



Millicom International Cellular S.A.

# Financial results Q2 10

20<sup>th</sup> July, 2010

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# :: Disclaimer

*This presentation may contain certain “forward-looking statements” with respect to Millicom’s expectations and plans, strategy, management’s objectives, future performance, costs, revenues, 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 the forward-looking statements depending on various important factors. Please refer to the documents that Millicom has filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended, including Millicom’s most recent annual report on Form 20-F, for a discussion of certain of these factors.*

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# :: Q2 Highlights

- Group revenues up 14%
- Double – digit constant currency revenue growth at 11.3%
- Further market share gains
- EBITDA margin of 47.0 %
- Continued strong cash flow generation
- Strong adjusted EPS growth +30% (excluding one-off items)
- Payment of exceptional and regular dividends. Share buy back plan initiated
- Full control of Honduras and restructuring of Amnet/Navega Honduras post closing



# :: Financial Highlights Q2 YoY

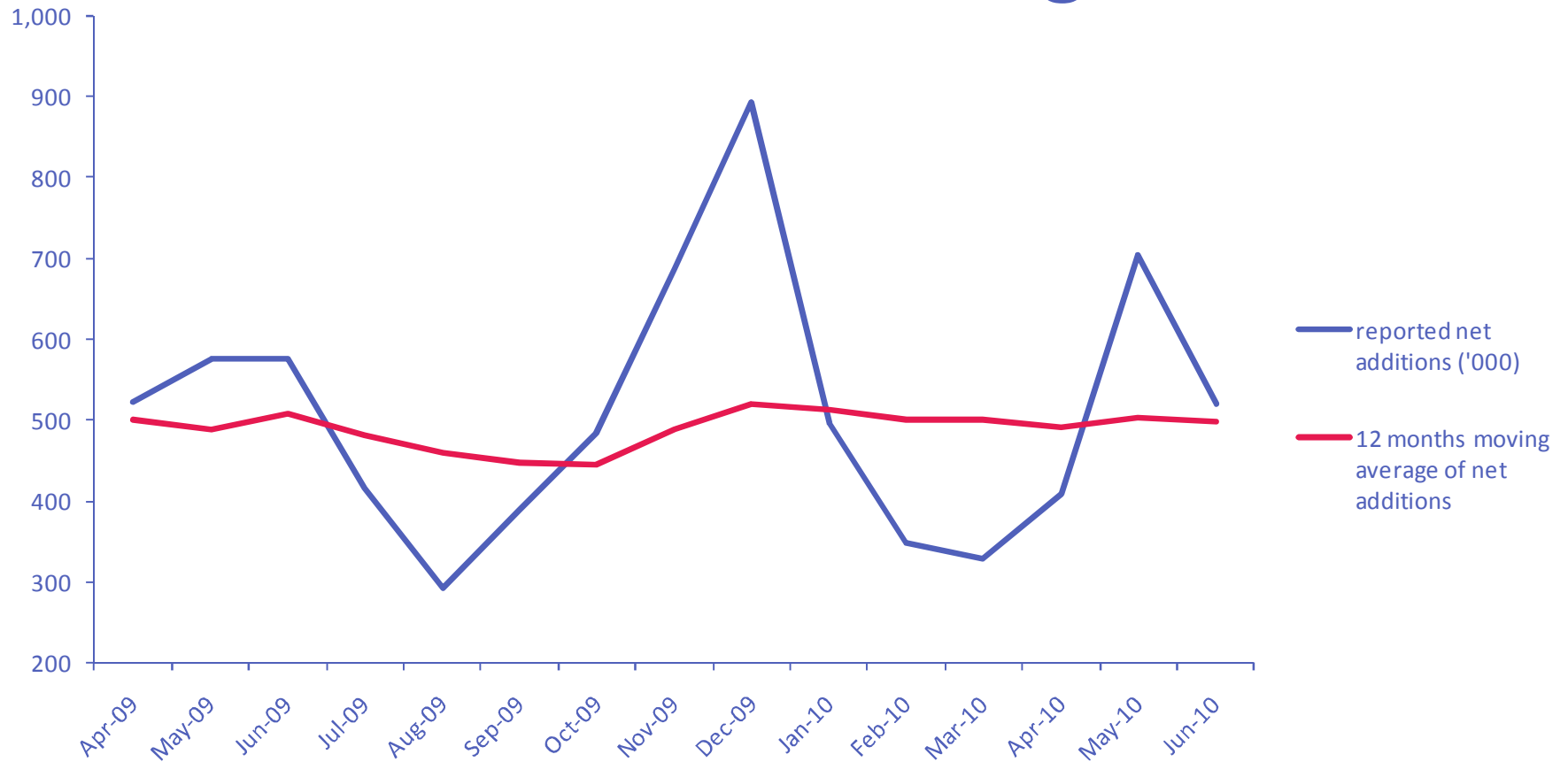
US\$m	Q2 10	Q2 09	\$ growth	Local currency
Customers ('000)	36,729	30,758	19%	
Revenues	929	814	14%	11.3%
EBITDA % of revenues	436 47.0%	371 45.6%	17% +1.4 pt	14.8%
Capex % of revenues	129 13.9%	179 21.9%	-28% -8.0 pt	
Operating Free Cash Flow * % of revenues	227 24.4%	123 15.1%	85% +9.3 pt	

\* EBITDA - CAPEX - WC movements - Taxes



Solid revenue growth, improving margins and strong cash generation

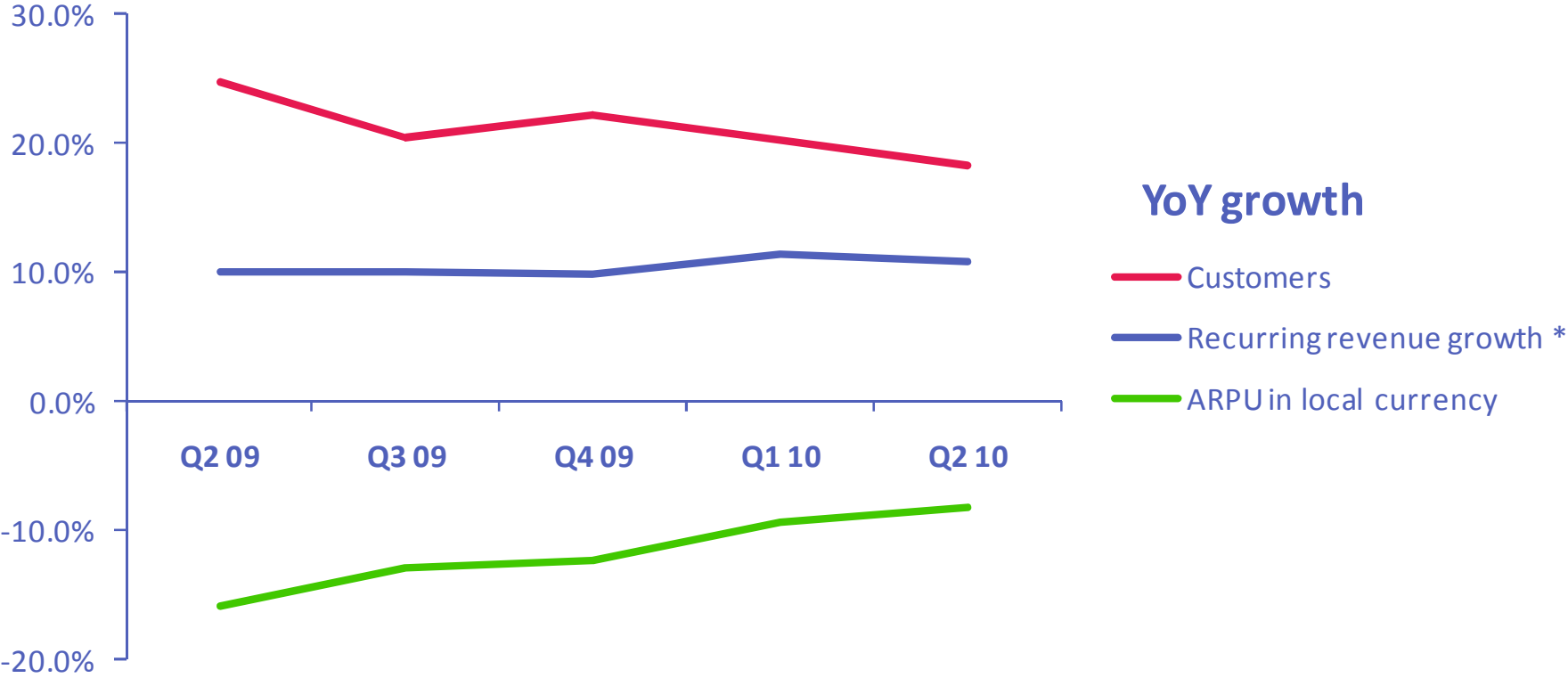
# :: Stabilization of customer growth



Stable customer growth despite continuous volatility caused by compulsory SIM registration in 4 markets



