Transformation delivering strong organic revenue growth

Millicom's Q2 Results, 16 July 2014

We believe in better. We believe in tigo

Millicom International Cellular S.A.

"Transformation delivering strong organic revenue growth"

Key highlights of Q2 2014

- Organic revenue growth[(i)] increased to 9.0% compared to 8.5% in Q1
- Strong momentum in Colombia continues – market share gains helped drive a 27% increase in service revenue
- 16% revenue growth for Cable & Digital Media
- FIFA World Cup app downloaded over 600,000 times fuelling further mobile data growth
- AIH deal with MTN closed, UNE merger approval process progressing
- Sale of stakes in Mauritius business and ATC BV announced
- Q2 EBITDA[(ii)] at $479 million, margin at 33.1%

Key financial indicators

$m	Q2 2014	Q2 2013 [(iii)]	% change	H1 2014	H1 2013 [(iii)]	% change
Revenue	1,447	1,357	6.6%	2,852	2,706	5.4%
Growth in local currency	*9.0%*	*4.2%*		*8.8%*	*3.9%*	
EBITDA[(ii)]	479	496	(3.4%)	957	1,012	(5.4%)
EBITDA margin	33.1%	36.6%	(3.5ppt)	33.5%	37.4%	(3.9ppt)
Capex / sales ratio [(iv)]	19.9%	13.0%		15.8%	14.2%	
FCF	16	6	Ns	67	(86)	Ns
Adjusted EPS [(v)]	0.27	0.83	(67.4%)	0.62	1.85	(66.3%)

- **Mobile:** our mobile data business continued to display strong growth fuelled by an expanding range of attractively priced handsets. We saw good growth in mobile data users improving penetration within our base to 22.7%. Usage continues to grow driven by music, entertainment and in Q2 the success of our FIFA World Cup mobile app.
- **Cable & Digital Media:** continues to see strong organic growth. We have extended the Pay-TV offering with direct to home (DTH) services in 5 new markets, including Guatemala, massively extending bundling opportunities.
- **Mobile Financial Services (MFS):** we added 114,000 new customers recording strong take-up in Honduras and El Salvador taking the base to over 7.4 million and a penetration of 18.1% (excluding Senegal recently launched). Revenue and volume of usage continue to grow strongly at +41% and +37% respectively.
- **Cost & Capex Optimisation:** we have commenced an efficiency and optimization programme in Guatemala that will now be extended to other countries.

(i) Organic growth represents year-on year-growth in local currency (excludes the impact of exchange rate changes
(ii) EBITDA: derived from deducting cost of sales, sales & marketing costs, general & administrative expenses (including corporate costs) from revenue and adding other operating income
(iii) Proforma to reflect full consolidation of Guatemala, and equity accounting for Mauritius and Online
(iv) Capex excluding spectrum and licence acquisitions
(v) Basic EPS adjusted for non-operating items see page 32 for reconciliation

President’s Statement

Transformation delivering strong organic revenue growth

Stockholm, 16 July 2014

“Millicom’s strategy to drive revenue growth continues to gather pace. We saw an acceleration of the strong revenue growth achieved in Q1 taking our organic revenue growth in Q2 to 9% - this highlights once again the great potential in our markets and growth opportunities from investing in them.

In Q2, I was particularly pleased to see that our African business grew strongly – up 14.6% year-on-year. We are taking market share in Africa and I expect that to continue.

Mobile data consumption has progressed with data take-up accelerating helped by new services such as our exclusive mobile rights to the FIFA World Cup in Latin America and free Facebook in Tanzania. Tigo Music is now established as the leading digital music provider in Colombia.

Colombia maintained its very strong momentum in Q2. We have seen very good levels of customer additions in the last few months ahead of regulatory changes which may slow the growth of postpaid customer in the next few months. Progress has also been made on our merger with UNE although this is slower than we might have hoped. The merger has achieved the significant milestones of approval to the proposed transaction from two of the three key Authorities, the SIC and ANTV[1], and, whilst there are few remaining approvals we are well advanced with our planning for the merger of Tigo and UNE to create a major force in the Colombian telecommunications market.

We launched our first satellite Pay-TV service in Bolivia in April and this is now available in most of our markets in Latin America. These will allow us to extend the availability of bundled digital services to even more customers wherever they live. The 18% growth in residential cable is an encouraging sign for the new Tigo Star brand there.

Mobile financial services also took a further stride forward with 41% growth and Africa’s first ever interoperability agreement between rival operators in Tanzania which will be a catalyst for millions more people to join the online financial community.

In summary we are at an exciting point in our development. There are tangible signs that our strategy is paying off. The pace of change is rapid as we continue create opportunities to deliver a Digital Lifestyle for our customers. This has required investment which has seen our EBITDA margin decline further, but we understand the challenges of managing growth profitably. In striving to deliver our return on capital targets we will continue to focus as much on the costs as we do on revenue.”

Hans-Holger Albrecht
President and CEO,
Millicom International Cellular S.A.

[1] *Superintendent of Industry and Commerce (SIC) and the National Television Administration (ANTV)*

2014 Guidance is maintained;

Target	Guidance	YTD
Revenue	(i) We expect revenue growth[1] to accelerate at a mid to high single digit rate (versus comparable 5.5% in 2013).	8.8%
	(ii) Reported revenue growth at constant exchange rate vs. 2013 over 15%.	19.5%
EBITDA	EBITDA margin will stabilize around the mid-30s% mark (after corporate costs).	33.5%
Capex	In 2014, we expect a capex to revenue ratio of around 19%, excluding spectrum and license acquisitions.	15.8%

Conference call details

A presentation and conference call to discuss results of the quarter will take place at 14.00 Stockholm / 14.00 Luxembourg / 13.00 London / 08.00 New York, on Wednesday 16 July, 2014. Dial-in numbers: + 46 (0) 850 653 931, + 44 (0) 203 427 1929, + 1 646 254 3369. Access code: 9759608

A live audio stream of the conference call can also be accessed at www.millicom.com. Please dial in / log on 10 minutes prior to the start of the conference call to allow time for registration.

Slides to accompany the conference call are available at www.millicom.com.

Significant events of the quarter

Corporate news

16th April 2014: Millicom merger with UNE receives first of three approvals from Colombian authorities

27th May 2014: Shareholders approved the election of Cristina Stenbeck (Executive Chairman of Kinnevik) as Millicom's new Chairman, four new Directors elected

4th June 2014: Rachel Samrén joins Millicom as EVP Strategic Operations and Partnerships

30th June 2014: Millicom merger with UNE receives second regulatory approval

Business news

1st April 2014: Millicom launched a free social TV app in Colombia (mi.tv)

24th April 2014: Millicom's partnership with Facebook extended with pioneering service in East Africa

24th April 2014: Millicom launched its first satellite Pay-TV service (Bolivia)

6th May 2014: Millicom to provide exclusive content of the 2014 FIFA World Cup Brazil through Tigo in Latin America

8th May 2014: Millicom launched its satellite Pay-TV service in El Salvador

4th June 2014: Millicom, Airtel and Zantel announce Africa's first mobile money interoperability

5th June 2014: Millicom launched satellite Pay-TV services in two more countries (Honduras, Costa Rica)

Financial news

15th April 2014: Completion of a partial tender offer of a bond (El Salvador)

4th June 2014: Millicom announces a Revolving Credit Facility of $500 million with twelve banks

[1] *Under the new consolidation scope at constant exchange rates*

Agenda

24th September 2014: Capital Markets Day in Miami

22nd October 2014: Q3 results

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Millicom is a leading telecom and media company dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing innovative and customer-centric digital lifestyle services to the world's emerging markets, giving access to the world, primarily through mobile devices. The Millicom Group employs more than 10,000 people and provides mobile services, access to the internet, content and financial services to over 50 million customers. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2013, Millicom generated revenue of USD 5.16 billion and EBITDA of USD 1.88 billion.

This press release may contain certain "forward-looking statements" with respect to Millicom's expectations and plans, strategy, management's objectives, future performance, costs, revenue, earnings and other trend information. It is important to note that Millicom's actual results in the future could differ materially from those anticipated in forward-looking statements depending on various important factors.

All forward-looking statements in this press release are based on information available to Millicom on the date hereof. All written or oral forward-looking statements attributable to Millicom International Cellular S.A., and Millicom International Cellular S.A. employees or representatives acting on Millicom's behalf are expressly qualified in their entirety by the factors referred to above. Millicom does not intend to update these forward-looking statements.

Contents

Section 1 - Operating review

All numbers are in US dollars and growth rates are stated in local currency unless stated otherwise. Further details are provided in the Financial & Operational Data excel file on our website (www.millicom.com/investors)

Revenue by business unit and by region

$m	Total		Central America		South America		Africa	
	Q2 14	*YOY growth (%)*	Q2 14	*YOY growth (%)*	Q2 14	*YOY growth (%)*	Q2 14	*YOY growth (%)*
Mobile	1,177	*+6*	466	-2	491	+11	220	+12
Cable	129	*+16*	90	+8	39	+40	0	N/A
MFS	25	*+41*	1	+22	7	+39	17	+44
Other*	117	*+37*	53	+51	56	+23	8	+56
Total	**1,447**	***+9***	**610**	**+3**	**593**	**+14**	**244**	**+15**

** Telephone and equipment sales and other revenue*

We recorded 9.0% organic revenue growth in Q2 accelerating progress from Q1. The increase was led by South America (Colombia, Bolivia) and double-digit revenue growth in Africa (mainly driven by Chad, Ghana and Rwanda). We generated 72% of Group recurring revenue growth from Mobile, 19% from Cable & Digital Media, and 8% from MFS.

