2015 Q4 and FY Results

Mauricio Ramos, CEO
Tim Pennington, CFO
10 February 2016

MILLICOM
THE DIGITAL LIFESTYLE

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Operating review

Mauricio Ramos, CEO
10 February 2016

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Key Messages

1	We delivered strong organic growth
2	We generated strong and positive cashflow to cover dividend
3	Our operational momentum continued
4	Our long term strategy is working
5	We are taking decisive steps in capital allocation
6	We are positive on our long term outlook

1 2015 results

Strong underlying organic growth

		Organic growth	Reported US$ growth
Revenue	6,730 US$ million	+7.4%	+5.4%
Adjusted EBITDA (i)	2,266 US$ million	+9.2%	+7.4%
Capex (ii)	1,273 US$ million		+5.5%
Adjusted OCF (iii)	993 US$ million		+9.8%

i. Adjusted from $87 million of one-off items – details in appendix
ii. Excluding spectrum and licence costs
iii. Adjusted EBITDA – Capex excluding spectrum and licence costs

1 2015 results

On track in delivering our long term cash flow model

		Strategic objective *Long term*	Actual 2015 *Delivered*
Revenue growth		High single digit	**7.4%**
+	**Operating leverage**	~ 50%	**45.6%***
=	**EBITDA Margin trending up towards**	~ 35%	**33.7%***
+	**Capex to Sales trending down towards**	~ 15%	**18.9%**
=	**OCF Margin trending up towards**	~ 20%	**14.8%**

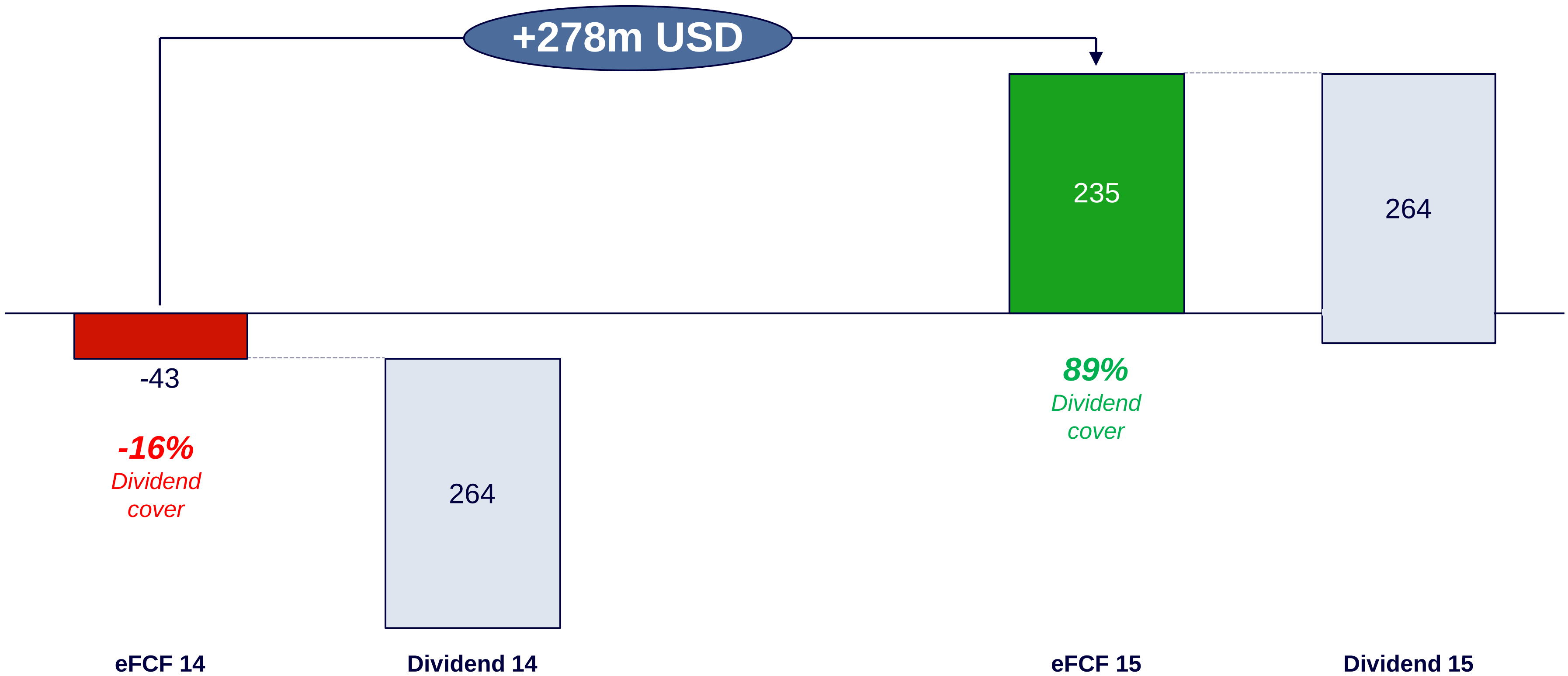
** Adjusted for one-offs*

2 We generated strong and positive cashflow to cover dividend

Strong improvement in cash flow generation: 89% dividend cover

Equity Free Cash Flow bridge 2015 vs. 2014

US$ million

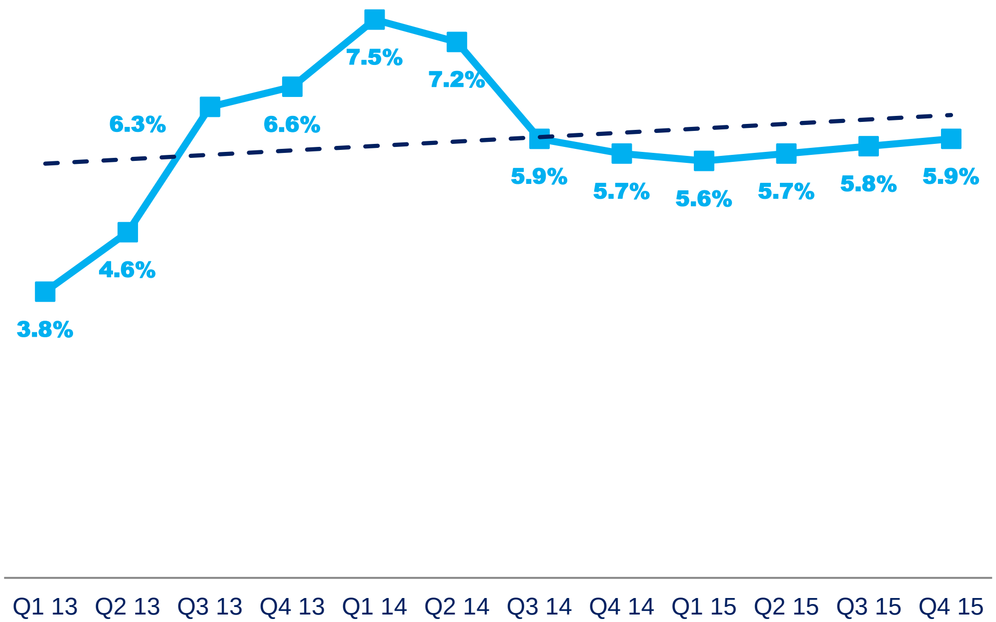


EFCF excludes spectrum & licence costs ($88 million in 2014, $47 million in 2015)

3 Operational momentum continued

Service revenue trending upwards throughout 2015

Quarterly group organic service revenue growth
Q1 2013 – Q4 2015 [a]



1. **Growth momentum remains robust**
2. **UNE positive contribution to the group**
3. **Tough macro economic environment in 2015, will continue in 2016**

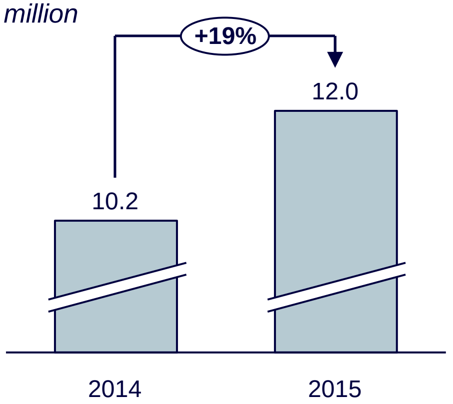
a) Service revenue is defined as group revenue excluding telephone & equipment sales

