MILLICOM
THE DIGITAL LIFESTYLE

Good performance, focus on profitable growth

Millicom's Q2 2015 Results,
21 July 2015

We believe in better. We believe in tigo

Millicom International Cellular S.A.

"Good performance, focus on profitable growth"

Key highlights of Q2 2015

- Revenue of $1.70 billion, up 17.8%
  - Excluding UNE, Group revenue of $1.43 billion - organic growth[(a)] of 9.0%,
  - Adverse currency movements impact growth
  - Excluding UNE, reported revenue 1.3% lower
- EBITDA at $561 million – margin of 32.9%
  - Service revenue margin of 35.7%
  - Excluding UNE, EBITDA of $480 million – 33.6% margin
  - Reduction of Group corporate costs for the fourth consecutive quarter
- Increased synergies identified in Colombia business – upgraded NPV from $600 million to $750 million
- Strong quarter for mobile net adds: mobile customer base up 1.9 million
- Strategy refocused on monetizing the Digital Lifestyle, cable expansion and profitable growth

Key financial indicators

$m	Q2 2015	Q2 2014	% change	H1 2015	H1 2014	% change
Revenue	1,704	1,447	17.8	3,413	2,852	19.7
Organic revenue growth [(a)]	*9.0%*	*9.0%*		*9.4%*	*8.8%*	
EBITDA	561	479	17.2	1,126	957	17.7
EBITDA margin	32.9%	33.1%		33.0%	33.5%	
Capex	290	287	1.3	480	449	6.9
Net debt	4,281	3,047	40.5	4,281	3,047	40.5
Adjusted EPS ($)[(b)]	(0.05)	0.27		0.21	0.62	

- **Latam:** Revenue at $1,464 million grew by 21.7% (7.7% organic ex UNE) compared to Q2 2014 and 1.6% up on Q1 2015. EBITDA of $564 million was up 16.1% (11.1% organic ex UNE) on strong performance from Colombia, Guatemala and Bolivia. Latam EBITDA grew 1.2% sequentially. Mobile data (+37%) and Cable (+25%) were the main growth drivers respectively supported by smartphone adoption and demand for fixed broadband and DTH.

- **Africa:** Revenue grew to $240 million, an organic growth rate of 15.3% on Q2 2014 and 2.4% up on Q1 2015. EBITDA was $52 million, a year on year fall of 17.5%, primarily on difficult trading conditions in Chad and adverse currency movement particularly in Tanzania. Excluding the currency impact, EBITDA was 1.8% lower than in the same quarter last year.

- **Corporate Costs:** A continued reduction in the corporate costs to $55 million in Q2 compared to $59 million in Q1 and $73 million in Q2 2014.

a Organic growth represents year-on year-growth in local currency (excludes the impact of exchange rate changes) and excludes UNE
b Basic EPS adjusted for non-operating items see page 14 for reconciliation

President's Statement

Good performance, focus on profitable growth

Stockholm, 21 July 2015

"Millicom is a growth story and in the second quarter we delivered strong underlying organic revenue and EBITDA, which rose 9.0% and 9.3% respectively. We continue to demonstrate excellent momentum within our key markets. Mobile saw growth driven by data whilst both Cable and MFS performed very strongly.

Smartphone adoption is our winning card and drives increasing levels of data usage. In this quarter, we added 1.9 million new mobile customers and we now have a total of almost 60 million mobile subscribers. Yet barely more than just over a quarter of our customers have switched to smartphones. So our prize is to continue to expand our customer base and convert customers who have yet to upgrade to smartphones and data packages.

In our fast-growing Cable business, we continue to see very positive trends in all key metrics and importantly in the adoption of multiple services per household. For example, more than half of our households now take two or three services from us. We closed Q2 with over 7.2 million homes passed and 4.9 million cable RGUs. And we have only just begun. We are swiftly seizing the opportunity to grow to 10 million homes passed in Latin America over the next three years, largely through organic growth, to become the second largest cable operator in the region.

Since joining Millicom I have been impressed by the range of Digital Lifestyle services we offer to our customers. For instance, Mobile Financial Services is another key component of our Digital Lifestyle offer, strengthening customer loyalty whilst supporting wider financial inclusion targets. In this quarter, we reached the milestone of more than ten million MFS customers.

We have some excellent businesses. The Latin America businesses move from strength to strength; we saw strong performances from Colombia, Guatemala and Bolivia which drove another quarter of headline revenue growth. Further progress has been made in the recovery in Paraguay returning to revenue and EBITDA growth although, like many of our businesses, this was adversely affected by currency movements.

In Africa, we focus on growing both volume and value. Underlying revenues have shown further improvements and there is positive momentum, although we saw challenging trading conditions in some markets, especially Chad where the security situation and economic condition has deteriorated. In this quarter we agreed to acquire an 85% stake in Zanzibar's leading mobile operator, complementing our existing business. This acquisition will strengthen our overall position in Tanzania, delivering further growth prospects for the Group. We are currently awaiting regulatory approval on this transaction.

Despite strong underlying growth, there were severe foreign exchange devaluations across many of our countries and this negatively impacted our reported growth. Whilst this is a fact of life working in emerging markets, Q2 was particularly severe, reducing like for like revenue growth by more than 10%. We are taking firm actions to mitigate the impact of the currency fluctuations by continuing to focus on operational efficiencies and tightly managing the Group's margins, which is why we were still able to post positive like for like EBITDA growth despite the currency impact on our revenues. We have also continued our focus on reducing corporate costs, which fell for the fourth consecutive quarter.

Having completed my first 100 days as CEO I am convinced we are on the right track. The Digital Lifestyle is a great concept and we have articulated it further by more clearly defining an inspiring vision: to empower our customers to advance and enjoy life. We have mapped out a clear and detailed operational strategy for how we will achieve our goals, converting potential into profits and increasing the cash flow.

We now have a roadmap to focus on two phases of opportunity in our fast growth emerging markets; building customer focused mobile products and services that can be monetised; and expanding our cable footprint to capture the emerging opportunity.

Our strong and improving business performance demonstrated in this period and throughout the first half of the year is testament to the drive and commitment of our people.

Millicom couldn't be better placed to provide every aspects of the Digital Lifestyle to our customers who have an ever-expanding appetite and enjoyment of innovative mobile, social and content services. This opportunity, combined with our clear strategic plan to build and monetise the Digital Lifestyle, will deliver profitable growth. We have the firm foundations in place to continue to deliver customer and shareholder value."

Mauricio Ramos
CEO, Millicom International Cellular S.A.

2015 guidance confirmed, adjusted for FX

We have rebased the guidance[1] provided in February 2015 to reflect the impact of the 7% devaluation in the currency basket. With the exception of currency impact, the group's guidance remains unchanged:

	FX Guidance with FX rates prevailing in July 2015
Revenue	Between $6.8 and $7.2 billion
EBITDA	Between $2.12 and $2.26 billion
Capex[2]	Between $1.25 and $1.35 billion

1) At constant foreign exchange rates and constant perimeter. July guidance rebased revenue from $7.1 billion to $7.5 billion and EBITDA from $2.20 billion to $2.35 billion. Capex remains unchanged as most capex is in US dollars

2) Capex excludes spectrum and license costs.

Honduras call option

On 19 June 2015 Millicom reached agreement with its local partner to extend until 31 December 2015 Millicom's five year unconditional call option to acquire the remaining 33.3% of the Honduran business and in return extend the local partners conditional put option over the 33.3% stake for the same period. As a result Millicom will continue to consolidate the Honduras business (see Note 3 of the IAS 34 Interim Consolidated Financial Statements).

If the call option is not exercised or extended beyond its 31 December 2015 expiry date, and in the absence of any other changes to the shareholders agreement with our local partner, the Honduran business will be deconsolidated and accounted for as a joint venture in 2016. This would require Millicom's 66.7% investment in Honduras to be revalued to fair value.

The deconsolidation would not be expected to have a material impact on Millicom's share of the results of the Honduran business, receipt of dividends, or covenant compliance.

Risks and uncertainty factors

Millicom operates in a dynamic industry characterized by rapid evolution in technology, consumer demand, and business opportunities. Combine 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 2014 Annual Report (http://www.millicom.com/media/2379621/Millicom-Annual-Report-2014.pdf).

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 21 July 2015. Dial-in numbers: + 46 (0) 853 526 408, + 352 342 080 8654, + 44 203 427 1904, +1 646 254 3360. Access code: 5391811

A live audio stream of the conference call can also be accessed at www.millicom.com. Please dial in / log on 10 minutes prior to the start of the conference call to allow time for registration.

Slides to accompany the conference call are available at www.millicom.com.

Significant events of the quarter

Corporate news

2 Apr 2015:	Publication of our 2014 Corporate Responsibility Report
13 Apr 2015:	Nomination Committee proposal for the Board
29 Apr 2015:	Millicom statement about proposed merger with Telecable in Costa Rica
15 May 2015:	2014 Millicom Annual Meeting of Shareholders
5 Jun 2015:	Millicom signs agreement to acquire Zanzibar Telecom
9 Jun 2015:	Cablesur acquisition approved by Conatel in Paraguay

Business news

24 Apr 2015: 4G goes live in Tanzania

Financial news

20 Apr 2015:	El Salvador 8% Senior Notes Buy Back
22 Apr 2015:	Publication of Q1 2015 results
24 May 2015:	Distribution of the $2.64 dividend

Subsequent events

1 Jul 2015: Two LIH ventures (Kanui and Tricae) merged into Global Fashion Group

Agenda

22nd Oct 2015: Q3 2015 results

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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 56 million customers. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2014, Millicom generated revenue of USD 6.4 billion and EBITDA of USD 2.1 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.

