Unaudited Interim Condensed Consolidated Financial Statements

For the three month period and year ended 31 December 2016

8 February 2017

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Unaudited interim condensed consolidated income statement for the year ended 31 December 2016

US$ millions (unaudited)	Notes	Year ended 31 December 2016	Year ended 31 December 2015 (i) (ii)
Revenue	5	4,374	6,572
Cost of sales		(1,279)	(1,793)
Gross profit		**3,096**	**4,778**
Operating expenses		(1,781)	(2,590)
Depreciation and amortisation		(928)	(1,281)
Income from joint ventures, net	14	115	-
Other operating income (expenses), net		(20)	(64)
Operating profit	5	**482**	**843**
Interest expense		(394)	(425)
Interest and other financial income		22	22
Other non-operating (expenses) income, net	6	10	(624)
Income (loss) from associates, net	15	(49)	100
Profit (loss) before taxes from continuing operations		**71**	**(83)**
Charge for taxes, net		(180)	(278)
Loss for the period from continuing operations		**(109)**	**(361)**
Profit (loss) for the period from discontinued operations, net of tax	4	19	(83)
Net loss for the period		**(90)**	**(444)**

Attributable to:			
Owners of the Company		(32)	(559)
Non-controlling interests		(58)	115

Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	7	(0.32)	(5.59)
Diluted (US$)	7	(0.32)	(5.59)

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

(ii) Honduras and Guatemala operations are fully consolidated for the year ended 31 December 2015. The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 condensed consolidated income statement is shown in note 14.

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

Unaudited interim condensed consolidated income statement for the three month period ended 31 December 2016

US$ millions (unaudited)	Notes	Three months ended 31 December 2016	Three months ended 31 December 2015 (i) (ii)
Revenue	5	1,119	1,636
Cost of sales		(330)	(473)
Gross profit		**789**	**1,163**
Operating expenses		(473)	(661)
Depreciation and amortisation		(241)	(311)
Income from joint ventures, net	14	12	-
Other operating income (expenses), net		(18)	(57)
Operating profit	5	**69**	**134**
Interest expense		(114)	(104)
Interest and other financial income		7	5
Other non-operating (expenses) income, net	6	(42)	(411)
Income (loss) from associates, net	15	(51)	136
Profit before taxes from continuing operations		**(131)**	**(240)**
Charge for taxes, net		(68)	(111)
Loss for the year from continuing operations		**(199)**	**(351)**
Profit (loss) for the period from discontinued operations, net of tax	4	1	(37)
Net loss for the period		**(199)**	**(387)**
Attributable to:			
Owners of the Company		(143)	(426)
Non-controlling interests		(56)	39
Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	7	(1.43)	(4.26)
Diluted (US$)	7	(1.43)	(4.26)

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

(ii) Honduras and Guatemala operations are fully consolidated for the three month period ended 31 December 2015. The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 interim condensed consolidated income statement is shown in note 14.

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

Unaudited interim condensed consolidated statement of comprehensive income for the year ended 31 December 2016

US$ millions (unaudited)	Year ended 31 December 2016	Year ended 31 December 2015
Net profit (loss) for the period	(90)	(444)
Other comprehensive income (to be reclassified to income statement in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(14)	(438)
Change in value of cash flow hedges, net of taxes	(3)	(3)
Remeasurements of pension obligations, net of taxes	(2)	-
Total comprehensive income (loss) for the period	**(109)**	**(885)**

Attributable to:		
Owners of the Company	(60)	(897)
Non-controlling interests	(49)	12

Unaudited interim condensed consolidated statement of comprehensive income for the three month period ended 31 December 2016

US$ millions (unaudited)	Three months ended 31 December 2016	Three months ended 31 December 2015
Net profit (loss) for the period	(199)	(387)
Other comprehensive income (to be reclassified to income statement in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(66)	(25)
Change in value of cash flow hedges, net of taxes	(2)	3
Remeasurements of pension obligations, net of taxes	(2)	-
Total comprehensive income (loss) for the period	**(268)**	**(410)**

Attributable to:		
Owners of the Company	(201)	(446)
Non-controlling interests	(67)	36

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

Unaudited interim condensed consolidated statement of financial position as at 31 December 2016

US$ millions	Notes	31 December 2016	31 December 2015 (i) (audited)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	1,359	1,429
Property, plant and equipment, net	8	3,057	3,198
Investments in joint ventures	14	2,945	3,220
Investments in associates	15	331	376
Deferred tax assets		166	188
Derivative financial instruments	13	32	26
Other non-current assets		72	75
TOTAL NON-CURRENT ASSETS		**7,961**	**8,512**
CURRENT ASSETS			
Inventories		62	80
Trade receivables, net		387	398
Amounts due from non-controlling interests, associates and joint ventures	12	17	16
Prepayments and accrued income		171	193
Current income tax assets		101	125
Supplier advances for capital expenditure		23	39
Other current assets		110	109
Restricted cash		145	142
Cash and cash equivalents		646	769
TOTAL CURRENT ASSETS		**1,661**	**1,871**
Assets held for sale	4	5	12
TOTAL ASSETS		**9,627**	**10,395**

(i) The consolidated statement of financial position at 31 December 2015 has been restated as a result of Zantel's purchase accounting (see note 3).

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

Unaudited interim condensed consolidated statement of financial position as at 31 December 2016 (continued)

US$ millions	Notes	31 December 2016	31 December 2015 (i) (audited)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		638	639
Treasury shares		(123)	(143)
Other reserves		(562)	(531)
Retained profits		3,247	4,071
Loss for the year attributable to equity holders		(32)	(559)
Equity attributable to owners of the Company		**3,167**	**3,477**
Non-controlling interests	3	201	251
TOTAL EQUITY		**3,368**	**3,728**
LIABILITIES			
Non-current liabilities			
Debt and financing	10	3,821	3,789
Derivative financial instruments	13	84	65
Amounts due to associates, joint ventures and joint ventures	12	113	63
Provisions and other non-current liabilities		286	243
Deferred tax liabilities		57	50
Total non-current liabilities		**4,361**	**4,210**
Current liabilities			
Debt and financing	10	80	221
Payables and accruals for capital expenditure		326	285
Other trade payables		297	334
Amounts due to associates, joint ventures and joint ventures	12	273	581
Accrued interest and other expenses		376	425
Current income tax liabilities		68	124
Provisions and other current liabilities		477	487
Total current liabilities		**1,898**	**2,457**
Liabilities directly associated with assets held for sale	4	—	—
TOTAL LIABILITIES		**6,258**	**6,667**
TOTAL EQUITY AND LIABILITIES		**9,627**	**10,395**

(i) The consolidated statement of financial position at 31 December 2015 has been restated as a result of Zantel's purchase accounting (see note 3).

