MILLICOM
THE DIGITAL LIFESTYLE

A year of transformation and progress

Millicom's Q4 and FY 2014 Results, 3rd February 2015

We believe in better. We believe in tigo

Millicom International Cellular S.A.

"A year of transformation and progress"

Key highlights of FY 2014

- Revenue of $6.39 billion, up 14.9%
    - Excluding UNE, Group revenue of $5.89 billion - organic growth[(a)] of 9.4%
- EBITDA at $2,093 million – margin at 32.8%
    - Excluding UNE, EBITDA of $1,960 million – 33.3% margin
- Capex of $1,294 million
    - Capex / sales of 19.0% [(b)]
- Adjusted EPS of $1.82
- Net debt of $4.0 billion
    - Net debt / EBITDA at 1.9x
- Board to propose a dividend of $2.64 per share

Key highlights of Q4 2014

- Strong revenue growth of 27.0% to $1,860 million
    - Excluding UNE, Group revenue of $1,544 million - organic growth[(a)] of 10.8%
    - Service revenue growth of 5.7%
- EBITDA at $588 million – 31.6% margin
    - Excluding UNE, EBITDA of $507 million – 32.8% margin
- A very strong fourth-quarter commercial performance:
    - 2.3 million mobile net additions[(c)]
    - More than 1.6 million smartphones sold
    - Mobile data penetration increases to 27.1%

Key financial indicators[d]

$m	Q4 2014[e]	Q4 2013[f]	% change	FY 2014	FY 2013[f]	% change
Revenue	1,860	1,464	27.0%	6,386	5,553	14.9%
Organic revenue growth[(a)]	*10.8%*	*8.2%*	-	*9.4%*	*5.5%*	-
Of which UNE [(g)]	316	N/A	-	498	N/A	-
EBITDA	588	500	18.4%	2,093	1,999	5.0%
Of which UNE	81	N/A	-	133	N/A	-
EBITDA margin	31.6%	34.1%	*(2.5ppt)*	32.8%	36.0%	(3.2ppt)
EBITDA margin excl. UNE	32.8%	34.1%	(1.3ppt)	33.3%	36.0%	(2.7ppt)
Capex / sales ratio [(b)]	24.1%	33.5%	(9.4ppt)	18.9%	19.9%	(1.0ppt)
Capex / sales excl. UNE	24.9%	33.5%	(8.7ppt)	19.0%	19.9%	(0.9ppt)
Adjusted EPS ($) [(h)]	0.41	1.04	(60.6%)	1.82	3.61	(49.6%)

a Organic growth represents year-on year-growth in local currency (excludes the impact of exchange rate changes) and excludes UNE
b Capex ratio excluding UNE, spectrum and licenses
c Excluding 244,000 mobile users at UNE
d FY 2014 includes UNE from 14th August. Q4 2013 and FY 2013 do not include UNE
e Millicom fully consolidates UNE
f Proforma to reflect full consolidation of Guatemala, and equity accounting for Mauritius and Online
g Net of eliminations
h Basic EPS adjusted for non-operating items see page 19 for reconciliation

President's Statement

A year of transformation and progress

Stockholm, 3rd February 2015

"2014 was a year of transformation and rapid progress in executing the digital lifestyle strategy but trading conditions in emerging markets weakened in the fourth quarter. We saw currencies decline in a number of our countries, particularly Colombia. Despite this, we delivered a strong Q4, with revenue growing at an underlying rate of 10.8% - the highest quarterly rate in the year.

This growth is a direct result of the digital lifestyle strategy we began in 2012 and the last quarter has been the most successful to date. Smartphone sales in Q4 exceeded 1.6 million, a further 1.5 million customers became users of our mobile financial services and we surpassed five million revenue generating units in our cable business in Latin America.

The merger with UNE in Colombia was the highlight of 2014. We also launched Tigo Star in Latin America, five satellite pay-TV services and two Tigo Sports TV channels. Tigo Music came to Africa after its stunning success in Latin America. 4G services launched in Chad, Bolivia, Honduras and Rwanda. Our mobile money innovations included interoperability, returns paid on accounts and cross-border payments with currency conversion. These are strong achievements.

We delivered organic revenue growth of 9.4% for the year, at the top end of our guidance for 2014. Group EBITDA (excluding UNE) was $1,960 million, ahead of our own targets. The phenomenal growth and acceleration in smartphone sales through the year diluted our EBITDA margin to below Group guidance, but the margin as a percentage of recurring revenue - a better indicator of overall group progress - was 36.5%. Capex was very much in line with our guidance, resulting in operating free cash flow being slightly better than our expectation at the start of the year.

UNE's solid start in Q3 continued in Q4, adding $498 million to revenue, which broadly in line with our guidance in local currency. EBITDA of $133 million was comfortably ahead of guidance given at the Capital Markets Day 2014 and an EBITDA margin of 26.7% was also ahead of our expectations. The integration is proceeding rapidly and we are well advanced in our plans to integrate the two businesses.

Our drive into Cable continued to gain momentum in Q4. Cable revenue has grown to 22% of group revenue and we expect to see that trend continue. The popularity of our satellite services (DTH), maintained its momentum and we expect more to come. We now pass over 5.6 million households with our cable network and we have over 2.6 million households connected. Close to 40% of our cable customers are enjoying the digital lifestyle with digital TV.

2014 was a year of very strong smartphone adoption, with close to thirteen million users by year-end, an annual growth rate of 94%. Smartphone penetration has reached 24% and, crucially, growth of data revenue continued to outpace the decline in SMS and in voice in certain markets.

We have much to be proud of in 2014 and enter 2015 with confidence. We are however mindful of the more difficult operating environment so will sharpen our focus on effective cost management to maintain the Group's margins and so preserve and enhance cash flow. Progress has been made in Q4 but we will continue to manage the cost base aggressively. The Group leverage reached 1.9x at the end of the year; our objective remains to reduce it towards the middle of our target range of 1.0-2.0x. We expect to increase revenue in 2015 to between $7.1 billion and $7.5 billion, which will generate an EBITDA of between $2.20 billion and $2.35 billion. We remain confident in the execution of the strategy towards our 2017 targets."

Tim Pennington
Interim CEO,
Millicom International Cellular S.A.

2015 Guidance

Millicom guidance[1] for 2015 is:

Revenue:	between $7.1 and $7.5 billion
EBITDA:	between $2.20 and $2.35 billion
Capex[2]:	between $1.25 and $1.35 billion

1) At constant foreign exchange rates and constant perimeter.

2) Capex excludes spectrum and licence costs.

Shareholder remuneration

The Board will propose to the AGM to be convened on 15th May 2015, the payment of a 2014 ordinary dividend of $2.64 per share.

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

We continue to have the ambition to progressively grow ordinary dividends. However our immediate priority will be on reducing Group leverage towards the middle of our target range of 1.0-2.0x Net Debt/EBITDA.

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 3rd February 2015. Dial-in numbers: + 46 (0) 850 336 539, + 352 342 080 8654, + 44 203 427 1916, + 1 212 444 0481. Access code: 772338

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.

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 2013 Annual Report (http://www.millicom.com/media/427498/Millicom_Annual_Report_2013.pdf).

[a] *Adjusted net profit is defined as reported net profit excluding 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)'.*

Significant events of the quarter

Corporate news

1st Oct 2014: Uche Ofodile nominated Tigo DRC General Manager
2nd Dec 2014: Hans-Holger Albrecht to step down as CEO of Millicom
10th Dec 2014: Anders Borg to be nominated to Millicom board
22nd Dec 2014: Millicom's Costa Rica subsidiary announces agreement for the acquisition of Telecable

Business news

22nd Oct 2014: Millicom to drive data take up with smartapps
22nd Oct 2014: Millicom partners with Deezer for Tigo Music in Africa
29th Oct 2014: Millicom Foundation launches to support digital innovators in emerging markets
26th Nov 2014: Tigo Sports launches in Bolivia
3rd Dec 2014: Millicom supports African Union fight against Ebola
11th Dec 2014: UNICEF and Millicom team up for a safer Internet world for children

Financial news

22nd Oct 2014: Publication of Q3 results

Subsequent events

On the 9th of January 2015, Fitch affirmed Millicom's rating at BB+ with a stable Outlook.

Agenda

22nd April 2015:	Q1 2015 results
15th May 2015:	2014 AGM
21st July 2015:	Q2 2015 results
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.

Contents

Section 1 - Financial review

1.1 FY 2014 Summary Income Statement

$m	FY 14			FY 13 [a]
	Group	Excl. UNE[b]	UNE[c]	Group
Revenue	**6,386**	**5,888**	**498**	**5,553**
Cost of sales	(1,694)	(1,527)	(167)	(1,318)
Gross profit	**4,692**	**4,361**	**331**	**4,235**
Operating expenses	(2,599)	(2,401)	(198)	(2,236)
EBITDA	**2,093**	**1,960**	**133**	**1,999**
EBITDA margin	**32.8%**	**33.3%**	**26.7%**	**36.0%**
Depreciation & amortization	(1,158)	(1,023)	(135)	(935)
Other operating income (expenses), net	(11)	(7)	(4)	(21)
Operating profit	**924**	**930**	**(6)**	**1,044**
Net financial expenses	(404)	(390)	(14)	(258)
Other non-operating income (expenses), net	2,461	2,463	(2)	(131)
Gains (losses) from associates & joint ventures	55	55	-	(7)
Profit before tax	**3,036**	**3,058**	**(22)**	**648**
Net tax credit (charge)	(256)	(244)	(12)	(207)
Profit (loss) for the year	**2,780**	**2,814**	**(34)**	**441**
Profit from discontinued operations	21	21	-	(63)
Non-controlling interests	(158)	(175)	17	(149)
Net profit (loss) for the year	**2,643**	**2,660**	**(17)**	**229**

Including UNE, which was consolidated from 14 August 2014, Group revenue was $6.4 billion, with EBITDA of $2.1 billion and an EBITDA margin of 32.8%. Reported net profit for the period was $2.6 billion including a $2.25 billion revaluation of the 55% interest in our Guatemala business, and UNE losses of $17 million. Adjusted EPS was $1.82 down from $3.61 in 2013.

Millicom excluding UNE

Revenue grew to $5.88 billion in 2014 representing organic growth of $516 million (+9.4% year-on-year) partially offset by currency factors which reduced revenue by $200 million (-3.6%). The gross margin at 74.1% was lower compared to last year (76.2%), due to the mix effect of our revenue (handset sales increased by 54% year-on-year and represented 8% of total sales) and to a lesser extent regulatory changes.

Operating expenses increased by 7%. This was largely driven by growth in marketing expenses as well as an increase in corporate costs. In addition $10 million of restructuring costs were incurred during the year including the impact of managed services contracts entered in our African businesses, and redundancies in certain African countries. Corporate costs, which include central costs, regional business development, shared services, regional management and share based compensation, increased from $195 million in 2013 to $258 million largely due to higher levels of activity on new business development and larger shared service and regional functions.

