Results FY 2013

for the three month period and year ended December 31, 2013

We believe in better. We believe in tigo

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Delivering the Digital strategy as our transformation continues

- Millicom reports for the first time ever more than 50 million mobile customers
- Millicom returns to strong organic growth in the 4^{th} quarter with 8.4% year on year growth excluding Online
- Africa shows first positive signs of growth with over 9% revenue growth in the quarter in local currency
- Cable grows by 10% as we continue to invest into entertainment services such as “Tigo Sports”
- MFS now has over 6 million customers and penetration approaching 16% of our customer base
- The transformation to a Digital Lifestyle company moves ahead, as demonstrated by the success of our recent partnership with Facebook and Tigo Music
- Solid financial performance: 5.8% local currency revenue growth in 2013, 39.2% EBITDA margin, excluding Online and one-offs, in line with guidance

Delivering growth across four strategic pillars:

- In Q4, our mobile data business went from strength to strength, adding on average thirteen thousand new mobile data customers every day, improving penetration of mobile data within our mobile customer base to 20.2%, up over 50% from December 2012.
- In Cable & Digital Media, we continued to show solid growth as we prepare for the February 2014 launch of “Tigo Star” and “Tigo Sports”, our new cable and broadband service and TV channels.
- MFS penetration growth accelerated in the fourth quarter reaching 15.8% of our customers in the markets in which we offer the service. In Q4 we added 50% more new customers than on average over the first nine months of the year. This month we will launch the world’s first MFS service with currency conversion in Africa.
- In Online we continued to actively roll out our most successful concepts across Africa and Latin America and entered into a landmark agreement with MTN and Rocket Internet to accelerate development of our Online businesses in Africa.

Results Summary

Financial Highlights

- Q4 revenue of $1,365 million, growing 7.9% year-on-year and 9.7% on an organic basis. Excluding new regulatory measures, revenue growth would have been 11.4% on a like-for-like basis*.
- Q4 reported EBITDA at $465 million including $22.4 million negative one-off impacts. Underlying** EBITDA of $488 million, and $511 million excluding Online (38.2% margin). FY EBITDA margin excluding one-offs reached 39.2%, in line with guidance.
- 2013 Capex of $1,226 million (19.4% of revenues excluding $223 million for spectrum acquisitions).

** Like-for-like: underlying organic growth excluding regulatory and one-off impacts ** Underlying EBITDA refers to EBITDA excluding one-off items.*

Significant events

- Accelerated mobile revenue growth at 5.5% year-on-year (3.3% in Q3). In Q4, we added close to 1.2 million net new mobile data customers bringing penetration to 20.2% of our mobile base.
- In December 2013, Millicom entered into a partnership with Rocket Internet and MTN to further accelerate the growth of the African Online businesses.
- In 2014, Millicom will fully consolidate Tigo Guatemala, while Mauritius and the Online businesses (in Africa and Latin America) will be equity accounted.

2014 guidance

Under the new consolidation scope (i) and at constant exchange rates, we expect revenue growth to accelerate at a mid to high single digit rate (versus comparable 5.5% in 2013). On a reported basis and at constant exchange rates, we expect revenue growth to exceed 15%. EBITDA margin will stabilize around the mid-30s% mark (after corporate costs). In 2014, we expect a capex to revenue ratio of around 19%, excluding spectrum and license acquisitions.

EBITDA Margin improvements from full consolidation of Guatemala will be offset by accelerating growth opportunities in Africa and South America.

$m	Q4 2013	Q4 2012	% change local currency	FY 2013	FY 2012	% change local currency
Revenue	1,365	1,266	9.7%	5,159	4,814	7.3%
Group EBITDA(ii)	465	528	(10.2%)	1,881	2,065	(9.0%)
EBITDA margin	34.1%	41.7%	(7.6ppt)	36.5%	42.9%	(6.4ppt)
Normalized Net Profit(iii)	95	155		465	655	
Capex	564	359		1,226	922	

(i) The new consolidation scope includes full consolidation of Guatemala and equity accounting for Mauritius and Online and excludes UNE.

(ii) EBITDA: derived by deducting cost of sales, sales and marketing costs and general and administrative expenses from revenue and adding other operating income excluding central costs.

(iii) Net profit adjusted for items such as foreign exchange movements, movements in valuation of the Honduras put option (negative $45 million in Q4 2013), and Colombian deferred tax asset, goodwill impairment and one-off tax impacts, revaluation of previously held interests and results from associates, joint ventures and start-up ventures.

President's Statement

Delivering the Digital strategy as our transformation continues

“It has been a transformation year for Millicom, with a focus on the execution of our strategy and positioning us for future growth around four strategic pillars – Mobile, Cable & Digital Media, MFS and Online. In 2013, we started our journey to offer our customers the very best of the digital world – what we call, the “Digital Lifestyle”. We are transforming our operations; recruiting new talent and adding new skills to the organization to offer an ever richer and entertaining product suite to meet the current and future needs of our customers.

We are focused on sustainably re-igniting growth and in the fourth quarter of 2013 revenue growth accelerated further to reach 9.7% on an organic basis, up from 8.1% in Q3. This acceleration resulted from continuing progress in Africa where we returned to high single digit growth in the fourth quarter and a fantastic performance once again in Colombia where growth exceeded 20%.

In the fourth quarter of 2013 we upgraded an average of over 13,000 customers to mobile data services each day, a key driver of the Digital Lifestyle strategy. Innovations such as free Facebook access and our prepaid music plans in Latin America have propelled take-up. We also maintained our investment to incentivise adoption of mobile data, with subsidies increasing by 28% in local currency across the Group.

In a big step towards broadening our Digital Lifestyle offering, this month Millicom will launch the “Tigo Star” branded cable and broadband service and the “Tigo Sports” TV channel in Latin America.

Finally, in Online we welcomed MTN to our online partnership in Q4. With our complementary businesses in Africa, we are confident of efficiently growing the business.

Millicom’s growth story continues. Adding almost 1.7 million mobile customers to exceed 50 million customers for the first time is one of many significant milestones this quarter. Growing by 500,000 in six months in the recently troubled Kivu region in DRC is one example of our determination and spirit. By the end of this year we will be offering a full range of digital services in all Tigo mobile markets in Latin America. This gives us a head start in the bundling business – much sooner than in more developed markets, and is a big step in the execution of our strategy to drive forward the Digital Lifestyle.

Our planned investments are on track as we upgrade our services and keep innovating to maintain a strong competitive edge. In 2014, we will continue to focus on rigorous financial discipline, operating efficiency and providing our customers with the Digital Lifestyle. Our ambition is to execute further our transformation in 2014.”

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

The four pillars of our strategy: Q4 update

In 2013 we focused on setting the foundations for future growth in new areas, while maintaining strong momentum in the mobile business. The impact of regulatory pressure, notably increased taxation and rate cuts was stronger than in past years but we more than offset its revenue impact through innovative offerings in Mobile, Cable & Digital Media, MFS and Online. The fourth quarter of 2013 showed further evidence that we are delivering on the plans we communicated at our 2013 Capital Markets Day.

Mid-single digit growth in mobile

Overall, our Mobile business proved resilient in Q4, growing by 5.5% in local currency, versus 3.3% in Q3. Removing the impact of regulatory pressure, which was still significant this quarter, our mobile growth would have reached 7.4%.

Significantly, our voice and SMS mobile business grew 1.1% in the fourth quarter in local currency (3.6% excluding regulatory pressures), a marked improvement versus previous quarters on the back of strong net additions again in South America and Africa.

In 2013, we successfully upgraded over 4 million customers to mobile data, (8.5% of our YE2012 mobile customer base). This enabled us to consistently grow 28-30% in mobile data revenue in local currency over the year.

Accelerated growth in Mobile Financial Services

MFS penetration grew by 50% in 2013 versus 2014, exceeding 15% of our mobile customer base in the markets where the service has been launched, and 12.4% for the total Group. Penetration growth remained very solid in our three leading markets of Tanzania, Rwanda and Paraguay and significantly accelerated in El Salvador (where we have passed the 10% penetration mark), Ghana and Honduras.

Millicom will launch the world's first international MFS service featuring integrated currency conversion. This pioneering service will be launched in Rwanda and Tanzania and will enable individuals and businesses to make simple cross-border transactions from their handsets without needing to go to a bank or specialist provider. We will launch MFS in Senegal in March.

New launches in Cable & Digital Media in Q1 2014

This month Millicom takes a significant step forward in the execution of its strategy with the launch in Latin America of the "Tigo Star" branded cable and broadband service and the "Tigo Sports" TV channel. "Tigo Star" will offer high quality TV and broadband services, initially in Paraguay, Costa Rica and El Salvador. "Tigo Sports" has gone live in Paraguay as a dedicated 24-hour sports channel including live football, tennis, handball, futsal and athletics. Additional markets will launch Tigo Star and Tigo Sports during the year.

Online growing steadily; new partnerships announced

As anticipated, growth in our Online division accelerated in the fourth quarter, while losses remained under control.

In December, we welcomed MTN to our online ventures in Africa. We expect the new partnership to strengthen the venture as a result of the complementary footprint of Millicom and MTN businesses in Africa. Our partnership with Rocket Internet in Latin America was reviewed in light of recent developments and our agreement was partially amended in January 2014.

As a result, from January 2014, the results of the Online division will be equity accounted for (previously fully consolidated).

In 2013, the Online division generated revenue of $83 million and EBITDA losses of $61 million, in line with previously revised guidance.

Operating review

Total revenue for the three months ended December 31, 2013 was $1,365 million, up 7.9% (9.7% in local currency and pro-forma for external growth). On a like-for-like basis revenue growth reached 11.4%, versus 10% in Q3 2013. Reported growth was led by South America again this quarter, while Africa returned to high single digit growth.

We generated 61% of Group recurring revenue growth from Mobile, 11% from Cable & Digital Media, 10% from MFS, and 18% from our Online division, in a fourth quarter marked by intense commercial activities around the year end festive season.

Reported EBITDA for the quarter was $465 million, down 10.2% in local currency versus Q4 2012. Consolidated EBITDA margin, at 34.1%, was 7.6 percentage points lower than Q4 2012 with dilution from Online amounting to 2.4 points of margin and one-offs to 1.7 points in Q4 2013.

In the fourth quarter we recorded $22.4 million negative one-offs ($20.2 million in Central America and $2.2 million in Africa). These mainly related to retroactive implementation of value added taxes.

Group EBITDA excluding Online declined by 7.2% in local currency this quarter. EBITDA losses from Online amounted to $23.1 million in Q4. Excluding Online, and the one-off impacts in Q4, underlying EBITDA reached $511 million, a margin of 38.2% and a decline of 3% in local currency (versus 3.7% in Q3).

Our investments contributed to a 15% increase in sales and marketing costs (+$38.6 million year-on-year to support growth in mobile data and MFS), and $55 million incremental G&A costs to build category skills ($35 million excluding one-offs in Q4).

In line with our FY2013 outlook our underlying EBITDA margin was 39.2%. The outlook excludes one-off items, which were exceptionally high at $47 million. We expect lower one-off items going forward.

Revenue by business unit

$m	Q4 2013	Q4 2012	YOY growth* (%) Local Currency
Mobile	1,097	1,062	5.5
Cable & Digital Media	116	103	9.9
MFS	23	14	67.0
Online	27	10	NA
Other**	102	77	37.6
Total	**1,365**	**1,266**	**9.7**

** Growth pro-forma for Cablevision contribution*

*** Telephone and equipment sales and other revenue*

Mobile (61% of Group revenue growth)

Mobile revenue growth accelerated in the seasonally strong fourth quarter and revenue reached $1,097 million, growing 5.5% over Q4 2012 in local currency and 7.4% on a like-for-like basis.

