Millicom International Cellular S.A.

(A public limited liability company (société anonyme)
incorporated under the laws of Luxembourg)

(Registration number RCS B 40 630)

Management Report and Interim Condensed Financial Statements for the six month period ended 30 June 2017

We believe in better. We believe in tigo

MILLICOM
THE DIGITAL LIFESTYLE

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Millicom International Cellular S.A.
"Best quarter ever for net subscriber additions"

Q2 2017 Highlights [i]

- Best quarter ever for net additions of 4G mobile and HFC customers
  - 1.2 million 4G mobile net additions to 5.0 million subscribers
  - 68,000 new HFC homes connected to 2.2 million
- High-speed data network expansion continues at a brisk pace, consistent with our strategic goals
  - 328,000 new HFC homes passed – 1.2 million added in last twelve months
  - Raising our long-term ambition to 15 million homes passed.
- Service revenue 0.2ppts higher than Q1 at -1.3%
  - Five out of six Latam countries showing better growth in Q2 than Q1 [ia]
- Group EBITDA declined 1.3% organically as market conditions remain challenging in Africa region.
- Solid cash flow generation continues, with H1 equity free cash flow [ib] up $82 million year-on-year
- Further balance sheet optimisation with agreement to sell 1,200 towers in Colombia

Summary of key financial indicators

$m *(excluding Senegal)*	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change
Revenue	1,517	1,540	-1.5%	3,022	3,039	-0.6%
Organic growth [ii]	*-1.8%*	*0.3%*		*-2.0%*	*1.0%*	
Service revenue	1,423	1,439	-1.1%	2,843	2,846	-0.1%
Organic growth [ii]	*-1.3%*	*1.7%*		*-1.4%*	*2.7%*	
EBITDA	535	538	-0.5%	1,090	1,077	1.2%
Organic growth [ii]	*-1.3%*	*2.4%*		*-0.7%*	*4.3%*	
EBITDA margin	35.3%	34.9%		36.1%	35.5%	
Capex (ex spectrum)	242	216	12.2%	396	411	-3.6%
OCF (EBITDA – Capex)	293	322	-9.0%	694	667	4.1%

Millicom Chief Executive Mauricio Ramos commented:

"We are pleased with our Q2 results. Overall, our Latam operations saw continued signs of improvement; it was our strongest ever quarter in terms of customer net additions for both our mobile 4G and our fibre-cable network; we are getting better at deploying our HFC network faster and more cost-effectively; and we continue to see strong customer ARPU. As a result, we are raising our long-term ambition to reach 15 million homes passed over the long term, up from our previous target of 12 million previously.

Although we still face challenges in the Latam region, results to date are progressing mostly in line with our plans. Revenue growth is improving in all Latam markets except Colombia, driven by robust growth in mobile data and in our Home segment. In Colombia, where we still have a lot of work to do, the strong customer growth during Q2 gives me confidence that the second half of the year will be better than the first.

i The financial information presented in this earnings release is with Guatemala (55% owned) & Honduras (66.7% owned) as if fully consolidated. IFRS Revenue was $1,048 million in Q2 2017; see page 18 for reconciliation with IFRS numbers. With the exception of balance sheet items, the comparative 2016 financial information in this earnings release has been adjusted for the classification of our operations in Senegal as discontinued operations (in accordance with IFRS 5).

ii Organic growth represents year-on-year growth in local currency at constant perimeter, and includes regulatory changes. See page 20 for reconciliation with reported measures. See page 19 for definition of Alternative Performance Measures.

iii Equity Free Cash Flow is Operating Cash Flow less taxes paid, interest paid (net) and advances for dividends to non-controlling interests.

We continue to rapidly expand our high-speed data networks to meet the growing needs of our customers, eager to adopt the Digital Lifestyle. At the same time, we strive to be a responsible corporate citizen and have a positive impact in the countries and communities where we operate. I am very proud that we were recently recognized as a Top 20 Great Places To Work in Latin America, and we received the prestigious Andesco Award for Corporate Social Responsibility in Colombia.

In Africa, our primary objective this year is to ensure that the region can fund itself going forward. We remain confident that we will achieve this goal in 2017 notwithstanding the challenging operating conditions that we have seen year-to-date.

At the Group level, we remain laser-focused on identifying and extracting operating efficiencies, and we produced 40 basis points of margin expansion year-on-year while delivering significant customer net additions during the quarter."

2017 Outlook

Our 2017 full year outlook, based on constant currency and at a constant perimeter with Guatemala and Honduras fully consolidated, remains unchanged as summarized in the table below. We expect results near the low-end of this guidance, mostly to reflect weaker than expected results from our African operations. We continue to anticipate achieving equity free cash flow breakeven for the Africa region. Meanwhile, our Latin America region is trending in line with our expectations.

	Outlook
Service revenue [(a)]	Low single-digit % organic growth
EBITDA	Mid-to-high single-digit % organic growth
Capital expenditure	In line with 2016
Operating Cash Flow [(b)]	Growth around 10%

[(a)] *Service revenue is Group revenue excluding telephone and equipment sales*

[(b)] *Operating Cash Flow is EBITDA less capex (excluding spectrum and license costs)*

Subsequent Events

On July 4, 2017, our Paraguayan subsidiary signed a five-year loan agreement with the IPS (Instituto de Prevision Social) and the Inter-American Development Bank for a total amount of PYG 367,000 million (approximately US$66 million). The loan, denominated in local currency, will carry a 9.75% interest rate and start amortizing in Q4 2019.

On Friday July 14, 2017, the International Commission Against Impunity in Guatemala (CICIG), disclosed an ongoing investigation into alleged illegal campaign financing that includes a competitor of Comcel, our Guatemalan joint venture. The CICIG further indicated that the investigation would include Comcel. Currently, we have no further information regarding the scope or status of the investigation.

On July 18, 2017, we announced that our subsidiary, Colombia Móvil ("Tigo"), signed an agreement to sell approximately 1,200 wireless communications towers to a subsidiary of American Tower Corporation in Colombia. As a result, Tigo will receive approximately COP 448 billion, equivalent to US$147 million, in cash.

Conference call details

A presentation and conference call to discuss these results will take place on 20 July 2017 at 2:00 PM (Stockholm) / 1:00 PM (London) / 8:00 AM (New York). Please dial in 5-10 minutes before the scheduled start time to register your attendance. Dial-in numbers for the call are as follows:

Sweden:	**+46 (0) 8 5065 3942**	**UK:**	**+44 (0) 330 336 9411**
US:	**+1 719-325-2226**	**Luxembourg:**	**+352 2787 0187**

The access code is: 5088688
A live audio stream and slides of the analyst presentation can also be accessed at www.millicom.com.

Financial calendar

24 October 2017 (after US market close) - Third Quarter 2017 Results
25 October 2017 - Third Quarter 2017 Results Conference Call

Contacts

Investors	Press
Michel Morin +352 277 59094 Mauricio Pinzon +44 (0) 20 3249 2460 investors@millicom.com	Vivian Kobeh +352 277 59084 press@millicom.com

Risks and uncertainty factors

Millicom recognizes that risks in operating its businesses are influenced by both internal and external factors, some of which are outside our control, and some of which cannot be insured against. Risks are inherent in business and Millicom accepts these risks to the extent that opportunities for sufficient returns exist and that systems and controls are in place and are operating effectively to manage risks to an acceptable level (the “residual risk”).

Millicom’s approach to risk management is utilized by our operating countries, business units and corporate functions. Key strategic and operating risks are assessed from an overall Group perspective, as well as by individual country and business unit. Risk action plans that seek to balance risks with returns are developed, implemented and modified over time as the underlying risks evolve. Action steps are implemented both globally and locally by country executives and key decision makers.

A network of risk officers is in place at headquarters and each significant operating country level. The risk function is tasked with identifying, analysing, monitoring and coordinating Millicom’s approach to balancing risk with return and reporting to the Executive Team. The Audit Committee, on behalf of the Board, reviews the effectiveness of risk function activities on a regular basis.

Risk Landscape

Millicom operates its businesses and generates substantially all of its income in emerging markets in Central America, South America and Africa. As Millicom does not operate in any developed market economies, it is exposed to a higher inherent degree of risk, and potentially different risks than telecommunications businesses operating in larger, more established and mature economies. The geographical diversification of Millicom’s businesses mitigates, to a certain extent, country specific events or situations that impact risks the Group faces as a whole. However, our businesses remain collectively exposed to the impact of regional and global macro-economic conditions, as well as industry developments.

Certain inherent risks are prevalent in many of these markets, over which Millicom has no or limited control. The risks described below are not the only risks to which Millicom and the Group are exposed. Additional risks that are not currently known to Millicom, or that Millicom currently considers to be immaterial, could have a material adverse effect on Millicom's and the Group's business. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.

- **Potential improper payments on behalf of the Guatemala joint venture**

On 21 October 2015, Millicom reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Group's joint venture in Guatemala. A special committee of the Company's Board of Directors made the decision to report in connection with an independent investigation overseen by the special committee and conducted by an international law firm, with the support of the Group's management team. Any remedial actions the Group may take as a result of its investigation, or penalties imposed on the Group by law enforcement authorities, could adversely affect the Group's business, financial condition or results of operation.

As the investigation and its discussions with law enforcement authorities are ongoing, we cannot predict the ultimate outcome of the matter, whether any remedial actions will be implemented or the impact on the Group's business, financial condition or results of operations. Any determination by law enforcement authorities that the Group's operations or activities are not, or were not, in compliance with applicable laws could result in the imposition of substantial fines, interruptions of business, loss of partner relationships and other legal or equitable sanctions, which could disrupt the Group's business and result in a material adverse effect on the Group's reputation, business, results of operations or financial condition. Other internal or government investigations or legal or regulatory proceedings, including lawsuits brought by private litigants, including Millicom’s shareholders, may also follow as a consequence.

- **Competition and new business models**

Millicom has now evolved from an operator of traditional mobile businesses to a provider of a comprehensive range of services through fixed line, mobile, satellite and Mobile Financial Service platforms. Failure to setup business structures and models that facilitate efficient and effective operation could negatively impact competitive positions, and business value.

- **Political and regulatory risk.**

Millicom’s markets experience political and regulatory volatility, with policy making and implementation and enforcement of rules and law often lacking in transparency and predictability. Avenues for recourse may be limited or ineffective. Millicom’s ability to achieve its business objectives may be negatively impacted by political, regulatory, judicial or civil factors in which Millicom has limited or no control over.

- **Macro-economic conditions (in particular currency fluctuations, GDP, inflation and consumer spending power).**

Unfavorable macro-economic conditions (including local currency devaluation against the US dollar, inflation and other factors impacting consumer spending power) may reduce customer ARPU and Millicom’s dollar-based results and cash flows.

- **Executing/delivering on the strategy**

Failure or inability to formulate and implement the right business models, at the right time, and the right speed, with the right strategic partners and suppliers, and the right internal resources could significant impact Millicom’s ability to meet its strategic goals.

- **Business practice management**

Failure to implement strong standards of business practice management that incorporate the needs of all stakeholders, may result in incidents which have a significant and long-lasting negative impact on Millicom’s business, relationships with key stakeholders, and shareholder value.

- **Brand and reputation risk**

Failure to have appropriate and effective protective and/or reactive measures to prevent, or limit exposure to brand and reputation damage could have a significant negative and long-lasting impact on Millicom's business, relationships with key stakeholders, and shareholder value. Failure to leverage Millicom's brands to capitalize on new opportunities, to develop consumer trust, and operate as a multi-service cross industry and continent provider may restrict growth of brand value.

- **Robustness, reach and reliability of networks and IT systems**

Disruption in operation or quality, whether through technical issue, forced shutdown, interference (intentional or unintentional) or any other reason, directly impacts Millicom's ability to provide service and generate revenue from its customers.

- **Licenses to operate and spectrum**

Rights to use spectrum and licenses to operate are increasingly expensive and scarce.

- **Legislation, litigation and legal environments**

Millicom has limited control over or ability to affect the legislative, and judicial environments in the countries in which it operates. Penalties, fines, damages, restrictions, disqualifications or other legislative changes may be imposed impacting Millicom's business (including anti-trust, information privacy, and financial regulation).

- **Risk management, internal control and assurance**

Millicom conducts its business in multiple countries with many employees, suppliers and other stakeholders undertaking many different activities and roles. Deficiency or lack of effectively functioning risk management, internal control and assurance processes and procedures leading to inefficient, weak, or inadequate processes and procedures, resulting in value reduction or loss of opportunity.

