



MILlicom
THE DIGITAL LIFESTYLE

2014 Q2 Results Presentation

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We believe in better. We believe in **tigo**

This presentation 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 the forward-looking statements depending on various important factors.

All forward-looking statements in this presentation 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., any 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.



Time for action

Second quarter results 2014

Operating Review

Delivering key performance drivers

Revenues



9.0% growth¹ in local currency Q2 14

6.6% reported growth¹ in Q2 2014

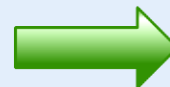
Mobile data penetration



22.7% for the group

Above 1.0 million new mobile data users in Q2

MFS penetration



18.1% reached in MFS footprint³

114,000 new users in Q2

EBITDA margin²

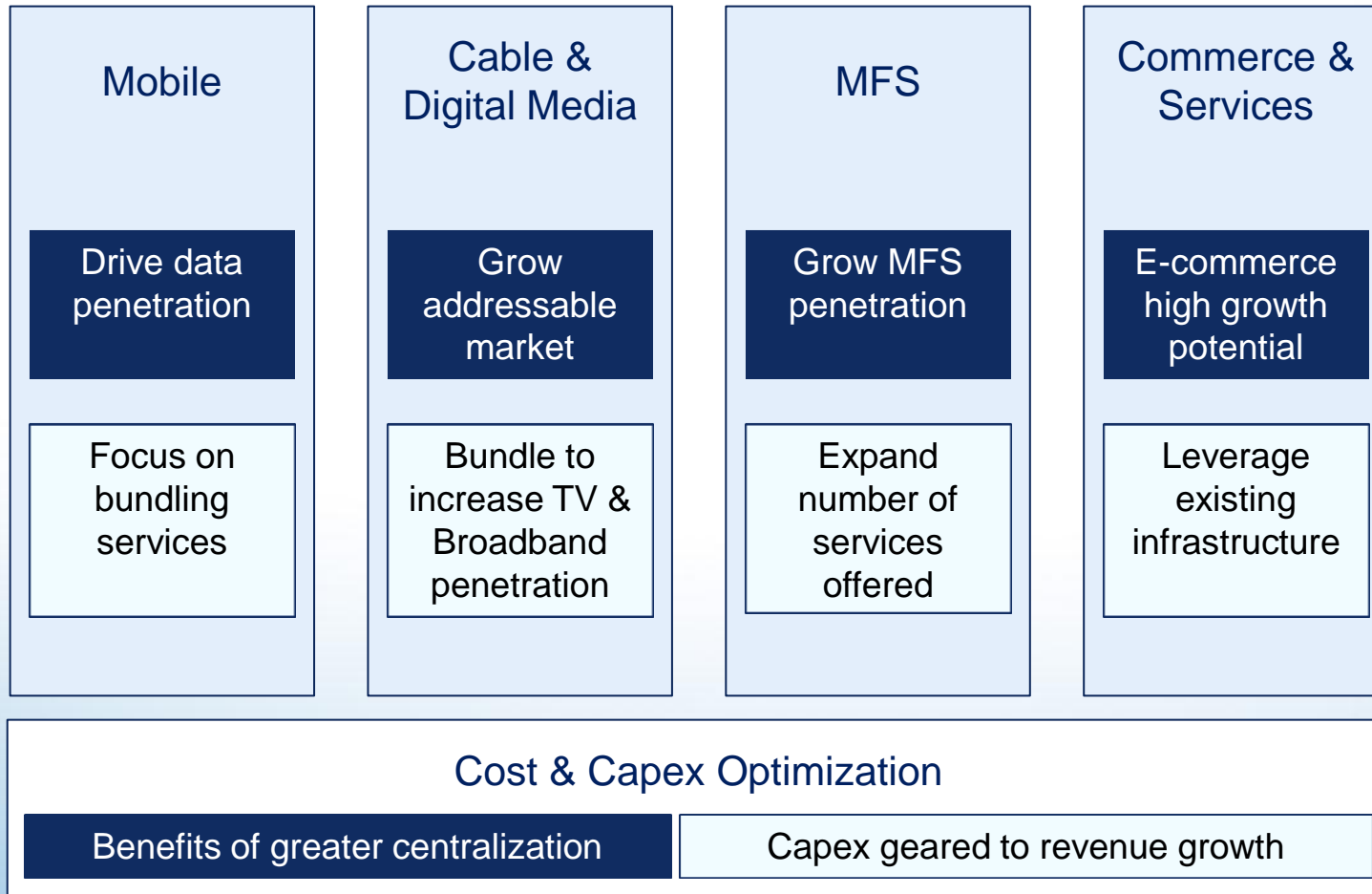


33.1%, down 3.5 points (in line with guidance)

Compared to 36.6% in Q2 2013

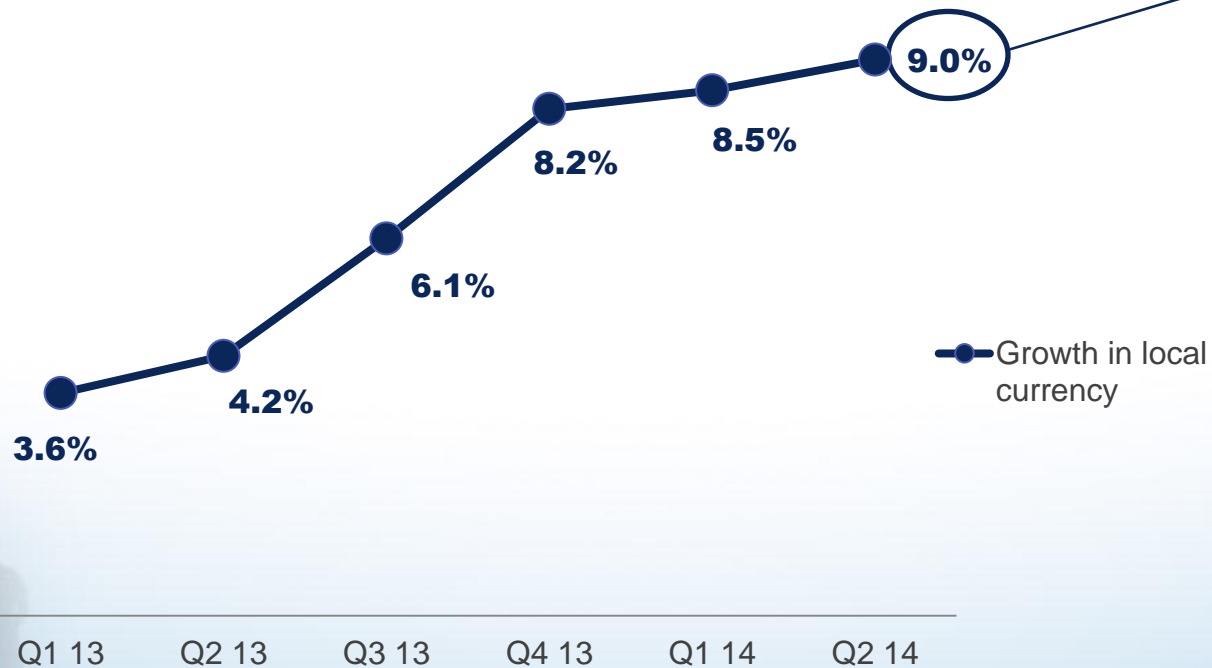
1) Numbers based on the new consolidation perimeter
2) EBITDA includes corporate costs
3) Excluding Senegal. Including Senegal, penetration rate is 16.8%

