tricom's bylaws will be submitted for recordation with the Mercantile Registry. Immediately after such recordation is perfected, Tricom will issue the corresponding Unrestricted Shares to Holding Company.

(c) Accordion Transactions.

Concurrently with or as soon as practicable after Tricom's board of directors call the First Shareholders' Meeting, Tricom's board of directors shall be required, pursuant to the Confirmation Order, to call another extraordinary meeting of Tricom's shareholders to adopt one or more Restructuring Resolutions to implement one Accordion Transaction (the "Second Shareholders' Meeting"). Two-thirds of the outstanding shares of Tricom Stock entitled to vote in the Second Shareholders' Meeting shall be required to approve such Accordion Transaction Restructuring Resolutions.

At the Second Shareholders' Meeting, Tricom's shareholders shall, pursuant to the Confirmation Order, (a) discuss and approve a reduction of the First Shareholders' Meeting Resulting Paid In Capital up to the Maximum Allowed Capital Reduction Amount in order to reduce Tricom's existing cumulative capital deficit by such amount, (b) discuss and approve cancellation, on a pro rata basis, of an aggregate amount of shares of Tricom Stock representing the First Shareholders' Meeting Paid In Capital equal to the Maximum Allowed Capital Reduction Amount ("First Set of Cancelled Shares"), (c) discuss Holding Company's offer to acquire, subject to the existing shareholders' Preemptive Rights, new shares of Tricom Stock in an amount equal to the First Set of Cancelled Shares in consideration of cancellation of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of the First Set of Cancelled Shares ("First Set of Newly Unissued Shares"), (d) take notice, discuss and approve the report of Tricom's Verifying Officer (*comisario de cuentas*) setting forth the Verifying Officer's opinion

regarding the causes and conditions of the First Shareholders' Meeting Resulting Paid In Capital reduction, and (e) approve the issuance of the First Set of Newly Unissued Shares to Holding Company, subject to the existing shareholders' Preemptive Rights.

(d) Issuance of Restricted Stock to Holding Company.

Upon expiration of the Preemptive Rights Waiting Period, all shares of Tricom Stock representing the Tricom Unissued Stock, Capital Increase and First Set of Newly Unissued Shares that were not previously issued to and subscribed by Tricom's existing shareholders during such period shall be issued to Holding Company in consideration of cancellation of an amount of Dominican Unsecured Financial Claims equal to the aggregate nominal par value of such unissued and unsubscribed shares.

The actions and transactions described above in respect to the Capital Increase, the Accordion Transactions or any combination thereof shall, pursuant to the Confirmation Order, be repeated as many times as necessary and appropriate, taking into account the other Restructuring Dilution Transactions and other actions/transactions described in Sections 7.9(b) and (c) above, to (a) accomplish the Restructuring Dilution, (b) cancel the total amount of the Dominican Unsecured Financial Claims, and (c) substantially reduce Tricom's existing cumulative capital deficit. Following completion of the Restructuring Dilution Transactions, Tricom shall cancel (i) the remaining Dominican Unsecured Financial Claims relating to Tricom not cancelled pursuant to any of the Restructuring Dilution Transactions and other actions/transactions described in Sections 7.9(b) and (c) above and (ii) certain interest accrued on Tricom's books that is not part of any Allowed Claim or otherwise treated under this Plan. The cancellation of this remaining Tricom debt will result in COD Income to Tricom, which Tricom shall offset with the application of allowed NOLs and current year operating losses.

(e) TCN Corporate Action.

As of the date hereof, the Debtors are unable to confirm the exact method or transactions by which they will effect the TCN Debt Restructuring. The Debtors and their advisors are continuing their review and analysis of this issue. However, the Debtors believe that the TCN Debt Restructuring will likely be implemented through the transactions described below. Prior to the Confirmation Hearing, the Debtors shall file with the Bankruptcy Court, seek approval of in the Confirmation Order and serve on parties in interest the Restructuring Dilution Process, which as discussed in Section 7.9(a), shall include the process to accomplish the Dominican Restructuring Objectives, including a detailed discussion of the process by which the Debtors intend to implement the TCN Debt Restructuring. Accordingly, the following description is subject to change.

Because this Plan provides for substantive consolidation for Plan purposes only and the identical treatment of holders of Unsecured Financial Claims against any of the Debtors, the Dominican Unsecured Financial Claims includes Claims against both Tricom and TCN. In order to cancel the portion of the Dominican Unsecured Financial Claims relating to TCN, Holding Company will first capitalize such portion in exchange for shares of new Tricom Stock, in accordance with the transactions described in Sections 7.9(b) and (c) above. In a second step, TCN will issue to

Tricom new TCN stock in exchange for cancellation of the portion of Unsecured Financial Claims relating to TCN (non-cash consideration) (collectively, the “TCN Debt Restructuring”). Implementation of the TCN Debt Restructuring will require certain corporate actions, including, but not limited to, one or more shareholders’ meetings to approve a capital increase by TCN and the issuance of new TCN stock for non-cash consideration to Tricom. These corporate actions will be subject, as applicable, to the same requirements/process set forth in Section 7.9(b) above relating to the Capital Increase by Tricom and issuance of shares of Tricom Stock representing such Capital Increase to Holding Company.

Pursuant to this Plan and Confirmation Order, as soon as practicable after the entering of the Confirmation Order and prior to the Effective Date, and in order to accomplish the TCN Debt Restructuring, TCN’s board of directors shall call one or more shareholders’ meetings to (i) implement the appropriate capital increase and (ii) because there will be no cash payment in consideration for the issuance of the new TCN stock to Tricom (such stock, as indicated above, will be issued in exchange for the portion of the Unsecured Financial Claims relating to TCN), approve the issuance of such stock to Tricom. To be approved, this Capital Increase will require amending TCN’s bylaws through the affirmative vote of two thirds (2/3) of the outstanding shares of TCN entitled to vote at the meeting.

7.10. Unsecured Financial Claims Cap.

Unless otherwise (i) consented to by each of the Ad Hoc Committee and the Affiliated Creditors in writing, (ii) pursuant to a Final Order entered in connection with any proceeding seeking an adjudication of the Bancredito Panama Disputed Claim, or the Bancredit Cayman Disputed Claim, or (iii) necessary to comply with a final judgment issued by a court of competent jurisdiction in connection with any litigation seeking adjudication and/or disposition of the Bancredito Panama Disputed Claim, or the Bancredit Cayman Disputed Claim, under no circumstances will the aggregate amount of all Allowed Unsecured Financial Claims exceed \$738,500,000 (the “Unsecured Financial Claims Cap”), inclusive of not more than \$101,500,000 in the aggregate on account of the Banco Leon Allowed Claim and any settlement of the Bancredito Panama Disputed Claim, or the Bancredit Cayman Disputed Claim (the “Settlement Claims Cap”). Notwithstanding the foregoing, on and prior to the Effective Date, the Banco Leon Allowed Claim shall be increased to account for any increase in the Settlement Claims Cap on account of any binding settlement reached with Bancredit Cayman with respect to the Bancredit Cayman Disputed Claim or Bancredito Panama with respect to the Bancredito Panama Disputed Claim, in each case on or prior to the Effective Date, in an amount sufficient to maintain a Banco Leon Claim Percentage of 41.9%. Subsequent to the Effective Date, the Banco Leon Allowed Claim shall be increased to account for any increase in the Settlement Claims Cap on account of any binding settlement reached with Bancredit Cayman with respect to the Bancredit Cayman Disputed Claim or Bancredito Panama with respect to the Bancredito Panama Disputed Claim, in each case subsequent to the Effective Date, in an amount sufficient to maintain a Banco Leon Claim Percentage of 41.9%, provided Banco Leon shall only be entitled to its Pro Rata share of any Plan Distribution made from any Surplus Distribution.

7.11. [RESERVED]

7.12. [RESERVED]

7.13. Shareholders' Agreement.

On or before the Effective Date, the holders of Holding Company Stock shall enter into and be bound by the terms of the Shareholders' Agreement which shall provide, among other things, for the following:

(a) Dividends.

The shares of Holding Company Class A Stock and Holding Company Class B Stock will be entitled to identical dividends, if and when declared.

(b) Liquidation Rights.

The shares of Holding Company Class A Stock and Holding Company Class B Stock will be entitled to identical distributions on any dissolution or winding up of Holding Company.

(c) Preemptive Rights.

The Holding Company Constituent Documents shall provide for preemptive rights for all the holders of Holding Company Stock.

(d) Conversion of Class B Stock.

Any share of Holding Company Class B Stock that is transferred to any holder other than any of the GFN Parties or any of the Affiliated Creditors or the Affiliated Creditors' Affiliates shall automatically convert to a share of Holding Company Class A Stock upon such transfer. In addition, all outstanding shares of Holding Company Class B Stock shall automatically convert to shares of Holding Company Class A Stock upon the first date following the Effective Date on which the GFN Parties, the Affiliated Creditors and the Affiliated Creditors' Affiliates cease to collectively hold shares of Holding Company Stock equal to an aggregate of at least 10% of the fully diluted Holding Company Stock immediately following the Effective Date.

(e) Voting Rights.

Except as otherwise required by the laws applicable in the jurisdiction of Holding Company's formation and as otherwise provided in this Plan, a simple majority of the shares of Holding Company Class A Stock and Holding Company Class B Stock, voting together as one class, will be required for all actions requiring approval of the holders of Holding Company Stock, except that

(a) During the period commencing upon the Effective Date and terminating upon the one year anniversary of the Effective Date, the following actions shall not be taken without the approval of a majority of the shares of Holding Company Class B Stock, voting as a separate class:

(i) Merger of Holding Company or Tricom with or into any entity if the aggregate consideration to the holders of Holding Company Stock or Holding Company, as applicable, for such merger transaction is less than or equal to \$325 million; and

(ii) Sale or disposition of all or substantially all of the assets of Holding Company or Tricom if the aggregate consideration to the holders of Holding Company Stock, Holding Company or Tricom, as applicable, for such transactions is less than or equal to \$325 million.

It is further understood that any decision with respect to any of the transactions described in items (i) and (ii) above with an aggregate consideration in excess of \$325 million during the period commencing upon the Effective Date and terminating upon the one year anniversary of the Effective Date, or with any consideration at any time after the expiration of such period, shall only require the approval of a simple majority of the members of the Holding Company Board of Directors.

(b) During the period commencing upon the Effective Date and terminating upon the date on which all Holding Company Class B Stock has been converted into Holding Company Class A Stock, the following actions shall not be taken without the approval of a majority of the shares of Holding Company Class B Stock, voting as a separate class:

(i) Any issuance of additional Holding Company Class B Stock or any securities convertible into, exchangeable for, or exercisable for Holding Company Class B Stock;

(ii) Amendments to the Holding Company Constituent Documents that would adversely affect the rights of the holders of the Holding Company Class B Stock described in this Plan; and

(iii) Any amendment of any of the Transaction Documents which would adversely affect the rights of the holders of the Holding Company Class B Stock described in this Plan.

(c) In addition, during the period commencing upon the Effective Date and terminating upon the date on which all Holding Company Class B Stock has been converted into Holding Company Class A Stock, the following actions shall not be taken, unless (y) Holding Company shall have received an opinion from an investment bank of internationally recognized standing that such transaction is fair, from a financial point of view, to the holders of Holding Company Stock, or (z) a majority of the shares of Holding Company Class B Stock, voting as a separate class, shall have approved such action:

(i) Any issuance by Holding Company of any class of Holding Company Stock or any other equity securities of Holding Company (other than Class B Stock), or any securities convertible into, exchangeable for, or exercisable for any class of Holding Company Stock or any other equity securities of Holding Company (other than Class B Stock);

(ii) Any issuance by any direct or indirect subsidiary of Holding Company of any class of equity securities, or any securities convertible into, exchangeable for, or exercisable for any class of equity securities of such subsidiary;

(iii) Any sale or disposition of any shares or other equity interests in any direct or indirect subsidiary of Holding Company (other than Tricom);

(iv) Any sale or disposition of all or substantially all of the assets of any direct or indirect subsidiary of Holding Company (other than Tricom); and

(v) Any merger of any subsidiary of Holding Company (other than Tricom) with or into any entity, other than another wholly owned subsidiary of Holding Company.

7.14. [RESERVED].

7.15. Conversion of Class B Stock of Tricom.

As soon as practicable following Holding Company's acquisition of all or substantially all of the Tricom Stock pursuant to or as a result of the Restructuring Dilution Transaction, Tricom will convert all of its shares of Tricom Class B Stock into shares of Tricom Class A Stock.

7.16. Management.

On or before the Effective Date, the management, control, and operation of each of the Debtors shall be the general responsibility of the respective management of each of the Debtors. Entry of the Confirmation Order shall ratify and approve all actions taken by the boards of directors of each of the Debtors from the Petition Date through and until the Confirmation Date.

7.17. Initial Boards of Directors.

On or before the Effective Date, the members of the board of directors of the Debtors shall be appointed in accordance with the provisions of their respective New Constituent Documents. On or before the Effective Date, the members of the Holding Company Board of Directors shall be appointed in accordance with the provisions of the Holding Company Constituent Documents and Shareholders' Agreement. The Holding Company Board of Directors will consist of nine members, including the chairperson of the Holding Company Board of Directors. The members of the Holding Company Board of Directors shall be elected to initial terms of three years. Upon the completion of the initial terms, the members of the Holding Company Board of Directors shall be elected to terms of one year. The holders of Holding Company Class A Stock shall be entitled to elect six members of the Holding Company Board of Directors, and the holders of Holding Company Class B Stock shall be entitled to elect three members of the Holding

Company Board of Directors. Any member of the Holding Company Board of Directors will be automatically removed from the Holding Company Board of Directors upon the criminal conviction of that member; provided, that any such removal shall not affect the rights of the holders of Holding Company Stock to elect the number of members of the Holding Company Board of Directors set forth herein.

7.18. Officers.

On or before the Effective Date, the officers of each of the Debtors shall be selected and appointed by the respective boards of directors of such Debtors in accordance with, and pursuant to, the provisions of applicable law and their respective New Constituent Documents. On or before the Effective Date, the officers of Holding Company shall be selected and appointed by the Holding Company Board of Directors in accordance with, and pursuant to, the provisions of the Holding Company Constituent Documents and Shareholders' Agreement. The appointment and removal of all senior management of the Holding Company, including, without limitation, the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer of Holding Company will require the affirmative vote of a majority of at least six members of the Holding Company Board of Directors. Any member of senior management of Holding Company will be automatically removed from his or her position upon criminal conviction; provided, that the vacancy created by any such removal shall be filled as set forth herein.

7.19. Transition Services Agreement.

On or before the Effective Date, Holding Company and the Transition Services Company shall execute and deliver the Transition Services Agreement. The Transition Services Agreement shall have a term of three years and shall provide that in exchange for the services to be furnished under the Transition Services Agreement, Transition Services Company will receive 300,000 restricted shares of Holding Company Class B Stock, which will vest in equal quarterly installments over a three year period upon the satisfaction of the conditions described in the Transitions Services Agreement; provided, however, that all restricted shares of Holding Company Class B Stock will immediately vest upon a change of control of Holding Company. The Transition Services Company will be entitled to exercise the voting rights of the restricted shares of Holding Company Class B Stock upon their grant and will be entitled to receive dividends and other distributions with respect to the restricted shares of Holding Company Class B Stock prior to vesting, unless the restricted shares of Holding Company Class B Stock are forfeited.

7.20. Causes of Action.

Except as otherwise provided in this Plan, all Causes of Action assertable by any of the Debtors, including but not limited to Avoidance Actions, shall, upon the occurrence of the Effective Date, be retained by, and be vested in, the Debtors, in accordance with this Plan. Except as otherwise provided in this Plan, the Debtors' rights to commence such Causes of Action (including Avoidance Actions) shall be preserved notwithstanding consummation of this Plan. **Parties in interest, including without limitation creditors, may not rely on the absence of a specific reference in this Plan or Disclosure Statement to any Cause of Action against them as any**

indication that the Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Debtors' Estates expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise provided in this Plan.

7.21. Sources of Cash for Plan Distributions/Exit Financing

All Cash necessary for the Holding Company or the applicable Debtor and/or Reorganized Debtor to make payments and Plan Distributions pursuant to this Plan shall be obtained from a combination of the Debtors' existing Cash balances and financing to be obtained by the Reorganized Debtors upon the Effective Date (the "Exit Financing"). A non-binding Exit Facility term sheet setting forth proposed terms for the Exit Financing is annexed hereto as Exhibit C. The prior written consent of counsel to the Ad Hoc Committee will be required for the Reorganized Debtors to consummate any Exit Financing, which consent may not be unreasonably withheld.

7.22. Banco Leon Settlement

This Plan incorporates a compromise and settlement of the Banco Leon Filed Claims (the "Banco Leon Settlement") in accordance with Rule 9019 of the Bankruptcy Rules and Section 1123(b)(3) of the Bankruptcy Code, pursuant to which, among other things, (i) the Banco Leon Filed Claims are being allowed in the amount of the Banco Leon Allowed Claim and treated as an Allowed Unsecured Financial Claim, subject to upward adjustment as provided for in Section 7.10 hereof; (ii) each of the Debtors, the members of the Ad Hoc Committee, the Affiliated Creditors, GFN Parties and Banco Leon have mutually agreed to furnish the releases set forth in Section 7.24(2) hereof; and (iii) each of the Debtors, the Affiliated Creditors, the members of the Ad Hoc Committee, and the GFN Parties, and Banco Leon have agreed to make certain modifications to the Original Plan as set forth herein..

In addition, each of the Debtors, the Affiliated Creditors, the members of the Ad Hoc Committee, and the GFN Parties have agreed that neither such parties nor their successors or assigns, shall file, give or obtain, nor assist or cause any other Person in filing, giving or obtaining, any Payment Opposition, embargo, injunction, similar notice or order to prevent (i) Holding Company's issuance of and delivery to Banco Leon of its distribution of Holding Company Class A Stock provided for hereunder on account of the Banco Leon Allowed Claim or (ii) Banco Leon's receipt of such Holding Company Class A Stock.

The delivery to Banco Leon of its distribution of Holding Company Class A Stock provided for hereunder, subject to any reserve applicable to all holders of Unsecured Financial Claims (the "Banco Leon Settlement Delivery Condition"), shall be a condition to the effectiveness of the Banco Leon Settlement and the occurrence of the Effective Date; provided, however, that if such delivery would contravene any Payment Opposition, embargo, injunction or similar notice or order filed, given and or obtained by any Person other than Debtors, the Affiliated Creditors, the members of the Ad Hoc Committee, and the GFN Parties or any of such parties successors and assigns (provided none of the foregoing assisted or caused the filing of the same by such Person), the Banco Leon Settlement Delivery Condition shall be deemed satisfied.

Each of the Affiliated Creditors, the members of the Ad Hoc Committee, and Banco Leon have agree not to transfer or participate all or any portion of any of their respective Claims against the Debtors unless the proposed transferee previously agrees in writing to all terms and conditions of this Plan and the other Plan Documents, and to vote, or cause to be voted in the case of a participation, the Claims transferred or participated in support of this Plan.

Each of the Affiliated Creditors, the members of the Ad Hoc Committee, and Banco Leon have agreed to vote all of their Allowed Unsecured Financial Claims to accept this Plan.

The Banco Leon Settlement is subject to the occurrence of the Effective Date. In the event that the Effective Date does not occur, the settlement, release, exculpations and injunctions provided for under or with respect this Plan, the Banco Leon Settlement or any related order shall have no effect and the rights and Claims of Banco Leon shall be reinstated in the full amount asserted in the Banco Leon Filed Claims, subject to the right of each of Ad Hoc Committee, the Affiliated Creditors, the GFN Affiliates, the Debtors and any other party in interest, to object to such Claims to the same extent that they would have had the right to do had the Banco Leon Settlement contained herein not been consummated hereunder.

The Banco Leon Settlement includes such other terms and conditions as are set forth in Exhibit D hereto.

7.23. Releases by the Debtors.

Except as expressly provided below, as of the Effective Date, for good and valuable consideration, each of the Debtors in their individual capacities and as Debtors in Possession, shall be presumed conclusively to have forever released, waived and discharged all Causes of Action, including all Causes of Action which give rise to any Avoidance Actions (other than the rights of the Debtors to enforce this Plan, the Plan Documents and any other contract, instrument, release, indenture and other agreements or documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors (including, for the avoidance of doubt, Avoidance Actions), the Chapter 11 Cases or this Plan and that could have been asserted by the Debtors against (i) their respective current and former directors, officers, employees (other than for money borrowed from or owed to the Debtors or their respective subsidiaries by any such directors, officers or employees as set forth in the Debtors' books and records), agents, members, shareholders and professionals, excluding KPMG International and its affiliates, (ii) the GFN Parties, (iii) the Ad Hoc Committee and each of its individual members, (iv) each of the signatories to the Plan Support and Lock-Up Agreement, (v) the Affiliated Creditors, (vi) the Motorola Affiliates, and (vii) with respect to each of the foregoing, their respective Affiliates, current and former directors, officers, employees, agents, members, shareholders, and professionals, including but not limited to, legal and financial advisors.

7.24. Releases by Holders of Claims and Equity Interests.

1. General Releases. As of the Effective Date, for good and valuable consideration, each Consenting Releasing Party (other than BML) and the Motorola Affiliates shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action against (i) the Debtors and the Debtor Affiliates, (ii) any of the Debtors' and the Debtor Affiliates' current and former directors, officers, employees, agents, members, shareholders and professionals, including, their legal and financial advisors, but excluding KPMG International and its Affiliates, (iii) the GFN Parties, (iv) the Affiliated Creditors, (v) the Ad Hoc Committee and each of its individual members, including successors and assigns of such members, (vi) each of the signatories to the Plan Support and Lock-Up Agreement, including successors and assigns of such signatories as a party to the Plan Support and Lock-Up Agreement, (vii) the Motorola Affiliates, and (viii) with respect to each of the foregoing, their respective Affiliates, current and former officers, directors, employees, agents, members, shareholders, and professionals, including, their legal and financial advisors.

2. Banco Leon Releases. As of the Effective Date, for good and valuable consideration:

- (a) Banco Leon and its Affiliates shall be deemed and presumed conclusively to have forever released, waived and discharged (A) any Tricom-Related Causes of Action against the Debtors (in their individual capacities, as Debtors in Possession and/or as Reorganized Debtors) and the Debtor Affiliates, and (B) any Tricom-Related Causes of Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order of the Bankruptcy Court) against (i) solely in their representative capacities as such, any of the Debtors' and Debtor Affiliates' current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors, but specifically excluding KPMG International and its Affiliates; (ii) the GFN Parties and, solely in their representative capacities as such, the GFN Parties' respective (x) current professionals including legal and financial advisors, and (y) current and former officers and directors, (iii) the Affiliated Creditors and, solely in their representative capacities as such, their respective current professionals, including, legal and financial advisors; (iv) the Ad Hoc Committee, each of the Ad Hoc Committee's individual members, each of such individual member's Affiliates and successors and assigns and, with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors; (v) each of the signatories to the Plan Support and Lock-Up Agreement (other than the Affiliated Creditors, the GFN Parties and Affiliates of any of the foregoing), including successors to and assigns of each of such signatories as a party to the Plan Support and Lock-Up Agreement, and with respect to each of the

foregoing, their Affiliates, and in addition, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including their legal and financial advisors, and (vi) the Motorola Affiliates, the Affiliates to the Motorola Affiliates and, with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including, their legal and financial advisors.

- (b) The Debtors (in their individual capacities, as Debtors in Possession and/or Reorganized Debtors) and the Debtor Affiliates and their respective Estates shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action including any Cause of Action which would give rise to an Avoidance Actions (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order of the Bankruptcy Court) against Banco Leon and, solely in their representative capacities as such, any of Banco Leon's and its Affiliates' current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors .
- (c) (i) The GFN Parties and (ii) the Affiliated Creditors shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order of the Bankruptcy Court) against Banco Leon and, solely in their representative capacities as such, Banco Leon's current professionals, including legal and financial advisors.
- (d) (i) The Ad Hoc Committee, each of the Ad Hoc Committee's individual members and each of such member's Affiliates and successors and assigns and (ii) each of the signatories to the Plan Support & Lock-Up Agreement, including successors and assigns of such signatories as a party to the Plan Support & Lock-Up Agreement and the Affiliates of each of the foregoing, shall be deemed and presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action (other than any Cause of Action arising from the gross negligence or willful misconduct of the party to be released, as determined by a Final Order of the Bankruptcy Court) against Banco Leon and its Affiliates, and with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including, legal and financial advisors.
- (e) The Motorola Affiliates and the Affiliates of the Motorola Affiliates shall

be presumed conclusively to have forever released, waived and discharged any Tricom-Related Causes of Action against Banco Leon and its Affiliates and, with respect to each of the foregoing, but solely in their representative capacities as such, their current and former directors, officers, employees, agents, members, shareholders and professionals, including legal and financial advisors.

- (f) Notwithstanding anything to the contrary contained in this Plan or in any Plan Document:
 - (i) Banco Leon's and Banco Leon's Affiliates' release, waiver and discharge provided to the Persons listed in Sections 7.24.2(a)(iii) and 7.24.2(a)(iv) pursuant to the provisions thereof and such Persons' release, waiver and discharge of Banco Leon and its Affiliates pursuant to Plan Sections 7.24.2(c) and 7.24.2(d), shall only be effective to the extent such applicable Person, Banco Leon and/or Banco Leon's applicable Affiliate, as the case may be, is reciprocally bound by the releases provided by such Person, Banco Leon and/or Banco Leon's Affiliate pursuant to Plan Sections 7.24.2(a)(iii), 7.24.2(iv), 7.24(c) and 7.24(d), as applicable.
 - (ii) If notwithstanding the releases provided pursuant to Section 7.24(2), Banco Leon, any of Banco Leon's Affiliates or any of the other Persons providing releases pursuant to Section 7.24(2) pursue a Tricom-Related Cause of Action against Banco Leon, any of Banco Leon's Affiliates and/or any other Person who is a beneficiary of any of the releases described in Section 7.24(2), as applicable, then without otherwise limiting or affecting the Claims or rights under this Plan of Banco Leon, Banco Leon's applicable Affiliate or such other Section 7.24(2) release beneficiary, at the sole option and discretion of Banco Leon, Banco Leon's Affiliate and/or such other Section 7.24(2) release beneficiary, as applicable, any such release or similar rights of the Person pursuing the Tricom-Related Cause of Action will be null and void and without affect;
 - (iii) Nothing in this Section 7.24 shall constitute a release by Banco Leon of any of its current and former directors, officers, employees, agents, members, shareholders and professionals.
- (g) Notwithstanding anything in this Plan or in any Plan Document to the contrary, neither this Plan (including, Section 7.24 hereof) nor any Plan Document shall release any non-Debtors who are the beneficiaries of releases hereunder, including the GFN Parties, the Affiliated Creditors or Banco Leon, respectively, from the following (collectively, the "Banco Leon Carve-Out"):

(i) any Tricom-Related Causes of Action to the extent such Tricom-Related Causes of Action may reduce any liability by or judgment against any non-Debtor Person, including by way of contribution, indemnification or reimbursement, as against one or more non-Debtor Persons, including the GFN Parties, the Affiliated Creditors or Banco Leon, respectively, in any litigation commenced against any one or more of them; provided, however, that the foregoing shall not include any affirmative recovery beyond any such reduction of liability or judgment; and

(ii) the following matters:

(v) *Demanda en cobro de pesos y reparación de daños y perjuicios* filed in the Dominican Republic by Germán A. Polanco Guaba and others against Banco Leon, certain GFN Parties and other Persons. Case Number: 035-2004-1610;

(w) *Demanda en declaratoria de grupo económico, solidaridad, rendición de documentos de inversión, ejecución de contrato y reparación de daños y perjuicios* filed in the Dominican Republic by Luisa Berges de Medina and others against Banco Leon, certain GFN Parties and other Persons: Case Number: 026-03-06-0345;

(x) *Querella directa con constitución en parte civil* commenced in the Dominican Republic at the request of Adagerlina Rivera Torres against Banco Leon, certain GFN Parties and other Persons. Case Number: 2004-0248-00110;

(y) *Bancredit Cayman Limited v. Regions Bank Corporation, f/k/a Union Planters Bank*, Case No. 06-11026 (SMB), Bankr. S.D.N.Y., Chapter 15, Adversary case No.: 07-1882 (RAM), United States Bankruptcy Court, Southern District of Florida, Miami Division; and

(z) *Bancredito (Panama) S.A. (In Compulsory Liquidation) v. Union Planters Bank, N.A. d/b/a Regions Financial Corporation*, Case No.: 07-22738-CIV-KING, United States Bankruptcy Court, Southern District of Florida, Miami Division (dismissed without prejudice. Included herein to the extent reinstated or re-commenced in whole or in part).

