



MILLICOM
THE DIGITAL LIFESTYLE

Unaudited Interim Condensed Consolidated Financial Statements

For the three month period
ended 31 March 2015

22 April 2015

Unaudited interim condensed consolidated income statement for the three month period ended 31 March 2015

US\$ millions	Notes	Three months ended 31 March 2015	Three months ended 31 March 2014
Revenue	6	1,709	1,405
Cost of sales		(710)	(518)
Gross profit		999	887
Sales and marketing		(314)	(296)
General and administrative expenses		(407)	(308)
Other operating expenses		(53)	(52)
Other operating income		2	5
Operating profit	6	227	236
Interest expense		(125)	(104)
Interest and other financial income		4	1
Revaluation of previously held interest		—	2,250
Other non-operating (expenses) income, net	7	(72)	(41)
Gain (loss) from associates and joint ventures, net ...		(13)	(12)
Profit (loss) before taxes from continuing operations		21	2,330
Charge for taxes, net		(39)	(71)
Profit (loss) for the period from continuing operations		(18)	2,259
Profit (loss) for the period from discontinued operations, net of tax ¹	4	—	21
Net (loss) profit for the period		(18)	2,280
Attributable to:			
Owners of the Company		(46)	2,244
Non-controlling interests		28	36
Earnings per common share for profit (loss) attributable to the owners of the Company:			
Basic (US\$)	8	(0.46)	22.45
Diluted (US\$)	8	(0.46)	22.44

¹ As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see note 4).

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 three month period ended 31 March 2015

US\$ millions	Three months ended 31 March 2015	Three months ended 31 March 2014 ¹
Net profit (loss) for the period	(18)	2,280
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(123)	(16)
Cash flow hedges	(7)	3
Other comprehensive income (not to be reclassified to profit and loss in subsequent periods), net of tax:		
Changes in pension obligations.....	—	—
Total comprehensive income (loss) for the period	(148)	2,267

Attributable to:		
Owners of the Company	(130)	2,229
Non-controlling interests	(18)	38

¹As a result of amendments to the investment agreements, the loss of path to control requires the Online businesses to be classified as discontinued operations under IFRS (see notes 3 and 4).

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 March 2015

US\$ millions	Notes	31 March 2015	31 December 2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net.....	10	5,339	5,503
Property, plant and equipment, net	9	4,354	4,631
Investments in associates		170	185
Investments in joint ventures		83	89
Pledged deposits		1	2
Deferred tax assets.....		280	294
Other non-current assets		158	187
TOTAL NON-CURRENT ASSETS		10,385	10,891
CURRENT ASSETS			
Inventories		172	152
Trade receivables, net		507	492
Amounts due from non-controlling interests, associates and joint venture partners	13	186	300
Prepayments and accrued income		307	283
Current income tax assets		149	150
Supplier advances for capital expenditure		74	64
Pledged deposits		6	6
Other current assets		135	103
Restricted cash		124	128
Cash and cash equivalents		1,131	694
TOTAL CURRENT ASSETS.....		2,791	2,372
Assets held for sale	4	31	34
TOTAL ASSETS		13,207	13,297

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

Unaudited interim condensed consolidated statement of financial position at 31 March 2015 (continued)

US\$ millions	Notes	31 March 2015	31 December 2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium.....		639	639
Treasury shares.....		(148)	(160)
Put option reserve.....	14	(2,513)	(2,513)
Other reserves.....		(484)	(388)
Retained profits.....		4,724	2,121
Profit (loss) for the period / year attributable to equity holders.....		(46)	2,643
Equity attributable to owners of the Company.....		2,172	2,342
Non-controlling interests.....		1,253	1,405
TOTAL EQUITY.....		3,425	3,747
LIABILITIES			
Non-current liabilities			
Debt and financing.....	11	4,520	4,467
Derivative financial instruments.....	14	28	43
Amounts due to associates and joint venture partners ...	13	8	31
Provisions and other non-current liabilities.....		251	259
Deferred tax liabilities.....		149	176
Total non-current liabilities.....		4,956	4,976
Current liabilities			
Debt and financing.....	11	707	362
Put option liabilities.....	14	2,261	2,260
Payables and accruals for capital expenditure.....		301	371
Other trade payables.....		319	386
Amounts due to associates and joint venture partners ...	13	5	4
Accrued interest and other expenses.....		536	501
Current income tax liabilities.....		167	143
Provisions and other current liabilities.....		529	545
Total current liabilities.....		4,825	4,572
Liabilities directly associated with assets held for sale....	4	1	2
TOTAL LIABILITIES.....		9,782	9,550
TOTAL EQUITY AND LIABILITIES.....		13,207	13,297