[a] Proforma Comparatives
As a result of the following, the comparative 2013 financial information presented in the results section of this earnings release are presented on a proforma basis: 1/ Full consolidation of Guatemala from January 1, 2014; 2/ A change in accounting standards which required us to equity account for the Mauritian operation from January 1, 2014; 3/ Changes in the Online business investment agreements which required us to equity account for Online in 2014.
b Excluding UNE as if UNE were not part of the group
c All intercompany eliminations between UNE & Tigo ($13 million of revenue) + integration costs of UNE ($3 million) are allocated to UNE

EBITDA of $1.96 billion was 2% lower than 2013, an EBITDA margin dilution of 2.7 percentage points compared to 2013. In addition to a lower gross margin, commercial investments from intensive promotion of smartphones, investments in our Tigo Star brand, and change in country mix contributed to the decline in the EBITDA margin. On a reported basis, Colombia grew by 21%, more than three times faster than the group, and represents 20% of consolidated revenue with an EBITDA margin lower than the group at 25.9% (up from 24.4% in 2013).

Depreciation and amortization were $1,023 million, $88 million higher than last year, mainly due to investments in spectrum, networks, and IT systems and the impact of full consolidation of Guatemala.

Net financial expenses at $390 million were $132 million higher than last year. This reflects the higher level of debt due to the UNE transaction and to a lesser extent one-off costs related to early redemption of part of the El Salvador bond ($12 million).

Other net non-operating income of $2.46 billion largely represents the non-cash revaluation of our 55% interest in Comcel in Guatemala ($2.25 billion). The remaining components include; change in value of the put and call options in respect of Honduras and Guatemala ($360 million); movement in the value of hedging instruments ($21 million), and foreign exchange losses of $178 million.

Net income from associates and joint ventures of $55 million was derived from sale and dilution of investments and our share of the results of tower companies and Online ventures. The effective tax rate was higher than last year mostly due to the change in the mix of profit making and loss making operations (with no deferred tax asset booked in most loss making operations) and the recognition of a deferred tax asset last year at the corporate centre of $79 million. There were no significant changes in the corporate tax rates of our operations during the year. Non-controlling interests increased from $149 million to $175 million, as the contribution to net profit of operations where we do not have 100% ownership increased (Guatemala and Colombia).

UNE Group

UNE contributed more EBITDA than expected when we announced our guidance in September, but revenue suffered from a significant depreciation of the Colombian peso. UNE’s contribution to Millicom’s group revenue amounted to $498 million compared to our guidance of $550 million, an 8.4% shortfall although in local currency the shortfall was 2.9%. UNE EBITDA was $133 million (including $3 million of integration costs and $1 million of intercompany elimination), with a reported EBITDA margin of 26.7%, both measures were above our guidance of $120 million and 21.8%. Depreciation and amortization charges amounted to $135 million. Financial charges were $14 million for the quarter.

1.2 Q4 14 Summary Income Statement

$m	Q4 14			Q4 13 [a]
	Group	Excl. UNE[b]	UNE[c]	Excl. UNE
Revenue	**1,860**	**1,544**	**316**	**1,464**
Cost of sales	(539)	(429)	(110)	(355)
Gross profit	**1,321**	**1,115**	**206**	**1,109**
Operating expenses	(733)	(608)	(125)	(609)
EBITDA	**588**	**507**	**81**	**500**
EBITDA margin	**31.6%**	**32.8%**	**25.7%**	**34.1%**
Depreciation & amortization	(347)	(258)	(89)	(252)
Other operating income (expenses), net	(16)	(10)	(6)	(30)
Operating profit	**225**	**239**	**(14)**	**222**
Net financial expenses	(111)	(101)	(10)	(66)
Other non-operating income (expenses), net	7	8	(1)	(49)
Gains (losses) from associates & joint ventures	29	29	-	11
Profit before tax	**150**	**175**	**(25)**	**119**
Net tax credit (charge)	(88)	(69)	(19)	(5)
Profit for the period	**62**	**106**	**(44)**	**114**
Profit from discontinued operations	-	-	-	(22)
Non-controlling interests	(14)	(36)	22	(36)
Net profit for the period	**48**	**70**	**(22)**	**55**

Group revenue in Q4 was $1,860 million, with EBITDA of $588 million and an EBITDA margin of 31.6%. Net profit for the period was $48 million (including loss of $22 million from UNE). Adjusted EPS was $0.41, down from $1.04 in Q4 2013 and $0.79 in Q3 2014.

Millicom excluding UNE

Revenue grew to $1,544 million in Q4 representing organic growth of $158 million (+10.8% year-on-year) partially offset by currency factors which reduced revenue by $81 million (-5.5%). The gross margin at 72.3% was lower compared to Q3 (73.9%) and 3.4 percentage points below Q4 2013 due to changes in the sales mix, in particular the high level of handset sales in Colombia (+92% year-on-year), as well as the regulatory impact in Paraguay and El Salvador (mobile termination rates were reduced by 47% and 25% respectively, from November 1st).

Operating expenses were unchanged compared to Q4 2013 despite the revenue increase. Marketing expenses were 2% less and administrative costs reduced by 3%. The reduction of our administrative costs during the quarter is particularly satisfying considering $5 million of restructuring costs were incurred in the quarter. These costs related to managed services contracts and restructuring costs in Africa. Corporate costs, which include central costs, regional business development, shared services, regional management and share based compensation, were $63 million compared to $64 million in Q3 and $54 million in Q4 2013. Corporate costs represent 3.4% of revenues (including UNE).

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a Proforma Comparatives
As a result of the following events, the comparative 2013 financial information presented in the results section of this earnings release are presented on a proforma basis: 1/ Full consolidation of Guatemala from January 1, 2014; 2/ A change in accounting standards which required us to equity account for the Mauritian operation from January 1, 2014; 3/ Changes in the Online business investment agreements which required us to deconsolidate Online from Q1 2014.
b Excluding UNE as if UNE were not part of the group
c All intercompany eliminations between UNE & Tigo ($9 million revenues) + integration costs of UNE ($3 million) are allocated to UNE

EBITDA of $507 million, including a $5 million restructuring charge in Africa, was 1% higher than Q4 2013 and 2% higher than Q3 2014. The EBITDA margin of 32.8% declined by 0.6 percentage points compared with the previous quarter. Excluding the restructuring charges, the EBITDA margin was 33.2% vs. 33.7% in Q3 14.

Depreciation and amortization at $258 million was $5 million lower than the last quarter and $6 million higher than the same quarter last year.

Net financial expenses at $101 million were $4 million higher than the last quarter and $35 million higher than the same quarter last year reflecting higher levels of debt related to acquiring UNE.

Net other non-operating income of $8 million largely represents positive non-cash changes in the value of the put and call options in respect of Honduras and Guatemala ($98 million income), a positive movement in hedging instruments ($7 million) and offset by foreign exchange losses ($103 million).

$29 million net gain from associates and joint ventures was derived from sale and dilution of investments and our share of the results of tower companies and Online ventures. Taxes at $69 million were significantly higher than last year ($5 million) mostly due to the recognition of a deferred tax asset at corporate of $79 million in Q4 2013. There were no significant changes in the corporate tax rates of our operations. The share of profit of non-controlling interests was flat in Q4 2014 compared to the same quarter last year.

UNE Group

UNE contributed $316 million to Millicom group revenue and EBITDA of $81 million, with reported EBITDA margin of 25.7%. Integration costs of $3 million were booked in the quarter. Depreciation & amortization charges were $89 million and UNE generated operating losses of $10 million.

1.3 Free Cash Flow

$m	FY 14	FY 13*	*YOY variation (%)*	Q4 14	Q4 13*	*YOY variation (%)*
EBITDA	**2,093**	**1,999**	***+5***	**588**	**500**	***+17***
Net Capex (including spectrum and licenses)	(1,292)	(1,176)	*+10*	(367)	(378)	*(3)*
Change in working capital and others	79	(83)	*N/S*	(29)	143	*N/S*
Operating Cash Flow	**880**	**740**	***+19***	**191**	**265**	***(28)***
Taxes paid	(380)	(385)	*(1)*	(132)	(87)	*+52*
Operating Free Cash Flow	**500**	**355**	***+41***	**59**	**178**	***(67)***
Interest paid, net	(331)	(225)	*+47*	(108)	(85)	*+27*
Free Cash Flow	**169**	**130**	***+30***	**(49)**	**93**	***N/S***
Advances for dividends to non-controlling interests	(300)	(117)	*N/S*	(36)	(28)	*+29*
Equity Free Cash Flow	**(131)**	**13**	***N/S***	**(85)**	**65**	***N/S***

** Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online*

Operating cash flow was $191 million, a 28% decrease from Q4 2013 as the higher EBITDA (+$87 million) was more than offset by an outflow in working capital. The negative working capital of $29 million is mostly due to unfavourable foreign currencies payments.

The fourth quarter saw the highest investment of the year with $367 million of capital expenditure. Capital expenditure in Q4 was on network expansion in coverage, capacity and transmission (mainly in Guatemala, Colombia, Honduras and Paraguay). Fixed infrastructure continued to expand with close to $40 million invested in Latin America. No spectrum investment was made during the last quarter.

Taxes paid were up 52% at $132 million due to the inclusion of UNE in the scope and change in timing of cash taxes by certain operations. Net interest paid was up 27% in Q4 an increase of $23 million as we paid interest on the $800 million bond that financed the acquisition of UNE (bond raised in October 2013 with no interest paid in Q4 2013). Free Cash Flow was an outflow of $49 million compared to an inflow of $93 million last year. Dividends paid to non-controlling interests were up by $8 million to $36 million, leading to an outflow of $85 million in Equity Free Cash Flow.

Capital expenditure

Balance sheet capital expenditure for the year was close to $1.3 billion. We focused our capital expenditure on mobile network coverage and capacity, expanding the footprint of our fixed network, the launch of our DTH services and the expansion of MFS. Spectrum acquisition and renewals amounted to $88 million.

1.4 Net Debt

$m	Q4 14 Gross Debt	Q4 14 Cash	Q4 14 Net Debt *
Central America	**1,550**	**181**	**1,369**
Of which Local currency	453	118	335
South America	**1,350**	**332**	**1,018**
Of which Local currency	1,008	247	761
Of which UNE	486	155	331
Africa	**390**	**189**	**201**
Of which Local currency	173	170	4
Sub-total	**3,291**	**702**	**2,588**
Corporate	1,538	129	1,409
Total	**4,829**	**831**	**3,997**
Proportionate basis	81%	83%	81%

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

Approximately 50% of gross debt in the operations is denominated in local currency or carries no exposure to USD foreign exchange fluctuations. Debt at corporate level amounted to $1.5 billion at 31 December 2014. All debt in Colombia is in local currency. Of gross debt in the operations, $1.6 billion was in currencies other than the country's functional currency ($1.1 billion in Paraguay and Guatemala where the local currencies were relatively stable against the US dollar during the year).