3. No Third Party Beneficiaries of Releases. Notwithstanding anything else to the contrary in this Plan or in any Plan Document, the releases described in this Section 7.24 (each a “Section 7.24 Release”), shall inure only to the benefit of the Person to whom the relevant Section 7.24 Release (each a “Section 7.24 Releasee”) is given and there shall be no third-party

beneficiaries of the Section 7.24 Releases. Additionally, the Section 7.24 Releases shall in no way restrict the rights of any Person, other than the Debtors or the Reorganized Debtors, who did not exchange mutual Section 7.24 Releases, from asserting and/or pursuing claims against each other. Where any Person has received, or receives, a Section 7.24 Release by virtue of being a successor to, or assignee of, a Person who is or was a beneficiary of a Section 7.24 Release (in either circumstance, and including Persons described in the Plan as being a “successor” or “assignee,” a “Successor Releasee”), such Successor Releasee may only enforce the relevant Section 7.24 Release with respect to, and to the extent of, those Tricom-Related Causes of Action that the Person who originally gave the relevant Section 7.24 Release could have asserted against the Person from whom such Successor Releasee obtained the relevant Section 7.24 Release.

4. Retention of Certain Claims. Notwithstanding anything else to the contrary in this Plan or any Plan Document, each Consenting Releasing Party that is a creditor of any of the Debtors and filed one or more Proofs of Claim against any of the Debtors shall retain any and all claims related to the transactions and events set forth in such Proof(s) of Claim against any Person other than (x) the Debtors, their respective Estates and the Debtor Affiliates and (y) a Section 7.24 Releasee but only to the extent of the Section 7.24 Release given to any such Section 7.24 Releasee.

5. Bank of New York as Indenture Trustee Releases. As of the Effective Date, each Consenting Releasing Party shall release and forever discharge the Bank of New York in its capacity as indenture trustee under the 11 3/8% Senior Notes, and its shareholders, members, partners, associates and employees, principals, participating principals, managing or other agents, management personnel, advisors, officers, directors, administrators, attorneys, consultants, employees, accountants, servants, and representatives from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, demands, liabilities, rights to subrogation, rights to contribution, rights to indemnity and remedies of any nature whatsoever arising out of or in connection with the 11 3/8% Senior Notes, the 11 3/8% Senior Notes Indenture and The Bank of New York’s acceptance and administration of its duties thereunder, including any and all transactions contemplated thereby (the “11 3/8% Senior Notes Released Claims”). As of the Effective Date, the Bank of New York in its capacity as indenture trustee under the 11 3/8% Senior Notes and its shareholders, members, partners, associates and employees, principals, participating principals, managing or other agents, management personnel, advisors, officers, directors, administrators, attorneys, consultants, employees, accountants, servants, and representatives shall be deemed and presumed conclusively to have granted a reciprocal release of the 11 3/8% Senior Notes Released Claims to (i) the Debtors and the Debtor Affiliates, (ii) any of the Debtors’ and the Debtor Affiliates’ current and former directors, officers, employees, agents, members, shareholders and professionals, including, their legal and financial advisors, but excluding KPMG International and its Affiliates.

ARTICLE VIII.

DISTRIBUTION PROCEDURES

8.1. Plan Distributions.

The Holding Company or the applicable Reorganized Debtor shall make all Plan Distributions in accordance with the provisions of this Plan or as soon thereafter as possible. Whenever any Plan Distribution shall be due on a day other than a Business Day, such Plan Distribution shall instead be made, without interest, on the immediately succeeding Business Day, but shall be deemed to have been made on the date due. For federal income tax purposes, a Plan Distribution will be allocated to the principal amount of a Claim first and then, to the extent the Plan Distribution exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest.

8.2. Distribution Record Date.

At the close of business on the Distribution Record Date, there shall be no further changes in the record holders of the Credit Suisse Existing Secured Claims or the Unsecured Financial Claims. The Reorganized Debtors and Holding Company shall have no obligation to recognize any transfer of any Credit Suisse Existing Secured Claims or Unsecured Financial Claims occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders as of the close of business on the Distribution Record Date.

8.3. Timing of Plan Distributions.

Each Plan Distribution shall be made on the relevant Distribution Date therefor and shall be deemed to have been timely made if made on such date or within thirty (30) days thereafter; provided, however, that no Plan Distribution shall be made on account of any Payment Opposition Claim until the corresponding Payment Opposition to which such Payment Opposition Claim is subject to is lifted or otherwise resolved by a court of competent jurisdiction.

8.4. Address for Delivery of Plan Distributions.

Subject to Bankruptcy Rule 9010, any Plan Distribution or delivery to a holder of an Allowed Claim shall be made at the address of such holder as set forth in the Schedules, or if different from the address included on the Schedules: (a) on any proof of Claim filed by such holder; (b) in any notice of assignment filed with the Court with respect to such Claim pursuant to Bankruptcy Rule 3001(e); (c) in any notice served by such holder giving details of a change of address, (d) on any Ballot submitted in connection with this Plan; or (e) in the case of the holders of 11 3/8% Senior Notes, to The Bank of New York, as indenture trustee under the 11 3/8% Senior Notes Indenture, for distribution to the Holders (as defined in the 11 3/8% Senior Notes Indenture) and determined as of the close of business on the Distribution Record Date. Notwithstanding anything to the contrary in this Plan, such distribution shall (i) be made in accordance with the terms of the 11 3/8% Senior Notes Indenture and this Plan, (ii) be subject to

the rights of The Bank of New York, as indenture trustee, under sections 6.10 and 7.07 of the 11 3/8% Senior Notes Indenture and the liens provided for in said section 7.07, which rights and lien shall not be released and shall survive as and to the extent provided in Section 7.8 of this Plan and (iii) not be conditioned upon, and may be made without, presentment or surrender of the 11 3/8% Senior Notes.

If any holder's Plan Distribution or payment is returned to the Holding Company or the applicable Reorganized Debtor as undeliverable, no Plan Distributions or payments to such holder shall be made to such holder unless the Holding Company or the applicable Reorganized Debtor is notified of such holder's then current address within three months after such Plan Distribution was returned. After such date, if such notice was not provided, a holder shall have forfeited its right to such Plan Distribution, and the undeliverable Plan Distributions shall revert to the applicable Reorganized Debtor.

8.5. Time Bar to Cash Payments.

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within one hundred and eighty (180) days after the date of issuance thereof. Requests for reissuance of any voided check shall be made directly to the Holding Company or the applicable Debtor by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before the first anniversary of the date on which such Plan Distribution was made. If no Claim is made as provided in the preceding sentence, all Claims in respect of voided checks shall be discharged and forever barred and such unclaimed Plan Distributions shall revert to the Debtors.

8.6. Manner of Payment Under this Plan.

Unless the Person receiving a Plan Distribution agrees otherwise, any Plan Distribution to be made in Cash under this Plan shall be made, at the election of the Holding Company or the applicable Debtor, by check drawn on a domestic bank or by wire transfer from a domestic bank. Notwithstanding the definition of "Cash" in this Plan, cash payments to foreign creditors may be made, at the option of the Debtors, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

8.7. Expenses Incurred On or After the Effective Date and Claims of the Holding Company or the Debtors.

Except as otherwise ordered by the Bankruptcy Court or as provided herein, the amount of any reasonable fees and expenses incurred (or to be incurred) by the Holding Company or the applicable Debtor or Reorganized Debtor on or after the Effective Date (including, but not limited to, taxes) shall be paid when due. Professional fees and expenses incurred by the Holding Company or the applicable Debtor or Reorganized Debtor from and after the Effective Date in connection with the effectuation of this Plan shall be paid in the ordinary course of business. Any dispute regarding compensation shall be resolved by agreement of the parties or if the parties are unable to agree, as determined by the Bankruptcy Court.

8.8. Fractional Plan Distributions.

Notwithstanding anything to the contrary contained herein, unless otherwise agreed to by the Debtors or Reorganized Debtors : (i) no Cash payments of fractions of cents will be made; fractional cents shall be rounded to the nearest whole cent (with any amount equal to or less than 0.5 cents to be rounded down); and (ii) fractional shares of Holding Company Stock shall be rounded down to the next lower whole number of shares.

8.9. Surrender of Instruments.

Except as otherwise provided in Section 8.4 with respect to the 11 3/8 % Senior Notes, as a condition to receiving any Plan Distribution, on or before the Distribution Date, each holder of Claims shall surrender all certificates or instruments representing such Claims to the Holding Company or applicable Debtor, as the case may be, with respect to such debt, and shall execute and deliver such other documents as may be necessary to effectuate this Plan. No Plan Distribution shall be made to or on behalf of any holder of such Claims unless and until such certificate or instruments are surrendered to the Holding Company or applicable Debtor, as the case may be, or unless any relevant holder provides to the Holding Company or applicable Debtor, as the case may be, an affidavit of loss or such other documents as may be required by Holding Company or applicable Debtor, as the case may be, together with an appropriate indemnity in the customary form.

Holders of, or any other party in possession of, Existing Tricom Equity Interests shall surrender all certificates or instruments representing the Cancelled Shares immediately upon the decision to cancel such shares is made by Tricom's shareholders as part of the Restructuring Dilution. Holders of, or any other party in possession of Existing Tricom Equity Interests that have not been cancelled or reduced by the Restructuring Dilution, shall, following completion of the Restructuring Dilution, surrender all certificates or instruments representing such Equity Interests. Upon the Effective Date, to the extent any holders of (other than the Debtors), or any other party otherwise in possession of (other than the Debtors), Equity Interests have not surrendered their respective certificates or instruments representing such Equity Interests, the Confirmation Order shall constitute an injunction directing such holders to surrender such certificates or instruments.

Any holder of a Claim or Equity Interest who fails to surrender such certificate or interest or otherwise fails to deliver an affidavit of loss and indemnity in accordance with this section 8.9 prior to the second anniversary of the Effective Date, shall be deemed to have forfeited its rights and Claims and Equity Interests. All property in respect of such forfeited Claims and Equity Interests shall revert to the Reorganized Debtors.

8.10. Plan Distributions After the Effective Date.

Plan Distributions made after the Effective Date to holders of Contested Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims will be deemed to have been made on the Effective Date.

ARTICLE IX.

PROCEDURES FOR RESOLVING AND TREATING CONTESTED CLAIMS

9.1. Objection Deadline.

Except as provided in Section 9.7 hereof, any objections to Claims, other than Administrative Claims, shall be served upon the holders of each Claim and filed as soon as practicable on or before the latest of (a) one hundred eighty (180) days after the Effective Date, or (b) such date as may be fixed by the Bankruptcy Court. Notwithstanding the forgoing, the Debtors and Reorganized Debtors reserve the right to object to Claims on the basis of classification and seek to reclassify any Claim until such time as the Final Decree is entered in the Chapter 11 Cases or as otherwise directed by the Bankruptcy Court.

9.2. Prosecution of Contested Claims.

The Debtors may object to the Allowance of Claims filed with the Bankruptcy Court with respect to which liability is disputed in whole or in part. All objections that are filed and prosecuted as provided herein shall be litigated to Final Order or compromised and settled in accordance with Section 9.3.

9.3. Claims Settlement Guidelines.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, all claims and Causes of Action (including Avoidance Actions) that the Holding Company or the applicable Debtor or Reorganized Debtor asserts against other parties may be compromised and settled according to the following procedures:

(a) Subject to subsection 9.3(b), the settlement or compromise of (i) a Claim pursuant to which such Claim is Allowed in an amount of \$100,000 or less; and (ii) a Claim where the difference between the amount of the Claim listed on the Debtors' Schedules and the amount of the Claim proposed to be Allowed under the settlement is \$100,000 or less, does not require the review or approval of the Bankruptcy Court or any other party in interest.

(b) Any settlement or compromise (i) not described in subsection 9.3(a) and (ii) of a claim or claims asserted by the Holding Company or applicable Debtor that involves an "insider," as defined in section 101(31) of the Bankruptcy Code, shall be submitted to the Bankruptcy Court for approval.

9.4. No Plan Distributions Pending Allowance.

Notwithstanding any other provision of this Plan, no payment or Plan Distribution shall be made with respect to any Claim to the extent it is a Contested Claim, unless and until such Contested Claim becomes an Allowed Claim, subject to the Debtors' setoff rights as provided in Section 14.16.

9.5. Plan Distributions After Allowance.

Payments and Plan Distributions to each holder of a Contested Claim, to the extent that such Claim ultimately becomes Allowed, shall be made in accordance with the provision of this Plan governing the class of Claims to which the respective holder belongs. Plan Distributions made after the Effective Date to holders of Contested Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims will be deemed to have been made on the Effective Date.

9.6. Estimation of Claims.

The Holding Company or the applicable Debtor may, at any time, request that the Bankruptcy Court estimate any Contested Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Holding Company, the applicable Debtor or Reorganized Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Contested Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Holding Company, the applicable Debtor or Reorganized Debtor, as the case may be may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in this Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

9.7. Class 6 Disputed Claims

(a) Voting and Other Rights of Holders of Class 6 Disputed Claims.

Pursuant to Bankruptcy Rule 3018, no Disputed Unsecured Financial Claims will be counted for voting purposes unless an order of the Bankruptcy Court is entered after notice and a hearing temporarily allowing such Disputed Unsecured Financial Claim for voting purposes under Bankruptcy Rules 3018. Such disallowance for voting purposes is without prejudice to the claimant's right to seek to have its Disputed Unsecured Financial Claim allowed for purposes of distributions under this Plan, subject to the provisions of Section 9.7(e) hereof.

(b) No Distributions Pending Allowance.

No payments or distributions will be made with respect to all or any portion of a Disputed Unsecured Financial Claim unless and until the Disputed Unsecured Financial Claim has become an Allowed Claim subject to the provisions of Section 9.7(e) hereof.

(c) Treatment of Class 6 Disputed Claims.

The Bancredit Cayman Disputed Claim and the Bancredito Panama Disputed Claim shall be

classified and, to the extent Allowed, treated as Unsecured Financial Claims.

(d) Establishment and Maintenance of Reserve for Class 6 Disputed Claims.

The Reorganized Debtors shall establish a reserve (the “Unsecured Financial Claims Reserve”) consisting of shares of Holding Company Stock to which holders of Unsecured Financial Claims would be entitled to on account of their filed claims, as if such Disputed Unsecured Financial Claims were Allowed Claims, but subject to the limitations set forth herein. For the purposes of effectuating the provisions of this Section and the Distributions to holders of Allowed Unsecured Financial Claims, this Plan assumes that the Disputed Claims Reserve will consist of the following amounts based on the Bancredito Panama Disputed Claim and the Bancredit Cayman Disputed Claim, which are the only known Disputed Unsecured Financial Claims as of the date hereof:

- (i) \$92 million—\$70 million in principal and \$22 million in interest included in the Bancredito Panama Disputed Claim and the Bancredit Cayman Disputed Claim and on account of which the Debtors shall establish only one reserved amount;⁴ and
- (ii) \$62 million—the remainder of the Bancredit Cayman Disputed Claim.

Total Value of Unsecured Financial Claims Reserve = \$154 Million

The Debtor may, but shall not be required to, at any time prior to the Confirmation Hearing and regardless of whether an objection to the Disputed Unsecured Financial Claim has been brought, request that the Bankruptcy Court estimate, set, fix or liquidate the amount of any Disputed Unsecured Financial Claim. In lieu of estimating, fixing, or liquidating the amount of any Disputed Unsecured Financial Claim (singularly or in the aggregate), the amount may also be fixed by an agreement in writing by and between the Debtors, counsel to the Ad Hoc Committee and the holder of such Disputed Unsecured Financial Claim.

(e) Procedures for Allowance of the Bancredito Panama Filed Claims and the Bancredit Cayman Filed Claim

The Debtors and/or Reorganized Debtors shall commence proceedings in a court of Appropriate Jurisdiction (defined below), other than the Bankruptcy Court, to adjudicate the Bancredito Panama Disputed Claim and the Bancredit Cayman Disputed Claim (collectively, the “Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings”). Except as otherwise provided herein, the Bankruptcy Court shall not retain jurisdiction over the Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings. The Confirmation Order shall

⁴ Both Bancredit Cayman and Bancredito Panama claimed interest on the \$70 Million, in the amounts of \$22,000,339 and \$16,525,274, respectively. For purposes of establishing the Unsecured Financial Claims Reserve, the Debtors have reserved for only one interest claim in the higher amount of \$22,000,339, as set forth in the Bancredito Panama Filed Claims.

expressly provide that the Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings shall be directed to a tribunal or tribunals with appropriate jurisdiction outside of the United States, including, but not limited to, the courts of the Dominican Republic, the Cayman Islands and/or the Republic of Panama (each, an “Appropriate Jurisdiction”).

Following a ruling by a court of an Appropriate Jurisdiction in a Bancredito Panama and Bancredit Cayman Disputed Claims Proceeding (as applicable) that is not or is no longer subject to appeal, and pursuant to which such court has ruled the holder of a Bancredito Panama Disputed Claim or Bancredit Cayman Disputed Claim is entitled to a net affirmative recovery from the Debtors as a result of such ruling (an “Adjudicated Class 6 Disputed Claim”), such holder must have such Adjudicated Class 6 Disputed Claim deemed Allowed by the Bankruptcy Court in order for such Adjudicated Class 6 Disputed Claim to become an Allowed Claim. To have an Adjudicated Class 6 Disputed Claim deemed Allowed by the Bankruptcy Court, the holder of the Adjudicated Class 6 Disputed Claim must request formal allowance of the Adjudicated Class 6 Disputed Claim by filing a request for allowance, or similar request for relief, with the Bankruptcy Court. The Bankruptcy Court shall retain jurisdiction to determine whether an Adjudicated Class 6 Disputed Claim is an Allowed Claim.

The holder of an Adjudicated Class 6 Disputed Claim that becomes an Allowed Claim subsequent to the Effective Date shall receive Distributions from the Unsecured Financial Claims Reserve, in an amount deemed Allowed by the Bankruptcy Court, as soon as practical following the date on which such Claim becomes an Allowed Claim.

(f) Surplus Distribution.

To the extent that any Disputed Unsecured Financial Claim is not Allowed or becomes an Allowed Claim in an amount less than the amount of such Disputed Unsecured Financial Claim, any excess Holding Company Stock in the Unsecured Financial Claims Reserve attributable to such Class 6 Disputed Claim over the amount of Holding Company Stock actually distributed on account of such Disputed Unsecured Financial Claim, shall constitute a surplus distribution (“Surplus Distribution”). The holders of Allowed Unsecured Financial Claims shall receive their Pro Rata Share of the Surplus Distributions attributable to such holders’ Unsecured Financial Claim as soon as practicable after such Surplus Distribution is determined; provided, however, that Holding Company and/or the Reorganized Debtors shall not be under any obligation to make Surplus Distributions unless the aggregate market value of the Surplus Distributions (which value shall be determined based on the value on the Effective Date) exceeds \$50,000; provided, further that if the final Surplus Distribution for Class 6 Allowed Claims is less than \$25,000 in aggregate market value, such Surplus Distributions shall revert in Holding Company.

ARTICLE X.

CONDITIONS PRECEDENT TO CONFIRMATION OF THIS PLAN AND THE OCCURRENCE OF THE EFFECTIVE DATE

10.1. Conditions Precedent to Confirmation.

The following are conditions precedent to confirmation of this Plan:

(a) The Clerk of the Bankruptcy Court shall have entered an order approving the Disclosure Statement as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code, approving the prepetition and postpetition solicitation of votes with respect to this Plan, and determining that all such votes are binding and have been properly tabulated with acceptances or rejection of this Plan, confirming this Plan and determining that all applicable tests, standards, and burdens in connection therewith have been duly satisfied and met by the Debtors and this Plan, approving the Plan Documents, authorizing the Debtors to execute, enter into, and deliver the Plan Documents and to execute, implement, and to take all actions otherwise necessary or appropriate to give effect to, the transactions contemplated by this Plan and the Plan Documents.

(b) The Confirmation Order, the Plan Documents, and this Plan shall be, in form and substance, acceptable to the Debtors, Ad Hoc Committee, and Affiliated Creditors, and reasonably acceptable to Banco Leon with respect to those terms affecting the Banco Leon Settlement.

10.2. Conditions Precedent to the Occurrence of the Effective Date.

The following are conditions precedent to the occurrence of the Effective Date:

(a) The Confirmation Order shall have been entered by the Clerk of the Bankruptcy Court, shall be in full force and effect and not be subject to any stay or injunction;

(b) The Confirmation Order has become a Final Order;

(c) The Indotel Approval has been granted;

(d) The Holding Company has been capitalized in accordance with Section 7.7 hereof;

(e) Holding Company has obtained ownership of [81%] or more of Tricom Stock;

(f) All of the Transaction Documents have been executed, issued and/or delivered, as applicable, by all of the relevant parties thereto;

(g) Holding Company has consummated Exit Financing subject to the terms of Section 7.21 hereof;

(h) The Banco Leon Settlement Release Condition shall have been satisfied; and

(i) The GFN Parties shall have executed and delivered to counsel to the Debtors, the GFN Parties' Consent.

10.3. Waiver of Conditions.

The Debtors, with the consent of the Ad Hoc Committee and Affiliated Creditors, may waive any one or more of the conditions set forth in Section 10.1 (other than the condition in paragraph (a) thereof) or Section 10.2 (other than the condition in paragraph (a) thereof) in a writing executed by each of them without notice or order of the Bankruptcy Court and without notice to any parties in interest, provided that, the waiver of the conditions set forth in section 10.1(h) and (i) shall also require the consent of Banco Multiple Leon.

10.4. Effect of Non-Occurrence of the Effective Date.

If the Effective Date does not occur, notwithstanding Section 10.3, this Plan shall be null and void and nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims against or Equity Interests in a Debtor; (b) prejudice in any manner the rights of the Debtors, including without limitation, the right to seek a further extension of the exclusivity periods under section 1121(d) of the Bankruptcy Code; or (c) constitute an admission, acknowledgement, offer or undertaking by the Debtors, the Ad Hoc Committee, the Affiliated Creditors, the GFN Affiliates and/or Banco Leon.

ARTICLE XI.

CERTAIN PLAN DISTRIBUTION PROCEDURES

11.1. Powers and Duties.

Pursuant to the terms and provisions of this Plan, the Holding Company or the applicable Debtor or Reorganized Debtor shall be empowered and directed to (a) take all steps and execute all instruments and documents necessary to make Plan Distributions to holders of Allowed Claims; (b) make Plan Distributions; (c) comply with this Plan and the obligations thereunder; (d) employ, retain, or replace professionals to represent it with respect to its responsibilities; (e) object to Claims as specified in Article IX hereof, and prosecute such objections; (f) compromise and settle any issue or dispute regarding the amount, validity, priority, treatment, or Allowance of any Claim as provided in Article IX hereof; (g) make annual and other periodic reports regarding the status of distributions under this Plan to the holders of Allowed Claims that are outstanding at such time; such reports to be made available upon request to the holders of any Contested Claim; and (h) exercise such other powers as may be vested in the Holding Company or the applicable Debtor or Reorganized Debtor pursuant to this Plan, the Plan Documents, or order of the Bankruptcy Court.

11.2. Plan Distributions.

Pursuant to the terms and provisions of this Plan, the Holding Company or the applicable Debtor shall make the required Plan Distributions specified under this Plan on the relevant Distribution Dates therefor.

11.3. Exculpation.

Except as otherwise provided in this Section 11.3, the Holding Company or the applicable Debtor, together with their respective officers, directors, employees, agents, and representatives, are hereby exculpated by all Persons, holders of Claims and Equity Interests, and all other parties in interest, from any and all Causes of Action, and other assertions of liability (including breach of fiduciary duty) arising out of the discharge of the powers and duties conferred upon the Holding Company or the applicable Debtor by this Plan, any Final Order of the Bankruptcy Court entered pursuant to or in the furtherance of this Plan, or applicable law, except solely for actions or omissions arising out of the willful misconduct or gross negligence of the Holding Company, the applicable Debtor or Holding Company's or the applicable Debtor's officers, directors, employees, agents, and/or representatives. For the avoidance of doubt, in the event the DGII or any other governmental authority challenges any of the transactions contemplated by Section 7.9 of the Plan, such challenge (whether or not successful in whole or in part), shall not constitute or be deemed to constitute or establish willful misconduct or gross negligence on the part of the Debtors, Holding Company, or their respective officers, directors, employees, agents, and representatives, and such Persons shall be entitled to the exculpation provided under this Section 11.3 to the full extent provided hereunder.

No holder of a Claim or an Equity Interest, or representative thereof, shall have or pursue any Claim or Cause of Action (a) against the Holding Company or the applicable Debtor or its officers, directors, employees, agents, and representatives for making payments or Plan Distributions in accordance with this Plan, or (b) against any holder of a Claim for receiving or retaining payments or transfers of assets as provided for by this Plan. Nothing contained in this Section 11.3 shall preclude or impair any holder of an Allowed Claim from bringing an action in the Bankruptcy Court against the Holding Company or the applicable Debtor to compel the making of Plan Distributions contemplated by this Plan on account of such Claim.

ARTICLE XII.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

12.1. Executory Contracts and Unexpired Leases.

Pursuant to section 365 of the Bankruptcy Code, any executory contracts or unexpired leases of the Debtors which have not been previously assumed or rejected or are not subject to a motion to reject on or before the Effective Date shall be deemed to be assumed by the Debtors on the Effective Date; provided, however, the Plan Support and Lock-Up Agreement shall be deemed to be assumed as of the Confirmation Date. Prior to the Effective Date, the Debtors shall continue to fully perform under and comply with all terms and provisions of all executory contracts and

unexpired leases which (i) have not been rejected or (ii) are not the subject of a motion to reject such executory contract or unexpired lease.

12.2. Assumption of Executory Contracts and Expired Leases.

Except as otherwise provided in Section 12.3 herein, or in any contract, instrument, lease, release, indenture, or other agreement or document entered into in connection with this Plan, as of the Effective Date, each Debtor shall be deemed to have assumed each executory contract and unexpired lease to which it is a party, unless such contract or lease (i) was previously assumed or rejected by a Debtor, (ii) previously expired or terminated pursuant to its own terms, or (iii) is the subject of a motion to reject filed on or before the Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the contract and lease assumptions or rejections described above, as of the Effective Date.

Each executory contract and unexpired lease that is assumed and relates to the use, ability to acquire or occupancy of real property shall include (a) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such executory contract or unexpired lease and (b) all executory contracts or unexpired leases appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real estate or rights *in rem* related to such premises, unless any of the foregoing agreements have been rejected pursuant to an order of the Bankruptcy Court.

Except as otherwise provided in the following sentence, all cure payments which may be required by section 365(b)(1) of the Bankruptcy Code under any executory contract or unexpired lease which is assumed under this Plan shall be made by the Debtors on the Effective Date or as soon as practicable thereafter. If there is a dispute regarding (i) the nature or amount of any cure, (ii) the ability of the Debtors or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (iii) any other matter pertaining to assumption, cure shall occur following the entry of a Final Order of the Bankruptcy Court resolving the dispute and approving the assumption or assumption and assignment, as the case may be.

12.3. Rejection of Executory Contracts and Unexpired Leases.

Except for the rejection of any contract, instrument, lease, release, indenture or other agreement or document underlying Claims in Classes 3, 6, and 8 or the Equity Interests in Class 9, for which any Claims arising from such rejection shall be satisfied by the treatment afforded such Claims and Equity Interests under this Plan, none of the executory contracts and unexpired leases to which a Debtor is a party shall be rejected hereunder. The Debtors, however, reserve the right, at any time prior to the Confirmation Date, to seek, through separate motion or in connection with this Plan, to reject any executory contract or unexpired lease to which a Debtor is a party.

