



MILlicom
THE DIGITAL LIFESTYLE

2014 Q3 Results Presentation

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We believe in better. We believe in **tigo**

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Time to deliver

Third quarter results 2014
Operating Review

1

Q3 results support 2017 targets set at the CMD

2

UNE merger opens a new chapter for Millicom

3

Encouraging DTH take-up

4

Focus on efficiency programme

Delivering on key performance metrics

Revenues



8.6% organic growth¹
in Q3 14

7.2% reported growth¹ in
Q3 2014

Mobile data penetration



24.9% for the Group

Above 1.5 million new
mobile data users in Q3

MFS volume



2,477 M\$
(+39% since Q3 13)

+564,000 new users in Q3

EBITDA margin¹



33.4%, down 1.8
points year-on-year

- Compared to :*
- **35.2%** in Q3 2013
 - **33.1%** in Q2 2014
 - *UNE 27.8% EBITDA margin in Q3 (47 days only)*

¹) Excluding UNE

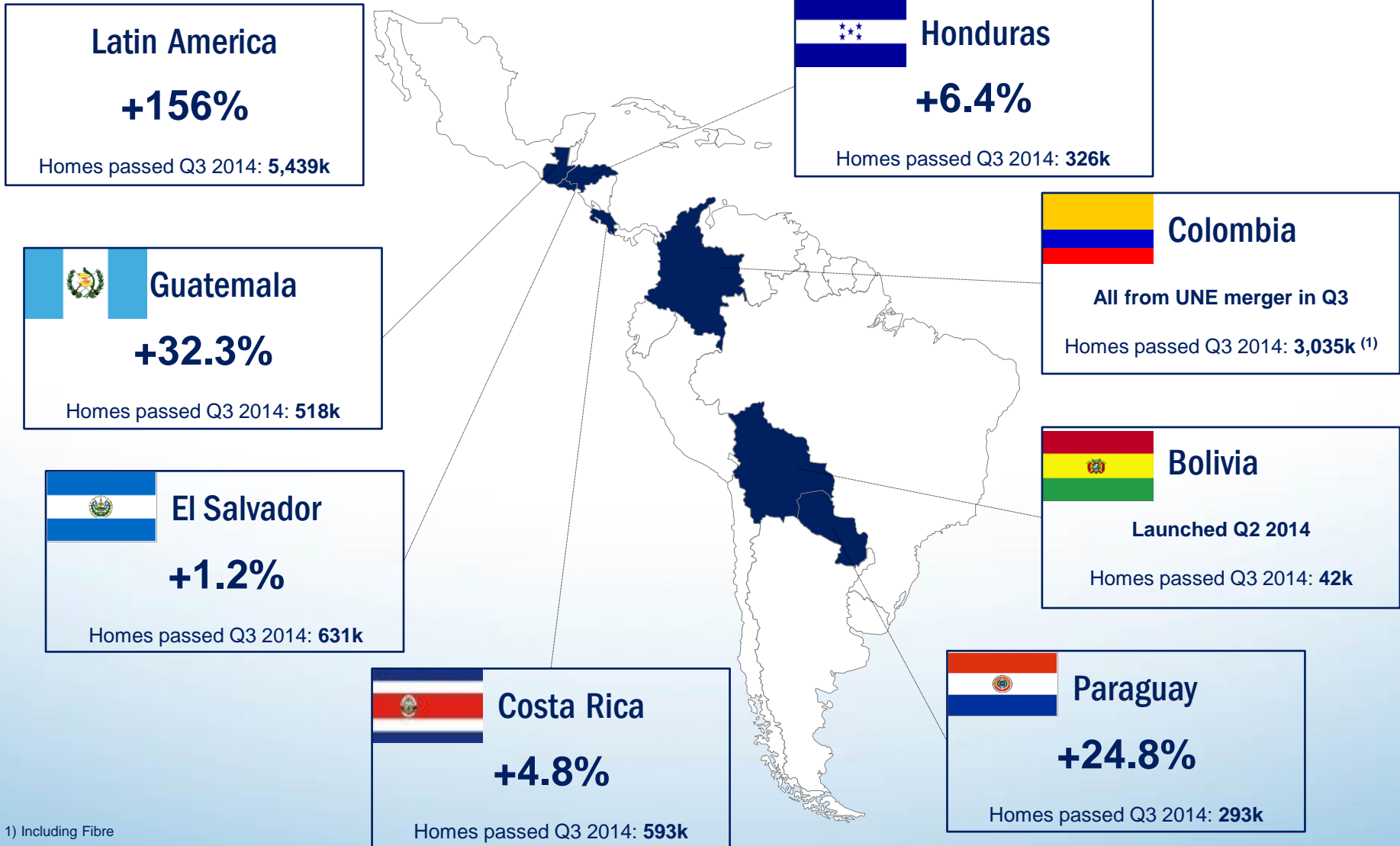
Sustained growth exceeding 8% for four consecutive quarters

Quarterly revenue growth Q1 2013 – Q3 2014



Mobile +4.7%
Cable +11.3%
MFS +44.6%

Strong growth in Latam homes passed (HFC), with UNE adding over 3 million homes passed in Q3