All debt at corporate level was either in US dollars, hedged to the USD or in euro. At the end of 2014, 70% of gross debt (excluding financial leases) was at fixed interest rates, limiting our exposure to interest rate volatility. A 1% increase in the cost of our floating rate debt would have added $13 million to the net financial expenses. 73% of Group gross debt (excluding financial leases of $273 million) was in bonds and 25% from bank financing. Average maturities stand at 5.3 years on Group gross debt. At 31 December 2014, Millicom had $831 million in cash.

Net Debt / EBITDA, based on the last twelve months EBITDA, was 1.9x at 31 December 2014. The Group continuously evaluates opportunities to align the currency of its assets and liabilities in the operational entities.

Section 2 - Operating review

All numbers are in US dollars 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)

2.1 Revenue by business unit and by region

$m	Total		Central America		South America		Africa	
	Q4 14	*YOY growth (%)*	Q4 14	*YOY growth (%)*	Q4 14	*YOY growth (%)*	Q4 14	*YOY growth (%)*
Mobile	1,207	*4*	476	*0*	504	*5*	227	*10*
Cable	414	*15*	93	*7*	320	*39*	-	-
MFS	34	*53*	2	*28*	10	*47*	22	*57*
Other*	204	*70*	72	*29*	125	*126*	8	*5*
Total	**1,860**	***11***	**643**	***4***	**960**	***17***	**256**	***13***

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

Mobile

Mobile service revenue grew by 4% in local currency. Our mobile customer base increased by 2.3 million[a] with growth essentially coming from Africa (Tanzania added over 950,000) and Colombia. During Q4 we sold over 1.6 million smartphones and added 1.9 million new mobile data users, with over 700,000 net additions in Africa and over 1.2 million in Latin America.

SMS revenue continued to decline strongly due to price erosion and cannibalization from data services. Voice growth is slowing despite market share gains in Colombia and customers intake in Africa slightly offsetting a 4.5% year-on-year decline in Central America. Combined voice and SMS revenue declined by 2.5% in Q4.

Data penetration reached 27.1% of our mobile customer base, an increase of 2.2 percentage points compared to the previous quarter and 7.1 percentage points year-on-year. The growth has been achieved through a combination of affordable smartphones, targeted data products and packages like Tigo Music in Latin America, (which we recently launched in certain markets in Africa), and strategic alliances with Facebook in Paraguay and Tanzania. Overall data revenue grew 37% in local currencies in Q4 and 34% for the full year 2014, offsetting the slight decline in voice and SMS.

Cable

Cable and Digital Media Q4 revenue grew by 15.3% in local currency. Total revenue generating units ("RGUs") reached 5.1 million in Q4 (HFC and others), up from 1.3 million one year ago and including UNE from August. The launch of DTH, with more than 85,000 customers by end of 2014, boosted TV RGU growth and fixed broadband internet gained momentum as penetration in the HFC network increased.

The conversion from analogue to digital continued in Q4 with digital subscribers growing 50% compared to the same quarter last year. ARPU in Q4 experienced a small decrease to $28.6 (-1% in local currency). Product innovation continued with the launch of a prepaid product for DTH in Guatemala and Honduras. Including UNE, the number of homes passed in HFC increased by 199,000 in Q4 reaching 5.6 million. We continue to see positive trends on adoption of multiple services per household, reaching 1.8 RGU per household (HFC) in Q4. Also over 46% of our households enjoy high speed internet and 38% have access to Digital TV.

Mobile Financial Services (MFS)

MFS added 1.5 million new users in Q4 and the customer base reached 9.5 million, up 51% in one year. The main contributors to the growth in Q4 were Tanzania, DRC, Honduras and El Salvador. Tanzania added over 537,000 new users, reflecting the Wekeza campaign (interest sharing program) that is driving customer acquisition, transactions, and awareness in the market. Overall MFS revenue was up 53% with average ARPU at $1.21, slightly down due to dilution from new customers.

B2B

We have dedicated new efforts in capturing this market opportunity and initial results are encouraging. We generated organic revenue growth of 16% during Q4 in fixed, and 2% in mobile.

[a] 2.5 million including the 244,000 mobile customers from UNE

2.2 South America

		Q4 2014	Q4 2013	% Change[a]	FY 2014	FY 2013	% Change[a]
KPIs ('000)	Mobile customers	15,140[b]	13,829	9.5			
	MFS customers	1,451	1,292	12.4			
	Cable RGUs (c)	3,677	124	-			
ARPU ($)	Mobile	11.1	12.2	(3.4)	11.3	11.7	(0.2)
	MFS	2.09	1.90	13.1	1.89	1.80	8.7
	Residential Cable	32.4	35.8	(7.1)	33.6	35.0	(1.4)
Financials ($m)	Revenue	960	589	63.0	2,926	2,192	33.5
	EBITDA	307	222	38.3	980	805	21.8
	Capex	193	296	(34.1)	501	587	(14.6)

Q4 revenue increased by 17% organically, (63% on a reported basis) to $960 million. Mobile service revenue reached $504 million (+5%). Cable grew by 39% (excluding UNE) and MFS revenue was up 47%. Mobile handset sales were particularly strong in Q4 (+139%) following very successful Christmas campaigns and regulatory change on subsidies in Colombia.

The data penetration rate has increased by 11.2 percentage points over the last 12 months to 39.0% due to strong growth in smartphones users (+666,000 in Q4, +15% vs. Q3 14). Mobile ARPU declined 3% at constant exchange rates essentially due to the mobile termination rate cut in Paraguay. The number of homes passed (HFC) increased by 158,000 during the quarter to 3.53 million and the ration of RGUs / Homes Connected reached 1.93x. The MFS penetration rate reached 20.9%, up 2 percentage points in 12 months.

Colombia

Q4 was a very strong quarter with revenue of $319 million and EBITDA of $85 million. Revenue grew by 35% in local currency compared to 28% in Q3. The growth this quarter was strongly driven by handset sales (revenue +189% with volumes of 435,000). Commercial momentum remained excellent with 377,000 net additions, the best quarter in the past few years, leading mobile service revenue growth of 15%. Customer demand for mobile data has increased the penetration rate to 32%, up 8 percentage points in 12 months, with 288,000 LTE customers at the end of 2014. We are well positioned for 2015 and the recent regulatory decision on asymmetry of termination rates supports our ambitions in the country. The EBITDA margin (excluding UNE), reached 26.7%, and the margin was 34.4% on recurring revenues. Capex (excluding spectrum) was $70 million. Innovation continues through smart apps, after the success of Tigo Music, and the recently announced partnership with Facebook.

UNE grew 7% in local currency. The growth was driven by Pay-TV and Broadband offsetting a decline of traditional fixed voice revenue. UNE deployed 107,000 new bidirectional homes passed in Q4 14, reaching more than 3.1 million homes with over 1.8 million connected. RGU's reached 3.6 million with 1.95 RGUs per household, and a strong increase in TV subscribers with digital and high definition packages

Paraguay

2014 was a tough year but Q4 showed improvement and bodes well for 2015. In Q4, our revenue grew by 1% in local currency to $197 million with growth from cable and MFS offsetting pressure on our mobile business. Cable grew by 36%, notably from improvement in our TV offers (Tigo Sports) and MFS grew by 46% due to a higher adoption rate and ARPU increase. Our mobile revenue declined by 10% despite a stable market share as we continued to suffer from the effect of previous price cuts and recent termination rate cuts (-47% from November 1). Changes in sales mix and regulations pressured our EBITDA margin (47.5% in Q4 vs. an adjusted EBITDA margin of 49.7% in Q4 13). Capex / sales was 19% this quarter.

Bolivia

Q4 revenue grew by 7% to $129 million with mobile revenue up 3% (mobile data up 60%) and Cable up 56%. The mobile customer base reduced to 3.2 million after cleaning the base. Data penetration continued to grow (51%, up 16 points in 12 months) with 60,000 smartphone sold in the quarter. EBITDA reached $46 million, a margin of 35.5%, broadly in line with the full year.

a % change is reported change except for ARPU numbers (local currency growth)
b Including 244,000 mobile customers from UNE
c HFC only

2.3 Central America

		Q4 2014	Q4 2013[a]	% Change[b]	FY 2014	FY 2013[a]	% Change[a]
KPIs ('000)	Mobile customers	15,787	15,830	(0.3)			
	MFS customers	1,922	892	115.6			
	Cable RGUs [(c)]	1,027	933	10.0			
ARPU ($)	Mobile	10.2	10.1	0.4	10.0	10.1	(0.6)
	MFS	0.34	0.60	(42.8)	0.33	0.63	(46.5)
	Residential Cable	27.0	28.0	(0.1)	27.3	28.0	1.2
Financials ($m)	Revenue	643	618	4.1	2,460	2,405	2.3
	EBITDA	295	273	7.9	1,153	1,138	1.3
	Capex	147	119	23.4	432	372	16.3

Central America Q4 revenue increased by 4% to $643 million. Mobile service revenue was flat at $476 million whilst Cable grew by 7% over the quarter and MFS revenue was up 28%. Mobile handset sales were strong in Q4 (+28%) driven by strong appetite for smartphones (943,000 units sold).

The mobile data penetration rate has increased by 6.9 points over the last 12 months to 27.0% due to strong growth of smartphones users (+924,000, +20% vs. Q3 14). Mobile ARPU was flat at constant exchange rates. The number of homes connected (HFC) increased by 15,000 during the quarter to 705,000 and the ratio of RGUs / Homes Connected reached 1.46x, up from 1.43x the previous quarter. The MFS penetration rate over handsets reached 12.5% up 7 percentage points in 12 months.

Guatemala

Q4 showed a strong commercial performance and the best quarter in terms of mobile net adds since Q1 13 (+175,000) and with very high demand for smartphones: more than 500,000 units sold with penetration rate now above 37%, underlining Tigo's brand recognition in mobile data. Q4 revenue increased by 3% with mobile service revenue modestly up (+1%) as positive volume effects were partially offset by pricing competition with growth of unlimited voice and SMS packages. Cable revenue was up 14% with 11,000 new homes connected in HFC. The strong demand which followed the launch of our DTH platform in August and of our Tigo Star brand early September gives us confidence in revenue growth in 2015. The EBITDA margin was broadly in line with Q4 13 despite the dilution from handset sales. Capex was 69% higher than Q4 13 due essentially to a large B2B contract.

Honduras

Q4 has clearly shown a recovery of our top line momentum with revenue growing 4% ($165 million), up 2% excluding equipment sales. The main driver of this improvement came from mobile which was broadly flat compared with a 5% decline in the first three quarters. After two consecutive quarters of decline, net adds rebounded (+98,000) following a revamp of our product portfolio. The improved upsell potential of our offers, added to strong demand for smartphones (240,000 smartphones sold), lifted ARPU by 5% in Q4. Cable also accelerated (+20% compared to +6% in the first nine months) as we continued to promote our new plans. The EBITDA margin declined to 43% in Q4 (from 48% in Q4 13) following significant commercial investments.