- **Compliance with rules, regulations, policies and procedures**

The legal and regulatory environment, expanded complexity and scope of Millicom's businesses, as well as the needs and demands of stakeholders are driving the need for comprehensive, effective and efficient compliance programs and procedures.

- **Attracting, developing and retaining the right people**

Lack of required skills and experience, or lack of engagement may lead to underperformance and high turnover, lack of or misaligned incentives that encourage unwanted behaviour.

- **Safety of our people**

The vast majority of Millicom employees live and work in emerging market economies. Many of these countries have security issues, including civil unrest, armed and organized criminal activity and, to a lesser extent, threat of terrorism. As a result, Millicom employees, in carrying out their daily jobs, are exposed to situations which may threaten their personal security.

For a more detailed description of risks and Millicom's approach to risk management, refer to the 2016 Annual Report (http://www.millicom.com/investors/reporting-centre/).

Group Internal Controls and Preparation of Financial Statements

Millicom's financial statements are prepared based on an internal control manual which comprises the principles and key control areas for major functional and operational processes at operation and headquarter level. The core principles cover delegation of power and authority, segregation of duties, control activities, IT physical and logical security, and document conservation and filing. Entity level control activities deal with the control environment whose objective is to establish and promote a collective attitude toward achieving effective internal control. Control environment factors include the integrity, ethical values; competence of people; the way management assigns authority and responsibility; and risk and fraud management.

The main objective of internal control over the financial closing process (including consolidation) is to ensure timely, accurate and complete closing of underlying books, preparation of internal and external reports and filing with external authorities. Key controls include approval of changes in chart of accounts, completion and review of closing checklists, reconciliation of sub-ledgers to general ledgers, validation of complex or judgmental accounting treatments, reconciliation of intercompany transactions and balances, analytical review of financial reporting, independent review of financial statements and disclosures, and maker / checker controls following the 'four eyes' principle.

Financial risk management objectives and policies

The various hedging activities undertaken by the Group are set out in Note 13 of the interim condensed consolidated financial statements. In addition, Millicom's financial risk management policies and objectives together with a description of the various risks undertaken by the Group are set out in Section D. Financial Risk Management of the 2016 Consolidated Financial Statements.

Share Capital

At 30 June 2017 Millicom had 101.7 million issued and paid up common shares of par value $1.50 each, of which 1.2 million were held by the Company as treasury shares (2016: 1.4 million). During the six months ended 30 June 2017, the Company issued around 200,000 shares to directors, management and employees under the LTIP remuneration plans.

Group Financial Review [i]

US$m	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change
Revenue	**1,517**	**1,540**	**(1.5%)**	**3,022**	**3,039**	**(0.6%)**
Cost of sales	(399)	(411)	(3.0%)	(786)	(801)	(1.8%)
Gross profit	**1,118**	**1,129**	**(1.0%)**	**2,235**	**2,238**	**(0.1%)**
Operating expenses	(582)	(591)	(1.4%)	(1,146)	(1,161)	(1.3%)
EBITDA	**535**	**538**	**(0.5%)**	**1,090**	**1,077**	**1.2%**
Depreciation & amortisation	(336)	(336)	0.1%	(669)	(652)	2.5%
Other operating income (expenses), net	(1)	(4)	(75.5%)	0	(4)	NM
Operating profit	**198**	**198**	**(0.1%)**	**421**	**421**	**0.0%**
Net financial expenses	(125)	(123)	2.1%	(243)	(229)	6.3%
Other non-operating income (expenses), net	(18)	28	NM	5	39	(86.1%)
Gains (losses) from associates, net	(25)	20	NM	(39)	9	NM
Profit (loss) before tax	**31**	**124**	**(75.3%)**	**145**	**241**	**(39.8%)**
Net tax credit (charge)	(60)	(67)	(10.3%)	(124)	(126)	(1.9%)
Profit (loss) for the period from continuing	**(30)**	**56**	**NM**	**21**	**115**	**(81.4%)**
Non-controlling interests	(9)	(17)	(46.3%)	(41)	(43)	(5.3%)
Profit (loss) from discontinued operations	11	(1)	NM	16	6	NM
Net profit (loss) for the period	**(28)**	**39**	**NM**	**(4)**	**77**	**NM**
Adjusted net profit (loss) for the period [ii]	23	11	99.1%	32	35	(9.4%)
Adjusted earnings per share ($)	0.22	0.11	98.3%	0.32	0.35	(9.4%)

i excluding Senegal

ii see page 16 for reconciliation of adjustments

Total revenue of $1,517 million declined 1.5% year-on-year as reported and by 1.8% on an organic basis (in local currency and at constant perimeter).

Operating expenses declined 1.4% year on year, buoyed by a 3.0% reduction to G&A costs, partly offset by a 1.1% increase in sales and marketing costs.

Depreciation and amortisation remained flat year-on-year at $336 million.

Net financial expenses increased modestly by $2 million year-on-year to $125 million in Q2. Financial expense in Q2 2017 includes $20 million related to financial leases, which compares to $16 million in Q2 2016. In addition, in Q2 2017, we recorded a $15 million one-time cost due to the planned redemption of our 2020 Notes.

Other non-operating losses of $18 million in Q2 2017 compare to income of $28 million in the year ago period. The year-on-year variation stems mostly from changes in foreign exchange rates. FX losses totalled $9 million in Q2 2017, compared to a gain of $22 million in Q2 2016. The cost related to the mark-to-market of financial instruments was $10 million in Q2 2017, compared to a gain of $6 million in Q2 2016.

Loss from Associates of $25 million in Q2 2017 compares to a gain of $20 million in Q2 2016. The losses include an $11 million non-cash loss on an asset sale. The year ago period included $28 million in asset revaluation gains at both Helios Towers Africa and Africa Internet Group.

Tax expense declined to $60 million in Q2 2017 from $67 million in Q2 2016 due to lower profitability in our Latin American operations and from lower withholding taxes on cash upstreaming.

We recorded a net loss of $28 million in the quarter, including profit of $11 million from discontinued operations.

Reconciliation from Operating Profit to EBITDA

US$m	Q2 2017	Q2 2016	H1 2017	H1 2016
Operating Profit as reported (IFRS)	**128**	**129**	**287**	**269**
Impact of full consolidation of Guatemala and Honduras on operating profit	70	70	135	152
Operating Profit per management reporting	**198**	**198**	**421**	**421**
Depreciation and amortisation	336	336	669	652
Other operating income (expenses), net	1	4	(0)	4
EBITDA	**535**	**538**	**1,090**	**1,077**
EBITDA margin	*35.3%*	*34.9%*	*36.1%*	*35.5%*

EBITDA was $535 million in the quarter, down 1.3% year-on-year on an organic basis.

Free Cash Flow

US$m	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change
EBITDA (excluding discontinued ops)	**535**	**538**	**(0.5%)**	**1,090**	**1,077**	**1.2%**
EBITDA from discontinued operations	9	3	NM	16	12	29.8%
EBITDA (including discontinued ops)	**545**	**540**	**0.8%**	**1,106**	**1,090**	**1.5%**
Net Cash Capex (excluding spectrum and licenses)	(209)	(214)	(2.2%)	(486)	(558)	(12.9%)
Change in working capital and other non-cash items	(34)	3	NM	(104)	(117)	(10.8%)
Operating Cash Flow	**302**	**330**	**(8.5%)**	**515**	**415**	**24.2%**
Taxes paid	(74)	(99)	(25.0%)	(107)	(137)	(22.0%)
Operating Free Cash Flow	**228**	**231**	**(1.4%)**	**408**	**278**	**47.0%**
Interest paid, net	(83)	(111)	(25.9%)	(208)	(203)	2.5%
Free Cash Flow	**145**	**120**	**21.3%**	**200**	**74**	**NM**
Advances for dividends to non-controlling interests	(66)	(15)	NM	(72)	(29)	NM
Equity Free Cash Flow	**79**	**105**	**(24.6%)**	**128**	**45**	**NM**

Operating cash flow of $302 million in Q2 declined by $28 million or 8.5% year-on-year due to higher working capital during the period. Year-to-date, operating cash flow increased by $100 million or 24.2% to $515 million due to lower cash paid for capital expenditures and lower working capital. Cash paid for capital expenditures was $209 million during Q2, slightly below the $214 million paid in Q2 2016. Year-to-date cash capex of $486 million is $72 million or 12.9% below H1 2016 levels.

Equity free cash flow of $79 million in Q2 2017 represents a decrease of 24.6% year-on-year due to higher working capital and advances for dividends to non-controlling interests, partly offset by lower taxes and interest paid. Year-to-date, equity free cash flow of $128 million is up strongly compared to $45 million in the same period of 2016 due to lower levels of cash capex, working capital, taxes paid, and interest paid, partly offset by higher advances for dividends to non-controlling interests.

Capital Expenditures

Balance sheet capital investments totalled $242 million in Q2, compared to $216 million in Q2 2016, on a comparable basis excluding Senegal. Our investments remain directed towards the strategic focus areas of 4G mobile, the HFC network rollout, and the IT infrastructure that underpins the future growth.

Latin America capex was $210 million, of which more than two-thirds supported our fixed business. Of this amount, more than 20% was used for customer installations. Africa capex of $31 million was mostly used to expand coverage and capacity of our mobile networks.

Net Debt

US$m	Gross Debt	Of which Finance Leases	Cash	Of which Restricted Cash	Net Debt [i]
Latin America	**3,426**	**175**	**595**	**37**	**2,831**
Of which local currency	*1,681*	175	*165*	37	1,517
Africa	**400**	**128**	**192**	**116**	**208**
Of which local currency	*186*	128	*173*	116	13
Corporate	**1,772**	**-**	**410**	**-**	**1,362**
Group	**5,599**	**304**	**1,197**	**153**	**4,402**
o.w. Guatemala and Honduras	*1,389*	1	*329*	11	1,061
Group excluding GT & HN	**4,209**	**303**	**868**	**142**	**3,341**
Proportionate basis	*4,438*	220	*996*	148	3,442

i Net debt is Gross debt (including finance leases) less cash, restricted cash, and pledged and term deposits of $5 million.

During Q2, we continued our shift towards local sources of long term funding with new loans in Colombia and Paraguay, and the redemption of our Millicom Senior Notes due 2020.

Gross debt at 30 June 2017, including finance leases, increased to $5,599 million from $5,307 million at the end of Q1 2017 as we closed a $300 million syndicated loan in Colombia in June 2017. The proceeds will be used to pay down the Millicom 2020 Senior Notes ("2020 Notes") in early Q3. Pro forma for the redemption, gross debt as at end of June 2017 would be $5,258 million, marginally down from the end of March level. Around 61% of group gross debt at 30 June 2017 was held in Latin America, with approximately 7% held in Africa and the remaining 32% held at the corporate level. Pro forma for the irrevocable call of the 2020 Notes, the proportion of debt at the head office level would be reduced from 32% to 27% of group gross debt. Financial lease liabilities of $304 million represented 5.4% of group gross debt, and around 32% of gross debt in Africa.

At 30 June 2017, 67% of group gross debt was at fixed rate (65% proforma), and 33% was in local currency (36% proforma), in line with our aim of increasing the proportion of total group debt held in local currency, to mitigate our exposure to currency volatility. The average maturity of our debt stood at 4.9 years, assuming the redemption of the 2020 Notes announced on June 30 had already taken place in the second quarter, and our average cost of debt excluding finance leases remained stable at 6.2%. Our cash position at 30 June, excluding restricted cash but including pledged and term deposits, stood at $1,044 million, of which 72% was held in US dollars. The restricted cash balance, principally comprising MFS customer account balances, was $153 million.

Group net debt, including Guatemala and Honduras on a fully consolidated basis, was $4,402 million at the end of June 2017, up from $4,201 million as of end of March, following the payment of the Group dividend in the second quarter. Net debt to EBITDA, based on the last twelve months EBITDA, was 2.03x at 30 June 2017, compared to 1.94x in March 2017. Proportionate net debt as of June 2017, excluding 45% of Guatemala, 33.3% of Honduras, 50% of Colombia and 15% of Zantel, was $3,442 million and proportionate net debt / EBITDA was 2.22x, compared to 2.17x at the end of March 2017.

Group Business Review

Business Units

We present our results grouped under three business units:

1. B2C mobile, comprised of mobile services for individuals, including Mobile Financial Services (MFS);

2. Home, comprised of broadband internet, Pay TV, and fixed voice services for residential customers; and,

3. B2B, comprised of mobile and fixed services to government and corporate customers.

The information contained herein can also be accessed electronically in the Financial & Operating Data Excel file published at www.millicom.com/investors alongside this Results Statement.