# :: ARPU decline reducing steadily quarter on quarter

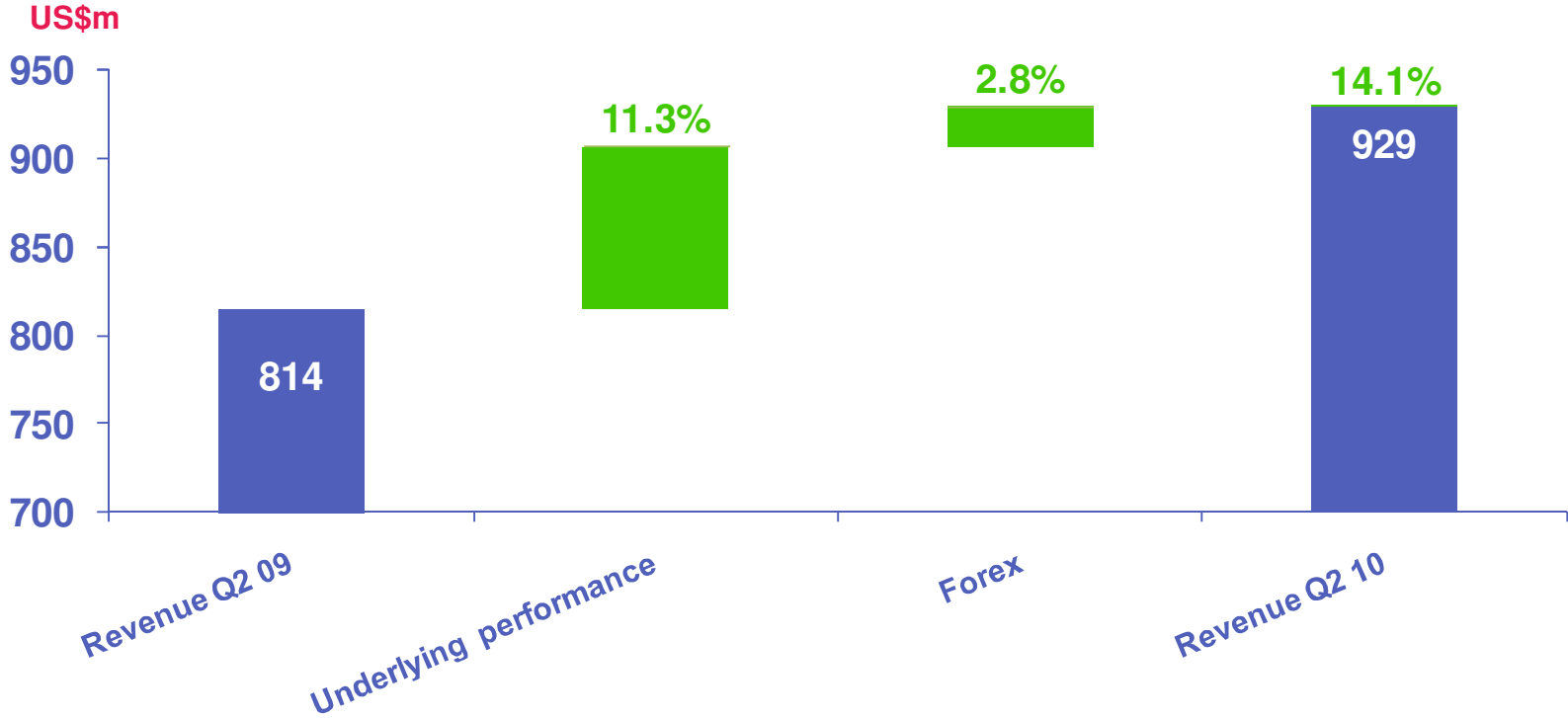


\* Recurring revenue = customers x ARPU in local currency

Excluding Rwanda which has no comparison base in 2009



# :: Revenue growth – positive Forex impact in Q2



Local currency growth at 11.3% despite full year impact of additional taxes in Central America and Africa



# :: Revenue split by category

US\$m	Q2 10	Q2 09	\$ growth	Local currency
Voice % of recurring mobile revenues	621 78.1%	570 81.4%	9%	7%
VAS - SMS % of recurring mobile revenues	78 9.7%	69 9.8%	13% -0.1 pt	9%
Other VAS % of recurring mobile revenues	97 12.2%	62 8.8%	57% +3.3 pt	50%
Other *	133	113	18%	14%
<b>Total Revenues</b>	<b>929</b>	<b>814</b>	<b>14%</b>	<b>11%</b>

+ 28.4% VAS growth

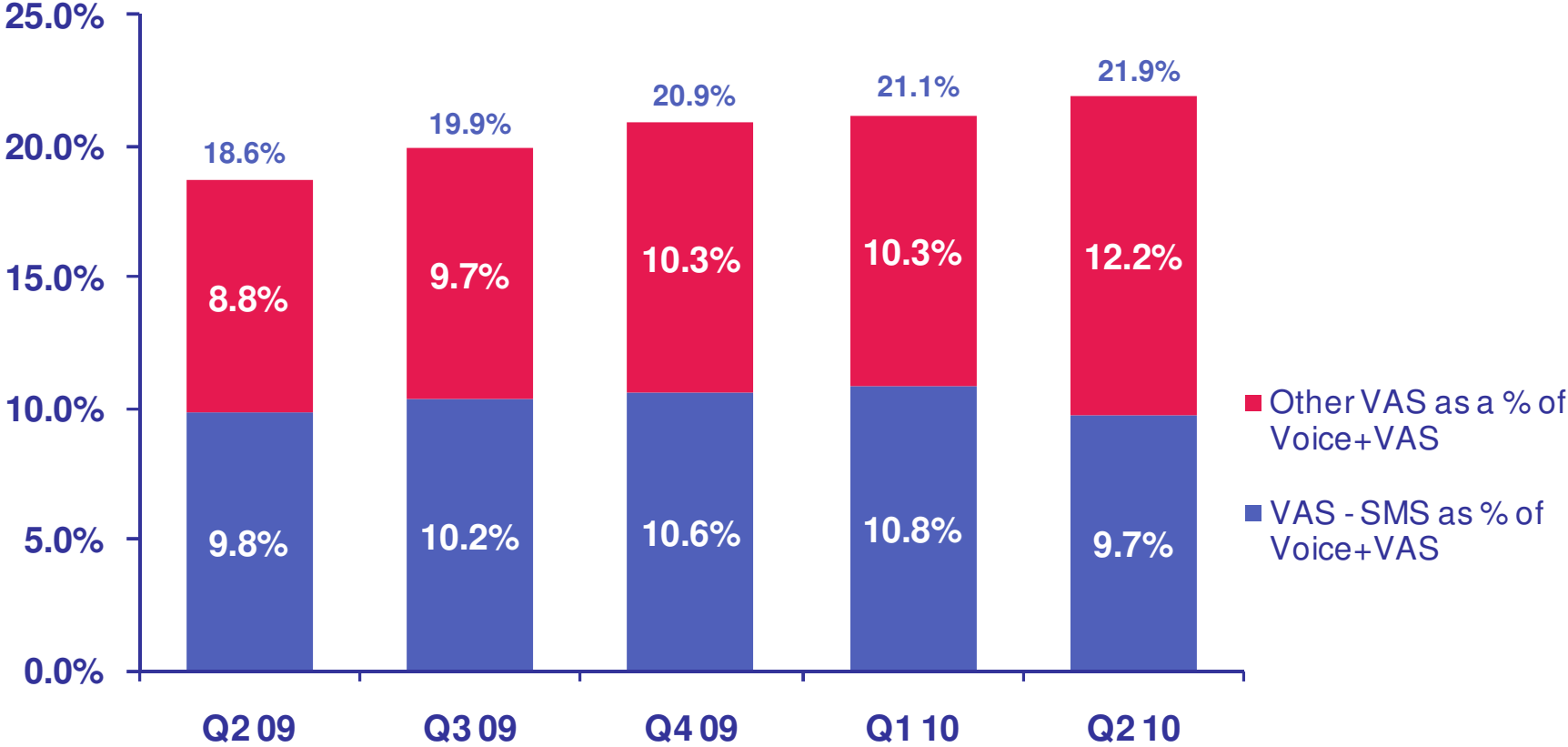
\* Telephone & Equipment + Cable business

Acceleration of Voice growth to 7% from 5% in Q1 in local currency.  
Strong momentum for non-SMS VAS at + 50%





# :: Strong momentum on non – SMS VAS revenue



Note: Other VAS includes Ringback tones / Data (web browsing) / Content (Premium SMS, daily services like horoscopes)



VAS revenue 21.9% of mobile revenues (Voice + VAS)