12.4. Claims Arising from Rejection or Termination.

Claims created by the rejection of executory contracts or unexpired leases or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed with the Bankruptcy Court and served on the Debtors (a) in the case of an executory contract or unexpired lease rejected by the Debtors prior to, or subject to a motion for authority to reject filed prior to, the Confirmation Date, or (b) in the case of an executory contract or unexpired lease that (i) was terminated or expired by its terms prior to the Confirmation Date, or (ii) is rejected pursuant to Section 12.3, except to the extent such claims are satisfied by treatment under this Plan as set forth in Section 12.3, no later than thirty (30) days after the Confirmation Date. **Any such Claims for which a proof of Claim is not filed and served within such time will be forever barred from assertion and shall not be enforceable against the Debtors, their Estates, Assets, properties, or interests in property, or against the property of a third party that receives payment of such Claim.** Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as General Unsecured Claims under this Plan subject to objection by the Debtors.

ARTICLE XIII.

RETENTION OF JURISDICTION

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Bankruptcy Court shall retain and shall have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases or this Plan, or (c) that relates to the following:

(a) To hear and determine any and all motions or applications pending on the Confirmation Date or thereafter brought in accordance with Article XII hereof for the assumption and/or assignment or rejection of executory contracts or unexpired leases to which any of the Debtors is a party or with respect to which any of the Debtors may be liable, and to hear and determine any and all Claims and any related disputes (including, without limitation, the exercise or enforcement of setoff or recoupment rights, or rights against any third party or the property of any third party resulting therefrom or from the expiration, termination or liquidation of any executory contract or unexpired lease);

(b) To determine any and all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to this Plan, may be instituted by the Holding Company or the applicable Debtor or the Debtors, as applicable, after the Effective Date;

(c) To hear and determine any objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without express or implied limitation, to hear and determine any objections to the classification of any Claim and to allow, disallow or estimate any Contested Claim in whole or in part, provided, however, the Bankruptcy Court shall not retain jurisdiction over the Bancredito Panama and Bancredit Cayman Disputed Claims Proceedings as provided for in Section 9.7(e);

(d) To hear and determine any request seeking to allow any Adjudicated Class 6 Disputed Claim as an Allowed Class 6 Unsecured Financial Claim.

(e) To issue such orders in aid of execution of this Plan to the extent authorized or contemplated by section 1142 of the Bankruptcy Code;

(f) To consider any modifications of this Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all Fee Applications and applications for allowances of compensation and reimbursement of any other fees and expenses authorized to be paid or reimbursed under this Plan, the Bankruptcy Code or any Bankruptcy Court Order;

(h) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with this Plan, the Plan Documents or their interpretation, implementation, enforcement, or consummation;

(i) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Confirmation Order (and all Plan Documents) or its interpretation, implementation, enforcement, or consummation;

(j) To the extent that Bankruptcy Court approval is required, to consider and act on the compromise and settlement of any Claim, including any Disputed Unsecured Financial Claim, or Cause of Action by, on behalf of, or against the Estates;

(k) To determine such other matters that may be set forth in this Plan, or the Confirmation Order, or that may arise in connection with this Plan, or the Confirmation Order;

(l) To hear and determine matters concerning state, local, and federal taxes, fines, penalties, or additions to taxes for which the Debtors, the Debtors in Possession, or the Holding Company or the applicable Debtor may be liable, directly or indirectly, in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(m) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with any setoff and/or recoupment rights of the Debtors or any Person asserting such rights against the Debtors;

(n) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with Causes of Action of the Debtors (including Avoidance Actions) commenced by the Holding Company, the applicable Debtor or Debtors, or Reorganized Debtor or Reorganized Debtors, as applicable before or after the Effective Date;

(o) To hear and determine all controversies regarding the statutory subordination of any Claim pursuant to sections 510(b) and 510(c) of the Bankruptcy Code at any time after the entry of the Confirmation Order;

(p) To enter an order or final decree closing the Chapter 11 Cases;

(q) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of this Plan or the Confirmation Order; and

(r) To hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

14.1. Payment of Statutory Fees.

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid by the Debtors on or before the Effective Date.

14.2. Satisfaction of Claims.

The rights afforded in this Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Equity Interests of any nature whatsoever, including any interest accrued thereon from and after the Petition Date, against the Debtors and the Debtors in Possession, or any of their Estates, Assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Equity Interests in the Debtors and the Debtors in Possession shall be satisfied, discharged, and released in full. The Debtors shall not be responsible for any pre-Effective Date obligations of the Debtors or the Debtors in Possession, except those expressly assumed by any of the Debtors in this Plan. Except as otherwise provided herein, all Persons shall be precluded and forever barred from asserting against the Debtors, their respective successors or assigns, or their Estates, Assets, properties, or interests in property any other or further Claims based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date.

14.3. Third Party Agreements; Subordination.

The Plan Distributions to the various classes of Claims hereunder shall not affect the right of any Person to levy, garnish, attach, or employ any other legal process with respect to such Plan Distributions by reason of any claimed subordination rights or otherwise. All of such rights and

any agreements relating thereto shall remain in full force and effect. Plan Distributions under this Plan shall be subject to and modified by any Final Order directing distributions other than as provided in this Plan. The right of the Debtors to seek subordination of any Claim pursuant to section 510 of the Bankruptcy Code, with the exception of the Banco Leon Allowed Claim, is fully reserved, and the treatment afforded any Claim that becomes subordinated at any time shall be modified to reflect such subordination.

14.4. Exculpation.

None of the Debtors, or any of their respective, members, officers, directors, employees, agents, representatives, advisors, attorneys, successors and assigns shall be liable for any Cause of Action arising in connection with or out of the administration of the Chapter 11 Cases, pursuit of confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for gross negligence or willful misconduct as determined by Final Order of the Bankruptcy Court, and in all respects shall be entitled to rely upon the advice of counsel and all information provided by other exculpated persons herein without any duty to investigate the veracity or accuracy of such information with respect to their duties and responsibilities under this Plan.

All obligations of the Debtors to indemnify and hold harmless their respective current and former directors, officers and employees, whether arising under the Debtors' constituent documents, contract, law or equity, shall be assumed by the Debtors upon the occurrence of the Effective Date with the same effect as though such obligations constituted executory contracts that are assumed under section 365 of the Bankruptcy Code, and all such obligations shall be fully enforceable on their terms from and after the Effective Date.

14.5. Discharge of Liabilities.

Except as otherwise provided in this Plan, all holders of Claims and Equity Interests shall be precluded from asserting against the Debtors, the Assets, or any property dealt with under this Plan, any or other further Claim based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

14.6. Notices.

Any notices, requests, and demands required or permitted to be provided under this Plan, in order to be effective, shall be in writing (including, without express or implied limitation, by facsimile transmission), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

Tricom, S.A., Tricom USA, or TCN
Attention: Héctor Castro Noboa, President
Avenida Lope de Vega, No. 95
Santo Domingo, Republica Dominicana
Telephone: (809) 476-4500
Facsimile: (809) 476-6700

Counsel for the Debtors and Debtors in Possession
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104-0050
Attention: Larren M. Nashelsky, Esq.
Telephone: (212) 468-8000
Facsimile: (212) 468-7900
Email: lnashelsky@mofo.com

Counsel for the Ad Hoc Committee of Creditors
Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, California 90064
Attention: Alan M. Feld, Esq.
Telephone: (310) 312-4153
Facsimile: (310) 996-6994
Email: afeld@manatt.com

Counsel for the Affiliated Creditors
White & Case LLP
200 South Biscayne Boulevard
Suite 400
Miami, Florida 33131
Attention: John K. Cunningham, Esq.
Telephone: (305) 995-5252
Facsimile: (305) 358-5744
Email: jcunningham@whitecase.com

14.7. Headings.

The headings used in this Plan are inserted for convenience only and neither constitute a portion of this Plan nor in any manner affect the construction of the provisions of this Plan.

14.8. Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules), the laws of the State of New York, without giving effect to the conflicts of laws principles thereof, shall govern the construction of this Plan and any agreements,

documents, and instruments executed in connection with this Plan, except as otherwise expressly provided in such instruments, agreements, or documents.

14.9. Expedited Determination.

The Holding Company or the applicable Debtor is hereby authorized to file a request for expedited determination under section 505(b) of the Bankruptcy Code for all tax returns filed with respect to the Debtors.

14.10. Exemption from Transfer Taxes.

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under this Plan, the creation of any mortgage, deed of trust, lien, pledge, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. All sale transactions, if any, consummated by the Debtors and approved by the Bankruptcy Court on and after the Petition Date through and including the Effective Date, including, without limitation, the transfers effectuated under this Plan, the sale by the Debtors of owned property pursuant to section 363(b) of the Bankruptcy Code, and the assumption, assignment and sale by the Debtors of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, will be deemed to have been made under, in furtherance of, or in connection with this Plan and, thus, will not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

14.11. Retiree Benefits.

Pursuant to section 1129(a)(13), on and after the Effective Date, the Debtors shall continue payment of all retiree benefits, if any, as that term is defined in section 1114 of the Bankruptcy Code.

14.12. Notice of Entry of Confirmation Order and Relevant Dates.

Promptly upon entry of the Confirmation Order, the Debtors shall publish as directed by the Bankruptcy Court and serve on all known parties in interest and holders of Claims and Equity Interests, notice of the entry of the Confirmation Order and all relevant deadlines and dates under this Plan, including, but not limited to, the deadline for filing notice of Administrative Claims (Section 5.2), and the deadline for filing rejection damage Claims (Section 12.4).

14.13. Interest and Attorneys' Fees.

Post-petition interest will accrue and be paid on Claims only to the extent specifically provided for in this Plan, the Confirmation Order or as otherwise required by the Bankruptcy Court or by applicable law. No award or reimbursement of attorneys' fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim.

14.14. Modification of this Plan.

As provided in section 1127 of the Bankruptcy Code, modification of this Plan may be proposed in writing by the Debtors at any time before confirmation, following consultation with the Ad Hoc Committee, the Affiliated Creditors, and Banco Multiple Leon provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Debtors may modify this Plan at any time after the Confirmation Date and before substantial consummation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms this Plan as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modifications. A holder of a Claim that has accepted this Plan shall be deemed to have accepted such Plan as modified if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

14.15. Revocation of Plan.

The Debtors reserve the right to revoke and withdraw this Plan with respect to any one or more of the Debtors prior to the occurrence of the Effective Date. If the Debtors revoke or withdraw this Plan with respect to any one or more of the Debtors, or if the Effective Date does not occur as to any Debtor, then, as to such Debtor, this Plan and all settlements and compromises set forth in this Plan shall be deemed null and void and nothing contained herein and no acts taken in preparation for consummation of this Plan shall be deemed to constitute a waiver or release of any Claims against or Equity Interests in such Debtor or to prejudice in any manner the rights of any of the Debtors or any other Person in any other further proceedings involving such Debtor.

14.16. Setoff Rights.

In the event that any Debtor has a Claim of any nature whatsoever against the holder of a Claim against any Debtor, then any Debtor may, but is not required to, setoff against the Claim (and any payments or other Plan Distributions to be made in respect of such Claim hereunder) any Debtor's Claim against such holder, subject to the provisions of section 553 of the Bankruptcy Code, with the exception that the Debtors shall not have any such setoff rights against the Banco Leon Allowed Claim. Neither the failure to setoff nor the allowance of any Claim under this Plan shall constitute a waiver or release of any Claims that any Debtor may have against the holder of any Claim.

14.17. Compliance with Tax Requirements.

In connection with this Plan, the Debtors and the Holding Company or the applicable Debtor, as applicable, shall comply with all withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities and all Plan Distributions hereunder shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a Plan Distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding, and other tax obligations, on account of such Plan Distribution. The Holding Company or the applicable Debtor has the right, but not the obligation, to not make a Plan Distribution until such holder has made arrangements satisfactory to the Holding Company or the applicable Debtor for payment of any such tax obligations.

14.18. Recognition of Guaranty Rights.

The classification and manner of satisfying all Claims under this Plan take into consideration (a) the existence of guarantees by the Debtors of obligations of other Persons, and (b) the fact that the Debtors may be joint obligors with other Persons with respect to an obligation. All Claims against the Debtors based upon any such guarantees or joint obligations shall be discharged in the manner provided in this Plan; provided, that no creditor shall be entitled to receive more than one recovery with respect to any of such creditor's Allowed Claims.

14.19. Compliance with All Applicable Laws.

If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its businesses, the Debtors or the Holding Company or the applicable Debtor, as applicable, shall take whatever action as may be required to comply with such law, rule, regulation, or order; provided, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith, and, if appropriate, an adequate reserve for such requirement has been set aside.

14.20. Injunctions.

On the Effective Date and except as otherwise provided herein, including, without limitation, Section 7.24 hereof, all Persons who have been, are, or may be holders of Claims against or Equity Interests in the Debtors shall be permanently enjoined from taking any of the following actions against or affecting the Debtors, the Estates, the Assets, or the Holding Company, the applicable Debtor, or Reorganized Debtor or any of their respective directors, officers, employees, agents, members, shareholders and professionals, successors and assigns or their respective assets and property with respect to such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under this Plan):

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, all suits, actions, and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice);

(b) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order;

(c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance; and

(d) asserting any setoff, right of subrogation or recoupment of any kind; provided, that any defenses, offsets or counterclaims which the Debtors may have or assert in respect of the above referenced Claims are fully preserved in accordance with Section 14.16.

14.21. Binding Effect.

This Plan shall be binding upon and inure to the benefit of the Debtors, the holders of all Claims and Equity Interests, and their respective successors and assigns. To the extent any provision of any disclosure statement delivered pursuant to section 1125 of the Bankruptcy Code or any other solicitation document may be inconsistent with the terms of this Plan, the terms of this Plan shall be binding and conclusive.

14.22. Severability.

SHOULD THE BANKRUPTCY COURT DETERMINE THAT ANY PROVISION OF THIS PLAN IS UNENFORCEABLE EITHER ON ITS FACE OR AS APPLIED TO ANY CLAIM OR EQUITY INTEREST OR TRANSACTION, THE DEBTORS MAY MODIFY THIS PLAN IN ACCORDANCE WITH SECTION 14.14 SO THAT SUCH PROVISION SHALL NOT BE APPLICABLE TO THE HOLDER OF ANY CLAIM OR EQUITY INTEREST. SUCH A DETERMINATION OF UNENFORCEABILITY SHALL NOT (A) LIMIT OR AFFECT THE ENFORCEABILITY AND OPERATIVE EFFECT OF ANY OTHER PROVISION OF THIS PLAN OR (B) REQUIRE THE RESOLICITATION OF ANY ACCEPTANCE OR REJECTION OF THIS PLAN.

Dated: April 16, 2009

Respectfully submitted,

Tricom, S.A.

By: /s/Hector Castro Noboa

Name: Héctor Castro Noboa

Title: President

TCN Dominicana, S.A.

By: /s/Hector Castro Noboa

Name: Héctor Castro Noboa

Title: President

Tricom USA, Inc.

By: /s/Hector Castro Noboa

Name: Héctor Castro Noboa

Title: President

EXHIBIT A TO PLAN

GFN PARTIES' CONSENT

[TO BE SUPPLIED]

EXHIBIT B TO PLAN

SCHEDULE OF UNSECURED FINANCIAL CLAIMS

Exhibit B: Schedule of Unsecured Financial Claims

Actual as of February 29, 2008

(RD\$34.05 = US\$1)

	Claim: Principal document(s)	Last known holder	Principal outstanding as of February 29, 2008	Principal outstanding as of February 29, 2008 (US\$)	Contract Interest Due as of February 29, 2008 (US\$)	Total Principal And Interest as of February 29, 2008 (US\$)
1)	Pagaré (Promissory Note). <u>Issuer:</u> TCN; <u>Issued:</u> 07/22/03; <u>Amount:</u> DR\$94,007,000; <u>Rate:</u> 11.5%; <u>Due:</u> On demand	Ellis Portafolio, S.A.	RD \$ 94,007,000.00	2,760,851.69	1,484,302.89	4,245,154.58
2)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 07/22/03; <u>Amount:</u> DR\$22,980,000; <u>Rate:</u> 11.5%; <u>Due:</u> On demand	Ellis Portafolio, S.A.	RD \$ 22,980,000.00	674,889.87	362,837.67	1,037,727.53
3)	Commercial Paper 481. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 07/02/03; <u>Amount:</u> DR\$50,845,980; <u>Rate:</u> 20%; <u>Due:</u> 06/25/04	Ellis Portafolio, S.A.	RD \$ 28,180,526.97	827,621.94	(42,424.17)	785,197.77
4)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 12/31/03; <u>Amount:</u> US\$3,454,997; <u>Rate:</u> [13%]; <u>Due:</u> On demand	Ellis Portafolio, S.A.	US \$ 3,454,997.00	3,454,997.00	2,127,222.46	5,582,219.46
5)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 12/30/02; <u>Amount:</u> US\$6,000,000; <u>Rate:</u> 11.5%; <u>Due:</u> 12/30/07	Ellis Portafolio, S.A.	US \$ 6,000,000.00	6,000,000.00	3,614,833.33	9,614,833.33
6)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 12/30/02; <u>Amount:</u> US\$6,000,000; <u>Rate:</u> 11.5%; <u>Due:</u> 12/30/07	Ellis Portafolio, S.A.	US \$ 6,000,000.00	6,000,000.00	3,614,833.33	9,614,833.33
7)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 12/30/02; <u>Amount:</u> US\$6,000,000; <u>Rate:</u> 11.5%; <u>Due:</u> 12/30/07	Ellis Portafolio, S.A.	US \$ 6,000,000.00	6,000,000.00	3,614,833.33	9,614,833.33
8)	Commercial Paper 301. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 02/28/03; <u>Amount:</u> US\$4,000,000; <u>Rate:</u> 14.5%; <u>Due:</u> 02/23/04	Ellis Portafolio, S.A.	US \$ 4,000,000.00	4,000,000.00	2,904,767.12	6,904,767.12
9)	Commercial Paper 302. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 02/28/03; <u>Amount:</u> US\$3,400,000; <u>Rate:</u> 14.5%; <u>Due:</u> 02/23/04	Ellis Portafolio, S.A.	US \$ 3,400,000.00	3,400,000.00	2,469,052.05	5,869,052.05
10)	Commercial Paper 303. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 02/28/03; <u>Amount:</u> US\$3,975,000; <u>Rate:</u> 14.5%; <u>Due:</u> 02/23/04	Ellis Portafolio, S.A.	US \$ 3,975,000.00	3,975,000.00	2,886,612.33	6,861,612.33
11)	Commercial Paper 304. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 03/19/02; <u>Amount:</u> US\$11,200,754.40; <u>Rate:</u> 13%; <u>Due:</u> 03/19/04	Ellis Portafolio, S.A.	US \$ 11,200,754.40	11,200,754.40	6,624,944.48	17,825,698.88
12)	Commercial Paper 306. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 03/27/02; <u>Amount:</u> US\$4,580,000; <u>Rate:</u> 14.93%; <u>Due:</u> 03/27/04	Ellis Portafolio, S.A.	US \$ 617,502.08	617,502.08	(975,989.11)	(358,487.03)
13)	Commercial Paper 478. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 03/31/03; <u>Amount:</u> DR\$10,500,000; <u>Rate:</u> 29%; <u>Due:</u> 04/30/04	Editorial AA	RD \$ 10,500,000.00	308,370.04	417,735.80	726,105.85
14)	Commercial Paper 329. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 06/30/03; <u>Amount:</u> US\$1,058,862.01; <u>Rate:</u> 14%; <u>Due:</u> 12/31/03	Balking Trading, Inc.	US \$ 1,058,862.01	1,058,862.01	703,528.51	1,762,390.52
15)	Commercial Paper 289. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 06/30/03; <u>Amount:</u> US\$2,764,303.65; <u>Rate:</u> 11%; <u>Due:</u> 03/27/04	Eastern Power Corp.	US \$ 2,764,303.65	2,764,303.65	1,444,268.83	4,208,572.48
16)	Commercial Paper 292. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 06/30/03; <u>Amount:</u> US\$3,500,570.31; <u>Rate:</u> 13%; <u>Due:</u> 09/19/03	Porter Capital, LTD	US \$ 3,500,570.31	3,500,570.31	2,159,946.85	5,660,517.16
17)	Commercial Paper 293. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 06/30/03; <u>Amount:</u> US\$4,667,427.08; <u>Rate:</u> 13%; <u>Due:</u> 03/19/03	Porter Capital, LTD	US \$ 4,667,427.08	4,667,427.08	2,879,929.14	7,547,356.22
18)	Commercial Paper 295. <u>Issuer:</u> Tricom, S.A.; <u>Amount:</u> US\$700,798.43; <u>Issued:</u> 06/30/03; <u>Rate:</u> 13%; <u>Due:</u> 03/19/04	[Citigroup]	US \$ 700,798.43	700,798.43	425,567.05	1,126,365.48
19)	Promissory Note. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 12/21/07; <u>Amount:</u> US\$11,922,827.56; <u>Rate:</u> 13%; <u>Due:</u> On demand	AMZAK Capital Management, LLC	US \$ 11,922,827.56	11,922,827.56	6,034,525.03	17,957,352.59
20)	Commercial Paper 299. <u>Issuer:</u> Tricom S.A.; <u>Issued:</u> 03/19/02; <u>Amount:</u> US\$4,200,000; <u>Rate:</u> 13%; <u>Due:</u> 03/19/04	[Citigroup]	US \$ 4,200,000.00	4,200,000.00	2,598,358.55	6,798,358.55
21)	Commercial Paper 300. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 03/19/02; <u>Amount:</u> US\$2,000,000; <u>Rate:</u> 13%; <u>Due:</u> 03/19/04	[Citigroup]	US \$ 2,000,000.00	2,000,000.00	1,235,890.41	3,235,890.41
22)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom S.A.; <u>Issued:</u> [?]; <u>Amount:</u> DR\$41,444,000; <u>Rate:</u> 12%; <u>Due:</u> On demand	[Citigroup]	RD \$ 41,444,000.00	1,217,151.25	1,836,545.99	3,053,697.24
23)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 11/13/02; <u>Amount:</u> US\$1,371,402.84; <u>Rate:</u> 14.5%; <u>Due:</u> 05/12/03	[Citigroup]	US \$ 1,371,402.84	1,371,402.84	1,068,837.09	2,440,239.93
24)	Promissory Note. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 02/18/03; <u>Amount:</u> US\$3,288,740.07; <u>Rate:</u> Non-interest bearing; <u>Due:</u> 12/05/03	[Citigroup]	US \$ 3,288,740.07	3,288,740.07	-	3,288,740.07
25)	Promissory Note. <u>Issuer:</u> Tricom, S.A.; <u>Issued:</u> 03/17/03; <u>Amount:</u> US\$1,455,313.48; <u>Rate:</u> Non-interest bearing; <u>Due:</u> 09/15/03	[Citigroup]	US \$ 1,455,313.48	1,455,313.48	5,659.55	1,460,973.03

Exhibit B: Schedule of Unsecured Financial Claims

Actual as of February 29, 2008

(RD\$34.05 = US\$1)

	Claim; Principal document(s)	Last known holder	Principal outstanding as of February 29, 2008	Principal outstanding as of February 29, 2008 (US\$)	Contract Interest Due as of February 29, 2008 (US\$)	Total Principal And Interest as of February 29, 2008 (US\$)
26)	Promissory Note. Issuer: Tricom, S.A.; Issued: 05/01/03. Amount: US\$740,524.02; Rate: Non-interest bearing; Due: 10/01/03	[Citigroup]	US \$ 740,524.02	740,524.02	-	740,524.02
27)	Promissory Note. Issuer: Tricom, S.A.; Issued: 08/08/03. Amount: US\$539,100.53; Rate: Non-interest bearing; Due: 11/08/03	[Citigroup]	US \$ 539,100.53	539,100.53	-	539,100.53
28)	Pagaré (Promissory Note). Issuer: Tricom, S.A.; Issued: 04/21/03; Amount: US\$16,350,000; Rate: 10%; Due: 85 days from date of execution	Credit Suisse International	US \$ 5,640,476.40	5,640,476.40	2,574,250.76	8,214,727.16
29)	Pagaré a la Vista (Demand Note). Issuer: Tricom, S.A.; Issued: 08/10/04. Amount: US\$3,000,000; Rate: 15%; Due: On demand	[Citigroup]	US \$ 3,000,000.00	3,000,000.00	2,122,208.33	5,122,208.33
30)	Pagaré a la Vista (Demand Note). Issuer: Tricom USA, Inc.; Issued: 08/10/04; Amount: US\$900,000; Rate: 15%; Due: On demand	[Citigroup]	US \$ 900,000.00	900,000.00	636,662.50	1,536,662.50
31)	Pagaré a la Vista (Demand Note). Issuer: Tricom S.A.; Issued: 08/10/04; Amount: US\$428,090; Rate: 15%; Due: On demand	[Citigroup]	US \$ 428,090.43	428,090.43	302,832.36	730,922.79
32)	Pagaré (Promissory Note). Issuer: Tricom, S.A.; Issued: [?]; Amount: RD\$92,400,000; Original Rate: 23.5%; Current Rate: [36%]; Due: 03/20/07	[Citigroup]	RD \$ 92,400,000.00	2,713,656.39	3,134,273.13	5,847,929.52
33)	Pagaré (Promissory Note). Issuer: Tricom, S.A.; Issued: 06/[?]/02; Amount: US\$1,408,402.74; Original Rate: 10%; Current Rate: 9.5%; Due: 03/20/07	[Citigroup]	US \$ 1,408,402.74	1,408,402.74	429,269.42	1,837,672.16
34)	Pagaré (Promissory Note). Issuer: Tricom, S.A.; Issued: 09/26/02; Amount: US\$175,173.44; Original Rate: 11%; Current Rate: 9.5%; Due: 03/20/07	[Citigroup]	US \$ 74,973.44	74,973.44	22,851.28	97,824.72
35)	Commercial Paper 328. Issuer: Tricom, S.A.; Issued: 06/30/03; Amount: \$3,000,000; Rate: 14%; Due: 12/31/03	Credit Suisse International	US \$ 3,000,000.00	3,000,000.00	1,993,258.33	4,993,258.33
36)	Promissory Note. Issuer: Tricom, S.A.; Issued: 02/24/03; Amount: US\$1,729,508.77; Rate: Non-interest bearing; Due: 03/22/03	Credit Suisse International	US \$ 1,636,479.45	1,636,479.45	-	1,636,479.45
37)	Credit Agreement (and corresponding Note) dated 11/08/00 between Banco Popular de Puerto Rico, Sucursal International and Tricom, S.A.. Amount: Loan not to exceed US\$15,000,000; Rate: Sum of (i) Eurodollar Rate for Interest Period plus (ii) Applicable Margin; Repayment Schedule: 06/30/03 (US\$3 million); 12/31/03 (US\$4 million); 06/30/04 (US\$8 million)	[Credit Suisse International]	US \$ 12,000,000.00	12,000,000.00	4,179,881.67	16,179,881.67
38)	Commercial Paper 206. Issuer: Tricom, S.A.; Issued: 03/19/02; Amount: US\$3,255,403.86; Rate: 13%; Due: 03/19/04	T.C.S. Fund SP - LU, S.A.R.L. - \$1,220,880.11 T.C.O.I. Fund- LU S.A.R.L. - \$1,037,550.67 T.C.O. Fund- LU S.A.R.L. - \$996,973.08	US \$ 3,255,403.86	3,255,403.86	2,011,661.21	5,267,065.07
39)	Pagaré Comercial (Promissory Note). Issuer: Tricom, S.A.; Issued: [03/18/02]; Amount: RD\$70,000,000; Rate: [40%]; Due: [03/30/04]	AMZAK Capital Management, LLC	RD \$ 70,000,000.00	2,055,800.29	3,613,640.07	5,669,440.37
40) *	Purchase Order No. 2000000546. Issuer: Tricom, S.A.; Issued: 03/29/00; Amount: [US\$6,368,880]	Greylock Capital	US \$ 1,050,291.54	1,050,291.54	316,267.24	1,366,558.78
41)	Commercial Paper 294. Issuer: Tricom, S.A.; Issued: 06/30/03; Amount: US\$4,084,281.24; Rate: 13%; Due: 09/19/03	Stark Trading	US \$ 4,084,281.24	4,084,281.24	2,520,112.33	6,604,393.57
42)	Commercial Paper 291. Issuer: Tricom, S.A.; Issued: 06/30/03; Amount: US\$1,114,103.78; Rate: 12%; Due: 09/19/03	Stark Trading	US \$ 1,114,103.78	1,114,103.78	634,618.23	1,748,722.01
43)	Agreement (loan and corresponding note) between Popular Bank & Trust Ltd and Tricom, S.A. dated 10/25/01. Amount: US\$27,235,700. Rate: 10.25%. Due: 10/25/06	Stark Trading	US \$ 20,426,773.00	20,426,773.00	9,754,089.95	30,180,862.95
44)	(a) Credit Agreement dated 07/19/00 among Tricom, S.A. (Borrower), Tricom USA, Inc (Guarantor), The International Bank of Miami (Lender) and Export Import Bank of the United States (Eximbank Guarantee AP075235XX-Dominican Republic) (b) Promissory Note. Issuer: Tricom, S.A.; Issued: 06/15/01; Amount: US\$23,015,265.93; Rate: 6.48% annual (starting 12/15/01); Due: In 10 semi annual installments each 06/15 and 12/15, starting 06/15/02	AMZAK Capital Management, LLC	US \$ 18,412,212.75	18,412,212.75	5,700,421.07	24,112,633.82
45)	Promissory Note issued pursuant to Credit Agreement described in item (44), above. Issuer: Tricom, S.A.; Issued: 12/15/01; Amount: US\$3,317,888.25; Rate: 5.75% (starting 06/15/02); Due: In 10 semi annual installments each 06/15 and 12/15, starting 06/15/02	AMZAK Capital Management, LLC	US \$ 2,654,310.59	2,654,310.59	729,198.10	3,383,508.69

