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Millicom's Q4 and FY 2015 Results,
10 February 2016

We believe in better. We believe in tigo

Millicom International Cellular S.A.

"#MonetizingData #BuildingCable"

Key highlights of FY 2015

- A year of strong operational momentum
  - Mobile subscriber base increased almost 6 million to 63 million in 2015 – 30% data penetration
  - 7.6 million homes passed - 5.4 million RGU's
- Revenue of $6.73 billion - organic growth[i] of 7.4%
- Adjusted EBITDA[ii] at $2.27 billion - organic growth of 9.2% and margin up by 0.7%
- Equity Free Cash Flow[iii] grows strongly to $235 million
- Year-end net debt at $4,295 million - in line with previous quarters
- Board to propose a dividend of $2.64 per share

Key highlights of Q4 2015

- 1.4 million new mobile data users; 143,000 new Home RGUs
- Revenue of $1.68 billion - organic service revenue up 5.9%[i] on mobile data and cable growth
- Adjusted EBITDA[ii] at $551 million - margin improvement of 0.9% on efficiency measures
- Disposal of DRC announced

Key financial indicators

$m	Q4 2015	Q4 2014	% change	FY 2015	FY 2014	% change
Revenue	1,677	1,860	(9.8%)	6,730	6,386	5.4%
Organic growth	*4.4%*	*10.8%*		*7.4%*	*9.4%*	
Adjusted EBITDA	551	595	(7.4%)	2,266	2,110	7.4%
Adjusted EBITDA margin	*32.9%*	*32.0%*		*33.7%*	*33.0%*	
Capex[iv]	443	449	(1.4%)	1,273	1,206	5.5%
Net debt[v]				4,295	3,997	7.4%
Adjusted EPS ($)[vi]	(0.33)	0.41	*NM*	0.05	1.82	*NM*

- **Latam:** Q4 reported organic revenue growth of 2.8% to $1,415 million reflecting some slowdown in Colombia and macro conditions in Paraguay. Service revenue slowed a little but still grew 4.4%. EBITDA was $513 million after $33 million one-off charges relating to Colombia integration costs and a bad debt charge.
- **Africa:** Q4 reported organic revenue growth of 13.4% to $258 million. EBITDA was $17 million after $26 million of restructuring and one-off items.
- **Corporate costs:** Reduction to $45 million compared to $50 million in Q3 15 and $63 million in Q4 14.

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i Organic growth represents year-on year-growth in local currency (includes regulatory changes and UNE from Q4 15, excludes the impact of exchange rate changes)
Service revenue is defined as Group revenue excluding telephone & equipment sales
ii Adjusted EBITDA is defined as reported EBITDA excluding restructuring and integration costs and other one-off items – See page 8 for reconciliation.
iii Excludes spectrum, licence costs
iv Balance sheet capital expenditure, excludes spectrum and license costs
v Guatemala and Honduras businesses fully consolidated
vi Basic EPS adjusted for non-operating items see page 16 for reconciliation

CEO's Statement

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Luxembourg, 10 February 2016

“Today we announce the results of the fourth quarter and highlight our achievements for the full year ended December 31, 2015, as we continue to connect new customers to the internet, drive smartphone penetration and grow our cable footprint.

The fourth quarter delivered organic service revenue growth at 6%. Like most multinationals operating in emerging markets, our topline performance has been marred by the impact of currency depreciation and weakening economies but we are resilient and this remains a very creditable performance.

2015 was a good year operationally, as we focused on profitable and responsible growth, combined with efficiency measures to enhance margins and improve cash flow. Adjusting for adverse currency movements we were in the lower end of our guidance range on revenue but in the top half of our range on EBITDA. I am particularly pleased that we started to increase margins in 2015 with the Adjusted EBITDA margin improving by 0.7% to 33.7%. I am also very pleased with our improved equity free cash flow metrics, which saw a material improvement year-on-year. Improving our cash flow further in 2016 is a major focus for the Group through a combination of improving margins and lower capital expenditure to further reinforce the balance sheet.

We are delivering on our ambitious plans for Latin America. Tigo-UNE in Colombia is a clear success story in an increasingly competitive market. Across the wider region, we have seen volatile currencies, slowing growth rates and softened consumer spending. However the appetite for smartphone adoption remains strong and a significant contributor to the Group, driving Q4 data growth up 30% year-on-year, whilst the rapid expansion of our cable footprint has seen the fixed Home business outperform strongly, growing 18% in the quarter.

We have a clear operational roadmap for 2016 aimed at achieving a leadership role in fixed-mobile services. Looking ahead, highlights will include rolling out 4G in Paraguay, satellite pay-TV launch in Colombia and the introduction of Tivo across all our Latin American countries. We will also continue to emphasize Tigo Business, customer acquisition and leading the mobile financial services industry with further product innovation.

In Africa, we are employing stringent capital allocation disciplines. We have sold the DRC business and in 2016 we intend to deliver a significantly improved cash profile from this region. To that end we believe that rationalization is beneficial both to customers and key to the development of the market. In 2016, we intend to deliver a significantly improved cash profile from the Africa businesses. To that end we have rapidly restructured the regional leadership and country operations in order to accelerate growth in the core business and mitigate challenges in the macro economy.

In 2015, we made good progress in aligning employee resource in several markets and tightening our internal controls and processes. We expect uncertainty to continue to prevail in emerging market economies in 2016, which is why we will continue to strengthen the fundamentals of our business whilst continuing our focus on improving cash flow further. Our capital structure is in good shape with a long average maturity on our debt, significant local currency borrowing, and we have a line of sight to reduce leverage. Cash generation is set to improve in 2016 aided by an improvement in EBITDA and reduction in capex plus disciplined capital allocation to divest or improve underperforming businesses.

We have the right strategy and market positions to support our ambitions. Our Digital Lifestyle strategy, which we redefined in 2015, is simple: expand our cable footprint and improve data monetization. This will form a sound basis on which to drive the business forward in 2016.”

Mauricio Ramos
CEO, Millicom

Outlook

2015 financial year guidance delivered

Based on the guidance at constant currency and constant perimeter, 2015 revenue adjusted for currency was $7.2 billion in line with the $7.1 to $7.5 billion range set in February 2015. On the same basis, our reported EBITDA was $2.29 billion in line with the $2.20 to $2.35 billion range whilst our capex was $1.28 billion in line with the $1.25 to $1.35 billion range.

2016 outlook for improving cashflow

Basis	Outlook
Service revenue [a]	To grow mid-single digit
Adjusted EBITDA [b]	To grow mid to high-single digit
Capex [c]	Between $1.15 and $1.25 billion

[a] *Service revenue is Group revenue excluding telephone & equipment sales*

[b] *Adjusted EBITDA excludes restructuring and integration costs and other one-off items*

[c] *Capex excludes the impact of spectrum and licences costs*

The outlook for 2016 is based on constant currency, at a constant perimeter with Guatemala and Honduras fully consolidated and on our current assessment of the emerging markets macroeconomic outlook. For service revenue this is a 2015 currency adjusted basis of $5.73 billion and for Adjusted EBITDA a currency adjusted basis of $2.09 billion.

Shareholder remuneration

At the AGM to be convened on 17th May 2016, the Board will propose an ordinary dividend payment of $2.64 per share.

We reiterate our dividend policy for no less than $2 per share, and at least 30% of adjusted net profit[i].

Guatemala & Honduras

On 31 December 2015, the existing call options with local partners lapsed and under IFRS 10 and 11, Millicom deconsolidated its investments in Comcel (Guatemala) and Celtel (Honduras). This has resulted in a non-cash charge of $391 million, which is recorded under “Other non-operating items”.

From 31 December 2015 onwards, Millicom will account for its investments in Comcel and Celtel under the equity method and thus will report its share of the net income of each of these businesses in the income statement in the caption “Income (loss) from joint ventures” starting 1 January 2016. For the purpose of comparison and to provide users of this report a full understanding of the financial condition of the Group, the financial information presented in this earnings release is and will continue to be on a pro forma basis as if the Honduran and Guatemalan businesses continue to be fully consolidated.

Further information on the accounting implications of the deconsolidation are provided in the notes to the financial statements.

[i] *Adjusted net profit is defined as reported net profit excluding non-operating items including changes in carrying value of put and call options, revaluation of previously held interests and similar items classified under ‘other non-operating income (expenses)’.*

Millicom to sell its Democratic Republic of Congo business to Orange

Millicom announced on 8 February 2016 that it has signed an agreement for the sale of its Tigo business in the Democratic Republic of Congo (DRC) to Orange S.A. The transaction is subject to regulatory approvals.

Millicom will sell 100% of the share capital in Oasis SA for a total cash consideration of $160 million.

Conference call details

An analyst and investor presentation to discuss results of the quarter will take place in London at 14.00 Stockholm / 14.00 Luxembourg / 13.00 London / 08.00 New York, on Wednesday 10 February 2016. For those unable to attend, Millicom will also provide a conference call. Dial-in numbers: + 46 (0) 850 65 3938, + 352 342 080 8654, + 44 203 427 1913, +1 646 254 3366. Access code: 4444181

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

Significant events of the quarter

Corporate news

6 Oct 2015:	New Nomination Committee is announced
21 Oct 2015:	Millicom reports to authorities potential improper payments on behalf of its Guatemalan JV
22 Oct 2015:	Millicom completes Zantel Acquisition
11 Dec 2015:	Millicom celebrates its 25th birthday

Business news

19 Oct 2015:	Tigo launches online remittance service in UK, European Union and Canada
20 Oct 2015:	Tigo Rwanda is first to offer customers 4G internet accessible on all enabled smartphones
20 Oct 2015:	Mobile licence renewed in Bolivia for 15 years
16 Dec 2015:	Tigo Paraguay won 4G spectrum in auctions

Financial news

7 Oct 2015:	Millicom receives a 24% stake in leading African towers company (HTA)
22 Oct 2015:	Millicom Q3 2015 results
1 Dec 2015:	Telecel (Paraguay) upgraded to BB+ by Fitch

Subsequent events

8 Jan 2016:	Fitch affirms Millicom at BB+
12 Jan 2016:	Tigo Paraguay to offer customers 4G internet accessible on all enabled smartphones
8 Feb 2016:	Millicom to sell its Democratic Republic of Congo business to Orange
10 Feb 2016:	Millicom board to recommend a $2.64 dividend at the 2016 AGM

Agenda

26 Apr 2016: Q1 2016 results

17 May 2016: 2016 AGM

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Risks and uncertainty factors

Millicom operates in a dynamic industry characterized by rapid evolution in technology, consumer demand, and business opportunities. Combined with a focus on emerging markets in various geographic locations, the Group has a proactive approach to identifying, understanding, assessing, monitoring and acting on balancing risks and opportunities. For a description of risks and Millicom's approach to risk management, refer to the 2014 Annual Report (http://www.millicom.com/media/2379621/Millicom-Annual-Report-2014.pdf). In addition to the information in the 2014 Annual Report and the information provided in this release, please refer to Millicom's press release, dated October 21, 2015, entitled "Millicom reports to authorities potential improper payments on behalf of its Guatemalan joint venture." At this time, Millicom's investigation remains on-going, and Millicom cannot predict the outcome or consequences of this matter.

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. The Millicom Group employs more than 16,000 people and provides mobile services to over 63 million customers. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2015, Millicom generated revenue of USD 6.7 billion and EBITDA of USD 2.2 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, including those included in this release. All forward-looking statements in this press release are based on information available to Millicom on the date hereof. All written or oral forward-looking statements attributable to Millicom International Cellular S.A., and Millicom International Cellular S.A. employees or representatives acting on Millicom's behalf are expressly qualified in their entirety by the factors referred to above. Millicom does not intend to update these forward-looking statements.

Financial review

US$m	Q4 15	Q4 14	% Change	FY 15	FY 14	% Change
Revenue	**1,677**	**1,860**	**(9.8)**	**6,730**	**6,386**	**+5.4**
Cost of sales	(491)	(539)	(9.0)	(1,854)	(1,694)	+9.5
Gross profit	**1,186**	**1,321**	**(10.2)**	**4,876**	**4,692**	**+3.9**
Operating expenses	(694)	(733)	(5.3)	(2,698)	(2,599)	+3.8
Depreciation & amortization	(321)	(347)	(7.4)	(1,321)	(1,158)	+14.1
Other operating income (expenses), net	(57)	(16)	NM	(66)	(11)	NM
Operating profit	**114**	**225**	**(49.4)**	**791**	**924**	**(14.4)**
Net financial expenses	(103)	(111)	(7.1)	(420)	(404)	+4.0
Other non-operating income (expenses), net	(411)	7	NM	(624)	2,461	NM
Gains (losses) from associates & JV	136	29	NM	100	55	+82.6
Profit / (loss) before tax	**(265)**	**150**	**NM**	**(153)**	**3,036**	**NM**
Net tax credit (charge)	(123)	(88)	+39.5	(291)	(256)	+13.8
Profit / (loss) for the period	**(388)**	**62**	**NM**	**(444)**	**2,780**	**NM**
Profit from discontinued operations	0	0	-	0	21	(100.0)
Non-controlling interests	(39)	(14)	NM	(115)	(158)	(27.4)
Net profit / (loss) for the period	**(426)**	**48**	**NM**	**(559)**	**2,643**	**NM**
Adjusted net profit / (loss) for the period [a]	**(33)**	**41**	**NM**	**5**	**181**	**(97.3)**

Full year review

Group revenue was $6.73 billion, up 5.4%. Adverse currency movements were stronger than last year and translated in US dollars reported revenue was $925 million (13.7%) lower than they would have been on 2014 currency rates. The organic growth in constant currency was 7.4% (with Latam growing 6.0% and Africa by 14.1%) whilst service revenue was up 5.8%.