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

Q2 2015 Summary Income Statement

US$m	Q2 15	Q2 14	% Change
Revenue	**1,704**	**1,447**	**+18**
Cost of sales	(467)	(357)	+31
Gross profit	**1,237**	**1,090**	**+13**
Operating expenses	(676)	(611)	+11
EBITDA	**561**	**479**	**+17**
EBITDA margin	**32.9%**	**33.1%**	**-**
Depreciation & amortization	(337)	(253)	+33
Other operating income (expenses), net	(1)	(2)	-
Operating profit	**223**	**225**	**(1)**
Net financial expenses	(89)	(89)	-
Other non-operating income (expenses), net	(94)	159	(159)
Gains (losses) from associates & joint ventures	(12)	16	(175)
Profit before tax	**28**	**310**	**(91)**
Net tax credit (charge)	(91)	(67)	+36
Profit (loss) for the quarter	**(63)**	**243**	**(126)**
Non-controlling interests	(36)	(58)	(37)
Net profit (loss) for the quarter	**(99)**	**186**	**(153)**
Adjusted net profit (loss) for the quarter [a]	**(5)**	**27**	**(119)**

Group revenue was $1.7 billion, with EBITDA of $561 million and an EBITDA margin of 32.9%. Net loss for the period was $99 million. Adjusted EPS was loss of 5 cents per share compared to a profit of 27 cents a share in Q2 2014 largely due to higher taxes and losses from Associates, partially offset by lower minority interests.

After a strong end to 2014 and an encouraging Q1 2015, trends in Q2 were solid despite major currency headwinds. Organic revenue growth (excluding UNE) was 9.0%. This was more than offset by currency factors which reduced revenue by $148 million (-10.3%) to a growth rate of -1.3% (excluding UNE). The gross margin at 72.6% was lower than in Q2 2014 (75.3%) which like in the previous quarters was mostly due to the mix effect on our revenue base, with higher handset sales, which are typically at lower margin.

Operating expenses increased by 11%, largely due by the inclusion of UNE which was not consolidated in Q2 2014. Excluding this effect, Group operating expenses increased by $7 million and the operating cost to revenue ratio fell 1.2 percentage points to 39.9%. This was driven by good control over marketing spend and corporate costs which fell to $55 million, $4 million lower than the previous quarter and declining for the fourth consecutive quarter.

EBITDA at $561 million was 17% higher than Q2 2014 and 0.3% higher excluding UNE. The EBITDA margin was 32.9%, a dilution of 0.2 percentage points largely due to the lower margins of UNE. Excluding UNE, the EBITDA margin improved by 0.5 of a percentage point and excluding telephone and equipment sales, the margin improved by 1.5 percentage points to 35.7%.

Depreciation and amortization was $337 million, in line with Q2 14 but $84 million higher than last year mainly due to the inclusion of UNE. Operating Profit declined by $2 million to $223 million.

Net financial expenses at $89 million were stable compared to last year and $32 million lower than Q1 which factored in one-off expenses on early redemption of the El Salvador bond. Other net non-operating expenses of $94 million largely represent foreign exchange losses of $45 million and changes in the fair value of call and put options on minority interests for $40 million.

Net losses from associates and joint ventures of $12 million result from Millicom's share of the results of tower companies and Online businesses. Taxes booked of $91 million were $34 million higher than Q2 2014 due to change in profit mix, inclusion of UNE and higher taxes on repatriations. Non-controlling interests declined from $58 million to $36 million mostly due to increased losses in Colombia. The net loss for the quarter was $99 million, and excluding non-recurring items resulted in an adjusted EPS of 5 cents.

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

Free Cash Flow

US$m	Q2 15	Q2 14	*% Change*	H1 15	H1 14	*% Change*
EBITDA	**561**	**479**	**17**	**1,126**	**957**	**+18**
Net Cash Capex (including spectrum and licenses)	(248)	(321)	(23)	(489)	(594)	(18)
Change in working capital and other non-cash items	(31)	63	(149)	(168)	21	(900)
Operating Cash Flow	**282**	**221**	**28**	**469**	**384**	**+22**
Taxes paid	(94)	(115)	(18)	(144)	(169)	(15)
Operating Free Cash Flow	**188**	**106**	**77**	**325**	**215**	**+51**
Interest paid, net	(99)	(90)	10	(177)	(148)	+20
Free Cash Flow	**89**	**16**	**456**	**148**	**67**	**+120**
Advances for dividends to non-controlling interests	(71)	(56)	27	(96)	(244)	(61)
Equity Free Cash Flow	**18**	**(40)**	**145**	**52**	**(177)**	**+130**

Higher EBITDA and lower capex offset by a working capital outflow resulted in an operating cash flow of $282 million, a 28% increase from Q2 2014. The negative working capital of $31 million is due to build-up of inventories in Paraguay and the impact of handset financing in Colombia.

Taxes paid were down 18% to $94 million mostly due to timing differences. Net interest paid was up 10% in Q2 2014 on the higher debt level.

This resulted in a Free Cash Flow of $89 million, a material increase on the same quarter in 2014. Dividends paid to non-controlling interests were $71 million, mainly in respect of Guatemala. The equity Free Cash Flow was $18 million for the quarter and $52 million for the half year.

Capital expenditure

Balance sheet capital expenditure for the quarter was $290 million, of which $54 million was from UNE. This compares to cash capital expenditure of $248 million. Spending in Latin America focused on both mobile and fixed network infrastructure. Fixed investments were most notable in Colombia, Guatemala and Paraguay. African investment focused on 2G, 3G and transmission investments in Tanzania, DRC and Senegal. There was no spectrum acquisition or renewal during Q2 2015.

Net Debt

US$m	Gross Debt	Cash	Net Debt *
Central America	**1,372**	**249**	**1,123**
Of which local currency	219	127	92
South America	**1,209**	**227**	**982**
Of which local currency	873	190	684
Total Latin America	**2,581**	**477**	**2,105**
Of which local currency	1,092	317	776
Africa	**438**	**192**	**246**
Of which local currency	126	159	(33)
Corporate	**2,067**	**137**	**1,930**
Total	**5,086**	**805**	**4,281**
Proportionate basis	4,202	662	3,540

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

At 30 June 2015, group gross debt amounted to $5.1 billion of which debt at the corporate level amounted to $2.1 billion following the issuance of the 10-year $500 million 6.0% coupon bond in March. Proceeds from this bond have been used in the second quarter on the early redemption of the existing El Salvador bond which carried an 8.25% yield ($321 million outstanding as of 31 March 2015 redeemed on 20 April 2015). At 30 June 2015, the average maturity on our debt was 5.8 years. In the first half of the year, the interest expense charge was inflated by one offs related to the early redemption of the El Salvador bond.

At 30 June 2015 debt in the operations amounted to $3.0 billion, including $0.3 billion in finance leases. Approximately 44% of the gross debt in the operations was denominated in local currency or with no exposure to US dollar foreign exchange fluctuations. The remainder is exposed to local currency fluctuations against the reporting currency. In particular debt in Colombia which is equivalent to $585 million, is wholly in local currency. The Group continuously evaluates opportunities to align the currency of its assets and liabilities in the operational entities. In the second quarter, we raised the equivalent of $200 million debt in local currency in Guatemala.

Overall Net Debt / EBITDA, based on the last twelve months EBITDA, was 1.89x at 30 June 2015 after the dividend payment that took place in May. Proportionate net debt to EBITDA was 2.25x.

Operating review

All numbers are in US$ and growth rates are stated in local currency unless stated otherwise. 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		Central America		South America		Africa	
	Q2 15	*YOY growth*	Q2 15	*YOY growth*	Q2 15	*YOY growth*	Q2 15	*YOY growth*
Mobile	1,100	*3.3%*	463	*0.3%*	426	*1.8%*	211	*12.8%*
Cable	416	*24.6%*	111	*21.2%*	304	*32.5%*	1	*89.5%*
MFS	31	*38.0%*	2	*54.1%*	8	*17.6%*	21	*46.0%*
Other*	157	*42.4%*	57	*11.4%*	93	*74.1%*	8	*15.2%*
Total	**1,704**	***9.0%***	**633**	***4.5%***	**831**	***10.9%***	**240**	***15.3%***

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

Mobile

Mobile service revenue grew by 3.3% in local currency with the mobile customer base increasing by 13.4% (1.9 million net adds in Q2), reaching 59.3 million subscribers at the end of June. The growth largely came from Tanzania, Colombia and DRC. During Q2 we sold over 1.2 million smartphones and added 892,000 new mobile data users, with 300,000 net additions in Africa and 592,000 in Latam.

