Millicom International Cellular S.A.

Q1 Highlights[i]

- Continued delivery towards our strategic goals
  - Record 370,000 new HFC homes passed – 8.4 million total homes passed
  - 4G subscriber base grew by almost 400,000 to 3.8 million
  - Mobile data and cable in Latam generated 53.4% of total group service revenue
- Latam service revenue evolution improved significantly
  - B2C mobile data revenue grew by 20.0% [ii]
  - Home cable revenue grew by 7.3% [ii]
  - Improving trend continued in Colombia
- Weaker quarter in Africa held back Group service revenue growth [ii]
- Enhanced operational and capital efficiency with Tower deal in Paraguay
- Agreement signed with Airtel to combine operations in Ghana

Summary of key financial indicators

$m *(excluding Senegal)*	Q1 2017	Q1 2016	% change
Revenue	1,505	1,499	0.4%
Organic growth [ii]	*(2.2%)*	*1.8%*	-
Service revenue	1,421	1,408	0.9%
Organic growth [ii]	*(1.5%)*	*3.7%*	-
EBITDA[iii]	555	539	2.8%
Organic growth [ii]	*0.0%*	*6.2%*	-
EBITDA margin	36.8%	36.0%	-
Capex (ex spectrum)	155	193	(19.6%)
OCF (EBITDA – Capex)	399	346	15.4%
Net debt	4,201	4,419	(4.9%)

Millicom Chief Executive Mauricio Ramos commented:

“Across Latam we are off to a good start in 2017, maintaining the rapid build-out of our HFC network and continuing to grow our 4G customer base. Our strategic focus on high-speed data, both mobile and fixed, is starting to pay off, driving improved service revenue growth for the region in the quarter.

Mobile data and cable in Latam now generate more than 53% of the group’s service revenue, and this underpins our confidence that growth should continue to improve throughout 2017 and over the medium term. Although challenges remain, I am encouraged with our results in Colombia, where service revenue growth and margins improved.

At the Group level, we added 80 basis points year-on-year to our EBITDA margin, as we continue to pursue operating efficiencies. We remain on target to deliver on our goals for 2017.

i The financial information presented in this earnings release is with Guatemala (55% owned) & Honduras (66.7% owned) as if fully consolidated. IFRS Revenue was $1,043 million in Q1 2017; see page 21 for reconciliation with IFRS numbers. With the exception of balance sheet items, the comparative 2016 financial information in this earnings release has been adjusted for the classification of our operations in Senegal as discontinued operations (in accordance with IFRS 5).

ii Organic growth represents year-on-year growth in local currency at constant perimeter, and includes regulatory changes. See page 20 for reconciliation with reported measures. See page 19 for definition of Alternative Performance Measures.

iii. We are no longer using Adjusted EBITDA as a key financial indicator as we no longer deem it relevant.

Subsequent Events

On 26 April, 2017, we announced an agreement to sell approximately 1,400 wireless communications towers to a subsidiary of American Tower Corporation ("ATC") in Paraguay. As a result of this transaction, Tigo Paraguay will receive approximately Gs700 billion, equivalent to US$125 million, in cash.

2017 Outlook

Based on constant currency, at a constant perimeter with Guatemala and Honduras fully consolidated, and on our current assessment of the macroeconomic outlook, we currently expect for 2017:

	Outlook
Service revenue [(a)]	Low single-digit % organic growth
EBITDA	Mid-to-high single-digit % organic growth
Capital expenditure	In line with 2016
Operating Cash Flow [(b)]	Growth around 10%

[(a)] *Service revenue is Group revenue excluding telephone and equipment sales*

[(b)]*Operating Cash Flow is underlying EBITDA less capex (excluding spectrum and license costs)*

Conference call details

A presentation and conference call to discuss these results will take place at 14.00 Stockholm / 14.00 Luxembourg / 13.00 London / 08.00 New York, on Wednesday 26 April. Dial-in numbers:

Sweden	+ 46 (0) 8 5065 3942
UK	+ 44 (0) 330 336 9411
US	+ 1 719 325 2385
Luxembourg	+ 352 2787 0187
Access code:	6804594

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

Financial calendar

Millicom will publish Results for 2017 Second Quarter on Wednesday 20 July 2017.

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Risks and uncertainty factors

Millicom operates in a dynamic industry characterized by rapid evolution in technology, consumer demand, and business opportunities. Combined with a focus on emerging markets in various geographic locations, the Group has a proactive approach to identifying, understanding, assessing, monitoring and acting on balancing risks and opportunities. For a description of risks and Millicom's approach to risk management, please refer to the 2016 Annual Report (http://www.millicom.com/investors/reporting-centre).

In addition to the information in the 2016 Annual Report and the information provided in this release, please refer to Millicom's press release, dated October 21, 2015, entitled "Millicom reports to authorities potential improper payments on behalf of its Guatemalan joint venture." At this time, Millicom cannot predict the outcome or consequences of this matter.

This press release may contain certain "forward-looking statements" with respect to Millicom's expectations and plans, strategy, management's objectives, future performance, costs, revenue, earnings and other trend information. It is important to note that Millicom's actual results in the future could differ materially from those anticipated in forward-looking statements depending on various important factors, including those included in this release. All forward-looking statements in this press release are based on information available to Millicom on the date hereof. All written or oral forward-looking statements attributable to Millicom International Cellular S.A., and Millicom International Cellular S.A. employees or representatives acting on Millicom's behalf are expressly qualified in their entirety by the factors referred to above. Millicom does not intend to update these forward-looking statements.

About Millicom

Millicom is a leading telecom and media company in Latin America and Africa. Millicom sets the pace when it comes to providing innovative and customer-centric digital lifestyle services through its principal brand, Tigo. As of December 2016, Millicom employed more than 16,000 people and provided mobile services to more than 57 million customers, with a Cable footprint of more than 8.1 million homes passed. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2016, Millicom generated revenue of USD 6.25 billion and EBITDA of USD 2.22 billion.

Group Financial Review [i]

US$m	Q1 2017	Q1 2016	% change
Revenue	**1,505**	**1,499**	**0.4%**
Cost of sales	(387)	(390)	(0.7%)
Gross profit	**1,118**	**1,109**	**0.8%**
Operating expenses	(563)	(570)	(1.2%)
EBITDA	555	539	2.8%
Depreciation & amortisation	(332)	(316)	5.0%
Other operating income / (expenses), net	1	(0)	NM
Operating profit	**223**	**223**	**0.2%**
Net financial expenses	(118)	(106)	11.2%
Other non-operating income / (expenses), net	23	11	115.3%
Gains / (losses) from associates, net	(14)	(11)	32.2%
Profit / (loss) before tax	**114**	**117**	**(2.1%)**
Net tax credit (charge)	(63)	(59)	7.7%
Profit / (loss) for the period from continuing ops.	**51**	**58**	**(12.0%)**
Non-controlling interests	(32)	(27)	20.0%
Profit / (loss) from discontinued operations	5	7	(30.9%)
Net profit / (loss) for the period	**24**	**38**	**(37.8%)**
Adjusted net profit (loss) for the period [ii]	**24**	**23**	**4.3%**
Adjusted earnings per share	**0.24**	**0.23**	**4.3%**

i excluding Senegal

ii see page 19 for reconciliation of adjustments

Total revenue of $1,505 million was 0.4% above the same quarter last year as reported and 2.2% lower on an organic basis (in local currency and at constant perimeter).

Operating expenses declined 1.0% year on year, buoyed by a 6% reduction in corporate and G&A costs.

Depreciation and amortisation increased 5.0% year-on-year to $332 million mainly due to the translation effect of a stronger Colombian Peso.

Net financial expenses increased by $12 million year-on-year to $118 million, mainly due to the higher levels of local currency debt, which attracts higher interest rates in nominal terms.

Other non-operating income more than doubled to $23 million due to FX gains.

Senegal is now treated as a discontinued operation. We recorded a $5 million profit in the quarter.

Reconciliation from Operating Profit to EBITDA

US$m	Q1 2017	Q1 2016
Operating Profit as reported (IFRS)	**159**	**140**
Impact of full consolidation of Guatemala and Honduras on operating profit	65	83
Operating Profit per management reporting	**223**	**223**
Depreciation and amortisation	332	316
Other operating income (expenses), net	(1)	-
EBITDA	**555**	**539**
EBITDA margin	*36.8%*	*36.0%*

EBITDA was $555 million in the quarter, flat year-on-year on an organic basis. Included in Q1 2017 EBITDA is a $7 million positive one-time item in Paraguay, partly offset by a smaller tax-related item in Chad.