Latin America

Financial & operating data

KPI ('000)	Q2 2017	Q2 2016	YOY change
B2C Mobile customers	31,699	31,516	0.6%
Of which B2C mobile data customers	13,427	11,423	17.5%
Of which 4G customers	4,734	1,908	148.2%
Total homes passed	8,595	7,789	10.3%
Of which HFC homes passed	7,850	6,667	17.7%
Of which HFC homes connected	2,207	1,978	11.6%
Home – HFC revenue generating units	3,983	3,471	14.8%

Financial	Q2 2017	Q2 2016	*Organic YOY*
B2C Mobile ARPU (US$)	7.7	7.9	(4.0%)
Home ARPU (US$)	28.4	26.9	4.1%
Total Revenue (US$m)	1,345	1,349	(1.1%)
Service revenue (US$m)	1,251	1,249	(0.5%)
Mobile B2C (US$m)	735	755	(3.8%)
Of which B2C mobile data (US$m)	328	270	19.9%
Home (US$m)	279	259	7.3%
B2B (US$m)	228	224	1.4%
EBITDA (US$m)	522	514	0.4%
EBITDA margin %	38.9%	38.1%	0.71pt
Capex (US$m)[i]	210	197	6.3%

i) All Numbers are organic stated in local currency and constant perimeter.
ii) Capex does not include spectrum and license costs

Market environment

The generally stable macro-economic environment seen across Latin America in the second half of 2016 has continued in H1 2017. That said, pressure on government budgets remains a constant in many of the countries in which we operate. Currencies in the countries where we operate were broadly stable, with most variations between -1% and +1% during the quarter.

Financials

Total revenue in Latam in Q2 declined by 1.1% year-on-year on an organic basis, to $1,345 million, and service revenue declined by 0.5%, marking a second consecutive quarterly improvement as compared to declines of 1.3% in Q1 and of 2.3% in Q4 2016. The revenue recovery was broad-based, with every country in the region posting better growth in Q2 than in Q1, with the exception of Colombia.

B2C mobile service revenue declined by 3.8% year-on-year, to $735 million, an improvement from the 5.3% reduction seen in Q1. B2C voice and SMS service revenue continued to decline at a steady mid-teen rate, while mobile data revenue grew 19.9% year-on-year, stable relative to Q1. Mobile data now accounts for 45% of total B2C service revenue, compared to 36% in the second quarter of last year.

Home service revenue rose 7.3% organically to $279 million. The growth rate was stable compared to Q1, as slower growth in Colombia was offset by strong growth elsewhere.

B2B service revenue grew by 1.4% organically to $228 million. Relative to Q1, growth accelerated in most countries, with the exception of Colombia. Year-on-year comparisons continue to be impacted by the termination of the government surveillance contract in Guatemala, which contributed $7 million to B2B revenue in Q2 2016.

Telephone and equipment declined by 8% in the quarter to $93 million, maintaining the trend of the past two years.

EBITDA in Latam grew 0.4% organically in the quarter, improving from declines of 0.6% in Q1, 2.1% in Q4 and the trough of 5.9% experienced in Q3 2016. The EBITDA margin reached 38.9%, up 80 basis points from 38.1% in Q2 2016, reflecting margin improvement in a majority of our markets, partly offset by margin compression in Colombia.

Capital expenditure (excluding spectrum and license costs) in the second quarter was $210 million, 6.3% above spending levels in Q2 2016, as we accelerated our HFC network rollout. Year-to-date, our capex in Latam totals $342 million, 5.7% lower than in H1 2016.

SECOND QUARTER 2017 REVIEW BY COUNTRY

Colombia

	Q2 2017	Q2 2016	*Organic YOY change*
B2C Mobile customers (‘000)	7,764	8,800	(11.8%)
Of which, 4G customers (‘000)	1,408	770	82.9%
Total Homes connected (‘000)	1,623	1,654	(1.9%)
HFC Homes connected (‘000)	1,071	996	7.5%
Total revenue (US$m)	430	434	(1.5%)
Service revenue (US$m)	396	403	(2.5%)
EBITDA (US$m)	114	123	(7.7%)
EBITDA margin %	26.6%	28.4%	(1.8pt)

We continue to expand our HFC network at a rapid pace, adding 166,000 new homes-passed, slightly less than the record 189,000 added in Q1. We have added 642,000 HFC homes-passed over the past year and now reach 4.3 million homes with our HFC network.

Total homes connected to our HFC network increased by 28,000, maintaining the robust pace seen in Q1 and offsetting continued churn among customers connected to our copper network. Total homes connected declined 1.9% year-on-year mostly due to churn among customers on our copper network.

On the mobile front, the competitive environment remains intense but stable since the end of 2016. We continue to expand coverage and capacity on our 4G network, and we now have 1.4 million customers on 4G, almost double the year ago level. Our B2C mobile subscriber base declined 11.8% year-on-year to 7.8 million at the end of the second quarter of 2017. This decline largely reflects the previously-disclosed disconnection of approximately 750,000 inactive subscribers during H2 2016. We added 209,000 B2C subscribers to our mobile network in Q2.

Total service revenue declined 2.5% year-on-year in local currency in Q2, deteriorating from a decline of 0.3% in Q1 2017. The decline in regulated tariffs impacted total service revenue by 210 basis points. As noted in our Q1 2017 earnings release, we discontinued our UNE fixed wireless service and vacated the spectrum at the end of 2016, and this impacted our year-on-year growth by an additional 100 basis points in Q2 2017.

EBITDA declined 7.7% in local currency terms, compared to modest growth of 0.6% in Q1. The EBITDA margin declined 180 basis points year-on-year and 370 basis points sequentially to 26.6%. The margin erosion mostly reflects the impact of lower regulated tariffs, as well as investment in higher subscriber acquisition costs, consistent with our improved customer growth during Q2. Selling and marketing costs increased 8%, while general and administrative declined 9% on a year-on-year basis.

Bolivia

	Q2 2017	Q2 2016	*Organic YOY change*
B2C Mobile customers ('000)	3,029	2,907	4.2%
Total Homes connected ('000)	166	110	51.2%
Total revenue (US$m)	133	133	0.5%
Service revenue (US$m)	131	128	2.6%
EBITDA (US$m)	51	50	0.9%
EBITDA margin %	38.0%	37.8%	0.2pt

Our HFC network deployment accelerated in Q2, as we passed 65,000 additional homes, up from 40,000 in Q1. We have doubled the size of our HFC network over the past year, and we continue to invest to provide faster and more reliable broadband connectivity needed to support Bolivia's continued economic growth and the expansion of its middle class.

While we rapidly expand our footprint, we are also accelerating the pace at which we are connecting homes to our HFC network, adding 25,000 customers during the quarter, up from 14,000 in Q1 and 6,000 in the year ago period.

On the mobile front, we continue to expand our 4G network, and we now have more than one million 4G smartphone data users on our network, equivalent to more than one-third of our subscriber base in the country.

Service revenue growth improved to 2.6% year-on-year in constant currency terms, up from 0.5% in Q1, mostly driven by the Home segment, which continues to grow very rapidly, with relative stability in B2C Mobile and steady growth in B2B.

EBITDA rose 0.9% and margin expanded by 20 basis points year-on-year to 38.0%, mostly due to effective cost control.

Paraguay

	Q2 2017	Q2 2016	*Organic YOY change*
B2C Mobile customers ('000)	3,217	3,504	(8.2%)
Total Homes connected ('000)	331	292	13.3%
Total revenue (US$m)	165	162	1.0%
Service revenue (US$m)	153	146	4.5%
EBITDA (US$m)	77	76	0.6%
EBITDA margin %	46.5%	46.6%	(0.1pt)

We saw strong acceleration in service revenue growth to 4.5% in Q2, up from 2.9% in Q1, with solid Home, B2B, and Mobile Data revenue more than offsetting the continuing decline in Mobile Voice and SMS.

In Mobile B2C, we continue to focus on high value customers, hence the continued erosion in our total subscriber base, which declined 76,000 in Q2 2017. However, we added 74,000 4G users, bringing the total to 413,000, equal to 12% of our base. Mobile service revenue declined very slightly in the quarter, but this marked a notable improvement when compared to Q1. Underpinning this brighter trend is the continued rapid growth of mobile data, which has accelerated modestly throughout H1 2017.

In Home, we focused our efforts on integrating the operations and upgrading the network of Cable Parana, which we acquired in early Q1. We connected 7,000 new HFC homes during the second quarter, and revenue growth accelerated slightly during the quarter and remains in the high teens year-on-year.

Our fixed network buildout is also opening new opportunities for our burgeoning B2B segment, where revenue continues to grow at a high-single-digit rate. Home and B2B combined now account for more than a third of our service revenue in Paraguay.

EBITDA rose 0.6% in Q2, with margins of 46.5% down 10 basis points from Q2 2016, mostly due to a 12% increase in selling and marketing costs.

Guatemala

	Q2 2017	Q2 2016	*Organic YOY change*
B2C Mobile customers (‘000)	9,720	8,859	9.7%
Total Homes connected (‘000)	341	280	21.8%
Total revenue (US$m)	325	322	(3.4%)
Service revenue (US$m)	291	286	(2.5%)
EBITDA (US$m)	165	157	0.3%
EBITDA margin %	50.6%	48.7%	1.9pt

Service revenue in Guatemala contracted by 2.5% in the quarter, a slight improvement from declines of approximately 4% in each of the last three quarters. The year ago period included approximately $7 million of revenue related to a government surveillance contract that was cancelled and no longer generates revenue since Q3 2016. Excluding the impact from this contract cancellation, service revenue would have been approximately flat.

By business unit, revenue trends remain largely unchanged from previous quarters, with strong Home and Mobile Data revenue growth still insufficient to offset the continued erosion in Mobile Voice and SMS, including incoming international traffic.

In Mobile B2C, we continue to expand both our 4G and our total subscriber bases rapidly, with 2Q net additions similar to the robust levels seen in Q1. Mobile B2C service revenues continued to decline on a year-on-year basis in Q2, but the rate of decline has fallen to -3% in Q2 from -5% in Q1. Mobile Data growth accelerated to 29% year-on-year from 26% in Q1, while Mobile Voice and SMS continues to decline at a mid-teen rate, stable relative to Q1 levels.

Home revenues continue to grow rapidly, with Q2 up more than 30% year-on-year. Supporting this growth, Home ARPU rose almost 8% year-on-year.

Revenue in our B2B segment declined approximately 14% organically year-on-year, due to the surveillance contract termination. Excluding this effect, growth would have been up mid single-digits.

EBITDA rose 0.3% year-on-year, and the EBITDA margin expanded 190 basis points year-on-year and 40 basis points sequentially. On a reported basis, EBITDA increased by 4.8% year-on-year, buoyed by a stronger quetzal.

Honduras

	Q2 2017	Q2 2016	*Organic YOY change*
B2C Mobile customers (‘000)	4,702	4,567	3.0%
Total Homes connected (‘000)	136	130	4.8%
Total revenue (US$m)	148	154	(0.6%)
Service revenue (US$m)	142	148	0.0%
EBITDA (US$m)	63	56	17.2%
EBITDA margin %	42.8%	36.3%	6.5pt

Service revenue was flat organically year-on-year in Q2, a slight improvement from the 1.0% decline reported in Q1. Mobile voice and SMS revenue continues to erode at approximately 10% per year, but this was offset in Q2 by solid performance in every other business line. The total B2C mobile customer base declined by 35,000 subscribers during Q2 2017 but remains 3% above Q2 2016 levels. We continue to expand our 4G subscriber base, adding 87,000 during Q2, our strongest quarter ever.

In Home, we passed 68,000 more homes and connected an additional 5,000 in Q2, accelerating the rapid pace of network deployment reported in Q1. Home ARPU has increased by more than 10% year-on-year over the past year and is now only within 10% of the regional average.

EBITDA increased by 17.2% organically largely due to an easy comparison, as Q2 2016 results included a $7 million one-time cost item. Excluding this effect, EBITDA would have grown 2.2%.