Momentum in voice has slowed and was down 2% compared to Q2 last year with Africa up 9% and Latam declining by 6% on MTR cuts, lower volume and price competition. Voice and SMS revenue combined declined by 5.3% in Q2 at group level.

Data penetration increased to 28.2% of our mobile customer base, an increase of 0.6 percentage points compared to the previous quarter and 5.6 percentage points year-on-year. Growth has been achieved through a combination of affordable smartphones, targeted data products and packages like Tigo Music in Latin America and Africa (now in 2 countries: Ghana and Tanzania), and strategic alliances with Facebook in Colombia and Guatemala (after our success in Tanzania and Paraguay).

Cable

Cable and Digital Media revenue grew by 24.6% with total revenue generating units ("RGUs") increasing by 61,000 from Q1 2015 to 5.24 million.

ARPU in Q2 increased slightly to $28.8 (+1% in local currency) despite dilution from the addition of DTH subscribers which have lower ARPU as they take one service only. The number of homes passed increased by 114,000 to 5.9 million. The number of RGUs per household was flat sequentially at 1.85x. Around 55% of our households are double or triple play, a ratio broadly stable compared to the previous quarter.

Mobile Financial Services (MFS)

MFS added 591,000 new users in Q2 and the customer base reached 10.2 million, up 37% in one year. The main contributors to the growth in Q2 were Tanzania, DRC and Ghana. Year-on-year, we added almost 570,000 new users in Africa due to interoperability in Tanzania and returns provided on cash balances in Tanzania and Rwanda. Overall MFS revenue was up 38.0% with average ARPU of $1.03, down 2% in local currency. Transactions this quarter amounted to $2.7 billion up 23.1% (excluding self top-up).

B2B

We are seeing an accelerating trend in B2B with Q2 revenue up 17% after +10% in Q1 (excluding UNE) In the fixed business we grew by 36% in local currency, and experienced an acceleration in mobile which grew by 10% compared to 7% in Q1. Including UNE, B2B revenue was 14% of group sales compared to 8% a year ago.

South America

		Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	% change[a]
KPIs ('000)	Mobile customers	15,606	15,356	15,140	14,555	14,406	8.3
	MFS customers	1,357	1,376	1,451	1,327	1,309	3.7
	Cable RGUs [b]	3,797	3,778	3,677	3,658	140	NM
ARPU ($)	Mobile	9.2	9.5	11.1	11.6	11.3	(4.3)
	MFS	1.9	2.0	2.1	2.0	1.9	10.3
	Residential Cable	29.4	28.5	32.4	34.0	34.3	1.4
Financials (US$m)	Revenue	831	832	960	814	593	40.2
	EBITDA	272	274	307	276	198	37.7
	Capex	152	97	194	131	104	47.0

During Q2 revenue grew by 10.9% organically (40.2% on a reported basis) to $831 million. Foreign exchange movements have particularly affected South America with the Colombian peso and Paraguayan guarani depreciating by 31% and 14% respectively.

Mobile revenue grew by 1.8% with strong mobile data growth (+38%) mostly offset by voice and SMS which declined by close to 11%. Meanwhile the data penetration rate continues to trend positively, up by 10 percentage points over the last 12 months to 40.7%, due in part to strong growth in smartphones users (+821,000 in Q2). Mobile ARPU fell 4.3% to $9.2 due mostly to MTR cuts and change of contract terms in Colombia from Q3 2014.

Cable continues to accelerate, growing over 32% (excluding UNE). The number of homes passed increased by 97,000 from 31 March 2015 and the ratio of RGUs / Homes Connected [b] was broadly flat at 2.01x. The MFS penetration rate was sequentially stable at 20%, up 1.3 percentage point in 12 months.

Colombia

Revenue grew by 87% to $533 million (including $275 million from UNE), or 18% excluding UNE. Mobile growth slowed in the quarter due to MTR cuts (42% from January 1), regulatory changes impacting contracts and pressured postpaid tariffs. Consequently, mobile service revenue grew by 4% following 6% in the last quarter. Customer growth was, however, strong with gross additions of 1.07 million which led to non-recurring revenue growth of 120%. Customer demand for mobile data remains strong, penetration is now 31%, up 5 percentage points in 12 months, with 476,000 LTE customers at the end of June (6% of the customer base). EBITDA for the quarter was $149 million, including $81 million from UNE. The EBITDA margin slightly increased compared to Q1 2015 to 28.0% (32.0% on service revenue). This includes $10 million of integration costs for UNE. Capex was $96 million ($54 million in UNE).

Paraguay

In Q2, revenue grew by 2% in local currency to $170 million with growth from Cable and MFS offsetting pressure on the Mobile business. Cable grew by 20% as the customer base keeps growing and MFS grew by 17% due to a higher adoption rate and ARPU increase. Mobile revenue declined by 4%, an important improvement compared to the 9% decline in Q2 2015. We maintained a stable market share but continued to suffer from the effect of previous price cuts and recent termination rate cuts (-47% from 1 November 2014). Changes in the sales mix and regulatory measures affected our EBITDA margin which was 45% in Q2 but was down less than 1 percentage point compared to the previous quarter.

Bolivia

Q2 revenue grew by 9% to $128 million with mobile revenue up 2% (mobile data up 68%) and Cable up 80%. Data penetration continued to grow (57%, up 18 percentage points in 12 months) with 73,000 smartphones sold in the quarter. EBITDA increased to $47 million, a margin of 36%, up from $42 million in Q2 2014.

a % change is reported year-on-year change except for ARPU numbers (local currency growth)
b HFC (includes copper lines of UNE)

Central America

		Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	% Change[a]
KPIs ('000)	Mobile customers	16,044	15,971	15,787	15,372	15,417	4.1
	MFS customers	2,075	2,032	1,922	1,498	1,439	44.2
	Cable RGUs [(b)]	1,069	1,052	1,027	986	967	10.5
ARPU ($)	Mobile	9.7	9.8	10.2	10.0	10.0	(2.8)
	MFS	0.3	0.3	0.3	0.3	0.3	(1.9)
	Residential Cable	27.2	27.1	27.0	27.4	27.6	(2.6)
Financials (US$m)	Revenue	633	629	643	606	610	3.7
	EBITDA	291	291	295	282	291	1.3
	Capex	84	63	147	107	124	(33.2)

Central America continues to show improved trends with revenue up 4.5% to $633 million. Mobile service revenue increased slightly to $463 million whilst Cable grew by 21.2% and MFS revenue was up 54.1% on last year. Other revenue was strong again in Q2 (+11%) driven by smartphone sales (698,000 units sold). This contributed to mobile data revenue growth of 35.6%. The mobile data penetration rate has increased by 6 percentage points over the last 12 months to 29.0% due to strong growth of smartphones users.

In Cable, the number of homes passed increased by 21,000 during the quarter and the ratio of RGUs / Homes Connected reached 1.48x, up from 1.46x the previous quarter. The MFS penetration rate reached 13.2%, up 3.6 percentage points in the last 12 months.

Guatemala

Q2 revenue increased by 3% in local currency with mobile service revenue down 2% due to declining voice volume offsetting data growth. Cable revenue was up 80%, twice as high as revenue growth in Q1 as we connected more customers to the network and experienced strong traction of our Tigo Star brand. The EBITDA margin rose to 51.7% despite dilution from lower margin handset sales as we optimized sales commissions.

Honduras

The recovery initiated in Q4 2014 continued in Q1 and Q2 with revenue growing 13% and 10% respectively to $163 million. The main driver of this improvement was a 6% growth in mobile with ARPU improving 6% (mobile data growing 37%) and also a wholesale contract. Cable also accelerated (+25%) as we continued to promote our Tigo Star brand and our DTH offer. EBITDA margin fell to 43% following commercial campaigns as well as lower margin from new wholesale contract, but was slightly up sequentially.

El Salvador

In Q2 we saw similar trends to those observed in Q1 with difficult macroeconomic and social conditions adding to strong competition. Revenue grew by 1% to $112 million with mobile revenue declining by 2% (compared to a decline of 4% in Q1) due to competitive pressures and to a lesser extent to the MTR cut in November 2014. Cable revenue increased by 8% and MFS offer continues to gain traction in the country (+77,000 users during the quarter) with revenue up 57%. Q2 EBITDA was up 3% at $42 million, with a margin at 37%.

Costa Rica

In Costa Rica, where we operate a Cable business, revenue was up 5% to $37 million with RGUs growing 12% compared to Q2 2014. We are still waiting for a final regulatory decision on our proposed acquisition of Telecable. The EBITDA margin was 39%, down from 40% a year earlier.

a % change is reported year-on-year change except for ARPU numbers (local currency growth)
b HFC only

Africa

		Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	% Change[a]
KPIs ('000)	Mobile customers	27,680	26,086	25,350	23,849	22,491	23.1
	MFS customers	6,767	6,199	6,125	5,192	4,706	43.8
ARPU ($)	Mobile	2.6	2.8	3.1	3.3	3.3	(6.8)
	MFS	1.1	1.1	1.3	1.3	1.1	6.8
Financials (US$m)	Revenue	240	248	256	255	244	(1.8)
	EBITDA	52	57	48	55	63	(17.5)
	Capex	54	28	116	80	127	(57.6)

Africa Q2 revenue increased by 15.3% in local currencies to $240 million with unfavourable currency movements more than offsetting this growth (reported growth of -1.8%). Mobile service revenue was up 12.8% at $211 million with voice and SMS growing by 8.7% and data up 67.6%. MFS revenue at $21 million was up 46.0% with all countries but Chad experiencing healthy momentum.