1) Including Fibre

Time to deliver

Third quarter results 2014
Financial Review

1

Organic revenue growth 8.6% / 7.2% reported growth

2

UNE contribution at 27.8% EBITDA margin

3

Group EBITDA excl. UNE at 33.4% ; +30bps vs Q2 2014

4

EBITDA – Capex +27% vs Q3 2013

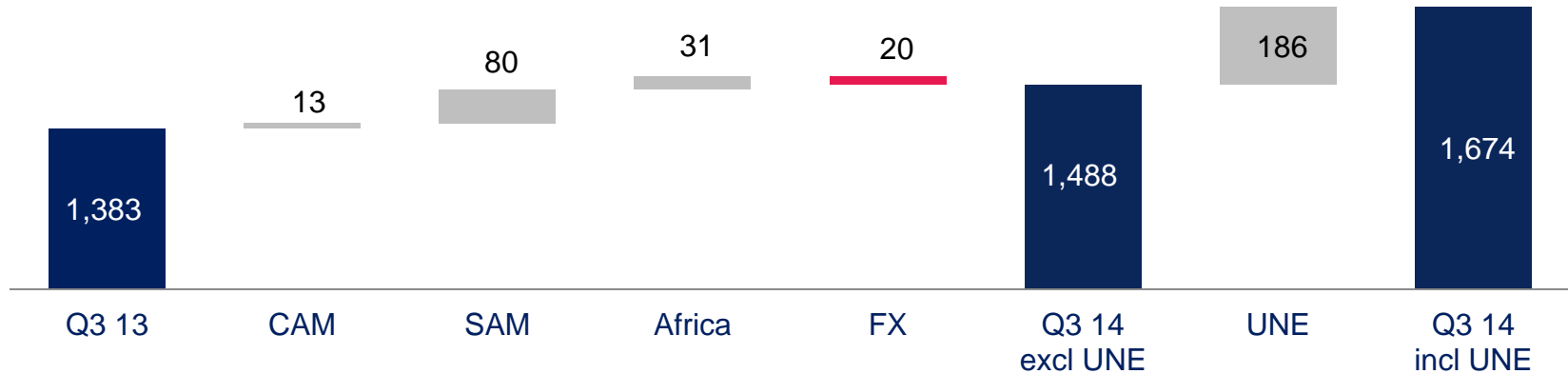
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Equity free cash flow \$131m