In the fourth quarter of the year, mobile customer numbers increased by close to 1.7 million. Almost half of the growth came from Africa, while Central America improved (from a stable customer base in Q3 to a growth of close to 250,000 net additions) and South America continued to enjoy steady growth, with Colombia and Bolivia driving regional growth.

In Africa growth in net additions was again strong, led this time by Chad, Tanzania and Senegal. In DRC, following our launch in the Kivu region we continued to grow our base at a steady pace.

Mobile recurring ARPU in local currency declined 1.3%, a marked improvement versus Q3 2013 (2.7%). This quarter the decline came from high net additions, notably in Africa where the ARPU is close to half the Group average. Without regulatory impact, mobile ARPU would have increased by 0.6% this quarter versus declines of 0.6% in Q3, 1.4% in Q2 and 3.3% in Q1.

Year-on-Year Mobile ARPU

$	Total	Central America	South America	Africa
Q4 13	**8.0**	10.1	12.2	4.0
Q3 13	**7.9**	10.1	11.6	4.0
Q2 13	**7.9**	10.2	11.6	3.9
Q1 13	**7.9**	10.0	11.7	4.0
Q4 12	**8.3**	10.6	12.0	4.2

N.B. ARPU figures are based on total mobile recurring revenue. – These numbers exclude MFS which used to be included in Mobile ARPU.

Revenue in the **Mobile Communication** category grew in the fourth quarter by 1.1% (3.6% excluding regulatory impact). This strong performance was essentially due to solid growth in Revenue Generating Units (RGUs) (voice/SMS users), which increased by 1.7 million in Q4.

During the third quarter, Mobile Termination Rates (MTR's) were cut ($ equivalent) by 17% to 5 cents in El Salvador and by 9% to 7 cents in Bolivia. Overall, regulatory pressure in Q4 accounted for 1.7 percentage points of growth, versus 1.9 points in Q3.

Mobile Information: we increased RGUs (mobile data customers) by almost 1.2 million in the fourth quarter, to reach over 10 million or 20.2% of our total mobile customer base. Approximately 8.5% of Millicom's YE 2012 mobile customers were upgraded to data services in 2013. Penetration reached 20.1% in Central America, 27.8% in South America and 15.2% in Africa.

Over the same period subsidies grew 28% in local currency, as we continue to see unmet demand for access to the internet, and return on subsidies within one year. We took advantage of the increasing availability of attractively priced and quality smartphones in Q4 to facilitate acceleration of mobile internet uptake.

In the quarter in Paraguay we started to offer Facebook access for free and in Guarani, the local language, on mobile devices. It was achieved through a partnership with Facebook and with the aim of driving data take-up. This will be replicated in Africa in 2014.

Mobile Information RGUs

'000	RGUs	Central America	South America	Africa
Q4 13	**10,219**	3,185	3,846	3,188
Q3 13	**9,021**	2,974	3,485	2,562
Q2 13	**8,010**	2,854	3,125	2,031
Q1 13	**7,135**	2,597	2,875	1,663
Q4 12	**6,347**	2,340	2,555	1,452

ARPU from mobile information users (mobile data users) was $6.5 in Q4 2013. The decline in ARPU is largely due to the accelerated addition of new mobile data customers in all regions.

In Q4 the mobile information category amounted to 12.6% of Group revenue. Recurring revenue grew by over 29% year-on-year in local currency in Q4.

Performance in mobile information in Africa was also strong as the region went from low penetration of mobile data at the beginning of the year, to almost the same number of customers as South and Central America.

In **Mobile Solutions**, local currency growth remained strong in excess of 30%.

In **Entertainment**, our decision to increase pricing transparency has significantly improved our brand perception. We expect this change to drive longer term growth, although as a result, we saw a natural decline in the number of users, particularly in El Salvador.

In music we were first in our markets, and one of the first in the world, to launch unlimited streaming music services to prepaid users.

Several new regulatory and tax measures were introduced in the second half of the year and some have resulted in one-off charges in recent quarters or increased taxation.

Cable & Digital Media (11% of Group revenue growth)

Cable & Digital Media revenue grew by close to 10% in Q4 2013 year-on-year in local currency, and pro-forma for the acquisition in Paraguay in 2012. This was achieved despite a focus this quarter on preparation for the commercial launches of our sport channels and our "Tigo Star" launch.

This business unit includes both residential and corporate revenue.

Revenue* Breakdown Residential/Corporate

$m	Total	Residential	Corporate
Q4 13	**116**	84	32
Q3 13	**114**	78	36
Q2 13	**108**	77	31
Q1 13	**107**	76	31
Q4 12	**103**	71	32

**Recurring revenue*

In Q4 TV RGUs grew by 16 thousand customers, while we gained 13 thousand cable broadband users. The number of homes passed increased from 2.509 million to 2.532 million.

In Q4 2013, Residential cable ARPU declined to $34.7 year-on-year, mainly due to competitive pressures in Costa Rica.

Residential Cable TV Net New RGUs

'000	Net new RGUs	Central America	South America
Q4 13	**16**	6	10
Q3 13	**37**	20	17
Q2 13	**25**	11	14
Q1 13	**6**	(1)	7
Q4 12	**203**	76	127

The penetration of fixed broadband in our pay-TV customer base increased to 42.2% at the end of Q4 2013 (from 41% at the end of Q3).

Residential Cable Broadband Net New RGUs

'000	Net new RGUs	Central America	South America
Q4 13	**13**	9	4
Q3 13	**16**	6	10
Q2 13	**11**	7	4
Q1 13	**7**	7	0
Q4 12	**67**	8	59

MFS (10% of Group revenue growth)

MFS revenue increased again strongly in Q4 2013 in local currency (+67% versus Q4 2012). In the fourth quarter of the year MFS comprised 10% of Millicom's recurring revenue growth.

MFS penetration reached 12.4% of our total mobile customer base. Our MFS RGUs increased by 786,000 in the fourth quarter, a growth rate more than 50% higher than the average of the first 9 months of the year.

Penetration of MFS in Tanzania reached 45.6% of our customer base by the end of 2013.

Rwanda was our second most penetrated MFS market by the end of December, with 37.1% of our mobile customers being active users of MFS.

In Paraguay 31.8% of our customers were using the service by the end of Q4.

During the quarter we passed the important 10% penetration mark in El Salvador growing from 7.1% at the end September to 11.4% at end of the year. It is our most successful market in Central America so far. Recent developments in Ghana, Honduras and Chad are encouraging and we expect all three to pass the 10% penetration mark in the first months of 2014.

MFS RGUs

'000	RGUs	Central America	South America	Africa
Q4 13	**6,277**	892	1,292	4,093
Q3 13	**5,491**	636	1,167	3,688
Q2 13	**4,886**	535	1,057	3,294
Q1 13	**4,352**	419	996	2,937
Q4 12	**3,936**	303	902	2,731

ARPU for MFS users was $1.35, up 3.2% versus Q4 2012 in local currency despite the dilutive effect of new users.

MFS ARPU

$	Total	Central America	South America	Africa
Q4 13	**1.35**	0.66	1.90	1.29
Q3 13	**1.41**	0.73	1.81	1.38
Q2 13	**1.35**	0.77	1.82	1.27
Q1 13	**1.31**	0.84	1.76	1.21
Q4 12	**1.30**	0.91	1.84	1.16

Online (18% of Group revenue growth)

As expected, growth in Online accelerated in Q4 while losses remained under control. The category generated revenue of $27 million and EBITDA losses of $23 million. For the full year 2013, revenue was $83 million and EBITDA losses totalled $61 million.

Business development

The online retail ventures in Latin America and Africa are continuing to develop strongly. E-commerce sites Kanui and Tricae in Brazil and Jumia in Africa all had their best months ever during the fourth quarter.

The mobile taxi booking service Easy Taxi also continues to develop very strongly. In Latin America where the service is available in 8 countries and approximately 50 cities the number of rides increased by an average of over 50% per month during 2013. The service was also launched in Egypt and Nigeria in September and is gaining traction in both markets.

The online marketplace Kaymu expanded into Tanzania, Rwanda, Algeria, Cameroon and Tunisia during the fourth quarter and Uganda and Ivory Coast in January and is now available in ten countries across Africa, three of which are Millicom mobile markets.

The real estate classifieds site Lamudi expanded to Ghana and Tanzania during the fourth quarter and to Peru in January and now exists in 12 countries across Africa and Latin America.

During the fourth quarter the hotel booking site Jovago was also launched in Senegal, Ghana and South Africa and the bus ticket booking site Clickbus expanded from Brazil to Mexico. New to Millicom is price comparison site PricePanda which was launched in Mexico in November.

Synergies

MFS was implemented as a payment method for Hellofood in Rwanda as well as for Kaymu in Rwanda and Tanzania. The collaboration between Tigo and the Online businesses also continued to increase with the pre-instalment of apps in Colombia, cross-promotion in all markets and global knowledge sharing within areas such as IT, marketing and infrastructure. In Colombia taxi drivers are also offered a specific Tigo data-plan to facilitate the recruitment of new Taxi drivers to Easy Taxi and new mobile customers to Tigo.

New partnership announced in Africa

We announced in December a new partnership to further develop the online business in Africa. In partnership with MTN and Rocket Internet, we will focus on building on the early successes of the different subsidiaries in Africa Internet Holdings, including the general merchandise website in Nigeria, “Jumia”, the shoes and fashion ecommerce business in South Africa “Zando” and the market place “Kaymu”. Each of the partners will, upon closing of the transaction, own one third of the business. As a result of agreement from mid- December Millicom equity accounts for its stake in AIH.

Revised agreement in Latin America

In January 2014 Millicom and Rocket Internet have revised the initially agreed investment terms to better suit the development needs of the businesses which currently remain focused on the Brazilian market. A path to control remains in place where the final call option needs to be exercised by September 2016 but no earlier than one year after the second option is exercised. As a result, Millicom will apply equity accounting for the businesses in Latin America from January 2014.

Financial review

The unaudited consolidated financial statements of the Group for the twelve and three month periods ended December 31, 2013 are included in Section 2.

Group EBITDA

Reconciliation from operating profit to EBITDA for the periods is as follows:

$m	Q4 13	Q3 13	Q2 13	Q1 13	Q4 12
Operating profit	**147**	**196**	**200**	**238**	**266**
Depreciation and amortization	236	215	215	209	210
Corporate costs	55	51	45	45	47
Loss (gain) on disposal/write down of assets, net	27	(3)	3	2	5
EBITDA	**465**	**459**	**463**	**494**	**528**

Depreciation and Amortization (D&A), write down of assets

In the fourth quarter, D&A was $236 million, $26 million higher than a year ago, mainly due to investments in spectrum, networks and IT systems acquisitions made in the previous 12 month period and accelerated depreciation.

In the fourth quarter we booked a write-down on the value of our business in Senegal and accelerated depreciation of our network. This was due to several years of constrained levels of investments in the business and resulted in a $36 million impairment of goodwill.

Corporate Costs

In the fourth quarter corporate costs were marginally higher compared with the previous quarter, primarily due to employee related costs and consultancy fees. We have built stronger central functions to support our markets and new growth areas which resulted in corporate cost growth year-on-year. We expect these to stabilize at around the Q4 2013 level.
We also started to incur costs centrally for the development of our Digital Media start-up ventures (financed from Millicom and not our markets). These investments will gather pace in the coming quarters and be reported separately from corporate costs.

Financial Expenses and Income

The cost of financing in Q4 2013 was higher than the previous year and includes finance leases on towers sold and leased back. The main driver for the increase in financial expenses was the higher level of gross debt ($899 million more gross debt than in Q4 last year) as we re-leveraged the company, and financed acquisitions with debt.

Non-operating expenses

We recorded anon-cash non-operating expense of $45 million in the quarter from the change in value of the put option granted to our partner in Honduras. Year-to-date the impact of the put option revaluation was $62 million.

