PRESS RELEASE

Millicom adds mobile to its cable footprint with acquisition of Telefónica's operations in Panama, Costa Rica and Nicaragua

Highlights

- Millicom is paying $1.65 billion to acquire leading mobile assets that complement Millicom's cable operations in Panama, Costa Rica, and Nicaragua.
- Upon completion, Millicom will have cable and mobile in all of the Latam markets where it operates, consistent with the company's fixed-mobile convergence strategy.
- The transaction solidifies Millicom's leadership position in Central America and further diversifies and balances Millicom's geographical footprint.
- The aggregate purchase price implies a multiple of 6.8x 2018 Combined Adjusted EBITDA[1] and 10.1x Combined OCF (Adjusted EBITDA less capex).
- Significant expected annual opex and capex synergies, implying post-synergy valuation multiples of 5.8x Adjusted EBITDA and 8.3x OCF.
- Completion is anticipated in H2 2019, subject to regulatory approvals.

Luxembourg, February 20th 2019 – Millicom International Cellular S.A. ("Millicom" or "the Company") announced today it has entered into agreements with Telefónica S.A. and certain of its affiliates ("Telefonica"), to acquire the entire share capital of Telefónica Móviles Panamá, S.A., Telefónica de Costa Rica TC, S.A. (and its wholly owned subsidiary, Telefónica Gestión de Infraestructura y Sistemas de Costa Rica, S.A.) and Telefonía Celular de Nicaragua, S.A. (together, "Telefonica CAM") for a combined enterprise value of $1,650 million (the "Transaction") payable in cash. The Transaction is subject to customary closing conditions, including regulatory approval in each market, and closings are expected during H2 2019.

Telefonica CAM is the mobile market leader in Panama and Nicaragua and the second largest mobile provider in Costa Rica, with about 8.7 million total customers. Millicom currently controls and operates cable networks in all three countries, and as such the Transaction represents a perfect complement to Millicom's existing operations. It reinforces Millicom's market leadership in Central America and builds on its recent acquisition of Cable Onda, the leading cable operator in Panama.

In addition, the Transaction significantly expands Millicom's operations in each of the three countries and will thus further diversify and balance the company's geographic footprint and sources of cash flow.

For the 2015-2018 period, Telefonica CAM revenue and Adjusted EBITDA have grown at CAGRs of approximately 4% and 11%, respectively, in US dollar terms. In 2018, Telefonica CAM generated revenue of $709 million and Adjusted EBITDA of approximately $243 million. Capex for the same period totalled $79

[1] Adjusted EBITDA refers to the combined EBITDA of the standalone businesses pre-synergies, excluding management fees and other non-recurring items based on preliminary unaudited 2018 financial statements. Combined EBITDA, capex and OCF are non-IFRS measures.

million, such that OCF (Adjusted EBITDA less Capex) was approximately $164 million.

The aggregate purchase price implies a multiple of 6.8x 2018 Combined Adjusted EBITDA and 10.1x Combined OCF, whilst on a post-synergy basis it implies 5.8x 2018 Combined Adjusted EBITDA and 8.3x Combined OCF based on cost and capex synergies.

Millicom expects to generate annual run-rate opex and capex synergies of $35-50 million, equivalent to an NPV of approximately $290 million. The projected opex and capex synergies are expected to be largely realized by 2021 and fully realized by 2023 and would stem primarily from: (1) network and IT integration benefits, (2) rationalization of sales, distribution and branding, (3) optimization of support functions, (4) procurement savings from increased scale, and (5) in-market fiber backhaul capabilities. In order to achieve these synergies, Millicom expects to incur pre-tax integration costs over the first two years of approximately $100 million.

In addition, Millicom has identified potential revenue synergies equivalent to an additional NPV of approximately $250 million stemming mostly from cross-selling mobile products to Millicom's existing cable customers and cross-selling cable services to Telefonica's mobile customers, as well as increased revenue from lower customer churn resulting from a growing proportion of sales made on a bundled basis.

Mauricio Ramos, CEO of Millicom said "This significant investment of market leading mobile operations will make our combined businesses even stronger. We are acquiring the #1 mobile operator in Panama and in Nicaragua and the #2 mobile operator in Costa Rica. As a result, we now have both fixed and mobile in every market we operate in Latin America. The transaction gives us full in-market scale and the benefits of significant synergies. Furthermore, together with our earlier acquisition of Cable Onda in Panama we are reshaping the industry landscape in Central America, paving the way for a healthy investment environment to help fulfil our purpose of building the digital highways that will connect our people and develop our communities in these countries."