4 Our strategy is working

Mobile: Data monetization strategy is paying off

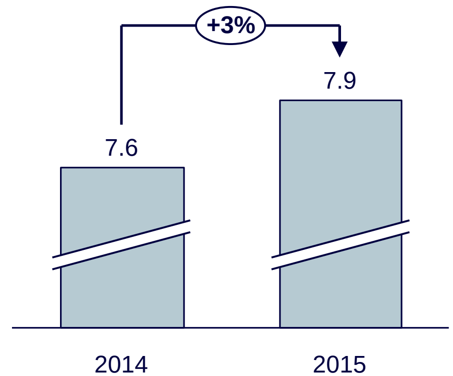
1 Building the digital lifestyle

Data users,
million



2 Monetizing the digital lifestyle

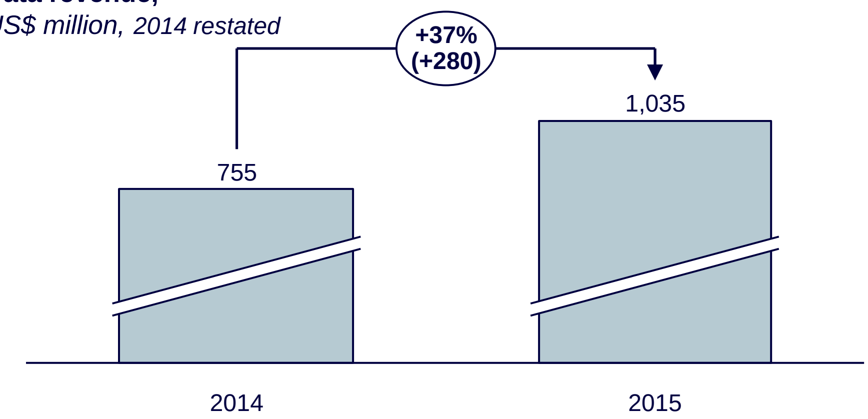
Data ARPU,
US$, 2014 restated



Based on data subscribers

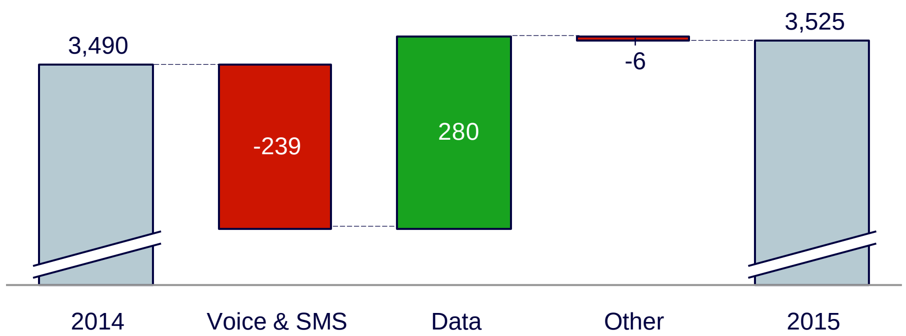
3 Driving data revenue

Data revenue,
US$ million, 2014 restated



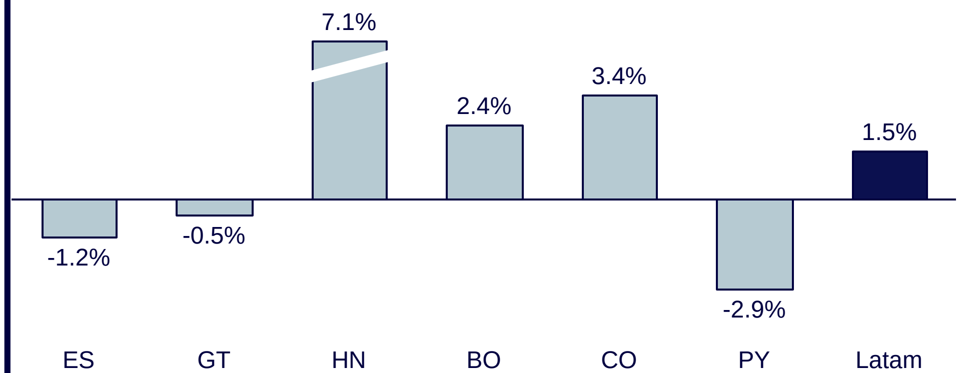
4 Compensating decline in Voice & SMS

Mobile service revenue evolution in Latam,
US$ million, 2014 restated



5 Data growth offsetting voice & SMS decline in Latam

Net variation data vs. Voice & SMS
%, at constant FX



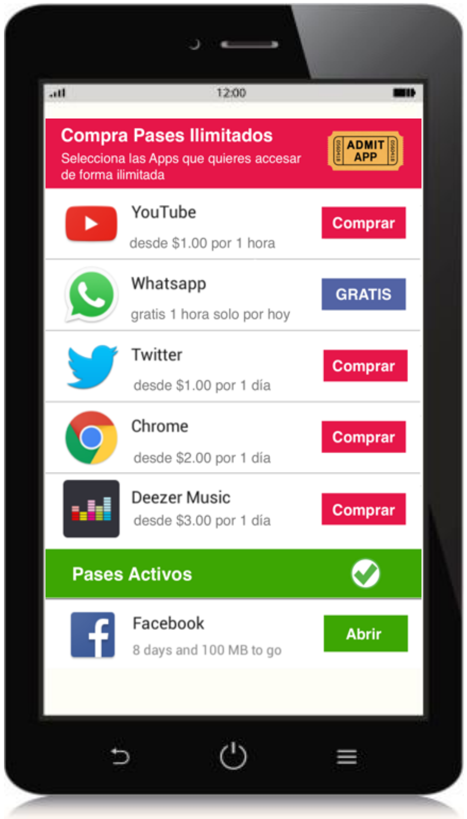
Charts are for Latam only

4 Our strategy is working

Pivoting our model for higher Data Monetization

Current Model
selling Megabytes

Pivoted Model
selling Application Packages.

