

General – U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations of owning and disposing of Millicom International Cellular S.A. (“**Millicom**” or the “**Company**”) shares and SDRs by the U.S. Holders described below, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular person's decision to hold Millicom shares or SDRs. This discussion only addresses U.S. federal income taxes, and does not address any state, local or non-U.S. tax considerations. The discussion applies only to U.S. Holders who hold shares or SDRs as capital assets for U.S. federal income tax purposes, and it does not address special classes of holders, such as:

- Certain financial institutions;
- Insurance companies;
- Dealers and traders in securities or foreign currencies;
- Persons holding shares or SDRs as part of a hedge, straddle, wash sale, conversion or other integrated transaction or persons entering into a constructive sale with respect to the shares or SDRs;
- Persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- Partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes;
- Persons liable for the alternative minimum tax;
- Tax-exempt entities, including "individual retirement accounts" or "Roth IRAs";
- Persons that own or are deemed to own 10% or more of Millicom's voting stock;
- Persons who acquired Millicom's shares or SDRs pursuant to the exercise of an employee stock option or otherwise as compensation; or
- Persons holding shares in connection with a trade or business conducted outside of the United States.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds shares or SDRs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding shares or SDRs and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of holding and disposing of the shares or SDRs.

This discussion is based on the Internal Revenue Code of 1986, as amended, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury regulations, as well as income tax treaty, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. It is also based in part on our understanding of the deposit arrangement for SDRs, based on discussions with Swedish counsel of Millicom, and assumes that each obligation under the deposit agreement will be performed in accordance with its terms.

Prospective investors should consult their own tax advisors concerning the U.S. federal, state, local and non-U.S. tax considerations of purchasing, owning and disposing of shares or SDRs in their particular circumstances, including their eligibility for benefits under an applicable income tax treaty.

As used herein, a "U.S. Holder" is a beneficial owner of shares or SDRs that may be eligible for the benefits of an income tax treaty and who is, for U.S. federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, which is created or organized in or under the laws of the

United States or any political subdivision thereof; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, a U.S. Holder who owns SDRs will be treated as the owner of the underlying shares represented by those SDRs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges SDRs for the underlying shares represented by those SDRs.

This discussion assumes that Millicom was not, and will not become, a passive foreign investment company ("PFIC"), as described below.

Taxation of Distributions

Distributions received by a U.S. Holder on shares or SDRs, including the amount of any Luxembourg taxes withheld, other than certain pro rata distributions of shares to all shareholders, will constitute foreign source dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be treated as dividends. A dividend will generally be included in a U.S. Holder's income on the date of the U.S. Holder's or, in the case of SDRs, the Swedish Depositary's receipt of the dividend.

Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders in taxable years beginning on or after January 1, 2013 may be taxable at a maximum rate of 20%, if such dividends constitute "qualified" dividends. Non-corporate U.S. Holders may also be subject to a net investment income tax of 3.8% depending on the U.S. Holders' circumstances. Non-corporate U.S. Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends and the applicability of the net income investment tax.

Luxembourg income taxes withheld from payments of dividends on shares or SDRs (at a rate not exceeding the rate provided by the income tax treaty) may be creditable against a U.S. Holder's U.S. federal income tax liability, subject to applicable restrictions and limitations that may vary depending upon the U.S. Holder's individual circumstances. Such tax will not be creditable to the extent refundable under Luxembourg domestic law. If a U.S. Holder cannot claim a credit for the foreign taxes paid, the U.S. Holder may elect to deduct such Luxembourg taxes in computing its taxable income, subject to applicable limitations. The limitation of foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex. Therefore, U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits in their particular circumstances.

Sale and Other Disposition of Shares or SDRs

A U.S. Holder may recognize capital gain or loss on the sale or other disposition of shares or SDRs, which should be characterized as long-term capital gain or loss if the U.S. holder's holding period in its shares or SDRs exceeds one year. The amount of the U.S. Holder's gain or loss will be equal to the difference between the amount realized on the sale or other disposition and such holder's tax basis in the shares or SDRs (each as determined in U.S. dollars). Any gain or loss should generally be U.S. source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Considerations

Millicom believes that it was not a PFIC for U.S. federal income tax purposes for its 2015 taxable year. In general, a non-U.S. company will be considered a PFIC for U.S. federal income tax purposes for any taxable year in which (i) 75% or more of its gross income consists of passive income (such as dividends, interest, rents and royalties) or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the

production of, passive income. As PFIC status depends upon the composition of our income and assets and the market value of our assets may change (including, among other things, any equity investments) from time to time, there can be no assurance that Millicom will not be considered a PFIC for a given taxable year.

If the Company were treated as a PFIC for a taxable year during which a U.S. Holder held shares or SDRs, certain adverse U.S. federal income tax rules would apply on a sale or other disposition (including certain pledges) of shares or SDRs by the U.S. Holder. In general, under those rules, gain recognized by the U.S. Holder on a sale or other disposition of shares or SDRs would be allocated ratably over the U.S. Holder's holding period for the shares or SDRs. The amounts allocated to the taxable year of the sale or other disposition and to any year before Millicom became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability allocated to each such taxable year. Further, the same rule would apply to any distribution in respect of shares or SDRs in excess of 125% of the average of the annual distributions on shares or SDRs received by the U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as a mark-to-market treatment) of the shares or SDRs. U.S. Holders should consult their tax advisors to determine whether any such elections would be available and, if so, what the consequences of the alternative treatments would be in those Holders' particular circumstances.

For any year in which Millicom is a PFIC, each U.S. Holder would be required to file an information statement regarding such U.S. Holder's ownership interest in Millicom. In addition, if Millicom were to be treated as a PFIC in a taxable year in which it pays a dividend, or the prior taxable year, the 20% dividend rate discussed above with respect to qualified dividends received by certain non-corporate U.S. Holders would not apply. U.S. Holders should consult their tax advisers regarding their filing obligations with respect to the U.S. Holder's ownership interest in Millicom.

Information Reporting, Backup Withholding and other Disclosure

Payment of dividends and sales proceeds that are made within the United States or through certain U.S. related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless the U.S. Holder is a corporation or other exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals may be required to report information relating to their ownership of securities issued by non-U.S. companies, generally on Form 8938, subject to exceptions (including an exception for securities held through U.S. financial institutions). U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the shares or SDRs.

Legal Disclaimer

The information contained in this memo does not constitute legal advice or tax advice. Millicom makes no claims about its accuracy, completeness, or up-to-date character. Legal rules and tax rules change frequently, therefore, we cannot guarantee that any information in this memo is accurate or up to date. Shareholders are encouraged to seek professional tax advice for income tax questions and assistance.