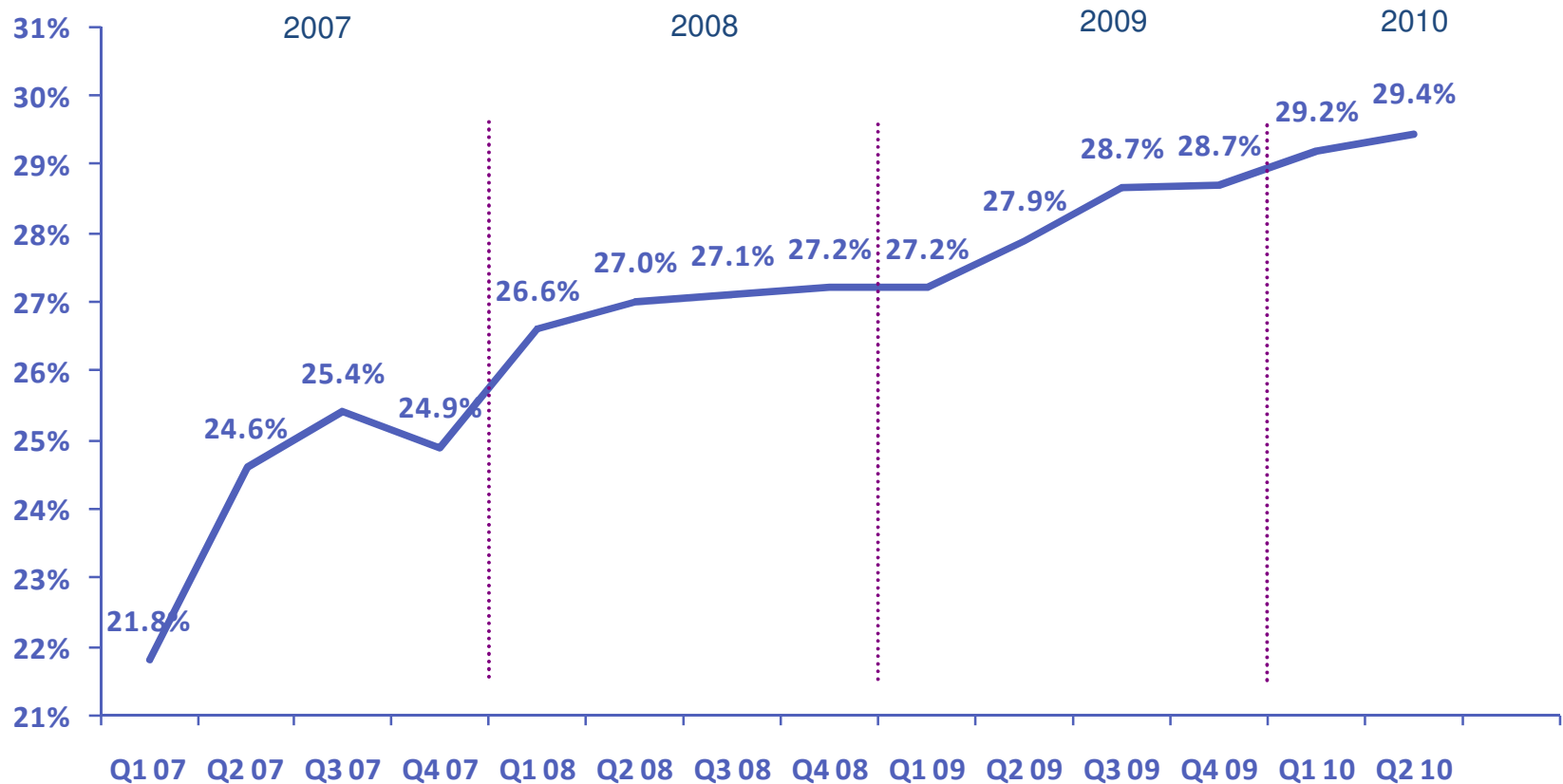
# :: Growth of 3G data revenue in Latin America

US\$m	Q2 10	Q1 10	QoQ growth
<b>Latin America</b>			
<b>3G Handsets</b>			
Customer base	1,170	1,020	15%
Penetration on total MIC customers	5.2%	4.6%	0.6pt
3G data users	727	569	28%
3G data users/customer base	62%	56%	6pt
<b>Datacards</b>			
Customer base	564	466	21%
<hr/>			
Total 3G data users (handsets+datacards)	1,291	1,035	25%
% of total customers	5.7%	4.7%	1 pt
3G data revenues as % of recurring revenue	4.6%	3.8%	0.8pt

3G data already represents nearly 5% of Latin America recurring revenues  
 Penetration of usage on 3G enabled devices is rising



# :: Market share evolution

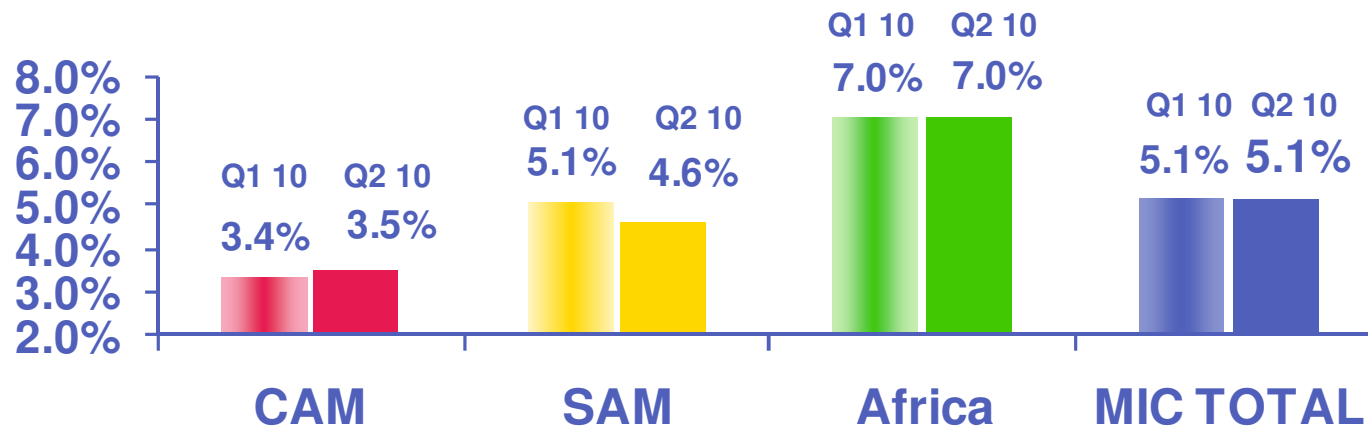
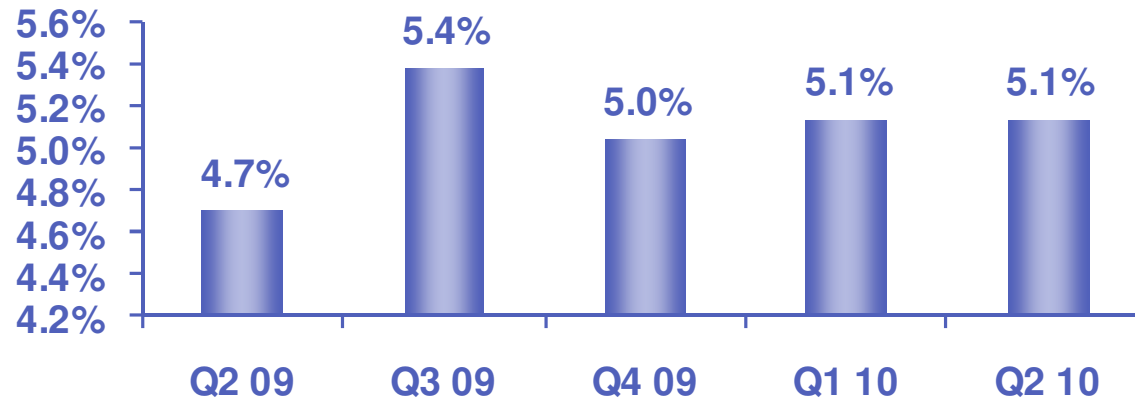


Further market share growth in all regions:  
Group market share exceeds 30% excluding Rwanda



# :: Stable churn

MIC TOTAL



Decline in churn in South America.  
Stabilization in Central America and Africa

# Regional review



## :: Quarterly Highlights – Central America YoY

US\$m	Q2 10	Q2 09	Reported growth	Local currency growth
Customers ('000)	13,370	12,123	10%	
Revenues	330	332	0%	-1%
EBITDA % of revenues	191 57.8%	187 56.4%	2% +1.4 pt	2%
Capex % of revenues	30 9.1%	20 6.0%	50% +3.1 pt	
Operating Free Cash Flow % of revenues	104 31.3%	100 30.0%	4% +1.3 pt	



Stabilization of Central American operations that have been impacted by the full year effect of new taxes/ ICX rates  
Focus on quality customers driving margin