Taxes

In Q4, accrued taxes decreased by $158 million year-on-year to $2 million mostly due to the recognition for $79 million of a deferred tax asset from expected use of past losses. Last year level was impacted by the impairment of part of our deferred tax asset in Colombia as a result of a change in taxation. Our normalized tax expenses were down from $54 million in Q4 2012 to $49 million in Q4 2013.

Our effective tax rate was 28.6% versus 24.4% one year ago. In addition we recorded in Q4 2013 a deferred tax liability of $28 million for withholding tax on dividends.

Capex

In Q4 2013 we invested $564 million in capex, including $111 million in spectrum ($99 million in South America and $12 million in Central America). Cash capex amounted to $372 million.

Only $52 million out of the $111 million was accrued and paid in Q4. $37 million will be paid in Q1 2014 and the remainder over the periods of validity of the licenses.

Movements in Working capital

Changes in working capital in Q4 were a positive $164 million versus a positive $154 million in Q4 2012. The variance is mainly explained by our commercial push in the fourth quarter, combined with investment in the network to support the following 6 months growth.

Free Cash Flow Generation

Free cash flow for Q4 2013 was $80 million, a decline from Q4 2012 as a result of lower EBITDA (including $22 million in one-off costs in Q4 2013), higher corporate costs (+$12 million versus Q4 2012) and a significant increase in net interest and related costs from the recent bond issuances.

$m	Q4 13	Q3 13	Q2 13	Q1 13	Q4 12
Group EBITDA	465	459	463	494	528
- Capex*	(372)	(201)	(200)	(327)	(358)
- Taxes	(52)	(67)	(151)	(52)	(45)
- Change in working Capital	164	(21)	(26)	(79)	154
- Corporate Costs (excl. non-cash)	(52)	(47)	(40)	(40)	(40)
OpFCF (after Corporate Costs)	**153**	**123**	**46**	**(4)**	**239**
- Net interests paid	(73)	(42)	(40)	(53)	(35)
FCF	**80**	**81**	**6**	**(57)**	**204**

**Capex reported here is net of disposals*

$595 million of cash was upstreamed during year ended December 31, 2013 through a combination of dividends, management fees and royalties.

Debt Structure and Maturity Profile

Approximately 66% of the Group's gross debt (excluding financial leases) in the operations is denominated in local currency or carries limited exposure to $US foreign exchange fluctuations. US$ denominated debt is used in countries where long term debt in local currency is either too expensive or not available. Debt at the corporate level amounted to close to $1.8 billion at YE2013, of which $0.8bn was in escrow pending closing of the transaction in Colombia. All debt at corporate level was in $US or hedged to $US's.

At the end of Q4 2013, 65% of gross debt was at fixed interest rates (excluding financial leases), reducing our exposure to interest rate volatility.

At the end of Q4 2013, 65% of Group gross debt (excluding financial leases) was in bonds and 32% from bank financing. Average maturities have lengthened to 4.8 years.

At December 31, 2013, Millicom had $1.8 billion of cash, of which $0.8 billion held in escrow as noted above. Approximately $0.7 billion of Millicom's unrestricted cash of $0.9 billion was denominated in either $US or Euro.

Shareholder remuneration

The Board will propose to the AGM to be convened on May 27, 2014, the payment of a 2013 ordinary dividend of $2.64 per share.

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 and as we close the transaction in Colombia, our priority is on reducing Group leverage towards the lower end of our target range of 1-2x Net Debt/EBITDA.

2014 guidance

Under the new consolidation scope and at constant exchange rates, we expect revenue growth to accelerate at a mid to high single digit rate (versus comparable 5.5% in 2013). On a reported basis and at constant exchange rates, we expect revenue growth to exceed 15%.

EBITDA margin will stabilize around the mid-30s% mark (after corporate costs).

In 2014, we expect a capex to revenue ratio of around 19%, excluding spectrum and license acquisitions.

EBITDA margin improvements from full consolidation of Guatemala will be offset by accelerating growth opportunities in Africa and South America.

Corporate Responsibility (CR)

In Q4 2013 our Corporate Responsibility management was strengthened with the arrival of a new Global Compliance Director and the nomination of the Head of the Millicom Foundation. Both organizations will work closely with the Head of Corporate Responsibility to ensure a solid governance of corporate responsibility from compliance and responsible corporate behaviour through to our external engagement in our communities.

In preparation for our annual CR reporting, Millicom carried out a materiality analysis in Q4 with key stakeholder groups to determine material CR aspects for 2013 reporting. Investors, customers, suppliers and NGOs ranked trustworthy brand, affordable products and services, participation in the local economy, training and development of employees, and customer focus among the most important CR aspects. Millicom will report on our progress against these and other aspects in our annual CR report.

Social responsibility: skills for the new strategy

We continued to roll out “Tigo Sales School”, a six-week sales trainings to our indirect sales force, to new countries in Q4. By the end of the year, 29% had been trained. While the training continues to produce excellent results by increased loyalty and performance, it is also bringing significant positive developments in the lives of our indirect sales staff. The training not only helps our freelancers to build up their business but has also shown to improve the management of their personal finances and help them capitalize on increasing levels of income.

In Q4 we have defined a new holistic corporate security strategy, which covers information security, business continuity management, physical security and health & safety, fraud and crisis management. Dedicated teams in each operation will ensure local implementation. We also implemented an upgrade of our International SOS service in Q4 to provide travel security and medical alerts and emergency support globally.

Going forward our social impact strategy and assessment of local activities will be led by the Millicom Foundation. Birth registration via mobile phone in Tanzania has been one of the flagship projects of providing digital tools for social impact. In a joint project with UNICEF that started in June 2013, Tigo is providing a simple SMS-based application to register children and newborns in the rural Mbeya region. In just half a year, our technology has helped raise the registration rate of under-five-year-olds from 8.9% to 44% in the region. The target is to register over one million children by 2015 in five regions of Tanzania.

Environment: progress in e-waste management

After successfully signing agreements for certified e-waste management, we completed trials of e-waste collection and shipment during Q4 in all of our regions. The results will confirm our partners for a global roll out of the new waste management system in 2014.

Collection of environmental data for the full year 2013 is on-going. In line with our energy efficiency strategy, many operations have been upgrading equipment to more energy efficient alternatives, increased site sharing and introduced renewable and hybrid battery solutions for off-grid sites. Full results will be included in the annual CR Report.

Anti-corruption: new compliance strategy

During the last quarter of 2013 the anti-corruption risk assessment was updated and in 2014 there will be continued efforts to shape our anti-corruption program to fit the changing business needs.

With the new Global Director of Compliance, the team is defining a new strategy and priorities with a view to strengthen compliance risk awareness across the company and to reshape the Code of Ethics and the overall policy governance framework.

Subsequent events

On January 16, 2014, Millicom and its partner in Guatemala Miffin Associates Corp. strengthened their partnership and entered into a put and call option agreement.

On February 6, 2014, Tigo Guatemala, borrowed $800 million through the issuance a 10-year bond. The bond which was issued below par (98.233%) will carry a 6.875% coupon.

On February 10, 2014, Millicom announced that it has appointed Tim Pennington to the role of Chief Financial Officer. He will take up the role in June 2014 and report to Millicom's President and CEO, Hans-Holger Albrecht. Tim is currently the CFO at Cable & Wireless Communications (LON: CWC). He was previously the Group Finance Director for Cable and Wireless plc. Prior to this Tim was CFO of Hutchison Telecommunications International Ltd. which was listed in Hong Kong and New York.

Conference call details

A presentation and conference call to discuss results of the quarter will take place at 14.00 Stockholm / 13.00 London /08.00 New York, on Tuesday 11 February, 2014. Dial-in numbers: +46 (0) 8 5052 0204, +44 (0) 208 515 2319, or +1 480 629 9644. Access code: 46 62 149.

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.

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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.

Section 1- Other operating and financial data

Quarterly analysis by region (unaudited)

	Q4 13	Q3 13	Q2 13	Q1 13	Q4 12	Increase Q4 12 to Q4 13
Revenue (US$ millions)						
Central America	481	466	470	467	481	0%
South America	589	542	532	529	526	12%
Africa	268	257	236	239	249	8%
Online	27	25	20	11	10	169%
Total Revenue	**1,365**	**1,290**	**1,258**	**1,246**	**1,266**	**8%**
EBITDA (US$ millions)						
Central America	201	217	214	226	244	(18%)
South America	222	198	189	196	204	9%
Africa	65	62	74	78	87	(25%)
Online	(23)	(18)	(14)	(6)	(7)	240%
Total EBITDA	**465**	**459**	**463**	**494**	**528**	**(12%)**
Total mobile customers at end of period (‘000s)						
Central America	15,830	15,584	15,571	15,834	15,597	1%
South America	13,829	13,239	12,873	12,760	12,716	9%
Africa	20,955	20,097	19,010	18,810	18,916	11%
Total	**50,614**	**48,920**	**47,454**	**47,404**	**47,229**	**7%**
Attributable mobile customers at end of period (‘000s)						
Central America	12,076	11,832	11,856	12,120	12,032	0%
South America	13,829	13,239	12,873	12,760	12,716	9%
Africa	20,687	19,833	18,745	18,545	18,651	11%
Total	**46,592**	**44,904**	**43,474**	**43,425**	**43,399**	**7%**

Cellular customers and market position by country (unaudited)

Country	Equity holding	Country population (million) (i)	MIC market position (ii)	Net adds Q4 13 (000's)	Total customers ('000s) (iii)		
					Q4 13	Q4 12	YoY growth
CAM							
El Salvador	100.0%	6	1 of 5	27	**2,617**	2,979	(12%)
Guatemala	55.0%	14	1 of 3	5	**8,343**	7,922	5%
Honduras	66.7%*	8	1 of 3	214	**4,870**	4,696	4%
SAM							
Bolivia	100.0%	10	2 of 3	214	**3,139**	3,041	3%
Colombia	50.0% +1 share	46	3 of 3	348	**6,753**	5,726	18%
Paraguay	100.0%	7	1 of 4	28	**3,937**	3,949	0%
Africa							
Chad	100.0%	11	1 of 3	213	**2,252**	2,030	11%
DRC (iv)	100.0%	76	2 of 6	221	**3,854**	3,001	28%
Ghana	100.0%	25	3 of 6	97	**3,674**	3,170	16%
Mauritius	50.0%	1	2 of 3	7	**535**	529	1%
Rwanda	87.5%	12	2 of 4	144	**1,938**	1,502	29%
Senegal	100.0%	13	2 of 4	62	**2,700**	2,641	2%
Tanzania	100.0%	48	2 of 7	114	**6,002**	6,043	(1%)
Total cellular customers excluding discontinued operations		277		1,694	**50,614**	47,229	7%

(i) *Source: CIA World Factbook*
(ii) *Source: Millicom. Market position derived from active customers based on interconnect*
(iii) *Millicom only reports customers from which revenue has been generated within a period of 60 days, or in the case of new customers, only those from which revenue has already been generated*
(iv) *DRC market position relates to the Kinshasa/Bas Congo area and the Kivu region (previously only KBC)*
* *Millicom's unconditional call option over its partner's 33.3% shareholding enables Millicom to fully consolidate Honduras.*

Review by region (unaudited)

