Millicom
International
Cellular S.A.

PRESS RELEASE
Stockholm
October 17, 2012

Q3 2012

Results for the period ended September 30, 2012

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Q3 Highlights

- Underlying local currency revenue growth of 8.4% YoY to $1,199 million (in local currency but excluding a one-off reclassification of $7 million and Online revenue of $2.5 million)
- EBITDA constant at $507 million, including the one-off reclassification and the losses from Online ($2.3 million in Q3) pointing to an EBITDA margin of 42.3%
- Capex of $183 million, or 15.3% of revenue, including $15 million for 3G spectrum in DRC
- Operating Free Cash Flow of $252 million (21.0% of revenue)

9 Month Highlights

- Underlying local currency revenue growth of 8.5% to $3,548 million
- EBITDA of $1,537 million and EBITDA margin of 43.3%
- Capex of $619 million (17.4% of revenue), including $51 million for spectrum
- Operating Free Cash Flow of $702 million (19.8% of revenue)
- 2.1 million shares bought back for $190 million
- The Board will propose an extraordinary dividend of $3 per share to an EGM to be convened in Q4

2012 forward looking statements (unchanged)

In 2012 we aim again to strike the right balance between top line growth, profitability, cash flow generation and return on invested capital. We expect the full year EBITDA margin to be around 43% and operating free cash flow margin of around 20% of revenue. In 2012, we expect capex, excluding spectrum acquisition, to increase but to remain below 20% of revenue, as we add further data capacity and invest in IT and billing platforms.

Financial summary for the quarters ended September 30, 2012 and 2011

$m	Q3 2012	Q3 2011	YoY % change (underlying local currency) (v)	9M 2012	9M 2011	YoY % change (underlying local currency) (v)
Revenue	1,199	1,151	8.4%	3,548	3,352	8.5%
EBITDA (i)	507	529	2.8%	1,537	1,551	2.4%
EBITDA margin	42.3%	46.0%	(3.7pt)	43.3%	46.3%	(3.0 pt)
Normalized Net Profit (ii)	165	210		500	580	
Capex (iii)	183	217		619	453	
Operating FCF (iv)	252	387		702	904	

(i) EBITDA: operating profit before interest, tax, depreciation and amortization; derived by deducting cost of sales, sales and marketing costs and general and administrative expenses from revenue and adding other operating income
(ii) Net profit adjusted for items such as foreign exchange movements, movements in valuation of the Honduras put option, Colombian deferred tax asset, and revaluation of previously held interests.
(iii) Excluding towers sold to, and leased back from tower companies
(iv) Operating Free Cash Flow: EBITDA – Capex - Tax +/- working capital movements and includes proceeds from tower monetization
(v) Underlying local currency growth means in Q3 excluding one off items and Online revenue

Investing for future growth

"The third quarter of the year was very similar to the first two quarters of the year. Sustained investments for future growth diluted EBITDA margin but enabled us to maintain high single digit organic revenue growth, in line with our expectations and reiterated outlook for FY 2012.

In Latin America, revenue grew again in the third quarter by 9% in local currency, despite continued pricing pressure in El Salvador and a decline in international incoming revenue in Guatemala weighing negatively on year-on-year growth. In South America growth rebounded on the back of our proactive approach to voice-to-data transition. In Africa, top line growth in local currency accelerated mildly at close to 7% in Q3. In Ghana, revenue and the customer base stabilized in what remains a challenging market.

The Information category was again the strongest contributor to growth in the third quarter of 2012, representing 53% of our underlying revenue growth in local currency. By the end of September, over 16% of our Latin American customers were users of mobile data services.

We will continue to innovate and seize new growth opportunities, leveraging on the strengths we have built as a mobile operator. In the third quarter, we generated over 38% of recurring revenue from Value Added Services in Latin America and over 19% in Africa while continuing to grow voice revenue. We are on track to exceed 50% in Latin America and 25% in Africa by 2015.

In the third quarter, we invested in online service and e-commerce businesses by acquiring stakes in Rocket Internet businesses in both Latin America and Africa. These investments will further enhance and broaden our innovation capabilities into the Online sector, a promising but nascent sector in emerging markets. In addition, on October 2 we completed the acquisition of Cablevision Paraguay, strengthening our product offering in the Information and Entertainment categories.

We have now executed two thirds of the previously announced share buyback program. In conjunction with our Q3 results, the Board will propose to an EGM, to be convened in due course, an extraordinary dividend of $3.00 per share. There will be no further share buyback program in 2012 as it will bring our total shareholder return for the year to close to $735 million.

With our increased focus on innovation and sustainable investment, I am confident that we have the right action plan to deliver ongoing profitable growth. The past 10 years have been a fantastic journey for me. I would like to thank everyone, inside Millicom, in our markets, and in the financial community who made it such a unique experience. I am pleased to now pass the torch to Hans-Holger Albrecht, who I have known for a long time. I trust he will take the Millicom Group to new heights to the benefit of us all. "

Mikael Grahne
President and CEO,
Millicom International Cellular S.A.

Operational review

Total revenue for the three months ended September 30, 2012 was $1,199 million. This represents an underlying local currency revenue increase of 8.4% over Q3 2011 (excluding one offs and Online). Similar to Q2, Q3 revenue growth was negatively impacted by currency movements by 4 percentage points.

EBITDA for the quarter was $507 million. Excluding the one-off events ($8 million) in Colombia and Bolivia, and losses from the Online businesses ($2 million), EBITDA was $517 million, a 2.8% year-on-year increase in local currency. Consolidated EBITDA margin at 42.3% was 3.7 percentage points lower than Q3 2011. Approximately one third of the underlying EBITDA margin decline (in total 2.8 percentage points) is due to pricing pressure on voice resulting in lower gross margin in the Communication category. A further third of the decline is due to the dilutive mix effect (with more growth in lower margin categories). The remainder is largely driven by subsidies, in particular in South America where we have accelerated investment in data in Q3.

