



Millicom International Cellular S.A.

# Financial Results Q3 2009

October 20th, 2009

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## :: Caveat

All figures presented exclude discontinued operations (Cambodia, Laos, Sri Lanka and Sierra Leone), except where otherwise stated.

Historical figures have been restated to provide a comparable base, where necessary.

## :: Q3 highlights

- No improvement of trading conditions
- 9% underlying constant currency revenue growth, slight recovery in foreign exchange
- VAS/3G revenue +46% YoY
- Focus on ARPU/value/quality rather than quantity of customers
- Market share growing strongly: +0.8 percentage points
- EBITDA margin up to 45.8% (+0.2 percentage points QoQ)
- Operating FCF of \$140 million and 16.4% of revenues
- Asian divestments progressing

# :: Financial Highlights YoY

US\$m	Q3 09	Q3 08	Change YoY
Customers ('000)	31,857	26,476	20%
Revenues	856	800	7%
EBITDA	392	346	13%
% of revenues	45.8%	43.2%	2.6%
Net Profit	143	161	-12%
Capex	141	293	-52%
% of revenues	16%	37%	
Operating Free Cash Flow *	140	33	324%
% of revenues	16.4%	4.1%	
Free Cash Flow **	108	1	
% of revenues	12.6%	0.1%	

\* EBITDA - CAPEX - WC movements - Taxes  
 \*\* OFCF - Interest - Corporate costs

Improvement of EBITDA margin by 2.6 percentage points  
 Strong cash flow generation

## :: Financial Highlights QoQ

US\$m	Q3 09	Q2 09	Change QoQ
Customers ('000)	31,857	30,758	4%
Revenues	856	814	5%
EBITDA	392	371	6%
% of revenues	45.8%	45.6%	0.2%
Net Profit	143	114	25%
Capex	141	166	-16%
% of revenues	16%	20%	
Operating Free Cash Flow *	140	120	17%
% of revenues	16.4%	14.7%	
Free Cash Flow **	108	59	83%
% of revenues	12.6%	7.2%	

\* EBITDA - CAPEX - WC movements - Taxes

\*\* OFCF - Interest - Corporate costs

Good quarter-on-quarter progress

# :: Customers: from quantity to quality/value

Focus on value

Higher churn on low-end customers

Limited erosion of ARPU in local currency

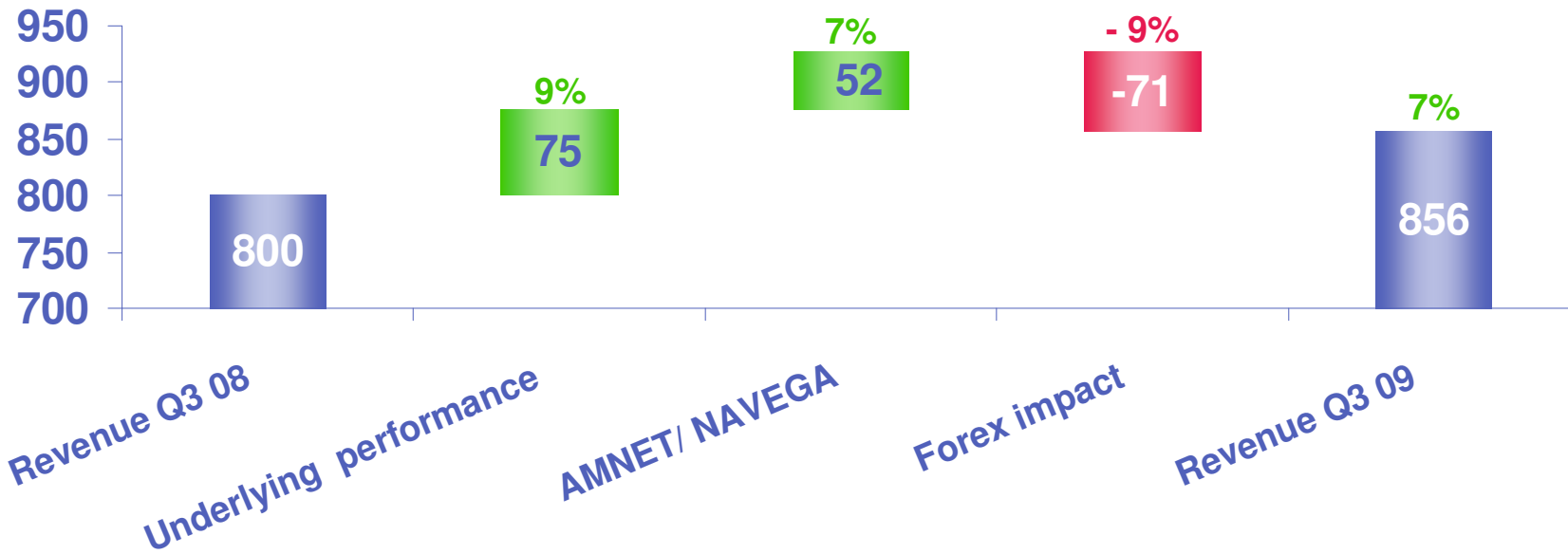
Prepaid customers		
ARPU	Q2	Q3
> \$ 20	11.9%	13.3%
\$ 5-20	30.0%	29.8%
<\$5	58.1%	56.9%
	100.0%	100.0%

QoQ	
Q1	-8.5%
Q2	-2.4%
Q3	-1.4%

Improved quality of revenues

# : : Revenue growth – Forex impact

US\$m



Revenue growth from underlying performance of 9%

Forex loss of 9%

## :: Revenue growth – Forex effect by region

US\$m	Revenue Q3 08	Local currency growth	Forex growth	Acquisitions growth	Revenue Q3 09	Growth
Central America	340	0%	-4%		326	-4%
South America	273	13%	-12%		277	1%
Africa	187	21%	-14%		200	7%
Non Cellular				7%	52	
<b>Total MIC</b>	<b>800</b>	<b>9%</b>	<b>-9%</b>	<b>7%</b>	<b>856</b>	<b>7%</b>

Strong growth in South America (+13%) and Africa (+21%)  
Central America holding well in spite of adverse economic conditions

Significant Forex impact in South America (-12%) and Africa (-14%)



## :: Revenue split by category

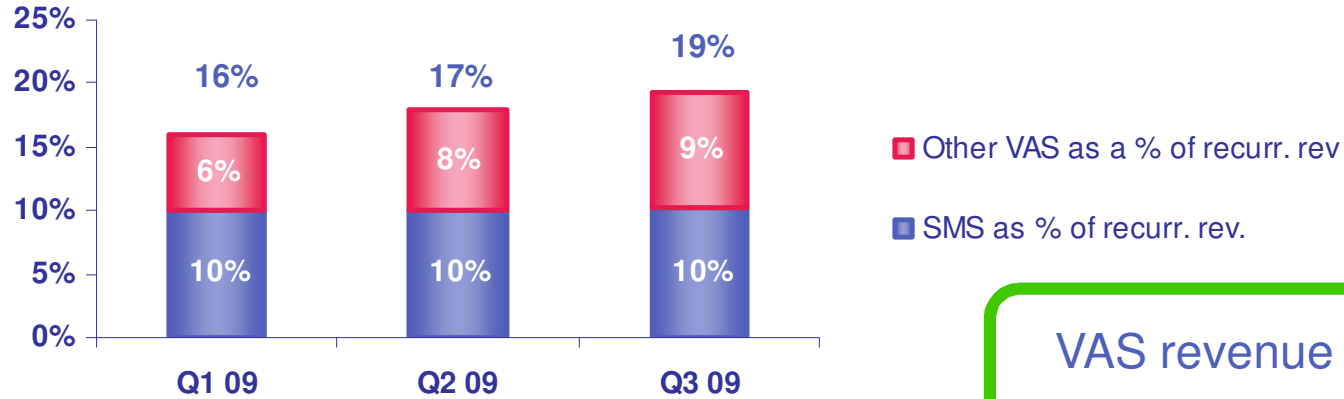
US\$m	Q3 09	Q3 08	\$ growth	Local currency growth
<b>Airtime</b> % of Recurring Rev.	<b>589</b> 76%	601 79%	<b>-2%</b>	<b>6%</b>
<b>VAS/SMS/3G</b> % of Recurring Rev.	<b>149</b> 19.3%	112 14.6%	<b>33%</b>	<b>46%</b>
<b>Other *</b>	<b>118</b>	87	<b>35%</b>	<b>31%</b>
<b>Total Revenues</b>	<b>856</b>	800	<b>7%</b>	<b>9%</b>