Mobile

Mobile Customer base (2013 figures proforma for Mauritius)

'000	Total	*Net additions*	Central America	*Net additions*	South America	*Net additions*	Africa	*Net additions*
Q2 14	**52,315**	*686*	**15,417**	*-212*	**14,406**	*254*	**22,492**	*644*
Q1 14	**51,629**	*1,550*	**15,629**	*-201*	**14,152**	*323*	**21,848**	*1,428*
Q2 13	**46,923**	*51*	**15,571**	*-263*	**12,873**	*113*	**18,479**	*201*

Mobile revenue growth accelerated in the second quarter and revenue reached $1,177 million, 5.9% year-on-year growth (6.6% excluding regulatory impact). Revenue in the Mobile Communication category grew in the second quarter by 0.8% (+1.8% excluding regulatory impact).

Mobile Termination Rates (MTR's) were unchanged during the quarter. However MTR's were lower than in the same quarter last year. Regulatory pressure in Q2 reduced revenue growth by 0.6 percentage points of growth compared to 0.9 percentage points in Q1.

In the second quarter of the year, the mobile customer base increased by 686,000. Most of the growth came from Africa (Tanzania in particular) and South America (Colombia notably), while the customer base in Honduras saw a net drop in subscribers due to a clean-up of the base.

Mobile ARPU

$	Total	*YOY variation*	Central America	South America	Africa
Q2 14	**7.6**	*-4.7%*	10.0	11.3	3.3
Q1 14	**7.6**	*-2.3%*	9.8	11.2	3.5
Q2 13	**8.0**	*-5.1%*	10.1	11.6	3.8

N.B. ARPU figures are based on total mobile recurring revenue and exclude MFS

Mobile recurring ARPU declined by 4.7% compared to the same quarter last year. As in Q1, most of the decline came from the mix effect with an increase in the African customer base where the ARPU is close to half, diluting the Group average. Without regulatory impact, mobile ARPU would have decreased by 4.0%

We continued to see a strong take up of mobile data services. Mobile data customers increased by 1.1 million in the second quarter to reach over 11.9 million, 22.7% of the total customer base. Penetration reached 22.7% in Central America, 31.1% in South America, and 17.2% in Africa as we continue to take advantage of the increased availability of attractively priced and quality smartphones to facilitate an acceleration of mobile internet uptake. ARPU from mobile data users was flat sequentially at $6.3 in Q2 2014. Recurring mobile data grew by close to 32% year-on-year in local currency.

Cable & Digital Media

'000	**RGUs (Residential)**	*Net additions*	Central America	*Net additions*	South America	*Net additions*	Total Residential ARPU ($)	ARPU CAM ($)	ARPU SAM ($)
Q2 14	**1,344**	*26*	1,010	*7*	334	*19*	29.6	27.6	34.3
Q1 14	**1,318**	*48*	1,003	*29*	315	*19*	29.4	27.8	33.6
Q2 13	**1,139**	*42*	929	*24*	210	*18*	30.1	28.5	36.0

Cable and Digital Media Q2 revenue grew by 16%, with the residential segment growing 22% (17% organic growth, the rest coming from further in-market consolidation). The growth of the residential business was mainly achieved by volume growth.

Total revenue generating units ("RGUs") grew by 18% driven by the residential segment. TV and Broadband RGU's reached a 45% penetration rate on our hybrid fibre coaxial ("HFC") network. The improvement of product mix has driven customers towards a more Digital Lifestyle, evidenced by Digital subscribers on the HFC network growing 40% year-on-year. As part of these efforts, we have now completed the roll-out of the new aspirational Tigo Star sub-brand that is used for our media businesses. Roll-out to date includes Paraguay, Bolivia, Costa Rica, El Salvador and Honduras with more countries to follow.

ARPU in Q2 remained stable with some price erosions in fixed telephony compensated by growth in higher ARPU countries and product mix towards higher priced products like high definition ("HD") or other value added propositions that we are incorporating into the portfolio like Internet Speed button, Deezer and Video On Demand.

Excluding DTH, we now have 3.1 million home passed, a growth of 27% on last year, driven by the addition of the Multivision business in Bolivia (440,000 homes passed) and also by continued investments in the HFC networks now reaching 2.3 million home passed, a growth of 13% year-on-year led by investments in Guatemala (160,000 incremental homes passed) and Paraguay (50,000 incremental homes passed). We will continue expansion of the HFC network.

During the last quarter we have also deployed our own satellite Pay-TV platform ("DTH") in five countries (Costa Rica, Honduras, El Salvador, Bolivia and a pilot in Guatemala). With this deployment we are extending our reach and now offering high quality Pay-TV services outside urban cable areas. At this early stage we are seeing an encouraging take-up of this service.

With the anticipated closing of the UNE merger in Colombia, we will soon have residential cable businesses in all of our Latin American countries. This business has delivered double-digit revenue growth over the last few years and is expected to continue growing, driven by increasing TV and Broadband Internet penetration. This will require continued investments in terms of network coverage expansion, customer installations and in-market consolidations.

MFS

'000	RGUs	Central America	South America	Africa	Total ARPU ($)	ARPU CAM ($)	ARPU SAM ($)	ARPU Africa ($)
Q2 14	**7,455**	1,439	1,309	4,706	**1.14**	0.33	1.93	1.15
Q1 14	**7,341**	1,178	1,262	4,901	**1.13**	0.34	1.75	1.13
Q2 13	**4,886**	535	1,057	3,294	**1.34**	0.75	1.82	1.27

MFS revenue increased strongly in Q2 2014 up +41% on last year driven by growth in new customers. Compared to Q1, revenue is up 10% despite strong competitive pressure in the more mature markets of East Africa.

During the quarter we delivered two world first innovations, which will drive new revenue streams and we also strengthened technical capability in DRC with a new mobile money platform. ARPU from MFS users was $1.14, down 12.2% versus Q2 2013 in local currency mostly due to competitive pressure and an acceleration of customer acquisition in 2014.

MFS penetration stands at 16.8%, a decrease of 1.4 percentage points over the quarter, diluted by incorporation of Senegal which launched in April. Excluding Senegal, penetration was broadly flat. The penetration rate was impacted by an increase of the churn in Tanzania following strong take-up in Q1 and a slightly higher churn in Paraguay. MFS RGUs increased by almost 114,000 in the first quarter.

Penetration of MFS in Tanzania declined from 54.5% in Q1 to 46.6% in Q2. The success of our marketing campaign in Q1, was followed by a slowdown in Q2 and an increase in churn. Rwanda is our second most penetrated market with 39.5% of our mobile customers being active users of MFS. In Paraguay 32.7% of customers were using the service by the end of June. El Salvador had a very strong quarter growing from 16.0% at the end of March to 20.7% by the end of June.

Online

Online revenue continues to grow quarter-on-quarter at double digit year-on-year growth. Cash consumption remains under control and in line with growth and expansion plans. Millicom's share of the Online business results amounted to $8 million in Q2, and $12 million year-to-date.

MFS was initiated as a payment method for Lamudi (real estate classifieds) in both Tanzania and Ghana. The pre-instalment of apps on Tigo smartphones continues in Colombia and Senegal.

In Tanzania our mobile business provides free data for customers accessing the Kaymu online marketplace and Hellofood's food delivery service. This has significantly increased traffic to these websites. The PR and marketing functions of Tigo and EasyTaxi in Bolivia have collaborated to successfully launch the taxi ordering service which is gaining traction in the market. In Colombia and Senegal Tigo continue to support the local Online ventures through their marketing channels.

MTN partnership in Africa

The final regulatory clearances were obtained during the second quarter to enable MTN to join Millicom and Rocket with a 33.3% share of AIH (the African Online business).

Section 2 - Financial review

The unaudited interim consolidated financial statements of the Group for the three and six month periods ended June 30, 2014 are included in Section 3.

Summary Income Statement

$m	Q2 14	Q1 14	Q2 13*
Revenue	**1,447**	**1,405**	**1,357**
Cost of sales	(357)	(349)	(326)
Gross profit	**1,090**	**1,056**	**1,031**
Operating expenses	(611)	(578)	(535)
EBITDA	**479**	**478**	**496**
EBITDA margin	**33.1%**	**34.0%**	**36.6%**
Depreciation & amortization	(253)	(250)	(229)
Other operating income (expenses)	(2)	8	(2)
Operating profit	**224**	**236**	**265**
Net financial expenses	(89)	(103)	(60)
Other non-operating income (expenses)	159	2,209	(17)
Gains /(losses) from associates	16	(12)	(7)
Profit before tax	**310**	**2,330**	**181**
Net tax charges	(67)	(71)	(68)
Profit for the period	**243**	**2,259**	**113**
Profit from discontinued operations	–	21	(15)
Non-controlling interests	(57)	(36)	(32)
Net profit for the period	**186**	**2,244**	**66**

Proforma Comparatives

As a result of the following events, the comparative 2013 financial information presented in the results section of this earnings release are presented on a proforma basis:

- *The put/call agreement with our partner in Guatemala enabling us to control and therefore fully consolidate the Guatemalan operation from January 1, 2014;*
- *A change in accounting standards which required us to equity account for the Mauritian operation from January 1, 2014;*
- *Changes in the Online business investment agreements which required us to deconsolidate Online from Q1 2014.*

Revenue grew to $1.45 billion in Q2 representing an organic growth of $128 million (+9.0%) offset by currency factors which reduced it by $37 million (-2.8%). This also represents a 3% sequential growth. The gross margin at 75.3% was in line with Q1 whilst the year-on-year decline largely reflects regulatory changes.