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

Unaudited interim condensed consolidated statement of cash flows for the year ended 31 December 2016

US$ millions (i)	Notes	31 December 2016	31 December 2015
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		71	(83)
Profit (loss) before taxes from discontinued operations		13	(70)
Profit before taxes		**83**	**(153)**
Adjustments to reconcile to net cash:			
Interest expense		397	442
Interest and other financial income		(22)	(22)
Adjustments for non-cash items:			
Depreciation and amortisation	5	932	1,321
Share of gain from joint ventures, net		(115)	-
Loss on disposal and impairment of assets, net		19	66
Share based compensation		14	19
(Income) loss from associates, net	3	49	(100)
Other non-cash non-operating (income) expenses, net		(22)	622
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets		102	162
Decrease (increase) in inventories		19	17
Increase (decrease) in trade and other payables		(109)	(117)
Total changes in working capital		**12**	**62**
Interest (paid)		(357)	(377)
Interest received		19	23
Taxes (paid)	5	(130)	(252)
Net cash provided by operating activities		**878**	**1,651**
Cash flows from investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	-	(54)
Dividend received from joint ventures		143	-
Effect of deconsolidation of Guatemala and Honduras subsidiaries	3	-	(168)
Proceeds from disposal of subsidiaries, net of cash disposed	4	147	4
Purchase of intangible assets and licenses	9	(143)	(186)
Proceeds from sale of intangible assets	9	6	4
Purchase of property, plant and equipment	8	(719)	(1,019)
Proceeds from sale of property, plant and equipment	8	6	5
Dividend received from associates		-	6
Net (increase) decrease in restricted cash		-	(17)
Cash (used in) provided by other investing activities, net		8	14
Net cash used in investing activities		**(552)**	**(1,411)**
Cash flows from financing activities (including discontinued operations):			
Acquisition of non-controlling interests	3	-	(39)
Proceeds from other debt and financing	10	713	1,880
Repayment of debt and financing	10	(821)	(1,392)
Advances for, and dividends to non-controlling interests		(68)	(269)
Dividends paid to owners of the Company		(265)	(264)
Cash (used in) provided by other financing activities, net		-	-
Net cash from (used by) financing activities		**(441)**	**(84)**
Exchange impact on cash and cash equivalents, net		(8)	(81)
Net (decrease) increase in cash and cash equivalents		**(123)**	**75**
Cash and cash equivalents at the beginning of the year		769	694
Cash and cash equivalents at the end of the year		**646**	**769**

(i) Honduras and Guatemala operations are shown as fully consolidated for the year ended 31 December 2015. The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 consolidated statement of cash flows are shown in note 14.

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

Unaudited interim condensed consolidated statements of changes in equity for the years ended 31 December 2016, 31 December 2015 and 31 December 2014

US$ millions	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital	Share premium	Treasury shares	Retained profits (i)	Put option reserve (ii)	Other reserves	Total	Non-controlling interests	Total equity
Balance on 31 December 2014 (audited)	**101,739**	**(1,756)**	**153**	**487**	**(160)**	**4,761**	**(2,512)**	**(389)**	**2,339**	**1,391**	**3,730**
Total comprehensive income for the period	—	—	—	—	—	(559)	—	(338)	(897)	12	(885)
Dividends	—	—	—	—	—	(264)	—	—	(264)	(244)	(508)
Purchase of treasury shares	—	(29)	—	—	(2)	—	—	—	(2)	—	(2)
Share based compensation	—	—	—	—	—	—	—	19	19	—	19
Issuance of shares under share-based payment schemes	—	209	—	(1)	19	—	—	(18)	—	—	—
Change in scope of consolidation (iv) (vi)	—	—	—	—	—	(48)	—	3	(45)	10	(35)
Effect of deconsolidation (v)	—	—	—	—	—	—	—	192	192	(918)	(726)
Put option liability reversal (v)	—	—	—	—	—	(377)	2,512	—	2,135	—	2,135
Balance on 31 December 2015	**101,739**	**(1,574)**	**153**	**486**	**(143)**	**3,513**	**—**	**(531)**	**3,477**	**251**	**3,728**
Total comprehensive income for the period	—	—	—	—	—	(32)	—	(28)	(60)	(49)	(109)
Dividends (iii)	—	—	—	—	—	(265)	—	—	(265)	—	(265)
Purchase of treasury shares	—	(37)	—	—	(3)	—	—	—	(3)	—	(3)
Share based compensation	—	—	—	—	—	—	—	14	14	—	14
Issuance of shares under share-based payment schemes	—	216	—	(1)	23	(1)	—	(17)	4	—	4
Balance on 31 December 2016	**101,739**	**(1,395)**	**153**	**485**	**(123)**	**3,215**	**—**	**(562)**	**3,167**	**201**	**3,368**

(i) *Retained profits — includes profit attributable to equity holders, of which at 31 December 2016 $321 million (2015: $384 million) are not distributable to equity holders.*

(ii) *Put option reserve — see note 14.*

(iii) *Dividends — A dividend distribution of $2.64 per share was approved by the Annual General Meeting of shareholders and distributed in May 2016.*

(iv) *Change in scope of consolidation – see note 3.*

(v) *Effect of deconsolidation of Honduras and Guatemala – see note 14.*

(vi) *The consolidated statement of financial position at 31 December 2015 has been restated as a result of Zantel's purchase accounting (see note 3).*

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

Notes to the unaudited interim condensed consolidated statements

1. ORGANIZATION

Millicom International Cellular S.A. *(*the "Company"*)*, a Luxembourg Société Anonyme, and its subsidiaries, joint ventures and associates (the "Group" or "Millicom") is an international telecommunications and media company providing digital lifestyle services in emerging markets, through mobile and fixed telephony, cable, broadband, Pay-TV and investments in online businesses in Latin America and Africa.

