MILLICOM
THE DIGITAL LIFESTYLE

Results FY 2012

for the three month period and year ended December 31, 2012

We believe in better. We believe in tigo

Contents

Results Summary

Q4 2012 Highlights

- Revenue of $1,266 million. Local currency growth of 6.4% YoY, excluding Cablevision, including Online. Excluding regulatory impacts and reclassifications, the growth would have been 7.6%.
- EBITDA reached $528 million and a margin of 41.7%. EBITDA was YoY flat excluding Online and Cablevision
- Bonds issued in Q4 for $600 million, extending debt maturity to over 3.4 years
- Over 4 million MFS customers, MFS launched in Chad

FY 2012 Highlights

- Local currency revenue growth of 8.0% to $4,814 million (8.7% excluding regulatory impact and Cablevision Paraguay)
- EBITDA of $2,065 million and EBITDA margin of 42.9% (43.2% excluding Online)
- Capex of $922 million (19.1% of revenue), excluding spectrum, licenses and Cablevision assets
- Operating Free Cash Flow of $1,127 million (23.4% of revenue) excluding spectrum, licenses and Cablevision assets
- The Board will propose a dividend of $2.64 per share to the AGM to be convened on May 28, 2013

2013 forward looking statements

We expect 2013 Group EBITDA margin to be above 40% (excluding Online) and to decline less than over the past twelve months. In 2013, the capex to revenue ratio will peak at around 20%, excluding spectrum acquisition.

In 2013 we expect the Online division to deliver in excess of $100 million of revenues and EBITDA losses to be in the range of $125-200 million. Losses will be on the high side of the range if we see an opportunity to accelerate growth and ramp up launches.

$m	Q4 2012	Q4 2011	YOY % change local currency	FY 2012	FY 2011	YOY % change local currency
Revenue	1,266	1,177	6.4%	4,814	4,530	8.0%
EBITDA(i)	528	536	(0.2)%	2,065	2,087	1.4%
EBITDA margin	41.7%	45.5%	(3.8pt)	42.9%	46.1%	(3.2pt)
Normalized Net Profit(ii)	155	188		655	767	
Capex(iii)	359	375		922	825	
Operating FCF(iv)	375	300		1,127	1,218	

(i) EBITDA: operating profit before interest, tax, depreciation and amortization; derived by deducting cost of sales, sales and marketing costs and general and administrative expenses from revenue and adding other operating income.

(ii) Net profit adjusted for items such as foreign exchange movements, movements in valuation of the Honduras put option, Colombian deferred tax asset, and revaluation of previously held interests.

(iii) Excluding towers sold to, and leased back from tower companies, spectrum and assets acquired with Cablevision Paraguay.

(iv) Operating Free Cash Flow: EBITDA – Capex (excluding spectrum) - Tax +/- working capital movements and includes proceeds from tower monetization.

President's Statement

Demand more.

"2012 has been a year of investment for Millicom. We stepped up our investment in infrastructure and in commercial activities, notably in branding and subsidies to ensure we deliver the best quality services to our customers. We also invested in our people through the staffing of our different business categories. These investments are even more important given that the maturing of the voice business is accelerating in the fourth quarter with material regulatory pressure. We are constantly innovating by identifying and scaling up new opportunities that have yet to be addressed by the industry. It is our relentless pace of innovation, initiated long ago by our founder, which enabled us to continue growing at an industry leading 8% rate in 2012. We generated close to 35% of our revenues from Value Added Services, well on track to reach our mid-term ambitions to diversify revenue and to reduce reliance on mobile voice services.

In line with our 2012 guidance, EBITDA margin declined by 2.9 percentage points in 2012 versus 2011 to 43.2% (excluding Online). As previously communicated, we increased investment in IT and 3G services while maintaining a capex to revenue ratio below 20%. At 23% of revenues, our cash flow generation was healthy and above previously communicated targets.

In 2013 the transition from voice to data and from analogue to digital TV will accelerate as we ensure Millicom remains a growth company. Our priorities will be to 1) secure high market share and further monetize mobile data , 2) grow our cable business by exploiting untapped potential, 3) expand our MFS business from its initial success, and 4) explore and further develop Online opportunities in our partnership with Rocket Internet. Creation of a leading integrated operator in Colombia with EPM (the leading utility company in the Northwest region of Colombia) would enable us to accelerate our development in cable, whilst offering material opportunities to cross-sell and up-sell innovative and best quality services to customers.

In 2013 we expect EBITDA margin to decline less than in 2012, and remain above 40%, and capex to revenue to peak at around 20% (both excluding Online). We have recently increased our focus on costs and capex avoidance to improve the productivity of our investments and adjust our costs structure to the slowing growth momentum on voice. Building on Millicom's pioneering approach to Value Added Services; we will focus on becoming a Digital leader. We will share more on our strategic priorities and mid-term ambitions at our Capital Markets Day on March 6.

The Board has decided to propose to the annual general assembly the payment of a dividend of $2.64 per share. Our dividend policy is maintained and we have the ambition to progressive growth in ordinary dividends.

At Millicom, we demand more to ensure we delight our customers at every turn. We demand more to create a culture within Millicom which is truly energising. We demand more to create greater shareholder value. We demand more to strengthen our position as digital lifestyle leaders. Demanding more helps us reach for the stars while keeping us grounded. That makes us Millicom."

Hans-Holger Albrecht
President and CEO,
Millicom International Cellular S.A.

Significant events

On October 2, 2012, Millicom announced the completion of the acquisition of Cablevision Paraguay, the leading pay TV operator in Asunción. In the fourth quarter, the operation was rebranded, reaching more homes with the Tigo brand.

On October 23, 2012, Millicom successfully issued a five-year SEK 2 billion bond in Sweden. SEK 1.75 billion of the bond was issued with a floating rate coupon of 3 months STIBOR +3.50% and SEK 0.25 billion with a fixed coupon of 5.125%. Proceeds were in part used to finance the investment in the two Berlin-based holding companies of Rocket Internet: Latin America Internet Holdings (LIH) and Africa Internet Holdings (AIH).

On October 31, 2012, Millicom officially welcomed its new President and CEO Hans-Holger Albrecht. Hans-Holger joined Millicom from Modern Times Group (MTG) where he served as President and CEO for over 12 years. Hans-Holger presided over MTG's rapid expansion and development into an industry leading broadcaster with a unique geographical reach, balanced mix of pay and free TV, and strong financial position. Under his leadership, MTG's sales tripled to SEK 13.5 billion, as MTG expanded from its Nordic base into Central & Eastern Europe and Africa, and pioneered new TV distribution markets.

On November 20, 2012, Millicom launched its Mobile Financial Services (MFS) in Chad. At the end of 2012, Millicom had over 4 million MFS users, 12% of customers in countries where MFS has been offered for more than one quarter.

On December 4, 2012, Millicom renewed its license in Colombia for a further 10 years. Colombia Movil (a subsidiary of Millicom) renewed its license until February 2023. In February 2013, Colombia Movil will initially pay COP 93 billion (approximately US$ 53 million). The final consideration to be paid for the renewal of the license and 50 MHz of spectrum in the 1900 MHz spectrum band will be determined by the "Tribunal de Arbitramiento" (Arbitrage Court) in the next 12-18 months.

On December 5, 2012, at the EGM, an exceptional dividend $3 per share was approved. This contributed to total shareholder returns of $731 million in 2012.

On December 7, 2012, Millicom announced the appointment of four new members to its Executive Committee, bringing the total to nine. The team, led by the President and Group CEO, Hans-Holger Albrecht, is comprised of two Senior Executive Vice Presidents and six Executive Vice Presidents. The Senior Executive Vice Presidents are Mario Zanotti (Senior EVP of Operations) and François-Xavier Roger (Senior EVP & CFO). Regis Romero (EVP Africa and South America) and Jo Leclere (EVP of Human Resources) have been joined as Executive Vice Presidents by the newly appointed Xavier Rocoplan (EVP and CTIO), Marc Zagar (EVP Controlling and Analytics), Anders Nilsson (EVP Commerce and Services) and Martin Lewerth (EVP Home and Digital Media).

On December 7, 2012, Millicom announced that its fully owned subsidiary in Paraguay successfully issued a US$ denominated bond. Tigo Paraguay completed the issuance of a 10-year US$ 300 million bond with a fixed coupon of 6.75% Tigo Paraguay used part of the proceeds for refinancing loans used for the Cablevision acquisition.

Operational review

Total revenue for the three months ended December 31, 2012 was $1,266 million. This represents a local currency revenue increase of 6.4% over Q4 2011 (5.5% excluding Online), excluding for Cablevision contribution. Unlike previous quarters, exchange movements, together with the consolidation of Cablevision, positively impacted reported revenues by 1.1 percentage points in Q4.

EBITDA for the quarter was $528 million, down 0.2% in local currency versus Q4 2011. EBITDA losses from Online amounted to $7 million. Consolidated EBITDA margin at 41.7% was 3.8 percentage points lower than Q4 2011. Excluding Online, EBITDA in Q4 reached $535 million, or a margin of 42.6% (down 2.9 percentage points versus Q4 2011). The decline in EBITDA margin this quarter was the result of investment in building scale in our most promising business areas outside of voice (MFS, mobile data, online, etc…).

In Q4 focus on cost management increased, as a result gross margins in Information and MFS improved. More initiatives will follow as we focus on aligning the cost structure to the growth opportunities ahead while retaining our leadership on return on invested capital.

Focus on Regions

Overall pro forma local currency revenue growth in Q4 was lower than in the first nine months at 6.4%, 5.5% excluding Online. The reduction is mainly due to a slowdown in South America, largely driven by interconnection rate cuts in Paraguay (33% cut as of October 1) and Bolivia (25% cut as of December 1). Excluding regulatory impacts (and reclassification related to taxes in Colombia) across the Group's footprint, our growth rate would have been 6.8% in Q4, 1.3 percentage point higher than reported at 5.5% excluding Online and Cablevision's contributions. In Africa, in Q4 2011 we experienced price increases in Tanzania and Senegal which did not recur this year and therefore contributed to a slowdown in growth in Q4 2012.

Revenue by region

	Q4 2012	Q4 2011	YOY growth (%) Reported	YOY growth (%) Underlying LC	Contri-bution (%)
CAM	481	478	0.6	2.4	38.0
SAM	526	450	16.8	11.0	41.5
Africa	249	249	-0.2	1.9	19.7
Online	10	0	N/A	N/A	0.8
Total	**1,266**	**1,177**	**7.5**	**6.4**	**100.0**

Mobile ARPU

Mobile ARPU in local currency declined by 4.7% for the quarter year-on-year. Trends deteriorated versus previous quarters in South America and Africa. ARPU in South America would have been flat year on year in Q4 if not for the interconnection rates cuts in Paraguay and Bolivia. In Africa, ARPU declined by 6.4%, negatively impacted by price increases that were passed in Q4 last year and annualised this quarter mainly in Senegal and Tanzania..

In Q4 2012 86% of revenue in Latin America came from 35% of customers with ARPU above $10 per month.