Exhibit B: Schedule of Unsecured Financial Claims

Actual as of February 29, 2008

(RD\$34.05 = US\$1)

	Claim; Principal document(s)	Last known holder	Principal outstanding as of February 29, 2008	Principal outstanding as of February 29, 2008 (US\$)	Contract Interest Due as of February 29, 2008 (US\$)	Total Principal And Interest as of February 29, 2008 (US\$)
46)	(a) Facility Agreement dated 11/27/00 among Tricom, S.A. (Borrower), Tricom USA, Inc (Guarantor), The International Bank of Miami (Lender) and Export Import Bank of the United States (Eximbank Guarantee AP075768XX-DR) (b) Promissory Note. Issuer: Tricom, S.A.; Issued: 12/15/01; Amount: US\$5,426,689; Rate: 5.75% annual (starting 03/25/02); Due: In 8 semi annual installments each 03/25 and 09/25, starting 03/25/02 (c) Letter Agreement dated 04/02/02 among Exim, Tricom, S.A., Tricom USA and IBOM amending the Facility Agreement and the Facility Guarantee Agreement	AMZAK Capital Management, LLC	US \$ 3,391,793.54	3,391,793.54	976,224.13	4,368,017.67
47)	Promissory Note issued pursuant to Credit Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 06/17/02; Amount: US\$7,740,808.20; Rate: 5.60% (starting 12/15/02); Due: In 9 semi annual installments of US\$860,089.80 each 06/15 and 12/15, starting 12/15/02	AMZAK Capital Management, LLC	US \$ 6,880,718.40	6,880,718.40	1,840,974.43	8,721,692.83
48)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 03/18/02; Amount: US\$3,057,757.44; Rate: 5.72% (starting 07/15/02); Due: In 9 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 2,378,255.78	2,378,255.78	638,614.53	3,016,870.31
49)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 03/18/02; Amount: US\$1,486,675.98; Rate: 5.86% (starting 07/15/02); Due: In 10 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 1,189,340.78	1,189,340.78	327,181.04	1,516,521.82
50)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 03/18/02; Amount: US\$1,513,268.36; Rate: 5.72% (starting 07/15/02); Due: In 9 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 1,176,986.50	1,176,986.50	316,047.03	1,493,033.53
51)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 03/18/02; Amount: US\$388,357.95; Rate: 5.86% (starting 07/15/02); Due: In 10 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 310,680.35	310,680.35	85,466.44	396,146.79
52)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 03/18/02; Amount: US\$1,594,421.01; Rate: 5.51% (starting 07/15/02); Due: In 8 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 1,195,815.75	1,195,815.75	309,314.35	1,505,130.10
53)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 03/18/02; Amount: US\$669,759.76; Rate: 5.72% (starting 07/15/02); Due: In 9 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 520,924.26	520,924.26	139,879.74	660,804.00
54)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 03/18/02; Amount: US\$357,042.66; Rate: 5.86% (starting 07/15/02); Due: In 10 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 285,634.12	285,634.12	78,576.36	364,210.48
55)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 06/17/02; Amount: US\$1,571,916.99; Rate: 4.90% (starting 07/15/02); Due: In 9 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 1,222,602.08	1,222,602.08	281,232.44	1,503,834.52
56)	Promissory Note issued pursuant to Facility Agreement described in item (46), above. Issuer: Tricom, S.A.; Issued: 06/17/02; Amount: US\$1,077,172.88; Rate: 5.06% (starting 07/15/02); Due: In 10 semi annual installments each 07/15 and 01/15, starting 07/15/02	AMZAK Capital Management, LLC	US \$ 861,738.32	861,738.32	204,696.36	1,066,434.68
57)	Loan Agreement. <u>Date:</u> 05/27/02. <u>Amount:</u> Up to lesser of (i) US\$1,870,000 and (ii) 82% of Purchase Price. <u>Rate:</u> Libor plus 4% per annum; <u>Repayment:</u> 5 consecutive semi-annual installments each 03/31 and 09/30 starting 09/30/02 and ending 09/30/04	Credit Suisse International	US \$ 1,122,000.00	1,122,000.00	410,360.62	1,532,360.62
58)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom; <u>Date:</u> [?]; <u>Amount:</u> US\$5,000,000; <u>Original Rate:</u> 11%; <u>Current Rate:</u> 12%; <u>Due:</u> 10/21/05	Morgan Stanley Senior Funding	US \$ 5,000,000.00	5,000,000.00	2,688,333.33	7,688,333.33
59)	Pagaré (Promissory Note). <u>Issuer:</u> Tricom; <u>Date:</u> [?]; <u>Amount:</u> US\$2,784,452.97; <u>Original Rate:</u> [10.5%]; <u>Current Rate:</u> 12%; <u>Due:</u> 10/21/05	Broadband Investments Limited	US \$ 2,784,452.97	2,784,452.97	1,497,107.55	4,281,560.52

Exhibit B: Schedule of Unsecured Financial Claims

Actual as of February 29, 2008

(RD\$34.05 = US\$1)

	Claim; Principal document(s)	Last known holder	Principal outstanding as of February 29, 2008	Principal outstanding as of February 29, 2008 (US\$)	Contract Interest Due as of February 29, 2008 (US\$)	Total Principal And Interest as of February 29, 2008 (US\$)
60)	Pagaré (Promissory Note). Issuer: Tricom, S.A.; Issued 12/30/02; Amount: US\$4,000,000; Rate: 11.5%; Due: 12/30/07	AMZAK Capital Management, LLC	US \$ 4,000,000.00	4,000,000.00	2,409,888.89	6,409,888.89
61)	Pagaré (Promissory Note). Issuer: TCN, Dominicana; Issued 12/30/02; Amount: US\$6,601,131.43; Rate: 11.50%; Due 12/30/07	Bancrédito Panamá, S.A.	US \$ 6,601,131.43	6,601,131.43	3,595,324.59	10,196,456.02
62)	Carta. Issuer: Tricom, S.A.; Issued: 02/07/03; Amount: US\$35,864; Rate: 9.5%; Due: 08/04/03	Bancrédito Panamá, S.A.	US \$ 35,864.00	35,864.00	15,310.14	51,174.14
63)	Carta. Issuer: Tricom, S.A.; Issued: 03/26/03; Amount: US\$6,930; Rate: 9.5%; Due: 09/15/03	Bancrédito Panamá, S.A.	US \$ 6,930.00	6,930.00	3,004.57	9,934.57
64)	Carta. Issuer: Tricom, S.A.; Issued: 06/03/03; Amount: US\$12,508; Rate: 9.5%; Due: 11/24/03	Bancrédito Panamá, S.A.	US \$ 12,508.00	12,508.00	5,422.98	17,930.98
65)	Carta. Issuer: Tricom, S.A.; Issued: 03/26/03; Amount: US\$34,606; Rate: 9.5%; Due: 09/15/03	Bancrédito Panamá, S.A.	US \$ 34,606.00	34,606.00	15,004.15	49,610.15
66)	Carta. Issuer: Tricom, S.A.; Issued: 11/27/03; Amount: US\$32,000; Rate: 9.5%; Due: 05/22/04	Bancrédito Panamá, S.A.	US \$ 32,000.00	32,000.00	13,164.89	45,164.89
67)	Carta. Issuer: Tricom, S.A.; Issued: 10/06/03; Amount: US\$96,000; Rate: 9.5%; Due: 03/30/04	Bancrédito Panamá, S.A.	US \$ 96,000.00	96,000.00	40,685.23	136,685.23
68)	Carta. Issuer: Tricom, S.A.; Issued: 06/17/03; Amount: US\$20,997; Rate: 9.5%; Due: 10/24/03	Bancrédito Panamá, S.A.	US \$ 20,997.00	20,997.00	9,103.81	30,100.81
69)	Carta. Issuer: Tricom, S.A.; Issued: 07/23/03; Amount: US\$40,705.64; Rate: 9.5%; Due: 12/29/03	Bancrédito Panamá, S.A.	US \$ 40,705.64	40,705.64	17,648.52	58,354.16
70)	Carta. Issuer: Tricom, S.A.; Issued: 08/25/03; Amount: US\$20,615.71; Rate: 9.5%; Due: 01/14/04	Bancrédito Panamá, S.A.	US \$ 20,615.71	20,615.71	8,938.45	29,554.16
71)	Carta. Issuer: Tricom, S.A.; Issued: 05/27/03; Amount: US\$239,880; Rate: 9.5%; Due: 11/18/03	Bancrédito Panamá, S.A.	US \$ 239,880.00	239,880.00	104,004.60	343,884.60
72)	Carta. Issuer: Tricom, S.A.; Issued: 07/04/03; Amount: US\$29,725; Rate: 9.5%; Due: 12/29/03	Bancrédito Panamá, S.A.	US \$ 29,725.00	29,725.00	12,887.88	42,612.88
73)	Carta. Issuer: Tricom, S.A.; Issued: 07/14/03; Amount: US\$102,400; Rate: 9.5%; Due: 12/15/03	Bancrédito Panamá, S.A.	US \$ 102,400.00	102,400.00	44,397.59	146,797.59
74)	Carta. Issuer: Tricom, S.A.; Issued: 06/03/03; Amount: US\$13,075; Rate: 9.5%; Due: 11/26/03	Bancrédito Panamá, S.A.	US \$ 13,075.00	13,075.00	5,668.89	18,743.89
75)	Carta. Issuer: Tricom, S.A.; Issued: 05/06/03; Amount: US\$9,964; Rate: 9.5%; Due: 10/28/03	Bancrédito Panamá, S.A.	US \$ 9,964.00	9,964.00	4,320.01	14,284.01
76)	Carta. Issuer: Tricom, S.A.; Issued: 04/25/03; Amount: US\$14,098; Rate: 9.5%; Due: 10/20/03	Bancrédito Panamá, S.A.	US \$ 14,098.00	14,098.00	6,112.50	20,210.50
77)	Carta. Issuer: Tricom, S.A.; Issued: 04/17/03; Amount: US\$80,325; Rate: 9.5%; Due: 10/13/03	Bancrédito Panamá, S.A.	US \$ 80,325.00	80,325.00	34,826.42	115,151.42
78)	Carta. Issuer: Tricom, S.A.; Issued: 04/24/03; Amount: US\$11,506; Rate: 9.5%; Due: 09/29/03	Bancrédito Panamá, S.A.	US \$ 11,506.00	11,506.00	4,988.81	16,494.81
79)	Carta. Issuer: Tricom, S.A.; Issued: 02/17/03; Amount: US\$19,005; Rate: 9.5%; Due: 08/11/03	Bancrédito Panamá, S.A.	US \$ 19,005.00	19,005.00	8,240.01	27,245.01
80)	Carta. Issuer: Tricom, S.A.; Issued: 02/06/03; Amount: US\$20,267; Rate: 9.5%; Due: 04/08/03	Bancrédito Panamá, S.A.	US \$ 20,267.00	20,267.00	8,787.35	29,054.35
81)	Carta. Issuer: Tricom, S.A.; Issued: 04/24/03; Amount: US\$4,830; Rate: 9.5%; Due: 09/29/03	Bancrédito Panamá, S.A.	US \$ 4,830.00	4,830.00	2,094.12	6,924.12
82)	Carta. Issuer: Tricom, S.A.; Issued: 08/08/03; Amount: US\$54,398; Rate: 9.5%; Due: 12/03/03	Bancrédito Panamá, S.A.	US \$ 54,398.98	54,398.98	23,585.64	77,984.62
83)	Pagaré (Promissory Note). Issuer: Tricom, S.A.; Issued 05/22/02; Amount: US\$229,022; Rate: 9.5%; Due: 180 days	Bancrédito Panamá, S.A.	US \$ 229,022.54	229,022.54	95,610.58	324,633.12
84)	Pagaré (Promissory Note). Issuer: Tricom, S.A.; Issued 05/22/02; Amount: US\$154,080; Rate: 9.5%; Due: 180 days	Bancrédito Panamá, S.A.	US \$ 154,080.00	154,080.00	64,324.12	218,404.12
85)	Invoice No. 3453 issued pursuant to Contract 4145-001. Issued 03/19/03; Amount: US\$154,080; Due: 04/18/03	Loral Cyberstar, Inc.	US \$ 154,080.00	154,080.00	-	154,080.00
86)	Invoice No. 3454 issued pursuant to Contract 4145-001. Issued 03/19/03; Amount: US\$154,080; Due: 04/18/03	Loral Cyberstar, Inc.	US \$ 154,080.00	154,080.00	-	154,080.00
87)	Invoice No. 3455 issued pursuant to Contract 4145-001. Issued 03/19/03; Amount: US\$154,080; Due: 04/01/03	Loral Cyberstar, Inc.	US \$ 154,080.00	154,080.00	-	154,080.00
88)	Invoice No. 3492 issued pursuant to Contract 4145-001. Issued 05/13/03; Amount: US\$154,080; Due: 06/12/03	Loral Cyberstar, Inc.	US \$ 154,080.00	154,080.00	-	154,080.00
89)	Senior Notes under Indenture dated 08/21/97 between Tricom, S.A. and The Bank of New York. Amount: US\$200,000,000; Rate: 11.375%; Due: 09/04		US \$ 200,000,000.00	200,000,000.00	113,750,000.00	313,750,000.00
90)	Promissory Note No. 554 dated Nov 5, 2002 to Peerless Caribbean Services, Ltd.	Bancrédito Panamá, S.A.	US \$ 7,035.20	7,035.20	5,443.46	12,478.66
91)	Promissory Note No. 558 dated Dec 4, 2002 to Peerless Caribbean Services, Ltd.	Bancrédito Panamá, S.A.	US \$ 14,058.51	14,058.51	10,702.05	24,760.56
92)	Promissory Note No. 130 dated Dec 4, 2002 to Teleamistad C. Por A.	Bancrédito Panamá, S.A.	US \$ 3,945.18	3,945.18	2,757.03	6,702.21
	Total Unsecured Financial Claims			413,348,500.19	220,288,370.12	633,636,870.31

* Amount of claim is contingent upon pending settlement with claimant.

EXHIBIT C TO PLAN

EXIT FINANCING TERM SHEET

DRAFT – NON-BINDING

**Summary of Proposed Terms and Conditions for
Exit Facility for Tricom, S.A.¹**

<i>Borrower:</i>	Tricom, S.A.
<i>Lender:</i>	Amzak Capital Management, LLC or any corporate entity designated by Amzak. (the “ <u>Lender</u> ”)
<i>Exit Facility:</i>	Senior secured term loan facility (“ <u>Exit Facility</u> ”) with a maximum loan amount of \$7.0 million (“ <u>Maximum Loan Amount</u> ”). Exit Facility shall be made available to Borrower immediately upon occurrence of the Effective Date of the Plan, subject to the Conditions Precedent having been met.
<i>Interest Rate:</i>	12% per annum, calculated on the basis of actual days elapsed in a year of 360 days and payable monthly in arrears.
<i>Gross-Up for Withholding Taxes:</i>	All amounts due under the Exit Facility shall be paid net of any withholding or other applicable taxes assessed by Dominican tax authorities pursuant to applicable Dominican laws and regulations in force and effect at the time of each payment. The withholding tax gross-up provision to be included in the Credit Agreement (as defined below) shall be substantially similar to the “Additional Amounts” provision contained in the 11 3/8% Senior Notes Indenture.
<i>Default Rate:</i>	Interest on amounts due under the Exit Facility accrued after the occurrence of an event of default under any of the Exit Facility Documentation, and so long as such event of default remains outstanding, shall accrue at a rate equal to 1% in excess of the otherwise applicable interest rate.
<i>Term:</i>	2 years from the effective date of the Credit Agreement.
<i>Security and Ranking:</i>	All of Borrower’s obligations under or in connection with the Exit Facility shall be secured by a first priority lien in

¹ Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Prepackaged Joint Chapter 11 Plan of Reorganization for Tricom, S.A. and its Affiliated Debtors, as the same may be amended or modified from time to time.

the Banco del Progreso Collateral (collectively, the “Exit Facility Collateral”). Such security interest may be combined in one or more security instruments. Borrower will bear the costs relating to the registration and perfection of the corresponding security instruments pursuant to applicable law.

The Exit Facility will rank (i) *pari passu* in right of payment with the [Credit Suisse] Secured Debt and the GE Secured Notes and (ii) to the extent of the Exit Facility Collateral, senior to any other indebtedness of Borrower.

Availability:

The Exit Facility will be available to be drawn in minimum amounts of \$2.0 million (or the remaining undrawn amount of the Exit Facility, if less); provided, however, Borrower shall be entitled to draw the Maximum Loan Amount at once at any time during the life of the Exit Facility. Each drawdown shall require a minimum of five business days’ prior written notice to the Lender.

Voluntary Prepayments:

Permitted in whole or in part upon five business days’ prior written notice to Lender, without premium or penalty, subject only to minimum prepayments of \$500,000.

Mandatory Prepayments

In the event of any sale of the Exit Facility Collateral, the Borrower shall apply the net proceeds of such sale to prepay the Exit Facility in a corresponding amount without premium or penalty.

Exit Facility Documentation:

Usual for facilities of this type, including, without limitation, (i) a loan agreement to be entered into between Borrower and Lender (the “Credit Agreement”) and (ii) such other agreements and documentation as may be necessary to implement the Exit Facility, including, without limitation, those necessary to perfect Lender’s first priority lien in the Exit Facility Collateral pursuant to applicable law (collectively, the “Exit Facility Documentation”). All Exit Facility Documentation shall be subject to mutual agreement of each of Lender and Borrower and entered into by all parties thereto on or immediately after the Effective Date of the Plan.

Use of Proceeds:

Proceeds shall be used (i) to fund general corporate and working capital requirements of the Debtors and (ii) to pay fees and expenses incurred in connection with the Chapter 11 Cases, including, without limitation, all

accrued and unpaid fees and expenses of advisors to the Debtors, Ad Hoc Committee and Affiliated Creditors as approved by the Court.

Closing Fee:

Subject to Bankruptcy Court approval, a closing fee of \$150,000 shall be due and payable to Lender on the closing date of the Credit Agreement.

Professional Fees and Expenses:

Subject to Bankruptcy Court approval, Borrower shall reimburse Lender's reasonable attorneys' fees and expenses incurred in connection with the negotiation, documentation and implementation of the Exit Facility Documentation and this Term Sheet up to a maximum amount of \$[50,000].

Conditions Precedent:

Usual for facilities and transactions of this type, including, without limitation, (a) borrowing certificates, (b) accuracy of representations and warranties, (c) absence of defaults, (d) evidence of authority, (e) government approvals (if any), (f) compliance with laws, (g) absence of material adverse change in Borrower's business, assets, property or financial conditions; and political conditions in the country of the Dominican Republic, (h) due execution and delivery of Exit Facility Documentation, (i) completion of Due Diligence to Lender's satisfaction, (j) conditions to the occurrence of Effective Date of Plan shall have occurred or have been waived in accordance with the terms of the Plan, (k) Debtors to have reported a trailing 12 month EBITDA on the earlier of December 31, 2009 and the Effective Date of the Plan of not less than \$40 million without taking into consideration any reduction in EBITDA on account of restructuring expenses incurred during such 12 month period; (l) the Effective Date of the Plan occurring on or before December 31, 2009, (m) Borrower using its best efforts to provide Lender with any reasonable financial and/or operating information as requested from time to time.

Due Diligence

Lender to conduct reasonable due diligence investigation of Borrower ("Due Diligence"). Lender shall complete Due Diligence on or before _____. Borrower shall facilitate Due Diligence, and upon advance written notice of not less than 5 business' days, provide to Lender's advisors reasonable access, during normal business hours, to Borrower's management, books and records, contracts,

properties, financial data and any other information relating to the Borrower.

Covenants

Affirmative, and negative covenants usual for facilities and transactions of this type, including, without limitation, (a) maintenance of corporate existence and rights, (b) performance of obligations, (c) notices of defaults, litigation and material adverse changes, (d) compliance with laws, (e) inspection of books and properties, (f) furnishing of (i) quarterly consolidated statements within [60] days after the end of each quarter; (ii) annual audited consolidated statements within [120] days after each fiscal year; and (iii) such other information as Lender may reasonably request that is available to Borrower or may be prepared by Borrower without undue difficulty, (g) maintenance of insurance within or greater than industry standards, (h) permit Lender or its designee to audit the internal records of Borrower upon reasonable advance notice, (i) leverage ratio, (j) creation of liens on Exit Facility Collateral, and (k) sale of Exit Facility Collateral.

Representations and Warranties

Usual for facilities and transactions of this type, including, without limitation, corporate existence, good standing, authorization, financial statements, title to Exit Facility Collateral, no material adverse change and/or litigation, no violation of agreements or instruments, compliance with law, taxes, accuracy of information and physical condition of Exit Facility Collateral.

Events of Default

Usual for transactions and facilities of this type, including, without limitation, nonpayment of principal or interest when due, violation of covenants, falsity of representations and warranties, cross-default, bankruptcy, material judgments, and invalidity of security documents and security interests.

Remedies upon Event of Default

Usual for transactions and facilities of this type, including, without limitation, acceleration of all amounts due under Exit Facility

Miscellaneous

Usual for facilities and transactions of this type, including, without limitation, (a) New York law to govern, other than with respect to the creation and perfection of Lender's liens in the Exit Facility Collateral which shall be governed by the laws of the Dominican Republic, (b)

waiver of trial by jury and immunities, (c) consent to jurisdiction of state and federal courts located in New York City and designation of agent for service of process, (d) waiver of Dominican *cautio judicatum solvi* and (e) Judgment currency.

EXHIBIT D TO PLAN

ADDITIONAL BANCO LEON
SETTLEMENT TERMS AND CONDITIONS

[TO BE SUPPLIED]

Exhibit 2

TRICOM, S. A. AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
TRICOM, S. A. Debtor in Possession and Subsidiaries:

We have audited the accompanying consolidated balance sheets of TRICOM, S. A. and subsidiaries (the Company) as of December 31, 2006 and 2007 and the related consolidated statements of operations, stockholders' deficit and comprehensive loss and cash flows for periods ended December 31, 2005, 2006 and 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2006 and 2007 and the results of its operations and its cash flows for each of the periods ended December 31, 2005, 2006 and 2007, in conformity with U.S. Generally Accepted Accounting Principles.

The accompanying consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. As discussed in note 3 to the consolidated financial statements, the Company has suffered recurring losses from operations, which have been impacted further by the recognition of impairment losses of long-term assets and intangibles and the loss in the disposal of the Central America operations, which have led the Company to default in its long and short term debt commitments. These situations, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in note 3. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Sotomayor + Associates, LLP

Sotomayor & Associates, LLP
Santo Domingo, Dominican Republic

August 22, 2008.

TRICOM, S. A. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2006 and 2007

Assets	<u>2006</u>	<u>2007</u>
Current assets:		
Cash and cash equivalents	\$ 23,072,443	\$ 23,183,441
Accounts receivable (notes 5 and 6):		
Customers	16,880,540	16,785,010
Carriers	10,629,032	7,389,428
Related parties	2,040	-
Other	1,459,652	1,254,539
	<u>28,971,264</u>	<u>25,428,977</u>
Allowance for doubtful accounts	(2,007,743)	(3,332,162)
Accounts receivable, net	<u>26,963,521</u>	<u>22,096,815</u>
Accounts receivable – officers and employees	52,411	46,004
Inventories	2,918,387	2,694,060
Certificates of deposit and other investment, net (note 7)	690,410	337,666
Prepaid expenses	13,449,813	8,825,966
Total current assets	<u>67,146,985</u>	<u>57,183,952</u>
Property, plant and equipment, net (notes 4, 12, 13 and 23)	274,360,933	257,503,902
Intangible assets (note 8)	2,664,641	2,664,641
Restricted cash (note 2.4)	1,895,620	966,646
Deferred income taxes (note 15)	8,285	133,141
Other assets at cost, net of amortization (note 9)	<u>4,308,627</u>	<u>3,883,922</u>
Total assets	\$ <u>350,385,091</u>	\$ <u>322,336,204</u>

TRICOM, S. A. AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

Liabilities and Stockholders' Equity (Deficit)	2006	2007
Current liabilities:		
Borrowed funds - banks (note 10)	\$ 49,062,999	\$ 60,483,268
Commercial paper-banks (note 11)	18,354,588	18,354,588
Commercial paper-related parties (notes 6 and 11)	36,329,491	36,310,817
Current portion of long-term debt related parties (notes 6 and 13)	21,463,203	24,861,723
Current portion of long-term debt (notes 13 and 16 (c))	302,630,101	303,455,307
	<u>427,840,382</u>	<u>443,465,703</u>
Current portion of obligation under capital leases (note 12)	14,531,322	-
Accounts payable:		
Carriers	12,108,692	5,962,575
Suppliers	15,736,815	14,709,891
Other	670,141	467,598
	<u>28,515,648</u>	<u>21,140,064</u>
Accrued expenses	17,569,074	17,402,653
Other liabilities	2,283,333	2,440,941
Deferred revenues	2,174,025	2,550,919
Interest payable related parties (notes 3 and 6)	32,557,915	34,928,604
Deferred income taxes (note 15)	8,534	133,141
Interest payable (note 3)	186,301,595	234,289,664
Total current liabilities	<u>711,781,828</u>	<u>756,351,689</u>
Reserve for severance indemnities	551,040	245,000
Long-term debt (note 13)	4,787,792	3,890,380
Total liabilities	<u>717,120,660</u>	<u>760,487,069</u>
Stockholders' deficit (notes 14 and 18):		
Class A common stock of RD\$10 par value: Authorized 55,000,000 shares; issued 45,458,041 shares	24,951,269	24,951,269
Class B common stock of RD\$10 par value: Authorized 25,000,000 shares; issued 19,144,544 shares	12,595,095	12,595,095
Additional paid-in-capital	275,496,964	275,496,964
Accumulated losses	(677,755,140)	(749,170,436)
Other comprehensive loss-foreign currency translation (note 2.3)	(2,023,757)	(2,023,757)
Stockholders' deficit, net	<u>(366,735,569)</u>	<u>(438,150,865)</u>
Commitments and contingencies (note 16)		
	<u><u>\$ 350,385,091</u></u>	<u><u>\$ 322,336,204</u></u>

See accompanying notes to consolidated financial statements.

