Millicom's Q1 2016 Results, 26 April 2016

We believe in better. We believe in tigo

Millicom International Cellular S.A.

Key highlights of Q1 2016 [i]

- Revenue of $1.53 billion - organic service revenue up 4.1% [ii]
- Adjusted EBITDA[iii] at $550 million, organic growth of 7.0%
- Adjusted EBITDA margin at 36.0% - increased by 1.8 percentage points
- LTE launch in Paraguay, DTH launch in Colombia
- Disposal of DRC mobile business completed
- Refinancing of the SEK bond – maturity profile extended, improved terms

Key financial indicators

$m	Q1 2016	Q1 2015	% change
Revenue	1,528	1,670	(8.5%)
Organic growth	*2.1%*	*9.3%*	
Service revenue	1,435	1,534	(6.4%)
Organic growth	*4.1%*	*5.1%*	
Adjusted EBITDA	550	571	(3.6%)
Adjusted EBITDA margin	*36.0%*	*34.2%*	
Capex [iv]	195	186	4.7%
Net debt	4,419	3,941	12.1%
Adjusted EPS ($) [v]	0.22	0.38	*(42.1%)*

- **Latam:** Q1 reported organic revenue growth of 0.7% to $1,308 million due to lower handset sales whilst service revenue grew 2.9% as data continued to grow strongly partially offset by competitive intensity on mobile pricing and slower fixed B2B in Colombia, as well as some seasonal effect from Easter holidays falling in Q1 this year. The cable rollout continued strongly with a further 132,000 new HFC homes passed in the quarter. EBITDA was $525 million including $8 million one-off charges relating to a bad debt expense.
- **Africa:** Q1 reported organic revenue growth of 11.9% to $220 million with service revenue growing 12.1%. All countries with the exception of Rwanda reported double digit growth. Benefiting from actions to improve margins, EBITDA grew strongly, 11.8% on Q4 and 13.5% year-on-year to $57 million at a margin of 25.8%. DRC is now treated as a discontinued operation.
- **Corporate costs:** Reduction to $41 million compared to $45 million in Q4 15 and $59 million in Q1 15.

i This financial information presented in this earnings release is with Guatemala (55% owned) & Honduras (66.7% owned) as if fully consolidated. See page 16 for reconciliation with IFRS numbers. The comparative 2015 financial information in this earnings release has been represented as a result of the classification of our operations in DRC as discontinued operations (in accordance with IFRS 5)
ii Organic growth represents year-on year-growth in local currency (includes regulatory changes)
Service revenue is defined as Group revenue excluding telephone & equipment sales
iii Adjusted EBITDA is defined as reported EBITDA excluding restructuring and integration costs and other one-off items – See page 7 for reconciliation
iv Balance sheet capital expenditure, excludes spectrum and license costs
v Basic EPS adjusted for non-operating items see page 15 for reconciliation

CEO's Statement

Luxembourg, 26 April 2016

“We are squarely focused on improving operational leverage and delivering profitable and responsible growth. During the first quarter of 2016, organic adjusted EBITDA grew by 7.0% ahead of a 4.1% increase in service revenue, in line with our outlook for 2016. This quarter has seen a continuation of the macro headwinds which we forecast earlier in the year and this economic environment has continued to significantly impact our headline performance. However, it is pleasing to see greater resilience and performance improvements in our revenue mix, both by geography and by business unit.

In our Mobile business, growth continued driven by data uptake. Our focus on “volume to value” has delivered rapid improvements in data profitability. We will continue to drive our commercial strategy to optimise investments in 4G.

Momentum is robust in Cable, with the Home segment growing organically by 13.6%. The expansion of our HFC footprint continues as we added 132,000 homes passed, 31,000 new homes connected and 117,000 RGUs. Fixed B2B revenue also delivered a 7.3% increase although this was slower than in Q4 as we saw delays in new contract signings in Colombia. However, we continue to see this as a very promising sector and we have opened new data centres in Paraguay, Tanzania, Ghana and Chad with additional ones coming up in Colombia and Senegal. This will allow us to expand our services to more business customers and to further leverage the Tigo network.

In Latin America revenue grew by 0.7%, reflecting a significant decline in handset sales in Colombia as new third party channels were opened. Service revenue growth was stronger at 2.9% but held back by slightly slower growth in Colombia. Paraguay demonstrated concrete signs of revenue recovery and margin stability. We have further strengthened our service offer in Paraguay with a bolt-on cable acquisition, which is subject to regulatory approval, and launched LTE.

In Africa, we had a strong quarter as actions to improve our profitability started to take effect. Revenue grew almost 12% with Ghana growth accelerating and Chad recovering. We also saw a recovery in adjusted EBITDA which, excluding DRC, increased 11.8% compared to Q4 15. We opened our Fintech centre of excellence in Tanzania to capitalize on our leadership of Mobile Financial Services in the country and announced full mobile money interoperability – a world first.

We continue to deliver reductions in our cost base at all levels of the business and this quarter we once again brought down corporate costs from $59 million a year ago to $41 million, and also commenced a number of transformation activities and outsourcing projects at the local level to focus on cost control and optimizing the way we work.

Meanwhile, our investment strategy is concentrated on our most promising markets and on investments which add value to our core business. Whilst we have also set about rebalancing the capital structure through decisive steps to strengthen our balance sheet and reorientate our portfolio. Last week we completed the sale of our mobile business in DRC, whilst the week before we refinanced our Swedish bond on improved terms. We now have only around $400 million of debt maturing before 2018 and sit on a comfortable level of liquidity.

The Nomination Committee announced proposals for a new Chairman and new Members of the Board of Directors and we welcomed our new Chief Human Resources Officer, Daniel Loria, into the group.

Looking forward, we will continue to execute our strategy to build The Digital Lifestyle for our customers and monetise it for our shareholders and staying focused on improving profitability. We are driving our cash flow through increasing margins and lower capex whilst being disciplined in our capital allocation. We are well positioned to use our infrastructure, our network, our talent and our customer understanding to harness the strong fundamentals presented in our markets.”

Mauricio Ramos
CEO, Millicom

Outlook

Millicom outlook for 2016 remains:

Basis	Outlook
Service revenue [(a)]	To grow mid-single digit
Adjusted EBITDA [(b)]	To grow mid to high-single digit
Capex [(c)]	Between $1.15 and $1.25 billion

[(a)] *Service revenue is Group revenue excluding telephone and equipment sales*

[(b)] *Adjusted EBITDA excludes restructuring and integration costs and other one-off items*

[(c)] *Capex excludes the impact of spectrum and licence costs*

The outlook for 2016 is based on constant currency, at a constant perimeter with Guatemala and Honduras fully consolidated and on our current assessment of the emerging markets macroeconomic outlook. For service revenue this is a 2015 currency adjusted basis (using February 2016 exchange rates) of $5.73 billion and for Adjusted EBITDA a currency adjusted basis of $2.09 billion.

Shareholder remuneration

At the AGM to be convened on 17 May 2016, the Board will propose an ordinary dividend payment of $2.64 per share.

We reiterate our dividend policy for no less than $2 per share, and at least 30% of adjusted net profit[i].

Guatemala and Honduras

On 31 December 2015, the existing call options with local partners lapsed and under IFRS 10 and 11, Millicom deconsolidated its investments in Comcel (Guatemala) and Celtel (Honduras).

From 31 December 2015 onwards, Millicom accounts for its investments in Comcel and Celtel under the equity method and thus reports its share of the net income of each of these businesses in the income statement in the caption “Income (loss) from joint ventures” starting 1 January 2016. For the purpose of comparison and to provide users of this report a full understanding of the financial condition of the Group, the financial information presented in this earnings release is and will continue to be as if the Honduran and Guatemalan businesses continue to be fully consolidated, in line with our segmental reporting established in accordance with IFRS 8.

Further information on the accounting implications of the deconsolidation are provided in the notes to the financial statements as of 31 December 2015.

Conference call details

A presentation and conference call to discuss results of the quarter will take place at 14.00 Stockholm / 14.00 Luxembourg / 13.00 London / 08.00 New York, on Tuesday 26 April 2016. For those unable to attend, Millicom will also provide a conference call. Dial-in numbers: + 46 (0) 850 65 3931, + 352 2088 1429, + 44 203 427 1920, +1 646 254 3374. Access code: 6047515

A live audio stream of the analyst presentation 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.

