MILLICOM
THE DIGITAL LIFESTYLE

Q2 2013 Results

for the three month period ended June 30, 2013

Like-for-like revenue rises 9.4% as investments start to deliver

We believe in better. We believe in tigo

Contents

Acceleration of revenue growth, profitability a key focus

- Reported growth in the second quarter reached 6.5%. On a like-for-like basis revenue grew 9.4% (excluding one-off and regulatory impacts) to $1,258 million (7.7% excluding Online).
- In the first half, over 1.5 million more of our mobile customers were upgraded to mobile data services
- Mobile Financial Services penetration reached 10% of the mobile customer base at the end of June
- Online business growth accelerated in the second quarter and we saw momentum building in our African online ventures
- Group EBITDA declined to $463 million pointing to an underlying margin of 39.5%. Group outlook for 2013 EBITDA margin has been adjusted to around 40%, offset by lower than expected losses in the Online division

The second quarter resulted in accelerating underlying and reported trends:

- Mobile data revenue grew by 30% year-on-year on the back of a high rate of mobile data conversion: over 1.5 million more of the customer base was converted in H1
- In Cable & Digital Media, our net new RGUs reached new highs in Q2 and our growth accelerated. We applied for further DTH licences in Latin America to broaden our reach and continue diversifying our product offering.
- In our Online activity, growth has accelerated while costs have been contained, evidence of combining the execution strengths of our new partners with our emerging markets existing know-how

Commenting on the performance, Hans-Holger Albrecht, President and CEO of Millicom said:

“The continued growth in data revenues confirms the strong trend we outlined at Q1 results. It underlines the importance of our drive to transform the company into the provider of a diversified range of digital lifestyle services whether accessing Facebook on an inexpensive smartphone or watching Latin American football on our TV network. These services symbolise the new Millicom and are evidence of implementation of our five-year strategy. Its achievement requires a strong investment phase but I am pleased that we are executing successfully our plans while focusing also on costs and on emerging market consumers’ growing demand to transform their lives by using digital services.”

Results Summary

Q2 2013 Financial Highlights

- Revenue of $1,258 million, growing 6.5% year-on-year and 9.4% on a like-for-like* basis. Revenue was reduced by a $3.5 million one-off impact in Colombia.
- Underlying** EBITDA before corporate costs of $476 million and EBITDA margin of 39.5% excluding Online. Reported EBITDA at $463 million including $13 million negative one-off impacts in Central America and Colombia.
- Capex of $154 million
- Amended FY outlook reflects challenges and opportunities

**Like for like growth: underlying organic growth excluding regulatory and one off impact*

*** Underlying EBITDA refers to EBITDA excluding one-off items.*

Significant events

- Resilient mobile revenue growth at 2.0% year-on-year accelerating versus Q1, despite the increased regulatory pressure.
- In Cable & Digital Media, our net new RGUs reached new highs in Q2 and our growth accelerated. We applied for further DTH licences in Latin America to broaden our reach and continue diversifying our product offering.
- MFS growth was strong again in Q2 with penetration exceeding 10% of the total mobile customer base.
- We entered into an agreement to share spectrum and jointly roll out a 4G network in Colombia, supporting our capex optimization plan.

2013 forward looking statements (amended)

Excluding Online, we expect 2013 Group EBITDA margin to be around 40% (from above 40%). The capex to revenue ratio will peak at around 20%, excluding spectrum acquisition.

In 2013 we expect the Online division to generate revenue close to $100 million (from in excess of $100 million) and EBITDA losses to be in the range of $125-150 million (from $125-200 million).

$m	Q2 2013	Q2 2012	YOY % change local currency	YTD 2013	YTD 2012	YOY % change local currency
Revenue	1,258	1,181	6.2%	2,504	2,349	5.6%
Group EBITDA(i)	463	513	(10.5%)	957	1,030	(8.9%)
EBITDA margin	36.8%	43.4%	(6.6ppt)	38.2%	43.8%	(5.6ppt)
Normalized Net Profit(ii)	135	177		271	351	
Capex(iii)	154	264		347	436	

(i) EBITDA: operating profit before interest, tax, depreciation and amortization; derived by deducting cost of sales, sales and marketing costs and general and administrative expenses from revenue and adding other operating income.

(ii) Net profit adjusted for items such as foreign exchange movements, movements in valuation of the Honduras put option, Colombian deferred tax asset, and revaluation of previously held interests.

(iii) Excluding towers sold to, and leased back from tower companies.

President’s Statement

Delivering on growth acceleration- Focus on efficiency

“The shift from planning to execution of the strategy is never an easy task. We have long-term ambitions for Millicom which we shared at our Capital Markets Day. Growth is expected to stand on four pillars: mobile data, cable and digital media, mobile financial services and online. Cash generation will be supported by costs and capex optimization.

During this second quarter, we accelerated like-for-like revenue growth to 9.4%. Excluding Online, a potential upside on our mid-term ambitions, we are growing at a high single digit rate which is relatively unique for a company in our industry.

In the first half of 2013 we upgraded over 1.5 million more of our mobile customer base to mobile data services, a key enabler of the digital lifestyle. Low cost smartphones with entry level around $60 has already helped accelerate mobile data uptake. Penetration of mobile financial services reached 10% of total Millicom mobile customers and our net additions in pay-TV and fixed broadband reached new highs in Q2.

Delivering growth is part of our DNA and cost control is equally important to us. Execution on our efficiency programme will be one of our main areas of focus in the second half of 2013.

In Q2 our profitability came under pressure. We were significantly impacted by regulatory pressures and one-off events which altogether resulted in 1.6 percentage points of margin loss.

We have reinvested in Africa where the business needed support for its networks and brand. We also stepped up our investments to foster adoption of mobile data, with subsidies increasing by 23% in local currency in the second quarter, primarily in South America. As a consequence, our margins in the first half of 2013 came under more pressure than expected. This strengthens our determination to extend our cost and capex optimization programme. In H2, we will also harvest some of the benefits of the upfront investments made in H1, notably on subsidies and in the new categories, evidenced by positive momentum in customer growth in Cable and MFS.

We have the ambition to strike the right balance between growth, profitability and cash generation which is a core objective at Millicom.”

Hans-Holger Albrecht
President and CEO,
Millicom International Cellular S.A.

Significant events H1 2013

In the first half of 2013 we set the foundations for future growth in new areas, while maintaining strong momentum in the mobile business. Regulatory pressure on our business was stronger than in past years but we more than offset the impact on revenue through our innovative offerings in Mobile, Cable & Digital Media, MFS and Online.

On March 6, 2013, Millicom unveiled its ambitions for the next five years at its 2013 Capital Markets Day. The company aims to double revenue by 2017 through growth in mobile data, cable and MFS. Development of Online is expected to further strengthen revenue growth. **Focus on cost control will remain a priority**, enabling us to stabilize EBITDA margin after corporate costs at around 35% in 2014. Capex to revenue will decline from a peak of around 20% in 2013 to less than 15% by 2016 as the mix of services becomes less capital intensive.

Solid mobile performance despite regulatory headwinds

Overall, in Q2 our mobile business proved resilient, growing by 2% in local currency, versus 1.3% in Q1. Removing the impact of regulatory pressure, which was particularly acute this quarter, our mobile growth would have reached 5.6%.

In the second quarter, growth in data and SMS alone more than offset the regulatory and pricing pressure on mobile voice revenue. This steady performance reflects our ability to upgrade mobile voice users into mobile voice and data bundles while growing their absolute spending with us. In the first half of the year, over 3% of our mobile customer base was upgraded to mobile data, a marked acceleration towards the Digital Lifestyle. This enabled us to sustain a like-for-like growth in mobile data at 30% in local currency in Q2 2013.

Accelerated growth in Mobile Financial Services

MFS penetration reached 13.1% across the footprint where the service has been launched, up from 12% at the end of March 2013 (all countries but Senegal, Colombia and Mauritius have now been launched). Rwanda penetration exceeded 30% at the end of June, while our most advanced market remained Tanzania where penetration exceeded 42% of our customer base. We were pleased to see penetration reaching over 3% in Central America altogether, with penetration in El Salvador now over 6%.

Ongoing discussions to create an integrated leader in Colombia

On February 5, 2013, Millicom and EPM Colombia entered into exclusive negotiations to discuss a possible combination of their respective telecom businesses in Colombia. Discussions have developed positively in the past months and we are nearing conclusion.

Online growth accelerated in Q2

As anticipated, growth in our Online division accelerated in the second quarter. We moved to a larger warehouse in Brazil. The new warehouse of Kanui and Tricae is more than three times larger than that jointly used previously, allowing for significant growth opportunities in the two e-commerce businesses in Brazil.

Several new launches were also performed at Jumia broadening the reach of the Nigerian e-commerce website. Jumia celebrated its one year anniversary in Nigeria in June. Its products are now sold across six African countries from West to East Africa.

Operating review

Total revenue for the three months ended June 30, 2013 was $1,258 million, growing 6.5% (6.2% in local currency and pro-forma for external growth). On a like-for-like basis, revenue growth reached 9.4%, versus 8.3% in Q1 2013. Reported growth was led by South America again this quarter. We generated around 35% of Group recurring revenue growth from Mobile, 13% from Cable & Digital Media, 17% from MFS, and the rest from our Online division.

Reported EBITDA for the quarter was $463 million, down 10.5% in local currency versus Q2 2012. One-off impacts of $13 million were recorded in the second quarter, largely related to provisions for a value added tax case in Central America.

EBITDA losses from Online amounted to $14 million in the quarter. Consolidated EBITDA margin at 36.8% was 6.6 percentage points lower than Q2 2012. Excluding Online, and the $13 million one-off impact in Q2, EBITDA reached $490 million, a margin of 39.5% and a decline of 4.7% in local currency.

The decline in underlying EBITDA margin this quarter was predominantly driven by investments for growth with an increase in sales and marketing costs of $37 million (of which $11 million for our Online division) year-on-year to support growth in mobile data and MFS and $35 million incremental G&A costs to build category skills and network coverage. The impact of regulatory pressures and one-off events amounted to 1.6 points of EBITDA margin in the quarter.