TRICOM, S.A. AND SUBSIDIARIES

Consolidated Statement of Operations

Years ended December 31, 2005, 2006 and 2007

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating revenues (notes 2.12, 6 and 20):			
Long distance	\$ 70,620,470	\$ 70,282,210	\$ 56,645,478
Domestic telephony	84,071,137	82,241,727	86,818,485
Mobile	35,485,447	36,283,216	37,853,705
Cable	19,304,412	20,177,219	22,764,051
Data and internet	7,952,623	8,928,557	10,697,926
Other	90,557	187,426	262,822
Total operating revenues	<u>217,524,646</u>	<u>218,100,355</u>	<u>215,042,467</u>
Operating costs and expenses (notes 3, 4, 5 and, 6):			
Cost of sales and services	87,696,237	92,117,160	86,821,906
Selling, general and administrative expenses	77,654,448	81,676,829	83,303,642
Litigation settlement	-	2,182,105	2,101,000
Restructuring costs	7,803,000	10,448,000	13,358,000
Depreciation and amortization	62,040,872	49,109,862	44,673,459
Total operating costs	<u>235,194,557</u>	<u>235,533,956</u>	<u>230,258,007</u>
Operating loss from continuing operations	(17,669,911)	(17,433,601)	(15,215,540)
Other income (expenses), net (note 6):			
Interest expense	(69,561,138)	(69,822,415)	(56,322,181)
Interest income	698,046	956,301	1,160,124
Foreign currency exchange (loss) gain net of income tax	727,114	(62,555)	669,406
Other, net	<u>1,613,963</u>	<u>676,893</u>	<u>616,810</u>
Other expenses, net	<u>(66,522,015)</u>	<u>(68,251,776)</u>	<u>(53,875,841)</u>
Loss from continuing operations before income taxes	(84,191,926)	(85,685,377)	(69,091,381)
Income taxes benefit (provision) (note 15)	<u>817,848</u>	<u>(1,855,705)</u>	<u>(2,323,915)</u>
Net loss	<u>\$ (83,374,078)</u>	<u>\$ (87,541,082)</u>	<u>\$ (71,415,296)</u>
Net loss per common share - basic and diluted	<u>\$ (1.29)</u>	<u>\$ (1.36)</u>	<u>\$ (1.11)</u>
Average number of common shares used in calculation (note 2.14)			
Basic	<u>\$ 64,602,585</u>	<u>\$ 64,602,585</u>	<u>\$ 64,602,585</u>
Diluted	<u>\$ 64,602,585</u>	<u>\$ 64,602,585</u>	<u>\$ 64,602,585</u>

See accompanying notes to consolidated financial statements.

TRICOM, S.A. AND SUBSIDIARIES

Consolidated Statement of Stockholders' Deficit and Comprehensive Loss

Years Ended December 31, 2005, 2006 and 2007

	Number of Common Shares Issued		Common Stock		Additional Paid in Capital	Retained Earnings (Accumulated Deficit)		Other Comprehensive Loss -	Stockholders' Deficit Net
	Class A	Class B	Class A	Class B		Appropriated Legal Reserve	Un- appropriated	Foreign Currency Translation	
Balance at December 31, 2005	45,458,041	19,144,544	\$24,951,269	\$12,595,095	\$275,496,964	\$2,043,242	\$(592,257,300)	\$(2,023,757)	\$ (279,194,487)
Net loss					-	\$48,305	\$ (87,589,387)	-	\$ (87,541,082)
Balance at December 31, 2006	<u>45,458,041</u>	<u>19,144,544</u>	<u>\$24,951,269</u>	<u>\$12,595,095</u>	<u>\$275,496,964</u>	<u>\$2,091,547</u>	<u>\$(679,846,687)</u>	<u>\$(2,023,757)</u>	<u>\$ (366,735,569)</u>
Net loss					-	97,734	\$ (71,513,030)	-	\$ (71,415,296)
Balance at December 31, 2007	<u>45,458,041</u>	<u>19,144,544</u>	<u>\$24,951,269</u>	<u>\$12,595,095</u>	<u>\$275,496,964</u>	<u>\$2,189,281</u>	<u>\$(751,359,717)</u>	<u>\$(2,023,757)</u>	<u>\$ (438,150,865)</u>

See accompanying notes to consolidated financial statements.

TRICOM, S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2005, 2006 and 2007

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Cash flows provided by operating activities:			
Net loss from continuing operations	\$ (83,374,078)	\$ (87,541,082)	\$ (71,415,296)
Adjustments to reconcile net loss from continuing operations to net cash provided by operating activities:			
Depreciation	61,823,944	48,892,905	44,456,532
Allowance for doubtful accounts	3,497,686	3,459,613	4,735,316
Amortization of radio frequency rights	216,928	216,959	216,928
Charge for obsolescence of equipment pending installation	949,094	797,107	632,926
Charge for inventory obsolescence	514,641	342,079	342,540
Expenses for severance indemnities	2,277,835	789,652	1,472,695
Deferred income tax, net	(817,848)	532,595	(249)
Exchange rate effect in long-term debt	(355,740)	326,764	(167,363)
Loss on disposal and sale of assets	319,552		
Changes in operating assets and liabilities :			
Accounts receivable	95,616	(9,990,839)	135,757
Accounts receivable - related parties	197,336	624	2,040
Inventories	(1,201,753)	880,098	(118,213)
Prepaid expenses	(3,759,180)	(6,354,252)	4,623,847
Restricted cash	(370,378)	(1,525,242)	928,974
Other assets	302,717	(1,160,409)	207,778
Accounts Payable	4,925,111	2,067,108	(7,371,310)
Interest payable - related parties	9,307,337	8,371,430	2,370,689
Interest payable	54,072,939	56,861,828	48,834,571
Other liabilities	2,372,028	(3,376,423)	157,608
Deferred revenues	(3,754,130)	123,405	376,894
Accrued expenses	(1,983,737)	4,397,991	(166,421)
Reserve for severance indemnities	(2,043,750)	(522,933)	(1,778,735)
Total adjustments	<u>126,586,248</u>	<u>105,130,060</u>	<u>99,892,804</u>
Net cash provided by operating activities	<u>43,212,170</u>	<u>17,588,978</u>	<u>28,477,508</u>
Cash flows from investing activities (notes 4 and 7):			
Cancellation (acquisition) of investments, net	338,383	(42,717)	352,744
Acquisition of property and equipment	<u>(28,624,156)</u>	<u>(26,228,003)</u>	<u>(28,232,428)</u>
Net cash used in investing activities	<u>(28,285,773)</u>	<u>(26,270,720)</u>	<u>(27,879,684)</u>

TRICOM, S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

Years ended December 31, 2005, 2006 and 2007

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Cash flows used from financing activities (notes 3, 6, 10, 11, 12, 13 and 16):			
Borrowed funds from banks	\$ 268,979	\$ 8,333,620	\$ 349,753
Principal payments of commercial paper-banks	(1,828,680)	-	-
Principal payments of commercial paper to related parties	(642,145)	-	-
Borrowed funds to related parties			
Payments of long-term debt	(3,749,552)	(8,692,463)	(836,579)
Proceeds from issuance of long-term debt	5,547,856	-	-
Net cash used in financing activities	<u>(403,542)</u>	<u>(358,843)</u>	<u>(486,826)</u>
Net increase (decrease) in cash and cash equivalents	14,522,855	(9,040,585)	110,998
Cash and cash equivalents at beginning of the year	<u>17,590,173</u>	<u>32,113,028</u>	<u>23,072,443</u>
Cash and cash equivalents at the end of the year	\$ <u>32,113,028</u>	\$ <u>23,072,443</u>	\$ <u>23,183,441</u>
Supplementary information:			
Interest paid (net of capitalization)	\$ <u>(5,824,428)</u>	\$ <u>(3,896,904)</u>	\$ <u>(3,597,630)</u>
Non- cash financing activities:			
Transfer of commercial papers from related parties to non-related parties	\$ <u> </u>	\$ <u>12,154,587</u>	\$ <u> </u>
Transfer from current portion of obligation under capital leases to:			
Borrowed fund - bank,			\$ 11,922,828
Current portion of long term debt related party			\$ 3,454,996
Interest payable	<u> </u>	<u> </u>	\$ <u>(846,502)</u>

See accompanying notes to consolidated financial statements.

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. Organization and nature of business

The consolidated financial statements of TRICOM, S. A. and subsidiaries (“Tricom” or the “Company”) include the operations of the following companies engaged in the telecommunications and cable broadcasting industry, with operations in the Dominican Republic and The United State:

TRICOM, S. A. (Parent Company)
GFN Comunicaciones, S. A.
TRICOM Centroamérica, S. A.
Call Tel Corporation
TRICOM USA, Inc. And Subsidiaries
TCN Dominicana, S. A. (TCN or Telecable)

TRICOM is a diversified telecommunications company, which provides international and domestic long distance, basic local service, mobile, internet and broadband services in the Dominican Republic and long distance services through subsidiaries in the United States. The Company's operations in the Dominican Republic are governed by the Telecommunications Law (Law No.153-98) and by a Concession Agreement signed with the Dominican Government and ratified by the National Congress on April 30, 1990. This agreement is for an initial term of 20 years through June 30, 2010, subject to renewal for an additional 20-year term. Law No. 153-98 establishes a basic framework to regulate the installation, maintenance and operation of telecommunications networks and the provision of telecommunications services and equipment. The law adopted the “Universal Services Principle” by guaranteeing access to telecommunications services at affordable prices in low-income rural and urban areas. The law creates a fund for the development of the telecommunications sectors that is supported by a 2% tax on industry participants’ billings of all telecommunications services.

TRICOM USA, Inc. (TRICOM USA) is a company organized under the laws of Delaware and authorized by the United States Federal Communications Commission (FCC) to operate as a facilities-based long distance carrier in the United States.

TCN Dominicana, S.A. is a company organized on September 13, 2001 under the laws of the Dominican Republic, and engaged in the operation of three cable television systems and networks in the Dominican Republic.

2. Summary of significant accounting policies

2.1 Principles of consolidation

The accompanying consolidated financial statements include the accounts of TRICOM, S. A. (Parent Company) and its majority owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

2.2 Use of estimates

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with these principles requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period.

Significant items subject to such estimates and assumptions include: the carrying amount of property, plant and equipment, valuation allowances for receivables, inventories, intangible assets and deferred income tax assets. Actual results could differ from those estimates.

2.3 Foreign currency

The Company's and its subsidiaries' functional currency are the US dollar. All foreign currency balances are restated in US dollars using both historical and current exchange rates. Under this situation, SFAS 52 requires the use of the remeasurement method, also referred to as the monetary/non monetary method, when translating the entities' financial statements. This method translates monetary assets (cash and other assets and liabilities that will be settled in cash) at the current rate. Non monetary assets, liabilities, and stockholders' equity are translated at the appropriate historical rates which are the exchange rates at the dates the transactions in the non monetary account originated. Also, the income statement amounts related to non monetary assets and liabilities, such as cost of goods sold (inventory), depreciation (property, plant and equipment), and goodwill amortization (goodwill), are translated at the same rate used for the related balance sheet translation. Other revenues and expenses occurring evenly over the year may be translated at the weighted-average exchange rate for the period. Remeasurement gains or losses that result from the remeasurement process applied to foreign subsidiaries that are consolidated are reported on the US parent company's consolidated statements of operations.

As of December 31, 2006 and 2007, the rates used by the Company to translate Dominican Peso denominated accounts were RD\$33.78 and RD\$34.34 per one US dollar, respectively. The weighted-average exchange rates used to translate certain revenues and expenses accounts for the 2005, 2006 and 2007 statements of operations were RD\$30.39, RD\$33.34 and RD\$33.24.

2.4 Cash and cash equivalents and restricted cash

For the purpose of the statements of cash flows, the Company considers as cash and cash equivalents all cash on hand; cash in banks, time deposits and highly liquid debt instruments with original maturities at the time of purchase of three months or less. Restricted cash is primarily related to cash held in escrow at financial institutions as determined by the court judge and restricted for possible litigation settlements.

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

2.5 Customer and carrier accounts receivable

Customer accounts receivable are recorded on the date invoiced and recorded with the amount of services provided plus a late charge, if any, which accrues after a maximum grace period of 15 days for individual customers and 30 days for corporate customers (on the accounts past due). The assessed monthly late charge is 2.98%. Carriers accounts receivable are recognized based on the termination of traffic in the Company's network.

2.6 Allowance for doubtful accounts

The allowance for doubtful accounts receivable is established through a charge to an expense account. The Company, after analyzing current market trends and collection history of its receivables portfolio has estimated those customers' receivables balances over 90 days past due are uncollectible and are therefore reserved.

The allowance for doubtful accounts from carriers and others is established through a charge to an expense account based on an analysis of the collectability of individual accounts and payment history.

2.7 Inventories

Inventories are valued at the lower of average cost or market. Inventory mainly corresponds to telephone equipment available for sale.

The Company's policy is to review its inventory for specific usage and future utility. Estimates of impairment of individual items of inventory are recorded to reduce the item to the lower of cost or market. The reserve for inventory obsolescence was \$905,002 and \$1,251,922 as of December 31, 2006 and 2007, respectively.

2.8 Property, plant and equipment

Property, plant and equipment are carried at cost. Construction costs and equipment installations in process are maintained as construction projects until they are completed and/or the equipment is placed in service. Depreciation is recorded from the first full month that the assets are placed in service. Property and plant related to cable television operations are carried at cost and include all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems and new subscriber installations.

2.9 Depreciation and amortization

The depreciation method used by the Company is the straight-line method, that is, the uniform distribution of cost over the estimated useful lives of the corresponding assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the improvement.

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The estimated useful lives of assets are as follows:

<u>Description</u>	<u>Years</u>
Buildings and improvements	15-40
Furniture, equipment and transportation equipment	3-15
Leasehold improvements	5-10
Communications and transmission equipment	7-15
Computer equipment	4
Other equipment	1-10

2.10 Other assets

Radio frequency rights are amortized on a straight-line basis over their useful lives, which range from 15 to 20 years.

2.11 Severance indemnities

According to the Labor Code of the Dominican Republic, employers are required to pay severance indemnities to those workers whose labor contracts are terminated without just cause. Just cause is defined in the Labor Code as including misstatements by an employee in his job application, termination within three months of employment for poor performance, dishonesty, threats of violence, willful or negligent destruction of property, unexcused absences or termination of the job for which the employee was hired. At December 31, 2006 and 2007 the Company maintains a minimal reserve to cover severance indemnities based on its experience of \$551,040 and \$245,000 respectively. Severance payments are charged to expense account as incurred.

2.12 Revenue recognition

(a) Long distance

Long distance revenues represent amounts recognized for the transmission of traffic from foreign telecommunication carriers to the Dominican Republic, including revenues derived from the Company's U.S. based international long distance wholesale and prepaid calling card operations, outbound international and domestic long distance calls generated by calling card users and retail telephone centers. Long distance revenues are recognized as the minutes are provided or as the calls are made, except for revenues from prepaid calling cards, which are recognized, as the calling cards are used, net of commission paid for sale.

(b) Domestic telephony

Domestic telephony revenues consist of fees received for local exchange services in the Dominican Republic, including monthly fees, local measured service and local measured charges for value-added services, outbound international and domestic long distance calls generated by the Company's residential and business customers within the Dominican Republic, sales of customer

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

equipment, and interconnection revenues received from other service providers for calls that terminate in the Company's network. These revenues are recognized as services are rendered. Installation fees are recognized over the estimated average service life based on the Company's experience, net of costs incurred in the installation. When installation cost are greater than the installation fees charged, the net cost related to the installations is charged as an expense immediately.

(c) Mobile

Mobile revenues consist of fees received for cellular and PCS services, including fixed monthly fees, per minute usage charges and additional charges for value-added services, outbound international long distance charges, as well as paging services, equipment sales, and interconnection charges received from other service providers for incoming calls that terminate in the Company's network. These revenues are recognized as services are rendered. Revenues generated by calling cards used for prepaid cellular services are recognized, as the calling cards are used, net of sales commissions paid.

(d) Cable television

Cable television revenues consist of monthly fees derived from basic programming, expanded basic programming, digital music services, Internet access and revenues from advertising sales to national advertisers on non-broadcast channels carried over the cable communications systems. Cable revenues are recorded in the period the service is provided, except advertising services, which are recognized when commercials are telecast.

The Company has entered into transactions that exchange advertising services. Such transactions are recorded at the estimated fair value of the advertisement received or given in accordance with the provisions of EITF Issue No. 99-17 "Accounting for Advertising Barter Transactions". Barter transactions were not material to the Company's consolidated statements of operations for the years ended December 31, 2005, 2006 and 2007.

(e) Data and internet

Data and Internet revenues consist of fixed monthly fees received from residential and corporate customers for high speed broadband data transmission and Internet connectivity services, including traditional dial-up connections, dedicated lines, private networks, frame relay and digital subscriber lines, or xDSLs, that provide broad-band transmission of voice and data over regular telephone lines. These revenues are recognized as services are rendered.

Activation fees are recognized over the estimated average service life net of the cost incurred in the activations based on the Company's experience. When the activation costs are greater than the activation fees collected, the net cost related to activation is charged as an expense immediately.

(f) Other revenues

Other revenues represent revenues that are not generated from the Company's core business activities, including commissions and revenues from the provision of miscellaneous services. These revenues are recognized when the service is rendered.

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

2.13 Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in the consolidated statements of operations. Current tax is the expected tax payable on the taxable income for the year, using the tax rate in effect at the balance sheet date.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.14 Earnings per common share

Basic earnings per share are computed based on the weighted average number of common shares outstanding. Diluted earnings per share reflect the increase in average common shares outstanding that would result from the assumed exercise of outstanding stock options, calculated using the treasury stock method.

The weighted average number of common shares outstanding used in the calculation of basic and diluted (loss) per common share for the years 2005, 2006 and 2007 are as follows:

	2005	2006	2007
Weighted average number of common shares outstanding - basic and diluted	64,602,585	64,602,585	64,602,585

For 2005, 2006 and 2007, all stock options and warrants are excluded from consideration of diluted loss per share because of the Company's net loss.

2.15 Pension plan

Until August 2003, a private pension administration company managed the Company's plan, which was converted to a defined contribution plan in 2004. Under this arrangement, both the Company and the employee made fixed contributions to the employee's account. The contributions made by the Company were recognized as expenses on a monthly basis.

In August 2003, a new Social Security law (87-01) entered into effect making employer and employee pension contributions mandatory for all entities based on a percentage of monthly salaries; 2.58% paid by the employee and 6.42% contributed by the employer.

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During the years ended December 31, 2005, 2006 and 2007 the Company recognized as expenses contributions for approximately \$892,000, \$852,000 and \$980,000 respectively.

2.16 Impairment of long-lived assets

SFAS No. 144 provides a single accounting model for long-lived assets to be disposed of, SFAS No. 144 also changes the criteria for classifying an asset as held for sale, broadens the scope of businesses to be disposed of that qualify for reporting as discontinued operations and changes the timing of recognizing losses on such operations. The Company adopted SFAS No. 144 on January 1, 2002.

In accordance with SFAS No. 144, long-lived assets, such as property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented on the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

Goodwill and intangible assets not subject to amortization are tested annually for impairment and more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. This determination is made at the reporting unit level and consists of two steps. First, the Company determines the fair value of a reporting unit and compares it to its carrying amount. Second, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation, in accordance with FASB Statement No. 141, Business Combinations. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill.

2.17 Advertising costs

Advertising costs are expensed as they are incurred. For the years ended December 31, 2005, 2006 and 2007 these costs amounted to approximately \$4,711,000, \$5,105,000 and \$7,255,761 respectively, are included as part of selling, general and administrative expenses in the accompanying consolidated statements of operations.

2.18 Stock option plan

On January 1, 2006, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123(R) which is a revision of SFAS 123, "Share-Based Payment" (SFAS 123(R)), which

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requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors, including employee stock options and employee stock purchases related to the Employee Stock Purchase Plan based on estimated fair values. SFAS 123(R) supersedes the Company's previous accounting under Accounting Principles Board (APB) Opinion 25, "Accounting for Stock Issued to Employees" (APB 25), for periods beginning January 1, 2006. Under the provisions of SFAS No. 123 (R), stock-based compensation cost is estimated at the grant date based on the fair-value of the award and is recognized as expense ratably over the requisite service period of the award. Determining the appropriate fair-value model and calculating the fair value of stock-based awards at the grant date requires considerable judgment, including estimating stock price volatility, expected option life and forfeiture rates. The Company uses the Black-Scholes option valuation model to value employee stock awards.

The following table illustrates the effect on net loss if the fair-value-based method had been applied to all outstanding and vested awards in each period.

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net loss - as reported	\$ (83,374,078)	\$ (87,541,082)	\$ (71,415,296)
Add total stock-based employee compensation determined under fair-value-based method for all rewards	<u>(136)</u>	<u>(7)</u>	<u>-</u>
Pro forma net loss	<u>\$ (83,374,214)</u>	<u>\$ (87,541,089)</u>	<u>\$ (71,415,296)</u>
Net loss per share:			
As reported - basic and diluted	<u>\$ (1.29)</u>	<u>\$ (1.36)</u>	<u>\$ (1.11)</u>
Pro forma - basic and diluted	<u>\$ (1.29)</u>	<u>\$ (1.36)</u>	<u>\$ (1.11)</u>

For the year ended December 31, 2007, the company has decided to forego the stock option calculation since the effect on net loss would have been insignificant, considering that the Company is in chapter 11 since February 29, 2008 and the stock options have no market value (See more detail about bankruptcy proceeding in footnote 16)

Under variable accounting, compensation expense must be measured by the difference between the exercise price and the market price of the Company's stock at each reporting period amortized over the vesting period. The effect of the application of FIN 44 during 2005, 2006 and 2007 was not significant.

Since the granted date of the plan, no stock options have been exercised and probably will not be vested for the remaining period of the Plan. The Company believes the Plan is no longer eligible to be exercised given the condition of the company as stated above.

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2.19 Goodwill and other intangible assets

Goodwill represents the excess of cost over fair value of assets of businesses acquired. Effective July 1, 2001, the Company adopted the provisions of SFAS No. 142, Goodwill and Other Intangible Assets, for business combinations consummated after June 30, 2001, and as of January 1, 2002 for business combinations consummated before June 30, 2001.

Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 also requires that intangible assets with estimated useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 144, Accounting for Impairment or Disposal of Long-Lived Assets.

In connection with SFAS No. 142's transitional goodwill impairment evaluation, the Statement required the Company to perform an assessment of whether there was an indication that goodwill was impaired as of the date of adoption. To accomplish this, the Company was required to identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of January 1, 2002. The Company was required to determine the fair value of each reporting unit and compare it to the carrying amount of the reporting unit within six months of January 1, 2002. To the extent the carrying amount of a reporting unit exceeded the fair value of the reporting unit, the Company would be required to perform the second step of the transitional impairment test, as this is an indication that the reporting unit's goodwill may be impaired. The second step was required for one reporting unit. In this step, the Company compared the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit goodwill, both of which were measured as of the date of adoption. The implied fair value of goodwill was determined by allocating the fair value of the reporting unit to all of the assets (recognized and unrecognized) and liabilities of the reporting unit in a manner similar to a purchase price allocation, in accordance with SFAS No. 141, Business Combinations. The residual fair value after this allocation was the implied fair value of the reporting unit goodwill.

The implied fair value of this reporting unit exceeded its carrying amount and the Company was not required to recognize an impairment loss.

Prior to the adoption of SFAS No. 142, goodwill was amortized on a straight-line basis over the expected periods to be benefited, generally 40 years, and assessed for recoverability by determining whether the amortization of the goodwill balance over its remaining life could be recovered through undiscounted future operating cash flows of the acquired operation. The amount of goodwill and other intangible asset impairments, if any, was measured based on projected discounted future operating cash flows using a discount rate reflecting the Company's average cost of funds.

2.20 Investment securities

Investment securities at December 31, 2006 and 2007 consisted of certificates of deposit and mortgage participation contracts. The Company classifies its securities as held-to-maturity. Held-to-maturity securities are those securities for which the Company has the ability and intent to hold the security until maturity.

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Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts.

A decline in the market value of held-to-maturity securities below cost, that is deemed to be other than temporary, results in a reduction in carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established.

Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective interest method. Interest income is recognized when earned.

2.21 Recognition, measurement, and income statement classification for sales incentives offered to customers.

In November 2001, the Emerging Issues Task Force (EITF) of the FASB reached a consensus on EITF issue 01-09, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)". The Company adopted EITF Issue 01-09 effective January 1, 2003. EITF Issue 01-09 addresses the recognition, measurement, and income statement classification for sales incentives offered to customers. Sales incentives include discounts and generally any other offers that entitle a customer to receive a reduction in the price of a product by submitting a claim for a refund or rebate. Under EITF 01-09, the reduction in or refund of the selling price of the product resulting from any sales incentives should be classified as a reduction of revenue. Prior to adopting this pronouncement, the Company recognized sales incentives paid to distributors of prepaid calling cards as selling, general and administrative expenses. As a result of adopting EITF Issue 01-09, sales incentives were restated (reclassified) as a reduction of long distance revenues in the case of long distance calling cards and as a reduction of cellular revenues in the case of prepaid cellular services. Amounts reclassified were \$10,071,926, \$9,660,463 and \$6,258,761 for the years ended December 31, 2005, 2006 and 2007, respectively. This pronouncement did not have any impact on net loss reported in these years.

3. Liquidity

The consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business. However, as a result of recurring operating losses and the Company's on-going debt restructuring process, such realization of assets and satisfaction of liabilities are subject to significant uncertainty.

At December 31, 2006 and 2007, the Company's current liabilities exceeded its current assets by \$644.6 and \$699.2 million, respectively.

On October 2, 2003, the Company announced that it would not be making a scheduled interest payment to the holders of its 11 3/8% Senior Notes due 2004, and that it had initiated discussions with holders of its Senior Notes and its bank lenders, and would be continuing discussions with prospective strategic partners, to formulate a restructuring plan of the Company's balance sheet.

An unofficial committee of bondholders and commercial banks was established. Concurrently with the non-payment of interest due to bondholders, the Company suspended principal and

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interest payments of all unsecured bank debt. As a result, the Company does not expect to have any available funding sources until the restructuring process is concluded.

In December 2003, the Company's Board of Directors appointed a Chief Restructuring Officer to assist in negotiations with bondholders and other lenders, the implementation of a cash conservation plan and in the development of a core business plan.

Further, the Company has engaged several financial advisory and legal firms to assist in its financial restructuring process. The Company has also agreed to pay the fees and expenses of financial advisory and legal firms engaged by the unofficial committee of bondholders and commercial banks and by the Company's majority shareholder, GFN Corporation Ltd, and certain of its affiliates, which are also major creditors of the Company. The company also agreed to pay retention bonuses to certain of its executives. Expenses related to the Company's financial restructuring were approximately \$7,803,000 in 2005, \$10,448,000 in 2006 and \$ 13,358,000 in 2007. The total amount spent in restructuring process as of December 31, 2007 was \$41,352,000 million approximately. Details of restructuring expenses are as follow:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total</u>
<u>Financial Services</u>				
FTI Consulting (Company)	\$ 2,237,000	\$ 2,069,000	\$ 2,532,000	\$ 6,838,000
Bear Stearns & Co. Inc (Company)	-	-	-	-
Chanin Capital Partners (Committee)	1,335,000	1,056,000	1,234,000	3,625,000
Broadspan Capital (GFN)	568,000	557,000	565,000	1,690,000
<u>Legal Services:</u>				
Manatt Phelps & Phillips, LLP (Committee)	984,000	1,557,000	2,445,000	4,986,000
Greenberg Traurig, LLP (Company)	1,386,000	-	-	1,386,000
DLA Piper Rudnick Gray Cary US, LLP	-	-	-	-
White & Case (GFN)	577,000	1,486,000	730,000	2,793,000
E. Veras Consultoria, S.A (Committee)	95,000	200,000	296,000	591,000
Cadawalader. Wickersham & Taft, LLP	-	-	-	-
Headrick Rizik Alvarez & Fernandez (Vendors)	-	-	-	-
Melo Guerrero (Company)	35,000	-	-	35,000
Jimenez Cruz Peña (Company)	28,000	-	-	28,000
Squire, Sanders & Dempsey LLP (Company)	-	331,000	570,000	901,000
Morrison & Foerster LLP (Company)	-	2,571,000	4,026,000	6,597,000
Barnichta & Associate	-	15,000	91,000	106,000
Langa & Abinader (GFN)	289,000	606,000	639,000	1,534,000
Steel, Hector & Davis (Company)	269,000	-	-	269,000
Andrews Kurth LLP	-	-	106,000	106,000
Thompson Hine LLP	-	-	112,000	112,000
Appleby / Hunter / Bail / Hade	-	-	12,000	12,000
<u>Executive Compensation:</u>				
Retention Bonuses	-	-	-	-
	<u>\$ 7,803,000</u>	<u>\$ 10,448,000</u>	<u>\$ 13,358,000</u>	<u>\$ 31,609,000</u>

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As part of the restructuring process, effective January 2004, the Company entered into an agreement for the sale of its Central American trucking assets to a group of Panamanian investors for a price of approximately \$12.5 million, payable in installments. Estimated net proceeds, after transaction expenses and liabilities directly related to Central America and the payment of a portion of the proceeds to a minority partner, amounted to \$10.7 million.