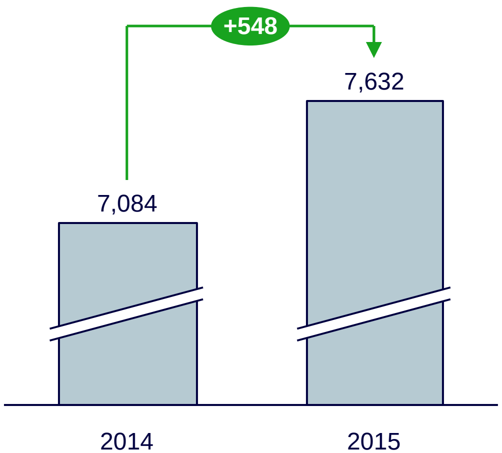


4 Our strategy is working

Cable: our footprint expansion is on track

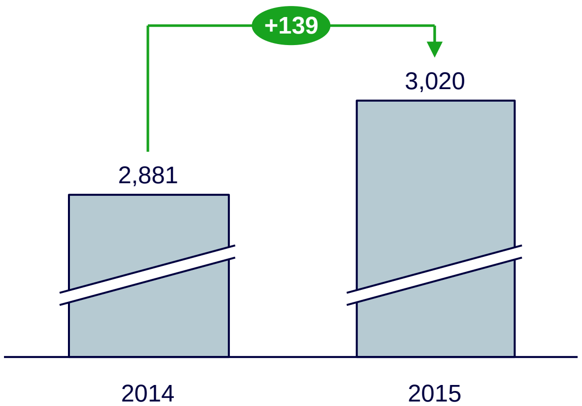
1 Building

Homes Passed
Thousands



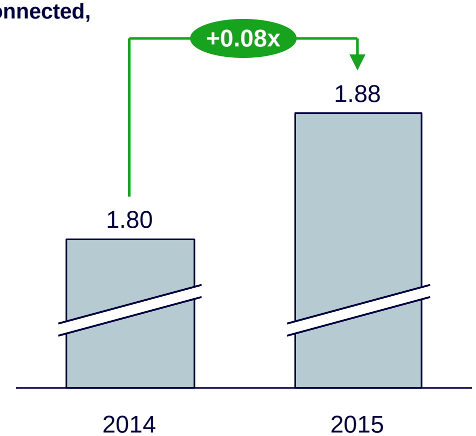
2 Filling

Homes Connected
Thousands



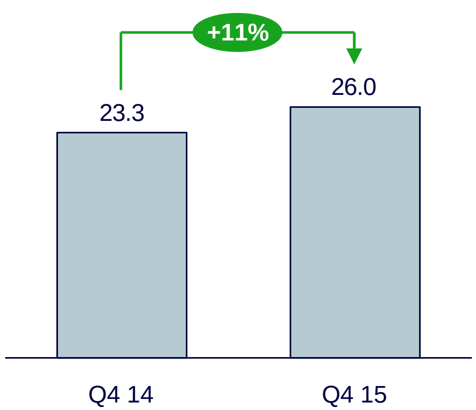
3 Monetizing

RGU per Home Connected,
HFC RGU/HC



4 Monetizing

Home connected ARPU growth
US$, 2014 restated



4 Our strategy is working

The opportunity remaining to seize in our markets is significant

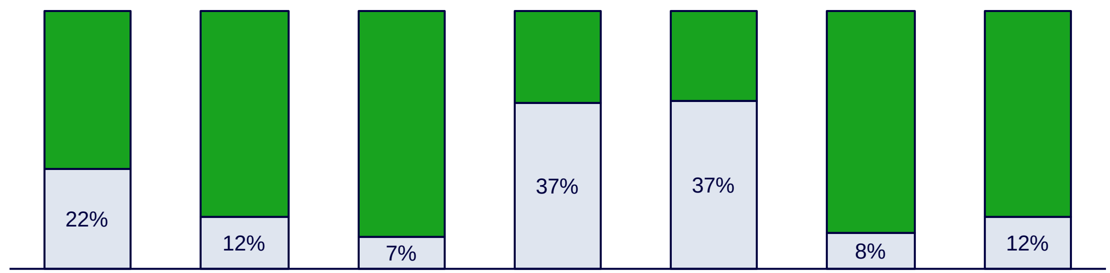
Our markets are under penetrated,

Owning more households in our markets to expand our fixed platform

Opportunity
Current penetration

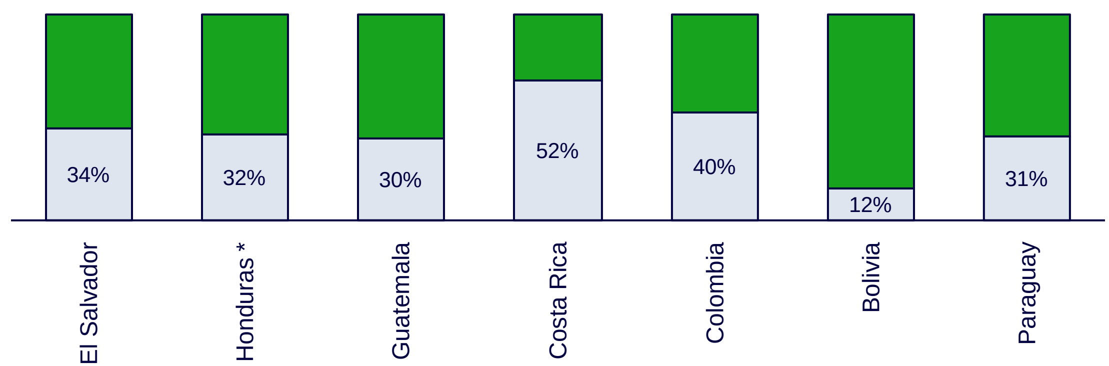
Broadband penetration & opportunity

Current penetration in our markets vs more advanced Latam average



Pay-TV penetration & opportunity

Current penetration in our markets vs more advanced Latam average



Source: Millicom

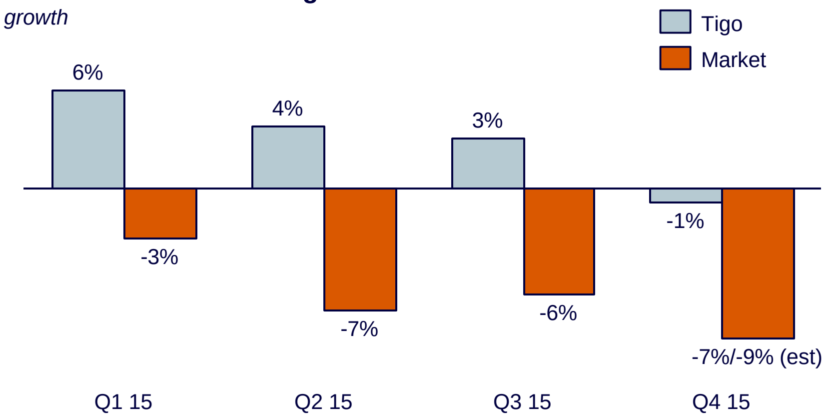
** excludes informal market*

4 Our strategy is working

Merger in Colombia delivers strong momentum despite difficult market conditions

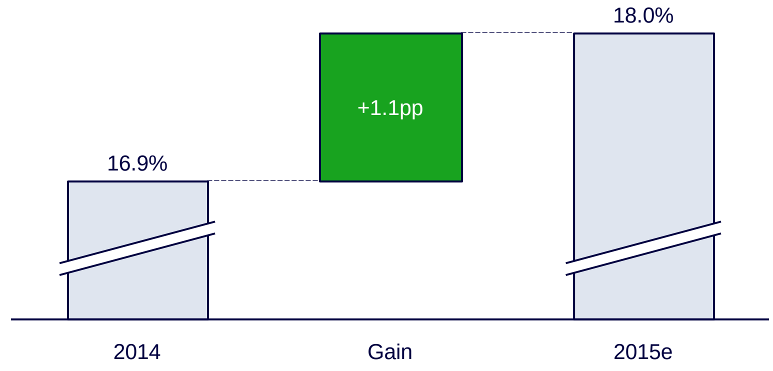
1 Outperforming a declining market

Mobile service revenue – Tigo vs. Market [a]
YoY growth



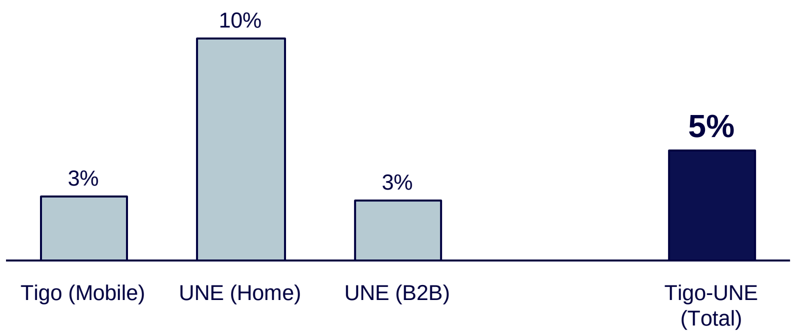
2 Better Mobile Market Position in Revenue Share

Mobile service revenue market share
% of market revenue



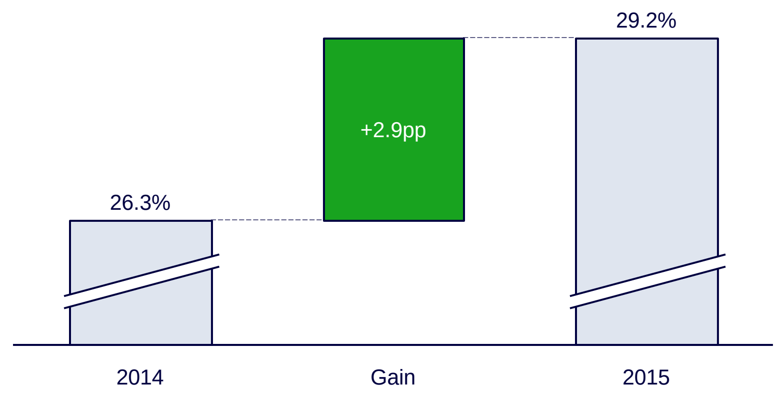
3 Better Growth Profile

Growth of the merged entity Tigo-UNE accelerating. Mitigating the Difficult Conditions of Mobile Market
FY15, YoY growth in local currency



4 Better Profitability

Adjusted EBITDA margin
%

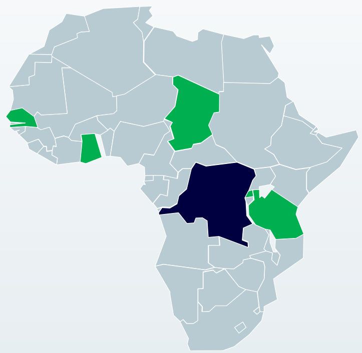


a) Q4 Millicom estimate / market datas include Claro, Movistar, Tigo.