El Salvador

	Q2 2017	Q2 2016	*Organic YOY change*
B2C Mobile customers ('000)	3,267	2,877	13.5%
Total Homes connected ('000)	323	305	5.9%
Total revenue (US$m)	106	107	(0.9%)
Service revenue (US$m)	100	101	(1.4%)
EBITDA (US$m)	38	38	(0.8%)
EBITDA margin %	35.6%	35.5%	0.1pt

Conditions in El Salvador continue to be challenging, in large part due to the regulatory requirement to block mobile signals around the country's prisons - which has reduced overall mobile network capacity by around 10% since the rule went into effect almost one year ago.

The partial shutdown of our network continues to impact our business and creates challenging year-on-year comparisons, but we saw encouraging signs of recovery in Q2. This improvement stems mostly from more stable conditions in both the B2C and B2B Mobile segments.

In B2C Mobile, we added 13,000 new subscribers, including 79,000 net new 4G customers during Q2.

EBITDA declined 0.8% year-on-year, marking a significant improvement as compared to the 16.8% drop reported in Q1. Our EBITDA margin expanded 10 basis points year-on-year.

Costa Rica

Our fixed line business in Costa Rica continues to generate modest and steady growth, with service revenue up 3.7% year-on-year, fuelled mostly by mid-teen growth in B2B and low single-digit growth in Home. EBITDA rose 9.5% while EBITDA margin expanded by 170 basis points.

Africa

Financial & operating data

KPI (excluding Senegal [i]) **('000)**	**Q2 2017**	**Q2 2016**	***YOY change***
B2C Mobile customers	21,412	21,649	(1.1%)
Of which: MFS customers	8,141	7,201	13.0%

Financial (excluding Senegal [i]	**Q2 2017**	**Q2 2016**	***Organic YOY change***
B2C Mobile ARPU (US$)	2.5	2.7	(4.3%)
Total Revenue (US$m)	172	191	(6.3%)
Service revenue (US$m)	171	190	(6.2%)
EBITDA (US$m)	47	59	(17.9%)
EBITDA margin %	27.2%	31.0%	(3.8pt)
Capex (US$m)[ii]	31	18	70.5%

i As reclassified as discontinued
ii Excludes spectrum and license costs

We added 149,000 mobile subscribers during the second quarter, ending the period with 21.7 million mobile subscribers in Africa and reversing the net losses experienced in recent quarters largely due to the impact of SIM electronic registration requirements implemented in Tanzania during 2016. We added subscribers in Tanzania and Ghana and experienced net disconnections in Chad and Rwanda. In Tanzania, we have been deploying our 4G network and have added almost 250,000 4G subscribers year-to-date. Finally, we continue to add customers to our Mobile Financial Services (MFS) platform, with our base growing 13% year-on-year.

Despite our improved subscriber trends, overall market conditions remain extremely challenging in Africa, and our service revenue contracted by 6.2% in Q2, as compared to a decline of 3.6% in Q1, with growth lower in Q2 than in Q1 in every one of our markets, except Ghana. On a year-on-year basis, service revenue growth in Tanzania was slightly positive, Ghana grew 3%, Chad declined 11%, and Rwanda posted a 2% decline.

Total ARPU declined 4.3% in local currency terms, a deterioration from a 2.8% drop in Q1. The year-on-year ARPU erosion in Africa is mostly explained by the impact of a new 18% excise duty introduced in Q1 in Chad, where ARPU is down almost 17% year-on-year.

EBITDA in Africa declined 18.0% year-on-year, as EBITDA margin contracted by 390 basis points to 27.2% in the second quarter. We experienced margin erosion in every country.

Capital expenditures totalled $31 million in Q2 and $52 million year-to-date, with investments focused on 3G network coverage and capacity. OCF was $15 million for the quarter and $47 million year-to-date.

Corporate Responsibility highlights – Q2 2017

Embedding Corporate Responsibility across our supply chain

This quarter we have started a supplier training program through which 20 suppliers per each of our Latam markets will receive training in key areas of sustainability including Anti-Bribery and Anti-Corruption, ecoefficiency, children's rights, and diversity. This 8-month program will give our suppliers the tools necessary to compete in a market ever more demanding of sustainability best practices, while ensuring that we are working with business partners who understand and share our key values in being a responsible business.

Millicom's children's rights program continues gaining momentum and gathers recognition

Millicom is rolling out in its Latam operations the Crianza Tecnológica ("Raising Children in a Digital World") program in partnership with the Paniamor Foundation, a Costa Rican NGO specialized in Children's Rights. Through this program, we will provide our customers with an online portal through which they can access tools and learn how to raise their children in a digital world. The portal is now available for customers in Costa Rica, Honduras, Bolivia, El Salvador and Guatemala, with more countries due to launch it in the upcoming quarter. We will also train our employees so they can in turn train parents and teachers on the Crianza Tecnológica content as part of our volunteering program.

Health, safety and security

In line with Chad's success with OHSAS 18001 certification, this year our Tigo Tanzania and Paraguay operations underwent internal review and are currently preparing for their external verification to the OHSAS 18001 standard, which will commence in August for Tanzania and late September-early October for Paraguay. We continue working on accident prevention, as an area of ongoing focus and concern. Unfortunately, our contracted services providers reported 4 persons fatally injured as a result of 2 road traffic accidents this quarter. This remains a central area of attention and is leading to enhanced management of road risk and the application of increased enforcement of safety control measures on our service providers.

Compliance and anti-corruption programme

During Q2 2017, the new third-party management platform was configured, supporting the company-wide process of third-party risk assessment and due diligence. This was a joint effort between the Global Compliance and Procurement teams, working closely with the local operations to ensure we have a fit for purpose solution. Preparations were made for company-wide rollout in the second half of the year.

Providing rewarding work opportunities in the communities where we operate

Millicom's TIGO operations ranked for the first time among the top 20 multinational employers of choice in Latin America at the 2017 Great Place To Work (GPTW) awards. In particular, TIGO operations scored highly in GPTW's local lists in Bolivia, Costa Rica, El Salvador, Guatemala, and Paraguay.

Corporate Social Responsibility (CSR)

Millicom's Colombian subsidiary, TigoUne, received the prestigious Andesco Award for Corporate Social Responsibility in the " Best Large Enterprise of Public Services and Communications " category. This is the most important recognition in Colombia for the work made by companies on sustainability issues.

Additional Information

Alternative Performance Measures ('APMs')

In the front section of this Release, APMs are used to provide readers with additional financial information that is regularly reviewed by management and used to make decisions about operating matters. These measures are usually used for internal performance reporting and in defining director and management remuneration. They are useful in connection with discussion with the investment analyst community. However, this additional information presented is not uniformly defined by all companies including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. Such measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Definitions, use and reconciliations to the closest IFRS measures are presented in the table below and on the following pages.

APMs	Descriptions
Management reporting	The financial information presented in the front section of this Release is with Guatemala (55% owned) and Honduras (66.7% owned) as if fully consolidated, while the Group equity accounts those operations in the IFRS consolidated financial statements. See next pages for reconciliation with IFRS numbers.
Service, mobile data and cable revenue	· Service revenue is Group revenue related to the provision of ongoing services such as monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, short message services and other value added services excluding telephone and equipment sales; · Mobile data revenue is Group revenue related to the provision of data. Mobile data revenue is included in Service revenue; · Home revenue is Group revenue related to the provision of residential services such as broadband internet and TV. Home revenue is included in Service revenue.
Organic growth	Organic growth represents year-on year-growth in local currency and constant perimeter. See next pages for reconciliation with reported numbers.
Operating profit	Operating profit is profit before taxes before results from associates, other non-operating expenses (such as foreign exchange losses and changes in fair value of derivatives) and net financial expenses.
EBITDA	EBITDA is operating profit excluding impairment losses, depreciation and amortization and gains/losses on the disposal of fixed assets.
Adjusted net profit	Adjusted net profit is net profit adjusted for non-operating items such as foreign exchange gains / losses related to non-controlling interests, changes in fair value of derivatives, early redemption premium for debts and other financing, dilution gains and impairments on investments in associates and similar items classified under 'other non-operating income (expenses)' as well as excluding results from discontinued operations.
Adjusted EPS	Adjusted EPS is computed based on adjusted net profit divided by the number of shares outstanding
Return on Invested Capital	Return on Invested Capital is used to assess the Group's efficiency at allocating the capital under its control to profitable investments.
Net debt	Net debt is Gross debt (including finance leases) less cash, restricted cash and pledged deposits
Capex measures	· Capex is balance sheet capital expenditure excluding spectrum and license costs. · Cash Capex represents the cash spent in relation to capital expenditure, excluding spectrum and licenses
Cash flow measures	· Operating Cash Flow (OCF) is EBITDA less capex (excluding spectrum and license costs); · Operating Free Cash Flow is Operating Cash Flow less change in working capital and other non-cash items and taxes paid; · Equity Free Cash Flow is Operating Cash Flow less taxes paid, interest paid (net) and advances for dividends to non-controlling interests. These measures allow us and third parties to evaluate our liquidity and the cash generated by our operations

Organic growth adjustments

Group Revenue	Q2 2017	Q2 2016
Prior period	1,540	1,666
Current period	1,517	1,540
Reported Growth	(1.5%)	(7.5%)
Local currency growth	(1.8%)	0.3%
Change in Perimeter impact		(0.8)%)
FX impact	0.3%	(7.1%)

Group Service Revenue	Q2 2017	Q2 2016
Prior period	1,439	1,533
Current period	1,423	1,439
Reported Growth	(1.1%)	(6.1%)
Local currency growth	(1.3%)	1.7%
Change in Perimeter impact		(0.8%)
FX impact	0.2%	(7.1%)

Group EBITDA	Q2 2017	Q2 2016
Prior period	538	561
Current period	535	538
Reported Growth	(0.5%)	(4.0%)
Local currency growth	(1.3%)	2.4%
Change in Perimeter impact		(0.0%)
FX impact	0.8%	(6.4%)

Adjusted earnings per share

US$m	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16	FY 16
Net profit (loss) attributable to owners of the company	**(28)**	**24**	**(129)**	**20**	**39**	**(32)**
Basic earnings per share ($)	(0.28)	0.24	(1.29)	0.20	0.39	(0.31)
Adjustments for non-operating items	**50**	**0**	**177**	**(14)**	**(28)**	**120**
Adjusted net profit attributable to owners of the company	**23**	**24**	**48**	**6**	**11**	**88**
Adjusted basic earnings per share ($)	0.22	0.24	0.48	0.06	0.11	0.88

In Q2 2017, the $50 million in Adjustments for non-operating items include a $17 million purchase price adjustment in Guatemala and Honduras, $15 million in bond redemption costs, $11 million loss on asset sale, $10 million loss on the mark-to-market of financial instruments, FX losses of $9 million in non-controlling interests, partly offset by $13 million related to discontinued operations and $1 million from other non-operating income.

Foreign Exchange rates

Average foreign exchange rate (vs. USD)		Q2 17	Q1 17	Var %	Q2 16	Var %
Guatemala	GTQ	7.34	7.43	1%	7.63	4%
Honduras	HNL	23.55	23.62	0%	22.81	(3%)
Costa Rica	CRC	574	565	(2%)	549	(5%)
Bolivia	BOB	6.91	6.91	0%	6.91	0%
Colombia	COP	2,947	2,928	(1%)	2,993	2%
Paraguay	PYG	5,592	5,662	1%	5,649	1%
Ghana	GHS	4.29	4.32	1%	3.88	(10%)
Senegal / Chad	XAF	596	619	4%	596	0%
Rwanda	RWF	828	823	(1%)	781	(6%)
Tanzania	TZS	2,235	2,220	(1%)	2,191	(2%)

Closing foreign exchange rate (vs. USD)		Jun-17	Mar-17	Var %	Jun-16	Var %
Guatemala	GTQ	7.34	7.43	1%	7.64	4%
Honduras	HNL	23.53	23.62	0%	22.87	(3%)
Costa Rica	CRC	580	565	(3%)	554	(5%)
Bolivia	BOB	6.91	6.91	0%	6.91	0%
Colombia	COP	3,038	2,928	(4%)	2,916	(4%)
Paraguay	PYG	5,560	5,662	2%	5,589	1%
Ghana	GHS	4.36	4.32	(1%)	3.92	(11%)
Senegal / Chad	XAF	577	619	7%	598	4%
Rwanda	RWF	830	823	(1%)	783	(6%)
Tanzania	TZS	2,237	2,220	(1%)	2,190	(2%)

P&L reconciliation with Guatemala and Honduras as if fully consolidated vs. IFRS (unaudited)

As previously noted, the table reconciles the Management reporting numbers which include Guatemala and Honduras on a 100% consolidation basis with the IFRS numbers which account for these businesses as joint ventures using the equity method.