El Salvador

2014 was a challenging year with difficult macroeconomic conditions and intense competition. By the end of the year the market improved with Q4 revenue growing 4% at $115 million (+1% for the year) mainly as a result of handset sales (-3% excluding handset sales) representing 198,000 smartphones. Mobile revenue declined by 6%, a lower decline than the previous quarters, due to improved commercial momentum (+141,000 net adds). Trends in Cable were in line with the full year, revenue increased by 6% and our efforts to increase the MFS penetration rate were successful (29.1%, up 4 percentage points) with revenue up 67%. Q4 EBITDA reached $43 million, a margin of 37.5%, slightly ahead of the FY margin of 37.0%. Capex increased by 56%, reflecting our efforts during the year extending our cable footprint.

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a Pro forma with Guatemala fully consolidated
b % change is reported change except for ARPU numbers (local currency growth)
c HFC only

2.4 Africa

		Q4 2014	Q4 2013	% Change[a]	FY 2014	FY 2013	% Change[a]
KPIs ('000)	Mobile customers	25,350	20,419	24.1			
	MFS customers	6,125	4,093	49.6			
ARPU ($)	Mobile	3.1	3.9	(11.1)	3.3	3.9	(9.0)
	MFS	1.26	1.29	4.8	1.20	1.26	(1.6)
Financials ($m)	Revenue	256	257	(0.1)	1,000	956	4.5
	EBITDA	48	58	(16.8)	219	251	(13.1)
	Capex	116	153	(24.5)	360	325	10.6

Africa Q4 revenue increased by 13% in local currencies to $256 million with unfavourable currency movements offsetting this growth. Mobile service revenue was up 10% at $227 million with voice and SMS growing by 8% and data by 63%. MFS revenue at $22 million was up 58% with all countries experiencing healthy momentum. Handset sales were up +51% in Q4.

Our customer base in Africa experienced grew strongly in Q4 with more than 1.5 million new customers, essentially driven by Tanzania and DRC. This derived from our focus in reducing churn, launching new competitive offers and expanding our network footprint. The data penetration rate has increased by 5.3 points over the last 12 months to 20.1%. EBITDA at $48 million has declined by 17% year-on-year due to adverse currency movements, our commercial efforts as well as $5 million in restructuring charges ($4 million in Q3).

Tanzania

Q4 showed a strong commercial performance: +957,000 mobile net adds, +537,000 additional MFS users, and organic revenue growth was 13% at $98 million (6% on a reported basis). Voice and SMS revenue were up 5% but the biggest growth drivers were mobile data (+56%) and MFS (+53%). The simplification of our product portfolio contributed to gain in market share but mobile ARPU declined due to continued pricing pressure and dilution from new customers. In September we started to offer our MFS users a direct return on balances and this has contributed strongly to the increase of the MFS customer base during the quarter. We believe 2015 will start to show the benefits of the MFS interoperability agreement we signed with Airtel and Zantel in June. The EBITDA margin in Q4 reached 36.7%, down 1.8 points compared to Q4 13, however it was better than the full year trend highlighting the positive impact of a recent cost review.

Chad

Chad delivered a satisfying performance: organic revenue growth was 4% but 5% lower on reported basis due to adverse currency movements. The continued weakness of the Euro against the US dollar adversely affected the local currency which is pegged to the Euro. Mobile service revenue increased by 7% in local currency with voice and SMS revenue, mobile data continued its strong growth in combination with MFS. Our sales mix remains very dependent on voice traffic and the increase of data usage did not offset the pressure on voice. Subscriber numbers increased in the quarter by 6% to 2.7 million. Data penetration reached 7.7%, up 1.1 percentage points. The EBITDA margin decreased by 5.9 percentage points to 36.0%, largely due to increase in regulatory costs.

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

2.5 Corporate Responsibility (CR)

Millicom Foundation: scaling up projects and impact

The Foundation worked with local Tigo teams on evaluating 2014 projects across all operations and planning for 2015. Highlights of global and local projects in Q4 2014 include:

- Signing of an MoU with Ashoka in Q4 2014, a leading global organisation on Social Entrepreneurship to coordinate Tigo's Digital Changemaker Awards in Latin America from 2015 onwards.
- The Foundation's innovation programme gained traction with Tigo Digital Changemaker competitions launched in eight markets. More than 1,000 applications with digital solutions for social impact have been received and reviewed by Tigo volunteers. Winners have been selected and moved to the incubation process.
- A successful project for mobile birth registration in Tanzania in partnership with UNICEF and government of Tanzania which is being replicated in in Rwanda, DRC, Ghana and Senegal. A site visit in Tanzania and workshop with representatives from all operations took place in November.
- A pilot for digital donations and volunteering platform contigo.org was launched in private beta in Paraguay in Q4 2014, in preparation for integration with Tigo money and official public launch during Q1 2015.
- The first version of the Social Impact (SI) and Return on Investment (ROI) measurement framework for local and global social projects has been developed. These will support local country strategies and prioritisation.

Corporate Responsibility

We continued to make good progress in Q4 2014 in all five strategic areas, while preparing new tools and targets for annual CR reporting.

- Diversity: With the appointment of Millicom's new EVP and Chief Talent Officer, we have further aligned our diversity action program with our broader HR strategy and focused on developing metrics to assess best practice and gaps in our markets.
- Child Protection: UNICEF and Millicom announced a three-year alliance to improve respect for children's rights in the telecommunication sector. The collaboration focuses on creating and testing tools for ICT companies to understand and manage material child rights risks, particularly relating to online safety. In Q4, Millicom's first detailed child labour and young workers policy was approved. The policy sets clear age limits for specific tasks and offers guidance on age verification and remediation.
- Reducing environmental footprint: Millicom received results of its first global energy efficiency benchmark from the GSMA, showing good energy efficiency of our networks relative to our main competitors. The results will be used in target setting internally, and featured in more detail in the annual CR Report. Tanzania became the first African country to complete its first e-waste sale successfully according to new guidelines.
- Privacy and freedom of expression: Millicom was appointed to chair the Telecom Industry Dialogue on Freedom of Expression and Privacy in October. Millicom's Lawful Interception Policy Committee agreed on a plan for transparency reporting over the next three years to be started in the 2014 annual CR Report. All operations completed an internal assessment on updated Law Enforcement Assistance guidelines.
- Responsible supply-chain: Communication of the updated Supplier Code of Conduct to suppliers began in Q4. The new Code will now be a required annex to all supplier agreements.

The IOSH Telecoms Safety Passport continued in all pilot operations (Bolivia, Tanzania and Costa Rica). All engineers from these operations have now been trained and accredited. Additionally, these pilot operations all successfully completed external audits against the OHSAS 18001 international standard.

Section 3 – Additional information

Quarterly analysis by region *(unaudited)*

	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13 [a]	Increase Q4 13 to Q4 14
Total mobile customers at end of period ('000s)						
Central America	15,787	15,372	15,417	15,629	15,830	(0.3%)
South America [b]	15,140	14,555	14,406	14,152	13,829	9.5%
Africa	25,350	23,850	22,492	21,848	20,420	24.1%
Total	**56,277**	**53,777**	**52,315**	**51,629**	**50,079**	**12.4%**

	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13 [a]	Increase Q4 13 to Q4 14
Revenue ($m)						
Central America	643	606	610	601	618	4.0%
South America	960	814	593	560	589	63.3%
Of which UNE [c]	*316*	*186*	*N/A*	*N/A*	*N/A*	*N/A*
Africa	256	255	244	244	257	(0.4%)
Total Revenue	**1,860**	**1,674**	**1,447**	**1,405**	**1,464**	**27.1%**
Proportionate revenue	*1,338*	*1,235*	*1,107*	*1,082*	*1,130*	*18.4%*
% proportionate	*72%*	*74%*	*76%*	*77%*	*77%*	

	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13 [a]	Increase Q4 13 to Q4 14
EBITDA ($m)						
Central America	295	282	291	286	273	8.8%
South America	307	276	198	198	222	38.7%
Of which UNE	*81*	*52*	*N/A*	*N/A*	*N/A*	*(10.3%)*
Africa	48	55	63	53	58	
Corporate Costs	(63)	(64)	(73)	(59)	(55)	18.2%
Total EBITDA	**588**	**549**	**479**	**478**	**498**	**18.9%**
Proportionate EBITDA	*407*	*383*	*348*	*353*	*369*	*10.3%*
% proportionate	*69%*	*70%*	*73%*	*74%*	*74%*	

	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13 [a]	Increase Q4 13 to Q4 14
Capex ($m)						
Central America	147	107	125	54	119	23.5%
South America	193	132	105	71	296	(37.2%)
Of which UNE	*64*	*25*	*N/A*	*N/A*	*N/A*	*N/A*
Africa	116	80	127	38	154	(25.3%)
Capex in operations	**456**	**319**	**357**	**162**	**569**	**(21.4%)**
Eliminations	*(3)*	*(8)*	*10*	*1*	*12*	*(75.0%)*
Total Capex	**453**	**311**	**367**	**163**	**581**	**(22.4%)**
Proportionate Capex	*342*	*246*	*301*	*127*	*459*	*(25.5%)*
% proportionate	*75%*	*79%*	*82%*	*78%*	*79%*	

a Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online
b Including 244,000 mobile customers from UNE in Q4
c Net of eliminations between Tigo Colombia and UNE

Reconciliation from Operating Profit to EBITDA

$m	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13*
Operating Profit	**224**	**239**	**224**	**236**	**222**
Depreciation and amortization	347	309	253	250	252
Loss (gain) on disposal/write down of assets, net	16	1	4	(6)	28
Loss (gain) from Mauritius	-	-	(2)	(2)	(2)
EBITDA	**588**	**549**	**479**	**478**	**498**

** Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online*

Reconciliation of Basic EPS to Adjusted EPS

$m	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13*
Net profit attributable to owners of the company	**48**	**165**	**186**	**2,244**	**55**
Basic earnings per share ($)	0.48	1.65	1.86	22.45	0.56
Adjustments for non-operating items**					
Revaluation of previously held interests	-	-	-	(2,250)	-
Other non-operating (income) expenses	7	(86)	(159)	41	49
Adjusted net profit attributable to owners of the company	**41**	**79**	**27**	**35**	**104**
Adjusted basis earnings per share ($)	0.41	0.79	0.27	0.35	1.04

** Proforma to reflect the full consolidation of Guatemala, and equity accounting for Mauritius and Online*

*** 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)		Q4 14	Q3 14	Var %	Q4 13	Var %
Guatemala	GTQ	7.63	7.77	(1.8)	7.90	(3.5)
Honduras	HNL	21.44	21.14	1.4	20.64	3.9
Nicaragua	NIO	26.50	26.11	1.5	25.09	5.6
Costa Rica	CRC	543.91	545.45	(0.3)	505.95	7.5
Bolivia	BOB	6.91	6.91	0.0	6.91	0.0
Colombia	COP	2,155.73	1,915.30	12.6	1,911.02	12.8
Paraguay	PYG	4,601.50	4,329.67	6.3	4,452.67	3.3
Ghana	GHS	3.20	3.09	3.5	2.06	55.0
Senegal	XAF	529.18	497.72	6.3	483.08	9.5
Chad	XAF	529.18	497.72	6.3	483.08	9.5
Rwanda	RWF	690.41	687.45	0.4	671.71	2.8
Tanzania	TZS	1,712.18	1,667.88	2.7	1,606.25	6.6