Free Cash Flow

US$m	Q1 2017	Q1 2016	% change
EBITDA	**555**	**539**	**2.9%**
Net Cash Capex (excluding spectrum and licenses)	(274)	(332)	(17.4%)
Change in working capital and other non-cash items	(66)	(114)	(42.0%)
Operating Cash Flow	**215**	**94**	**>100%**
Taxes paid	(33)	(38)	(13.9%)
Operating Free Cash Flow	**182**	**56**	**227.7%**
Interest paid, net	(126)	(92)	37.0%
Free Cash Flow	**56**	**(36)**	**<(100%)**
Advances for dividends to non-controlling interests	(6)	(14)	(58.4%)
Equity Free Cash Flow	**50**	**(50)**	**<(100%)**

Equity free cash flow of $50 million in Q1 2017 represented an increase of $100 million year-on-year due to higher EBITDA and lower capex and working capital, mostly the result of timing differences.

Capital investments in the first quarter continued to be aimed towards the strategic focus areas of 4G mobile, the HFC network rollout, and the IT infrastructure that underpins the future growth. Of total Capex in the quarter, 59% was invested in the HFC rollout, 33% was invested on mobile coverage and capacity (predominantly 4G), and 8% went to IT. The first quarter is traditionally the slowest of the year for capital deployment.

Net Debt

US$m	Gross Debt	Of which Finance Leases	Cash	Of which Restricted Cash	Net Debt [i]
Latin America	**3,165**	**183**	**678**	**36**	**2,488**
Of which local currency	*1,700*	183	*322*	36	1,378
Africa	**394**	**125**	**172**	**109**	**222**
Of which local currency	*179*	125	*160*	109	19
Corporate	**1,748**	**-**	**257**	**-**	**1,491**
Group	**5,307**	**309**	**1,107**	**145**	**4,201**
o.w. Guatemala and Honduras	*1,391*	1	*363*	9	1,028
Group excluding GT & HN	**3,916**	**308**	**744**	**135**	**3,173**
Proportionate basis	*4,273*	222	*896*	140	3,377

i Net debt is Gross debt (including finance leases) less cash, restricted cash, and pledged and term deposits of $5 million.

Gross debt at 31 March 2017, including finance leases, remained stable at $5,307 million compared to $5,290 million at the end of December 2016. Around 60% of group gross debt at 31 March 2017 was held in Latin America, with approximately 7% held in Africa and the remaining 33% held at the corporate level. Financial lease liabilities of $309 million represented 5.8% of group gross debt, and around 32% of gross debt in Africa. (In 2016 finance leases were $295 million and represented 5.6% of group gross debt.)

At 31 March 2017, 71% of group gross debt was at fixed rate and 35% was in local currency, in line with our aim of increasing the proportion of total group debt held in local currency, to mitigate the risks of currency volatility. The average maturity of our debt stood at 5 years and our average cost of debt excluding finance leases remained stable at 6.4%.

Our cash position at 31 March, excluding restricted cash but including pledged and term deposits, stood at $962 million, of which 68% was held in US dollars. The restricted cash balance, principally comprising MFS customer account balances, was $145 million.

Group net debt, including Guatemala and Honduras on a fully consolidated basis, was $4,201 million at the end of March 2017. Net debt / EBITDA, based on the last twelve months EBITDA, was 1.94x at 31 March 2017, compared to 1.93x in December 2016.

Proportionate net debt as of March 2017, excluding 45% of Guatemala, 33.3% of Honduras, 50% of Colombia and 15% of Zantel, was $3,173 million and proportionate net debt / to EBITDA was 2.17x, compared to 2.15x at the end of December 2016.

Group Business Review

Business Units

We are changing how we present our operational and financial performance in order to match how we manage the business internally. Rather than reporting total Fixed and total Mobile metrics, each of which included both B2C and B2B customers, we will now report three segments: B2C mobile (prepaid and postpaid mobile services and MFS for individuals); Home (BBI, TV, DTH, and fixed voice); and B2B (mobile and fixed services for corporates). For Q1 2017, we are providing numbers under both the old and the new presentations in the Financial & Operating Data file published alongside this Results Statement. In subsequent quarters, we will present numbers only in the new format.

Latin America

Financial & operating data

KPI ('000)	Q1 2017	Q1 2016	YOY change
B2C Mobile customers	31,324	31,370	(0.1%)
Of which B2C mobile data customers	13,042	11,187	16.6%
Of which 4G customers	3,824	1,342	184.9%
Total homes passed	8,404	7,715	8.9%
Of which HFC homes passed	7,522	6,506	15.6%
Of which HFC homes connected	2,138	1,953	9.5%
Home – HFC revenue generating units	3,808	3,361	13.3%

All Numbers are organic stated in local currency and constant perimeter.

Further details are provided in the Financial & Operational Data excel file on our website (www.millicom.com/investors)

Financial	Q1 2017	Q1 2016	*Organic YOY*
B2C Mobile ARPU (US$)	7.8	7.9	(4.2%)
Home ARPU (US$)	28.5	25.9	4.6%
Total Revenue (US$m)	1,329	1,308	(1.9%)
Service revenue (US$m)	1,246	1,219	(1.3%)
Mobile B2C (US$m)	735	756	(5.3%)
Of which B2C mobile data (US$m)	309	250	20.0%
Home (US$m)	277	245	7.3%
B2B (US$m)	224	209	2.5%
EBITDA (US$m)	538	525	(0.6%)
EBITDA margin %	40.5%	40.1%	0.4pt
Capex (US$m)[i]	133	165	(19.4%)

i) Capex does not include spectrum and license costs

Market environment

The generally stable macro-economic environment seen across Latin America in the second half of 2016 continued in early 2017. Pressure on government budgets remains a constant in many of the countries in which we operate, and a new fiscal regime was introduced in Colombia at the start of the year, as expected. This included higher VAT rates, but also reductions in some corporate income taxes.

The Colombian Peso gained 2% in the period and was 8% stronger relative to the first quarter of 2016. Most of the other currencies in the region were lower year-on-year, on average.

Financials

Total revenue in Latam in Q1 declined by 1.9% year-on-year on an organic basis, to $1,329 million, and service revenue declined by 1.3% to $1,246 million. This was a significant improvement compared to a decline of 2.3% in the fourth quarter of 2016, mainly reflecting improved performance in all three South American countries.

B2C mobile service revenue declined by 5.3% year-on-year, to $735 million. B2C voice and SMS service revenue continued to decline, but at a moderating rate. Meanwhile, B2C mobile data service revenue continued to grow rapidly, gaining 20% year-on-year, and accounted for almost 42% of total B2C service revenue, compared to 33% in the first quarter of last year.

B2B service revenue grew by 2.5% organically to $224 million, with strong growth in Colombia and Paraguay partially offset by the impact of the termination of the government surveillance contract in Guatemala and the difficult operating conditions in El Salvador.

Home service revenue grew by 7.3% organically to $277 million, with strong growth across most of the region somewhat offset by ongoing churn among legacy copper customers in Colombia.

Telephone and equipment declined by almost 11% in the quarter to $84 million, maintaining the trend of the past two years.

EBITDA in Latam declined by 0.6 % organically in the quarter, a significant improvement on the fourth quarter of 2016. The EBITDA margin was 40.5%, up 40 basis points from 40.1% in the first quarter last year, reflecting a better performance from Colombia, as well as a $7 million positive one-time item in Paraguay.

Capital expenditure (excluding spectrum and license costs) in the first quarter was $133 million, 20% lower than the first quarter last year, reflecting only timing differences in what is usually a seasonally slow quarter.

FIRST QUARTER 2017 REVIEW BY COUNTRY

Colombia

	Q1 2017	Q1 2016	*Organic YOY change*
B2C Mobile customers ('000)	7,555	8,622	(12.4%)
Of which, 4G customers ('000)	1,030	626	64.6%
Total Homes connected ('000)	1,624	1,677	(3.1%)
HFC Homes connected ('000)	1,043	985	5.8%
Total revenue (US$m)	430	397	(1.9%)
Service revenue (US$m)	405	368	(0.3%)
EBITDA (US$m)	130	117	0.6%
EBITDA margin %	30.2%	29.5%	0.8pt

Service revenue declined 0.3% year-on-year in local currency in Q1, compared to a decline of 1.9% in Q4 2016. Reversing the recent trend, the Colombian peso strengthened during the quarter and was approximately 8% stronger relative to the same quarter last year. As a result, total service revenue grew by 10% as reported in US$.