$ million	Q2 17 (i)	Guatemala and Honduras	JV	Q2 17 IFRS
Revenue	**1,517**	**(469)**		**1,048**
Cost of sales	(399)	89		(310)
Gross profit	**1,118**	**(379)**		**738**
Operating expenses	(582)	159		(423)
EBITDA	**535**	**(220)**		**315**
EBITDA margin	**35.3%**	**47.0%**		**30.1%**
Depreciation & amortisation	(336)	113		(223)
Share of net profit in joint ventures			35	35
Other operating income (expenses), net	(1)	2		1
Operating profit	**198**	**(106)**	**35**	**128**
Net financial expenses	(125)	22		(104)
Other non-operating income (expenses), net	(18)	(1)		(18)
Gains (losses) from associates	(25)	-		(25)
Profit (loss) before tax	**31**	**(85)**	**35**	**(19)**
Net tax credit (charge)	(60)	20		(40)
Profit (loss) for the period	**(30)**	**(65)**	**35**	**(59)**
Profit (loss) from discontinued operations	11			11
Non-controlling interests	(9)	30		21
Net profit (loss) for the period	**(28)**	**(35)**	**35**	**(28)**

$ million	H1 17 (i)	Guatemala and Honduras	JV	H1 17 IFRS
Revenue	**3,022**	**(931)**		**2,091**
Cost of sales	(786)	177		(610)
Gross profit	**2,235**	**(754)**		**1,481**
Operating expenses	(1,146)	317		(829)
EBITDA	**1,090**	**(437)**		**653**
EBITDA margin	**36.1%**	**47.0%**		**31.2%**
Depreciation & amortisation	(669)	226		(442)
Share of net profit in joint ventures			73	73
Other operating income (expenses), net	0	3		3
Operating profit	**421**	**(208)**	**73**	**287**
Net financial expenses	(243)	46		(197)
Other non-operating income (expenses), net	5	(15)		(9)
Gains (losses) from associates	(39)	(1)		(39)
Profit (loss) before tax	**145**	**(177)**	**73**	**42**
Net tax credit (charge)	(124)	42		(82)
Profit (loss) for the period	**21**	**(135)**	**73**	**(40)**
Profit (loss) from discontinued operations	16	-		16
Non-controlling interests	(41)	61		20
Net profit (loss) for the period	**(4)**	**(73)**	**73**	**(4)**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated.

Consolidated balance sheet (unaudited)

US$ millions	30 June 2017 (i)	IFRS adjustments (ii)	30 June 2017 IFRS
ASSETS			
Intangible assets, net	4,399	(3,125)	1,274
Property, plant and equipment, net	3,956	(1,097)	2,858
Investments in joint ventures and associates	300	2,857	3,157
Other non-current assets	281	(36)	245
TOTAL NON-CURRENT ASSETS	**8,936**	**(1,402)**	**7,534**
Inventories, net	102	(31)	71
Trade receivables, net	457	(93)	364
Other current assets	715	(293)	422
Restricted cash	153	(11)	142
Cash and cash equivalents	1,038	(317)	721
TOTAL CURRENT ASSETS	**2,465**	**(745)**	**1,721**
Assets held for sale	240	0	240
TOTAL ASSETS	**11,642**	**(2,147)**	**9,495**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company	2,724	191	2,915
Non-controlling interests	927	(750)	177
TOTAL EQUITY	**3,651**	**(559)**	**3,093**
Debt and financing	5,062	(1,306)	3,756
Other non-current liabilities	489	(127)	362
TOTAL NON-CURRENT LIABILITIES	**5,550**	**(1,432)**	**4,118**
Debt and financing	537	(84)	453
Other current liabilities	1,817	(72)	1,745
TOTAL CURRENT LIABILITIES	**2,354**	**(156)**	**2,198**
Liabilities directly associated with assets held for sale	85	0	85
TOTAL LIABILITIES	**7,990**	**(1,588)**	**6,402**
TOTAL EQUITY AND LIABILITIES	**11,642**	**(2,147)**	**9,495**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated.

(ii) IFRS adjustments result from the deconsolidation of the Guatemala and Honduras businesses and their reclassification as joint venture

Consolidated statement of cash flows (unaudited)

US$ millions	Q2 2017 (i)	IFRS adjustments (ii)	Q2 2017 IFRS
Profit (loss) before taxes from continuing operations	**31**	**(50)**	**(19)**
Profit (loss) for the period from discontinued operations	13	0	13
Profit (loss) before taxes	**42**	**(48)**	**(6)**
Net cash provided by operating activities (incl. discops)	**351**	**(182)**	**169**
Net cash used in investing activities (incl. discops)	**(230)**	**149**	**(81)**
Net cash from (used by) financing activities (incl. discops)	**(31)**	**69**	**38**
Exchange impact on cash and cash equivalents, net	(4)	(0)	(4)
Net (decrease) increase in cash and cash equivalents	**86**	**35**	**122**
Cash and cash equivalents at the beginning of the period	957	(352)	605
Effect of cash in disposal group Held for Sale	(5)	0	(5)
Cash and cash equivalents at the end of the period	**1,038**	**(317)**	**721**

US$ millions	H1 2017 (i)	IFRS adjustments (ii)	H1 2017 IFRS
Profit (loss) before taxes from continuing operations	**145**	**(103)**	**42**
Profit (loss) for the period from discontinued operations	18	0	18
Profit (loss) before taxes	**163**	**(101)**	**60**
Net cash provided by operating activities (incl. discops)	**683**	**(315)**	**367**
Net cash used in investing activities (incl. discops)	**(523)**	**223**	**(301)**
Net cash from (used by) financing activities (incl. discops)	**(58)**	**80**	**21**
Exchange impact on cash and cash equivalents, net	2	(3)	(0)
Net (decrease) increase in cash and cash equivalents	**103**	**(16)**	**88**
Cash and cash equivalents at the beginning of the year	947	(301)	646
Effect of cash in disposal group held for Sale	(12)	0	(12)
Cash and cash equivalents at the end of the period	**1,038**	**(317)**	**721**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated

(ii) IFRS adjustments result from the deconsolidation of the Guatemala and Honduras businesses and their reclassification as joint ventures

Responsibility Statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the consolidated financial position of the Group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried on efficiently and transparently.

In accordance with Article 4 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the interim condensed consolidated financial statements for the half year ended 30 June 2017, prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position and results of the interim period.

In addition, management's report includes a fair review of the development and performance of the Group's operations during the interim period and of business risks, where appropriate, faced by the Group.

Signed in Luxembourg, on 19 July 2017

On behalf of Millicom International Cellular S.A., by:

Mauricio Ramos
Chief Executive Officer

Tim Pennington
Chief Financial Officer

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Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg

Tel : +352 42 124 1

www.ey.com/luxembourg

B.P. 780
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771
TVA LU 16063074

Report on review of interim condensed consolidated financial statements

To the Shareholders,
Millicom International Cellular S.A.
2, rue du Fort Bourbon
L – 1249 - Luxembourg

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Millicom International Cellular S.A. as of 30 June 2017, which comprise the interim condensed consolidated statement of financial position as at 30 June 2017 and the related interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Olivier Lemaire

Luxembourg, 19 July 2017

A member firm of Ernst & Young Global Limited

Unaudited interim condensed consolidated income statement for the six-month period ended 30 June 2017

US$ millions (unaudited)	Notes	Six months ended 30 June 2017	Six months ended 30 June 2016 (i) (ii)
Revenue	5	2,091	2,096
Cost of sales		(610)	(606)
Gross profit		**1,481**	**1,490**
Operating expenses		(829)	(839)
Depreciation		(362)	(355)
Amortisation		(80)	(82)
Income from joint ventures, net	14	73	59
Other operating income (expenses), net		3	(3)
Operating profit	5	**287**	**269**
Interest expense		(207)	(181)
Interest and other financial income		10	7
Other non-operating (expenses) income, net	6	(9)	44
Income (loss) from associates, net	15	(39)	9
Profit before taxes from continuing operations		**42**	**149**
Charge for taxes, net		(82)	(84)
Profit (loss) for the period from continuing operations		**(40)**	**65**
Profit for the period from discontinued operations, net of tax	4	16	6
Net profit (loss) for the period		**(25)**	**71**
Attributable to:			
Owners of the Company		(4)	77
Non-controlling interests		(20)	(6)
Earnings per common share for profit attributable to the owners of the Company:			
Basic (US$)	7	(0.04)	0.77
Diluted (US$)	7	(0.04)	0.77

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

(ii) The interim condensed consolidated income statement for the six-month period ended 30 June 2016 has also been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).

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

Unaudited interim condensed consolidated income statement for the three-month period ended 30 June 2017

US$ millions (unaudited)	Notes	Three months ended 30 June 2017	Three months ended 30 June 2016 (i) (ii)
Revenue	5	1,048	1,068
Cost of sales		(310)	(310)
Gross profit		**738**	**758**
Operating expenses		(423)	(426)
Depreciation		(184)	(179)
Amortisation		(40)	(49)
Income from joint ventures, net	14	35	27
Other operating income (expenses), net		1	(3)
Operating profit	5	**128**	**129**
Interest expense		(108)	(97)
Interest and other financial income		4	3
Other non-operating (expenses) income, net	6	(19)	30
Income (loss) from associates, net	15	(25)	20
Profit (loss) before taxes from continuing operations		**(19)**	**85**
Charge for taxes, net		(40)	(50)
Profit (loss) for the period from continuing operations		**(59)**	**35**
Profit (loss) for the period from discontinued operations, net of tax	4	11	(1)
Net profit (loss) for the period		**(48)**	**34**

Attributable to:			
Owners of the Company		(28)	39
Non-controlling interests		(21)	(5)

Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	7	(0.28)	0.39
Diluted (US$)	7	(0.28)	0.39

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

(ii) The interim condensed consolidated income statement for the three-month period ended 30 June 2016 has also been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).

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

Unaudited interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2017

US$ millions (unaudited)	Six months ended 30 June 2017	Six months ended 30 June 2016(i)
Net profit for the period	(25)	71
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	1	47
Cash flow hedges	3	(3)
Total comprehensive income for the period	**(22)**	**115**
Attributable to:		
Owners of the Company	2	105
Non-controlling interests	(24)	10
Total comprehensive income for the period arises from:		
Continuing operations	(30)	110
Discontinued operations	8	5

Unaudited interim condensed consolidated statement of comprehensive income for the three-month period ended 30 June 2017

US$ millions (unaudited)	Three months ended 30 June 2017	Three months ended 30 June 2016 (i)
Net profit (loss) for the period	(48)	34
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(25)	17
Cash flow hedges	1	(3)
Total comprehensive income (loss) for the period	**(72)**	**48**
Attributable to:		
Owners of the Company	(42)	44
Non-controlling interests	(30)	4
Total comprehensive income for the period arises from:		
Continuing operations	(78)	47
Discontinued operations	6	1

(i) The interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2016 has been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).