5 We are taking decisive steps in capital allocation

DRC disposal announced

Announced sale of DRC to Orange



Tigo DRC

Cash consideration

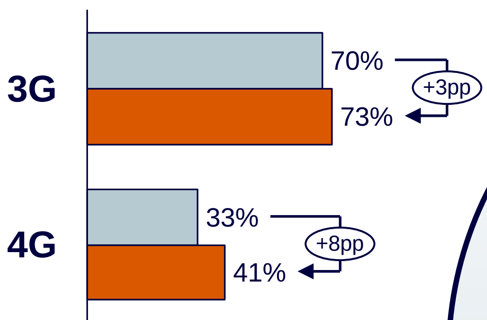
US$ 160 million

6 We are positive on our 2016 outlook

Focus on 4G, footprint roll-out, B2B, pay-TV

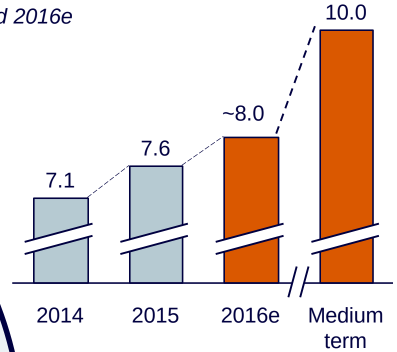
1 Mobile coverage

Latam 3G and 4G coverage evolution
2015 and 2016e



2 and footprint expansion

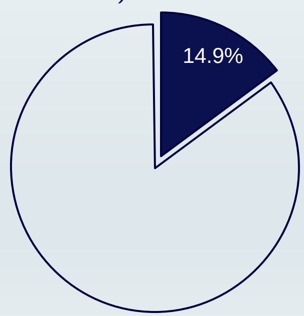
Homes Passed
Million, 2015 and 2016e



5

tigo business
Una solución para cada negocio

B2B revenue mix
2015,
% of Service Revenue
(Fixed + Mobile)



3 DTH

4

Next Generation TV Roll Out
Linear TV channels + OTT Apps = Seamless customer experience on both **TV and Mobile**.

Financial review

Tim Pennington
10 February 2016

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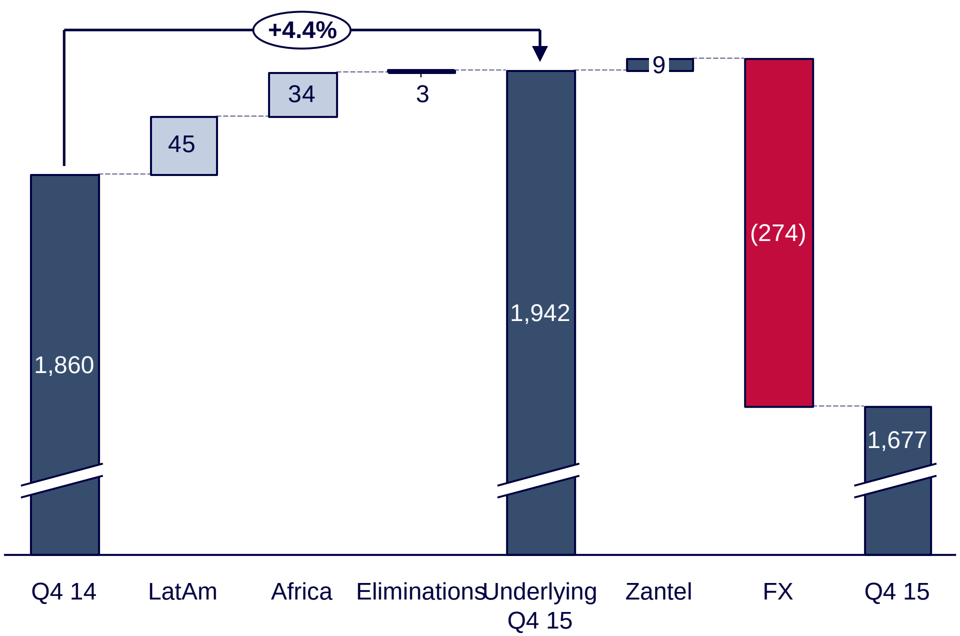
Key Messages

1	**Solid organic growth**
2	**EBITDA improvement**
3	**Capital discipline**
4	**Cash generation is improving**
5	**Reducing leverage and improving dividend cover**

Revenue by region

Solid organic growth

Revenue evolution by Region
US$ million, Q4 2014 – Q4 2015



Q4 organic growth 4.4%

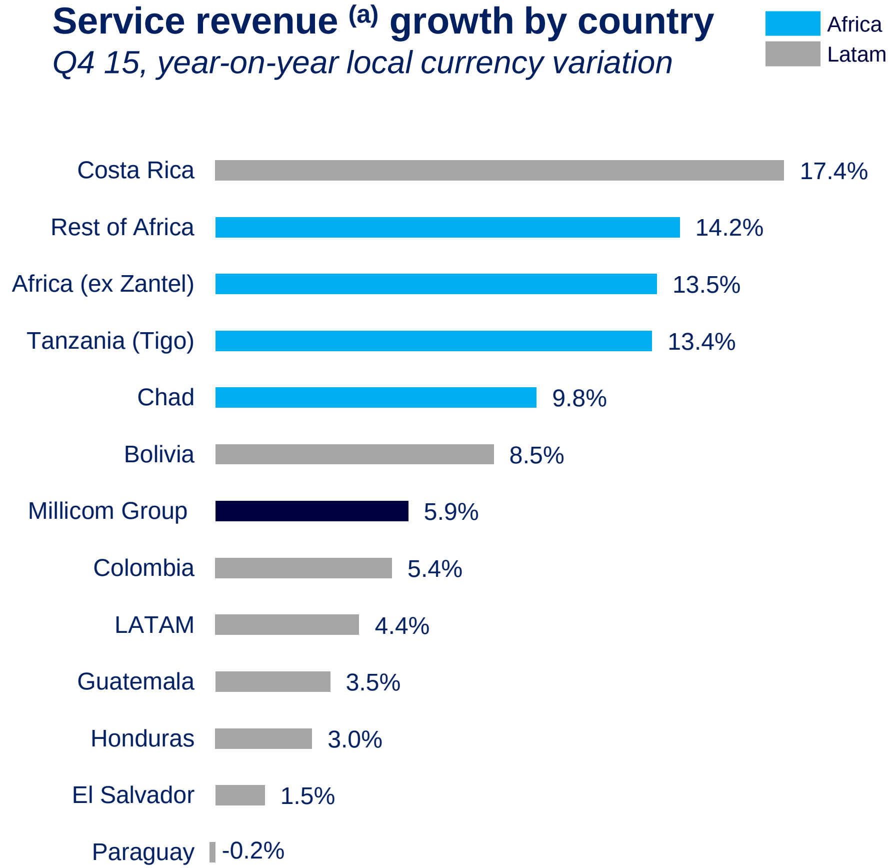
2015 Full year growth at 7.4%

- Colombia mobile service revenue slowed down on market issues but we keep outperforming peers
- Paraguay impacted by macro & environmental factors
- Africa growth is robust
- Adverse FX impact accelerates