For the year ended December 31, 2006 and 2007, the Company generated \$17.6 and \$28.5 million respectively of cash flow from operations. Since the Company has not paid interest to its unsecured lenders from September 2003, interest payable as of December 31, 2006 and 2007 amounted to approximately \$218.9 and \$269.2 million respectively. If the Company had paid all interest on a current basis, cash flows used in operations would have been \$(201.3) and \$(240.7) million respectively.

At December 31, 2006 and 2007, the Company's liabilities exceeded its total assets by approximately \$366.7 and \$438.2 million respectively, resulting from several factors including impairment charges of approximately \$191 million recognized in the year 2003, brought about by the devaluation of the Dominican peso and the increased competition for mobile telecommunication services in the Dominican Republic.

At December 31, 2006 and 2007, the Company had indebtedness in the aggregate principal amount of \$447.2 and \$447.4 million respectively. The ability of the Company to pay future interest on its indebtedness and meet debt service obligations will depend on the outcome of the restructuring process, as well as the Company's future operating performance, including the ability to increase revenues and control expenses, which in turn depends on the successful implementation of its strategy and on financial, competitive, regulatory, technical and other factors, many of which are beyond the Company's control. Interest expense was \$69.6, \$69.8 and \$56.3 million for the years ended December 31, 2005, 2006 and 2007, respectively.

In January 2007 the Company entered into a Plan Support and Lock-Up Agreement and related term sheet (collectively, as amended, the "Plan Support Agreement") with its largest secured creditor and unsecured creditors representing more than 70% by principal amount of the Company's unsecured indebtedness. The Plan Support Agreement was amended in August and December 2007 to, among other matters, extend certain deadlines for filing bankruptcy proceedings in the United States. Pursuant to the Plan Support Agreement, the Company solicited votes from its creditors on its proposed "prepackaged" plan of reorganization. On February 29, 2008, the Company and its two principal operating subsidiaries, TCN Dominicana, S.A., and Tricom USA, Inc., filed petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). (See more detail of this process in note 16 letters (c) United States Bankruptcy Proceeding).

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4. Property, plant and equipment

A detail of property, plant and equipment at December 31, 2006 and 2007 is as follows:

	<u>2006</u>	<u>2007</u>
Operations and communications:		
Land	\$ 9,041,147	\$ 9,042,627
Buildings and improvements	16,520,874	17,314,769
Furniture and equipment	6,325,914	8,314,690
Communications equipment	173,900,415	205,311,292
Transmission equipment	233,869,164	218,485,562
Other equipment	2,844,793	2,866,886
	<u>442,502,307</u>	<u>461,335,826</u>
Less accumulated depreciation	<u>207,463,826</u>	<u>243,935,080</u>
Sub-total, operations and communications	<u>235,038,481</u>	<u>217,400,746</u>
Property and equipment:		
Buildings	10,033,266	10,386,645
Furniture and office equipment	6,022,145	6,300,810
Transportation equipment	10,196,635	10,757,280
Leasehold improvements	8,049,124	9,602,652
Data processing equipment	37,253,733	39,765,796
	<u>71,554,903</u>	<u>76,813,183</u>
Less accumulated depreciation	<u>56,337,698</u>	<u>60,825,643</u>
Sub-total, property and equipment	<u>15,217,205</u>	<u>15,987,540</u>
Communications equipment pending installation	4,671,406	5,932,192
Cable company equipment pending installation (a)	947,286	1,432,978
Equipment in transit (b)	141,306	309,579
Construction in process (c)	<u>18,345,249</u>	<u>16,440,867</u>
Property plant and equipment, net	<u>\$ 274,360,933</u>	<u>\$ 257,503,902</u>

- (a) Communications equipment, net of allowance for obsolescence, and cable company equipment pending installation, corresponds to assets acquired for future installation into the network of the company. These assets are recorded at average cost, which is lower than market.
- (b) Equipment in transit represents accumulated costs of equipment imported by TRICOM, S. A. and TCN, Dominicana, S. A. for which additional import related costs are still to be incurred.

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(c) A detail of construction in process at December 31, 2006 and 2007 is as follows:

	<u>2006</u>	<u>2007</u>
Operations and communications:		
Transmission equipment	\$ 3,538,156	\$ 4,204,010
Cells	11,832,038	7,641,666
Other-property and equipment	2,975,055	4,595,191
	<u>\$ 18,345,249</u>	<u>\$ 16,440,867</u>

5. Allowance for doubtful account

Changes in the allowance for doubtful accounts during the years ended December 31, 2005, 2006 and 2007 were as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Allowance at beginning of year	\$ 3,138,530	\$ 2,116,291	\$ 2,007,743
Increase for the year, net (a)	3,497,686	3,459,613	4,735,316
Write-offs during the year	<u>(4,519,925)</u>	<u>(3,568,161)</u>	<u>(3,410,897)</u>
Allowance at end of year	<u>\$ 2,116,291</u>	<u>\$ 2,007,743</u>	<u>\$ 3,332,162</u>

(a) During the years ended December 31, 2005, 2006 and 2007, the Company recognized collection recoveries from customer accounts previously written-off of \$276,872, \$368,557 and \$468,921, respectively. These amounts are included as a reduction to selling, general and administrative expenses in the accompanying consolidated financial statements of operations, net of increase, in the allowance for doubtful accounts.

6. Transactions with related parties

As defined in FAS 57, the Company is or was directly or indirectly related to various entities through common ownership, contractual rights and/or family ownership, as more fully set forth below.

Mr. Manuel Arturo Pellerano ("Mr. Pellerano") together with members of his family, either directly or through their wholly-owned subsidiaries GFN Corporation, Ltd., Oleander Holdings, Inc. and Plan de Pensiones y Jubilaciones de la Compañía Nacional de Seguros (PPJ), were, at December 31, 2006, the beneficial owners of 17,453,874 shares of the Company's Class A Common Stock and 11,486,720 shares of the Company's Class B Common Stock, representing 50.8% of the issued and outstanding shares of Class A Common Stock (calculated in accordance with SEC Rule 13d-3) and 60% of the issued and outstanding shares of Class B Common Stock. From 1994 through late 2003, Mr. Pellerano was the Company's Chairman of the Board of Directors, President and Chief Executive Officer. He retains, together with members of his family, the right to appoint a majority of the members of the Board of Directors of the Company and, indirectly, the right to control selection of the Company's management.

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GFN International Investments Corp., a financial services holding company incorporated in the Cayman Islands was, at the relevant times, wholly owned and controlled by Mr. Pellerano and members of his family. GFN International Investments Corp. was, until 2003, the parent company and related parties of the following entities, among others, which were engaged in the businesses of banking, insurance, credit card issuance, securities broker-dealer and other businesses:

- Grupo Financiero Nacional, S.A., a Dominican Republic holding company (“GFN, S.A.”).

The following additional entities, among others, continue to be controlled by Mr. Pellerano and members of his family, and are therefore related parties.

- Omnimedia, a Dominican media holding company.
- Zona Franca San Isidro, a free trade zone located in the Dominican Republic.
- Ellis Portafolio, which holds certain claims against the Company.

Balances with related parties

A detail of balances with related companies at December 31, 2006 and 2007 is as follows:

	<u>2006</u>	<u>2007</u>
Assets:		
Accounts receivable (a)	2,040	-
Total Assets	\$ 2,040	\$ -
Liabilities:		
<u>Commercial paper:</u>		
Obligations for the issuance of commercial paper in US\$ to a group of GFN’s related companies for the principal amount of \$35,184,420, bearing interest rates ranging from 11% and 14.93% per annum.	35,184,420	35,184,420
Issuance of commercial paper in RD\$ for the amount of RD\$38,680,527, bearing interest rates ranging from 20% to 29% per annum.	1,145,071	1,126,397
	<u>36,329,491</u>	<u>36,310,817</u>
<u>Interest payable</u>	<u>32,557,915</u>	<u>34,928,604</u>
<u>Current portion of long term-debt</u>		
Unsecured loans of \$18,000,000 with Ellis Portafolio (previous with GFN Capital Corporation, Ltd.), a related offshore entity. Originally Interest was accrued monthly at an interest rate ranging from 11.5% to 12% per annum. There is not interest accrual at December 31, 2007. The Company is not paying interest on these loans; consequently, these amounts are presented as current portion of long-term debt.	18,000,000	18,000,000

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	<u>2006</u>	<u>2007</u>
Unsecured loan with Ellis Portafolio product of Conaresa's credit cession.	-	3,454,996
Unsecured loans received with Ellis Portafolio (previous GFN, S.A.), a related institution, in the amount of RD\$94,007,000, with interest rate ranging from 11.5% to 12% (b).	2,782,919	2,737,537
Unsecured loans received with Ellis Portafolio (previous GFN, S.A.), a related institution, in the amount of RD\$22,980,000, with interest rate ranging from 11.5% to 12% (b).	680,284	669,190
	<u>21,463,203</u>	<u>24,861,723</u>
Total Liabilities	\$ <u>90,350,609</u>	\$ <u>96,101,144</u>

- (a) At December 31, 2006, the amount of \$2,040 corresponds to communication services to Editora AA.
- (b) These loans have been classified as part of the current liabilities in the accompanying consolidated balance sheets, as a result of the default in payment of interest and principal.

As a result of operating losses, the Company was unable to remain in compliance with the financial covenants arising under substantially all of its long-term note agreements. The Company has been working with the different creditors to restructure the existing debt.

Other transactions with related parties

A detail of transactions with related parties during the years ended December 31 2005, 2006 and 2007, are as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating revenues - communications service revenues (a)	\$ 157,908	\$ 180,501	\$ 172,436
Selling, general and administrative expenses:			
Litigation settlement (b)	\$ -	\$ (2,182,105)	\$ (988,000)
Other charges and special items (c)	(2,423,657)	-	-
Other expenses:			
Interest incurred on loans (d)	\$ (10,658,941)	\$ (8,371,430)	\$ (7,482,254)

- (a) During the years ended December 31, 2005, 2006 and 2007, the amounts include telecommunication services to Zona Franca San Isidro of \$17,688, \$17,563 and 14,085, respectively; and to Editora AA of \$140,220, \$162,938 and 158,351, respectively.

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- (b) In September 2005, the Company was being added by a Dominican investigative judge as a co-defendant to criminal proceedings brought by certain creditors of Bancredito and other financial institutions formerly controlled by GFN, the Company's principal shareholder. The Company was added to these proceedings without prior notice or participation in the existing proceedings. In January 2006, the Company, together with the other co-defendants, entered into settlements with the private parties that originally brought the criminal actions, totaled \$2,182,105.

In December 2007, the company entered into settlement with Conaresa and its assignee, Northbridge Enterprises, Inc and GFN and its assignee, Artag Meridiam in order to close the legal action interposed by Conaresa and GFN. To get this settlement the company had to pay \$988,000 and \$1,112,000 approximately to Artag Meridiam, LLT (a related company of Tricom S.A) and Northbridge Enterprises, Inc., respectively (See more detail of this transaction in footnote 16 c (ii)).

- (c) During the year ended December 31, 2005 these amounts correspond to payments made to Omni, T.V. arising from to a contract signed between the Company and Omni, T.V. to manage the relationship with international cable programmers.
- (d) These interest expenses tie to the loans from commercial paper and other debt from related parties described in note 6, letters (b).

7. Certificates of deposits and other investments

At December 31, 2006 and 2007 the company had mortgage participation contracts by \$690,410 and \$337,666, respectively, purchased from unrelated savings and loans associations in the Dominican Republic. These contracts earned interest at rates ranging from 5% to 10% per annum in 2005, 2006 and 2007 respectively. These investments are maintained as compensating balances for mortgage loans made by these savings and loans associations to certain officers and employees of the Company.

8. Intangible assets and goodwill

Intangible assets

There were no acquisitions of intangible assets during the years ended December 31, 2005, 2006 and 2007. The summary of changes in the Company's intangible assets (other than goodwill) during the years ended December 31, 2005, 2006 and 2007, is as follows:

	<u>License</u>
Balances at December 31, 2005	\$ 2,664,641
Impairment charge	-
Balances at December 31, 2006	\$ 2,664,641
Impairment charge	-
Balances at December 31, 2007	\$ <u>2,664,641</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The intangible assets are determined to have indefinite useful lives due to their expected ability to generate cash flows indefinitely. The cable license is based on an agreement signed with the Dominican government, which has an indefinite life. In the case of broadcasting contracts, the contracts can be renewed automatically without additional payment. The Company performed its annual impairment review for intangible assets and it was determined that there were no impairment charges for the years 2005, 2006 and 2007.

9. Other assets

Other assets at December 31, 2006 and 2007 consisted of the following:

	<u>2006</u>	<u>2007</u>
Deposits	\$ 420,276	\$ 450,864
Radio frequency rights, net (a)	2,639,774	2,422,846
Other (b)	<u>1,248,577</u>	<u>1,010,212</u>
	<u>\$ 4,308,627</u>	<u>\$ 3,883,922</u>

(a) At December 31, 2006 and 2007, these amounts represent payments for frequency usage rights to expand the Company's cellular and PCS capacity in the Dominican Republic. For the years ended December 31, 2005, 2006 and 2007, the amortization expense corresponding to the frequency usage rights in the Dominican Republic amounted to \$216,928, \$216,959 and \$216,928, respectively.

(b) A detail of this amount is as follows:

	<u>2006</u>	<u>2007</u>
Equipment held for investment (Enron)	\$ 81,022	\$ -
Restructuring legal retainers	918,900	995,000
Other bank commission	<u>248,655</u>	<u>15,212</u>
	<u>\$ 1,248,577</u>	<u>\$ 1,010,212</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

10. Borrowed funds - banks

Funds borrowed by the Company consist of:

	<u>2006</u>	<u>2007</u>
<u>Funds denominated in US dollars:</u>		
Banco Central of the Dominican Republic - Loans made a result of draws on stand-by letters of credit issued on behalf of the Company by Bancrédito, a financial institution that was related to the Company at the time the letters of credit were issued and was sold in 2003 to a third party in a transaction involving the Central Bank. In that sale transaction, the Central Bank agreed to assume liability for the letters of credit. The loans made by the Central Bank accrue interest at rates ranging from 10.25% to 14% per annum. The Company has not paid interest on its unsecured debt since September 2004. As of December 31, 2007 this debt was sold to Citigroup.	\$ 7,395,081	\$ 7,395,081
Credit Suisse - Secured loan by transmission equipment with an approximate book value of \$5.2 million and accrues interest at an annual rate of 5% per annum.	3,000,000	3,000,000
Credit Suisse - Secured loan with Credit Suisse First Boston, interest at an annual rate of 10%.	7,276,956	7,276,956
Stark Trading – Unsecured loan with Stark Trading Co. which accrues interest at an annual rate of 10.25%.	20,426,773	20,426,773
Bancredito Panama - Unsecured loans of letter of credit, bearing interest at rates ranging from 9.5% to 11.5% per annum.	1,282,803	1,282,803
Bancredito Panama – Unsecured loan, bearing interest at 11.5% per annum. This loan was granted for a five-year period maturing in December 2007.	6,601,131	6,601,131
Deutsche Bank - Capital lease (Conaresa) to borrowed funds-bank.	–	11,922,828
Unsecured loans with various banks: Citigroup and GE Capital Solutions.	1,733,309	900,000
Bank overdrafts owed to Bancredito Cayman as of December 31, 2006 and Bancredito Cayman, Banco del Progreso and Bank of America as of December 31, 2007.	120,066	470,823
	<u>47,836,119</u>	<u>59,276,395</u>
<u>Funds denominated in Dominican Pesos:</u>		
These loans represented RD\$41,444,000 bearing interest at a rate of 40% per annum.	1,226,880	1,206,873
	<u>\$ 49,062,999</u>	<u>\$ 60,483,268</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

11. Commercial paper

As of December 31, 2006 and 2007, commercial paper bank issued by the Company consisted of:

	<u>2006</u>	<u>2007</u>
Commercial paper in US dollars (a)	\$ 18,354,588	\$ 18,354,588
Commercial paper in US dollars related parties (note 6 (b))	35,184,420	35,184,420
Commercial paper in Dominican pesos related parties (b)	<u>1,145,071</u>	<u>1,126,397</u>
Total commercial paper	54,684,079	54,665,405
Less short-term commercial paper	<u>54,684,079</u>	<u>54,665,405</u>
Long-term commercial paper	\$ <u>-</u>	\$ <u>-</u>

- (a) At December 31, 2006 and 2007, these instruments accrued interest at annual rates ranging from 11% to 14.93%.
- (b) At December 31, 2006 and 2007, commercial paper denominated in Dominican Pesos consisted of RD\$38,680,538 (equivalent to US\$1,145,071 and \$1,126,397) using the prevailing exchange rate at that date, which was \$33.78 and \$34.34, respectively, per US\$1.00, bearing interest at annual rates ranging between 20% to 29% . At December 31, 2006 and 2007 the Company did not have a facility for the issuance of commercial paper (See note 6 (b)).

A portion of the commercial paper issued by the Company is held by related parties (See note 6 (b)). All commercial paper issued by the Company and outstanding at December 31, 2006 and 2007 are due on demand. These obligations were issued through the related company "Acciones y Valores, S. A." and through an unrelated company "Valores Profesionales, S. A."

The following is a schedule of the maturity for such debt at December 31, 2006 and 2007:

	<u>2006</u>	<u>2007</u>
Due on demand	\$ <u>54,684,079</u>	\$ <u>54,665,405</u>
Total	\$ <u>54,684,079</u>	\$ <u>54,665,405</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

12. Capital leases

The Company has entered into various capital lease contracts with Conaresa, a former related party that until 2003 was owned and controlled by GFN, S. A

At December 31, 2006, the Company had not made the lease payments due during 2006. The contracts for capital leases provide that in case payments are not made, the lender could cancel the contracts. Due to this fact, the debt has been classified in its entirety as a current liability in the accompanying balance sheets at December 31, 2006.

At December 31, 2006 the capital lease contracts also provide for interest and penalty interest in unspecified amounts to be determined by the lessor.

At December 31, 2007 the capital lease from Conaresa was sold to Deutsche Bank (See full explanation of this transaction in footnote 16 c (ii).

Assets recorded under these capital leases consist of:

	<u>2006</u>	<u>2007</u>
Transportation	\$ 1,286,142	\$ -
Machinery and equipment	105,414	-
	<u>1,391,556</u>	<u>-</u>
Less accumulated depreciation	<u>(1,391,556)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

At December 31, 2006, the fixed assets under capital leases were fully depreciated.

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

13. Current portion of long-term debt

The outstanding debt at December 31, 2006 and 2007 was in default and consequently classified as a current liability in the Company's balance sheet. Outstanding debt consists of the following:

	<u>2006</u>	<u>2007</u>
Senior notes (a)	\$ 200,000,000	\$ 200,000,000
Bank loans and notes payable:		
Loans denominated in Dominican Pesos equivalent to RD\$162,400,000 at December 31, 2006 and 2007. These loans carried annual interest rates ranging from 36% to 40% per annum at December 31, 2006 and 2007 respectively.	4,807,578	4,729,178
Loans with variable annual interest between 4.90% and 9.33% at December 31, 2006 and 2007, respectively. These loans are payable in installments up to 2007. A related party company secures these loans. Some of these loans include clauses with respect to non-compliance of payments of installments of interest and principal, maintaining the levels of assets and debts, among others. At December 31, 2003, the Company had not complied with the debt contracts and, as a result, these loans may be called on demand with the exception of the GE Capital Solutions note. At December 31, 2006 and 2007, these loans were classified as current liabilities in the consolidated balance sheet.	58,390,805	58,390,805
Loans which pay interest at rates ranging between 9.5% and 15.50% per annum and at December 31, 2006 and 2007. These loans have maturities up to 2007. Some of the loans are secured by liens on telecommunications equipment and a mortgage over Real Estate (Tricom Duarte) with a book value of approximately \$15.3 million at December 31, 2006. Some of these loans include clauses related to non-compliance with the timely payment of interest and principal and maintaining a minimum of assets and debts. At December 2006 and 2007 these loans were classified as current liabilities on the consolidated balance sheet	44,219,510	44,225,704
Total bank loans and note payable	107,417,893	107,345,687
Total long-term debt	307,417,893	307,345,687
Less current portion of long-term debt	302,630,101	303,455,307
Long-term debt excluding current portion	\$ <u>4,787,792</u>	\$ <u>3,890,380</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(a) Senior Notes

On August 15, 1997, the Company issued \$200,000,000 aggregate principal amount of 11 3/8% Senior Notes due in 2004 (the "Senior Notes"). Interest on the Senior Notes is payable in semi-annual installments on March 1st and September 1st of each year.

On September 2, 2003 the Company did not pay interest due on the Senior Notes in the amount of \$11.3 million. According to the terms governing the notes, the Company had a period of 30 additional days to comply with the payment of the interest, but on October 2, 2003 the Company announced that it would not be able to make the interest payment. The Company commenced a discussion process with certain holders of the Senior Notes and other creditors.

The Senior Notes are senior unsecured obligations of the Company ranking *pari passu* in right of payment with all other existing and future senior debt, and will rank senior to any future subordinated indebtedness.

The indenture for the Senior Notes contains certain covenants that, among other things, limit the ability of the Company and its Restricted Subsidiaries, as defined in the indenture, to incur additional indebtedness and issue preferred stock, pay dividends or make other distributions, repurchase equity interests or subordinated indebtedness, engage in sale and leaseback transactions, create certain liens, enter into certain transactions with affiliates, sell assets of the Company or its Restricted Subsidiaries, engage in any business other than the telecommunications business, issue or sell equity interests of the Company's Restricted Subsidiaries or enter into certain mergers and consolidations.

The Senior Notes are guaranteed fully, unconditionally, jointly and severally by each of the Company's Restricted Subsidiaries, as defined in the indenture for the Senior Notes, each of which is wholly owned by the Company. Separate financial statements of each of the guarantor subsidiaries have not been presented herein because management has determined that such separate financial statements would not be material to the holders of the Senior Notes.

Summarized condensed consolidated financial information of TRICOM, S. A. (Parent Company), the subsidiary guarantors on a combined basis (GFN Comunicaciones, TRICOM Centro America, S. A., Call Tel Corporation, TRICOM USA and Subsidiaries, TRICOM Latinoamérica, S. A., TRICOM, S. A. Panama and TCN Dominicana, S. A.) and the subsidiary non-guarantor (TRICOM Panama, S. A. formerly Cellular Communications of Panama, S. A.) at December 31, 2006 and 2007 and for the years ended December 31, 2005, 2006 and 2007 is as follows (See note 1):

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Balance sheet data at December 31, 2006:

<u>Assets</u>	<u>TRICOM, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Current assets:				
Cash on hand and in banks	\$ 18,232,261	\$ 4,840,182	\$ -	\$ 23,072,443
Accounts receivable, net	88,897,133	25,777,954	(87,711,566)	26,963,521
Other current assets	16,213,778	897,243	-	17,111,021
Total current assets	123,343,172	31,515,379	(87,711,566)	67,146,985
Property and equipment net	232,300,001	42,060,932	-	274,360,933
Restricted Cash	1,746,875	148,745	-	1,895,620
Other non-current assets	5,977,340	1,004,213	-	6,981,553
Total assets	<u>\$ 363,367,388</u>	<u>\$ 74,729,269</u>	<u>\$ (87,711,566)</u>	<u>\$ 350,385,091</u>
<u>Liabilities and Stockholders' Equity</u>	<u>TRICOM, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Current liabilities:				
Borrowed funds-banks	\$ 40,725,289	\$ 8,337,710	\$ -	\$ 49,062,999
Commercial paper and current portion of long term-debt	318,201,769	2,782,919	-	320,984,689
Commercial paper and current portion of long term-debt - related parties	57,792,694	-	-	57,792,694
capital leases	14,531,322	-	-	14,531,322
Accounts payable	27,118,294	60,687,518	(59,290,164)	28,515,648
Other current liabilities	119,083,386	121,423,349	-	240,894,476
Total current liabilities	577,452,754	193,231,496	(59,098,353)	711,781,828
Other non-current liabilities	551,040	4,787,792	-	5,338,832
Total liabilities	578,003,794	198,215,950	(59,098,353)	717,120,660
Stockholders' deficit	(214,636,406)	(123,485,950)	(28,613,212)	(366,735,569)
Total liabilities and stockholders' equity	<u>\$ 363,367,388</u>	<u>\$ 74,729,269</u>	<u>\$ (87,711,566)</u>	<u>\$ 350,385,091</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Balance sheet data at December 31, 2007:

<u>Assets</u>	<u>TRICOM, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Current assets:				
Cash on hand and in banks	\$ 18,741,646	\$ 4,441,795	\$ -	\$ 23,183,441
Accounts receivable, net	89,971,396	26,540,929	(94,415,510)	22,096,815
Other current assets	11,182,105	721,591	-	11,903,696
Total current assets	119,895,147	31,704,315	(94,415,510)	57,183,952
Property and equipment net	221,231,755	36,272,147	-	257,503,902
Restricted Cash	843,624	123,022	-	966,646
Other non-current assets	5,553,776	1,127,928	-	6,681,704
Total assets	<u>\$ 347,524,302</u>	<u>\$ 69,227,412</u>	<u>\$ (94,415,510)</u>	<u>\$ 322,336,204</u>
<u>Liabilities and Stockholders' Equity</u>	<u>TRICOM, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Current liabilities:				
Borrowed funds-banks	\$ 52,977,861	\$ 7,505,407	\$ -	\$ 60,483,268
Commercial paper and current portion of long term-debt	320,912,482	897,413	-	321,809,895
Commercial paper and current portion of long term-debt - related parties	58,435,004	2,737,536	-	61,172,540
capital leases	-	-	-	-
Accounts payable	22,650,110	64,292,445	(65,802,491)	21,140,064
Other current liabilities	131,124,485	160,621,437	-	291,745,922
Total current liabilities	586,099,942	236,054,238	(65,802,491)	756,351,689
Other non-current liabilities	200,000	3,935,380	-	4,135,380
Total liabilities	586,299,942	239,989,618	(65,802,491)	760,487,069
Stockholders' deficit	(238,775,640)	(170,762,206)	(28,613,019)	(438,150,865)
Total liabilities and stockholders' equity	<u>\$ 347,524,302</u>	<u>\$ 69,227,412</u>	<u>\$ (94,415,510)</u>	<u>\$ 322,336,204</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Statements of operations for the year ended December 31, 2005:

	<u>TRICOM, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Operating revenues	\$ 135,310,532	\$ 82,214,114	\$ -	\$ 217,524,646
Operating costs	<u>(146,531,995)</u>	<u>(88,662,562)</u>	<u>-</u>	<u>(235,194,557)</u>
Operating loss from continuing operations	(11,221,463)	(6,448,448)	-	(17,669,911)
Other expenses, net	<u>(72,152,615)</u>	<u>(42,447,946)</u>	<u>48,078,546</u>	<u>(66,522,015)</u>
Loss from continuing operations and before income taxes	(83,374,078)	(48,896,394)	48,078,546	(84,191,926)
Income taxes	<u>-</u>	<u>817,848</u>	<u>-</u>	<u>817,848</u>
Net loss	<u><u>\$ (83,374,078)</u></u>	<u><u>\$ (48,078,546)</u></u>	<u><u>\$ 48,078,546</u></u>	<u><u>\$ (83,374,078)</u></u>