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 three month period ended 31 March 2015

US\$ millions	Notes	Three months ended 31 March 2015	Three months ended 31 March 2014
Cash flows from operating activities			
Profit (loss) before taxes from continuing operations		21	2,330
Profit (loss) for the period from discontinued operations	4	—	21
Profit (loss) before taxes		21	2,351
Adjustments to reconcile to net cash:			
Interest expense (income), net.....		121	103
Revaluation of previously held interest.....		—	(2,250)
Other non-operating expenses (income), net.....		72	18
(Gain) loss from associates and joint ventures, net.....		13	12
Adjustments for non-cash items:			
Depreciation and amortization.....		340	250
Other non-cash items.....		5	(2)
Changes in working capital.....		(144)	(48)
Interest received (paid), net		(78)	(58)
Taxes paid		(50)	(54)
Net cash provided by operating activities		300	322
Cash flows from investing activities:			
Purchase of intangible assets and licenses	10	(35)	(42)
Purchase of property, plant and equipment	9	(211)	(241)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	(23)	(27)
Disposal of subsidiaries, joint ventures and associates	5	3	—
Other cash from (used by) other investing activities		48	57
Net cash used by investing activities		(218)	(253)
Cash flows from financing activities:			
Proceeds from 6.875% Guatemala bond		—	779
Proceeds from 6% MIC SA bond	11	497	—
Proceeds from other debt and financing.....		60	128
Acquisition of non-controlling interests	3	(24)	—
Repayment of debt and financing		(98)	(716)
Advances for and dividends to non-controlling interests		(25)	(188)
Other financing activities.....		(25)	(34)
Net cash from (used by) financing activities		385	(31)
Exchange gains (losses) on cash and cash equivalents, net		(30)	(2)
Net (decrease) increase in cash and cash equivalents		437	36
Cash and cash equivalents at the beginning of the year		694	941
Cash and cash equivalents at the end of the period / year		1,131	977

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 March 2015 and 31 December 2014