Focus on Regions

Overall revenue growth in Q3 was slightly lower than in H1 at 8.4% (versus 8.7%). The reduction is mainly due to a slowdown in Central America, primarily from decline in international incoming traffic in Guatemala. Underlying local currency revenue growth was 3.3% in Central America. In South America, the growth rate increased to 14.6% (versus 13.1% in Q2 and 14.4% in Q1 2012).

Africa reported slightly improved single digit revenue growth of 6.8%. This is partially due to the annualized impact of downward pricing adjustments in Q3 2011. Revenue and customer numbers stabilized in Ghana but remained challenging in Senegal this quarter. Our Tanzanian and Rwandan operations continued to perform well.

Revenue by Region ($m)

	Q3 12	Q3 11	YoY growth (%) Reported	YoY growth (%) Underlying LC	Contri-bution (%)
CAM	469	460	1.9	3.3	39.1
SAM	480	444	8.2	14.6	40.0
Africa	247	247	0.1	6.8	20.7
Online*	3	0	NA	NA	0.2
Total	**1,199**	**1,151**	**4.2**	**8.4**	**100.0**

** Q3 2012: Online, one month only since date of acquisition*

Mobile ARPU

Mobile ARPU in local currency declined by 0.6% year-on-year. Excluding for the one off adjustment in Colombia, ARPU was flat year on year in Q3. In Latin America ARPU was flat. In Africa, ARPU declined by 1% which represents a further improvement versus the previous quarter. In Latin America ARPU was under pressure as a result of pricing in El Salvador and a decline in international incoming traffic in Guatemala, which is somewhat more volatile from quarter to quarter than traditional voice traffic.

In Q3 2012 in Latin America, 84% of revenue came from 33% of our customers who have an ARPU above $10 per month.

Year-on-year local currency mobile ARPU growth (%)

	Total	CAM	SAM	Africa
Q3 12*	**0%**	(5%)	3%	(1%)
Q2 12	**(1%)**	(3%)	2%	(3%)
Q1 12	**(3%)**	(5%)	4%	(7%)
Q4 11	**(3%)**	(3%)	2%	(5%)
Q3 11	**(3%)**	0%	0%	(10%)

*N.B. ARPU figures are based on total mobile revenue less roaming revenue. * ARPU growth is restated for the one off adjustment in Colombia*

ARPU stabilisation and growth in Latin America remains a key focus. Central America is more challenging due to pricing pressure on voice in El Salvador and a decline in international incoming traffic in Guatemala. Nonetheless, we remain focused on selling more data services to our customers in Central America, following our successful strategy in South America.

In South America, our ARPU growth accelerated to 3%, excluding from the one off reclassification.

We are investing significantly in both capex and device subsidies in Colombia to attract customers to data services. We are pleased to see already in Q3 a very positive response from consumers. This is resulting in rapid payback on our investments, even though EBITDA margins are initially negatively impacted.

In Africa, elasticity remained unsatisfactory. We again experienced significant differences between the various markets with some growing rapidly (Tanzania and Rwanda) while others remaining challenging (notably Senegal). Encouragingly, subscriber intake improved in several of our markets, a typical early indicator of improving commercial momentum.

Central America: 39% of Group revenue

Revenue from mobile and cable operations in Central America reached $469 million in Q3 2012, up 3.3% in local currency. Q3 2011 was the strongest quarter of the year in El Salvador. This, together with Guatemala, where revenue was negatively impacted by pressure on international incoming traffic, resulted in the slowdown in growth in Central America this quarter.

Central America reported a 5% year-on-year local currency decline in mobile ARPU. Again, this is mainly attributable to ongoing pricing pressure in El Salvador combined with a decline in incoming international traffic in Guatemala in Q3.

In the Information category, mobile data grew at a healthy rate of approximately 31% in local currency year-on-year. In fixed broadband we are pleased to see continued strong momentum in Costa Rica and El Salvador.

In the third quarter, we launched our mobile money remittance service in El Salvador in partnership with Western Union. With this service, customers in El Salvador can receive money from abroad directly into their mobile money wallets and convert to cash at Tigo points of sale. Initial uptake was very encouraging with the volume of transactions in mobile financial services tripling over the first weeks. This offer will be rolled out elsewhere in Central America in Q4.

Central America- Highlights

	Q3 12	Q3 11	YoY (%)
Mobile customers (m)	15.3	14.2	7.8
Mobile ARPU ($)	11.1	11.8	(6.4)
Revenue (US$m)	469	460	1.9
EBITDA (US$m)	236	235	0.6
% of revenue	*50.3%*	*51.0%*	*(0.7pt)*
Capex (US$m)	41	66	(37.4)
% of revenue	*8.8%*	*14.4%*	*(5.6pt)*
Operating FCF (US$m)	94	168	(44.3)
% of revenue	*20.0%*	*36.5%*	*(16.5pt)*

In Central America the EBITDA margin of 50.3% in Q3 declined 0.7 percentage points from Q3 2011. This decline was relatively low taking into account pricing pressure in El Salvador and increased investment in subsidies.

The decline in Operating FCF is primarily due to timing of payments.

On September 1, the interconnection rate in El Salvador was cut to $0.062 (from $0.07).

South America: 40% of Group revenue

Revenue in South America in Q3 2012 was $480 million, up 14.6% in local currency. This includes the one-off reclassification which reduced revenue in Colombia (municipality taxes were reclassified for the first 9 months of the year from corporate income tax to a reduction in revenue). Despite the negative impact of interconnection rate cuts in Colombia Revenue growth increased in Q3 2012, versus Q3 of 2011.