\* Telephone & Equipment + Amnet-Navega

VAS/SMS/3G revenue  
>19% of recurring revenue

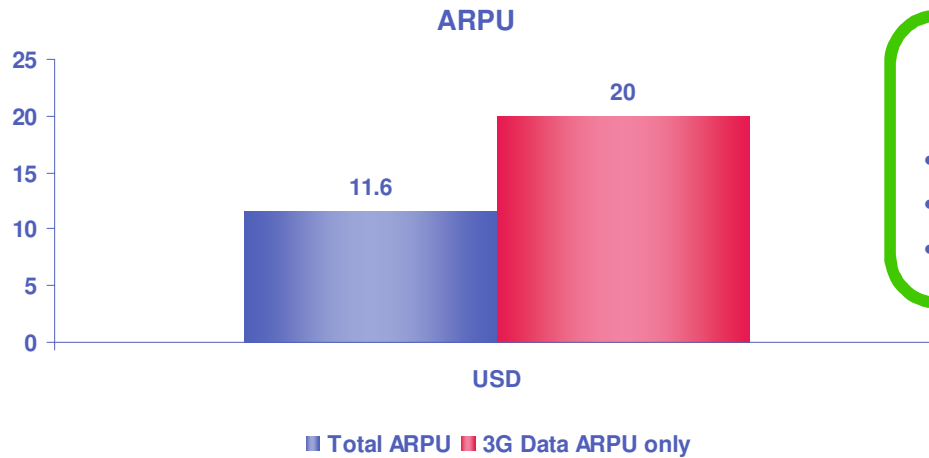
# :: VAS revenue growing

SMS - Other VAS % on recurring revenue



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

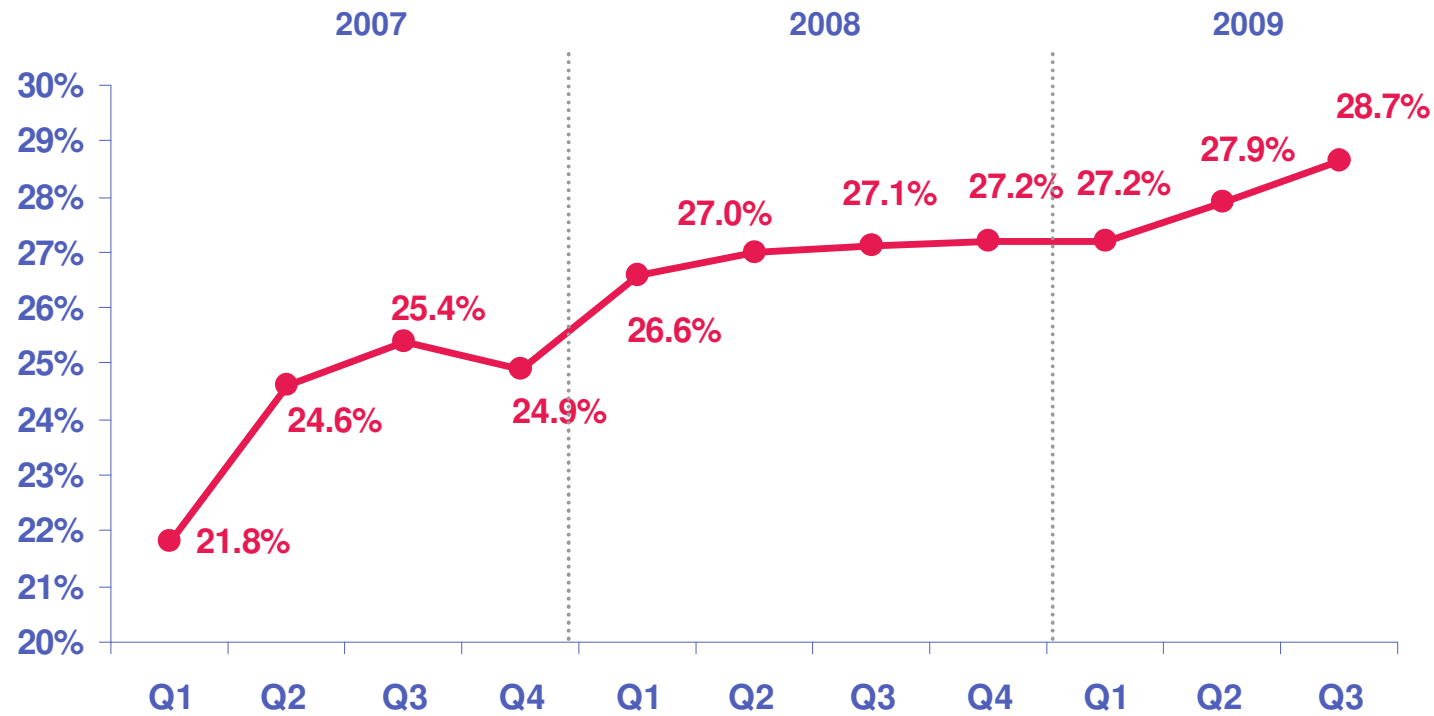
VAS revenue 19.3% of recurring revenue



Latin America – 3G

- 1.1% of mobile customers using data
- 1.7% of revenue
- Higher ARPU: \$20 for data only vs \$11.6 overall

# :: Market share evolution



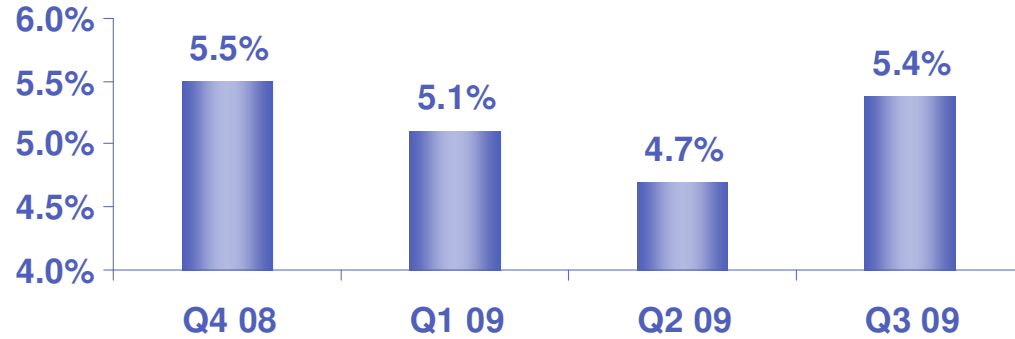
MIC Market Share \*

\* for DRC , Market Share of Kinshasa/ BAS Congo, only region where Millicom operates

Market share growing strongly

# : : Churn evolution

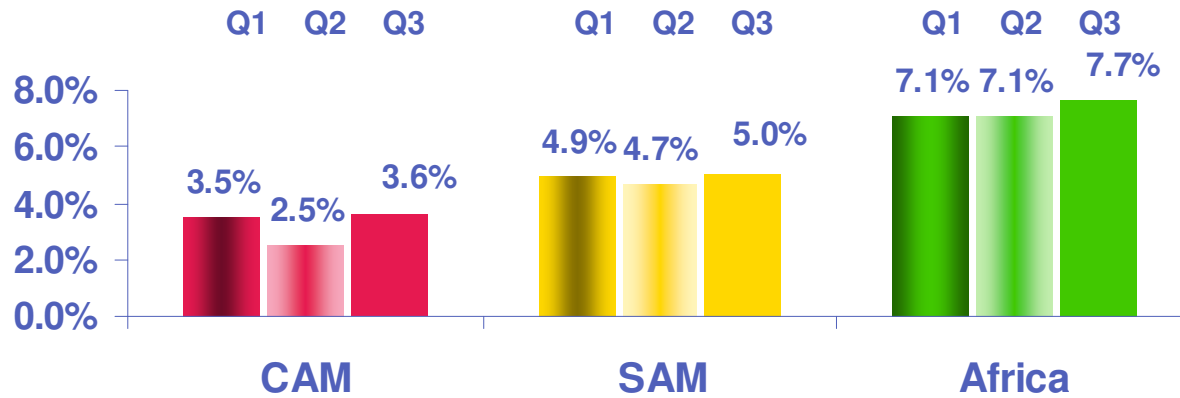
### MIC TOTAL



Focus on higher quality customers

Lower value customers under economic pressure

### Churn by Region QoQ



# Regional review



## :: Quarterly Highlights – Central America YoY

US\$m	Q3 09	Q3 08	Reported growth	Local currency growth
Customers ('000)	12,366	10,846	14%	
Revenues	326	340	-4%	0%
EBITDA	180	185	-3%	2%
% of revenues	55%	54%	1%	
Capex	23	47	-52%	
% of revenues	7%	14%		
Operating Free Cash Flow	94	89	5%	
% of revenues	29%	26%		