Year-on-Year Local currency mobile ARPU growth %

	Total	Central America	South America	Africa
Q4 12	**(5%)**	(6%)	(3%)	(6%)
Q3 12	**0%**	(5%)	3%	(1%)
Q2 12	**(1%)**	(3%)	2%	(3%)
Q1 12	**(3%)**	(5%)	4%	(7%)
Q4 11	**(3%)**	(3%)	2%	(5%)

N.B. ARPU figures are based on total mobile revenue less roaming revenue.

ARPU stabilisation and growth in Latin America remains a key focus. Central America is more challenging due to pricing pressure on voice in El Salvador and Guatemala. Nonetheless, we remain focused on selling more data services to our customers in Central America, following our successful strategy in South America.

Central America (38% of revenue)

Revenue from mobile and cable operations in Central America reached $481 million in Q4 2012, up 2.4% in local currency.

Mobile ARPU in local currency declined by 6% year-on-year. The decline is mainly attributable to on-going pricing pressure on voice in El Salvador and intensifying competitive pressures in Guatemala. All markets continued to be very competitive in Q4.

In the Information category, mobile data grew at a healthy rate of approximately 29% in local currency year-on-year, driven by strong demand in Guatemala and Honduras. Mobile data penetration stood at 15% in Central America at the end of 2012. In fixed broadband we were pleased to see continued strong momentum in Costa Rica and El Salvador.

Q4 EBITDA margin of 50.8% declined by 0.5 percentage points from Q4 2011. The decline was relatively low considering pricing pressure in El Salvador and increased investment in subsidies as we increased gross margins on mobile data and MFS through cost optimization programs.

In the fourth quarter we launched our mobile money international remittance service in Guatemala in partnership with Western Union. With this service, customers in El Salvador and Guatemala can now receive money from abroad directly into their mobile money wallets and convert it into cash at Tigo points of sale. The service is expected to be launched shortly in Honduras.

Central America - Highlights

	Q4 2012	Q4 2011	YOY growth (%)
Mobile customers (m)	15.6	14.6	6.6
Mobile ARPU (US$)	11.1	12.0	(7.2)
Cable broadband RGUs ‘000	216	187	15.2
Revenues (US$ m)	481	478	0.6
EBITDA (US$ m)	244	245	(0.3)
% of revenues	*50.8*	*51.3*	*(0.5pp)*
Capex (US$ m)	131	90	46.1
% of revenues	*27.3*	*18.8*	*8.5pp*

South America (42% of revenues)

Revenue in South America in Q4 2012 reached $526 million, up 11% in local currency. Revenue growth was negatively impacted by interconnection rate cuts in Q4 2012 (from $0.06 to $0.04 per minute in Paraguay and by 25% in Bolivia).

Excluding the rate cuts and tax reclassification in Colombia, underlying growth (local currency and excluding the contribution from Cablevision) would have been close to 14% in Q4, accelerating from Q3 2012.

South America - Highlights

	Q4 2012	Q4 2011	YOY growth (%)
Mobile customers (m)	12.7	11.2	14.0
Mobile ARPU (US$)	13.0	13.1	(1.0)
Cable broadband RGUs ‘000	19	-	NA
Revenues (US$ m)	526	450	16.8
EBITDA (US$ m)	204	189	8.0
% of revenues	*38.7*	*41.9*	*(3.2pp)*
Capex (US$ m)	135	160	(15.4)
% of revenues	*25.8*	*35.6*	*(9.8pp)*

During the quarter 448 thousand new mobile customers were added, of which 23% postpaid. ARPU in local currency was flat in Q4 (adjusted for the impact of interconnection rate cuts).

In Q4 the Information category contributed 17.4% of Group revenue in South America. These revenues grew by circa 39% year on year in Q4 in local currency. Data penetration in South America exceeded 20% at the end of 2012, a sizeable growth from 14.6% at the end of 2011.

In Q4, we continued to push for growth in mobile data in Colombia and are pleased to now have over 1 million data users in this market. Our strategy to actively migrate customers from voice to data is delivering expected results across the region and we will continue to push to secure an even higher overall market share on data than voice.

EBITDA amounted to $204 million; an 8% increase year-on-year (supported by positive forex movements) and EBITDA margin stood at 38.7%, declining 3.2 percentage points from last year. Information, Solutions and MFS were the fastest growing categories in South America in Q4.

Cablevision Paraguay was rebranded to Tigo and contributed close to $15 million in revenue and $8.3 million in EBITDA in the fourth quarter.

During the quarter we renewed our licence in Colombia for another 10 years (until February 2023). We will pay an initial amount of $53 million in Q1 2013 for this extension. We expect more visibility on the forthcoming spectrum auction in Q1 2013 and reiterate our commitment to investing and growing our market share in Colombia.

Africa (20% of revenue)

Revenue growth in Africa slowed further in Q4 reaching $249 million, growing 1.9% year-on-year in local currency (constant on a reported basis).

The uncertainty in Senegal regarding our license, has over time affected our market position. This has now been resolved. Excluding, Senegal our revenue growth in Q4 would have been in the mid-single digit range. In Ghana, DRC and Tanzania, the markets remained competitive but we have continued to invest to hold our solid market positions. We are confident that with the right level of investment these temporary challenges can be overcome.

In Q4, we added 450 thousand mobile customers supported by strong developments in Chad and Tanzania.

Revenue declined in the Communication category by 6% in local currency as customer growth (primarily in December) and traffic growth did not offset pricing pressures. Competitive pressure on voice pricing remained unabated in Q4. As certain price increases in Q4 last year (Senegal & Tanzania) did not recur this year, ARPU pressure in Q4 was significant (-6% in local currency).

Performance in mobile data was strong (+121% year on year in local currency) essentially driven by strong growth in Tanzania, Ghana and Rwanda, the markets in which we have started to roll out 3G networks. In Ghana we grew our customer base in mobile data, which we believe holds the key for future performance and market position. At the end of 2012, mobile data penetration in Africa stood at 7.7%, up from 4.6% one year ago. In the fourth quarter, MFS was the largest contributor to our growth in Africa, generating more incremental revenues than even the fast growing mobile data business.

In December, we launched MFS in Chad. We are now offering Mobile Financial Services in all African markets except Senegal where we expect to launch the service late in 2013.

Africa - Highlights

	Q4 2012	Q4 2011	YOY growth (%)
Mobile customers (m)	18.9	17.3	9.3
ARPU (US$)	4.4	4.8	(8.4)
Revenues (US$ m)	249	249	(0.2)
EBITDA (US$ m)	87	102	(15.2)
% of revenues	*34.8*	*41.0*	*(6.2pp)*
Capex* (US$ m)	223	145	54.3
% of revenues	*89.9*	*58.1*	*31.8pp*

*Capex in Q4 2012 included US$103 m for spectrum in Senegal

EBITDA margin was 34.8% in Q4 2012, down 6.2 percentage points year-on-year. We expect margins in Africa to remain under pressure as we defend our market positions in voice and invest in mobile data.

Capex in Africa amounted to $223 million in Q4, including investment in new rights in Senegal of $103 million (including extension of our license in duration and scope).

Focus on categories

In Q4 2012, we introduced changes to our organisational structure so as to reinforce our focus on the fastest growing and most significant growth opportunities ahead. From Q1 2013 we will report 1) Mobile, 2) Cable, 3) MFS, and 4) Online reflecting our new organization and the strategic focus that we will share at our Capital Markets Day. For convenience, and as the previous structure was in place for most of Q4, this quarter is still being presented in a format consistent with previous quarters.

For the first time, Communication revenue declined this quarter. Regionally, deterioration versus Q3 largely came from Africa where revenue declined by 6% in Q4 in local currency, pulled down by Senegal. Competitive pressures remained intense in El Salvador in Q4 and intensified in Guatemala.

Recurring revenue, other than the Communication category, and excluding the impact of the consolidation of Cablevision and Online, grew 29% in local currency and accounted for close to 30% of recurring revenue in Q4. This strong growth outside of Communication enabled us to deliver 6.4% revenue growth in local currency (including Cablevision and Online) and 8% for FY 2012.

Revenue by category (US$ m)

	Q4 2012	Q4 2011*	YOY growth (%) Underlying LC
Communication	834	851	(1.6)
Information	183	137	31.7
Entertainment	106	87	8.8
Solutions	43	29	48.9
MFS	14	5	193.8
Online	10	0	N/A
Other	76	68	7.2
Total	**1,266**	**1,177**	**6.4**

*restated for comparative but underlying growth excludes Cablevision contribution from Q4 2011 and Q4 2012

Communication (66% of revenue)

With 66% of revenue in the quarter, the Communication category remains our largest category. In Q4, voice accounted for 57% of Group revenue.

The decline in this category is the result of a combination of factors. These include high penetration levels in Latin America and in particular in Central America (which limit potential for subscriber growth) and intense pricing pressures across Africa that neither subscriber growth, nor traffic growth could fully offset in Q4. Overall, voice revenues declined by almost 3.5% in Q4 (from constant in Q3).

Notably, in Q4 2011 we had several price increases in Africa, making for a tough comparable base this quarter.

We do not have full control over pricing pressure due to intensity of competition in highly penetrated mobile markets. However, we aim to protect our Communication revenue base by segmentation of our offerings and volume elasticity. SMS growth, which remained very healthy in Q4 at 11.3%, is instrumental in achieving this.

Information (14% of revenue)

In Q4 2012 Information was again the strongest category in terms of revenue growth contributing to more than half of total US$ growth.

We now have over 6.3 million users of data services representing around 13.4% of our total customer base (up from 10% a year ago). In Latin America, we have close to 4.9 million data users, 17.3% of our customer base. In Africa growth in mobile data has also been strong throughout 2012 and reached 7.7% penetration by year end. This was achieved with only a limited number of markets providing 3G services.

If all our customers with ARPU above $10 per month were to use the service, penetration would reach 27%, which gives an idea of the potential to further sell the mobile data service inside our customers' base. Growth in penetration is expected to be supported by rapid decline in the price of quality smartphones.

Data Users ('000)

	Total	CAM	SAM	Africa
Q4 2012	**6,347**	2,340	2,555	1,452
Q3 2012	**5,793**	2,240	2,209	1,344
Q2 2012	**5,212**	2,193	1,971	1,048
Q1 2012	**4,687**	2,005	1,784	898

In Q4 we continued to invest in mobile data as we see the largest short to medium term revenue growth opportunities in the Information category. We were pleased to see an increase in gross margin in the Information Category as a result of our active and coordinated management and offer of devices and bundles.

We have accelerated the pace of commercial investments in subsidies in our Latin American markets throughout 2012 as we continue to see unmet demand for access to the internet, and opportunities for rapid return on subsidies (less than one year). Subsidies in local currency grew by close to 17% in Q4. The growing availability of attractively priced and quality smartphones should facilitate acceleration of mobile internet uptake.

In 2013, we will continue to invest in 3G in Latin America and further expand our 3G coverage in Africa in Tanzania, Ghana, Rwanda, and also in DRC and Senegal where we have recently been granted licenses.

Entertainment (8% of revenue)

Despite the negative impact of a new regulation in Bolivia, revenue for the Entertainment category increased 9% year-on-year.

Revenue in Entertainment in Africa remained buoyant in the quarter as we launched several new music products. Year-on-year growth in local currency in Africa reached circa 54% in Q4 (up from 34% in Q3).

For our smartphone customers, we launched unlimited music offers in partnership with Deezer across our entire Latin American footprint. The new services have been well received by customers.