Targeting growth through four pillars



Pursuing growth across our strategic pillars

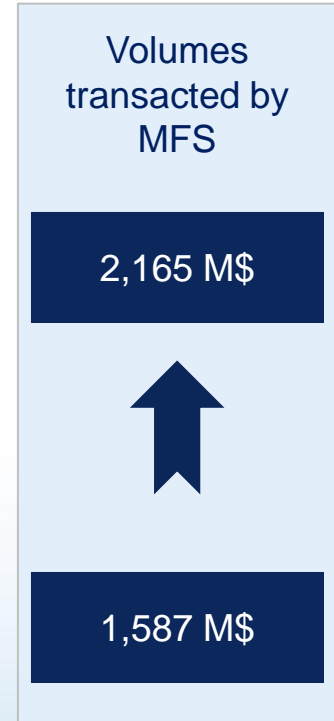
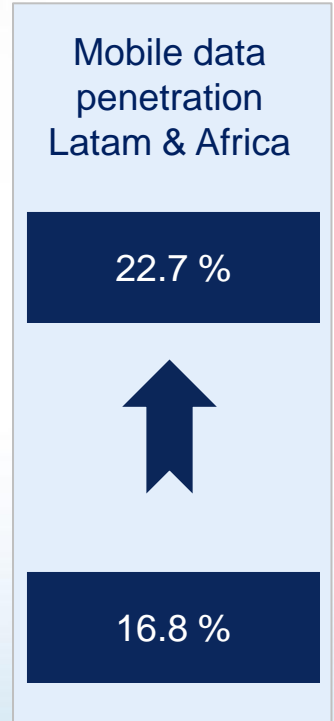
Quarterly revenue growth Q1 2013 – Q2 2014



Mobile +5.9%
Cable +16.0%
MFS +41.1%



Seizing multiple market opportunities

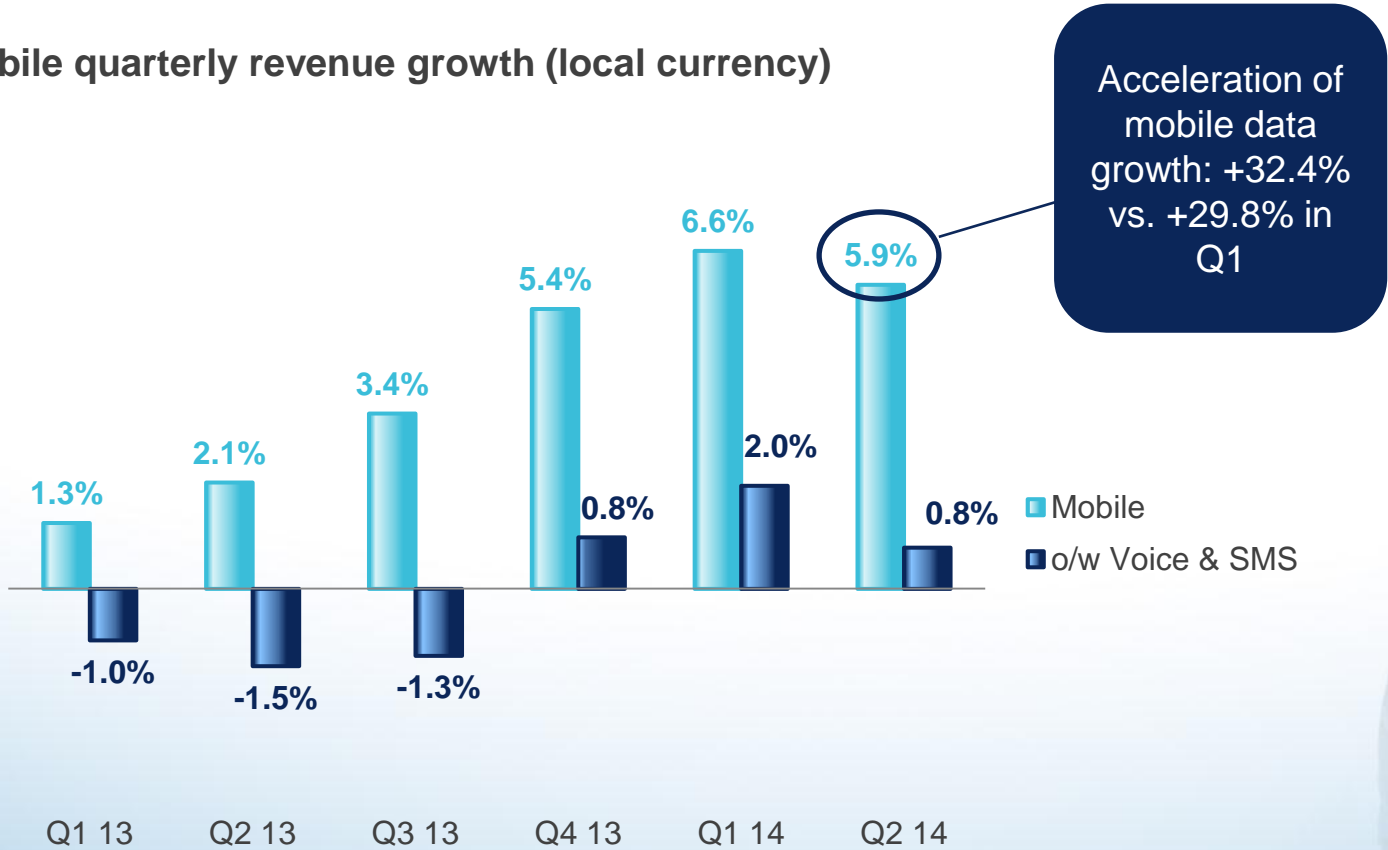


Q2 14 vs. Q2 13

1) Excluding Mauritius in 2013.