[i] *Adjusted net profit is defined as reported net profit excluding non-operating items and similar items classified under ‘other non-operating income (expenses)’.*

Significant events of the quarter

Corporate news

8 Feb 2016: Millicom to sell its Democratic Republic of Congo business to Orange
15 Feb 2016: Millicom signs agreement to acquire TV Cable Parana in Paraguay
11 Mar 2016: The Nomination Committee proposes new Board Directors
30 Mar 2016: Millicom appoints Daniel Loria as EVP of HR

Business news

12 Jan 2016: Tigo Paraguay to offer customers 4G internet accessible on all enabled smartphones
19 Jan 2016: Tigo announces the construction of Paraguay's first UPTIME Tier 3 Certified Data Centre
18 Feb 2016: Airtel, Tigo and Vodacom agree on mobile money interoperability in Tanzania

Financial news

8 Jan 2016: Fitch affirms Millicom at BB+
10 Feb 2016: Millicom Q4 and FY 2015 results
29 Feb 2016: Millicom and Comcel senior ratings maintained at Ba1 by Moody's, with negative outlook

Subsequent events

4 Apr 2016: Publication of Millicom 2015 Annual Report and CR …
12 Apr 2016: Millicom announces tender offer for its 2017 SEK bond
13 Apr 2016: The Nomination Committee proposes additional new Board Director
18 Apr 2016: Millicom announces success of its Early Tender Offer and new bond placement
21 Apr 2016: Millicom announces closing of DRC sale to Orange

Agenda

17 May 2016: 2016 AGM

21 Jul 2016: Q2 16 results

25 Oct 2016: Q3 16 results

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Risks and uncertainty factors

Millicom operates in a dynamic industry characterized by rapid evolution in technology, consumer demand, and business opportunities. Combined with a focus on emerging markets in various geographic locations, the Group has a proactive approach to identifying, understanding, assessing, monitoring and acting on balancing risks and opportunities. For a description of risks and Millicom's approach to risk management, refer to the 2015 Annual Report (http://www.millicom.com/media/4562100/full-annual-report-millicom-2015.pdf). In addition to the information in the 2015 Annual Report and the information provided in this release, please refer to Millicom's press release, dated October 21, 2015, entitled "Millicom reports to authorities potential improper payments on behalf of its Guatemalan joint venture." At this time, Millicom's investigation remains on-going, and Millicom cannot predict the outcome or consequences of this matter.

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. The Millicom Group employs more than 16,000 people and provides mobile services to over 63 million customers. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2015, Millicom generated revenue of USD 6.7 billion and EBITDA of USD 2.2 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, including those included in this release. 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.

Financial review

US$m	Q1 16	Q1 15	% Change
Revenue	**1,528**	**1,670**	**(8)**
Cost of sales	(400)	(447)	(10)
Gross profit	**1,128**	**1,223**	**(8)**
Operating expenses	(586)	(659)	(11)
Depreciation & amortisation	(303)	(330)	(8)
Other operating income / (expenses), net	(0)	1	N/M
Operating profit	**239**	**235**	**2**
Net financial expenses	(107)	(117)	(9)
Other non-operating income / (expenses), net	14	(72)	N/M
Gains / (losses) from associates	(11)	(13)	(16)
Profit / (loss) before tax	**136**	**33**	**N/M**
Net tax credit (charge)	(62)	(39)	60
Profit / (loss) for the period from continuing operations	**74**	**(6)**	**N/M**
Non-controlling interests	(39)	(28)	41
Profit / (loss) from discontinued operations	8	(12)	N/M
Net profit / (loss) for the period	**43**	**(46)**	**N/M**
Adjusted net profit / (loss) for the period [a]	**22**	**38**	**(42)**

Q1 2016 review

Group revenue was $1.53 billion and showed organic growth of 2.1% (with Latam growing 0.7% and Africa by 11.9%). Similarly to the last quarter, the Latam performance was affected by the decline of handset sales in Colombia as new third party distributors were opened up. Organic service revenue growth was in line with the outlook for 2016 (mid-single digit growth) at 4.1%, reflecting some slowdown in Latam due notably to macro-economic headwinds, a more difficult security environment in El Salvador and continued pricing competition in the Colombian mobile market. Currency headwinds continued to be strong albeit less than the previous quarter. The FX impact on revenue compared to the same period last year was 11.4%, mostly driven by the devaluation of the Colombian peso, the Paraguay guarani and the Tanzanian shilling during 2015.

A provision for bad debt in Guatemala diluted the Group gross margin by 0.5 percentage point but despite this the overall margin improved by 0.6% year-on-year to 73.8%, as the dilution from handset sales was lower than a year ago.

Operating expenses decreased by 11.1% compared to Q1 2015 driven by lower corporate costs and the currency impact on our cost base as well as the fruits of efficiency programmes commenced in 2015. As a percentage of sales, operating expenses reduced by 1.1 percentage points to 38.3%.

Depreciation and amortisation was $303 million, 8.2% lower than last year following the depreciation of the Colombian peso.

Net financial expenses at $107 million were $10 million lower than Q1 15 but restated from the one-off expenses related to the early redemption of the El Salvador bond last year ($17 million) was up $7 million on higher gross debt. Other net non-operating income of $14 million was largely composed of foreign exchange gains. Net losses from associates of $11 million, down $2 million year-on-year, were mainly composed by $16 million relating to Helios Towers Africa (of which one-off charges of $8 million) offsetting $6 million profits relating to our investments in AIH and LIH (e-commerce ventures) positively impact by $13 million gain on dilution.

Tax charges at $62 million were up by $23 million compared to last year reflecting improved profitability in Latam (Colombia, Bolivia, Honduras and Paraguay). Share of profits attributable to non-controlling interests were up $11 million to $39 million due to reduced net losses in Colombia. Net profits improved by $89 million year-on-year to $43 million including $8 million profits from discontinued operations. The adjusted net profit was $22 million.

a Reported net profit adjusted for non-operating items see page 14 for reconciliation

Reconciliation from Operating Profit to Adjusted EBITDA

US$m	Q1 16	Q1 15
Operating Profit as reported (IFRS)	**141**	**235**
Impact of full consolidation of Guatemala and Honduras on operating profit	98	-
Operating Profit per management reporting	**239**	**235**
Depreciation and amortisation	303	330
Other operating income (expenses), net	-	(1)
EBITDA	**542**	**564**
EBITDA margin	*35.5%*	*33.8%*
Restructuring, integration costs and other one-offs	8	7
Adjusted EBITDA	**550**	**571**
Adjusted EBITDA margin	*36.0%*	*34.2%*

Q1 Adjusted EBITDA reached $550 million excluding a one-off item ($8 million) resulting from a bad debt provision on a contract in Guatemala. The margin increased significantly year-on-year (up 1.8%) driven by an improvement in the business mix (lower dilution from handset sales), synergies in Colombia and lower corporate costs. There were no integration costs booked in Colombia in the first quarter.

Free Cash Flow

US$m	Q1 16	Q1 15	*% reported Change*
Adjusted EBITDA	**550**	**571**	**(4)**
Restructuring, integration costs and other one-offs	(8)	(7)	16
EBITDA	**542**	**564**	**(4)**
Net Cash Capex (excluding spectrum and licenses)	(343)	(234)	46
Change in working capital and other non-cash items	(123)	(127)	(3)
Operating cash flow	**76**	**203**	**(62)**
Taxes paid, net	(38)	(50)	(24)
Operating free cash flow	**38**	**153**	**(75)**
Interest paid, net	(92)	(74)	24
Free cash flow	**(54)**	**79**	**(168)**
Advances for and dividends to non-controlling interests	(14)	(25)	(43)
Equity free cash flow	**(68)**	**54**	**(226)**

Quarterly review

Q1 16 operating cash flow declined by 62% to $76 million from a combination of a lower EBITDA and a higher capex paid. There was a seasonal net cash outflow from the working capital with the vast majority driven by Latam.

Net taxes paid at $38 million were 24% lower mostly driven by Colombia refund arising from overpayments last year. Net interest paid was up 24% on 2015 mainly on the higher level of debt. This resulted in negative free cash flow of $54 million. With lower dividends paid to non-controlling interests ($11 million lower), the equity free cash flow was $68 million negative compared to $54 million positive in Q1 last year.

Capital expenditure

Balance sheet capital expenditure (excluding spectrum and license costs) for the first quarter of 2016 was $195 million including $165 million in Latin America and $28 million in Africa. Cash capex was significantly higher at $343 million as the payment for capex booked in 2015 were made.

Latam focused 35% of its investments on fixed network of which 62% required for customer installations and 36% invested in various network footprint expansions. Additionally, 42% of the investments were focused on mobile network investments with 71% dedicated to 3G and 4G access and the balance to transmission and core networks, as well as 2G capacity. In addition, Latam invested 12% of its spending in IT transformation (billing, service delivery and IT infrastructure). Investments in Africa were focused mainly on mobile network coverage.

Net Debt

US$m	Gross Debt	Cash	Net Debt *
Latin America	**2,851**	**471**	**2,380**
Of which local currency	*1,372*	*287*	*1,085*
Africa	**535**	**220**	**316**
Of which local currency	*228*	*193*	*35*
Corporate	**2,015**	**292**	**1,724**
Group	**5,402**	**983**	**4,419**
o.w. Guatemala and Honduras	*1,365*	*204*	*1,161*
Group excluding GT & HN	**4,037**	**779**	**3,258**
Proportionate basis	*4,459*	*865*	*3,594*

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

At 31 March 2016, the Group gross debt was $5.40 billion (including $302 million of finance leases), marginally up on Colombia's debt increase (USD/COP appreciation and short term debt raising). The Group revolving facility at 31 March was undrawn leaving $500 million of committed funding from the Group relationship banks. On the same date, 72% of group debt was at fixed rates and 30% was in local currency (or pegged to local currency). The Group continues to evaluate opportunities to align the currency of its assets and liabilities in the operational entities. Our cash position as of end of March stood at $983 million, $849 million excluding MFS restricted cash of which 62% was in US dollar.