Our amended 2013 margin outlook reflects both steeper pressures on the core business margins from regulatory changes combined with tight cost control at our online division and savings anticipated in the second half of the year for the group overall. This outlook excludes one-off items ($14 million to date).

Focus on cost management has increased as we now implement the initial steps of our $100 million savings initiative, as presented at our Capital Markets Day, with some benefits already in H2 2013. In the first half of the year, measures were identified, in the operations and at headquarter level, to save in total $20 million in the second half of 2013. These savings are included in the 2013 EBITDA margin outlook.

Revenue by business unit (US$ m)

	Q2 2013	Q2 2012	YOY growth* (%) Local Currency
Mobile	1,028	1,020	2.0
Cable & Digital Media	108	83	8.7
MFS	18	9	114.3
Online	20	-	NA
Other**	84	69	22.5
Total	**1,258**	**1,181**	**6.2**

** Growth excl. Cablevision contribution*

*** Telephone and equipment sales and other revenue*

Mobile (35% of group revenue growth)

Mobile revenue proved resilient in Q2 and reached $1,028 million in Q2 2013, growing 2% over Q2 2012 in local currency and 5.6% on a like-for-like basis.

In the second quarter of the year, mobile customer numbers grew by 50 thousand. The growth was impacted by a clean-up of the customer base which was initiated in Q1 and continued in Q2 in El Salvador and Bolivia. We lost 284 thousand customers in El Salvador and 55 thousand in Bolivia. On a positive note, customer growth was again strong in Colombia this quarter, as we continued to gain market share. In Ghana, we were pleased to grow the customer base by over 100 thousand, our best performance in the last two years. In Tanzania, the 70% reduction in interconnection rates in March, combined with a more stringent registration policy enforced in June (whereby new customers have to be identified with a physical ID), led to negative net additions in Q2 as multi-SIM card penetration declined in the market overall.

Overall ARPU in local currency declined 4.7% as a result of pressures on communication revenue this quarter, exacerbated by material regulatory pressures in a number of our markets. Without regulatory impact this quarter mobile ARPU would have declined 1.4% versus 3.3% decline in Q1.

Year-on-Year-local mobile ARPU ($)

$	Total	Central America	South America	Africa
Q2 13	**7.9**	10.2	11.6	3.9
Q1 13	**7.9**	10.0	11.7	4.0
Q4 12	**8.3**	10.6	12.0	4.2
Q3 12	**8.3**	10.4	12.0	4.3
Q2 12	**8.4**	10.6	12.0	4.4

N.B. ARPU figures are based on total mobile revenue less roaming revenue. – These numbers now exclude MFS which used to be included in Mobile ARPU.

In mobile, revenue in the **Communication** category declined by 4.2% in local currency, negatively impacted by regulatory pressure. Revenue Generating Units (RGUs) in mobile communication (voice/SMS users) increased by 172 thousand in Q2. During the first quarter, Mobile Termination Rates (MTR) were cut ($ equivalent) by 17% to 4 cents in Colombia, by 34% to 2 cents in Honduras, by 25% to 6 cents in DRC and by 70% in Tanzania in March to 2 cents. At Group level, regulatory pressure in Q2 accounted for 3.2 percentage points of growth, versus 2.4 points in Q1 and 0.8 points in 2012.

Without the regulatory impact, mobile communication revenue would have grown slightly (+0.6%) year-on-year in Q2, in line with the previous two quarters. After the recent reduction in interconnection rates, the share of revenue directly exposed to interconnection stood at 6.5% of recurring revenue in Q2 2013.

Mobile information RGUs (mobile data customers) increased by over 1.5 million in the first half, to reach 8 million or 16.9% of our total mobile customer base. The conversion rate in the second quarter of 2013 was in line with the record high of Q1 with 795 thousand net new data users in Q2. In total, in excess of 3% of Millicom total mobile customers were upgraded to data services in the first half of the year. Penetration reached 18.3% in Central America, 24.3% in South America and 10.7% in Africa.

Subsidies at the same time grew 23% in local currency, as we continue to see unmet demand for access to the internet, and opportunities for return on subsidies within one year. Subsidies grew faster this quarter than in Q1 and we expect to benefit from these investments in the second half of the year as these customers have a high ARPU, a low churn and we manage to generate return on subsidies invested of less than a year. Going forward, the increasing availability of attractively priced and quality smartphones also facilitates acceleration of mobile internet uptake.

Mobile Information RGUs

‘000	RGUs	Central America	South America	Africa
Q2 13	**8,010**	2,854	3,125	2,031
Q1 13	**7,135**	2,597	2,875	1,663
Q4 12	**6,347**	2,340	2,555	1,452
Q3 12	**5,679**	2,241	2,209	1,229
Q2 12	**5,140**	2,193	1,971	976

ARPU from mobile information users (mobile data users) was $6.8 in Q2 2013. This is largely due to the accelerated addition of new mobile data customers in all regions.

In Q2 the mobile information category contributed 11% of Group revenue. This recurring revenue grew by 30% year-on-year in local currency in Q2.

Performance in mobile information in Africa was also strong with 115% year-on-year growth in local currency, with strong performance everywhere in the region.

In mobile **Entertainment and Solutions,** ARPU remained fairly stable at around $1.3 per month and per user. The number of users was negatively impacted by our decision to stop automatic renewal of subscriptions to services such as Ring Back Tones or SMS based alerts to ensure fair and transparent billing.

In the recent weeks, several new regulatory measures have been proposed in Chad, Rwanda, Tanzania and Ghana. To a large extent the regulatory decisions still have to be confirmed. Should they be implemented in their current forms, we would anticipate further pressure on the overall growth of the telecom industry in Africa as the proposed measures will reduce consumer purchasing power and make mobile services more expensive.

Cable & Digital Media (13% of group revenue growth)

Cable & Digital Media revenue grew by around 8.7% in Q2 2013 year-on-year in local currency (excluding consolidation of Cablevision in Paraguay).

In this business unit, we incorporate both residential cable & digital media and corporate revenue.

Revenue* breakdown residential/corporate

$ million	Total	Residential	Corporate
Q2 13	**108**	77	31
Q1 13	**107**	76	31
Q4 12	**103**	71	32
Q3 12	**85**	55	30
Q2 12	**84**	55	29

Recurring revenue

In the second quarter of 2013 we obtained 54 thousand new residential cable customers, of which 25 thousand took TV services and 13 thousand broadband connections. The number of homes passed increased from 2.192 million to 2.426 million (+234 thousand new homes passed).

Residential cable ARPU reached $34 per home connected.

Residential Cable TV RGUs

‘000	RGUs	Central America	South America
Q2 13	**716**	568	148
Q1 13	**691**	557	134
Q4 12	**685**	558	127
Q3 12	**482**	482	-
Q2 12	**484**	484	-

The penetration of fixed broadband in our pay-TV customer base increased from 36% in Q1 2013 to 37% at the end of Q2 2013. At the end of June, we had 262 thousand fixed broadband customers in Latin America, 13 thousand more than at the end of March 2013, which is a marked acceleration over RGU growth in previous quarters. The growth in broadband was shared between Central America and from Paraguay where the integration of Cablevision is delivering ahead of plans both on revenue and network synergies.

Residential Cable broadband RGUs ‘000

‘000	RGUs	Central America	South America
Q2 13	**262**	233	29
Q1 13	**249**	225	24
Q4 12	**238**	219	19
Q3 12	**211**	211	-
Q2 12	**207**	207	-

MFS (17% of group revenue growth)

MFS revenue increased again strongly in Q2 2013 in local currency (+114% versus Q2 2012). In the second quarter of the year MFS contributed 17% of Millicom's recurring revenue growth.

Overall MFS penetration reached 13.1% of Millicom's mobile customer base in the countries where the service is offered, up from 12% at the end of March (on a comparable footprint). Our MFS RGUs increased by 534 thousand in the second quarter, with Africa again leading penetration growth.

Penetration of MFS in Tanzania reached 42.5% of our customer base at the end of June 2013.

Rwanda became our second most penetrated MFS market by the end of June, with over 30% of our mobile customers being active users of MFS. In Rwanda, we launched a service called Tigo Matic, an ATM which enables customers to cash in, cash out and top up for MFS.

In Paraguay 27.6% of our customers were using the service in Q2.In Central America, we passed the 3% penetration mark overall, a key milestone to start generating a network effect between customers and an acceleration of the uptake of the service. In El Salvador, our most advanced market in the region, penetration exceeded 6%.

In our most recently launched markets of DRC, Chad and Bolivia, we are very happy to see penetration gains accelerating. DRC was launched one year ago and almost reached the 3% penetration mark in this short timeframe.

MFS RGUs '000

	RGUs	Central America	South America	Africa
Q2 13	**4,886**	535	1,057	3,294
Q1 13	**4,352**	419	996	2,937
Q4 12	**3,936**	303	902	2,731
Q3 12	**3,321**	241	773	2,307
Q2 12	**2,698**	170	667	1,861

ARPU for MFS users stood at $1.35, up 12.3% versus Q2 2012 in local currency despite dilution coming from new users added.

MFS ARPU ($)

	Total	Central America	South America	Africa
Q2 13	**1.35**	0.77	1.82	1.27
Q1 13	**1.31**	0.84	1.76	1.21
Q4 12	**1.30**	0.91	1.84	1.16
Q3 12	**1.29**	0.96	1.68	1.18
Q2 12	**1.22**	0.98	1.54	1.11

In the first half of 2013, we added over 4 thousand points of sale for our MFS services, and our total number of points of sale at the end of June reached 31.1 thousand.

Online (35% of group revenue growth)

In the second quarter of the year, we were pleased to see a tangible acceleration of revenue growth with sizeable contribution now coming from both Africa and Latin America. At the same time, start-up losses were less than anticipated.

Strong development in e-commerce

In Q2 the Online category generated revenue of $20 million and EBITDA losses of $14 million.

Both Kanui and Tricae are continuing to perform strongly. Kanui is the second most visited website in Brazil for sports goods, while Tricae is number one in its league. The two concepts will initially focus on scaling up their businesses and building on initial successes in Brazil in 2013.