Resilient business in tough environment

## :: Quarterly Highlights – South America YoY

US\$m	Q3 09	Q3 08	Reported growth	Local currency growth
Customers ('000)	8,414	7,192	17%	
Revenues	277	273	1%	13%
EBITDA	113	97	17%	35%
% of revenues	41%	35%	5%	
Capex	29	89	-67%	
% of revenues	11%	33%		
Operating Free Cash Flow	83	12	610%	
% of revenues	30%	4%		

Growth, margin improvement, strong cash flow generation

## :: Quarterly Highlights – Africa YoY

US\$m	Q3 09	Q3 08	Reported growth	Local currency growth
Customers ('000)	11,077	8,438	31%	
Revenues	200	187	7%	21%
EBITDA	75	64	17%	47%
% of revenues	37%	34%	3%	
Capex	82	156	-47%	
% of revenues	41%	84%		
Operating Free Cash Flow	-21	-60		
% of revenues	-10%	-32%		

Growth and strong margin improvement



## :: Quarterly Highlights – Amnet + Navega

US\$m	Q3 09	Q2 09	Growth QoQ
Revenue Generating Units '000	611	578	6%
% of home passed 2-way	79%	76%	3%
Net Revenues	52	50	4%
EBITDA	24	25	-3%
% of revenues *	45%	47%	-1%
Capex	6	20	-71%
% of revenues	11%	38%	
Operating Free Cash Flow	12	-9	
% of revenues	23%	-17%	

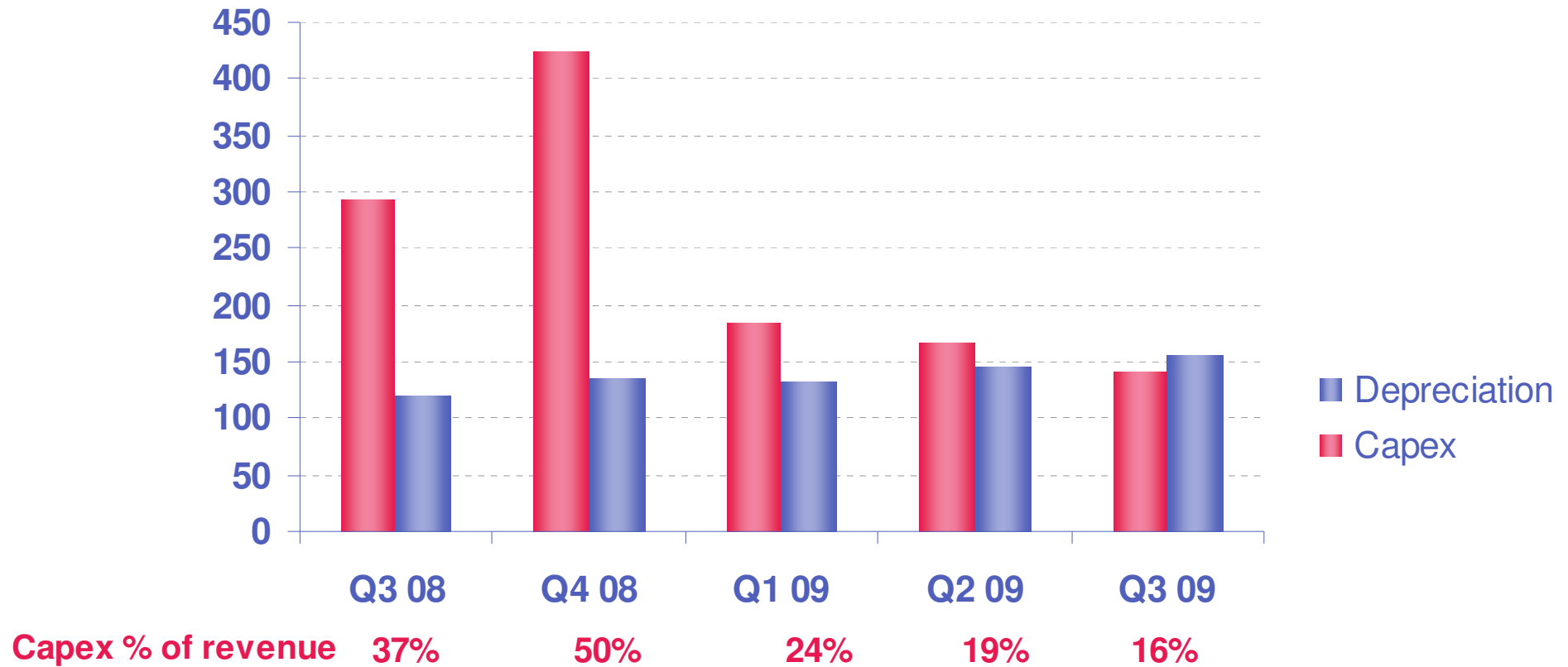
\* EBITDA margin includes intercompany EBITDA for Navega