Our customer base in Africa grew in Q2 with more than 1.5 million net new customers, particularly in Tanzania (+771,000) and DRC (+598,000). The data penetration rate has increased by 3.5 points over the last 12 months to 20.7%, a ratio broadly flat compared to end of March 2015. EBITDA at $52 million decreased by 18% year-on-year mostly due to adverse currency movements (down 2% in local currency).

Tanzania

Strong growth in mobile customers (+771,000) led to revenue growth of 19% to $91 million (but only 4% on a reported basis as the local currency depreciated by 16% compared to Q2 2014). Voice and SMS revenue were up 10% but the main growth drivers were mobile data (+60%) and MFS (+48%). The EBITDA margin in Q2 reached 35%, up 1 percentage point compared to Q2 2014.

Chad

The second quarter was difficult for Chad with revenue declining by 3% in local currency and 22% in USD, with a subscriber base decline of 51,000. The macro-economic environment is extremely difficult as a result of lower oil prices and increasing security issues which have severely dampened the economic climate. In addition there was a large currency impact on the business. The EBITDA margin declined to 29% due to pressure on revenue and currency impact on our cost structure.

Rest of Africa

Our other African markets experienced excellent momentum with double-digit revenue growth. The rebound started in Q1 in Senegal continued with 22% growth this quarter as we registered 62,000 net adds. The Rwanda growth rate remained strong at +9% with net additions of 81,000, voice growing 4% and data growing 28%. The pace of growth in Ghana remained above 20% as we gained market share and DRC continued to deliver good revenue performance up 22% due also to strong customer intake. The combined EBITDA margin of these 4 countries declined by 0.5 percentage point compared to Q1 2015 to 8.1% due to a tax settlement in DRC and higher costs on call centre in Senegal after a recent decree.

a % change is reported year-on-year change except for ARPU numbers (local currency growth)

Corporate Responsibility (CR)

Following the publication of our 2014 Corporate Responsibility Report in April, Millicom held an ESG investor roadshow in Stockholm in May to present progress against our 5-year CR strategy and roadmap, our compliance programme, and our performance in 2014.

Focus on supply chain monitoring and child protection initiatives

In Q2 Millicom chose EcoVadis as our sustainability monitoring platform for suppliers going forward. Existing suppliers with high annual spend who provide products or services in supplier categories defined as posing a high level of corporate responsibility risk will respond to a self-assessment questionnaire verified by EcoVadis in 2015. The first of two campaigns was launched in Q2 with an invitation sent to 50 suppliers.

In April, Millicom held a ‘child online protection’ workshop in Bolivia with participants from law enforcement, the regulator, ministries, civil society and industry. Three similar workshops are planned for Q3, with a first one in Africa in Rwanda this July. In May, Millicom became a member of the GSMA Mobile Alliance Against Child Sexual Abuse Content. Millicom was invited to present our overall work on child protection at the ITU World Summit on Information Society in Geneva and at UNICEF meetings in the UK and Kenya.

Eleven Millicom operations participated in the International Health and Safety Week in April for the fourth consecutive year, many extending the theme of ‘prevention’ to community outreach providing for example free malaria testing. The Telecoms Safety Passport programme roll out continued across Africa with over 110 engineers trained in Chad and DRC. Tigo Colombia became the first operation to receive OHSAS18001 health & safety certification in May.

Our global crisis management committee was activated following the suicide bombings in N’Djamena in June, ensuring business continuity management and the protection of our staff, assets and customers.

Social Investment

Tigo Ghana was chosen as the “CSR Company of the Year” at the Ghana Telecom Awards in May, where our Ghana CEO Roshi Motman was also recognised as a “female trailblazer” in the telecommunications industry.

Tigo Tanzania, in partnership with the Government of Tanzania and UNICEF, launched the mobile birth registration initiative in Mwanza in May, the second largest city in mainland Tanzania. This will be the second region in which Tigo Tanzania rolls out the initiative, which is set to register over 400,000 children under the age of five by December 2015.

Tigo Ghana has launched a “Shelter4Education” campaign where Tigo builds schools in deprived communities. The commissioning and building of the schools will be followed in a national TV programme to be aired from July 5 to August 16.

Compliance

The updated and revamped Anti-Bribery & Anti-Corruption (ABAC) Policy was approved by the Executive Committee for final approval. The Policy is part of a wider ABAC Programme that covers areas such as risk awareness training, risk management and due diligence of third parties.

Additional information

Reconciliation from Operating Profit to EBITDA

US$m	Q2 15	Q1 15	Q4 14	Q3 14	Q2 14
Operating Profit	**223**	**227**	**224**	**239**	**224**
Depreciation and amortization	337	340	347	309	253
Loss (gain) on disposal/write down of assets, net	1	(2)	17	1	4
Share of gain of Mauritius	-	-	-	-	(2)
EBITDA	**561**	**565**	**588**	**549**	**479**

Reconciliation of Basic EPS to Adjusted EPS

US$m	Q2 15	Q1 15	Q4 14	Q3 14	Q2 14
Net profit attributable to owners of the company	**(99)**	**(46)**	**48**	**165**	**186**
Basic earnings per share ($)	(0.99)	(0.46)	0.48	1.65	1.86
Adjustments for non-operating items*	94	72	7	(86)	(159)
Adjusted net profit attributable to owners of the company	**(5)**	**26**	**41**	**79**	**27**
Adjusted basis earnings per share ($)	(0.05)	0.26	0.41	0.79	0.27

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

Currency Movements

Average foreign exchange rate (vs. USD)		Q2 15	Q1 15	Var %	Q2 14	Var %
Guatemala	GTQ	7.67	7.63	0	7.75	1
Honduras	HNL	22.0	21.81	(1)	20.92	(5)
Nicaragua	NIO	27.08	26.75	(1)	25.77	(5)
Costa Rica	CRC	539.54	542.1	0	555.73	3
Bolivia	BOB	6.91	6.91	0	6.91	0
Colombia	COP	2,521	2,477	(2)	1,920	(31)
Paraguay	PYG	5,029	4,742	(6)	4,422	(12)
Ghana	GHS	3.98	3.42	(16)	2.84	(29)
Senegal	XAF	597.5	529.9	(13)	479.1	(25)
Chad	XAF	597.5	529.9	(13)	479.1	(25)
Rwanda	RWF	713.2	701.6	(2)	685.4	(4)
Tanzania	TZS	1,899	1,764	(8)	1,654	(15)

Summarized Balance Sheet (unaudited)

US$m	30 June 2015	30 June 2014	31 December 2014 (audited)
Total Fixed Assets	10,233	9,547	10,891
Total Current Assets	2,405	2,810	2,372
Assets held for sale	31	14	34
Total Assets	**12,669**	**12,371**	**13,297**
Total Current Liabilities	4,430	4,574	4,572
Total Non-Current Liabilities	5,208	4,635	4,976
Liabilities associated with assets held for sale	1	2	2
Total Equity	**3,030**	**3,160**	**3,747**
Total Equity and Liabilities	**12,669**	**12,371**	**13,297**

Summarized Cash flow (unaudited)

US$m	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating activities	338	336	638	658
Investing activities	(240)	(406)	(505)	(659)
Financing activities	(531)	(408)	(99)	(439)
Exchange gains/(losses) on cash & cash equivalents	(17)	(3)	(47)	(5)
Change in cash & cash equivalents	(450)	(481)	(13)	(445)
Cash & cash equivalents at beginning of the period	1,131	977	694	941
Cash & cash equivalents at end of the period	681	496	681	496

Q2 15 Operating and Financial Highlights

	Total Latin America			Africa			Other [2]			Group		
	Q2 15	Q2 14	% change[1]	Q2 15	Q2 14	% change [1]	Q2 15	Q2 14	% change [1]	Q2 15	Q2 14	% change [1]
Mobile customers (000s)	31,650	29,823	6.1	27,680	22,491	23.1				59,330	52,315	13.4
Mobile ARPU ($)	9.4	10.6	(11.5)	2.6	3.3	(21.0)				6.3	7.6	(16.9)
Cable & Digital RGUs (000s)	5,239	1,344	289.8							5,239	1,344	289.8
Residential cable ARPU ($)	28.8	29.6	(2.8)							28.8	29.6	(2.8)
MFS customers	3,432	2,748	24.9	6,767	4,706	43.8				10,199	7,455	36.8
MFS ARPU ($)	0.9	0.9	0.5	1.1	1.1	(6.6)				1.0	1.1	(10.0)
P&L												
Mobile	889	957	(7.1)	211	220	(4.2)				1,100	1,177	(6.5)
Cable & Digital Media	416	129	222.5	1	-	NA				416	129	222.1
MFS	10	9	10.4	21	17	29.2				31	25	22.7
Other revenue	150	109	38.0	8	8	(4.2)				157	116	35.3
Revenue	**1,464**	**1,203**	**21.7**	**240**	**244**	**(1.8)**				**1,704**	**1,447**	**17.8**
EBITDA	**564**	**485**	**16.1**	**51.9**	**63**	**(17.5)**	**(55)**	**(69)**	**20.9**	**561**	**479**	**17.2**
EBITDA % of revenue	38.5	40.4	-	21.6	25.7					32.9	33.1	
Operating Profit	**289**	**299**	**(3.3)**	**(7)**	**1**	**(800.1)**	**(59)**	**(75)**	**21.3**	**223**	**225**	**(1.0)**
% of revenue	20	25	-	(3)	0	-				13.1	15.5	-
Cash flow												
Capex (including spectrum)	236	229	3.0	54	127	(57.6)		11.1		290	367	(21.0)
% of revenue	16.1	19.1	-	22.4	52.0	-				17.0	25.4	-
EBITDA – Capex	328	256	27.9	(3)	(63)	97.1	(54)	(82)	53.7	271	112	143.4
% of revenue	22	21	-	(1)	(26)	-				16	8	-
Balance sheet												
Net debt	2,105	2,151	(2.2)	246	228	(8.4)	1,929	668	188.8	4,281	3,047	40.5
									Net debt / LTM EBITDA	1.9x	1.6x	

