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# Press Release



**MILlicom**  
THE DIGITAL LIFESTYLE

## Millicom & EPM in exclusive negotiations for a potential combination of their telecom businesses in Colombia

**Stockholm, February 5, 2013 – Millicom International Cellular S.A. (“Millicom”) (Stockholmsbörsen: MIC) announces today that it has entered into exclusive negotiations with EPM regarding the possible combination of their Colombian telecom operations.**

EPM (Empresas Públicas de Medellín) is an industrial and commercial conglomerate owned by the municipality of Medellín. It is the largest shareholder of UNE EPM Telecomunicaciones (‘UNE’) which provides cable TV and fixed telephony services across the region encompassing Medellín, the second largest city in Colombia. UNE owns 25% of Colombia Móvil (‘Tigo Colombia’), in which Millicom owns 50% and one share.

The purpose of the negotiation is to evaluate the possibility of a merger between the holding company that owns 50% of Colombia Móvil- Tigo- and UNE EPM to create a leading integrated telecommunication operator in Colombia.

Millicom and EPM have partnered successfully for the past six years as we jointly own Tigo Colombia together with ETB (Empresa de Telecomunicaciones de Bogotá) from Bogotá. More recently, UNE has started offering mobile services, in part through a roaming agreement with Tigo Colombia. The market dynamics for fixed and mobile integration create potential to offer best quality services to customers, notably digital services. As a consequence, both parties agree that it is the right time to consider integration of the businesses, with a shareholders’ agreement similar to what has been successfully governing the relationship over the past six years.

### **Hans-Holger Albrecht, President and CEO for Millicom, commented:**

“We are pleased to have reached an advanced stage in our discussions with EPM. It underlines a few key principles we are working with at Millicom:

Millicom values its successful partnership with EPM. The combination of a strong local partner with the international expertise of Millicom has provided a solid model in the past and will be even more important for the future. It is a trustful and good working relationship.

Secondly, Millicom strongly believes in a customer centric approach; to offer customers the best digital services on all devices and from all locations. The strong combination of mobile and fixed businesses will allow us to move even faster in this direction to the benefit of our customers. We will be able to offer the most entertaining and most innovative products in the future.

And finally, we will be investing into a country we know very well which is growing at a fast rate.

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

So all in all, it is a compelling opportunity that we want to pursue further to enhance shareholder value.”

**Juan Esteban Calle, CEO of EPM, further added:**

“We are optimistic about the conversations with Millicom. It is our fiduciary duty to explore alternatives that will lead UNE EPM to improve its competitive position in the telecommunications industry, a sector we consider strategic for the competitiveness of Medellin, Antioquia and Colombia. We believe that our markets and strengths are naturally complementary and there is a fit in corporate values such as transparency, social responsibility and customer orientation.

A stronger position in the telecommunications market would accelerate the implementation of our strategy to become the partners of choice of all Colombian regions in their quest for better services for their citizens and more developed and equitable territories.”

UNE and Tigo Colombia product portfolios and geographic presences are very complementary. The contemplated transaction would be a merger of equals and would be subject to regulatory approval. Under the terms provisionally discussed between the two parties, Millicom and EPM would contribute their respective telecommunication businesses in Colombia into a newly created entity. Should an agreement be reached, Millicom does not anticipate that its consolidated Net Debt to EBITDA ratio will exceed 1.5x (post-transaction).

The discussions are expected to conclude during the first half of 2013.

**For more please visit: [www.millicom.com](http://www.millicom.com) or contact**

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**About Millicom**

Millicom is a leading telecom operator dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing digital lifestyle services to the world's emerging markets, giving access to the world, primarily through mobile devices. Operating in 15 countries, Millicom offers innovative and customer-centric products. The Millicom Group employs more than 8,000 people and provides mobile services, access to the internet, content and financial services to over 45 million customers. Founded in 1990, Millicom International Cellular SA is headquartered in Luxembourg and listed on NASDAQ OMX Stockholm under the symbol MIC. In 2011, Millicom generated revenue of USD 4.53 billion and EBITDA of USD 2.09 billion.

## About EPM:

EPM is the holding company of a group of 41 companies employing around 13,000 people and participating in generation, distribution and commercialization of electricity, gas distribution, water distribution, sanitation and telecommunications in Colombia and Central America. Founded in 1955, EPM is the second largest company in Colombia by assets. In 2011 EPM generated consolidated revenue of US\$ 6.01 billion and operating profit (EBITDA) of US\$ 1.87 billion. Its affiliate UNE EPM telecommunications S.A., which operates under the name of UNE, controls six other companies in various cities around Colombia. It provides local telephone, internet and HDTV and owns 25% of Colombia Movil –TIGO-. EPM is fully owned by the municipality of Medellin and it applies the highest international quality standards to the services it provides. The company has been recognized in Colombia as a leader in social responsibility and transparency. For more information please visit: [www.epm.com.co](http://www.epm.com.co)

*This press release contains "forward-looking statements", which are statements that are not historical facts, including statements concerning the parties' ability to complete the proposed transaction; the anticipated timing of the proposed transaction; the expected benefits and costs of the proposed transaction; management plans relating to the proposed transaction; any statements of operations, including the execution of integration plans; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Any statement in this announcement that expresses or implies any party's intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. Forward-looking statements involve inherent risks, uncertainties and assumptions which could cause actual results to differ materially from those expressed or implied by such forward-looking statements and assumptions. The forward-looking statements contained in this announcement are made as of the date hereof, and each party expressly disclaims any obligation to update or correct any forward-looking statements made herein due to the occurrence of events after the issuance of this announcement. This announcement is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*