The gross margin declined by one percentage point to 72.5% mostly due to an increase in the level of bad debt arising (from UNE in particular) and postpaid clients plus an $18 million provision for bad debt from a large contract in Guatemala.

Operating expenses increased by 3.8% compared to 2014 due to the first full year consolidation of UNE (only four and half months in 2014) as well as $69 million of one-off items ($16 million last year) including $48 million of restructuring and integration costs ($33 million for UNE the rest from Africa). Corporate costs declined significantly to $210 million, $48 million lower than last year, reflecting tighter cost control.

Depreciation and amortization was $1.32 billion, 14.1% higher than 2014 primarily due to UNE's full year consolidation. Other operating expenses of $66 million are $55 million higher than 2014 after an impairment of $53 million related to our business in Senegal. Operating profit was consequently down by 14.4% to $791 million but adjusted for the one-off items listed above was 0.8% higher (a 13.8% margin).

Net financial expenses at $420 million were $16 million or 4% higher than 2014 mainly due to $17 million of one-off expenses related to the early redemption of the El Salvador bond in March 2015. Other net non-operating expenses of $624 million largely represent a non-cash loss on deconsolidation of Guatemala and Honduras of $391 million (gain on consolidation of $2,250 million last year) and non-cash currency losses of $304 million partially offset by non-cash positive changes in the fair value of put options of $124 million. The net gain from associates and joint ventures of $100 million resulted from a $147 million book value gain following the recent share exchange of our shareholding in Helios Towers Africa offsetting losses from our investments in AIH and LIH (e-commerce ventures).

Tax charges of $291 million were up $35 million compared to 2014 but excluding a non-cash charge of $80 million (mainly from a write-down of deferred tax assets at the Group level), tax charges were down by $45 million reflecting lower tax charges in Colombia and a change in the profit mix of the operations. Non-controlling interests declined from $158 million to $115 million mostly due to increased losses in Colombia. The net loss for the year was $559 million and the Adjusted EPS was 5 cents.

a Reported net profit adjusted for non-operating items see page 14 for reconciliation

Q4 2015 review

Group revenue was $1.68 billion and showed organic growth of 4.4% (with Latam growing 2.8% and Africa by 13.4%). The Latam performance was particularly affected by the decline of handset sales in Colombia but we saw stronger organic service revenue growth (5.9% at Group level). Currency headwinds continued to be strong, in particular from the Colombian peso and Paraguayan guarani, reducing revenue 14.7% (or $274 million).

A specific provision for bad debt in Guatemala diluted the Group gross margin by 1.1 percentage points but despite this the overall margin fell by only 0.3% year-on-year to 70.7% as the dilution from handset sales in Colombia was lower than previous quarters.

Operating expenses decreased by 5.3% compared to Q4 2014 driven by lower corporate costs and the currency impact on our cost base in Latam (largely Colombia and Paraguay) and despite $44 million of one-off items including $27 million of restructuring and integration costs and $9 million of non-recurring taxes in Africa. As a per cent of sales, operating expenses increased by 2 percentage points to 41.4% but adjusted for the one-off items listed above, it declined by 0.8% due partially to lower corporate costs ($16 million lower year-on-year).

Depreciation and amortization was $321 million, 7.4% lower than last year following the depreciation of the Colombian peso. Other operating expenses of $57 million derive from a non-cash impairment of $53 million related to our businesses in Senegal.

Net financial expenses at $103 million were $8 million lower than Q4 14. Other net non-operating expenses of $411 million were largely composed of non-cash losses on the deconsolidation of Guatemala and Honduras ($391 million) and currency losses ($54 million) partially offset by changes in the fair value of put options ($33 million). Net gains from associates and joint ventures of $136 million result from a $147 million non-cash book value gain following the recent reorganisation of our shareholding in Helios Towers Africa partially offset by losses from our investments in AIH and LIH (e-commerce ventures).

Tax charges at $123 million were up by $34 million compared to last year but excluding a non-cash charge of $80 million (mainly from a write-down of tax assets at the Group level), taxes were $45 million lower, reflecting lower tax charges in Colombia and a change in the profit mix of the operations. This resulted in a loss for the period of $388 million.

Reconciliation from Operating Profit to Adjusted EBITDA

US$m	FY 15	Q4 15	Q3 15	Q2 15	Q1 15	FY 14	Q4 14
Operating Profit	**791**	**114**	**227**	**223**	**227**	**924**	**225**
Depreciation and amortization	1,321	321	323	337	340	1,158	347
Other operating income (expenses), net	66	57	10	1	(2)	11	16
EBITDA	**2,178**	**492**	**560**	**561**	**565**	**2,093**	**588**
EBITDA margin	*32.4%*	*29.3%*	*34.1%*	*32.9%*	*33.1%*	*32.8%*	*31.6%*
Restructuring, integration costs & other one-offs	87	60	6	13	9	16	8
Adjusted EBITDA	**2,266**	**551**	**566**	**574**	**574**	**2,110**	**595**
Adjusted EBITDA margin	*33.7%*	*32.9%*	*34.5%*	*33.7%*	*33.6%*	*33.0%*	*32.0%*

Full year EBITDA at $2,178 million was 4.1% higher than last year thanks to the full consolidation of UNE compared to four and half months in 2014. At constant currency, EBITDA grew by 17.1%.

There were $87 million of restructuring and integration costs and other one-off charges mostly booked in Q4. Adjusting for these items EBITDA was $2,266 million up 7.4% with a margin up 70 basis points at 33.7%. The key driver of this improvement is Colombia demonstrating the success of our merger together with continued efficiencies at the headquarters. The one-off items include $33 million of integration charges at UNE (compared $3 million in 2014), $18 million of provision for bad debt in Guatemala, $15 million of restructuring cost for the Africa businesses ($9 million in 2014) and $17 million of tax adjustments also in Africa.

Q4 EBITDA at $492 million was significantly reduced by one-off items ($60 million) resulting from restructuring and integration charges (Africa, UNE) and a provision on a contract in Guatemala. Adjusted for these items, the EBITDA of $551 million implies another year-on-year improvement of the margin (up 0.9%) driven, like for the full year, by the improvement in Colombia and lower corporate costs.

Free Cash Flow

US$m	Q4 15	Q4 14	% Change	FY 15	FY 14	% Change
Adjusted EBITDA	**551**	**595**	**(7)**	**2,266**	**2,110**	**+8**
Restructuring, integration costs and other one-offs	(60)	(8)	NM	(87)	(16)	NM
EBITDA	**492**	**588**	**(16)**	**2,178**	**2,093**	**+4**
Net Cash Capex (excluding spectrum and licenses)	(325)	(363)	(10)	(1,149)	(1,204)	(5)
Change in working capital and other non-cash items	183	(29)	NM	81	79	+3
Operating cash flow	**350**	**195**	**+79**	**1,110**	**968**	**+15**
Taxes paid	(62)	(132)	(53)	(252)	(380)	(34)
Operating free cash flow	**288**	**63**	**NM**	**858**	**588**	**+46**
Interest paid, net	(90)	(108)	(16)	(354)	(331)	+7
Free cash flow	**197**	**(45)**	**NM**	**504**	**257**	**+96**
Advances for and dividends to non-controlling interests	(89)	(36)	NM	(269)	(300)	(10)
Equity free cash flow	**109**	**(81)**	**NM**	**235**	**(43)**	**NM**

Full year review

The full year operating cash flow increased by 15% to $1.11 billion from a combination of a higher EBITDA, a lower capex paid (5% lower excluding spectrum and licence costs) and a cash inflow from the working capital ($81 million).

Taxes paid at $252 million were significantly reduced compared to last year (down 34%) thanks to advanced payments of tax in 2014 in Colombia used to reduce the liability for 2015 and a change in the profit mix of the operations resulting in lower tax payments. Net interest paid was up 7% on 2014 on the higher level of debt and the payment of consent fees. This resulted in free cash flow of $504 million, a 96% improvement.

Thanks to lower dividends paid to non-controlling interests (10% lower at $269 million), equity free cash flow significantly improved by $278 million to $235 million representing a dividend cover of 89%.

Capital expenditure

Balance sheet capital expenditure (excluding spectrum and licence costs) for the year was $1,273 million including $1,036 million in Latin America (up 16%) and $242 million in Africa (down 23%). We recorded $28 million ($14 million in Q4 2015) of integration capex related to our merger in Colombia. In addition, we spent $47 million in spectrum and licence renewals (of which $31 million in Bolivia in licence renewal and $15 million in Paraguay on 4G spectrum with an additional $30 million to be charged in Q1 2016).

Latam focused 37% of its investment on fixed network with 65% required for customer installations and 35% invested on various network footprint expansions. Additionally, just over 40% of the investment was focused on mobile network investments with the majority dedicated to 3G and 4G access and the balance to transmission and core networks. In addition, Latam invested just over 10% of its spending in IT transformation (billing, service delivery and IT infrastructure).

Investments in Africa reduced by 22.8% and were focused mainly on mobile network coverage.

Net Debt

US$m	Gross Debt	Cash	Net Debt *
Latin America	**2,810**	**501**	**2,309**
Of which local currency	*1,328*	*357*	*971*
Africa	**571**	**243**	**328**
Of which local currency	*264*	*210*	*54*
Corporate	**2,003**	**346**	**1,657**
Total	**5,384**	**1,090**	**4,295**
Proportionate basis	*83%*	*88%*	*82%*

** Net debt: Gross debt (including finance leases) less cash, restricted cash and pledged deposits*

At 31 December 2015, the Group gross debt was $5.38 billion (including $335 million of finance leases), up from $5.11 billion as of end of Q3 as a result of the additional debt raised to fund the Zantel transaction ($100 million in total) and its finance leases ($20 million). In addition we issued debt equivalent to $150 million in Bolivia ($100 million equivalent in local currency carrying a yield of 4.55%) and Paraguay in local currency in the fourth quarter. Net debt was $4,295 million broadly in line with prior quarters (Q3 $4,268 million and Q2 $4,281 million)

As of end of December 68% of Group gross debt was at fixed rate and 30% was in local currency (or pegged to hard currency), up from 27% at the end of Q3 2015. 47% of the gross debt in the operations was denominated in local currency. The average maturity of our debt stood at 5.9 years and we have only $225 million of debt maturing in 2016. Our average cost of debt was 6.1% (excluding finance leases). The Group continuously evaluates opportunities to align the currency of its assets and liabilities in the operational entities.

In the fourth quarter and as part of year-end activities we focused on centralizing cash in US dollars. As of year-end, we had $346 million of cash in the centre as total upstream for the year 2015 reached over $750 million. As of December 31, 2015, the Group revolving facility was undrawn leaving $500 million of available committed funding from the Group relationship banks.

Overall net debt / EBITDA, based on the last twelve months EBITDA, was 1.97x at 31 December 2015 (stable compared to past two quarters). Proportionate net debt to EBITDA was 2.32x.

Quarterly operating review

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

Revenue by business unit and by region

US$m	Total		Latin America		Africa	
	Q4 15	*YOY growth (%)*	Q4 15	*YOY growth (%)*	Q4 15	*YOY growth (%)*
Mobile	1,092	*1.3*	869	*(1.0)*	223	*11.4*
Cable	390	*17.8*	388	*17.7*	2	*N/M*
MFS	32	*13.0*	9	*(13.7)*	23	*27.3*
Other*	163	*-5.5*	150	*(8.3)*	10	*26.9*
Total	**1,677**	***4.4***	**1,415**	***2.8***	**258**	***13.4***

** Telephone and equipment ("T&E") sales and other revenue (including $3 million revenue at the corporate level)*

Mobile

Mobile revenue grew by 1.3% with the mobile customer base increasing by 8.8% organic or 1.1 million net additions, to reach 62.6 million subscribers at the end of December (including Zantel which had 1.4 million customers at the end of 2015). In Latam, we gained 900,000 new subscribers this quarter largely from Guatemala and Colombia. In Africa, the subscriber growth came from Tanzania (close to 450,000) and Chad (return to growth after 2 negative quarters). During Q4 we sold nearly 1.6 million smartphones and added 1 million new mobile data users.

Year-on-year communications revenues (voice and SMS) declined 7.1% in local currency with Africa up 6.8% and Latam declining by 12.4% on MTR cuts (Paraguay, El Salvador, Colombia and Bolivia), lower volume, SMS declines and price competition.

Mobile data continues to show strong growth, with revenue up 31.9% led by data penetration (excluding Zantel) up 1.2 percentage point sequentially and 3.0 percentage points year-on-year. Mobile data ARPU increased by 5.3% and underlines the strong appetite from our customers for content following our continuous efforts to initiate the usage via promotions such as free Facebook or exclusive sports content.

Cable

Cable and Digital Media revenue grew at 17.8%. UNE has started to grow strongly, up 11.4% year-on-year this quarter (service revenue +12.0%). Total revenue generating units ("RGUs") increased by 143,000 from Q3 2015 to 5.39 million with the growth coming from TV offers and fixed broadband solutions.

Our cable footprint expanded by 133,000 to 7.6 million homes passed. The number of RGUs per household (HFC) increased to 1.88x from 1.80x a year ago. More than 56% of our households were double or triple play, around 3 percentage points more than one year ago. The ARPU per Home Connected in Q4 was $26.0, flat quarter on quarter in dollar terms but up 11% year-on-year in local currency.

Mobile Financial Services (MFS)

MFS added close to 470,000 new users in Q4 and the customer base reached 11.2 million, up 18% in one year. The main contributors to the growth in the quarter were Tanzania, Ghana and Rwanda. Overall MFS revenue was up 13% with average ARPU of $0.96, down 4.3% in local currency. The quarter was impacted by the flooding in Paraguay, our second largest MFS country, where we saw revenue declining by 22% in local currency. Transactions this quarter were $2.89 billion up 3.9% (excluding self top-up).