Jumia in Nigeria has become the fourth most popular website in terms of traffic and the first e-commerce website. The company also celebrated its one year anniversary. Jumia Kenya which was launched in Q1 and is off to a promising start in Q2, complementing well the other Jumia operations in Nigeria, Morocco, and Egypt. Jumia Ivory Coast was launched in July 2013, as Jumia's West African hub complementing the East African Kenyan hub. Before the end of 2013, we have the ambition to offer e-commerce services in a number of Tigo markets in Africa.

New business development

In the first half of 2013, EasyTaxi, our taxi ordering service was recognised 'start-up of the year' in Brazil. EasyTaxi is now available in Brazil, Colombia, Venezuela, Chile, Argentina and Peru. Overall in Latin America, this app has been downloaded close to half a million times.

Hellofood, our food ordering concept is operating in 7 countries in Latin America and 6 countries in Africa. In Africa during the first quarter Kaymu (marketplace) and Vamido (real estate classifieds) were also launched in Nigeria. During the second quarter Carmido (car classifieds) was also launched in Nigeria.

In Latin America during the second quarter Ubilista (real estate classifieds) was launched in Colombia and Mexico. In June the new bus-ticket booking site Busão was launched in Brazil.

Synergies

During Q1 it became possible to pay with Tigo Cash (MFS) when buying from Hellofood in Ghana. We were pleased to see that over 2% of orders were paid through this method in Q2, which is a promising start.

Smartphones are now sold with the Easy Taxi and Hellofood apps preinstalled at Tigo stores in Colombia. For customers who already have a smartphone Tigo has sent out SMS with a link to download the app so that existing customers can also easily get access to the service.

Online guidance 2013 (amended)

In 2013 we expect the Online division to generate revenue of close to $100 million and EBITDA losses to be in the range of $125-150 million.

We confirmed in Q1 that we will increase our investments in LIH and AIH. Cash, representing our 15% increases in shareholdings, will be transferred to the two holdings as needed to finance growth but no later than the anniversary of the deal closing on September 14, 2013. To date no transfers have been made.

Financial review

The unaudited interim consolidated financial statements of the Group for the six and three month periods ended June 30, 2013 are included in Section 2.

Group EBITDA

Reconciliation from operating profit to EBITDA for the periods is as follows:

US$ millions	Q2 13	Q1 13	Q4 12	Q3 12	Q2 12
Operating profit	**200**	**238**	**266**	**264**	**279**
Depreciation and amortization	215	209	210	206	199
Corporate costs	45	45	47	38	32
Gain (loss) on disposal/write down of assets, net	3	2	5	(1)	3
EBITDA	**463**	**494**	**528**	**507**	**513**

Depreciation and Amortization

In the second quarter, D&A was $215 million, $16 million higher than a year ago, mainly due to the investments in spectrum, networks and IT systems, and acquisitions made in the last 12 months.

Corporate Costs

In the second quarter corporate costs were relatively constant compared with the previous quarter, in line with our expectations. We have built stronger central functions to support our markets and new growth areas which resulted in corporate costs growth year-on-year and these are now stabilizing.

Financial expenses and income

The cost of financing before tax in Q2 2013 was higher than in the previous year and includes finance leases on towers sold and leased back. The main driver for the increase in financial expenses was the higher level of gross debt ($684 million more gross debt than in Q2 last year) as we re-leveraged the company, and financed acquisitions with debt.

We recorded non-cash non-operating income of $31 million in the quarter from the change in value of the put option granted to our partner in Honduras.

Taxes

In Q2, accrued taxes decreased by $23 million year-on-year to $62 million. Our normalized tax expenses were down from $54 million to $50 million. Our effective tax rate was 26.8% versus 22.3% one year ago.

Capex

In Q2 2013 we invested $154 million in capex, including $97 million in spectrum in South America. Cash capex amounted to $200 million as some of the capex accrued in Q1 was paid in the second quarter.

We acquired several blocks of spectrum year to date in Bolivia, notably 2x10 MHz in the 1900MHz band (recorded in Q1 2013), 2x15MHz of AWS spectrum (1700/2100MHz band) in Q2 2013 for $23 million. On July 9, in the last Bolivian auction we obtained 2x12MHz of 700MHz band spectrum for $19 million. All spectrum acquired this year in Bolivia has a 15 year lifespan.

In Colombia, we acquired on June 26, 2x15MHz of spectrum in the AWS spectrum band for $55 million for Millicom (we invested through a 50/50 joint venture with our partner ETB).

At the end of June 2013, only $15 million were paid for the auctions in Colombia and Bolivia described above (in Q1 2013). The remainder is expected to be paid in Q3 2013.

Movements in Working capital

Changes in working capital in Q2 were a negative $26 million, in line with usual seasonality of our investments.

FCF generation

Free cash flow for Q2 2013 was $6 million, a decline from Q2 2012 as a result of the lower EBITDA increased capex, taxes paid and corporate costs as we strengthened our business units.

US$ millions	Q2 13	Q1 13	Q4 12	Q3 12	Q2 12
Group EBITDA	463	494	528	507	513
- Capex	(200)	(327)	(358)	(218)	(177)
- Taxes	(151)	(52)	(45)	(63)	(138)
- Change in working Capital	(26)	(79)	154	26	(58)
- Corporate Costs (excl. non-cash)	(40)	(40)	(40)	(34)	(26)
opFCF (after Corporate Costs)	46	(4)	239	218	114

$270 million of cash was upstreamed during H1 2013 through a combination of dividends, management fees and royalties.

Debt structure and maturity profile

Approximately 64% of the Group's gross debt (excluding financial leases) is denominated in local currency or not subject to foreign exchange exposure, limiting local foreign exchange exposure. US$ denominated debt is used in countries where long term debt in local currency is either too expensive or not available.

At the end of Q2 2013, 66% of gross debt was at fixed interest rates, reducing our exposure to interest rate volatility.

At the end of Q2 2013, 54% of Group gross debt was in bonds and 33% from bank financing representing a better balance of funding sources.

During the second quarter, we issued a 7-year bond at corporate level. The bond was issued below par (at 99.266 with a 4.75% coupon. Debt raised has been converted into local currency where cost efficient and pushed down to certain operations in Africa to refinance short-term debt. This was done to a large extent by the end of Q2 with the remaining amount planned for Q3.

At June 30, 2013, Millicom had around $1 billion of cash on hand, with approximately $0.6bn in $US and Euro.

Shareholder remuneration

We reiterate our dividend policy for no less than $2 per share and at least 30% of normalised net income.

We have the ambition to progressive growth in ordinary dividends.

2013 Forward looking statements (amended)

Excluding Online, we expect 2013 Group EBITDA margin to be around 40% (from above 40%). The EBITDA margin guidance excludes $14 million of one off items recorded in H1 2013.

In 2013 we expect the Online division to generate revenue of close to $100 million (from in excess of $100 million) and EBITDA losses to be in the range of $125-150 million (from 125-200 million).

In 2013, the capex to revenue ratio will peak at around 20%, excluding spectrum acquisition. This will be driven by continued investments in 3G in capacity and coverage, notably as we roll out further countries in Africa, and IT investments.

Subsequent events

On July 9, 2013, Millicom acquired 2x12MHz of spectrum in the 700MHz spectrum band in Bolivia for $19 million.

Corporate Responsibility (CR)

In Q2 2013 Millicom has intensified CR training, performed a social investment review and held site visits at suppliers.

CR training held in Africa

Millicom held a CR training conference for all African CR managers in Ghana. The 3 day training covered all four areas of the Global Compact, anti-corruption, labour rights, environmental care and human rights.

Supply chain management was included in the training, followed by friendly site visits to local suppliers in Ghana. The purpose was to strengthen relationships and deepen the understanding for our CR work and demands. Focus was on scratch card suppliers as this is a crucial area to manage with highest standards. The group community engagement project of Reach4Change shared their development and learning's from the projects. The focus area was on how to maximize social impact in combination with corporate engagement.

Social Investment review

An external social investment review was performed in all our Tigo markets. It will support us to understand the extent to which existing activity meets the objectives of the new CR Strategy. The result showed gaps and opportunities and gave recommendations on how to implement the new CR Strategy on a country operational level.

CDP and DJSI

In Q2 Millicom also reported carbon emissions to Carbon Disclosure Project (CDP). The group's carbon emissions were for the first time verified and an increased approach to systematization has been utilised to raise the level of traceability. Millicom has set targets to minimize our carbon emissions. Correct measurements and group understanding of initiatives is an important part in reaching this goal. Millicom submitted, for the first time, ESG (Environmental, Social and Governance) indicators and disclosure to the DJSI (Dow Jones Sustainability Index).

Conference call details

A presentation and conference call to discuss results of the quarter will take place at 14.00 Stockholm / 13.00 London /08.00 New York, on Wednesday, July 17, 2013. Dial-in numbers: +46 (0)8 5052 0189, +44 (0) 208 515 2313, or +1 480 629 9692. Access code: 46 28 247.

A live audio stream of the conference call 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 are available at www.millicom.com.

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Millicom is a leading telecom and media company dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing innovative and customer-centric digital lifestyle services to the world's emerging markets, giving access to the world, primarily through mobile devices. The Millicom Group employs more than 10,000 people and provides mobile services, access to the internet, content and financial services to over 47 million customers. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2012, Millicom generated revenue of USD 4.81 billion and EBITDA of USD 2.07 billion.

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.

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.