South America- Highlights

	Q3 12	Q3 11	YoY (%)
Mobile customers (m)	12.3	10.9	12.9
Mobile ARPU ($)	13.2	13.5	(2.6)
Revenue (US$m)	480	444	8.2
EBITDA (US$m)	181	190	(4.6)
% of revenue	*37.8%*	*42.9%*	*(5.1pt)*
Capex (US$m)	76	74	2.6
% of revenue	*15.8%*	*16.6%*	*(0.8pt)*
Operating FCF (US$m)	129	139	(7.5)
% of revenue	*26.8%*	*31.3%*	*(4.5pt)*

During the quarter 528 thousand new customers were added, of which more than 15% were postpaid customers. The ratio of prepaid to postpaid net additions reached as high as 50% in Paraguay. ARPU in local currency continued to grow in Q3, increasing by 3% over the third quarter of 2011 (versus +2% in Q2).

Information, Solutions and Mobile Financial Solutions (MFS) were the fastest growing categories in South America in Q3. We were pleased again with strong growth in the Communication category in the region in Q3 at 7% growth, excluding the one offs, and building on the 5% reported in Q2 2011. In Q3 the Information category contributed around 50% to recurring revenue growth.

EBITDA was $181 million, a 4.6% decrease year-on-year and the EBITDA margin was 37.8%, declining by 5.1 percentage points, of which 0.9 percentage points relate to the one-off reclassification in Colombia. This decline is largely attributable to an increase in investments to further grow our market share in data.

As we noted in Q2, with its large developed market and a fast growing economy, Colombia is one of the most attractive growth opportunities for us. In Q3, we continued to invest to offer attractively priced data bundles to encourage upgrades from prepaid to postpaid and from voice to data in Colombia. As subsidy costs are recorded upfront when we obtain customers, EBITDA margins in Colombia were below 25% in Q3. As strong demand exists from Colombian consumers to migrate from voice to data, we aim to continue to be a service provider of choice. We will therefore accept a lower level of profitability in Colombia in the coming quarters, and EBITDA margin below 25%, as we know that payback on this investment will be rapid.

We expect more visibility on the forthcoming spectrum auction in Q4 and reiterate our commitment to investing and growing our market share in Colombia.

In October, interconnection rates were cut in Paraguay from $0.06 per minute to $0.04 per minute.

Africa: 21% of Group revenue

Consistent with H1, revenue in Africa reached $247 million, growing 6.8% year-on-year in local currency (constant on a reported basis).

Pricing remained challenging in the third quarter of the year with new entrants in the Ghanaian and Rwandan markets fighting for market share. Despite this, we increased our net customer additions compared with Q1 and Q2 2012, and stemmed local currency Mobile ARPU decline.

ARPU declined in Q3 by 1% in local currency, a clear improvement versus -3.2% in Q2 and -6.8% in Q1. This has notably been achieved on the back a stabilization of pricing in Ghana despite a still very competitive market environment.

Revenue growth in the Communication category was broadly flat this quarter, attributable to the pricing pressure we are experiencing and which is yet to result in compensating volume elasticity.

Africa- Highlights

	Q3 12	Q3 11	YoY (%)
Mobile customers (m)	18.5	17.2	7.5
Mobile ARPU ($)	4.5	4.9	(7.9)
Revenue (US$m)	247	247	0.1
EBITDA (US$m)	92	104	(11.4)
% of revenue	*37.3%*	*42.1%*	*(4.8pt)*
Capex (US$m)	81	76	6.9
% of revenue	*32.8%*	*30.9%*	*1.9pt*
Operating FCF (US$m)	44	116	(61.9)
% of revenue	*17.9%*	*47.2%*	*(29.3pt)*

EBITDA margin was 37.3% in Q3 2012, down 4.8 percentage points year-on-year. Q3 of 2011 was the most profitable quarter in Africa in 2011. We expect further pressure on EBITDA margins in Africa going forward as competition is seasonally higher in Q4 and we will defend our market positions.

In Q3 we continued to invest in developing new products and services in the Information, Entertainment, Solutions and MFS categories, as we believe these new services will be instrumental in differentiation and in delivering growth. We were encouraged by acceleration in local currency growth in Q3 in the Entertainment and MFS categories. We launched MFS in DRC in July 2012.

Capex in Africa amounted to $81 million in Q3, including an investment in spectrum in DRC where we acquired a 3G license.

Focus on categories

In Q3 2012 we made further progress in implementing our new organizational structure. Approximately 86% of our revenue growth in the quarter came from four of the new categories in which we are investing, namely Information, Entertainment, Solutions and MFS.

Development of innovative VAS contributed to a stabilization of our ARPU in local currency this quarter. This was achieved despite competitive pressure in El Salvador and Ghana and a decline in incoming international revenue in Guatemala.

Recurring revenue, excluding the Communication category, grew circa 31% in local currency (in with Q2 and up from Q1 at 29%) and accounted for 27.7% of our recurring revenue in Q3 (31.8% in Latin America), excluding the Colombian one-off.

Revenue by Category ($m)

	Q3 12	Q3 11	YoY growth Underlying LC
Communication	**816**	840	1.6%
Information	**172**	131	36.7%
Entertainment	**92**	86	9.9%
Solutions	**38**	29	39.7%
MFS	**11**	3	NA
Others*	**70**	62	11.0%
Total revenue	**1,199**	**1,151**	**8.4%**

** Others: Terminal & Equipment sales, inbound roaming, other revenue & Online revenue in September*

Communication: 14% of recurring revenue growth

With 72% of our recurring revenue in the quarter, the Communication category remains our largest category by revenue, contributing 14% of our local currency growth in the quarter.

The moderate growth in this category is essentially the result of high penetration levels in Latin America combined with increased competitive pressure in El Salvador and Ghana, and pressure on international incoming traffic in Guatemala. Overall, voice revenue was flat this quarter.

We do not have full control over pricing pressure due to intensity of competition in highly penetrated mobile markets. However, we aim to protect our voice revenue base by segmentation of our offerings and volume elasticity. SMS growth, which accelerated in Q3 to 12.7%, (versus 8-9% in Q1 and Q2) is instrumental in future growth in the Communication category.