Other

Other revenue declined by 5.5% driven by handset sales (around 75% of Other), which declined 12.9% due to Colombia (down 26.3%). The slowdown in Colombia results from the depreciation of the Colombian peso on the device prices and significant reduction in handset subsidies.

Q4 15 - Latin America

		Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	% change[a]
KPIs ('000)	Mobile customers	32,585	31,682	31,650	31,326	30,927	5.4
	MFS customers	3,654	3,584	3,432	3,409	3,373	8.3
	Cable RGUs [(b)]	5,393	5,251	5,239	5,178	5,091	5.9
ARPU ($)	Mobile	9.0	9.1	9.4	9.6	10.6	(6.7)
	MFS	0.8	0.9	0.9	1.0	0.9	(17.4)
	Residential cable	26.0	26.0	28.8	28.1	28.6	11.3
Financials (US$m)	Revenue	1,415	1,400	1,464	1,461	1,603	(11.7)
	EBITDA	513	561	564	565	602	(14.7)
	Capex[c]	361	280	236	159	341	5.9

Latam revenue increased by 2.8% to $1.415 billion with good growth in Costa Rica and Bolivia. Currency weaknesses of the Colombian peso (41% year-on-year devaluation) and the Paraguayan guarani (24%) significantly affected the reported revenues. Foreign exchange movements represented a revenue translation reduction of $233 million. EBITDA was $513 million after $33 million of one off charges ($18 million in Colombia integration, $16 million provision for bad debt in Guatemala). Adjusting for the one-off charges, the Latam margin was 38.6%.

Colombia

Revenue at $459 million was up 2.3% organic but with substantial currency devaluation was 27.5% lower in US dollars. The growth was slower than in recent quarters despite the fixed business growing at 12.0%, as we saw materially lower handset sales (down 26.3% on last year) and weakness in the mobile market. During this year we have focused on rebuilding some of the network to provide HFC services to our key markets and have increased our footprint by 341,000 new homes (64,000 in Q4). The mobile business has decreased by 0.9% year-on-year due to lower voice and SMS revenues (down 12.4%) driven by lower MTRs and increased competitive pressure in prepaid, partially offset by mobile data growth (up 7%). Data penetration now reaches 33.2%, growing 2.5 percentage points during the year. The volume of smartphones sales was down 14% year-on-year mainly due to the impact of the currency devaluation on the device prices.

EBITDA for the quarter was $107 million including $18 million of integration costs ($3 million in Q4 2014). The EBITDA margin decreased by 3.3 percentage points in the year to 23.2% but was 0.6 percentage point better excluding integration costs. Capex was $167 million, up 24% and included $14 million of integration capex at UNE.

Guatemala

Q4 revenue increased by 3.7% organic to $340 million with mobile service revenue down 1.4% due to declining voice volume and weaker international revenues offset by 44.4% data growth. Cable revenue was up 70.4%, with the Tigo Star brand continuing to gain traction and with an ARPU per home connected up 10.8%. EBITDA at $154 million was down 6.0% year-on-year due to a $16 million provision for bad debt on a public contract ($2 million provision for bad debt in Q3). We are currently working with the the Government to return this contract to normal payment terms. Excluding this provision EBITDA would be up 3.6% in line with revenue. The negative impact on the margin of the bad debt provision was 4.7 percentage points.

Paraguay

Revenue of $159 million was flat on an organic basis but down 18.9% on a reported basis due to currency depreciation. The weakness of the currency has been exacerbated by very severe flooding across a large part of the country leading the Government to declare the state of emergency. The extreme climatic conditions limited mobile top-up and slowed down the local economy, which led mobile and MFS revenues to decline by 5.1% and 22.4% respectively. More resiliently, cable grew by 22.8% with ARPU and the customer base increasing. The

a % change is reported year-on-year change except for ARPU numbers (local currency growth). Adjusted by 72,000 clean-up of UNE inactive customer base in Q3 2015
b HFC (includes copper lines of UNE)
c Capex excludes spectrum and license costs

limited growth this quarter and the change in sales mix affected our EBITDA margin which declined by 3 percentage points year-on-year to 44.5% leaving EBITDA at $71 million.

Honduras

Revenue declined by 2.4% to $161 million in Q4 but grew 1.2% organic. Mobile revenue grew 2.0% with mobile data growth of 29.7% offsetting a 3.8% decline in voice and SMS. Cable grew by 11.7% mostly driven by footprint expansion. The EBITDA margin was down 1.1 percentage points year-on-year to 41.7% following our commercial campaigns in mobile and the dilution from a low margin wholesale contract.

Bolivia

Q4 revenue grew by 8.4% to $140 million with mobile revenue up 4.4% (data up 63%) and Cable up 57%. Data penetration continued to grow (62% up 11 percentage points in 12 months) driven by the strong appetite for smartphones (67,000 sold in the quarter). EBITDA increased to $53 million, a margin of 38%, up 2.5 percentage points year-on-year.

El Salvador

With an aggravated social context due to a continued rise in violence and crime impacting economic activity, we achieved flat revenue growth year-on-year. Mobile revenue declined 1.5% due to competitive pressures and a 27% mobile termination rate cut in November. Mobile data continued to grow fast at 39%. Cable revenue increased by 8.7% on volume with limited ARPU growth (up 1.0%). Q4 EBITDA was down 0.8% at $43 million, with a margin at 37%.

Costa Rica

Revenue was up 18.1% to $41 million with RGUs growing 6% year-on-year. The EBITDA margin was 40%, down from 44% a year earlier on higher programming costs resulting from a more aggressive Digital and HD TV penetration strategy.

Q4 15 - Africa

		Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	% Change[a]
KPIs ('000)	Mobile customers	30,002	28,464	27,680	26,086	25,350	18.4
	MFS customers	7,560	7,162	6,767	6,199	6,125	23.4
ARPU ($)	Mobile	2.5	2.5	2.6	2.8	3.1	(4.0)
	MFS	1.0	1.0	1.1	1.1	1.3	1.1
Financials (US$m)	Revenue	258	241	240	248	256	0.7
	EBITDA	17	48	52	57	48	(65.8)
	Capex[b]	94	66	54	28	111	(15.1)

The macro-economic environment, in Q4 remained unsupportive across many of the countries we operate in. Chad experienced lower demand with weaker commodity prices having an impact on the economy. Despite this context, our organic revenue increased by 13.4% to $258 million however unfavourable currency movements resulted in reported revenue declining by 2.6% (up 0.7% including Zantel). Mobile service revenue was up 11.4% at $218 million; voice and SMS grew 6.8% with data up 54.0%. MFS revenue at $23 million was up 27.3% with good momentum in all countries.

This quarter saw the first time consolidation of Zantel, acquired in October. Including Zantel (1.37 million customers), our customer base grew in Q4 by 1.54 million net new customers with Tanzania up 448,000 and Chad up 115,000. The data penetration rate increased by 1.2 points in the last 12 months to 21.4%. EBITDA at $17 million was 65.8% lower, reduced by $26 million of one-off items (restructuring costs representing $15 million). Excluding the one-off items EBITDA would have been 11.2% lower.

Tanzania

Quarterly revenue reached $88 million, increasing 13% organic but 10% down in US$ due to the devaluation of the Tanzanian shilling. We recorded 448,000 net additions during the quarter despite increased competition after the commercial launch of a new competitor. Voice and SMS revenue grew by 6% in Q4 while mobile data grew by 50%. MFS continues to perform extremely well, recording a 24% growth year-on-year in the last quarter of 2015 reflecting the positive impact from growth in the subscriber base as well as the innovation we implemented during the year (profit sharing on balances, international remittance, interoperability). The EBITDA margin in Q4 at 30% was down 7 percentage points due to one-off items ($4 million of tax settlements) and was down by 2 percentage points adjusting for this item.

Chad

The macro-economic environment remained extremely difficult in Q4 2015 due to lower oil prices and security issues. However, the revenue performance improved versus the previous quarter as we grew 11% organic (to $40 million) following declines in Q3 2015 and Q2 2015 of 1% and 3% respectively. EBITDA in Q4 was break-even due to a sharp increase in the level of bad debt as well as a $2 million one-off charge relating to tax provisions.

Rest of Africa

Our other African markets continued to experience good revenue momentum. Senegal continued at a similar pace to the last 2 quarters with revenue growth of 18% driven by a focus on value customers. Ghana saw revenue growth of 15%. Combined, Senegal, Ghana, Rwanda & DRC reported an EBITDA loss of $6 million, impact by $16 million one-offs including $11 million of restructuring costs and $5 million of one-off tax. Adjusted for these items, the EBITDA margin would be 8.3%.

Zantel

Zantel revenue for this quarter was $9 million with an EBITDA loss of $3 million due to restructuring costs.

a % change is reported year-on-year change except for ARPU numbers (local currency growth)
b Capex excludes spectrum and license costs

Corporate Responsibility (CR)

Millicom signs partnerships

Millicom carried out a materiality assessment in Q4 with its key stakeholders to determine views on the current CR strategy and focus, and to identify new concerns or opportunities. The results show our strategy remains well-aligned with stakeholder expectations. The highest priority issues were identified as privacy and freedom of expression, child protection, and anti-corruption compliance. Similar surveys are being carried out by our country operations for the first time, which will help us better tailor our global approach to meet our local stakeholder needs.

In November, Millicom signed a three-year donations agreement with Civil Rights Defenders, a Swedish-based human rights organisation. Through this partnership, Millicom will be able to gain better understanding of wider human rights issues in its markets. Millicom also joined ITU's Child Online Protection Initiative.

Integration and alignment of compliance, health, safety and security and corporate responsibility policies and processes with the Zantel operation in Tanzania are under way.

Supply chain risk continues to be in focus

Millicom completed the first supplier self-assessments with Ecovadis with 62 suppliers invited to undergo assessment. 80% of suppliers completed the assessments. As a results 17 of our suppliers fell below our requirements and corrective action plans have been initiated with all 17. Work has begun with Business for Social Responsibility (BSR) to determine material corporate responsibility risks within our supply chain to inform prioritisation of further assessments and audits. This project is expected to be completed in Q1.

Training was organized for all procurement personnel across the Group on responsible supply chain and supplier communication on ethical conduct. 65% of buyers participated and the remainder will be trained in Q1.

Social Investment

In Q4 Millicom created a revised social investment strategy for its African operations to better leverage existing programs and measure their impact on communities and the business. Under the new strategy local operations will run fewer projects focusing on digital and financial inclusion, education and support of entrepreneurship.

Millicom finalised and piloted a social impact measurement framework aligned with the London Benchmarking Group model to help us quantify project inputs, outputs and social impact generated in a consistent way. In Q4 we also launched a new global volunteering policy to encourage employee engagement with pressing social causes in our communities by allowing two working days a year to be used on volunteering activities.

Health, Safety and Security

To cement our commitment towards zero fatalities, we launched a revised health and safety policy, championed by our CEO with a personal statement of intent that outlines Millicom's commitment, and roles and responsibilities for management and employees at all levels. Work continued on reviews of and training in the key risk areas of contractor management, fleet management, travel security and fire safety.

Compliance & Business Ethics

As part of our anti-bribery and anti-corruption (ABAC) programme and the roll out of our revised Code of Conduct, we ran face to face workshops on ABAC and, separately, training sessions on how to raise any concerns around inappropriate conduct or alleged breaches using the Millicom Ethics Line. Training was prioritized for senior management teams and high risk functions, such as Procurement. We also began the roll-out of Code of Conduct e-learning training in English-speaking Africa operations, with training of the rest of the operations and corporate offices to follow in Q1 2016.

An independent assessment of the Group company compliance framework is on-going and progressing according to plan.

In October 2015, Millicom self-reported to the authorities in Sweden and the United States potential improper payments in Guatemala. At this time, Millicom's investigation remains on-going, and Millicom cannot predict the outcome or consequences of this matter.