Section 1- Other operating and financial data

Quarterly analysis by region (unaudited)

	Q2 13	Q1 13	Q4 12	Q3 12	Q2 12	Increase Q2 12 to Q2 13
Revenue (US$ millions)						
Central America	470	467	481	469	476	(1%)
South America	532	529	526	480	466	14%
Africa	236	239	249	247	239	(1%)
Online	20	11	10	3	-	NA
Total Revenue	**1,258**	**1,246**	**1,266**	**1,199**	**1,181**	**7%**
EBITDA (US$ millions)						
Central America	214	226	244	236	237	(9%)
South America	189	196	204	181	185	2%
Africa	74	78	87	92	91	(19%)
Online	(14)	(6)	(7)	(2)	-	NA
Total EBITDA	**463**	**494**	**528**	**507**	**513**	**(10%)**
Total mobile customers at end of period (‘000s)						
Central America	15,571	15,834	15,597	15,297	15,182	3%
South America	12,873	12,760	12,716	12,268	11,740	10%
Africa	19,010	18,810	18,916	18,466	17,629	8%
Total	**47,454**	**47,404**	**47,229**	**46,031**	**44,551**	**7%**
Attributable mobile customers at end of period (‘000s)						
Central America	11,856	12,120	12,032	11,888	11,874	0%
South America	12,873	12,760	12,716	12,268	11,740	10%
Africa	18,745	18,545	18,651	18,207	17,374	8%
Total	**43,474**	**43,425**	**43,399**	**42,363**	**40,988**	**6%**

Cellular customers and market position by country (unaudited)

Country	Equity holding	Country population (million) (i)	MIC market position (ii)	Net adds Q2 13 (000's)	Total customers ('000s) (iii)		
					Q2 13	Q2 12	YoY growth
CAM							
El Salvador	100.0%	6	1 of 5	(284)	**2,565**	3,073	(17%)
Guatemala	55.0%	14	1 of 3	2	**8,254**	7,353	12%
Honduras	66.7%*	8	1 of 3	19	**4,752**	4,756	0%
SAM							
Bolivia	100.0%	10	2 of 3	(55)	**2,806**	2,860	(2%)
Colombia	50.0% +1 share	46	3 of 3	169	**6,137**	5,183	18%
Paraguay	100.0%	7	1 of 4	(1)	**3,930**	3,697	6%
Africa							
Chad	100.0%	11	1 of 3	3	**1,958**	1,896	3%
DRC (iv)	100.0%	76	1 of 6	28	**2,964**	2,554	16%
Ghana	100.0%	25	2/3 of 6	114	**3,299**	3,196	3%
Mauritius	50.0%	1	2 of 3	(1)	**531**	509	4%
Rwanda	87.5%	12	2 of 4	141	**1,612**	1,220	32%
Senegal	100.0%	13	2 of 4	17	**2,681**	2,641	2%
Tanzania	100.0%	48	2 of 7	(102)	**5,965**	5,613	6%
Total cellular customers excluding discontinued operations		277		50	**47,454**	44,551	7%

(i) *Source: CIA World Factbook*

(ii) *Source: Millicom. Market position derived from active customers based on interconnect*

(iii) *Millicom only reports customers from which revenue has been generated within a period of 60 days, or in the case of new customers, only those from which revenue has already been generated*

(iv) *DRC market position relates to the Kinshasa/Bas Congo area only*

* *Millicom's unconditional call option over its partner's 33.3% shareholding enables Millicom to fully consolidate Honduras.*

Review by region (unaudited)

Central America	Q2 13	Q1 13	Q4 12	Q3 12	Q2 12
Mobile Customers (m)	**15.6**	15.8	15.6	15.3	15.2
YoY growth (%)	***2.6%***	*5.1%*	*6.6%*	*7.8%*	*7.8%*
Revenue ($m)	**470**	467	481	469	476
YoY growth (%) (reported)	***(1.2%)***	*(1.7%)*	*0.6%*	*1.9%*	*6.0%*
YoY growth (%) (local currency)	***0.4%***	*0.2%*	*2.4%*	*3.3%*	*7.9%*
EBITDA ($m)	**214**	226	244	236	237
YoY growth (%)	***(9.4%)***	*(6.0%)*	*(0.3%)*	*0.6%*	*2.0%*
Margin (%)	***45.6%***	*48.5%*	*50.8%*	*50.3%*	*49.7%*
Total mobile ARPU ($)(i)	**10.2**	10.0	10.6	10.4	10.6
YoY growth (%) (reported)	***(4.1%)***	*(7.4%)*	*(6.2%)*	*(7.1%)*	*(4.5%)*
Capex ($m)	**63**	46	131	41	72
Capex/Revenue (%)	***13.3%***	*9.9%*	*27.3%*	*8.8%*	*15.1%*

(i) Not adjusted for constant forex and excluding MFS

South America	Q2 13	Q1 13	Q4 12	Q3 12	Q2 12
Mobile Customers (m)	**12.9**	12.8	12.7	12.3	11.7
YoY growth (%)	***9.6%***	*10.7%*	*14.0%*	*12.9%*	*10.0%*
Revenue ($m)	**532**	529	526	480	466
YoY growth (%) (reported)	***14.2%***	*16.4%*	*16.8%*	*8.2%*	*9.7%*
YoY growth (%) (local currency)	***10.7%***	*8.7%*	*11.0%*	*14.6%*	*13.1%*
EBITDA ($m)	**189**	196	204	181	185
YoY growth (%)	***2.0%***	*5.2%*	*8.0%*	*(4.6%)*	*2.0%*
Margin (%)	***35.5%***	*37.0%*	*38.7%*	*37.8%*	*39.8%*
Total mobile ARPU ($)(i)	**11.6**	11.7	12.0	12.0	12.0
YoY growth (%) (reported)	***(3.2%)***	*(3.3%)*	*(2.4%)*	*(4.8%)*	*(2.4%)*
Capex ($m)(ii)	**46**	115	135	76	92
Capex/Revenue (%)	***8.6%***	*21.6%*	*25.8%*	*15.8%*	*19.8%*

(i) Not adjusted for constant forex and excluding MFS
(ii) Excluding sale and leaseback of previously owned towers

Review by region (continued)

Africa	Q2 13	Q1 13	Q4 12	Q3 12	Q2 12
Mobile Customers (m)	**19.0**	18.8	18.9	18.5	17.6
YoY growth (%)	***7.8%***	*9.3%*	*9.3%*	*7.5%*	*6.5%*
Revenue ($m)	**236**	239	249	247	239
YoY growth (%) (reported)	***(1.3%)***	*0.0%*	*(0.2%)*	*0.1%*	*(2.9%)*
YoY growth (%) (local currency)	***0.5%***	*2.8%*	*1.9%*	*6.8%*	*5.7%*
EBITDA ($m)	**74**	78	87	92	91
YoY growth (%)	***(19.2%)***	*(12.8%)*	*(15.2%)*	*(11.4%)*	*(8.6%)*
Margin (%)	***31.1%***	32.7%	34.8%	37.3%	38.0%
Total mobile ARPU ($)(i)	**3.9**	4.0	4.2	4.3	4.4
YoY growth (%) (reported)	***(11.7%)***	*(11.1%)*	*(10.6%)*	*(10.4%)*	*(13.7%)*
Capex ($m)(ii)	**42**	31	223(iv)	81	84(iii)
Capex/Revenue (%)	***18.0%***	*12.9%*	*89.9%*	*32.8%*	*35.3%*

(i) Not adjusted for constant forex and excluding MFS

(ii) Excluding sale and leaseback of previously owned towers

(iii) Includes spectrum in the Democratic Republic of Congo.

(iv) Includes US$ 103 million for spectrum in Senegal.

Revenue growth - Forex effect by region

US$ m	Revenue Q2 12	Constant currency growth	Forex	Acquisition*	Revenue Q2 13	LC growth %
CAM	476	2	(8)	-	470	0.4%
SAM	466	50	-	16	532	10.7%
Africa	239	1	(4)	-	236	0.5%
Online	-	20	-	-	20	NA
Total	1,181	73	(12)	16	1,258	6.2%

* *Acquisition of Cablevision in Paraguay and other smaller cable businesses*

Customers

Net additional mobile customers (‘000)

	Total	CAM	SAM	Africa
Q2 13	50	(263)	113	200
Q1 13	175	237	44	(106)
Q4 12	1,198	300	448	450
Q3 12	1,480	115	528	837
Q2 12	753	124	209	420

Source: Company data. Historical market share for Africa restated to reflect KBC market only in DRC

Customer market share

Market share (%)

	Total	CAM	SAM	Africa
Q2 13	29.5%	53.7%	20.1%	28.3%
Q1 13	29.8%	53.6%	19.9%	28.9%
Q4 12	30.2%	54.4%	19.7%	29.8%
Q3 12	29.9%	54.6%	19.2%	29.7%
Q2 12	29.8%	54.8%	18.8%	29.7%

Year-on-Year-local currency mobile ARPU growth % (excl. MFS)

	Total	Central America	South America	Africa
Q2 13	**(5%)**	(2%)	(3%)	(10%)
Q1 13	**(7%)**	(5%)	(7%)	(9%)
Q4 12	**(5%)**	(5%)	(4%)	(9%)
Q3 12	**(2%)**	(6%)	1%	(4%)
Q2 12	**(2%)**	(2%)	1%	(6%)

N.B. ARPU figures are based on total mobile revenue less roaming revenue.

Section 2- Condensed Consolidated Financial Statements (IAS 34)

Condensed consolidated income statement for the six month period ended June 30, 2013

US$ millions (unaudited)	Notes	Six month period ended June 30, 2013	Six month period ended June 30, 2012
Revenue	7	2,504	2,349
Cost of sales		(954)	(854)
Gross profit		**1,550**	**1,495**
Sales and marketing		(520)	(430)
General and administrative expenses		(516)	(457)
Other operating expenses		(80)	(47)
Other operating income		4	13
Operating profit	7	**438**	**574**
Interest expense		(132)	(101)
Interest and other financial income		13	6
Other non-operating (expenses) income, net	8	23	17
Gain (loss) from associates, net		(15)	(2)
Profit before taxes from continuing operations		**327**	**494**
(Charge) credit for taxes, net		(130)	(176)
Net profit for the period		**197**	**318**
Attributable to:			
Owners of the Company		211	307
Non-controlling interests		(14)	11
Earnings per common share for profit attributable to the owners of the Company:			
Basic (US$)	9	2.11	3.02
Diluted (US$)	9	2.11	3.02

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

Condensed consolidated income statement for the three month period ended June 30, 2013

US$ millions (unaudited)	Notes	Three month period ended June 30, 2013	Three month period ended June 30, 2012
Revenue	7	1,258	1,181
Cost of sales		(486)	(433)
Gross profit		**772**	**748**
Sales and marketing		(274)	(219)
General and administrative expenses		(259)	(233)
Other operating expenses		(40)	(25)
Other operating income		1	8
Operating profit	7	**200**	**279**
Interest expense		(66)	(54)
Interest and other financial income		10	2
Other non-operating (expenses) income, net	8	(19)	69
Gain (loss) from associates, net		(9)	(2)
Profit before taxes from continuing operations		**116**	**294**
(Charge) credit for taxes, net		(62)	(85)
Net profit for the period		**54**	**209**

