Unaudited Interim Condensed Consolidated Financial Statements

For the three and nine month periods ended 30 September 2016

25 October 2016

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Unaudited interim condensed consolidated income statement for the nine month period ended 30 September 2016

US$ millions (unaudited)	Notes	Nine months ended 30 September 2016	Nine months ended 30 September 2015 (i) (ii)
Revenue	5	3,255	4,936
Cost of sales		(949)	(1,320)
Gross profit		**2,306**	**3,616**
Operating expenses		(1,308)	(1,929)
Depreciation and amortisation		(687)	(970)
Income from joint ventures, net	14	103	-
Other operating income (expenses), net		(1)	(7)
Operating profit	5	**413**	**709**
Interest expense		(280)	(321)
Interest and other financial income		15	17
Other non-operating (expenses) income, net	6	52	(213)
Income (loss) from associates, net	15	2	(35)
Profit before taxes from continuing operations		**201**	**157**
Charge for taxes, net		(111)	(167)
Profit (loss) for the period from continuing operations		**90**	**(11)**
Profit (loss) for the period from discontinued operations, net of tax	4	18	(46)
Net profit (loss) for the period		**109**	**(57)**

Attributable to:			
Owners of the Company		111	(133)
Non-controlling interests		(2)	76

Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	7	1.10	(1.33)
Diluted (US$)	7	1.10	(1.33)

(i) Re-presented for discontinued operations (see note 4).

(ii) Honduras and Guatemala operations are shown as fully consolidated for the nine month period ended 30 September 2015. The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 interim condensed 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 income statement for the three month period ended 30 September 2016

US$ millions (unaudited)	Notes	Three months ended 30 September 2016	Three months ended 30 September 2015 (i) (ii)
Revenue	5	1,099	1,600
Cost of sales		(320)	(421)
Gross profit		**779**	**1,179**
Operating expenses		(438)	(617)
Depreciation and amortisation		(235)	(313)
Income from joint ventures, net	14	36	-
Other operating income (expenses), net		1	(8)
Operating profit	5	**143**	**241**
Interest expense		(98)	(107)
Interest and other financial income		8	4
Other non-operating (expenses) income, net	6	6	(46)
Income (loss) from associates, net	15	(7)	(11)
Profit before taxes from continuing operations		**52**	**81**
Charge for taxes, net		(27)	(38)
Profit (loss) for the period from continuing operations		**25**	**43**
Profit (loss) for the period from discontinued operations, net of tax	4	4	(19)
Net profit (loss) for the period		**29**	**24**
Attributable to:			
Owners of the Company		24	12
Non-controlling interests		4	12
Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	7	0.24	0.12
Diluted (US$)	7	0.24	0.12

(i) Re-presented for discontinued operations (see note 4).

(ii) Honduras and Guatemala operations are shown as fully consolidated for the three month period ended 30 September 2015. The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 interim condensed 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 nine month period ended 30 September 2016

US$ millions (unaudited)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Net profit (loss) for the period	109	(57)
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	52	(413)
Change in value of cash flow hedges	(1)	(6)
Total comprehensive income (loss) for the period	**159**	**(476)**

Attributable to:		
Owners of the Company	141	(452)
Non-controlling interests	18	(24)

Unaudited interim condensed consolidated statement of comprehensive income for the three month period ended 30 September 2016

US$ millions (unaudited)	Three months ended 30 September 2016	Three months ended 30 September 2015
Net profit (loss) for the period	29	24
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	5	(221)
Change in value of cash flow hedges	2	(3)
Total comprehensive income (loss) for the period	**36**	**(199)**

Attributable to:		
Owners of the Company	27	(243)
Non-controlling interests	9	44

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Unaudited interim condensed consolidated statement of financial position as at 30 September 2016

US$ millions	Notes	30 September 2016	31 December 2015 (i) (audited)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	1,381	1,429
Property, plant and equipment, net	8	3,062	3,198
Investments in joint ventures	14	2,952	3,220
Investments in associates	15	391	376
Deferred tax assets		202	191
Derivative financial instruments	13	24	26
Other non-current assets		79	75
TOTAL NON-CURRENT ASSETS		**8,091**	**8,515**
CURRENT ASSETS			
Inventories		71	80
Trade receivables, net		403	398
Amounts due from non-controlling interests, associates, joint ventures and joint venture partners	12	16	16
Prepayments and accrued income		206	193
Current income tax assets		159	125
Supplier advances for capital expenditure		29	39
Other current assets		106	109
Restricted cash		140	142
Cash and cash equivalents		816	769
TOTAL CURRENT ASSETS		**1,947**	**1,871**
Assets held for sale	4	7	12
TOTAL ASSETS		**10,044**	**10,398**

(i) The consolidated statement of financial position at 31 December 2015 has been restated 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 30 September 2016 (continued)