As in Q2, Regional revenue growth driven by SAM & Africa

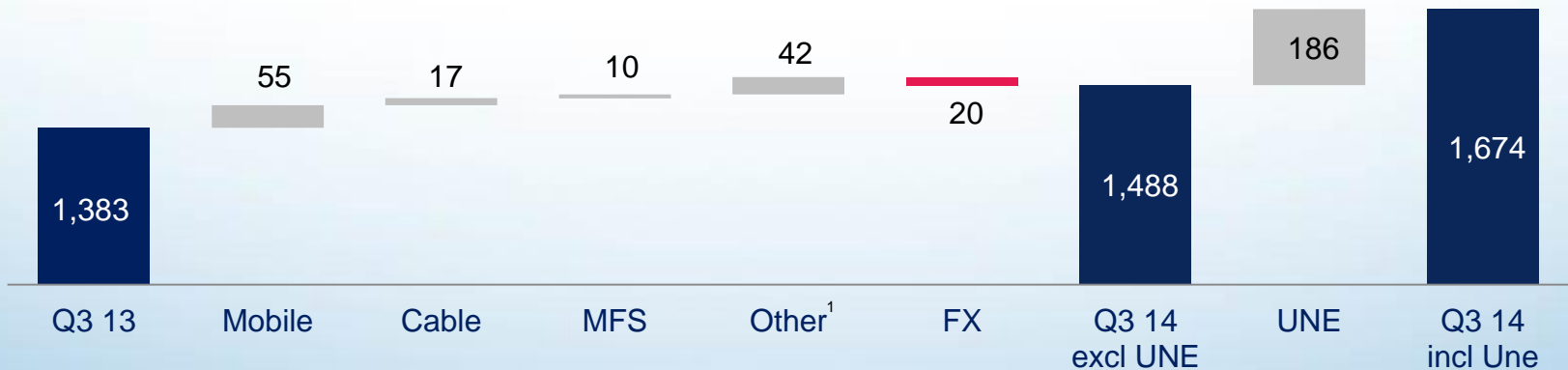
Revenue evolution by Region

USD Million, Q3 2013 – Q3 2014



Revenue evolution by Business Unit

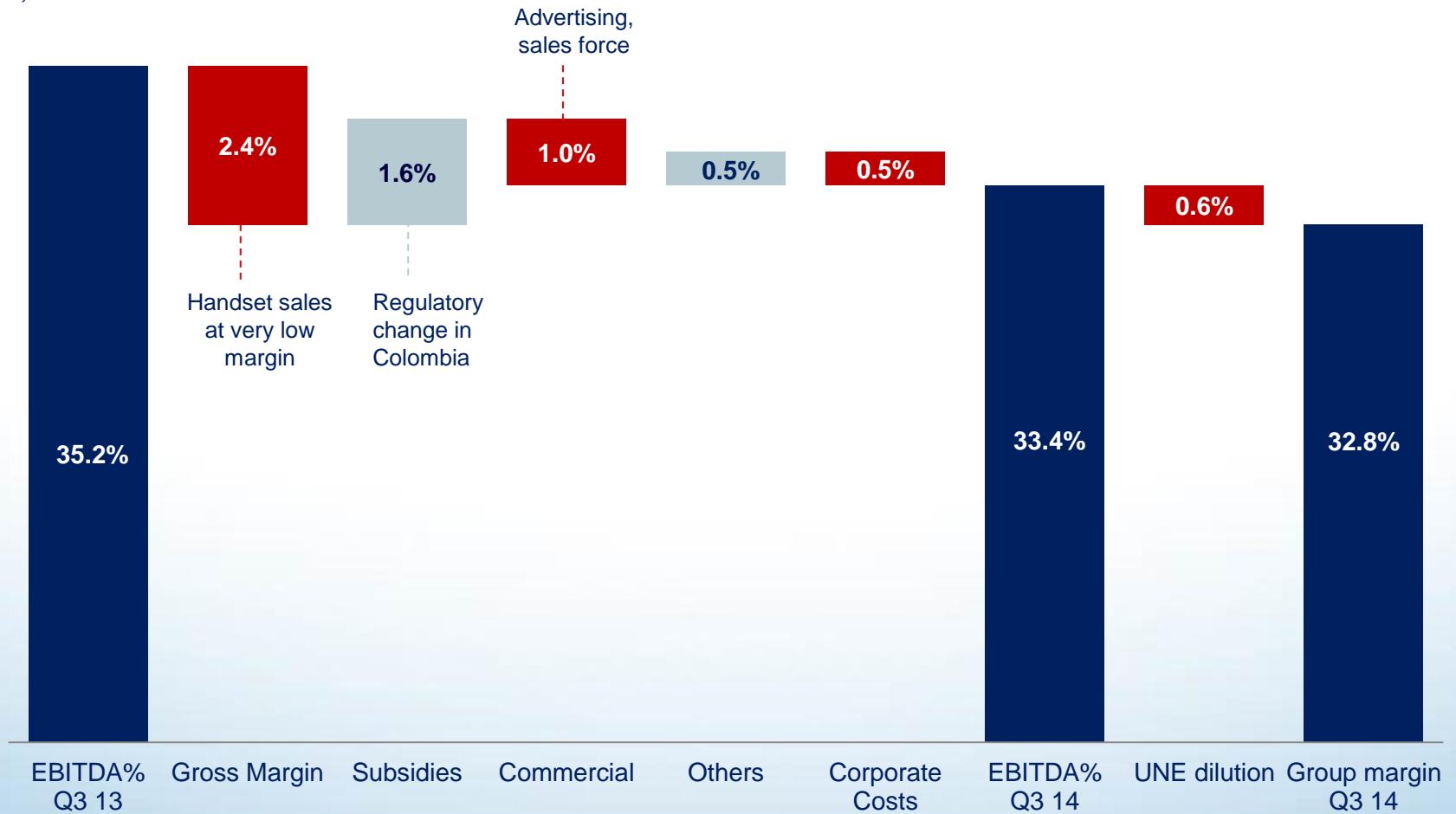
USD Million, Q3 2013 – Q3 2014