Additional information

Reconciliation of Basic EPS to Adjusted EPS

US$m	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
Net profit attributable to owners of the company	**(426)**	**12**	**(99)**	**(46)**	**48**
Basic earnings per share ($)	(4.26)	0.12	(0.99)	(0.46)	0.48
Non-operating items*	393	5	94	72	7
Adjusted net profit attributable to owners of the company	**(33)**	**17**	**(5)**	**26**	**41**
Adjusted basis earnings per share ($)	(0.33)	0.17	(0.05)	0.26	0.41

** Adjusted for non-operating items including changes in carrying value of put and call options, revaluation of previously held interests and similar items classified under 'other non-operating income (expenses)'.*

Currency Movements

Closing foreign exchange rate (vs. USD)		Dec-15	Sept-15	Var %	Dec-14	Var %
Guatemala	GTQ	7.63	7.68	(1)	7.60	-
Honduras	HNL	22.43	22.10	2	21.59	4
Nicaragua	NIO	27.93	27.60	1	26.60	5
Costa Rica	CRC	545	541	1	546	-
Bolivia	BOB	6.91	6.91	-	6.91	-
Colombia	COP	3,149	3,122	1	2,392	32
Paraguay	PYG	5,807	5,636	3	4,629	25
Ghana	GHS	3.80	3.73	2	3.20	19
Senegal / Chad	XAF	610	587	4	544	12
Rwanda	RWF	747	731	2	694	8
Tanzania	TZS	2,159	2,153	-	1,726	25

Average foreign exchange rate (vs. USD)		Q4 15	Q3 15	Var %	Q4 14	Var %
Guatemala	GTQ	7.65	7.66	-	7.63	-
Honduras	HNL	22.23	22.03	1	21.44	4
Nicaragua	NIO	27.76	27.42	1	26.49	5
Costa Rica	CRC	541	541	-	544	(1)
Bolivia	BOB	6.91	6.91	-	6.91	-
Colombia	COP	3,068	2,919	5	2,169	41
Paraguay	PYG	5,690	5,343	6	4,591	24
Ghana	GHS	3.78	3.86	(2)	3.2	18
Senegal / Chad	XAF	611	591	3	529	16
Rwanda	RWF	739	725	2	690.41	7
Tanzania	TZS	2,163	2,099	3	1,712	26

Profit & Loss account (contribution from Honduras and Guatemala, unaudited)

US$m	FY 15 Group	Of which Honduras	Of which Guatemala
Revenue	**6,730**	**649**	**1,306**
Cost of sales	(1,854)	(159)	(258)
Gross profit	**4,876**	**490**	**1,048**
Operating expenses	(2,698)	(207)	(396)
Depreciation & amortization	(1,321)	(123)	(232)
Other operating income (expenses), net	(66)	(0)	(0)
Operating profit	**791**	**159**	**419**
Net financial expenses	(420)	(22)	(64)
Other non-operating income (expenses), net	(624)	(45)	(1)
Gains (losses) from associates & joint ventures	100	0	0
Profit before tax	**(153)**	**92**	**355**
Net tax credit (charge)	(291)	(51)	(77)
Profit (loss) for the year	**(444)**	**41**	**278**
Non-controlling interests	(115)		
Net profit (loss) for the year	**(559)**		

Consolidated balance sheet (unaudited)

US$ millions	31 December 2015 (pro forma) (i)	IFRS adjustments (ii)	31 December 2015 (IFRS)	31 December 2014 (iii)
ASSETS				
NON-CURRENT ASSETS				
Intangible assets, net	4,835	(3,422)	1,413	5,515
Property, plant and equipment, net	4,236	(1,030)	3,206	4,751
Investments in joint ventures	-	3,220	3,220	89
Investments in associates	363	-	363	185
Deferred tax assets	192	(4)	188	294
Amount due from non-controlling interests, associates and joint ventures	-	-	-	24
Derivative financial instruments	26	-	26	-
Other non-current assets	78	(3)	75	91
TOTAL NON-CURRENT ASSETS	**9,730**	**(1,239)**	**8,491**	**10,949**
CURRENT ASSETS				
Inventories, net	112	(32)	80	148
Trade receivables, net	491	(93)	398	492
Amounts due from non-controlling interests, associates and joint venture partners	396	(380)	16	325
Call option assets	-	-	-	74
Prepayments and accrued income	237	(44)	193	274
Current income tax assets	130	(5)	125	150
Supplier advances for capital expenditure	71	(32)	39	64
Other current assets	142	(44)	98	93
Restricted cash	146	(4)	142	128
Cash and cash equivalents	937	(168)	769	694
TOTAL CURRENT ASSETS	**2,662**	**(802)**	**1,860**	**2,442**
Assets held for sale	13	(1)	12	27
TOTAL ASSETS	**12,405**	**(2,042)**	**10,363**	**13,418**

(i) Pro forma basis is as if the Honduran and Guatemalan businesses continue to be fully consolidated.

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

(ii) The consolidated statement of financial position for the year ended 31 December 2014 has been restated to reflect the final adjustment of the purchase accounting of UNE

US$ millions	31 December 2015 (pro forma) (i)	IFRS adjustments (ii)	31 December 2015 (IFRS)	31 December 2014 (iii)
EQUITY AND LIABILITIES				
EQUITY				
Share capital and premium	639	-	639	639
Treasury shares	(143)	-	(143)	(160)
Put option reserve	-	-	-	(2,512)
Other reserves	(723)	192	(531)	(389)
Retained profits	4,071	-	4,071	2,118
Profit (loss) for the year attributable to equity holders	(559)	-	(559)	2,643
Equity attributable to owners of the Company	**3,285**	**192**	**3,477**	**2,339**
Non-controlling interests	1,128	(914)	214	1,391
TOTAL EQUITY	**4,413**	**(722)**	**3,691**	**3,730**
LIABILITIES				
Non-current liabilities				
Debt and financing	5,134	(1,345)	3,789	4,565
Derivative financial instruments	65	-	65	43
Amounts due to associates and joint venture partners	63	-	63	31
Provisions and other non-current liabilities	282	(35)	247	298
Deferred tax liabilities	112	(62)	50	184
Total non-current liabilities	**5,656**	**(1,442)**	**4,214**	**5,121**
Current liabilities				
Debt and financing	251	(30)	221	358
Put option liabilities (Guatemala and Honduras)	-	-	-	2,260
Payables and accruals for capital expenditure	374	(89)	285	371
Other trade payables	384	(50)	334	386
Amounts due to non-controlling interests, associates and joint ventures	2	579	581	26
Accrued interest and other expenses	573	(148)	425	500
Current income tax liabilities	165	(41)	124	143
Provisions and other current liabilities	587	(99)	488	521
Total current liabilities	**2,336**	**122**	**2,458**	**4,565**
Liabilities directly associated with assets held for sale	-	-	-	2
TOTAL LIABILITIES	**7,992**	**(1,320)**	**6,672**	**9,689**
TOTAL EQUITY AND LIABILITIES	**12,405**	**(2,042)**	**10,363**	**13,418**

(i) Pro forma basis is as if the Honduran and Guatemalan businesses continue to be fully consolidated

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

(iii) The consolidated statement of financial position for the year ended 31 December 2014 has been restated to reflect the final adjustment of the purchase accounting of UNE

Consolidated statement of cash flows (unaudited)

US$ millions	2015 pro forma (i)	IFRS adjustments (ii)	2015 IFRS	2014
Cash flows from operating activities				
Profit (loss) before taxes from continuing operations	**(153)**	**-**	**(153)**	**3,036**
Profit (loss) for the period from discontinued operations				21
Profit (loss) before taxes	**(153)**	**-**	**(153)**	**3,057**
Adjustments to reconcile to net cash:				
Interest expense (income), net	442	-	442	426
Interest and other financial income	(22)	-	(22)	(22)
Adjustments for non-cash items:				
Depreciation and amortization	1,321	-	1,321	1,158
Share of (gain) loss from joint ventures, net	-	-	-	8
Loss on disposal and impairment of assets, net	66	-	66	15
Share based compensation	19	-	19	22
Revaluation of previously held interest	-	-	-	(2,250)
(Income) loss from associates, net	(100)	-	(100)	(67)
Other non-cash non-operating (income) expenses, net	622	-	622	(235)
Changes in working capital:				
Decrease (increase) in trade receivables, prepayments and other current assets	162	-	162	59
(Increase) decrease in inventories	17	-	17	(2)
Increase (decrease) in trade and other payable	(117)	-	(117)	—
Changes in working capital:	**62**	**-**	**62**	**57**
Interest (paid)	(377)	-	(377)	(350)
Interest received	23	-	23	19
Taxes paid	(252)	-	(252)	(380)
Net cash provided by operating activities	**1,651**	**-**	**1,651**	**1,458**
Cash flows from investing activities:				
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	(54)	-	(54)	46
Effect of deconsolidation of Guatemala and Honduras subsidiaries	-	(168)	(168)	—
Proceeds from disposal of subsidiaries and non-controlling interests	4	-	4	175
Purchase of intangible assets and licenses	(186)	-	(186)	(184)
Proceeds from sale of intangible assets	4	-	4	7
Purchase of property, plant and equipment	(1,019)	-	(1,019)	(1,128)
Proceeds from sale of property, plant and equipment	5	-	5	13
(Increase) decrease of pledged deposits	-	-	-	800
Net increase (decrease) in restricted cash	(17)	-	(17)	(48)
Dividend received from associates	6	-	6	-
Cash (used in) provided by other investing activities, net	14	-	14	43
Net cash used in investing activities	**(1,244)**	**(168)**	**(1,411)**	**(276)**
Cash flows from financing activities:				
Proceeds from 6.875% Guatemala bond	-	-	-	779
Acquisition of non-controlling interests	(39)	-	(39)	—
Payment of liabilities related to UNE merger	-	-	-	(860)
Proceeds from other debt and financing	1,880	-	1,880	569
Repayment of debt and financing	(1,392)	-	(1,392)	(1,182)
Advances for, and dividends to non-controlling interests	(269)	-	(269)	(300)
Payment of dividends to equity holders	(264)	-	(264)	(264)
Cash (used in) provided by other financing activities, net	-	-	-	(110)
Net cash from (used by) financing activities	**(84)**	**-**	**(84)**	**(1,368)**
Exchange impact on cash and cash equivalents, net	(81)	-	(81)	(29)
Net (decrease) increase in cash and cash equivalents	**243**	**(168)**	**75**	**(215)**
Cash and cash equivalents at the beginning of the year	694	-	694	909
Cash and cash equivalents at the end of the year	**937**	**(168)**	**769**	**694**

(i) Pro forma basis is as if the Honduran and Guatemalan businesses continue to be fully consolidated

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

Q4 15 Operating and Financial Highlights

	Total Latin America			Africa			Other [2]			Group		
	Q4 15	Q4 14	% change[1]	Q4 15	Q4 14	% change [1]	Q4 15	Q4 14	% change [1]	Q4 15	Q4 14	% change [1]
Mobile customers (000s)	32,585	30,927	5.4%	30,002	25,350	18.4%	-	-	-	62,587	56,277	11.2%
Mobile ARPU ($)	9.0	10.6	(6.7%)	2.5	3.1	(4.0%)	-	-	-	5.9	7.2	(8.9%)
Cable & Digital RGUs (000s)	5,393	5,090	6.0%	n/a	n/a	n/a	-	-	-	5,393	5,090	6.0%
Residential cable ARPU ($)	26.0	29.3	11.3%	n/a	n/a	n/a	-	-	-	26.0	29.3	11.3%
MFS customers	3,654	3,373	8.3%	7,560	6,125	23.4%	-	-	-	11,214	9,498	18.1%
MFS ARPU ($)	0.8	0.9	(17.4%)	1.0	1.3	1.1%	-	-	-	1.0	1.2	(4.2%)
P&L												
Mobile	869	981	(1.0%)	223	227	11.4%	-	-	-	1,092	1,207	1.3%
Cable & Digital Media	388	413	17.7%	2	0	146.8%	-	-	-	390	414	17.8%
MFS	9	12	(13.7%)	23	22	27.3%	-	-	-	32	34	13.0%
Other revenue	150	197	(8.3%)	10	8	26.9%	-	-	-	163	204	(5.5%)
Revenue	**1,415**	**1,603**	**2.8%**	**258**	**256**	**13.4%**	**3**	**0**	**N/M**	**1,677**	**1,860**	**4.4%**
EBITDA	**513**	**602**		**17**	**48**		**(38)**	**(64)**		**492**	**587**	
EBITDA margin	36.3%	37.6%		6.4%	18.9%		N/M	N/M		29.3%	31.6%	
Operating Profit / (loss)	**247**	**312**		**88**	**(20)**		**(221)**	**(68)**		**114**	**224**	
% of revenue	17.4%	19.5%		33.9%	-8.0%		N/M	N/M		6.8%	12.0%	
Cash flow												
Capex (excluding spectrum)	416	341		95	116		(12)	(4)		498	453	
% of revenue	29.4%	21.3%		36.7%	45.1%		N/M	N/M		29.7%	24.4%	
EBITDA – Capex	98	261		(78)	(67)		(26)	(60)		(7)	134	
% of revenue	6.9%	16.3%		-30.3%	-26.3%		N/M	N/M		-0.4%	7.2%	
Balance sheet												
Net debt	2,309	2,388		328	82		1,657	1,527	8.5	4,295	3,997	7.4
								Net debt / LTM EBITDA		1.97x	1.91x	

[1] *% change is reported change*

[2] *it includes costs of the corporate centre and intercompany eliminations*

Unaudited Interim Condensed Consolidated Financial Statements

For the three month period and year ended 31 December 2015

10 February 2016

We believe in better. We believe in tigo

Unaudited interim condensed consolidated income statement for the year ended 31 December 2015

US$ millions	Notes	Year ended 31 December 2015 (ii)	Year ended 31 December 2014 (i)
Revenue	6	6,730	6,386
Cost of sales		(1,854)	(1,694)
Gross profit		**4,876**	**4,692**
Operating expenses		(2,698)	(2,599)
Depreciation		(1,075)	(920)
Amortisation		(246)	(238)
Other operating income (expenses), net	15	(66)	(11)
Operating profit	6	**791**	**924**
Interest expense		(442)	(426)
Interest and other financial income		22	22
Revaluation of previously held interest	3	—	2,250
Other non-operating (expenses) income, net	7	(624)	211
Income (loss) from joint ventures and associates, net		100	55
Profit (loss) before taxes from continuing operations		**(153)**	**3,036**
Charge for taxes, net		(291)	(256)
Profit (loss) for the year from continuing operations		**(444)**	**2,780**
Profit (loss) for the year from discontinued operations, net of tax	4	—	21
Net (loss) profit for the year		**(444)**	**2,801**

Attributable to:		—	
Owners of the Company		(559)	2,643
Non-controlling interests		115	158

Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	8	(5.59)	26.43
Diluted (US$)	8	(5.59)	26.42

(i) Presentation of the income statement from cost of sales to operating profit has been amended compared to the income statement reported in 2014 for the year ended 31 December 2014.

(ii) The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 and 2014 consolidated income statement is shown in note 16.