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Unaudited Interim Condensed Consolidated Financial Statements

For the three month period and year ended December 31, 2014

February 3, 2015

We believe in better. We believe in tigo

Unaudited interim condensed consolidated income statement for the year ended December 31, 2014

US$ millions	Notes	Year ended December 31, 2014	Year ended December 31, 2013[1]	Year ended December 31, 2013 (restated)[2]
Revenue	6	6,386	5,076	4,390
Cost of sales		(2,522)	(1,917)	(1,723)
Gross profit		**3,864**	**3,159**	**2,667**
Sales and marketing		(1,280)	(1,055)	(938)
General and administrative expenses		(1,432)	(1,099)	(985)
Other operating expenses		(236)	(179)	(178)
Other operating income		8	17	17
Operating profit	6	**924**	**843**	**583**
Interest expense		(426)	(276)	(267)
Interest and other financial income		22	23	20
Revaluation of previously held interest	3	2,250	—	—
Other non-operating (expenses) income, net	7	211	(133)	(134)
Gain (loss) from associates and joint ventures, net		55	(7)	210
Profit before taxes from continuing operations		**3,036**	**450**	**412**
Charge for taxes, net		(256)	(182)	(144)
Profit for the year from continuing operations		**2,780**	**268**	**268**
Profit (loss) for the year from discontinued operations, net of tax[1]	4	21	(63)	(63)
Net profit for the year		**2,801**	**205**	**205**
Attributable to:				
Owners of the Company		2,643	229	229
Non-controlling interests		158	(24)	(24)
Earnings per common share for profit attributable to the owners of the Company:				
Basic (US$)	8	26.43	2.30	2.30
Diluted (US$)	8	26.42	2.30	2.30

[1] As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).

[2] As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for Guatemala and Mauritius, which were joint ventures in 2013 (see note 2)

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 December 31, 2014

US$ millions	Notes	Three months ended December 31, 2014	Three months ended December 31, 2013[1]	Three months ended December 31, 2013 (restated)[2]
Revenue	6	1,860	1,338	1,156
Cost of sales		(800)	(533)	(477)
Gross profit		**1,060**	**805**	**679**
Sales and marketing		(343)	(286)	(257)
General and administrative expenses		(432)	(301)	(269)
Other operating expenses		(61)	(52)	(51)
Other operating income		1	3	3
Operating profit	6	**225**	**169**	**105**
Interest expense		(119)	(74)	(75)
Interest and other financial income		8	6	6
Other non-operating (expenses) income, net	7	7	(49)	(51)
Gain (loss) from associates and joint ventures, net		29	11	70
Profit before taxes from continuing operations		**150**	**63**	**55**
Charge for taxes, net		(88)	2	10
Profit for the period from continuing operations		**62**	**65**	**65**
Profit (loss) for the period from discontinued operations, net of tax[1]	4	—	(22)	(22)
Net profit for the period		**62**	**43**	**43**

Attributable to:				
Owners of the Company		48	55	55
Non-controlling interests		14	(12)	(12)

Earnings per common share for profit attributable to the owners of the Company:				
Basic (US$)	8	0.48	0.56	0.56
Diluted (US$)	8	0.48	0.56	0.56

[1] *As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).*

[2] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for Guatemala and Mauritius, which were joint ventures in 2013 (see note 2)*

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 year ended December 31, 2014

US$ millions	Year ended December 31, 2014	Year ended December 31, 2013[1]	Year ended December 31, 2013 (restated)[2]
Net profit for the year	2,801	205	205
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:			
Exchange differences on translating foreign operations	(380)	(73)	(73)
Cash flow hedges	1	7	7
Other comprehensive income (not to be reclassified to profit and loss in subsequent periods), net of tax:			
Changes in pension obligations	1	—	—
Total comprehensive income for the year	**2,423**	**139**	**139**

Attributable to:			
Owners of the Company	2,433	182	182
Non-controlling interests	(10)	(43)	(43)

[1] *As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).*

[2] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for Guatemala and Mauritius, which were joint ventures in 2013 (see note 2)*

Unaudited interim condensed consolidated statement of comprehensive income for the three month period ended December 31, 2014

US$ millions (unaudited)	Three months ended December 31, 2014	Three months ended December 31, 2013[1]	Three months ended December 31, 2013 (restated)[2]
Net profit for the period	62	43	43
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:			
Exchange differences on translating foreign operations	(244)	(15)	(15)
Cash flow hedges	-	(4)	(4)
Other comprehensive income (not to be reclassified to profit and loss in subsequent periods), net of tax:			
Changes in pension obligations	1	—	—
Total comprehensive income for the period	**(181)**	**24**	**24**

Attributable to:			
Owners of the Company	(68)	40	40
Non-controlling interests	(113)	(16)	(16)

[1] *As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).*

[2] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for Guatemala and Mauritius, which were joint ventures in 2013 (see note 2)*

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 December 31, 2014

US$ millions	Notes	December 31, 2014	December 31, 2013	December 31, 2013 (restated)[1]
ASSETS				
NON-CURRENT ASSETS				
Intangible assets, net	10	5,503	2,543	2,458
Property, plant and equipment, net	9	4,631	3,162	2,771
Investments in associates		185	122	122
Investments in joint ventures		89	—	327
Pledged deposits		2	2	—
Deferred tax assets		294	313	312
Other non-current assets		187	83	83
TOTAL NON-CURRENT ASSETS		**10,891**	**6,225**	**6,073**
CURRENT ASSETS				
Inventories		152	140	122
Trade receivables, net		492	320	282
Amounts due from non-controlling interests, associates and joint venture partners		300	303	136
Prepayments and accrued income		283	163	156
Current income tax assets		150	58	56
Supplier advances for capital expenditure		64	63	51
Pledged deposits	3	6	817	817
Other current assets		103	22	77
Restricted cash		128	81	80
Cash and cash equivalents		694	941	909
TOTAL CURRENT ASSETS		**2,372**	**2,908**	**2,686**
Assets held for sale	4	34	14	14
TOTAL ASSETS		**13,297**	**9,147**	**8,773**

[1] As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for Guatemala and Mauritius, which were joint ventures in 2013 (see note 2)

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 December 31, 2014 (continued)

US$ millions	Notes	December 31, 2014	December 31, 2013	December 31, 2013 (restated)[1]
EQUITY AND LIABILITIES				
EQUITY				
Share capital and premium		639	640	640
Treasury shares		(160)	(172)	(172)
Put option reserve	14	(2,513)	(737)	(737)
Other reserves		(388)	(185)	(185)
Retained profits		2,121	2,154	2,154
Profit for the year attributable to equity holders		2,643	229	229
Equity attributable to owners of the Company		**2,342**	**1,929**	**1,929**
Non-controlling interests	3	1,405	152	152
TOTAL EQUITY		**3,747**	**2,081**	**2,081**
LIABILITIES				
Non-current liabilities				
Debt and financing	11	4,467	3,686	3,504
Derivative financial instruments	14	43	23	23
Amounts due to associates and joint venture partners		31	1	1
Provisions and other non-current liabilities		259	162	150
Deferred tax liabilities		176	188	183
Total non-current liabilities		**4,976**	**4,060**	**3,861**
Current liabilities				
Debt and financing	11	362	471	423
Put option liabilities	14	2,260	792	792
Payables and accruals for capital expenditure		371	453	424
Other trade payables		386	277	239
Amounts due to associates and joint venture partners		4	87	84
Accrued interest and other expenses		501	393	369
Current income tax liabilities		143	153	147
Provisions and other current liabilities		545	378	351
Total current liabilities		**4,572**	**3,004**	**2,829**
Liabilities directly associated with assets held for sale	4	2	2	2
TOTAL LIABILITIES		**9,550**	**7,066**	**6,692**
TOTAL EQUITY AND LIABILITIES		**13,297**	**9,147**	**8,773**

[1] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for Guatemala and Mauritius, which were joint ventures in 2013 (see note 2)*

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 year ended period ended December 31, 2014

US$ millions	Notes	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2013 (restated)[1]
Cash flows from operating activities				
Profit before taxes from continuing operations		3,036	450	412
Profit (loss) for the period from discontinued operations	4	21	(63)	(63)
Profit before taxes		**3,057**	**387**	**349**
Adjustments to reconcile to net cash:				
Interest expense (income), net		404	253	247
Revaluation of previously held interest	3	(2,250)	—	—
Other non-operating expenses (income), net		(290)	141	(76)
Adjustments for non-cash items:				
Depreciation and amortization		1,158	875	786
Other non-cash items		33	46	46
Changes in working capital		57	38	39
Interest received (paid), net		(331)	(208)	(198)
Taxes paid		(380)	(322)	(277)
Net cash provided by operating activities		**1,458**	**1,210**	**916**
Cash flows from investing activities:				
Purchase of intangible assets and licenses	10	(184)	(402)	(400)
Purchase of property, plant and equipment	9	(1,128)	(758)	(632)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	7	(4)	(3)
Disposal of joint ventures and associates	5	175	—	—
(Increase) / decrease in pledged deposits		800	(800)	(800)
Other cash from (used by) other investing activities		15	(31)	(18)
Net cash used by investing activities		**(315)**	**(1,995)**	**(1,853)**
Cash flows from financing activities:				
Proceeds from 6.875% Guatemala bond	11	779	—	—
Proceeds from 6.625% bond	3	—	800	800
Proceeds from other debt and financing		569	1,179	1,163
Payment of liabilities from the UNE merger	3	(860)	—	—
Repayment of debt and financing		(1,182)	(1,168)	(1,110)
Other financing activities		(110)	29	29
Advances for and dividends to non-controlling interests		(300)	(25)	(25)
Dividends paid to owners of the Company		(264)	(264)	(167)
Net cash from (used by) financing activities		**(1,368)**	**551**	**690**
Exchange gains (losses) on cash and cash equivalents, net		(22)	1	1
Net (decrease) increase in cash and cash equivalents		**(247)**	**(233)**	**(246)**
Cash and cash equivalents at the beginning of the year		941	1,174	1,155
Cash and cash equivalents at the end of the year		**694**	**941**	**909**

[1] *As a result of adopting IFRS 10, 11 and 12 on January 1, 2014 with retrospective application of equity accounting for Guatemala and Mauritius, which were joint ventures in 2013 (see note 2)*

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 years ended December 31, 2014 and December 31, 2013