Information: 53% of recurring revenue growth

In Q3 2012 Information was again the largest category in terms of revenue growth contributing half of the total growth.

We now have close to 5.8 million users of data services representing around 12.7% of our total customer base. In Latin America, we have 4.4 million data users, 16.1% of our customer base.

Data users ('000)

	Total	CAM	SAM	Africa
Q3 12	**5,793**	2,240	2,209	1,344
Q2 12	**5,212**	2,193	1,971	1,048
Q1 12	**4,687**	2,005	1,784	898

In Q3 we continued to invest in mobile data as we see the largest short to medium term revenue growth opportunities in the Information category. We were pleased to see an increase in gross margin in the Information Category as a result of our active and coordinated management of subsidy levels per device.

We are accelerating the pace of commercial investments in subsidies in our Latin American markets as we continue to see unmet demand for access to the internet, and opportunities for rapid return on subsidies (less than one year). Subsidies in local currency grew by more than 22% in Q3. The growing availability of attractively priced and quality smartphones should facilitate acceleration of mobile internet uptake.

We are pleased to see a high correlation between traffic and revenue growth in data as a result of our well-controlled pricing policies. Further growth should be supported by a decline in the cost of production of data capacity as customers are billed on consumption.

Entertainment: 10% of recurring revenue growth

Despite being negatively impacted by a new regulation in Bolivia, revenue for the Entertainment category increased 10% year-on-year.

Revenue in Entertainment in Africa remained buoyant in the quarter as we launched several new music products that go beyond Ring Back Tones. Year-on-year growth in local currency in Africa reached circa 34% in Q3.

We have now launched SMS-browsing services in most of our markets. With this service, and as we did with mobile voice, we are making access to the web affordable to all our customers, even those who cannot afford to purchase smartphones.

For our smartphone customers in Honduras, in October we launched unlimited music offers in partnership with Deezer.

Solutions: 13 % of recurring revenue growth

Solutions category revenue increased in Q3 by 40% in local currency. Our most successful products in the category continue to be our airtime lending products including 'Tigo Lends You' which accounted for over two thirds of our revenue in the category in the first 9 months of 2012. In Q3 we were again pleased to maintain a level of bad debt on the lending products at less than 1% of amounts lent.

In 2012 we are starting to accelerate the diversification of our revenue sources in this category. We have expanded our product offering services under the 'Tigo Care' umbrella.

MFS: 10% of recurring revenue growth

Our MFS category continued to develop well in Q3 2012 and offers attractive potential in the medium to long term. Mobile Financial Services contributed close to 10% of Group revenue growth and 1% of total recurring revenue. We are pleased to report our first breakthrough in Central America where all three markets are performing well with El

Salvador reaching 2.8%. Overall, in the markets that have been 'live' for more than one quarter, total MFS penetration reached 11%.

Penetration of MFS in Tanzania has almost reached 34% of our customer base. In Paraguay 21% of our customers were using the service in Q3. In partnership with Western Union we have now launched an international money transfer service for our Paraguayan customers.

In Rwanda, growth in penetration of MFS services continued to be strong in Q3. At the end of June, 16% of our customers in Rwanda were active users of MFS. Rwanda continued to be the fastest growing market in MFS penetration.

In July, we performed a soft launch of the "Tigo Pesa" service in DRC. We expect to be offering mobile financial services in all markets except Senegal before the end of Q1 2013. In the coming quarters we will also roll out the foreign remittance service, in partnership with Western Union, to the rest of our Latin American footprint.

The development of MFS is highly dependent upon the specific environment in each market, including the regulatory framework, varying customer needs (for example local or international remittances), banking penetration, and the image of the telecom industry. Accordingly, the rate of development of MFS will vary from country to country.

Online category (in Others)

On August 29, 2012, we completed a 20% initial investment in two subsidiaries of Rocket Internet, Latin America Internet Holdings (LIH) and Africa Internet Holdings (AIH). In Q3, and as these businesses contributed only one month of revenue to the Group we are reporting these businesses within the line 'Others'.

In September, the Online category generated revenue of $2.5 million and EBITDA losses of $2.3 million.

LIH continued to develop well in Brazil with four companies operating at the time we announced the investment: Kanui (sports goods in e-commerce), Tricae (baby/children's goods in e-commerce), Zocprint (office supply in e-commerce), Airu (market place for arts and fashion), and Yepdoc (online medical appointments). In addition, in Colombia a new concept was soft-launched in the sales lead generation business.

AIH reorganized its operations in the third quarter, merging several of its brands around two of the strongest brands: Zando (fashion and lifestyle in e-commerce in South Africa) and Jumia (fashion and general merchandise in Morocco, Egypt and Nigeria).

Comments on Q3 financial information

Depreciation and Amortization

D&A was $206 million, $18 million higher than a year ago, primarily due to increased capex.

Financial expenses and income

The cost of financing before tax in Q3 2012 was higher than in 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 ($600 million more gross debt than in Q3 last year)

We recorded a non-cash non-operating charge of $29 million from the change in value of the put option granted to our partner in Honduras.

Taxes

In Q3, taxes increased by $226 million year-on-year to $60 million. Last year in Q3, we recognized a $231m deferred tax asset in Colombia.

Capex

In Q3 2012 we invested $183 million in capex, including $15 million invested in spectrum in DRC, where we acquired a 3G license.

In the first nine months of 2012 we received close to $104 million in cash from the transfer of towers to the different Tower companies in Tanzania, DRC and Colombia, of which circa $21 million was received in Q3. We expect to receive $130 million in 2012 in total and $40 million in 2013 (previously we expected $140 million in 2012 and $30m in 2013).

FCF generation

Free cash flow for Q3 12 was $172 million and $497 million in the nine first months (14.0% of revenue).