The sequential improvement in organic growth was achieved despite headwinds which reduced total service revenue by approximately three percentage points. In line with undertakings given during the 2015 merger with UNE, we discontinued UNE's 4G fixed wireless service and vacated the spectrum at the end of 2016, losing customers who used this service. Our mobile business also faced cuts to termination rates in January and March. New MVNO tariffs introduced at the start of April are expected to impact service revenue growth over the rest of the year.

On the competitive front, the initial signs of stability that we saw in the mobile market towards the end of 2016 continued into 2017, with some further improvement in the pricing environment being experienced. While competition remains robust, the market in the quarter was broadly stable and we added 28,000 new mobile customers, following several quarters of net customer losses.

B2C mobile data revenue grew organically by around 11% in the quarter, slightly ahead of the growth rate in the previous quarter. Data now delivers more B2C service revenue than voice and SMS, and the rate of decline in B2C voice and SMS revenues improved sequentially in the quarter.

Our HFC network build accelerated, with 189,000 new HFC homes passed, for a total of almost 4.1 million as of the end of Q1. We connected a total of 28,000 net new HFC customers in the quarter, significantly higher than in recent quarters. However, total homes connected declined 17,000 in Q1, with strong HFC connections more than offset by churn among our copper customers. We are migrating a growing number of copper customers onto our HFC network.

Home service revenue grew 2.2% year-on-year in the quarter, somewhat slower growth than in the previous quarter, mainly reflecting the impact of VAT-related price increases, which led to higher churn in early 2017. This churn was temporary, however, and HFC net additions in March were the strongest for over a year.

B2B revenue, generated from both fixed and mobile services, grew 8.4% year-on-year in Q1, a notable improvement from 2016 levels, due to a number of major new contracts signed during the second half of last year. Our Wi-Fi Zone project helped attract new B2B customers, and we have a good pipeline of new B2B contract opportunities.

EBITDA rose 0.6% organically year-on-year to $130 million, and the favourable currency movement delivered growth of 11% when reported in US$. The EBITDA margin expanded to 30.2%, 80 basis points higher than in the first quarter of 2016, mainly reflecting lower operating costs, including synergies generated by the 2015 merger with UNE.

Bolivia

	Q1 2017	Q1 2016	*Organic YOY change*
B2C Mobile customers ('000)	2,993	2,942	1.7%
Total Homes connected ('000)	137	108	26.3%
Total revenue (US$m)	134	136	(1.4%)
Service revenue (US$m)	132	131	0.5%
EBITDA (US$m)	52	53	(1.8%)
EBITDA margin %	39.2%	39.4%	(0.2pt)

Service revenue growth improved to 0.5% compared to a decline of 0.8% in the previous quarter, driven by continued strength in mobile data and home, which offset the ongoing erosion in mobile voice and SMS revenue. Although mobile data revenue already exceeded mobile voice and SMS, mobile data growth has been accelerating over the past year.

Mobile data growth was driven by the addition 85,000 new 4G customers, with the 4G base growing to around 925,000 at the end of the quarter.

Our HFC roll-out continued, with another 40,000 homes passed in the quarter, and HFC accounting for almost 70% of our total fixed network footprint, compared to less than 40% at the end of the first quarter of 2016. Our Home revenue remains small relative to mobile, but it continues to grow rapidly.

EBITDA declined 1.8% year-on-year, and margins declined by 20 basis points, due a step up in spectrum usage fees.

Paraguay

	Q1 2017	Q1 2016	*Organic YOY change*
B2C Mobile customers ('000)	3,293	3,555	(7.4%)
Total Homes connected ('000)	320	289	10.8%
Total revenue (US$m)	159	153	1.6%
Service revenue (US$m)	149	141	2.9%
EBITDA (US$m)	82	70	14.2%
EBITDA margin %	51.3%	45.5%	5.7pt

Paraguay delivered service revenue growth of 2.9% in the quarter, 80 basis points better than Q4 16, with strong home, B2B and mobile data revenue more than offsetting the continuing decline in mobile voice and SMS.

On mobile, we added around 60,000 4G users during the first quarter of 2017, reaching 338,000 representing around 10% of the mobile subscriber base. 4G customer ARPU remained healthy at more than $20, more than two times our overall ARPU in the country. Mobile B2C data revenue growth was 18.8%, in the quarter. Data faces an unfavourable comparison following the recent regulatory change allowing customers to roll over their unused data balances at the end of a month, rather than losing these. The negative net additions of 67,000 in the quarter reflected churn among low-ARPU subscribers and our continued focus on high-value customers.

Home revenues increased by 18% year-on-year, boosted in part by the acquisition of Cable Parana that added 14,000 RGUs, but also benefited from more than 40,000 organic RGU net additions in the last 12 months. Residential ARPU remaining healthy at around $34. B2B also performed well, delivering almost 9% growth.

EBITDA in the quarter includes a benefit from a $7 million one-time provision reversal in Paraguay. Excluding this impact, EBITDA would have grown 4.6% on an organic basis, and the EBITDA margin would have been 46.9% in the quarter, an organic improvement of 140 basis points from 45.5% in the year ago period.

Guatemala

	Q1 2017	Q1 2016	*Organic YOY change*
B2C Mobile customers ('000)	9,491	8,780	8.1%
Total Homes connected ('000)	336	267	25.8%
Total revenue (US$m)	320	320	(3.1%)
Service revenue (US$m)	286	289	(4.3%)
EBITDA (US$m)	161	162	(3.7%)
EBITDA margin %	50.2%	50.5%	(0.3pt)

Service revenue in Guatemala fell by 4.3% in the quarter, a slight deterioration from the decline of 3.9% reported in Q4. By business unit, revenue trends remain largely unchanged from the previous quarter, with strong home and mobile data revenue growth insufficient to offset the continued erosion in mobile voice and SMS including incoming international traffic.

Since Q3 2016, revenues in our B2B segment have been impacted by the termination of a government contract. Excluding this effect, B2B service revenue growth would have been high single-digits during Q1, and total service revenue would have declined 1.9% year-on-year.

In mobile, we added 153,000 4G subscribers during the quarter to end the period with 1.3 million, equal to roughly 14% of our total mobile subscriber base. 4G users continue to generate ARPU levels that are more than double the average ARPU for the country.

Our home segment is the fastest growing in Guatemala, but it remains small in comparison to our mobile business. After a very strong fourth quarter in terms of network expansion, our focus in Q1 was mostly to convert homes-passed into connected homes and to increase the number of RGU's per connected home.

EBITDA declined 3.7% year-on-year, and the margin declined 30 basis points to 50.2% from 50.5% in the same quarter of 2016. This reflects the ongoing revenue challenges, which were partly mitigated by cost reductions.

Honduras

	Q1 2017	Q1 2016	*Organic YOY change*
B2C Mobile customers (‘000)	4,737	4,530	4.6%
Total Homes connected (‘000)	134	126	5.9%
Total revenue (US$m)	147	156	(2.1%)
Service revenue (US$m)	141	149	(1.0%)
EBITDA (US$m)	63	67	(1.1%)
EBITDA margin %	43.2%	42.7%	0.4pt

Service revenue declined by 1.0% on the quarter, driven by lower voice and SMS revenue partially offset by growth of mobile data and cable revenue. The total mobile customer base grew by 219,000 year-on-year, and 4G customers increased by 56,000.

Voice and SMS usage and ARPU continue to hold up better in Honduras than in the other Latam markets, but data usage per customer remains below the Latam average.

The home business remains small but saw significant revenue growth in the quarter, driven mainly by residential cable ARPU growth. EBITDA declined by 1.1% organically, but margin expanded by 40 basis points to 43.2%.

El Salvador

	Q1 2017	Q1 2016	*Organic YOY change*
B2C Mobile customers (‘000)	3,255	2,940	10.7%
Total Homes connected (‘000)	318	307	3.3%
Total revenue (US$m)	102	108	(5.4%)
Service revenue (US$m)	96	102	(6.4%)
EBITDA (US$m)	34	41	(16.8%)
EBITDA margin %	33.3%	37.9%	(4.6pts)

During Q1 we added 143,000 new subscribers, including 27,000 net new 4G customers.