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 December 31, 2012	**101,739**	**(2,176)**	**152,607**	**489,014**	**(198,148)**	**2,450,458**	**(737,422)**	**(132,811)**	**2,023,698**	**312,189**	**2,335,887**
Profit for the period	—	—	—	—	—	*229,147*	—	—	*229,147*	*(24,547)*	*204,600*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*6,857*	*6,857*	182	*7,039*
Currency translation differences	—	—	—	—	—	—	—	*(53,903)*	*(53,903)*	*(19,068)*	*(72,971)*
Total comprehensive income for the period	—	—	—	—	—	229,147	—	(47,046)	182,101	(43,433)	138,668
Dividends	—	—	—	—	—	(263,627)	—	—	(263,627)	—	(263,627)
Purchase of treasury shares	—	(44)	—	—	(3,702)	—	—	—	(3,702)	—	(3,702)
Shares issued via the exercise of stock options	—	90	—	(343)	8,166	(4,796)	—	(3,027)	—	—	—
Share based compensation	—	—	—	—	—	—	—	16,871	16,871	—	16,871
Issuance of shares under the LTIPs	—	235	—	(1,106)	21,313	(1,104)	—	(19,103)	—	—	—
Change in scope of consolidation	—	—	—	—	—	1,391	—	—	1,391	(91,834)	(90,443)
Change in deferred tax liabilities	—	—	—	—	—	(28,000)	—	—	(28,000)	—	(28,000)
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(24,872)	(24,872)
Balance on December 31, 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	—	—	—	—	—	*2,642,730*	—	—	*2,642,730*	*157,570*	*2,800,300*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*1,216*	*1,216*	—	*1,216*
Currency translation differences	—	—	—	—	—	—	—	*(212,533)*	*(212,533)*	*(167,239)*	*(379,772)*
Changes in pension obligations	—	—	—	—	—	—	—	*1,414*	*1,414*		*1,414*
Total comprehensive income for the period	—	—	—	—	—	2,642,730	—	(209,903)	2,432,827	(9,669)	2,423,158
Dividends (ii)	—	—	—	—	—	(263,978)	—	—	(263,978)	—	(263,978)
Purchase of treasury shares	—	(26)	—	—	(2,548)	—	—	—	(2,548)	—	(2,548)
Share based compensation	—	—	—	—	—	—	—	22,411	22,411	—	22,411
Issuance of shares under the LTIPs	—	165	—	(760)	14,991	1,011	—	(15,227)	15	—	15
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(193,845)	(193,845)
Change in scope of consolidation (iii)	—	—	—	—	—	—	—	—	—	1,461,000	1,461,000
Deconsolidation of Online	—	—	—	—	—	—	—	—	—	(4,386)	(4,386)
Put option (iii)	—	—	—	—	—	—	(1,775,078)	—	(1,775,078)	—	(1,775,078)
Balance on December 31, 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**

(i) *Includes profit for the year attributable to equity holders of which at December 31, 2014, $285 million (December 31, 2013: $140 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 2014 and distributed in June 2014.*

(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 February 2, 2015 the Board of Directors authorized these interim condensed consolidated financial statements for issuance.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

These unaudited 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 December 31, 2013. Except for the following changes and amendment to standards adopted by the Group for the first time on January 1, 2014, these financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2013 consolidated financial statements, as disclosed in note 2 of those financial statements.

Scope of the reporting entity, a group of standards comprising ***IFRS 10, 'Consolidated financial statements'*** (which replaces all of the guidance on control and consolidation in IAS 27, 'Consolidated and separate financial statements', and SIC-12, 'Consolidation − special purpose entities'), ***IFRS 11 'Joint Arrangements'; IFRS 12, 'Disclosure of interests in other entities';*** and consequential ***amendments to IAS 28, 'Investments in associates'***. As a result of adoption of the standards and amendments on their effective date of January 1, 2014, and the retrospective application of IFRS 11, Millicom's joint venture operation in Mauritius is no longer proportionately consolidated and has been equity accounted from January 1, 2013 until July 4, 2014, the date on which joint control ended (see note 5).

Millicom obtained control of the Guatemalan operation from January 1, 2014 (see note 3). As a result of adoption of the standards and amendments on their effective date of January 1, 2014, and the retrospective application of IFRS 11, Millicom's operation in Guatemala has been equity accounted for the restated comparative period from January 1, 2013.

Amendment to IAS 32, 'Financial Instruments: Presentation', which updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify certain requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group adopted the amendment on its effective date for the accounting period beginning on January 1, 2014 with no significant impact as a result of adoption.

Amendment to IAS 36, 'Impairment of Assets', which amends certain disclosure requirements regarding disclosure of recoverable amounts and measurement of fair value less costs to sell when an impairment loss has been recognized or reversed. There was no significant impact on the Group as a result of adoption.

Amendment to IAS 39, 'Financial Instruments: Recognition and Measurement', which covers novation of hedging instruments to central counterparties. There was no impact on the Group as a result of adoption.

IFRIC 21, 'Levies', which provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', and those where the timing and amount of the levy is certain. There was no impact on the Group as a result of adoption.

Amendment to IFRS 13, Fair Value Measurement' which sets out in a single IFRS a framework for measuring fair value and requires additional disclosures about fair value measurements. Application of IFRS 13 has not materially impacted the fair value measurements of the Group.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (continued)

The impact of applying IFRS 11 is as follows:

Income statement for the year ended December 31, 2013 (restated comparatives in $ millions):

US$ millions	Impact
Decrease in revenue	(686)
Decrease in gross profit	(492)
Decrease in operating profit	(260)
Decrease in profit before tax	(38)

Statement of financial position as at December 31, 2013 (restated comparatives in $ millions):

US$ millions	Impact
Impact on current liabilities	(175)
Impact on non-current liabilities	(199)
Impact on current assets	(222)
Impact on non-current assets	(152)
Net investment in joint venture	327
Net impact on equity	—

Statement of cash flows for the year ended December 31, 2013 (restated comparatives in $ millions):

US$ millions	Impact
Net cash provided by operating activities	(294)
Net cash provided by investing activities	142
Net cash provided by financing activities	139
Net (decrease) in cash and cash equivalents	(13)

There was no material impact on the basic and diluted EPS. The change from proportionate consolidation to equity method did not impact internal management reporting and therefore segment information in note 6.

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

Put and Call Agreement related to Guatemalan Operations

Effective January 1, 2014 Millicom's local partner in Guatemala, Miffin Associates Corp ("Miffin") granted Millicom, for a minimum term of two years, an unconditional call option for its 45% stake in the Guatemalan operations ("Comcel"). In return, Millicom granted Miffin a put option for the same duration, exercisable in the event Millicom sells its 55% interest in Comcel or undergoes a change of control. The call option gives Millicom control of Comcel.

Previously Millicom was dependent on the consent of Miffin for strategic decisions related to Comcel, as the shareholders agreement required a vote of 80% of shares to authorize and approve significant financial and operating policies of Comcel. The call option allows Millicom, unconditionally at any time during the two year period from January 1, 2014 to exercise its right to acquire the 45% stake (and voting rights) of Miffin at a price which Millicom believes represents the strategic value of Comcel.

As a consequence, and in accordance with IFRS 10 'Consolidated Financial Statements' effective January 1, 2014, Millicom fully consolidated Comcel from January 1, 2014. Previously, the results of the Guatemalan operations were proportionately consolidated.

Millicom revalued to fair value its 55% interest in Comcel, and recognized a gain of $2,250 million under other non-operating (expenses) income, net. The goodwill is not deductible for tax purposes.

The fair value of Comcel was determined based on a discounted cash flow calculation. The assets and liabilities recognized as a result of the revaluation were as follows:

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

US$ millions	Fair Value 100%	Historical carrying value of 55% interest
Intangible assets, net	1,401	84
Property, plant and equipment, net	653	349
Other non-current assets	7	4
Current assets (except cash)	332	184
Cash and cash equivalents	54	30
Total assets	**2,447**	**651**
Non-current financial liabilities	324	187
Other long-term liabilities	22	2
Current liabilities	290	160
Total liabilities	**636**	**349**
Fair value of assets and liabilities, net	**1,811**	

Fair value of non-controlling interests (45%)	815
Fair value of Millicom's 55% interest	**996**
Fair value of Millicom's call option	**28**
Goodwill arising on change of control	1,528
Historical carrying value of Millicom's 55% interest in Comcel	(302)
Revaluation of previously held interest	**2,250**

A change of control event may occur at Millicom level which is beyond the control of Millicom. Such an event would trigger the ability of our local partner to exercise his put option at his discretion. Therefore, the put option is a financial liability and Millicom recorded a current liability for the present value of the redemption price of the put option of $1,775 million at January 1, 2014 against a corresponding put option reserve in equity. Millicom's call option is a financial instrument measured at fair value of $28 million at January 1, 2014 (December 31, 2014: $74 million).

Merger of Colombia Móvil and UNE

On October 1, 2013 Millicom signed an agreement with Empresas Públicas de Medellín E.S.P. ("EPM"), the largest public service company in Colombia, whereby, subject to regulatory approval and closing conditions, the parties will combine and merge their mutual interests in Millicom's Colombian operations ("Colombia Móvil"), with UNE EPM Telecomunicaciones S.A. ("UNE"). UNE is the 2nd largest fixed telephony/broadband/subscription TV provider in Colombia. The statutory merger will create a business offering a comprehensive range of bundled digital services including mobile and fixed telephony, mobile and fixed broadband and pay-TV and offer products and services in complementary geographic areas.

By August 14, 2014 all approvals had been obtained, and steps precedent to Millicom obtaining operational control had been completed.

By virtue of a statutory merger between Millicom Spain Cable S.L.(a fully owned subsidiary of Millicom) and UNE, (i) $860 million in cash held by Millicom Spain Cable S.L. ($800 million of which was previously held as pledged deposits) and Millicom's controlling interest into Colombia Móvil were absorbed by UNE and (ii) Millicom obtained 50% -1 stake in UNE. By virtue of the statutory merger from August 14, 2014 Millicom owns a 50% -1 share interest in UNE and has operational control of the merged entity through a majority of voting shares.

Prior to the closing of the transaction, UNE purchased 25% of Colombia Móvil from a third party for $243 million, which was disbursed after August 14, 2014. Accordingly at the closing of the transaction UNE owned 50% -1 share of Colombia Móvil (as it already owned 25% prior to October 1, 2013). Therefore, after closing of the transaction, UNE owns 100% of Colombia Movil. Consequently, before and after the transaction, Millicom keeps control over Colombia Móvil.

Subsequently, UNE paid dividends to EPM for a total of $617 million, which were declared by UNE before the closing of the statutory merger.

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

The cash flows related to the acquisition have been classified as cash outflow from financing activities (payment of liabilities related to the UNE merger). The cash flows were previously classified as cash outflow from investing activities in the three month period ended September 30, 2014.

For the provisional purchase accounting, the fair value of UNE was determined based on transaction and relative values. The non-controlling interest has been measured based on the proportionate share of the fair value of the net assets of UNE. Colombia Móvil remained controlled by Millicom before and after the transaction and therefore there was no requirement to re-measure Millicom's investment in Colombia Móvil.

The purchase accounting was updated as additional information became available regarding fair values of acquired assets and liabilities, but remains provisional at December 31, 2014. Items in which further information is expected include the impact of the regulatory requirement to return spectrum, and the impact of the assets related to the spectrum.

The provisional goodwill, which comprises the fair value of the assembled work force and expected synergies from the merger, is not expected to be tax deductible.