US\$ 000s	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital (000's)	Share premium (000's)	Treasury shares (000's)	Retained profits (i) (000's)	Put option reserve (000's)	Other reserves (000's)	Total (000's)	Non-controlling interests (000's)	Total equity (000's)
Balance on 31 December 2013	101,739	(1,895)	152,607	487,565	(172,371)	2,383,469	(737,422)	(185,116)	1,928,732	152,050	2,080,782
<i>Profit for the period</i>	—	—	—	—	—	2,244,317	—	—	2,244,317	35,694	2,280,011
<i>Cash flow hedge reserve movement</i>	—	—	—	—	—	—	—	3,522	3,522	—	3,522
<i>Currency translation differences</i>	—	—	—	—	—	—	—	(18,565)	(18,565)	2,081	(16,484)
Total comprehensive income for the period	—	—	—	—	—	2,244,317	—	(15,043)	2,229,274	37,775	2,267,049
Purchase of treasury shares	—	(26)	—	—	(2,548)	—	—	—	(2,548)	—	(2,548)
Share based compensation	—	—	—	—	—	—	—	6,460	6,460	—	6,460
Issuance of shares under the LTIPs	—	165	—	(775)	14,947	1,004	—	(15,176)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—	—	766,353	766,353
Deconsolidation of Online	—	—	—	—	—	—	—	—	—	(4,386)	(4,386)
Put option	—	—	—	—	—	—	(1,775,078)	—	(1,775,078)	—	(1,775,078)
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(17,634)	(17,634)
Balance on 31 March 2014	101,739	(1,756)	152,607	486,790	(159,972)	4,628,790	(2,512,500)	(208,875)	2,386,840	934,158	3,320,998
<i>Profit for the period</i>	—	—	—	—	—	398,413	—	—	398,413	121,876	520,289
<i>Cash flow hedge reserve movement</i>	—	—	—	—	—	—	—	(2,306)	(2,306)	—	(2,306)
<i>Currency translation differences</i>	—	—	—	—	—	—	—	(193,968)	(193,968)	(169,320)	(363,288)
<i>Changes in pension obligations</i>	—	—	—	—	—	—	—	1,414	1,414	—	1,414
Total comprehensive income for the period	—	—	—	—	—	398,413	—	(194,860)	203,553	(47,444)	156,109
Dividends (ii)	—	—	—	—	—	(263,978)	—	—	(263,978)	—	(263,978)
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—
Share based compensation	—	—	—	—	—	—	—	15,951	15,951	—	15,951
Issuance of shares under the LTIPs	—	—	—	15	44	7	—	(51)	15	—	15
Change in scope of consolidation	—	—	—	—	—	—	—	—	—	694,647	694,647
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(176,211)	(176,211)
Balance on 31 December 2014	101,739	(1,756)	152,607	486,805	(159,928)	4,763,232	(2,512,500)	(387,835)	2,342,381	1,405,150	3,747,531
<i>Profit (loss) for the period</i>	—	—	—	—	—	(45,702)	—	—	(45,702)	27,848	(17,854)
<i>Cash flow hedge reserve movement</i>	—	—	—	—	—	—	—	(6,682)	(6,682)	—	(6,682)
<i>Currency translation differences</i>	—	—	—	—	—	—	—	(77,666)	(77,666)	(45,990)	(123,656)
Total comprehensive income for the period	—	—	—	—	—	(45,702)	—	(84,348)	(130,050)	(18,142)	(148,192)
Purchase of treasury shares	—	(29)	—	—	(2,206)	—	—	—	(2,206)	—	(2,206)
Share based compensation	—	—	—	—	—	—	—	5,897	5,897	—	5,897
Issuance of shares under the LTIPs	—	157	—	(732)	14,323	2,079	—	(15,670)	—	—	—
Change in scope of consolidation (iii)	—	—	—	—	—	(41,250)	—	(2,696)	(43,946)	23,946	(20,000)
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(157,655)	(157,655)
Balance on 31 March 2015	101,739	(1,628)	152,607	486,073	(147,811)	4,678,359	(2,512,500)	(484,652)	2,172,076	1,253,299	3,425,375

- (i) Includes profit for the year attributable to equity holders of which at 31 March 2015 \$277 million (31 December 2014: \$285 million) are undistributable to owners of the Company.
- (ii) A dividend of \$2.64 per share was approved at the Annual General Meeting in May 2014 and distributed in June 2014.
- (iii) 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 and investments in online businesses in Latin America and Africa.

On 21 April 2015 the Board of Directors authorized these 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 condensed interim 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 condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2014 consolidated financial statements, as disclosed in note 2 of those financial statements. The following changes to standards effective for annual periods starting after 1 July 2014 did not have a significant impact on Millicom:

- Defined Benefit Plans (amendments to IAS 19);
- Annual Improvements projects impacting IFRS 2, Share based payment; IFRS 3; Business Combinations, IFRS 8, Operating Segments; IFRS 13, Fair Value Measurement; IAS 16, Property, plant and equipment; IAS 24, Related party disclosures; and IAS 38, Intangible Assets.

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

Africa Internet Holding GmbH (AIH)

In January and March 2015 Millicom paid an aggregate of Euro 20 million to AIH. These payments were related to the increase in shareholding from 20% to 33.3% in 2014. At 31 March 2015 Euro 5 million remains to be paid. Millicom may invest a further Euro 70 million under the agreement.

Telecable Costa Rica

On December 19, 2014 Millicom signed an agreement to acquire 100% of the shares of Telecable Economico TVE, S.A. a cable operator in Costa Rica, and related intellectual property, for cash consideration of \$82.9 million. The acquisition is subject to customary closing conditions (including regulatory approval), and is expected to close during 2015.