## :: Quarterly Highlights – South America YoY

US\$m	Q2 10	Q2 09	Reported growth	Local currency growth
Customers ('000)	9,239	8,060	15%	
Revenues	323	249	30%	19%
EBITDA % of revenues	138 42.7%	98 39.2%	42% +3.5 pt	32%
Capex % of revenues	42 13.1%	45 18.1%	-6% -5.0 pt	
Operating Free Cash Flow % of revenues	65 20.1%	48 19.3%	36% +0.8 pt	

Growth, margin improvement,  
strong cash flow generation



## :: Quarterly Highlights – Africa YoY

US\$m	Q2 10	Q2 09	Reported growth	Local currency growth
Customers ('000)	14,119	10,575	34%	
Revenues	219	183	20%	24%
EBITDA % of revenues	81 36.9%	62 33.7%	31% +3.2 pt	34%
Capex % of revenues	42 19.3%	72 39.4%	-41% -20.1 pt	
Operating Free Cash Flow % of revenues	45 20.5%	1 0.6%	+19.9 pt	

Strong profitable growth  
with attractive cash generation





## :: Quarterly Highlights – Cable YoY

US\$m	Q2 10	Q2 09	Reported growth	Local currency growth
<b>Revenues</b>	<b>56</b>	<b>50</b>	<b>11%</b>	<b>9%</b>
- Amnet	49	44		
- Navega	7	6		
<b>EBITDA</b>	<b>26</b>	<b>25</b>	<b>5%</b>	<b>2%</b>
- Amnet	18	17		
- Navega	8	7		
% of revenues	46.6%	49.2%	-2.6 pt	
<b>Capex</b>	<b>15</b>	<b>23</b>	<b>-33%</b>	
% of revenues	27.0%	45.6%	-18.6pt	
<b>Operating Free Cash Flow</b>	<b>9</b>	<b>-9</b>		
% of revenues	16.2%	-18.1%	+34.3pt	

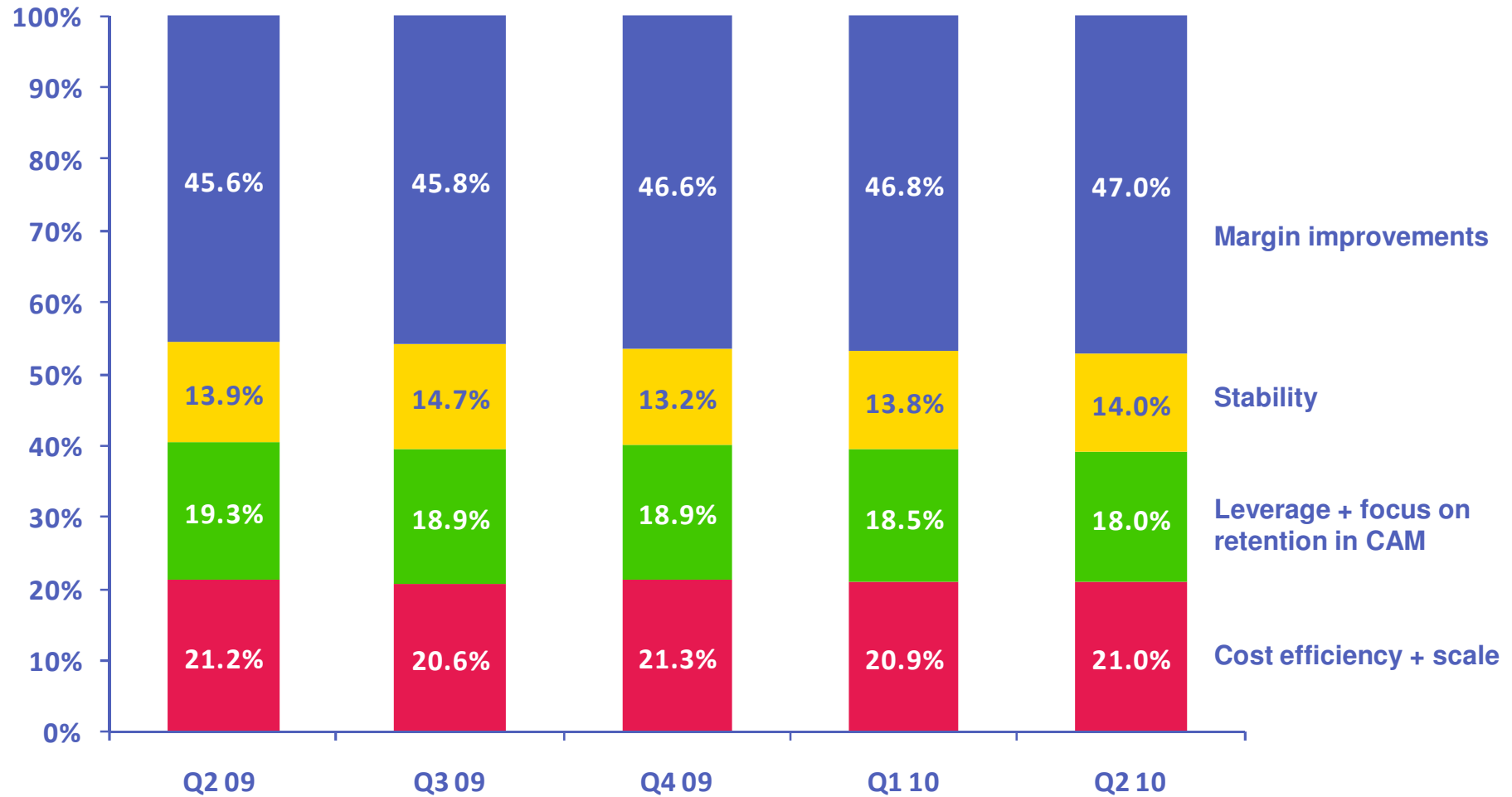


Growth and Cash Flow generation  
in a weak economic environment

# Financial review



# :: Cost/ Margin breakdown



■ COS %   ■ S&M %   ■ G&A %   ■ EBITDA %



# :: Taxes

US\$m	Q2 10	Q2 09	Change
PBT	177	160	10%
Taxes	55	51	7%
Effective tax rate	31.0%	32.1%	-1.1 pt

Lower tax rate in Q2 10 despite withholding taxes following stronger cash upstreaming (\$280m in Q2 10 vs \$197m in Q2 09)