Key country highlights:

Panama

- #1 mobile operator in a four-player market with 1.6 million customers
- 4G network covers 74% of population
- Revenue and Adjusted EBITDA CAGRs of approximately 4% and 7%, respectively, in 2015-2018, in US dollar terms
- 2018 revenue of $223 million and Adjusted EBITDA of $90 million, resulting in a margin near 41%
- Dollarized economy and investment grade country increasing Millicom's US dollar revenue sources

Costa Rica

- #2 mobile operator in a three-player market with 2.4 million customers
- 4G network covers 85% of population
- Revenue CAGR of approximately 13% in 2015-2018, in US dollar terms, drove much faster EBITDA growth over the period
- 2018 revenue of $253 million and EBITDA of $60 million, resulting in a margin near 24%

Nicaragua

- #1 mobile operator in a two-player market with 4.7 million customers
- 4G network covers 51% of the population
- Revenue has declined at a 2.5% CAGR in US dollar terms in 2015-2018, due in part to a weaker currency and to slower overall economic activity
- 2018 revenue of $232 million, nearly 50% of which are denominated in US dollars, and Adjusted EBITDA of $92 million, resulting in a margin near 40%

Millicom has secured bridge funding commitments to finance the acquisition, and the bridge will be refinanced predominantly with the issuance of new debt by Millicom and its operating subsidiaries. Pro forma for the Transaction, Millicom's proportionate net debt to Adjusted EBITDA[2] would increase to approximately 3.0x from 2.5x reported as of December 31st 2018. Millicom management remains committed to maintaining a healthy balance sheet and to reducing leverage toward its stated medium-term target of 2.0x.

Goldman Sachs & Co. LLC and Morgan Stanley & Co. International acted as financial advisors to Millicom for the Transaction.

Millicom management will host a **conference call** for the global financial community on February 20th, 2019 at 10:30pm (Luxembourg/Stockholm) / 9:30pm (London) / 4:30pm (Miami). **Presentation slides** are available on the company's website at: www.millicom.com/investors.

Dial-in information:

Sweden: +46 (0)8 5069-2180, Luxembourg: +352 2786-0515, UK: +44 (0)844 571 8892, US: +1 631 510-7495
The access code is: 9777319

A **replay** of the call will be available for 7 days at:
Std. International: +44 (0) 333 300 9785, UK: +44 (0) 844 571-8951, US: +1 917 677-7532
Replay passcode is: 9777319

[2] Proportionate net debt to Adjusted EBITDA is a non-IFRS measure. Please refer to page 6 of this press release for definitions of non-IFRS measures for Millicom. Reconciliations of such non-IFRS measures to their nearest IFRS equivalent are available at https://www.millicom.com/trading-results/q4-2018-trading-results/.

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About Millicom

Millicom (NASDAQ U.S.: TIGO, Nasdaq Stockholm: TIGO_SDB) is a leading provider of cable and mobile services dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing high-speed broadband and innovation around The Digital Lifestyle services through its principal brand, TIGO. As of December 31st 2018, Millicom operating subsidiaries and joint ventures employed more than 21,000 people and provided mobile services to approximately 48 million customers, with a cable footprint of more than 11 million homes passed. Founded in 1992, Millicom International Cellular SA is headquartered in Luxembourg.

This information was prior to this release inside information and is information that Millicom is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out above, at 22:06 CET on February 20th, 2019.

Forward-Looking Statements

Statements included herein that are not historical facts, including without limitation statements concerning future strategy, plans, objectives, expectations and intentions, projected financial results, liquidity, growth and prospects, are forward-looking statements. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. This includes, but is not limited to, Millicom's expectation and ability to pay semi-annual cash dividends on its common stock in the future, subject to the determination by the Board of Directors, and based on an evaluation of company earnings, financial condition and requirements, business conditions, capital allocation determinations and other factors, risks and uncertainties. In the event such risks or uncertainties materialize, Millicom's results could be materially adversely affected. The risks and uncertainties include, but are not limited to, the following:

- Global economic conditions and foreign exchange rate fluctuations as well as local economic conditions in the markets we serve;
- Telecommunications usage levels, including traffic and customer growth;
- Competitive forces, including pricing pressures, the ability to connect to other operators' networks and our ability to retain market share in the face of competition from existing and new market entrants as well as industry consolidation;
- Legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability of spectrum and licenses, the level of tariffs, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- Adverse legal or regulatory disputes or proceedings;
- The success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- The level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets, the successful deployment of new systems and applications to support new initiatives;
- Relationships with key suppliers and costs of handsets and other equipment;
- Our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner and achieve the expected benefits of such transactions;
- The availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements;
- Technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure;
- The capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans; and
- Other factors or trends affecting our financial condition or results of operations.