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

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

US$ millions	Notes	Three months ended 31 December 2015 (ii)	Three months ended 31 December 2014 (i)
Revenue	6	1,677	1,860
Cost of sales		(491)	(539)
Gross profit		**1,186**	**1,321**
Operating expenses		(694)	(733)
Depreciation		(265)	(276)
Amortisation		(56)	(71)
Other operating income (expenses), net	15	(57)	(16)
Operating profit	6	**114**	**225**
Interest expense		(109)	(119)
Interest and other financial income		5	7
Other non-operating (expenses) income, net	7	(411)	8
Income (loss) from joint ventures and associates, net		136	29
Profit (loss) before taxes from continuing operations		**(265)**	**150**
Charge for taxes, net		(123)	(88)
Profit (loss) for the period from continuing operations		**(388)**	**62**
Net (loss) profit for the period		**(388)**	**62**
Attributable to:			
Owners of the Company		(427)	48
Non-controlling interests		39	14
Earnings per common share for (loss) profit attributable to the owners of the Company:			
Basic (US$)	8	(4.27)	0.48
Diluted (US$)	8	(4.27)	0.48

(i) Presentation of the income statement from cost of sales up to operating profit has been amended compared to the income statement reported in 2014 for the year ended 31 December 2014.

(ii) The impact of accounting for Honduras and Guatemala under the equity method on the presentation of the 2015 and 2014 consolidated income statement is shown in note 16.

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

Unaudited interim condensed consolidated statement of comprehensive income for the year ended 31 December 2015

US$ millions	Year ended 31 December 2015	Year ended 31 December 2014
Net (loss) profit for the year	(444)	2,801
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(438)	(380)
Cash flow hedges	(3)	1
Other comprehensive income (not to be reclassified to profit and loss in subsequent periods), net of tax:		
Changes in pension obligations	—	1
Total comprehensive income for the year	**(885)**	**2,423**

Attributable to:		
Owners of the Company	(897)	2,433
Non-controlling interests	12	(10)

Unaudited interim condensed consolidated statement of comprehensive income for the three month period ended 31 December 2015

US$ millions (unaudited)	Three months ended 31 December 2015	Three months ended 31 December 2014
Net (loss) profit for the period	(388)	62
Other comprehensive income (to be reclassified to profit and loss in subsequent periods), net of tax:		
Exchange differences on translating foreign operations	(25)	(244)
Cash flow hedges	3	—
Other comprehensive income (not to be reclassified to profit and loss in subsequent periods), net of tax:		
Changes in pension obligations	—	1
Total comprehensive income for the period	**(410)**	**(181)**

Attributable to:		
Owners of the Company	(446)	(68)
Non-controlling interests	36	(113)

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

Unaudited interim condensed consolidated statement of financial position as at 31 December 2015

US$ millions	Notes	31 December 2015	31 December 2014 (i)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	10	1,413	5,515
Property, plant and equipment, net	9	3,206	4,751
Investments in joint ventures	16	3,220	89
Investments in associates		363	185
Deferred tax assets	17	188	294
Amount due from non-controlling interests, associates and joint ventures	13	—	24
Derivative financial instruments	14	26	—
Other non-current assets		75	91
TOTAL NON-CURRENT ASSETS		**8,491**	**10,949**
CURRENT ASSETS			
Inventories		80	148
Trade receivables, net		398	492
Amounts due from non-controlling interests, associates and joint venture partners	13	16	325
Call option assets	14	—	74
Prepayments and accrued income		193	274
Current income tax assets		125	150
Supplier advances for capital expenditure		39	64
Other current assets		98	93
Restricted cash		142	128
Cash and cash equivalents		769	694
TOTAL CURRENT ASSETS		**1,860**	**2,442**
Assets held for sale	4	12	27
TOTAL ASSETS		**10,363**	**13,418**

(i) The consolidated statement of financial position for the year ended 31 December 2014 has been restated after finalization of the UNE purchase accounting (see note 3).

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

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

US$ millions	Notes	31 December 2015	31 December 2014 (i)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		639	639
Treasury shares		(143)	(160)
Put option reserve	14	—	(2,512)
Other reserves		(531)	(389)
Retained profits		4,071	2,118
(Loss) profit for the year attributable to equity holders		(559)	2,643
Equity attributable to owners of the Company		**3,477**	**2,339**
Non-controlling interests	3	214	1,391
TOTAL EQUITY		**3,691**	**3,730**
LIABILITIES			
Non-current liabilities			
Debt and financing	11	3,789	4,565
Derivative financial instruments	14	65	43
Amounts due to associates and joint venture partners	13	63	31
Provisions and other non-current liabilities		247	298
Deferred tax liabilities		50	184
Total non-current liabilities		**4,214**	**5,121**
Current liabilities			
Debt and financing	11	221	358
Put option liabilities	14	—	2,260
Payables and accruals for capital expenditure		285	371
Other trade payables		334	386
Amounts due to associates and joint venture partners	13	581	26
Accrued interest and other expenses		425	500
Current income tax liabilities		124	143
Provisions and other current liabilities		488	521
Total current liabilities		**2,458**	**4,565**
Liabilities directly associated with assets held for sale	4	—	2
TOTAL LIABILITIES		**6,672**	**9,688**
TOTAL EQUITY AND LIABILITIES		**10,363**	**13,418**

(i) The consolidated statement of financial position for the year ended 31 December 2014 has been restated after finalization of the UNE purchase accounting (see note 3).

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

Unaudited interim condensed consolidated statement of cash flows for the year ended 31 December 2015

US$ millions (i)	Notes	2015	2014
Cash flows from operating activities			
Profit (loss) before taxes from continuing operations		**(153)**	**3,036**
Profit (loss) for the period from discontinued operations		—	21
Profit (loss) before taxes		**(153)**	**3,057**
Adjustments to reconcile to net cash:			
Interest expense (income), net		442	426
Interest and other financial income		(22)	(22)
Adjustments for non-cash items:			
Depreciation and amortization	6	1,321	1,158
Share of (gain) loss from joint ventures, net		—	8
Loss on disposal and impairment of assets, net		66	15
Share based compensation		19	22
Revaluation of previously held interest	3	—	(2,250)
(Income) loss from associates, net	5	(100)	(67)
Other non-cash non-operating (income) expenses, net		622	(235)
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets		162	59
(Increase) decrease in inventories		17	(2)
Increase (decrease) in trade and other payables		(117)	—
Changes in working capital:		**62**	**57**
Interest (paid)		(377)	(350)
Interest received		23	19
Taxes (paid)	6	(252)	(380)
Net cash provided by operating activities		**1,651**	**1,458**
Cash flows from investing activities:			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	(54)	46
Effect of deconsolidation of Guatemala and Honduras subsidiaries	16	(168)	—
Proceeds from disposal of subsidiaries		4	175
Purchase of intangible assets and licenses	10	(186)	(184)
Proceeds from sale of intangible assets	10	4	7
Purchase of property, plant and equipment	9	(1,019)	(1,128)
Proceeds from sale of property, plant and equipment	9	5	13
(Increase) decrease of pledged deposits		—	800
Net (increase) decrease in restricted cash		(17)	(48)
Dividend received from associates		6	—
Cash (used in) provided by other investing activities, net		14	43
Net cash used in investing activities		**(1,411)**	**(276)**
Cash flows from financing activities:			
Acquisition of non-controlling interests	3	(39)	—
Payment of liabilities related to UNE merger	3	—	(860)
Proceeds from other debt and financing	11	1,880	1,348
Repayment of debt and financing	11	(1,392)	(1,182)
Advances for, and dividends to non-controlling interests		(269)	(300)
Payment of dividends to equity holders		(264)	(264)
Cash (used in) provided by other financing activities, net		—	(110)
Net cash from (used by) financing activities		**(84)**	**(1,368)**
Exchange impact on cash and cash equivalents, net		(81)	(29)
Net (decrease) increase in cash and cash equivalents		**75**	**(215)**
Cash and cash equivalents at the beginning of the year		694	909
Cash and cash equivalents at the end of the year		**769**	**694**

(i) Cash flows from operating activities, investing activities and financing activities relating to Guatemala and Honduras operations in 2015 and 2014 are shown in note 16.

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

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

US$ millions	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital	Share premium	Treasury shares	Retained profits (i)	Put option reserve (ii)	Other reserves	Total	Non-controlling interests	Total equity
Balance on 31 December 2013	**101,739**	**(1,895)**	**153**	**488**	**(172)**	**2,383**	**(737)**	**(185)**	**1,929**	**152**	**2,081**
Total comprehensive income for the year	—	—	—	—	—	2,643	—	(210)	2,433	(10)	2,423
Dividends	—	—	—	—	—	(264)	—	—	(264)	(194)	(458)
Purchase of treasury shares	—	(26)	—	—	(3)	—	—	—	(3)	—	(3)
Share based compensation	—	—	—	—	—	—	—	22	22	—	22
Issuance of shares under the LTIPs	—	165	—	(1)	15	1	—	(15)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—	—	1,461	1,461
Deconsolidation of Online businesses	—	—	—	—	—	—	—	—	—	(4)	(4)
Put option	—	—	—	—	—	—	(1,775)	—	(1,775)	—	(1,775)
Completion of UNE purchase price allocation	—	—	—	—	—	(2)	—	(1)	(3)	(14)	(17)
Balance on 31 December 2014 (v)	**101,739**	**(1,756)**	**153**	**487**	**(160)**	**4,761**	**(2,512)**	**(389)**	**2,339**	**1,391**	**3,730**
Total comprehensive income for the year	—	—	—	—	—	(559)	—	(338)	(897)	12	(885)
Dividends (iii)	—	—	—	—	—	(264)	—	—	(264)	(244)	(508)
Purchase of treasury shares	—	(29)	—	—	(2)	—	—	—	(2)	—	(2)
Share based compensation	—	—	—	—	—	—	—	19	19	—	19
Issuance of shares under the LTIPs	—	209	—	(1)	19	—	—	(18)	—	—	—
Change in scope of consolidation (iv)	—	—	—	—	—	(48)	—	3	(45)	(27)	(72)
Effect of deconsolidation (vi)	—	—	—	—	—	—	—	192	192	(918)	(726)
Put option liability reversal	—	—	—	—	—	(377)	2,512	—	2,135	—	2,135
Balance on 31 December 2015	**101,739**	**(1,574)**	**153**	**486**	**(143)**	**3,513**	**—**	**(531)**	**3,477**	**214**	**3,691**

(i) Retained Profits — includes profit for the year attributable to equity holders, of which $437million (2014: $444 million) are not distributable to equity holders.

(ii) Put option reserve — see note 14.

(iii) Dividends — A dividend of $2.64 per share was approved at the Annual General Meeting in May 2015 and distributed in June 2015.

(iv) Change in scope of consolidation — Zantel, Edatel, Tigo Rwanda – see note 3.

(v) The consolidated statement of financial position for the year ended 31 December 2014 has been restated to reflect the final adjustment of the purchase accounting of UNE.

(vi) Effect of deconsolidation of Honduras and Guatemala – see note 16.

Notes to the unaudited interim condensed consolidated statements

1. ORGANIZATION

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

On 31 December 2015, Millicom has deconsolidated its operations in Guatemala and Honduras which are, since that date, for accounting purposes under joint control. Income statements of those operations are still fully consolidated for the year 2015 (see note 16).

On February 9, 2016 the Board of Directors authorized these interim condensed consolidated financial statements for issuance.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

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

These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2014 consolidated financial statements, as disclosed in note 2 of those financial statements except for the change in the presentation of the income statement described below. The following changes to standards effective for annual periods starting after 1 January 2015 did not have a significant impact on Millicom:

- IFRIC 21, 'Levies' , which provides guidance on when to recognise a levy imposed by a government;
- Defined Benefit Plans (amendments to IAS 19);
- Annual Improvements projects impacting IFRS 2, Share based payment; IFRS 3; Business Combinations, IFRS 8, Operating Segments; IFRS 13, Fair Value Measurement; IAS 16, Property, plant and equipment; IAS 24, Related party disclosures; and IAS 38, Intangible Assets.

Millicom voluntarily changed the presentation of the income statement from function to nature of costs compared to the income statement for the year ended 31 December 2014. This was done to align the presentation of income statement with other external releases made by the Group. A reconciliation to the former presentation of the income statement for the three month period and year ended 31 December 2014 is shown below.

Year ended 31 December 2014			
US$ millions	Former presentation	Reclassifications	New presentation
Revenue	6,386	—	6,386
Cost of Sales	(2,522)	828	(1,694)
Gross profit	**3,864**	—	**4,692**
Sales and Marketing	(1,280)	1,280	—
General and Administrative expenses	(1,432)	1,432	—
Operating expenses	(228)	(2,371)	(2,599)
Depreciation	—	(920)	(920)
Amortisation	—	(238)	(238)
Other operating income (expenses), net	—	(11)	(11)
Operating profit	**924**	**—**	**924**

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

	Three month ended 31 December 2014		
US$ millions	Former presentation	Reclassifications	New presentation
Revenue	1,860	—	1,860
Cost of Sales	(800)	261	(539)
Gross profit	**1,060**	—	**1,321**
Sales and Marketing	(343)	343	—
General and Administrative expenses	(432)	432	—
Operating expenses	(61)	(673)	(734)
Depreciation	—	(276)	(276)
Amortisation	—	(71)	(71)
Other operating income (expenses), net	1	(16)	(15)
Operating profit	**225**	—	**225**

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

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

During 2014 Millicom acquired control over UNE and its subsidiaries, obtained path to control over the Guatemala business and its subsidiaries. The Group also made other smaller acquisitions for total consideration of $19 million.