Other minor acquisitions

During the three month period ended 31 March 2015 Millicom raised its stake in its Rwandan subsidiary from 87.5% to 100% and made other smaller acquisitions for total consideration of \$24 million.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – Online Businesses

On January 21, 2014 as a result of an amendment to the shareholders’ agreement, Millicom deconsolidated LIH. The results were classified as discontinued operations and for the three-month period ended 31 March 2014 were:

US\$ millions	Three months ended 31 March 2014
Revenue.....	4
Operating expenses.....	(6)
Operating losses.....	(2)
Gain on deconsolidation.....	23
Profit (loss) after tax from discontinued operations.....	21

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

Assets Held for Sale - Tower Sale and Leaseback Agreements

At 31 March 2015 Millicom had assets held for sale amounting to \$10 million relating to its operations in DRC, Colombia, Ghana and Tanzania (31 December 2014: \$12 million) representing towers sold but yet to be transferred to tower companies in those countries.

Assets Held for Sale - UNE 4G Spectrum

In accordance with a merger regulatory approval condition, spectrum to be returned to the Colombian government with carrying value of \$21 million is classified as assets held for sale.

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

MKC Brilliant Services GmbH (LIH)

During March 2015 LIH disposed of its interest in HelloFood and as consideration for disposal declared a Euro 8 million dividend to Millicom.

Other disposals

During the three month period ended 31 March 2015 Millicom disposed of a minor subsidiary for cash consideration of \$3 million.

6. SEGMENT INFORMATION

Millicom presents segment information by geographical region (Central America, South America and Africa). Revenue, operating profit (loss) and other segment information for the three month periods ended 31 March 2015 and 2014 was as follows:

Three months ended 31 March 2015 (US\$ millions)	Central America (iii)	South America	Africa (iv)	Unallocated item	Total continuing operations	Inter- company elimination	Total
Revenue	629	832	248	—	1,709	—	1,709
Operating profit (loss)	176	118	(5)	(62)	227	—	227
Add back:							
Depreciation and amortization	117	158	62	3	340	—	340
Loss (gain) on disposal and impairment of property, plant and equipment	—	(2)	—	1	(1)	—	(1)
Loss (gain) from joint venture	—	—	—	—	—	—	—
Other non-cash items	—	—	—	6	6	—	6
Capital expenditure	(63)	(97)	(28)	(2)	(190)	—	(190)
Changes in working capital	—	(95)	(10)	(39)	(144)	—	—
Other movements	(38)	(21)	(31)	(11)	(101)	—	—
Operating free cash flow (i)	192	61	(12)	(104)	137	—	137
Total Assets	6,955	4,222	1,649	2,111	14,937	(1,730)	13,207
Total Liabilities	2,325	2,596	1,999	4,593	11,513	(1,731)	9,782

Three months ended 31 March 2014 (US\$ millions)	Central America	South America	Africa	Unallocated item	Total continuing operations	Discontinued operations (ii)	Inter- company elimination	Total
Revenue	601	560	244	—	1,405	4	—	1,409
Operating profit (loss)	167	121	(2)	(50)	236	(3)	—	233
Add back:								
Depreciation and amortization	111	77	62	—	250	—	—	250
Loss (gain) on disposal and impairment of property, plant and equipment	5	—	(2)	(9)	(6)	—	—	(6)
Loss (gain) from joint venture	—	—	(2)	—	(2)	—	—	(2)
Other non-cash items	—	—	—	6	6	—	—	6
Capital expenditure	(55)	(71)	(37)	—	(163)	—	—	(163)
Changes in working capital	30	(2)	25	(101)	(48)	—	—	—
Other movements	(89)	(28)	(57)	10	(164)	—	—	—
Operating free cash flow (i)	169	97	(13)	(144)	109	—	—	109
Total Assets	7,119	2,638	1,725	2,860	14,342	—	(1,867)	12,475
Total Liabilities	2,283	2,014	2,192	4,515	11,004	—	(1,850)	9,154

(i) Only for calculating segments' operating free cash flows, vendor financing of equipment is treated as a cash transaction.

(ii) See note 4.