Mobile - solid growth driven by mobile data

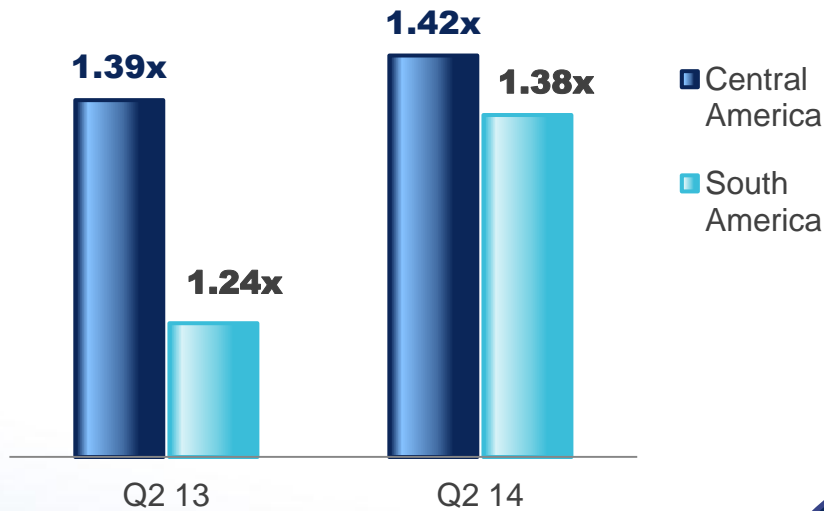
Mobile quarterly revenue growth (local currency)



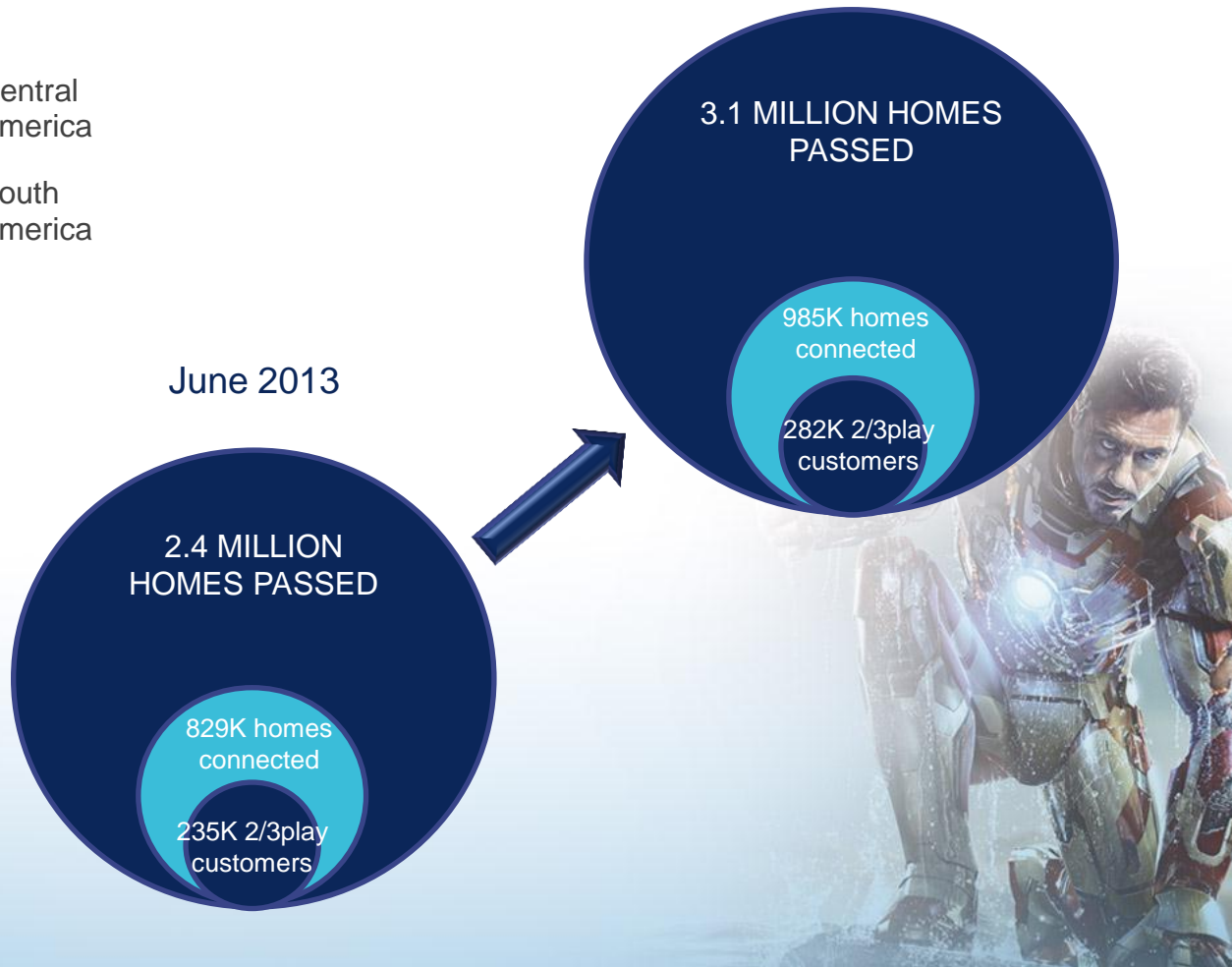
Cable & Digital Media - building momentum



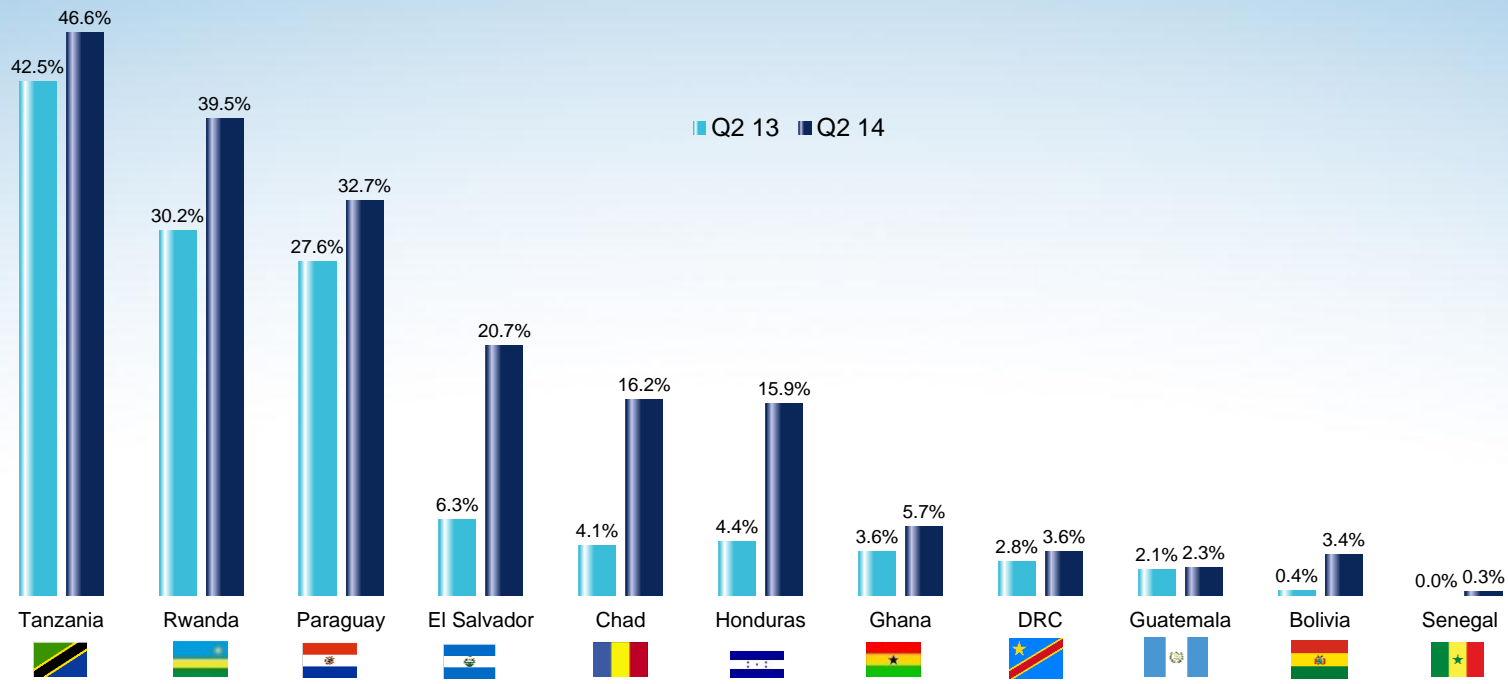
RGUs per homes connected HFC only



Our footprint (HFC & others, June 2014)



MFS - accelerating penetration in our markets



Active product portfolio



Costs & Capex optimization: leveraging the review of our Guatemala ops



Save the date!