The assets and liabilities recognized as a result of the acquisition were as follows:

US$ millions	Fair Value 100%
Intangible assets (excluding goodwill)	299
Property, plant and equipment	1,417
Other non-current assets	74
Current assets (excluding cash)	348
Cash and cash equivalents	123
Assets held for sale (see note 4)	22
Total assets	**2,280**
Non-current liabilities	413
Current liabilities	608
Total liabilities	**1,021**
Fair value of assets and liabilities acquired, net	**1,259**
Fair value of non-controlling interest proportionate share	646
Millicom interest in fair value	613

Purchase consideration	860
Goodwill	**247**

The fair value of the trade receivables amounted to $177 million.

From the date of acquisition to December 31, 2014, UNE contributed $504 million of revenue and loss of $16 million to profit before tax from continuing operations of the Group. If UNE had been acquired on January 1, 2014 incremental revenue for the year would have been $1,369 million and incremental loss for that period of $18 million. Acquisition related costs were approximately $1 million.

Online Businesses

MKC Brilliant Services GmbH (LIH)

On January 20, 2014 Millicom amended its investment agreement with Rocket regarding its share purchase options for LIH. The amendment restricted Millicom's ability to exercise its Third Option to acquire the final 50% of LIH to no earlier than one year after exercising its Second Option to raise its stake from 35% to 50%. Accordingly, from January 20, 2014 Millicom no longer had the ability to exercise its options to acquire a controlling stake in LIH, and deconsolidated the LIH Group. As a consequence, its investment is accounted for as an investment in an associate at fair value of $70 million at that date, and a $15 million gain from discontinued operations was recognized as a result of the loss of control.

In February 2014 Millicom exercised its first option from 20% to 35% with the purchase price of Euro 50 million paid during the year. On September 17, 2014 Millicom amended its agreements related to LIH whereby its option to increase its shareholding from 35% to 50%, and call option to acquire the final 50% of LIH were cancelled.

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

Africa Internet Holding GmbH (AIH)

On December 13, 2013 Millicom, Rocket and Mobile Telephone Networks Holdings (Pty) Limited ("MTN") signed an agreement whereby MTN will invest in the AIH Group such that, following anti-trust and other requisite clearances and closing conditions, each of the parties will own a 33.33% interest in AIH. By June 25, 2014 the requisite clearances had been obtained and Millicom's stake increased from 20% to 33% and Millicom accounted for its investment as a joint venture from that date. MTN's 33.3% stake has been acquired by cash investment in new shares at a price 20% more than the investment made by Millicom.

At December 31, 2014 Millicom had paid Euro 10 million of the Euro 35 million for its additional stake. Millicom may invest a further Euro 70 million under the agreement.

Telecable Costa Rica

On December 19, 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. The acquisition is subject to customary closing conditions (including regulatory approval), and is expected to close during 2015.

Other minor acquisitions

During the year other smaller acquisitions were made for total consideration of $14 million.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – Online Businesses

As described in note 3, during 2013 as a result of the investment agreement with MTN, Millicom deconsolidated AIH, and from January 21, 2014 as a result of an amendment to the shareholders' agreement, Millicom deconsolidated LIH. Consequently the results of the online businesses were classified as discontinued operations, and for the year and three-month period ended December 31, 2014 were as follows:

US$ millions	Year ended December 31, 2014	Year ended December 31, 2013
Revenue	4	83
Operating expenses	(6)	(144)
Operating losses	**(2)**	**(61)**
Loss from associate (AEH)	—	(2)
Gain on deconsolidation	23	—
Profit (loss) after tax from discontinued operations	**21**	**(63)**

US$ millions	Three months ended December 31, 2014	Three months ended December 31, 2013
Revenue	**—**	27
Operating expenses	**—**	(49)
Operating losses	—	**(22)**
Profit (loss) after tax from discontinued operations	—	**(22)**

Assets Held for Sale - Tower Sale and Leaseback Agreements

At December 31, 2014, Millicom had assets held for sale amounting to $12 million relating to its operations in DRC, Colombia, Ghana and Tanzania (December 31, 2013: $14 million) representing towers sold but yet to be transferred to tower companies in those countries, and equipment and spare parts in most of its African countries to be sold to external providers of maintenance and supply of tower equipment.

Assets Held for Sale - UNE 4G Spectrum

In accordance with the merger approval agreement (see note 3) spectrum to be returned to the government with carrying value of $22 million at August 14, 2014 has been reclassified to assets held for sale.

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

ATC BV dilution

In April 2014, Millicom's stake in ATC BV was diluted from 40% to 18.2% as a result of ATC BV acquiring another operating company. A gain of $29 million was recorded in "gain (loss) from associates and joint ventures, net" representing the difference between the carrying value of the 21.8% dilution and the equity value of the acquired entity.

Sale of ATC BV and Mauritius (Emtel Ltd)

On July 15, 2014 Millicom reached agreement to sell its 18.2% stake in ATC BV to American Tower. This transaction was completed in Q3.

US$ millions	Ownership %	Investment
Emtel Mauritius	50.0%	29
ATC BV	18.2%	73
Total		**102**

On July 15, 2014 Millicom announced that it has reached agreement to sell its 50% investment in Emtel Ltd. This transaction closed in November 2014. Prior to sale the carrying values of the investments were as follows:

Following the sale of Emtel Mauritius and ATC BV, cash consideration of $175 million has been received. The total gain of $73 million has been recognized under the caption "gain / (loss) from joint ventures and associates, net" in the income statement.

Reduction of shareholding in Helios Towers Tanzania

During the year ended December 31, 2014, Millicom reduced its shareholding in Helios Towers Tanzania from 40% to 24.15% realizing a gain on sale of $6 million recorded under gain (loss) from associates and joint ventures, net.

6. SEGMENT INFORMATION

Millicom presents segmental information based on its three geographical regions (Central America, South America and Africa). With respect to the first time application of IFRS 11 (see note 2), the change from proportionate consolidation to equity accounting did not impact our internal reporting for management purposes and therefore has not been reflected in our segment information.

Revenue, operating profit (loss) and other segment information for the years ended December 31, 2014 and 2013 was as follows:

Year ended December 31, 2014 (US$ millions)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**2,460**	**2,926**	**1,000**	**—**	**6,386**	**4**	**—**	**6,390**
Operating profit (loss)	**687**	**529**	**(32)**	**(260)**	**924**	**(3)**	**—**	**921**
Add back:								
Depreciation and amortization	450	446	257	5	1,158	—	—	1,158
Loss (gain) on disposal and impairment of property, plant and equipment	16	4	(2)	(3)	15	—	—	15
Loss (gain) from joint venture	—	—	(4)	—	(4)	—	—	(4)
Other non-cash items	—	—	—	22	22	—	—	22
Capital expenditure	(432)	(501)	(360)	(1)	(1,294)	—	—	(1,294)
Changes in working capital	65	—	107	(115)	57			
Other movements	(188)	(108)	2	(84)	(378)			
Operating free cash flow (i)	**598**	**370**	**(32)**	**(436)**	**500**			
Total Assets	**7,284**	**4,511**	**1,638**	**1,497**	**14,930**	—	**(1,633)**	**13,297**
Total Liabilities	**2,366**	**2,779**	**2,034**	**4,117**	**11,296**	—	**(1,746)**	**9,550**

6. SEGMENT INFORMATION (Continued)

Year ended December 31, 2013 (US$ millions)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**1,884**	**2,192**	**1,000**	**—**	**5,076**	**83**	**—**	**5,159**
Operating profit (loss)	**548**	**510**	**(33)**	**(183)**	**842**	**(61)**	**—**	**781**
Add back:								
Depreciation and amortization	309	302	261	3	875	—	—	875
Loss (gain) on disposal and impairment of property, plant and equipment	1	(7)	51	(16)	29	—	—	29
Loss (gain) from joint venture	—	—	—	—	—	—	—	—
Other non-cash items	—	—	—	17	17	—	—	17
Capital expenditure	(284)	(588)	(333)	(21)	(1,226)	—	—	(1,226)
Changes in working capital	24	(90)	101	3	38			
Other movements	(160)	(30)	50	(56)	(196)			
Operating free cash flow (i)	**438**	**97**	**97**	**(253)**	**379**			
Total Assets	**3,442**	**2,576**	**1,959**	**3,044**	**11,021**	**93**	**(1,967)**	**9,147**
Total Liabilities	**1,640**	**2,041**	**2,257**	**2,932**	**8,870**	**30**	**(1,834)**	**7,066**

(i) Only for calculating segments' operating free cash flows, vendor financing of equipment is treated as a cash transaction.
(ii) See note 4.
(iii) Inclusion of Guatemala on a 100% basis from January 1, 2014 (see note 3).
(iv) Excluding Mauritius from January 1, 2014 (see note 2).

Revenue, operating profit (loss) and other segment information for the three-month periods ended December 31, 2014 and 2013 was as follows:

Three months ended December 31, 2014 (US$ millions)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**643**	**960**	**257**	**—**	**1,860**	**—**	**—**	**1,860**
Operating profit (loss)	**174**	**138**	**(20)**	**(67)**	**225**	**—**	**—**	**225**
Add back:								
Depreciation and amortization	115	163	67	2	347	—	—	347
Loss (gain) on disposal and impairment of property, plant and equipment	6	5	2	3	16	—	—	16
Loss (gain) from joint venture	—	—	—	—	—	—	—	—
Other non-cash items	—	—	—	2	2	—	—	2
Capital expenditure	(146)	(193)	(116)	2	(453)	—	—	(453)
Changes in working capital	63	(76)	33	(51)	(31)			
Other movements	(1)	(7)	29	(55)	(34)			
Operating free cash flow (i)	**211**	**30**	**(5)**	**(164)**	**72**			
Total Assets	**7,284**	**4,511**	**1,638**	**1,497**	**14,930**	—	**(1,633)**	**13,297**
Total Liabilities	**2,366**	**2,779**	**2,034**	**4,117**	**11,296**	—	**(1,746)**	**9,550**

Three months ended December 31, 2013 (US$ millions)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter-company elimination	Total
Revenue	**481**	**589**	**268**	**—**	**1,338**	**27**	**—**	**1,365**
Operating profit (loss)	**125**	**137**	**(54)**	**(39)**	**169**	**(21)**	**—**	**148**
Add back:								
Depreciation and amortization	76	85	75	—	236	—	—	236
Loss (gain) on disposal and impairment of property, plant and equipment	—	—	43	(16)	27	—	—	27
Loss (gain) from joint venture	—	—	—	—	—	—	—	—
Other non-cash items	—	—	—	3	3	—	—	3
Capital expenditure	(101)	(297)	(155)	(11)	(564)	—	—	(564)
Changes in working capital	27	(4)	140	1	164			
Other movements	18	44	(25)	103	140			
Operating free cash flow (i)	**145**	**(35)**	**24**	**41**	**175**			
Total Assets	**3,442**	**2,576**	**1,959**	**3,044**	**11,021**	**93**	**(1,967)**	**9,147**
Total Liabilities	**1,640**	**2,041**	**2,257**	**2,932**	**8,870**	**30**	**(1,834)**	**7,066**

(i) Only for calculating segments' operating free cash flows, vendor financing of equipment is treated as a cash transaction.
(ii) See note 4.
(iii) Inclusion of Guatemala on a 100% basis from January 1, 2014 (see note 3).
(iv) Excluding Mauritius from January 1, 2014 (see note 2).