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

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

US\$ millions	Three months ended 31 March 2015	Three months ended 31 March 2014
Change in redemption price of put options (see note 14)	(1)	(21)
Change in fair value of derivatives (see note 14)	36	(4)
Exchange losses, net	(97)	(24)
Other non-operating income, net	(10)	8
Total	(72)	(41)

8. EARNINGS PER COMMON SHARE

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

US\$ millions	Three months ended 31 March 2015	Three months ended 31 March 2014
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	(46)	2,223
Net profit attributable to owners of the Company from discontinuing operations	—	21
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	(46)	2,244
in thousands		
Weighted average number of ordinary shares for basic earnings per share	100,112	99,981
Potential incremental shares as a result of share options	43	35
Weighted average number of ordinary shares adjusted for the effect of dilution	100,155	100,016
US\$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(0.46)	22.24
- EPS from discontinuing operations attributable to owners of the Company	—	0.21
- EPS for the period attributable to owners of the Company	(0.46)	22.45
Diluted		
- EPS from continuing operations attributable to owners of the Company	(0.46)	22.23
- EPS from discontinuing operations attributable to owners of the Company	—	0.21
- EPS for the period attributable to owners of the Company	(0.46)	22.44

9. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2015, Millicom added property, plant and equipment for \$168 million, and received \$4 million in cash from disposal of property, plant and equipment.

10. INTANGIBLE ASSETS

During the three months ended 31 March 2015, Millicom added intangible assets of \$22 million, and received \$1 million in cash from disposal of intangible assets.

11. DEBT AND FINANCING

MIC SA 6% Bond

On 11 March 2015 Millicom issued a \$500 million 6% fixed interest rate bond repayable in 10 years, to repay the El Salvador 8% Senior Notes and for general corporate purposes. The bond was issued at 100% of the principal and has an effective interest rate of 6.132%. \$7.2 million of withheld and upfront costs will be amortized over the 10 year life of the bond.

El Salvador 8% Senior Notes Buy Back

On 18 March 2015 Millicom tendered an offer to early redeem the outstanding \$311 million of the \$450 million bond issued by Telemovil Finance Co. Ltd in 2010 for \$323 million including an early redemption premium of \$12 million over the face value of the bonds. As the amount of the repurchase was able to be estimated at 31 March 2015, the \$12 million premium and \$4 million of related unamortized costs were included as financial expenses in the income statement in the three month period ended 31 March 2015.

SEK Senior Unsecured Notes Amendment

On 17 March 2015 Millicom obtain consent from its noteholders to amend certain covenant terms and conditions to align to its other credit facilities.

11. DEBT AND FINANCING (Continued)

Analysis of debt and other financing by maturity

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

US\$ millions	As at 31 March 2015	As at December 31, 2014
Due within:		
One year	707	362
One-two years.....	268	322
Two-three years.....	420	549
Three-four years	217	481
Four-five years	258	223
After five years	3,357	2,892
Total debt	5,227	4,829

As at 31 March 2015, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit or guarantees issued was \$1,456 million (31 December 2014: \$1,340 million). Assets pledged by the Group for these debts and financings amounted to \$9 million at 31 March 2015 (31 December 2014: \$9 million).

The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at 31 March 2015 and 31 December 2014. Amounts issued to cover bank guarantees are recorded in the consolidated statements of financial position under the caption "Debt and other financing".

US\$ millions	Bank and financing guarantees(i)			
	As at 31 March 2015		As at 31 December 2014	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year.....	110	150	111	150
1-3 years.....	50	50	50	50
3-5 years.....	70	70	70	70
More than 5 years	92	92	57	55
Total	322	362	287	325

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

12. COMMITMENTS AND CONTINGENCIES

Litigation & claims

At 31 March 2015, the total amount of claims against Millicom and its operations was \$560 million (31 December 2014: \$359 million). Of the total amount of claims \$22 million (31 December 2014: \$22 million) has been assessed probable and provided for litigation risks.

Taxation

At 31 March 2015 the group estimates potential tax claims amounting to \$340 million of which tax provisions of \$61 million have been assessed probable and have been recorded (31 December 2014: claims amounting to \$339 million and provisions of \$63 million).

Capital commitments

At 31 March 2015 the Company and its subsidiaries and joint ventures had fixed commitments to purchase network equipment and other fixed and intangible assets from a number of suppliers in total for \$347 million of which \$329 million are due within one year (31 December 2014: \$336 million of which \$308 million are due within one year).