Millicom to host a Capital Markets Day in Miami on 24 September 2014. Full details and agenda will follow in due course.





Time for action

Second quarter results 2014

Financial Review

Transformation delivering strong organic growth

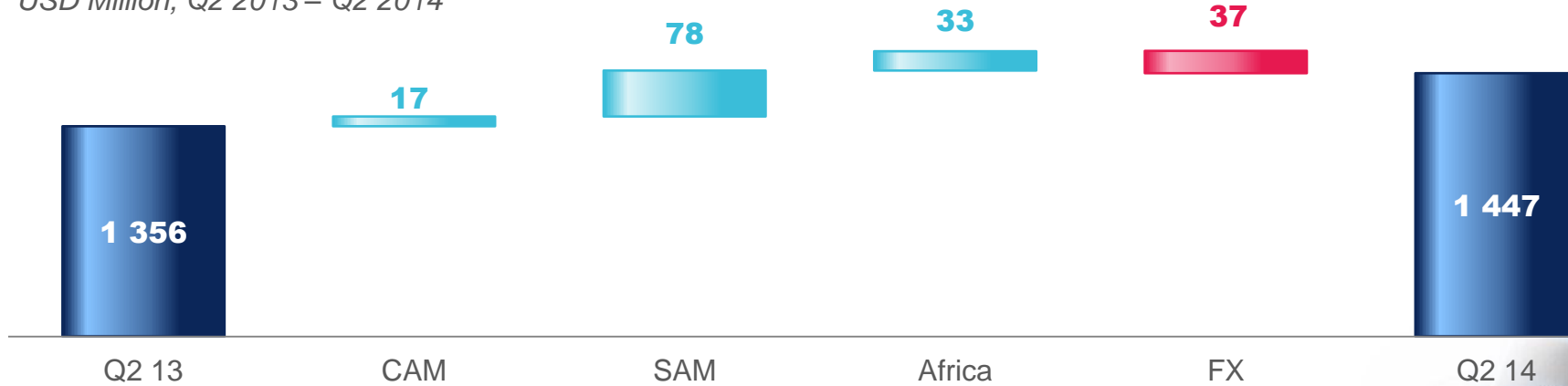
- **Revenue growth (LC) accelerates to 9.0%**
 - **Strong growth in Africa (+15%)**
 - **Excellent momentum in Colombia (+27%)**
 - **Double digit growth for Cable & Digital Media (+16%)**
- **EBITDA \$479 million (flat vs. Q1)**
 - **margin of 33.1%**
 - **H1 margin of 33.5%**
- **Capex of \$367 million**
 - **\$80m of spectrum & licence renewal**
- **Operating Cash flow \$221 million (+3%)**
- **Adjusted EPS of USD 0.27**

Regional revenue growth driven by South America and Africa in Q2



Revenue evolution by Region

USD Million, Q2 2013 – Q2 2014



Revenue evolution by Business Unit

USD Million, Q2 2013 – Q2 2014



1) Includes visitor roaming, MVNO/DVNO, and Telephone and Equipment

EBITDA progression in CAM and SAM

EBITDA evolution by Region

USD Million, Q2 2013 – Q2 2014

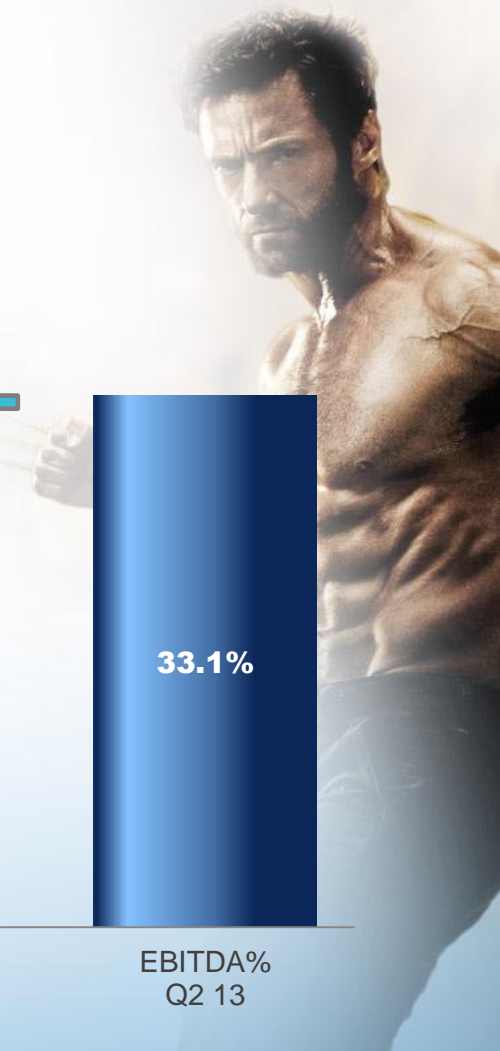
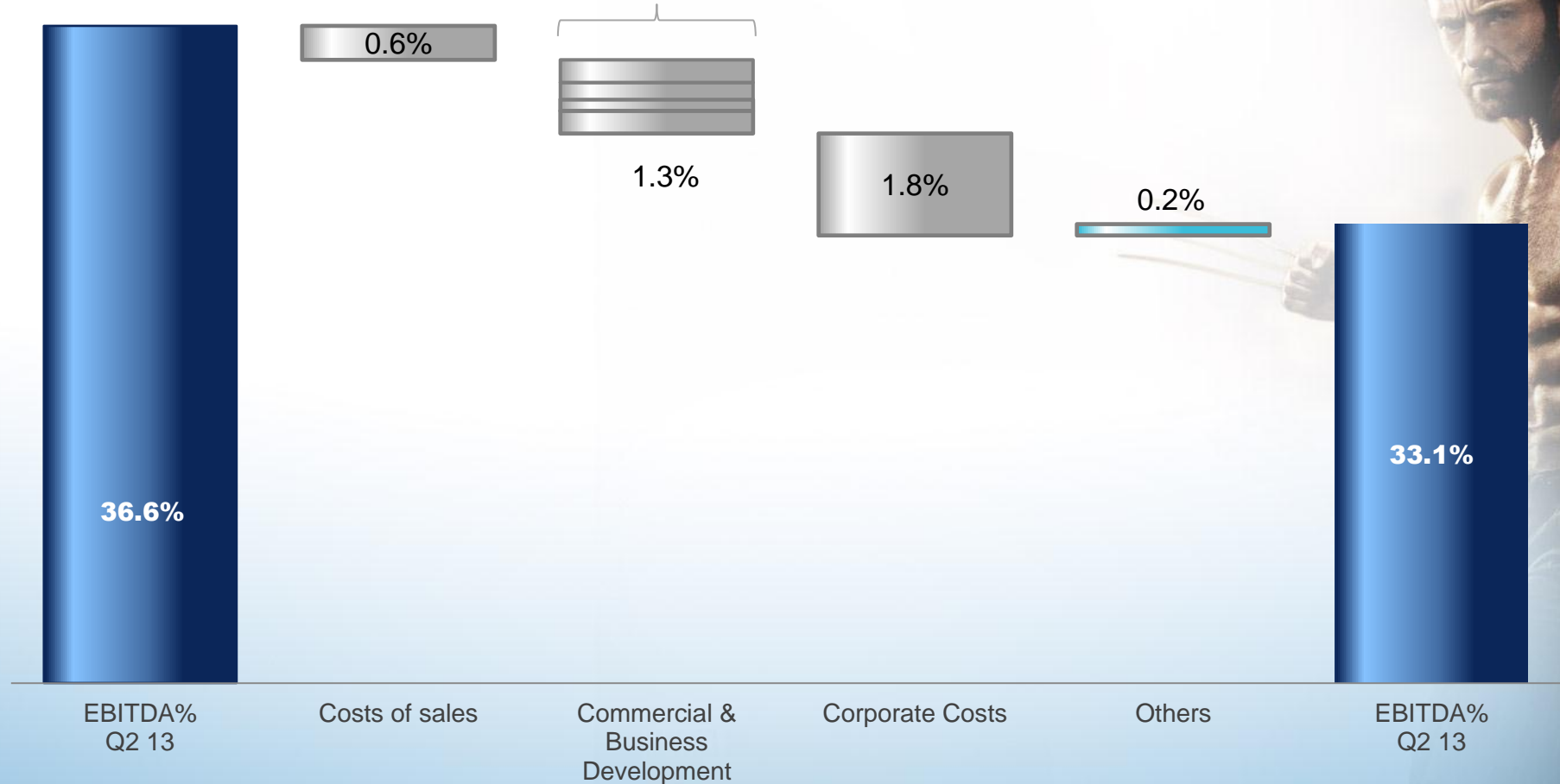
| USDm | Q2 14 | Q1 14 | Q2 13 | YoY % change |
|------------------------|--------------|--------------|--------------|--------------|
| EBITDA (US\$ millions) | | | | |
| Central America | 291 | 283 | 284 | 2% |
| South America | 198 | 198 | 189 | 5% |
| Africa | 63 | 56 | 67 | -6% |
| Central | -72 | -59 | -45 | 60% |
| Total EBITDA | 479 | 478 | 496 | -3% |
| EBITDA margin | 33.1% | 34.0% | 36.6% | |