Statements of operations for the year ended December 31, 2006:

	<u>TRICOM, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Operating revenues	\$ 173,516,690	\$ 83,958,605	\$ (39,374,940)	\$ 218,100,355
Operating costs	<u>(191,890,540)</u>	<u>(83,018,356)</u>	<u>39,374,940</u>	<u>(235,533,956)</u>
Operating loss from continuing operations	(18,373,850)	940,249	-	(17,433,601)
Other expenses, net	<u>(27,488,330)</u>	<u>(40,763,446)</u>	<u>-</u>	<u>(68,251,776)</u>
Loss from continuing operations before income taxes	(45,862,180)	(39,823,197)	-	(85,685,377)
Income taxes	<u>(1,053,956)</u>	<u>(801,749)</u>	<u>-</u>	<u>(1,855,705)</u>
Net loss	<u><u>\$ (46,916,136)</u></u>	<u><u>\$ (40,624,946)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (87,541,082)</u></u>

Statements of operations for the year ended December 31, 2007:

	<u>TRICOM, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Operating revenues	\$ 173,479,670	\$ 64,638,983	\$ (23,076,186)	\$ 215,042,467
Operating costs	<u>(179,785,850)</u>	<u>(73,548,343)</u>	<u>23,076,186</u>	<u>(230,258,007)</u>
Operating loss from continuing operations	(6,306,180)	(8,909,360)	-	(15,215,540)
Other expenses, net	<u>(13,087,127)</u>	<u>(40,788,714)</u>	<u>-</u>	<u>(53,875,841)</u>
Loss from continuing operations before income taxes	(19,393,307)	(49,698,074)	-	(69,091,381)
Income taxes	<u>(2,057,979)</u>	<u>(265,936)</u>	<u>-</u>	<u>(2,323,915)</u>
Net loss	<u><u>\$ (21,451,286)</u></u>	<u><u>(49,964,010)</u></u>	<u><u>-</u></u>	<u><u>(71,415,296)</u></u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Statement of Cash flows for the year ended December 31, 2005:

	<u>Tricom, S.A. Parent Co.</u>	-	<u>Subsidiary Guarantors</u>	-	<u>Consolidating Adjustments</u>	-	<u>Total Consolidated</u>
Net cash provided by (used in) operating activities	\$ 59,265,034	\$	(16,052,864)	\$	-	\$	43,212,170
Net cash used in investing activities	(26,350,788)		(1,934,985)		-		(28,285,773)
Net cash (used in) provided by financing activities	<u>(6,431,104)</u>		<u>6,027,562</u>		<u>-</u>		<u>(403,542)</u>
Net increase (decrease) in cash on hand and in banks	26,483,142		(11,960,287)		-		14,522,855
Cash on hand and in banks at beginning of the year	<u>1,029,011</u>		<u>16,561,162</u>		<u>-</u>		<u>17,590,173</u>
Cash on hand and in banks at the end of the year	<u>\$ (27,512,153)</u>	\$	<u>4,600,875</u>	\$	<u>=</u>	\$	<u>32,113,028</u>

Statement of Cash flows for the year ended December 31, 2006:

	<u>Tricom, S.A. Parent Co.</u>		<u>Subsidiary Guarantors</u>		<u>Consolidating Adjustments</u>		<u>Total Consolidated</u>
Net cash provided by operating activities	\$ 14,276,432	\$	3,312,546	\$	-	\$	17,588,978
Net cash used in investing activities	(23,498,134)		(2,772,586)		-		(26,270,720)
New cash used in financing activities	<u>(58,190)</u>		<u>(300,653)</u>		<u>-</u>		<u>(358,843)</u>
Net (decrease) increase in cash on hand and in banks	(9,279,892)		239,307		-		(9,040,585)
Cash on hand and in banks at beginning of the year	<u>27,512,153</u>		<u>4,600,875</u>		<u>-</u>		<u>32,113,028</u>
Cash on hand and in banks at the end of the year	<u>\$ 18,232,261</u>	\$	<u>4,840,182</u>	\$	<u>-</u>	\$	<u>23,072,443</u>

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Statement of Cash flows for the year ended December 31, 2007:

	<u>Tricom, S.A. Parent Co.</u>	<u>Subsidiary Guarantors</u>	<u>Consolidating Adjustments</u>	<u>Total Consolidated</u>
Net cash provided by operating activities	\$ 26,843,418	\$ 1,634,090	\$	\$ 28,477,508
Net cash used in investing activities	(26,683,786)	(1,195,898)		(27,879,684)
New cash used in financing activities	<u>349,753</u>	<u>(836,579)</u>		<u>(486,826)</u>
Net (decrease) increase in cash on hand and in banks	509,385	(398,387)		110,998
Cash on hand and in banks at beginning of the year	<u>18,232,261</u>	<u>4,840,182</u>		<u>23,072,443</u>
Cash on hand and in banks at the end of the year	<u>\$ 18,741,646</u>	<u>\$ 4,441,795</u>	<u>\$</u>	<u>\$ 23,183,441</u>

14. Stockholders' equity

Introduction

The authorized capital stock of the Company consists of 55,000,000 shares of Class A common stock and 25,000,000 shares of Class B common stock.

Subject to the matters described in Note 3 to the consolidated financial statements included in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2004 (the "2004 Financial Statements") and under "December 2002 Private Placement" below, all of the Company's outstanding shares are duly authorized, validly issued and fully paid. Both classes of capital stock vote together as a single class, except on any matter that would adversely affect the rights of either class. The Class A common stock has one vote per share and the Class B stock has ten votes per share. The economic rights of each class of capital stock are identical.

December 2002 Private Placement

In December 2002 the Company completed the Placement (the "Placement") of 21,212,121 shares of Class A Common Stock, as described in Note 3 to the 2004 Financial Statements. Various related parties were involved in the Placement as described in Notes 3 and 6 to the 2004 Financial Statements. In its letter requesting initiation of the Special Committee's (as defined in Note 3 to the 2004 Financial Statement) investigation, the Company's former independent auditor, the member firm of KPMG International in the Dominican Republic ("KPMG"), stated that the investigation should determine whether the Placement qualified to be recorded as equity on the Company's consolidated balance sheet as at December 31, 2002. The resolutions appointing the Special Committee authorized it to, among other matters, conduct a review of the Placement to determine facts reasonably necessary to allow the Company and its advisors to determine the appropriate accounting treatment to be given to the Placement. The Special Committee Report included a report by BDO Seidman LLP, a national public accounting firm ("BDO") that, in summary, stated that varying conclusions as to whether the Company properly accounted for the Placement can be reached based on different hypothetical fact scenarios. Under certain hypothetical fact scenarios, the accounting treatment of the Placement as equity would remain unchanged.

TRICOM, S.A. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Under certain alternative hypothetical fact scenarios, BDO stated that the consolidated financial statements of the Company included in its Annual Report on Form 20-F for the fiscal year ended December 31, 2002 “should be restated to reflect the proceeds of the Placement as debt, or “mezzanine financing” (and not as “permanent equity”) if (a) the Placement and/or the conduct of the relevant parties related to the Placement could be deemed fraudulent and/or any applicable laws or regulations (including applicable SEC laws and regulations) were violated in connection with the Placement and, (b) a court of competent jurisdiction, as a remedy in litigation initiated by the SEC or a third party, has power to, and possibly could, order and compel a rescission of the Placement. The Company’s management is not at this time in a position to definitively determine which, if any, of BDO’s hypothetical scenarios most closely resembles the circumstances surrounding the Placement. Determinations as to the conduct of the relevant parties involved in the Placement are inherently fact intensive, and therefore uncertain, and in certain of the relevant jurisdictions it is unclear whether or not a rescission remedy would be available based on the facts currently known to the Company’s management. Furthermore, the Company has received advice from counsel representing its independent accounting firm questioning whether certain of the accounting literature cited by BDO in support of its rescission analysis is applicable to the circumstances surrounding the Placement.

In light of these uncertainties, and the limited records relating to the Placement available to it, the Company’s management has weighed the following factors, among others, in reaching a determination as to the appropriate accounting treatment of the Placement. On the one hand, the Company’s board minutes and stock books, the records of its transfer agent, the Company’s internal accounting records, certain resolutions of the liquidator of Bancrédito Panama, the stated purpose of the investor financing provided by Bancrédito Panama, and those records available to the Company’s management documenting the application of the proceeds of the Placement, all indicate that Class A common stock was issued in the Placement, supporting the Company’s management’s belief that the intent behind, and the effect of, the transaction was to increase stockholders’ equity. These factors would tend to indicate that the Placement should continue to qualify to be recorded as equity on the Company’s balance sheet as of December 31, 2002. On the other hand, the incomplete nature of the records of the transaction currently available to the Company’s management, in particular the lack of subscription or similar documentation establishing a legal relationship between the Company and the investors, incomplete and in some cases inconsistent records as to both the receipt and application by the Company of the proceeds of the Placement, the possible non-recourse nature of the financing provided to the investors in the Placement, the involvement of related parties in providing that financing, and suggestions that negotiation of the transactions surrounding the Placement was not in all respects at arm’s length, raise questions as to whether the Placement should continue to be recorded as equity in accordance with generally accepted accounting principles. After weighing these factors, the Company’s management has concluded that, on balance, the Placement should continue to qualify to be recorded as equity on its consolidated balance sheet as at December 31, 2002, but acknowledges that this conclusion is not beyond dispute and may change if additional information becomes available that is inconsistent with this treatment.

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15. Income taxes

TRICOM, S. A. (Parent Company) and its subsidiaries operate in several jurisdictions and under different tax regimes, of which the most relevant operations are located in the Dominican Republic, the United States of America and until February 2004, Panama. Accordingly, each subsidiary must file income and other tax returns for its operations in these and other jurisdictions. Because of the differences in the tax legislation in each country, each of the individual subsidiaries must file separate income tax returns instead of one return on a consolidated basis.

Therefore, the information about corporate income tax expense for the years ended December 31, 2005, 2006 and 2007, respectively, represents the sum of the tax obligations of each of the consolidated subsidiaries.

The components of the Company's provision for (benefit from) income taxes are summarized as follows:

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Year ended December 31, 2005:			
U.S. Federal	\$ -	\$ 817,848	\$ 817,848
Dominican Republic	-	-	-
	<u>\$ -</u>	<u>\$ 817,848</u>	<u>\$ 817,848</u>
Year ended December 31, 2006:			
U.S. Federal	\$ -	\$ (532,595)	\$ (532,595)
Dominican Republic (a)	(1,323,110)	-	(1,323,110)
	<u>\$ (1,323,110)</u>	<u>\$ (532,595)</u>	<u>\$ (1,855,705)</u>
Year ended December 31, 2007:			
U.S. Federal	\$ -	\$ 249	\$ 249
Dominican Republic (a)	(2,324,164)	-	(2,324,164)
	<u>\$ (2,324,164)</u>	<u>\$ 249</u>	<u>\$ (2,323,915)</u>

The component of deferred tax assets and liabilities are as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Deferred tax assets:</u>			
Deferred revenues	\$ 1,436,260	\$ 163,123	\$ 30,011
Section 481	-	-	103,130
Property, plant and equipment in the Dominican Republic	14,487,443	12,992,519	12,741,657
Net operating loss	111,711,894	128,983,179	122,392,812
Tax credit carry forward	96,369	96,369	96,368
Gross deferred tax assets	<u>127,731,966</u>	<u>142,235,190</u>	<u>135,363,978</u>
Valuation allowance	<u>(126,295,706)</u>	<u>(137,974,184)</u>	<u>(132,202,047)</u>
Deferred tax assets, net	<u>1,436,260</u>	<u>4,261,006</u>	<u>3,161,931</u>

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	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Deferred tax liabilities:</u>			
Property and equipment in USA	433,895	4,089,598	3,161,931
US IRC Sec. 481 adjustment	470,018	171,657	-
Gross deferred tax liabilities	<u>903,913</u>	<u>4,261,255</u>	<u>3,161,931</u>
Deferred tax, net	\$ <u>532,347</u>	\$ <u>(249)</u>	\$ <u>-</u>

a) At December 31, 2006 the tax rate applicable was 30% as per amendment to the law 11-92 and No.557-05 effective since January 1, 2006. The amendment requires the Companies to pay taxes based on the greater of 1% of the total net assets (less investment in another company stock, farm land and deferred taxes) or 30% of the net taxable income. In 2007 income tax law was modified and based on this amendment to 11-92 law, the taxable rate for the company went back to 25%. As a result, TRICOM S.A and TCN Dominicana S.A current tax is approximately RD\$44,300,000 (equivalent to US\$1,323,110) for the year ended in December 31, 2006 and RD\$77,215,000 (equivalent to \$2,324,164) for year ended in December 31, 2007.

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

At December 31, 2007, TRICOM U.S.A, the subsidiary in the United States has an unused net operating loss carry forward which for US income tax purpose may be used to offset future taxable income, if any, until 2027 and expires as follows:

<u>Year</u>	
2018	\$ 561,115
2020	38,173
2021	1,337,981
2022	11,699,337
2023	15,227,395
2024	34,681,203
2025	41,566,837
2026	39,408,406
2027	<u>49,156,670</u>
Total	\$ <u>193,677,117</u>

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16 Commitments and contingencies

A summary of commitments and contingencies at December 31, 2006 and 2007 is as follows:

(a) Commitments:

(i) TRICOM maintains contracts with foreign entities for the traffic of overseas calls. Such contracts require each entity to obtain the necessary facilities to establish, maintain and operate its respective terminals. The cost of each contract is based upon negotiated rates, which are computed based on the amount of traffic each month. For the years ended December 31, 2005, 2006 and 2007 this cost amounted to \$4,379,036, \$4,009,854 and \$4,692,9267 respectively, and is included in the cost of sales and services in the accompanying consolidated statements of operations.

(ii) On May 8, 1997, the Federal Communications Commission (FCC) issued an order to adopt the provisions of the Telecommunications Act of 1996 relating to the preservation and advancement of universal telephone service (the "Universal Service Order"). The Universal Service Order requires all telecommunications carriers providing interstate telecommunications services to contribute to universal service by contribution to a Order (the "Universal Service Order"). Universal Service Order contributions were assessed based upon intrastate, interstate and international end-user gross telecommunications revenue effective January 1 through December 31.

At December 31, 2005, 2006 and 2007 the Company contributed \$44,816, \$32,985 and \$17,790 respectively, to the "Universal Service Order" on end-user telecommunications revenue of \$472,730, \$359,161 and \$184,607 for the years then ended, respectively. The contribution paid is included as part of selling, general and administrative expenses in the accompanying consolidated statements of operations.

(iii) The subsidiary dedicated to cable television systems operations has contracts with television and network companies around the world for the transmission of programming content in the Dominican Republic. Such companies required monthly payments that range between \$0.05 and \$12.5 per subscriber in 2005, 2006 and 2007. The terms of these contracts fluctuate between two and three years and are renewable at the option of the parties. For the years ended December 31, 2005, 2006 and 2007 the total amount of these payments was \$2,423,657, \$5,793,153 and \$6,502,861, respectively, which is included as part of the cost of sale and services in the accompanying consolidated statements of operations. The subsidiary had a trade agreement with Omnimedia S.A, a related party to receive publicity service in exchange of television services (advertising announcements). Part of the agreement involves managing the international cable programmers. According to management and the market practice, the cost of cable programmers is considered as a product and not as a service and therefore is not subject to the 25% income tax withholding.

(iv) The Company has employment agreements with certain of its executive's officers, the terms of which expire at January 14, 2006. Such agreements provide minimum salary levels, as well as incentive bonuses that are payable if specified management goals are reached. The aggregate commitment for future salaries at December 31, 2006 excluding bonuses is approximately \$2,323,979. There is not commitment at December 31, 2007.

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(v) The telecommunications law of the Dominican Republic (Law 153-98) requires that companies operating in this sector pay to the Instituto Dominicano de Telecomunicaciones (INDOTEL) a monthly fee equivalent to 2% of their international net income. For the years ended December 31, 2005, 2006 and 2007 this expense amounted to \$487,169, \$563,840 and \$530,438 respectively, which is included as part of selling, general and administrative expenses in the accompanying consolidated statements of operations.

(vi) The subsidiary Tricom USA, Inc. has guaranteed for loans made to Tricom S.A., its parent company. Two guarantees are to The International Bank of Miami as lender and Export-Import Bank of the United States for \$36,002,530 on July 2000 and \$20,000,000 on November 2000 respectively. The first is a five-year loan with an interest rate equal to the sum of LIBOR for the applicable period plus 2.25 percent per annum, the second has the same interest rate and the loan payment term could be from two to seven years. The outstanding balance as of year-end is \$40,481,013. The third is a corporate guarantee to the Export Development of Canada for \$1,122,000 on May 27, 2002 with the rate of interest of LIBOR plus 4% per annum. The loan term is 18 months to be paid in 5 consecutive semi-annual installments commencing on September 30, 2002. This loan is to be paid in three installments, the last installment is due in June 30, 2004 and the interest rate is equal to the sum of Eurodollar rate and the applicable margin. Since October 2003, TRICOM, S.A. has made no interest or principal payments on any of its debt. TRICOM, S.A., is negotiating with the lenders but at this time there is no assurance that an agreement will occur.

(b) Lease obligations

The Company maintains operating leases for the use of office space, telecommunications centers, commercial offices, warehouse, automobiles and others. These operating leases are renewable at the end of the lease period, which is usually one year. Expenses for these leases in 2005, 2006 and 2007 amounted to approximately \$2,005,726, \$3,640,011 and \$2,442,500 respectively, and are included in selling, general and administrative expenses in the consolidated statements of operations. The commitment estimated for lease payments for the next four years is as follow:

Year	Amount
2008	3,207,600
2009	3,464,000
2010	3,750,000
2011 and beyond	<u>4,050,000</u>

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(c) Legal proceedings:

(i) *United States Bankruptcy Proceedings.*

In September 2003 the Company announced that it would not be making a scheduled interest payment on its 11 3/8% Senior Notes due 2004. In October 2003 the Company suspended principal and interest payments on its unsecured indebtedness and principal payments on its secured indebtedness. As a result, the Company is currently in default on substantially all of its indebtedness, which was approximately \$447.1 million in outstanding principal amount as of December 31, 2007. Shortly after the September 2003 default, an Ad Hoc Committee (the "Ad Hoc Committee") comprised of certain holders of the Company's 11 3/8% Senior Notes due 2004 and other significant creditors was formed. There followed extensive discussions among representatives of the Company, the Ad Hoc Committee and certain affiliates of GFN, the Company's majority shareholder, who are also significant creditors.

In January 2007 the Company entered into a Plan Support and Lock-Up Agreement and related term sheet (collectively, as amended, the "Plan Support Agreement") with its largest secured creditor and unsecured creditors representing more than 70% by principal amount of the Company's unsecured indebtedness. The Plan Support Agreement was amended in August and December 2007 to, among other matters, extend certain deadlines for filing bankruptcy proceedings in the United States. Pursuant to the Plan Support Agreement, the Company solicited votes from its creditors on its proposed "prepackaged" plan of reorganization (the "Plan of Reorganization"). On February 29, 2008, after the requisite creditor votes were obtained, the Company and its two principal operating subsidiaries, TCN Dominicana, S.A., and Tricom USA, Inc., filed petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

In general, the Plan of Reorganization contemplated by the Plan Support Agreement provides for an exchange of all of the Company's unsecured borrowed money obligations for a pro rata share of (i) new secured notes to be issued by reorganized Tricom and (ii) all of the equity in a newly formed holding company. This will result in a substantial reduction of the amount of the Company's indebtedness. Holders of the Company's existing secured indebtedness will be subject to separate treatment on a case-by-case basis. The interests of the existing holders of the Company's equity, including the American Depositary Shares, will be effectively eliminated. The reorganization contemplated by the Plan Support Agreement is not intended to affect the Company's ordinary course trade obligations.

Following the Company's Chapter 11 filing, claims were asserted against the Company and objections were raised to the Chapter 11 process and confirmation of the Company's proposed Plan of Reorganization by the successors to three financial institutions formerly related to the Company: Banco Multiple Leon, S.A. ("Banco Leon"), the successor in interest to Banco Nacional de Crédito ("Bancrédito Dominican Republic"), a Dominican Republic banking institution formerly controlled by GFN; the Joint Official Liquidators of Bancredit Cayman Limited ("Bancredit Cayman"); and the liquidator of Bancrédito (Panamá), S.A. ("Bancrédito Panamá"). Among the pleadings filed were requests to appoint an examiner and motions to reclassify the claims of the liquidators of Bancredit

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Cayman and Bancrédito Panamá. In light of these objections, the Bankruptcy Court ordered the Company to file Schedules of Assets and Liabilities and Statements of Financial Affairs and to set a "bar date" of July 8, 2008 by which parties who believed they had claims against the Company were required to file proofs of claim.

Prior to the bar date, Banco Leon, Bancredit Cayman and Bancrédito Panamá filed proofs of claim totaling \$265.9 million in principal amount, together with interest accrued through commencement of the Company's bankruptcy proceedings of \$140.7 million. Of these claims, \$163.8 million in principal amount (two claims of \$70 million each filed by Bancredit Cayman and Bancrédito Panamá, and a claim of \$23.8 million filed by Banco Leon) allegedly arose from a series of transactions that took place in December 2002 in connection with the purchase (the "Placement") of shares of the Company's Class A Common Stock by a group of investors for an aggregate purchase price of approximately \$70 million. The Placement, which was described in the Company's Annual Report on Form 20-F for the year ended December 31, 2004 and the consolidated financial statements included in that report, involved a number of related parties, including Bancredit Cayman and Bancrédito Panamá. The balance of the claims, filed by Banco Leon and Bancredit Cayman, allegedly arose out of a separate series of transactions that occurred in 2002 and 2003. Aside from the claims filed by Banco Leon, Bancredit Cayman and Bancrédito Panamá, no other material claims not previously recognized in the Company's Plan of Reorganization were filed prior to the bar date.

The Company filed a motion to estimate the alleged claims of the liquidators of Bancredit Cayman and Bancrédito Panamá arising out of the Placement. Because the alleged claims are large in amount, it was necessary that the Bankruptcy Court estimate the claims before being able to determine whether the Company's Plan of Reorganization was feasible. The Company requested that the Bankruptcy Court estimate the claims of Bancredit Cayman arising out of the Placement at \$120,000 (the amount of the overdraft in the Company's account at Bancredit Cayman when it was closed in 2003) and the claims of Bancrédito Panamá at zero. The Company's motion for summary judgment on its estimation motion was denied by the Bankruptcy Court on August 13, 2008.

The Company believes that the claims alleged by Banco Leon, Bancredit Cayman and Bancrédito Panamá are unsubstantiated and without merit. Further, the Company believes that substantial parts of these alleged claims are duplicative and that certain elements of the interest claimed would not be allowed by the Bankruptcy Court. Nevertheless, it is likely that substantial time and expense will need to be incurred in order to litigate objections to, or otherwise satisfactorily resolve, these alleged claims, and there can be no assurance that the Company will ultimately be successful. In the absence of sustaining objections to, reserving for, or otherwise satisfactorily resolving, these alleged claims, it is unlikely that the Plan of Reorganization will be confirmed by the Bankruptcy Court.

Consummation of the proposed restructuring is subject to significant uncertainties. In addition to the matters described above, it is possible that creditors and others that have not signed the Plan Support Agreement may object to or otherwise seek to prevent the consummation of the proposed Plan of Reorganization. In addition, consummation of the proposed restructuring will be subject to, among other matters, obtaining certain governmental approvals. Accordingly, there can be no assurance that a successful restructuring of the Company's obligations will be effectuated, and even if the proposed

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Plan of Reorganization is consummated, the Company may not be able to service the new debt and other obligations resulting from the restructuring.

(ii) Claims by Conaresa

In the financial statement of 2006 the Company disclosed a Potential Claims Arising from Conaresa Lease in connection of several payments opposition from GFN and Artag Meridian Ltd freezing in the Company's hands any payments or other amounts owed by the Company to Conaresa.

On December 21, 2007, the Conaresa settlement and related transactions were closed.

Through the settlement with Conaresa, the Conaresa claim was redocumented and assigned to Deutsche Bank (which, we understand, participated the claim out to various other existing creditors of the Company).

The parties agreed to fix the amount of the Conaresa claims as follows:

- (a) All monetary claims held by Conaresa against Tricom were settled through the issuance by Tricom of a promissory note to Conaresa's assignee, Northbridge Enterprises, Inc. ("Northbridge"), in the amount of \$17,655,970, comprised of (i) \$11,922,828 of principal and (ii) \$5,733,142 of past due interest, which note will bear interest at 13% per annum on the \$11,922,828 principal amount. No interest will accrue on the \$5,733,142 past interest due amount. Contemporaneously with the settlement, the Northbridge Promissory Note was sold and assigned to Deutsche Bank.
- (b) As part of the settlement, all payment oppositions and other litigation initiated by Conaresa and its assignee, Northbridge, and GFN and its assignee, Artag Meridian ("Artag"), were dismissed and mutual releases exchanged.
- (c) In connection with the settlement, Tricom USA, pursuant to a Supplementary Settlement Agreement, paid \$987,500 to Artag, a GFN S.A. affiliate, \$387,000 of which the Company understands was to be paid by GFN/Artag to Fernando Langa, counsel to GFN/Artag. Pursuant to the Supplementary Settlement Agreement, if certain conditions are not met, such as the filing of the Chapter 11 cases, despite successful solicitation of a prepackaged bankruptcy and having obtained the requisite majorities required to confirm the Plan, the payment to Artag/GFN, including any amounts paid to Fernando Langa, must be returned to the Company by GFN/Artag, provided the failure to satisfy such condition is directly attributable to the conduct of GFN or its affiliates.
- (d) In order to close the transaction, the amount paid by the Company to Northbridge also included an additional amount of approximately \$835,000 that was required to make up the difference between the amount that Deutsche Bank was willing to pay for the Conaresa claims, allegedly due to a change in market conditions during the course of the negotiations, and the amount that Conaresa was willing to accept for the claims. Because any payment to Northbridge, a Panamanian entity, is subject to taxes due to the fact that it is a non-Dominican entity, the Company had to "gross up"

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the additional amount being paid to Northbridge to account for taxes. As a result, the additional amount that the Company agreed to pay Northbridge as part of the settlement, including the amount withheld for taxes, is \$1,112,796.

The amount of \$2,100,296 spent by the Company to set up this transaction is classified in the Litigation Settlement in the accompanying income statement.

(iii) *Grupo Economico Suit.*

In April 2004 a suit was brought by certain holders of certificates of deposit and other instruments issued by Bancrédito Dominican Republic seeking to have the Company and several co-defendants (including, among others, the Central Bank of the Dominican Republic, Banco Leon and GFN) held jointly and severally liable for amounts owed by Bancrédito Dominican Republic to the plaintiffs. Although the Court of First Instance of Santo Domingo found in favor of the plaintiffs against certain of the defendants, it also found that neither the Company nor any of its subsidiaries were liable to the plaintiffs. The court upheld the terms of the tripartite contract under which the Leon family acquired Bancrédito Dominican Republic, and rendered judgment against the parties to the tripartite contract in the amount of US\$156,000,000, which was subsequently reduced (upon a motion filed by the same plaintiffs) by the same judge to approximately US\$13,000,000. In an appeal filed by certain of the parties found liable by the Court of First Instance, the original plaintiffs sought to join the Company and the other original co-defendants to the appeal proceedings. In July 2007 the appeal court declined to join the Company or any of its subsidiaries to the appeal proceedings. In September 2007 this decision was challenged by means of a motion for cassation before the Supreme Court of the Dominican Republic. The Company believes it is unlikely that it will be found liable in these proceedings.

(iv) *Claim for Cost of Interconnection Circuits.*

During the period commencing with the enactment of the General Telecommunications Law of 1998 and ending with Indotel's issuance of interconnection regulations in 2002, the Company purchased from Codetel, at the Company's sole expense, several hundred T-1, or Trunk Level 1, switches. These are digital transmission links that are necessary for interconnection between the Company's network and Codetel's network. In December 2002, as part of the process for the adjustment of interconnection agreements before Indotel, the Company claimed that Codetel should reimburse it for 50% of the cost of the T-1 switches it had purchased. The approximate amount of the Company's claim is US\$6.8 million. Indotel rejected the Company's claim, and an appeal before the Superior Administration Court is pending.