A further list and description of risks, uncertainties and other matters can be found in Millicom's Registration Statement on Form 20-F, including those risks outlined in "Item 3. Key Information—D. Risk Factors," and in Millicom's subsequent U.S. Securities and Exchange Commission filings, all of which are available at www.sec.gov.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Except to the extent otherwise required by applicable law, we do not undertake any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

Millicom's Non IFRS Measures

This press release contains financial measures not prepared in accordance with IFRS. These measures are referred to as "non-IFRS" measures and include: non-IFRS service revenue, non-IFRS EBITDA, and non-IFRS Capex, among others defined below. Annual growth rates for these non-IFRS measures are often expressed in organic constant currency terms to exclude the effect of changes in foreign exchange rates, the adoption of new accounting standards such as IFRS 15, and are pro forma for material changes in perimeter due to acquisitions and divestitures.

The non-IFRS financial measures are presented in this press release as Millicom's management believes they provide investors with an additional information for the analysis of Millicom's results of operations, particularly in evaluating performance from one period to another. Millicom's management uses non-IFRS financial measures to make operating decisions, as they facilitate additional internal comparisons of Millicom's performance to historical results and to competitors' results, and provides them to investors as a supplement to Millicom's reported results to provide additional insight into Millicom's operating performance. Millicom's Remuneration Committee uses certain non-IFRS measures when assessing the performance and compensation of employees, including Millicom's executive directors.

The non-IFRS financial measures used by Millicom may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies - refer to the section "Non-IFRS Financial Measure Descriptions" for additional information. In addition, these non-IFRS measures should not be considered in isolation as a substitute for, or as superior to, financial measures calculated in accordance with IFRS, and Millicom's financial results calculated in accordance with IFRS and reconciliations to those financial statements should be carefully evaluated.

Non-IFRS Financial Measure Descriptions

Service revenue is revenue related to the provision of ongoing services such as monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, short message services and other value-added services excluding telephone and equipment sales.

EBITDA is operating profit excluding impairment losses, depreciation and amortization, and gains/losses on fixed asset disposals.

Underlying measures, such as **Underlying service revenue, Underlying EBITDA, Underlying equity free cash flow,** and **Underlying net debt,** include Guatemala and Honduras, as if fully consolidated.

Proportionate EBITDA is the sum of the EBITDA in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom's ownership stake in each country, less unallocated costs and inter-company eliminations.

Organic growth represents year-on year-growth excluding the impact of changes in FX rates, perimeter, and accounting.

Net debt is Gross debt (including finance leases) less cash and pledged and term deposits.

Proportionate net debt is the sum of the net debt in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom's ownership stake in each country.

Net debt to EBITDA is the ratio of net debt over LTM (last twelve month) EBITDA.

Proportionate net debt to EBITDA is the ratio of proportionate net debt over LTM proportionate EBITDA.

Capex is balance sheet capital expenditure excluding spectrum and license costs and finance lease capitalizations from tower sale and leaseback transactions.

Operating Cash Flow (OCF) is EBITDA less Capex.

Financial Data for Telefonica businesses

The financial data for the Telefonica businesses that are included in this press release are derived from unaudited standalone financial statements prepared by Telefonica for each of the Panama, Costa Rica and Nicaragua businesses. Such financial statements have not been audited and Millicom has not independently verified the financial statements. All metrics for the Telefonica businesses that are presented on a combined basis are presented on a non-IFRS basis and are indicative only, as such combined data are based on a simple combination of the aforementioned standalone financial statements, with limited adjustments, and are not derived from combined financial statements prepared in accordance with IFRS. Finally, any metrics for the Telefonica businesses that are presented as non-IFRS metrics may be calculated and presented on a different basis to similarly titled non-IFRS metrics presented by Millicom.

Illustrative Pro Forma and Estimated Synergy Financial Data for Millicom

Certain metrics that are included in this press release are presented on an illustrative `pro forma' or `combined' basis to give effect to the acquisition by Millicom of the Telefonica businesses. These metrics are not derived from pro forma financial statements prepared in accordance with any accounting or regulatory framework. These metrics are estimates and have been prepared for illustrative purposes only. Readers should treat these metrics as indicative only and not place undue reliance on them. For example, Telefonica and Millicom use different accounting policies and the illustrative pro forma metrics presented here do not adjust for such differences. Moreover, there is no guarantee that, if controlled by Millicom during the periods presented, these businesses would have generated such results. Equally, the illustrative pro forma metrics presented here should not be taken as guidance for future performance.

This press release also contains Millicom's estimates of certain synergies, relating to both expenses and revenues, that Millicom expects to achieve following completion of the acquisitions. There can be no guarantee that these estimated synergies will be achieved. As such, undue reliance should not be placed on these estimates, which are forward looking statements and subject to Millicom's forward looking statements notice. See “Forward-Looking Statements”.