Leasing of network to replace Capex → less Capex, less Ebitda, higher cash flow

# Financial review

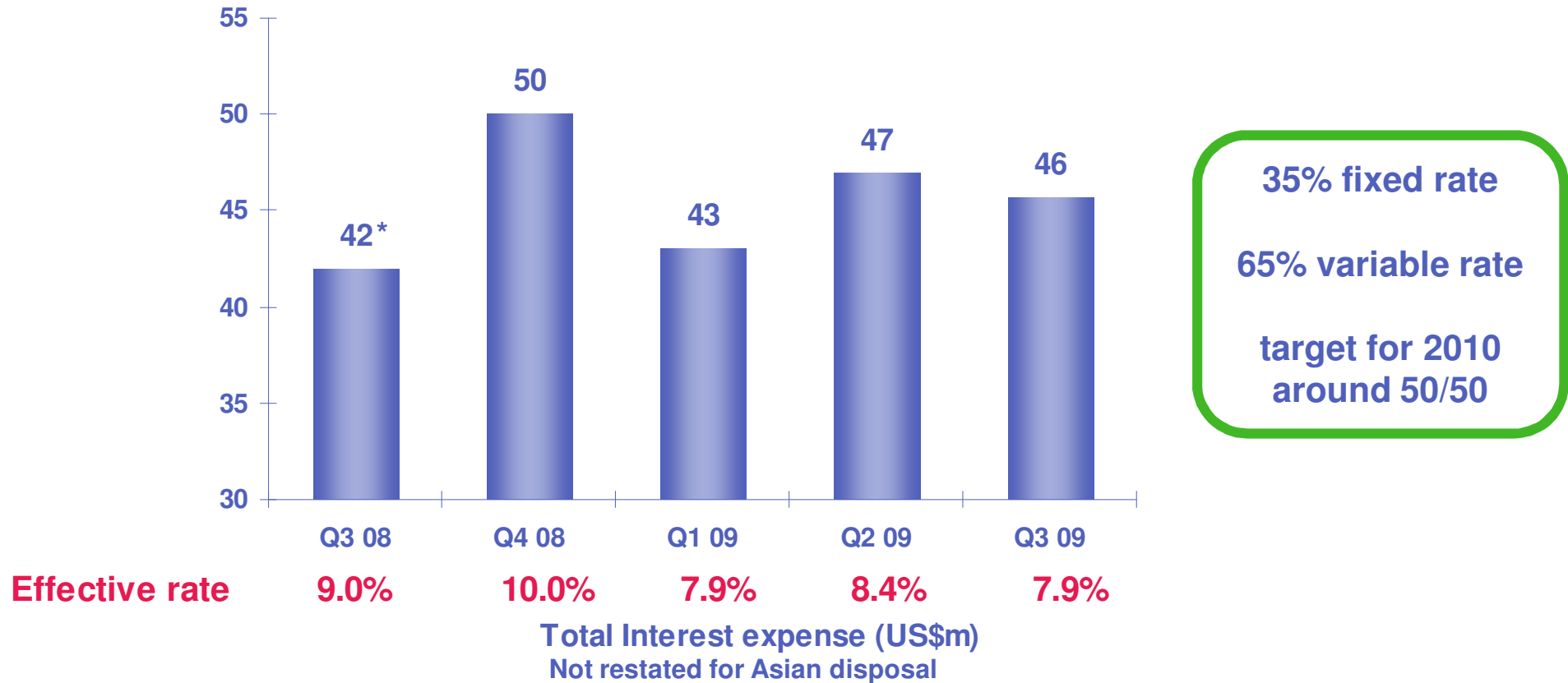


## :: Quarterly Capex/Depreciation



CAPEX adjusted to growth

## Quarterly Interest expense



\* Excluding the reversal of the cost for the early redemption of HY bond

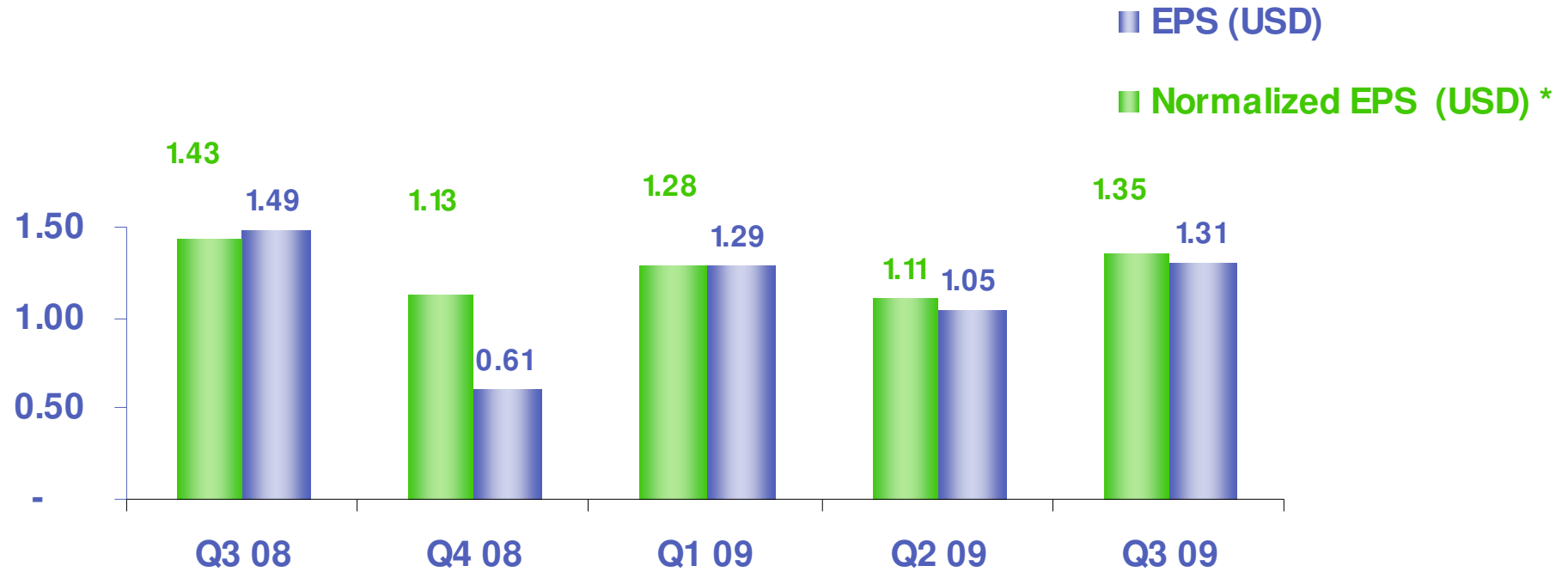
Benefit of declining variable rates

## :: Taxes

<b>US\$m</b>	<b>Q3 09 YTD</b>	<b>Q3 08 YTD</b>
<b>PBT</b>	<b>511</b>	<b>512</b>
<b>Taxes</b>	<b>144</b>	<b>132</b>
<b>Effective tax rate</b>	<b>28%</b>	<b>26%</b>

Effective tax rate in line with previous year

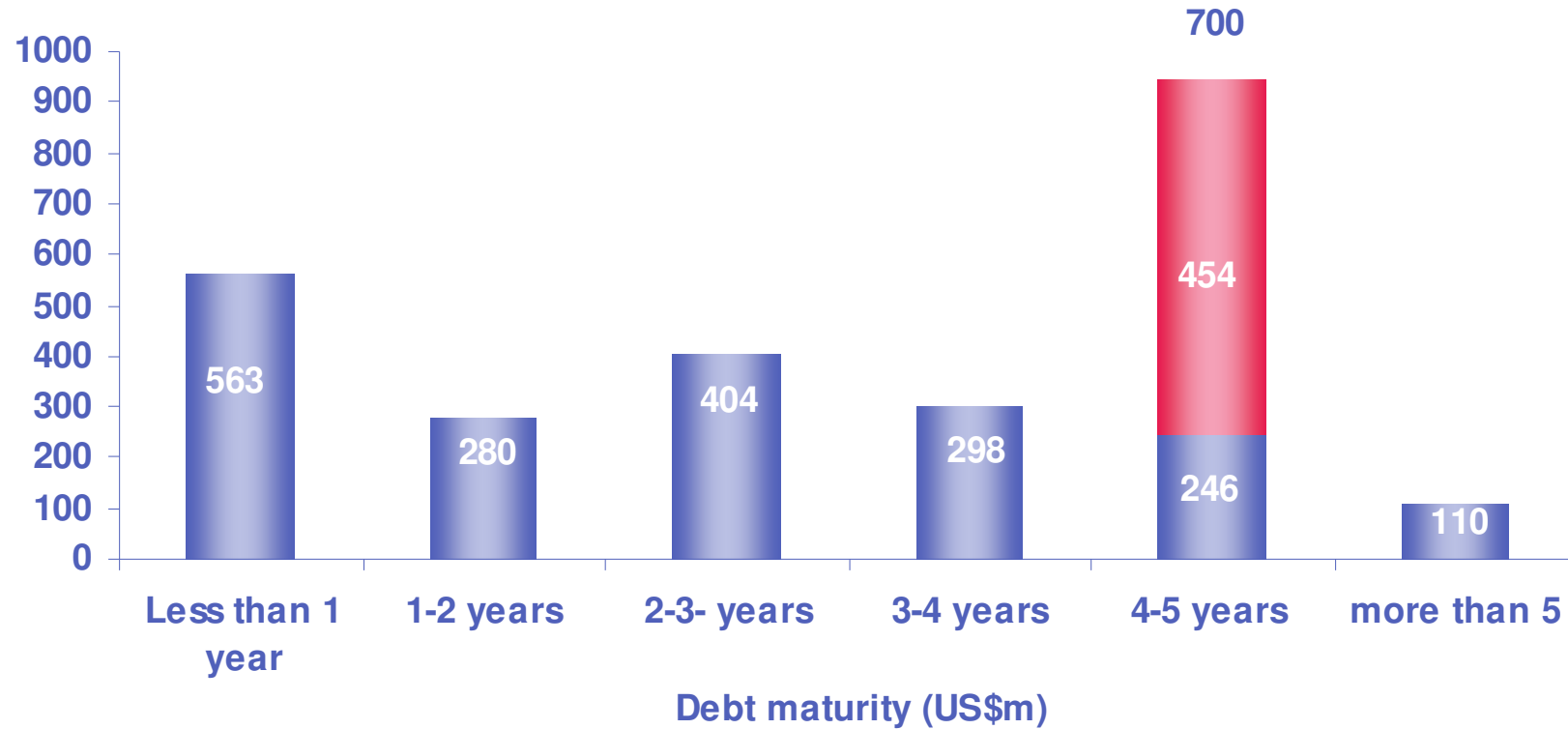
# : : Quarterly EPS



\* excluding discontinued operations and impact of DTA in Colombia

EPS improvement with Capex slow-down and forex gains

## : : Debt maturity as at 30.09.09



Average maturity above 3 years  
Post closing, Amnet refinancing closed for 2 years at a rate below  
the average cost of financing