Attributable to:			
Owners of the Company		66	212
Non-controlling interests		(12)	(3)

Earnings per common share for profit attributable to the owners of the Company:			
Basic (US$)	9	0.66	2.09
Diluted (US$)	9	0.66	2.09

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

Condensed consolidated statement of comprehensive income for the six month period ended June 30, 2013

US$ millions (unaudited)	Six months ended June 30, 2013	Six months ended June 30, 2012
Net profit for the period	197	318
Other comprehensive income (to be reclassified to profit and loss in subsequent periods):		
Exchange differences on translating foreign operations	(48)	(32)
Cash flow hedge reserve movement	6	—
Total comprehensive income for the period	**155**	**286**

Attributable to:		
Owners of the Company	180	278
Non-controlling interests	(25)	8

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

Condensed consolidated statement of comprehensive income for the three month period ended June 30, 2013

US$ millions (unaudited)	Three months ended June 30, 2013	Three months ended June 30, 2012
Net profit for the period	54	209
Other comprehensive income (to be reclassified to profit and loss in subsequent periods):		
Exchange differences on translating foreign operations	(47)	(43)
Cash flow hedge reserve movement	—	1
Total comprehensive income for the period	**7**	**167**

Attributable to:		
Owners of the Company	24	174
Non-controlling interests	(17)	(7)

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

Condensed consolidated statement of financial position as at June 30, 2013

US$ millions	Notes	June 30, 2013 (unaudited)	December 31, 2012 (audited)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	11	2,501	2,419
Property, plant and equipment, net	10	2,922	3,108
Investments in associates	12	64	193
Pledged deposits		46	47
Deferred tax assets		239	259
Other non-current assets		95	86
TOTAL NON-CURRENT ASSETS		**5,867**	**6,112**
CURRENT ASSETS			
Inventories		134	93
Trade receivables, net		304	322
Amounts due from non-controlling interests and joint venture partners		113	81
Prepayments and accrued income		191	140
Current income tax assets		46	39
Supplier advances for capital expenditure		62	44
Advances to non-controlling interest		49	56
Other current assets		75	86
Restricted cash		59	43
Cash and cash equivalents		914	1,174
TOTAL CURRENT ASSETS		**1,947**	**2,078**
Assets held for sale	5	14	21
TOTAL ASSETS		**7,828**	**8,211**

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

Condensed consolidated statement of financial position as at June 30, 2013 (continued)

US$ millions	Notes	June 30, 2013 (unaudited)	December 31, 2012 (audited)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		640	642
Treasury shares		(173)	(198)
Put option reserve		(737)	(737)
Other reserves		(176)	(133)
Retained profits		2,182	1,942
Profit for the period / year attributable to equity holders		211	508
Equity attributable to owners of the Company		**1,947**	**2,024**
Non-controlling interests		271	312
TOTAL EQUITY		**2,218**	**2,336**
LIABILITIES			
Non-current liabilities			
Debt and financing	14	2,825	2,566
Derivative financial instruments		3	4
Provisions and other non-current liabilities		125	127
Deferred tax liabilities		165	180
Total non-current liabilities		**3,118**	**2,877**
Current liabilities			
Debt and financing	14	514	693
Put option liability	15	648	730
Payables and accruals for capital expenditure		244	411
Other trade payables		221	259
Amounts due to joint ventures partners		7	19
Accrued interest and other expenses		385	341
Current income tax liabilities		119	161
Provisions and other current liabilities		351	379
Total current liabilities		**2,489**	**2,993**
Liabilities directly associated with assets held for sale	5	3	5
TOTAL LIABILITIES		**5,610**	**5,875**
TOTAL EQUITY AND LIABILITIES		**7,828**	**8,211**

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

Condensed consolidated statement of cash flows for the six month period ended June 30, 2013

US$ millions (unaudited)	Notes	Six months ended June 30, 2013	Six months ended June 30, 2012
Cash flows from operating activities			
Profit before taxes from continuing operations		**327**	**494**
Adjustments for non-operating items:			
Interest expense		132	101
Interest and other financial income		(13)	(6)
(Gain) loss from associates, net		15	2
Other non-operating expenses (income), net		(23)	(17)
Adjustments for non-cash items:			
Depreciation and amortization		424	395
Gain (loss) on disposal and impairment of assets, net		4	(7)
Share-based compensation	13	10	11
Other non-cash items		1	9
Changes in working capital:			
Increase in trade receivables, prepayments and other current assets		(13)	(77)
Increase in inventories		(41)	(12)
Decrease in trade and other payables		(51)	(7)
Changes in working capital		**(105)**	**(96)**
Interest paid		(106)	(82)
Interest and other financial income received		12	6
Taxes paid		(203)	(176)
Net cash provided by operating activities		**475**	**634**
Cash flows from investing activities:			
Acquisition of subsidiaries, and non-controlling interests, net of cash acquired	3	(1)	(16)
Purchase of intangible assets and licenses		(164)	(43)
Proceeds from the sale of intangible assets	11	10	—
Purchase of property, plant and equipment	10	(383)	(369)
Proceeds from the sale of property, plant and equipment	10	10	104
Net disposal (purchase) of pledge and time deposits		3	—
Net increase in restricted cash		(16)	(10)
Cash used by other investing activities		(29)	5
Net cash used by investing activities		**(570)**	**(329)**
Cash flows from financing activities:			
Issuance of loans to associates		(13)	—
Proceeds from debt and other financing		785	487
Repayment of debt and financing		(667)	(403)
Purchase of treasury shares		—	(106)
Payment of dividends		(264)	(244)
Net cash from (used by) financing activities		**(159)**	**(266)**
Exchange gains (losses) on cash and cash equivalents		(6)	—
Net (decrease) increase in cash and cash equivalents		**(260)**	**39**
Cash and cash equivalents at the beginning of the period		1,174	861
Cash and cash equivalents at the end of the period		**914**	**900**

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

Condensed consolidated statements of changes in equity for the periods ended June 30, 2013, December 31, 2012, and June 30, 2012

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 as at December 31, 2011	**104,939**	**(3,507)**	**157,407**	**505,120**	**(378,359)**	**2,811,130**	**(737,422)**	**(103,492)**	**2,254,384**	**191,170**	**2,445,554**
Profit for the period	—	—	—	—	—	*306,818*	—	—	*306,818*	*11,330*	*318,148*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*570*	*570*	*(180)*	*390*
Currency translation differences	—	—	—	—	—	—	—	*(28,962)*	*(28,962)*	*(3,386)*	*(32,348)*
Total comprehensive income for the period	—	—	—	—	—	306,818	—	(28,392)	278,426	7,764	286,190
Dividends	—	—	—	—	—	(244,174)	—	—	(244,174)	—	(244,174)
Purchase of treasury shares	—	(1,152)	—	—	(105,786)	—	—	—	(105,786)	—	(105,786)
Cancellation of treasury shares	(3,200)	3,200	(4,800)	(15,000)	344,377	(324,577)	—	—	—	—	—
Share based compensation	—	—	—	—	—	—	—	11,106	11,106	—	11,106
Issuance of shares under the LTIPs	—	237	—	(1,106)	25,453	(11,926)	—	(12,421)	—	—	—
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(2,244)	(2,244)
Change in scope of consolidation	—	—	—	—	—	8,658	—	—	8,658	—	8,658
Balance as at June 30, 2012 (unaudited)	**101,739**	**(1,222)**	**152,607**	**489,014**	**(114,315)**	**2,545,929**	**(737,422)**	**(133,199)**	**2,202,614**	**196,690**	**2,399,304**
Profit for the period	—	—	—	—	—	*201,488*	—	—	*201,488*	*(16,048)*	*185,440*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*(1,688)*	*(1,688)*	*95*	*(1,593)*
Currency translation differences	—	—	—	—	—	—	—	*(8,747)*	*(8,747)*	*(14,144)*	*(22,891)*
Total comprehensive income for the year	—	—	—	—	—	201,488	—	(10,435)	191,053	(30,097)	160,956
Dividends	—	—	—	—	—	(296,959)	—	—	(296,959)	—	(296,959)
Purchase of treasury shares	—	(954)	—	—	(83,833)	—	—	—	(83,833)	—	(83,833)
Share based compensation	—	—	—	—	—	—	—	10,823	10,823	—	10,823
Non-controlling interests in Rocket Internet	—	—	—	—	—	—	—	—	—	160,321	160,321
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(14,725)	(14,725)
Balance as at December 31, 2012	**101,739**	**(2,176)**	**152,607**	**489,014**	**(198,148)**	**2,450,458**	**(737,422)**	**(132,811)**	**2,023,698**	**312,189**	**2,335,887**
Profit for the period	—	—	—	—	—	*210,674*	—	—	*210,674*	*(13,485)*	*197,189*
Cash flow hedge reserve movement	—	—	—	—	—	—	—	*6,194*	*6,194*	*70*	*6,264*
Currency translation differences	—	—	—	—	—	—	—	*(36,972)*	*(36,972)*	*(11,919)*	*(48,891)*
Total comprehensive income for the period	—	—	—	—	—	210,674	—	(30,778)	179,896	(25,334)	154,562
Dividends	—	—	—	—	—	(263,627)	—	—	(263,627)	—	(263,627)
Purchase of treasury shares	—	(44)	—	—	(3,702)	—	—	—	(3,702)	—	(3,702)
Shares issued via the exercise of stock options	—	80	—	(376)	7,259	(4,142)	—	(2,741)	—	—	—
Share based compensation	—	—	—	—	—	—	—	9,736	9,736	—	9,736
Issuance of shares under the LTIPs	—	234	—	(1,101)	21,244	(1,040)	—	(19,103)	—	—	—
Change in scope of consolidation	—	—	—	—	—	694	—	—	694	8,789	9,483
Dividend to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(24,872)	(24,872)
Balance as at June 30, 2013 (unaudited)	**101,739**	**(1,906)**	**152,607**	**487,537**	**(173,347)**	**2,393,017**	**(737,422)**	**(175,697)**	**1,946,695**	**270,772**	**2,217,467**

(i) Includes profit for the period attributable to equity holders of which at June 30, 2013, $139 million (December 31, 2012: $126 million) are undistributable to owners of the Company.