US$ millions	Notes	30 September 2016	31 December 2015 (i) (audited)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		638	639
Treasury shares		(126)	(143)
Other reserves		(504)	(531)
Retained profits		3,249	4,071
Profit (loss) for the period/year attributable to equity holders		111	(559)
Equity attributable to owners of the Company		**3,367**	**3,477**
Non-controlling interests	3	268	251
TOTAL EQUITY		**3,635**	**3,728**
LIABILITIES			
Non-current liabilities			
Debt and financing	10	4,139	3,789
Derivative financial instruments	13	68	65
Amounts due to associates, joint ventures and joint venture partners	12	3	63
Provisions and other non-current liabilities		286	243
Deferred tax liabilities		68	50
Total non-current liabilities		**4,563**	**4,210**
Current liabilities			
Debt and financing	10	253	221
Payables and accruals for capital expenditure		210	285
Other trade payables		224	334
Amounts due to associates, joint ventures and joint venture partners	12	163	581
Accrued interest and other expenses		449	425
Current income tax liabilities		94	124
Provisions and other current liabilities		454	490
Total current liabilities		**1,846**	**2,460**
Liabilities directly associated with assets held for sale	4	—	—
TOTAL LIABILITIES		**6,409**	**6,670**
TOTAL EQUITY AND LIABILITIES		**10,044**	**10,398**

(i) The consolidated statement of financial position at 31 December 2015 has been restated 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 nine month period ended 30 September 2016

US$ millions (i)	Notes	30 September 2016	30 September 2015
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		201	156
Profit (loss) before taxes from discontinued operations		12	(45)
Profit before taxes		**214**	**111**
Adjustments to reconcile to net cash:			
Interest expense		283	334
Interest and other financial income		(15)	(17)
Adjustments for non-cash items:			
Depreciation and amortisation	5	691	1,000
Share of (gain) loss from joint ventures, net		(103)	-
Loss (gain) on disposal and impairment of assets, net		(11)	8
Share based compensation		12	18
(Income) loss from associates, net	3	(2)	35
Other non-cash non-operating (income) expenses, net		(52)	214
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets		43	89
(Increase) decrease in inventories		11	(3)
Increase (decrease) in trade and other payables		(100)	(206)
Total changes in working capital		**(46)**	**(120)**
Interest (paid)		(241)	(281)
Interest received		14	18
Taxes (paid)	5	(93)	(190)
Net cash provided by operating activities		**649**	**1,131**
Cash flows from investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	-	(51)
Proceeds from disposal of subsidiaries, net of cash disposed	4	140	4
Purchase of intangible assets and licenses	9	(133)	(107)
Proceeds from sale of intangible assets	9	4	2
Purchase of property, plant and equipment	8	(535)	(722)
Proceeds from sale of property, plant and equipment	8	3	4
Dividend received from associates		-	6
Net (increase) decrease in restricted cash		-	3
Cash (used in) provided by other investing activities, net		(1)	(7)
Net cash used in investing activities		**(521)**	**(869)**
Cash flows from financing activities (including discontinued operations):			
Acquisition of non-controlling interests	3	-	(39)
Proceeds from other debt and financing	10	715	1,579
Repayment of debt and financing	10	(352)	(1,242)
Advances for, and dividends to non-controlling interests		(7)	(180)
Dividends paid to owners of the Company		(265)	(264)
Repayments of loans from joint ventures	12	(175)	-
Cash (used in) provided by other financing activities, net		-	(13)
Net cash from (used by) financing activities		**(84)**	**(159)**
Exchange impact on cash and cash equivalents, net		3	(73)
Net (decrease) increase in cash and cash equivalents		**47**	**30**
Cash and cash equivalents at the beginning of the year		769	694
Cash and cash equivalents at the end of the period		**816**	**724**

(i) Honduras and Guatemala operations are shown as fully consolidated for the nine month period ended 30 September 2015. The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 consolidated statement of cash flows are shown in note 14.