Central America	Q4 13	Q3 13	Q2 13	Q1 13	Q4 12
Mobile Customers (m)	**15.8**	15.6	15.6	15.8	15.6
YoY growth (%)	***1.5%***	*1.9%*	*2.6%*	*5.1%*	*6.6%*
Revenue ($m)	**481**	466	470	467	481
YoY growth (%) (reported)	***(0.1%)***	*(0.7%)*	*(1.2%)*	*(1.7%)*	*0.6%*
YoY growth (%) (local currency)	***1.1%***	*0.9%*	*0.4%*	*0.2%*	*2.4%*
EBITDA ($m)	**201**	217	214	226	244
YoY growth (%)	***(17.9%)***	*(8.1%)*	*(9.4%)*	*(6.0%)*	*(0.3%)*
Margin (%)	***41.8%***	*46.6%*	*45.6%*	*48.5%*	*50.8%*
Total mobile ARPU ($)[i]	**10.1**	10.1	10.2	10.0	10.6
YoY growth (%) (reported)	***(4.6%)***	*(3.3%)*	*(4.1%)*	*(7.4%)*	*(6.2%)*
Capex ($m)	**101**	74	63	46	131
Capex/Revenue (%)	***20.9%***	*15.8%*	*13.3%*	*9.9%*	*27.3%*

(i) Not adjusted for constant forex and excluding MFS

South America	Q4 13	Q3 13	Q2 13	Q1 13	Q4 12
Mobile Customers (m)	**13.8**	13.2	12.9	12.8	12.7
YoY growth (%)	***8.7%***	*7.9%*	*9.6%*	*10.7%*	*14.0%*
Revenue ($m)	**589**	542	532	529	526
YoY growth (%) (reported)	***12.0%***	*12.9%*	*14.2%*	*16.4%*	*16.8%*
YoY growth (%) (local currency)	***14.7%***	*12.2%*	*10.7%*	*8.7%*	*11.0%*
EBITDA ($m)	**222**	198	189	196	204
YoY growth (%)	***9.2%***	*9.3%*	*2.0%*	*5.2%*	*8.0%*
Margin (%)	***37.8%***	*36.6%*	*35.5%*	*37.0%*	*38.7%*
Total mobile ARPU ($)[i]	**12.2**	11.6	11.6	11.7	12.0
YoY growth (%) (reported)	***0.9%***	*(3.3%)*	*(3.2%)*	*(3.3%)*	*(2.4%)*
Capex ($m)[ii]	**296**	130	46	115	135
Capex/Revenue (%)	***50.2%***	*24.1%*	*8.6%*	*21.6%*	*25.8%*

(i) Not adjusted for constant forex and excluding MFS
(ii) Excluding sale and leaseback of previously owned towers

Review by region (continued)

Africa	Q4 13	Q3 13	Q2 13	Q1 13	Q4 12
Mobile Customers (m)	**21.0**	20.1	19.0	18.8	18.9
YoY growth (%)	***10.8%***	*8.8%*	*7.8%*	*9.3%*	*9.3%*
Revenue ($m)	**268**	257	236	239	249
YoY growth (%) (reported)	***7.9%***	*4.0%*	*(1.3%)*	*0.0%*	*(0.2%)*
YoY growth (%) (local currency)	***9.2%***	*4.7%*	*0.5%*	*2.8%*	*1.9%*
EBITDA ($m)	**65**	62	74	78	87
YoY growth (%)	***(24.7%)***	*(32.4%)*	*(19.2%)*	*(12.8%)*	*(15.2%)*
Margin (%)	***24.2%***	*24.2%*	*31.1%*	32.7%	34.8%
Total mobile ARPU ($)(i)	**4.0**	4.0	3.9	4.0	4.2
YoY growth (%) (reported)	***(4.9%)***	*(6.1%)*	*(11.7%)*	*(11.1%)*	*(10.6%)*
Capex ($m)(ii)	**155**	105	42	31	223(iii)
Capex/Revenue (%)	***57.6%***	*40.7%*	*18.0%*	*12.9%*	*89.9%*

(i) Not adjusted for constant forex and excluding MFS

(ii) Excluding sale and leaseback of previously owned towers

(iii) Includes $103 million for spectrum in Senegal.

Revenue growth - Forex effect by region

$m	Revenue Q4 12	Constant currency growth	Forex	Acquisition*	Revenue Q4 13	LC growth %
CAM	481	6	(6)	-	481	1.1%
SAM	526	77	(17)	3	589	14.7%
Africa	249	23	(4)	-	268	9.2%
Online	10	17	-	-	27	169.4%
Total	1,266	123	(27)	3	1,365	9.7%

* *Acquisition of cable and TV businesses*

Customers

Net additional mobile customers

'000	Total	CAM	SAM	Africa
Q4 13	1,694	246	590	858
Q3 13	1,466	14	366	1,086
Q2 13	50	(263)	113	200
Q1 13	175	237	44	(106)
Q4 12	1,198	300	448	450

Source: Company data. Historical market share for Africa reflect KBC market only in DRC. From Q3 2013, market share include operations in Kivu region of DRC

Customer market share

Market share

%	Total	CAM	SAM	Africa
Q4 13	29.8%	53.1%	21.0%	28.4%
Q3 13	29.5%	53.8%	20.4%	28.2%
Q2 13	29.5%	53.7%	20.1%	28.3%
Q1 13	29.8%	53.6%	19.9%	28.9%
Q4 12	30.2%	54.4%	19.7%	29.8%

Year-on-Year-local currency Mobile ARPU growth (excl. MFS)

%	Total	CAM	SAM	Africa
Q4 13	**(1%)**	(3%)	4%	(4%)
Q3 13	**(3%)**	(2%)	(1%)	(6%)
Q2 13	**(5%)**	(2%)	(3%)	(10%)
Q1 13	**(7%)**	(5%)	(7%)	(9%)
Q4 12	**(5%)**	(5%)	(4%)	(9%)

N.B. ARPU figures are based on total mobile revenue less roaming revenue.

Section 2- Unaudited Condensed Consolidated Financial Statements

Unaudited condensed consolidated income statement for the year ended December 31, 2013

US$ millions	Notes	Year ended December 31, 2013	Year ended December 31, 2012
Revenue	7	5,159	4,814
Cost of sales		(2,041)	(1,737)
Gross profit		**3,118**	**3,077**
Sales and marketing		(1,076)	(914)
General and administrative expenses		(1,099)	(956)
Other operating expenses		(179)	(122)
Other operating income		17	19
Operating profit	7	**781**	**1,104**
Interest expense		(276)	(220)
Interest and other financial income		23	14
Other non-operating (expenses) income, net	8	(132)	22
Gain (loss) from associates, net		(9)	(23)
Profit before taxes from continuing operations		**387**	**897**
(Charge) credit for taxes, net		(182)	(393)
Net profit for the year		**205**	**504**

Attributable to:			
Owners of the Company		229	508
Non-controlling interests		(24)	(4)

Earnings per common share for profit attributable to the owners of the Company:			
Basic (US$)	9	2.30	5.02
Diluted (US$)	9	2.30	5.01

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

Unaudited condensed consolidated income statement for the three month period ended December 31, 2013

US$ millions	Notes	Three month period ended December 31, 2013	Three month period ended December 31, 2012
Revenue	7	1,365	1,266
Cost of sales		(578)	(446)
Gross profit		**787**	**820**
Sales and marketing		(291)	(252)
General and administrative expenses		(301)	(263)
Other operating expenses		(52)	(41)
Other operating income		4	2
Operating profit	7	**147**	**266**
Interest expense		(73)	(63)
Interest and other financial income		6	6
Other non-operating (expenses) income, net	8	(50)	34
Gain (loss) from associates, net		11	(19)
Profit before taxes from continuing operations		**41**	**224**
(Charge) credit for taxes, net		2	(156)
Net profit for the period		**43**	**68**
Attributable to:			
Owners of the Company		55	87
Non-controlling interests		(12)	(19)
Earnings per common share for profit (loss) attributable to the owners of the Company:			
Basic (US$)	9	0.56	0.86
Diluted (US$)	9	0.56	0.85

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

Unaudited condensed consolidated statement of comprehensive income for the year ended December 31, 2013

US$ millions	Year ended December 31, 2013	Year ended December 31, 2012
Net profit for the period	205	504
Other comprehensive income (to be reclassified to profit and loss in subsequent periods):		
Exchange differences on translating foreign operations	(73)	(55)
Cash flow hedge reserve movement	7	(2)
Total comprehensive income for the year	**139**	**447**

Attributable to:		
Owners of the Company	182	469
Non-controlling interests	(43)	(22)

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

Unaudited condensed consolidated statement of comprehensive income for the three month period ended December 31, 2013

US$ millions (unaudited)	Three months ended December 31, 2013	Three months ended December 31, 2012
Net profit for the period	43	68
Other comprehensive income (loss) (to be reclassified to profit and loss in subsequent periods):		
Exchange differences on translating foreign operations	(15)	4
Cash flow hedge reserve movement	(4)	(3)
Total comprehensive income (loss) for the period	**24**	**69**

Attributable to:		
Owners of the Company	40	90
Non-controlling interests	(16)	(21)

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

Unaudited condensed consolidated statement of financial position as at December 31, 2013

US$ millions	Notes	December 31, 2013	December 31, 2012
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	11	2,543	2,419
Property, plant and equipment, net	10	3,162	3,108
Investments in associates	12	122	193
Pledged deposits		2	47
Deferred tax assets		313	259
Other non-current assets		83	86
TOTAL NON-CURRENT ASSETS		**6,225**	**6,112**
CURRENT ASSETS			
Inventories		140	93
Trade receivables, net		320	322
Amounts due from non-controlling interests, associates and joint venture partners		234	81
Prepayments and accrued income		163	140
Current income tax assets		58	39
Supplier advances for capital expenditure		63	44
Advances to non-controlling interest		69	56
Pledged deposits	14	817	8
Other current assets		22	78
Restricted cash		81	43
Cash and cash equivalents		941	1,174
TOTAL CURRENT ASSETS		**2,908**	**2,078**
Assets held for sale	5	14	21
TOTAL ASSETS		**9,147**	**8,211**

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

Unaudited condensed consolidated statement of financial position as at December 31, 2013 (continued)

US$ millions	Notes	December 31, 2013	December 31, 2012
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		640	642
Treasury shares		(172)	(198)
Put option reserve	15	(737)	(737)
Other reserves		(185)	(133)
Retained profits		2,154	1,942
Profit for the year attributable to equity holders		229	508
Equity attributable to owners of the Company		**1,929**	**2,024**
Non-controlling interests		152	312
TOTAL EQUITY		**2,081**	**2,336**
LIABILITIES			
Non-current liabilities			
Debt and financing	14	3,687	2,566
Derivative financial instruments		23	4
Provisions and other non-current liabilities		162	127
Deferred tax liabilities		188	180
Total non-current liabilities		**4,060**	**2,877**
Current liabilities			
Debt and financing	14	471	693
Put option liability	15	792	730
Payables and accruals for capital expenditure		453	411
Other trade payables		277	259
Amounts due to joint venture partners		87	19
Accrued interest and other expenses		393	341
Current income tax liabilities		153	161
Provisions and other current liabilities		378	379
Total current liabilities		**3,004**	**2,993**
Liabilities directly associated with assets held for sale	5	2	5
TOTAL LIABILITIES		**7,066**	**5,875**
TOTAL EQUITY AND LIABILITIES		**9,147**	**8,211**

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

Unaudited condensed consolidated statement of cash flows for the year ended December 31, 2013