(v) *False Imprisonment Claim.*

In August 1999, a Dominican company and two individual plaintiffs brought a claim against the Company in the Dominican courts for alleged losses and damages of up to approximately RD\$200,000,000 (approximately \$4,800,000) resulting from the imprisonment by Dominican authorities of the two individuals for 15 days. The plaintiffs have alleged that their imprisonment was the result of an investigation by the local district attorney and police that the Company instigated following an irregular increase in

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telephone traffic at certain telephone numbers. The court rejected the action for lack of evidence. The plaintiffs appealed, but the Court of Appeals also rejected their claims, and they subsequently filed a motion for cassation with the Supreme Court of Justice, which is pending. The Company does not believe that this matter will have a material adverse effect on its operations or financial position.

(vi) *Uninsured Motor Vehicle Cases.*

Until 2003, the Company's principal property and casualty insurance carrier was Compania Nacional de Seguros ("SEGNA"), at that time a related party. In 2003 SEGNA's business was taken over by the Superintendence of Insurance, following which SEGNA stopped paying on certain pending motor vehicle accident coverage claims involving the Company's vehicles. Although the Company moved its property and casualty coverage to a third party insurance carrier, it was necessary for the Company to assume direct liability for the pending claims. The Company intends to submit a claim in SEGNA's liquidation at the appropriate time. The Company believes that the amount of potential liability likely to arise out of these claims will not exceed US\$1,000,000, and does not believe that these matters will have a material adverse effect on its operations or financial position.

(vii) *Ordinary Course Tort and Contract Claims.*

The Company is involved from time to time in various other lawsuits and legal proceedings arising in the ordinary course of its business. These claims generally relate to tort and contract actions for damages. The Company believes that the final resolution of these matters will not have a material adverse effect on its operations or financial position.

(viii) *World Access Inc. Bankruptcy.*

In April 2003, Tricom USA was served with a summons and complaint in an adversary proceeding arising out of the World Access, Inc. et al. bankruptcy case in the United States Bankruptcy Court for the Northern District of Illinois. The complaint alleged that transfers in the aggregate amount of approximately \$488,000 were made to Tricom USA by one of the debtors, Facicom International LLC, within the 90 days prior to the filing of Facicom International LLC's bankruptcy petition, and that the transfers were avoidable as preferential payments pursuant to section 547(a) of the United States Bankruptcy Code. An agreement in principle to settle the matter was reached in March 2007 with Morton P. Levine, Realization Trustee for the World Access Realization Trust, successor in interest to Facicom International LLC. However, Tricom USA filed its Chapter 11 petition prior to finalization and execution of the settlement agreement. The adversary proceeding is now stayed pursuant to section 362 of the United States Bankruptcy Code. On or about March 31, 2008, Mr. Levine filed a general unsecured proof of claim in the Chapter 11 case against Tricom USA in the amount of \$488,079.68. The alleged basis for the proof of claim is the same as asserted by Facicom International LLC in the adversary proceeding. The Company believes that Tricom USA has meritorious defenses to the proof of claim filed by Mr. Levine, and that it is unlikely that the proof of claim will be sustained.

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No amounts have been recorded in the accompanying financial statements related to these legal proceedings.

(d) Dominican Tax Matters

At December 31, 2007 the company was undergoing an audit conducted by the Dominican tax authority. As a result out of this inspection, in June 20, 2008, the company was notified by the DGII to pay approximately \$2.8 millions; basically, for taxes not withheld related to foreign payments of interests and services during the years 2004 and 2005. The company agreed with the DGII to pay an advance of 30% (approximately \$700,000), compensate the amount of \$467,000, approximately, with prepared taxes in favor of the company and a six month equal payment agreement of about \$272,000. At July 14, 2008, the company made the first payment of \$700,000. At December 31, 2007, the company accrued 100% of this contingency and included it as expense in the accompanying financial statements.

17. Business and credit concentration

In the normal course of business, the Company has accounts receivable from carriers. Although the Company's exposure to credit risk associated with non-payment by these carriers is affected by conditions or occurrences within the industry, most of these receivables are due from large, well-established companies. The Company does not believe that this concentration of credit risk represents a material risk of loss.

18. Legal reserve

Article 58 of the Code of Commerce of the Dominican Republic requires all companies to segregate at least 5% of their net earnings as a legal reserve until such reserve equals 10% of its paid-in capital as disclosed in the Consolidated Statements of stockholders' deficit. This reserve is not available for distribution as dividend, except in case of the dissolution of the corporation.

19. Stock option plan

On May 4, 1998, the Company initiated a Long-term Incentive Plan (the Plan), in which certain employees could be granted options to purchase shares of the Company's common stock. The Plan is administered by the Board of Directors of the Company and has the authority to determine which employees will participate in the Plan.

The Plan authorizes grants of options to purchase up to 750,000 authorized Company shares. Stock options are granted with an exercise price equal to the stock's fair market value at the date of grant. All stock options have a term of ten-years and become exercisable after one and three years from the date of grant.

At December 31, 2005 and 2006 there were \$586,948 and \$668,464 additional shares available for grant under the Plan, respectively.

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Changes in the number of shares subject to option are summarized as follows:

	Options	Weighted Average Exercise Price
Balance, December 31, 2005	163,052	6.68
Surrendered	(81,516)	7.00
Balance, December 31, 2006	<u>81,536</u>	<u>6.36</u>

In 2001 the Board of Directors approved a stock option re-pricing pursuant to which the Company's employees could elect to cancel granted options in exchange for new options with an exercise price of \$7.00, which was the Company's common stock price on the New York Stock Exchange at the moment. Approximately 520,000 options were eligible for re-pricing, of which the Company cancelled 453,130 options and granted 241,994 options.

The number of re-priced options was also reduced proportionately. All other conditions were unchanged. Effective July 1, 2000, the FASB issued Financial Interpretation No. 44 (FIN 44) which amended APB 25 and requires "variable" accounting for all stock option re-pricing granted before six months of the cancelled date. As a result, these options will require variable accounting until they are exercised, cancelled, forfeited or expired.

Under variable accounting, compensation expense must be measured by the difference between the exercise price and the market price of the Company's stock at each reporting period amortized over the vesting period. The effect of the application of FIN 44 during, 2005 was not significant.

Exercise prices of options outstanding at December 31, 2005 and 2006 ranged from \$3 to \$16 per share. The following table provides certain information with respect to stock options outstanding at December 31, 2006:

2006					
Options Outstanding				Options Exercisable	
Range of Exercise Price	Number Outstanding	Weighted Average Exercise	Weighted Average Remaining Contractual Life	Weighted Number Exercisable	Average Exercise Price
\$3.00 - \$5.00	7,000	3.46	5.26	4,500	3.46
\$5.01 - \$7.00	72,536	6.37	4.84	48,096	6.37
\$7.01 - \$9.00	-	-	-	-	-
\$9.01 - \$16.00	2,000	16.00	4.00	1,500	16.00
	81,536	6.36	4.86	54,096	6.40

The weighted-average fair value at date of grant for options granted during, 2005 and 2006 were \$0.0074 and \$0.001, respectively and were estimated using the Black-Scholes option valuation model with the following weighted-average assumptions.

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	<u>2005</u>	<u>2006</u>
Expected life in years	6.19	4.86
Interest rate	4.29%	4.80%
Volatility	100.00	100.00
Expected dividends	-	-

Total unrecognized compensation costs related to non-vested stock option awards at December 31, 2006 is \$9 and is expected to be recognized over the weighted average period of approximately 4.6 years.

For the year ended December 31, 2007, the company has decided to forego the stock option calculation since the effect on net loss would have been insignificant, considering that the Company is in chapter 11 since February 29, 2008 and the stock options have no market value.

20. Segment information

The Company has adopted Financial Accounting Standards Board Statement No. 131, "Disclosures about Segment of an Enterprise and Related Information", which establishes standards for reporting information about a company's operating segments.

The Company has divided its operations into six reportable segments, which include five core business reportable segments based upon similarities in revenue generation, cost recognition, marketing and management of its businesses. The Company's five core business reportable segments are: Long Distance, Domestic Telephony, Mobile, Cable and Data and Internet. The Company's six reportable segment corresponds to other revenues that are not generated from its core businesses.

The reporting segments follow the same accounting policies used for the Company's consolidated financial statements and described in the summary of significant accounting policies. Management measures and evaluates reportable segments based on several factors, of which revenues and operating income (loss) are the primary financial measures.

The segments and a description of each are as follows:

- Long distance, which represents international long distance traffic generation and termination services, including those derived from the Company's U.S.-based wholesale carrier and prepaid calling card operations, as well as outbound international and domestic long distance calls generated by the Company's retail call centers and prepaid cards sold within the Dominican Republic;
- Domestic telephony, which represents local exchange services in the Dominican Republic;
- Mobile, which represents wireless communication services in the Dominican Republic, including cellular and PCS services and paging;
- Cable, which represents cable television basic and expanded programming services and other

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related services, including advertising sales to national advertisers on non-broadcast channels the Company carries over its cable communications systems;

- Data and Internet, which represents high speed broadband data transmission and Internet connectivity services, including traditional dial-up connections, dedicated lines, private networks, frame relay, digital subscriber lines, or xDSLs; and
- Other segments, which represents all of the Company's non-core business revenues which includes paging revenues.

Geographic

2005				
	United States	Dominican Republic	Elimination	Consolidated
Long distance	\$ 61,917,543	\$ 33,744,587	\$ (25,041,660)	\$ 70,620,470
Others	992,148	146,406,223	(494,195)	146,904,176
Total revenues from external customers	62,909,691	80,150,810	(25,535,855)	217,524,646
Net loss before income tax	(46,539,433)	(37,652,493)	-	(84,191,926)
Income tax	817,848	-	-	817,848
Net loss	(45,721,585)	(37,652,493)	-	(83,374,078)
Identifiable assets (include long-lived assets)	\$ 29,244,099	\$ 411,434,686	\$ (72,146,415)	\$ 368,532,370

2006				
	United States	Dominican Republic	Elimination	Consolidated
Long distance	\$ 62,137,957	\$ 38,612,963	\$ (30,468,710)	\$ 70,282,210
Others	1,638,527	146,628,418	(448,800)	147,818,145
Total revenues from external customers	63,776,484	185,241,381	(30,917,510)	218,100,355
Net loss before income tax	-	-	-	-
Income tax	(532,595)	(1,323,110)	-	(1,855,705)
Net loss	(41,406,869)	(46,134,213)	-	(87,541,082)
Identifiable assets (include long-lived assets)	\$ 37,954,406	\$ 400,142,156	\$ (87,711,471)	\$ 350,385,091

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2007

	<u>United States</u>	<u>Dominican Republic</u>	<u>Elimination</u>	<u>Consolidated</u>
Long distance	\$ 40,695,342	\$ 39,026,322	\$ (23,076,186)	\$ 56,645,478
Others	1,178,967	157,218,022	-	158,396,989
Total revenues from external customers	<u>41,874,309</u>	<u>196,244,344</u>	<u>(23,076,186)</u>	<u>215,042,467</u>
Net loss before income tax	(51,918,937)	(17,172,444)	-	(69,091,381)
Income tax	249	(2,324,164)	-	(2,323,915)
Net loss	<u>(51,918,688)</u>	<u>(19,496,608)</u>	<u>-</u>	<u>(71,415,296)</u>
Identifiable assets (include long-lived assets)	<u>\$ 31,269,980</u>	<u>\$ 385,481,734</u>	<u>\$ (94,415,510)</u>	<u>\$ 322,336,204</u>

(a) Revenues represent the elimination of the revenues between subsidiaries and the Company. Identifiable assets represent eliminations of inter-company accounts and investments in common stock between TRICOM, S. A. (Parent Company) in the Dominican Republic and the subsidiaries in United States and Central America.

Products and services

	2005						
	Long Distance	Domestic Telephony	Mobile	Cable	Data and Internet	Other (b)	Consolidated
Revenues from external customers	\$ 70,620,470	\$ 84,071,137	\$ 35,485,447	\$ 19,304,412	\$ 7,952,623	\$ 90,557	\$ 217,524,646
Intersegment revenues	-	3,849,016	2,659,182	-	-	-	6,508,197
Total revenues	70,620,470	87,920,153	38,144,629	19,304,412	7,952,623	90,557	224,032,843
Reconciling items intersegment revenues	-	(3,849,016)	(2,659,182)	-	-	-	(6,508,197)
Total consolidated revenues	\$ 70,620,470	\$ 84,071,137	\$ 35,485,447	\$ 19,304,412	\$ 7,952,623	\$ 90,557	\$ 217,524,646
Net (loss) earnings before income tax	\$ (26,154,009)	\$ (51,303,885)	\$ (5,931,361)	\$ (2,356,962)	\$ 1,463,734	\$ 90,557	\$ (84,191,926)
Income tax	817,848	-	-	-	-	-	817,848
Net (loss) earnings	\$ (25,336,161)	\$ (51,303,885)	\$ (5,931,361)	\$ (2,356,962)	\$ 1,463,734	\$ 90,557	\$ (83,374,078)
Identifiable assets	\$ 45,520,496	\$ 181,818,354	\$ 34,221,999	\$ 33,781,140	\$ 2,436,099	\$70,754,282	\$ 368,532,370
Interest revenues	\$ 104,803	\$ 457,523	\$ 65,522	\$ 68,719	\$ 1,479	\$ -	\$ 698,046
Interest expenses	\$ (18,226,825)	\$ (44,170,647)	\$ (6,708,543)	\$ (295,704)	\$ (159,419)	\$ -	\$ (69,561,138)
Depreciation expense	\$ (8,499,413)	\$ (37,801,565)	\$ (6,892,403)	\$ (8,015,984)	\$ (403,037)	\$ (211,542)	\$ (61,823,944)
Capital expenditure	\$ 1,608,404	\$ 10,859,830	\$ 9,160,876	\$ 1,623,548	\$ 1,285,049	\$ 4,086,449	\$ 28,624,156

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	2006						
	Long Distance	Domestic Telephony	Mobile	Cable	Data and Internet	Other (b)	Consolidated
Revenues from external customers	\$ 70,282,210	\$ 82,241,727	\$ 36,283,216	\$ 20,177,219	\$ 8,928,557	\$ 187,426	\$ 218,100,355
Intersegment revenues	-	4,907,854	3,549,581	-	-	-	8,457,435
Total revenues	70,282,210	87,149,581	39,832,797	20,177,219	8,928,557	187,426	226,557,790
Reconciling items intersegment revenues	-	(4,907,854)	(3,549,581)	-	-	-	(8,457,435)
Total consolidated revenues	\$ 70,282,210	\$82,241,727	\$ 36,283,216	\$ 20,177,219	\$ 8,928,557	\$ 187,426	\$ 218,100,355
Net earnings (loss) before income tax,	(19,329,958)	\$(55,924,698)	\$ (12,782,485)	\$ 1,051,077	\$ 1,113,261	\$ 187,426	\$ (85,685,377)
Income tax	(679,576)	(770,109)	(128,000)	(269,154)	(8,866)	-	(1,855,705)
Net earnings (loss)	\$ (20,009,534)	\$ (56,694,807)	\$ (12,910,485)	\$ 781,923	\$ 1,104,395	\$ 187,426	\$ (87,541,082)
Identifiable assets	\$ 6,696,821	\$168,005,990	\$ 36,877,687	\$37,131,379	\$ 2,799,306	\$48,873,908	\$ 350,385,091
Interest revenues	\$ 23,117	\$ 674,588	\$ 107,570	\$ 47,116	\$ 3,911	\$ -	\$ 956,301
Interest expenses	\$ (9,737,216)	\$ (51,018,143)	\$ (8,479,735)	\$ (302,724)	\$ (284,597)	\$ -	\$ (69,822,415)
Depreciation expense	\$ (6,117,856)	\$ (32,086,672)	\$ (6,155,010)	\$ (4,389,266)	\$ (144,101)	\$ -	\$ (48,892,905)
Capital expenditure	\$ 530,534	\$ 12,987,621	\$ 6,330,973	\$ 2,592,007	\$ 566,191	\$ 3,220,678	\$ 26,228,003

	2007						
	Long Distance	Domestic Telephony	Mobile	Cable	Data and Internet	Other (b)	Consolidated
Revenues from external customers	\$ 56,645,478	86,818,485	37,853,705	22,764,051	10,697,926	262,822	215,042,467
Intersegment revenues	-	4,955,982	3,252,672	-	-	-	8,208,654
Total revenues	56,645,478	91,774,467	41,106,377	22,764,051	10,697,926	262,822	223,251,121
Reconciling items intersegment revenues	-	(4,955,982)	(3,252,672)	-	-	-	(8,208,654)
Total consolidated revenues	56,645,478	86,818,485	37,853,705	22,764,051	10,697,926	262,822	215,042,467
Net earnings (loss) before income tax,	(14,534,843)	(45,817,103)	(10,529,330)	2,220,862	(693,789)	262,822	(69,091,381)
Income tax	(31,382)	(1,663,012)	(335,688)	(266,185)	(27,648)	-	(2,323,915)
Net earnings (loss)	(14,566,225)	(47,480,115)	(10,865,018)	1,954,677	(721,437)	262,822	(71,415,296)
Identifiable assets	17,422,215	175,093,413	41,136,814	32,956,057	4,984,132	50,743,573	322,336,204
Interest revenues	116,746	825,830	157,476	52,878	7,194	-	1,160,124
Interest expenses	(6,196,128)	(41,444,549)	(7,870,888)	(447,420)	(363,196)	-	(56,322,181)
Depreciation expense	(4,108,292)	(29,312,084)	(6,167,818)	(4,332,882)	(752,383)	-	(44,673,459)
Capital expenditure	2,691,855	8,570,850	8,420,728	3,246,691	2,568,782	2,733,522	28,232,428

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(b) Other (identifiable assets) include administrative/corporate assets which are not revenue generating. Also includes construction in process and communication equipment pending installation, which at December 31, had not been placed in service and were not specifically associated with any business segment. Other remaining assets do not meet any quantifiable test for determining reportable segments.

21. Recent accounting pronouncements

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Errors Corrections*. This Statement replaces APB Opinion No. 20, *Accounting Changes*, and FASB Statement No. 3, *Reporting Accounting Changes in Interim Financial Statements*, and changes the requirements for the accounting for and reporting of a change in accounting principle. Opinion 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. This Statement improves financial reporting because its requirement to report voluntary changes in accounting principles via retrospective application, unless impracticable, enhances the consistency of financial information between periods. That improved consistency enhances the usefulness of the financial information, especially by facilitating analysis and understanding of comparative accounting data. See note 2.23 for the effect of this Statement on the Company's consolidated financial statements.

In June 2006, the FASB issued Interpretation No. 48 *Accounting for Uncertainty in Income Taxes*, or FIN 48, an interpretation of SFAS No. 109, *Accounting for Income Taxes*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification interest and penalties accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The cumulative effect of adopting FIN 48 generally will be recorded directly to retained earnings. However, to the extent the adoption of FIN 48 results in a revaluation of uncertain tax positions acquired in purchase business combinations, the cumulative effect will be recorded as an adjustment to any goodwill remaining from the corresponding purchase business combination. The company is evaluating the impact of adopting FIN 48 on its consolidated financial statements.

In June 2006, the EITF reached a consensus on Issue No. 06-3 *How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross Versus Net Presentation)*. EITF Issue No. 06 - 3 requires that companies disclose their accounting policy regarding the gross or net presentation of certain taxes. Taxes within the scope of EITF Issue No. 06-3 are any tax assessed by a governmental authority that is directly imposed on a revenue producing transaction between a seller and a customer and may include, but is not limited to sales, use value added and some excise taxes. EITF Issue No. 06-3 is effective for fiscal years beginning after December 15, 2006. The adoption of EITF No. 06-3 is not expected to have a material effect on the Company's consolidated financial statements.

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In September 2006, the EITF reached a consensus on Issue No. 06-1, *Accounting for Consideration Given by a Service Provider to Manufacturers or Resellers of Equipment Necessary for an End-Customer to Receive Service from the Service Provider*. EITF Issue No. 06-1 provides guidance regarding whether the consideration given by a service provider to a manufacturer or reseller specialized equipment should be characterized as a reduction of revenue or an expense. Entities are required to recognize the effects of applying this issue as a change in accounting principle through retrospective application to all prior periods unless it is impracticable to do so. This issue is effective for fiscal year beginning after June 15, 2007. The adoption of EITF No. 06-1 is not expected to have a material effect on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. This statement defines fair value and establishes a framework for measuring fair value. Additionally, this statement expands disclosure requirements for fair value with a particular focus on measurement inputs. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The adoption of SFAS No. 157 is not expected to have a material effect on the Company's consolidated financial statements.

22 Fair value of financial instruments

The following table presents the carrying amount and estimated fair values of the Company's financial instruments at December 31, 2006 and 2007. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. Amounts in parentheses represent liabilities.

	2006		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 23,072,443	\$ 23,072,443	\$ 23,183,441	\$ 23,183,441
Accounts receivable, net	26,963,521	26,963,521	22,096,603	22,096,603
Certificates of deposit and other investments	690,410	690,410	337,666	337,666
Restricted cash	1,895,620	1,895,620	1,895,620	1,895,620
Borrowed funds - banks	(49,062,999)	(49,062,999)	(60,483,269)	(30,529,782)
Accounts payable	(28,515,648)	(28,515,648)	(21,139,971)	(21,139,971)
Interest payable to banks and related parties	(218,859,510)	(218,859,510)	(269,218,268)	-
Other liabilities and deferred revenues	(4,457,358)	(4,457,358)	(4,991,741)	(4,991,741)
Accrued expenses	(17,569,074)	(17,569,074)	(17,402,653)	(17,402,653)
Commercial paper - banks and related parties	(54,684,079)	(54,684,079)	(54,665,405)	-
Capital leases	(14,531,322)	(14,531,322)	-	-
Long-term debt - banks and related parties	(128,881,096)	(128,881,096)	(132,207,322)	(132,207,322)
Long-term debt - senior notes	(200,000,000)	(110,000,000)	(200,000,000)	(105,000,000)

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The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash on hand and in banks, restricted cash, investments in certificates of deposit and other investment, notes payable to banks and related parties, accounts payable, other liabilities in 2006 and 2007, the carrying amounts approximate fair value because of the short maturity of these instruments. Accounts receivable are adjusted by their valuation allowance and, therefore, are presented at realizable value that approximates fair value.

The fair value of the value of the Company's publicly traded 11-3/8% Senior Notes, shown above, are based on the Plan Support Agreement filed in the *United States Bankruptcy Chapter 11*. The fair values of the Company's non-traded debt in 2006, also shown above, were estimated by discounting the future cash flows of each instrument at rates offered to the Company for similar debt instruments by the Company's bankers at that time.

At December 31, 2007, the Company was engaged in discussions with its principal lenders in an effort to effect a restructuring of its indebtedness. These discussions and negotiations focused on, among other things, the level of debt to be issued by the Company to its creditors and rates of interest, the amount and structure of any equity-linked instrument to be issued to lenders and the extent, if any, to which any part of the new debt obligations would be collateralized.

Because the Company's restructuring plans remain subject to significant uncertainties and no funding sources are available until the restructuring process is concluded, the management believes that it is not practicable at December 31, 2007 to estimate reasonably the fair values of interest payable, accrued expenses (provision of terminating operating lease) non-traded debts, including amounts owed to banks and related parties, commercial paper, capital leases, and long-term debt to banks and related parties.

23. Impairment of long-lived assets

According to the requirement of SFAS No. 142 "Goodwill and Other Intangible Assets" and SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets", the Company performed its annual impairment review of its long-lived assets, intangible assets and goodwill. It was determined that no impairment charges were necessary for the years ended December 31, 2005, 2006, and 2007, respectively.

24. De-listing of American Depositary Shares, Termination of Deposit Facility and Termination of registration of Securities.

On May 11, 2004, the New York Stock Exchange ("NYSE") determined to suspend trading and pursue delisting of our ADSs, ticket symbol "TDR".

On May 19, 2004, our ADSs, began trading on the OTC (over-the-counter) Bulletin Board ("OTCBB"), under the symbol "TRICY. OB".

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On July 25, 2004, the OTCBB suspended trading of our ADSs. Thereafter, our ADSs were traded on the "Pink Sheets" service under the symbol "TRICY.PK".

In December 22, 2006, the Bank of New York, the depositary for our ADS facility, notified us and holders of our ADSs, that it was terminating the ADS facility. Upon termination of the ADS facility, most of depositary's obligations under the Deposit Agreement also terminate. Holders of our ADSs may obtain delivery of the shares of Class A Common Stock underlying our ADSs, upon payment of certain taxes and processing fees. As a result of the termination, the Bank of New York is no longer obligated to perform any functions in connection with voting the Class A Common Stock underlying our ADSs. With the termination of the ADS facility, our ADSs, ceased trading on the "Pink Sheets" service on March 28, 2007.

On October 29, 2007 the company filed the form 15 termination of registration of Securities under section 12 (b) in the United States Securities and Exchange Commission. This form represent the Certification and Notice of Termination of Registration under section 12(g) of the Securities and Exchange act of 1934 or suspension of duty to file reports under section 13 and 15 (d) of the Securities Exchange Act of 1934.

25. Reclassifications

Some reclassifications were realized for major disclosure in the footnotes in the financial statement of 2006.

26. Subsequent event

- a) On February 29, 2008, the Company and its two principal operating subsidiaries, TCN Dominicana, S.A., and Tricom USA, Inc., filed petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). See more detail in footnote 16 c (i).
- b) After the petitions under Chapter 11 in the *United States Bankruptcy* Court for the Southern District of New York was filed several claims arising from Former Related Party Financial Institutions. The claims of Bancredit Cayman and Bancredit Panama are in connection of 2002 Private Placement and the claim of Banco Leon comprised of a \$10 million unpaid note and a \$12 million unpaid line of credit (See more detail in footnote 16 c (ii)). Other situations that came up from this process are full disclosed in footnote 16 c Legal Proceedings.
- c) In June 20, 2008, the company was notified by the Direccion General de Impuestos Internos (DGII) to pay approximately \$2.8 millions; basically, for taxes not withheld related to foreign payments of interests and services during the years 2004 and 2005. The company agreed with the DGII to pay an advance of 30% (approximately \$700,000), compensate the amount of \$ 467,000, approximately, with prepared taxes in favor of the company and a six month equal payment agreement of about \$272,000. At July 14, 2008, the company made the first payment of \$700,000. At December 31, 2007, the company accrued 100% of this contingency and included it as expense in the accompanying financial statements.

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- d) As of February 20, 2008 the Company signed four agreements with Credit Suisse International ("CSI") in connection with the secured debt acquired by CSI from Financial Card, BHD, Citibank and Banco Popular of Puerto Rico for the total amount of \$25,529,781 (principal). Basically these agreements documented the following term and condition:
- 1) To extend the term of payment briefed in contract to June 30, 2008.
 - 2) Credit Suisse hereby advises and confirms that it is the holder of Credit Suisse Existing Secured Debt in the aggregate amount of US\$25,529,781.
 - 3) The creditor recognizes that Tricom S.A has paid the totality of the accumulated interests.
 - 4) The parties agree to accept the terms and conditions of the Plan Support Agreement (PSA).
 - 5) The creditor declares that he is the proprietor of all the rights, credits and accessories that are derived from contracts of Cession of Credit of Financial Card, BHD, Citibank and Banco Popular of Puerto Rico for the total amount of \$ 25,529,781 (principal).

Product of this restructuring debt the Company reversed \$ 14,658,601 of interest and penalties as of December 31, 2007. This reversion was due to the PSA does not contemplate the payment of penalties.

- e) On January 31, 2008 Tricom, S. A. made a partial payment of US\$2,885,308 to the capital of the Loan with Banco del Progreso, which was due since September 17, 2007. This payment was made after the lifting of the first payment opposition received on February 5, 2007 as consequence of a lawsuit against Banco del Progreso by a former executive employee, and it was lifted on January 9, 2008. The remaining amount was not paid due to a new payment opposition received on January 9, 2008, which was lifted on May 8, 2008. Currently the Company is negotiating a reduction of the interest rate to make the final payment.