Conditions in El Salvador continue to be challenging, in large part due to the regulatory requirement to block mobile signals around the country’s prisons - which reduced overall mobile network capacity by around 10%. As a result, mobile ARPU is down double-digits, and our B2C mobile service revenue declined 8.3% year-on-year. Despite the loss of traffic, we continue to make in-roads in mobile data, where we achieved 14.7% growth when compared to the first quarter of 2016.

EBITDA declined 16.8% year on year, and our margin contracted 4.6 points to 33.3% due to the loss of revenue.

Costa Rica

Our fixed line business in Costa Rica saw modest service revenue growth of 1.1%, with strength in the small B2B segment partially offset by weaker growth in the much larger Home segment, where residential ARPU eroded slightly. EBITDA grew by 4.7% while EBITDA margin expanded by 1.3 points.

Africa

Financial & operating data

All numbers are organic stated in local currency and constant perimeter. Further details are provided in the Financial & Operational Data excel file on our website (www.millicom.com/investors)

KPI (excluding Senegal [i]) **('000)**	**Q1 2017**	**Q1 2016**	***YOY change***
B2C Mobile customers	21,266	21,633	(1.7%)
Of which : MFS customers	8,062	6,565	22.8%

Financial (excluding Senegal [i]) (US$)	**Q1 2017**	**Q1 2016**	***Organic YOY change***
B2C Mobile ARPU	2.3	2.5	(2.8%)
Total Revenue	175	191	(4.1%)
Service revenue	174	189	(3.6%)
EBITDA	53	54	1.7%
EBITDA margin %	30.2%	28.2%	2.0pts
Capex[a]	21	28	(25.1%)

i As reclassified as discontinued

Strategic developments

On 3 March 2017, Millicom and Airtel signed an agreement to combine their operations in Ghana. Both companies will have equal ownership and governance rights in the combined entity, which will serve nearly 10 million customers, of which 5.6 million are data customers. The combined entity will cover more than 80% of Ghana's population with high speed data, providing the widest 3G coverage across the country, and have revenues close to $300m, making it one of the largest communications companies in Ghana. The transaction is subject to obtaining approvals from the relevant authorities in Ghana and the satisfaction of customary closing conditions.

We ended the first quarter with 21.3 million mobile subscribers in Africa, losing a net 229,000 subscribers during the quarter, a slight improvement from 276,000 net disconnections during the fourth quarter, mainly due to the impact of SIM electronic registration requirements in Tanzania. We added 209,000 mobile data users in the quarter and ended the period with a total of 6.4 million mobile data customers. Total ARPU declined 2.8% in local currency terms, mostly due to the impact of higher tax in Chad.

Financials

As mentioned earlier, following the announcement of our sale of Senegal to Wari on 8 February 2017, we now record Senegal as a discontinued operation. In Q1 we continue to include Ghana in our perimeter, but we expect to treat that business as a joint venture once regulatory approvals are received in respect of our planned merger with Airtel.

Africa saw its service revenue contract by 3.6% in Q1. The growth of Tanzania, Rwanda and Ghana was offset by Chad, where an 18% excise duty levied on telecom services had a direct impact on usage, causing a sharp revenue decline of 9.4%. The removal of Senegal from our perimeter also impacts our reported growth from the region, as it

a Capex does not include spectrum and license costs was our fastest growing market in both 2016 and 2017. Had we continued to include the country in our Q1 2017 results, Africa would have been flat year-on-year.

Despite the challenging tax environment in Chad and intense competition in Tanzania, EBITDA in Africa grew by 1.7% with Ghana and Rwanda continuing to deliver strong results. As a consequence, we saw year-on-year EBITDA margin expansion of 200 basis points to 30.2% in the first quarter.

Capital expenditure in the quarter came in at $21 million, with investments focused on 3G network coverage and capacity. Capex rollout has been slower than in Q1 2016, driving OCF to $32 million, around 24% higher than a year ago.

Corporate Responsibility (CR) highlights – Q1 2017

In Q1 2017 Millicom published its first combined financial and non-financial annual report, evolving further towards fully integrated reporting. The non-financial highlights, details of which are available on the Millicom website, included a steady increase in women in senior management for the 4th year running, reduction in absolute CO_2 emissions, and significant advances in supplier and anti-corruption risk management.

Millicom joins Global Network Initiative

In March Millicom became a member of the Global Network Initiative (GNI), together with six other telecommunications companies. GNI is a 50-member multi-stakeholder coalition founded in 2008 bringing together tech companies, ethical investors, academics and human rights organizations to jointly work on solutions to complex situations in which people's fundamental rights for privacy and free expression come into conflict with government measures to protect national security and stability.

Millicom expects GNI membership will improve its issue management capability relating to these complex topics as well as contribute to strengthen stakeholder trust in its current processes through GNI's independent assessment.

Millicom's child rights program continues momentum and gathers recognition

In March, Millicom organized its 8th Child Online Protection workshop, this time in Guatemala, bringing together government, regulator, child rights and private sector representatives to discuss priorities to better protect children in the digital world in Guatemala. Tigo Guatemala also announced its intention to eliminate the gender gap among its mobile data customers by 2020, the 8th Millicom market to commit to reduce gender inequality in mobile data or financial services under GSMA's Connected Women initiative.

Our mobile birth registration program in Tanzania expanded to two new regions in Q1 2017, and is expected to benefit 650,000 children under five bringing them essential documentation to ensure access to health care and education. 80,000 children were registered in the first three days following the launch.

In Q1 2017, we began the roll-out of an online support portal for parents to help them navigate the digital world with their children, integrated in local Tigo websites. We also began to implement voluntary blocking on child sexual abuse content in Latin America, in agreement with Interpol.

Millicom's child rights approach was showcased at the Global Child Forum in Brazil, and commended by UNICEF's Director for Private Sector Engagement, Gerard Bocquenet, in his event keynote as good practice for other companies to follow.

Health, safety and security

We continued to build the maturity of our health and safety management systems, with our operations in Chad successfully certified to ISO 18001 and 22301 standards in Q1. Our approach towards a more aligned risk strategy for health and safety issues continued with the rollout of the Integrated Services program across Central America, ensuring health and safety are central in activities such as facilities management, fleet management, and general administration.

Compliance and anti-corruption programme

In Q1 we continued our efforts to strengthen the Compliance framework with specific emphasis on the anti-corruption program. An important aspect of the anti-corruption program is the onboarding of a new third party due diligence and management tool. Furthermore, we launched an integrated monitoring program of key compliance risks and we are using a suite of analytics tools that further improve visibility and support management of key risks and focus areas for the Executive Committee and the Board. Finally, we increased the capacity and capability in the Global Investigations function in order to effectively support cases through to completion by bringing on a new VP of Investigations.

Additional Information

Alternative Performance Measures ('APMs')

In the front section of this Release, APMs are used to provide readers with additional financial information that is regularly reviewed by management and used to make decisions about operating matters. These measures are usually used for internal performance reporting and in defining director and management remuneration. They are useful in connection with discussion with the investment analyst community. However, this additional information presented is not uniformly defined by all companies including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. Such measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Definitions, use and reconciliations to the closest IFRS measures are presented in the table below and on the following pages.