[1] *% change is reported change*

[2] *it includes costs of the Corporate Centre and intercompany eliminations*

Q2 15 Operating and Financial Highlights

	Central America			South America			Total Latin America [2]		
	Q2 15	Q2 14	% change [1]	Q2 15	Q2 14	% change [1]	Q2 15	Q2 14	% change [1]
Mobile customers (000s)	16,044	15,417	4.1	15,606	14,406	8.3	31,650	29,823	6.1
Mobile ARPU ($)	9.7	10.0	(3.7)	9.2	11.3	(18.8)	9.4	10.6	(11.5)
Cable & Digital RGUs (000s)	1,218	1,010	20.7	4,020	334	NA	5,239	1,344	289.8
Residential cable ARPU ($)	27.2	27.6	(1.6)	29.4	34.3	(14.4)	28.8	29.6	(2.8)
MFS customers	2,075	1,439	44.2	1,357	1,309	3.7	3,432	2,748	24.9
MFS ARPU ($)	0.3	0.3	(4.6)	1.9	1.9	(2.8)	0.9	0.9	0.5
P&L									
Mobile	463	466	(0.7)	426	491	(13.1)	889	957	(7.1)
Cable & Digital Media	111	90	23.5	304	39	NA	416	129	222.5
MFS	2	1	49.7	8	7	3.6	10	9	10.4
Other revenue	57	53	8.3	93	56	65.9	150	109	38.0
Revenue	**633**	**610**	**3.7**	**831**	**593**	**40.3**	**1,464**	**1,203**	**21.7**
EBITDA	**291**	**288**	**1.3**	**272**	**198**	**37.7**	**564**	**485**	**16.1**
EBITDA % of revenue	46.0	47.0	-	32.8	33.4	-	38.5	40.4	-
Operating Profit	**174**	**178**	**(2.8)**	**115**	**120**	**(4.0)**	**289**	**299**	**(3.3)**
% of revenue	27	29	-	14	20	-	20	25	-
Cash flow									
Capex (including spectrum)	84	124	(32.7)	152	105	44.8	236	229	3.0
% of revenue	13.2	20.4	-	18.3	17.7	-	16.1	19.1	-
EBITDA – Capex	207	164	24.5	120	93	29.2	328	256	27.9
% of revenue	32.7	26.9	-	14.4	15.7	-	22	21	-
Balance sheet									
Net debt	1,123	1,346	(16.6)	982	806	21.9	2,105	2,151	(2.2)

[1] *% change is reported change*

[2] *net of eliminations between the two regions*

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Unaudited Interim Condensed Consolidated Financial Statements

For the three and six month periods ended 30 June 2015

21 July 2015

We believe in better. We believe in tigo

Unaudited interim condensed consolidated income statement for the six month period ended 30 June 2015

US$ millions	Notes	Six months ended 30 June 2015	Six months ended 30 June 2014
Revenue	6	3,413	2,852
Cost of sales		(1,427)	(1,055)
Gross profit		**1,986**	**1,797**
Sales and marketing		(625)	(608)
General and administrative expenses		(813)	(618)
Other operating expenses		(101)	(118)
Other operating income		3	7
Operating profit	6	**450**	**460**
Interest expense		(222)	(200)
Interest and other financial income		12	8
Revaluation of previously held interest		—	2,250
Other non-operating (expenses) income, net	7	(166)	118
Gain (loss) from associates and joint ventures, net		(25)	4
Profit before taxes from continuing operations		**49**	**2,640**
Charge for taxes, net		(130)	(138)
Profit (loss) for the period from continuing operations		**(81)**	**2,502**
Profit (loss) for the period from discontinued operations, net of tax[1]	4	—	21
Net (loss) profit for the period		**(81)**	**2,523**

Attributable to:			
Owners of the Company		(145)	2,430
Non-controlling interests		64	93

Earnings per common share for profit (loss) attributable to the owners of the Company:			
Basic (US$)	8	(1.45)	24.31
Diluted (US$)	8	(1.45)	24.30

[1] *As a result of amendments to the Online investment agreements in 2014 the loss of path to control requires these businesses to be classified as discontinued operations under IFRS (see note 4).*

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 June 2015

US$ millions	Notes	Three months ended 30 June 2015	Three months ended 30 June 2014
Revenue	6	1,704	1,447
Cost of sales		(717)	(537)
Gross profit		**987**	**910**
Sales and marketing		(311)	(312)
General and administrative expenses		(406)	(310)
Other operating expenses		(48)	(66)
Other operating income		1	2
Operating profit	6	**223**	**224**
Interest expense		(97)	(96)
Interest and other financial income		8	7
Other non-operating (expenses) income, net	7	(94)	159
Gain (loss) from associates and joint ventures, net		(12)	16
Profit before taxes from continuing operations		**28**	**310**
Charge for taxes, net		(91)	(67)
Net (loss) profit for the period		**(63)**	**243**
Attributable to:			
Owners of the Company		(99)	186
Non-controlling interests		36	58
Earnings per common share for profit (loss) attributable to the owners of the Company:			
Basic (US$)	8	(0.99)	1.86
Diluted (US$)	8	(0.99)	1.86

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 six month period ended 30 June 2015

US$ millions	Six months ended 30 June 2015	Six months ended 30 June 2014
Net profit (loss) for the period	(81)	2,523
Other comprehensive income (to be reclassified to the income statement in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(193)	(30)
Change in value of cash flow hedges	(3)	1
Other comprehensive income (not to be reclassified to the income statement in subsequent periods), net of tax:		
Changes in pension obligations	—	—
Total comprehensive income (loss) for the period	**(277)**	**2,494**
Attributable to:		
Owners of the Company	(294)	2,400
Non-controlling interests	17	94

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 30 June 2015

US$ millions	Three months ended 30 June 2015	Three months ended 30 June 2014
Net profit (loss) for the period	(63)	243
Other comprehensive income (to be reclassified to the income statement in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(70)	(14)
Change in value of cash flow hedges	4	(1)
Other comprehensive income (not to be reclassified to the income statement in subsequent periods), net of tax:		
Changes in pension obligations	—	—
Total comprehensive income (loss) for the period	**(129)**	**228**

Attributable to:		
Owners of the Company	(164)	171
Non-controlling interests	35	58

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

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Unaudited interim condensed consolidated statement of financial position as at 30 June 2015

US$ millions	Notes	30 June 2015	31 December 2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	10	5,291	5,503
Property, plant and equipment, net	9	4,286	4,631
Investments in associates		140	185
Investments in joint ventures		61	89
Deferred tax assets		271	294
Call option assets	14	—	74
Amount due from non-controlling interests, associates and joint ventures		26	24
Derivative financial instruments	14	24	—
Other non-current assets		134	91
TOTAL NON-CURRENT ASSETS		**10,233**	**10,891**
CURRENT ASSETS			
Inventories		186	152
Trade receivables, net		499	492
Amounts due from non-controlling interests, associates and joint ventures	13	269	325
Prepayments and accrued income		302	274
Current income tax assets		152	150
Supplier advances for capital expenditure		65	64
Call option assets	14	37	—
Other current assets		96	93
Restricted cash		118	128
Cash and cash equivalents		681	694
TOTAL CURRENT ASSETS		**2,405**	**2,372**
Assets held for sale	4	31	34
TOTAL ASSETS		**12,669**	**13,297**

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

Unaudited interim condensed consolidated statement of financial position at 30 June 2015 (continued)