The average maturity of our debt stood at 5.8 years and our average cost of debt was 6.2% (excluding finance leases).

Overall net debt / EBITDA, based on the last twelve months EBITDA, was 2.04x at 31 March 2016 (slightly up from 1.97x at year end). Proportionate net debt to EBITDA was 2.36x.

Quarterly operating review

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

Revenue by business unit and by region

US$m	Total		Latin America		Africa	
	Q1 16	*YOY growth (%)*	Q1 16	*YOY growth (%)*	Q1 16	*YOY growth (%)*
Mobile	1,004	1.0	820	(0.8)	184	9.9
Cable	376	11.2	370	11.0	5	NM
MFS	31	18.4	8	(5.9)	22	30.4
Other	26	20.8	20	25.3	5	1.5
Service revenue	**1,435**	**4.1**	**1,219**	**3.1**	**217**	**12.1**
T&E *	93	(22.7)	90	(23.2)	3	(4.0)
Total revenue	**1,528**	**2.1**	**1,308**	**0.7**	**220**	**11.9**

** Telephone and equipment ("T&E") sales and other revenue*

Mobile

Mobile revenue grew by 1.0% (1.3% in Q4 15) with the mobile customer base increasing by 6.8% organic or 3.6 million net additions in 12 months, to reach 57.5 million subscribers at the end of March (including Zantel which had 1.3 million customers at the end of March 2016 and excluding DRC). Sequentially, the mobile customer base increased by 225,000. In Latam, we lost 95,000 subscribers this quarter largely from Honduras, Paraguay and Colombia as we focused our commercial efforts on high value customers. In Africa, we gained 320,000 subscribers mainly from Senegal, Tanzania and Chad. During Q1 we sold more than 1.2 million smartphones as we continue to see customers adopting the Digital Lifestyle.

Year-on-year communications revenue (voice and SMS) declined 8.8% organically with Africa up 5.9% and Latam declining by 12.8% on MTR cuts (Colombia, Honduras, El Salvador and Bolivia), price competition and lower volume adding to some negative calendar effect of Easter taking place in Q1 in 2016. Overall we saw SMS declining at a faster rate than a year ago as customers with smartphones switched to over the top products.

Mobile data continues to show strong growth, with revenue up 29.8% led by higher usage as ARPU growth accelerated this quarter to 11.2%.

Cable

Cable revenue grew at 11.2%, with Home growing 13.6% and fixed B2B 7.3%. UNE service revenue grew 7.1% with Home growing 8.2% and B2B growing 1.5% following lower demand from the private sector. Total revenue generating units ("RGUs") increased by 31,000 from Q4 2015 to 5.42 million with the growth coming primarily from pay TV offers. Focusing on HFC technology only, the growth in RGUs was 117,000.

Our cable footprint expanded by 83,000 to 7.7 million homes passed with 132,000 additions via HFC technology offsetting the downsizing of UNE's copper footprint. The number of RGUs per household (HFC) increased to 1.72x from 1.62x a year ago. More than 57% of our households were double or triple play, around 3 percentage points more than one year ago. The ARPU per Home Connected in Q1 was $25.7, slightly down quarter on quarter in dollar terms but up 10% year-on-year in local currency.

Mobile Financial Services (MFS)

Despite a small contraction of its customer base (-104,000) in Q1 due to a focus on value customers in Tanzania, MFS revenue accelerated compared to Q4 15 to grow 18.4%. This was driven by higher volumes (customer base up 16% year-on-year) and a small improvement in ARPU and despite revenue decline in Paraguay (11.7%) due to macroeconomic issues. Transactions this quarter were up 4.7% year-on-year (excluding self top-up).

Telephone & equipment (T&E)

T&E revenue declined by 22.7% driven by our mobile operation in Colombia declining 38.4% which experienced lower volume (as new third party channels opened) and pressure on average selling price.

Q1 16 - Latin America

		Q1 2016	Q1 2015	Organic % change[a]
KPIs (‘000)	Mobile customers	32,490	31,326	3.7
	MFS customers	3,601	3,409	5.6
	Cable RGUs [(b)]	3,361	2,888	16.4
ARPU ($)	Mobile	8.3	9.6	(5.6)
	MFS	0.9	1.0	(12.6)
	Residential cable	25.7	28.1	10.1
Financials (US$m)	Revenue	1,308	1,461	0.7
	EBITDA	525	565	2.5
	Capex[c]	165	159	3.9

Latam organic revenue increased by 0.7% to $1.31 billion with growth in Paraguay and Bolivia more than offsetting some weakness in Colombia and El Salvador. Despite some improvement since year end, currency weaknesses of the Colombian peso (22% year-on-year devaluation) and the Paraguayan guarani (18%) continued to significantly affect reported revenue which were 10.4% lower than Q1 2015. Foreign exchange movements represented a revenue translation reduction of $162 million, or 11%. EBITDA was $525 million after $8 million of one off charges (provision for bad debt in Guatemala). Adjusting for one-off charges, Latam EBITDA margin was 40.7%.

Colombia

Revenue at $397 million was down 1.3% organic but with substantial currency devaluation declined 24.3% in US dollars. We saw materially lower handset sales (down 38.4% on last year), weakness in the mobile market and a decline of our international wholesale traffic business. Excluding telephone and equipment sales, organic service revenue was up 2.3%. Tigo Mobile declined 0.4% year-on-year due to lower voice and SMS revenues (down 15.9%) driven by lower MTRs and increased competitive pressure in prepaid, partially offset by mobile data growth (up 12.1%). UNE Home revenue grew 8.2% as we accelerated our HFC roll-out by adding 89,000 new homes (71,000 in the previous quarter) and continued to overbuild copper lines. UNE Fixed B2B grew 1.4% with a good momentum on public and SME segments with some delays in signing on new large corporate and government contracts.

EBITDA for the quarter was $117 million with no integration costs ($5 million in Q1 15). The EBITDA margin increased by 1.7 percentage points in Q1 to 29.5% but was 0.8 percentage point better excluding integration costs with the lower dilutive effect from handset sales offset by higher bad debt. Capex was $45 million, down 6%.

Guatemala

Q1 organic revenue increased by 1.4% to $320 million with mobile service revenue down 1.3% due to declining SMS volume and weaker international revenue nearly offset by 43.4% data growth. Cable revenue was up 48.8%, with Home and Fixed B2B growing at the same pace. EBITDA at $162 million was down 1.2% year-on-year due to a $8 million provision for bad debt on a public contract. We are currently working with the Government to return this contract to normal payment terms. Excluding this provision EBITDA would be up 3.7%.

Paraguay

Revenue of $153 million was up 5.0% on an organic basis but down 13.8% on a reported basis due to currency depreciation. After the very severe flooding across a large part of the country in Q4, the local economy partially recovered with our mobile revenue increasing by 3.5% although MFS remained under pressure (-11.7%). Cable grew by 19.1% mostly driven by the increase of the customer base. After several quarters of decline, the EBITDA margin has stabilized at 45.5%.

a % change is at year-on-year change at constant FX except for KPIs.
b HFC
c Capex excludes spectrum and license costs

Honduras

Organic revenue declined in Q1 by 1.9% organic to $156 million. Mobile revenue declined 2.1% with mobile data growth of 19.1% more than offset by a 7.8% decline in voice and SMS as a consequence of a more intense pricing competition and a 20% termination rate cut. Cable grew by 14.8% mostly driven by footprint expansion as ARPU slightly declined. The EBITDA margin was up 0.8 percentage point year-on-year to 42.7% due to change in business mix.

Bolivia

Q1 revenue grew by 4.8% to $136 million with mobile revenue up 1.9% (data up 44% offsetting the 16% voice and SMS decline) and Cable up 33%. EBITDA increased to $53 million, a margin of 39.4%, up 2.4 percentage points year-on-year.

El Salvador

The continued rise in violence and crime remained very challenging for the business in Q1. Revenue declined 3.1% year-on-year. Mobile revenue declined 5.0% due to intense competition, especially on data packages, and a 27% mobile termination rate cut in November. Mobile data growth slowed down to 18.3% after 39.0% in the previous quarter. Cable revenue increased by 6.5% on higher volume offsetting ARPU weakness. Q1 EBITDA was down 3.4% at $41 million, with a margin at 37.9%.

Costa Rica

Revenue was up 9.5% to $39 million with RGUs growing 4% year-on-year. The EBITDA margin was 36%, down from 39% a year earlier on higher programming costs.

Q1 16 – Africa

		Q1 2016	Q1 2015	Organic % change[a]
KPIs ('000)	Mobile customers	25,001	21,299	17.4
	MFS customers	6,777	5,530	22.6
ARPU ($)	Mobile	2.5	3.5	(19.5)
	MFS	1.1	1.2	6.1
Financials (US$m)	Revenue	220	209	11.9
	EBITDA	57	56	13.5
	Capex[b]	28	25	7.8

Organic revenue increased by 11.9% to $220 million and despite unfavourable currency movements resulted in reported revenue growing 5.0% as Zantel was not consolidated before Q4 15. Organic mobile service revenue was up 9.9% organic to $184 million; voice and SMS grew 5.9% with data up 45.7%. MFS revenue at $22 million was up 30.4% with good momentum in all countries.