APMs	Descriptions
Management reporting	The financial information presented in the front section of this Release is with Guatemala (55% owned) and Honduras (66.7% owned) as if fully consolidated, while the Group equity accounts those operations in the IFRS consolidated financial statements. See next pages for reconciliation with IFRS numbers.
Service, mobile data and cable revenue	• Service revenue is Group revenue related to the provision of ongoing services such as monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, short message services and other value added services excluding telephone and equipment sales; • Mobile data revenue is Group revenue related to the provision of data. Mobile data revenue is included in Service revenue; • Home revenue is Group revenue related to the provision of residential services such as broadband internet and TV. Home revenue is included in Service revenue.
Organic growth	Organic growth represents year-on year-growth in local currency (includes regulatory changes) and constant perimeter. See next pages for reconciliation with reported numbers.
Operating profit	Operating profit is profit before taxes before results from associates, other non-operating expenses (such as foreign exchange losses and changes in fair value of derivatives) and net financial expenses.
EBITDA	EBITDA is operating profit excluding impairment losses, depreciation and amortization and gains/losses on the disposal of fixed assets.
Adjusted net profit	Adjusted net profit is net profit adjusted for non-operating items such as foreign exchange gains/losses, changes in fair value of derivatives, early redemption premium for debts and other financing, dilution gains and impairments on investments in associates and similar items classified under 'other non-operating income (expenses)' as well as excluding results from discontinued operations.
Adjusted EPS	Adjusted EPS is computed based on adjusted net profit divided by the number of shares outstanding
Return on Invested Capital	Return on Invested Capital is used to assess the Group's efficiency at allocating the capital under its control to profitable investments.
Net debt	Net debt is Gross debt (including finance leases) less cash, restricted cash and pledged deposits
Capex measures	• Capex is balance sheet capital expenditure excluding spectrum and license costs. • Cash Capex represents the cash spent in relation to capital expenditure, excluding spectrum and licenses
Cash flow measures	• Operating Cash Flow is EBITDA less capex (excluding spectrum and license costs); • Operating Free Cash Flow is Operating Cash Flow less change in working capital and other non-cash items and taxes paid; • Equity Free Cash Flow is Operating Cash Flow less taxes paid, interest paid (net) and advances for dividends to non-controlling interests. These measures allow us and third parties to evaluate our liquidity and the cash generated by our operations

Organic growth adjustments

Group Revenue	Q1 2017	Q1 2016
Prior period	1,499	1,670
Current period	1,505	1,499
Reported Growth	0.4%	(10.2)%
Local currency growth	(2.2)%	1.8%
Change in Perimeter impact	-	(0.6)%
FX impact	2.6%	(11.4)%

Group Service Revenue	Q1 2017	Q1 2016
Prior period	1,408	1,537
Current period	1,421	1,408
Reported Growth	0.9%	(8.4)%
Local currency growth	(1.5)%	3.7%
Change in Perimeter impact	-	(0.6)%
FX impact	2.5%	(11.5)%

Group EBITDA	Q1 2017	Q1 2016
Prior period	539	564
Current period	555	539
Reported Growth	2.8%	(4.4)%
Local currency growth	0.0%	6.2%
Change in Perimeter impact	-	0.0%
FX impact	2.8%	(10.6)%

Adjusted earnings per share

US$m	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16		FY 16
Net profit attributable to owners of the company	**24**	**(129)**	**20**	**39**	**38**		**(32)**
Basic earnings per share ($)	0.24	(1.29)	0.20	0.39	0.38		(0.32)
Adjustments for non-operating items	**0**	**177**	**(14)**	**(28)**	**(15)**		**120**
Adjusted net profit attributable to owners of the company	**24**	**48**	**6**	**11**	**23**		**88**
Adjusted basis earnings per share ($)	0.24	0.48	0.06	0.11	0.23		0.88

Foreign Exchange rates

Average foreign exchange rate (vs. USD)		Q1 17	Q4 16	Var %	Q1 16	Var %
Guatemala	GTQ	7.43	7.52	1%	7.68	3%
Honduras	HNL	23.62	23.34	-1%	22.61	-4%
Costa Rica	CRC	565	560	-1%	543	-4%
Bolivia	BOB	6.91	6.91	0%	6.91	0%
Colombia	COP	2,928	3,003	2%	3,191	8%
Paraguay	PYG	5,662	5,721	1%	5,773	2%
Ghana	GHS	4.32	4.04	-7%	3.84	-12%
Senegal / Chad	XAF	619	611	-1%	601	-3%
Rwanda	RWF	823	815	-1%	758	-9%
Tanzania	TZS	2,220	2,182	-2%	2,178	-2%

Closing foreign exchange rate (vs. USD)		Mar-17	Dec-16	Var %	Mar-16	Var %
Guatemala	GTQ	7.34	7.52	2%	7.71	5%
Honduras	HNL	23.58	23.59	0%	22.72	-4%
Costa Rica	CRC	567	561	-1%	542	-5%
Bolivia	BOB	6.91	6.91	0%	6.91	0%
Colombia	COP	2,880	3,001	4%	3,022	5%
Paraguay	PYG	5,638	5,767	2%	5,629	0%
Ghana	GHS	4.32	4.20	-3%	3.84	-13%
Senegal / Chad	XAF	617	626	1%	579	-7%
Rwanda	RWF	826	820	-1%	768	-8%
Tanzania	TZS	2,233	2,181	-2%	2,187	-2%

P&L reconciliation with Guatemala and Honduras as if fully consolidated vs. IFRS (unaudited)

As previously noted, the table reconciles the Management reporting numbers which include Guatemala and Honduras on a 100% consolidation basis with the IFRS numbers which account for these businesses as joint ventures using the equity method.

$ million	Q1 17 (i)	Guatemala and Honduras	JV	Q1 17 IFRS
Revenue	**1,505**	**(462)**		**1,043**
Cost of sales	(387)	88		(300)
Gross profit	**1,118**	**(375)**		**743**
Operating expenses	(563)	158		(405)
EBITDA	**555**	**(217)**		**338**
EBITDA margin	**36.8%**	**46.9%**		**32.4%**
Depreciation & amortisation	(332)	114		(219)
Share of net profit in joint ventures			38	38
Other operating income (expenses), net	1	1		2
Operating profit	**223**	**(102)**	**38**	**159**
Net financial expenses	(118)	24		(94)
Other non-operating income (expenses), net	23	(13)		10
Gains (losses) from associates	(14)			(14)
Profit (loss) before tax	**114**	**(92)**	**38**	**61**
Net tax credit (charge)	(63)	22		(42)
Profit (loss) for the period	**51**	**(70)**	**38**	**19**
Profit (loss) from discontinued operations	5			5
Non-controlling interests	(32)	32		(0)
Net profit (loss) for the period	**24**	**(38)**	**38**	**24**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated.

Consolidated balance sheet (unaudited)

US$ millions	31 March 2017 (i)	IFRS adjustments (ii)	31 March 2017 IFRS
ASSETS			
Intangible assets, net	4,473	(3,159)	1,314
Property, plant and equipment, net	4,071	(1,121)	2,950
Investments in joint ventures and associates	318	2,503	2,821
Other non-current assets	266	306	572
TOTAL NON-CURRENT ASSETS	**9,127**	**(1,470)**	**7,657**
Inventories, net	109	(31)	78
Trade receivables, net	454	(92)	362
Other current assets	842	(221)	621
Restricted cash	145	(9)	135
Cash and cash equivalents	957	(353)	605
TOTAL CURRENT ASSETS	**2,506**	**(705)**	**1,801**
Assets held for sale	197	(0)	197
TOTAL ASSETS	**11,830**	**(2,176)**	**9,654**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company	3,026	191	3,217
Non-controlling interests	930	(723)	207
TOTAL EQUITY	**3,956**	**(532)**	**3,424**
Debt and financing	5,166	(1,332)	3,833
Other non-current liabilities	583	(51)	532
TOTAL NON-CURRENT LIABILITIES	**5,748**	**(1,383)**	**4,365**
Debt and financing	142	(58)	83
Other current liabilities	1,907	(202)	1,704
TOTAL CURRENT LIABILITIES	**2,049**	**(261)**	**1,788**
Liabilities directly associated with assets held for sale	77	(0)	77
TOTAL LIABILITIES	**7,874**	**(1,644)**	**6,230**
TOTAL EQUITY AND LIABILITIES	**11,830**	**(2,176)**	**9,654**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated.