## :: Debt management

US\$m	USD	Local Currency	Total
Central America	260	112	372
South America	62	653	715
Africa *	307	275	582
<b>Total Operations</b>	<b>629</b>	<b>1,040</b>	<b>1,669</b>
% of total debt	38%	62%	
Corporate	686		686
<b>Total MIC</b>	<b>1,315</b>	<b>1,040</b>	<b>2,355</b>
% of total debt	56%	44%	

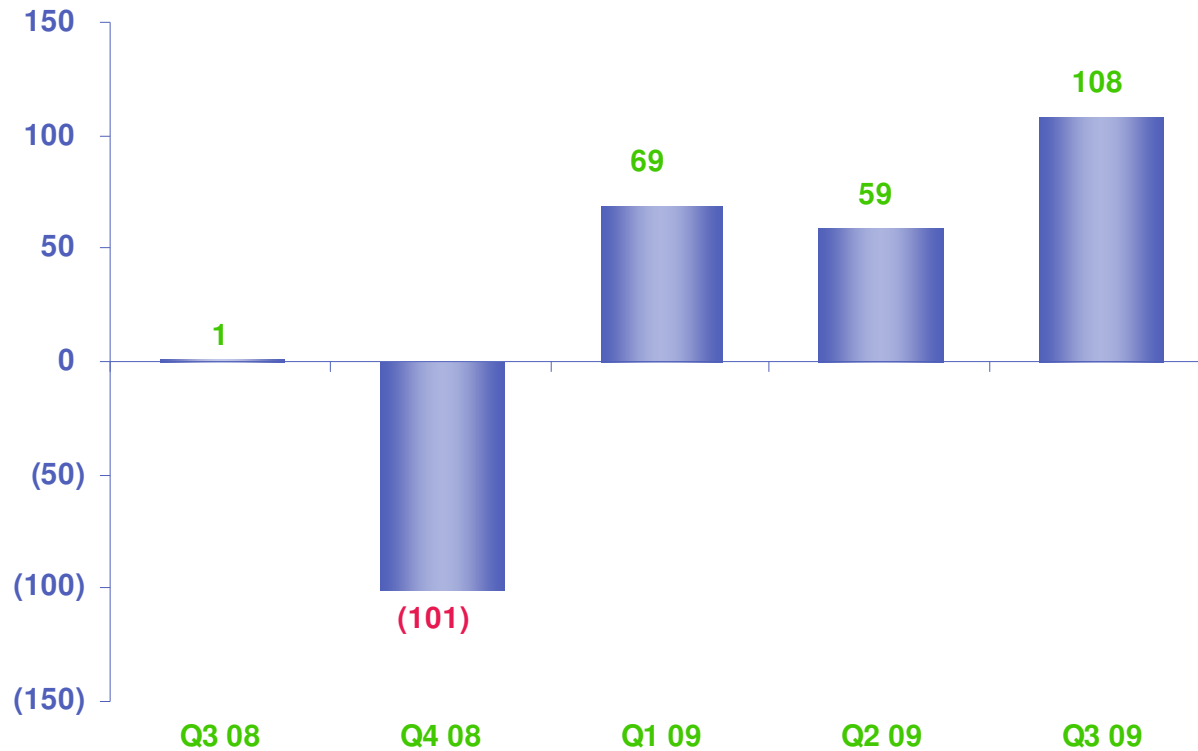
\* Of which 12m in EUR

Maximize debt in local currency to limit forex exposure and improve asset hedging