EBITDA margin driven by commercial investments

EBITDA margin
%, Q2 2013 – Q2 2014

| | |
|-------------------------|------|
| External Services | 0.4% |
| Employee related costs | 0.3% |
| A&P | 0.2% |
| Commissions & Subsidies | 0.4% |



Below EBITDA impacted by non-cash items

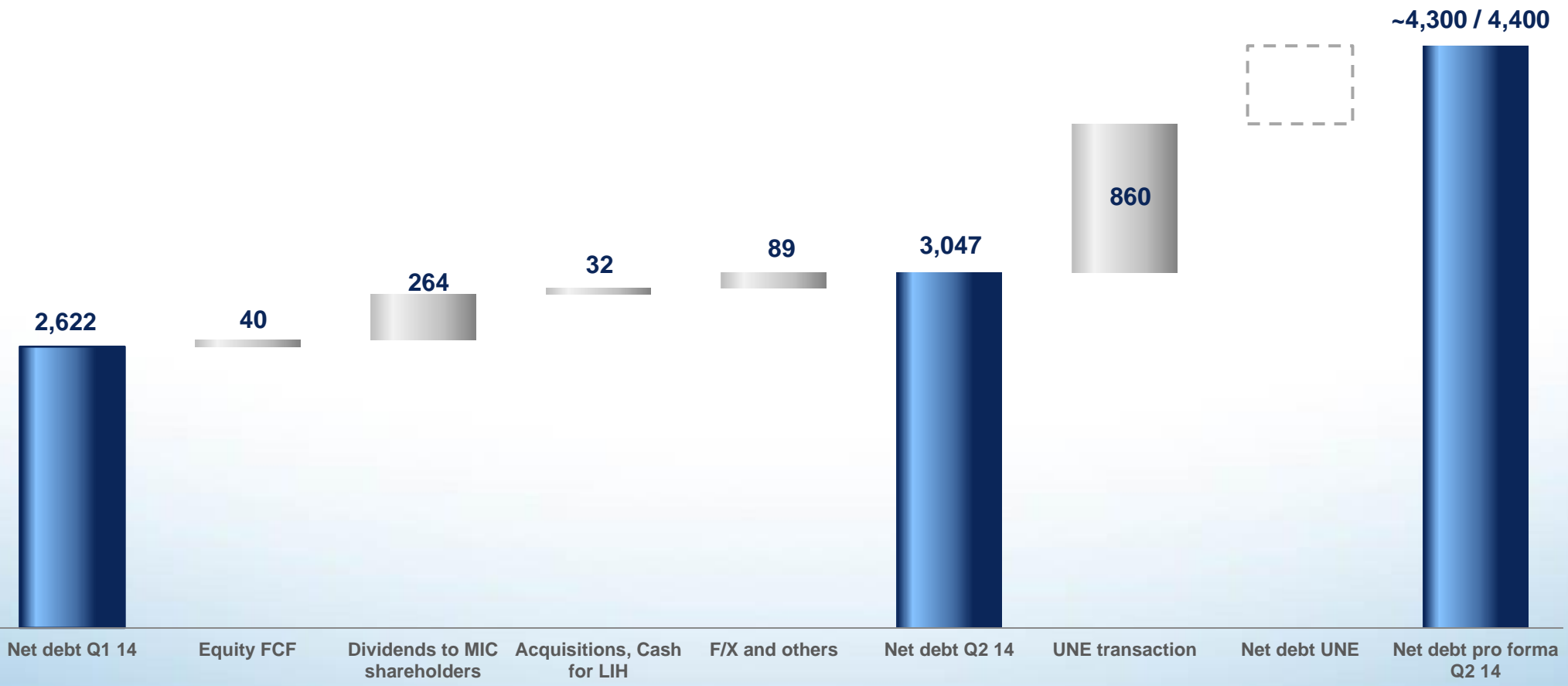
| USDm | Q2 14 | Q2 13 | change |
|---------------------------------------|-------------|-------------|-------------|
| EBITDA | 479 | 496 | -3% |
| Depreciation & Amortization and other | (254) | (231) | 10% |
| Operating profit | 224 | 265 | -15% |
| Net financial expense | (89) | (59) | 49% |
| Other non-operating income (expenses) | 159 | (17) | Ns |
| Losses from associates | 16 | (7) | Ns |
| Profit before tax | 310 | 181 | 71% |
| Taxes | (67) | (68) | -1% |
| Minority interests | (57) | (32) | 77% |
| Profits from discontinued operations | - | (15) | Ns |
| Net profit | 186 | 66 | 182% |
| Reported EPS | 1.86 | 0.65 | 185% |
| Adjusted EPS | 0.27 | 0.83 | -67% |