Operating expenses increased by 5.9%. This was largely driven by a growth in market related expenses including increased customer acquisition costs, which were up 6.2%, as well as an increase in corporate costs. Corporate costs, which include both central costs and costs related to the regional business development, increased from $59 million in Q1 to $72 million in Q2 largely due to higher levels of activity on new business development as well as some reclassification of costs previously booked in the operating businesses.

EBITDA was marginally higher Q1 at $479 million representing a margin of 33.1% Regional EBITDA was $551 million with a margin of 38.1%.

Depreciation and amortization at $253 million was in line with the last quarter and $24 million higher than the same quarter last year mainly due to investment in spectrum, networks, and IT systems and the impact of full consolidation of Guatemala.

Net financial expenses at $89 million reflected the higher level of leverage in the business than in the same periods last year. In Q1 a $12 million one off charge was recorded for early redemption of part of the El Salvador bond.

Other non-operating income of $159 million largely represents a net non-cash change in the value of the put options granted to our partners in Honduras and Guatemala, and in the value of our call option for Guatemala.

Taxes remained in line with Q1 and the same quarter last year and are consistent with the current run rate.

After non-controlling interests of $57 million, the Net Profit for the Period was $186 million. Adjusted Basic Earnings were $0.27 per share (for reconciliation please see page 33).

Gains from transactions and share of results of associates

‘000	Q2 14	Q1 14	Q2 13*
Tower companies	24	(7)	(7)
Online	(8)	(4)	-
Others	-	(1)	-
Total	**16**	**(12)**	**(7)**

Included in the Tower companies are gains from transactions with of $29 million related to dilution of our stake in ATC BV from 40% to 18.2%. The total income from Associates was $16 million, but excluding this transaction, our share of the losses from Associates and JV was $13 million in Q2 2014, largely as a result of our increased investment in Online.

Free Cash Flow

$m	Q2 14	Q1 14	Q2 13*	Change (%)
EBITDA	**479**	**478**	**496**	**(3.4)**
Net Capex (including spectrum & license)	(321)	(273)	(219)	46.6
Change in working capital and others	63	(42)	(62)	Ns
Operating Cash Flow	**221**	**163**	**215**	**2.8**
Taxes paid	(115)	(54)	(166)	(30.7)
Operating Free Cash Flow	**106**	**109**	**49**	**116.3**
Interest paid, net	(90)	(58)	(42)	114.3
Free Cash Flow	**16**	**51**	**6**	**Ns**
Advances and dividends paid to non-controlling interests	(56)	(188)	(34)	64.7
Equity Free Cash Flow	**(40)**	**(137)**	**(27)**	**48.1**

** Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online*

Free cash flow for Q2 2014 was $16 million, an increase from Q2 2013. Equity Free Cash Flow was $(40) million due to dividends paid to non-controlling interests (Guatemala, Honduras).

There was a catch up in capital additions in Q2 with $367 million invested including $80 million in spectrum/licenses for Chad ($42 million) and Honduras ($38 million). The bulk of the remaining spend was on

3G/4G capacity and coverage expansion (Colombia, Guatemala, Paraguay and Tanzania). In addition we have invested in expanding the cable network during the quarter. Cash capex in the quarter was $321 million.

Changes in working capital and other items in Q2 was a positive $63 million versus a negative $62 million (proforma) in Q2 2013. The change in movement in working capital between Q2 2013 and Q2 2014 is mostly due to timing differences on inventory handset stocks, post-paid collections and sales tax payables.

Net Debt

$m	Q2 14 Gross Debt	Q2 14 Cash	Q2 14 Net Debt *	Q1 14 Gross Debt	Q1 14 Cash	Q1 14 Net Debt
Central America	1,523	173	1,350	1,609	357	1,252
South America	975	164	811	971	285	686
Africa	408	180	228	189	178	11
Sub-total	**2,906**	**517**	**2,389**	**2,769**	**820**	**1,949**
Corporate	1,578	919	659	1,752	1,079	673
Total	**4,484**	**1,436**	**3,048**	**4,521**	**1,899**	**2,622**

** Net debt: Gross debt (including finance leases) less cash, restricted cash and pledged deposits*

Approximately 44% of the Group's gross debt in the operations is denominated in local currency or carries limited exposure to USD foreign exchange fluctuations. Debt at the corporate level amounted to close to $1.6 billion at the end of June 2014. All debt at corporate level was in USD or hedged to USD or EUR.

At the end of Q2 2014, 72% of gross debt (excluding financial leases) was at fixed interest rates, reducing our exposure to interest rate volatility.

At the end of Q2 2014, 74% of Group gross debt (excluding financial leases) was in bonds and 24% from bank financing. Average maturities have lengthened to 5.9 years.

At June 30 2014, Millicom had $1.4 billion of cash, of which $0.8 billion currently held in escrow pending closing of the transaction in Colombia.

The Net Debt to EBITDA, based on the last twelve months EBITDA, was 1.57x as at 30 June 2014.

Shareholder remuneration

We reiterate our dividend policy for no less than $2 per share and at least 30% of normalised net income.

We continue to have the ambition to progressively grow ordinary dividends. However in 2014 once we have closed the UNE merger in Colombia, our priority will be on reducing Group leverage towards the middle of our target range of 1.0-2.0x Net Debt/EBITDA.

Subsequent events

On July 15, 2014 Millicom reached agreement to sell its 18.2% investment in ATC BV.

On July 15, 2014 Millicom reached agreement to sell its 50% investment in Emtel Ltd.

Risks and uncertainty factors

Millicom operates in a dynamic industry characterized by rapid evolution in technology, consumer demand, and business opportunities. Combine with a focus on emerging markets in various geographic locations, the Group has a proactive approach to identifying, understanding, assessing, monitoring and acting on balancing risks and opportunities. For a description of risks and Millicom's approach to risk management, refer to the 2013 Annual Report (http://www.millicom.com/media/427498/Millicom_Annual_Report_2013.pdf).

Corporate Responsibility (CR)

Millicom Foundation: registered charity

The Millicom Foundation was approved as a charity by the charity commission in England and Wales in June 2014. Following the registration, the Millicom Foundation is finalizing the composition of a Board of Trustees and defining priorities for its corporate responsibility activities over the next five years.

Millicom Foundation's collaboration with Reach for Change Africa welcomed a high-level visitor as the Crown Princess Victoria of Sweden visited the Tigo Digital Changemaker, Regina Agyare and her 'Tech needs Girls' initiative in Ghana. In Rwanda, we announced a four-year collaboration with the United Nations to work on digital inclusion programs to spur economic development in the country. In Guatemala, Fundacion Tigo is now supporting 30 more schools with digital classrooms since the beginning of the year.

In Q3 the Millicom Foundation will launch the "Digital Changemaker Awards" across thirteen Tigo markets aimed at finding local digital solutions to societal challenges.

Corporate Responsibility: long-term focus areas defined

Following the publication of its second Global Reporting Initiatives-aligned Corporate Responsibility report ("GRI"), in Q2 Millicom defined longer term strategic focus areas for its Corporate Responsibility activities. The priority areas reflect material issues relating to Millicom's operating environment and the successful execution of Millicom's business strategy.

The five strategic focus areas:

- Diversity: with a focus over the first years to improve gender diversity in senior and middle management.
- Child protection: in all aspects of children's rights as defined in Children's Rights and Business Principles, with focus on child labor and child online protection.
- Reducing environmental footprint: as first instance improving environmental footprint measurement and implementing responsible electronic waste management across operations.
- Privacy and freedom of expression: implementation of policies and processes in line with the Telecommunications Industry Dialogue principles.
- Responsible supply-chain: supporting procurement to embed ethical performance into selection, monitoring and capacity building of suppliers in a systematic manner.

As first step, Millicom launched a company-wide gender diversity program in June aimed both to spread diversity awareness and to support equal opportunities in career development.

Health and Safety management was significantly advanced this quarter with four markets finalizing OHSAS 18001 reviews in preparation for certification in Q3 2014. 450 engineers completed the IOSH Telecoms Safety Passport Scheme, designed to prevent accidents in tower building and equipment installation.

Compliance: policy governance framework

In Q2, the Executive Committee of Millicom reviewed and approved a proposal for establishing a revised policy governance framework including an updated Millicom Code of Conduct. The policy governance structure was presented to the Audit Committee in July 2014. Revision of Millicom Anti-Bribery & Anti-Corruption Programme begun in Q2 with a view to further strengthen our risk based approach to third party interactions and create a deeper awareness of the risks associated with our business.