Solutions (3% of revenue)

Solutions category revenue increased in Q4 by 49% in local currency.

In 2012 we accelerated the diversification of our revenue sources in this category. We have expanded our product offering services under the 'Tigo Care' umbrella.

MFS (1% of revenue)

Our MFS category continued to perform well in Q4 2012 and offers attractive potential in the medium to long term. MFS contributed 15% of recurring revenue growth and 1.2% of recurring revenue, with 3 markets having reached a degree of critical mass.

Overall, in the markets that have been 'live' for more than one quarter, total MFS penetration reached 12%, adding one point versus end of September 2012.

Penetration of MFS in Tanzania has exceeded 37% of our customer base. In Paraguay 24% of our customers were using the service in Q4. In partnership with Western Union we have now launched international money transfer services for customers in Paraguay, El Salvador and Guatemala.

In Rwanda, growth in penetration of MFS services continued strongly in Q4. At the end of December, 22% of our customers in Rwanda were active users of MFS.

In December, we performed a soft launch of the "Tigo Pesa" service in Chad. MFS is now active in all our African markets except Senegal.

We expect to launch in our remaining markets in 2013, starting with Bolivia.

In Q4, MFS users ARPU reached $1.24 per month, growing 4% from Q3.

Online (1% of revenue)

Online e-commerce is one of the fastest growing industries. In our core regions of Latin America and Africa, we have decided to partner with experts of the Online world to build leading positions in Online, where scale and first mover advantages matter at least as much as in telecom services. We expect to generate sizeable synergies when we can start offering online and e-commerce in the markets where we have decades of know-how and understanding of our customers. This quarter, online services have started to be offered in Colombia, Ghana and Senegal.

In Q4, the Online category generated revenue of $10 million and EBITDA losses of $7 million.

LIH continued to develop well in Brazil. The most successful concept to date is ‘Kanui’ (sports goods in e-commerce), followed by ‘Tricae’ (baby/children’s goods in e-commerce). The strength in growth has triggered the need to invest in a new larger warehouse. Online food ordering services under the brand name ‘Hello Food’ have now been available for a few months in Colombia. In Q4 online taxi ordering services were launched across a number of countries including Colombia.

In AIH ‘Zando’ (fashion and lifestyle in e-commerce in South Africa) and ‘Jumia’ (fashion and general merchandise e-commerce in Morocco, Egypt and Nigeria) continued to perform strongly in Q4. In particular, in December, ‘Jumia’ became the most visited e-commerce website in Morocco. Two new concepts were launched in AIH: a market place called ‘Kaymu’ in Nigeria and a food ordering service (lead generation) called ‘Hello Food’ across a number of markets including Ghana and Senegal.

Overall in 2012, growth was slightly slower than initially foreseen as new services launches were marginally delayed. EBITDA losses were much lower than expected in 2012. It remains however in line with expectations and we are pleased to see ramp up in launches and strong management of cash spent.

In 2013 we expect the Online division to generate revenue in excess of $100 million and EBITDA losses to be in the range of $125-200 million. Losses will be on the high side of the range if we see an opportunity to accelerate growth and ramp up launches.

Financial review

The unaudited interim consolidated financial statements of the Group for the three month period and year ended December 31, 2012 are included in Section 1. The Annual Report for the year ended December 31, 2012 is scheduled to be published in the last week of March.

Group EBITDA

Reconciliation between operating profit and group EBITDA for the periods is as follows:

US$ millions	Q4 12	Q3 12	Q2 12	Q1 12	Q4 11
Operating profit	**266**	**264**	**279**	**295**	**333**
Depreciation and amortization	210	206	199	196	185
Corporate costs	47	38	32	27	35
Gain (loss) on disposal/write down of assets, net	5	(1)	3	(1)	(17)
EBITDA	**528**	**507**	**513**	**517**	**536**

Depreciation and Amortization

In the fourth quarter, D&A was $210 million, $25 million higher than a year ago, primarily due to increased capex.

Corporate Costs

In the fourth quarter corporate costs increased as we continued to build further our analytical capabilities to meet the growing complexity of our business.

Financial expenses and income

The cost of financing before tax in Q4 2012 was higher than in the previous year and includes finance leases on towers sold and leased back. The main driver for the increase in financial expenses was the higher level of gross debt ($821 million more gross debt than in Q4 last year) as we re-leveraged the company, financing acquisitions with debt.

We recorded non-cash non-operating income of $19 million from the change in value of the put option granted to our partner in Honduras.

Taxes

In Q4, taxes increased by $147 million year-on-year to $156 million.

Effective January 1, 2013 a new Corporate Income Tax rate of 25% has been introduced in Colombia (previously 33%). As a consequence of the change in corporate tax rate, the deferred tax asset was written down by $64 million in the three month period to December 31, 2012.

Capex

In Q4 2012 we invested $501 million in capex, including $103 million in incremental rights in Senegal.

In 2012 we received close to $127 million in cash from the transfer of towers to the different Tower companies in Tanzania, DRC and Colombia, of which circa $23 million was received in Q4. We expect to receive $40 million in 2013.

In 2012, out of our total capex, excluding spectrum and acquisitions of $922 million, $111 million were spent on IT projects and over $200m in 3G coverage in Africa and capacity in Latin America.

Movements in Working capital

Movements in working capital in Q4 were $114 million higher than in Q4 2011, leading to a full year 2012 positive change in working capital of $84 million (versus a positive change of $15 million in 2011).

FCF generation

Free cash flow for Q4 12 was $204 million. For the FY 2012, we reported $701 million.

$163 million of cash was up streamed during Q4 2012 through a combination of dividends, management fees and royalties and amounted to a total of $857 million for the year 2012.

Debt structure and maturity profile

Approximately 56% of the Group's gross debt (excluding financial leases) is denominated in local currency, limiting local foreign exchange exposure. US$ denominated debt is used in countries where long term debt in local currency is either too expensive or not available.

At the end of Q4 2012, 55% of gross debt was at fixed interest rates, reducing our exposure to interest rate volatility.

As previously indicated, we re-leveraged our balance sheet slightly to a net debt to EBITDA of 1.0x at the end of the year. Millicom has over $1.2 billion of cash on hand, with approximately two third in hard currency (including the cash held in euros at LIH and AIH in Berlin).

In Q4, Millicom issued two bonds for total cash proceeds of approximately $600 million. Half of this was raised at Group level benefiting from attractive market opportunities and to finance the investment in Online, and the other half in Paraguay, with no guarantee from Millicom. On the back of these two attractively priced bond issuances, our debt maturity was extended to 3.4 years, securing liquidity.

At the end of Q4 2012 we had 40% of our group gross debt in bonds and 40% coming from banks financing.

Shareholder remuneration

In Q4 2012, Millicom paid a $3 per share exceptional dividend to its shareholders. This raised our total 2012 shareholder returns to $731 million.

The Board will propose to the AGM to be convened on May 28, 2013, the payment of a 2012 ordinary dividend of $2.64 per share.

We reiterate our dividend policy for no less than $2 per share and at least 30% of normalised net income.

We have the ambition to progressive growth in ordinary dividends.

2013 Forward looking statements

Excluding Online, we expect 2013 Group EBITDA margin to be above 40% and to decline less than over the past twelve months.

We expect the Online division to deliver in excess of $100 million of revenue and EBITDA losses to be in the range of $125-200 million in 2013. Losses will be on the high side of the range if we see an opportunity to accelerate growth and ramp up launches.

In 2013, the capex to revenue ratio will peak at around 20%, excluding spectrum acquisition. This will be driven by continued investments in 3G in capacity and coverage, notably as we roll out further countries in Africa, and IT investments.

Subsequent events

On January 11, 2013, the termination of our reporting and disclosure obligations under the US Exchange Act became fully effective. Our shares will continue to trade in the USA over the counter.

On January 12, 2013, we received a license to offer Mobile Financial Services in Bolivia. Bolivia performed a soft launch of Mobile Financial services on January 7, 2013.

On February 6, 2013, Millicom announced that it has entered into a non-binding exclusive agreement to discuss with EPM, the largest utility company of the Northwest region of Colombia, the possible combination of their respective telecom businesses.

On February 12, 2013 Millicom announced that the Board will propose to the Annual General Meeting of the Shareholders a dividend distribution of $2.64 per share to be paid out of Millicom's profits for the year ended December 31, 2012 subject to the Board's approval of the 2012 Consolidated Financial Statements of the Group.

Corporate Responsibility

During Q4, our Corporate Responsibility (CR) organization was separated from the Integrity and compliance functions.

In alignment with these organizational changes, CR function has focused on creating:

1) New CR organization and strategy with a clear mandate to enhance sustainable products development

2) Enforced process to integrate CR into business

CR organisation

Millicom has restructured its CR organisation in Q4 to complement Millicom's future business opportunities. The CR team now has a mandate to integrate CR in Millicom's business operations and to ensure that development and innovation of products and services is done in a sustainable way.

The CR focus has been increased and separated from Integrity and Compliance functions (which remain managed by our Chief Integrity Officer), ensuring we relentlessly focus on both the sustainable opportunities that exist in our markets while at the same ensuring proper compliance and risk management processes.

The new CR organisation is led by a newly appointed head of CR who reports to our Group President and CEO.

CR business integration

The CR organisation has increased its efforts and will during 2013 ensure integration of CR in the business operations. The target is to improve Millicom business resilience in our markets by bringing business opportunities, supporting brand loyalty, maintaining our licenses to operate and creating more benefits for low-income populations through technology and the use of Digital services.

CR strategy

Our CR strategy stands on two main pillars.

The first relates to corporate responsibility in our business. We will demonstrate that we are committed to operating ethically, managing risk in our supply chain, reducing our direct impact on the environment and making Millicom a great place to work. Doing so makes our business stronger, and helps us build trust with all stakeholders in our markets.

The second relates to our work in communities. Here our goal is to empower women and children with the help of digital solutions. Gender equality remains a challenge in many of our markets – but inequality is a barrier to economic and social development, which is why we believe it is important for us to act.

Conference call details

A presentation and conference call to discuss results of the quarter will take place at 14.00 Stockholm / 13.00 London /08.00 New York, on Tuesday, February 12, 2013. Dial-in numbers: +46 (0)850 336 434, +44 (0)1452 555 566, or +1 631 510 7498. Access code: 92960289#.

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

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

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Millicom is a leading telecom operator dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing digital lifestyle services to the world's emerging markets, giving access to the world, primarily through mobile devices. Operating in 15 countries, Millicom offers innovative and customer-centric products. The Millicom Group employs more than 8,000 people and provides mobile services, access to the internet, content and financial services to over 45 million customers. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2011, Millicom generated revenue of USD 4.53 billion and EBITDA of USD 2.09 billion.

This press release may contain certain "forward-looking statements" with respect to Millicom's expectations and plans, strategy, management's objectives, future performance, costs, revenue, earnings and other trend information. It is important to note that Millicom's actual results in the future could differ materially from those anticipated in forward-looking statements depending on various important factors.

All forward-looking statements in this press release are based on information available to Millicom on the date hereof. All written or oral forward-looking statements attributable to Millicom International Cellular S.A., and Millicom International Cellular S.A. employees or representatives acting on Millicom's behalf are expressly qualified in their entirety by the factors referred to above. Millicom does not intend to update these forward-looking statements.