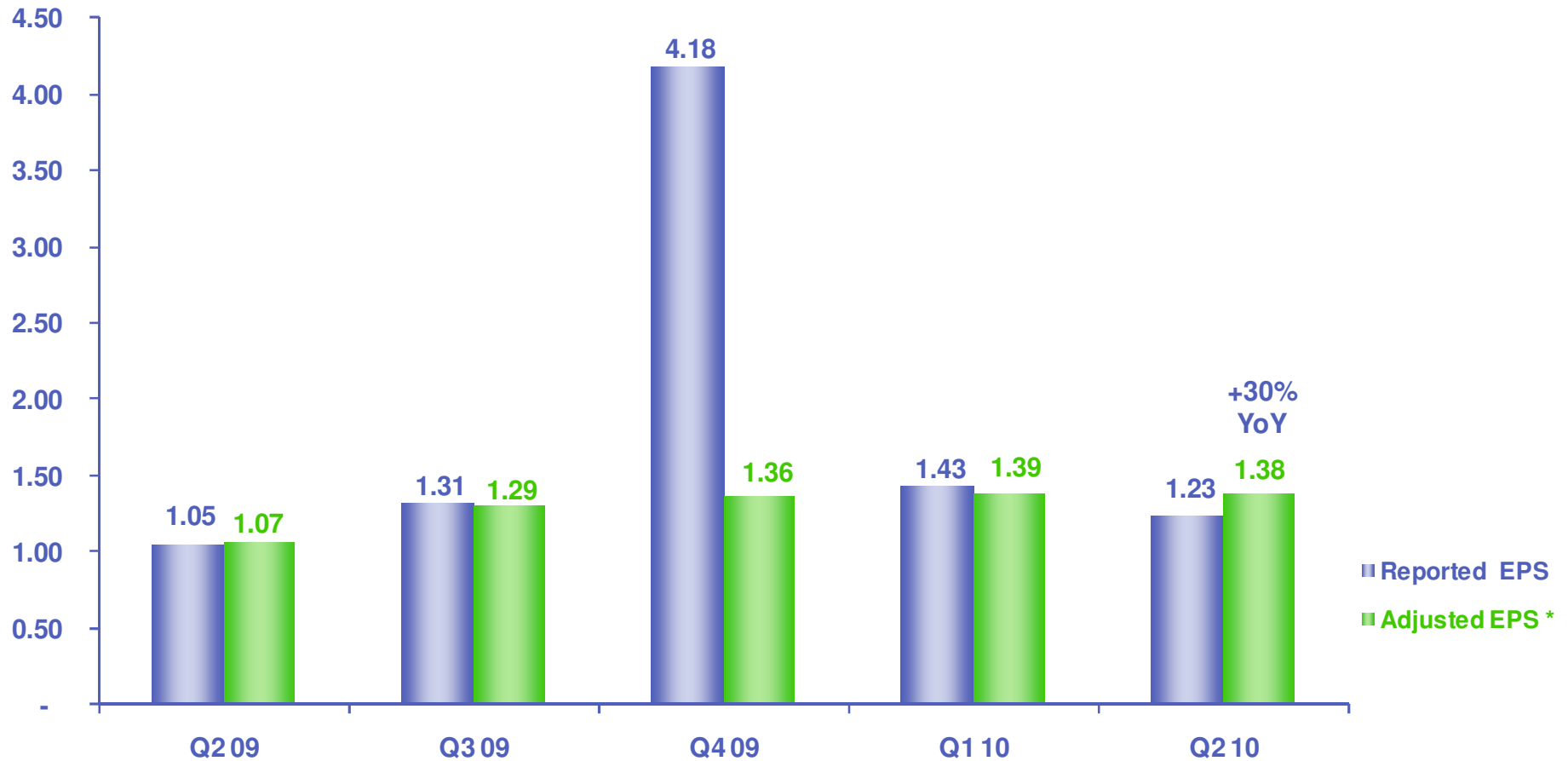
# :: Strong EPS growth

US\$m	Q2 10	Q2 09	\$ growth	
<b>EBITDA</b>	<b>436</b>	<b>371</b>	<b>17%</b>	
<b>Depreciation</b> %of revenues	<b>-160</b> 17.2%	<b>-144</b> 17.7%	<b>11%</b> <b>-0.5pt</b>	Impact of scale and change in asset lives
<b>Net Finance Costs</b> %of revenues	<b>-44</b> 4.7%	<b>-41</b> 5.1%	<b>6%</b> <b>-0.3pt</b>	Low variable rates
<b>Taxes</b> %of revenues	<b>-55</b> 5.9%	<b>-51</b> 6.3%	<b>7%</b> <b>-0.4pt</b>	Favourable country mix
<b>Others</b>	<b>-43</b>	<b>-20</b>		Forex impact in Q2 10
<b>Net Profit</b> %of revenues	<b>134</b> 14.5%	<b>114</b> 14.0%	<b>18%</b> <b>+0.4pt</b>	
<b>Adjusted Net Profit *</b> %of revenues	<b>150</b> 16.2%	<b>116</b> 14.2%	<b>30%</b> <b>+2.0pt</b>	
<b>EPS reported</b>	<b>1.23</b>	<b>1.05</b>	<b>17%</b>	
<b>Adjusted EPS</b>	<b>1.38</b>	<b>1.07</b>	<b>30%</b>	

\* Adjusted EPS excludes Forex movements on US\$ debt and cash, gain/loss on financial instruments and disposals.



# :: Quarterly EPS



\* Adjusted EPS excludes Forex movements on US\$ debt and cash, gain/loss on financial instruments and disposals.  
Adjusted EPS is the base used for dividend payment



:: Dividend payment has restored appropriate leverage

US\$m	Q2 10	Q1 10
Gross Debt	2,516	2,355
Cash *	1,276	1,633
Net Debt	1,240	722
<b>Net Debt/EBITDA **</b>	<b>0.7</b>	<b>0.4</b>

\* including pledged deposits and time deposits  
\*\* (Net Debt/4)/EBITDA

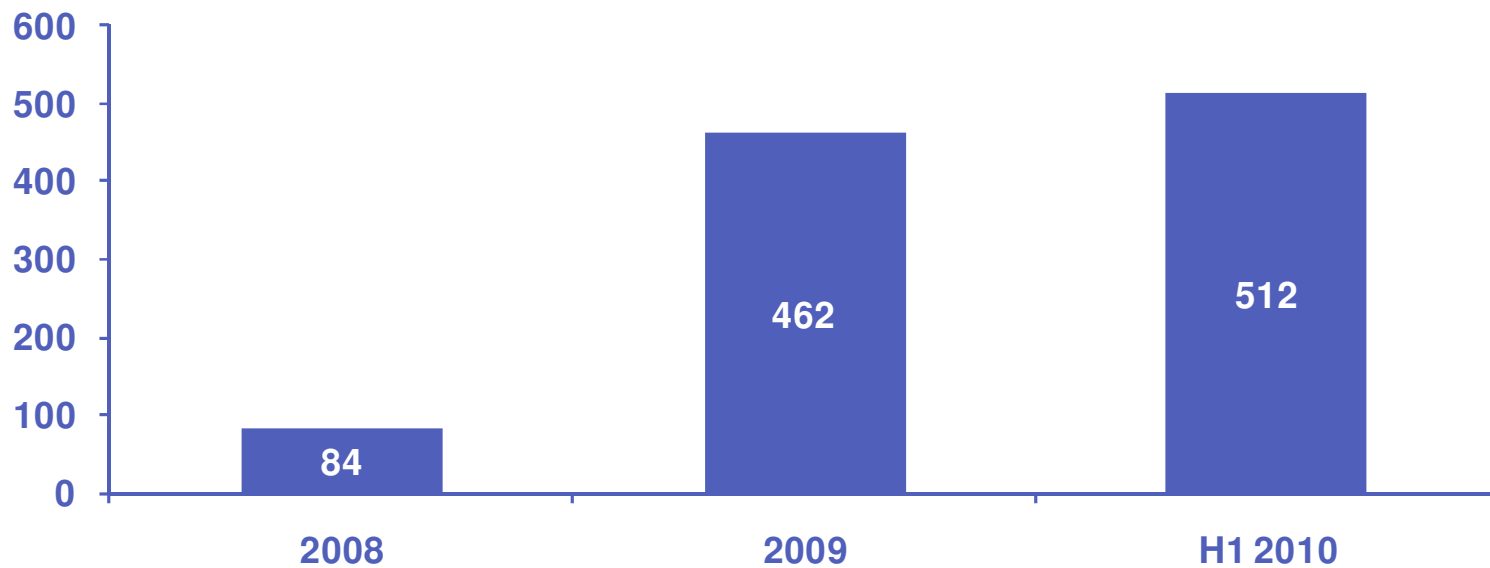
Dividends (\$654 M) paid in June.  
ND/EBITDA at 0.7 post dividend



# : : Increased cash repatriation

## Net cash upstream

US\$m





# :: All regions Cash Flow positive

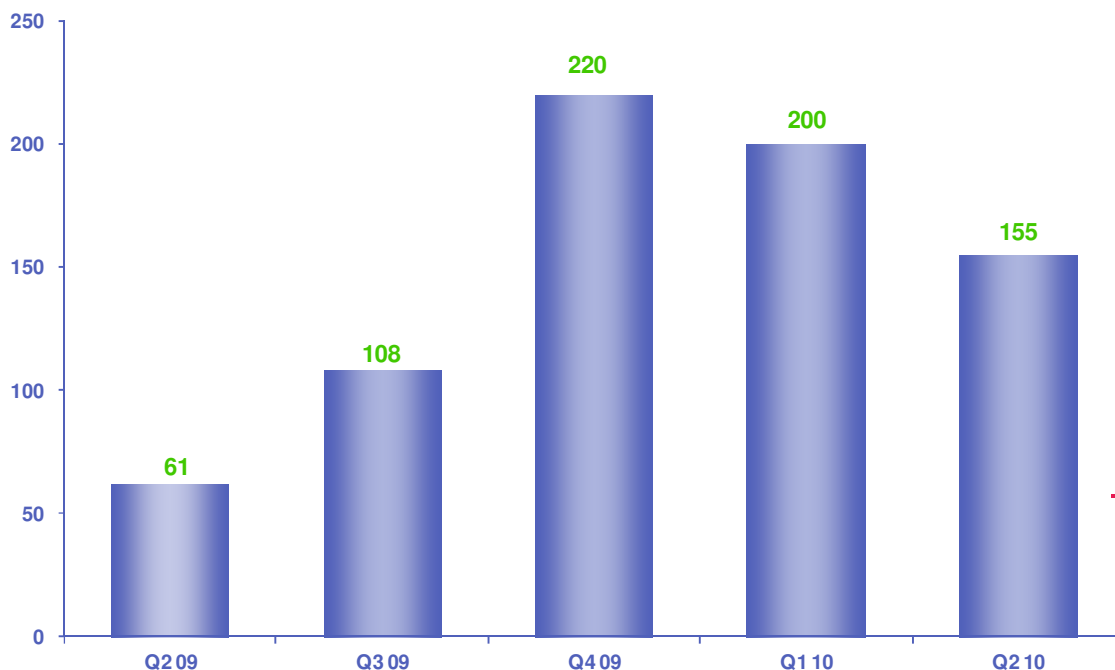
OFCF US\$m	Q2 10	Q2 09	Change
Central America	104	100	4%
South America	65	48	36%
Africa	45	1	
Cable	9	-9	
Other (incl. Corporate)	4	-17	
<b>OFCF</b>	<b>227</b>	<b>123</b>	<b>85%</b>
% of revenues	24.4%	15.0%	9.4 pt