$145 million of cash was upstreamed during Q3 2012 through a combination of dividends, management fees and royalties.

Debt structure and maturity profile

Approximately 55% of the Group's gross debt (excluding financial leases) is denominated in local currency, limiting local foreign exchange exposure. US$ denominated debt is used in countries where long term debt in local currency is either too expensive or not available.

At the end of Q3 2012, 48% of gross debt was at fixed interest rates, which is hedging our exposure to interest rate volatility.

Net debt to EBITDA was stable at 0.8x at the end of the quarter. Millicom has around $1 billion of cash on hand with approximately 48% held in US$.

Millicom is currently considering the possibility to raise public debt at the holding level in the course of the fourth quarter to finance the investment made in the business of the German company Rocket Internet.

Shareholder remuneration

In Q3 2012, Millicom bought back $83.8 million of worth of shares as part of the share buyback program that we announced for 2012. 954,043 shares were acquired at an average price of $87.85. There will be no further share buyback in 2012.

The Board will propose to an EGM to be convened in Q4 2012 the payment of an extraordinary dividend of $3.00 per share. This will take our 2012 shareholder returns to close to $735 million and will enable us to reach close to our previously communicated internal target of a net debt/EBITDA ratio of close to 1x.

2012 Forward looking statements (unchanged)

In 2012 we again aim to strike the right balance between top line growth, profitability, cash flow generation and return on invested capital.

For the full year 2012, we expect an EBITDA margin of around 43% as we accelerated our commercial investments in both 3G and our most promising innovative services. We still guide for operating free cash flow margin of around 20% of revenue.

As previously communicated, we expect capex in 2012 to increase compared to 2011 but to remain below 20% of revenue, as we add further data capacity and invest in IT and billing platforms. Our capex outlook excludes potential spectrum acquisitions.

This outlook excludes the impact of the acquisition of Cablevisión Paraguay, to be consolidated in South America in Q4, and the Online category, which are not expected to have a material impact on full year guidance.

Integrity update

In this section we provide an update on performance and progress regarding compliance and corporate social and environmental responsibility, including anti-corruption and health and safety.

During Q3, based on previous assessments and reviews of local practices, the focus has been on:

- Continued awareness raising and training of employees on Integrity.
- Strengthening and creation of global guidance and policies across all areas of corporate responsibility.
- Defining corporate responsibility reporting indicators, methodologies, tools and processes.
- Bringing strategic direction to the Group's Corporate Social Responsibility projects.

Human Rights- Millicom has continued active engagement in the Telecommunications Industry Dialogue on Freedom of Expression and Privacy with the view of aligning its policies and processes to industry best practice. Millicom also established a cross-functional working group with a wider remit of data protection and privacy.

Labor standards- Following labor condition risks assessments in all markets, Millicom has initiated an in-depth risk and impact assessment focusing on children's rights and in particular on child labor in a pilot country in Africa. The assessment will be carried out by a third party and will be among the first assessments to utilize Unicef's new Children's Rights Impact Assessment Tool. The plan is to make available some guidance for the telecommunication sector based on the assessment results.

Environment- Pilot projects started in Q3 in two operations for a Health and Safety and Environment (EHS) Integrated Management System, including training of all employees. Waste management is an important focus area of the management system implementation. In parallel, reviews are being conducted in all operations on local legislative requirements for EHS, and seeking appropriate ways for each operation to address the need for energy usage and carbon emissions reduction; through optimization, equipment upgrades, renewable energy and offsetting programs.

Anti Corruption- Millicom is working towards creating a robust global anti-corruption program aligned with international best practice; Transparency International Business Principles and the UK Bribery Act. The program builds on existing strong policies by introducing more detailed guidance and global alignment of processes. Towards this end, Millicom will introduce more detailed guidance on Gifts and Entertainment, Donations and Sponsorships and Third Parties. Meanwhile training programs for all employees continue.

To follow Millicom's target to introduce larger, more strategic CSR projects going forward, in Q3 Millicom launched large scale collaboration with Reach for Change Foundation to seek and support innovative local social entrepreneurs in all of its African markets. The collaboration targets to support over 300,000 children by the end of 2013 in a sustainable manner through financial and business support to social entrepreneurs.

Nomination Committee for the 2013 Annual General Meeting

In accordance with the resolution of the 2012 Annual General Meeting, Cristina Stenbeck has convened a Nomination Committee consisting of members representing the largest shareholders in Millicom. The Nomination Committee is comprised of Cristina Stenbeck, Investment AB Kinnevik, Annika Andersson, Swedbank Robur funds and Bill Miller, J. M. Hartwell L.P. The members of the Committee will appoint the Committee Chairman at their first meeting.

Shareholders wishing to propose candidates for election to the Board of Directors of Millicom should submit their proposal in writing to the Company Secretary, Millicom International Cellular SA, 2 rue du Fort Bourbon, BP 2312 L-1023 Luxembourg, Luxembourg.

Subsequent events

On October 2, 2012, we completed the transaction to acquire Cablevision Paraguay.

On October 12, 2012 we announced the signing of a settlement agreement with the government of the Republic of Senegal.

On October 12, 2012 we filed a certificate to terminate the registration of our Common Stock and its reporting obligations with the US market Securities and Exchange Commission. We will continue with a similar level of reporting requirements connected to our listing in NASDAQ OMX in Stockholm under European reporting rules.

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 Wednesday, October 17, 2012. Dial-in numbers: +46 (0)8 5853 6965, +44 (0)20 7136 6283, or +1 646 254 3388. Access code: 7014033#.

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 International Cellular S.A. is a global telecommunications group with mobile telephony operations in 13 countries in Latin America and Africa. It also operates various combinations of fixed telephony, cable and broadband businesses in five countries in Central America and online and e-commerce services in certain countries in Latin America and Africa. The Group's mobile operations have a combined population under license of approximately 273 million people.