US$ millions (unaudited)	Notes	Year ended December 31, 2013 (i)	Year ended December 31, 2012
Cash flows from operating activities			
Profit before taxes from continuing operations		**387**	**897**
Adjustments for non-operating items:			
Interest expense		276	220
Interest and other financial income		(23)	(14)
(Gain) loss from associates, net		9	23
Other non-operating expenses (income), net		132	(22)
Adjustments for non-cash items:			
Depreciation and amortization		875	811
(Gain) loss on disposal and impairment of assets, net		29	(2)
Share-based compensation	13	17	22
Other non-cash items		—	8
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets		38	(103)
(Increase) in inventories		(55)	(14)
Increase in trade and other payables		55	201
Changes in working capital		**38**	**84**
Interest paid		(227)	(169)
Interest and other financial income received		19	11
Taxes paid		(322)	(284)
Net cash provided by operating activities		**1,210**	**1,585**
Cash flows from investing activities:			
Acquisition of subsidiaries, and non-controlling interests, net of cash acquired	3	(4)	(172)
Purchase of intangible assets and licenses	11	(402)	(159)
Proceeds from the sale of intangible assets	11	—	2
Purchase of property, plant and equipment	10	(758)	(842)
Proceeds from the sale of property, plant and equipment	10	60	115
Net increase in restricted cash		(39)	(23)
Investment of 6.625% bond proceeds	14	(800)	—
Issuance of loans to associates		(20)	(31)
Cash from (used by) other investing activities		(57)	(31)
Net cash used by investing activities		**(2,020)**	**(1,141)**
Cash flows from financing activities:			
Short-term loans to non-controlling interests		—	(24)
Proceeds from 6.625% bond	14	800	—
Proceeds from other debt and financing		1,179	1,545
Repayment of debt and financing		(1,168)	(923)
Purchase of treasury shares		—	(190)
Payment of dividends		(264)	(541)
Other financing activities		29	—
Net cash from (used by) financing activities		**576**	**(133)**
Exchange gains (losses) on cash and cash equivalents, net		1	2
Net (decrease) increase in cash and cash equivalents		**(233)**	**313**
Cash and cash equivalents at the beginning of the year		1,174	861
Cash and cash equivalents at the end of the year		**941**	**1,174**

(i) Prospective reclassification for FX effects in operating, investing and financing activities

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

Unaudited condensed consolidated statements of changes in equity for the periods ended December 31, 2013, and 2012

US$ 000s (unaudited)	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 as at December 31, 2011	**104,939**	**(3,507)**	**157,407**	**505,120**	**(378,359)**	**2,811,130**	**(737,422)**	**(103,492)**	**2,254,384**	**191,170**	**2,445,554**
Profit for the period	—	—	—	—	—	*508,306*	—	—	*508,306*	*(4,718)*	*503,588*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*(1,118)*	*(1,118)*	*(85)*	*(1,203)*
Currency translation differences	—	—	—	—	—	—	—	*(37,709)*	*(37,709)*	*(17,530)*	*(55,239)*
Total comprehensive income for the period	—	—	—	—	—	508,306	—	(38,827)	469,479	(22,333)	447,146
Dividends	—	—	—	—	—	(541,133)	—	—	(541,133)	—	(541,133)
Purchase of treasury shares	—	(2,106)	—	—	(189,619)	—	—	—	(189,619)	—	(189,619)
Cancellation of treasury shares	(3,200)	3,200	(4,800)	(15,000)	344,377	(324,577)	—	—	—	—	—
Share based compensation	—	—	—	—	—	—	—	21,929	21,929	—	21,929
Issuance of shares under the LTIPs	—	237	—	(1,106)	25,453	(11,926)	—	(12,421)	—	—	—
Non-controlling interests in Rocket Internet	—	—	—	—	—	—	—	—	—	160,321	160,321
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(16,969)	(16,969)
Change in scope of consolidation	—	—	—	—	—	8,658	—	—	8,658	—	8,658
Balance as at December 31, 2012	**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	—	—	—	—	—	*229,147*	—	—	*229,147*	*(24,547)*	*204,600*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*6,857*	*6,857*	182	*7,039*
Currency translation differences	—	—	—	—	—	—	—	*(53,903)*	*(53,903)*	*(19,068)*	*(72,971)*
Total comprehensive income for the period	—	—	—	—	—	229,147	—	(47,046)	182,101	(43,433)	138,668
Dividends(ii)	—	—	—	—	—	(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	—	90	—	(343)	8,166	(4,796)	—	(3,027)	—	—	—
Share based compensation	—	—	—	—	—	—	—	16,871	16,871	—	16,871
Issuance of shares under the LTIPs	—	235	—	(1,106)	21,313	(1,104)	—	(19,103)	—	—	—
Change in scope of consolidation	—	—	—	—	—	1,391	—	—	1,391	(91,834)	(90,443)
Change in deferred tax liabilities	—	—	—	—	—	(28,000)	—	—	(28,000)	—	(28,000)
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(24,872)	(24,872)
Balance as at December 31, 2013	**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**

(i) Includes profit for the period attributable to equity holders of which at December 31, 2013, $140 million (December 31, 2012: $126 million) are undistributable to owners of the Company.

(ii) A dividend of $2.64 per share was approved at the 2013 Annual General Meeting in May 2013 and distributed in June 2013.

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

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

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 online businesses in Latin America and Africa.

Millicom operates its mobile businesses in El Salvador, Guatemala and Honduras in Central America; in Bolivia, Colombia and Paraguay in South America; and in Chad, the Democratic Republic of Congo, Ghana, Mauritius, Rwanda, Senegal and Tanzania in Africa. In addition, Millicom operates cable businesses in El Salvador, Guatemala, Honduras, Costa Rica and Paraguay and has investments (see note 4) in online/e-commerce businesses in several countries in Latin America (including Brazil) and Africa (including Nigeria and South Africa).

The Company's shares are traded as Swedish Depositary Receipts on the Stockholm stock exchange under the symbol MIC SDB and over the counter in the US under the symbol MIICF. The Company has its registered office at 2, Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B 40 630.

On February 10, 2014 the Board of Directors authorized these consolidated financial statements for issuance.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

These unaudited 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 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 consolidated financial statements should be read in conjunction with the annual report for the year ended December 31, 2012.

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

These unaudited condensed consolidated financial statements are prepared in accordance with consolidation and accounting policies consistent with Millicom's consolidated financial statements as at and for the year ended December 31, 2012, as disclosed in note 2 of those financial statements.

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2013 that have a material impact on the Group. The nature and the impact of each new standard/amendment are described below:

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 32 *Tax effects of distributions to holders of equity instruments* (Amendment)
The amendment to IAS 32 *Financial Instruments: Presentation* clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

IAS 34 *Interim financial reporting and segment information* (Amendment)
The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group provides this disclosure as total segment assets were reported to the CODM. See note 7.

IFRS 13 *'Fair Value Measurement'* aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS's. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2013, have not been early adopted and are not expected to have a material impact on the Group.

Amendment to IAS 32, 'Financial Instruments: Presentation', which updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify certain requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is yet to fully assess the full impact and intends to adopt the amendment no later than its effective date for the accounting period beginning on January 1, 2014.

The following standards and amendments are not effective for the financial year beginning January 1, 2013, have not been early adopted and are currently being evaluated for impact on the Group:

IFRS 9, 'Financial Instruments', which has yet to be adopted by the European Union, addresses the classification, measurement and recognition of financial assets and financial liabilities.

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'***. The Group has assessed that at January 1, 2014 its joint venture operation in Mauritius will no longer be proportionately consolidated and will be equity accounted for from that date. This change will result in our no longer reporting line by line the costs and revenue, and reporting only our share of the results of Mauritius in one line in our consolidated income statement, impacting revenue and operating profit, for example, but no impact on group net profit or cash generation. This change will also impact the carrying value of assets and liabilities. Information on proportionately consolidated joint ventures is provided in note 6.

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

As a result of the put and call agreement signed with our partner in Guatemala (see subsequent events note 17), the Guatemala business will be fully consolidated from January 1, 2014.

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

2013

During the year ended December 31, 2013 Millicom conducted a number of transactions related to the Rocket internet businesses, signed a merger agreement related to its business in Colombia and completed the purchase price allocation for its 2012 acquisition of Cablevision Paraguay.

During the year Millicom also made other smaller acquisitions of cable and television businesses in Guatemala and Bolivia for total consideration of $19 million.

Rocket Internet Transactions

During the year ended December 31, 2013 Millicom exercised its first call options in its Rocket internet businesses, Latin America Internet Holding (“LIH”) and Africa Internet Holding (“AIH”), finalized its purchase price allocation for the LIH and AIH acquisitions, entered into an agreement whereby it obtained control of Africa e-Commerce Holding (“AEH”) and its operating companies, and subsequently entered into an agreement whereby its interest in AIH will be 33.3%.

Rocket Internet Call Options

On March 27, 2013 Millicom exercised its first call options increasing its ownership in Latin America Internet Holding (“LIH”) and Africa Internet Holding (“AIH”) from 20% to 35%.

In October 2013 consideration for exercise of the first AIH option of EUR 35 million ($48 million) was agreed to be provided when the cash balances of AIH fall below Euro 10 million.

In December 2013 consideration for exercise of the first LIH options of EUR 50 million ($68.5 million) was agreed to be provided at the earlier of when the cash balances of LIH fall below Euro 15 million or September 2014. As the consideration was not provided in 2013 Millicom was no longer entitled to participate in the returns of LIH related to this 15% in 2013. Accordingly Millicom’s ownership in LIH reverted to 20%.

Finalization of Purchase Price Allocation of LIH and AIH

During the year ended December 31, 2013, Millicom finalized its allocation of the purchase price to the assets acquired, liabilities assumed and contingent liabilities of AIH and LIH. As a result the goodwill for LIH increased by $3 million to $37 million with a corresponding increase in non-controlling interests, and goodwill for AIH decreased by $9 million with a corresponding decrease in non-controlling interests.

Acquisition of AEH

Effective April 1, 2013 Millicom entered into an agreement with a non-related minority investor in Africa e-Commerce Holding (“AEH”), a 51.47% held subsidiary of AIH. The agreement enables Millicom to purchase a further 20% interest in AEH from the minority investor, conditional upon exercise of Millicom’s option to reach 100% ownership in AIH, and the minority shareholder to sell its 20% stake in AEH on the same condition.

This agreement provided Millicom with the ability to control the AEH Group, which has been fully consolidated from April 1, 2013 to December 12, 2013 (see Agreement to reduce ownership to 33.3% below). Prior to April 1, 2013 and after December 12, 2013 Millicom’s investment in AEH is accounted for as an investment in an associate (see note 12).

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

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

At April 1, 2013 the acquisition accounting was determined to be provisional and subject to additional information on the non-controlling interests in AEH's subsidiaries and the recoverable and settlement value of certain of its assets and liabilities.

US$ millions (unaudited)	100%	Previously Held Interest
Fair value of net assets of AEH Group	222	123
Non-controlling interests	(125)	
Fair value of net assets acquired	**97**	**31**
Previously held interest in AEH	(99)	
Revaluation of the previously held interests in AEH	**(2)**	
Goodwill arising on acquisition		**92**

The fair value of Millicom's previously held interest was determined based on discounted cash flows. The cash flow projections used were estimated by management covering 5 years. Cash flows beyond this point were extrapolated using a perpetual growth rate of 5%.

The goodwill, which is not expected to be tax deductible, is attributable to the profitability potential of the operating businesses and business concepts of AEH, as well as technical know-how. The fair value of AEH was based on a sum-of-parts valuation and its operating entities using a discounted cash flow approach.

The change of control contributed revenues of $30 million and net losses of $25 million (including the loss on revaluation of the previously held interest) for the period from acquisition to deconsolidation (see below) on December 12, 2013.

AIH shareholding agreement

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 (increase in share capital) at a price equivalent to 20% more than the investment made by Millicom.

As a result of this agreement Millicom no longer has the ability to exercise its options related to the remaining 65% in AIH, and has deconsolidated the AIH Group on December 12, 2013. In addition, the agreement also reduced Millicom's participation in AIH from 35% to 20% and its rights to participate in the results of AIH from 35% to 20%.

Accordingly, Millicom's 20% equity stake at December 13, 2013 has been accounted for as an investment in associates at December 12, 2013 at its fair value of $57 million, resulting in a gain on deconsolidation of $14 million. The fair value was calculated based on the price agreed by MTN for its 33.3% stake.