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

Unaudited interim condensed consolidated statements of changes in equity for the periods ended 30 September 2016, 31 December 2015 and 30 September 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 (audited)	**101,739**	**(1,756)**	**153**	**487**	**(160)**	**4,761**	**(2,512)**	**(389)**	**2,339**	**1,391**	**3,730**
Total comprehensive income for the period	—	—	—	—	—	(133)	—	(319)	(452)	(24)	(476)
Dividends	—	—	—	—	—	(264)	—	—	(264)	(173)	(437)
Purchase of treasury shares	—	(29)	—	—	(2)	—	—	—	(2)	—	(2)
Share based compensation	—	—	—	—	—	—	—	18	18	—	18
Issuance of shares under share-based payment schemes	—	203	—	(1)	18	—	—	(17)	—	—	—
Change in scope of consolidation (iv)	—	—	—	—	—	(47)	—	2	(44)	16	(28)
Balance on 30 September 2015	**101,739**	**(1,582)**	**153**	**486**	**(144)**	**4,316**	**(2,512)**	**(705)**	**1,595**	**1,210**	**2,804**
Total comprehensive income for the period	—	—	—	—	—	(426)	—	(19)	(445)	36	(409)
Dividends	—	—	—	—	—	—	—	—	—	(71)	(71)
Share based compensation	—	—	—	—	—	—	—	1	1	—	1
Issuance of shares under share-based payment schemes	—	8	—	—	1	—	—	(1)	—	—	—
Change in scope of consolidation (iv) (vi)	—	—	—	—	—	—	—	1	1	(6)	(5)
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) (audited)	**101,739**	**(1,574)**	**153**	**486**	**(143)**	**3,513**	**—**	**(531)**	**3,477**	**251**	**3,728**
Total comprehensive income for the period	—	—	—	—	—	111	—	30	141	18	159
Dividends (iii)	—	—	—	—	—	(265)	—	—	(265)	—	(265)
Purchase of treasury shares	—	(35)	—	—	(2)	—	—	—	(2)	—	(2)
Share based compensation	—	—	—	—	—	—	—	12	12	—	12
Issuance of shares under share-based payment schemes	—	211	—	(1)	19	2	—	(17)	3	—	3
Balance on 30 September 2016	**101,739**	**(1,398)**	**153**	**485**	**(126)**	**3,360**	**—**	**(504)**	**3,367**	**268**	**3,635**

(i) Retained profits — includes profit attributable to equity holders, of which at 30 September 2016 $334 million (2015: $384 million) are not distributable to equity holders.

(ii) Put option reserve — see note 14.

(iii) Dividends — A dividend distribution of $2.64 per share was approved by the Annual General Meeting of shareholders and distributed 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 30 September 2015 has been restated 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 comparative periods ended 30 September 2015 (see note 14).

On 24 October 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 on 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 impact 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 amortisation 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;
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'.

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

During the nine month period ended 30 September 2016, Millicom did not make any significant acquisition.

During the nine month period ended 30 September 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 2017. 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.

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 when additional information became available regarding fair values of acquired assets and liabilities, but remains provisional at 30 September 2016 in respect of the final price adjustment.

22 October 2015 (US$ millions)	Initial Fair Values 100%	Provisional Updated Fair Values 100%	Change
Intangible assets (excluding goodwill), net.(i)	36	75	39
Property, plant and equipment, net (ii)	40	32	(8)
Other non-current assets (iii)	1	17	16
Current assets (excluding cash) (iv) (v)	30	41	11
Cash and cash equivalents	5	5	-
Total Assets Acquired	**112**	**170**	**58**
Non-current financial liabilities	81	77	(4)
Current liabilities	104	106	2
Total Liabilities Assumed	**185**	**183**	**(2)**
Fair value of assets acquired and liabilities assumed, net	**(73)**	**(13)**	**60**
Fair value of non-controlling interest in Zantel	(39)	(2)	37
Millicom's interest in the fair value of Zantel	(34)	(11)	23
Acquisition price ($1 dollar)	-	-	-
Provisional Goodwill	**34**	**11**	**(23)**

(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 $13 million, with estimated useful life of 4 years, telecommunication spectrum licenses for an amount of $23 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 $9 million.*

(ii) *Certain network and civil works assets were adjusted down to their fair value for an amount of $10 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) *Current assets includes indemnification assets at fair value for an amount of $11 million.*

(v) *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 tax deductible.

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 businesses in the Democratic Republic of Congo (DRC) to Orange S.A. for a total cash consideration of $160 million adjusted for working capital movements and including $10 million of cash hold-back subject to the completion of the disposal of the mobile financial services business (DRC Mobile Cash). The transaction has been completed in respect of the mobile business (Oasis S.A). on 20 April 2016 and includes certain indemnity and warranty clauses as well as other expenses directly linked with the disposal, which have been provided for as of 30 September 2016. The separate disposal of DRC Mobile Cash has been completed in September 2016. As a result, $2.5 million of the cash hold-back has been received at 30 September 2016 and the remaining $7.5 million in October 2016.

In accordance with IFRS 5, the Group's businesses in DRC have been classified as assets held for sale as from 8 February 2016 and their results were classified as discontinued operations. Comparative figures of the income statement have been represented accordingly. Financial information relating to the discontinued operations for the three and nine month periods ended 30 September 2016 is set out below.