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. Please refer to the documents that Millicom has filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended, including Millicom's most recent annual report on Form 20-F, for a discussion of certain of these 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.

Other information

This report is unaudited.

Millicom's financial results for the fourth quarter of 2012 will be published on February 12, 2013.

Luxembourg – October 17, 2012

Mikael Grahne, President & CEO

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Appendix- Financial information and tables*

- Consolidated income statements for the three months ended September 30, 2012 and 2011
- Consolidated income statements for the nine months ended September 30, 2012 and 2011
- Consolidated statements of financial position as at September 30, 2012 and December 31, 2011
- Condensed consolidated statements of changes in equity for the nine months ended September 30, 2012 and 2011
- Condensed consolidated statements of cash flows for the periods ended September 30, 2012 and 2011
- Quarterly analysis by region
- Cellular customers and market position by country
- Review by region

**Determined based on accounting principles consistent to those used for the 2011 consolidated financial statements of Millicom which are prepared under International Financial Reporting Standards (IFRS).*

Millicom International Cellular S.A.
Consolidated income statements
for the three months ended September 30, 2012 and 2011

	QTR ended September 30, 2012 (Unaudited) US$ millions	QTR ended September 30, 2011* (Unaudited) US$ millions
Revenue	**1,199**	**1,151**
Operating expenses		
Cost of sales (excluding depreciation and amortization)	(281)	(256)
Sales and marketing	(232)	(206)
General and administrative expenses	(180)	(166)
Other operating income	1	6
EBITDA	**507**	**529**
Corporate costs	(38)	(26)
Gain (loss) on disposal/Write down of assets, net	1	5
Depreciation and amortization	(206)	(188)
Operating profit	**264**	**320**
Interest expense	(56)	(48)
Interest and other financial income	2	5
Other non-operating income (expenses), net	(31)	27
Profit before taxes from continuing operations	**179**	**304**
Taxes	(61)	166
Profit before discontinued operations and non-controlling interest	**118**	**470**
Non-controlling interests	(4)	(125)
Net profit for the period	**114**	**345**
Basic earnings per common share (US$)	1.14	3.32
Weighted average number of shares outstanding in the period (‘000)	100,212	103,739
Profit for the period used to determine diluted earnings per common share	**114**	**345**
Diluted earnings per common share (US$)	1.14	3.31
Weighted average number of shares and potential dilutive shares outstanding in the period (‘000)	100,304	103,837

** Comparatives have been restated for the impact of accounting for the Honduras put option under IAS 32. Refer to the form 6-K filed with the United States Securities and Exchange Commission on January 26, 2012.*

Millicom International Cellular S.A.
Consolidated income statements
for the nine months ended September 30, 2012 and 2011

	Nine months ended September 30, 2012 (Unaudited) US$ millions	Nine months ended September 30, 2011* (Unaudited) US$ millions
Revenue	**3,548**	**3,352**
Operating expenses		
Cost of sales (excluding depreciation and amortization)	(828)	(737)
Sales and marketing	(662)	(606)
General and administrative expenses	(526)	(465)
Other operating income	5	7
EBITDA	**1,537**	**1,551**
Corporate costs	(97)	(78)
Gain (loss) on disposal/Write down of assets, net	(1)	5
Depreciation and amortization	(601)	(554)
Operating profit	**838**	**924**
Interest expense	(157)	(139)
Interest and other financial income	8	12
Other non-operating income (expenses), net	(16)	32
Profit before taxes from continuing operations	**673**	**829**
Taxes	(237)	27
Profit before discontinued operations and non-controlling interest	**436**	**856**
Result from discontinued operations	-	39
Non-controlling interest	(15)	(151)
Net profit for the period	**421**	**744**
Basic earnings per common share (US$)	**4.16**	7.11
Weighted average number of shares outstanding in the period ('000)	101,332	104,878
Profit for the period used to determine diluted earnings per common share	**421**	**744**
Diluted earnings per common share (US$)	4.16	7.10
Weighted average number of shares and potential dilutive shares outstanding in the period ('000)	101,426	104,985

** Comparatives have been restated for the impact of accounting for the Honduras put option under IAS 32. Refer to the form 6-K filed with the United States Securities and Exchange Commission on January 26, 2012.*

Millicom International Cellular S.A.
Consolidated statements of financial position
as at September 30, 2012 and December 31, 2011

	September 30, 2012 (Unaudited) US$ millions	December 31, 2011 US$ millions
Assets		
Non-current assets		
Intangible assets, net	2,216	2,170
Property, plant and equipment, net	2,850	2,865
Investment in associates	191	63
Pledged deposits	45	50
Deferred taxation	305	317
Other non-current assets	92	37
Total non-current assets	**5,699**	**5,502**
Current assets		
Inventories	111	75
Trade receivables, net	324	277
Amounts due from non-controlling interests and joint ventures	119	159
Current tax assets	33	24
Other current assets	457	298
Cash and cash equivalents	*1,010	*881
Total current assets	**2,054**	**1,714**
Assets held for sale	43	66
Total assets	**7,796**	**7,282**

**of which US$ 40 million (December 31, 2011: US$ 20 million) is restricted cash.*

Millicom International Cellular S.A.
Consolidated statements of financial position
as at September 30, 2012 and December 31, 2011

	September 30, 2012 (Unaudited) US$ millions	December 31, 2011 US$ millions
Equity and liabilities		
Equity		
Share capital and premium		
(represented by 102 million shares at September 30, 2012)	642	663
Treasury shares (2.2 million shares at September 30, 2012)	(198)	(378)
Other reserves	(142)	(104)
Put option reserve	(738)	(738)
Accumulated profits brought forward	2,239	1,886
Net profit for the period	421	925
	2,224	**2,254**
Non-controlling interest	364	192
Total equity	**2,588**	**2,446**
Liabilities		
Non-current liabilities		
Debt and financing	2,022	1,817
Deferred taxation	179	199
Other non-current liabilities	126	122
Total non-current liabilities	**2,327**	**2,138**
Current liabilities		
Debt and other financing	805	621
Put option liability	749	745
Amounts due to joint ventures	80	93
Accrued interest and other expenses	334	264
Current tax liabilities	97	105
Other current liabilities	810	861
Total current liabilities	**2,875**	**2,689**
Liabilities directly associated with assets held for sale	6	9
Total liabilities	**5,208**	**4,836**
Total equity and liabilities	**7,796**	**7,282**