On 31 December 2015, Millicom deconsolidated its operations in Guatemala and Honduras which are, since that date and for accounting purposes, under joint control. The income statements of those operations were fully consolidated for the comparative years ended 31 December 2015 (see note 14).

On 7 February 2017, the Board of Directors authorised these interim condensed consolidated financial statements for issuance.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

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

These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2015 consolidated financial statements.

The following changes to standards effective for annual periods starting on 1 January 2016 did not have a significant impact on Millicom:

- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports;
- Annual improvements 2014. These set of amendments impact 4 standards: IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal, IFRS 7, 'Financial instruments: Disclosures', IAS 19, 'Employee benefits' regarding discount rates, IAS 34, 'Interim financial reporting' regarding disclosure of information;
- Amendments to IAS 38 and IAS 16: clarification of acceptable methods of depreciation and amortisation issued by the IASB in July 2014 and applicable as of 1 January 2016;
- Amendments to IFRS 11: accounting for acquisitions of interests in joint operations issued by the IASB in May 2014 and applicable as of 1 January 2016;
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'.

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

During the year ended 31 December 2016, Millicom did not make any significant acquisition.

During 2015 Millicom acquired 85% of the shares and control of Zanzibar Telecom Limited, raised its stake in its Rwandan subsidiary from 87.5% to 100% and in one of the UNE subsidiaries (Edatel S.A. E.S.P.) from 80% to 100%. The Group also made other smaller acquisitions for a total consideration of US$20 million.

Acquisition of Zanzibar Telecom Limited on 22 October 2015

On 4 June 2015 Millicom's fully owned Swedish subsidiary Millicom International Ventures AB entered into an agreement to purchase 85% of Zanzibar Telecom Limited ("Zantel"). The agreed purchase consideration was $1 subject to final price adjustment and included a shareholder loan. In addition Millicom assumed Zantel's debt obligations. The transaction completed on 22 October 2015 after receipt of regulatory approvals. A final price adjustment, if any, may still occur in the coming months after the appointment of an independent expert. The deal also includes a reverse earn-out mechanism based on Zantel's achievement of EBITDA targets for the period from 2017 to 2019. No amounts have been recognised under this mechanism.

For the purchase accounting, Millicom determined the fair value of Zantel based on transaction and relative values. The non-controlling interest was measured based on the proportionate share of the fair value of the net assets of Zantel. The purchase accounting was updated and finalised in 2016 when additional information became available regarding fair values of acquired assets and liabilities.

22 October 2015 (US$ millions)	Initial Fair Values 100%	Final Fair Values 100%	Change
Intangible assets (excluding goodwill), net.(i)	36	75	39
Property, plant and equipment, net (ii)	40	32	(8)
Other non-current assets (iii)	1	14	13
Current assets (excluding cash) (iv) (v)	30	41	11
Cash and cash equivalents	5	5	-
Total Assets Acquired	**112**	**167**	**55**
Non-current liabilities	81	77	(4)
Current liabilities	104	103	(1)
Total Liabilities Assumed	**185**	**180**	**(5)**
Fair value of assets acquired and liabilities assumed, net	**(73)**	**(13)**	**60**
Fair value of non-controlling interest in Zantel	(39)	(2)	37
Millicom's interest in the fair value of Zantel	(34)	(11)	23
Acquisition price ($1 dollar)	-	-	-
Goodwill	**34**	**11**	**(23)**

(i) Intangible assets not previously recognized are a trademark for an amount of $10 million, with indefinite useful life, a customer list for an amount of $13 million, with estimated useful life of 4 years, telecommunication spectrum licenses for an amount of $23 million, with estimated useful life of 10 years and favourable contracts for $2 million. Certain IRUs were also written down to their fair values for an amount of $9 million.

(ii) Certain network and civil works assets were adjusted down to their fair value for an amount of $10 million. Certain land values were also stepped up to their fair value for an amount of $2 million.

(iii) The change in other non-current assets mainly corresponds to the step up at fair value of Zantel's 9% investment in the West Indian Ocean Cable Company Limited ('WIOCC'), a telecommunications carriers' carrier.

(iv) Current assets includes indemnification assets at fair value for an amount of $11 million.

(v) The fair value of trade receivables acquired was $19 million.

The update of the purchase price allocation resulted in an impact on net income of less than $(1) million for the year ended 31 December 2015, which has been considered as immaterial and has not triggered a restatement of the prior year income statement. The goodwill, which comprises the fair value of the assembled work force and expected synergies from the acquisition, is not tax deductible.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – DRC

On 8 February 2016, Millicom announced that it had signed an agreement for the sale of its businesses in the Democratic Republic of Congo (DRC) to Orange S.A. for a total cash consideration of $160 million adjusted for working capital movements and including $10 million of cash hold-back subject to the completion of the disposal of the mobile financial services business (DRC Mobile Cash). The transaction was completed in respect of the mobile business (Oasis S.A.) on 20 April 2016 and includes certain indemnity and warranty clauses as well as other expenses directly linked with the disposal, which have been provided for as of 31 December 2016. The separate disposal of DRC Mobile Cash was completed in September 2016. As a result, $10 million of the cash hold-back was received in October 2016.

In accordance with IFRS 5, the Group's businesses in DRC have been classified as assets held for sale as from 8 February 2016 and their results were classified as discontinued operations. Comparative figures of the income statement have been represented accordingly. Financial information relating to the discontinued operations for the three month period and year ended 31 December 2016 is set out below.