US$ millions	Notes	30 June 2015	31 December 2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		639	639
Treasury shares		(143)	(160)
Put option reserve	14	(2,513)	(2,513)
Other reserves		(544)	(388)
Retained profits		4,457	2,121
Profit (loss) for the period / year attributable to equity holders		(145)	2,643
Equity attributable to owners of the Company		**1,751**	**2,342**
Non-controlling interests		1,279	1,405
TOTAL EQUITY		**3,030**	**3,747**
LIABILITIES			
Non-current liabilities			
Debt and financing	11	4,750	4,467
Derivative financial instruments	14	61	43
Amounts due to non-controlling interests, associates and joint ventures	13	—	30
Provisions and other non-current liabilities		247	260
Deferred tax liabilities		150	176
Total non-current liabilities		**5,208**	**4,976**
Current liabilities			
Debt and financing	11	336	362
Put option liabilities	14	2,260	2,260
Payables and accruals for capital expenditure		306	371
Other trade payables		323	386
Amounts due to non-controlling interests, associates and joint ventures	13	20	26
Accrued interest and other expenses		527	501
Current income tax liabilities		169	143
Provisions and other current liabilities		489	523
Total current liabilities		**4,430**	**4,572**
Liabilities directly associated with assets held for sale		1	2
TOTAL LIABILITIES		**9,639**	**9,550**
TOTAL EQUITY AND LIABILITIES		**12,669**	**13,297**

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 six month period ended 30 June 2015

US$ millions	Notes	Six months ended 30 June 2015	Six months ended 30 June 2014
Cash flows from operating activities			
Profit (loss) before taxes from continuing operations		49	2,640
Profit (loss) for the period from discontinued operations	4	—	21
Profit (loss) before taxes		**49**	**2,661**
Adjustments to reconcile to net cash:			
Interest expense		222	200
Interest and other financial income		(12)	(8)
Revaluation of previously held interest		—	(2,250)
Other non-operating expenses (income), net		166	(141)
(Gain) loss from associates and joint ventures, net		25	(4)
Adjustments for non-cash items:			
Depreciation and amortization		677	503
Other non-cash items		13	6
Changes in working capital		(181)	8
Interest received (paid), net		(177)	(148)
Taxes paid		(144)	(169)
Net cash provided by operating activities		**638**	**658**
Cash flows from investing activities:			
Purchase of intangible assets and licenses	10	(51)	(165)
Purchase of property, plant and equipment	9	(446)	(440)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	(33)	(59)
Disposal of subsidiaries, joint ventures and associates	5	3	—
Dividend received from associate		6	—
Other cash from (used by) other investing activities		16	5
Net cash used by investing activities		**(505)**	**(659)**
Cash flows from financing activities:			
Proceeds from 6.875% Guatemala bond		—	779
Proceeds from 6% MIC SA bond	11	497	—
Proceeds from other debt and financing		510	302
Acquisition of non-controlling interests	3	(24)	—
Repayment of debt and financing		(720)	(956)
Advances for and dividends to non-controlling interests		(96)	(244)
Dividends paid to owners of the Company		(264)	(264)
Other cash flows from (used in) financing activities		(2)	(56)
Net cash from (used by) financing activities		**(99)**	**(439)**
Exchange gains (losses) on cash and cash equivalents, net		(47)	(5)
Net (decrease) increase in cash and cash equivalents		**(13)**	**(445)**
Cash and cash equivalents at the beginning of the year		694	941
Cash and cash equivalents at the end of the period / year		**681**	**496**

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 six month period ended 30 June 2015 and year ended 31 December 2014

US$ 000s	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital (000's)	Share premium (000's)	Treasury shares (000's)	Retained profits (i) (000's)	Put option reserve (000's)	Other reserves (000's)	Total (000's)	Non-controlling interests (000's)	Total equity (000's)
Balance on 31 December 2013	**101,739**	**(1,895)**	**152,607**	**487,565**	**(172,371)**	**2,383,469**	**(737,422)**	**(185,116)**	**1,928,732**	**152,050**	**2,080,782**
Profit for the period	—	—	—	—	—	*2,429,957*	—	—	*2,429,957*	*93,377*	*2,523,334*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*1,296*	*1,296*	—	*1,296*
Currency translation differences	—	—	—	—	—	—	—	*(30,897)*	*(30,897)*	*1,154*	*(29,743)*
Total comprehensive income for the period	—	—	—	—	—	2,429,957	—	(29,601)	2,400,356	94,531	2,494,887
Purchase of treasury shares	—	(26)	—	—	(2,548)	—	—	—	(2,548)	—	(2,548)
Share based compensation	—	—	—	—	—	—	—	13,138	13,138	—	13,138
Dividends	—	—	—	—	—	(263,978)	—	—	(263,978)	—	(263,978)
Issuance of shares under the LTIPs	—	165	—	(775)	14,991	1,011	—	(15,227)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—	—	805,748	805,748
Deconsolidation of Online	—	—	—	—	—	—	—	—	—	(4,386)	(4,386)
Put option	—	—	—	—	—	—	(1,775,078)	—	(1,775,078)	—	(1,775,078)
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(188,406)	(188,406)
Balance on 30 June 2014	**101,739**	**(1,756)**	**152,607**	**486,790**	**(159,928)**	**4,550,459**	**(2,512,500)**	**(216,806)**	**2,300,622**	**859,537**	**3,160,159**
Profit for the period	—	—	—	—	—	*212,773*	—	—	*212,773*	*64,193*	*276,966*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*(80)*	*(80)*	—	*(80)*
Currency translation differences	—	—	—	—	—	—	—	*(181,636)*	*(181,636)*	*(168,393)*	*(350,029)*
Changes in pension obligations	—	—	—	—	—	—	—	*1,414*	*1,414*	—	*1,414*
Total comprehensive income for the period	—	—	—	—	—	212,773	—	(180,302)	32,471	(104,200)	(71,729)
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—
Share based compensation	—	—	—	—	—	—	—	9,273	9,273	—	9,273
Issuance of shares under the LTIPs	—	—	—	15	—	—	—	—	15	—	15
Change in scope of consolidation	—	—	—	—	—	—	—	—	—	655,252	655,252
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(5,439)	(5,439)
Balance on 31 December 2014	**101,739**	**(1,756)**	**152,607**	**486,805**	**(159,928)**	**4,763,232**	**(2,512,500)**	**(387,835)**	**2,342,381**	**1,405,150**	**3,747,531**
Profit (loss) for the period	—	—	—	—	—	*(145,347)*	—	—	*(145,347)*	*64,381*	*(80,966)*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*(3,060)*	*(3,060)*	—	*(3,060)*
Currency translation differences	—	—	—	—	—	—	—	*(146,261)*	*(146,261)*	*(47,101)*	*(193,362)*
Total comprehensive income for the period	—	—	—	—	—	(145,347)	—	(149,321)	(294,668)	17,280	(277,388)
Purchase of treasury shares	—	(29)	—	—	(2,206)	—	—	—	(2,206)	—	(2,206)
Exercise of stock options	—	45	—	125	4,069	(1,829)	—	(1,350)	1,015	—	1,015
Director shares	—	4	—	19	375	(394)	—	—	—	—	—
Share based compensation	—	—	—	—	—	—	—	13,391	13,391	—	13,391
Dividends (ii)	—	—	—	—	—	(264,429)	—	—	(264,429)	—	(264,429)
Issuance of shares under the LTIPs	—	154	—	(720)	14,098	2,079	—	(15,457)	—	—	—
Change in scope of consolidation (iii)	—	—	—	—	—	(41,250)	—	(2,696)	(43,946)	23,946	(20,000)
Extension of Honduras call option (iii)	—	—	—	—	—	—	—	—	—	3,407	3,407
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(170,733)	(170,733)
Balance on 30 June 2015	**101,739**	**(1,582)**	**152,607**	**486,229**	**(143,592)**	**4,312,062**	**(2,512,500)**	**(543,268)**	**1,751,538**	**1,279,050**	**3,030,588**

(i) Includes profit for the period attributable to equity holders of which at 30 June 2015 $277 million (31 December 2014: $285 million) are undistributable to owners of the Company.
(ii) A dividend of $2.64 per share was approved at the Annual General Meeting in May 2015 and distributed in June 2015.
(iii) 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 20 July 2015 the Board of Directors authorized these 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 condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2014 consolidated financial statements, as disclosed in note 2 of those financial statements. The following changes to standards effective for annual periods starting after 1 July 2014 did not have a significant impact on Millicom:

- IFRIC 21, 'Levies' , which provides guidance on when to recognise a levy imposed by a government;
- Defined Benefit Plans (amendments to IAS 19);
- Annual Improvements projects impacting IFRS 2, Share based payment; IFRS 3; Business Combinations, IFRS 8, Operating Segments; IFRS 13, Fair Value Measurement; IAS 16, Property, plant and equipment; IAS 24, Related party disclosures; and IAS 38, Intangible Assets.

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

Honduras Put and Call Option Extension

On 19 June 2015 Millicom reached agreement with its local partner to extend until 31 December 2015 Millicom's five year unconditional call option to acquire the remaining 33.3% of the Honduran business and in return extend the local partners conditional put option over the 33.3% stake for the same period. As consideration for the extension, Millicom agreed to waive its guarantee fee over local debt of the Honduran business valued at $3.5 million (local partner's portion), and recorded as a financial asset against non-controlling interests. All other terms and conditions of the put and call options remain unchanged (see note 27 of the consolidated financial statements of the Group at 31 December 2014). See also note 14.

Zantel Tanzania

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 is $1 and in addition Millicom will assume $74 million of debt obligations. The final consideration will be subject to values of working capital, and net debt among other items at the date of closing, and a reverse earn-out mechanism based on EBITDA of Zantel until the end of 2019.