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

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

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 online businesses in Latin America and Africa.

Millicom operates its mobile businesses in El Salvador, Guatemala and Honduras in Central America; in Bolivia, Colombia and Paraguay in South America; and in Chad, the Democratic Republic of Congo, Ghana, Mauritius, Rwanda, Senegal and Tanzania in Africa. In addition, Millicom operates cable businesses in El Salvador, Guatemala, Honduras, Costa Rica and Paraguay and online/e-commerce businesses in several countries in Latin America (including Brazil) and Africa (including Nigeria and South Africa).

The Company's shares are traded as Swedish Depositary Receipts on the Stockholm stock exchange under the symbol MIC SDB and over the counter in the US under the symbol MIICF. The Company has its registered office at 2, Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B 40 630.

On July 16, 2013 the Board of Directors authorized these interim 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 published by the International Accounting Standards Board ("IASB") and as adopted by the European Union. In the opinion of management, these 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 apart from a slight increase in revenue over the festive season in December.

These interim condensed consolidated financial statements should be read in conjunction with the annual report for the year ended December 31, 2012.

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

These interim condensed consolidated financial statements are prepared in accordance with consolidation and accounting policies consistent with Millicom's consolidated financial statements as at and for the year ended December 31, 2012, as disclosed in Note 2 of those financial statements.

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2013 that have a material impact on the Group.

The nature and the impact of each new standard/amendment are described below:

IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 32 *Tax effects of distributions to holders of equity instruments* (Amendment)
The amendment to IAS 32 *Financial Instruments: Presentation* clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

IAS 34 *Interim financial reporting and segment information for total assets and liabilities* (Amendment)
The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group provides this disclosure as total segment assets were reported to the CODM. See Note 7.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2013, have not been early adopted and are not expected to have a material impact on the Group.

Amendment to IAS 32, 'Financial Instruments: Presentation', which updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify certain requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is yet to fully assess the full impact and intends to adopt the amendment no later than its effective date for the accounting period beginning on January 1, 2014.

The following standards, amendments and interpretations issued are not effective for the financial year beginning January 1, 2013, have not been early adopted and are currently being evaluated for impact on the Group:

IFRS 9, 'Financial Instruments', which has yet to be adopted by the European Union, addresses the classification, measurement and recognition of financial assets and financial liabilities.

Scope of the reporting entity, a group of standards comprising ***IFRS 10, 'Consolidated financial statements'*** (which replaces all of the guidance on control and consolidation in IAS 27, 'Consolidated and separate financial statements', and SIC-12, 'Consolidation − special purpose entities'), ***IFRS 11 'Joint Arrangements'; IFRS 12, 'Disclosure of interests in other entities';*** and consequential ***amendments to IAS 28, 'Investments in associates'***.

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

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

2013

On March 27, 2013 Millicom exercised its first call options increasing its ownership in Latin America Internet Holding ("LIH") and Africa Internet Holding ("AIH") from 20% to 35%. Consideration for exercise of the options of Euro 50 million (USD 64 million) for LIH and EUR 35 million (USD 45 million) for AIH will be provided based on cash requirements of each of the businesses, and no later than September 14, 2013.

Effective April 1, 2013 Millicom entered into an agreement with a non-related minority investor in Africa e-Commerce Holding ("AEH"), a 51.47% subsidiary of AIH (Millicom's subsidiary in Rocket Africa) providing Millicom the ability to purchase a further 20% interest in AEH upon exercise of the option to reach 100% ownership in AIH and the minority shareholder to sell its 20% stake in AEH upon the same conditions.

This agreement provides Millicom with the ability to control the AEH Group, which has been fully consolidated from April 1, 2013. The previous investment in AEH was accounted for as an investment in associates (see note 12).

Millicom provisionally completed the acquisition accounting related to the assets acquired, liabilities assumed and contingent liabilities during the three month period ended June 30, 2013 as follows:

US$ millions (unaudited)	100%	Previously Held Interest
Fair value of net assets of AEH Group........................	222	123
Non-controlling interests	(125)	
Fair value of net assets acquired	**97**	**31**
Previously held interest in AEH...................................	(99)	
Revaluation of the previously held interests in AEH	**(2)**	
Goodwill arising on acquisition...............................		**92**

The goodwill, which is not expected to be tax deductible, is attributable to the profitability potential of the operating businesses and business concepts of AEH, as well as technical know-how. The fair value of AEH was based on a sum-of-parts valuation and its operating entities using a discounted cash flow approach.

The change of control contributed revenues of $8 million and net losses of $9 million (including the loss on revaluation of the previously held interest) for the period from acquisition to June 30, 2013.

Millicom revalued to fair value its previously held interest in AEH recognizing a loss of $2 million. The fair value of the previously held interest was determined based on discounted cash flows. The cash flow projections used were estimated by management covering 5 years. Cash flows beyond this point were extrapolated using a perpetual growth rate of 5%.

The acquisition accounting was determined to be provisional until additional information is obtained on the minority shareholdings in the operating entities and the recoverable and settlement value of certain of the assets and liabilities.

2012

During the six months ended June 30, 2012 Millicom acquired minor investments in businesses for consideration of $16 million and its increase in ownership in Navega El Salvador from 55% to 100% was completed.

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

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

There were no disposals of subsidiaries, joint ventures or non-controlling interests during the six month periods ended June 30, 2013 or June 30, 2012.

5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

There were no discontinued operations during the six month periods ended June 30, 2013 or June 30, 2012.

Assets held for sale – Tower Sale and Leaseback Agreements

Between 2009 and 2011, Millicom signed various sale and leaseback agreements with tower companies in Africa and South America whereby Millicom agreed the sale of tower assets and to lease back a dedicated portion of each tower to locate its network equipment.

At June 30, 2013, Millicom had assets held for sale amounting to $14 million relating to its operations in DRC, Colombia, Ghana and Tanzania (December 31, 2012: $21 million relating to its operations in DRC, Colombia, and Tanzania) representing towers sold but yet to be transferred to tower companies in those countries.

The portions of these assets that will not be leased back are classified as assets held for sale, as completion of sale is highly probable. Asset retirement obligations related to the tower assets at June 30, 2013 of $3 million (December 31, 2012: $5 million) are classified as liabilities directly associated with assets held for sale. The portion of towers leased back are capitalized as finance leases and classified under the caption “Property, plant & equipment, net” in the consolidated statement of financial position.

At June 30, 2013 approximately 20 towers are held for sale in Ghana, 35 in Tanzania, 51 in DRC and 575 in Colombia.

6. JOINT VENTURES

The following amounts have been proportionally consolidated into the Group’s financial statements representing the Group’s share of revenue, operating expenses and operating profit in the Group’s joint ventures.

US$ millions (unaudited)	Six month period ended June 30, 2013	Six month period ended June 30, 2012
Revenue	334	332
Operating expenses	(202)	(193)
Operating profit	**132**	**139**

US$ millions (unaudited)	Three month period ended June 30, 2013	Three month period ended June 30, 2012
Revenue	168	165
Operating expenses	(102)	(94)
Operating profit	**66**	**71**

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

7. SEGMENT INFORMATION

Management determines operating and reportable segments based on reports that are used by the Chief Operating Decision Maker ("CODM") to make strategic and operational decisions from both a business and a geographic perspective. The Group's risks and rates of return for its operations are predominantly affected by the fact that it operates in different geographical regions. The businesses are predominantly organized and managed according to selected geographical regions. These regions (Central America, South America and Africa) represent the basis for evaluation of past performance and for future allocation of resources.

Revenue, operating profit (loss) and other segment information for the six and three month periods ended June 30, 2013 and 2012 was as follows:

Six month period ended June 30, 2013 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa (ii)	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**937**	**1,084**	**483**	**—**	**2,504**	**—**	**2,504**
Operating profit (loss)	**284**	**227**	**16**	**(89)**	**438**	**—**	**438**
Add back:							
Depreciation and amortization	155	144	125	—	424	—	424
Loss (gain) on disposal and impairment of property, plant and equipment	2	—	4	(1)	5	—	5
Corporate costs	—	—	—	90	90	—	90
Adjusted operating profit	**441**	**371**	**145**	**—**	**957**	**—**	**957**
Less additions to:							
Property, plant and equipment	(99)	(80)	(49)	**—**	(228)	—	(228)
Intangible assets	(10)	(80)	(25)	(4)	(119)	—	(119)
Capital expenditure	**(109)**	**(160)**	**(74)**	**(4)**	**(347)**	**—**	**(347)**
Tax paid	(107)	(60)	(9)	(27)	(203)		
Changes in working capital	(4)	(65)	13	(49)	(105)		
Other movements	(53)	(58)	(52)	(17)	(180)		
Operating free cash flow (i)	**168**	**28**	**23**	**(97)**	**122**		
Less corporate costs (excl. non-cash)	—	—	—	(80)	(80)		
Operating free cash flow after corporate costs	**168**	**28**	**23**	**(177)**	**42**		
Total Assets	**3,330**	**2,316**	**1,944**	**1,752**	**9,342**	**(1,514)**	**7,828**
Total Liabilities	**1,613**	**1,820**	**2,045**	**1,628**	**7,106**	**(1,496)**	**5,610**

Six month period ended June 30, 2012 (US$ millions) (Unaudited)	Central America	South America	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**950**	**921**	**478**	—	**2,349**	**—**	**2,349**
Operating profit (loss)	**319**	**250**	**67**	**(62)**	**574**	**—**	**574**
Add back:							
Depreciation and amortization	158	122	115	—	395	—	395
Loss (gain) on disposal and impairment of property, plant and equipment	1	(1)	(1)	3	2	—	2
Corporate costs	—	—	—	59	59	—	59
Adjusted operating profit	**478**	**371**	**181**	—	**1,030**	**—**	**1,030**
Less additions to:							
Property, plant and equipment	(123)	(118)	(94)	(2)	(337)	—	(337)
Intangible assets	—	(43)	(32)	(24)	(99)	—	(99)
Capital expenditure	**(123)**	**(161)**	**(126)**	**(26)**	**(436)**	**—**	**(436)**
Tax paid	(91)	(54)	(17)	(14)	(176)		
Changes in working capital	(16)	(68)	(2)	(10)	(96)		
Other movements	(18)	85	31	30	128		
Operating free cash flow (i)	**230**	**173**	**67**	**(20)**	**450**		
Less corporate costs (excl. non-cash)	—	—	—	(48)	(48)		
Operating free cash flow after corporate costs	**230**	**173**	**67**	**(68)**	**402**		
Total Assets	**3,524**	**2,073**	**1,626**	**972**	**8,195**	**(835)**	**7,360**
Total Liabilities	**1,698**	**1,528**	**1,753**	**816**	**5,795**	**(834)**	**4,961**