Acquisition of Zanzibar Telecom Limited on 22 October 2015

On 4 June 2015 Millicom's fully owned Swedish subsidiary Millicom International Ventures AB entered into an agreement to purchase 85% of Zanzibar Telecom Limited ("Zantel"). The agreed purchase consideration was $1, including a shareholder loan, and in addition Millicom assumes Zantel's debt obligations. The transaction completed on 22 October 2015 after receipt of regulatory approvals. A final price adjustment, per the terms of the agreement, is expected to occur in Q1 2016. The deal also includes a reverse earn-out mechanism based on Zantel's achievement of EBITDA targets for the period from 2017 to 2019. No amounts have been recognised under this mechanism at 31 December 2015. The goodwill is not expected to be tax deductible.

For the purchase accounting, Millicom determined the fair value of Zantel based on transaction and relative values. The non-controlling interest was measured based on the proportionate share of the fair value of the net assets of Zantel. The purchase price allocation exercise is still provisional at 31 December 2015.

22 October 2015 (US$ millions)	Provisional Fair Values 100%
Intangible assets (excluding goodwill), net	36
Property, plant and equipment, net	40
Other non-current assets	1
Current assets (excluding cash) (i)	30
Cash and cash equivalents	5
Total Assets Acquired	**112**
Non-current financial liabilities	81
Current liabilities	104
Total Liabilities Assumed	**185**
Fair value of assets acquired and liabilities assumed, net	**(73)**
Fair value of non-controlling interest in Zantel	(39)
Millicom's interest in the fair value of Zantel	(34)
Acquisition price ($1)	-
Provisional Goodwill	**34**

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

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

Acquisition of Zanzibar Telecom Limited on 22 October 2015 (Continued)

From acquisition date to 31 December 2015, Zantel contributed $9 million of revenue and loss of $8 million to loss before tax from continuing operations of the Group. If Zantel had been acquired on 1 January 2015 incremental revenue for the year would have been $61 million and incremental loss for that period $33 million. Acquisition related costs included in the income statement under operating expenses were immaterial.

Merger of Colombia Móvil and UNE

On 1 October 2013 Millicom signed an agreement with Empresas Públicas de Medellín E.S.P. (“EPM”), to combine and merge their mutual interests in Millicom’s Colombian operations (“Colombia Móvil”), with UNE EPM Telecomunicaciones S.A. (“UNE”). The merger created a business offering a comprehensive range of bundled digital services including mobile and fixed telephony, mobile and fixed broadband and PayTV products and services in complementary geographic areas.

By 14 August 2014 all approvals had been obtained, and steps precedent to Millicom obtaining control had been completed. Millicom obtained control over UNE through the merger of Millicom Spain Cable S.L. (a fully owned subsidiary of Millicom) and UNE as a result.

(i) Millicom Spain Cable S.L. which held $860 million in cash and Millicom’s 50%+1 share controlling interest in Colombia Móvil was absorbed by UNE; and

(ii) Millicom obtained a 50%-1 share interest in UNE and 50%+1 of the voting shares.

UNE already owned 25%-1 share of Colombia Móvil before 1 October 2013, and prior to 14 August 2014, UNE purchased an additional 25% of Colombia Móvil from a third party for $243 million. Therefore prior to completion of the merger UNE owned 50%-1 share of Colombia Móvil and after the merger 100%. As a result of the merger Millicom retained control over Colombia Móvil. After 14 August 2014, UNE paid to the third party the $243 million for its additional 25% in Colombia Móvil and paid $617 million of dividends (declared before the merger) to EPM.

For the purchase accounting, Millicom determined the fair value of UNE based on transaction and relative values. The non-controlling interest was measured based on the proportionate share of the fair value of the net assets of UNE. As Colombia Móvil remained controlled by Millicom before and after the transaction there was no remeasurement of Millicom’s investment in Colombia Móvil.

In August 2015, the purchase accounting for the acquisition of UNE was finalized. The property, plant and equipment was revalued to $1,571 million (from $1,417 million), mainly as a result of a reassessment of economic useful lives of the network assets and recognition of assets under finance leases. Finance lease liabilities of $118 million were recorded, as well as provisions of $18 million related to onerous contracts of the 4G business, and deferred tax liabilities of $9 million related to the fair value adjustments. Goodwill increased by $10 million as follows:

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

14 August 2014 (US$ millions)	Provisional Fair Value 100%	Final Fair value 100%	Change
Intangible assets (excluding goodwill), net	297	303	6
Property, plant and equipment, net	1,417	1,571	154
Other non-current assets	74	74	—
Current assets (excluding cash) *(i)*	347	350	3
Cash and cash equivalents	123	114	(9)
Assets held for sale	22	14	(8)
Total Assets Acquired	**2,280**	**2,426**	**146**
Non-current financial liabilities	413	581	168
Current liabilities	608	608	—
Total Liabilities Assumed	**1,021**	**1,189**	**168**
Fair value of assets acquired and liabilities assumed, net *(ii)*	**1,259**	**1,237**	**(22)**
Fair value of non-controlling interest in the UNE Group *(iii)*	646	635	(11)
Millicom's interest in the fair value of the UNE Group	613	603	(10)
Goodwill *(iv)*	**247**	**257**	**10**

(i) *The fair value of trade receivables acquired was $177 million.*

(ii) *After deducting from equity the $617 million of dividends declared prior to the merger and including the additional 25% ownership acquired by UNE in Colombia Móvil for $243 million from a third party prior to the merger.*

(iii) *The non-controlling interest in one of UNE's subsidiaries was 60%.*

(iv) *$860 million consideration less Millicom's $603 million interest in the fair value of the net assets acquired.*

The completion of the purchase price allocation resulted in an impact on net income of $(2.4) million and $(2.1) million for the years ended 31 December 2014 and 2015, respectively. The impact on 2014 net income has been considered as immaterial and adjusted against retained profits with no restatement of the related income statement. The goodwill, which comprises the fair value of the assembled work force and expected synergies from the merger, is not expected to be tax deductible. From 14 August 2014 to 31 December 2014, UNE contributed $504 million of revenue and loss of $16 million to profit before tax from continuing operations of the Group. If UNE had been acquired on 1 January 2014 incremental revenue for the year would have been $1,369 million and incremental loss for that period $18 million.

Acquisition related costs included in the income statement under operating expenses were approximately $1 million.

Put and Call Agreement related to Guatemalan Operations

Effective January 1, 2014 Millicom's local partner in Guatemala, Miffin Associates Corp ("Miffin") granted Millicom, for a minimum term of two years, an unconditional call option for its 45% stake in the Guatemalan operations ("Comcel"). In return, Millicom granted Miffin a put option for the same duration, exercisable in the event Millicom sold its 55% interest in Comcel or undergone a change of control. The call option gave Millicom control of Comcel.

Previously Millicom was dependent on the consent of Miffin for strategic decisions related to Comcel, as the shareholders agreement required a vote of 80% of shares to authorize and approve significant financial and operating policies of Comcel. The call option allowed Millicom, unconditionally at any time during the two year period from January 1, 2014 to exercise its right to acquire the 45% stake (and voting rights) of Miffin at a price which Millicom believes represented the strategic value of Comcel.

As a consequence, and in accordance with IFRS 10 'Consolidated Financial Statements' effective January 1, 2014, Millicom fully consolidated Comcel from January 1, 2014. Previously, the results of the Guatemalan operations were proportionately consolidated.

Millicom revalued to fair value its 55% interest in Comcel, and recognized a gain of $2,250 million in 2014 under 'Revaluation of previously held interest'. The goodwill was not deductible for tax purposes.

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

The fair value of Comcel was determined based on a discounted cash flow calculation. The assets and liabilities recognized as a result of the revaluation were as follows:

US$ millions	Fair Value 100%	Historical carrying value of 55% interest
Intangible assets, net	1,401	84
Property, plant and equipment, net	653	349
Other non-current assets	7	4
Current assets (except cash)	332	184
Cash and cash equivalents	54	30
Total assets	**2,447**	**651**
Non-current financial liabilities	324	187
Other long-term liabilities	22	2
Current liabilities	290	160
Total liabilities	**636**	**349**
Fair value of assets and liabilities, net	**1,811**	

Fair value of non-controlling interests (45%)	815
Fair value of Millicom's 55% interest	996
Fair value of Millicom's call option	28
Goodwill arising on change of control	1,528
Historical carrying value of Millicom's 55% interest in Comcel	(302)
Revaluation of previously held interest	**2,250**

A change of control event may have occured at Millicom level which was beyond the control of Millicom. Such an event would have triggered the ability of our local partner to exercise his put option at his discretion. Therefore, the put option was a financial liability and Millicom recorded a current liability for the present value of the redemption price of the put option of $1,775 million at January 1, 2014 against a corresponding put option reserve in equity. Millicom's call option was a financial instrument measured at fair value of $28 million at January 1, 2014 (31 December 2014: $74 million).

On 31 December 2015, the Group had not exercised its call options and Millicom's interest in Comcel was therefore deconsolidated and recorded as an equity method investment in a joint venture as of 31 December 2015 (see note 16). At the same time the conditional put options Millicom provided to the other shareholders also lapsed (see notes 14 and 16).

Online Businesses

MKC Brilliant Services GmbH (LIH)

On January 20, 2014 Millicom amended its investment agreement with Rocket regarding its share purchase options for LIH. The amendment restricted Millicom's ability to exercise its Third Option to acquire the final 50% of LIH to no earlier than one year after exercising its Second Option to raise its stake from 35% to 50%. Accordingly, from January 20, 2014 Millicom no longer had the ability to exercise its options to acquire a controlling stake in LIH, and deconsolidated the LIH Group. As a consequence, its investment is accounted for as an investment in an associate at fair value of $70 million at that date, and a $15 million gain from discontinued operations was recognized as a result of the loss of control.

In February 2014 Millicom exercised its first option from 20% to 35% with the purchase price of Euro 50 million paid during the year. On September 17, 2014 Millicom amended its agreements related to LIH whereby its option to increase its shareholding from 35% to 50%, and call option to acquire the final 50% of LIH were cancelled. Therefore as of 31 December 2014, LIH was recognized as an investment in associates.

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

MKC Brilliant Services GmbH (LIH) (Continued)

During 2015, LIH contributed its investments in its operating subsidiaries Kanui and Tricae to Global Fashion Group in a share for share transaction, recognizing a net gain of $11 million (Millicom's share). Global Fashion Group is partly owned by Rocket Internet and Kinnevik. LIH's shareholding in Global Fashion Group was determined from the relative value of Kanui and Tricae and the post-merger value of Global Fashion Group.

During March 2015, LIH disposed of its interest in HelloFood and LIH declared a Euro 8 million dividend to Millicom, which had been received by 31 December 2015.

Africa Internet Holding GmbH (AIH)

On 13 December 2013, Millicom, Rocket and MTN signed an agreement whereby MTN would invest in AIH such that each of the three parties would own a 33.33% interest and together jointly control AIH, subject to anti-trust and requisite clearances.

Under this agreement Millicom's options to acquire the remaining shares in AIH ended and Millicom deconsolidated AIH at the end of 2013 and accounted for AIH as an investment in an associate. By 25 June 2014 the requisite clearances had been obtained and Millicom's stake increased from 20% to 33% for which Millicom paid Euro 35 million in 2014 and 2015. Millicom accounted for AIH as a joint venture from that date. MTN acquired its 33.3% stake by cash investment in new shares at a price equivalent to 20% more than the price paid Millicom.

A new funding round was signed late December 2015, in which Millicom did not participate but kept total amount invested at Euro 70 million. As a result of this transaction, the shareholding of Millicom in AIH will reduce from 33% to 14%. This will trigger the recognition of a dilution gain in the income statement at the time the commitments are paid, the new shares are issued and the transactions are approved by the relevant regulatory bodies. Additionally, following changes in AIH governance which took place in 2015 and as foreseen in the shareholders' agreement, Millicom lost its joint control but retains a significant influence over AIH – Millicom keeps one Board representative who will continue to participate in the decision making process of AIH. Therefore, at 31 December 2015, our investment in AIH is accounted for as an associate using the equity method of accounting.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations – Online Businesses

During 2014 as a result of an amendment to the shareholders' agreement, Millicom deconsolidated LIH (previously reported in the South America segment).

Consequently, and following the deconsolidation of AIH in December 2013, the results of these Online businesses were classified as discontinued operations.

Results from Discontinued Operations (US$ millions)	2014
Revenue	4
Operating expenses	(6)
Operating losses	**(2)**
Gain on deconsolidation	23
Net profit (loss) from discontinued operations	**21**

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

Cash Flows from Discontinued Operations (US$ millions)	2014
Cash used in operating activities, net	(2)
Cash used in investing activities, net	—
Cash provided by financing activities, net	—

Assets Held for Sale - Tower Sale and Leaseback Agreements

By 31 December 2015, towers previously classified as held for sale were finally not transferred to tower companies and were reclassified as fixed assets by the operations, DRC, Colombia, Ghana and Tanzania (31 December 2014: $12 million). Asset retirement obligations related to these towers (31 December 2014: $2 million) were reclassified as liabilities.

Assets Held for Sale - UNE 4G Spectrum

In accordance with the merger approval spectrum to be returned to the Colombian government with carrying value of $12 million (31 December 2014: $15 million) at the date of the merger (note 3), was classified as assets held for sale at 31 December 2015 and 2014.

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

ATC BV dilution

In April 2014, Millicom's stake in ATC BV was diluted from 40% to 18.2% as a result of ATC BV acquiring another operating company. A gain of $29 million was recorded in "Income (loss) from joint ventures and associates, net" representing the difference between the carrying value of the 21.8% dilution and the equity value of the acquired entity.

Sale of ATC BV and Mauritius (Emtel Ltd)

On July 15, 2014 Millicom reached agreement to sell its 18.2% stake in ATC BV to American Tower. This transaction was completed in Q3 2014. On July 15, 2014 Millicom announced that it has reached agreement to sell its 50% investment in Emtel Ltd. This transaction closed in November 2014.