Service revenue growth

Robust growth trends in service revenues

Service revenue [a] growth by country
Q4 15, year-on-year local currency variation



Colombia growth at 5.4%

- Cable growing 12.0%
- Tigo Mobile declining by 0.8%

Latam growth at 4.4%

- Costa Rica (cable only) best performer in the region
- Good performance from Bolivia
- Paraguay turned negative on macro after several quarters of positive growth

Africa growing 13.5%

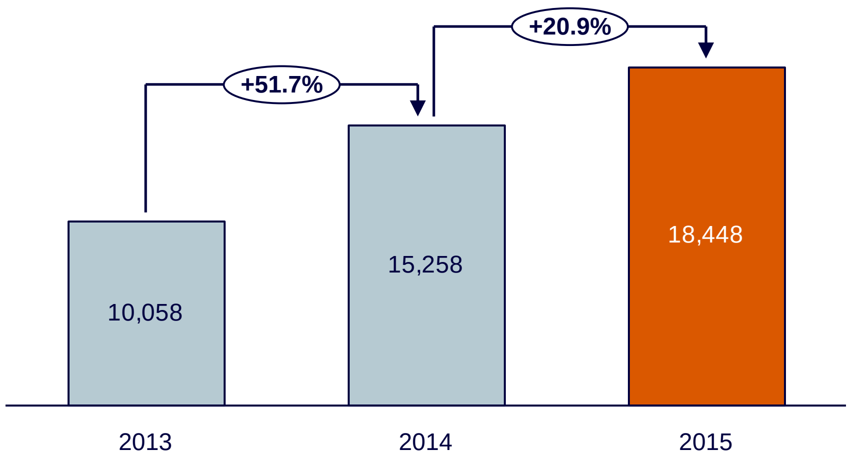
- Better than the previous quarter (11.3%)
- Return to growth in Chad (+9.8% compared to -1.8% in Q3)

a) *Service revenue is defined as group revenue excluding telephone & equipment sales*

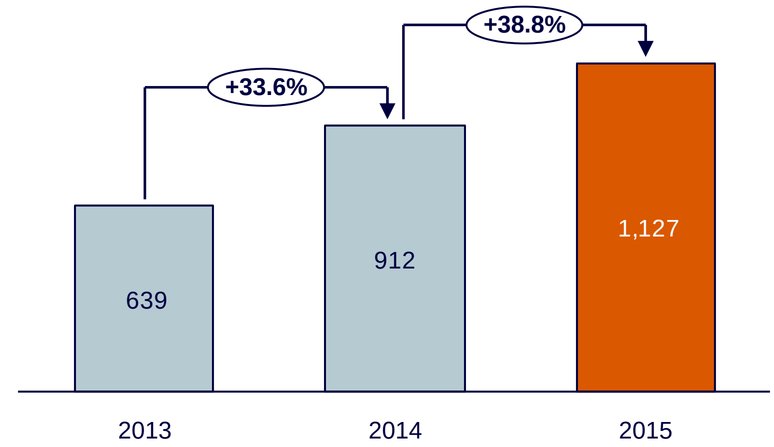
Drivers of revenue growth

Robust growth trends in service revenues

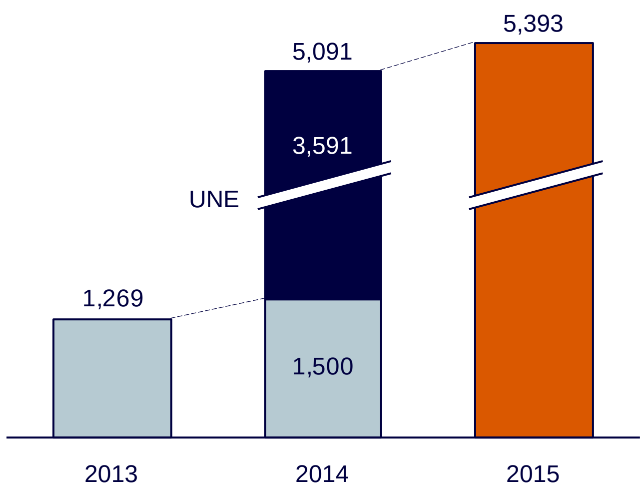
1 Mobile data subscriber growth (000s)



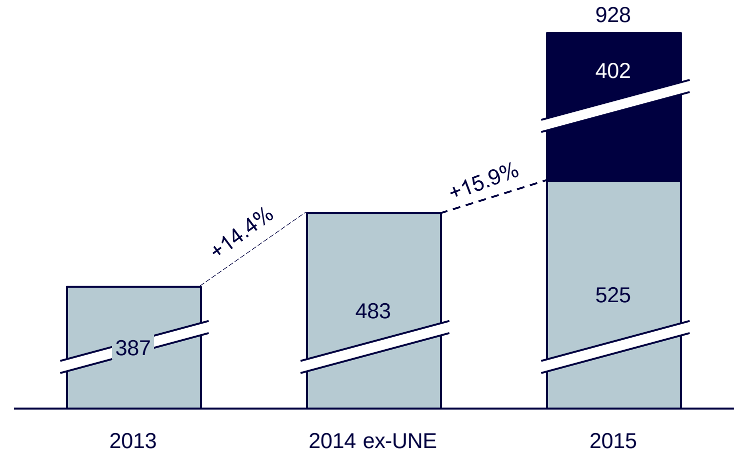
2 Mobile data revenues ($ million, growth at constant FX)