Other commitments

Following the increase in shareholding of AIH from 20% to 33% on June 25, 2014, at 31 March 2015 Millicom has a remaining commitment to invest and corresponding liability of Euro 5 million to AIH (see note 3).

12. COMMITMENTS AND CONTINGENCIES (Continued)

Currency and interest rate swap contracts

Interest rate and currency swaps on SEK denominated debt

The currency portion of the swap has been accounted for as a fair value hedge and related fluctuations have been recorded through profit and loss. For the interest portion, as the timing and amounts of the cash flows under the swap agreements match the cash flows under the bonds the swaps are highly effective. Cash flow hedge accounting has been applied and changes in the fair value of the swaps are recorded in other comprehensive income. At 31 March 2015 the fair value of the swap amounts to a liability of \$73 million (31 December 2014: a liability of \$44 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 a seven year Euro 134 million principal and related interest financing of its operation in Senegal. At 31 March 2015 the fair value of the swap amounts to an asset of \$30 million.

Interest rate swaps on US\$ Floating Rate Debt

In July 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 a seven year Euro 41.5 million principal and related interest financing of its operation in Chad. In March 2015 the financing facility was repaid and the swap contracts terminated. A gain on the swap including termination of \$4 million was recorded in the three months to 31 March 2015.

13. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three month period ended 31 March 2015:

US\$ millions (unaudited)	Three months ended 31 March 2015	Three months ended 31 March 2014
Expenses		
Purchase of goods and services (Kinnevik)	1	1
Purchases of goods and services (Miffin).....	53	28
Purchases of goods and services (non-controlling interest in Colombia) .	—	1
Lease of towers and related services (Helios and ATC)	15	34
Total	69	64

US\$ millions (unaudited)	Three months ended 31 March 2015	Three months ended 31 March 2014
Income / gains		
Sale of goods and services (non-controlling interest in Colombia)	—	2
Sale of goods and services (Miffin)	53	59
Gain on sale of towers and shares (Helios)	—	6
Interest income (Helios Towers DRC and Tanzania loans)	1	1
Total	54	68

As at 31 March 2015 the Company had the following balances with related parties:

US\$ millions (unaudited)	At 31 March 2015	At 31 December 2014
Liabilities		
Finance lease payables to tower companies	137	127
Payable to Miffin	6	10
Payable to AIH for 13.33% increase (see note 3)	7	31
Other accounts payable	5	16
Total	155	184

13. RELATED PARTY TRANSACTIONS (Continued)

US\$ millions (unaudited)	At 31 March 2015	At 31 December 2014
Assets		
Advances to non-controlling interests.....	189	300
Advance payments to Helios Towers Ghana	4	—
Loan to Helios Towers Tanzania	25	18
Other accounts receivable	6	31
Total	224	349

14. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at 31 March 2015 and 31 December 2014:

US\$ millions	Carrying Value		Fair Value	
	31 March 2015 (unaudited)	31 December 2014 (audited)	31 March 2015 (unaudited)	31 December 2014 (audited)
Financial liabilities				
Debt and financing.....	5,227	4,829	3,495	3,652
Put options.....	2,261	2,260	—	—

The call options in Honduras and in Guatemala are measured with reference to level 3 of the fair value hierarchy. The Honduras and Guatemala put option liabilities are financial liabilities carried at the present value of the redemption amount and are therefore excluded from the fair value hierarchy.

Guatemala Options

At 31 March 2015 the carrying value of the put option provided to our local partner in Guatemala amounted to \$1,737 million (31 December 2014: \$1,687 million).

At 31 March 2015 the value of the call option from our local partner was \$74 million (31 December 2014: \$74 million). The fair value of the call option has been determined by using an option pricing model (Monte Carlo simulation using the Longstaff Schwartz algorithm).

Honduras Options

At 31 March 2015, the carrying value of put option provided to our local partner in Honduras amounted to \$524 million (31 December 2014: \$574 million). At 31 March 2015 the value of the call option from our local partner was not significant (31 December 2014: not significant).

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 (see note 12).

No other financial instruments are measured at fair value.

15. SUBSEQUENT EVENTS

On 20 April 2015 Millicom redeemed the El Salvador Senior Notes (see note 11).