Following the sale of Emtel Mauritius and ATC BV, cash consideration of $175 million has been received. The total gain of $73 million was recognized in 2014 under the caption "Income (loss) from joint ventures and associates, net" in the income statement.

Millicom investment in African towers company, Helios Towers Africa

On 7 October 2015, Millicom and Helios Towers Africa ("HTA") signed an agreement whereby Millicom will own 28% of shares in HTA (24% on a fully diluted basis) following a shareholding exchange.

Millicom has exchanged shares which were previously held in HTA's tower companies in Ghana, DRC and Tanzania, into shares in HTA's parent company and retains significant influence over HTA.

This transaction simplified the share ownership structure of HTA, aligned interest among shareholders and moved Millicom's shareholding to the parent company of HTA. The exchange of shares, which has commercial substance in accordance with IAS 28 and IAS 16, has resulted in the Group recognising its investment in HTA at fair value and hence a gain on disposal of its investments in the different tower companies of $147 million under "Income (loss) from joint ventures and associates, net".

6. SEGMENT INFORMATION

Millicom presents segmental information based on its three geographical regions (Central America, South America and Africa). The deconsolidation of Honduras and Guatemala (note 16) did not impact our internal reporting for management purposes and therefore has not been reflected in our segment information.

Revenue, operating profit (loss), EBITDA and other segment information for the years ended 31 December 2015 and 2014 was as follows:

Year ended 31 December 2015 (US$ millions)	Central America	South America	Latin America	Africa	Unallo-cated	Continuing Operations	Eliminations (v)	Total
Revenue	**2,555**	**3,185**	**5,740**	**987**	3	**6,730**	—	**6,730**
Operating profit (loss)	**691**	**418**	**1,109**	**(113)**	**(205)**	**791**	—	**791**
Add back:								
Depreciation and amortization	463	624	1,087	230	4	1,321	—	1,321
Other operating income (expenses), net	2	5	7	56	3	66	—	66
EBITDA *(i)*	**1,156**	**1,047**	**2,203**	**173**	**(198)**	**2,178**	—	**2,178**
Capital expenditure (iv)	(364)	(633)	(997)	(207)	8	(1,196)	—	(1,196)
Changes in working capital and others	113	(95)	18	(14)	77	81		
Taxes paid	(155)	(75)	(230)	(16)	(6)	(252)		
Operating free cash flow *(ii)*	**750**	**244**	**994**	**(64)**	**(119)**	**811**		
Total Assets *(iii)*	**6,680**	**3,886**	**10,566**	**1,979**	**2,044**	**14,589**	**(4,226)**	**10,363**
Total Liabilities	**2,307**	**2,821**	**5,128**	**2,279**	**2,769**	**10,176**	**(3,504)**	**6,672**

(i) EBITDA is used by the management to monitor the segmental performance and for capital management (see note 2).

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

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

(iv) Including spectrum and licenses of $47 million.

(v) Including eliminations for Guatemala, Honduras and intercompany assets and liabilities.

Year ended 31 December 2014 (US$ millions) (i)	Central America	South America	Latin America	Africa	Unallo-cated	Continuing Operations	Disc Ops (v)	Eliminations	Total
Revenue	**2,460**	**2,926**	**5,386**	**1,000**	—	**6,386**	**4**	—	**6,390**
Operating profit (loss)	**687**	**529**	**1,216**	**(32)**	**(260)**	**924**	**(3)**	—	**921**
Add back:									
Depreciation and amortization	450	446	896	257	5	1,158	—	—	1,158
Other operating income (expenses), net	16	4	20	(6)	(3)	11	—	—	11
EBITDA *(ii)*	**1,153**	**979**	**2,132**	**219**	**(258)**	**2,093**	**(3)**	—	**2,090**
Capital expenditure (vi)	(432)	(502)	(934)	(333)	(25)	(1,292)	—	—	(1,292)
Changes in working capital and others	65	—	65	107	(93)	79			
Taxes paid	(188)	(107)	(295)	(25)	(60)	(380)			
Operating free cash flow *(iii)*	**598**	**370**	**968**	**(32)**	**(436)**	**500**			
Total Assets *(iv)*	**7,284**	**4,632**	**11,916**	**1,638**	**1,497**	**15,051**	—	**(1,633)**	**13,418**
Total Liabilities	**2,366**	**2,918**	**5,284**	**2,034**	**4,117**	**11,435**	—	**(1,747)**	**9,688**

(i) Represented to align it with 2015 presentation.

(ii) EBITDA is used by the management to monitor the segmental performance and for capital management (see note 2).

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

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

(v) Discontinued operations represent LIH

(vi) Including spectrum and licenses of $88 million.

6. SEGMENT INFORMATION (Continued)

Revenue, operating profit (loss), EBITDA and other segment information for the three-month periods ended 31 December 2015 and 2014 was as follows:

Three months ended 31 December 2015 (US$ millions)	Central America	South America	Latin America	Africa	Unallo -cated	Continuing Operations	Total
Revenue	**657**	**758**	**1,415**	**258**	4	**1,677**	**1,677**
Operating profit (loss)	**168**	**77**	**245**	**(91)**	**(40)**	**114**	**114**
Add back:							
Depreciation and amortization	113	153	266	55	—	321	321
Other operating income (expenses), net	1	1	2	53	2	57	57
EBITDA	**282**	**231**	**513**	**17**	**(38)**	**492**	**492**
Capital expenditure	(111)	(213)	(324)	(64)	15	(373)	(373)
Changes in working capital and others	99	(12)	87	(61)	157	183	
Taxes paid	(32)	(19)	(51)	(9)	(2)	(62)	
Operating free cash flow	**238**	**(13)**	**225**	**(117)**	**132**	**240**	

Three months ended 31 December 2014 (US$ millions)	Central America	South America	Latin America	Africa	Unallo-cated	Continuing operations	Total
Revenue	**643**	**960**	**1,603**	**257**	**—**	**1,860**	**1,860**
Operating profit (loss)	**174**	**138**	**312**	**(20)**	**(67)**	**225**	**225**
Add back:							
Depreciation and amortization	115	163	278	67	2	347	347
Other operating income (expenses), net	6	6	12	1	3	16	16
EBITDA	**295**	**307**	**602**	**48**	**(62)**	**588**	**588**
Capital expenditure	(109)	(165)	(274)	(82)	(11)	(367)	(367)
Changes in working capital and others	63	(76)	(13)	33	(51)	(31)	
Taxes paid	(38)	(35)	(73)	(5)	(40)	(118)	
Operating free cash flow	**211**	**30**	**242**	**(6)**	**(164)**	**72**	

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

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

US$ millions	Year ended 31 December 2015	Year ended 31 December 2014
Change in carrying value / lapse of put options (see note 14)	125	307
Change in carrying value / lapse of call options (see note 14)	(71)	46
Change in fair value of derivatives (see note 14)	32	21
Exchange losses, net	(304)	(175)
Loss on deconsolidation of Honduras and Guatemala, including recycling of foreign currency exchange losses accumulated in equity (note 16)	(391)	—
Other non-operating income (expenses), net	(15)	12
Total	**(624)**	**211**

US$ millions	Three months ended 31 December 2015	Three months ended 31 December 2014
Change in redemption price / lapse of put options (see note 14)	44	76
Change in fair value / lapse of call option (see note 14)	(9)	22
Change in fair value / lapse of derivatives (see note 14)	2	7
Exchange losses, net	(54)	(101)
Loss on deconsolidation of Honduras and Guatemala, including recycling of foreign currency exchange losses accumulated in equity (note 16)	(391)	—
Other non-operating income (expenses), net	(3)	4
Total	**(411)**	**8**

8. EARNINGS PER COMMON SHARE

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

US$ millions	Year ended 31 December 2015	Year ended 31 December 2014
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	(559)	2,622
Net profit (loss) attributable to owners of the Company from discontinuing operations	—	21
Net profit (loss)attributable to owners of the Company used to determine the earnings per share	(559)	2,643
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**100,144**	**99,983**
Potential incremental shares as a result of share options	10	34
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,154**	**100,017**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(5.59)	26.22
- EPS from discontinuing operations attributable to owners of the Company	—	0.21
- EPS for the year attributable to owners of the Company	(5.59)	26.43
Diluted		
- EPS from continuing operations attributable to owners of the Company	(5.59)	26.21
- EPS from discontinuing operations attributable to owners of the Company	—	0.21
- EPS for the year attributable to owners of the Company	(5.59)	26.42

US$ millions	Three months ended 31 December 2015	Three months ended 31 December 2014
Basic and Diluted		
Net profit (loss) attributable to owners of the Company from continuing operations	(427)	48
Net profit (loss) attributable to owners of the Company from discontinuing operations	—	—
Net profit (loss) attributable to owners of the Company used to determine the earnings per share	(427)	48
in thousands		
Weighted average number of ordinary shares for basic earnings per share	**101,161**	**99,984**
Potential incremental shares as a result of share options	—	32
Weighted average number of ordinary shares adjusted for the effect of dilution	**100,161**	**100,016**
US$		
Basic		
- EPS from continuing operations attributable to owners of the Company	(4.27)	0.48
- EPS from discontinuing operations attributable to owners of the Company	—	—
- EPS for the period attributable to owners of the Company	(4.27)	0.48
Diluted		
- EPS from continuing operations attributable to owners of the Company	(4.27)	0.48
- EPS from discontinuing operations attributable to owners of the Company	—	—
- EPS for the period attributable to owners of the Company	(4.27)	0.48

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2015, Millicom added property, plant and equipment for $1,103 million (31 December 2014: $1,094 million) and received $5 million in cash from disposal of property, plant and equipment (31 December 2014: $13 million). The decrease in property, plant and equipment compared to 31 December 2014 is mainly due to the deconsolidation of Guatemala and Honduras (see note 16).

10. INTANGIBLE ASSETS

During the year ended 31 December 2015, Millicom added intangible assets of $226 million (31 December 2014: $3,004 million) and received $4 million of proceeds from disposal of intangible assets (31 December 2014: $7 million). The decrease in intangible assets compared to 31 December 2014 is mainly due to the deconsolidation of Guatemala and Honduras (see note 16).

11. DEBT AND FINANCING

MIC SA 6% Bond

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

El Salvador Bond Buy Back

On 20 April 2015 Millicom early redeemed the outstanding $311 million of the $450 million bond issued by Telemovil Finance Co. Ltd in 2010 for $323 million including an early redemption premium of $12 million over the face value of the bonds. The early redemption premium of $12 million premium and $4 million of related unamortized costs were expensed in 2015.

BOB Notes

In November 2015, Telecel Bolivia issued Boliviano 696 million (approximately USD 100 million) of notes in two series, A for Boliviano 104.4 million (approximately USD 15 million), with a fixed annual interest rate of 4.05%, maturing in August 2020 and serie B for Boliviano 591.6 million (approximately USD 85 million) with a fixed annual interest rate of 4.85%, maturing in August 2023. The bond has coupon with interest payable semi-annually in arrears in March and September during the first two years, thereafter each February and August. The effective interest rate is 4.84%. In the placement, the final interest rate was reduced as Telecel Bolivia took advantage of strong demand for the bonds resulting in a reduction of the average interest rate to 4.55%. Telecel Bolivia received Boliviano 4.59 million in excess of the Boliviano 696 million issued (upfront premium).

Analysis of debt and other financing by maturity

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

US$ millions	As at December 31, 2015	As at 31 December 2014
Due within:		
One year	221	358
One-two years	320	348
Two-three years	164	558
Three-four years	262	489
Four-five years	810	230
After five years	2,233	2,940
Total debt	**4,010**	**4,923**

As at 31 December 2015, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit or guarantees issued was $646 million (31 December 2014: $1,409 million). Assets pledged by the Group for these debts and financings amounted to $3 million at 31 December 2015 (31 December 2014: $8 million).

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

	Bank and financing guarantees(i)			
US$ millions	As at 31 December 2015		As at 31 December 2014	
Terms	Outstanding exposure	Theoretical maximum exposure	Outstanding exposure	Theoretical maximum exposure
0-1 year	100	100	111	150
1-3 years	143	143	50	50
3-5 years	393	393	70	70
More than 5 years	7	7	56	55
Total	**643**	**643**	**287**	**325**

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

12. COMMITMENTS AND CONTINGENCIES

Litigation & claims

At 31 December 2015, the total amount of claims against Millicom and its operations was $492 million, of which $nil million related to its joint ventures (31 December 2014: $359 million).

$42 million (31 December 2014: $22 million) has been assessed probable and provided for litigation risks.

In June 2015, Millicom identified that an incorrect filing related to one of its African operations had been made in the commercial register. As a result of that erroneous entry, the register incorrectly indicates that shares in Millicom's operation were transferred to a third party. At 31 December 2015, Millicom is engaged in legal proceedings and believes there is no valid basis whatsoever for this entry to have been made.

Taxation

At 31 December 2015 the group estimates potential tax claims amounting to $300 million of which tax provisions of $92 million have been assessed probable and have been recorded (31 December 2014: claims amounting to $339 million and provisions of $63 million). Out of these potential claims and provisions, respectively $95 million and $13 million related to Millicom's joint ventures.

Potential improper payments on behalf of the Guatemala joint venture

On 21 October 2015, Millicom reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Company's joint venture in Guatemala. The case is currently under investigations by the authorities and is at an early stage of development such that Millicom has not been able to assess the potential impact of these facts on its consolidated financial statements.

Capital commitments

As at 31 December 2015, 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 $326 million of which $309 million are due within one year (31 December 2014: $336 million of which $308 million are due within one year).

13. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the year ended 31 December 2015:

US$ millions (unaudited)	Year ended 31 December 2015	Year ended 31 December 2014
Expenses		
Purchases of goods and services from Kinnevik	3	3
Purchases of goods and services from Miffin	148	155
Purchases of goods and services from EPM	17	1
Lease of towers and related services from Helios and ATC	36	102
Lease of towers and related services from UNE	—	13
Other expenses	2	—
Total	**206**	**274**

US$ millions (unaudited)	Three months ended 31 December 2015	Three months ended 31 December 2014
Expenses		
Purchases of goods and services from Kinnevik	—	1
Purchases of goods and services from Miffin	62	95
Purchases of goods and services from EPM	17	—
Lease of towers and related services (Helios and ATC)	8	64
Lease of towers and related services from UNE	—	6
Other expenses	2	—
Total	**89**	**166**

13. RELATED PARTY TRANSACTIONS (continued)

US$ millions (unaudited)	Year ended 31 December 2015	Year ended 31 December 2014
Income / gains		
Sale of goods and services to EPM	19	8
Sale of goods and services to Miffin	253	213
Gain on sale of towers to Helios and ATC	—	42
Lease of towers and related services to UNE	—	22
Interest income on loans to Helios Towers DRC and Tanzania and ATC	—	7
Other revenue related to Helios Towers Tanzania	4	—
Total	**276**	**292**

US$ millions (unaudited)	Three months ended 31 December 2015	Three months ended 31 December 2014
Income / gains		
Sale of goods and services to EPM	19	—
Sale of goods and services to Miffin	72	111
Gain on sale of towers to Helios and ATC	—	36
Lease of towers and related services to UNE	—	23
Interest income on loans to Helios Towers DRC and Tanzania and ATC	—	2
Other revenue related to Helios Towers Tanzania	1	—
Total	**92**	**172**

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

US$ millions (unaudited)	Year ended 31 December 2015	Year ended 31 December 2014
Liabilities		
Payables to Guatemala	335	—
Payables to Honduras	225	—
Finance lease liabilities to tower companies (i)	122	127
Payables to EPM	66	—
Payables to Miffin	—	10
Payable to AIH for 13.33% increase	—	31
Other accounts payable	18	16
Total	**766**	**184**

(i) Disclosed under "Debt and other financing" in the statement of financial position.

US$ millions (unaudited)	Year ended 31 December 2015	Year ended 31 December 2014
Assets		
Receivables from EPM	5	—
Loan to Helios Towers Tanzania	7	18
Other loans	—	6
Advances to Miffin	—	212
Advances to Centrotel	—	88
Other accounts receivable	4	25
Total	**16**	**349**

14. FINANCIAL INSTRUMENTS

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

US$ millions	Carrying Value		Fair Value	
	31 December 2015 (unaudited)	31 December 2014 (audited)	31 December 2015 (unaudited)	31 December 2014 (audited)
Financial liabilities				
Debt and financing................................	4,010	4,923	3,338	3,671
Put options...	—	2,260	—	—

At 31 December 2014 the call options in Honduras and in Guatemala were measured with reference to level 3 of the fair value hierarchy. The Honduras and Guatemala put option liabilities were financial liabilities carried at the present value of the redemption amount and were therefore excluded from the fair value hierarchy. As disclosed in note 16, these options lapsed on 31 December 2015.

Honduras Call Option

For Celtel, the call option price was a fixed multiple of the annual EBITDA of Celtel. On 31 December 2015, Celtel's call option expired and Celtel has been deconsolidated as a result (see note 16). The fair value of the call option was immaterial.

Honduras Put Option

For Celtel the liability was measured at the present value of the redemption price of the put option which amounted to $573 million at 31 December 2014.

The redemption price of the put option was based on a multiple of the EBITDA of Celtel. 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 adding a control premium (based upon comparable transactions from the industry).

During the year 2015, Millicom recorded income of $117 million under 'other non-operating (expenses) income, net' due to the decrease in value of the put option liability. At the same time as the unconditional call option, the conditional put option Millicom provided to the other shareholders also lapsed. This resulted in the carrying value of the put option liability being reclassified within equity for a total amount of $456 million on 31 December 2015.

Guatemala call Option

For Comcel, the call option price was a fixed multiple of the EBITDA of Comcel, with a gold price index in the event that the gold price increased by more than 40%. Millicom's two year unconditional call option to acquire the remaining 45% of the Guatemalan business expired on 31 December 2015 (note 16). Millicom's call option has therefore been derecognised at 31 December 2015. As a result, a total loss of $71 million was recorded in 2015 under 'other non-operating (expenses) income, net'.

Guatemala Put Option

For Comcel the liability was measured at the present value of the redemption price of the put option which amounted to $1,687 million at 31 December 2014.

The redemption price of the put option was based on a multiple of the EBITDA of Comcel. The multiple was based on a change of control transaction multiple of Millicom. Management estimate the change of control transaction multiple of Millicom from a trading multiple of Millicom and add a control premium (based upon comparable transactions).

During the year 2015, Millicom recorded income of $8 million under 'other non-operating (expenses) income, net' due to the decrease in value of the put option liability. At the same time as the unconditional call option, the conditional put option Millicom provided to the other shareholders also lapsed. This resulted in the carrying value of the put option liability being reclassified within equity for a total amount of $1,679 million on 31 December 2015.

14. FINANCIAL INSTRUMENTS (Continued)

Currency and interest rate swap contracts

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

Interest rate and currency swaps on SEK denominated debt

The currency portion of the swap has been accounted for as a fair value hedge and related fluctuations have been recorded through profit and loss. For the interest portion, as the timing and amounts of the cash flows under the swap agreements match the cash flows under the SEK bond the swaps are highly effective. Cash flow hedge accounting has been applied and changes in the fair value of the interest rate swaps are recorded in other comprehensive income. At 31 December 2015 the fair value of the swap amounts to a liability of $65 million (2014: a liability of $44 million).

Interest rate and currency swaps on Euro denominated debt

In June 2013 Millicom entered into interest rate and currency swaps whereby Millicom will sell Euro's and receive USD to hedge against exchange rate fluctuations on a seven year Euro 134 million principal and related interest financing of its operation in Senegal. At 31 December 2015 the fair value of the swap amounts to an asset of $26 million (2014: liability of $1 million).

In July 2013 Millicom entered into interest rate and currency swaps whereby Millicom will sell Euro's and receive USD to hedge against exchange rate fluctuations on a seven year Euro 41.5 million principal and related interest financing of its operation in Chad. In March 2015 the financing facility was repaid and the swap contracts terminated. A gain on the swap including termination of $4 million was recorded during 2015.

These hedges are considered ineffective, with fluctuations in the value of the hedges recorded through profit and loss.

No other significant financial instruments are measured at fair value.

15. IMPAIRMENT OF NON-FINANCIAL ASSETS

As a result of the annual impairment testing, management concluded that the Senegal cash generating unit (CGU), part of the Africa segment, should be impaired. Hence, in accordance with IAS 36, an impairment loss of $54 million has been allocated to reduce the carrying amount of the other assets of our operations in Senegal (the goodwill allocated to Senegal was already fully impaired in 2013) pro rata on the basis of the carrying amount of each asset to the extent the carrying amount of each asset was not below the highest of its fair value less costs to sell, its value in use and zero. Management has determined that the impairment loss should be allocated to property, plant and equipment and intangible assets for $36 million and $18 million, respectively. The impairment has been classified within the caption "other operating expenses, net". At 31 December 2015, the carrying value of the CGU corresponds to its fair value less costs of disposal (level 3).

No impairment losses were recorded on goodwill for the year ended 31 December 2014.

Sensitivity analysis was performed on key assumptions within the impairment tests. The sensitivity analysis determined that sufficient margin exists from realistic changes to the assumptions that would not impact the overall results of the testing.

16. DECONSOLIDATION OF CELTEL HONDURAS AND COMCEL GUATEMALA

Effective 1 July 2010 (Honduras) and 1 January 2014 (Guatemala), Millicom reached agreements with its respective local partners whereby the local partners granted Millicom an unconditional call option for a duration of five years (Honduras) and two years (Guatemala) for their respective stakes in its Honduras (Celtel) and Guatemala (Comcel) operations. At the same time, and as a consideration for the call options, Millicom granted put options for the same duration to its local partners. The put options were exercisable on a change of control of Millicom International Cellular S.A., or Millicom's subsidiaries that hold the shares in Comcel and Celtel.

On 19 June 2015 Millicom reached an agreement with its local partner to extend Millicom's five year unconditional call option to acquire the remaining 33.3% of the Honduran business until 31 December 2015 and in return extended the local partners conditional put option over the 33.3% stake. All other terms and conditions of the put and call options remained unchanged.

16. DECONSOLIDATION OF CELTEL HONDURAS AND COMCEL GUATEMALA (Continued)

Millicom's five year unconditional call option to acquire the remaining 33.3% of the Honduran business, as extended by six months from 1 July 2015 expired unexercised on 31 December 2015, and accordingly the Honduran business was deconsolidated from 31 December 2015.

Similarly, Millicom's two year unconditional call option to acquire the remaining 45% of the Guatemalan business expired unexercised on 31 December 2015, and accordingly the Guatemala business was deconsolidated from 31 December 2015.

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

As a consequence, on 31 December 2015, Millicom deconsolidated its investments in Comcel and Celtel and accounted for them under the equity method, initially at fair value of respectively $2.2 billion for Guatemala and $1.0 billion for Honduras, resulting in a loss on the deconsolidation of these businesses amounting to $391 million, including recycling of foreign currency exchange losses accumulated in equity of $192 million, which is recorded under "Other non-operating income (expenses), net". The fair values of Comcel and Celtel were determined based on a discounted cash flow calculation.

As from 31 December 2015 onwards, Millicom therefore jointly controls Comcel and Celtel and accounts for its investments in Comcel and Celtel under the equity method and thus will report its share of the net income of each of these businesses in the income statement in the caption "Income (loss) from joint ventures" starting 1 January 2016.

Lapse of the put options for both operations resulted in the extinguishment of both put option liabilities amounting to $2,135 million on 31 December 2015. The carrying values of both liabilities have been reclassified within equity against the put option reserve for $2,512 million (amount recognized at inception) and against retained profits for the residual difference of $377 million.

Accordingly, had Honduras and Guatemala operations been deconsolidated from 1 January 2014 (opening balance of the comparative period) and accounted for as joint ventures, the group key results and cash flows would have been as follows:

Summary of Group Income Statement, financial position and cash flows with Guatemala and Honduras operations as joint ventures (US$ millions)	2015	2014
Revenue	**4,775**	**4,508**
Cost of sales	(1,437)	(1,319)
Gross profit	**3,338**	**3,189**
Operating expenses	(2,094)	(2,026)
Depreciation and amortisation	(966)	(811)
Other operating income (expenses), net	(65)	(2)
Share of profit in Guatemala & Honduras operations	151	167
Operating profit	**364**	**517**
Net financial expense	(335)	(320)
Other non-operating income (expenses), net	(578)	247
Revaluation of previously held interest	—	2,250
Income from joint ventures and associates, net	100	55
Profit (loss) before taxes	**(449)**	**2,749**
Charge for taxes, net	(163)	(149)
Profit (loss) for the year from discontinued operations, net `of tax	—	**21**
Profit (loss) for the year	**(612)**	**2,621**
Non-controlling interests	53	22
Net profit (loss) for the year attributable to the owners of Millicom	**(559)**	**2,643**
Total Assets	10,363	11,030
Total Liabilities	6,672	7,913
Net Assets	**3,691**	**3,117**
Net cash from operating activities	921	782
Net cash from (used in) investing activities	(430)	550
Net cash from (used in) financing activities	(232)	(1,628)
Net increase (decrease) in cash and cash equivalents	**259**	**(295)**

16. DECONSOLIDATION OF CELTEL HONDURAS AND COMCEL GUATEMALA (Continued)

Summary of statements of financial position of Guatemala and Honduras operations before deconsolidation on 31 December 2015 (US$ millions)	2015	
	Guatemala	Honduras
Assets		
Intangible assets, net (excluding goodwill)	1,255	197
Property, plant and equipment, net	710	320
Other non-current assets	2	1
Deferred taxes	4	—
Inventories	22	10
Trade receivables	58	35
Prepayments	37	7
Amounts due from related parties	639	351
Supplier advances	31	1
Other current assets	22	8
Restricted cash	4	—
Cash and cash equivalents	155	13
Total assets	**2,939**	**943**
Liabilities		
Debt and financing	(984)	(391)
Deferred tax liabilities	(2)	(60)
Other non-current liabilities	(25)	(10)
Payables and accruals for capital expenditure	(66)	(23)
Other trade payables	(40)	(10)
Amounts due to related parties	(20)	(11)
Other current provisions and liabilities	(150)	(119)
Total liabilities	**(1,287)**	**(624)**
Net assets	**1,652**	**319**

17. DEFERRED TAX ASSETS

The Group historically recognised a deferred tax asset of $70 million on the tax losses of MICSA. Based on re-assessment made during Q4 2015, management concluded that the deferred tax asset can no longer be supported and it has been reversed during Q4. There is no cash tax impact and this treatment does not impact the availability of the tax losses in the future.

18. SUBSEQUENT EVENTS

Dividend

On 10 February 2016 Millicom announced that the Board will propose to the Annual General Meeting of the Shareholders a dividend distribution of $2.64 per share to be paid out of Millicom profits for the year ended 31 December 2015 subject to the Board's approval of the 2015 Consolidated Financial Statements of the Group.

Millicom to sell its Democratic Republic of Congo business to Orange

On 8 February 2016, Millicom announced that it has signed an agreement for the sale of its Tigo business in the Democratic Republic of Congo (DRC) to Orange S.A. The transaction is subject to regulatory approvals. Millicom sold 100% of the share capital in Oasis SA for a total cash consideration of $160 million.

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