(ii) IFRS adjustments result from the deconsolidation of the Guatemala and Honduras businesses and their reclassification as joint venture

Consolidated statement of cash flows (unaudited)

US$ millions	Q1 2017 (i)	IFRS adjustments (ii)	Q1 2017 IFRS
Profit (loss) before taxes from continuing operations	**115**	**(54)**	**61**
Profit (loss) for the period from discontinued operations	5	0	5
Profit (loss) before taxes	**119**	**(53)**	**65**
Net cash provided by operating activities (incl. discops)	**332**	**(133)**	**198**
Net cash used in investing activities (incl. discops)	**(294)**	**74**	**(220)**
Net cash from (used by) financing activities (incl. discops)	**(27)**	**11**	**(16)**
Exchange impact on cash and cash equivalents, net	6	(2)	4
Net (decrease) increase in cash and cash equivalents	**17**	**(51)**	**(34)**
Cash and cash equivalents at the beginning of the year	947	(301)	646
Effect of cash in disposal group held for Sale	(7)		(7)
Cash and cash equivalents at the end of the period	**957**	**(352)**	**605**

(i) Management reporting as if the Honduran and Guatemalan businesses continue to be fully consolidated

(ii) IFRS adjustments result from the deconsolidation of the Guatemala and Honduras businesses and their reclassification as joint ventures

Unaudited Interim Condensed Consolidated Financial Statements

For the three month period ended 31 March 2017

26 April 2017

We believe in better. We believe in tigo

Unaudited interim condensed consolidated income statement for the three month period ended 31 March 2017

US$ millions (unaudited)	Notes	Three months ended 31 March 2017	Three months ended 31 March 2016 (i) (ii)
Revenue	5	1,043	1,027
Cost of sales		(300)	(296)
Gross profit		**743**	**731**
Operating expenses		(405)	(413)
Depreciation		(179)	(176)
Amortisation		(40)	(33)
Income from joint ventures, net	14	38	32
Other operating income (expenses), net		2	—
Operating profit	5	**159**	**140**
Interest expense		(99)	(84)
Interest and other financial income		5	4
Other non-operating (expenses) income, net	6	10	15
Income (loss) from associates, net	15	(14)	(11)
Profit before taxes from continuing operations		**61**	**64**
Charge for taxes, net		(42)	(34)
Profit for the period from continuing operations		**19**	**30**
Profit for the period from discontinued operations, net of tax	4	5	7
Net profit for the period		**24**	**36**
Attributable to:			
Owners of the Company		24	38
Non-controlling interests		—	(2)
Earnings per common share for profit attributable to the owners of the Company:			
Basic (US$)	7	0.24	0.38
Diluted (US$)	7	0.24	0.38

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

(ii) The interim condensed consolidated income statement for the three-month period ended 31 March 2016 has been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see 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 three month period ended 31 March 2017

US$ millions (unaudited)	Three months ended 31 March 2017	Three months ended 31 March 2016 (i)
Net profit for the period	24	36
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	26	30
Cash flow hedges	2	—
Total comprehensive income for the period	**52**	**66**

Attributable to:		
Owners of the Company	45	61
Non-controlling interests	6	5

Total comprehensive income for the period arises from:		
Continuing operations	48	63
Discontinued operations	4	3

(i) The interim condensed consolidated statement of comprehensive income for the three month period ended 31 March 2016 has been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).

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 2017

US$ millions	Notes	31 March 2017	31 December 2016 (audited)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	1,314	1,359
Property, plant and equipment, net	8	2,950	3,057
Investments in joint ventures	14	2,821	2,945
Investments in associates	15	318	331
Deferred tax assets		167	166
Derivative financial instruments	13	30	32
Other non-current assets		57	72
TOTAL NON-CURRENT ASSETS		**7,657**	**7,961**
CURRENT ASSETS			
Inventories		78	62
Trade receivables, net		362	387
Amounts due from non-controlling interests, associates and joint ventures	12	170	17
Prepayments and accrued income		213	171
Current income tax assets		101	101
Supplier advances for capital expenditure		24	23
Other current assets		113	110
Restricted cash		135	145
Cash and cash equivalents		605	646
TOTAL CURRENT ASSETS		**1,801**	**1,661**
Assets held for sale	4	197	5
TOTAL ASSETS		**9,654**	**9,627**

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 2017 (continued)

US$ millions	Notes	31 March 2017	31 December 2016 (audited)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		637	638
Treasury shares		(106)	(123)
Other reserves		(553)	(562)
Retained profits		3,217	3,247
Profit (loss) for the period/year attributable to equity holders		24	(32)
Equity attributable to owners of the Company		**3,217**	**3,167**
Non-controlling interests		207	201
TOTAL EQUITY		**3,424**	**3,368**
LIABILITIES			
Non-current liabilities			
Debt and financing	10	3,833	3,821
Derivative financial instruments	13	79	84
Amounts due to non-controlling interests, associates and joint ventures	12	113	113
Provisions and other non-current liabilities		282	286
Deferred tax liabilities		58	57
Total non-current liabilities		**4,365**	**4,361**
Current liabilities			
Debt and financing	10	83	80
Payables and accruals for capital expenditure		218	326
Other trade payables		287	297
Amounts due to non-controlling interests, associates and joint ventures	12	283	273
Accrued interest and other expenses		379	376
Current income tax liabilities		81	68
Provisions and other current liabilities		456	477
Total current liabilities		**1,788**	**1,898**
Liabilities directly associated with assets held for sale	4	77	—
TOTAL LIABILITIES		**6,230**	**6,258**
TOTAL EQUITY AND LIABILITIES		**9,654**	**9,627**

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 2017

US$ millions (i)	Notes	31 March 2017	31 March 2016 (i) (ii)
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		61	64
Profit for the period from discontinued operations		5	7
Profit before taxes		**65**	**71**
Adjustments to reconcile to net cash:			
Interest expense		100	85
Interest and other financial income		(5)	(4)
Adjustments for non-cash items:			
Depreciation and amortization	5	221	217
Share of (gain) loss from joint ventures, net		(38)	(32)
Loss (gain) on disposal and impairment of assets, net		(2)	—
Share based compensation		6	3
(Income) loss from associates, net	15	14	11
Other non-cash non-operating (income) expenses, net		(11)	(24)
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets		(21)	(59)
(Increase) decrease in inventories		(15)	2
Increase (decrease) in trade and other payables		(16)	(25)
Changes in working capital:		**(52)**	**(82)**
Interest (paid)		(93)	(62)
Interest received		4	4
Taxes (paid)	5	(10)	(13)
Net cash provided by operating activities		**198**	**174**
Cash flows from investing activities (including discontinued operations):			
Dividend received from Joint Ventures		12	—
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	(18)	—
Purchase of intangible assets and licenses	9	(53)	(62)
Proceeds from sale of intangible assets	9	1	—
Purchase of property, plant and equipment	8	(163)	(245)
Proceeds from sale of property, plant and equipment	8	1	1
Cash (used in) provided by other investing activities, net		1	—
Net cash used in investing activities		**(220)**	**(306)**
Cash flows from financing activities (including discontinued operations):			
Proceeds from other debt and financing	10	—	20
Repayment of debt and financing	10	(16)	(13)
Net cash from (used by) financing activities		**(16)**	**7**
Exchange impact on cash and cash equivalents, net		4	—
Net (decrease) increase in cash and cash equivalents		**(34)**	**(125)**
Cash and cash equivalents at the beginning of the year		646	769
Effect of cash in disposal group held for sale	4	(7)	(10)
Cash and cash equivalents at the end of the period		**605**	**634**

(i) The interim condensed consolidated statement of cash flows for the three month period ended 31 March 2016 has been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).

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

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 periods ended 31 March 2017, 31 December 2016 and 31 March 2016 (i)

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)	Other reserves	Total	Non-controlling interests	Total equity
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	—	—	—	—	—	38	23	61	5	66
Purchase of treasury shares	—	(35)	—	—	(2)	—	—	(2)	(1)	(3)
Share based compensation	—	—	—	—	—	—	3	3	—	3
Issuance of shares under share-based payment schemes	—	200	—	(1)	21	(1)	(17)	2	—	2
Balance on 31 March 2016	**101,739**	**(1,409)**	**153**	**485**	**(125)**	**3,550**	**(522)**	**3,541**	**255**	**3,796**
Total comprehensive income for the period	—	—	—	—	—	(70)	(51)	(121)	(54)	(175)
Dividends (iii)	—	—	—	—	—	(265)	—	(265)	—	(265)
Purchase of treasury shares	—	(2)	—	—	(1)	—	—	(1)	—	(1)
Share based compensation	—	—	—	—	—	—	11	11	—	11
Issuance of shares under share-based payment schemes	—	16	—	(1)	2		—	2	—	2
Balance on 31 December 2016	**101,739**	**(1,395)**	**153**	**485**	**(123)**	**3,215**	**(562)**	**3,167**	**201**	**3,368**
Total comprehensive income for the period	—	—	—	—	—	24	22	45	6	52
Purchase of treasury shares	—	(29)	—	—	(3)	—	—	(3)	—	(3)
Share based compensation	—	—	—	—	—	—	6	6	—	6
Issuance of shares under share-based payment schemes	—	222	—	(1)	20	1	(18)	1	—	1
Balance on 31 March 2017	**101,739**	**(1,202)**	**153**	**484**	**(106)**	**3,240**	**(553)**	**3,217**	**207**	**3,424**

(i) *The interim condensed consolidated statements of changes in equity for the three month period ended 31 March 2016 has been restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures (see note 14).*

(ii) *Retained profits — includes profit attributable to equity holders, of which at 31 March 2017 $321 million (2016: $321 million) are not distributable to equity holders.*

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

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 25 April 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 2016. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2016 consolidated financial statements.