This quarter, our customer base grew by 320,000 million with Senegal up 221,000 and Chad and Tanzania up 145,000 each. The data penetration rate increased by 0.3 points in the last 12 months to 22.9%. EBITDA at $57 million grew 13.5% organically and 12.5% adjusted.

Tanzania

Revenue trend in local currency was broadly similar to the last quarter. Growth in voice and SMS revenue was limited and partially impacted as well by a 7% cut in termination rate. MFS continues to grow strongly reflecting higher customer base (18% growth year-on-year at the end of March) and usage. The EBITDA margin in Q1 at 34% was down 2 percentage points driven by commercial investments. During the quarter the regulator officially confirmed we are now the second largest operator in Tanzania.

Chad

The macro-economic conditions remained similar to Q4 2015 due to lower oil prices and security issues. However, we saw a confirmation of the top line recovery started in the previous quarter with low double digit revenue growth. EBITDA in Q1 slightly declined with one additional tax on airtime sold.

Rest of Africa

Our other African markets continued to experience good revenue momentum growing 13% organically. There was strong momentum in Ghana and Senegal. Combined, Senegal, Ghana, Rwanda and Zantel reported an EBITDA of $16 million representing a margin of 17%.

a % change is at year-on-year change at constant FX except for KPIs.
b Capex excludes spectrum and license costs

Corporate Responsibility (CR)

Continuing commitment to transparency – 2015 CR report

Millicom published its fourth externally assured CR report on 4 April 2016, in line with the Global Reporting Initiative (GRI) G4 reporting guidelines. Millicom also published on the same day its first standalone Law Enforcement Disclosure Report, outlining the context, nature and extent of government requests for customer data and surveillance; how we manage different requests; and engage more widely on privacy and freedom expression.

Highlights of the CR report include:

- **Focusing on what matters.** Our materiality re-assessment with global stakeholders affirmed our material issues, as outlined in the 2015 CR report.
- **Acting responsibly – anti-corruption compliance.** We implemented a standardised, global Anti-Bribery and Anti-Corruption (ABAC) training programme in 2015; aimed at senior managers, and high-risk business functions, with 76% attendance rate. We had a 40% increase in cases reported through whistleblowing channels, implying, together with increased focus on risk awareness and training, an increased awareness of availability of such channels.
- **Improving gender balance.** Steady increase in women in top 600 senior management positions to 25%, up from 19% in 2013. Gender inclusivity initiatives helped decrease turnover among young women, high in previous years, by 10 percentage points.
- **Reducing our environmental footprint.** Ahead of our 2020 target, we have achieved a 51% reduction in carbon emissions per base station against our 2008 baseline. We raised $650,000 from electronic waste sales through our responsible e-waste programme.
- **Responsible supply chain management.** Suppliers representing 53% of our supplier spend conducted EcoVadis self-assessments, helping us form an understanding of risks and gaps. 120 correction action plans were developed for the suppliers falling below our accepted threshold in the assessment; 21 of these on health and safety. 79% of our strategic suppliers have signed the Supplier Code of Conduct, up from 61% in 2014.

Key milestones in child rights work

In Q1, Millicom together with UNICEF made available for public consultation the Mobile Operator Child Rights Impact Assessment tool (MO CRIA). The tool was presented at a UNICEF event in London in March, and will be finalised for the use of all telecom operators during Q2 2016. Millicom also carried out an assessment of its child rights impacts with MO CRIA in Colombia in February.

A module of child online protection has been integrated in the Tigo Sales School curriculum for all sales staff in Costa Rica, and to be rolled out in other markets later in the year. Millicom also presented its approach to child online protection and work in child sexual abuse content blocking at Interpol's second Americas Working Group Meeting in March.

Health, safety and security

We continued to manage safety and security standards in two of our operations with higher risk, reviewing effectiveness of personal safety and security controls implemented in the previous quarter in El Salvador, and security standards ahead of the presidential elections in Chad. Both operations are also working on a communication campaign; on personal safety and security in El Salvador, and safe working in Chad. Additionally, we conducted a review of H&S management in Zantel to align our approach following the acquisition; ran a health care campaign on Zika across our US and Latin American services; and produced a communication campaign in Tanzania on safe driving.

Further strengthening the compliance framework

As part of our efforts to continuously adapt and strengthen the company's ABAC programme, the new Sponsorship and Donations Policy was approved. It is directly linked with our ABAC Policy and covers financial and in-kind donations and sponsorships with emphasis on tightening controls. The policy is currently being implemented with the joint efforts of the global compliance and corporate responsibility teams.

Additional information

Reconciliation of Basic EPS to Adjusted EPS [a]

US$m	Q1 16	Q1 15 [b]
Net profit (loss) attributable to owners of the company	**43**	**(46)**
Basic earnings per share ($)	0.42	(0.46)
Adjustment from non-operating items*	(21)	84
Adjusted net profit (loss) attributable to owners of the company	**22**	**38**
Adjusted basis earnings per share ($)	0.22	0.38

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

Closing foreign exchange rate (vs. USD)		Mar-16	Dec-15	Var %	Mar-15	Var %
Guatemala	GTQ	7.71	7.63	(1)	7.64	(1)
Honduras	HNL	22.72	22.43	(1)	21.97	(3)
Costa Rica	CRC	542	545	0	539	(1)
Bolivia	BOB	6.91	6.91	0	6.91	0
Colombia	COP	3,022	3,149	4	2,576	(17)
Paraguay	PYG	5,629	5,807	3	4,799	(17)
Ghana	GHS	3.84	3.80	(1)	3.75	(2)
Senegal / Chad	XAF	579	610	5	611	5
Rwanda	RWF	768	747	(3)	708	(9)
Tanzania	TZS	2,187	2,159	(1)	1,789	(22)

Currency Movements

Average foreign exchange rate (vs. USD)		Q1 16	Q4 15	Var %	Q1 15	Var %
Guatemala	GTQ	7.68	7.65	(0)	7.63	(1)
Honduras	HNL	22.61	22.23	(2)	21.81	(4)
Costa Rica	CRC	543	541	(0)	542	(0)
Bolivia	BOB	6.91	6.91	0	6.91	0
Colombia	COP	3,191	3,068	(4)	2,477	(29)
Paraguay	PYG	5,773	5,690	(1)	4,742	(22)
Ghana	GHS	3.84	3.78	(2)	3.42	(12)
Senegal / Chad	XAF	601	611	2	581	(4)
Rwanda	RWF	758	739	(3)	702	(8)
Tanzania	TZS	2,178	2,163	(1)	1,764	(23)

a With Guatemala (55% owned) & Honduras (66.6% owned) as if fully consolidated.
b 2016 and comparative financial information exclude the figures of our operations in DRC as a result of their classification as discontinued operations (in accordance with IFRS 5)

P&L reconciliation with Guatemala and Honduras as if fully consolidated vs. IFRS (unaudited)

As previously noted, the table reconciles the Management reporting numbers which include Guatemala and Honduras on a 100% consolidation basis with the IFRS numbers which account for these businesses as joint ventures using the equity method.

$ million	Q1 16 (i)	Guatemala and Honduras	JV	Q1 16 IFRS
Revenue	**1,528**	**(472)**		**1,056**
Cost of sales	(400)	94		(306)
Gross profit	**1,128**	**(378)**		**750**
Operating expenses	(586)	157		(429)
EBITDA	**542**	**(221)**		**321**
EBITDA margin	**35.5%**	**46.8%**		**30.4%**
Depreciation & amortisation	(303)	86		(217)
Share of net profit in joint ventures	-	-	36	36
Operating profit	**239**	**(135)**	**36**	**141**
Net financial expenses	(107)	26		(81)
Other non-operating income (expenses), net	14	4		18
Gains (losses) from associates	(11)	-		(11)
Profit (loss) before tax	**136**	**(105)**	**36**	**67**
Net tax credit (charge)	(62)	28		(34)
Profit (loss) for the quarter	**74**	**(77)**	**36**	**33**
Profit (loss) from discontinued operations	8	-		8
Non-controlling interests	(39)	41		2
Net profit (loss) for the quarter	**43**	**(36)**	**36**	**43**

Consolidated balance sheet (unaudited)

US$ millions	31 March 2016 (i)	IFRS adjustments (ii)	31 March 2016 (IFRS)
ASSETS			
Intangible assets, net	4,793	(3,386)	1,407
Property, plant and equipment, net	4,104	(1,025)	3,079
Investments in joint ventures and associates	382	3,240	3,622
Other non-current assets	282	(5)	277
TOTAL NON-CURRENT ASSETS	**9,561**	**(1,177)**	**8,384**
Inventories, net	110	(30)	80
Trade receivables, net	479	(88)	391
Other current assets	1,007	(494)	513
Restricted cash	146	(8)	138
Cash and cash equivalents	829	(195)	634
TOTAL CURRENT ASSETS	**2,571**	**(815)**	**1,757**
Assets held for sale	279	-	279
TOTAL ASSETS	**12,412**	**(1,992)**	**10,420**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company	3,354	192	3,546
Non-controlling interests	1,208	(953)	255
TOTAL EQUITY	**4,562**	**(761)**	**3,801**
Debt and financing	5,131	(1,341)	3,791
Other non-current liabilities	496	(101)	395
TOTAL NON-CURRENT LIABILITIES	**5,627**	**(1,442)**	**4,186**
Debt and financing	270	(24)	246
Other current liabilities	1,815	235	2,050
TOTAL CURRENT LIABILITIES	**2,086**	**211**	**2,296**
Liabilities directly associated with assets held for sale	137	-	137
TOTAL EQUITY AND LIABILITIES	**12,412**	**(1,992)**	**10,420**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated.