Millicom International Cellular S.A.
Condensed consolidated statements of changes in equity
for the nine months ended September 30, 2012 and 2011

	September 30, 2012 (Unaudited) US$ millions	September 30, 2011* (Unaudited) US$ millions
Equity as at January 1	2,446	2,390
Profit for the period	421	744
Stock compensation	16	12
Purchase of treasury stock	(190)	(368)
Dividends paid	(244)	(189)
Change in scope of consolidation	8	-
Shares issued via the exercise of stock options	-	1
Movement in cash flow hedge reserve	1	(4)
Movement in currency translation reserve	(43)	(5)
Sale of Amnet Honduras	-	2
Non-controlling interest	173	144
Equity as at September 30	**2,588**	**2,727**

** Comparatives have been restated for the impact of accounting for the Honduras put option under IAS 32. Refer to the form 6-K filed with the United States Securities and Exchange Commission on January 26, 2012.*

Millicom International Cellular S.A.
Condensed consolidated statements of cash flows
for the nine months ended September 30, 2012 and 2011

	September 30, 2012 (Unaudited) US$ millions	September 30, 2011 (Unaudited) US$ millions
EBITDA	1,537	1,551
Movements in working capital	(70)	(25)
Capex (net of disposals)	(526)	(403)
Taxes paid	(239)	(219)
Operating Free Cash Flow	**702**	**904**
Corporate costs (excluding share based compensation)	(82)	(66)
Interest paid, net	(123)	(104)
Free Cash Flow	**497**	**734**
Other investing activities	(188)	(19)
Cash flow from operating and investing	**309**	**715**
Cash flow used in financing	**(179)**	**(805)**
Cash from discontinued operations	-	53
Cash effect of exchange rate changes	(1)	(12)
Net increase/(decrease) in cash and cash equivalents	**129**	**(49)**
Cash and cash equivalents, beginning	881	1,023
Cash and cash equivalents, ending	**1,010**	**974**

Millicom International Cellular S.A.
Quarterly analysis by region
(Unaudited)

	Q3 12	Q2 12	Q1 12	Q4 11	Q3 11	Increase Q3 11 to Q3 12
Revenue (US$ millions) (i)						
Central America	469	476	474	478	460	2%
South America	480	466	455	450	444	8%
Africa	247	239	239	249	247	0%
Online	3	-	-	-	-	NA
Total Revenue	**1,199**	**1,181**	**1,168**	**1,177**	**1,151**	**4%**
EBITDA (US$ millions) (i)						
Central America	236	237	241	245	235	1%
South America	181	185	186	189	190	(5%)
Africa	92	91	90	102	104	(11%)
Online	(2)	-	-	-	-	NA
Total EBITDA	**507**	**513**	**517**	**536**	**529**	**(4%)**
Total mobile customers at end of period ('000s)						
Central America	15,297	15,182	15,058	14,626	14,188	8%
South America	12,268	11,740	11,531	11,155	10,867	13%
Africa	18,466	17,629	17,209	17,304	17,173	8%
Total	46,031	44,551	43,798	43,085	42,228	**9%**
Attributable mobile customers at end of period ('000s)						
Central America	11,888	11,874	11,774	11,421	11,097	7%
South America	12,268	11,740	11,531	11,155	10,867	13%
Africa	18,207	17,374	16,957	17,055	16,930	8%
Total	42,363	40,988	40,262	39,631	38,894	**9%**

(i) Excludes discontinued operations

Millicom International Cellular S.A.
Cellular customers and market position by country
(Unaudited)

Country	Equity holding	Country population (million) (i)	MIC market position (ii)	Net adds Q3 12 (000's)	Total customers ('000s) (iii)		
					Q3 12	Q3 11	YoY growth
CAM							
El Salvador	100.0%	6	1 of 5	(32)	**3,041**	2,913	4%
Guatemala	55.0%	14	1 of 3	223	**7,576**	6,865	10%
Honduras	66.7%*	8	1 of 3	(76)	**4,680**	4,410	6%
SAM							
Bolivia	100.0%	10	2 of 3	133	**2,993**	2,580	16%
Colombia	50.0% +1 share	45	3 of 3	283	**5,466**	4,713	16%
Paraguay	100.0%	7	1 of 4	112	**3,809**	3,574	7%
Africa							
Chad	100.0%	11	1 of 3	15	**1,911**	1,692	13%
DRC (iv)	100.0%	74	2 of 5	274	**2,828**	2,475	14%
Ghana	100.0%	25	2/3 of 6	31	**3,227**	3,628	(11%)
Mauritius	50.0%	1	2 of 3	8	**517**	486	6%
Rwanda	87.5%	12	2 of 3	204	**1,424**	1,089	31%
Senegal	100.0%	13	2 of 4	6	**2,647**	2,540	4%
Tanzania	100.0%	47	2 of 7	299	**5,912**	5,263	12%
Total cellular customers excluding discontinued operations		273		1,480	**46,031**	42,228	9%

(i) *Source: CIA World Factbook*
(ii) *Source: Millicom. Market position derived from active customers based on interconnect*
(iii) *Millicom has a policy of reporting only those customers that have generated revenue within a period of 60 days, or in the case of new customers only those that have already started generating revenue*
(iv) *DRC market position relates to the Kinshasa/Bas Congo area only*

* *Millicom's unconditional call option over its partner's 33.3% shareholding enables Millicom to fully consolidate Honduras.*