Results from Discontinued Operations (US$ millions)	Year ended 31 December 2016	Year ended 31 December 2015
Revenue	40	158
Cost of sales	(15)	(60)
Operating expenses	(20)	(108)
Depreciation and amortisation	(3)	(40)
Other operating profit income expense, net	-	(2)
Operating profit (loss)	**2**	**(53)**
Interest income (expense), net	(2)	(17)
Profit (loss) before taxes	**1**	**(70)**
Credit (charge) for taxes, net	6	(13)
Results from discontinued operations	**6**	**(83)**
Gross gain on disposal of discontinued operations	32	—
Other expenses linked to the disposal of discontinued operations	(19)	—
Net gain (loss) on disposal of discontinued operations	**13**	**—**
Net profit (loss) from discontinued operations	**19**	**(83)**

Results from Discontinued Operations (US$ millions)	Three months ended 31 December 2016	Three months ended 31 December 2015
Revenue	-	41
Cost of sales	-	(17)
Operating expenses	-	(34)
Depreciation and amortisation	-	(10)
Other operating profit income expense, net	-	-
Operating profit (loss)	**-**	**(20)**
Interest income (expense), net	-	(4)
Profit (loss) before taxes	**-**	**(24)**
Credit (charge) for taxes, net	-	(12)
Results from discontinued operations	**-**	**(37)**
Gross gain on disposal of discontinued operations	1	-
Other expenses linked to the disposal of discontinued operations	-	-
Net gain (loss) on disposal of discontinued operations	**1**	**-**
Net profit (loss) from discontinued operations	**1**	**(37)**

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

Discontinued operations – DRC (Continued)

Cash Flows from Discontinued Operations (US$ millions)	Year ended 31 December 2016	Year ended 31 December 2015
Cash used in operating activities, net	(3)	(20)
Cash used in investing activities, net	(1)	(26)
Cash provided by financing activities, net	-	49
Net cash outflows	(4)	3

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

DRC

The following assets and liabilities were held for sale in relation to Oasis S.A. as at the date of disposal:

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

The sale of these operations generated a cash inflow of $147 million, net of $33 million of cash disposed.

Colombia

During 2016, the 4G spectrum in Colombia has been reclassified from “Assets held for sale” to intangible assets as the value of the spectrum will not be recovered through sale, but through use. A depreciation catch-up has been recorded for $11 million. In October 2016, the date on which UNE stopped rendering 4G services, the 4G spectrum was fully depreciated.

5. SEGMENT INFORMATION

Since 2016, Millicom presents segmental information based on its two geographical regions (Latin America and Africa – previously three regions) and the figures below include Honduras and Guatemala as if they are fully consolidated by the Group as this reflects the way management reviews and uses internal reporting to make decisions about operating matters. Honduras and Guatemala are shown under the Latin America segment. Comparative figures have been represented accordingly.

Revenue, operating profit (loss), EBITDA and other segment information for the three month period and year ended 31 December 2016 and 2015 was as follows:

Year ended 31 December 2016 (US$ millions)	Latin America	Africa	Unallo-cated	Total (a)	Guatemala and Honduras (v) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vi)	Total
Revenue	**5,352**	**896**	**-**	**6,249**	**(1,875)**	**-**	**4,374**	**40**	**4,414**
Operating profit (loss)	**848**	**62**	**(150)**	**761**	**(394)**	**115**	**482**	**2**	**484**
Add back:						-			
Depreciation and amortization	1,173	188	7	1,368	(440)	-	928	3	931
Income (loss) from joint ventures, net	-	-	-	-	-	(115)	(115)	-	(115)
Other operating income (expenses), net	42	7	(6)	43	(24)	-	20	-	20
EBITDA *(i)*	**2,063**	**258**	**(148)**	**2,172**	**(858)**	**-**	**1,314**	**5**	**1,319**
Capital expenditure *(ii)*	(886)	(159)	(6)	(1,051)					
Changes in working capital and others	37	(5)	(33)	(1)					
Taxes paid	(233)	(17)	(9)	(259)					
Operating free cash flow *(iii)*	**981**	**77**	**(197)**	**861**					
Total Assets *(iv)*	**10,386**	**1,406**	**1,357**	**11,883**	**(5,589)**	**3,332**	**9,627**		
Total Liabilities	**5,229**	**1,852**	**1,997**	**7,812**	**(1,942)**	**388**	**6,258**		

Year ended 31 December 2015 (US$ millions)	Latin America	Africa	Unallo-cated	Total	Eliminations	Disc Ops (vi)	Total
Revenue	**5,740**	**829**	**3**	**6,572**	**-**	**158**	**6,730**
Operating profit (loss)	**1,109**	**(61)**	**(205)**	**843**	**-**	**(53)**	**791**
Add back:					-		
Depreciation and amortization	1,087	190	4	1,281	-	40	1,321
Other operating income (expenses), net	7	54	3	64	-	2	66
EBITDA *(i)*	**2,204**	**184**	**(199)**	**2,188**	**-**	**(10)**	**2,178**
Capital expenditure *(ii)*	(950)	(181)	8	(1,123)			
Changes in working capital and others	18	(16)	77	(79)			
Taxes paid	(230)	(16)	(6)	(252)			
Operating free cash flow *(iii)*	**1,041**	**(30)**	**(119)**	**892**			
Total Assets *(iv)*	**10,566**	**1,979**	**2,044**	**14,589**	**(4,226)**	**-**	**10,398**
Total Liabilities	**5,128**	**2,279**	**2,769**	**10,176**	**(3,504)**	**-**	**6,670**

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

(ii) Excluding spectrum and licenses of $39 million (2015: $47 million).

(iii) Operating free cash flow by segment includes share-based compensation as a cash transaction.

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

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

(vi) See note 4. DRC operations were part of the Africa segment.

5. SEGMENT INFORMATION (Continued)

Three month period ended 31 December 2016 (US$ millions)	Latin America	Africa	Unallo-cated	Total (a)	Guatemala and Honduras (v) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vi)	Total
Revenue	**1,365**	**229**	**-**	**1,594**	**(475)**	**-**	**1,119**	**-**	**1,119**
Operating profit (loss)	**96**	**18**	**(33)**	**81**	**(24)**	**12**	**69**	**-**	**69**
Add back:								-	
Depreciation and amortization	363	50	2	416	(175)	-	241	-	241
Income (loss) from joint ventures, net	-	-	-	-	-	(12)	(12)	-	(12)
Other operating income (expenses), net	42	6	(8)	40	(22)	-	18	-	18
EBITDA *(i)*	**501**	**74**	**(39)**	**536**	**(220)**	**-**	**316**	**-**	**316**
Capital expenditure *(ii)*	(213)	(39)	(2)	(253)					
Changes in working capital and others	86	1	19	106					
Taxes paid	(42)	(8)	(3)	(52)					
Operating free cash flow *(iii)*	**332**	**29**	**(23)**	**338**					