3 Home RGUs (000s)



4 B2B growth ($ million) [b]

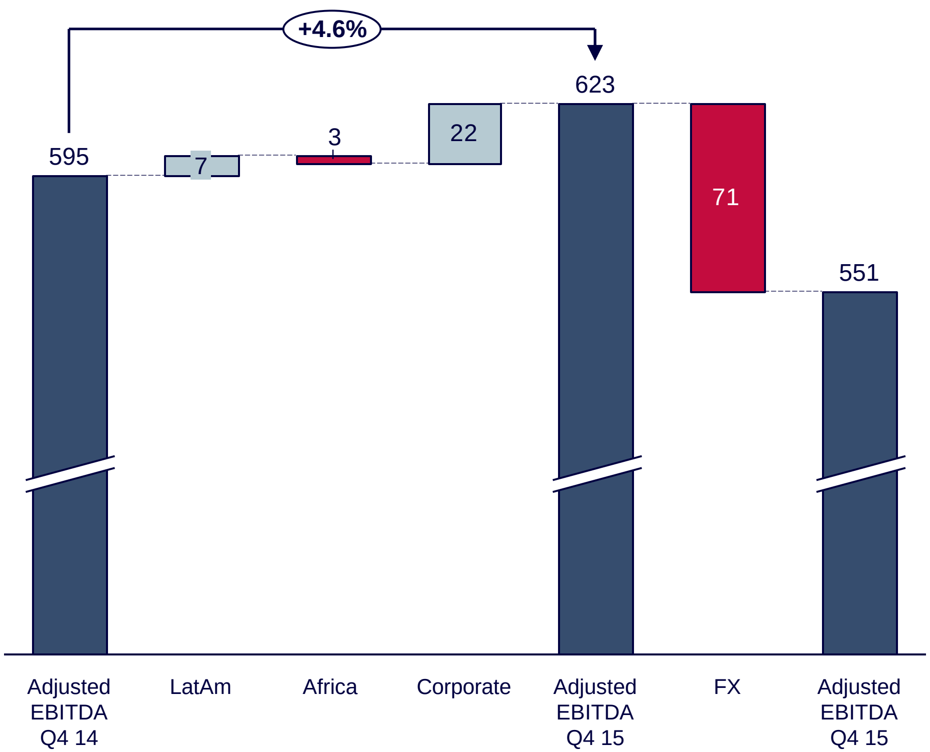


b) Organic year-on-year growth

EBITDA

EBITDA improvements

EBITDA evolution by Region
US$ million, Q4 2014 – Q4 2015



Adjusted EBITDA +4.6% at constant FX

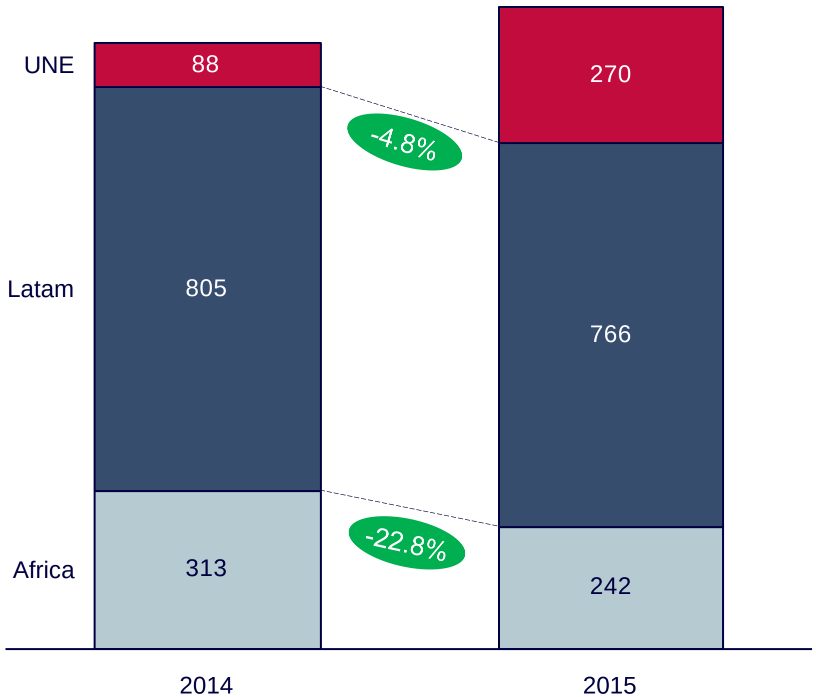
- Latam +1.2%
  - Large impact from FX in Colombia and Paraguay
  - Bolivia performing well
- Africa -5.6%
- Corporate costs down for the sixth consecutive quarter
- One-offs charges amounting to $60 million in Q4 ($87 million FY15)
- FX impact of $69 million ($61 million in Q3)

Capex

Capital discipline

Capex by region

$ million (excluding spectrum & licence costs)



FY capex at $1.27 billion

- Lower half of the guidance range ($1.25-1.35 billion)
- Includes $28 million of integration capex in Colombia

Capex intensity at 18.9%

  - Large FX impact on revenue
  - Same capex / sales ratio as 2014
- $47 million spent on spectrum
- M&A carefully controlled
  - $189 million including Zantel

Non cash items

Large non cash movements

US$ million	FY 15	FY 14	% Var
Revenue	**6,730**	**6,386**	**5.4**
Adjusted EBITDA	**2,266**	**2,110**	**7.4**
D&A	(1,321)	(1,158)	14.1
Other operating items	(66) C	(11)	n/m
Operating profit	**791**	**924**	**(14.4)**
Net Finance Charge	(420)	(404)	4.0
Others	(624) A	2,461	n/m
Associates & JVs	100 B	55	+82.6
Profit before tax	**(153)**	**3,036**	**n/m**
Tax	(291)	(256)	13.8
Minority interests	(115)	(158)	(27.4)
Net income	**(559)**	**2,643**	**n/m**
Adjusted net profits	**5**	**181**	**n/m**

A Other non-operating expenses mainly composed by

- $391 million relates to the deconsolidation of Guatemala & Honduras (Q4 & FY)
- $304 million FX losses ($54 million in Q4)
- $124 million change in options value ($33 million in Q4)

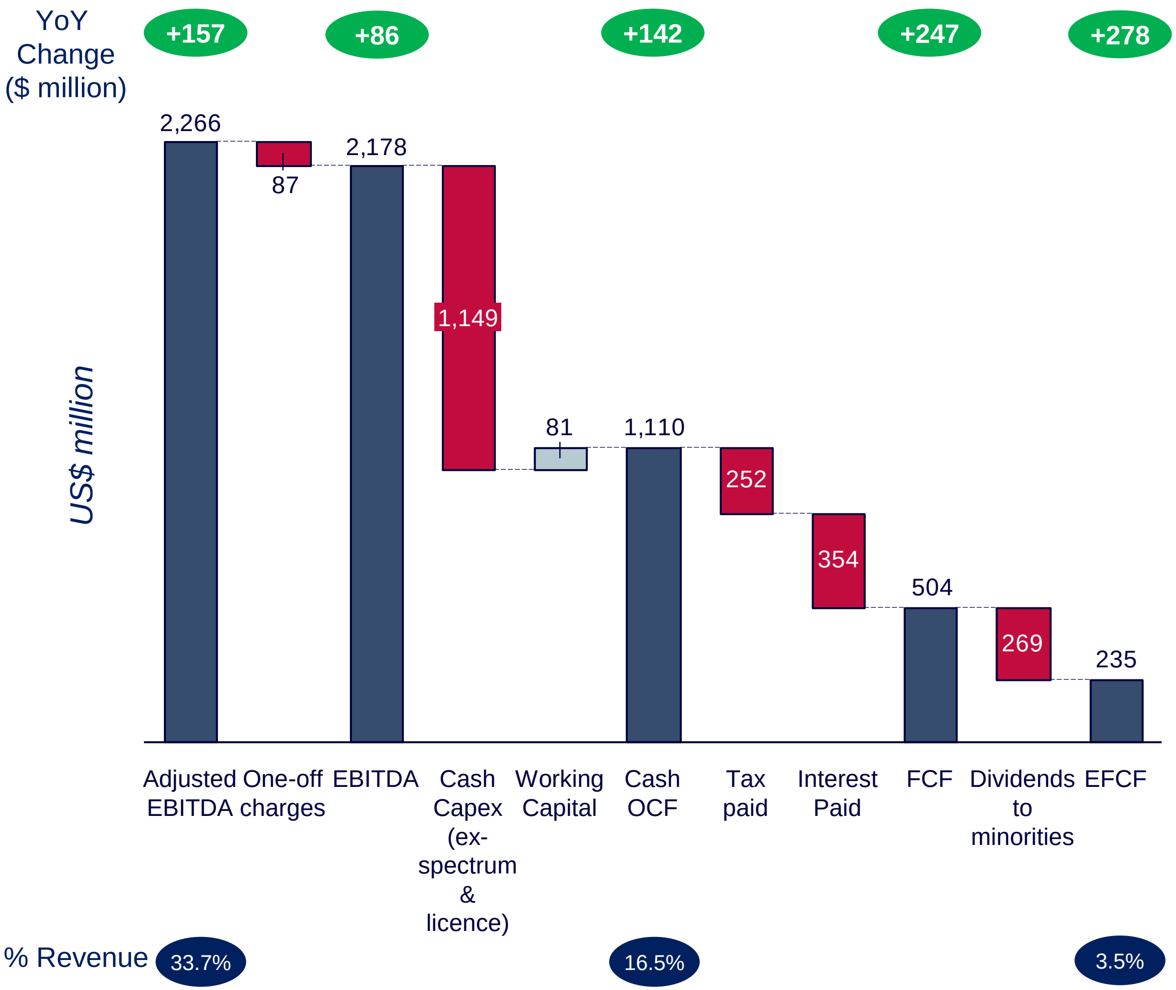
B $147 million revaluation gain on flip up of towers stake in single vehicle HTA