# :: Free cash flow

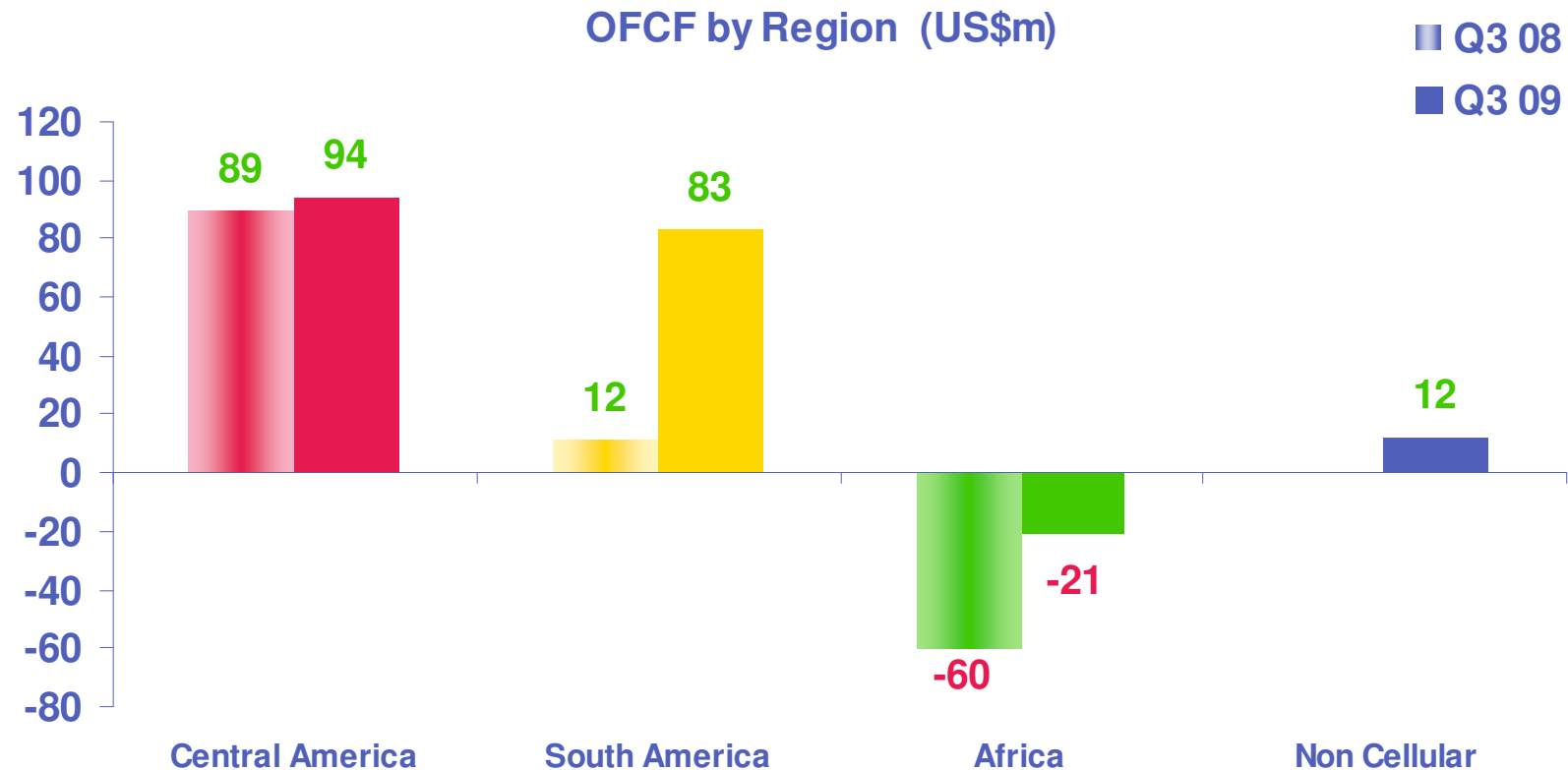
Free Cash Flow (US\$m)\*



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

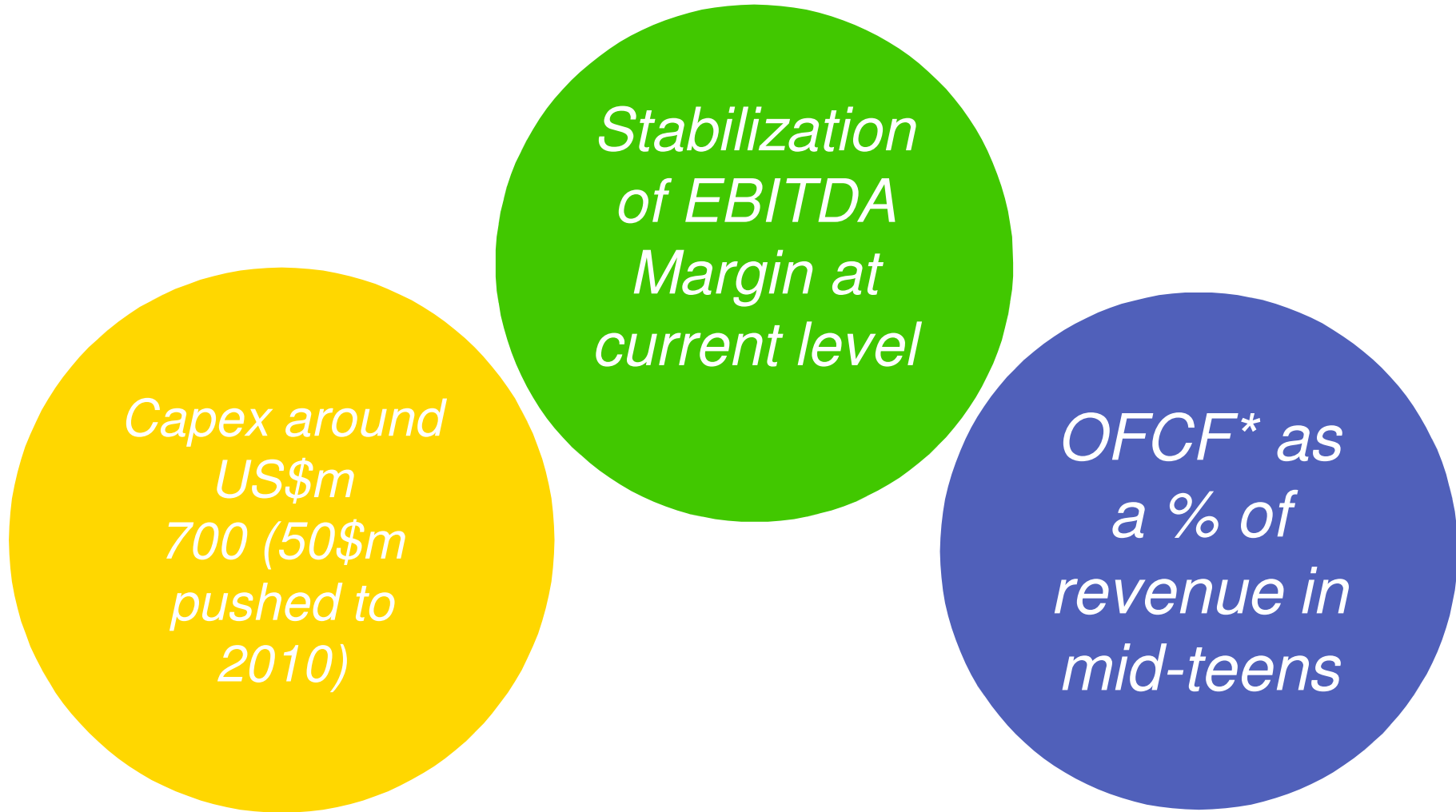
Increasing Free Cash Flow: 14.4% of revenues in Q3 09

# :: Operating Free Cash Flow by region



Improvement of OFCF in all the regions  
 Less dependance from Central America (from 217% to 56% of total OFCF)

## :: Outlook Full Year 2009

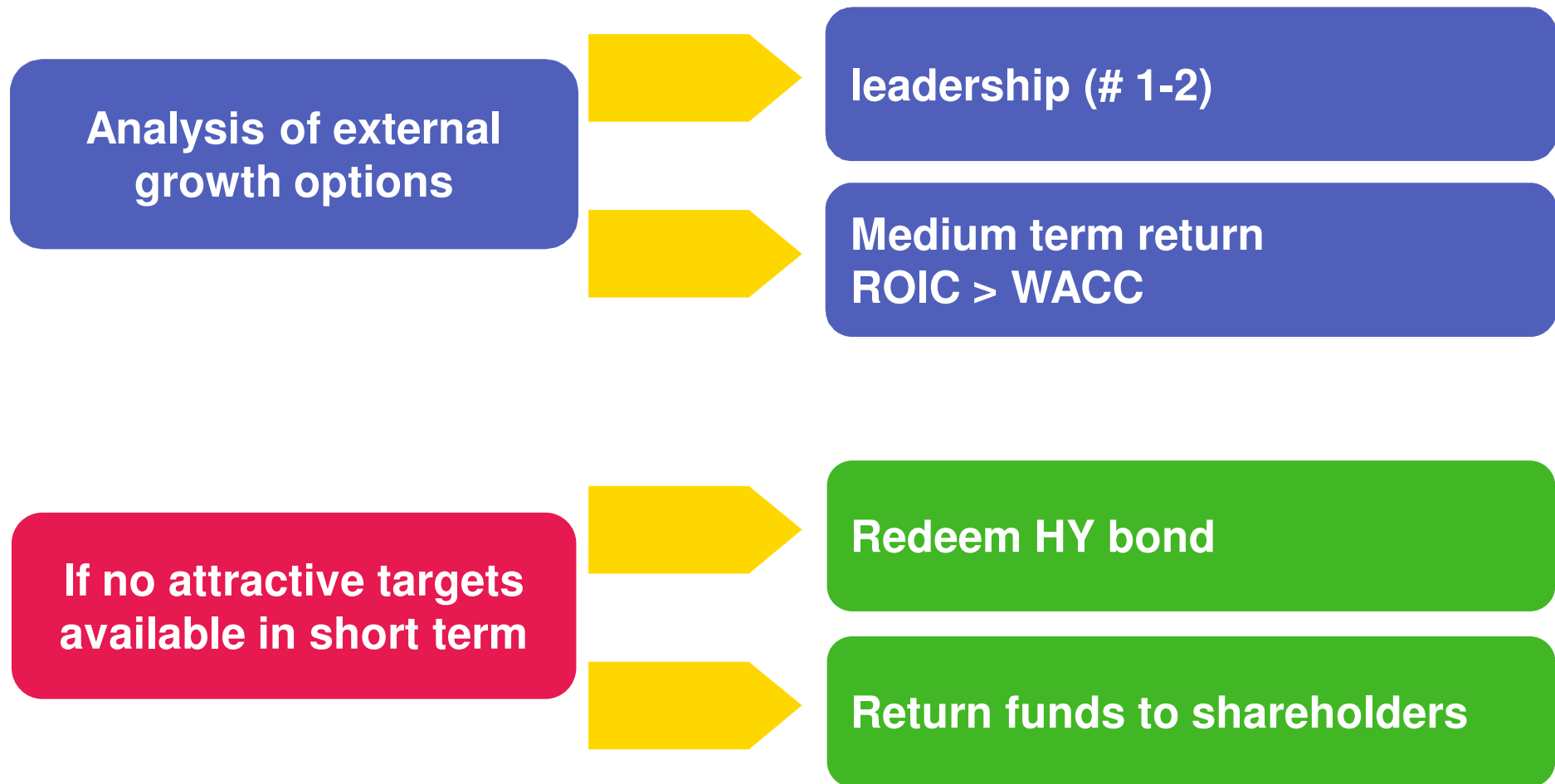


•OCF= Operating Free Cash Flow:  
EBITDA - CAPEX - WC movements - Taxes

## :: Disposal of Asia

US\$m	Enterprise value 100%	Multiple 2009 EBITDA	Equity Value	Buyer	Status
Cambodia	605	7.1	346	Royal Group	signed
Sri Lanka	207	7.4	155	Etisalat	completed
Laos	102	7.5	65	Vimpelcom	signed
<b>Total Asia</b>	<b>914</b>	<b>7.2</b>	<b>566</b>		
		weighted			