(ii) IFRS adjustments result from the deconsolidation of the Guatemala and Honduras businesses and their reclassification as joint venture

Consolidated statement of cash flows (unaudited)

US$ millions	Q1 2016 (i)	IFRS adjustments (ii)	2016 IFRS
Profit (loss) before taxes from continuing operations	**136**	**(69)**	**67**
Profit (loss) for the period from discontinued operations	8	0	8
Profit (loss) before taxes	**144**	**(69)**	**75**
Net cash provided by operating activities (incl. discops)	**292**	**(118)**	**174**
Net cash used in investing activities (incl. discops)	**(376)**	**70**	**(306)**
Net cash from (used by) financing activities (incl. discops)	**(13)**	**20**	**7**
Exchange impact on cash and cash equivalents, net	(1)	1	-
Net (decrease) increase in cash and cash equivalents	**(98)**	**(27)**	**(125)**
Cash and cash equivalents at the beginning of the year	937	(168)	769
Effect of cash in disposal group held for sale	(10)	-	(10)
Cash and cash equivalents at the end of the year	**829**	**(195)**	**634**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated

(ii) IFRS adjustments result from the deconsolidation of the Guatemala and Honduras businesses and their reclassification as joint ventures

Q1 16 Operating and Financial Highlights

	Total Latin America			Africa			Other			Group		
	Q1 16	Q1 15	% change[1]	Q1 16	Q1 15	% change [1]	Q1 16	Q1 15	% change [1]	Q1 16	Q1 15	% change [1]
Mobile customers (000s)	32,490	31,326	3.7%	25,001	21,299	17.4%				57,491	52,625	9.2%
Mobile ARPU ($)	8.3	9.6	(5.6%)	2.5	3.5	(19.5%)				5.8	7.2	(9.9%)
Cable & Digital RGUs (000s)	5,424	5,178	4.7%							5,424	5,178	4.7%
Residential cable ARPU ($)	25.7	27.8	10.1%							25.7	27.8	10.1%
MFS customers	3,601	3,409	5.6%	6,777	5,530	22.6%				10,378	8,939	16.1%
MFS ARPU ($)	0.9	0.9	(12.6%)	1.1	1.2	6.1%				1.0	1.1	1.1%
P&L												
Mobile	820	902	(9.1%)	184	181	1.7%				1,004	1,083	(7.3%)
Cable & Digital Media	370	397	(6.7%)	5	0	n/a				376	397	(5.4%)
MFS	8	10	(19.0%)	22	21	9.0%				31	31	1.3%
Other revenue	110	152	(27.4%)	8	8	4.9%				118	159	(26.1%)
Revenue	**1,308**	**1,461**	**(10.4%)**	**220**	**209**	**5.0%**				**1,528**	**1,670**	**(8.5%)**
EBITDA	**525**	**565**	**(7.1%)**	**57**	**56**	**2.3%**	**(40)**	**(57)**	**(29.6%)**	**542**	**564**	**(3.9%)**
EBITDA margin	40.1%	38.7%		25.8%	26.5%					35.5%	33.8%	
Operating Profit / (loss)	**273**	**294**	**(7.2%)**	**10**	**4**	**N/M**	**(44)**	**(62)**	**(30.1%)**	**239**	**235**	**1.7%**
% of revenue	20.8%	20.1%		4.6%	1.8%					15.6%	14.1%	
Cash flow												
Capex (excluding spectrum)	165	159	3.9%	28	25	12.8%	1	2	n/a	195	186	4.6%
% of revenue	12.6%	10.9%		12.8%	11.9%					12.8%	11.2%	
EBITDA – Capex	360	406	(11.4%)	29	31	(6.3%)	(41)	(59)	(29.8%)	347	378	(8.1%)
% of revenue	27.5%	27.8%		13.0%	14.6%					22.7%	22.6%	
Balance sheet												
Net debt	2,380	2,357	1.0%	316	227	39.0%	1,724	1,357	27.0%	4,419	3,941	12.1%
								Net debt / LTM EBITDA		2.04x	1.81x	

[1] *% change is reported change excluding ARPUs*

Unaudited Interim Condensed Consolidated Financial Statements

For the three month period ended 31 March 2016

26 April 2016

Unaudited interim condensed consolidated income statement for the three month period ended 31 March 2016

US$ millions (unaudited)	Notes	Three months ended 31 March 2016	Three months ended 31 March 2015 (i) (ii)
Revenue	5	1,056	1,670
Cost of sales		(306)	(447)
Gross profit		**750**	**1,223**
Operating expenses		(438)	(659)
Depreciation		(182)	(267)
Amortisation		(35)	(63)
Income from joint ventures, net	14	36	—
Other operating income (expenses), net		10	1
Operating profit	5	**141**	**235**
Interest expense		(85)	(121)
Interest and other financial income		4	4
Other non-operating (expenses) income, net	6	18	(72)
Income (loss) from associates, net	3	(11)	(13)
Profit before taxes from continuing operations		**67**	**33**
Charge for taxes, net		(34)	(39)
Profit (loss) for the period from continuing operations		**33**	**(6)**
Profit (loss) for the period from discontinued operations, net of tax	4	8	(12)
Net profit (loss) profit for the period		**41**	**(18)**

Attributable to:			
Owners of the Company		43	(46)
Non-controlling interests		(2)	28

Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	7	0.42	(0.46)
Diluted (US$)	7	0.42	(0.46)

(i) Represented for discontinued operations (see note 4).

(ii) The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 consolidated income statement is shown in note 14.

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

Unaudited interim condensed consolidated statement of comprehensive income for the three month period ended 31 March 2016

US$ millions (unaudited)	Three months ended 31 March 2016	Three months ended 31 March 2015
Net (loss) profit for the period	41	(18)
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	30	(123)
Cash flow hedges	—	(7)
Total comprehensive income (loss) for the period	**71**	**(148)**

Attributable to:		
Owners of the Company	66	(130)
Non-controlling interests	5	(18)

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

Unaudited interim condensed consolidated statement of financial position as at 31 March 2016

US$ millions	Notes	31 March 2016	31 December 2015 (i)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	1,407	1,430
Property, plant and equipment, net	8	3,079	3,201
Investments in joint ventures	14	3,240	3,220
Investments in associates	3	382	376
Deferred tax assets		196	191
Derivative financial instruments	13	20	26
Other non-current assets		60	75
TOTAL NON-CURRENT ASSETS		**8,384**	**8,519**
CURRENT ASSETS			
Inventories		80	80
Trade receivables, net		391	398
Amounts due from non-controlling interests, associates and joint venture partners	12	12	16
Prepayments and accrued income		233	193
Current income tax assets		112	125
Supplier advances for capital expenditure		30	39
Other current assets		127	101
Restricted cash		138	142
Cash and cash equivalents		634	769
TOTAL CURRENT ASSETS		**1,757**	**1,863**
Assets held for sale	4	279	12
TOTAL ASSETS		**10,420**	**10,394**

(i) The consolidated statement of financial position at 31 December 2015 has been represented as a result of Zantel's purchase accounting (see note 3).

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

Unaudited interim condensed consolidated statement of financial position as at 31 March 2016 (continued)

US$ millions	Notes	31 March 2016	31 December 2015 (i)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		638	639
Treasury shares		(125)	(143)
Other reserves		(522)	(531)
Retained profits		3,512	4,071
Profit (loss) for the period/year attributable to equity holders		43	(559)
Equity attributable to owners of the Company		**3,546**	**3,477**
Non-controlling interests	3	255	250
TOTAL EQUITY		**3,801**	**3,727**
LIABILITIES			
Non-current liabilities			
Debt and financing	10	3,791	3,789
Derivative financial instruments	13	55	65
Amounts due to associates and joint venture partners	12	69	63
Provisions and other non-current liabilities		220	240
Deferred tax liabilities		51	50
Total non-current liabilities		**4,186**	**4,207**
Current liabilities			
Debt and financing	10	246	221
Payables and accruals for capital expenditure		205	285
Other trade payables		245	334
Amounts due to associates and joint venture partners	12	606	581
Accrued interest and other expenses		434	425
Current income tax liabilities		80	124
Provisions and other current liabilities		480	490
Total current liabilities		**2,296**	**2,460**
Liabilities directly associated with assets held for sale	4	137	—
TOTAL LIABILITIES		**6,619**	**6,667**
TOTAL EQUITY AND LIABILITIES		**10,420**	**10,394**

(i) The consolidated statement of financial position at 31 December 2015 has been represented as a result of Zantel's purchase accounting (see note 3).