The following changes to standards effective for annual periods starting on 1 January 2017 have not been applied by the Group as they have not yet been endorsed by the European Union. Millicom intends to adopt these changes as soon as they are endorsed. However, their adoption will not have a significant impact for the Group:

- IAS Amendments to IAS 7, 'Statement of cash flows' on disclosure initiative. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports;
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses.

There are no other changes to standards effective for annual periods starting on 1 January 2017.

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

Acquisitions

During the three month period ended 31 March 2017, Tigo Paraguay completed the acquisition of TV Cable Parana for a total consideration of approximately $18 million. The purchase accounting has been finalised in March 2017. Purchase price has been mainly allocated to a customer list for $14 million and to other tangible and intangible fixed assets for $3 million. As a result, the final goodwill amounts to $1 million.

During 2016 Millicom did not complete any significant acquisitions.

Ghana merger

On 3 March 2017, Millicom and Bharti Airtel Limited ('Airtel") announced that they have entered into an agreement for Tigo Ghana Limited and Airtel Ghana Limited to combine their operations in Ghana. As per the agreement, Millicom and Airtel would have equal ownership and governance rights in the combined entity. Completion of the transaction is subject to obtaining regulatory approvals and customary closing conditions.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – Senegal

On 7 February 2017, the Group announced that it had agreed to sell its business in Senegal to Wari Group, subject to regulatory approvals. The transaction represents an enterprise value for Tigo Senegal of $129 million. While the transaction is still subject to regulatory approval at 31 March 2017, there is a high probability that the sale will be completed. The Group concluded that, given the conditions and circumstances, the operations in Senegal should be classified as discontinued operations and assets held for sale as from 7 February 2017.

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 March 2017. 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. The sale of these operations generated a cash inflow of $147 million, net of $33 million of cash disposed.

In accordance with IFRS 5, the Group's businesses in DRC and Senegal have been classified as assets held for sale as from 8 February 2016 and 7 February 2017, respectively, 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 periods ended 31 March 2017 and 2016 is set out below. Figures shown below are after intercompany eliminations.

Results from Discontinued Operations (US$ millions)	Three months ended 31 March 2017	Three months ended 31 March 2016
Revenue	33	67
Cost of sales	(11)	(23)
Operating expenses	(16)	(34)
Depreciation and amortisation	(2)	(10)
Other operating income (expenses), net	1	-
Operating profit (loss)	**5**	**-**
Interest income (expense), net	(1)	(3)
Other non-operating (expenses) income, net	1	4
Profit (loss) before taxes	**5**	**1**
Credit (charge) for taxes, net	-	6
Net profit (loss) from discontinued operations	**5**	**7**

Cash Flows from Discontinued Operations (US$ millions)	Three months ended 31 March 2017	Three months ended 31 March 2016
Cash used in operating activities, net	2	(9)
Cash used in investing activities, net	(3)	(1)
Cash provided by financing activities, net	—	—

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

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

Senegal

The assets and liabilities were transferred to assets held for sale in relation to our operations in Senegal as at 7 February 2017. The following assets and liabilities are classified as assets held for sale as at 31 March 2017:

Assets and liabilities reclassified as held for sale – Senegal (US$ millions)	31 March 2017
Intangible assets, net	45
Property, plant and equipment, net	97
Other non-current assets	1
Current assets	42
Cash and cash equivalents	7
Total assets of disposal group held for sale	**192**
Non-current financial liabilities	(19)
Current liabilities	(58)
Total liabilities of disposal group held for sale	**(77)**
Net assets	**115**

The following assets and liabilities were held for sale in relation to Oasis S.A. as at the date of disposal. The assets and liabilities of DRC Mobile Cash were immaterial to the Group and have not been disclosed below:

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**

5. SEGMENT INFORMATION

Millicom presents segmental information based on its two geographical regions (Latin America and Africa) 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.

Revenue, operating profit (loss), EBITDA and other segment information for the three month period ended 31 March 2017 and 2016 was as follows:

Three month ended 31 March 2017 (US$ millions)	Latin America	Africa	Unallo-cated	Continuing Operations (a)	Guatemala and Honduras (v) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vi)	Total
Revenue	**1,329**	**175**	**—**	**1,505**	**(462)**		**1,043**	**33**	**1,076**
Operating profit (loss)	**244**	**17**	**(38)**	**223**	**(102)**	**38**	**159**	**5**	**164**
Add back:									
Depreciation and amortization	294	36	2	332	(114)	—	219	2	221
Income (loss) from joint ventures, net	—	—	—	—	—	(38)	(38)	—	(38)
Other operating income (expenses), net	1	(1)	(1)	(1)	(1)	—	(2)	(1)	(2)
EBITDA *(i)*	**538**	**53**	**(38)**	**555**	**(217)**	—	**338**	**7**	**344**
Capital expenditure *(ii)*	(248)	(25)	(1)	(274)					
Changes in working capital and others	(67)	(4)	6	(66)					
Taxes paid	(35)	(2)	4	(33)					
Operating free cash flow *(iii)*	**189**	**23**	**(29)**	**182**					
Total Assets *(iv)*	**10,353**	**1,373**	**1,511**	**11,830**	**(5,542)**	**3,366**	**9,654**		
Total Liabilities	**5,444**	**1,827**	**2,009**	**7,874**	**(2,190)**	**546**	**6,230**		

(i) *EBITDA is used by the management to monitor the segmental performance and for capital management. EBITDA is defined in the Group's 2016 Annual Report.*

(ii) *Excluding spectrum and licenses of $ nil (2016: $42 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 and Senegal operations were part of the Africa segment.*

Three month ended 31 March 2016 (US$ millions) (vii)	Latin America	Africa	Unallocated	Continuing Operations (a)	Guatemala and Honduras (v) (b)	Eliminations and transfers (c)	Sub-Total (a)+(b)+(c)	Disc Ops (vi)	Total
Revenue	**1,308**	**191**	**—**	**1,499**	**(472)**	**—**	**1,027**	**67**	**1,094**
Operating profit (loss)	**252**	**14**	**(44)**	**223**	**(115)**	**32**	**140**	**—**	**140**
Add back:									
Depreciation and amortization	274	39	2	316	(107)	—	210	10	220
Income (loss) from joint ventures, net	—	—	—	—	—	(32)	(32)	—	(32)
Other operating income (expenses), net	(2)	—	2	—	—	—	—	—	—
EBITDA *(i)*	**525**	**54**	**(40)**	**539**	**(222)**	1	**318**	**10**	**328**
Capital expenditure *(ii)*	(315)	(14)	(3)	(332)					
Changes in working capital and others	(65)	(43)	(6)	(114)					
Taxes paid	(30)	(3)	(5)	(38)					
Operating free cash flow *(iii)*	**115**	**(6)**	**(54)**	**56**					
Total Assets *(iv)*	**10,681**	**1,980**	**1,464**	**12,473**	**(5,920)**	**3,863**	**10,416**		
Total Liabilities	**5,104**	**2,263**	**2,215**	**7,929**	**(1,937)**	**628**	**6,620**		

(vii) *Restated as a result of the completion of the fair value measurements of our investments in Guatemala and Honduras joint ventures and of the classification of our operations in Senegal as discontinued operations (see note 14)*

6. 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 2017	Three months ended 31 March 2016
Change in fair value / lapse of derivatives (see note 13)	(2)	(6)
Exchange gains (losses), net	15	30
Other non-operating income (expenses), net	(3)	(9)
Total	**10**	**15**

7. 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 2017	Three months ended 31 March 2016
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	19	31
Net profit attributable to owners of the Company from discontinuing operations	5	7
Net profit attributable to owners of the Company used to determine the earnings per share	24	38
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,380**	**100,330**
Potential incremental shares as a result of share options	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,380**	**100,330**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	0.19	0.31
- EPS from discontinuing operations attributable to owners of the Company	0.05	0.07
- EPS for the period attributable to owners of the Company	0.24	0.38
Diluted		
- EPS from continuing operations attributable to owners of the Company	0.19	0.31
- EPS from discontinuing operations attributable to owners of the Company	0.05	0.07
- EPS for the period attributable to owners of the Company	0.24	0.38

8. PROPERTY, PLANT AND EQUIPMENT

During the three month period ended 31 March 2017, Millicom added property, plant and equipment for $163 million (31 March 2016: $245 million) and received $1 million in cash from disposal of property, plant and equipment (31 March 2016: $1 million).