Results from Discontinued Operations (US$ millions)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Revenue	40	117
Cost of sales	(15)	(43)
Operating expenses	(20)	(74)
Depreciation and amortisation	(3)	(30)
Other operating profit income expense, net	-	(2)
Operating profit (loss)	**2**	**(32)**
Interest income (expense), net	(2)	(13)
Profit (loss) before taxes	**1**	**(45)**
Credit (charge) for taxes, net	6	(1)
Results from discontinued operations	**6**	**(46)**
Gross gain on disposal of discontinued operations	30	-
Other expenses linked to the disposal of discontinued operations	(18)	-
Net gain (loss) on disposal of discontinued operations	**12**	**-**
Net profit (loss) from discontinued operations	**18**	**(46)**

Results from Discontinued Operations (US$ millions)	Three months ended 30 September 2016	Three months ended 30 September 2015
Revenue	1	40
Cost of sales	(1)	(13)
Operating expenses	(1)	(28)
Depreciation and amortisation	-	(10)
Other operating profit income expense, net	-	(2)
Operating profit (loss)	**(1)**	**(13)**
Interest income (expense), net	-	(6)
Profit (loss) before taxes	**(1)**	**(19)**
Credit (charge) for taxes, net	-	-
Results from discontinued operations	**(1)**	**(19)**
Gross gain on disposal of discontinued operations	9	-
Other expenses linked to the disposal of discontinued operations	(4)	-
Net gain (loss) on disposal of discontinued operations	**5**	**-**
Net profit (loss) from discontinued operations	**4**	**(19)**

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (Continued)

Discontinued operations – DRC (Continued)

Cash Flows from Discontinued Operations (US$ millions)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Cash used in operating activities, net	6	(24)
Cash used in investing activities, net	(11)	(18)
Cash provided by financing activities, net	-	37
Net cash outflows	(5)	(5)

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

The following assets and liabilities were held for sale in relation to Oasis S.A. as at the date of disposal:

Assets and liabilities reclassified as held for sale – Oasis S.A. (US$ millions)	20 April 2016
Intangible assets, net.	58
Property, plant and equipment, net	133
Other non-current assets	11
Current assets	42
Cash and cash equivalents	33
Total assets of disposal group held for sale	**277**
Non-current financial liabilities	44
Current liabilities	84
Total liabilities of disposal group held for sale	**128**
Net assets	**149**

The sale of Oasis S.A. generated a cash inflow of $139.5 million (excluding the remaining $7.5 million cash hold-back receivable at 30 September 2016), net of $33 million of cash disposed.

In H1 2016, the 4G spectrum in Colombia has been reclassified from “Assets held for sale” to intangible assets as the value of the spectrum will not be recovered through sale, but through use. A depreciation catch-up has been recorded for $11 million. At 30 September 2016, the carrying amount of the 4G spectrum amounts to $1 million and will be depreciated over the remaining duration of the spectrum (i.e. October 2016).

5. SEGMENT INFORMATION

Since 2016, Millicom presents segmental information based on its two geographical regions (Latin America and Africa – previously three regions) 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 and nine month periods ended 30 September 2016 and 2015 was as follows:

Nine month period ended 30 September 2016 (US$ millions)	Latin America	Africa	Unallo-cated	Total (a)	Guatemala and Honduras (v) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vi)	Total
Revenue	**3,988**	**667**	**-**	**4,655**	**(1,399)**	**-**	**3,255**	**40**	**3,295**
Operating profit (loss)	**753**	**44**	**(117)**	**680**	**(370)**	**103**	**413**	**2**	**415**
Add back:									
Depreciation and amortization	809	138	5	952	(265)	-	687	3	690
Income (loss) from joint ventures, net	-	-	-	-	-	(103)	(103)	-	(103)
Other operating income (expenses), net	-	1	2	3	(2)	-	1	-	1
EBITDA *(i)*	**1,562**	**183**	**(110)**	**1,636**	**(637)**	**-**	**998**	**5**	**1,003**
Capital expenditure *(ii)*	(673)	(120)	(4)	(798)					
Changes in working capital and others	(49)	(6)	(53)	(107)					
Taxes paid	(191)	(9)	(7)	(207)					
Operating free cash flow *(iii)*	**649**	**48**	**(173)**	**523**					
Total Assets *(iv)*	**10,442**	**1,521**	**1,916**	**12,397**	**(5,423)**	**3,070**	**10,044**		
Total Liabilities	**5,206**	**2,099**	**2,330**	**8,153**	**(1,863)**	**119**	**6,409**		

Nine month period ended 30 September 2015 (US$ millions)	Latin America	Africa	Unallo-cated	Total	Eliminations	Disc Ops (vi)	Total
Revenue	**4,325**	**612**	**-**	**4,936**	**-**	**117**	**5,054**
Operating profit (loss)	**864**	**12**	**(167)**	**709**	**-**	**(32)**	**677**
Add back:					-		
Depreciation and amortization	821	144	5	970	-	30	1,000
Other operating income (expenses), net	5	1	2	7	-	2	9
EBITDA *(i)*	**1,690**	**157**	**(160)**	**1,687**	**-**	**-**	**1,687**
Capital expenditure *(ii)*	(673)	(123)	(8)	(804)			
Changes in working capital and others	(69)	60	(81)	(89)			
Taxes paid	(180)	(9)	(1)	(190)			
Operating free cash flow *(iii)*	**768**	**85**	**(250)**	**603**			
Total Assets *(iv)*	**10,705**	**1,643**	**1,671**	**14,019**	**(1,702)**		**12,317**
Total Liabilities	**4,714**	**2,097**	**4,403**	**11,214**	**(1,702)**		**9,513**