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

Unaudited interim condensed consolidated statement of cash flows for the period ended 31 March 2016

US$ millions (i)	Notes	31 March 2016	31 March 2015
Cash flows from operating activities (including discontinued operations)			
Profit (loss) before taxes from continuing operations		67	**33**
Profit (loss) for the period from discontinued operations		8	(12)
Profit before taxes		**75**	**21**
Adjustments to reconcile to net cash:			
Interest expense		85	125
Interest and other financial income		(4)	(4)
Adjustments for non-cash items:			
Depreciation and amortisation	5	217	340
Share of (gain) loss from joint ventures, net		(36)	—
Loss (gain) on disposal and impairment of assets, net		—	(2)
Share based compensation		3	7
(Income) loss from associates, net	3	11	13
Other non-cash non-operating (income) expenses, net		(24)	72
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets		(59)	(2)
(Increase) decrease in inventories		2	(27)
Increase (decrease) in trade and other payables		(25)	(115)
Changes in working capital:		**(82)**	**(144)**
Interest (paid)		(62)	(86)
Interest received		4	8
Taxes (paid)	5	(13)	(50)
Net cash provided by operating activities		**174**	**300**
Cash flows from investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	—	(23)
Proceeds from disposal of subsidiaries		—	3
Purchase of intangible assets and licenses	9	(62)	(35)
Proceeds from sale of intangible assets	9	—	1
Purchase of property, plant and equipment	8	(245)	(211)
Proceeds from sale of property, plant and equipment	8	1	4
Net (increase) decrease in restricted cash		—	4
Cash (used in) provided by other investing activities, net		—	39
Net cash used in investing activities		**(306)**	**(218)**
Cash flows from financing activities (including discontinued operations):			
Acquisition of non-controlling interests	3	—	(24)
Proceeds from other debt and financing	10	20	557
Repayment of debt and financing	10	(13)	(98)
Advances for, and dividends to non-controlling interests		—	(25)
Cash (used in) provided by other financing activities, net		—	(25)
Net cash from (used by) financing activities		**7**	**385**
Exchange impact on cash and cash equivalents, net		—	(30)
Net (decrease) increase in cash and cash equivalents		**(125)**	**437**
Cash and cash equivalents at the beginning of the year		769	694
Effect of cash in disposal group held for sale	4	(10)	—
Cash and cash equivalents at the end of the period		**634**	**1,131**

(i) Cash flows from operating activities, investing activities and financing activities relating to Guatemala and Honduras operations in 2015 are shown in note 14.

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

MILLICOM

Unaudited interim condensed consolidated statements of changes in equity for the periods ended 31 March 2016, 31 December 2015 and 31 March 2015

US$ millions	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital	Share premium	Treasury shares	Retained profits (i)	Put option reserve (ii)	Other reserves	Total	Non-controlling interests	Total equity
Balance on 31 December 2014	**101,739**	**(1,756)**	**153**	**487**	**(160)**	**4,761**	**(2,512)**	**(389)**	**2,339**	**1,391**	**3,730**
Total comprehensive income for the year	—	—	—	—	—	(46)	—	(84)	(130)	(18)	(148)
Dividends	—	—	—	—	—	—	—	—	—	(158)	(158)
Purchase of treasury shares	—	(29)	—	—	(2)	—	—	—	(2)	—	(2)
Share based compensation	—	—	—	—	—	—	—	6	6	—	6
Issuance of shares under share-based payment schemes	—	157	—	(1)	14	—	—	(13)	—	—	—
Change in scope of consolidation (iv)	—	—	—	—	—	(41)	—	(3)	(44)	24	(20)
Balance on 31 March 2015	**101,739**	**(1,628)**	**153**	**486**	**(148)**	**4,674**	**(2,512)**	**(483)**	**2,169**	**1,239**	**3,408**
Total comprehensive income for the year	—	—	—	—	—	(513)	—	(254)	(767)	30	(737)
Dividends	—	—	—	—	—	(264)	—	—	(264)	(86)	(350)
Share based compensation	—	—	—	—	—	—	—	13	13	—	13
Issuance of shares under share-based payment schemes	—	52	—	—	5	—	—	(5)	—	—	—
Change in scope of consolidation (iv)	—	—	—	—	—	(7)	—	6	(1)	(15)	(16)
Effect of deconsolidation (v)	—	—	—	—	—	—	—	192	192	(918)	(726)
Put option liability reversal	—	—	—	—	—	(377)	2,512	—	2,135	—	2,135
Balance on 31 December 2015 (vi)	**101,739**	**(1,574)**	**153**	**486**	**(143)**	**3,513**	**—**	**(531)**	**3,477**	**250**	**3,727**
Total comprehensive income for the year	—	—	—	—	—	43	—	23	66	5	71
Dividends (iii)	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	(35)	—	—	(2)	—	—	—	(2)	—	(3)
Share based compensation	—	—	—	—	—	—	—	3	3	—	3
Issuance of shares under share-based payment schemes	—	200	—	(1)	21	(1)	—	(17)	2	—	2
Balance on 31 March 2016	**101,739**	**(1,409)**	**153**	**485**	**(125)**	**3,555**	**—**	**(522)**	**3,546**	**255**	**3,801**

(i) Retained profits — includes profit for the year attributable to equity holders, of which $428 million (2015: $437 million) are not distributable to equity holders.

(ii) Put option reserve — see note 14.

(iii) Dividends — A dividend of $2.64 per share will be proposed to the Annual General Meeting of shareholders in May 2016.

(iv) Change in scope of consolidation – see note 3.

(v) Effect of deconsolidation of Honduras and Guatemala – see note 14.

(vi) The consolidated statement of financial position at 31 December 2015 has been represented as a result of Zantel's purchase accounting (see note 3).

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

Notes to the unaudited interim condensed consolidated statements

1. ORGANIZATION

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

On 31 December 2015, Millicom deconsolidated its operations in Guatemala and Honduras which are, since that date and for accounting purposes, under joint control. The income statements of those operations were fully consolidated for the period ended 31 March 2015 (see note 14).

On 25 April 2016 the Board of Directors authorised these interim condensed consolidated financial statements for issuance.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

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

These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2015 consolidated financial statements. The following changes to standards effective for annual periods starting after 1 January 2016 did not have a significant impact on Millicom:

- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports;
- Annual improvements 2014. These set of amendments impacts 4 standards: IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal, IFRS 7, 'Financial instruments: Disclosures', IAS 19, 'Employee benefits' regarding discount rates, IAS 34, 'Interim financial reporting' regarding disclosure of information;
- Amendments to IAS 38 and IAS 16: clarification of acceptable methods of depreciation and amortization issued by the IASB in July 2014 and applicable as of 1 January 2016;
- Amendments to IFRS 11: accounting for acquisitions of interests in joint operations issued by the IASB in May 2014 and applicable as of 1 January 2016.

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

During the three month period ended 31 March 2016, Millicom did not make any significant acquisition.

During the three month period ended 31 March 2015 Millicom raised its stake in its Rwandan subsidiary from 87.5% to 100%. The Group also made other small acquisitions.

Acquisition of Zanzibar Telecom Limited on 22 October 2015

On 4 June 2015 Millicom's fully owned Swedish subsidiary Millicom International Ventures AB entered into an agreement to purchase 85% of Zanzibar Telecom Limited ("Zantel"). The agreed purchase consideration was $1 subject to final price adjustment and included a shareholder loan. In addition Millicom assumed Zantel's debt obligations. The transaction completed on 22 October 2015 after receipt of regulatory approvals. A final price adjustment, per the terms of the agreement, is expected to occur in Q2 2016. The deal also includes a reverse earn-out mechanism based on Zantel's achievement of EBITDA targets for the period from 2017 to 2019. No amounts have been recognised under this mechanism. The goodwill is not expected to be tax deductible.

For the purchase accounting, Millicom determined the fair value of Zantel based on transaction and relative values. The non-controlling interest was measured based on the proportionate share of the fair value of the net assets of Zantel. The purchase accounting was updated as additional information became available regarding fair values of acquired assets and liabilities, but remains provisional at 31 March 2016 mainly in respect of the final price adjustment.

22 October 2015 (US$ millions)	Initial Fair Values 100%	Updated Fair Values 100%	Change
Intangible assets (excluding goodwill), net.(i)	36	68	32
Property, plant and equipment, net (ii)	40	35	(5)
Other non-current assets (iii)	1	17	16
Current assets (excluding cash) (iv)	30	33	3
Cash and cash equivalents	5	5	-
Total Assets Acquired	**112**	**158**	**46**
Non-current financial liabilities	81	74	(7)
Current liabilities	104	106	2
Total Liabilities Assumed	**185**	**180**	**(5)**
Fair value of assets acquired and liabilities assumed, net	**(73)**	**(22)**	**51**
Fair value of non-controlling interest in Zantel	(39)	(3)	36
Millicom's interest in the fair value of Zantel	(34)	(19)	15
Acquisition price ($1 dollar)	-	-	-
Provisional Goodwill	**34**	**19**	**(15)**

(i) Intangible assets not previously recognized are a trademark for an amount of $10 million, with indefinite useful life, a customer list for an amount of $12 million, with estimated useful life of 4 years, telecommunication spectrum licenses for an amount of $21 million, with estimated useful life of 10 years and favourable contracts for $2 million. Certain IRUs were also written down to their fair values for an amount of $13 million.