Section 1- Condensed Financial Statements (IAS 34)

Condensed consolidated income statement for the year ended December 31, 2012

US$ millions (unaudited)	Notes	Year ended December 31, 2012	Year ended December 31, 2011
Revenue	7	4,814	4,530
Cost of sales		(1,737)	(1,565)
Gross profit		**3,077**	**2,965**
Sales and marketing		(914)	(817)
General and administrative expenses		(956)	(839)
Other operating expenses		(122)	(96)
Other operating income		19	44
Operating profit	7	**1,104**	**1,257**
Interest expense		(220)	(187)
Interest income		14	15
Other non-operating (expenses) income, net	8	22	(4)
Loss from associates		(23)	(10)
Profit before taxes from continuing operations		**897**	**1,071**
(Charge) credit for taxes		(393)	19
Profit for the year from continuing operations		**504**	**1,090**
Profit for the year from discontinued operations, net of tax	5	—	39
Net profit for the year		**504**	**1,129**

Attributable to:			
Owners of the Company		508	925
Non-controlling interests		(4)	204

Earnings per common share for profit attributable to the owners of the Company:			
Basic (US$)	9	5.02	8.87
Diluted (US$)	9	5.01	8.86

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

Condensed consolidated income statement for the three month period ended December 31, 2012

US$ millions (unaudited)	Notes	Three month period ended December 31, 2012	Three month period ended December 31, 2011
Revenue	7	1,266	1,177
Cost of sales		(446)	(405)
Gross profit		**820**	**772**
Sales and marketing		(252)	(210)
General and administrative expenses		(263)	(223)
Other operating expenses		(41)	(29)
Other operating income		2	23
Operating profit	7	**266**	**333**
Interest expense		(63)	(48)
Interest income		6	3
Other non-operating (expenses) income, net	8	34	(38)
Loss from associates		(19)	(7)
Profit before taxes from continuing operations		**224**	**243**
Charge for taxes		(156)	(9)
Net profit for the period		**68**	**234**

Attributable to:			
Owners of the Company		87	180
Non-controlling interests		(19)	54

Earnings per common share for profit attributable to the owners of the Company:			
Basic (US$)	9	0.86	1.77
Diluted (US$)	9	0.85	1.76

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

Condensed consolidated statement of comprehensive income for the year ended December 31, 2012

US$ millions (unaudited)	Year ended December 31, 2012	Year ended December 31, 2011
Net profit for the year	504	1,129
Other comprehensive income:		
Exchange differences on translating foreign operations	(60)	(47)
Cash flow hedge reserve movement	(2)	(3)
Total comprehensive income for the year	**442**	**1,079**

Attributable to:		
Owners of the Company	469	882
Non-controlling interests	(27)	197

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

Condensed consolidated statement of comprehensive income for the three month period ended December 31, 2012

US$ millions (unaudited)	Three months ended December 31, 2012	Three months ended December 31, 2011
Net profit for the period	68	234
Other comprehensive income:		
Exchange differences on translating foreign operations	4	(37)
Cash flow hedge reserve movement	(3)	1
Total comprehensive income for the period	**69**	**198**

Attributable to:		
Owners of the Company	90	147
Non-controlling interests	(21)	51

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

Condensed consolidated statement of financial position as at December 31, 2012

US$ millions (unaudited)	Notes	December 31, 2012	December 31, 2011
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net		2,419	2,170
Property, plant and equipment, net	10	3,108	2,865
Investments in associates	11	193	63
Pledged deposits		47	50
Deferred taxation		259	317
Other non-current assets		86	37
TOTAL NON-CURRENT ASSETS		**6,112**	**5,502**
CURRENT ASSETS			
Inventories		93	75
Trade receivables, net		322	277
Amounts due from non-controlling interests and joint venture partners		81	159
Prepayments and accrued income		140	119
Current income tax assets		39	24
Supplier advances for capital expenditure		44	32
Advances to non-controlling interest		56	34
Other current assets		86	113
Restricted cash		43	20
Cash and cash equivalents		1,174	861
TOTAL CURRENT ASSETS		**2,078**	**1,714**
Assets held for sale	5	21	66
TOTAL ASSETS		**8,211**	**7,282**

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

Condensed consolidated statement of financial position as at December 31, 2012 (continued)

US$ millions (unaudited)	Notes	December 31, 2012	December 31, 2011
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		642	663
Treasury shares		(198)	(378)
Put option reserve		(737)	(737)
Other reserves		(133)	(104)
Retained profits		1,942	1,886
Profit for the year attributable to equity holders		508	925
Equity attributable to owners of the parent		**2,024**	**2,255**
Non-controlling interests		312	191
TOTAL EQUITY		**2,336**	**2,446**
LIABILITIES			
Non-current liabilities			
Debt and other financing	13	2,566	1,817
Derivative financial instruments		4	8
Provisions and other non-current liabilities		127	114
Deferred taxation		180	199
Total non-current liabilities		**2,877**	**2,138**
Current liabilities			
Debt and other financing	13	693	621
Put option liability	14	730	745
Payables and accruals for capital expenditure		411	334
Other trade payables		259	224
Amounts due to joint ventures partners		19	93
Accrued interest and other expenses		341	264
Current income tax liabilities		161	105
Provisions and other current liabilities		379	303
Total current liabilities		**2,993**	**2,689**
Liabilities directly associated with assets held for sale	5	5	9
TOTAL LIABILITIES		**5,875**	**4,836**
TOTAL EQUITY AND LIABILITIES		**8,211**	**7,282**

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

Condensed consolidated statement of cash flows for the year ended December 31, 2012

US$ millions (unaudited)	Notes	Year ended December 31, 2012	Year ended December 31, 2011
Cash flows from operating activities			
Profit before taxes from continuing operations		**897**	**1,071**
Adjustments:			
Interest expense		220	187
Interest income		(14)	(15)
Loss from associates		23	10
Other non-operating expenses (income), net		(22)	4
Adjustments for non-cash items:			
Depreciation and amortization		811	739
Net gain (loss) on disposal and impairment of assets		6	(22)
Share-based compensation	12	22	17
Changes in working capital:			
Increase in trade receivables, prepayments and other current assets		(103)	(57)
Increase in inventories		(14)	(13)
Increase in trade and other payables		201	85
Changes in working capital		**84**	**15**
Interest paid		(169)	(141)
Interest received		11	14
Taxes paid		(284)	(268)
Net cash provided by operating activities		**1,585**	**1,611**
Cash flows for investing activities:			
Acquisition of subsidiaries, joint ventures and associates (net of cash acquired)	3	(172)	(20)
Proceeds from disposal of subsidiaries, joint ventures and associates		—	1
Purchase of intangible assets and license renewals		(159)	(57)
Proceeds from the sale of intangible assets		2	—
Purchase of property, plant and equipment	10	(842)	(700)
Proceeds from the sale of property, plant and equipment	10	115	127
Net disposal (purchase) of pledge and time deposits		—	12
Net increase in restricted cash		(23)	(20)
Cash used by other investing activities		(31)	(35)
Net cash used by investing activities		**(1,110)**	**(692)**
Cash flows for financing activities:			
Short-term loans to non-controlling interests		(24)	—
Issued loans to associates		(31)	—
Proceeds from issuance of shares		—	1
Purchase of treasury shares		(190)	(498)
Proceeds from issuance of debt and other financing		1,545	703
Repayment of debt and financing		(923)	(792)
Advance payments to non-controlling interests		—	(27)
Payment of dividends		(541)	(494)
Net cash used by financing activities		**(164)**	**(1,107)**
Cash provided from discontinued operations		—	53
Exchange losses on cash and cash equivalents		2	(27)
Net increase (decrease) in cash and cash equivalents		**313**	**(162)**
Cash and cash equivalents at the beginning of the year		861	1,023
Cash and cash equivalents at the end of the year		**1,174**	**861**

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

Condensed consolidated statements of changes in equity for the periods ended December 31, 2012, and 2011

US$ 000s (unaudited)	Number of shares	Number of shares held by the Group	Share capital	Share premium	Treasury shares	Retained profits (i)	Put option reserve	Other reserves	Total	Non-controlling interests	Total equity
Balance as at December 31, 2010	**109,053**	**(3,254)**	**163,578**	**517,981**	**(300,000)**	**2,754,631**	**(737,422)**	**(54,685)**	**2,344,083**	**45,550**	**2,389,633**
Profit for the year	—	—	—	—	—	*924,515*	—	—	*924,515*	*204,490*	*1,129,005*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*(3,015)*	*(3,015)*	(247)	*(3,262)*
Currency translation differences	—	—	—	—	—	—	—	*(39,806)*	*(39,806)*	*(6,892)*	*(46,698)*
Total comprehensive income for the year	—	—	—	—	—	924,515	—	(42,821)	881,694	197,351	1,079,045
Transfer to legal reserve	—	—	—	—	—	(61)	—	61	—	—	—
Dividends	—	—	—	—	—	(493,909)	—	—	(493,909)	—	(493,909)
Purchase of treasury shares	—	(4,646)	—	—	(498,274)	—	—	—	(498,274)	—	(498,274)
Cancellation of treasury shares	(4,200)	4,200	(6,300)	(20,070)	401,415	(375,045)	—	—	—	—	—
Shares issued via the exercise of stock options	40	6	59	1,184	592	(435)	—	(81)	1,319	—	1,319
Share based compensation	—	—	—	—	—	—	—	17,264	17,264	—	17,264
Issuance of shares under the LTIPs	46	187	70	6,025	17,908	(773)	—	(23,230)	—	—	—
Sale of Amnet Honduras to non-controlling interests	—	—	—	—	—	2,207	—	—	2,207	11,974	14,181
Disposal of Laos	—	—	—	—	—	—	—	—	—	(6,493)	(6,493)
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(57,212)	(57,212)
Balance as at December 31, 2011	**104,939**	**(3,507)**	**157,407**	**505,120**	**(378,359)**	**2,811,130**	**(737,422)**	**(103,492)**	**2,254,384**	**191,170**	**2,445,554**
Profit for the period	—	—	—	—	—	*508,306*	—	—	*508,306*	*(4,718)*	*503,588*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*(1,118)*	*(1,118)*	(85)	*(1,203)*
Currency translation differences	—	—	—	—	—	—	—	*(37,709)*	*(37,709)*	*(17,530)*	*(55,239)*
Total comprehensive income for the period	—	—	—	—	—	508,306	—	(38,827)	469,479	(22,333)	447,146
Dividends	—	—	—	—	—	(541,133)	—	—	(541,133)	—	(541,133)
Purchase of treasury shares	—	(2,106)	—	—	(189,619)	—	—	—	(189,619)	—	(189,619)
Cancellation of treasury shares	(3,200)	3,200	(4,800)	(15,000)	344,377	(324,577)	—		—	—	—
Share based compensation	—	—	—	—	—	—	—	21,929	21,929	—	21,929
Issuance of shares under the LTIPs	—	237	—	(1,106)	25,453	(11,926)	—	(12,421)	—	—	—
Non-controlling interests in Rocket Internet (ii)	—	—	—	—	—	—	—	—	—	160,321	160,321
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(16,969)	(16,969)
Change in scope of consolidation	—	—	—	—	—	8,658	—	—	8,658	—	8,658
Balance as at December 31, 2012	**101,739**	**(2,176)**	**152,607**	**489,014**	**(198,148)**	**2,450,458**	**(737,422)**	**(132,811)**	**2,023,698**	**312,189**	**2,335,887**

(i) Includes profit for the period attributable to equity holders of which at December 31, 2012, $126 million (December 31, 2011: $94 million) are undistributable to owners of the Company.