Colombia Merger Agreement

On October 1, 2013 Millicom signed a Merger Framework Agreement with Empresas Publicas de Medellin ("EPM") in Colombia whereby, subject to regulatory approval and closing conditions, the parties will combine and merge their mutual interests in Colombia Movil and UNE.

Millicom will contribute its shares in its Colombian subsidiary ("Colombia Movil") and $860 million in cash to the merged entity (largely financed through a bond – see note 14).

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

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

As a result of the merger agreement, and related shareholders agreement, and subject to regulatory approvals, Millicom would control the merged entity by virtue of a 1 share majority in voting shares, and have the power over key financial and operating decisions of the business through its rights to appoint 4 out of the 7 board members. Super majority clauses in the shareholders agreement provide Millicom with blocking rights to maintain the existing board appointments / decision making power.

Accordingly, it is expected that the combined business will be fully consolidated after regulatory approval. The merger agreement is considered as a common control transaction under IFRS, and therefore will not trigger acquisition accounting. Accordingly, Millicom's interest in the merged business will be consolidated and its $860 million cash contribution will be accounted for as cash.

By December 31, 2013 regulatory approvals had not yet been obtained.

Finalization of Purchase Price Allocation of Cablevision Paraguay

During the year ended December 31, 2013, Millicom finalized its allocation of the purchase price to the assets acquired, liabilities assumed and contingent liabilities of Cablevision Paraguay, acquired during 2012. As a result the goodwill increased by $2 million with a corresponding decrease in the value assigned to customer relationships.

2012

During 2012 Millicom made investments in Rocket Internet businesses in Latin America and Africa (together 'Rocket Acquisitions') which provide services in the e-commerce and online sector, and acquired Cablevision Paraguay ('Cablevision Acquisition'). During the year Millicom also completed the increase of ownership in Navega El Salvador from 55% to 100% and completed other minor acquisitions for consideration of $16 million.

Cablevision Acquisition

On October 2, 2012 Millicom acquired the debt and cash free operating businesses of Cable Vision Comunicaciones S.A., Television Dirigida S.A., Consorcio Multipunto Multicanal S.A., Producciones Unicanal S.A. and 100% of the shares of Teledeportes Paraguay S.A. (together "Cablevision") for combined cash consideration of $172 million.

The acquired interests gave Millicom the ability to govern the operating and financial policies of Cablevision, which has been fully consolidated from October 1, 2012.

Millicom provisionally allocated the purchase price of $172 million to the assets acquired, liabilities assumed and contingent liabilities and recognized the following amounts:

US$ millions (unaudited)	Cablevision Fair value
Tangible and intangible assets, net	107
Fair value of the net assets acquired and contingent liabilities	**107**
Cash consideration	172
Goodwill	65

The goodwill, which is not expected to be tax deductible, is attributable to future customers, know-how, and potential synergies.

Cablevision contributed revenues of $15 million and net profit of $6 million for the period from acquisition to December 31, 2012. If the acquisition had occurred on January 1, 2012, Group revenues from continuing operations for the year ended December 31, 2012 would have been $54 million higher, and the net profit from continuing operations for the same period would have been $17 million higher. These amounts have been calculated using the Group accounting policies.

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

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

Rocket Acquisitions

On August 29, 2012 Millicom acquired, for Euro 85 million, and by way of issuance of new shares, 20% interests in two subsidiaries of Rocket Internet GmbH, Latin America Internet Holding ("LIH") and Africa Internet Holding ("AIH") and unconditional options to acquire the remaining shares in each of LIH and AIH (LIH and AIH own several operating entities in Latin America and Africa respectively). The options can be exercised from the August 29, 2012 acquisition date. The first options expire in September 2013 ('First Options') and enable Millicom to increase its stakes to 35%, the second to 50% with expiry in September 2014 ('Second Options') and the third to increase its stakes to 100% with expiry in September 2016 ('Third Options').

The acquired 20% interests, combined with unconditional rights to exercise the First, Second and Third Options, as well as a number of protective governance mechanisms in the LIH and AIH shareholders agreements, provided Millicom with the ability to govern the operating and financial policies of AIH, and LIH. While Millicom controlled AIH at this date, certain minority shareholder rights per shareholder agreements, including blocking rights, result in Millicom having significant influence in the operating entities in the AIH Group. Millicom's economic ownership of these entities was treated as investments in associates. Investment Kinnevik AB, Millicom's largest shareholder, holds minority interests in certain subsidiaries of LIH and AIH.

As a result of the acquisition and option agreements Millicom had the right to control LIH and AIH, which were fully consolidated into the Millicom Group financial statements from September 1, 2012.

LIH

Millicom provisionally allocated the LIH purchase price of Euro 50 million to the assets acquired, liabilities assumed and contingent liabilities and recognized the following amounts:

US$ millions (unaudited)	LIH Group Fair Value 100%
Intangible assets, net	14
Property, plant and equipment, net	1
Current assets	9
Cash and cash equivalents	64
	88
Current liabilities	(8)
Deferred tax liabilities	(4)
	(12)
Fair value of the net assets acquired and contingent liabilities	**76**
Non-controlling interests:	
In net assets acquired and contingent liabilities	62
Less fair value of options (equity instruments)	(15)
	47
Controlling interest	**30**
Cash consideration	**64**
Goodwill arising on acquisition	**34**

The goodwill, which is not expected to be tax deductible, is attributable to future customers, know-how, potential synergies and the value of development stage projects. The non-controlling interest has been measured as a proportion of the net assets acquired.

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

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

AIH

Millicom provisionally allocated the AIH purchase price of Euro 35 million to the assets acquired, liabilities assumed and contingent liabilities and recognized the following amounts:

US$ millions (unaudited)	AIH Group Fair Value 100%
Investment in associates	100
Cash and cash equivalents	45
Fair value of the net assets acquired and contingent liabilities	**145**
Non-controlling interests:	
In net assets acquired and contingent liabilities	126
Less fair value of options (equity instruments)	(12)
	114
Controlling interest	**31**
Cash consideration	**44**
Goodwill arising on acquisition	**13**

The investment in associates represented investments in entities in which AIH has significant influence. The fair value of these investments has been determined based on a discounted cash flow model. The goodwill, which is not expected to be tax deductible, is attributable to future customers, know-how, potential synergies and the value of development stage projects. The non-controlling interest has been measured as a proportion of the net assets acquired.

Rocket Options

The exercise prices of the First and Second Options of Euro 85 million and Euro 170 million respectively are based on the original equity values of AIH and LIH. The cash invested by Millicom (capital increases) in each of AIH and LIH has increased the equity value of each of the businesses such that the equity value exceeds the exercise prices. As these options are exercisable at fixed prices they are accounted for as equity instruments in accordance with IAS 32. Accordingly, for LIH a provisional value of $15.1 million and for AIH a provisional value of $12.1 was assigned to the options against non-controlling interests in the consolidated statement of financial position.

Due to the relatively short time period for exercise (1 year maximum) and due to the contingent nature the time value of the options is also considered not to be material as it could be less than one year.

The exercise prices of the Third Options are based on the fair market value of the shares at the time of exercise, and as such the option itself does not have any standalone value. Furthermore, due to the contingent nature of the Third Options (contingent on exercise of the First and Second Options) the time value of the options is also considered to be not material as it could be less than one year.

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

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

There were no disposals of subsidiaries, joint ventures or non-controlling interests during the year ended December 31, 2013 or December 31, 2012.

As described in note 3, during 2013 as a result of the investment agreement with MTN Millicom deconsolidated AIH.

5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

There were no discontinued operations during the year ended December 31, 2013 or December 31, 2012.

Assets held for sale – Tower Sale and Leaseback Agreements

Between 2009 and 2011, Millicom signed various sale and leaseback agreements with tower companies in Africa and South America whereby Millicom agreed the sale of tower assets and to lease back a dedicated portion of each tower to locate its network equipment. At December 31, 2013 18 towers were held for sale in Ghana, 21 in Tanzania, 36 in DRC and 564 in Colombia.

At December 31, 2013, Millicom had assets held for sale amounting to $14 million relating to its operations in DRC, Colombia, Ghana and Tanzania (December 31, 2012: $21 million relating to its operations in DRC, Colombia, and Tanzania) representing towers sold but yet to be transferred to tower companies in those countries.

The portions of these assets that will not be leased back are classified as assets held for sale, as completion of sale is highly probable. Asset retirement obligations related to the tower assets at December 31, 2013 of $2 million (December 31, 2012: $5 million) are classified as liabilities directly associated with assets held for sale. The portion of towers leased back are capitalized as finance leases and classified under the caption “Property, plant & equipment, net” in the consolidated statement of financial position.

6. JOINT VENTURES

The following amounts have been proportionally consolidated into the Group’s financial statements representing the Group’s share of revenue, operating expenses and operating profit in the Group’s joint ventures in Guatemala (55%) and Mauritius (50%).

US$ millions (unaudited)	Year ended December 31, 2013	Year ended December 31, 2012
Revenue	684	663
Operating expenses	(423)	(389)
Operating profit	**261**	**274**

US$ millions (unaudited)	Three month period ended December 31, 2013	Three month period ended December 31, 2012
Revenue	181	169
Operating expenses	(116)	(102)
Operating profit	**65**	**67**

As described in note 2 ‘Summary of Accounting and Consolidation Policies’, the IFRS standards and amendments that become effective on January 1, 2014 result in the joint venture operation in Mauritius no longer being proportionately consolidated (equity accounting will apply from that date), and that, as a result of the put and call agreement signed with our partner in Guatemala (see subsequent events note 17), the Guatemala business will be fully consolidated from January 1, 2014.

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

7. SEGMENT INFORMATION

Management determines operating and reportable segments based on reports that are used by the Chief Operating Decision Maker ("CODM") to make strategic and operational decisions from both a business and a geographic perspective. The Group's risks and rates of return for its operations are predominantly affected by the fact that it operates in different geographical regions. The businesses are predominantly organized and managed according to selected geographical regions. These regions (Central America, South America and Africa) represent the basis for evaluation of past performance and for future allocation of resources.