9. INTANGIBLE ASSETS

During the three month period ended 31 March 2017, Millicom added intangible assets of $53 million (31 March 2016: $62 million) and received $1 million of proceeds from disposal of intangible assets (31 March 2016: $1 million).

10. DEBT AND FINANCING

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 2016 both facilities were extended for one year.

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).

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. 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 the Group in respect of the last twelve months (as measured on a quarterly basis) is within a specified range. As of 31 March 2017, the facility was committed and fully undrawn.

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

US$ millions	As at 31 March 2017	As at 31 December 2016
Due within:		
One year	83	80
One-two years	381	252
Two-three years	524	518
Three-four years	638	649
Four-five years	762	850
After five years	1,528	1,552
Total debt	**3,916**	**3,901**

As at 31 March 2017, 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 $616 million (31 December 2016: $640 million). Assets pledged by the Group for these debts and financings amounted to $2 million at 31 March 2017 (31 December 2016: $2 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 March 2017 and 31 December 2016.

	Bank and financing guarantees (i)			
US$ millions	As at 31 March 2017		As at 31 December 2016	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	36	36	38	38
1-3 years	346	346	348	348
3-5 years	234	234	250	250
More than 5 years	—	—	4	4
Total	**616**	**616**	**640**	**640**

(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 March 2017, the total amount of claims and litigation risks against Millicom and its operations was $423 million, of which $3 million related to its share in joint ventures (31 December 2016: $406 million, of which $3 million related to its share in joint ventures).

As at 31 March 2017, $33 million, of which $1 million related to its share in joint ventures (31 December 2016: $43 million, of which $1 million 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. Millicom continues to fully consolidate Tigo Tanzania.

Taxation

At 31 March 2017, the Group estimates potential tax claims amounting to $328 million and tax provisions of $67 million which have been assessed probable and have been recorded (31 December 2016: claims amounting to $311 million and provisions of $65 million). Out of these potential claims and provisions, respectively $115 million and $9 million related to Millicom’s share in joint ventures (31 December 2016: claims amounting to $96 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 March 2017, 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 March 2017.

Capital commitments

At 31 March 2017 the Company, its subsidiaries and joint ventures had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of $293 million of which $60 million are due within one year (31 December 2016: $179 million of which $162 million are due within one year). Out of these commitments, respectively $33 million and $3 million related to Millicom’s share in joint ventures. (31 December 2016: $17 million and $14 million).

12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three month period ended 31 March 2017:

US$ millions (unaudited)	Three months ended 31 March 2017	Three months ended 31 March 2016
Expenses		
Purchases of goods and services from Kinnevik	—	1
Purchases of goods and services from Miffin	50	35
Purchases of goods and services from EPM	5	4
Lease of towers and related services (Helios)	3	11
Other expenses	2	1
Total	**60**	**52**

US$ millions (unaudited)	Three months ended 31 March 2017	Three months ended 31 March 2016
Income / gains		
Sale of goods and services to EPM	4	4
Sale of goods and services to Miffin	66	64
Other revenues	1	1
Total	**71**	**69**

As at 31 March 2017 the Company had the following balances with related parties:

US$ millions (unaudited)	At 31 March 2017	At 31 December 2016
Liabilities		
Payables to Guatemala joint venture (i)	245	245
Payables to Honduras joint venture (i)	130	118
Finance lease liabilities to tower companies (ii)	86	85
Payables to EPM	3	3
Other accounts payable	18	20
Total	**482**	**471**

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

US$ millions (unaudited)	At 31 March 2017	At 31 December 2016
Assets		
Receivables from Guatemala joint venture	151	-
Receivables from EPM	3	4
Receivables from Helios Towers	11	10
Other accounts receivable	5	3
Total	**170**	**17**

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 March 2017 and 31 December 2016:

US$ millions	Carrying Value		Fair Value (i)	
	31 March 2017 (unaudited)	31 December 2016 (audited)	31 March 2017 (unaudited)	31 December 2016 (audited)
Financial liabilities				
Debt and financing	3,916	3,901	4,254	4,234

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

13. FINANCIAL INSTRUMENTS (Continued)

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

These 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. Their maturity date is April 2018 but might be extended. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At 31 March 2017, the fair values of the swaps amount to a liability of $79 million (31 December 2016: a liability of $84 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 March 2017, the fair value of the swap amounts to an asset of $30 million (31 December 2016: asset of $32 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 March 2017.

14. INVESTMENTS IN JOINT VENTURES

As disclosed in the Group's consolidated financial statements as at and for the years ended 31 December 2015 and 2016, Millicom deconsolidated its investments in Comcel (Guatemala) and Celtel (Honduras) 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.

The table below summarises the movements for the year in respect of the Group's joint ventures carrying values:

	2017	
US$ millions	Guatemala	Honduras
Opening balance at 1 January 2017	**2,179**	**766**
Results for the year	35	2
Dividends declared during the year	(168)	-
Currency exchange differences	8	-
Closing balance at 31 March 2017	**2,054**	**767**

In the fourth quarter of 2016, the Group had completed the fair value adjustments for both Guatemala and Honduras operations as of 31 December 2015, the date of recognition of the Group's investment in both operations as joint ventures. This impacted the "Income (loss) from joint ventures". On 31 March 2016, the purchase accounting was still provisional.

14. INVESTMENTS IN JOINT VENTURES (Continued)

In accordance with IFRS, adjustments to provisional amounts that are made during the measurement period are recognised as if the purchase accounting had been completed at the date of change of control i.e. 31 December 2015. As a result, the Group has restated the comparative financial information for the three month period ended 31 March 2016 which was affected as follows:

	Three months ended 31 March 2016		
US$ millions	**As reported**	**Adjustments**	**As adjusted**
Interim condensed consolidated income statement:			
Income from joint ventures, net	36	(4)	32
Operating profit	141	(4)	136
Profit before taxes from continuing operations	67	(4)	63
Profit for the period from continuing operations	33	(4)	29
Net profit (loss) for the period	41	(4)	36
Attributable to:			
Owners of the Company	43	(4)	38
Non-controlling interests	(2)	-	(2)
Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (in US$)	0.42	(0.04)	0.38
Diluted (in US$)	0.42	(0.04)	0.38
Interim condensed consolidated statement of comprehensive income:			
Total comprehensive income (loss) for the period	71	(4)	66
Attributable to:			
Owners of the Company	66	(4)	61
Non-controlling interests	5	-	5
Interim condensed consolidated statement of cash flows:			
Profit before taxes from continuing operations	67	(4)	64
Profit before taxes	75	(4)	71
Income from joint ventures, net	(36)	4	(32)

15. INVESTMENTS IN ASSOCIATES

Helios Towers Africa (HTA)

On 8 February 2017, Millicom announced that it initiated a process to sell its 22% stake in HTA. At 31 March 2017, this process is still ongoing.

Milvik AB (Milvik)

In March 2017, following the entrance of a new investor to the capital of Milvik, Millicom's shareholding reduced from 27% to 23%. This has triggered the recognition of a net dilution gain of $3 million in the income statement under 'Income (loss) from associates, net'.

16. IPO – MILLICOM'S OPERATIONS IN TANZANIA

In June 2016, an amendment to the Electronic and Postal Communications Act ("EPOCA") in the Finance Act 2016 required all Tanzanian 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 2016, 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 did not complete the 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 license although to-date there has been no notification from the TCRA of any indication or intention to proceed with sanctions. 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 March 2017.

17. SUBSEQUENT EVENTS

On 26 April, 2017, we announced an agreement to sell approximately 1,400 wireless communications towers to a subsidiary of American Tower Corporation ("ATC") in Paraguay. As a result of this transaction, Tigo Paraguay will receive approximately Gs700 billion, equivalent to US$125 million, in cash.