(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) *Excluding spectrum and licenses of $35 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.*

5. SEGMENT INFORMATION (Continued)

Three month period ended 30 September 2016 (US$ millions)	Latin America	Africa	Unallo-cated	Total (a)	Guatemala and Honduras (v) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vi)	Total
Revenue	**1,330**	**225**	**-**	**1,555**	**(456)**	**-**	**1,099**	**1**	**1,100**
Operating profit (loss)	**243**	**21**	**(37)**	**227**	**(119)**	**36**	**143**	**(1)**	**142**
Add back:									
Depreciation and amortization	281	42	2	325	(91)	-	235	-	235
Income (loss) from joint ventures, net	-	-	-	-	-	(36)	(36)	-	(36)
Other operating income (expenses), net	(2)	1	1	-	(1)	-	(1)	-	(1)
EBITDA *(i)*	**522**	**64**	**(34)**	**552**	**(211)**	**-**	**341**	**(1)**	**340**
Capital expenditure *(ii)*	(197)	(44)	-	(242)					
Changes in working capital and others	14	7	(9)	14					
Taxes paid	(66)	(3)	(1)	(70)					
Operating free cash flow *(iii)*	**273**	**24**	**(43)**	**253**					

Three month period ended 30 September 2015 (US$ millions)	Latin America	Africa	Unallo-cated	Total	Eliminations	Disc Ops (vi)	Total
Revenue	**1,400**	**201**	**-**	**1,600**	**-**	**40**	**1,641**
Operating profit (loss)	**283**	**5**	**(48)**	**241**	**-**	**(13)**	**227**
Add back:					-		
Depreciation and amortization	269	43	1	313	-	10	323
Other operating income (expenses), net	8	2	(2)	8	-	2	10
EBITDA *(i)*	**561**	**50**	**(49)**	**562**	**-**	**(2)**	**560**
Capital expenditure *(ii)*	(277)	(47)	(6)	(330)			
Changes in working capital and others	18	52	(5)	66			
Taxes paid	(45)	(1)	-	(46)			
Operating free cash flow *(iii)*	**257**	**54**	**(60)**	**252**			

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

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

US$ millions	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Change in redemption price / lapse of put options (see note 14)	-	81
Change in fair value / lapse of derivatives (see note 13)	(3)	30
Change in fair value of call options	-	(62)
Exchange gains (losses), net	63	(250)
Other non-operating income (expenses), net	(8)	(12)
Total	**52**	**(213)**

US$ millions	Three months ended 30 September 2016	Three months ended 30 September 2015
Change in redemption price / lapse of put options (see note 14)	-	81
Change in fair value / lapse of derivatives (see note 13)	(3)	3
Change in fair value of call options	-	(22)
Exchange gains (losses), net	8	(108)
Other non-operating income (expenses), net	1	-
Total	**6**	**(46)**

7. EARNINGS PER COMMON SHARE

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

US$ millions	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	92	(87)
Net profit (loss) attributable to owners of the Company from discontinuing operations	18	(46)
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	111	(133)
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,333**	**100,127**
Potential incremental shares as a result of share options	-	14
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,333**	**100,141**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	0.92	(0.87)
- EPS from discontinuing operations attributable to owners of the Company	0.18	(0.46)
- EPS for the period attributable to owners of the Company	1.10	(1.33)
Diluted		
- EPS from continuing operations attributable to owners of the Company	0.92	(0.87)
- EPS from discontinuing operations attributable to owners of the Company	0.18	(0.46)
- EPS for the period attributable to owners of the Company	1.10	(1.33)

US$ millions	Three months ended 30 September 2016	Three months ended 30 September 2015
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	21	31
Net profit (loss) attributable to owners of the Company from discontinuing operations	4	(19)
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	24	12
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,336**	**100,142**
Potential incremental shares as a result of share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,336**	**100,142**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	0.20	0.31
- EPS from discontinuing operations attributable to owners of the Company	0.04	(0.19)
- EPS for the period attributable to owners of the Company	0.24	0.12
Diluted		
- EPS from continuing operations attributable to owners of the Company	0.20	0.31
- EPS from discontinuing operations attributable to owners of the Company	0.04	(0.19)
- EPS for the period attributable to owners of the Company	0.24	0.12

8. PROPERTY, PLANT AND EQUIPMENT

During the nine month period ended 30 September 2016, Millicom added property, plant and equipment for $393 million (30 September 2015: $706 million) and received $3 million in cash from disposal of property, plant and equipment (30 September 2015: $4 million).