Revenue, operating profit (loss) and other segment information for the years ended December 31, 2013 and 2012 was as follows:

Year ended December 31, 2013 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa (ii)	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**1,884**	**2,248**	**1,027**	**—**	**5,159**	**—**	**5,159**
Operating profit (loss)	**548**	**470**	**(54)**	**(183)**	**781**	**—**	**781**
Add back:							
Depreciation and amortization	309	302	261	3	875	—	875
Loss (gain) on disposal and impairment of property, plant and equipment	1	(7)	51	(16)	29	—	29
Corporate costs	—	—	—	196	196	—	196
Adjusted operating profit	**858**	**765**	**258**	**—**	**1,881**	**—**	**1,881**
Less additions to:							
Property, plant and equipment	(234)	(293)	(286)	(9)	(822)	—	(822)
Intangible assets	(50)	(295)	(47)	(12)	(404)	—	(404)
Capital expenditure	**(284)**	**(588)**	**(333)**	**(21)**	**(1,226)**	**—**	**(1,226)**
Tax paid	(156)	(85)	(21)	(60)	(322)		
Changes in working capital	24	(90)	101	3	38		
Other movements	(4)	55	71	4	126		
Operating free cash flow (i)	**438**	**57**	**76**	**(74)**	**497**		
Less corporate costs (excl. non-cash)	—	—	—	(179)	(179)		
Operating free cash flow after corporate costs	**438**	**57**	**76**	**(253)**	**318**		
Total Assets	**3,442**	**2,669**	**1,959**	**3,044**	**11,114**	**(1,967)**	**9,147**
Total Liabilities	**1,640**	**2,071**	**2,257**	**2,932**	**8,900**	**(1,834)**	**7,066**

Year ended December 31, 2012 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa (ii)	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**1,901**	**1,939**	**974**	—	**4,814**	—	**4,814**
Operating profit (loss)	**639**	**491**	**122**	**(148)**	**1,104**	—	**1,104**
Add back:							
Depreciation and amortization	320	257	233	1	811	—	811
Loss (gain) on disposal and impairment of property, plant and equipment	(1)	—	4	3	6	—	6
Corporate costs	—	—	—	144	144	—	144
Adjusted operating profit	**958**	**748**	**359**	**—**	**2,065**	**—**	**2,065**
Less additions to:							
Property, plant and equipment	(290)	(303)	(272)	(5)	(870)	—	(870)
Intangible assets	(6)	(70)	(158)	(16)	(250)	—	(250)
Capital expenditure	**(296)**	**(373)**	**(430)**	**(21)**	**(1,120)**	**—**	**(1,120)**
Tax paid	(131)	(76)	(32)	(45)	(284)		
Changes in working capital	42	3	46	(7)	84		
Other movements	(45)	91	142	48	236		
Operating free cash flow (i)	**528**	**393**	**85**	**(25)**	**981**		
Less corporate costs (excl. non-cash)	—	—	—	(122)	(122)		
Operating free cash flow after corporate costs	**528**	**393**	**85**	**(147)**	**859**		
Total Assets	**3,570**	**2,604**	**2,050**	**1,068**	**9,292**	**(1,081)**	**8,211**
Total Liabilities	**1,696**	**1,913**	**2,073**	**1,253**	**6,935**	**(1,060)**	**5,875**

(i) Only for calculating segments' operating free cash flows, vendor financing of capital equipment is treated as a cash transaction,
(ii) Inclusion of LIH from September 1, 2012 and AIH from September 1, 2012 to December 12, 2013
(iii) Inclusion of Cablevision Paraguay from October 1, 2012

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

7. SEGMENT INFORMATION (Continued)

Three month period ended December 31, 2013 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa (ii)	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**481**	**607**	**277**	**—**	**1,365**	**—**	**1,365**
Operating profit (loss)	**125**	**122**	**(61)**	**(39)**	**147**	**—**	**147**
Add back:							
Depreciation and amortization	76	85	75	—	236	—	236
Loss (gain) on disposal and impairment of property, plant and equipment	—	—	43	(16)	27	—	27
Corporate costs	—	—	—	55	55	—	55
Adjusted operating profit	**201**	**207**	**57**	**—**	**465**	**—**	**465**
Less additions to:							
Property, plant and equipment	(66)	(150)	(136)	(7)	(359)	—	(359)
Intangible assets	(35)	(147)	(19)	(4)	(205)	—	(205)
Capital expenditure	**(101)**	**(297)**	**(155)**	**(11)**	**(564)**	**—**	**(564)**
Tax paid	(14)	(14)	(2)	(22)	(52)		
Changes in working capital	27	(4)	140	1	164		
Other movements	32	58	(23)	125	192		
Operating free cash flow (i)	**145**	**(50)**	**17**	**93**	**205**		
Less corporate costs (excl. non-cash)	—	—	—	(52)	(52)		
Operating free cash flow after corporate costs	**145**	**(50)**	**17**	**41**	**153**		
Total Assets	**3,442**	**2,669**	**1,959**	**3,044**	**11,114**	**(1,967)**	**9,147**
Total Liabilities	**1,640**	**2,071**	**2,257**	**2,932**	**8,900**	**(1,834)**	**7,066**

Three month ended December 31, 2012 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**481**	**536**	**249**	—	**1,266**	—	**1,266**
Operating profit (loss)	**164**	**127**	**22**	**(47)**	**266**	—	**266**
Add back:							
Depreciation and amortization	80	69	60	1	210	—	210
Loss (gain) on disposal and impairment of property, plant and equipment	—	1	5	(1)	5	—	5
Corporate costs	—	—	—	47	47	—	47
Adjusted operating profit	**244**	**197**	**87**	**—**	**528**	**—**	**528**
Less additions to:							
Property, plant and equipment	(128)	(125)	(114)	(2)	(369)	—	(369)
Intangible assets	(3)	(11)	(109)	(9)	(132)	—	(132)
Capital expenditure	**(131)**	**(136)**	**(223)**	**(11)**	**(501)**	**—**	**(501)**
Tax paid	(10)	(10)	(9)	(16)	(45)		
Changes in working capital	101	45	14	(6)	154		
Other movements	1	(5)	105	42	143		
Operating free cash flow (i)	**205**	**91**	**(26)**	**9**	**279**		
Less corporate costs (excl. non-cash)	—	—	—	(40)	(40)		
Operating free cash flow after corporate costs	**205**	**91**	**(26)**	**(31)**	**239**		
Total Assets	**3,570**	**2,604**	**2,050**	**1,068**	**9,292**	**(1,081)**	**8,211**
Total Liabilities	**1,696**	**1,913**	**2,073**	**1,253**	**6,935**	**(1,060)**	**5,875**

(i) Only for calculating segments' operating free cash flows, vendor financing of capital equipment is treated as a cash transaction,

(ii) Inclusion of LIH from September 1, 2012 and AIH from September 1, 2012 to December 12, 2013.

(iii) Inclusion of Cablevision Paraguay from October 1, 2012

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

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

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

US$ millions (unaudited)	Year ended December 31, 2013	Year ended December 31, 2012
Change in redemption price of put option (see note 15)	(62)	15
Change in fair value of derivatives (see note 16)	(19)	(6)
Exchange (losses) gains, net	(50)	2
Revaluation of previously held interest in Navega El Salvador (see note 3)	—	9
Other non-operating (expenses) income, net	(1)	2
Total	**(132)**	**22**

US$ millions (unaudited)	Three months ended December 31, 2013	Three months ended December 31, 2012
Change in carrying value of put option (see note 15)	(45)	19
Change in fair value of derivatives (see note 16)	(7)	(1)
Exchange (losses) gains, net	3	21
Other non-operating (expenses) income, net	(1)	(5)
Total	**(50)**	**34**

9. EARNINGS PER COMMON SHARE

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

US$ millions (unaudited)	Year ended December 31, 2013	Year ended December 31, 2012
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	229	508
Net profit attributable to owners of the Company used to determine the earnings per share	229	508
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,801**	**101,332**
Potential incremental shares as a result of share options	54	93
Weighted average number of ordinary shares adjusted for the effect of dilution	**99,855**	**101,425**
US$		
Basic		
- EPS for the period attributable to owners of the Company	2.30	5.02
Diluted		
- EPS for the period attributable to owners of the Company	2.30	5.01

US$ millions (unaudited)	Three months ended December 31, 2013	Three months ended December 31, 2012
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	55	87
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	55	87
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,843**	**99,563**
Potential incremental shares as a result of share options	34	89
Weighted average number of ordinary shares adjusted for the effect of dilution	**99,877**	**99,652**
US$		
Basic		
- EPS for the period attributable to owners of the Company	0.56	0.86
Diluted		
- EPS for the period attributable to owners of the Company	0.56	0.86

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

10. PROPERTY, PLANT AND EQUIPMENT

Net cash used for the purchase of property, plant and equipment:

US$ millions (unaudited)	Year ended December 31, 2013	Year ended December 31, 2012
Additions	822	870
Decrease (increase) in suppliers advances	18	3
Decrease (increase) in payables for property, plant and equipment	(39)	(20)
Decrease (increase) in vendor financing and finance leases	—	(11)
Sale and lease back agreements (see notes 5 and 12)	(43)	—
Cash used for the purchase of property, plant and equipment	**758**	**842**

Depreciation of property, plant and equipment for the year ended December 31, 2013 was $714 million (December 31, 2012: $657 million).

During 2013 Millicom received $60 million from disposal of property, plant and equipment and (2012: $115 million).

US$ millions (unaudited)	Three months ended December 31, 2013	Three months ended December 31, 2012
Additions	359	369
Decrease (increase) in suppliers advances	(17)	(14)
Decrease (increase) in payables for property, plant and equipment	(123)	(86)
Decrease (increase) in vendor financing and finance leases	(4)	(7)
Sale and lease back agreements (see notes 5 and 12)	(17)	—
Cash used for the purchase of property, plant and equipment	**198**	**262**

Depreciation of property, plant and equipment for the three month period ended December 31, 2013 was $194 million (December 31, 2012: $170 million).

During the three month period ended December 31, 2013, Millicom received $10 million from disposal of property, plant and equipment and (December 31, 2012: $2 million).

11. INTANGIBLE ASSETS

Net cash used for the purchase of intangible assets, licenses and license renewals:

US$ millions (unaudited)	Year ended December 31, 2013	Year ended December 31, 2012
Additions	404	250
Decrease (increase) in suppliers advances	—	1
Decrease (increase) in payables for intangibles	(2)	(92)
Cash used for the purchase of intangible assets, licenses and license renewals	**402**	**159**

Depreciation of intangible assets and licenses for the year ended December 31, 2013 was $161 million (December 31, 2012: $154 million).

Impairment of goodwill is determined by assessing the recoverable amount of a CGU unit (or group of CGU's), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. During the three month period ended December 31, 2013 an impairment of goodwill in Senegal of $36 million was recorded.

During 2013 Millicom did not received any disposal of intangible assets (December 31, 2012: $2 million).

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

11. INTANGIBLE ASSETS (continued)

US$ millions (unaudited)	Three months ended December 31, 2013	Three months ended December 31, 2012
Additions	205	132
Increase (decrease) in suppliers advances	(11)	1
(Increase) decrease in payables for intangibles	(20)	(33)
Cash used for the purchase of intangible assets and license renewals	**174**	**100**

Depreciation of intangible assets, licenses and license renewals for the three month period ended December 31, 2013 was $42 million (December 31, 2012: $41 million) and impairment of goodwill in Senegal was $36 million (2012: nil).

During the three month period ended December 31, 2013, Millicom did not dispose of any intangible assets (December 31, 2012: $2 million).

12. INVESTMENTS IN ASSOCIATES

As at December 31, 2013 investments in associates comprised:

US$ millions	As at December 31, 2013	As at December 31, 2012
Helios Towers Tanzania (see note 5)	17	26
Helios Towers DRC (see note 5)	32	29
Helios Towers Ghana (see note 5)	13	17
ATC Colombia BV	3	20
Africa e-Commerce Holding (AEH) (see note 3)	—	100
Africa Internet Holding (AIH) (see note 3)	57	—
Others	—	1
Total	**122**	**193**

AEH

As described in note 3, on April 1, 2013 Millicom obtained control over Africa e-Commerce Holding ("AEH") and from that date until December 12, 2013 AEH and its subsidiaries were fully consolidated.

AIH

As described in note 3, on December 12, 2013 Millicom's control over AIH ceased, and from that date it has accounted for its 20% shareholding in AIH (and its subsidiary AEH) as an investment in an associate.

ATC Colombia BV

In December 2011, Millicom exercised an option to acquire a 40% stake in the holding company (ATC Colombia BV), of the tower company in Colombia (ATC Infraco) in which it is selling and leasing back a portion of its tower assets.

The options Millicom provided to Colombia Móvil's other shareholders to acquire up to half of Millicom's interest in ATC Colombia BV were not exercised and expired on July 18, 2013.

During 2013 Millicom invested a further $10 million in ATC Colombia BV.

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

13. SHARE-BASED COMPENSATION

(a) Long-Term Incentive Plans

Long term incentive awards consist of three-year deferred share awards and performance share awards plans. Shares granted under the deferred plans are based on past performance and vest 16.5% at the end of each of the first and second years of the plans and 67% at the end of the final year. Shares granted under the performance plans are based on future performance, subject to various non-market conditions and normally vest at the end of three-year periods.