(ii) Non-controlling interests in Rocket - see note 3.

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

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended

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 company providing communications, information, entertainment, solutions, financial and e-commerce services in emerging markets, using various combinations of mobile and fixed telephony, cable, broadband and internet businesses in 16 countries in Central America, South America and Africa.

Millicom operates its mobile businesses in El Salvador, Guatemala and Honduras in Central America; in Bolivia, Colombia and Paraguay in South America; in Chad, the Democratic Republic of Congo, Ghana, Mauritius, Rwanda, Senegal and Tanzania in Africa. In addition Millicom operates cable businesses in El Salvador, Guatemala, Honduras, Costa Rica, and Nicaragua in Central America and e-commerce businesses in several countries (see note 3).

The Company's shares are traded as Swedish Depositary Receipts on the Stockholm stock exchange under the symbol MIC SDB and over the counter in the US under the symbol MIICF. On October 12, 2012 the Company filed a certificate with the US Securities and Exchange Commission ("SEC") to terminate the registration of its shares. As from that date the Company is no longer subject to the reporting and disclosure requirements of the Exchange Act in the US.

The Company has its registered office at 2, Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B 40 630.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

The 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 published by the International Accounting Standards Board ("IASB") and as adopted by the European Union. In the opinion of management, the 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 apart from a slight increase in revenues over the festive season in December.

The interim condensed consolidated financial statements should be read in conjunction with the annual report for the year ended December 31, 2011.

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The interim condensed consolidated financial statements are prepared in accordance with consolidation and accounting policies consistent with Millicom's consolidated financial statements as at and for the year ended December 31, 2011, as disclosed in Note 2 of those financial statements.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2012 that have a material impact on the Group.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2012, have not been early adopted and are not expected to have a material impact on the Group.

- Amendment to IAS 1, 'Financial Statement Presentation' effective for annual periods commencing on or after July 1, 2012, regarding presentation of other comprehensive income.

- Amendment to IFRS 7 'Financial Instruments: Disclosures', effective for annual periods commencing on or after January 1, 2013 on offsetting financial assets and financial liabilities enhances disclosures.

- Amendment to IAS 32, 'Financial Instruments: Presentation', which updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify certain requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is yet to assess the amendments full impact and intends to adopt the amendment no later than the accounting period beginning on January 1, 2014.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2012, have not been early adopted and are currently being evaluated for impact on the Group.

- IFRS 9, 'Financial Instruments', which has yet to be adopted by the European Union, addresses the classification, measurement and recognition of financial assets and financial liabilities.

- Scope of the reporting entity, a group of standards comprising IFRS 10, 'Consolidated financial statements' (which replaces all of the guidance on control and consolidation in IAS 27, 'Consolidated and separate financial statements', and SIC-12, 'Consolidation – special purpose entities'), IFRS 11 'Joint Arrangements'; IFRS 12, 'Disclosure of interests in other entities'; and consequential amendments to IAS 28, 'Investments in associates'.

- IFRS 13. 'Fair Value Measurement' effective for annual periods commencing on or after January 1, 2013, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS's.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

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

2012

During the year ended December 31, 2012 Millicom made investments in Rocket Internet businesses in Latin America and Africa (together ‘Rocket Acquisitions’) and acquired Cablevision Paraguay (‘Cablevision Acquisition’).

During the year Millicom also completed the increase of ownership in Navega El Salvador from 55% to 100% and completed other minor acquisitions for consideration of $16 million.

Rocket Acquisitions

On August 29, 2012 Millicom acquired, for Euro 85 million, and by way of issuance of new shares, 20% interests in two subsidiaries of Rocket Internet GmbH, Latin America Internet Holding (“LIH”) and Africa Internet Holding (“AIH”) and unconditional options to acquire the remaining shares in each of LIH and AIH (LIH and AIH own several operating entities in Latin America and Africa respectively). The options can be exercised from the August 29, 2012 acquisition date. The first options expire in September 2013 (‘First Options’) and enable Millicom to increase its stakes to 35%, the second to 50% with expiry in September 2014 (‘Second Options’) and the third to increase its stakes to 100% with expiry in September 2016 (‘Third Options’).

The acquired 20% interests, combined with unconditional rights to exercise the First, Second and Third Options, as well as a number of protective governance mechanisms in the LIH and AIH shareholders agreements provide Millicom with the ability to govern the operating and financial policies of AIH, and LIH. While Millicom controls AIH, certain minority shareholder rights per shareholder agreements, including blocking rights, result in Millicom having significant influence in the operating entities in the AIH Group. Millicom’s economic ownership of these entities is treated as Investments in Associates. Investment Kinnevik AB, Millicom’s largest shareholder, holds minority interests in certain subsidiaries of LIH and AIH.

As a result of the acquisition and option agreements Millicom has the right to control LIH and AIH, which have been fully consolidated into the Millicom Group financial statements from September 1, 2012.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

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

Millicom provisionally allocated the LIH purchase price of Euro 50 million to the assets acquired, liabilities assumed and contingent liabilities and recognized the following amounts:

US$ '000 (unaudited)	LIH Group Fair value 100%
Intangible assets, net	13,809
Property, plant and equipment, net	482
Current assets	8,904
Cash and cash equivalents	65,283
	88,478
Current liabilities	7,816
Deferred tax liabilities	4,695
	12,511
Fair value of the net assets acquired and contingent liabilities	**75,967**
Non-controlling interests:	
In net assets acquired and contingent liabilities	61,601
Less fair value of options (equity instruments)	(15,087)
	46,514
Controlling interest	**29,453**
Cash consideration	63,930
Goodwill	34,477

The goodwill, which is not expected to be tax deductible, is attributable to future customers, know-how, potential synergies and the value of development stage projects. The non-controlling interest has been measured as a proportion of the net assets acquired.

Millicom provisionally allocated the AIH purchase price of Euro 35 million to the assets acquired, liabilities assumed and contingent liabilities and recognized the following amounts:

US$ '000 (unaudited)	AIH Group Fair value 100%
Investment in associates	100,498
Cash and cash equivalents	44,751
Fair value of the net assets acquired and contingent liabilities	**145,249**
Non-controlling interests:	
In net assets acquired and contingent liabilities	125,954
Less fair value of options (equity instruments)	(12,147)
	113,807
Controlling interest	**31,442**
Cash consideration	44,751
Goodwill	13,309

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

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

The investment in associates represents investments in entities in which AIH has significant influence. The fair value of these investments has been determined based on a discounted cash flow model. The goodwill, which is not expected to be tax deductible, is attributable to future customers, know-how, potential synergies and the value of development stage projects. The non-controlling interest has been measured as a proportion of the net assets acquired.

Rocket Options

At December 31, 2012 the options to acquire the remaining shares in AIH and LIH had not been exercised. These call options are financial instruments which are accounted for in accordance with IAS 32 and 39.

The exercise prices of the First and Second Options of Euro 85 million and Euro 170 million respectively are based on the original equity values of AIH and LIH. The cash invested by Millicom (capital increases) in each of AIH and LIH has increased the equity value of each of the businesses such that the equity value exceeds the exercise prices. As these options are exercisable at fixed prices they are accounted for as equity instruments in accordance with IAS 32. Accordingly, for LIH a provisional value of $15.1 million and for AIH a provisional value of $12.1 million has been assigned to the options against non-controlling interests in the consolidated statement of financial position.

Due to the relatively short time period for exercise (1 year maximum) and due to the contingent nature of the Second Options (contingent on exercise of the First Options) the time value of the options is also considered not to be material as it could be less than one year.

The exercise prices of the Third Options are based on the fair market value of the shares at the time of exercise, and as such the option itself does not have any standalone value. Furthermore, due to the contingent nature of the Third Options (contingent on exercise of the First and Second Options) the time value of the options is also considered to be not material as it could be less than one year.

Cablevision Acquisition

On October 2, 2012 Millicom completed its acquisition of the debt and cash free operating businesses of Cable Vision Comunicaciones S.A., Television Dirigida S.A., Consorcio Multipunto Multicanal S.A., Producciones Unicanal S.A. and 100% of the shares of Teledeportes Paraguay S.A. (together “Cablevision”) for combined cash consideration of $172 million.

The acquired interests provide Millicom with the ability to govern the operating and financial policies of Cablevision which has been fully consolidated into the Millicom Group financial statements from October 1, 2012.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

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

Millicom provisionally allocated the purchase price of $172 million to the assets acquired, liabilities assumed and contingent liabilities and recognized the following amounts:

US$ millions (unaudited)	Cablevision Fair value
Tangible and intangible assets, net...	107
Fair value of the net assets acquired and contingent liabilities...	**107**
Cash consideration...	172
Goodwill...	65

The goodwill, which is not expected to be tax deductible, is attributable to future customers, know-how, and potential synergies.

Cablevision contributed revenues of $15 million and net profit of $6 million for the period from acquisition to December 31, 2012. If the acquisition had occurred on January 1, 2012, Group revenues from continuing operations for the year ended December 31, 2012 would have been $54 million higher, and the net profit from continuing operations for the same period would have been $17 million higher. These amounts have been calculated using the Group accounting policies.

2011

Millicom did not acquire any subsidiaries, joint ventures or non-controlling interests during the year ended December 31, 2011. As at December 30, 2011, the agreement entered into on August 20, 2010 to increase Millicom's ownership in Navega El Salvador from 55% to 100% remained subject to completion.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

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

2012

There were no disposals of subsidiaries, joint ventures or non-controlling interests during 2012.

2011

During the 2011 year, Millicom completed the sale of its operation in Laos and reduced its ownership in Amnet Honduras from 100% to 66.7%.

Sale of Millicom's operation in Laos

On March 9, 2011 Millicom completed sale of its 74.1% holding in Millicom Lao Co. Ltd., and received proceeds (net of transaction costs and taxes) of $53 million, realizing a gain on sale of $37 million. From that date the Laos operation is no longer included in the consolidated financial statements of the Group.

Sale of 33.3% of Amnet Honduras

On March 21, 2011, Millicom reduced its shareholding in Amnet Honduras from 100% to 66.7%. Millicom received proceeds of $17 million, realizing a gain on sale to non-controlling interests in equity of $2 million.

5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Assets held for sale – Tower Sale and Leaseback Agreements

Between 2009 and 2011, Millicom signed various sale and leaseback agreements with tower companies in Africa and South America whereby Millicom agreed the sale of tower assets and to lease back a dedicated portion of each tower to locate its network equipment.

At December 31, 2012, Millicom had assets held for sale amounting to $21 million relating to its operations in DRC, Colombia, Ghana and Tanzania (December 31, 2011: $66 million relating to its operations in DRC, Colombia, and Tanzania) representing towers sold but yet to be transferred to tower companies in those countries.