Three month period ended 31 December 2015 (US$ millions)	Latin America	Africa	Unallo-cated	Total	Eliminations	Disc Ops (vi)	Total
Revenue	**1,415**	**217**	**4**	**1,636**	**-**	**41**	**1,677**
Operating profit (loss)	**245**	**(73)**	**(38)**	**134**	**-**	**(20)**	**114**
Add back:					-		
Depreciation and amortization	266	46	(1)	311	-	10	321
Other operating income (expenses), net	2	53	2	57	-	-	57
EBITDA *(i)*	**513**	**27**	**(37)**	**502**	**-**	**(10)**	**492**
Capital expenditure *(ii)*	(277)	(58)	15	(320)			
Changes in working capital and others	87	(76)	157	168			
Taxes paid	(50)	(7)	(5)	(62)			
Operating free cash flow *(iii)*	**273**	**(115)**	**130**	**288**			

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

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

US$ millions	Year ended 31 December 2016	Year ended 31 December 2015
Change in redemption price / lapse of put options (see note 14)	-	125
Change in fair value / lapse of derivatives (see note 13)	3	32
Change in fair value of call options	-	(71)
Exchange gains (losses), net	16	(304)
Loss on deconsolidation of Honduras and Guatemala, including recycling of foreign currency exchange losses accumulated in equity (see note 14)	-	(391)
Other non-operating income (expenses), net	(8)	(15)
Total	**10**	**(624)**

US$ millions	Three months ended 31 December 2016	Three months ended 31 December 2015
Change in redemption price / lapse of put options (see note 14)	-	44
Change in fair value / lapse of derivatives (see note 13)	6	2
Change in fair value of call options	-	(9)
Exchange gains (losses), net	(47)	(54)
Loss on deconsolidation of Honduras and Guatemala, including recycling of foreign currency exchange losses accumulated in equity (see note 14)	-	(391)
Other non-operating income (expenses), net	(1)	(3)
Total	**(42)**	**(411)**

7. EARNINGS PER COMMON SHARE

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

US$ millions	Year ended 31 December 2016	Year ended 31 December 2015
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	(51)	(476)
Net profit (loss) attributable to owners of the Company from discontinuing operations	19	(83)
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	(32)	(559)
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,337**	**100,144**
Potential incremental shares as a result of share options	-	10
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,337**	**100,154**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(0.51)	(4.76)
- EPS from discontinuing operations attributable to owners of the Company	0.19	(0.83)
- EPS for the period attributable to owners of the Company	(0.32)	(5.59)
Diluted		
- EPS from continuing operations attributable to owners of the Company	(0.51)	(4.76)
- EPS from discontinuing operations attributable to owners of the Company	0.19	(0.83)
- EPS for the period attributable to owners of the Company	(0.32)	(5.59)

US$ millions	Three months ended 31 December 2016	Three months ended 31 December 2015
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	(144)	(389)
Net profit (loss) attributable to owners of the Company from discontinuing operations	1	(37)
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	(143)	(426)
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,341**	**100,161**
Potential incremental shares as a result of share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,341**	**100,161**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(1.44)	(3.89)
- EPS from discontinuing operations attributable to owners of the Company	0.01	(0.37)
- EPS for the period attributable to owners of the Company	(1.43)	(4.26)
Diluted		
- EPS from continuing operations attributable to owners of the Company	(1.44)	(3.89)
- EPS from discontinuing operations attributable to owners of the Company	0.01	(0.37)
- EPS for the period attributable to owners of the Company	(1.43)	(4.26)

8. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2016, Millicom added property, plant and equipment for $683 million (31 December 2015: $1,103 million) and received $6 million in cash from disposal of property, plant and equipment (31 December 2015: $5 million).

9. INTANGIBLE ASSETS

During the year ended 31 December 2016, Millicom added intangible assets of $192 million (31 December 2015: $226 million) and received $6 million of proceeds from disposal of intangible assets (31 December 2015: $4 million).

10. DEBT AND FINANCING

SEK Bonds

On 12 April 2016, Millicom offered to purchase for cash any and all of its SEK 250 million (approximately $31 million) 5.125% Senior Unsecured Fixed Rate Notes due 2017 (the "Fixed Rate Notes") and its SEK 1.75 billion (approximately $219 million) STIBOR +3.500% Senior Unsecured Floating Rate Notes due 2017 (the "Floating Rate Notes", and together with the Fixed Rate Notes, the "Notes").

Following the early and regular tender offers, SEK 186 million (approximately $23 million) and SEK 1.498 billion (approximately $187 million) in aggregate principal amount of the Fixed Rate Notes and the Floating Rate Notes, respectively, have been repaid. Millicom has paid to such noteholders 105.8% and 102.8% of the nominal amount of the Fixed Rate Notes and the Floating Rate Notes, respectively, together with any accrued interest.

After settlement, SEK 64 million (approximately $8 million) in aggregate principal amount of the Fixed Rate Notes (25.6%) and SEK 252 million (approximately $32 million) in aggregate principal amount of the Floating Rate Notes (14.4%) remained outstanding.

On 19 September 2016, the Group has notified holders of both Bonds of the early voluntary redemption of the notes in full. The outstanding notes totaling SEK 316 million (approximately $40 million) of principal were redeemed in October 2016.

The total early redemption fees amounting to $8 million have been recorded under interest expenses. The remaining $1 million of related unamortized costs were also expensed during 2016.

On 21 April 2016, Millicom also completed the placing of a new SEK 2 billion (approximately $250 million) 3-year floating rate bond in the Swedish market. The new bond has a floating rate coupon of 3 months STIBOR +3.3% and will mature on 17 April 2019, with a first call option on 17 April 2018. The bond was issued at 100% of the principal. $2.5 million of withheld and upfront costs are being amortized over the 3 year life of the bond. The covenant is set at 3.0x Net Debt/EBITDA.

Colombia – UNE Bonds

In May 2016, UNE issued a COP 540 billion bond (approximately $176 million) consisting of three tranches (approximately $52 million, $83 million and $41 million respectively). Interest rates are either fixed or variable depending on the tranche. Tranche A bears fixed interest at 9.35%, while Tranche B and C bear variable interest, based on CPI, (respective margins of CPI+4.15% and CPI+4.89%), in Colombian peso.