(ii) Certain network and civil works assets were adjusted down to their fair value for an amount of $7 million. Certain land values were also stepped up to their fair value for an amount of $2 million.

(iii) The change in other non-current assets mainly corresponds to the step up at fair value of Zantel's 9% investment in the West Indian Ocean Cable Company Limited ('WIOCC'), a telecommunications carriers' carrier.

(iv) The fair value of trade receivables acquired was $19 million.

The update of the purchase price allocation resulted in an impact on net income of less than $(1) million for the year ended 31 December 2015, which has been considered as immaterial and will not trigger a restatement of the prior year income statement. The goodwill, which comprises the fair value of the assembled work force and expected synergies from the acquisition, is not expected to be tax deductible.

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

Africa Internet Holding GmbH (AIH)

Three funding rounds were signed in December 2015, February 2016 and April 2016, in which Millicom did not participate keeping its total amount invested at Euro 70 million. By 31 March 2016, the first founding round had been completed, with the second and third funding rounds expected to complete in Q2 2016. As a result of these transactions, Millicom's shareholding in AIH will reduce from 33% to 12%. The first financing round has triggered the recognition of a net dilution gain of $13 million in the income statement under 'Income (loss) from joint ventures and associates, net'. Additional dilution gains are expected to be recognised once the second and third financing round are executed. At 31 March 2016, Millicom keeps significant influence over AIH which remains accounted for as an associate using the equity method of accounting.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – DRC

On 8 February 2016, Millicom announced that it had signed an agreement for the sale of its business in the Democratic Republic of Congo (DRC) to Orange S.A for a total cash consideration of $160 million. The transaction is subject to regulatory approvals.

Consequently, in accordance with IFRS 5, the results of our operations in DRC were classified as discontinued operations and comparative figures represented. Additionally, the disposal group has been classified as assets held for sale in at 31 March 2016. Financial information relating to the discontinued operations for the period to 31 March 2016 is set out below.

Results from Discontinued Operations (US$ millions)	Three months ended 31 March 2016	Three months ended 31 March 2015
Revenue	38	39
Cost of sales	(13)	(14)
Operating expenses	(18)	(23)
Depreciation and amortisation	(3)	(10)
Operating profit (loss)	**4**	**(8)**
Interest income (expense), net	(2)	(4)
Profit (loss) before taxes	**2**	**(12)**
Credit (charge) for taxes, net	6	—
Net profit (loss) from discontinued operations	**8**	**(12)**

Cash Flows from Discontinued Operations (US$ millions)	Three months ended 31 March 2016	Three months ended 31 March 2015
Cash used in operating activities, net	(3)	(13)
Cash used in investing activities, net	(2)	(6)
Cash provided by financing activities, net	—	15

Assets Held for Sale and liabilities directly associated with assets held for sale - DRC

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 March 2016:

Assets and liabilities reclassified as held for sale - DRC (US$ millions)	31 March 2016
Intangible assets, net.	60
Property, plant and equipment, net	134
Other non-current assets	11
Current assets (i)	70
Cash and cash equivalents	10
Total assets of disposal group held for sale	**285**
Non-current financial liabilities	44
Current liabilities (i)	180
Total liabilities of disposal group held for sale	**224**
Net assets	**61**

(i) Include intercompany balances of $19 million and $87 million, respectively.

5. SEGMENT INFORMATION

Since 2016, Millicom presents segmental information based on its two geographical regions (Latin America and Africa) and the figures below include Honduras and Guatemala as if they are fully consolidated by the Group as this reflects the way management reviews and uses internal reporting to make decisions about operating matters. Honduras and Guatemala are shown under the Latin America segment. Comparative figures have been represented accordingly.

Revenue, operating profit (loss), EBITDA and other segment information for the three-month periods ended 31 March 2016 and 2015 was as follows:

Three month ended 31 March 2016 (US$ millions)	Latin America	Africa	Unallocated	Continuing Operations (a)	Guatemala and Honduras (v) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vi)	Total
Revenue	**1,308**	**220**	**—**	**1,528**	**(472)**	**—**	**1,056**	**38**	**1,094**
Operating profit (loss)	**273**	**10**	**(44)**	**239**	**(134)**	**36**	**141**	**4**	**145**
Add back:									
Depreciation and amortization	254	47	2	303	(87)	—	217	3	220
Income (loss) from joint ventures, net	—	—	—	—	—	(36)	(36)	—	—
Other operating income (expenses), net.	(2)	—	2	—	—	—	—	—	—
EBITDA *(i)*	**525**	**57**	**(40)**	**542**	**(221)**	**—**	**321**	**7**	**328**
Capital expenditure *(ii)*	(315)	(25)	(3)	(343)					
Changes in working capital and others	(65)	(52)	(6)	(123)					
Taxes paid	(30)	(3)	(5)	(38)					
Operating free cash flow *(iii)*	**115**	**(23)**	**(54)**	**38**					
Total Assets *(iv)*	**10,621**	**1,980**	**1,464**	**12,412**	**(5,873)**	**3,882**	**10,420**		
Total Liabilities	**5,026**	**2,263**	**2,215**	**7,850**	**(1,873)**	**62**	**6,619**		

Three month ended 31 March 2015 (US$ millions)	Latin America	Africa	Unallocated	Continuing Operations	Eliminations	Disc Ops (vi)	Total
Revenue	**1,461**	**209**	**—**	**1,670**	**—**	**39**	**1,709**
Operating profit (loss)	**292**	**4**	**(61)**	**235**	**—**	**(8)**	**227**
Add back:					—		
Depreciation and amortization	275	52	3	330	—	10	340
Other operating income (expenses), net.	(1)	—	—	(1)	—	—	(2)
EBITDA *(i)*	**566**	**56**	**(58)**	**564**	—	**1**	**565**
Capital expenditure (ii)	(183)	(48)	(3)	(234)			
Changes in working capital and others	(95)	—	(32)	(127)			
Taxes paid	(45)	(4)	(1)	(50)			
Operating free cash flow *(iii)*	**243**	**4**	**(94)**	**153**			
Total Assets *(iv)*	**11,177**	**1,649**	**2,111**	**14,937**	**(1,730)**	—	**13,207**
Total Liabilities	**4,921**	**1,999**	**4,593**	**11,513**	**(1,731)**	—	**9,782**

(i) *EBITDA is used by the management to monitor the segmental performance and for capital management. EBITDA is defined in the Annual Report 2015.*

(ii) *Including spectrum and licenses of $42 million (2015: $nil million).*

(iii) *Operating free cash flow by segment includes share-based compensation as a cash transaction.*

(iv) *Segment assets include goodwill and other intangible assets.*

(v) *Including eliminations for Guatemala and Honduras as reported in the Latin America segment.*

(vi) *See note 4. DRC operations were part of the Africa segment.*

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

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

US$ millions	Three months ended 31 March 2016	Three months ended 31 March 2015
Change in redemption price / lapse of put options (see note 14)	—	(1)
Change in fair value / lapse of derivatives (see note 13)	(6)	36
Exchange gains (losses), net	33	(97)
Other non-operating income (expenses), net	(9)	(10)
Total	**18**	**(72)**

7. EARNINGS PER COMMON SHARE

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

US$ millions	Three months ended 31 March 2016	Three months ended 31 March 2015
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	35	(34)
Net profit (loss) attributable to owners of the Company from discontinuing operations	8	(12)
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	43	(46)
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,330**	**100,112**
Potential incremental shares as a result of share options	—	43
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,330**	**100,155**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	0.34	(0.34)
- EPS from discontinuing operations attributable to owners of the Company	0.08	(0.12)
- EPS for the period attributable to owners of the Company	0.42	(0.46)
Diluted		
- EPS from continuing operations attributable to owners of the Company	0.34	(0.34)
- EPS from discontinuing operations attributable to owners of the Company	0.08	(0.12)
- EPS for the period attributable to owners of the Company	0.42	(0.46)

8. PROPERTY, PLANT AND EQUIPMENT

During the three month period ended 31 March 2016, Millicom added property, plant and equipment for $113 million (31 March 2015: $168 million) and received $1 million in cash from disposal of property, plant and equipment (31 March 2015: $4 million).

9. INTANGIBLE ASSETS

During the three month period ended 31 March 2016, Millicom added intangible assets of $65 million (31 March 2015: $22 million) and received $1 million of proceeds from disposal of intangible assets (31 March 2015: $1 million).