## :: Use of cash

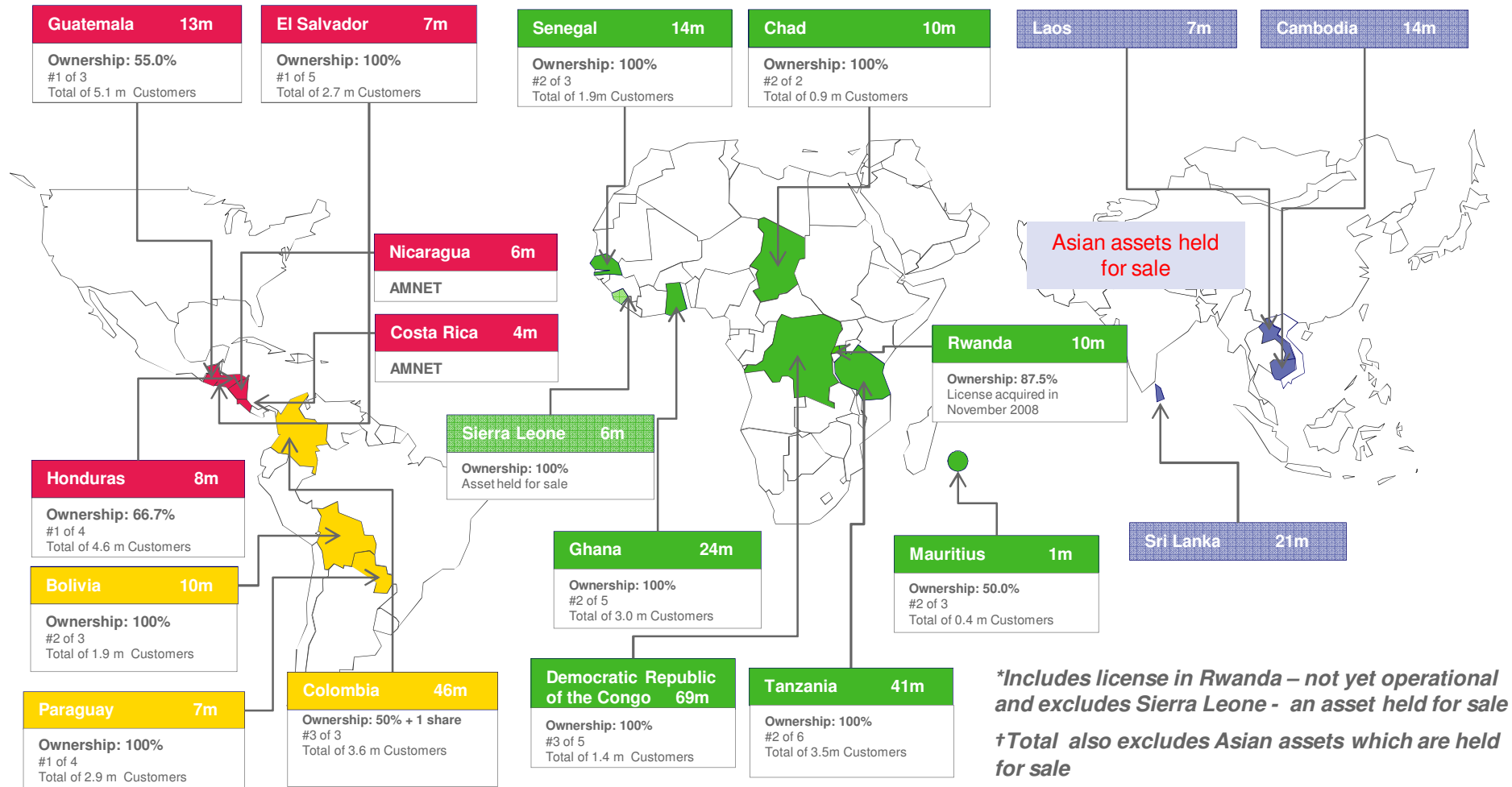


# Appendix



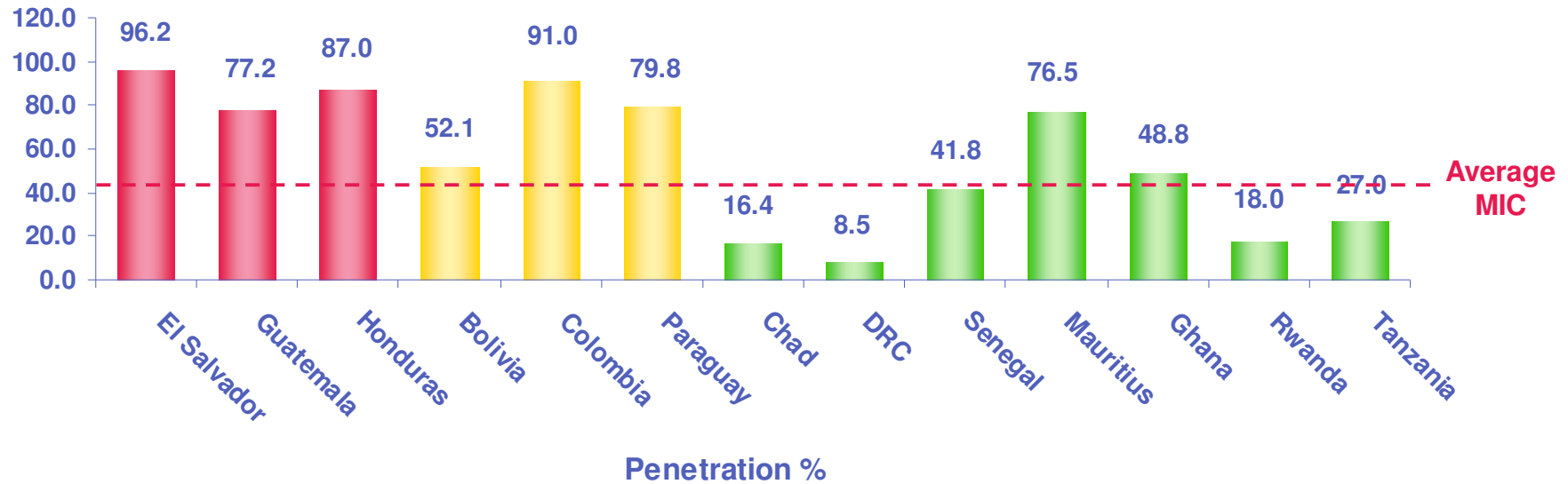
# :: Overview

<b>Central America:</b> 28 m	<b>South America:</b> 63 m	<b>Africa*:</b> 169 m	<b>Asia:</b> 42 m	<b>Mobile operations' pops under license*†: 260m</b>	<b>Amnet: 38m</b> Guatemala 13m El Salvador 7m Honduras 8m Costa Rica 4m Nicaragua 6m
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*\*Includes license in Rwanda – not yet operational and excludes Sierra Leone - an asset held for sale*  
*†Total also excludes Asian assets which are held for sale*