Some catch up in cash spend in Q2

| USDm | Q2 14 | Q1 14 | Q2 13 | YoY % change |
|---|-------------|--------------|-------------|---------------|
| EBITDA | 479 | 478 | 496 | -3.4% |
| Net Capex (including spectrum & license) | (321) | (273) | (219) | 46.6% |
| Change in working capital and others | 63 | (42) | (62) | Ns |
| Operating Cash Flow | 221 | 163 | 215 | 2.8% |
| Taxes paid | (115) | (54) | (166) | -30.7% |
| Operating Free Cash Flow | 106 | 109 | 49 | 116.3% |
| Interest paid, net | (90) | (58) | (42) | 114.3% |
| Free Cash Flow | 16 | 51 | 6 | Ns |
| Dividends paid to non-controlling interests | (56) | (188) | (34) | 64.7% |
| Equity Free Cash Flow | (40) | (137) | (27) | 48.1% |

Net debt increasing due to investment and UNE





- **Organic revenue growth continues to gather pace**
- **We see significant growth potential in South America and Africa**
- **We continue to invest across the business to implement our Digital Lifestyle**
- **We look forward to optimize our cost structure via the cost optimization programme we just launched**

Operating Review

Financial Review

Q&A

Appendix



Operating Review

Financial Review

Q&A

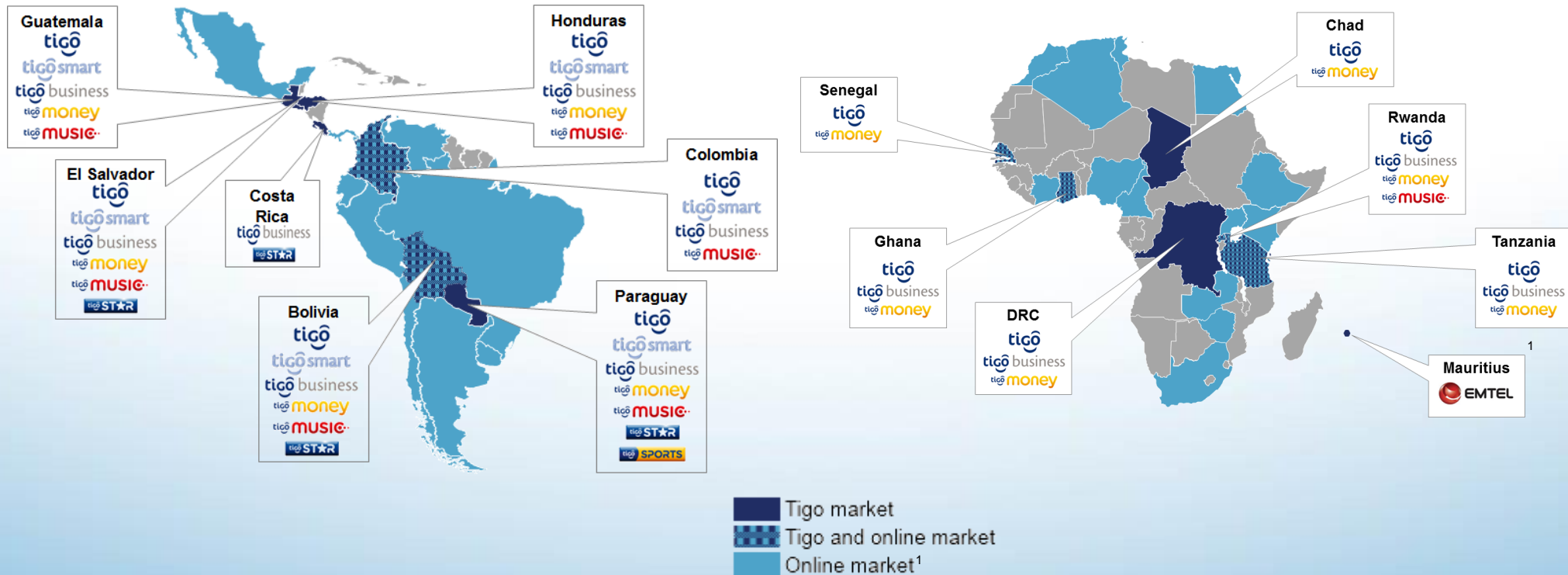
Appendix



This is Millicom

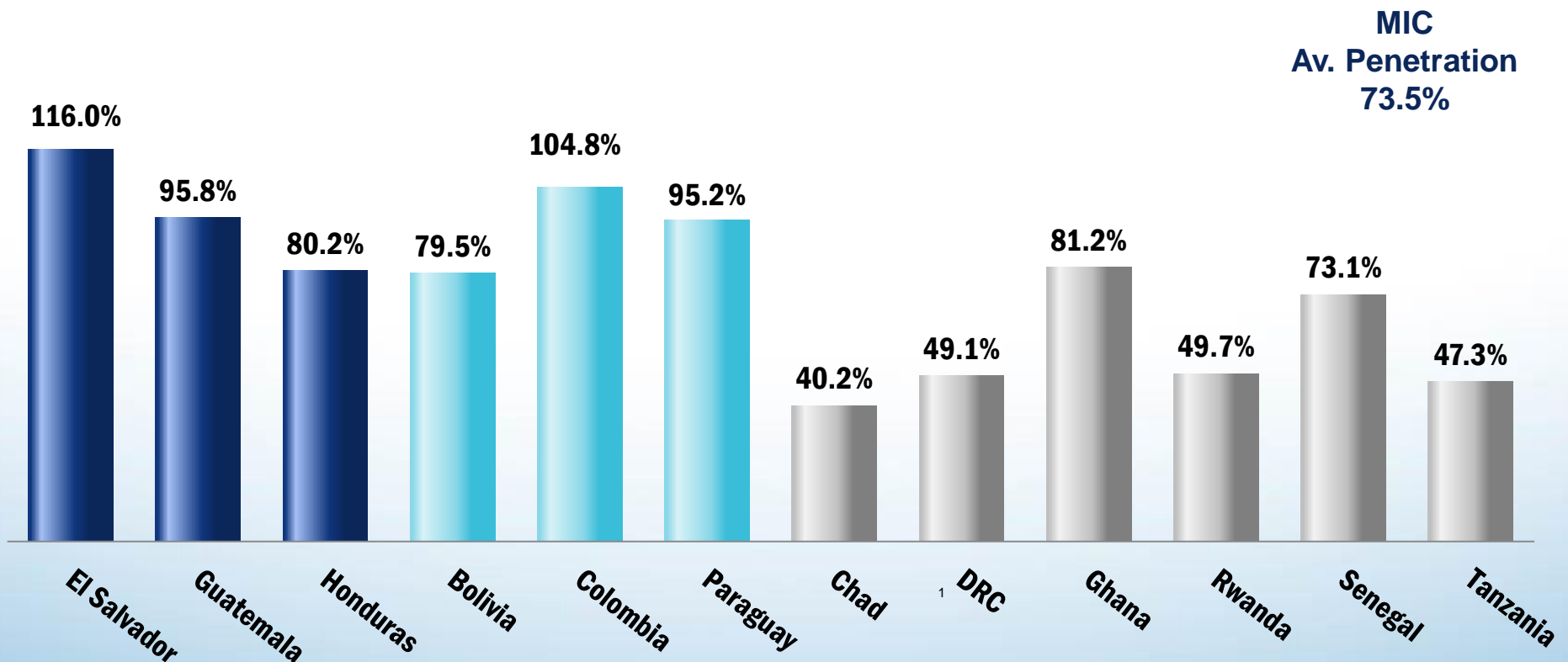


- 2013 Revenues: \$5.2bn (new perimeter: \$5.6bn), EBITDA: \$1.9bn (new perimeter: \$2.0bn)
- Market capitalization 14/07/14: SEK62bn (~\$9.2bn)
- >52.3 million mobile subscribers, >3.0 million homes passed, >7.4 million MFS customers



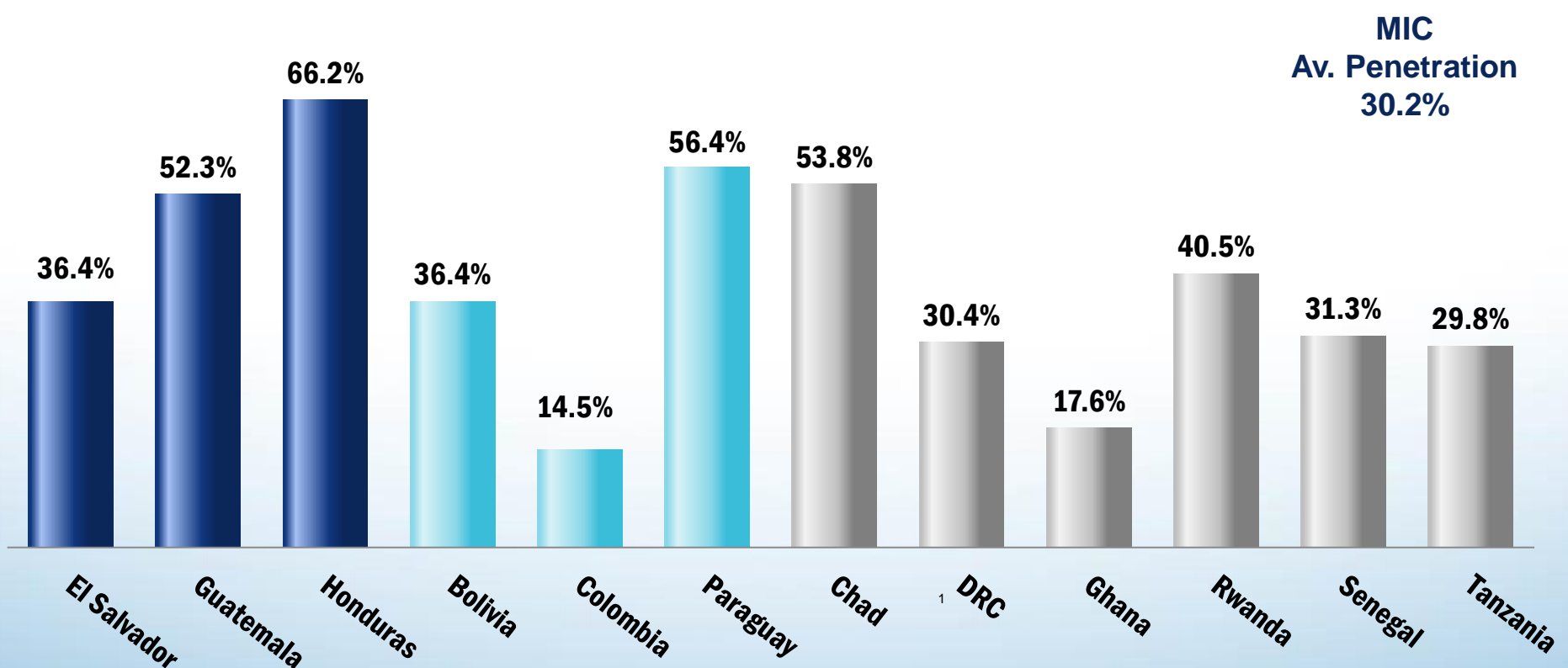