C $53 million from a write down of Senegal business value

** 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)'.*

Cash generation improving

Equity FCF covers 90% of the 2015 dividend



Equity Free Cash Flow improved by $278 million

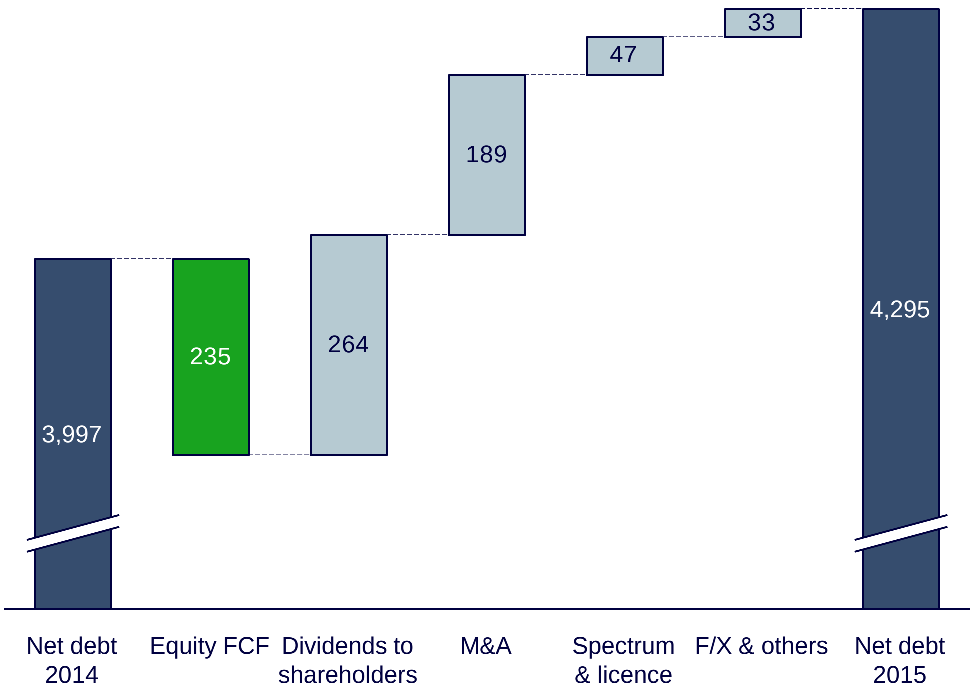
- Cash OCF up 15%
- Taxes lower than last year due to Colombia and change in the profit mix
- Lower dividend to minorities

Net debt variation

Net debt stable over the last 3 quarters

Net debt evolution

US$ million, 31 December 2014 – 31 December 2015



Net debt increased by $0.3bn

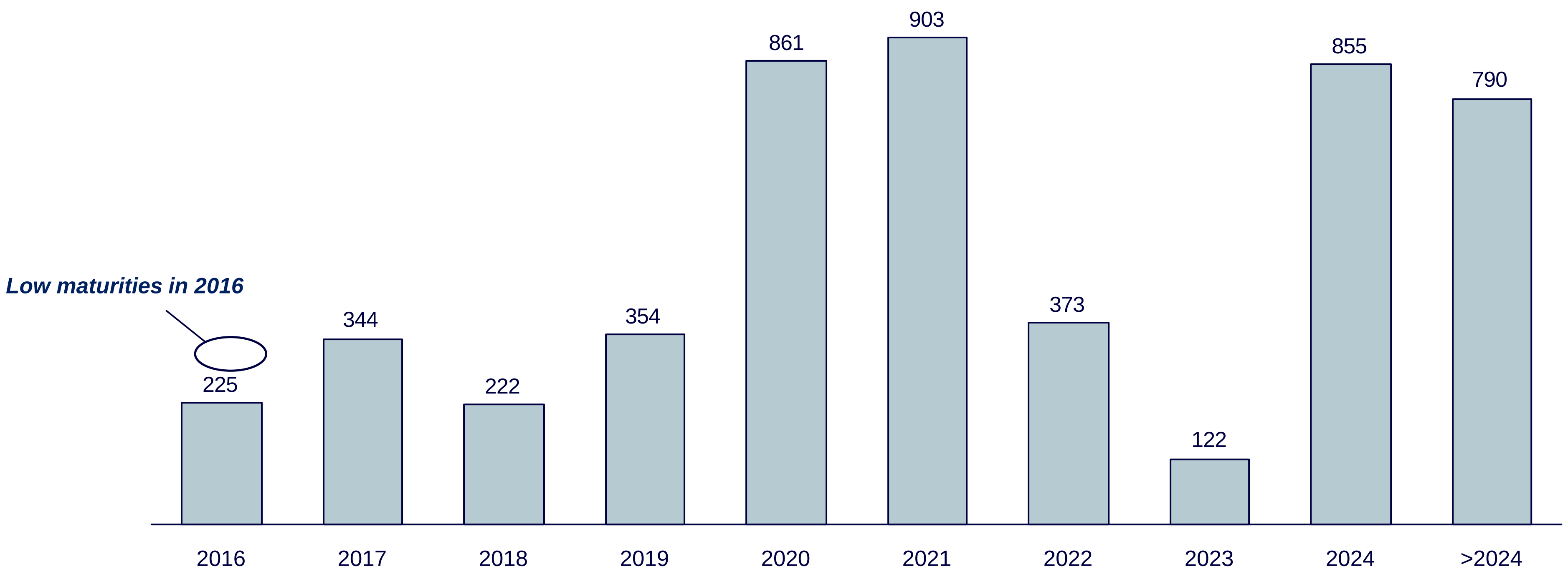
- Average cost of debt 6.1%
- M&A activity
  - Rwanda minority interests buy out
  - Final payments to AIH
  - Minority interests in UNE subsidiaries
  - Zantel purchase
- Net debt / LTM EBITDA of 1.97x
- Proportionate 2.32x

Debt profile

Long average maturity to debt profile

Debt maturity profile [a]
US$ million

Average life of 5.8 years



a) excluding financial leases

2016 Outlook

Our cash flow model will keep improving in 2016

- **Service revenue to grow mid single digit [a]**
- **Adjusted EBITDA to grow mid to high single digit [b]**
- **Group CAPEX between $1.15 and $1.25 billion [c]**

Our 2016 outlook is in constant currency, at constant perimeter (with our JV in Guatemala and Honduras fully consolidated)
a) Service revenue is group revenue excluding telephone & equipment sales
b) Adjusted EBITDA excludes restructuring costs and other one-off items.
c) Capex excludes the impact of spectrum and licences costs.

Q&A

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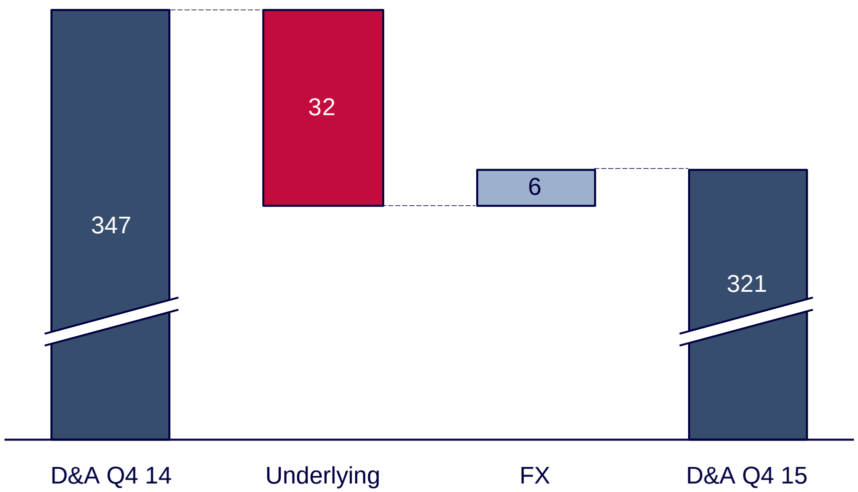
Appendix