# :: Penetration rates



Low penetration in Africa  
 =  
 future growth opportunities



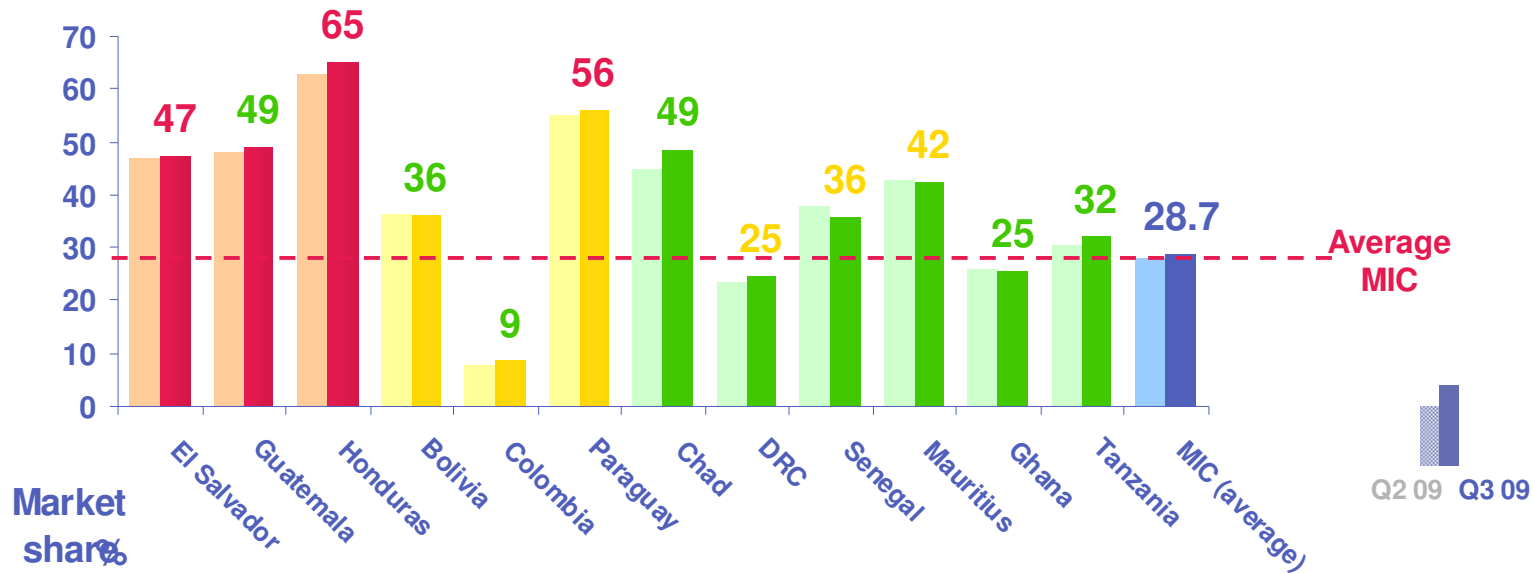
# :: Market share evolution QoQ

**CAM**  
Avg Market Share  
53.5%

**SAM**  
Avg Market Share  
16.3%

**Africa**  
Avg Market Share  
30.4%

**MIC**  
Avg Market Share  
28.7%



**Increase**

El Salvador	Colombia
Guatemala	Honduras
Bolivia	Paraguay
Chad	Tanzania
DRC (Kinshasa/ Bas Congo)	

**Decrease**

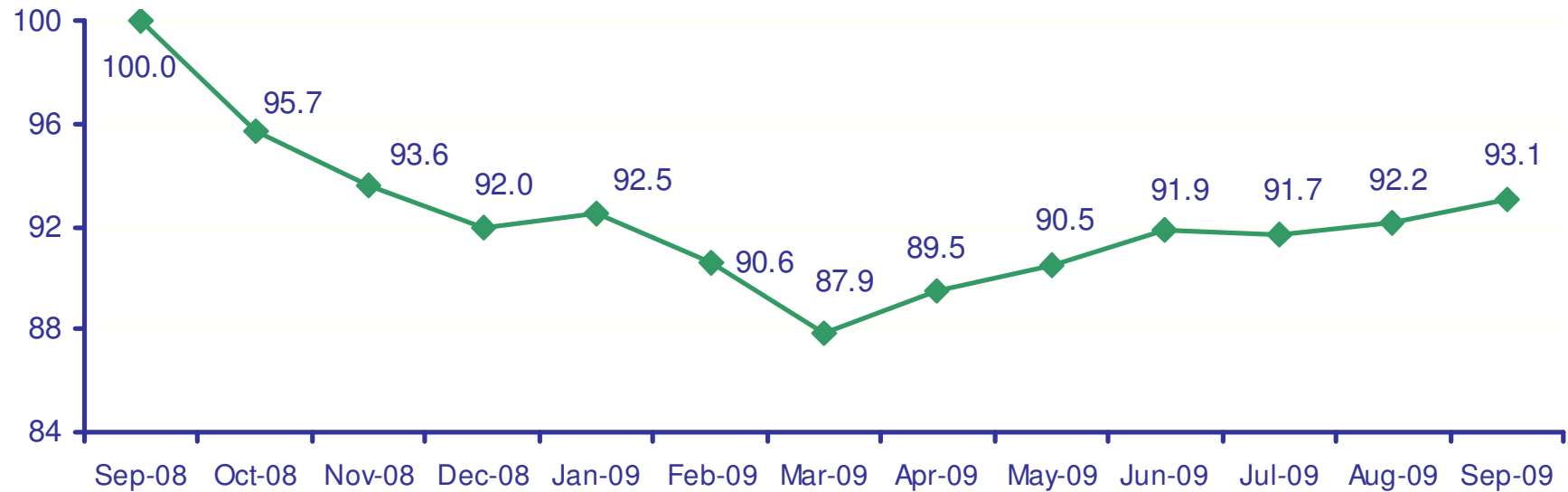
Senegal
Ghana
Mauritius

## :: Movements of main currencies vs USD YoY

			Closing rate Q3 09	Closing rate Q3 08	Change
<b>Central America</b>	Guatemala	GTQ	8.34	7.47	-12%
	Honduras	HNL	18.90	18.90	0%
<b>South America</b>	Bolivia	BOB	7.02	7.02	0%
	Colombia	COP	1,921.43	2,190.70	12%
	Paraguay	PYG	4,910.00	3,990.00	-23%
<b>Africa</b>	DRC	CDF	860.64	562.50	-53%
	Ghana	GHS	1.45	1.16	-25%
	Mauritius	MUR	30.50	28.29	-8%
	Chad/Senegal	XAF	448.00	465.78	4%
	Tanzania	TZS	1,310.50	1,160.00	-13%

# :: Average impact of currencies

### Exchange rate impact



Slight recovery in foreign exchange

## :: Q3 09 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**	84%	83%	25%		46%
<b>Operational Data</b>					
Total Customers (000)	12,366	8,414	11,077		31,857
Attributable Sub (000)	8,547	8,414	10,866		27,827
Capex (\$m- excl Corporate)	23	29	82	6	140
Capex as % of sales	7%	10%	41%	13%	16%
Churn	3.6%	5.0%	7.7%		5.4%
Cell sites (Sept-09)	4,367	4,298	3,537		12,202
Outlets 000' (Sept-09)	166	170	198		534
<b>Key Financials</b> (Attributable)					
Revenue (\$m)	326	277	200	52	856
EBITDA (\$m)	180	113	75	24	392
EBITDA Margin	55.2%	40.7%	37.5%	46.1%	45.8%

\* Population figures - CIA The World Fact Book (2007 est.) \*\* Penetration based on interconnect † includes Rwanda

## :: Market Overview – by Country

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) \$	6,200	5,200	4,400		4,500	8,900	4,200
Mobile Penetration	96%	77%	87%		52%	91%	80%
Market Position	One of Five	One of Three	One of Four		Two of Three	Three of Three	One of Four
Market Share	47%	49%	65%		36%	9%	56%
<b>Operational Data</b>							
Total Customers / RGUs	2,690,128	5,087,234	4,588,802	611,248	1,929,324	3,572,211	2,912,433
Cell sites at Sep 09	866	2094	1407		717	2774	807
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 – by Country

Africa	Chad	DRC	Ghana	Mauritius	Rwanda	Senegal	Tanzania
Shareholding	100.0%	100.0%	100.0%	50% (p)	87.5% (p)	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	12,100	900	1,600	1,300
Mobile Penetration	16%	9% ***	49%	77%	18%	42%	27%
Market Position	Two of Two	Three of Five	Two of Five	Two of Three	Not launched	Two of Three	Two of Six
Market Share	49%	25% ***	25%	42%	Not launched	36%	32%
<b>Operational Data</b>							
Total Customers	857,593	1,449,158	2,959,982	421,920		1,895,912	3,492,501
Cell sites at Sep 09	294	718 **	761	222		591	951
Other Operators	Zain	Zain Vodacom CCT Standard	MTN Vodafone Zain Kasapa	Orange MTML	MTN Rwandatel	Orange Expresso Kirene	Vodacom Zain Zantel TTCL Mobile BOL

\* Amended and extended by one year in 2006

\*\* Of which 473 are active

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

(p): proportionally consolidated

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