Report on review of interim condensed consolidated financial statements

To the Shareholders of
Millicom International Cellular S.A.
2, rue du Fort Bourbon
L – 1249 - Luxembourg

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Millicom International Cellular S.A. as of 30 June 2014, from page 14 to page 31 which comprise the interim consolidated statement of financial position as at 30 June 2014 and the related interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity, the interim consolidated cash flow statement for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

ERNST & YOUNG

Société Anonyme

Cabinet de révision agréé

Olivier Lemaire

Luxembourg, 15 July 2014

Section 3 - Interim Condensed Consolidated Financial Statements

Interim condensed consolidated income statement for the six month period ended June 30, 2014

US$ millions (unaudited)	Notes	Six months ended June 30, 2014	Six months ended June 30, 2013[1]	Six months ended June 30, 2013 (restated)[2]
Revenue	6	2,852	2,473	2,137
Cost of sales		(1,055)	(914)	(825)
Gross profit		**1,797**	**1,559**	**1,312**
Sales and marketing		(608)	(509)	(440)
General and administrative expenses		(618)	(516)	(470)
Other operating expenses		(118)	(80)	(80)
Other operating income		7	5	5
Operating profit	6	**460**	**459**	**327**
Interest expense		(200)	(132)	(125)
Interest and other financial income		8	13	10
Revaluation of previously held interests	3	2,250	—	—
Other non-operating (expenses) income, net	7	118	23	22
Gain (loss) from associates, net		4	(13)	96
Profit before taxes from continuing operations		**2,640**	**350**	**330**
Charge for taxes, net		(138)	(130)	(110)
Profit for the period from continuing operations		**2,502**	**220**	**220**
Profit (loss) for the period from discontinued operations, net of tax[1]	4	21	(23)	(23)
Net profit for the period		**2,523**	**197**	**197**

Attributable to:				
Owners of the Company		2,430	211	211
Non-controlling interests		93	(14)	(14)

Earnings per common share for profit attributable to the owners of the Company:				
Basic (US$)	8	24.31	2.11	2.11
Diluted (US$)	8	24.30	2.11	2.11

[1] *As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).*

[2] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for the joint ventures in Guatemala and Mauritius (see note 2)*

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

Interim condensed consolidated income statement for the three month period ended June 30, 2014

US$ millions (unaudited)	Notes	Three months ended June 30, 2014	Three months ended June 30, 2013[1]	Three months ended June 30, 2013 (restated)[2]
Revenue	6	1,447	1,238	1,068
Cost of sales		(537)	(463)	(417)
Gross profit		**910**	**775**	**651**
Sales and marketing		(312)	(263)	(224)
General and administrative expenses		(310)	(259)	(240)
Other operating expenses		(66)	(40)	(40)
Other operating income		2	2	2
Operating profit	6	**224**	**215**	**149**
Interest expense		(96)	(66)	(62)
Interest and other financial income		7	10	7
Other non-operating (expenses) income, net	7	159	(20)	(20)
Gain (loss) from associates, net		16	(8)	47
Profit before taxes from continuing operations		**310**	**131**	**121**
Charge for taxes, net		(67)	(62)	(52)
Profit for the period from continuing operations		**243**	**69**	**69**
Profit (loss) for the period from discontinued operations, net of tax[1]	4	—	(15)	(15)
Net profit for the period		**243**	**54**	**54**

Attributable to:				
Owners of the Company		186	66	66
Non-controlling interests		57	(12)	(12)

Earnings per common share for profit attributable to the owners of the Company:				
Basic (US$)	8	1.86	0.66	0.66
Diluted (US$)	8	1.86	0.66	0.66

[1] As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).

[2] As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for the joint ventures in Guatemala and Mauritius (see note 2)

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

Interim condensed consolidated statement of comprehensive income for the six month period ended June 30, 2014

US$ millions (unaudited)	Six months ended June 30, 2014	Six months ended June 30, 2013[1]	Six months ended June 30, 2013 (restated)[1]
Net profit for the period	2,523	197	197
Other comprehensive income (to be reclassified to profit and loss in subsequent periods):			
Exchange differences on translating foreign operations	(30)	(48)	(48)
Cash flow hedge reserve movement	1	6	6
Total comprehensive income for the period	**2,494**	**155**	**155**

Attributable to:			
Owners of the Company	2,400	180	180
Non-controlling interests	94	(25)	(25)

[1] *As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).*

[2] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for the joint ventures in Guatemala and Mauritius (see note 2)*

Interim condensed consolidated statement of comprehensive income for the three month period ended June 30, 2014

US$ millions (unaudited)	Three months ended June 30, 2014	Three months ended June 30, 2013[1]	Three months ended June 30, 2013 (restated)[2]
Net profit for the period	243	54	54
Other comprehensive income (to be reclassified to profit and loss in subsequent periods):			
Exchange differences on translating foreign operations	(14)	(47)	(47)
Cash flow hedge reserve movement	(1)	—	—
Total comprehensive income for the period	**228**	**7**	**7**

Attributable to:			
Owners of the Company	171	24	24
Non-controlling interests	57	(17)	(17)

[1] *As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).*

[2] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for the joint ventures in Guatemala and Mauritius (see note 2)*

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

Interim condensed consolidated statement of financial position as at June 30, 2014

US$ millions	Notes	June 30, 2014 (unaudited)	December 31, 2013 (audited)	December 31, 2013 (unaudited and restated)[1]
ASSETS				
NON-CURRENT ASSETS				
Intangible assets, net	10	5,338	2,543	2,458
Property, plant and equipment, net	9	3,407	3,162	2,771
Investments in associates		334	122	122
Investments in joint ventures		28	—	327
Pledged deposits		4	2	—
Deferred tax assets		314	313	312
Other non-current assets		122	83	83
TOTAL NON-CURRENT ASSETS		**9,547**	**6,225**	**6,073**
CURRENT ASSETS				
Inventories		142	140	122
Trade receivables, net		361	320	282
Amounts due from non-controlling interests, associates and joint venture partners		415	303	136
Prepayments and accrued income		226	163	156
Current income tax assets		59	58	56
Supplier advances for capital expenditure		83	63	51
Pledged deposits	3	826	817	817
Other current assets		92	22	77
Restricted cash		110	81	80
Cash and cash equivalents		496	941	909
TOTAL CURRENT ASSETS		**2,810**	**2,908**	**2,686**
Assets held for sale	5	14	14	14
TOTAL ASSETS		**12,371**	**9,147**	**8,773**

[1] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for the joint ventures in Guatemala and Mauritius (see note 2)*

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

Interim condensed consolidated statement of financial position as at June 30, 2014 (Continued)

US$ millions	Notes	June 30, 2014 (unaudited)	December 31, 2013 (audited)	December 31, 2013 (unaudited and restated)[1]
EQUITY AND LIABILITIES				
EQUITY				
Share capital and premium		640	640	640
Treasury shares		(160)	(172)	(172)
Put option reserve		(2,512)	(737)	(737)
Other reserves		(217)	(185)	(185)
Retained profits		2,120	2,154	2,154
Profit for the period / year attributable to equity holders		2,430	229	229
Equity attributable to owners of the Company		**2,301**	**1,929**	**1,929**
Non-controlling interests		859	152	152
TOTAL EQUITY		**3,160**	**2,081**	**2,081**
LIABILITIES				
Non-current liabilities				
Debt and financing	11	4,204	3,686	3,504
Derivative financial instruments		24	23	23
Amounts due to associates and joint venture partners		48	1	1
Provisions and other non-current liabilities		192	162	150
Deferred tax liabilities		167	188	183
Total non-current liabilities		**4,635**	**4,060**	**3,861**
Current liabilities				
Debt and financing	11	280	471	423
Put option liabilities	14	2,462	792	792
Payables and accruals for capital expenditure		382	453	424
Other trade payables		211	277	239
Amounts due to associates and joint venture partners		187	87	84
Accrued interest and other expenses		466	393	369
Current income tax liabilities		126	153	147
Provisions and other current liabilities		460	378	351
Total current liabilities		**4,574**	**3,004**	**2,829**
Liabilities directly associated with assets held for sale	5	2	2	2
TOTAL LIABILITIES		**9,211**	**7,066**	**6,692**
TOTAL EQUITY AND LIABILITIES		**12,371**	**9,147**	**8,773**

[1] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for the joint ventures in Guatemala and Mauritius (see note 2)*

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

Interim condensed consolidated statement of cash flows for the six month period ended June 30, 2014

US$ millions (unaudited)	Notes	Six months ended June 30, 2014[1]	Six months ended June 30, 2013	Six months ended June 30, 2013 (restated)[2]
Cash flows from operating activities				
Profit before taxes from continuing operations		2,640	350	330
Profit (loss) for the period from discontinued operations	4	21	(23)	(23)
Profit before taxes		**2,661**	**327**	**307**
Adjustments to reconcile to net cash:				
Interest expense		200	132	114
Revaluation of previously held interests	3	(2,250)	—	—
Other non-operating expenses (income), net		(153)	(21)	(115)
Adjustments for non-cash items:				
Depreciation and amortization		503	424	381
Other non-cash items		6	15	15
Changes in working capital		8	(105)	(101)
Interest received (paid), net		(148)	(94)	(89)
Taxes paid		(169)	(203)	(175)
Net cash provided by operating activities		**658**	**475**	**337**
Cash flows from investing activities:				
Purchase of intangible assets and licenses	10	(165)	(164)	(164)
Purchase of property, plant and equipment	9	(440)	(383)	(318)
Acquisition of subsidiaries, joint ventures and associates		(59)	(1)	(1)
Repayment (issuance) of loans from / to associates, net		31	—	—
Advances to non-controlling interests		(244)	(25)	—
Other cash from (used by) other investing activities		(26)	(10)	(100)
Net cash used by investing activities		**(903)**	**(583)**	**(583)**
Cash flows from financing activities:				
Proceeds from other debt and financing		1,081	785	777
Repayment of debt and financing		(956)	(667)	(633)
Other financing activities		(56)	—	1
Dividends paid to owners of the Company		(264)	(264)	(170)
Net cash from (used by) financing activities		**(195)**	**(146)**	**(25)**
Exchange gains (losses) on cash and cash equivalents, net		(5)	(6)	(6)
Net (decrease) increase in cash and cash equivalents		**(445)**	**(260)**	**(277)**
Cash and cash equivalents at the beginning of the year		941	1,174	1,154
Cash and cash equivalents at the end of the period		**496**	**914**	**877**