The portions of these assets that will not be leased back by Millicom are classified as assets held for sale as completion of their sale is highly probable. Asset retirement obligations related to the towers of $5 million (December 31, 2011: $9 million) are classified as liabilities directly associated with assets held for sale. The portion of the towers leased back are capitalized as finance leases and classified under the caption "Property, plant & equipment, net" in the consolidated statement of financial position.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

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

Options related to Colombia Tower Sale and Leaseback Agreements

In December 2011, Millicom exercised an option to acquire a 40% stake in the holding company (ATC Colombia BV), of ATC Infraco. By December, 2012 Millicom had invested cash of $35 million in ATC Colombia BV. The amount of the investment is derived from the value of the tower assets transferred to ATC Infraco.

The unconditional option held by Millicom to acquire a minority equity interest of up to 40% in ATC Sitios de Colombia S.A.S. (ATC Sitios), another tower subsidiary of American Tower in Colombia was not exercised and expired on December 21, 2012.

Millicom has provided Colombia Móvil’s other shareholders with separate unconditional options to acquire up to half of Millicom’s interest in ATC Colombia BV (“ATC Colombia Option”), and up to half of Millicom’s interest in ATC Sitios. The option to acquire up to half of Millicom’s interest in ATC Sitios expired on December 21, 2012 and the ATC Colombia Option has not been exercised and expires on July 18, 2013. At December 31, 2012 the fair value of the ATC Colombia Option was not significant.

6. JOINT VENTURES

The following amounts have been proportionally consolidated into the Group’s accounts from continuing operations representing the Group’s share of revenue, operating expenses and operating profit in the Group’s joint ventures.

US$ millions (unaudited)	Year ended December 31, 2012	Year ended December 31, 2011
Revenue	663	650
Operating expenses	(389)	(365)
Operating profit	**274**	**285**

US$ millions (unaudited)	Three months ended December 31, 2012	Three months ended December 31, 2011
Revenue	169	161
Operating expenses	(102)	(94)
Operating profit	**67**	**67**

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

7. SEGMENT INFORMATION

Management determines operating and reportable segments based on the reports that are used by the Chief Operating Decision Maker ("CODM") to make strategic and operational decisions from both a business and a geographic perspective. The Group's risks and rates of return for its operations are affected predominantly by the fact that it operates in different geographical regions. The businesses are predominantly organized and managed according to the selected geographical regions, which represent the basis for evaluation of past performance and for making decisions about the future allocation of resources. The Group has businesses in three regions: Central America, South America and Africa.

Revenue, operating profit (loss) and other segment information for the years ended December, 2012 and 2011 was as follows:

Year ended December 31, 2012 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa (ii)	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**1,901**	**1,939**	**974**	—	**4,814**	—	**4,814**
Operating profit (loss)	**639**	**491**	**122**	**(148)**	**1,104**	—	**1,104**
Add back:							
Depreciation and amortization	320	257	233	1	811	—	811
Loss (gain) on disposal and impairment of property, plant and equipment	(1)	—	4	3	6	—	6
Corporate costs	—	—	—	144	144	—	144
Adjusted operating profit	**958**	**748**	**359**	**—**	**2,065**	**—**	**2,065**
Less additions to:							
Property, plant and equipment	(290)	(303)	(272)	(5)	(870)	—	(870)
Intangible assets	(6)	(70)	(158)	(16)	(250)	—	(250)
Capital expenditure	**(296)**	**(373)**	**(430)**	**(21)**	**(1,120)**	**—**	**(1,120)**
Tax paid	(131)	(76)	(32)	(45)	(284)		
Changes in working capital	42	3	46	(7)	84		
Other movements	(45)	91	142	48	236		
Operating free cash flow (i)	**528**	**393**	**85**	**(25)**	**981**		
Total Assets	**3,570**	**2,604**	**2,050**	**1,068**	**9,292**	**(1,081)**	**8,211**
Total Liabilities	**1,696**	**1,913**	**2,073**	**1,253**	**6,935**	**(1,060)**	**5,875**

Year ended December 31, 2011 (US$ millions) (Unaudited)	Central America	South America	Africa	Unallocated item	Total continuing operations	Discontinued operations (see note 5)	Inter-company elimination	Total
Revenue	**1,842**	**1,706**	**982**	—	**4,530**	**6**	—	**4,536**
Operating profit (loss)	**650**	**505**	**216**	**(114)**	**1,257**	**3**	—	**1,260**
Add back:								
Depreciation and amortization	303	231	204	1	739	2	—	741
Loss (gain) on disposal and impairment of property, plant and equipment	5	(10)	(17)	—	(22)	—	—	(22)
Corporate costs	—	—	—	113	113	—	—	113
Adjusted operating profit	**958**	**726**	**403**	—	**2,087**	**5**	—	**2,092**
Less additions to:								
Property, plant and equipment	(220)	(295)	(288)	—	(803)	—	—	(803)
Intangible assets	(1)	(29)	(9)	(6)	(45)	—	—	(45)
Capital expenditure	**(221)**	**(324)**	**(297)**	**(6)**	**(848)**	—	—	**(848)**
Tax paid	(146)	(77)	(14)	(31)	(268)			
Changes in working capital	(67)	15	92	(25)	15			
Other movements	17	85	79	37	218			
Operating free cash flow (i)	**541**	**425**	**263**	**(25)**	**1,204**			
Total Assets	**4,074**	**2,008**	**1,630**	**830**	**8,542**	—	**(1,260)**	**7,282**
Total Liabilities	**1,673**	**1,388**	**1,705**	**927**	**5,693**	—	**(857)**	**4,836**

(i) Only for the purpose of calculating segments' operating free cash flows, where vendors of capital equipment provide financing, vendor financing is treated as a cash transaction.

(ii) Inclusion of Rocket from September 1, 2012 (see note 3)

(iii) Inclusion of Cablevision from October 1, 2012 (see note 3)

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

7. SEGMENT INFORMATION (Continued)

Revenue, operating profit (loss) and other segment information for the three months ended December 31, 2012 and 2011 was as follows:

Three months ended December 31, 2012 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**481**	**536**	**249**	—	**1,266**	—	**1,266**
Operating profit (loss)	**164**	**127**	**22**	**(47)**	**266**	—	**266**
Add back:							
Depreciation and amortization	80	69	60	1	210	—	210
Loss (gain) on disposal and impairment of property, plant and equipment	—	1	5	(1)	5	—	5
Corporate costs	—	—	—	47	47	—	47
Adjusted operating profit	**244**	**197**	**87**	—	**528**	—	**528**
Less additions to:							
Property, plant and equipment	(128)	(125)	(114)	(2)	(369)	—	(369)
Intangible assets	(3)	(11)	(109)	(9)	(132)	—	(132)
Capital expenditure	**(131)**	**(136)**	**(223)**	**(11)**	**(501)**	—	**(501)**
Tax paid	(10)	(10)	(9)	(16)	(45)		
Changes in working capital	101	45	14	(6)	154		
Other movements	1	(5)	105	42	143		
Operating free cash flow (i)	**205**	**91**	**(26)**	**9**	**279**		
Total Assets	**3,570**	**2,604**	**2,050**	**1,068**	**9,292**	**(1,081)**	**8,211**
Total Liabilities	**1,696**	**1,913**	**2,073**	**1,253**	**6,935**	**(1,060)**	**5,875**

Three months ended December 31, 2011 (US$ millions) (Unaudited)	Central America	South America	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**478**	**450**	**249**	—	**1,177**	—	**1,177**
Operating profit (loss)	**164**	**143**	**60**	**(34)**	**333**	—	**333**
Add back:							
Depreciation and amortization	78	60	47	—	185	—	185
Loss (gain) on disposal and impairment of property, plant and equipment	3	(14)	(5)	(1)	(17)	—	(17)
Corporate costs	—	—	—	35	35	—	35
Adjusted operating profit	**245**	**189**	**102**	—	**536**	—	**536**
Less additions to:							
Property, plant and equipment	(89)	(145)	(143)	—	(377)	—	(377)
Intangible assets	(1)	(15)	(2)	(1)	(19)	—	(19)
Capital expenditure	**(90)**	**(160)**	**(145)**	**(1)**	**(396)**	—	**(396)**
Tax paid	(27)	(13)	(6)	(3)	(49)		
Changes in working capital	(55)	(14)	110	(2)	39		
Other movements	58	90	17	5	170		
Operating free cash flow (i)	**131**	**92**	**78**	**(1)**	**300**		
Total Assets	**4,074**	**2,008**	**1,630**	**830**	**8,542**	**(1,260)**	**7,282**
Total Liabilities	**1,673**	**1,388**	**1,705**	**927**	**5,693**	**(857)**	**4,836**

(i) Only for the purpose of calculating segments' operating free cash flows, where vendors of capital equipment provide financing, vendor financing is treated as a cash transaction.
(ii) Inclusion of Rocket from September 1, 2012
(iii) Inclusion of Cablevision from October 1, 2012

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

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

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

US$ millions (unaudited)	Year ended December 31, 2012	Year ended December 31, 2011
Change in carrying value of put option	15	24
Change in fair value of derivatives	(6)	(2)
Revaluation of previously held interest in Navega El Salvador (see note 3)	9	—
Other exchange losses, net	2	(26)
Other non-operating expenses	2	—
Total	**22**	**(4)**

US$ millions (unaudited)	Three months ended December 31, 2012	Three months ended December 31, 2011
Change in carrying value of put option	19	(27)
Change in fair value of derivatives	(1)	(3)
Exchange (losses) gains, net	21	(8)
Other non-operating expenses	(5)	—
Total	**34**	**(38)**

9. EARNINGS PER COMMON SHARE

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

US$ millions (unaudited)	Year ended December 31, 2012	Year ended December 31, 2011
Basic		
Net profit attributable to owners of the Company from continuing operations	508	886
Net profit attributable to owners of the Company from discontinued operations	—	39
Net profit attributable to owners of the Company used to determine the basic earnings per share	508	925
Diluted		
Net profit attributable to owners of the Company from continuing operations	508	886
Net profit attributable to owners of the Company from discontinued operations	—	39
Net profit attributable to owners of the Company used to determine the diluted earnings per share	508	925
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**101,332**	**104,196**
Potential incremental shares as a result of share options	93	105
Weighted average number of ordinary shares adjusted for the effect of dilution	**101,425**	**104,301**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	5.02	8.50
- EPS from discontinued operations attributable to owners of the Company	—	0.37
- EPS for the period attributable to owners of the Company	5.02	8.87
Diluted		
- EPS from continuing operations attributable to owners of the Company	5.01	8.49
- EPS from discontinued operations attributable to owners of the Company	—	0.37
- EPS for the period attributable to owners of the Company	5.01	8.86

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

9. EARNINGS PER COMMON SHARE (Continued)

US$ millions (unaudited)	Three months ended December 31, 2012	Three months ended December 31, 2011
Basic		
Net profit attributable to owners of the Company from continuing operations	87	180
Net profit attributable to owners of the Company used to determine the basic earnings per share	87	180
Diluted		
Net profit attributable to owners of the Company from continuing operations	87	180
Net profit attributable to owners of the Company used to determine the diluted earnings per share	87	180
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,563**	**102,174**
Potential incremental shares as a result of share options	89	97
Weighted average number of ordinary shares adjusted for the effect of dilution	**99,652**	**102,271**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	0.86	1.77
- EPS for the period attributable to owners of the Company	0.86	1.77
Diluted		
- EPS from continuing operations attributable to owners of the Company	0.85	1.76
- EPS for the period attributable to owners of the Company	0.85	1.76

10. PROPERTY, PLANT AND EQUIPMENT

The following tables provide details of cash used for the purchase of property, plant and equipment:

US$ millions (unaudited)	Year ended December 31, 2012	Year ended December 31, 2011
Additions	870	803
Increase (decrease) in suppliers advances	3	(2)
Decrease (increase) in payables for property, plant and equipment	(20)	(63)
Decrease (increase) in vendor financing and finance leases	(11)	(24)
Sale and lease back agreements (see notes 5 and 11)	—	(14)
Cash used from continuing operations for the purchase of property, plant and equipment	**842**	**700**

US$ millions (unaudited)	Three months ended December 31, 2012	Three months ended December 31, 2011
Additions	369	377
Increase in suppliers advances	(14)	(10)
(Increase) decrease in payables for property, plant and equipment	(86)	(85)
(Increase) decrease in vendor financing and finance leases	(7)	(5)
Sale and lease back agreements (see notes 5 and 11)	—	(5)
Cash used for the purchase of property, plant and equipment	**262**	**272**

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

The charge for depreciation on property, plant and equipment for the year ended December 31, 2012 was $657 million (December 31, 2011: $598 million). The charge for depreciation on property, plant and equipment for the three months ended December 31, 2012 was $170 million (December 31, 2011: $147 million).