UNE applied the proceeds to finance its investment plan and repay one existing bond (COP150 billion tranche). Tranches A, B and C will mature in May 2024, May 2026 and May 2036, respectively.

Bolivia

On 11 August 2016, our operation in Bolivia issued a new bond for a total amount of Bs 522 million consisting of two tranches (approximately $50 million and $25 million, respectively). Tranche A and B bear fixed interest at 3.95% and 4.30%, and will mature in June 2024 and June 2029, respectively.

MIC SA Revolving Credit Facility

In June 2014, MIC S.A. entered into a $500 million revolving credit facility with a consortium of banks (the “2014 RCF”) of which $200 million (Facility A) is for a 2-year term and $300 million (Facility B) is for a 3-year term. In May 2015 both facilities were extended for one year. As of 31 December 2016, the facility was committed and fully undrawn.

In the fourth quarter of 2016, Millicom initiated the renegotiation of its Revolving Credit Facility which was partially maturing in June 2017. By year end 2016, having secured over $500 million of commitments from relationship banks through a refinancing process, the Group accelerated the amortization of the upfront costs incurred in relation with the 2014 RCF and totalling then $2 million. On 30 January 2017, the Company announced the closing of a new $ 600 million, 5 years Revolving Credit Facility and notified the lenders in the 2014 RCF of the formal cancellation of the commitments outstanding under the 2014 RCF (none of which were drawn at such date).

10. DEBT AND FINANCING (Continued)

Subject to the terms of the revolving credit facility, the maturity date of all or a portion of the amounts outstanding under the 2017 facility will be due in full in January 2022. Amounts drawn under the revolving credit facility may be used for general corporate and working capital purposes of the Millicom Group, including financing acquisitions, licenses, capital expenditure, and payment of dividends to the extent permitted under the revolving credit facility agreement. Interest on amounts drawn under the revolving credit facility is payable at LIBOR or EURIBOR, as applicable, plus an initial margin of 1.5%, provided that the margin may be reduced or increased if the net leverage ratio of MIC S.A. in respect of the last twelve month (as measured on a quarterly basis) is within a specified range.

US Bonds

In November 2016, MIC S.A. announced an offer to purchase for cash up to $300 million of its 4.750% Senior Notes due 2020 and its 6.625% Senior Notes due 2021 (the 'Notes'). In December 2016, the Company confirmed that it had accepted to purchase $300 million in aggregate principal amount of the Notes; $158 million and $142 million of principal, respectively. The total early redemption fees amounting to $11 million and $5 million of related unamortized costs have been expensed in December 2016 under interest expenses.

MIC SA Term loan Facility

In July 2016, MIC S.A. entered into a $50 million term loan facility agreement, for which half will be repaid in 2018 and half in 2019. The facility bears variable interest rate at six-month LIBOR + 2.25% per annum.

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

US$ millions	As at 31 December 2016	As at 31 December 2015
Due within:		
One year	80	221
One-two years	252	320
Two-three years	518	164
Three-four years	649	262
Four-five years	850	810
After five years	1,552	2,233
Total debt	**3,901**	**4,010**

As at 31 December 2016, 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 $640 million (31 December 2015: $646 million). Assets pledged by the Group for these debts and financings amounted to $2 million at 31 December 2016 (31 December 2015: $3 million).

Analysis of debt and other financing by maturity

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at 31 December 2016 and 31 December 2015.

	Bank and financing guarantees (i)			
US$ millions	As at 31 December 2016		As at 31 December 2015	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	38	38	100	100
1-3 years	348	348	143	143
3-5 years	250	250	393	393
More than 5 years	4	4	7	7
Total	**640**	**640**	**643**	**643**

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

11. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits and other legal risks that arise in the normal course of business. As of 31 December 2016, the total amount of claims and litigation risks against Millicom and its operations was $406 million, of which $3 million related to its share in joint ventures (31 December 2015: $492 million, of which none related to its share in joint ventures).

As at 31 December 2016, $43 million, of which $1 million related to its share in joint ventures (31 December 2015: $42 million, of which none related to its share in joint ventures), has been provided for litigation and legal risks in the consolidated statement of financial position. While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

In June 2016, Millicom was served with claims by a third party seeking monetary damages in the amount of $4.6 million and seeking to exert rights as a shareholder of Millicom Tanzania Ltd (Tigo Tanzania). In June 2015, Millicom identified that an incorrect filing related to Tigo Tanzania had been made in the commercial register, causing the register to incorrectly indicate that shares in the local subsidiary were owned by this third party. Millicom remains engaged in legal proceedings regarding this issue. Millicom believes that these claims are entirely without merit and, moreover, maintains that there is no valid basis whatsoever for any third party to claim any interest in Tigo Tanzania or be registered as one of its shareholders. Accordingly Millicom continues to fully consolidate Tigo Tanzania at 100%.

Taxation

At 31 December 2016, the Group estimates potential tax claims amounting to $311 million and tax provisions of $65 million which have been assessed probable and have been recorded (31 December 2015: claims amounting to $369 million and provisions of $86 million). Out of these potential claims and provisions, respectively $96 million and $9 million related to Millicom's share in joint ventures (31 December 2015: claims amounting to $76 million and provisions of $9 million).

Potential improper payments on behalf of the Guatemala joint venture

On 21 October 2015, Millicom reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Company's joint venture in Guatemala. On 4 May 2016, Millicom received notification from the Swedish Public Prosecutor that its preliminary investigation has been discontinued on jurisdictional grounds. Millicom continues to cooperate with law enforcement authorities in the United States. As at 31 December 2016, the matter is still under investigation and Management has not been able to assess the potential impact on these interim condensed consolidated financial statements of any remedial actions that may need to be taken as a result of the investigations, or penalties that may be imposed by law enforcement authorities. Accordingly, no provision has been recorded as of 31 December 2016.

Capital commitments

At 31 December 2016 the Company, its subsidiaries and joint ventures had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of $179 million of which $162 million are due within one year (December 31, 2015: $216 million of which $203 million are due within one year). Out of these commitments, respectively $17 million and $14 million related to Millicom's share in joint ventures. (December 31, 2015: $33 million of which $27 million are due within one year).