[1] Reclassification for FX effects in operating, investing and financing activities

[2] As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for the joint ventures in Guatemala and Mauritius (see note 2)

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

Interim condensed consolidated statements of changes in equity for the periods ended June 30, 2014, December 31, 2013, and June 30, 2013

US$ 000s	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital (000's)	Share premium (000's)	Treasury shares (000's)	Retained profits (i) (000's)	Put option reserve (000's)	Other reserves (000's)	Total (000's)	Non-controlling interests (000's)	Total equity (000's)
Balance on December 31, 2012 (audited)	**101,739**	**(2,176)**	**152,607**	**489,014**	**(198,148)**	**2,450,458**	**(737,422)**	**(132,811)**	**2,023,698**	**312,189**	**2,335,887**
Profit for the period	—	—	—	—	—	*210,674*	—	—	*210,674*	*(13,485)*	*197,189*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*6,194*	*6,194*	*70*	*6,264*
Currency translation differences	—	—	—	—	—	—	—	*(36,972)*	*(36,972)*	*(11,919)*	*(48,891)*
Total comprehensive income for the period	—	—	—	—	—	210,674	—	(30,778)	179,896	(25,334)	154,562
Dividends	—	—	—	—	—	(263,627)	—	—	(263,627)	—	(263,627)
Purchase of treasury shares	—	(44)	—	—	(3,702)	—	—	—	(3,702)	—	(3,702)
Shares issued via the exercise of stock options	—	80	—	(376)	7,259	(4,142)	—	(2,741)	—	—	—
Share based compensation	—	—	—	—	—	—	—	9,736	9,736	—	9,736
Issuance of shares under the LTIPs	—	234	—	(1,101)	21,244	(1,040)	—	(19,103)	—	—	—
Change in scope of consolidation	—	—	—	—	—	694	—	—	694	8,789	9,483
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(24,872)	(24,872)
Balance on June 30, 2013 (unaudited)	**101,739**	**(1,906)**	**152,607**	**487,537**	**(173,347)**	**2,393,017**	**(737,422)**	**(175,697)**	**1,946,695**	**270,772**	**2,217,467**
Profit for the period	—	—	—	—	—	*18,473*	—	—	*18,473*	*(11,062)*	*7,411*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*663*	*663*	*112*	*775*
Currency translation differences	—	—	—	—	—	—	—	*(16,931)*	*(16,931)*	*(7,149)*	*(24,080)*
Total comprehensive income for the period	—	—	—	—	—	18,473	—	(16,268)	2,205	(18,099)	(15,894)
Shares issued via the exercise of stock options	—	10	—	33	907	(654)	—	(286)	—	—	—
compensation	—	—	—	—	—	—	—	7,135	7,135	—	7,135
Issuance of shares under the LTIPs	—	1	—	(5)	69	(64)	—	—	—	—	—
Change in scope of consolidation (iii)	—	—	—	—	—	697	—	—	697	(100,623)	(99,926)
Change in deferred tax liabilities	—	—	—	—	—	(28,000)	—	—	(28,000)	—	(28,000)
Balance on December 31, 2013 (audited)	**101,739**	**(1,895)**	**152,607**	**487,565**	**(172,371)**	**2,383,469**	**(737,422)**	**(185,116)**	**1,928,732**	**152,050**	**2,080,782**
Profit for the period	—	—	—	—	—	*2,429,957*	—	—	*2,429,957*	*93,377*	*2,523,334*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*1,296*	*1,296*	—	*1,296*
Currency translation differences	—	—	—	—	—	—	—	*(30,897)*	*(30,897)*	*1,154*	*(29,743)*
Total comprehensive income for the period	—	—	—	—	—	2,429,957	—	(29,601)	2,400,356	94,531	2,494,887
Dividends (ii)	—	—	—	—	—	(263,978)	—	—	(263,978)	—	(263,978)
Purchase of treasury shares	—	(26)	—	—	(2,548)	—	—	—	(2,548)	—	(2,548)
Share based compensation	—	—	—	—	—	—	—	13,138	13,138	—	13,138
Issuance of shares under the LTIPs	—	165	—	(775)	14,991	1,011	—	(15,227)	—	—	—
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(188,406)	(188,406)
Change in scope of consolidation (iii)	—	—	—	—	—	—	—	—	—	805,748	805,748
Deconsolidation of Online	—	—	—	—	—	—	—	—	—	(4,386)	(4,386)
Put option	—	—	—	—	—	—	(1,775,078)	—	(1,775,078)	—	(1,775,078)
Balance on June 30, 2014 (unaudited)	**101,739**	**(1,756)**	**152,607**	**486,790**	**(159,928)**	**4,550,459**	**(2,512,500)**	**(216,806)**	**2,300,622**	**859,537**	**3,160,159**

(i) Includes profit for the period attributable to equity holders of which at June 30, 2014, $135 million (December 31, 2013: $140 million) are undistributable to owners of the Company.

(ii) A dividend of $2.64 per share was approved at the Annual General Meeting in May 2014 and distributed in June 2014.

(iii) See note 3.

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

Notes to the interim condensed consolidated statements

1. ORGANIZATION

Millicom International Cellular S.A. *(*the "Company"*)*, a Luxembourg Société Anonyme, and its subsidiaries, joint ventures and associates (the "Group" or "Millicom") is an international telecommunications and media company providing digital lifestyle services in emerging markets, through mobile and fixed telephony, cable, broadband and investments in online businesses in Latin America and Africa.

On July 15, 2014 the Board of Directors authorized these condensed interim consolidated financial statements for issuance.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements of the Group are unaudited. They are presented in US dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting', as published by the International Accounting Standards Board ("IASB") and as adopted by the European Union. In the opinion of management, these unaudited condensed interim consolidated financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods. Millicom's operations are not affected by significant seasonal or cyclical patterns apart from a slight increase in revenue over the festive season in December.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2013. Except for the following changes and amendment to standards adopted by the Group for the first time on January 1, 2014, these financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2013 consolidated financial statements, as disclosed in note 2 of those financial statements,.

Amendment to IAS 32, 'Financial Instruments: Presentation', which updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify certain requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group adopted the amendment on its effective date for the accounting period beginning on January 1, 2014. There was no significant impact on the Group as a result of adoption.

Amendment to IAS 36, 'Impairment of Assets', which amends certain disclosure requirements regarding disclosure of recoverable amounts and measurement of fair value less costs to sell when an impairment loss has been recognized or reversed There was no significant impact on the Group as a result of adoption.

Amendment to IAS 39, 'Financial Instruments: Recognition and Measurement', which covers novation of hedging instruments to central counterparties. There was no impact on the Group as a result of adoption.

Scope of the reporting entity, a group of standards comprising ***IFRS 10, 'Consolidated financial statements'*** (which replaces all of the guidance on control and consolidation in IAS 27, 'Consolidated and separate financial statements', and SIC-12, 'Consolidation − special purpose entities'), ***IFRS 11 'Joint Arrangements'; IFRS 12, 'Disclosure of interests in other entities';*** and consequential ***amendments to IAS 28, 'Investments in associates'***. As a result of adoption of the standards and amendments on their effective date of January 1, 2014, and the retrospective application of IFRS 11, Millicom's joint venture operation in Mauritius is no longer proportionately consolidated and has been equity accounted from January 1, 2013.

Millicom obtained control of the Guatemalan operation from January 1, 2014 (see note 3). As a result of adoption of the standards and amendments on their effective date of January 1, 2014, and the retrospective application of IFRS 11, Millicom's operation in Guatemala has been equity accounted for the restated comparative period from January 1, 2013.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

The impact of applying IFRS 11 is as follows:

Income statement for the six month period ended June 30, 2013 (restated comparatives in $ millions):

US$ millions (unaudited)	Impact
Decrease in revenue	(336)
Decrease in gross profit	(247)
Decrease in operating profit	(132)
Decrease in profit before tax	(20)

Statement of financial position as at December 31, 2013 (restated comparatives in $ millions):

US$ millions (unaudited)	Impact
Impact on current liabilities	(175)
Impact on non-current liabilities	(199)
Impact on current assets	(222)
Impact on non-current assets	(152)
Net investment in joint venture	327
Net impact on equity	—

There is no material impact on interim condensed consolidated statement of cash flow or the basic and diluted EPS.