Positive Cash Flow for all clusters in Q2 10  
 Less dependence on Central America which now  
 contributes less than 50% of Cash Flow

# :: Free Cash Flow\*

US\$m



US\$m	Q2 10	Q2 09	Change
OFCF	227	123	85%
Net Interest Paid	-53	-48	10%
Corporate Costs	-19	-14	37%
FCF	155	61	154%

\* EBITDA - Capex +/- WC- Interests - Taxes - Corporate costs

Q2 09      Q3 09      Q4 09      Q1 10      Q2 10

FCF as %  
of revenue

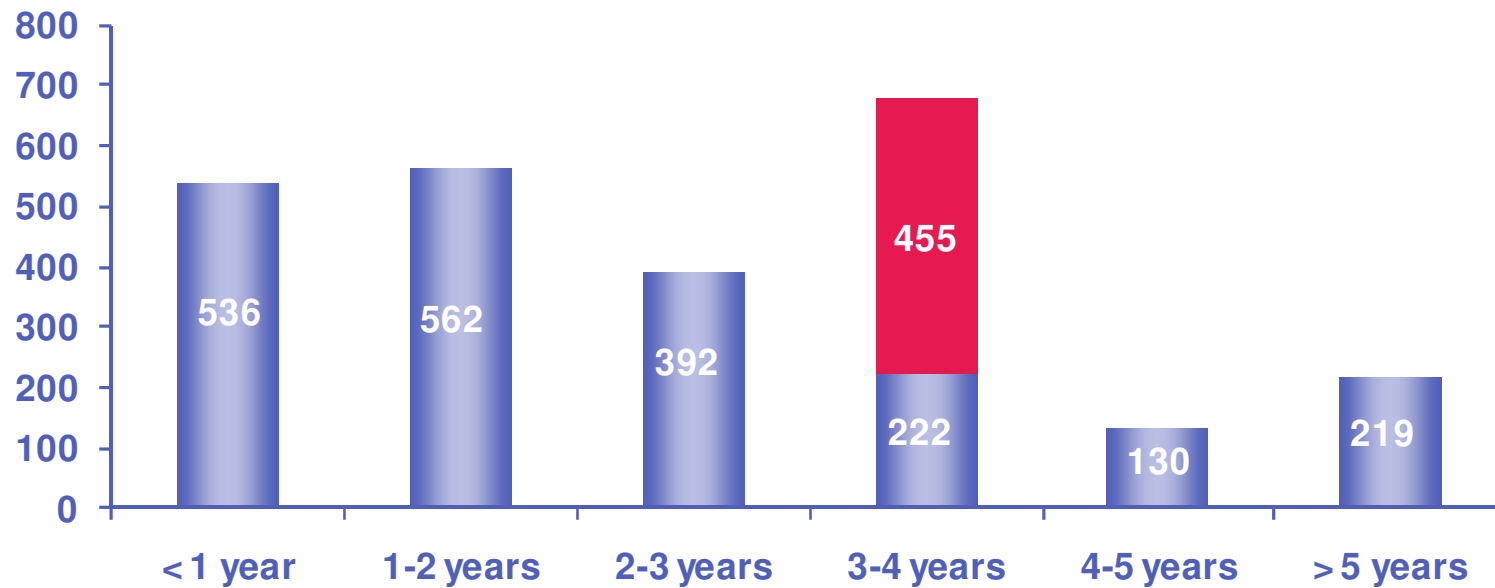
7.5%      12.6%      23.8%      22.1%      16.7%



Q2 traditionally lower with payment of taxes  
and of H1 high yield interests.  
Cash generation doubled over last year

# :: Gross Debt maturity

US\$m



Average maturity at 2 years and 6 months



# :: Control of Honduras

- Millicom entered into an agreement with its partner in Honduras to take full control of its affiliate Celtel from 1.7.2010. Celtel will be fully consolidated from Q3 2010 as a consequence
- Millicom has an unconditional 5-year call option on its partner's stake while Millicom granted its partner a 5-year put option in case of change of control at Millicom level. Non cash transaction
- Millicom sold a 33% stake in Amnet Honduras to its partner who also bought a 33% stake in Navega Honduras to align ownership and secure future synergies
- Significant accounting revaluation in Q3 10 as a result of full consolidation of Celtel

# :: 2010 guidance raised

(including impact of full consolidation of Honduras in H2 that has a limited impact)

	<b>Previous Guidance</b>	<b>Revised Guidance</b>
<b>EBITDA margin</b>	Mid-40s	Around 47%
<b>Capex</b>	\$700m	\$700m
<b>OFCF* margin</b>	Mid-teens	High teens



•OFCF= Operating Free Cash Flow:  
EBITDA - CAPEX - WC movements - Taxes

# Appendix



# :: Overview

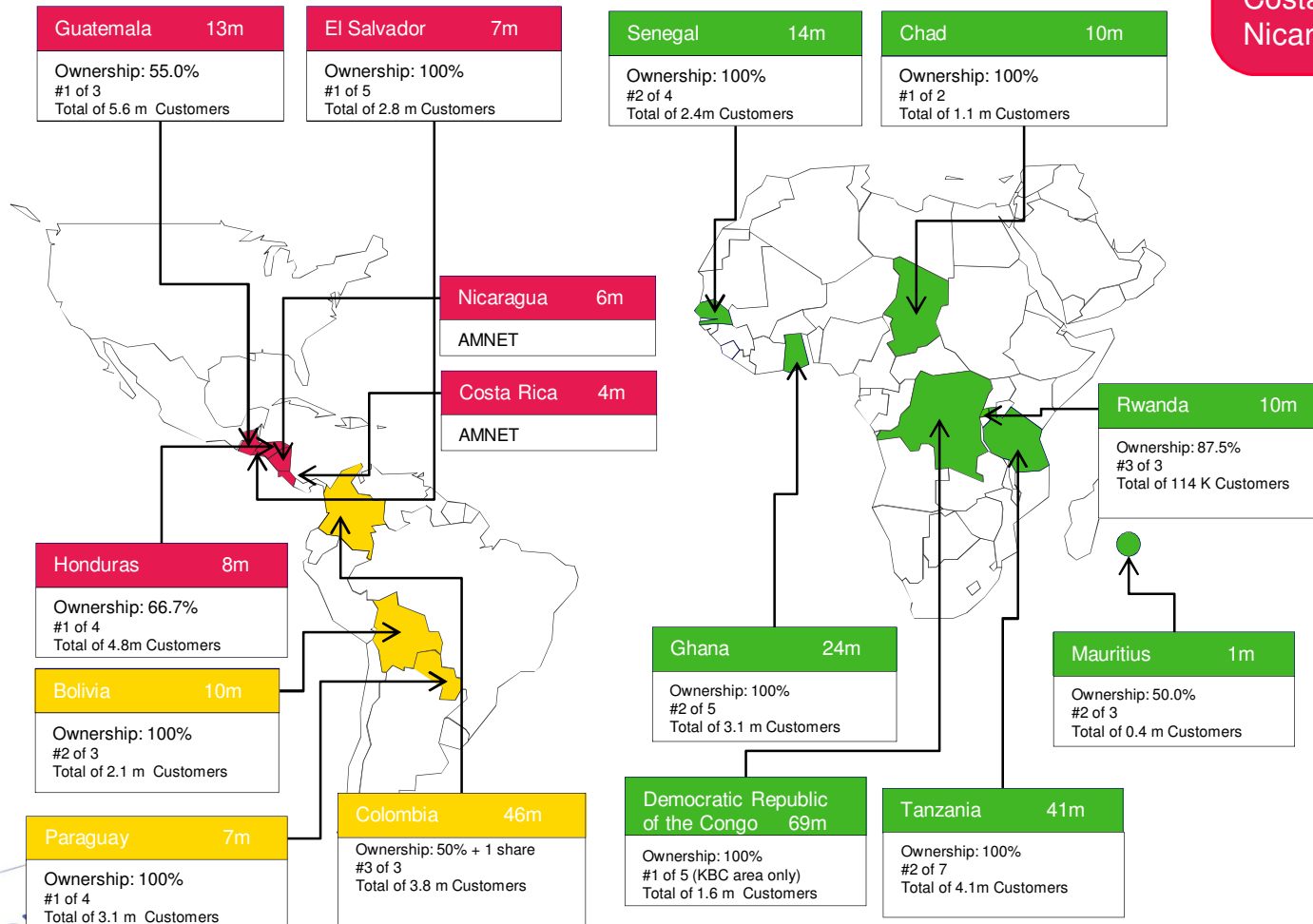
Central America:  
28 m

South America:  
63 m

Africa\*:  
169 m

Mobile operations' pops under license\*†:  
260m

Amnet: 38m  
Guatemala 13m  
El Salvador 7m  
Honduras 8m  
Costa Rica 4m  
Nicaragua 6m