At 30 June 2015 the transaction remains conditional and dependent on regulatory approval and normal closing conditions.

Africa Internet Holding GmbH (AIH)

In January and March 2015 Millicom paid an aggregate of Euro 20 million to AIH and in May 2015 the last Euro 5 million. These payments were related to the increase in shareholding from 20% to 33.3% completed in June 2014. In May 2015 Millicom exercised its right not to invest a further Euro 70 million in AIH.

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

Telecable Costa Rica

On 19 December 2014 Millicom signed an agreement to acquire 100% of the shares of Telecable Economico TVE, S.A. a cable operator in Costa Rica, and related intellectual property, for cash consideration of $82.9 million. Regulatory approval was not obtained for the transaction and Millicom has engaged with the regulator for a review of the decision.

Purchase Accounting for 2014 Acquisition of UNE

At 30 June 2015 the purchase accounting for the acquisition of UNE remained provisional. Items in which further information is expected include the impact of the regulatory requirement to return spectrum, and the impact of the tangible and intangible assets related to the spectrum. Further information is expected which will enable finalisation in the three month period to end 30 September 2015.

Other minor acquisitions

During the six month period ended 30 June 2015 Millicom raised its stake in its Rwandan subsidiary from 87.5% to 100% and made other smaller acquisitions for total consideration of $37 million (of which $24 million was disbursed).

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – Online Businesses

On January 21, 2014 as a result of an amendment to the shareholders' agreement, Millicom deconsolidated LIH. The results were classified as discontinued operations and for the three and six month periods ended 30 June 2014 were:

US$ millions	Three and six months ended 30 June 2014
Revenue	4
Operating expenses	(6)
Operating losses	**(2)**
Gain on deconsolidation	23
Profit (loss) after tax from discontinued operations	**21**

Assets Held for Sale - Tower Sale and Leaseback Agreements

At 30 June 2015 Millicom had assets held for sale amounting to $10 million relating to its operations in DRC, Colombia, Ghana and Tanzania (31 December 2014: $12 million) representing towers sold but yet to be transferred to tower companies in those countries.

Assets Held for Sale - UNE 4G Spectrum

In accordance with a merger regulatory approval condition related to the acquisition of UNE (see note 3), spectrum to be returned to the Colombian government with carrying value of $21 million is classified as assets held for sale (31 December 2014: $22 million).

5. DISPOSAL OF SUBSIDIARIES, JOINT VENTURES AND NON-CONTROLLING INTERESTS

MKC Brilliant Services GmbH (LIH)

During March 2015 LIH disposed of its interest in HelloFood and HelloFood declared a Euro 8 million dividend to Millicom, of which $6 million had been received by 30 June 2015.

Other disposals

During the six month period ended 30 June 2015 Millicom disposed of a minor subsidiary for cash consideration of $3 million.

6. SEGMENT INFORMATION

Millicom presents segment information by geographical region (Central America, South America and Africa). Segment information for the six month periods ended 30 June 2015 and 2014 was as follows:

Six months ended 30 June 2015 (US$ millions)	Central America	South America	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**1,262**	**1,663**	**488**	**—**	**3,413**	**—**	**3,413**
Operating profit (loss)	**350**	**233**	**(12)**	**(121)**	**450**	**—**	**450**
Add back:							
Depreciation and amortization	236	316	121	4	677	—	677
Loss (gain) on disposal and impairment of property, plant and equipment	—	(2)	—	1	(1)	—	(1)
Other non-cash items	—	—	—	13	13	—	13
Capital expenditure	(147)	(249)	(82)	(2)	(480)	—	(480)
Changes in working capital	(3)	(86)	(6)	(86)	(181)		
Other movements	(75)	(25)	(21)	(32)	(153)		
Operating free cash flow (i)	**361**	**187**	**—**	**(223)**	**325**		
Total Assets	**6,790**	**4,171**	**1,611**	**1,889**	**14,461**	**(1,792)**	**12,669**
Total Liabilities	**2,144**	**2,606**	**2,040**	**4,641**	**11,431**	**(1,792)**	**9,639**

Six months ended 30 June 2014 (US$ millions)	Central America	South America	Africa	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**1,211**	**1,153**	**488**	**—**	**2,852**	**4**	**—**	**2,856**
Operating profit (loss)	**346**	**241**	**(2)**	**(125)**	**460**	**(3)**	**—**	**457**
Add back:								
Depreciation and amortization	222	155	125	1	503	—	—	503
Loss (gain) on disposal and impairment of property, plant and equipment	3	—	(3)	(2)	(2)	—	—	(2)
Loss (gain) from joint venture	—	—	(4)	—	(4)	—	—	(4)
Other non-cash items	—	—	—	13	13	—	—	13
Capital expenditure	(179)	(176)	(164)	(11)	(530)	—	—	(530)
Changes in working capital	(16)	111	(7)	(80)	8			
Other movements	(6)	13	(45)	(26)	(64)			
Operating free cash flow (i)	**370**	**344**	**(100)**	**(230)**	**384**			
Total Assets	**7,161**	**2,622**	**1,774**	**2,907**	**14,464**	—	**(2,093)**	**12,371**
Total Liabilities	**2,559**	**2,045**	**2,294**	**4,389**	**11,287**	—	**(2,076)**	**9,211**

(i) Only for calculating segments' operating free cash flows, vendor financing of equipment is treated as a cash transaction.
(ii) See note 4.

Segment information for the three month periods ended 30 June 2015 and 2014 was as follows:

Three months ended 30 June 2015 (US$ millions)	Central America	South America	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**633**	**831**	**240**	**—**	**1,704**	**—**	**1,704**
Operating profit (loss)	**174**	**115**	**(7)**	**(59)**	**223**	**—**	**223**
Add back:							
Depreciation and amortization	119	158	59	1	337	—	337
Other non-cash items	—	—	—	7	7	—	7
Capital expenditure	(84)	(152)	(54)	—	(290)	—	(290)
Changes in working capital	(3)	9	4	(47)	(37)		
Other movements	(37)	(4)	10	(21)	(52)		
Operating free cash flow (i)	**169**	**126**	**12**	**(119)**	**188**		
Total Assets	**6,790**	**4,171**	**1,611**	**1,889**	**14,461**	**(1,792)**	**12,669**
Total Liabilities	**2,144**	**2,606**	**2,040**	**4,641**	**11,431**	**(1,792)**	**9,639**

Three months ended 30 June 2014 (US$ millions)	Central America	South America	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**610**	**593**	**244**	**—**	**1,447**	**—**	**1,447**
Operating profit (loss)	**179**	**120**	**—**	**(75)**	**224**	**—**	**224**
Add back:							
Depreciation and amortization	111	78	63	1	253	—	253
Other non-cash items	—	—	(2)	7	5	—	5
Capital expenditure	(124)	(105)	(127)	(11)	(367)	—	(367)
Changes in working capital	(46)	113	(32)	21	56		
Other movements	42	29	4	(29)	46		
Operating free cash flow (i)	**160**	**235**	**(95)**	**(79)**	**221**		
Total Assets	**7,161**	**2,622**	**1,774**	**2,907**	**14,464**	**(2,093)**	**12,371**
Total Liabilities	**2,559**	**2,045**	**2,294**	**4,389**	**11,287**	**(2,076)**	**9,211**

(i) Only for calculating segments' operating free cash flows, vendor financing of equipment is treated as a cash transaction.

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

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

US$ millions	Six months ended 30 June 2015	Six months ended 30 June 2014
Change in redemption price of put options (see note 14)	—	103
Change in fair value of call options (see note 14)	(40)	26
Change in fair value of derivatives (see note 14)	27	(4)
Exchange losses, net	(142)	(16)
Other non-operating income, net	(11)	9
Total	**(166)**	**118**

US$ millions	Three months ended 30 June 2015	Three months ended 30 June 2014
Change in redemption price of put options (see note 14)	1	125
Change in fair value of call options (see note 14)	(40)	26
Change in fair value of derivatives (see note 14)	(9)	—
Exchange losses, net	(45)	8
Other non-operating income, net	(1)	—
Total	**(94)**	**159**

8. EARNINGS PER COMMON SHARE

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

US$ millions	Six months ended 30 June 2015	Six months ended 30 June 2014
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	(145)	2,409
Net profit attributable to owners of the Company from discontinued operations	—	21
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	(145)	2,430
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,127**	**99,982**
Potential incremental shares as a result of share options	21	35
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,148**	**100,017**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(1.45)	24.10
- EPS from discontinued operations attributable to owners of the Company	—	0.21
- EPS for the period attributable to owners of the Company	(1.45)	24.31
Diluted		
- EPS from continuing operations attributable to owners of the Company	(1.45)	24.09
- EPS from discontinued operations attributable to owners of the Company	—	0.21
- EPS for the period attributable to owners of the Company	(1.45)	24.30

US$ millions	Three months ended 30 June 2015	Three months ended 30 June 2014
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations used to determine the earnings per share	(99)	186
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,142**	**99,983**
Potential incremental shares as a result of share options	12	35
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,154**	**100,018**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(0.99)	1.86
Diluted		
- EPS from continuing operations attributable to owners of the Company	(0.99)	1.86

9. PROPERTY, PLANT AND EQUIPMENT

During the six month period ended 30 June 2015, Millicom added property, plant and equipment for $427 million (30 June 2014: $384 million), and received $7 million in cash (30 June 2014: $11 million) from disposals.