The change from proportionate consolidation to equity method did not impact internal management reporting and therefore segment information in note 6.

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

Put and Call Agreement related to Guatemalan Operations

Effective January 1, 2014 Millicom's local partner in Guatemala, Miffin Associates Corp ("Miffin") granted Millicom, for a minimum term of two years, an unconditional call option for its 45% stake in the Guatemalan operations ("Comcel"). In return, Millicom granted Miffin a put option for the same duration, exercisable in the event Millicom sells its 55% interest in Comcel or undergoes a change of control. The call option gives Millicom control of Comcel.

Previously Millicom was dependent on the consent of Miffin for strategic decisions related to Comcel, as the shareholders agreement required a vote of 80% of shares to authorize and approve significant financial and operating policies of Comcel. The call option allows Millicom, unconditionally at any time during the two year period from January 1, 2014 to exercise its right to acquire the 45% stake (and voting rights) of Miffin at a price which Millicom believes represents the strategic value of Comcel. Millicom paid $15 million for the call option.

As a consequence, and in accordance with IFRS 10 'Consolidated Financial Statements' effective January 1, 2014, Millicom fully consolidated Comcel from January 1, 2014. Previously, the results of the Guatemalan operations were proportionately consolidated.

Millicom revalued to fair value its 55% interest in Comcel, and recognized a gain of $2,250 million. The fair value of Comcel was determined based on a discounted cash flow calculation. The assets and liabilities recognized as a result of the revaluation were as follows:

The revaluation and corresponding purchase price allocation was finalised in the three month period ended March 31, 2014. The goodwill is not expected to be deductible for tax purposes.

3. ACQUISITION OF SUBSIDIARIES, JOINT VENTURES AND NON-CONTROLLING INTERESTS (Continued)

US$ millions (unaudited)	Fair Value 100%	Historical carrying value of 55% interest
Intangible assets, net	1,401	84
Property, plant and equipment, net	653	349
Other non-current assets	7	4
Inventory	29	17
Trade receivables	75	35
Current loans and other receivables	185	101
Other current assets	43	31
Cash and cash equivalents	54	30
Total assets	**2,447**	**651**
Non-current financial liabilities	324	187
Other long-term liabilities	22	2
Trade accounts payable	91	59
Current financial liabilities	88	46
Other current liabilities	111	55
Total liabilities	**636**	**349**

Fair value of non-controlling interests (45%)	815
Fair value of Millicom's 55% interest	**1,024**
Goodwill arising on change of control	1,528
Historical carrying value of Millicom's 55% interest in Comcel	(302)
Revaluation of previously held interest	**2,250**

A change of control event may occur at Millicom level which is beyond the control of Millicom. Such an event would trigger the ability of our local partner to exercise his put option at his discretion. Therefore, the put option is a financial liability and in 2014 Millicom recorded a current liability for the present value of the redemption price of the put option of $1,775 million at January 1, 2014. Millicom's call option is a financial instrument measured at fair value of $28 million at January 1, 2014 (June 30, 2014: $54 million).

Agreement to Merge Colombia Móvil and UNE

On October 1, 2013 Millicom signed an agreement with Empresas Públicas de Medellín E.S.P. ("EPM"), the largest public service company in Colombia, whereby, subject to regulatory approval and closing conditions, the parties will combine and merge their mutual interests in Millicom's Colombian operations ("Colombia Móvil"), with UNE EPM Telecomunicaciones S.A. ("UNE").

By June 30, 2014 the third Colombian authority approval had yet to be obtained, and $800 million of the cash raised for the purchase price remained in pledged deposits.

Online Businesses

MKC Brilliant Services GmbH (LIH)

On January 20, 2014 Millicom amended its investment agreement with Rocket regarding its share purchase options for LIH. The amendment restricted Millicom's ability to exercise its Third Option to acquire the final 50% of LIH to no earlier than one year after exercising its Second Option to raise its stake from 35% to 50%. Accordingly, from January 20, 2014 Millicom no longer had the ability to exercise its options to acquire a controlling stake in LIH, and deconsolidated the LIH Group. As a consequence, its investment is accounted for as an investment in an associate at fair value of $70 million at that date, and a $15 million gain from discontinued operations was recognized as a result of the loss of control.

3. ACQUISITION OF SUBSIDIARIES, JOINT VENTURES AND NON-CONTROLLING INTERESTS (Continued)

Millicom's second option to raise its stake from 35% to 50% remains exercisable at June 30, 2014. The exercise price of the second option of Euro 100 million is based on the original equity value of LIH. At June 30, 2014 the value of the second option is not considered to be significant.

The exercise price of the third option to raise Millicom's stake from 50% to 100% is based on the fair market value of the shares at the time of exercise (subject to a minimum value of Euro 300 million), and as such the option itself does not have any standalone value.

Africa Internet Holding GmbH (AIH)

On December 13, 2013 Millicom, Rocket and Mobile Telephone Networks Holdings (Pty) Limited ("MTN") signed an agreement whereby MTN will invest in the AIH Group such that, following anti-trust and other requisite clearances and closing conditions, each of the three parties will own a 33.33% interest in AIH. MTN's 33.3% stake will be acquired by cash investment in new shares at a price equivalent to 20% more than the investment made by Millicom. Millicom will pay Euro 35 million for its additional stake. Millicom has a further commitment of Euro 70 million under the agreement for which it has an opt-out right.

By June 25, 2014 the requisite clearances had been obtained and Millicom's stake increased from 20% to 33%.

ATC BV dilution

In April 2014, Millicom's stake in ATC BV was diluted from 40% to 18.2% as a result of ATC BV acquiring another operating company. A gain of $29 million was recorded representing the difference between the carrying value of the 21.8% dilution and the equity value of the acquired entity. Millicom also obtained options to sell its remaining 18.2% stake in April or either 2016, 2018, or 2020 at fair value.

Other minor acquisitions

During the six month period other smaller acquisitions were made for total consideration of $17 million.

4. DISPOSAL OF SUBSIDIARIES, JOINT VENTURES AND NON-CONTROLLING INTERESTS

Discontinued operations – Online Businesses

As described in note 3, during 2013 as a result of the investment agreement with MTN, Millicom deconsolidated AIH, and during the six month period ended June 30, 2014 as a result of the amended shareholders' agreement, Millicom deconsolidated LIH. Consequently the results of the online businesses were classified as discontinued operations, and for the six and three month periods ended June 30, 2014 were as follows:

US$ millions (unaudited)	Six months ended June 30, 2014	Six months ended June 30, 2013
Revenue	4	31
Operating expenses	(6)	(52)
Operating losses	**(2)**	**(21)**
Loss from associate (AEH)	—	(2)
Gain on deconsolidation	23	—
Profit (loss) after tax from discontinued operations	**21**	**(23)**

US$ millions (unaudited)	Three months ended June 30, 2014	Three months ended June 30, 2013
Revenue	—	20
Operating expenses	—	(34)
Operating losses	—	**(14)**
Loss from associate (AEH)	—	(1)
Gain on deconsolidation	—	—
Profit (loss) after tax from discontinued operations	—	**(15)**

5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Assets held for sale – Tower Sale and Leaseback Agreements

At June 30, 2014, Millicom had assets held for sale amounting to $14 million relating to its operations in DRC, Colombia, Ghana and Tanzania (December 31, 2013: $14 million) representing towers sold but yet to be transferred to tower companies in those countries.

Reduction of shareholding in Helios Towers Tanzania

During the six month period ended June 30, 2014, Millicom reduced its shareholding in Helios Towers Tanzania from 40% to 26.75% realizing a gain on sale of $ 6 million.

6. SEGMENT INFORMATION

Millicom presents segmental information based on its three geographical regions (Central America, South America and Africa). With respect to the first time application of IFRS 11 (see note 2), the change from proportionate consolidation to equity accounting did not impact our internal reporting for management purposes and therefore has not been reflected in our segment information.

Revenue, operating profit (loss) and other segment information for the six month periods ended June 30, 2014 and 2013 was as follows:

Six months ended June 30, 2014 (US$ millions) (unaudited)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**1,211**	**1,153**	**488**	**—**	**2,852**	**4**	**—**	**2,856**
Operating profit (loss)	**346**	**241**	**(2)**	**(125)**	**460**	**(3)**	**—**	**457**
Add back:								
Depreciation and amortization	222	155	125	1	503	—	—	503
Loss (gain) on disposal and impairment of property, plant and equipment	3	—	(3)	(2)	(2)	—	—	(2)
Loss (gain) from joint venture	—	—	(4)	—	(4)	—	—	(4)
Other non-cash items	—	—	—	13	13	—	—	13
Capital expenditure	(179)	(176)	(164)	(11)	(530)	—	—	(530)
Changes in working capital	(16)	111	(7)	(80)	8			
Other movements	(6)	13	(45)	(26)	(64)			
Operating free cash flow (i)	**370**	**344**	**(100)**	**(230)**	**384**			
Total Assets	**7,161**	**2,622**	**1,774**	**2,907**	**14,464**	**—**	**(2,093)**	**12,371**
Total Liabilities	**2,559**	**2,045**	**2,294**	**4,389**	**11,287**	**—**	**(2,076)**	**9,211**

Six months ended June 30, 2013 (US$ millions) (unaudited)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**937**	**1,061**	**475**	**—**	**2,473**	**31**	**—**	**2,504**
Operating profit (loss)	**284**	**241**	**23**	**(89)**	**459**	**(21)**	**—**	**438**
Add back:								
Depreciation and amortization	155	144	125	—	424	—	—	424
Loss (gain) on disposal and impairment of property, plant and equipment	2	—	4	(1)	5	—	—	5
Loss (gain) from joint venture	—	—	—	—	—	—	—	—
Other non-cash items	—	—	—	10	10	—	—	10
Capital expenditure	(109)	(160)	(74)	(4)	(347)	—	—	(347)
Changes in working capital	(4)	(65)	13	(49)	(105)			
Other movements	(53)	(58)	(52)	(17)	(180)			
Operating free cash flow (i)	**275**	**102**	**39**	**(150)**	**266**			
Total Assets	**3,330**	**2,210**	**1,774**	**1,752**	**9,066**	**276**	**(1,514)**	**7,828**
Total Liabilities	**1,613**	**1,803**	**2,034**	**1,628**	**7,078**	**28**	**(1,496)**	**5,610**

(i) Only for calculating segments' operating free cash flows, vendor financing of equipment is treated as a cash transaction,
(ii) See note 4
(iii) Inclusion of Guatemala on a 100% basis from January 1, 2014 (see note 3).
(iv) Exclusion of Mauritius from January 1, 2014 (see note 2).