9. INTANGIBLE ASSETS

During the nine month period ended 30 September 2016, Millicom added intangible assets of $141 million (30 September 2015: $124 million) and received $4 million of proceeds from disposal of intangible assets (30 September 2015: $2 million).

10. DEBT AND FINANCING

SEK Bonds

On 12 April 2016, Millicom offered to purchase for cash any and all of its SEK 250 million (approximately $31 million) 5.125% Senior Unsecured Fixed Rate Notes due 2017 (the "Fixed Rate Notes") and its SEK 1.75 billion (approximately $219 million) STIBOR +3.500% Senior Unsecured Floating Rate Notes due 2017 (the "Floating Rate Notes", and together with the Fixed Rate Notes, the "Notes").

Following the early and regular tender offers, SEK 186 million (approximately $23 million) and SEK 1.498 billion (approximately $187 million) in aggregate principal amount of the Fixed Rate Notes and the Floating Rate Notes, respectively, have been repaid. Millicom has paid 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. The early redemption fees amounting to $7 million have been recorded under interest expenses. After settlement, SEK 64 million (approximately $8 million) in aggregate principal amount of the Fixed Rate Notes (25.6%) and SEK 252 million (approximately $32 million) in aggregate principal amount of the Floating Rate Notes (14.4%) remain outstanding. $1 million of related unamortized costs were expensed during 2016.

On 21 April 2016, Millicom also completed the placing of a new SEK 2 billion (approximately $250 million) 3-year floating rate bond in the Swedish market. The new bond has a floating rate coupon of 3 months STIBOR +3.3% and will mature on 17 April 2019, with a first call option on 17 April 2018. The bond was issued at 100% of the principal. $2.5 million of withheld and upfront costs are being amortized over the 3 year life of the bond.

On 19 September 2016, the Group has notified holders of its SEK 250,000,000 5.125% Senior Unsecured Fixed Rate Notes due 2017 and its SEK 1,750,000,000 STIBOR +3.500% Senior Unsecured Floating Rate Notes due 2017 of the early voluntary redemption of the notes in full. The outstanding notes totaling SEK 316 million (approximately $40 million) of principal will be redeemed on 24 October 2016. The redemption price will be an amount equal to the outstanding principal of the notes plus accrued but unpaid interest thereon and the applicable premium. The redemption premium is assessed at $1.4 million and has been accrued for as at 30 September 2016.

Colombia – UNE Bonds

In May 2016, UNE issued a COP 540 billion bond (approximately $176 million) consisting of three tranches (approximately $52 million, $83 million and $41 million respectively). Interest rates are either fixed or variable depending on the tranche. Tranche A bears fixed interest at 9.35%, while Tranche B and C bear variable interest, based on CPI, (respective margins of CPI+4.15% and CPI+4.89%), in Colombian peso.

UNE will apply the proceeds to finance its investment plan and repay one bond (COP150 billion tranche). Tranches A, B and C will mature in May 2024, May 2026 and May 2036, respectively.

El Salvador

On 15 April 2016, Telemovil El Salvador, S.A. de C.V. entered into a Senior Unsecured Term Loan Facility of $50 million maturing in April 2021 and bearing variable interest at LIBOR+3.0% per annum. This Facility is guaranteed by the Company.

On 6 June 2016, Telemovil El Salvador, S.A. de C.V. entered into a $30 million Credit Facility for general corporate purposes maturing in June 2021 and bearing variable interest rate at LIBOR + 2.25% per annum. The Facility is repayable over different yearly installments until maturity and is guaranteed by the Company.

Bolivia

On 11 August 2016, our operation in Bolivia issued a new bond for a total amount of Bs 522 million consisting of two tranches (approximately $50 million and $25 million, respectively). Tranche A and B bear fixed interest at 3.95% and 4.30%, and will mature in June 2024 and June 2029, respectively.

MIC SA Revolving Credit Facility

In June 2014, MIC S.A. entered into a $500 million revolving credit facility with a consortium of banks, including each Initial Purchaser, of which $200 million (Facility A) is for a 2-year term and $300 million (Facility B) is for a 3-year term. In May 2015 both facilities were extended for one year. As of 30 September 2016, the facility was committed and undrawn.

10. DEBT AND FINANCING (Continued)

MIC SA Term loan Facility

In July 2016, MIC S.A. entered into a $50 million term loan facility agreement, for which half will be repaid in 2018 and half in 2019. The facility bears variable interest rate at 6 month LIBOR + 2.25% per annum.

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

US$ millions	As at 30 September 2016	As at 31 December 2015
Due within:		
One year	253	221
One-two years	216	320
Two-three years	510	164
Three-four years	823	262
Four-five years	237	810
After five years	2,353	2,233
Total debt	**4,392**	**4,010**

As at 30 September 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 $719 million (31 December 2015: $646 million). Assets pledged by the Group for these debts and financings amounted to $3 million at 30 September 2016 (31 December 2015: $3 million).