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

Unaudited interim condensed consolidated statement of financial position as at 30 June 2017

US$ millions	Notes	30 June 2017	31 December 2016 (audited)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	1,274	1,359
Property, plant and equipment, net	8	2,858	3,057
Investments in joint ventures	14	2,857	2,945
Investments in associates	15	300	331
Deferred tax assets		165	166
Derivative financial instruments	13	19	32
Other non-current assets		61	72
TOTAL NON-CURRENT ASSETS		**7,534**	**7,961**
CURRENT ASSETS			
Inventories		71	62
Trade receivables, net		364	387
Amounts due from non-controlling interests, associates and joint ventures	12	12	17
Prepayments and accrued income		189	171
Current income tax assets		79	101
Supplier advances for capital expenditure		21	23
Other current assets		120	110
Restricted cash		142	145
Cash and cash equivalents		721	646
TOTAL CURRENT ASSETS		**1,721**	**1,661**
Assets held for sale	4	240	5
TOTAL ASSETS		**9,495**	**9,627**

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

Unaudited interim condensed consolidated statement of financial position as at 30 June 2017(continued)

US$ millions	Notes	30 June 2017	31 December 2016 (audited)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		637	638
Treasury shares		(105)	(123)
Other reserves		(562)	(562)
Retained profits		2,950	3,247
Loss for the period/year attributable to equity holders		(4)	(32)
Equity attributable to owners of the Company		**2,915**	**3,167**
Non-controlling interests		177	201
TOTAL EQUITY		**3,093**	**3,368**
LIABILITIES			
Non-current liabilities			
Debt and financing	10	3,756	3,821
Derivative financial instruments	13	—	84
Amounts due to non-controlling interests, associates and joint ventures	12	33	113
Provisions and other non-current liabilities		272	286
Deferred tax liabilities		57	57
Total non-current liabilities		**4,118**	**4,361**
Current liabilities			
Debt and financing	10	453	80
Payables and accruals for capital expenditure		222	326
Other trade payables		242	297
Amounts due to non-controlling interests, associates and joint ventures	12	306	273
Accrued interest and other expenses		384	376
Current income tax liabilities		65	68
Derivative financial instruments	13	64	—
Provisions and other current liabilities		461	477
Total current liabilities		**2,198**	**1,898**
Liabilities directly associated with assets held for sale	4	85	—
TOTAL LIABILITIES		**6,402**	**6,258**
TOTAL EQUITY AND LIABILITIES		**9,495**	**9,627**

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

Unaudited interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2017

US$ millions (i)	Notes	30 June 2017	30 June 2016 (i) (ii)
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		42	149
Profit (loss) before taxes from discontinued operations		18	(7)
Profit before taxes		**60**	**141**
Adjustments to reconcile to net cash:			
Interest expense		209	185
Interest and other financial income		(10)	(7)
Adjustments for non-cash items:			
Depreciation and amortization	5	444	456
Share of (gain) loss from joint ventures, net		(73)	(59)
Loss (gain) on disposal and impairment of assets, net		(3)	(6)
Share based compensation		12	7
(Income) loss from associates, net	15	39	(9)
Other non-cash non-operating (income) expenses, net		1	(39)
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets		(24)	(35)
(Increase) decrease in inventories		(10)	7
Increase (decrease) in trade and other payables		(58)	(28)
Total changes in working capital		**(93)**	**(57)**
Interest (paid)		(173)	(166)
Interest received		10	7
Taxes (paid)	5	(55)	(55)
Net cash provided by operating activities		**367**	**399**
Cash flows from investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	(20)	-
Proceeds from disposal of subsidiaries, net of cash disposed		-	137
Purchase of intangible assets and licenses	9	(78)	(99)
Proceeds from sale of intangible assets	9	-	4
Purchase of property, plant and equipment	8	(316)	(377)
Proceeds from sale of property, plant and equipment	8	3	1
Dividend received from joint ventures		101	-
Cash (used in) provided by other investing activities, net		9	-
Net cash used in investing activities		**(301)**	**(333)**
Cash flows from financing activities (including discontinued operations):			
Proceeds from other debt and financing	10	350	580
Repayment of debt and financing	10	(64)	(282)
Advances for, and dividends to non-controlling interests		-	(7)
Dividends paid to owners of the Company		(265)	(265)
Repayments of loans from joint ventures	12	-	(175)
Net cash from (used by) financing activities		**21**	**(149)**
Exchange impact on cash and cash equivalents, net		-	(1)
Net (decrease) increase in cash and cash equivalents		**88**	**(84)**
Cash and cash equivalents at the beginning of the year		646	769
Effect of cash in disposal group held for sale	4	(12)	(1)
Cash and cash equivalents at the end of the period		**721**	**684**

(i) The interim condensed consolidated statement of cash flows for the six month period ended 30 June 2016 has been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).

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

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

MILLICOM

Unaudited interim condensed consolidated statements of changes in equity for the periods ended 30 June 2017, 31 December 2016 and 30 June 2016 (i)

US$ millions	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital	Share premium	Treasury shares	Retained profits (i)	Other reserves	Total	Non-controlling interests	Total equity
Balance on 31 December 2015	**101,739**	**(1,574)**	**153**	**486**	**(143)**	**3,513**	**(531)**	**3,477**	**251**	**3,728**
Total comprehensive income for the period....	—	—	—	—	—	77	28	105	10	115
Dividends....................................	—	—	—	—	—	(265)	—	(265)	—	(265)
Purchase of treasury shares.........................	—	(35)	—	—	(2)	—	—	(2)	—	(2)
Share based compensation..........................	—	—	—	—	—	—	7	7	—	7
Issuance of shares under share-based payment schemes	—	211	—	(1)	19	2	(17)	3	—	3
Balance on 30 June 2016	**101,739**	**(1,398)**	**153**	**485**	**(126)**	**3,327**	**(513)**	**3,326**	**260**	**3,586**
Total comprehensive income for the period	—	—	—	—	—	(109)	(56)	(165)	(59)	(224)
Purchase of treasury shares..........	—	(2)	—	—	(1)	—	—	(1)	—	(1)
Share based compensation...........	—	—	—	—	—	—	7	7	—	7
Issuance of shares under share-based payment schemes	—	5	—	—	4	(3)	—	1	—	1
Balance on 31 December 2016	**101,739**	**(1,395)**	**153**	**485**	**(123)**	**3,215**	**(562)**	**3,167**	**201**	**3,368**
Total comprehensive income for the period	—	—	—	—	—	(4)	6	2	(24)	(22)
Dividends (iii)	—	—	—	—	—	(265)	—	(265)	—	(265)
Purchase of treasury shares..........	—	(31)	—	—	(3)	—	—	(3)	—	(3)
Share based compensation...........	—	—	—	—	—	—	12	12	—	12
Issuance of shares under share-based payment schemes	—	236	—	(1)	21	1	(18)	1	—	1
Balance on 30 June 2017	**101,739**	**(1,190)**	**153**	**484**	**(105)**	**2,946**	**(562)**	**2,915**	**177**	**3,093**

(i) The interim condensed consolidated statements of changes in equity for the six-month period ended 30 June 2016 has been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).

(ii) Retained profits — includes profit attributable to equity holders, of which at 30 June 2017, $320 million (2016: $347 million) are not distributable to equity holders.

(iii) Dividends — A dividend distribution of $2.64 per share was approved by the Annual General Meeting of shareholders and distributed in May 2017.

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, Pay-TV and investments in online businesses in Latin America and Africa.

On 19 July 2017, the Board of Directors authorised these interim condensed consolidated financial statements for issuance.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements of the Group are unaudited. They are presented in US dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as adopted by the European Union. In the opinion of management, these unaudited interim condensed consolidated financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods. Millicom's operations are not affected by significant seasonal or cyclical patterns.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2016 consolidated financial statements.

The following changes to standards effective for annual periods starting on 1 January 2017 have not been applied by the Group as they have not yet been endorsed by the European Union. Millicom intends to adopt these changes as soon as they are endorsed. However, their adoption will not have a significant impact for the Group:

- IAS Amendments to IAS 7, 'Statement of cash flows' on disclosure initiative. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports;
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses.

There are no other significant changes to standards effective for annual periods starting on 1 January 2017.

Update on the implementations of IFRS 15, "Revenue from contracts with customers" and IFRS 9, "Financial Instruments":

- IFRS 15: We plan to adopt the accounting standard on 1 January 2018 and anticipate a meaningful impact on our Group financial statements, but we think it is premature to quantify this impact due primarily to the high volume of transactions that we process. From a qualitative standpoint, we expect that
  - some revenue will be recognized earlier, as a larger portion of the total consideration received in a bundled contract will be attributable to the component delivered at contract inception. Therefore, we expect this will produce a shift from service revenue (which will decrease) to the benefit of Telephone and Equipment revenue.
  - the cost incurred to obtain a contract (mainly commissions) will be capitalized in the balance sheet and amortized over the expected customers' retention period.
  - No material changes for the purpose of determining whether the Group acts as principal or an agent in the sale of products.

  As a result, we expect this will produce a net increase in both revenue and EBITDA in the first year. We anticipate that other adjustments will be less meaningful than the two adjustments explained above.

  Additionally, the Group has decided to take some of the practical expedients foreseen in the Standard, such as:
  - Millicom will not adjust the transaction price for the means of a financing component whenever the period between the transfer of a promised good or service to a customer and the associated payment is one year or less; when the period is more than one year the significant financing component should be adjusted, if material.
  - Millicom will disclose in the Group Financial Statements the transaction price allocated to unsatisfied performance obligations only for contracts that have an original expected duration of more than one year (e.g. unsatisfied performance obligations for contracts that that have an original duration of one year or less will not be disclosed).

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

- Millicom will apply the practical expedient not to disclose the price allocated to unsatisfied performance obligations, if the consideration from a customer directly corresponds to the value to the customer of the entity's performance to date (i.e, if billing = revenue).

- IFRS 9: The Group has started the implementation project in early 2017 for IFRS 9 and does expect it to have an impact on impairment of trade receivables and contracts assets (IFRS 15) as well as on amounts due from joint ventures and related parties – with the application of the expected credit loss model. However, the Group does not expect this impact to be material on the consolidated financial statements taken as a whole.

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

Acquisitions

During the six-month period ended 30 June 2017, Tigo Paraguay completed the acquisition of TV Cable Parana for a total consideration of approximately $18 million, net of cash acquired. The purchase accounting was finalised in March 2017. The purchase price has been mainly allocated to a customer list ($14 million) and to other tangible and intangible fixed assets ($3 million). As a result, the final goodwill amounted to $1 million.

During 2016 Millicom did not complete any significant acquisitions.

Ghana merger

On 3 March 2017, Millicom and Bharti Airtel Limited ('Airtel") announced that they have entered into an agreement for Tigo Ghana Limited and Airtel Ghana Limited to combine their operations in Ghana. As per the agreement, Millicom and Airtel would have equal ownership and governance rights in the combined entity. Completion of the transaction is subject to obtaining regulatory approvals and customary closing conditions.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – Senegal

On 7 February 2017, the Group announced that it had agreed to sell its business in Senegal to Wari Group, subject to regulatory approvals. The transaction represents an enterprise value for Tigo Senegal of $129 million. While the transaction is still subject to regulatory approval at 30 June 2017, there is a high probability that the sale will be completed. The Group concluded that, given the conditions and circumstances, the operations in Senegal should be classified as discontinued operations and assets held for sale as from 7 February 2017.

Discontinued operations – DRC

On 8 February 2016, Millicom announced that it had signed an agreement for the sale of its businesses in the Democratic Republic of Congo (DRC) to Orange S.A. for a total cash consideration of $160 million adjusted for working capital movements and including $10 million of cash hold-back subject to the completion of the disposal of the mobile financial services business (DRC Mobile Cash). The transaction was completed in respect of the mobile business (Oasis S.A.) on 20 April 2016 and includes certain indemnity and warranty clauses as well as other expenses directly linked with the disposal, which have been provided for as of 30 June 2017. The separate disposal of DRC Mobile Cash was completed in September 2016. As a result, $10 million of the cash hold-back was received in October 2016. The sale of these operations generated a cash inflow of $147 million, net of $33 million of cash disposed.

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

In accordance with IFRS 5, the Group's businesses in DRC and Senegal have been classified as assets held for sale as from 8 February 2016 and 7 February 2017, respectively, and their results were classified as discontinued operations. Comparative figures of the income statement have been represented accordingly. Financial information relating to the discontinued operations for the six month periods ended 30 June 2017 and 2016 is set out below. Figures shown below are after intercompany eliminations.