12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three month period and the year ended 31 December 2016:

US$ millions (unaudited)	Year ended 31 December 2016	Year ended 31 December 2015
Expenses		
Purchases of goods and services from Kinnevik	7	3
Purchases of goods and services from Miffin	167	148
Purchases of goods and services from EPM	22	17
Lease of towers and related services from Helios	35	36
Other expenses	2	2
Total	**233**	**206**

US$ millions (unaudited)	Year ended 31 December 2016	Year ended 31 December 2015
Income / gains		
Sale of goods and services to EPM	18	19
Sale of goods and services to Miffin	261	253
Other revenue	10	4
Total	**289**	**276**

US$ millions (unaudited)	Three months ended 31 December 2016	Three months ended 31 December 2015
Expenses		
Purchases of goods and services from Kinnevik	(2)	(2)
Purchases of goods and services from Miffin	-	(62)
Purchases of goods and services from EPM	(6)	(17)
Lease of towers and related services from Helios	(8)	(8)
Other expenses	-	1
Total	**(16)**	**(88)**

US$ millions (unaudited)	Three months ended 31 December 2016	Three months ended 31 December 2015
Income / gains		
Sale of goods and services to EPM	5	19
Sale of goods and services to Miffin	70	72
Other income / gains	2	1
Total	**77**	**92**

As at 31 December 2016 the Company had the following balances with related parties:

US$ millions (unaudited)	At 31 December 2016	At 31 December 2015
Liabilities		
Payables to Guatemala joint venture	245	335
Payables to Honduras joint venture (i)	118	225
Finance lease liabilities to tower companies (ii)	85	122
Payables to EPM	3	66
Other accounts payable	20	18
Total	**471**	**766**

(i) *Amount payable mainly consist in dividend advances and shareholder loans for which dividend is expected to be declared in 2017.*
(ii) *Disclosed under "Debt and other financing" in the statement of financial position.*

US$ millions (unaudited)	At 31 December 2016	At 31 December 2015
Assets		
Receivables from EPM	4	5
Receivables from Helios Towers	10	7
Other accounts receivable	3	4
Total	**17**	**16**

13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 31 December 2016 and 31 December 2015:

US$ millions	Carrying Value		Fair Value (i)	
	31 December 2016 (unaudited)	31 December 2015 (audited)	31 December 2016 (unaudited)	31 December 2015 (audited)
Financial liabilities				
Debt and financing................................	3,901	4,010	4,234	3,872

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

Currency and interest rate swap contracts

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

Interest rate and currency swaps on SEK denominated debt

As described in note 10, the SEK Bonds have been partially redeemed. As a consequence, the Group has modified and extended the related interest rate and currency swaps until at least April 2018.The swaps are accounted for as a cash flow hedge as the timing and amounts of the cash flows under the swap agreements match the cash flows under the new SEK bond. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At 31 December 2016, the fair values of the swaps amount to a liability of $84 million (31 December 2015: a liability of $65 million).

Interest rate and currency swaps on Euro denominated debt

In June 2013 Millicom entered into interest rate and currency swaps whereby Millicom will sell Euro’s and receive USD to hedge against exchange rate fluctuations on an intercompany seven year Euro 134 million principal and related interest financing of its operation in Senegal. At 31 December 2016 the fair value of the swap amounts to an asset of $32 million (31 December 2015: asset of $26 million).

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

No other financial instruments have a significant fair value at 31 December 2016.

14. INVESTMENTS IN JOINT VENTURES

As disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2015, Millicom's respective unconditional call options to acquire the remaining 33.3% and 45% of the Honduran (Celtel) and Guatemala (Comcel) businesses respectively expired unexercised on 31 December 2015, and accordingly both businesses were deconsolidated from 31 December 2015.

At the same time the conditional put options Millicom provided to the other shareholders also lapsed.

As a consequence, on 31 December 2015, Millicom deconsolidated its investments in Comcel and Celtel and accounted for them under the equity method, initially at fair value. As from 31 December 2015 onwards, Millicom therefore jointly controls Comcel and Celtel and accounts for its investments in Comcel and Celtel under the equity method and thus reports its share of the net income of each of these businesses in the income statement in the caption "Income (loss) from joint ventures" starting 1 January 2016.

Purchase price allocation for Honduras and Guatemala

The Group has completed the purchase price allocations for both Guatemala and Honduras operations as of 31 December 2015, date of recognition of the Group's investment in both operations as joint ventures. For the purchase accounting, Millicom determined the fair values of these operations based on discounted cash flows.

Guatemala - 31 December 2015 (US$ millions)	Carrying values 55%	Fair Values 55%	Change
Intangible assets (excluding goodwill), net *(i)*	689	905	216
Property, plant and equipment, net *(ii)*	390	409	19
Other non-current assets	3	3	-
Current assets (excluding cash)	446	446	-
Cash and cash equivalents	87	87	-
Total Assets	**1,615**	**1,850**	**234**
Non-current financial liabilities	557	560	3
Current liabilities	152	152	-
Total Liabilities	**709**	**712**	**3**
Carrying value / Fair value of assets and liabilities, net	**906**	**1,137**	**231**
Fair value of the investment in joint venture	-	2,237	-
Goodwill	**-**	**1,100**	**-**

(i) *Intangible assets increase mainly consists of step-up recognized on the trademark for an amount of $71 million, with indefinite useful life and the customer lists for an amount of $148 million, with estimated remaining useful life of 7 years.*

(ii) *Certain network and civil works assets were adjusted to their fair value for an amount of $19 million.*

Honduras - 31 December 2015 (US$ millions)	Carrying values 66%	Fair Values 66%	Change
Intangible assets (excluding goodwill), net *(i)*	136	200	64
Property, plant and equipment, net *(ii)*	213	307	94
Other non-current assets	1	1	-
Current assets (excluding cash)	274	274	-
Cash and cash equivalents	9	9	-
Total Assets	**633**	**791**	**158**
Non-current financial liabilities	308	358	51
Current liabilities	109	109	-
Total Liabilities	**417**	**467**	**51**
Fair value of assets and liabilities, net	**216**	**324**	**107**
Fair value of the investment in joint venture	-	983	-
Goodwill	**-**	**660**	**-**

(i) *Intangible assets increase mainly consists of step-up recognized on the customer lists for an amount of $64 million, with estimated remaining useful life between 2 and 10 years.*

(ii) *Certain property, plant and equipment assets were adjusted to their fair value for an amount of $94 million.*

For the year ended 31 December 2016, the additional amortisation related to the assets recognised as part of the purchase price allocation exercise (net of tax) amounts to $22 million for Guatemala and $19 million for Honduras, at Millicom's equity stake which is recorded under the caption 'Income from joint ventures, net.