Analysis of debt and other financing by maturity

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at 30 September 2016 and 31 December 2015.

	Bank and financing guarantees (i)			
US$ millions	As at 30 September 2016		As at 31 December 2015	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	98	98	100	100
1-3 years	251	251	143	143
3-5 years	361	361	393	393
More than 5 years	6	6	7	7
Total	**716**	**716**	**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 30 September 2016, the total amount of claims against Millicom and its operations was $341 million (31 December 2015: $492 million), of which $ nil against the Group’s joint ventures (31 December 2015: $ nil).

$36 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 2016, Millicom was served with claims by a third party seeking monetary damages in the amount of US$4.6 million and seeking to exert rights as a shareholder of Millicom Tanzania Ltd (Tigo Tanzania). As previously disclosed, in June 2015, Millicom identified that an incorrect filing related Tigo Tanzania had been made in the commercial register, causing the register to incorrectly indicate that shares in the local subsidiary were owned by this third party. Millicom remains engaged in legal proceedings regarding this issue, which at 30 September 2016 are before the Tanzanian Court of Appeals. Millicom believes that these claims are entirely without merit and, moreover, maintains that there is no valid basis whatsoever for any third party to claim any interest in Tigo Tanzania or be registered as one of its shareholders.

11. COMMITMENTS AND CONTINGENCIES (Continued)

Taxation

At 30 September 2016, the Group estimates potential tax claims amounting to $310 million and tax provisions of $62 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 $124 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. On 4 May 2016, Millicom received notification from the Swedish Public Prosecutor that its preliminary investigation has been discontinued on jurisdictional grounds. Millicom continues to cooperate with law enforcement authorities in the United States. As at 30 September 2016, the matter is still under investigation and 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 30 September 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 $350 million of which $314 million are due within one year (31 December 2015: $326 million of which $309 million were due within one year). Out of these commitments, $78 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 nine and three month periods ended 30 September 2016:

US$ millions (unaudited)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Expenses		
Purchases of goods and services from Kinnevik	(6)	(1)
Purchases of goods and services from Miffin	(167)	(86)
Purchases of goods and services from EPM	(17)	-
Lease of towers and related services from Helios	(27)	(28)
Other expenses	(1)	(3)
Total	**(218)**	**(118)**

US$ millions (unaudited)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Income / gains		
Sale of goods and services to EPM	13	-
Sale of goods and services to Miffin	192	180
Other income / gains	8	3
Total	**213**	**183**

US$ millions (unaudited)	Three months ended 30 September 2016	Three months ended 30 September 2015
Expenses		
Purchases of goods and services from Kinnevik	(3)	-
Purchases of goods and services from Miffin	(76)	(24)
Purchases of goods and services from EPM	(7)	-
Lease of towers and related services from Helios	(11)	(9)
Other expenses	-	(1)
Total	**(97)**	**(34)**

12. RELATED PARTY TRANSACTIONS (Continued)

US$ millions (unaudited)	Three months ended 30 September 2016	Three months ended 30 September 2015
Income / gains		
Sale of goods and services to EPM	5	-
Sale of goods and services to Miffin	97	68
Other income / gains	6	1
Total	**108**	**69**

As at 30 September 2016 the Company had the following balances with related parties:

US$ millions (unaudited)	At 30 September 2016	At 31 December 2015
Liabilities		
Payables to Guatemala joint venture (i)	4	335
Payables to Honduras joint venture (ii)	102	225
Finance lease liabilities to tower companies (iii)	82	122
Payables to EPM	55	66
Other accounts payable	2	18
Total	**245**	**766**

(i) Decrease compared to 31 December 2015 is due to the combination of dividends declaration in April 2016 and repayment of shareholder loans in May 2016.
(ii) Amount payable mainly consist in dividend advances. Dividend is expected to be declared in 2017.
(iii) Disclosed under "Debt and other financing" in the statement of financial position.

US$ millions (unaudited)	At 30 September 2016	At 31 December 2015
Assets		
Receivables from EPM	4	5
Receivables from Helios Towers	11	7
Other accounts receivable	1	4
Total	**16**	**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 30 September 2016 and 31 December 2015:

US$ millions	Carrying Value		Fair Value (i)	
	30 September 2016 (unaudited)	31 December 2015 (audited)	30 September 2016 (unaudited)	31 December 2015 (audited)
Financial liabilities				
Debt and financing	4,392	4,010	4,660	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>

As described in note 10, the SEK Bonds have been partially redeemed. As a consequence, the Group has modified and extended the related interest rate and currency swaps until at least April 2018.The swaps are accounted for as a cash flow hedge as the timing and amounts of the cash flows under the swap agreements match the cash flows under the new SEK bond. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At 30 September 2016, the fair values of the swaps amount to a liability of $68 million (31 December 2015: a liability of $65 million).