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

(ii) Inclusion of Rocket from September 1, 2012

(iii) Inclusion of Cablevision Paraguay from October 1, 2012

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

7. SEGMENT INFORMATION (Continued)

Three month period ended June 30, 2013 (US$ millions) (Unaudited)	Central America	South America (ii)(iii)	Africa (ii)	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**470**	**544**	**244**	**—**	**1,258**	**—**	**1,258**
Operating profit (loss)	**136**	**108**	**—**	**(44)**	**200**	**—**	**200**
Add back:							
Depreciation and amortization	78	74	63	—	215	—	215
Loss (gain) on disposal and impairment of property, plant and equipment	1	(1)	4	(1)	3	—	3
Corporate costs	—	—	—	45	45	—	45
Adjusted operating profit	**215**	**181**	**67**	**—**	**463**	**—**	**463**
Less additions to:							
Property, plant and equipment	(55)	(38)	(41)	(1)	(135)	—	(135)
Intangible assets	(8)	(7)	(2)	(2)	(19)	—	(19)
Capital expenditure	**(63)**	**(45)**	**(43)**	**(3)**	**(154)**	**—**	**(154)**
Tax paid	(74)	(56)	(6)	(15)	(151)		
Changes in working capital	7	3	14	(50)	(26)		
Other movements	(16)	(6)	(3)	(21)	(46)		
Operating free cash flow (i)	**69**	**77**	**29**	**(89)**	**86**		
Less corporate costs (excl. non-cash)	—	—	—	(40)	(40)		
Operating free cash flow after corporate costs	**69**	**77**	**29**	**(129)**	**46**		
Total Assets	**3,330**	**2,316**	**1,944**	**1,752**	**9,342**	**(1,514)**	**7,828**
Total Liabilities	**1,613**	**1,820**	**2,045**	**1,628**	**7,106**	**(1,496)**	**5,610**

Three month period ended June 30, 2012 (US$ millions) (Unaudited)	Central America	South America	Africa	Unallocated item	Total continuing operations	Inter-company elimination	Total
Revenue	**476**	**466**	**239**	—	**1,181**	**—**	**1,181**
Operating profit (loss)	**159**	**123**	**32**	**(35)**	**279**	**—**	**279**
Add back:							
Depreciation and amortization	79	63	57	—	199	—	199
Loss (gain) on disposal and impairment of property, plant and equipment	(1)	(1)	2	3	3	—	3
Corporate costs	—	—	—	32	32	—	32
Adjusted operating profit	**237**	**185**	**91**	—	**513**	**—**	**513**
Less additions to:							
Property, plant and equipment	(72)	(59)	(54)	(1)	(186)	—	(186)
Intangible assets	—	(33)	(30)	(15)	(78)	—	(78)
Capital expenditure	**(72)**	**(92)**	**(84)**	**(16)**	**(264)**	**—**	**(264)**
Tax paid	(68)	(42)	(14)	(14)	(138)		
Changes in working capital	1	(43)	(3)	(13)	(58)		
Other movements	11	34	12	30	87		
Operating free cash flow (i)	**109**	**42**	**2**	**(13)**	**140**		
Less corporate costs (excl. non-cash)	—	—	—	(26)	(26)		
Operating free cash flow after corporate costs	**109**	**42**	**2**	**(39)**	**114**		
Total Assets	**3,524**	**2,073**	**1,626**	**972**	**8,195**	**(835)**	**7,360**
Total Liabilities	**1,698**	**1,528**	**1,753**	**816**	**5,795**	**(834)**	**4,961**

(iv) Only for calculating segments' operating free cash flows, vendor financing of capital equipment is treated as a cash transaction,
(v) Inclusion of Rocket from September 1, 2012
(vi) Inclusion of Cablevision Paraguay from October 1, 2012

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

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

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

US$ millions (unaudited)	Six months ended June 30, 2013	Six months ended June 30, 2012
Change in carrying value of put option (see note 15)	83	25
Change in fair value of derivatives (see note 16)	6	(4)
Exchange (losses) gains, net	(66)	(13)
Revaluation of previously held interest in Navega El Salvador (see note 4)	—	9
Total	**23**	**17**

US$ millions (unaudited)	Three months ended June 30, 2013	Three months ended June 30, 2012
Change in carrying value of put option (see note 15)	31	89
Change in fair value of derivatives (see note 16)	5	(1)
Exchange (losses) gains, net	(55)	(19)
Total	**(19)**	**69**

9. EARNINGS PER COMMON SHARE

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

US$ millions (unaudited)	Six months ended June 30, 2013	Six months ended June 30, 2012
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	211	307
Net profit attributable to owners of the Company used to determine the earnings per share	211	307
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,761**	**101,435**
Potential incremental shares as a result of share options	85	96
Weighted average number of ordinary shares adjusted for the effect of dilution	**99,846**	**101,531**
US$		
Basic		
- EPS for the period attributable to owners of the Company	2.11	3.02
Diluted		
- EPS for the period attributable to owners of the Company	2.11	3.02

US$ millions (unaudited)	Three months ended June 30, 2013	Three months ended June 30, 2012
Basic and Diluted		
Net profit attributable to owners of the Company from continuing operations	66	212
Net profit attributable to owners of the Company used to determine the earnings per share	66	212
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**99,831**	**101,201**
Potential incremental shares as a result of share options	69	93
Weighted average number of ordinary shares adjusted for the effect of dilution	**99,900**	**101,294**
US$		
Basic		
- EPS for the period attributable to owners of the Company	0.66	2.09
Diluted		
- EPS for the period attributable to owners of the Company	0.66	2.09

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

10. PROPERTY, PLANT AND EQUIPMENT

The Group used cash for the purchase of property, plant and equipment as follows:

US$ millions (unaudited)	Six months ended June 30, 2013	Six months ended June 30, 2012
Additions	228	337
Increase in suppliers advances	19	6
Decrease in payables for property, plant and equipment	134	28
Increase in vendor financing and finance leases	4	(2)
Sale and lease back agreements (see notes 5 and 12)	(2)	—
Cash used for the purchase of property, plant and equipment	**383**	**369**

The charge for depreciation on property, plant and equipment for the six month period ended June 30, 2013 was $343 million (June 30, 2012: $320 million).

During the six month period ended June 30, 2013, Millicom disposed of property, plant and equipment and received $10 million (June 30, 2012: $104 million).

US$ millions (unaudited)	Three months ended June 30, 2013	Three months ended June 30, 2012
Additions	135	186
Increase in suppliers advances	11	1
Decrease (increase) in payables for property, plant and equipment	35	(3)
Increase in vendor financing and finance leases	5	3
Cash used for the purchase of property, plant and equipment	**186**	**187**

The charge for depreciation on property, plant and equipment for the three month period ended June 30, 2013 was $171 million (June 30, 2012: $161 million).

During the three month period ended June 30, 2013, Millicom disposed of property, plant and equipment and received $10 million (June 30, 2012: $34 million).

11. INTANGIBLE ASSETS

The Group used cash for the purchase of intangible assets and license renewals as follows:

US$ millions (unaudited)	Six months ended June 30, 2013	Six months ended June 30, 2012
Additions	119	99
Increase in suppliers advances	12	—
Decrease (increase) in payables for intangibles	33	(56)
Cash used for the purchase of intangible assets and license renewals	**164**	**43**

The charge for depreciation on intangible assets and license renewals for the six month period ended June 30, 2013 was $81 million (June 30, 2012: $75 million).

During the six month period ended June 30, 2013, Millicom disposed of intangibles and received $10 million (June 30, 2012: nil).

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

11. INTANGIBLE ASSETS (continued)

US$ millions (unaudited)	Three months ended June 30, 2013	Three months ended June 30, 2012
Additions	19	78
Increase in suppliers advances	14	—
Increase in payables for intangibles	(3)	(56)
Cash used for the purchase of intangible assets and license renewals	**30**	**22**

The charge for depreciation on intangible assets and license renewals for the three month period ended June 30, 2013 was $44 million (June 30, 2012: $38 million).

During the three month period ended June 30, 2013, Millicom disposed of intangibles and received $6 million (June 30, 2012: nil).

12. INVESTMENTS IN ASSOCIATES

As at June 30, 2013 investments in associates comprised:

US$ millions	As at June 30, 2013 (unaudited)	As at December 31, 2012 (audited)
Helios Towers Tanzania (see note 5)	16	26
Helios Towers DRC (see note 5)	30	29
Helios Towers Ghana (see note 5)	12	17
ATC Colombia BV	4	20
Africa e-Commerce Holding	—	100
Others	2	1
Total	**64**	**193**

As described in note 3, on April 1, 2013 Millicom obtained control over Africa e-Commerce Holding (“AEH”) and from that date AEH and its subsidiaries were fully consolidated.

Options related to Colombia Tower Sale and Leaseback Agreements

In December 2011, Millicom exercised an option to acquire a 40% stake in the holding company (ATC Colombia BV), of the tower company in Colombia (ATC Infraco) in which it is selling and leasing back a portion of its tower assets.

Millicom has provided Colombia Móvil’s other shareholders with separate unconditional options to acquire up to half of Millicom’s interest in ATC Colombia BV (“ATC Colombia Option”). As at June 30, 2013 the options have not been exercised. The options expire on July 18, 2013. At June 30, 2013 the fair value of the options was not significant.