1) Mauritius, AIH & LIH are equity accounted from Jan 2014

Mobile Voice - Penetration rates



1) For DRC , only penetration in Kinshasa-BAS Congo and Kivu area is considered

Mobile Voice – Market Shares



1) For DRC , only penetration in Kinshasa-BAS Congo and Kivu area is considered

Movements of currencies vs USD QoQ

| | | Closing Rate | | | | | Average Rate | | | | |
|--------------|-----|--------------|----------|--------|-------|--------|--------------|----------|--------|-------|--------|
| | | Q2 14 | Q1 14 | Change | Q2 13 | Change | Q2 14 | Q1 14 | Change | Q2 13 | Change |
| Guatemala | GTQ | 7.78 | 7.73 | (1%) | 7.78 | 0% | 7.75 | 7.78 | 0% | 7.82 | (1%) |
| Honduras | HNL | 21.05 | 20.82 | (1%) | 20.25 | 4% | 20.92 | 20.74 | (1%) | 20.26 | 3% |
| Nicaragua | NIO | 25.95 | 25.64 | (1%) | 24.41 | 6% | 25.77 | 25.47 | (1%) | 24.42 | 6% |
| Costa Rica | CRC | 548.66 | 553.63 | 1% | 504.7 | 9% | 555.73 | 533.68 | (4%) | 506.6 | 10% |
| Bolivia | BOB | 6.91 | 6.91 | 0% | 6.91 | 0% | 6.91 | 6.91 | 0% | 6.91 | 0% |
| Colombia | COP | 1,881 | 1,965.32 | 4% | 1,832 | 3% | 1,919.68 | 1,988.83 | 3% | 1,834 | 5% |
| Paraguay | PYG | 4,384 | 4,439.00 | 1% | 4,007 | 9% | 4,421.50 | 4,535.50 | 3% | 4,175 | 6% |
| Ghana | GHS | 3.00 | 2.68 | (12%) | 1.94 | 55% | 2.84 | 2.44 | (16%) | 1.94 | 47% |
| Senegal/Chad | XAF | 481.12 | 477.95 | (1%) | 511.8 | (6%) | 479.06 | 480.19 | 0% | 500.4 | (4%) |
| Rwanda | RWF | 690.03 | 681.52 | (1%) | 635.8 | 9% | 685.36 | 680.14 | (1%) | 636.7 | 8% |
| Tanzania | TZS | 1,675 | 1,637.00 | (2%) | 1,615 | 4% | 1,654.21 | 1,618.31 | (2%) | 1,618 | 2% |