14. INVESTMENTS IN JOINT VENTURES (Continued)

Financial information

Had the Honduras and Guatemala operations been deconsolidated from 1 January 2015 (opening balance of the comparative period) and accounted for as joint ventures, the Group's key results and cash flows for the year and the three month period ended 31 December 2015 would have been as follows:

Summary of Group Income Statement, financial position and cash flows with Guatemala and Honduras operations as joint ventures (US$ millions)	Year ended 31 December 2016	Year ended 31 December 2015
Revenue	**4,374**	**4,616**
Cost of sales	(1,279)	(1,376)
Gross profit	**3,096**	**3,241**
Operating expenses	(1,781)	(1,987)
Depreciation and amortisation	(928)	(926)
Other operating income (expenses), net	(20)	(63)
Share of profit in Guatemala and Honduras operations	115	151
Operating profit	**482**	**416**
Profit (loss) before taxes	**71**	**(379)**
Charge for taxes, net	(180)	(150)
Loss for the period	**(109)**	**(529)**
Profit (loss) for the period from discontinued operations, net of tax	19	(83)
Non-controlling interests	58	53
Net loss for the year attributable to the owners of Millicom	**(32)**	**(559)**
Total Assets (i)	9,627	10,395
Total Liabilities (i)	6,258	6,667
Net Assets (i)	**3,368**	**3,728**
Net cash from operating activities	878	951
Net cash from (used in) investing activities	(552)	(406)
Net cash from (used in) financing activities	(441)	(285)
Exchange impact on cash and cash equivalents, net	(8)	(82)
Net increase (decrease) in cash and cash equivalents	**(123)**	**178**

(i) Comparative figures are the ones as at 31 December 2015.

Summary of Group Income Statement, financial position and cash flows with Guatemala and Honduras operations as joint ventures (US$ millions)	Three months ended 31 December 2016	Three months ended 31 December 2015
Revenue	**1,119**	**1,134**
Cost of sales	(330)	(350)
Gross profit	**789**	**784**
Operating expenses	(473)	(506)
Depreciation and amortisation	(241)	(226)
Other operating income (expenses), net	(18)	(56)
Share of profit in Guatemala and Honduras operations	12	23
Operating profit	**69**	**19**
Profit (loss) before taxes	**(131)**	**(320)**
Charge for taxes, net	(68)	(62)
Loss for the period	**(199)**	**(383)**
Profit (loss) for the period from discontinued operations, net of tax	1	(37)
Non-controlling interests	56	(7)
Net loss for the year attributable to the owners of Millicom	**(143)**	**(426)**

14. INVESTMENTS IN JOINT VENTURES (Continued)

In 2014, our joint venture in Guatemala (55% shareholding) entered into five year contracts with the Guatemalan Government to provide video surveillance to the Civil National Police. The service includes camera lease, connectivity, storage of images, monitoring centers and software with analytics. As at 31 December 2016, no payment has been received under this contract due to government budget restrictions. Management have closely monitored the collectability of amounts owed under these contracts since inception, and have, since 1 July 2016 considered that the accounting criteria regarding probability of cash flowing to the Group are no longer met. Accordingly, all outstanding amounts receivable under the contract of $42 million have been fully impaired, and no revenue has been recognised from the contracts from 1 July 2016. In 2016, a provision for impairment of $24 million was recorded (2015: $18 million). In Q4 2016, an impairment review of the fixed assets bought in the context of this contract has been completed and an impairment of $18 million has been recorded. Millicom accounts for their Guatemalan operations using the equity method. Therefore, the impact of these impairments on the Group results are $ 13 million and $ 10 million, respectively.

15. INVESTMENTS IN ASSOCIATES

Africa Internet Holding GmbH (AIH)

Various shareholder funding rounds were signed in late 2015 and in 2016. Millicom did not participate and therefore retained its initial investment at Euro 70 million. In addition, during June 2016, there was a capital restructuring whereas all investors rolled up into AIH. At 31 December 2016, these transactions have all been duly executed and as a result Millicom's shareholding in AIH was reduced to 10%. This has triggered the recognition of a net dilution gain of $43 million in the Group income statement under 'Income (loss) from associates, net' in the year ended 31 December 2016.

Helios Towers Africa (HTA)

Millicom's shareholding diluted from 28% to 23% as a result of previous committed cash calls and new investors' funding. This has resulted in Millicom recognizing a gain on dilution of $16 million in the year ended 31 December 2016. The gain has been recorded in the Group income statement under 'Income (loss) from associates, net'.

Latin America Internet Holding GmbH (LIH)

During 2016, Millicom's 35% investment in LIH has been impaired by $40 million mainly as a result of the drop in fair value of LIH's investment in Global Fashion Group.

16. IPO – MILLICOM'S OPERATIONS IN TANZANIA

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

17. SUBSEQUENT EVENTS

Dividend

On 7 February 2017 Millicom's Board decided to propose to the Annual General Meeting of the Shareholders a dividend distribution of US$2.64 per share to be paid out of Millicom profits for the year ended 31 December 2016 subject to the Board's approval of the 2016 Consolidated Financial Statements of the Group.

17. SUBSEQUENT EVENTS (Continued)

Cable Parana acquisition

On 6 January 2017, after obtaining the necessary regulatory approvals, Tigo Paraguay completed the acquisition of TV Cable Parana for a total consideration of $19 million.

Tigo Senegal and HTA

We have agreed to sell our business in Senegal to Wari Group, subject to regulatory approvals. The transaction represents an enterprise value for Tigo Senegal of $129 million. We have also initiated a process to sell our 22% stake in Helios Towers Africa.