6. SEGMENT INFORMATION (Continued)

Revenue, operating profit (loss) and other segment information for the three month periods ended June 30, 2014 and 2013 was as follows:

Three months ended June 30, 2014 (US$ millions) (unaudited)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**610**	**593**	**244**	**—**	**1,447**	—	**—**	**1,447**
Operating profit (loss)	**179**	**120**	**—**	**(75)**	**224**	—	**—**	**224**
Add back:								
Depreciation and amortization	111	78	63	1	253	—	—	253
Loss (gain) on disposal and impairment of property, plant and equipment	(2)	—	(1)	7	4	—	—	4
Loss (gain) from joint venture	—	—	(2)	—	(2)	—	—	(2)
Other non-cash items	—	—	—	7	7	—	—	7
Capital expenditure	(124)	(105)	(127)	(11)	(367)	—	—	(367)
Changes in working capital	(46)	113	(32)	21	56			
Other movements	42	29	4	(29)	46			
Operating free cash flow (i)	**160**	**235**	**(95)**	**(79)**	**221**			
Total Assets	**7,161**	**2,622**	**1,774**	**2,907**	**14,464**	**—**	**(2,093)**	**12,371**
Total Liabilities	**2,559**	**2,045**	**2,294**	**4,389**	**11,287**	**—**	**(2,076)**	**9,211**

Three months ended June 30, 2013 (US$ millions) (unaudited)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**470**	**532**	**236**	**—**	**1,238**	**20**	**—**	**1,258**
Operating profit (loss)	**136**	**116**	**7**	**(44)**	**215**	**(15)**	**—**	**200**
Add back:								
Depreciation and amortization	78	74	63	—	215	—	—	215
Loss (gain) on disposal and impairment of property, plant and equipment	1	(1)	4	(1)	3	—	—	3
Loss (gain) from joint venture	—	—	—	—	—	—	—	—
Other non-cash items	—	—	—	5	5	—	—	5
Capital expenditure	(63)	(45)	(43)	(3)	(154)	—	—	(154)
Changes in working capital	7	3	14	(50)	(26)			
Other movements	(16)	(6)	(3)	(21)	(46)			
Operating free cash flow (i)	**143**	**141**	**42**	**(114)**	**212**			
Total Assets	**3,330**	**2,210**	**1,774**	**1,752**	**9,066**	**276**	**(1,514)**	**7,828**
Total Liabilities	**1,613**	**1,803**	**2,034**	**1,628**	**7,078**	**28**	**(1,496)**	**5,610**

(i) Only for calculating segments' operating free cash flows, vendor financing of equipment is treated as a cash transaction,
(ii) See note 4
(iii) Inclusion of Guatemala on a 100% basis from January 1, 2014 (see note 3).
(iv) Exclusion of Mauritius from January 1, 2014 (see note 2).

7. OTHER NON-OPERATING (EXPENSES) INCOME, NET

The Group's other non-operating (expenses) income, net comprised the following:

US$ millions (unaudited)	Six months ended June 30, 2014	Six months ended June 30, 2013
Change in redemption price of put options (see note 14)	103	83
Change in fair value of call option	26	—
Change in fair value of derivatives	(4)	6
Exchange losses, net	(16)	(66)
Other non-operating income, net	9	—
Total	**118**	**23**

US$ millions (unaudited)	Three months ended June 30, 2014	Three months ended June 30, 2013
Change in redemption price of put options (see note 14)	125	31
Change in fair value of call option	26	—
Change in fair value of derivatives	—	5
Exchange losses, net	8	(56)
Other non-operating income, net	—	—
Total	**159**	**(20)**

8. EARNINGS PER COMMON SHARE

Earnings per common share (EPS) attributable to owners of the Company are comprised as follows:

US$ millions (unaudited)	Six months ended June 30, 2014	Six months ended June 30, 2013
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	2,409	234
Net loss attributable to owners of the Company from discontinuing operations	21	(23)
Net profit attributable to owners of the Company used to determine the earnings per share	2,430	211
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,982**	**99,761**
Potential incremental shares as a result of share options	35	85
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,017**	**99,846**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	24.10	2.34
- EPS from discontinuing operations attributable to owners of the Company	0.21	(0.23)
- EPS for the period attributable to owners of the Company	24.31	2.11
Diluted		
- EPS from continuing operations attributable to owners of the Company	24.09	2.34
- EPS from discontinuing operations attributable to owners of the Company	0.21	(0.23)
- EPS for the period attributable to owners of the Company	24.30	2.11

US$ millions (audited)	Three months ended June 30, 2014	Three months ended June 30, 2013
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	186	81
Net loss attributable to owners of the Company from discontinuing operations	—	(15)
Net profit attributable to owners of the Company used to determine the earnings per share	186	66
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,983**	**99,831**
Potential incremental shares as a result of share options	35	69
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,018**	**99,900**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	1.86	0.81
- EPS from discontinuing operations attributable to owners of the Company	—	(0.15)
- EPS for the period attributable to owners of the Company	1.86	0.66
Diluted		
- EPS from continuing operations attributable to owners of the Company	1.86	0.81
- EPS from discontinuing operations attributable to owners of the Company	—	(0.15)
- EPS for the period attributable to owners of the Company	1.86	0.66

9. PROPERTY, PLANT AND EQUIPMENT

During the six month period ended June 30, 2014, Millicom added property, plant and equipment for $384 million (June 30, 2013: $228 million) and received $11 million in cash from disposal of property, plant and equipment (June 30, 2013: $10 million).

10. INTANGIBLE ASSETS

During the six month period ended June 30, 2014 Millicom added intangible assets of $2,950 million, including acquiring control of the Guatemalan operation (see note 3) (June 30, 2013: $119 million) and did not receive any proceeds from disposal of intangible assets (June 30, 2013: $10 million).

11. DEBT AND FINANCING

MIC SA $500 million revolving credit facility

On June 4, 2014 Millicom reached agreement with a consortium of banks for a $500 million revolving credit facility of which $200 million for a 2 year period and $300 million for a 3 year period.

El Salvador Bond Buy Back

On April 15, 2014 $139 million of the $450 million bonds issued by Telemovil Finance Co. Ltd in 2010 were repurchased in a tender offer to bond holders, for $150 million which included a premium of $9.5 million over the face value of the bonds. As the amount of repurchase was estimable at the March 31, 2014 date of the tender offer, the $9 million premium and $2.5 million of related unamortized costs were included in the income statement in the three month period ended March 31, 2014.

6.875% Guatemala Bond

On January 30, 2014 Millicom's operation in Guatemala issued an $800 million 6.875% fixed interest rate bond repayable in 10 years, to refinance the Guatemalan operation and for general corporate purposes. The bond was issued at 98.233% of the principal and has an effective interest rate of 7.168%.

Analysis of debt and other financing by maturity

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

US$ millions (audited)	As at June 30, 2014	As at December 31, 2013
Due within:		
One year	280	471
One-two years	163	213
Two-three years	222	226
Three-four years	773	1,010
Four-five years	198	212
After five years	2,848	2,026
Total debt	**4,484**	**4,158**

As at June 30, 2014, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit or guarantees issued was $1,366 million (December 31, 2013: $764 million). Assets pledged by the Group for these debts and financings amounted to $832 million at June 30, 2014 (December 31, 2013: $819 million).

11. DEBT AND FINANCING (Continued)

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at June 30, 2014 and December 31, 2013. Amounts issued to cover bank guarantees are recorded in the consolidated statements of financial position under the caption "Debt and other financing".

	Bank and financing guarantees(i)			
US$ millions	As at June 30, 2014 (unaudited)		As at December 31, 2013 (audited)	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	29	157	34	112
1-3 years	120	161	50	50
3-5 years	50	70	186	255
More than 5 years	—	—	—	—
Total	**199**	**388**	**270**	**417**

(i) If non-payment by the obligor, the guarantee ensures payment of outstanding amounts by the Group's guarantor.