10. DEBT AND FINANCING

Analysis of debt and other financing by maturity

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

US$ millions	As at 31 March 2016	As at 31 December 2015
Due within:		
One year	246	221
One-two years	362	320
Two-three years	176	164
Three-four years	264	262
Four-five years	784	810
After five years	2,205	2,233
Total debt	**4,037**	**4,010**

10. DEBT AND FINANCING (Continued)

As at 31 March 2016, 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 $653 million (31 December 2015: $646 million). Assets pledged by the Group for these debts and financings amounted to $4 million at 31 March 2016 (31 December 2015: $3 million).

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at 31 March 2016 and 31 December 2015. 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 31 March 2016		As at 31 December 2015	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	99	99	100	100
1-3 years	143	143	143	143
3-5 years	400	400	393	393
More than 5 years	7	7	7	7
Total	**649**	**649**	**643**	**643**

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

11. COMMITMENTS AND CONTINGENCIES

Litigation & claims

At 31 March 2016, the total amount of claims against Millicom and its operations was $513 million (31 December 2015: $492 million), of which $ nil against the Group’s joint ventures (31 December 2015: $ nil).

$35 million (31 December 2015: $42 million), of which $ nil (31 December 2015: $ nil) against the Group’s joint ventures, has been assessed probable and provided for litigation risks.

In June 2015, Millicom identified that an incorrect filing related to one of its African operations had been made in the commercial register. As a result of that erroneous entry, the register incorrectly indicates that shares in Millicom’s operation were transferred to a third party. At 31 March 2016, Millicom is engaged in legal proceedings and believes there is no valid basis whatsoever for this entry to have been made.

Taxation

At 31 March 2016, the Group estimates potential tax claims amounting to $326 million and tax provisions of $71 million which have been assessed probable and have been recorded (31 December 2015: claims amounting to $300 million and provisions of $92 million). Out of these potential claims and provisions, respectively $113 million and $13 million related to Millicom’s joint ventures (31 December 2015: claims amounting to $95 million and provisions of $13 million).

Potential improper payments on behalf of the Guatemala joint venture

On 21 October 2015, Millicom reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Company’s joint venture in Guatemala. The matter is currently under investigation and is at an early stage of development. Management has not been able to assess the potential impact on these interim condensed consolidated financial statements of any remedial actions that may need to be taken as a result of the investigations, or penalties that may be imposed by law enforcement authorities.

Capital commitments

As at 31 March 2016, 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 for $351 million of which $329 million are due within one year (31 December 2015: $326 million of which $309 million are due within one year). Out of these commitments, $76 million related to Millicom’s joint ventures (31 December 2015: $59 million).

12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three month period ended 31 March 2016:

US$ millions (unaudited)	Three months ended 31 March 2016	Three months ended 31 March 2015
Expenses		
Purchases of goods and services from Kinnevik	1	1
Purchases of goods and services from Miffin	3	53
Purchases of goods and services from EPM	4	—
Lease of towers and related services (Helios)	11	15
Other expenses	1	—
Total	**20**	**69**

US$ millions (unaudited)	Three months ended 31 March 2016	Three months ended 31 December 2015
Income / gains		
Sale of goods and services to EPM	4	—
Sale of goods and services to Miffin	—	53
Other revenue related to Helios Towers Tanzania	1	1
Total	**5**	**54**

As at 31 March 2016 the Company had the following balances with related parties:

US$ millions (unaudited)	At 31 March 2016	At 31 December 2015
Liabilities		
Payables to Guatemala	343	335
Payables to Honduras	263	225
Finance lease liabilities to tower companies (i)	76	122
Payables to EPM	69	66
Other accounts payable	11	18
Total	**762**	**766**

(i) Disclosed under "Debt and other financing" in the statement of financial position.

US$ millions (unaudited)	At 31 March 2016	At 31 December 2015
Assets		
Receivables from EPM	4	5
Loan to Helios Towers Tanzania	8	7
Other accounts receivable	—	4
Total	**12**	**16**

13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 31 March 2016 and 31 December 2015:

US$ millions	Carrying Value		Fair Value (i)	
	31 March 2016 (unaudited)	31 December 2015 (audited)	31 March 2016 (unaudited)	31 December 2015 (audited)
Financial liabilities				
Debt and financing................................	4,037	4,010	3,857	3,872

(i) *Fair values are measured with reference to Level 1 (for listed bonds) or 2.*

Currency and interest rate swap contracts

Interest rate and currency swaps on SEK and EUR denominated debt are measured with reference to Level 2 of the fair value hierarchy

<u>Interest rate and currency swaps on SEK denominated debt</u>

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 SEK bond the swaps are highly effective. Cash flow hedge accounting has been applied and changes in the fair value of the interest rate swaps are recorded in other comprehensive income. At 31 March 2016 the fair value of the swap amounts to a liability of $55 million (31 December 2015: a liability of $65 million).

<u>Interest rate and currency swaps on Euro denominated debt</u>

In June 2013 Millicom entered into interest rate and currency swaps whereby Millicom will sell Euro's and receive USD to hedge against exchange rate fluctuations on an intercompany seven year Euro 134 million principal and related interest financing of its operation in Senegal. At 31 March 2016 the fair value of the swap amounts to an asset of $20 million (31 December 2015: asset of $26 million).

The above hedge is considered ineffective, with fluctuations in the fair value of the hedge recorded through profit and loss.

No other significant financial instruments are measured at fair value.

14. DECONSOLIDATION OF CELTEL HONDURAS AND COMCEL GUATEMALA

As disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2015, Millicom's unconditional call option to acquire the remaining 33.3% and 45% of the Honduran and Guatemala businesses respectively expired unexercised on 31 December 2015, and accordingly both businesses were deconsolidated from 31 December 2015.

At the same time the conditional put options Millicom provided to the other shareholders also lapsed.

As a consequence, on 31 December 2015, Millicom deconsolidated its investments in Comcel and Celtel and accounted for them under the equity method, initially at fair value. As from 31 December 2015 onwards, Millicom therefore jointly controls Comcel and Celtel and accounts for its investments in Comcel and Celtel under the equity method and thus reports its share of the net income of each of these businesses in the income statement in the caption "Income (loss) from joint ventures" starting 1 January 2016.

Had Honduras and Guatemala operations been deconsolidated from 1 January 2015 (opening balance of the comparative period) and accounted for as joint ventures, the Group's key results and cash flows for the three month period ended 31 March 2015 would have been as follows:

Summary of Group Income Statement, financial position and cash flows with Guatemala and Honduras operations as joint ventures (US$ millions)	Three months ended 31 March 2016	Three months ended 31 March 2015
Revenue	**1,056**	**1,187**
Cost of sales	(306)	(347)
Gross profit	**750**	**840**
Operating expenses	(438)	(511)
Depreciation and amortisation	(217)	(239)
Other operating income (expenses), net	10	1
Share of profit in Guatemala and Honduras operations	36	39
Operating profit	**141**	**130**
Profit (loss) before taxes	**67**	**(36)**
Charge for taxes, net	(34)	(13)
Profit (loss) for the year	**33**	**(49)**
Profit (loss) for the period from discontinued operations, net of tax	8	(12)
Non-controlling interests	2	15
Net profit (loss) for the year attributable to the owners of Millicom	**43**	**(46)**
Total Assets (i)	10,420	10,363
Total Liabilities (i)	6,619	6,672
Net Assets (i)	**3,801**	**3,691**
Net cash from operating activities	174	146
Net cash from (used in) investing activities	(306)	(82)
Net cash from (used in) financing activities	7	396
Exchange impact on cash and cash equivalents, net	-	(28)
Net increase (decrease) in cash and cash equivalents	**(125)**	**432**

(i) Comparative figures are the ones as at 31 December 2015.

15. SUBSEQUENT EVENTS

Millicom announces debt refinancing

On 12 April 2016, Millicom offered to purchase any and all of its SEK 250,000,000 5.125% Senior Unsecured Fixed Rate Notes due 2017 (the "Fixed Rate Notes") and its SEK 1,750,000,000 STIBOR +3.500% Senior Unsecured Floating Rate Notes due 2017 (the "Floating Rate Notes", and together with the Fixed Rate Notes, the "Notes"). Millicom invited all holders of the Notes to tender their Notes for purchase by Millicom for cash (such invitation, the "Offers").

On 18 April 2016, Millicom announced that, at the early tender deadline, SEK 169,000,000 and SEK 1,402,000,000 in aggregate principal amount of the Fixed Rate Notes and the Floating Rate Notes, respectively, had been validly tendered. Millicom will pay to such noteholders 105.8% and 102.8% of the nominal amount of the Fixed Rate Notes and the Floating Rate Notes, respectively, together with any accrued interest.

On the same day, Millicom also announced the placing of a new SEK 2,000,000,000 3-year floating rate bond in the Swedish market. Issued at par, the new bond will have a floating rate coupon of 3 months STIBOR +3.3%. Millicom will use the proceeds from the new bond to finance its purchase of notes tendered in the Early Tender Offer and, if completed, the Regular Tender Offer.

Millicom closes DRC transaction

On 21 April 2016, the Group announced that it has closed the transaction announced on February 8th, 2016, and has sold its mobile operation in DRC to Orange.

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