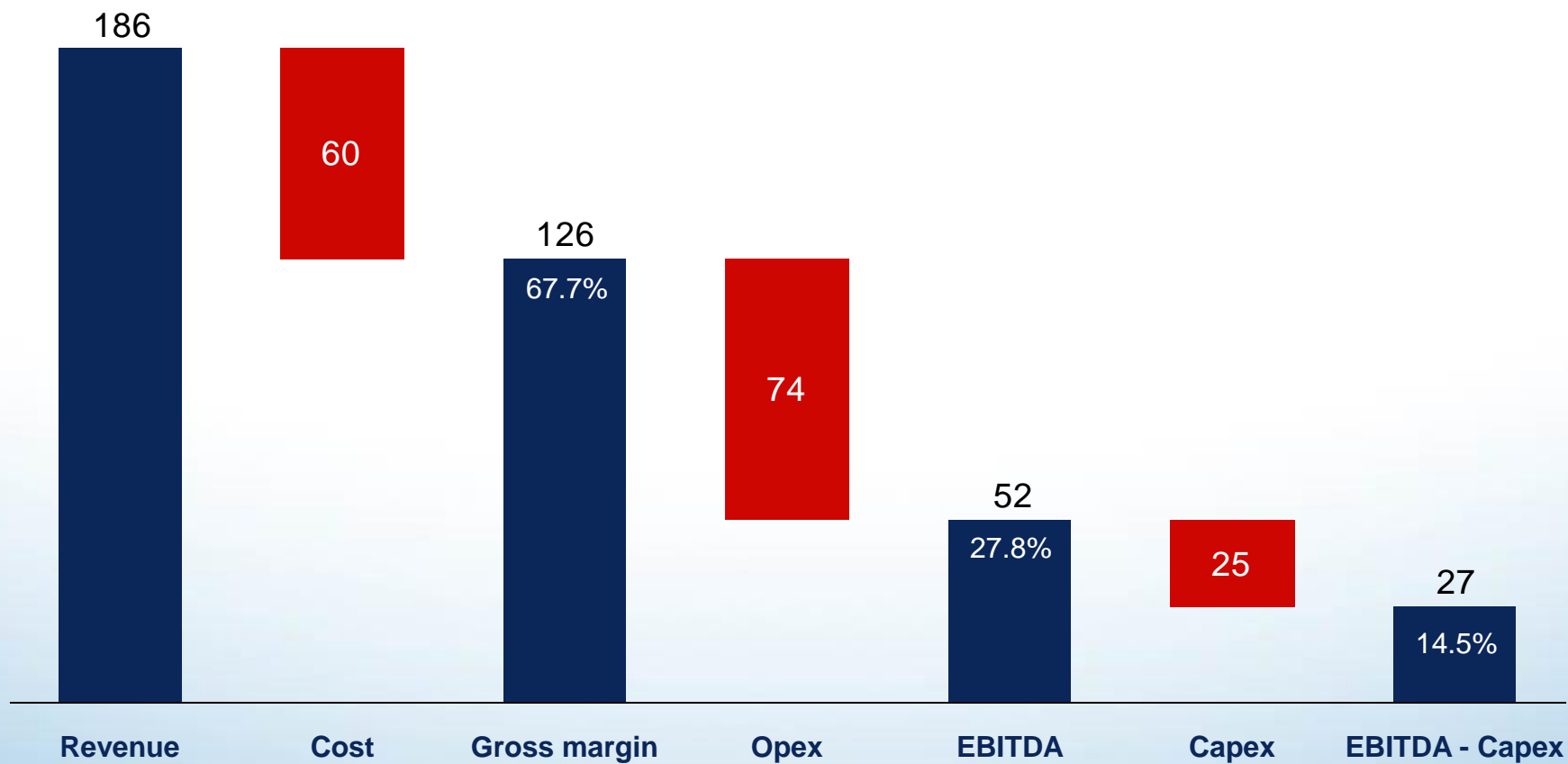
1) Includes visitor roaming, MVNO/DVNO, and Telephone and Equipment

EBITDA margin at 33.4% in Q3

EBITDA margin
%, Q3 2013 – Q3 2014



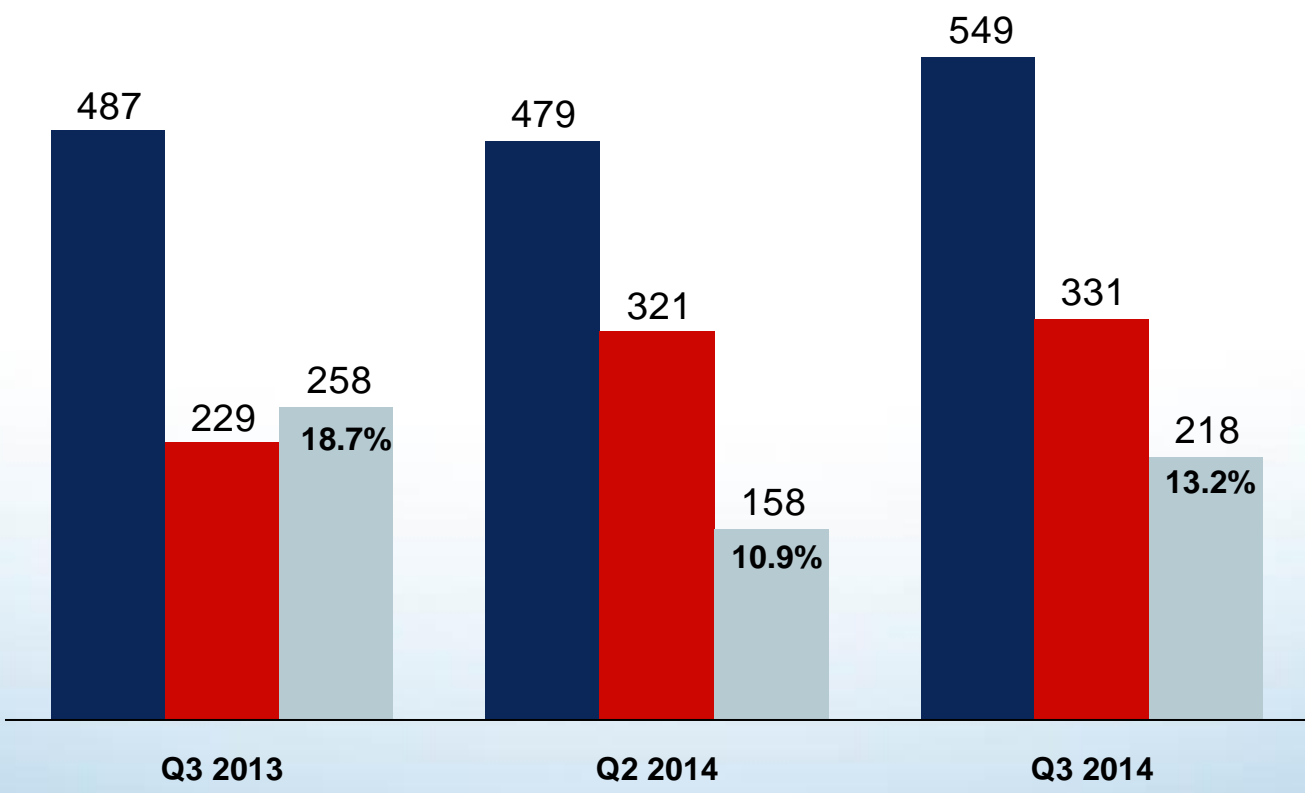
UNE contributed \$186m in revenue at 27.8% EBITDA margin