During the year ended December 31, 2012, Millicom disposed of property, plant and equipment (mainly towers sold and partly leased back – see note 5) and received $115 million (December 31, 2011: $127 million). During the three months ended December 31, 2012, Millicom disposed of property, plant and equipment (mainly towers sold and partly leased back – see note 5) and received $1 million (December 31, 2011: $72 million).

11. INVESTMENTS IN ASSOCIATES

As at December 31, 2012 investments in associates comprised:

US$ millions	As at December 31, 2012	As at December 31, 2011
Helios Towers Tanzania (see note 5)	26	29
Helios Towers DRC (see note 5)	29	16
Helios Towers Ghana (see note 5)	17	17
ATC Colombia BV (see note 5)	20	—
Africa e-Commerce Holding (see note 3)	100	—
Others	1	1
Total	**193**	**63**

12. SHARE-BASED COMPENSATION

(a) Long-Term Incentive Plans

Long term incentive awards consist of three-year deferred share awards and performance share awards plans. Shares granted under the deferred plans are based on past performance and vest 16.5% at the end of each of the first and second years of the plans and 67% at the end of the final year. Shares granted under the performance plans are based on future performance, subject to various non-market conditions and vest at the end of three-year periods.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

12. SHARE-BASED COMPENSATION (Continued)

A summary of the plans at December 31, 2012 is as follows:

Plans	Shares issued in 2012 (Shares) (Unaudited)	Actual charge over the vesting period (US$ '000) (Unaudited)
2009 Deferred Plan	89,519	7,343
2009 Performance Plan	101,101	4,521
		Expected charge over the vesting period (US$ '000)
2010 Deferred Plan	23,248	11,321
2010 Performance Plan	—	4,877
2011 Deferred Plan	22,282	12,434
2011 Performance Plan	—	9,120
2012 Deferred Plan	—	15,347
2012 Performance Plan	—	9,728
Total	**45,530**	**62,827**

(b) Total share-based compensation expense

Total share-based compensation for the years and three months ended December 31, 2012 and 2011 was as follows:

US$ millions (unaudited)	Year ended December 31, 2012	Year ended December 31, 2011
2009 LTIPs	—	3
2010 LTIPs	5	5
2011 LTIPs	7	9
2012 LTIPs	10	—
Total share-based compensation expense	**22**	**17**

US$ millions (unaudited)	Three months ended December 31, 2012	Three months ended December 31, 2011
2009 LTIPs	—	1
2010 LTIPs	1	1
2011 LTIPs	2	3
2012 LTIPs	3	—
Total share-based compensation expense	**6**	**5**

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

13. DEBT AND OTHER FINANCING

On October 30, 2012 Millicom issued senior unsecured floating rate notes of Swedish Kronor (‘SEK’) 1.75 billion and senior unsecured fixed rate notes of SEK 0.25 billion. The floating rate notes were issued for 100% of the principal amount and the fixed rate notes for 99.699% of the principal amount and both are repayable in five years. The floating rate notes bear interest at the three month Swedish Interbank Offering rate (‘STIBOR’) + 3.5% per annum and the fixed rate notes bear interest at 5.125% per annum.

The bonds can be early redeemed between October 2013 and October 2016 at 101% of the issuance price. These options represent embedded derivatives which, in accordance with IAS 39 have been valued and determined to be closely related to the underlying bond.

At the same time Millicom entered into various forward currency swap contracts to sell SEK and receive USD to hedge against exchange rate fluctuations for the notional amount of SEK 2 billion and interest payments on this principal (see note 16).

On December 7, 2012, Tigo Paraguay issued a 10-year $300 million bond with a fixed coupon of 6.75%. The bonds can be early redeemed between December 2017 and December 2021 at between 100% and 103.75% of the issuance price. These options represent embedded derivatives which, in accordance with IAS 39 have been valued and determined to be closely related to the underlying bond.

Analysis of debt and other financing by maturity

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

US$ millions (unaudited)	As at December 31, 2012	As at December 31, 2011
Due within:		
One year	693	621
One-two years	473	314
Two-three years	348	326
Three-four years	289	291
Four-five years	456	245
After five years	1,000	641
Total debt	**3,259**	**2,438**

As at December 31, 2012, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit or guarantees issued was $1,391 million (December 31, 2011: $1,384 million). The assets pledged by the Group for these debts and financings amount to $131 million (December 31, 2011: $383 million).

Millicom has issued guarantees to secure some of the obligations of some of its operations under bank and supplier financing agreements. The table below describes the outstanding and maximum exposure under the bank guarantees and the remaining terms of the guarantees as at December 31, 2012 and December 31, 2011. Amounts issued to cover bank guarantees are recorded in the consolidated statements of financial position under the caption "Debt and other financing".

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

13. DEBT AND OTHER FINANCING (Continued)

	Bank and other financing guarantees(i)			
US$ millions (unaudited)	As at December 31, 2012		As at December 31, 2011	
Terms	Outstanding exposure	Maximum exposure	Outstanding exposure	Maximum exposure
0-1 year	278	470	29	105
1-3 years	196	305	231	383
3-5 years	315	355	272	355
More than 5 years	—	—	186	225
Total	**789**	**1,130**	**718**	**1,068**

(i) *In the case of non-payment by the obligor, the guarantee ensures payment by the Group's company guarantor of outstanding amounts of the underlying loans.*

14. PUT OPTION RESERVE

On July 1, 2010, Millicom reached an agreement with its local partner in Honduras whereby Millicom's local partner granted Millicom an unconditional call option for duration of five years for his 33% stake in the Honduran operation. At the same time, and as consideration for the call option, Millicom granted a put option for the same duration to its local partner. The put option can only be exercised in cases of a change of control of Millicom International Cellular S.A. or Millicom's subsidiary that holds the shares in Celtel (except if the change of control is in favour of Investment AB Kinnevik, the current largest shareholder of Millicom, or management of Millicom).

A change of control event may occur at Millicom level which is beyond the control of Millicom. Such an event would enable our local partner to exercise his put option. The put option is a financial liability and is measured at the present value of its redemption price of $730 million at December 31, 2012 (December 31, 2011: $745 million).

The redemption price of the put option is based on a multiple of the EBITDA of the Honduran operation. The multiple is based on a change of control transaction multiple of Millicom. Management estimated the change of control transaction multiple of Millicom from a trading multiple of Millicom and adding a control premium (based upon comparable transactions from the industry).

The fair value of the call option is considered to be immaterial at December 31, 2012 and December 31, 2011.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

15. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits, tax claims and other matters that arise in the normal course of business. As at December 31, 2012, the total amount of claims against Millicom's operations was $955 million, (December 31, 2011: $127 million), of which $1 million (December 31, 2011: $1 million) relate to joint ventures.

As at December 31, 2012, $13 million (December 31, 2011: $7 million) has been provided for litigation risks in the consolidated statement of financial position. Management is of the opinion that while it is impossible to ascertain the ultimate legal and financial liability with respect to these contingencies, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

Included in the total claims above is a lawsuit which was filed against our subsidiary in Ghana (Millicom Ghana) by E-Talk Limited (E-Talk) in November 2011, alleging that Millicom Ghana terminated a July 2006 contract with insufficient notice. The total value of the claim is approximately $30 million, including various general damages, loss of expected revenues and punitive damages. Management considers this claim as opportunistic and without foundation, in so far as it was filed more than four years after the events on which the plaintiff bases its claim and takes the view that no provision should be made for this claim.

Also included in the total claims is a claim filed with the Civil Chamber of Bogota in Colombia against the entire mobile operator industry of Colombia, including our subsidiary in Colombia, by a group of approximately twenty individuals. The claimants allege damages and losses suffered from third parties through illegal use of cellular phones in extortion attempts against the claimants, and are claiming a collective total of approximately $753 million from the mobile operators. The case has been inactive, with the exception of a mandatory settlement conference held among the parties under the court's supervision, which did not result in any settlement agreement. It is expected that the litigation will move towards an evidence-presentation phase. Management considers this claim to be entirely spurious and without foundation or substance. As a result, management is of the view that no provision should be made for this claim.

Sentel GSM S.A. ("Sentel") license

The Sentel license to provide mobile telephony services in the Republic of Senegal was previously challenged by the Senegalese authorities. On October 12, 2012, Millicom and the government of the Republic of Senegal signed an agreement whereby the validity of Millicom's Senegal subsidiary's license is recognized by both parties, which further accept to withdraw all existing legal claims and current law suits. In addition, Millicom has been granted a technological neutral, global license, including a 3G license, an alignment of its license terms with those of the other operators, additional rights over spectrum, certain investment protection rights, and its current license term is extended until 2028. In consideration for these additional license and spectrum rights Millicom paid $103 million to the government of the Republic of Senegal.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

15. COMMITMENTS AND CONTINGENCIES (Continued)

Capital commitments

As at December 31, 2012, the Company and its subsidiaries and joint ventures have fixed commitments to purchase network equipment and other fixed and intangible assets from a number of suppliers in the amount of $367 million (December 31, 2011: $370 million), of which $334 million (December 31, 2011: $348 million) are due within one year and $50 million (December 31, 2011: $46 million) relate to joint ventures.

In addition, Millicom is committed to supporting Colombia Móvil S.A., its operation in Colombia, through loans and warranties. The maximum commitment is $250 million and remains until the time the total support from Millicom equals the support from the founding shareholders of Colombia Móvil S.A.

Forward and swap contracts

As at December 31, 2012, the Group held a foreign currency forward and swap contract to sell Colombian Pesos in exchange for US$ for a total nominal amount of $43 million (December 31, 2011: $84 million) which mature in July 2013. Losses from the forward and swap contract amounted to $6 million for the year ended December 31, 2012 (December 31, 2011: loss of $2 million) (see note 8).