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

13. SHARE-BASED COMPENSATION

(a) Long-Term Incentive Plans

Long term incentive awards consist of three-year deferred share awards and performance share awards plans. Shares granted under the deferred plans are based on past performance and vest 16.5% at the end of each of the first and second years of the plans and 67% at the end of the final year. Shares granted under the performance plans are based on future performance, subject to various non-market conditions and normally vest at the end of three-year periods.

A summary of the plans at June 30, 2013 is as follows:

Plans (unaudited)	Shares vested in 2013 (Shares 000's)	Actual/expected charge over the vesting period (US$ millions)
2010 Deferred Plan	90	11
2010 Performance Plan	67	5
Total actual for fully vested plans	**157**	**16**
2011 Deferred Plan	23	12
2011 Performance Plan	20	6
2012 Deferred Plan	27	15
2012 Performance Plan	7	6
2013 Deferred Plan	—	15
2013 Performance Plan	—	12
Total for other plans	**77**	**66**
Total	**234**	**82**

(b) Total share-based compensation expense

Total share-based compensation for the six month periods ended June 30, 2013 and 2012 was as follows:

US$ millions (unaudited)	Six months ended June 30, 2013	Six months ended June 30, 2012
2010 LTIPs	—	2
2011 LTIPs	1	4
2012 LTIPs	3	5
2013 LTIPs	6	—
Total share-based compensation expense	**10**	**11**

Total share-based compensation for the three month periods ended June 30, 2013 and 2012 was as follows:

US$ millions (unaudited)	Three months ended June 30, 2013	Three months ended June 30, 2012
2010 LTIPs	—	1
2011 LTIPs	—	2
2012 LTIPs	2	3
2013 LTIPs	3	—
Total share-based compensation expense	**5**	**6**

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

14. DEBT AND FINANCING

4.75% Bond

On May 22, 2013 Millicom issued a $500 million 4.75% fixed interest rate bond repayable in 7 years, with the purpose of refinancing the African operations (excluding Rwanda and Mauritius). Withheld costs of issuance of $10 million and paid costs of $9 million are to be amortized over the 7 year life of the bond using the amortized cost method (effective interest rate of 5.29%).

Analysis of debt and other financing by maturity

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

US$ millions	As at June 30, 2013 (unaudited)	As at December 31, 2012 (audited)
Due within:		
One year	514	693
One-two years	396	473
Two-three years	313	348
Three-four years	227	289
Four-five years	863	456
After five years	1,026	1,000
Total debt	**3,339**	**3,259**

As at June 30, 2013, 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 $874 million (December 31, 2012: $1,391 million). The assets pledged by the Group for these debts and financings amount to $44 million (December 31, 2012: $131 million).

Millicom has issued guarantees to banks and suppliers as security over debt and financing of a number of its operations. The table below describes the outstanding and maximum exposure under these guarantees and the remaining terms of the guarantees as at June 30, 2013 and December 31, 2012. Amounts issued to cover bank guarantees are recorded in the consolidated statements of financial position under the caption "Debt and other financing".

	Bank and financing guarantees(i)			
US$ millions	As at June 30, 2013 (unaudited)		As at December 31, 2012 (audited)	
Terms	Outstanding exposure	Maximum exposure	Outstanding exposure	Maximum exposure
0-1 year	55	142	278	470
1-3 years	40	62	196	305
3-5 years	238	305	315	355
More than 5 years	—	—	—	—
Total	**333**	**509**	**789**	**1,130**

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

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

15. PUT OPTION RESERVE

On July 1, 2010, Millicom reached an agreement with its local partner in Honduras whereby Millicom's local partner granted Millicom an unconditional call option for five years for his 33% stake in the Honduran operation. At the same time, and as consideration for the call option, Millicom granted a put option for the same duration to its local partner. The put option can only be exercised if a change of control occurs in either Millicom International Cellular S.A. or Millicom's subsidiary that holds the shares in Celtel (except if the change of control is in favour of Investment AB Kinnevik, the current largest shareholder of Millicom, or management of Millicom).

A change of control event which is beyond the control of Millicom may occur. Such an event would enable our local partner to exercise his put option. Accordingly, the put option is accounted for as a financial liability and measured at the present value of its redemption price.

The redemption price of the put option is a multiple of the EBITDA of the Honduran operation. The multiple is based on a change of control transaction multiple of Millicom. Management estimated the change of control transaction multiple of Millicom from a trading multiple of Millicom and adding a control premium (based upon comparable transactions from the industry). At June 30, 2013 the redemption price was $648 million (December 31, 2012: $730 million).

The call option fair value is considered immaterial at June 30, 2013 and December 31, 2012.

16. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. At June 30, 2013, the total amount of claims against Millicom and its operations was $355 million, (December 31, 2012: $955 million), of which $1 million (December 31, 2012: $1 million) relate to joint ventures.

As at June 30, 2013, $16 million (December 31, 2012: $13 million) has been provided for litigation risks in the consolidated statement of financial position. Management is of the opinion that, while it is impossible to ascertain the ultimate legal and financial liability with respect to contingencies for which a provision has not been made, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

Included in the total claims is a lawsuit filed against our subsidiary in Ghana by E-Talk Limited in November 2011. The suit alleges that Millicom Ghana terminated a July 2006 contract with insufficient notice. The claim is approximately $30 million, including various general damages, loss of expected revenues and punitive damages. Management considers this claim as opportunistic and without foundation, in so far as it was filed more than four years after the events on which the plaintiff bases its claim, and takes the view that no provision should be made for this claim.

Excluded from the amount of total claims above, is a claim filed with the Civil Chamber of Bogota in Colombia against the entire mobile operator industry of Colombia, including our subsidiary in Colombia, by a group of approximately twenty individuals. The claimants allege damages and losses suffered from third parties through illegal use of cellular phones in extortion attempts against the claimants, and are claiming a collective total of approximately $753 million from the mobile operators. The case has largely been inactive, with the exception of a mandatory settlement conference held among the parties under the court's supervision, which did not result in any settlement agreement. It is expected that the litigation will move towards an evidence-presentation phase. Management considers this claim to be entirely spurious and without foundation or substance, and is of the view that no provision should be made for this claim.

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

16. COMMITMENTS AND CONTINGENCIES (Continued)

Taxation

The Group faces regular tax investigations in the countries where it operates. As of June 30, 2013 the group estimates potential tax claims amounting to $149 million of which tax provisions of $40 million have been recorded (December 31, 2012: claims amounting to $85 million and provisions of $11 million). Management is of the opinion that while it is impossible to quantify the ultimate financial liability with respect to these assessments, the ultimate outcome of these contingencies is not anticipated to have a material effect on the Groups' financial position and operations.

Capital commitments

As at June 30, 2013, the Company and its subsidiaries and joint ventures have fixed commitments to purchase network equipment and other fixed and intangible assets from a number of suppliers of $310 million (December 31, 2012: $367 million), of which $263 million (December 31, 2012: $334 million) are due within one year and $12 million (December 31, 2012: $50 million) relate to joint ventures.

In addition, Millicom is committed to supporting Colombia Móvil S.A., its operation in Colombia, through loans and warranties. The maximum commitment is $187 million and remains until the time the total support from Millicom equals the support from the founding shareholders of Colombia Móvil S.A.

Following exercise of its first options in LIH and AIH (see note 3); the Group has commitments to downstream $109 million to LIH and AIH at the latest by September 14, 2013.

Forward and swap contracts

As at June 30, 2013, Colombia Móvil S.A. held a foreign currency forward swap contract to sell Colombian Pesos in exchange for US$ for a nominal amount of $43 million (December 31, 2012: $43 million). The contract matures in July 2013. Gains under the contract amounted to $3 million for the six month period ended June 30, 2013 (June 30, 2012: loss of $4 million).

In October 2010, Millicom entered into separate interest rate swaps to hedge the interest rate risks on floating rate debts in Honduras and Costa Rica. The interest rate swap in Honduras was issued for a nominal amount of $30 million, with maturity in 2015, and in Costa Rica for a nominal amount of $105 million with maturity in 2017. The swaps were assessed as highly effective and cash flow hedge accounting has been applied, with changes in the fair value of the swap recorded in other comprehensive income. At June 30, 2013 the negative cash flow hedge reserve on these hedges amounted to $3 million (December 31, 2012: negative $4 million).

In January 2010, Millicom entered into a three-year $100 million interest rate swap to hedge interest rate risk of floating rate debt in DRC, Ghana and Tanzania. The swaps were initially assessed as highly effective, and thus qualified for cash flow hedge accounting. During the three month period ending September 30, 2012 the Tanzania and Ghana hedges were assessed as ineffective and, as the value of these hedges were not expected to change significantly between September 30, 2012 and their expiry in January 2013, the corresponding cash flow reserve was recycled to the income statement. At December 31, 2012 the DRC hedge was assessed as ineffective and the corresponding cash flow reserve was recycled to the income statement. The hedge contracts ended in January 2013.

In October 2012, Millicom issued senior unsecured floating rate notes of Swedish Kronor ('SEK') 1.75 billion and senior unsecured fixed rate notes of SEK 0.25 billion. At the same time Millicom entered into various cross currency interest swap contracts whereby Millicom will sell SEK and receive USD to hedge against exchange rate fluctuations for the notional amount of SEK 2 billion and interest payments on this principal. Millicom also hedged against interest rate fluctuations on the floating rate

Notes to the condensed consolidated interim financial statements at June 30, 2013 and for the six and three month periods then ended

notes of SEK 1.75 billion by receiving variable interest at STIBOR +3.5% and paying a fixed rate of 5.125%. As the timing and amounts of the cash flows under the swap agreements match the cash flows under the bonds the swaps are assessed as 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 June 30, 2013 the cash flow hedge reserve on these hedges amounted to $3 million. (December 31, 2012: negative $2 million).

In June 2013 Millicom entered into forward cross currency hedges 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 Senegal operation. This financing is connected to the downstreaming of a portion of Millicom's 4.75% bond (see note 14). Hedge accounting does not apply on intercompany transactions and therefore these are considered ineffective, with fluctuations in the value of the hedges recorded through profit and loss.

17. SUBSEQUENT EVENTS

Acquisition of Spectrum in Bolivia

On July 9, 2013, Millicom's operation in Bolivia acquired 2x12MHz of spectrum in the 700MHz spectrum band for $19 million.

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