Group EBITDA - Capex

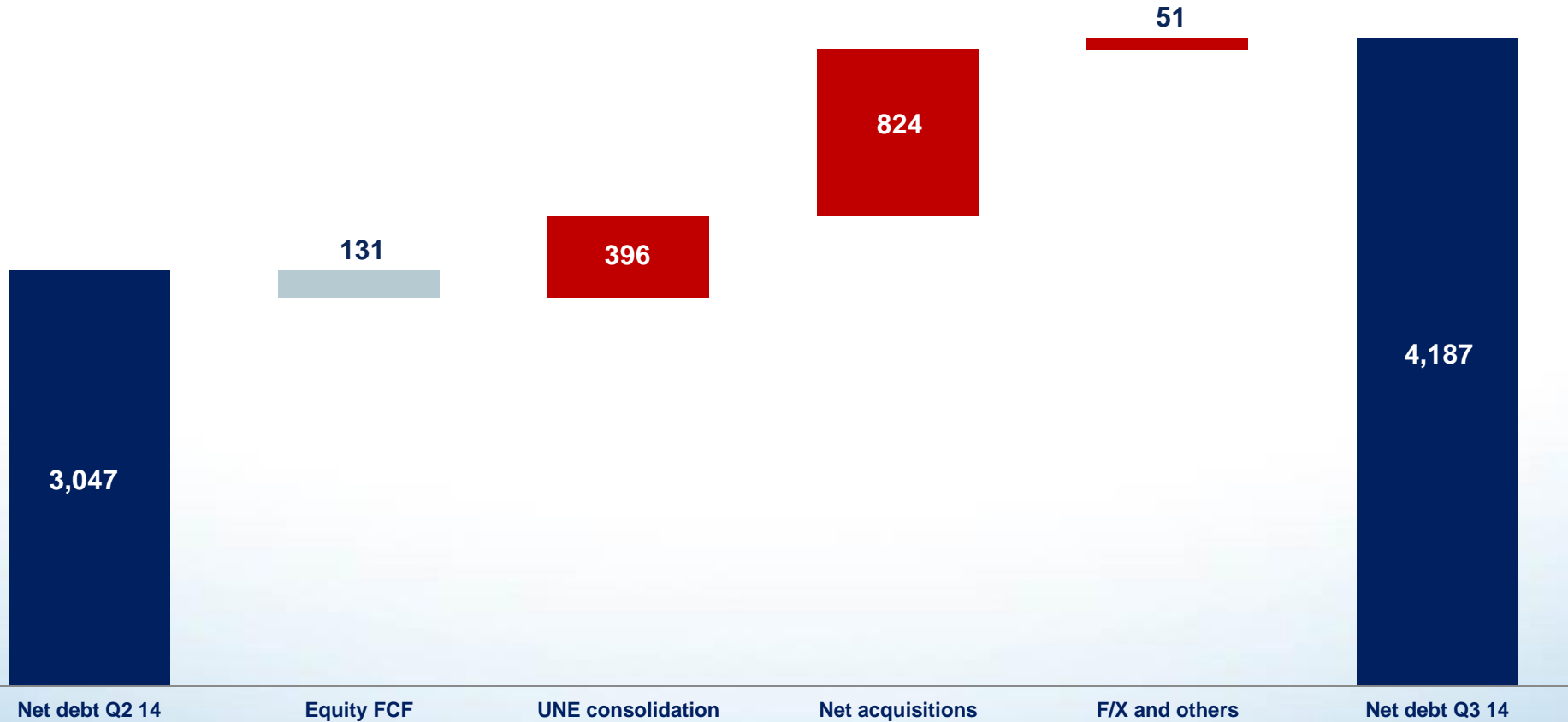
- EBITDA
- Net Capex
- EBITDA - Capex



Free Cash Flow up 23% in Q3

\$ million	Q3 14	YoY% change
EBITDA	549	+13
Net Capex (including spectrum & license)	(331)	(45%)
Change in working capital and others	87	NS
Operating Cash Flow	305	27%
Taxes paid	(79)	(7%)
Operating Free Cash Flow	226	36%
Interest paid, net	(75)	(74%)
Free Cash Flow	151	23%
Dividends paid to non-controlling interests	(20)	57%
Equity Free Cash Flow	131	72%

Net debt increasing due to UNE closing



- 1** Revenue growth continues
- 2** UNE strong start
- 3** EBITDA margin “stabilized”
- 4** Cash flow focus