Millicom International Cellular S.A.
Review by region

Central America	Q3 12	Q2 12	Q1 12	Q4 11	Q3 11
Customers (m)	**15.3**	15.2	15.1	14.6	14.2
YoY growth (%)	***7.8%***	*7.8%*	*9.0%*	*8.5%*	*8.1%*
Revenue ($m)	**469**	476	474	478	460
YoY growth (%) (reported)	***1.9%***	*6.0%*	*4.3%*	*6.9%*	*6.4%*
YoY growth (%) (local currency)	***3.3%***	*7.9%*	*4.7%*	*6.2%*	*4.9%*
EBITDA ($m)	**236**	237	241	245	235
YoY growth (%)	***0.6%***	*2.0%*	*(2.1%)*	*7.0%*	*(1.6%)*
Margin (%)	***50.3%***	*49.7%*	*50.8%*	*51.3%*	*51.0%*
Total mobile ARPU ($)*	**11.1**	11.4	11.6	12.0	11.8
YoY growth (%) (reported)	***(6.4%)***	*(4.6%)*	*(4.5%)*	*(1.7%)*	*(0.8%)*
Capex ($m)	**41**	72	51	90	66
Capex/Revenue (%)	***8.8%***	*15.1%*	*10.8%*	*18.8%*	*14.4%*

* *Not adjusted for constant forex*

Cable Central America	Q3 12	Q2 12	Q1 12	Q4 11	Q3 11
Revenue ($m)	**71**	70	72	69	65
Revenue growth (YoY %)	***10%***	*12%*	*14%*	*16%*	*14%*
Homes Passed ('000)	**1,557**	1,550	1,529	1,373	1,358
Broadband customers/cable TV customers	***39.9%***	*39.4%*	*38.9%*	*39.8%*	*38.5%*
RGUs ('000)	**864**	857	800	721	707

Millicom International Cellular S.A.
Review by region (continued)

South America	Q3 12	Q2 12	Q1 12	Q4 11	Q3 11
Customers (m)	**12.3**	11.7	11.5	11.2	10.9
YoY growth (%)	***12.9%***	*10.0%*	*10.5%*	*10.0%*	*12.3%*
Revenue ($m)	**480**	466	455	450	444
YoY growth (%) (reported)	***8.2%***	*9.7%*	*17.4%*	*17.6%*	*24.8%*
YoY growth (%) (local currency)	***14.6%***	*13.1%*	*14.5%*	*14.4%*	*15.2%*
EBITDA ($m)	**181**	185	186	189	190
YoY growth (%)	***(4.6%)***	*2.0%*	*12.6%*	*12.3%*	*25.6%*
Margin (%)	***37.8%***	*39.8%*	*40.9%*	*41.9%*	*42.9%*
Total mobile ARPU ($)*	**13.2**	13.0	13.1	13.4	13.5
YoY growth (%) (reported)	***(2.6%)***	*(1.3%)*	*6.4%*	*5.2%*	*9.1%*
Capex ($m)	**76**	92	69	160	74
Capex/Revenue (%)	***15.8%***	*19.8%*	*15.2%*	*35.6%*	*16.6%*

** Not adjusted for constant forex*
*** Excluding sale and leaseback of previously held towers*

Africa	Q3 12	Q2 12	Q1 12	Q4 11	Q3 11
Customers (m)	**18.5**	17.6	17.2	17.3	17.2
YoY growth (%)	***7.5%***	*6.5%*	*10.9%*	*15.6%*	*17.3%*
Revenue ($m)	**247**	239	239	249	247
YoY growth (%) (reported)	***0.1%***	*(2.9%)*	*(0.1%)*	*4.3%*	*7.4%*
YoY growth (%) (local currency)	***6.8%***	*5.7%*	*5.4%*	*10.6%*	*7.8%*
EBITDA ($m)	**92**	91	90	102	104
YoY growth (%)	***(11.4%)***	*(8.6%)*	*(8.4%)*	*2.4%*	*10.6%*
Margin (%)	**37.3%**	38.0%	37.5%	41.0%	*42.1%*
Total mobile ARPU ($)*	**4.5**	4.5	4.6	4.8	4.9
YoY growth (%) (reported)	***(7.9%)***	*(11.9%)*	*(11.7%)*	*(10.7%)*	*(9.9%)*
Capex ($m)**	**81**	84***	42	145	76
Capex/Revenue (%)	***32.8%***	*35.3%*	*17.4%*	*58.1%*	*30.9%*

** Not adjusted for constant forex*
*** Excluding sale and leaseback of previously owned towers*
**** Including spectrum in the Democratic Republic of Congo.*

Revenue growth – Forex effect by region

US$m	Revenue Q3 11	Constant currency growth	Forex	Revenue Q3 12	LC growth %
CAM	460	16	(7)	469	3.3%
SAM	444	58	(22)	480	14.6%
Africa	247	17	(17)	247	6.8%
Online	0	3	0	3	NA
Total	**1,151**	**94**	**(46)**	**1,199**	**8.6%**

Customers

Net additional mobile customers ('000)

	Total	CAM	SAM	Africa
Q3 12	**1,480**	115	528	837
Q2 12	**753**	124	209	420
Q1 12	**713**	432	376	(95)
Q4 11	**857**	439	287	131
Q3 11	**916**	100	196	620

Customer market share

Market share (%)

	Total	CAM	SAM	Africa
Q3 12	**29.9%**	54.6%	19.2%	29.7%
Q2 12	**29.8%**	54.8%	18.8%	29.7%
Q1 12*	**29.9%**	55.1%	18.8%	29.8%
Q4 11*	**30.2%**	54.1%	18.9%	30.6%
Q3 11	**30.4%**	54.3%	18.7%	31.3%

Source: Company data. Historical market share for Africa restated to reflect KBC market only in DRC

**Restated for industry corrections in Q4 11 and Q1 12*