12. COMMITMENTS AND CONTINGENCIES

Litigation & claims

At June 30, 2014, the total amount of claims against Millicom and its operations was $641 million (December 31, 2013: $668 million of which $1 million related to joint ventures).

$18 million (December 31, 2013: $19 million) has been assessed probable and provided for litigation risks.

Taxation

As of June 30, 2014 the group estimates potential tax claims amounting to $185 million of which tax provisions of $50 million have assessed probable and have been recorded (December 31, 2013: claims amounting to $169 million and provisions of $64 million).

Capital commitments

As at June 30, 2014, the Company and its subsidiaries and joint ventures have fixed commitments to purchase network equipment and other fixed and intangible assets from a number of suppliers of $395 million of which $315 million are due within one year (December 31, 2013: $324 million of which $306 million are due within one year and $41 million related to joint ventures).

Other commitments

Following exercise of its option in LIH (see note 3), at June 30, 2014 the Group has commitments to downstream a further Euro 20 million to LIH at the earlier of as and when the level of cash in LIH falls lower than Euro 15 million, and September 14, 2014.

Following the increase in shareholding of AIH from 20% to 33% on June 25, 2014, Millicom has a commitment and liability of Euro 35 million to AIH (see note 3).

Currency and interest rate swap contracts

Interest rate swaps on US$ Floating Rate Debt

In October 2010, Millicom entered into separate interest rate swaps to hedge the interest rate risks on floating rate debt in Honduras and Costa Rica. The interest rate swap in Honduras was issued for a nominal amount of $30 million, with maturity in 2015, and in Costa Rica for a nominal amount of $105 million with maturity in 2017.

On March 31, 2014 Millicom's swap in Costa Rica was cancelled as a result of refinancing of the underlying debt and $2 million recycled from the cash flow hedge reserve to the income statement.

13. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three and six month periods ended June 30, 2014:

US$ millions (unaudited)	Six months ended June 30, 2014	Six months ended June 30, 2013
Expenses		
Purchase of goods and services (Kinnevik)	2	3
Purchases of goods and services (Miffin)	60	62
Purchases of goods and services (non-controlling interest in Colombia)	3	8
Lease of towers and related services (Helios and ATC)	38	54
Lease of towers and related services (UNE)	5	11
Total	**108**	**138**

US$ millions (unaudited)	Three months ended June 30, 2014	Three months ended June 30, 2013
Expenses		
Purchase of goods and services (Kinnevik)	1	1
Purchases of goods and services (Miffin)	32	31
Purchases of goods and services (non-controlling interest in Colombia)	1	4
Lease of towers and related services (Helios and ATC)	12	24
Lease of towers and related services (UNE)	3	4
Total	**49**	**64**

US$ millions (unaudited)	Six months ended June 30, 2014	Six months ended June 30, 2013
Income / gains		
Sale of goods and services (non-controlling interest in Colombia)	2	4
Sale of goods and services (Miffin)	102	103
Gain on sale of towers and shares (Helios and ATC)	6	11
Lease of towers and related services (UNE)	6	8
Interest income (Helios Towers DRC and Tanzania, ATC BV)	4	3
Total	**120**	**129**

US$ millions (unaudited)	Three months ended June 30, 2014	Three months ended June 30, 2013
Income / gains		
Sale of goods and services (non-controlling interest in Colombia)	1	2
Sale of goods and services (Miffin)	43	52
Gain on sale of towers and shares (Helios and ATC)	4	8
Lease of towers and related services (UNE)	2	4
Interest income (Helios Towers DRC and Tanzania, ATC BV)	1	1
Total	**51**	**67**

13. RELATED PARTY TRANSACTIONS (Continued)

As at June 30, 2014 the Company had the following balances with related parties:

US$ millions (unaudited)	At June 30, 2014	At December 31, 2013
Liabilities		
Finance lease payables to tower companies	236	224
Other accounts payable	1	1
Payable to LIH for Option 1	27	—
Payable to AIH for 13.33% increase (see note 3)	48	—
Total	**312**	**225**

US$ millions (unaudited)	At June 30, 2014	At December 31, 2013
Assets		
Advances to non-controlling interests	359	234
Loan to Helios Towers DRC	—	35
Loan to Helios Towers Tanzania	20	13
Loan to ATC Colombia BV	36	38
Total	**415**	**320**

14. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at June 30, 2014 and December 31, 2013:

US$ millions	Carrying Value		Fair Value	
	June 30, 2014 (audited)	December 31, 2013 (audited)	June 30, 2014 (unaudited)	December 31, 2013 (audited)
Financial liabilities				
Debt and financing	4,484	4,158	2,876	3,183
Put options	2,462	792	—	—

Guatemala Put Option

At June 30, 2014 the carrying value of put option provided to our local partner in Guatemala amounted to $1,739 million and the corresponding put option reserve $1,775 million.

A change of control event may occur at Millicom level which is beyond the control of Millicom. Such an event would trigger the ability of our local partner to exercise his put option at his discretion. Therefore, the put option is a financial liability which is measured at the present value of the redemption price.

The redemption price of the put option is based on a multiple of the EBITDA of Comcel. The multiple is based on a change of control transaction multiple of Millicom. Management estimate the change of control transaction multiple of Millicom from a trading multiple of Millicom and add a control premium (based upon comparable transactions).

Honduras Put Option

At June 30, 2014, the carrying value of put option provided to our local partner in Honduras amounted to $723 million (December 31, 2013: $792 million). At June 30, 2014 the value of the corresponding call option from our local partner was not significant.

15. SUBSEQUENT EVENTS

Sale of ATC BV

On July 15, 2014 Millicom reached agreement to sell its 18.2% stake in ATC BV to American Tower.

Sale of Mauritius (Emtel Ltd)

On July 15, 2014 Millicom announced that it has reached agreement to sell its 50% investment in Emtel Ltd.

Section 4 – Additional information

Reconciliation from Operating Profit to EBITDA

$m	Q2 14	Q1 14	Q4 13*	Q3 13*	Q2 13*
Operating profit	**224**	**236**	**222**	**263**	**265**
Depreciation and amortization	253	250	252	230	229
Loss (gain) on disposal/write down of assets, net	4	(6)	28	(4)	4
Loss (gain) from joint ventures	(2)	(2)	(2)	(2)	(2)
EBITDA	**479**	**478**	**498**	**487**	**496**

** Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online*

Reconciliation of Basic EPS to Adjusted EPS

$m	Q2 14	Q1 14	Q4 13*	Q3 13*	Q2 13*
Net profit attributable to owners of the company	186	2,244	55	(37)	66
Basic earnings per share ($)	1.86	22.45	0.56	(0.37)	0.66
Adjustments for non-operating items**					
- Revaluation of previously held interests	-	(2,250)	-	-	-
- Other non-operating (income) expenses	(159)	41	49	109	17
Adjusted net profit attributable to owners of the company	27	35	104	72	83
Adjusted basis earnings per share ($)	0.27	0.35	1.04	0.72	0.83

** Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online*

*** Adjusted for non-operating items including changes in carrying value of put and call options, revaluation of previously held interests and similar items classified under 'other non-operating income (expenses)'.*

Currency Movements

Average foreign exchange rate (vs. USD)		Q2 14	Q4 13	Var %	Q2 13	Var %
Guatemala	GTQ	7.75	7.90	-1.9	7.79	-0.5
Honduras	HNL	20.92	20.64	1.3	20.37	2.7
Nicaragua	NIO	25.77	25.09	2.7	24.56	4.9
Costa Rica	CRC	555.73	505.95	9.8	504.42	10.2
Bolivia	BOB	6.91	6.91	0.0	6.91	0.0
Colombia	COP	1,919.68	1,911.02	0.5	1,866.96	2.8
Paraguay	PYG	4,421.50	4,452.67	-0.7	4,216.83	4.9
Ghana	GHS	2.84	2.06	37.8	1.97	44.4
Senegal	XAF	479.06	483.08	-0.8	504.33	-5.0
Chad	XAF	479.06	483.08	-0.8	504.33	7.3
Rwanda	RWF	685.36	671.71	2.0	638.47	7.3
Tanzania	TZS	1,654.21	1,606.25	3.0	1,625.85	1.7

Quarterly analysis by region (unaudited)

	Q2 14	Q1 14	Q4 13*	Q3 13*	Q2 13*	Increase Q2 13 to Q2 14
Revenue (US$ millions)						
Central America	610	601	620	595	600	2%
South America	593	560	589	542	532	11%
Africa	244	244	257	246	226	8%
Total Revenue	**1,447**	**1,405**	**1,465**	**1,383**	**1,357**	**7%**
EBITDA (US$ millions)						
Central America	291	283	273	286	284	2%
South America	198	198	222	198	189	5%
Africa	63	56	58	55	67	(6%)
Corporate Costs	(72)	(59)	(55)	(51)	(45)	60%
Total EBITDA	**479**	**478**	**498**	**488**	**495**	**(3%)**

** Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online*

	Q2 14	Q1 14	Q4 13*	Q3 13*	Q2 13*	Increase Q2 13 to Q2 14
Total mobile customers at end of period ('000s)						
Central America	15,417	15,629	15,830	15,584	15,571	-1%
South America	14,406	14,152	13,829	13,239	12,873	12%
Africa	22,492	21,848	20,420	19,569	18,479	22%
Total	**52,315**	**51,629**	**50,079**	**48,392**	**46,923**	**11%**

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