\*†Total excludes Laos, the sale of which is subject to completion



## :: ARPU in Local currency

	Q2 10	Q1 10	Q4 09	Q3 09	Q2 09
<b>Central America</b>					
El Salvador	11	11	12	12	13
Guatemala	102	104	104	113	115
Honduras	191	190	197	194	216
<b>South America</b>					
Bolivia	77	76	82	77	75
Colombia	22,159	22,159	22,632	21,541	21,488
Paraguay	48,473	49,557	53,699	51,464	49,301
<b>Africa</b>					
Chad	3,818	4,176	4,787	4,342	4,686
DRC	6	6	7	7	6
Ghana	7	7	8	8	8
Mauritius	344	375	394	415	336
Senegal	2,509	2,829	2,991	2,707	2,821
Tanzania	6,836	6,689	7,425	7,339	7,093



# :: YoY Local currency ARPU growth

Year-on-Year local currency ARPU growth (%)				
	Total	Central Am.	South Am.	Africa
Q2 10	(8%)	(11%)	2%	(7%)
Q1 10	(9%)	(13%)	0%	(3%)
Q4 09	(10%)	(20%)	(4%)	(9%)
Q3 09	(12%)	(19%)	(3%)	(15%)
Q2 09	(16%)	(20%)	(3%)	(23%)

## :: Mobile revenues in local currency

LC million	Q2 10	Q2 09	Growth %
<b>Central America</b>			
El Salvador	100	108	-7.4%
Guatemala	1,942	1,789	8.5%
Honduras	2,765	2,897	-4.6%
<b>South America</b>			
Bolivia	504	395	27.7%
Colombia	277,008	231,635	19.6%
Paraguay	516,629	455,686	13.4%
<b>Africa</b>			
Chad	13,513	10,527	28.4%
DRC	32	23	37.7%
Ghana	71	68	5.0%
Mauritius	578	508	13.8%
Senegal	18,789	17,988	4.5%
Tanzania	87,345	61,711	41.5%

# :: SIM card registration

Market	Starting date for registration	Registration deadline	% of customer base registered at June 30, 2010
Tanzania	June 1, 2009	July 15, 2010 MOAT* agreement grants extension to October 15, 2010.	80%
DRC	Dec 12, 2009	Full registration mandatory for <b>all</b> customers since December 12, 2009	75%
Ghana	Feb, 2010	Full registration for <b>new</b> customers since July 1, 2010. <b>Existing</b> customers must be registered by June 30, 2011.	13%
Bolivia	Dec 4, 2009	March 3, 2010 extended to May 30, 2010	98%



\*mobile operators association Tanzania

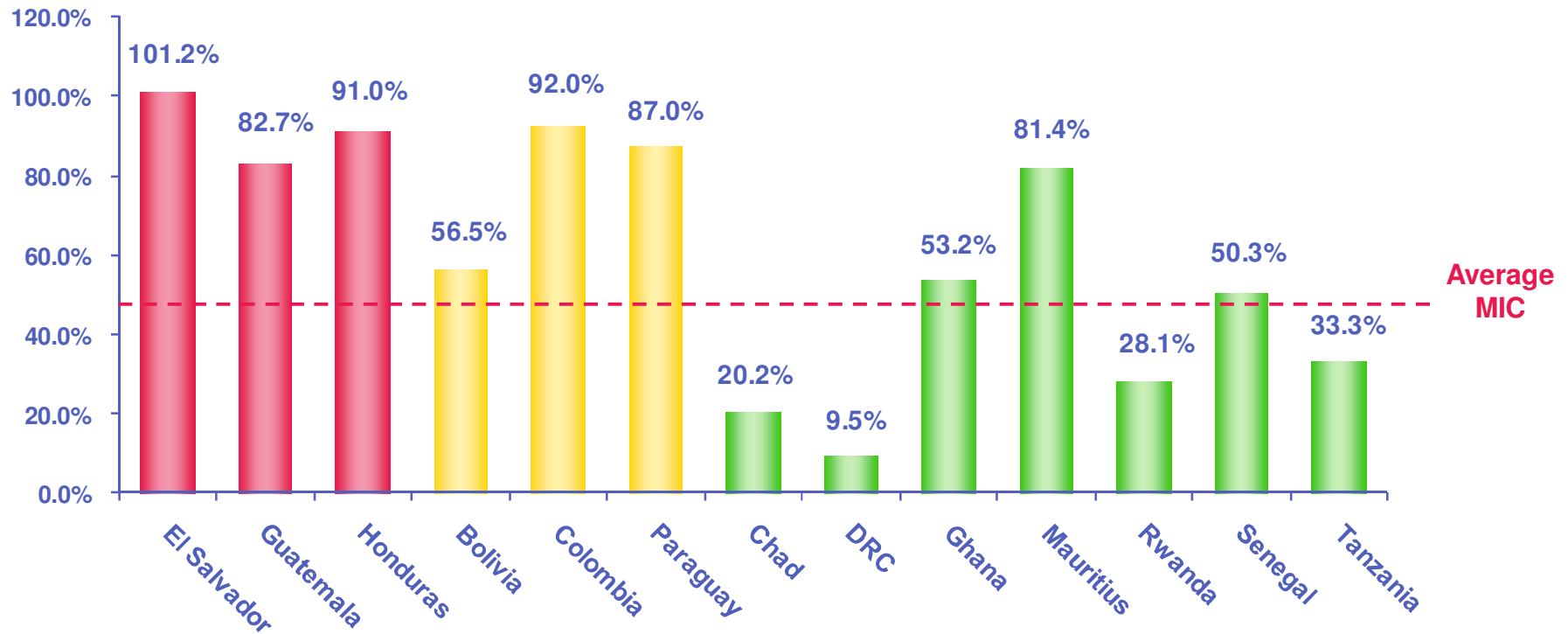
# :: Penetration rates

**CAM**  
Avg penetration  
89.0%

**SAM**  
Avg penetration  
85.6%

**Africa**  
Avg penetration  
27.1%

**MIC**  
Avg penetration  
47.7%



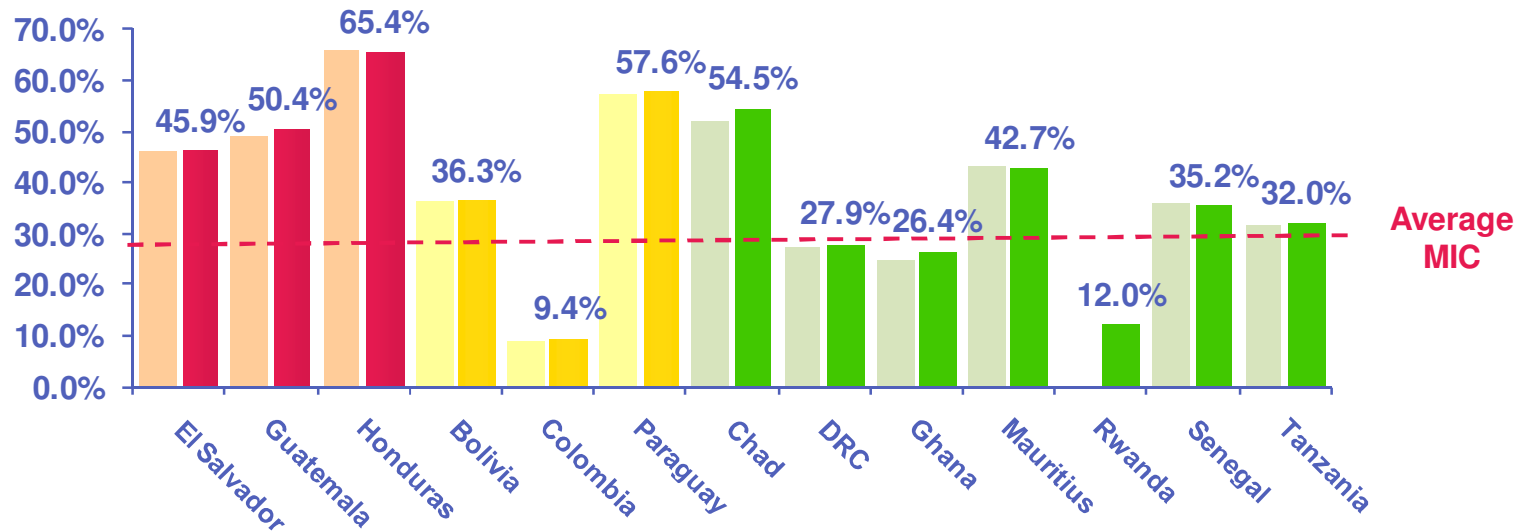
# :: Market Share evolution QoQ

CAM  
Avg Market Share  
53.7%

SAM  
Avg Market Share  
17.3%

Africa  
Avg Market Share  
30.3%

MIC  
Avg Market Share  
29.4%



Increase (>0.2%)