10. INTANGIBLE ASSETS

During the six month period ended 30 June 2015, Millicom added intangible assets of $53 million (30 June 2014: $2,950 million), and received $1 million in cash (30 June 2014: nil) from disposals.

11. DEBT AND FINANCING

MIC SA 6% Bond

On 11 March 2015 Millicom issued a $500 million 6% fixed interest bond repayable in 10 years, to repay the El Salvador 8% Senior Notes and for general purposes. The bond was issued at 100% of principal with an effective interest rate of 6.132%. $7.2 million of withheld and upfront costs are amortized over the term of the bond.

El Salvador 8% Senior Notes Redemption

On 18 March 2015 Millicom tendered an offer to early redeem the outstanding $311 million of the $450 million bond issued by Telemovil Finance Co. Ltd in 2010 for $323 million including an early redemption premium of $12 million over the face value of the bonds. The repurchase was completed on 20 April 2015. The early redemption premium of $12 million premium and $4 million of related unamortized costs were included as financial expenses in the income statement in the six month period ended 30 June 2015.

SEK Senior Unsecured Notes Amendment

On 17 March 2015 Millicom obtained consent from its noteholders to amend certain covenant terms and conditions to align to its other credit facilities.

Extension of MIC SA Revolving Credit Facility

In May 2015 Millicom extended both facilities under its $500 million revolving credit facility by one year. At 30 June 2015 $50 million was drawn down on the facility.

Analysis of debt and other financing by maturity

Due within: (US$ millions)	As at 30 June 2015	As at December 31, 2014
One year	336	362
One-two years	259	322
Two-three years	456	549
Three-four years	274	481
Four-five years	360	223
After five years	3,401	2,892
Total debt	**5,086**	**4,829**

At 30 June 2015 the Group's share of debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit, or guarantees issued was $1,465 million (31 December 2014: $1,340 million). Assets pledged by the Group amounted to $5 million at 30 June 2015 (31 December 2014: $9 million).

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at 30 June 2015 and 31 December 2014. Amounts issued to cover bank guarantees are recorded in the consolidated statements of financial position under the caption "Debt and other financing".

US$ millions	Bank and financing guarantees(i)			
	As at 30 June 2015		As at 31 December 2014	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	49	49	111	150
1-3 years	144	144	50	50
3-5 years	333	376	70	70
More than 5 years	—	—	56	55
Total	**526**	**569**	**287**	**325**

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

12. COMMITMENTS AND CONTINGENCIES

Litigation and legal risks

At 30 June 2015, the total amount of claims against Millicom and its operations was $571 million (31 December 2014: $359 million). Of the total amount of claims $25 million (31 December 2014: $22 million) 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. Millicom has filed a legal demand to have the entry corrected to reflect the correct ownership.

Taxation

At 30 June 2015 the estimated amount of potential tax exposures amounted to $506 million of which $59 million have been assessed as probable and tax provisions recorded (31 December 2014: claims amounting to $339 million and provisions of $63 million).

Capital commitments

At 30 June 2015 the Company and its subsidiaries and joint ventures had fixed commitments to purchase network equipment and other fixed and intangible assets from a number of suppliers in total for $417 million of which $391 million are due within one year (31 December 2014: $336 million of which $308 million are due within one year).

13. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were conducted with related parties:

US$ millions (unaudited)	Six months ended 30 June 2015	Six months ended 30 June 2014
Expenses		
Purchases of goods and services (Miffin)	62	60
Lease of towers and related services (Helios and ATC)	19	38
Other	2	10
Total	**83**	**108**
US$ millions (unaudited)	**Three months ended 30 June 2015**	**Three months ended 30 June 2014**
Expenses		
Purchases of goods and services (Miffin)	9	32
Lease of towers and related services (Helios and ATC)	4	12
Other	1	5
Total	**14**	**49**

US$ millions (unaudited)	Six months ended 30 June 2015	Six months ended 30 June 2014
Income / gains		
Sale of goods and services (Miffin)	113	102
Other	2	18
Total	**115**	**120**
US$ millions (unaudited)	**Three months ended 30 June 2015**	**Three months ended 30 June 2014**
Income / gains		
Sale of goods and services (Miffin)	60	43
Other	1	8
Total	**61**	**51**

13. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

As at 30 June 2015 the Company had the following balances with related parties:

US$ millions (unaudited)	At 30 June 2015	At 31 December 2014
Liabilities		
Finance lease payables to tower companies	121	127
Payable to AIH for 13.33% increase (see note 3)	—	31
Other accounts payable	13	26
Total	**134**	**184**

US$ millions (unaudited)	At 30 June 2015	At 31 December 2014
Assets		
Advances to non-controlling interests	258	300
Loan to Helios Towers Tanzania	26	18
Other accounts receivable	11	31
Total	**295**	**349**

14. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 30 June 2015 and 31 December 2014:

US$ millions	Carrying Value		Fair Value	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Financial liabilities				
Debt and financing	5,086	4,829	3,328	3,652
Put options	2,260	2,260	—	—

After initial recognition the call options in Guatemala and Honduras are measured with reference to level 3 of the fair value hierarchy. The corresponding put option liabilities are measured at the present value of their redemption amounts (refer to the 2014 financial statements for more information).

Guatemala Options

At 30 June 2015 the carrying value of the put option provided to our local partner in Guatemala amounted to $1,731 million (31 December 2014: $1,687 million). The loss on movement of the value of the put option for the six month period to 30 June 2015 was $44 million.

At 30 June 2015 the value of the call option from our local partner was $37 million (31 December 2014: $74 million). The fair value of the call option has been determined by using an option pricing model.

If the call option is not exercised or extended beyond its 1 January 2016 expiry date, and in the absence of any other changes to the shareholders agreement with our local partner, the Guatemalan business will be deconsolidated and accounted for as a joint venture in 2016. Such change in accounting treatment would not impact Millicom's share of the results of the business, net income or dividends from the business.

Honduras Options

At 30 June 2015 the carrying value of the put option provided to our local partner in Honduras amounted to $529 million (31 December 2014: $573 million). The gain on movement of the value of the put option for the six month period to 30 June 2015 was $44 million.

As described in note 3, during the six month period ended 30 June 2015 the call and put options were extended to 31 December 2015. At 30 June 2015 the call option from our local partner was valued at its cost of acquisition of $3.5 million (31 December 2014: nil).

14. FINANCIAL INSTRUMENTS (Continued)

If the call option is not exercised or extended beyond its 31 December 2015 expiry date, and in the absence of any other changes to the shareholders agreement with our local partner, the Honduran business will be deconsolidated and accounted for as a joint venture in 2016. Such change in accounting treatment would not impact Millicom's share of the results of the business, net income or dividends from the business.

Currency and interest rate swap and forward contracts

Interest rate and currency swaps on SEK and EUR denominated debt, and Euro and GBP highly probable cash flows are measured with reference to Level 2 of the fair value hierarchy. Changes in values of derivatives are recorded in the caption 'other non-operating (expenses), income, net. Changes in values of effective cash flow hedges are recorded in other comprehensive income. Refer to the 2014 financial statements for more information.

No other financial instruments are measured at fair value.

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

At 30 June 2015 the fair value of the swap amounts to a liability of $61 million (31 December 2014: a liability of $44 million). A loss on the swap of $17 million was recorded in the six months to 30 June 2015.

<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 a seven year Euro 134 million principal and related interest financing of its operation in Senegal. A gain on the swap of $24 million was recorded in the six months to 30 June 2015. At 30 June 2015 the fair value of the swap amounts to an asset of $24 million (31 December 2014: not material).

In July 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 a seven year Euro 41.5 million principal and related interest financing of its operation in Chad. In March 2015 the financing facility was repaid and the swap contracts terminated. A gain on the swap including termination of $4 million was recorded in the six months to 30 June 2015.

<u>Forward currency contracts</u>

In June 2015 Millicom's Tanzanian subsidiary entered into forward contracts to buy in total $16.5 million between 10 July and 10 October 2015 with Tanzanian shillings to manage its exposure to highly probable cash outflows in USD denominated payables falling due within this timeframe.

In June 2015 MIC SA entered into forward contracts to sell in total $26 million between July 2015 and May 2016 and receive Euros and GBP to manage its exposure to highly probably cash outflows in Euro and GBP during this time.

These contracts are accounted for as ineffective cash flow hedges, and had no material fair value at 30 June 2015.

15. SUBSEQUENT EVENTS

Agreement for LIH to sell subsidiaries

On 1 July 2015 Millicom's 35% owned associate LIH agreed to transfer its investments in its operating subsidiaries Kanui and Tricae to Global Fashion Group in a share for share transaction. Global Fashion Group is partly owned by Rocket Internet and Kinnevik. LIH's shareholding in Global Fashion Group will be relative to the value of Kanui and Tricae and the post-merger value of Global Fashion Group.

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