13. FINANCIAL INSTRUMENTS (Continued)

Interest rate and currency swaps on Euro denominated debt

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 30 September 2016 the fair value of the swap amounts to an asset of $24 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 financial instruments have a significant fair value at 30 September 2016.

14. INVESTMENTS IN JOINT VENTURES

As disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2015, Millicom's respective unconditional call options to acquire the remaining 33.3% and 45% of the Honduran (Celtel) and Guatemala (Comcel) 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. The allocation of assets and liabilities remains provisional as of 30 September 2016.

Had the 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 nine and three month periods ended 30 September 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)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Revenue	**3,255**	**3,482**
Cost of sales	(949)	(1,025)
Gross profit	**2,306**	**2,457**
Operating expenses	(1,308)	(1,481)
Depreciation and amortisation	(687)	(700)
Other operating income (expenses), net	(1)	(7)
Share of profit in Guatemala and Honduras operations	103	128
Operating profit	**413**	**397**
Profit (loss) before taxes	**201**	**(58)**
Charge for taxes, net	(111)	(87)
Profit (loss) for the period	**90**	**(146)**
Profit (loss) for the period from discontinued operations, net of tax	18	(46)
Non-controlling interests	2	59
Net profit (loss) for the year attributable to the owners of Millicom	**111**	**(133)**
Total Assets (i)	10,044	10,363
Total Liabilities (i)	6,409	6,672
Net Assets (i)	**3,635**	**3,691**
Net cash from operating activities	649	648
Net cash from (used in) investing activities	(521)	(238)
Net cash from (used in) financing activities	(84)	(340)
Exchange impact on cash and cash equivalents, net	3	(78)
Net increase (decrease) in cash and cash equivalents	**47**	**(8)**

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

14. INVESTMENTS IN JOINT VENTURES (Continued)

Summary of Group Income Statement, financial position and cash flows with Guatemala and Honduras operations as joint ventures (US$ millions)	Three months ended 30 September 2016	Three months ended 30 September 2015
Revenue	**1,099**	**1,114**
Cost of sales	(320)	(324)
Gross profit	**779**	**790**
Operating expenses	(438)	(464)
Depreciation and amortisation	(235)	(227)
Other operating income (expenses), net	1	(8)
Share of profit in Guatemala and Honduras operations	36	45
Operating profit	**143**	**136**
Profit (loss) before taxes	**52**	**11**
Charge for taxes, net	(27)	(14)
Profit (loss) for the period	**25**	**(3)**
Profit (loss) for the period from discontinued operations, net of tax	4	(19)
Non-controlling interests	(4)	34
Net profit (loss) for the year attributable to the owners of Millicom	**24**	**12**

In 2014, our joint venture in Guatemala (55% shareholding) entered into five years contracts with the Guatemala Government to provide video surveillance to the Civil National Police. The service includes camera lease, connectivity, storage of images, monitoring centers and software with analytics. As at 30 September 2016, no payment has been received under this contract due to government budget restrictions. Management have closely monitored the collectability of amounts owed under these contracts since inception, and as a result of discussions with the Guatemalan government about payment, have, since 1 July 2016 considered that the accounting criteria regarding probability of cash flowing to the Group are no longer met. Accordingly, all outstanding amounts receivable under the contract of $42 million have been impaired, and no revenue has been recognised from the contracts from 1 July 2016.

15. INVESTMENTS IN ASSOCIATES

Africa Internet Holding GmbH (AIH)

Various shareholder funding rounds were signed in late 2015 and in the first nine months of 2016. Millicom did not participate and therefore retained its initial investment at Euro 70 million. In addition, during June 2016, there was a capital restructuring whereas all investors rolled up into AIH. At 30 September 2016, these transactions have all been duly executed and as a result Millicom's shareholding in AIH reduced to 10%. This has triggered the recognition of a net dilution gain of $43 million in the Group income statement under 'Income (loss) from associates, net' in the nine month period ended 30 September 2016 ($14 million in the three month period ended 30 September 2016).

Helios Towers Africa (HTA)

Millicom's shareholding diluted from 28% to 23% as a result of previous committed cash calls and new investors' funding. This has resulted in Millicom recognizing a gain on dilution of $16 million in the nine month period ended 30 September 2016 ($2 million in the three month period ended 30 September 2016). The gain has been recorded in the Group income statement under 'Income (loss) from associates, net'.

16. OTHER INFORMATION – MIC TANZANIA

The amendments to the Electronic and Postal Communications Act, 2010 (the "Act") introduced by the Finance Act, 2016 voted on 1 July 2016, requires all licensees under the Act, to sell 25% of their share capital to Tanzanian citizens and list those shares on the Dar es Salaam Stock Exchange before the end of year 2016. Millicom initiated the process to ensure compliance of this legal requirement. Millicom appointed Standard Bank as its advisor for this transaction and is in the process of appointing its legal advisors.

17. SUBSEQUENT EVENTS

There are no significant subsequent events.

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