A summary of the plans at December 31, 2013 is as follows:

Plans (unaudited)	Shares vested in 2013 (Shares 000's)	Actual/expected charge over the vesting period (US$ millions)
2010 Deferred Plan	90	11
2010 Performance Plan	67	5
Total actual for fully vested plans	**157**	**16**
2011 Deferred Plan	23	12
2011 Performance Plan	20	6
2012 Deferred Plan	27	14
2012 Performance Plan	7	5
2013 Deferred Plan	—	14
2013 Performance Plan	—	11
Total expected for other plans	**77**	**62**
Total	**234**	**78**

(b) Total share-based compensation expense

Total share-based compensation for the years ended December 31, 2013 and 2012:

US$ millions (unaudited)	Year ended December 31, 2013	Year ended December 31, 2012
2010 LTIPs	—	5
2011 LTIPs	2	7
2012 LTIPs	5	10
2013 LTIPs	10	—
Total share-based compensation expense	**17**	**22**

Total share-based compensation for the three month periods ended December 31, 2013 and 2012:

US$ millions (unaudited)	Three months ended December 31, 2013	Three months ended December 31, 2012
2010 LTIPs	—	1
2011 LTIPs	—	2
2012 LTIPs	1	3
2013 LTIPs	2	—
Total share-based compensation expense	**3**	**6**

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

14. DEBT AND FINANCING

4.75% Bond

On May 22, 2013 Millicom issued a $500 million 4.75% fixed interest rate bond repayable in 7 years, to refinance the African operations (excluding Rwanda and Mauritius). Withheld costs of issuance of $10 million and paid costs of $9 million are to be amortized over the 7 year life of the bond using the amortized cost method (effective interest rate of 5.29%).

6.625% Bond

On October 16, 2013 Millicom issued an $800 million 6.625% fixed interest bond repayable in 8 years, to finance the merger of Millicom's operation in Colombia with UNE (see note 3). At December 31, 2013 the proceeds were held in escrow pending regulatory approval of the transaction. Withheld costs of issuance of $5 million and paid costs of $4 million are to be amortized over the life of the bond using the amortized cost method (effective interest rate of 6.76%). If the Colombia merger is not, or cannot be completed by September 30, 2014, then the bond will be mandatorily redeemed at a price equal to 100% of the bond and related interest if before April 15, 2014 and 101% if redeemed thereafter.

Analysis of debt and other financing by maturity

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

US$ millions	As at December 31, 2013	As at December 31, 2012
Due within:		
One year	471	693
One-two years	213	473
Two-three years	226	348
Three-four years	1,010	289
Four-five years	212	456
After five years	2,026	1,000
Total debt	**4,158**	**3,259**

As at December 31, 2013, 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 $764 million (December 31, 2012: $1,391 million). Assets pledged by the Group for these debts and financings amounted to $819 million at December 31, 2013 (December 31, 2012: $131 million).

Millicom has issued guarantees to banks, bondholders and suppliers as security over debt and financing of a number of its operations. The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at December 31, 2013 and December 31, 2012. 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 December 31, 2013		As at December 31, 2012	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	34	112	278	470
1-3 years	50	50	196	305
3-5 years	186	255	315	355
More than 5 years	—	—	—	—
Total	**270**	**417**	**789**	**1,130**

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

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

15. PUT OPTION RESERVE

On July 1, 2010, Millicom reached an agreement with its local partner in Honduras whereby Millicom's local partner granted Millicom an unconditional call option for five years over its 33% stake in the Honduran operation. At the same time, and as consideration for the call option, Millicom granted a put option for the same duration to its local partner. The put option can only be exercised if a change of control occurs in either Millicom International Cellular S.A. or Millicom's subsidiary that holds the shares in Celtel (except if the change of control is in favour of Investment AB Kinnevik, the current largest shareholder of Millicom, or management of Millicom).

A change of control event which is beyond the control of Millicom may occur. Such an event would enable our local partner to exercise its put option. Accordingly, the put option is accounted for as a financial liability and measured at the present value of its redemption price.

The redemption price of the put option is a multiple of the EBITDA of the Honduran operation. The multiple is based on a change of control transaction multiple of Millicom. Management estimated the change of control transaction multiple of Millicom from a trading multiple of Millicom and adding a control premium (based upon comparable transactions from the industry). At December 31, 2013 the redemption price was $792 million (December 31, 2012: $730 million).

The fair value of the call option is not considered to be material at December 31, 2013 or December 31, 2012.

16. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. At December 31, 2013, the total amount of claims against Millicom and its operations was $668 million, (December 31, 2012: $955 million), of which $1 million (December 31, 2012: $1 million) relate to joint ventures.

As at December 31, 2013, $19 million (December 31, 2012: $13 million) has been provided for litigation risks in the consolidated statement of financial position. Management is of the opinion that, while it is impossible to ascertain the ultimate legal and financial liability with respect to contingencies for which a provision has not been made, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

Included in the total claims is a lawsuit filed against our subsidiary in Ghana by E-Talk Limited in November 2011. The suit alleges that Millicom Ghana terminated a July 2006 contract with insufficient notice. The claim is approximately $30 million, including various general damages, loss of expected revenues and punitive damages. Management considers this claim as opportunistic and without foundation, in so far as it was filed more than four years after the events on which the plaintiff bases its claim. A provision of less than $1 million has been made for legal costs related to this claim.

Excluded from the amount of total claims above, is a claim filed with the Civil Chamber of Bogota in Colombia against the entire mobile operator industry of Colombia, including our subsidiary in Colombia, by a group of approximately twenty individuals. The claimants allege damages and losses suffered from third parties through illegal use of cellular phones in extortion attempts against the claimants, and are claiming a collective total of approximately $753 million from the mobile operators. The case has largely been inactive, with the exception of a mandatory settlement conference held among the parties under the court's supervision, which did not result in any settlement agreement. It is expected that the litigation will move towards an evidence-presentation phase. Management considers this claim to be entirely spurious and without foundation or substance, and is of the view that no provision should be made for this claim.

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

16. COMMITMENTS AND CONTINGENCIES (Continued)

Taxation

The Group faces regular tax investigations in the countries where it operates. As of December 31, 2013 the group estimates potential tax claims amounting to $139 million of which tax provisions of $64 million have been recorded (December 31, 2012: claims amounting to $85 million and provisions of $11 million). Management is of the opinion that while it is impossible to quantify the ultimate financial liability with respect to these assessments, the ultimate outcome of these contingencies is not anticipated to have a material effect on the Groups' financial position and operations.

Capital commitments

As at December 31, 2013, 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 $324 million (December 31, 2012: $367 million), of which $306 million (December 31, 2012: $334 million) are due within one year and $41 million (December 31, 2012: $50 million) relate to joint ventures.

In addition, Millicom is committed to supporting Colombia Móvil S.A., its operation in Colombia, through loans and warranties. The maximum commitment is $312 million and remains until the time the total support from Millicom equals the support from the founding shareholders of Colombia Móvil S.A.

Following exercise of its option in LIH (see note 3); the Group has commitments to downstream Euro 50 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.

In addition, Millicom has committed as part of the shareholder investment agreement with Rocket and MTN to commit a further Euro 35 million to AIH.

Forward and swap contracts

Millicom enters into forward and swap contracts to manage its exposure to fluctuations in interest rates and currency fluctuations in accordance with its risk management policies. Details of these arrangements are provided below.

Currency forward contract (Colombian Pesos)

Colombia Móvil S.A.'s foreign currency forward swap contract to sell Colombian Pesos in exchange for US$ for a nominal amount of $43 million matured in July 2013 (December 31, 2012: $43 million). Gains under the contract amounted to $2 million for the year until maturity (December 31, 2012: loss of $6 million).

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. The swaps were assessed as highly effective and cash flow hedge accounting is applied, with changes in the fair value of the swaps recorded in other comprehensive income. At December 31, 2013 the negative cash flow hedge reserve on these hedges amounted to $3 million (December 31, 2012: negative $4 million).

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

16. COMMITMENTS AND CONTINGENCIES (Continued)

In January 2010, Millicom entered into a three-year $100 million interest rate swap to hedge interest rate risk of floating rate debt in DRC, Ghana and Tanzania. The swaps were initially assessed as effective and cash flow hedge accounting applied. During the three month period ending September 30, 2012 the Tanzania and Ghana hedges were assessed as ineffective, and as the value of these hedges were not expected to change significantly between September 30, 2012 and their expiry in January 2013, the corresponding cash flow reserve was recycled to the income statement.

At December 31, 2012 the DRC hedge was assessed as ineffective and the corresponding cash flow reserve was recycled to the income statement. The hedge contracts matured in January 2013.

Interest rate and currency swaps on SEK denominated debt

In October 2012, Millicom issued senior unsecured floating rate notes of Swedish Kronor (‘SEK’) 1.75 billion and senior unsecured fixed rate notes of SEK 0.25 billion. At the same time Millicom entered into various cross currency interest swap contracts whereby Millicom sells SEK and receives USD to hedge against exchange rate fluctuations for the notional amount of SEK 2 billion and interest payments on this principal. Millicom also hedged against interest rate fluctuations on the floating rate notes of SEK 1.75 billion, receiving variable interest at STIBOR +3.5% and paying a fixed rate of 5.125%. The currency portion of the swap has been accounted for as a fair value hedge and related fluctuations have been recorded through profit and loss. For the interest portion, as the timing and amounts of the cash flows under the swap agreements match the cash flows under the bonds the swaps are highly effective. Cash flow hedge accounting has been applied and changes in the fair value of the swaps are recorded in other comprehensive income. At December 31, 2013 the cash flow hedge reserve on these hedges amounted to $4 million. (December 31, 2012: negative $2 million).

Interest rate swaps on Euro denominated debt

In June 2013 Millicom entered into forward cross currency hedges whereby Millicom will sell Euro’s and receive USD to hedge against exchange rate fluctuations on a seven year Euro 134 million principal and related interest financing of its operation in Senegal.

In July 2013 entered into forward cross currency hedges whereby Millicom will sell Euro’s and receive USD to hedge against exchange rate fluctuations on a seven year Euro 41.5 million principal and related interest financing of its operation in Chad.

These financings are connected to the downstreaming of a portion of Millicom’s 4.75% bond (see note 14). These hedges are considered ineffective, with fluctuations in the value of the hedges recorded through profit and loss.

17. SUBSEQUENT EVENTS

Put and call agreement related to the Guatemala Operation

On January 16, 2014 Millicom announced that Millicom International Cellular SA and its local partner in Guatemala, Miffin Associates Corp (“Miffin”) reached an agreement that gives Millicom control of Comcel and its subsidiaries, its Guatemalan operations. Miffin has granted Millicom, for consideration of $15 million and a minimum term of two years, an unconditional call option for its 45% stake in Comcel. In return, Millicom has 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.

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

Notes to the unaudited condensed consolidated financial statements as at December 31, 2013 and for the year and three month period then ended

17. SUBSEQUENT EVENTS (Continued)

Amendment of Investment Agreement for LIH

On January 20, 2014 Millicom amended its investment agreement with Rocket regarding its share purchase options for LIH. As a result of the amendment, Millicom can only exercise its option to acquire the final 50% of LIH after one year has passed from exercising its 2nd option to raise its stake from the current 35% to 50%. Accordingly, as of January 20, 2014 Millicom no longer has the ability to exercise its options to acquire a controlling stake in LIH, and will deconsolidate the LIH group and treat its 20% investment as an investment in an associate.

6.875% 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.

Dividend

On February 11, 2014 Millicom announced that the Board will propose to the Annual General Meeting of the Shareholders a dividend distribution of $2.64 per share to be paid out of Millicom's profits for the year ended December 31, 2013 subject to the Board's approval of the 2013 Consolidated Financial Statements of the Group.

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