Results from Discontinued Operations (US$ millions)	Six months ended 30 June 2017	Six months ended 30 June 2016
Revenue	70	100
Cost of sales	(23)	(37)
Operating expenses	(31)	(50)
Depreciation and amortisation	(2)	(18)
Other operating income (expenses), net	-	-
Operating profit (loss)	**14**	**(6)**
Interest income (expense), net	(2)	(1)
Other non-operating (expenses) income, net	5	2
Profit (loss) before taxes	**18**	**(7)**
Credit (charge) for taxes, net	-	6
Results from discontinued operations	**18**	**(1)**
Gross gain on disposal of discontinued operations	-	21
Other expenses linked to the disposal of discontinued operations	(2)	(14)
Net gain (loss) on disposal of discontinued operations	**(2)**	**7**
Net profit (loss) from discontinued operations	**16**	**6**

Results from Discontinued Operations (US$ millions)	Three months ended 30 June 2017	Three months ended 30 June 2016
Revenue	37	33
Cost of sales	(12)	(14)
Operating expenses	(15)	(16)
Depreciation and amortisation	-	(8)
Other operating income (expenses), net	-	-
Operating profit (loss)	**9**	**(6)**
Interest income (expense), net	(1)	(1)
Other non-operating (expenses) income, net	5	(2)
Profit (loss) before taxes	**13**	**(8)**
Credit (charge) for taxes, net	-	-
Results from discontinued operations	**13**	**(8)**
Gross gain on disposal of discontinued operations	-	21
Other expenses linked to the disposal of discontinued operations	(2)	(14)
Net gain (loss) on disposal of discontinued operations	**(2)**	**7**
Net profit (loss) from discontinued operations	**11**	**(1)**

Cash Flows from Discontinued Operations (US$ millions)	Six months ended 30 June 2017	Six months ended 30 June 2016
Cash from (used in) operating activities, net	7	(11)
Cash from (used in) investing activities, net	(8)	(1)
Cash from (used in) financing activities, net	5	(1)

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

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

Senegal

The assets and liabilities were transferred to assets held for sale in relation to our operations in Senegal as at 7 February 2017. The following assets and liabilities are classified as assets held for sale as at 30 June 2017:

Assets and liabilities reclassified as held for sale – Senegal (US$ millions)	30 June 2017
Intangible assets, net	48
Property, plant and equipment, net	108
Other non-current assets	1
Current assets	43
Cash and cash equivalents	12
Total assets of disposal group held for sale	**212**
Non-current financial liabilities	(18)
Current liabilities	(59)
Total liabilities of disposal group held for sale	**(77)**
Net assets	**135**

DRC

The following assets and liabilities were held for sale in relation to Oasis S.A. as at the date of disposal. The assets and liabilities of DRC Mobile Cash were immaterial to the Group and have not been disclosed below:

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

Tower Sale and Leaseback - Paraguay

On 26 April 2017, the Group announced an agreement to sell and leaseback approximately 1,400 wireless communications towers in Paraguay to a subsidiary of American Tower Corporation (“ATC”) whereby Millicom agreed the sale of tower assets and to lease back a dedicated portion of each tower to locate its network equipment in exchange for cash. As a result of this transaction, our operation in Paraguay will receive approximately Gs700 billion (equivalent to $125 million) in cash. The portions of the assets that will be transferred and that will not be leased back by our operation in Paraguay are classified as assets held for sale as completion of their sale is highly probable.

At 30 June 2017, Millicom had corresponding assets held for sale amounting to $20 million representing the portion of towers sold but yet to be transferred to ATC. Asset retirement obligations related to the towers of $5 million are classified as liabilities directly associated with assets held for sale. The portion of the towers which will be leased back remained capitalized and classified under the caption “Property, plant & equipment, net” in the statement of financial position as at 30 June 2017.

5. SEGMENT INFORMATION

Millicom presents segmental information based on its two geographical regions (Latin America and Africa) and the figures below include Honduras and Guatemala as if they are fully consolidated by the Group as this reflects the way management reviews and uses internally reported information to make decisions about operating matters. Honduras and Guatemala are shown under the Latin America segment.

Revenue, operating profit (loss), EBITDA and other segment information six and three month periods ended 30 June 2017 and 2016 were as follows:

Six-month period ended 30 June 2017 (US$ millions)	Latin America	Africa	Unallo-cated	Continuing Operations (a)	Guatemala and Honduras (vi) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vii)	Total
Revenue	**2,674**	**348**	**-**	**3,022**	**(931)**	**—**	**2,091**	**70**	**2,161**
Operating profit (loss)	**470**	**26**	**(74)**	**421**	**(208)**	**73**	**287**	**14**	**301**
Add back:									
Depreciation and amortization	591	75	3	669	(226)	—	442	2	444
Income (loss) from joint ventures, net	—	—	—	—	—	(73)	(73)		(73)
Other operating income (expenses), net	3	(1)	(3)	—	(3)	—	(3)	—	(3)
EBITDA *(i)*	**1,064**	**100**	**(73)**	**1,090**	**(437)**	**—**	**653**	**16**	**668**
EBITDA from discontinued operations	—	16	—	16					
EBITDA incl discontinued operations	**1,064**	**115**	**(73)**	**1,106**					
Capital expenditure *(ii)*	(425)	(61)	-	(486)					
Changes in working capital and others (iii)	(98)	7	(13)	(104)					
Taxes paid	(106)	(4)	3	(107)					
Operating free cash flow *(iv)*	**469**	**22**	**(83)**	**408**					
Total Assets *(v)*	**9,942**	**1,406**	**1,327**	**11,642**	**(5,338)**	**3,191**	**9,495**		
Total Liabilities	**5,111**	**1,900**	**2,016**	**7,993**	**(1,923)**	**335**	**6,402**		

Six-month period ended 30 June 2016 (US$ millions) (viii)	Latin America	Africa	Unallo-cated	Total (a)	Guatemala and Honduras (vi) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vii)	Total
Revenue	**2,657**	**382**	**-**	**3,039**	**(944)**	**-**	**2,096**	**100**	**2,195**
Operating profit (loss)	**470**	**31**	**(80)**	**421**	**(211)**	**59**	**269**	**(6)**	**264**
Add back:									
Depreciation and amortization	568	81	3	652	(214)	-	438	18	456
Income (loss) from joint ventures, net	-	-	-	-	-	(59)	(59)	-	(59)
Other operating income (expenses), net	2	-	2	4	(1)	-	3	-	3
EBITDA *(i)*	**1,040**	**113**	**(75)**	**1,077**	**(426)**	**-**	**651**	**12**	**663**
EBITDA from discontinued operations	-	12	-	12					
EBITDA incl discontinued operations	**1,040**	**125**	**(75)**	**1,090**					
Capital expenditure *(ii)*	(476)	(78)	(4)	(558)					
Changes in working capital and others (iii)	(63)	(10)	(44)	(117)					
Taxes paid	(125)	(6)	(6)	(137)					
Operating free cash flow *(iv)*	**376**	**31**	**(129)**	**278**					
Total Assets *(v)*	**10,609**	**1,671**	**1,587**	**12,363**	**(5,668)**	**3,369**	**10,064**		
Total Liabilities	**5,311**	**2,046**	**2,297**	**8,149**	**(1,954)**	**283**	**6,478**		

(i) EBITDA is used by the management to monitor the segmental performance and for capital management. EBITDA is defined in the Group's 2016 Annual Report.

(ii) Excluding spectrum and licenses of $18 million (2016: $35 million).

(iii) 'Changes in working capital and others' include changes in working capital as stated in the cash flow statement as well as share based payments expense.

(iv) Operating Free Cash Flow is EBITDA less capex (excluding spectrum and license costs) less change in working capital, other non-cash items (share-based payments expense) and taxes paid.

(v) Segment assets include goodwill and other intangible assets.

(vi) Including eliminations for Guatemala and Honduras as reported in the Latin America segment.

(vii) See note 4. DRC and Senegal operations were part of the Africa segment.

(viii) Restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures and of the classification of our operations in Senegal as discontinued operations (see notes 4 and 14)

5. SEGMENT INFORMATION (Continued)

Three-month period ended 30 June 2017 (US$ millions)	Latin America	Africa	Unallo-cated	Total (a)	Guatemala and Honduras (vi) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vii)	Total
Revenue	**1,345**	**172**	**—**	**1,517**	**(469)**	**—**	**1,048**	**37**	**1,085**
Operating profit (loss)	**226**	**8**	**(35)**	**198**	**(106)**	**35**	**128**	**9**	**137**
Add back:									
Depreciation and amortization	296	39	2	336	(113)	—	223	—	223
Income (loss) from joint ventures, net	—	—	—	—	—	(35)	(35)	—	(35)
Other operating income (expenses), net	1	—	(2)	1	(2)	—	(1)	—	(1)
EBITDA *(i)*	**522**	**47**	**(35)**	**535**	**(220)**	**—**	**315**	**9**	**324**
EBITDA from discontinued operations	—	9	—	9					
EBITDA incl discontinued operations	**522**	**56**	**(35)**	**545**					
Capital expenditure *(ii)*	(177)	(33)	-	(209)					
Changes in working capital and others (iii)	(31)	16	(19)	(34)					
Taxes paid	(71)	(2)	(1)	(74)					
Operating free cash flow *(iv)*	**280**	**2**	**(53)**	**228**					

Three-month period ended 30 June 2016 (US$ millions) (viii)	Latin America	Africa	Unallo-cated	Total (a)	Guatemala and Honduras (vi) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vii)	Total
Revenue	**1,349**	**192**	**-**	**1,540**	**(472)**	**-**	**1,068**	**33**	**1,101**
Operating profit (loss)	**218**	**17**	**(36)**	**198**	**(96)**	**27**	**129**	**(6)**	**124**
Add back:									
Depreciation and amortization	293	42	-	336	(108)	-	228	8	236
Income (loss) from joint ventures, net	-	-	-	-	-	(27)	(27)	-	(27)
Other operating income (expenses), net	4	-	-	4	-	-	3	-	3
EBITDA *(i)*	**514**	**58**	**(36)**	**538**	**(204)**	**-**	**333**	**2**	**335**
EBITDA from discontinued operations	**-**	**2**	**-**	**2**					
EBITDA incl discontinued operations	**514**	**61**	**(36)**	**540**					
Capital expenditure *(ii)*	(161)	(51)	(1)	(214)					
Changes in working capital and others (iii)	2	39	(38)	3					
Taxes paid	(95)	(3)	(1)	(99)					
Operating free cash flow *(iv)*	**261**	**46**	**(76)**	**231**					

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

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

US$ millions	Six months ended 30 June 2017	Six months ended 30 June 2016
Change in fair value of derivatives (see note 13)	(12)	—
Exchange gains (losses), net	6	53
Other non-operating income (expenses), net	(2)	(9)
Total	**(9)**	**44**

US$ millions	Three months ended 30 June 2017	Three months ended 30 June 2016
Change in fair value of derivatives (see note 13)	(10)	6
Exchange gains (losses), net	(10)	23
Other non-operating income (expenses), net	1	1
Total	**(19)**	**30**

7. EARNINGS PER COMMON SHARE

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

US$ millions	Six months ended 30 June 2017	Six months ended 30 June 2016
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	(20)	71
Net profit attributable to owners of the Company from discontinuing operations	16	6
Net profit attributable to owners of the Company used to determine the earnings per share	(4)	77
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,383**	**100,333**
Potential incremental shares	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,383**	**100,333**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(0.20)	0.71
- EPS from discontinuing operations attributable to owners of the Company	0.16	0.05
- EPS for the period attributable to owners of the Company	(0.04)	0.77
Diluted		
- EPS from continuing operations attributable to owners of the Company	(0.20)	0.71
- EPS from discontinuing operations attributable to owners of the Company	0.16	0.05
- EPS for the period attributable to owners of the Company	(0.04)	0.77

US$ millions	Three months ended 30 June 2017	Three months ended 30 June 2016
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	(39)	40
Net profit (loss) attributable to owners of the Company from discontinuing operations	11	(1)
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	(28)	39
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,543**	**100,336**
Potential incremental shares	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,543**	**100,336**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(0.39)	0.40
- EPS from discontinuing operations attributable to owners of the Company	0.11	(0.01)
- EPS for the period attributable to owners of the Company	(0.28)	0.39
Diluted		
- EPS from continuing operations attributable to owners of the Company	(0.39)	0.40
- EPS from discontinuing operations attributable to owners of the Company	0.11	(0.01)
- EPS for the period attributable to owners of the Company	(0.28)	0.39

8. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2017, Millicom added property, plant and equipment for $278 million (30 June 2016: $250 million) and received $3 million in cash from disposal of property, plant and equipment (30 June 2016: $1 million).

9. INTANGIBLE ASSETS

During the six-month period ended 30 June 2017, Millicom added intangible assets of $37 million (30 June 2016: $114 million) and received $1 million of proceeds from disposal of intangible assets (30 June 2016: $4 million).

10. DEBT AND FINANCING

USD 4.75% Senior Notes

In June 2017, the Company announced the redemption of all of the aggregate principal amount of the outstanding 4.750% Senior Notes due 2020 ($341 million). The early redemption fees amounting to $8 million and $7 million of related unamortized costs have been expensed in June 2017 under interest expenses. The principal amount outstanding has been reclassified as short debt as of 30 June 2017 as a consequence of the irrevocable call notice being issued.

Colombia

In June 2017, Colombia Movil completed a $300 million syndicated loan. The loan, denominated in US dollars, which carries an interest rate of 250 basis points over LIBOR will be repaid in three tranches of $100 million in June and December 2021 for the two first tranches, and in June 2022 for the last tranche. Proceeds have been used to repay an inter-company loan from Millicom, which in turn plans to use the funds to reduce holding company debt (see above) and for general corporate purposes.