Operating Review

Financial Review

Q&A

Appendix

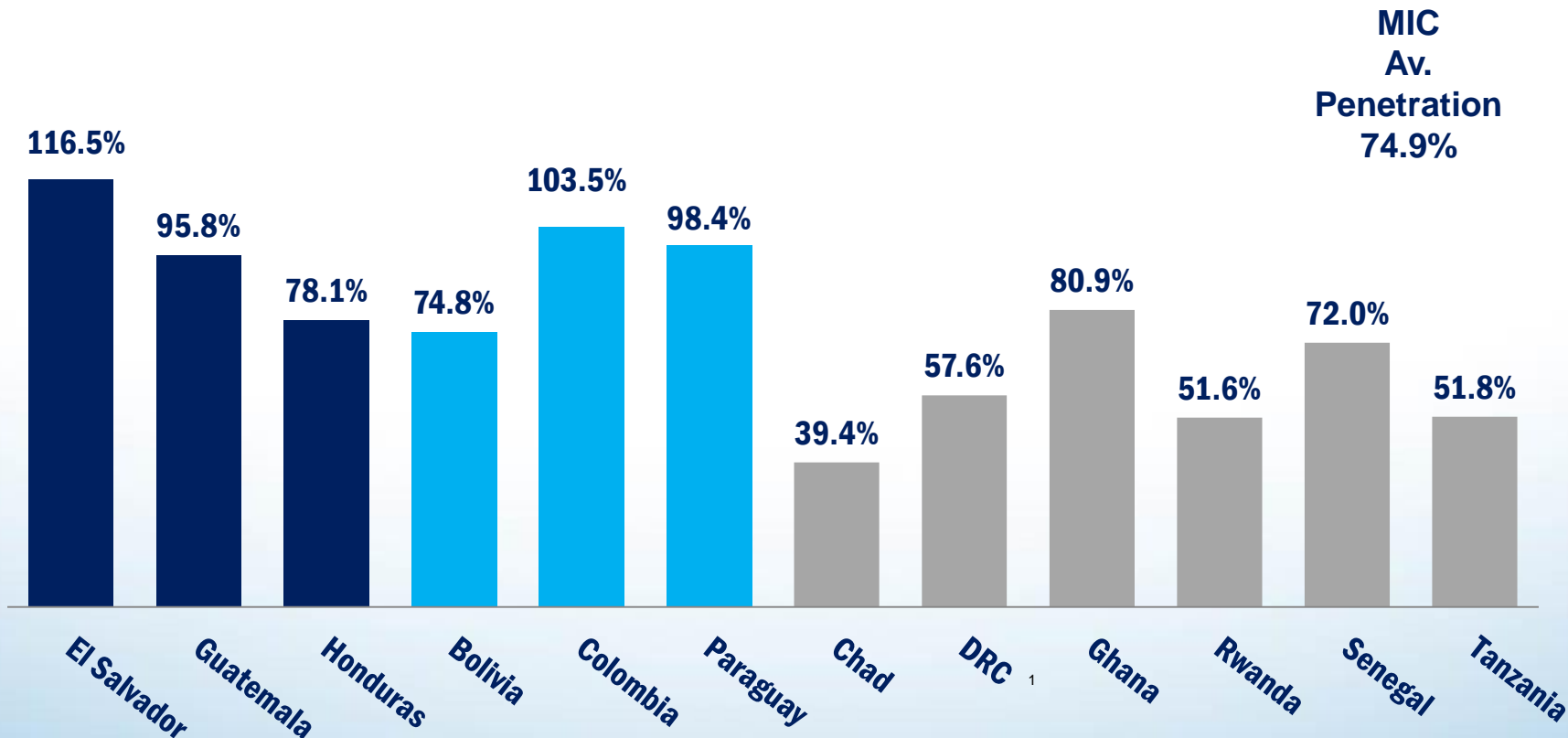
Operating Review

Financial Review

Q&A

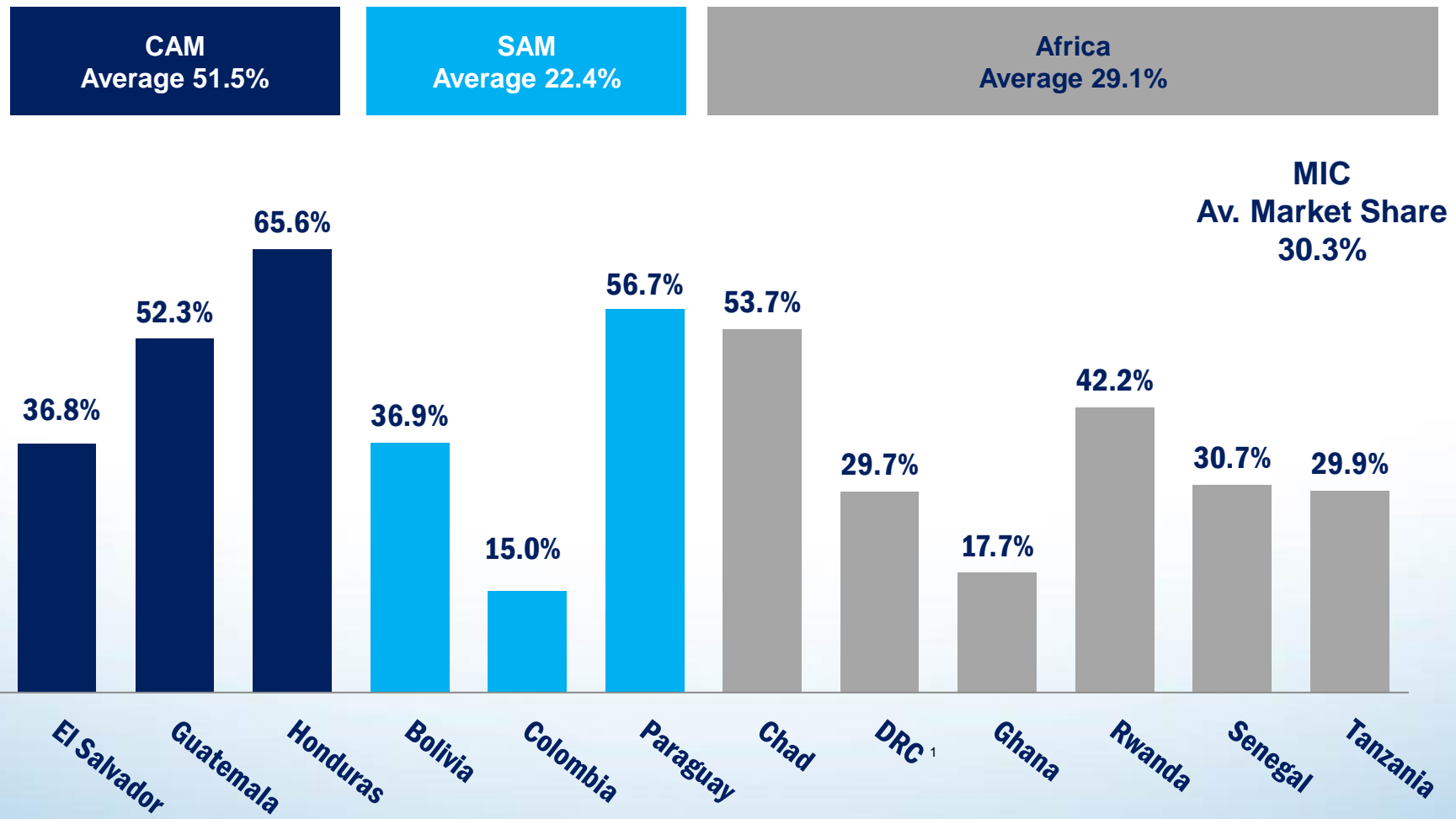
Appendix

Mobile Voice - Penetration rates



1) For DRC , only penetration in Kinshasa-BAS Congo and Kivu area is considered
Source: Millicom

Mobile Voice – Market Shares



1) For DRC , only penetration in Kinshasa-BAS Congo and Kivu area is considered
 Source: Millicom

Movements of currencies vs USD QoQ

		Closing Rate				Average Rate					
		Q3 14	Q2 14	Change	Q3 13	Change	Q3 14	Q2 14	Change	Q3 13	Change
Guatemala	GTQ	7.67	7.78	1%	7.78	(1%)	7.77	7.75	(0%)	7.90	(2%)
Honduras	HNL	21.31	21.05	(1%)	20.25	5%	21.14	20.92	(1%)	20.54	3%
Nicaragua	NIO	26.24	25.95	(1%)	24.41	7%	26.11	25.77	(1%)	24.78	5%
Costa Rica	CRC	545.5	548.7	1%	504.7	8%	545.4	555.7	2%	505.5	8%
Bolivia	BOB	6.91	6.91	0%	6.91	0%	6.91	6.91	0%	6.91	0%
Colombia	COP	2,028	1,881	(8%)	1,832	11%	1,915	1,920	0%	1,916	(0%)