In October 2010, Millicom entered into separate interest rate swaps to hedge the interest rate risks on floating rate debts in Honduras and Costa Rica. The interest rate swap in Honduras was issued for a nominal amount of $30 million, with maturity in 2015, and in Costa Rica for a nominal amount of $105 million with maturity in 2017. The swaps were assessed as highly effective, thus qualified for cash flow hedge accounting, and, as a result, the effective portion of the fair value change of the swap was recorded against other comprehensive income.

In January 2010, Millicom entered into a $100 million interest rate swap maturing in January 2013, to hedge the interest rate risk of the floating rate debt in three different countries (DRC, Ghana and Tanzania). The swaps were initially assessed as highly effective, and thus qualified for cash flow hedge accounting. During the three month period ending September 30, 2012 the Tanzania and Ghana hedges were assessed as ineffective and, as the value of these hedges are not expected to change significantly between September 30, 2012 and their expiry in January 2013, the corresponding cash flow reserve was recycled to the income statement. At December 31, 2012 the DRC hedge was assessed as ineffective and the corresponding cash flow reserve was recycled to the income statement.

In October 2012, Millicom issued senior unsecured floating rate notes of Swedish Kronor (‘SEK’) 1.75 billion and senior unsecured fixed rate notes of SEK 0.25 billion. At the same time Millicom entered into various cross currency interest swap contracts whereby Millicom will sell SEK and receive USD to hedge against exchange rate fluctuations for the notional amount of SEK 2 billion and interest payments on this principal. Millicom will also hedge against interest rate fluctuations on the floating rate notes of SEK 1.75 billion by receiving variable interest at STIBOR +3.5% and paying a fixed rate of 5.125%. As the timing and amounts of the cash flows under the swap agreements match the cash flows under the bonds the swaps assessed as highly effective, thus qualified for cash flow hedge accounting, and, as a result, the effective portion of the fair value change of the swap was recorded against other comprehensive income.

Notes to the condensed consolidated financial statements as at December 31, 2012 and for the year and three month period then ended (continued)

16. SUBSEQUENT EVENTS

Deregistration from NASDAQ US

As described in note 1, on October 12, 2012 the Company filed a certificate with the US Securities and Exchange Commission ("SEC") to terminate the registration of its shares. As from January 11, 2013 the termination of our reporting and disclosure obligations under the US Exchange Act became fully effective. Our shares will continue to trade in the USA over the counter.

Dividend

On February 12, 2013 Millicom announced that the Board will propose to the Annual General Meeting of the Shareholders a dividend distribution of $2.64 per share to be paid out of Millicom's profits for the year ended December 31, 2012 subject to the Board's approval of the 2011 Consolidated Financial Statements of the Group.

Section 2- Other operational and financial data points

Quarterly analysis by region (unaudited)

	Q4 12	Q3 12	Q2 12	Q1 12	Q4 11	Increase Q4 11 to Q4 12
Revenue (US$ millions) (i)						
Central America	481	469	476	474	478	1%
South America	526	480	466	455	450	17%
Africa	249	247	239	239	249	0%
Online	10	3	-	-	-	NA
Total Revenue	**1,266**	**1,199**	**1,181**	**1,168**	**1,177**	**8%**
EBITDA (US$ millions) (i)						
Central America	244	236	237	241	245	0%
South America	204	181	185	186	189	8%
Africa	87	92	91	90	102	(15%)
Online	(7)	(2)	-	-	-	NA
Total EBITDA	**528**	**507**	**513**	**517**	**536**	**(2%)**
Total mobile customers at end of period ('000s)						
Central America	15,597	15,297	15,182	15,058	14,626	7%
South America	12,716	12,268	11,740	11,531	11,155	14%
Africa	18,916	18,466	17,629	17,209	17,304	9%
Total	47,229	46,031	44,551	43,798	43,085	**10%**
Attributable mobile customers at end of period ('000s)						
Central America	12,032	11,888	11,874	11,774	11,421	5%
South America	12,716	12,268	11,740	11,531	11,155	14%
Africa	18,651	18,207	17,374	16,957	17,055	9%
Total	43,399	42,363	40,988	40,262	39,631	**10%**

(i) Excludes discontinued operations

Cellular customers and market position by country (unaudited)

Country	Equity holding	Country population (million) (i)	MIC market position (ii)	Net adds Q4 12 (000's)	Total customers ('000s) (iii)		
					Q4 12	Q4 11	YoY growth
CAM							
El Salvador	100.0%	6	1 of 5	(62)	**2,979**	3,027	(2%)
Guatemala	55.0%	14	1 of 3	346	**7,922**	7,123	11%
Honduras	66.7%*	8	1 of 3	16	**4,696**	4,477	5%
SAM							
Bolivia	100.0%	10	2 of 3	48	**3,041**	2,687	13%
Colombia	50.0% +1 share	45	3 of 3	260	**5,726**	4,854	18%
Paraguay	100.0%	7	1 of 4	140	**3,949**	3,614	9%
Africa							
Chad	100.0%	11	1 of 3	119	**2,030**	1,894	7%
DRC (iv)	100.0%	74	1 of 5	173	**3,001**	2,382	26%
Ghana	100.0%	25	2/3 of 6	(57)	**3,170**	3,508	(10%)
Mauritius	50.0%	1	2 of 3	12	**529**	498	6%
Rwanda	87.5%	12	2 of 4	78	**1,502**	1,192	26%
Senegal	100.0%	13	2 of 4	(6)	**2,641**	2,378	11%
Tanzania	100.0%	47	2 of 7	131	**6,043**	5,451	11%
Total cellular customers excluding discontinued operations		273		1,198	**47,229**	43,085	10%

(i) *Source: CIA World Factbook*
(ii) *Source: Millicom. Market position derived from active customers based on interconnect*
(iii) *Millicom has a policy of reporting only those customers that have generated revenue within a period of 60 days, or in the case of new customers only those that have already started generating revenue*
(iv) *DRC market position relates to the Kinshasa/Bas Congo area only*
* *Millicom's unconditional call option over its partner's 33.3% shareholding enables Millicom to fully consolidate Honduras.*

Review by region (unaudited)

Central America	Q4 12	Q3 12	Q2 12	Q1 12	Q4 11
Customers (m)	**15.6**	15.3	15.2	15.1	14.6
YoY growth (%)	***6.6%***	*7.8%*	*7.8%*	*9.0%*	*8.5%*
Revenue ($m)	**481**	469	476	474	478
YoY growth (%) (reported)	***0.6%***	*1.9%*	*6.0%*	*4.3%*	*6.9%*
YoY growth (%) (local currency)	***2.4%***	*3.3%*	*7.9%*	*4.7%*	*6.2%*
EBITDA ($m)	**244**	236	237	241	245
YoY growth (%)	***(0.3%)***	*0.6%*	*2.0%*	*(2.1%)*	*7.0%*
Margin (%)	***50.8%***	*50.3%*	*49.7%*	*50.8%*	*51.3%*
Total mobile ARPU ($)*	**11.1**	11.1	11.4	11.6	12.0
YoY growth (%) (reported)	***(7.2%)***	*(6.4%)*	*(4.6%)*	*(4.5%)*	*(1.7%)*
Capex ($m)	**131**	41	72	51	90
Capex/Revenue (%)	***27.3%***	*8.8%*	*15.1%*	*10.8%*	*18.8%*

* *Not adjusted for constant forex*

South America	Q4 12	Q3 12	Q2 12	Q1 12	Q4 11
Customers (m)	**12.7**	12.3	11.7	11.5	11.2
YoY growth (%)	***14.0%***	*12.9%*	*10.0%*	*10.5%*	*10.0%*
Revenue ($m)	**526**	480	466	455	450
YoY growth (%) (reported)	***16.8%***	*8.2%*	*9.7%*	*17.4%*	*17.6%*
YoY growth (%) (local currency)	***11.0%***	*14.6%*	*13.1%*	*14.5%*	*14.4%*
EBITDA ($m)	**204**	181	185	186	189
YoY growth (%)	***8.0%***	*(4.6%)*	*2.0%*	*12.6%*	*12.3%*
Margin (%)	***38.7%***	*37.8%*	*39.8%*	*40.9%*	*41.9%*
Total mobile ARPU ($)*	**13.0**	13.2	13.0	13.1	13.1
YoY growth (%) (reported)	***(1.0%)***	*(2.6%)*	*(1.3%)*	*6.4%*	*3.1%*
Capex ($m)	**135**	76	92	69	160
Capex/Revenue (%)	***25.8%***	*15.8%*	*19.8%*	*15.2%*	*35.6%*

* *Not adjusted for constant forex*

** *Excluding sale and leaseback of previously held towers*

Review by region (continued)

Africa	Q4 12	Q3 12	Q2 12	Q1 12	Q4 11
Customers (m)	**18.9**	18.5	17.6	17.2	17.3
YoY growth (%)	***9.3%***	*7.5%*	*6.5%*	*10.9%*	*15.6%*
Revenue ($m)	**249**	247	239	239	249
YoY growth (%) (reported)	***(0.2%)***	*0.1%*	*(2.9%)*	*(0.1%)*	*4.3%*
YoY growth (%) (local currency)	***1.9%***	*6.8%*	*5.7%*	*5.4%*	*10.6%*
EBITDA ($m)	**87**	92	91	90	102
YoY growth (%)	***(15.2%)***	*(11.4%)*	*(8.6%)*	*(8.4%)*	*2.4%*
Margin (%)	**34.8%**	37.3%	38.0%	37.5%	41.0%
Total mobile ARPU ($)(i)	**4.4**	4.5	4.5	4.6	4.8
YoY growth (%) (reported)	***(8.4%)***	*(7.9%)*	*(11.9%)*	*(11.7%)*	*(10.7%)*
Capex(ii) ($m)	**223(iv)**	81	84(iii)	42	145
Capex/Revenue (%)	***89.9%***	*32.8%*	*35.3%*	*17.4%*	*58.1%*

(i) Not adjusted for constant forex

(ii) Excluding sale and leaseback of previously owned towers

(iii) Including spectrum in the Democratic Republic of Congo.

(iv) Including US$103 million for spectrum in Senegal.

Revenue growth - Forex effect by region

US$ m	Revenue Q4 11	Constant currency growth	Forex	Acquisition*	Revenue Q4 12	LC growth %
CAM	478	11	(9)	1	481	2.4%
SAM	450	50	10	16	526	11.0%
Africa	249	5	(5)	0	249	1.9%
Online	0	10	0	0	10	NA
Total	1,177	76	(4)	17	1,266	6.4%

**Cablevision acquisition, small cable assets*

Customers

Net additional mobile customers ('000)

	Total	CAM	SAM	Africa
Q4 12	1,198	300	448	450
Q3 12	1,480	115	528	837
Q2 12	753	124	209	420
Q1 12*	713	432	376	(95)
Q4 11*	857	439	287	131

Customer market share

Market share (%)

	Total	CAM	SAM	Africa
Q4 12	30.2%	54.4%	19.7%	29.8%
Q3 12	29.9%	54.6%	19.2%	29.7%
Q2 12	29.8%	54.8%	18.8%	29.7%
Q1 12*	29.9%	55.1%	18.8%	29.8%
Q4 11*	30.2%	54.1%	18.9%	30.6%

Source: Company data. Historical market share for Africa restated to reflect KBC market only in DRC

**Restated for industry corrections in Q4 11 and Q1 12*