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

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

US$ millions	Year ended December 31, 2014	Year ended December 31, 2013
Change in redemption price of put options (see note 14)	306	(62)
Change in fair value of call options (see note 14)	46	—
Change in fair value of derivatives (see note 14)	21	(19)
Exchange losses, net	(175)	(52)
Other non-operating income, net	13	—
Total	**211**	**(133)**

US$ millions	Three months ended December 31, 2014	Three months ended December 31, 2013
Change in redemption price of put options (see note 14)	76	(45)
Change in fair value of call option (see note 14)	22	—
Change in fair value of derivatives (see note 14)	7	(7)
Exchange losses, net	(101)	3
Other non-operating income, net	3	—
Total	**7**	**(49)**

8. EARNINGS PER COMMON SHARE

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

US$ millions	Year ended December 31, 2014	Year ended December 31, 2013
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	2,622	292
Net profit (loss) attributable to owners of the Company from discontinuing operations	21	(63)
Net profit attributable to owners of the Company used to determine the earnings per share	2,643	229
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,983**	**99,801**
Potential incremental shares as a result of share options	34	54
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,017**	**99,855**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	26.22	2.93
- EPS from discontinuing operations attributable to owners of the Company	0.21	(0.63)
- EPS for the period attributable to owners of the Company	26.43	2.30
Diluted		
- EPS from continuing operations attributable to owners of the Company	26.21	2.93
- EPS from discontinuing operations attributable to owners of the Company	0.21	(0.63)
- EPS for the period attributable to owners of the Company	26.42	2.30

US$ millions	Three months ended December 31, 2014	Three months ended December 31, 2013
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	48	77
Net loss attributable to owners of the Company from discontinuing operations	—	(22)
Net profit attributable to owners of the Company used to determine the earnings per share	48	55
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,984**	**99,843**
Potential incremental shares as a result of share options	32	34
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,016**	**99,877**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	0.48	0.78
- EPS from discontinuing operations attributable to owners of the Company	—	(0.22)
- EPS for the period attributable to owners of the Company	0.48	0.56
Diluted		
- EPS from continuing operations attributable to owners of the Company	0.48	0.78
- EPS from discontinuing operations attributable to owners of the Company	—	(0.22)
- EPS for the period attributable to owners of the Company	0.48	0.56

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended December 31, 2014, Millicom added property, plant and equipment for $1,094 million, including acquiring control of the Guatemalan operation and UNE (see note 3) (December 31, 2013: $822 million) and received $13 million in cash from disposal of property, plant and equipment (December 31, 2013: $60 million).

10. INTANGIBLE ASSETS

During the year ended December 31, 2014, Millicom added intangible assets of $3,004 million, including acquiring control of the Guatemalan operation and UNE (see note 3) (December 31, 2013: $404 million) and received $7 million of proceeds from disposal of intangible assets (December 31, 2013: nil).

11. DEBT AND FINANCING

MIC SA $500 million revolving credit facility

On June 4, 2014 Millicom reached agreement with a consortium of banks for a $500 million revolving credit facility of which $200 million for a 2 year period and $300 million for a 3 year period.

El Salvador Bond Buy Back

On April 15, 2014 $139 million of the $450 million bonds issued by Telemovil Finance Co. Ltd in 2010 were repurchased in a tender offer to bond holders, for $150 million which included a premium of $9 million over the face value of the bonds.

6.875% Guatemala Bond

On January 30, 2014 Millicom's operation in Guatemala issued an $800 million 6.875% fixed interest rate bond repayable in 10 years, to refinance the Guatemalan operation and for general corporate purposes. The bond was issued at 98.233% of the principal and has an effective interest rate of 7.168%.

Analysis of debt and other financing by maturity

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

US$ millions	As at December 31, 2014	As at December 31, 2013
Due within:		
One year	362	471
One-two years	322	213
Two-three years	549	226
Three-four years	481	1,010
Four-five years	223	212
After five years	2,892	2,025
Total debt	**4,829**	**4,157**

As at December 31, 2014, 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 $1,340 million (December 31, 2013: $764 million). Assets pledged by the Group for these debts and financings amounted to $9 million at December 31, 2014 (December 31, 2013: $819 million).

11. DEBT AND FINANCING (Continued)

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at December 31, 2014 and December 31, 2013. 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 December 31, 201		As at December 31, 2013	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	43	82	34	112
1-3 years	50	50	50	50
3-5 years	70	70	186	255
More than 5 years	56	55	—	—
Total	**219**	**257**	**270**	**417**

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

12. COMMITMENTS AND CONTINGENCIES

Litigation & claims

At December 31, 2014, the total amount of claims against Millicom and its operations was $359 million (December 31, 2013: $668 million of which $1 million related to joint ventures).

$22 million (December 31, 2013: $19 million) has been assessed probable and provided for litigation risks.

Taxation

At December 31, 2014 the group estimates potential tax claims amounting to $339 million of which tax provisions of $63 million have been assessed probable and have been recorded (December 31, 2013: claims amounting to $169 million and provisions of $64 million).

Capital commitments

As at December 31, 2014, 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 of $336 million of which $308 million are due within one year (December 31, 2013: $324 million of which $306 million are due within one year and $41 million related to joint ventures).

Other commitments

Following the increase in shareholding of AIH from 20% to 33% on June 25, 2014, Millicom has a remaining commitment to invest and corresponding liability of Euro 25 million to AIH (see note 3).

Currency and interest rate swap contracts

Interest rate swaps on US$ Floating Rate Debt

In October 2010, Millicom entered into separate interest rate swaps to hedge the interest rate risks on floating rate debt in Honduras and Costa Rica. The interest rate swap in Honduras was issued for a nominal amount of $30 million, with maturity in 2015, and in Costa Rica for a nominal amount of $105 million with maturity in 2017.

On March 31, 2014 Millicom's swap in Costa Rica was cancelled as a result of refinancing of the underlying debt and $2 million recycled from the cash flow hedge reserve to the income statement.

13. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the year ended December 31, 2014:

US$ millions (unaudited)	Year ended December 31, 2014	Year ended December 31, 2013
Expenses		
Purchase of goods and services (Kinnevik)	3	10
Purchases of goods and services (Miffin)	155	134
Purchases of goods and services (non-controlling interest in Colombia)	1	13
Lease of towers and related services (Helios and ATC)	102	95
Total	**261**	**252**

US$ millions (unaudited)	Three months ended December 31, 2014	Three months ended December 31, 2013
Expenses		
Purchase of goods and services (Kinnevik)	1	3
Purchases of goods and services (Miffin)	29	34
Purchases of goods and services (non-controlling interest in Colombia)	—	5
Lease of towers and related services (Helios and ATC)	33	18
Total	**63**	**60**

US$ millions (unaudited)	Year ended December 31, 2014	Year ended December 31, 2013
Income / gains		
Sale of goods and services (non-controlling interest in Colombia)	8	8
Sale of goods and services (Miffin)	213	206
Gain on sale of towers and shares (Helios and ATC)	22	48
Total	**243**	**262**

US$ millions (unaudited)	Three months ended December 31, 2014	Three months ended December 31, 2013
Income / gains		
Sale of goods and services (non-controlling interest in Colombia)	8	—
Sale of goods and services (Miffin)	60	43
Gain on sale of towers and shares (Helios)	16	18
Total	**84**	**61**

13. RELATED PARTY TRANSACTIONS (continued)

As at December 31, 2014 the Company had the following balances with related parties:

US$ millions (unaudited)	At December 31, 2014	At December 31, 2013
Liabilities		
Finance lease payables to tower companies	210	239
Payable to Miffin	10	13
Payable to AIH for 13.33% increase (see note 3)	30	—
Other accounts payable	16	8
Total	**266**	**260**

US$ millions (unaudited)	At December 31, 2014	At December 31, 2013
Assets		
Advances to non-controlling interests	300	148
Loan to Helios Towers DRC	—	35
Loan to Helios Towers Tanzania	24	13
Other accounts receivable	25	16
Total	**349**	**212**

14. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at December 31, 2014 and December 31, 2013:

US$ millions	Carrying Value		Fair Value	
	December 31, 2014 (unaudited)	December 31, 2013 (audited)	December 31, 2014 (unaudited)	December 31, 2013 (audited)
Financial liabilities				
Debt and financing	4,829	4,158	3,652	3,183
Put options	2,260	792	—	—

The call options in Honduras and in Guatemala are measured with reference to level 3 of the fair value hierarchy. The Honduras and Guatemala put option liabilities are financial liabilities carried at the present value of the redemption amount and are therefore excluded from the fair value hierarchy.

Guatemala Options

At December 31, 2014 the carrying value of the put option provided to our local partner in Guatemala amounted to $1,687 million (January 1, 2014: $1,775 million). At December 31, 2014 the value of the call option from our local partner was $74 million (January 1, 2014: $28 million). The change in fair value of the call option of $46 million is recorded under non-operating (expenses) income, net. The fair value of the call option has been determined by using an option pricing model (Monte Carlo simulation using the Longstaff Schwartz algorithm)

A change of control event may occur at Millicom level which is beyond the control of Millicom. Such an event would trigger the ability of our local partner to exercise his put option at his discretion. Therefore, the put option is a financial liability which is measured at the present value of the redemption price.

The redemption price of the put option is based on a multiple of the EBITDA of Comcel. The multiple is based on a change of control transaction multiple of Millicom. Management estimate the change of control transaction multiple of Millicom from a trading multiple of Millicom and add a control premium (based upon comparable transactions).

Honduras Options

At December 31, 2014, the carrying value of put option provided to our local partner in Honduras amounted to $574 million (December 31, 2013: $792 million). At December 31, 2014 the value of the call option from our local partner was not significant (December 31, 2013: not significant).

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

14. FINANCIAL INSTRUMENTS (continued)

Interest rate and currency swaps on SEK denominated debt

The currency portion of the swap has been accounted for as a fair value hedge and related fluctuations have been recorded through profit and loss. For the interest portion, as the timing and amounts of the cash flows under the swap agreements match the cash flows under the bonds the swaps are highly effective. Cash flow hedge accounting has been applied and changes in the fair value of the swaps are recorded in other comprehensive income. At December 31, 2014 the fair value of the swap amounts to a liability of $44 million (2013: an asset of $4 million).

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 a seven year Euro 134 million principal and related interest financing of its operation in Senegal. At December 31, 2014 the fair value of the swap amounts to a liability of $1 million (2013: liability of $15 million).

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. At December 31, 2014 the fair value of the swap amounts to $1 million (2013: liability of $5 million).

These financings are connected to the downstreaming of a portion of Millicom’s 4.75% bond. These hedges are considered ineffective, with fluctuations in the value of the hedges recorded through profit and loss.

No other financial instruments are measured at fair value.

15. SUBSEQUENT EVENTS

There were no significant events subsequent to December 31, 2014 and up to the date of this report.

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