Chad  
Ghana  
Guatemala  
DRC  
Colombia  
Paraguay  
Tanzania

Stable

Bolivia

Decrease

(< -0.2%)  
Honduras  
Senegal  
El Salvador  
Mauritius



## :: Movements of currencies vs USD YoY

			Closing rate Q2 10	Closing rate Q2 09	Change	Average rate Q2 10	Average rate Q2 09	Change
Central America	Guatemala	GTQ	8.03	8.15	1%	8.01	8.12	1%
	Honduras	HNL	18.90	18.90	0%	18.89	18.89	0%
	Nicaragua	NIO	21.35	20.33	-5%	21.23	20.21	-5%
	Costa Rica	CRC	535.08	571.31	6%	527.06	572.62	8%
South America	Bolivia	BOB	7.02	7.02	0%	7.02	7.02	0%
	Colombia	COP	1,907.75	2,143.55	11%	1,946.29	2,251.95	14%
	Paraguay	PYG	4,765.00	5,045.00	6%	4,746.81	5,070.79	6%
Africa	Ghana	GHS	1.44	1.50	4%	1.43	1.46	2%
	Mauritius	MUR	32.31	32.36	0%	31.94	32.97	3%
	Chad/Senegal	XAF	534.84	466.64	-15%	511.74	479.16	-7%
	Rwanda	RWF	588.58	n/a		580.22	n/a	
	Tanzania	TZS	1,472.50	1,312.50	-12%	1,419.81	1,327.50	-7%

# :: Q2 10 Market Overview – by Segment

Millicom Segments	Central America	South America	Africa	Amnet/ Navega	Total
<b>Market Overview</b>					
Population (million)	28	63	169		260
Mobile Penetration	89.0%	85.6%	27.1%		47.9%
<b>Operational Data</b>					
Total Customers (000)	13,370	9,239	14,119		36,729
Attrib. Customers (000)	9,161	9,239	13,894		32,294
Capex (\$m- excl Corporate)	30	42	41	15	129
Capex as % of revenue	9.1%	13.1%	18.9%	18.5%	13.8%
Churn	3.5%	4.6%	7.0%		5.1%
Cell sites	4,714	4,390	3,867		12,971
Outlets 000'	171	185	264		620
<b>Key Financials</b> (Attributable)					
Revenue (\$m)	330	323	219	56	929
EBITDA (\$m)	191	138	81	26	436
EBITDA Margin	57.8%	42.7%	36.9%	46.4%	47.0%

# :: Market Overview LATAM - Amnet

Latin America	Central America			AMNET	South America		
	El Salvador	Guatemala	Honduras		Bolivia	Colombia	Paraguay
Shareholding	100.0%	55% (p)	66.7% (p)	100.0%	100.0%	50% + 1 share	100.0%
License Period (yrs)	20 yrs fr 1998	15 yrs fr 2003	25 yrs fr 1996		20 yrs fr 1995	10 yrs fr 2003	5 yrs renewal
Date of Expiry	2018	2018	2021		2015	2013	2011
<b>Market Overview</b>							
Population (M)	7	13	8	38	10	46	7
GDP per Pop (PPP) \$	7,100	5,200	4,200		4,600	9,200	4,100
Mobile Penetration	101%	83%	91%		57%	92%	87%
Market Position	One of Five	One of Three	One of Four		Two of Three	Three of Three	One of Four
Market Share	45.9%	50.4%	65.4%		36.3%	9.4%	57.6%
<b>Operational Data</b>							
Total Customers / RGUs	2,785,564	5,835,760	4,749,131	644,117	2,117,270	3,941,216	3,180,679
Cell sites	922	2370	1422		806	2745	839
Other Operators	Digicel America Movil Telefonica Red	America Movil Telefonica	Digicel America Movil Honducel		Entel Viva	America Movil Telefonica	Personal America Movil Vox

(p): proportionally consolidated



# :: Market Overview Africa

Africa	Chad	DRC	Ghana	Mauritius	Rwanda	Senegal	Tanzania
Shareholding	100.0%	100.0%	100.0%	50% (p)	87.5%	100.0%	100.0%
License Period (yrs)	10 yrs fr 2004	20 yrs fr 1997	15 yrs fr 2004	15 yrs fr 2000*	15 yrs fr 2008	20 yrs fr 1998	25 yrs fr 2007
Date of Expiry	2014	2017	2019	2016	2022	2018	2032
<b>Market Overview</b>							
Population (million)	10	69	24	1	10	14	41
GDP per pop (PPP) \$	1,600	300	1,500	12,400	900	1,600	1,400
Mobile Penetration	20%	10%	53%	81%	28%	50%	33%
Market Position	One of Two	One of Five ***	Two of Five	Two of Three	Three of Three	Two of Four	Two of Seven
Market Share	54.5%	27.9%	26.4%	42.7%	12.0%	35.2%	32.0%
<b>Operational Data</b>							
Total Customers	1,223,333	1,821,841	3,406,022	449,869	373,929	2,450,540	4,393,568
Cell sites **	332	745	795	248	131	587	1029
Other Operators	Zain	Zain Vodacom CCT Standard	MTN Vodafone Zain Kasapa	Orange MTML	MTN Rwandatel	Orange Expresso Kirene	Vodacom Zain Zantel TTCL Mobile BOL Sasatel

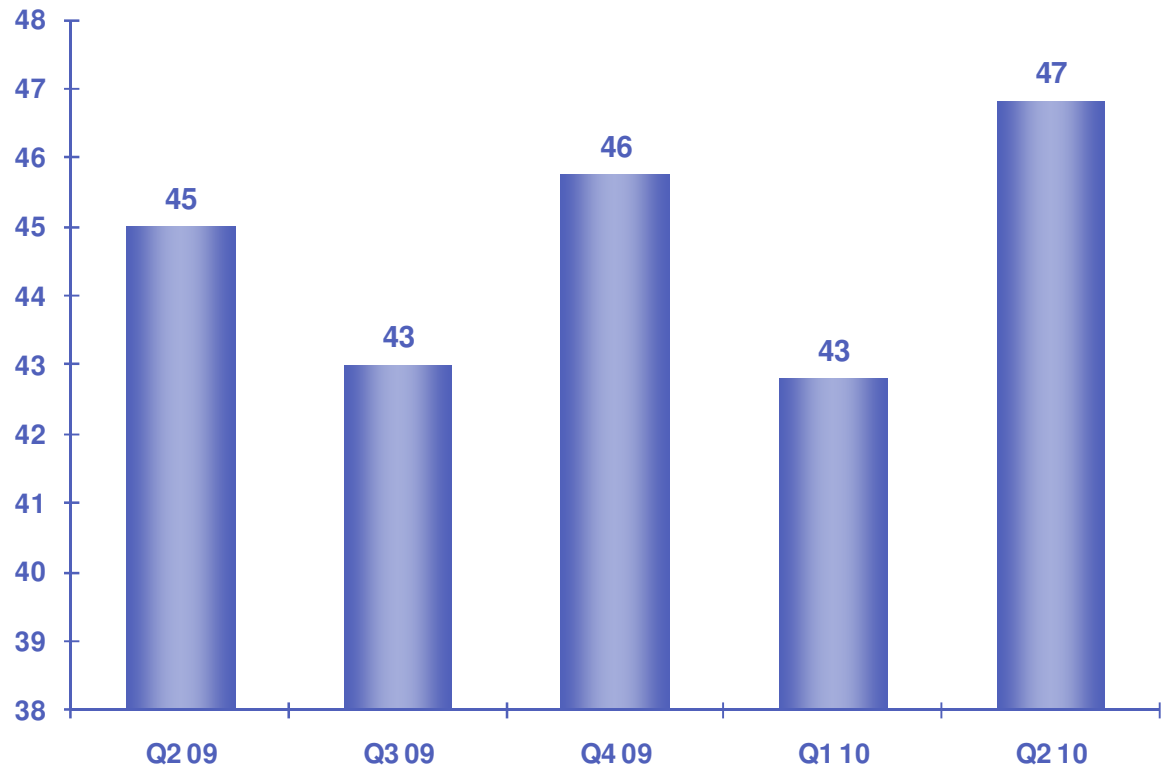
\* Amended and extended by one year in 2006

(p): proportionally consolidated

\*\* for DRC 534 sites are active

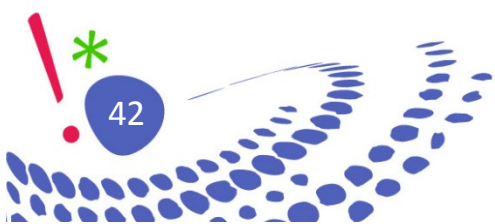
\*\*\* Only Kinshasa/ Bas Congo area

# :: Quarterly Interest expense



26% fixed rate  
74% variable rate  
Target of 50% variable/ 50% fixed

Total Interest expense (US\$m)				
Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
8.1%	7.4%	7.8%	7.3%	7.7%





Merci

thank  
you!



Gracias