Market overview – by region for Q2 2014



| Millicom Regions | Central America | South America | Africa | Group |
|-----------------------------|-----------------|---------------|--------|---------------|
| Market Overview | | | | |
| Population (m) | 30 | 64 | 190 | 284 |
| Mobile Penetration | 95.5% | 99.2% | 56.2% | 73.5% |
| Operational Data | | | | |
| Total Mobile Customers (m) | 15,417 | 14,406 | 22,491 | 52,315 |
| Capex (\$m -excl Corporate) | 124 | 105 | 127 | 356 |
| Capex as % of revenues | 20.3% | 17.7% | 52.0% | 23.8% |
| Cellsites | 7,927 | 7,393 | 5,476 | 20,796 |
| Outlets (000s) | 152 | 186 | 400 | 737 |
| Key Financials | | | | |
| Revenues (\$m) | 610 | 593 | 244 | 1447 |
| EBITDA (\$m) | 291 | 198 | 63 | 479 |
| EBITDA Margin | 47.7% | 33.4% | 25.7% | 33.1% |

Market overview – LATAM

| Latin America | Central America | | | Bolivia | South America | Paraguay |
|-------------------------|---|-----------------------------|---------------------------|------------------------|-----------------------------|----------------------------------|
| | El Salvador | Guatemala | Honduras | | Colombia | |
| Shareholding | 100% | 55% | 66.70% | 100% | 50% + 1 share | 100% |
| License | 20y from 1998 | 15y from 2003 | 25y from 1996 | 20y from 1995 | 10Y from 2013 | 5y renewal |
| Date of Expiry | 2018 | 2032 | 2021 | 2015 | 2023 | 2016 |
| Market Overview | | | | | | |
| Population (m) | 6 | 15 | 9 | 11 | 46 | 7 |
| GDP per Pop (PPP) \$ | 7,500 | 5,300 | 4,800 | 5,500 | 11,100 | 6,800 |
| Mobile Penetration | 116.0% | 95.8% | 80.2% | 79.5% | 104.8% | 95.2% |
| Market Position | 1 of 5 | 1 of 3 | 1 of 3 | 2 of 3 | 3 of 3 | 1 of 4 |
| Market Share | 36.4% | 52.3% | 66.2% | 36.4% | 14.5% | 56.4% |
| Operational Data | | | | | | |
| Total Customers (000s) | 2,666 | 8,129 | 4,623 | 3,457 | 7,155 | 3,794 |
| Cell Sites | 1,261 | 4,754 | 1,912 | 1,229 | 4,695 | 1,469 |
| Other Operators | America Movil Telefonica Digicel Red | America Movil Telefonica | America Movil Honducel | Entel Viva | America Movil Telefonica | Personal Vox America Movil |
| Main products exported | Coffee Sugar | Coffee Sugar | Coffee Bananas | Lithium Natural Gas | Coffee Oil | Soy Cassava |

Market overview – Africa

| Africa | Chad | DRC | Ghana | Rwanda | Senegal | Tanzania |
|-------------------------|---------------------|--|---|----------------------------|------------------------------|--|
| Shareholding | 100% | 100% | 100% | 87.50% | 100% | 100% |
| License | 10 y from 2014 | 12y from 2012 | 15y from 2004 | 15y from 2008 | 16y from 2012 | 25y from 2007 |
| Date of Expiry | 2024 | 2024 | 2019 | 2022 | 2028 | 2032 |
| Market Overview | | | | | | |
| Population (m) | 11 | 77 | 26 | 12 | 14 | 50 |
| GDP per Pop (PPP) \$ | 2,500 | 400 | 3,500 | 1,500 | 2,100 | 1,700 |
| Mobile Penetration | 40.2% | 49.1% | 81.2% | 49.7% | 73.1% | 47.3% |
| Market Position | 1 of 3 | 2 of 6 ² | 3 of 6 | 2 of 4 | 2 of 4 | 2 of 7 |
| Market Share | 53.8% | 30.4% | 17.6% | 40.5% | 31.3% | 29.8% |
| Operational Data | | | | | | |
| Total Customers (000s) | 2,656 | 4,172 | 3,691 | 2,212 | 3,189 | 6,570 |
| Cell Sites ¹ | 521 | 848 | 949 | 434 | 789 | 1,935 |
| Other Operators | Bharti Salam | Vodacom Bharti CCT Standard Africell | MTN Vodacom Bharti Glo Kasapa | MTN Bharti Rwandatel | Orange Expresso Kirene | Vodacom Bharti Zantel TTLC Mobile Bol Sasatel |
| Main products exported | Petroleum Cotton | Coffee Diamonds | Bauxite Cocoa | Coffee Natural Gas | Fish Cotton | Coffee Cashew Nuts |

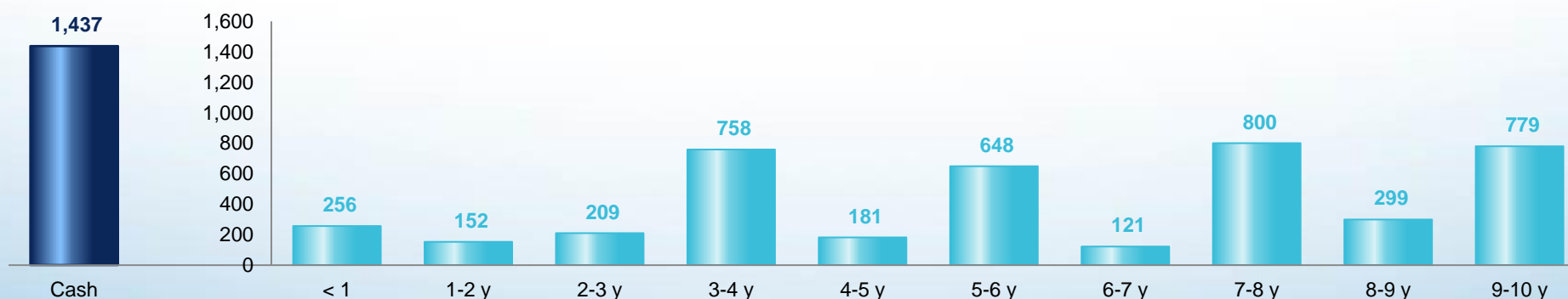
1) for DRC active sites; 2) Only Kinshasa/ Bas Congo and Kivu area;
Source: Millicom, CIA World Factbook

Moderate leverage and well spread maturities

| USD m | Q2 14 | Q1 14 |
|---|-------------|-------------|
| Gross Debt ¹ | 4,484 | 4,521 |
| Cash ² | 1,437 | 1,899 |
| Net Debt | 3,047 | 2,622 |
| Net Debt / EBITDA after corporate costs ³ | 1.57 | 1.34 |

Debt maturity (excluding finance leases)

USDm, Q2 2014



- Average maturity of 5.9 years

1) Including mark to market of bonds

2) Including pledged deposits, time deposits and restricted cash

3) Net Debt / LTM EBITDA