Paraguay	PYG	4,492	4,384	(2%)	4,007	12%	4,330	4,422	2%	4,451	(3%)
Ghana	GHS	3.20	3.00	(7%)	1.94	65%	3.09	2.84	(9%)	1.99	55%
Senegal/Chad	XAF	520.0	481.1	(8%)	511.8	2%	687.4	479.1	(44%)	496.3	39%
Rwanda	RWF	686.4	690.0	1%	635.8	8%	497.7	685.4	27%	651.8	(24%)
Tanzania	TZS	1,676	1,675	(0%)	1,615	4%	1,668	1,654	(1%)	1,620	3%

For El Salvador and DRC, the functional currency is USD

Market overview – by region for Q3 2014



Millicom Regions	Central America	South America	Africa	Group
Market Overview				
Population (m)	30	64	190	284
Mobile Penetration	95.0%	97.8%	59.3%	74.9%
Operational Data				
Total Mobile Customers (m)	15,372	14,555	23,850	53,777
Capex (\$m -excl Corporate)	107	132	80	311
Capex as % of revenues	17.6%	16.3%	31.2%	23.8%
Cellsites	8,142	7,616	5,744	21,502
Outlets (000s)	141	187	396	724
Key Financials				
Revenue (\$m)	606	814	255	1,674
EBITDA (\$m)	282	277	55	549
EBITDA Margin	46.5%	34.0%	21.5%	32.8%