MIC SA Revolving Credit Facility

On 30 January 2017, the Company announced the closing of a new $600 million, 5 years Revolving Credit Facility and notified the lenders in the 2014 RCF of the formal cancellation of the commitments outstanding under the 2014 RCF (none of which were drawn at such date).

Interest on amounts drawn under the revolving credit facility is payable at LIBOR or EURIBOR, as applicable, plus an initial margin of 1.5%. As of 30 June 2017, the committed facility was fully undrawn.

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

US$ millions	As at 30 June 2017	As at 31 December 2016
Due within:		
One year	453	80
One-two years	500	252
Two-three years	372	518
Three-four years	414	649
Four-five years	938	850
After five years	1,532	1,552
Total debt	**4,210**	**3,901**

As at 30 June 2017, 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 $667 million (31 December 2016: $640 million). Assets pledged by the Group for these debts and financings amounted to $2 million at 30 June 2017(31 December 2016: $3 million).

Analysis of debt and other financing by maturity

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at 30 June 2017 and 31 December 2016.

	Bank and financing guarantees (i)			
US$ millions	As at 30 June 2017		As at 31 December 2016	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	94	94	38	38
1-3 years	427	427	348	348
3-5 years	146	146	250	250
More than 5 years	—	—	4	4
Total	**667**	**667**	**640**	**640**

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

11. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits and other legal risks that arise in the normal course of business. As of 30 June 2017, the total amount of claims and litigation risks against Millicom and its operations was $405 million, of which $3 million related to its share in joint ventures (31 December 2016: $406 million, of which $3 million related to its share in joint ventures).

As at 30 June 2017, $33 million, of which $1 million related to its share in joint ventures (31 December 2016: $43 million, of which $1 million related to its share in joint ventures), has been provided for litigation and legal risks in the consolidated statement of financial position. While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

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

Taxation

At 30 June 2017, the Group estimates potential tax claims amounting to $268 million and tax provisions of $62 million which have been assessed probable and have been recorded (31 December 2016: claims amounting to $311 million and provisions of $65 million). Out of these potential claims and provisions, respectively $48 million and $3 million relate to Millicom's share in joint ventures (31 December 2016: claims amounting to $96 million and provisions of $9 million). The decrease noticed compared to 31 December 2016 is mainly due to the successful application for a tax amnesty for our operation in Honduras.

Potential improper payments on behalf of the Guatemala joint venture

On 21 October 2015, Millicom reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Company's joint venture in Guatemala. On 4 May 2016, Millicom received notification from the Swedish Public Prosecutor that its preliminary investigation has been discontinued on jurisdictional grounds. Millicom continues to cooperate with law enforcement authorities in the United States. As at 30 June 2017, the matter is still under investigation and Management has not been able to assess the potential impact on these interim condensed consolidated financial statements of any remedial actions that may need to be taken as a result of the investigations, or penalties that may be imposed by law enforcement authorities. Accordingly, no provision has been recorded as of 30 June 2017.

Capital commitments

At 30 June 2017 the Company, its subsidiaries and joint ventures had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of $159 million of which $142 million are due within one year (31 December 2016: $179 million of which $162 million are due within one year). Out of these commitments, respectively $21 million and $17 million related to Millicom's share in joint ventures. (31 December 2016: $17 million and $14 million).

12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the six-month and three-month period ended 30 June 2017:

US$ millions (unaudited)	Six months ended 30 June 2017	Six months ended 30 June 2016
Expenses		
Purchases of goods and services from Modern Times Group	1	3
Purchases of goods and services from Miffin	95	91
Purchases of goods and services from EPM	11	10
Lease of towers and related services from Helios	19	16
Other expenses	1	1
Total	**127**	**121**

US$ millions (unaudited)	Six months ended 30 June 2017	Six months ended 30 June 2016
Income / gains		
Sale of goods and services to EPM	9	8
Sale of goods and services to Miffin	132	95
Other revenue related to Helios Towers Tanzania	1	2
Other income / gains	1	3
Total	**143**	**108**

US$ millions (unaudited)	Three months ended 30 June 2017	Three months ended 30 June 2016
Expenses		
Purchases of goods and services from Modern Times Group	—	2
Purchases of goods and services from Miffin	44	56
Purchases of goods and services from EPM	5	6
Lease of towers and related services from Helios	16	5
Other expenses	1	—
Total	**66**	**69**

US$ millions (unaudited)	Three months ended 30 June 2017	Three months ended 30 June 2016
Income / gains		
Sale of goods and services to EPM	5	5
Sale of goods and services to Miffin	66	31
Other income / gains	—	4
Total	**72**	**40**

As at 30 June 2017 the Company had the following balances with related parties:

US$ millions (unaudited)	At 30 June 2017	At 31 December 2016
Liabilities		
Payables to Guatemala joint venture (i)	170	245
Payables to Honduras joint venture (i)	140	118
Finance lease liabilities to Helios (ii)	92	85
Payables to EPM	3	3
Other accounts payable	26	20
Total	**431**	**471**

(i) Amount payable mainly consist in dividend advances for which dividend is expected to be declared in 2018 and/or shareholder loans.
(ii) Disclosed under "Debt and other financing" in the statement of financial position.

12. RELATED PARTY TRANSACTIONS (Continued)

US$ millions (unaudited)	At 30 June 2017	At 31 December 2016
Assets		
Receivables from EPM	5	4
Receivables from Helios Towers	7	10
Other accounts receivable	-	3
Total	**12**	**17**

13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 30 June 2017 and 31 December 2016:

US$ millions	Carrying Value		Fair Value (i)	
	30 June 2017 (unaudited)	31 December 2016 (audited)	30 June 2017 (unaudited)	31 December 2016 (audited)
Financial liabilities				
Debt and financing	4,210	3,901	4,501	4,234

(i) Fair values are measured with reference to Level 1 (for listed bonds) or 2.

Currency and interest rate swap contracts

Interest rate and currency swaps on SEK and EUR denominated debt are measured with reference to Level 2 of the fair value hierarchy

Interest rate and currency swaps on SEK denominated debt

These swaps are accounted for as a cash flow hedge as the timing and amounts of the cash flows under the swap agreements match the cash flows under the SEK bond. Their maturity date is April 2018 but might be extended. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At 30 June 2017, the fair values of the swaps amount to a liability of $64 million (31 December 2016: a liability of $84 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 an intercompany seven-year Euro 134 million principal and related interest financing of its operation in Senegal. At 30 June 2017, the fair value of the swap amounts to an asset of $19 million (31 December 2016: asset of $32 million).

The above hedge is considered ineffective, with fluctuations in the fair value of the hedge recorded through profit and loss.

No other financial instruments have a significant fair value at 30 June 2017.

14. INVESTMENTS IN JOINT VENTURES

As disclosed in the Group's consolidated financial statements as at 31 December 2015 and 2016, Millicom deconsolidated its investments in Comcel (Guatemala) and Celtel (Honduras). As from 31 December 2015 onwards, Millicom therefore jointly controls Comcel and Celtel and accounts for its investments in Comcel and Celtel under the equity method and thus reports its share of the net income of each of these businesses in the income statement in the caption "Income (loss) from joint ventures" starting 1 January 2016.

The table below summarises the movements for the year in respect of the Group's joint ventures carrying values:

US$ millions	2017	
	Guatemala	Honduras
Opening balance at 1 January 2017	**2,180**	**765**
Results for the period	66	5
Dividends declared during the period	(168)	-
Currency exchange differences	7	2
Closing balance at 30 June 2017	**2,085**	**772**

In the fourth quarter of 2016, the Group completed the measurement at fair value of identifiable assets and liabilities for both Guatemala and Honduras operations as of 31 December 2015, the date of recognition of the Group's investment in both operations as joint ventures. This impacted the "Income (loss) from joint ventures". On 30 June 2016, the purchase accounting was still provisional.

In accordance with IFRS, adjustments to provisional amounts that are made during the measurement period are recognised as if the purchase accounting had been completed at the date of change of control i.e. 31 December 2015. As a result, the Group has restated the comparative financial information for the three and six-month periods ended 30 June 2016 which was affected as follows:

Six months ended 30 June 2016			
US$ millions	As reported	Adjustments	As adjusted
Interim condensed consolidated income statement:			
Income from joint ventures, net	68	(9)	59
Operating profit	270	(9)	261
Profit before taxes from continuing operations	149	(9)	140
Profit for the period from continuing operations	66	(9)	57
Net profit (loss) for the period	80	(9)	71
Attributable to:			
Owners of the Company	86	(9)	77
Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (in US$)	0.86	(0.09)	0.77
Diluted (in US$)	0.86	(0.09)	0.77
Interim condensed consolidated statement of comprehensive income:			
Total comprehensive income (loss) for the period	124	(9)	115
Attributable to:			
Owners of the Company	114	(9)	105
Interim condensed consolidated statement of cash flows:			
Profit before taxes from continuing operations	149	(9)	140
Profit before taxes	157	(9)	148
Income from joint ventures, net	(68)	9	(59)

14. INVESTMENTS IN JOINT VENTURES (Continued)

US$ millions	Three months ended 30 June 2016		
	As reported	Adjustments	As adjusted
Interim condensed consolidated income statement:			
Income from joint ventures, net	31	(5)	27
Operating profit	129	(5)	125
Profit before taxes from continuing operations	82	(5)	77
Profit for the period from continuing operations	32	(5)	28
Net profit (loss) for the period	39	(5)	35
Attributable to:			
Owners of the Company	44	(5)	39
Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (in US$)	0.44	(0.05)	0.39
Diluted (in US$)	0.44	(0.05)	0.39
Interim condensed consolidated statement of comprehensive income:			
Total comprehensive income (loss) for the period	53	(5)	48
Attributable to:			
Owners of the Company	48	(5)	44
Interim condensed consolidated statement of cash flows:			
Profit before taxes from continuing operations	82	(5)	76
Profit before taxes	82	(5)	77
Income from joint ventures, net	(32)	5	(27)

15. INVESTMENTS IN ASSOCIATES

Helios Towers Africa (HTA)

On 8 February 2017, Millicom announced that it initiated a process to sell its 22% stake in HTA. At 30 June 2017, this process is still ongoing.

Latin America Internet Holding GmbH (LIH)

In April 2017, LIH completed the disposal of its shareholding in Easy Taxi to Cabify. As a result, and ultimately, LIH will receive cash and shares in Cabify for a total consideration of approximately $45 million. The transaction resulted in Millicom recognizing a loss of $11 million (Millicom's share) under the caption "income/loss from associates, net".

16. IPO – MILLICOM'S OPERATIONS IN TANZANIA

In June 2016, an amendment to the Electronic and Postal Communications Act ("EPOCA") in the Finance Act 2016 required all Tanzanian licensed telecom operators to sell 25% of the authorised share capital in a public offering on the Dar Es Salaam Stock Exchange by 31 December 2016. As of 30 June 2017, no licensed operator had completed a public offering, including Millicom's license holding subsidiaries, Millicom Tanzania, Zantel and Telesis. On 13 January 2017, Tigo Tanzania, Zantel and Telesis each received from the Tanzanian Communications Regulatory Authority ("TCRA") a notice of material breach of the license giving thirty-days to comply. Millicom has signaled its intention for its subsidiaries to comply with the law and list its businesses but did not complete the public offerings by such time. Accordingly, Millicom's businesses in Tanzania may face sanctions from the regulator or other government bodies, which could include financial penalties, or even suspension or cancellation of its license although to-date there has been no notification from the TCRA of any indication or intention to proceed with sanctions. Management is currently not able to assess the financial impact on its consolidated financial statements (although the Company deems the suspension or cancellation of the license is unlikely) and therefore no provision has been recorded as of 30 June 2017.

17. SUBSEQUENT EVENTS

Tower Sale and Leaseback - Colombia

On 18 July 2017, the group announced that its subsidiary Colombia Móvil S.A. E.S.P ("Tigo") has agreed to sell approximately 1,200 wireless communications towers to a subsidiary of American Tower Corporation ("ATC") in Colombia. As a result of the transaction, Tigo will receive approximately 448 billion COP, equivalent to US$147 million, in cash.

Financing - Paraguay

On 4 July 2017, our Paraguayan subsidiary signed a five-year loan agreement with the IPS (Instituto de Prevision Social) and the Inter-American Development Bank for a total amount of PYG 367,000 million (approximately US$66 million). The loan, denominated in local currency, will carry a 9,75% interest rate and start amortizing in Q4 2019.