Adjusted EBITDA – Back up

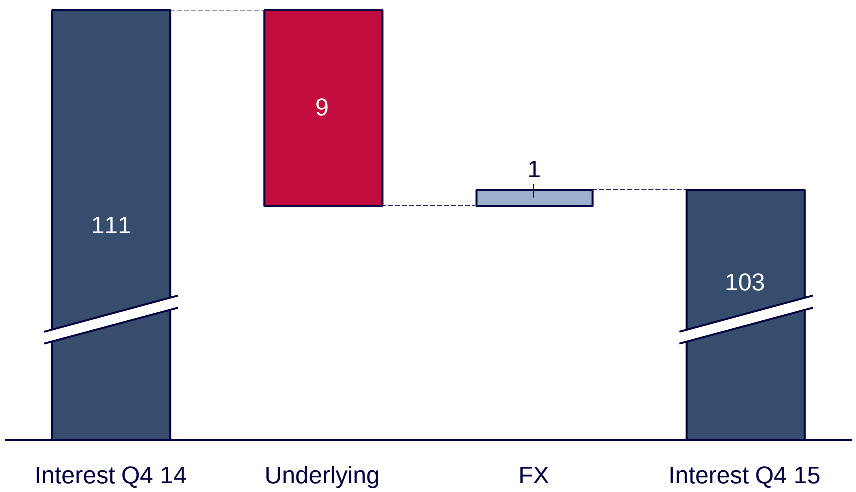
US$ million	Q1 14	Q2 14	Q3 14	Q4 14	FY 14	Q1 15	Q2 15	Q3 15	Q4 15	FY 15
EBITDA	**478**	**479**	**549**	**588**	**2,093**	**565**	**561**	**560**	**492**	**2,178**
EBITDA margin	*34.0%*	*33.1%*	*32.8%*	*31.6%*	*32.8%*	*33.1%*	*32.9%*	*34.1%*	*29.3%*	*32.4%*
Restructuring	0	0	(4)	(8)	(12)	(7)	(12)	(2)	(27)	(48)
Litigations & taxes	0	0	0	0	0	(1)	(1)	(6)	(9)	(17)
Others	0	0	(4)	0	(4)	(1)	1	1	(24)	(22)
Total one offs	**0**	**0**	**(8)**	**(8)**	**(16)**	**(9)**	**(13)**	**(6)**	**(60)**	**(87)**
Adjusted EBITDA	**478**	**479**	**557**	**595**	**2,110**	**574**	**574**	**566**	**551**	**2,266**
Adjusted margin	*34.0%*	*33.1%*	*33.3%*	*32.0%*	*33.0%*	*33.6%*	*33.7%*	*34.5%*	*32.9%*	*33.7%*

Appendix – Below EBITDA

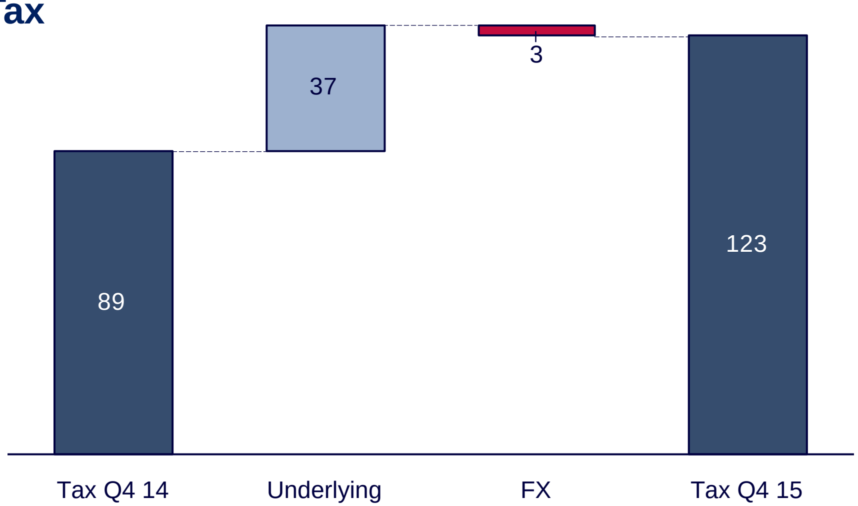
Depreciation and amortisation



Interest

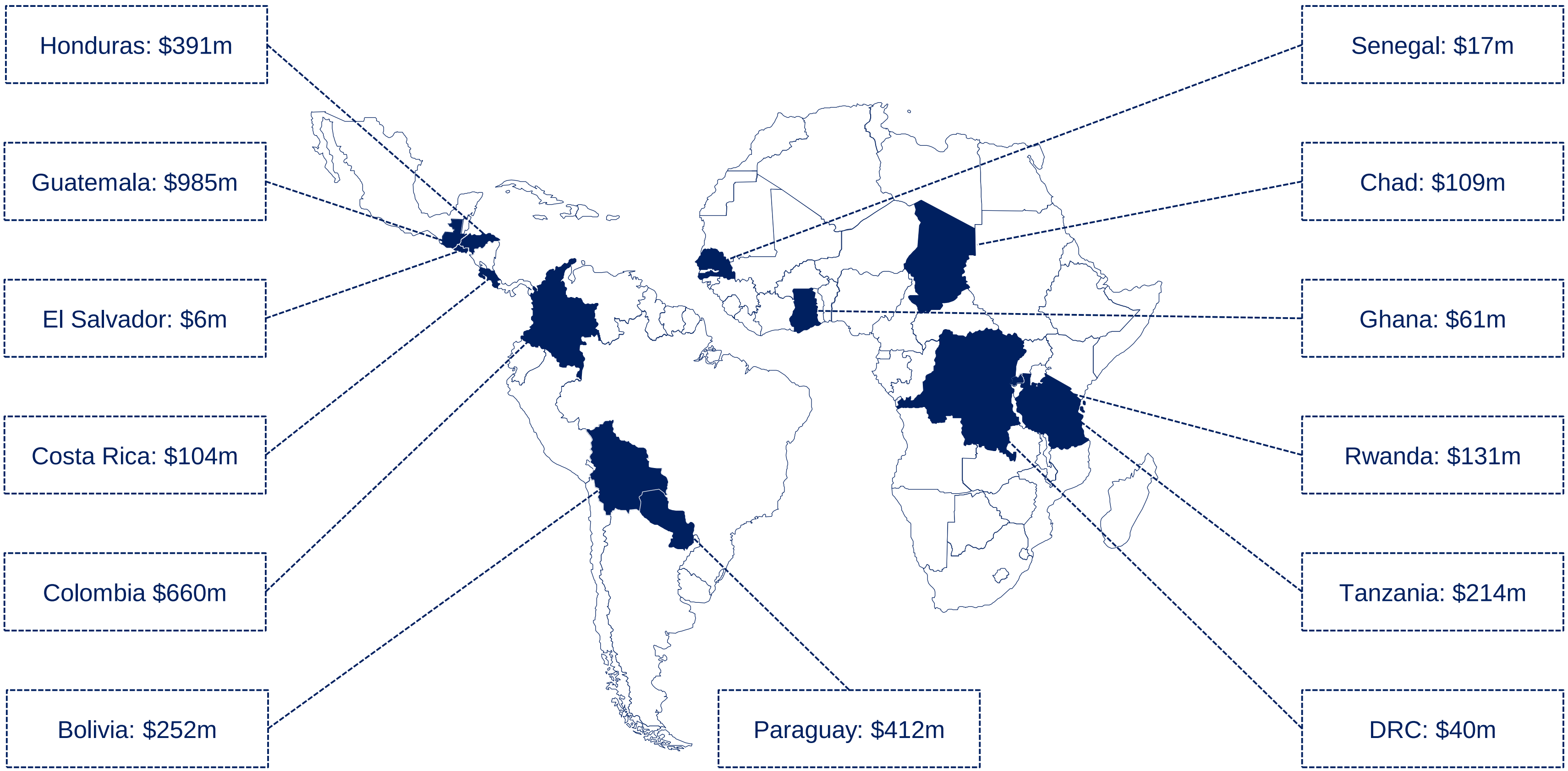


Tax



Gross debt by country

Central America: Total debt $1,486m	South America: Total debt $1,324m	Africa: Total debt $571m	Corporate: Total debt $2,003m	Total MIC Debt: $5,384m



Including finance leases

Currency exposure of the debt

Dec-15	Debt including finance leases			Cash	Net debt		
	US$	Local	Total	Total	USD	Local	Total
Latin America	1,482	1,328	2,810	501	1,338	971	2,309
	53%	47%	100%		58%	42%	100%
Africa	307	264	571	243	275	54	328
	54%	46%	100%		84%	16%	100%
Corporate	2,003	0	2,003	346	1,671	-13	1,657
	100%	0%	100%		101%	-1%	100%
Millicom	**3,793**	**1,592**	**5,384**	**1,090**	**3,284**	**1,011**	**4,295**
	70%	**30%**	**100%**		**76%**	**24%**	**100%**

El Salvador and DRC have USD as functional currency (treated as local in both cases.)