Market overview – LATAM

Latin America	Central America			Bolivia	South America	
	El Salvador	Guatemala	Honduras		Colombia	Paraguay
Shareholding	100%	55%	66.70%	100%	50% - 1 share	100%
License	20y from 1998	20y from 2012	25y from 1996	20y from 1995	10Y from 2013	5y renewal
Date of Expiry	2018	2032	2021	2015	2023	2016
Market Overview						
Population (m)	6	15	9	11	46	7
GDP per Pop (PPP) \$	7,500	5,300	4,800	5,500	11,100	6,800
Mobile Penetration	116.5%	95.8%	78.1%	74.8%	103.5%	98.4%
Market Position	1 of 5	1 of 3	1 of 3	2 of 3	3 of 3	1 of 4
Market Share	36.8%	52.3%	65.6%	36.9%	15.0%	56.7%
Operational Data						
Total Customers (000s)	2,714	8,175	4,484	3,317	7,391	3,847
Cell Sites	1,381	4,821	1,940	1,229	4,842	1,545
Other Operators	America Movil Telefonica Digicel Red	America Movil Telefonica	America Movil Honducel	Entel Viva	America Movil Telefonica	Personal Vox America Movil
Main products exported	Coffee Sugar	Coffee Sugar	Coffee Bananas	Lithium Natural Gas	Coffee Oil	Soy Cassava

Market overview – Africa

Africa	Chad	DRC	Ghana	Rwanda	Senegal	Tanzania
Shareholding	100%	100%	100%	87.50%	100%	100%
License	10 y from 2014	12y from 2012	15y from 2004	15y from 2008	16y from 2012	25y from 2007
Date of Expiry	2024	2024	2019	2023	2028	2032
Market Overview						
Population (m)	11	77	26	12	14	50
GDP per Pop (PPP) \$	2,500	400	3,500	1,500	2,100	1,700
Mobile Penetration	39.4%	57.6%	80.9%	51.6%	72.0%	51.8%
Market Position	1 of 3	2 of 6 ²	3 of 6	2 of 4	2 of 4	2 of 7
Market Share	53.7%	29.7%	17.7%	42.2%	30.7%	29.9%
Operational Data						
Total Customers (000s)	2,596	4,834	3,696	2,409	3,079	7,235
Cell Sites ¹	531	895	976	442	858	2,042
Other Operators	Bharti Salam	Vodacom Bharti CCT Standard Africell	MTN Vodafone Bharti Glo Kasapa	MTN Bharti Rwandatel	Orange Expresso Kirene	Vodacom Bharti Zantel TTLIC Mobile Bol Sasatel
Main products exported	Petroleum Cotton	Coffee Diamonds	Bauxite Cocoa	Coffee Natural Gas	Fish Cotton	Coffee Cashew Nuts

1) for DRC active sites; 2) Only Kinshasa/ Bas Congo and Kivu area;

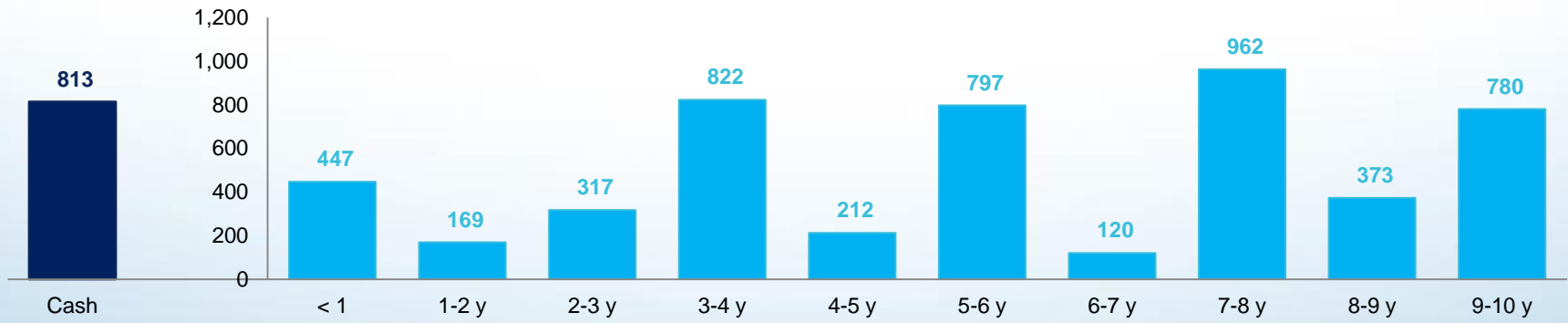
Source: Millicom, CIA World Factbook

Moderate leverage and well spread maturities

USD m	Q3 14	Q2 14
Gross Debt ¹	5,000	4,484
Cash ²	814	1,437
Net Debt	4,187	3,047
Net Debt / EBITDA after corporate costs ³	1.9x	1.6x

Debt maturity

USDm, Q3 2014



- Average maturity of 5.6 years

1) Including mark to market of bonds
 2) Including pledged deposits, time deposits and restricted cash
 3) Net Debt / LTM EBITDA



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