



MILLICOM INTERNATIONAL CELLULAR S.A.

FOR IMMEDIATE RELEASE

August 5, 2002

MILLICOM INTERNATIONAL CELLULAR S.A. ANNOUNCES RESULTS FOR THE QUARTER ENDED JUNE 30, 2002

- **EBITDA Margin of 43% for the six months ended June 30, 2002***
 - **58% Annualized Growth in Prepaid Minutes**
 - **28% Annualized Increase in Total Subscribers***
 - **Annualized Increase in EBITDA of 15% in Asia**
- **MIC Systems: Annualized Increase in Revenue of 15% and in EBITDA of 34%**

New York, London and Luxembourg – August 5, 2002 – Millicom International Cellular SA (Nasdaq Stock Market: MICC), the global telecommunications investor, today announces results for the quarter and six months ended June 30, 2002.

Financial summary for the quarters ended June 30, 2002 and 2001 and March 31, 2002

	June 30 2002	March 31 2002	June 30 2001
Worldwide subscribers^{(i) *}			
- proportional cellular	2,696,376	2,580,792	2,150,501
- gross cellular	3,748,274	3,581,910	2,936,929
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US\$ '000			
Revenues*	149,015	145,066	148,730
Operating profit before depreciation and amortization, EBITDA^{(ii) *}	64,340	63,667	60,364
EBITDA margin*	43%	44%	41%
Profit before financing and taxes	55,566	14,053	22,624
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Loss for the period	(14,038)	(26,340)	(38,209)
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Loss per common MIC share (US\$)	(0.29)	(0.54)	(0.78)
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Weighted average number of shares (thousands)	48,916	49,191	48,865

(i) Subscriber figures represent the worldwide total number of subscribers of cellular systems in which MIC has an ownership interest. Subscriber figures do not include divested operations or the subscribers of Tele2 AB, in which MIC has an 11.8% interest.

(ii) EBITDA; operating profit before interest, taxation, depreciation and amortization, is derived by deducting cost of revenues, sales and marketing costs, and general and administrative costs from revenues.

* Excluding El Salvador and divested operations

N.B. Due to local issues in El Salvador, MIC has temporarily discontinued consolidating El Salvador on a proportional basis with effect from May 2001. All comparatives in this press release, other than those noted in the appendices, exclude divested operations and El Salvador in respect to subscribers and for financial results, up to and including EBITDA.

Marc Beuls, MIC's President and Chief Executive Officer stated:

"EBITDA for the quarter increased by 7% year-on-year, despite the charges resulting from the cost-cutting exercise which most of MIC's operations implemented in the second quarter. The full benefit in the EBITDA margin will be seen at the start of quarter four. The growth in prepaid minutes was 58%, reflecting the strong underlying growth in the business. MIC Systems showed a very strong rebound from the year 2001, confirming its leading position in the telecoms clearing market. If currency devaluations were excluded, this growth would have been evident in the financial results with year-to-date revenue growing by approximately 7% and EBITDA by 14% on an annualized basis. Against a background of positive operating results, Millicom continues to increase its liquidity. Upstreaming of cash is being maximized and \$60 million was received in the first half of 2002. The increasing operating margins combined with the selective sale of assets will provide MIC's liquidity going forward."

FINANCIAL AND OPERATING HIGHLIGHTS

- Subscriber growth:
 - An annualized increase in worldwide gross cellular subscribers of 28% to 3,748,274 as at June 30, 2002
 - An annualized increase in worldwide proportional cellular subscribers of 25% to 2,696,376 as at June 30, 2002
 - In the second quarter of 2002 MIC added 166,364 net new gross cellular subscribers
 - An annualized increase in proportional prepaid subscribers of 36% to 2,297,581 as at June 30, 2002
- Financial highlights:
 - Revenue for the second quarter of 2002 was \$149.0 million, a quarterly increase of 3%
 - EBITDA increased by 7% in the second quarter of 2002 to \$64.3 million, from \$60.4 million for the second quarter of 2001
 - The Group EBITDA margin was 43% in the second quarter of 2002, increasing from 41% in the second quarter of 2001
 - Excluding the non-cellular businesses, the Group EBITDA margin was 45%
- Total cellular minutes increased by 30% on an annualized basis for the six months ended June 30, 2002, with prepaid minutes increasing by 58% in the same period
- \$60 million has been upstreamed from operations in the first half of 2002
- Net operating debt reduced by \$12 million in the quarter
- Interest in the second quarter of 2002 was 8% lower than for the second quarter of 2001
- In quarter two 2002 MIC received US\$30 million as final payment on the sale of FORA Telecom to Tele2 AB, following the award of GSM 1800 licenses to Tele2 AB in St Petersburg, its surrounding area and two other Russian cities
- In May 2002 MIC announced it was in the process of selling its holding in MIC Systems including MACH, the world's largest GSM roaming clearing house, expected to be concluded in the third quarter of 2002

REVIEW OF OPERATIONS

SUBSCRIBER GROWTH

At June 30, 2002, MIC's worldwide cellular subscriber base increased by 28% to 3,748,274 from 2,936,929 at June 30, 2001. Particularly significant annualized percentage increases were recorded in Pakistan and Central America. MIC's proportional cellular subscriber base increased by 25%, to 2,696,376 at June 30, 2002, from 2,150,501 at June 30, 2001. Sanbao Telecom showed an annualized increase in proportional cellular subscribers of 49%.

Within the 2,696,376 proportional cellular subscribers reported at the end of the second quarter, 2,297,581 were prepaid customers, representing a 36% increase on the 1,693,093 proportional prepaid subscribers recorded at the end of June 2001. Prepaid subscribers currently represent 85% of gross reported proportional cellular subscribers.

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2002

Total revenues for the three months ended June 2002 were \$149.0 million, an increase of 3% from the previous quarter.

Annualized revenue growth was 15% for MIC Systems with total revenue only marginally less than the quarterly record of Q3 2001, reflecting the significant recovery in international roaming related revenues. Sanbao Telecom recorded revenue growth of 6% on annualized basis, with Vietnam producing annualized growth of 21%.

The volatile economic situation in Latin America is reflected in the 8% decrease in second quarter revenues relative to 2001. Paraguay and Bolivia saw annualized quarterly revenue reductions of 26% and 24% respectively, although, had it not been for the severe currency devaluations, Paraguay's revenue would have increased. Colombia however, reported an annualized increase in revenue of 21%. In the Central American market, Honduras produced an annualized revenue increase of 6% and Guatemala recorded a 10% increase in revenues from the first quarter of 2002.

EBITDA for the three months ended June 30, 2002 was \$64.3 million, an increase of 7% from June 30, 2001. EBITDA for Sanbao Telecom increased by 15% in the quarter on an annualized basis reflecting the benefit of cost cutting measures and the 11% growth in MIC Africa was in large part due to the focus on high margin customers in Senegal.

The positive effect of cost cutting in Latin America was reflected in the EBITDA for the region, which increased slightly from the first quarter of 2002 despite the adverse currency movement. This is particularly reflected in Colombia and Honduras, which recorded annualized increases of 49% and 20% respectively.

The EBITDA margin for MIC was 43% for the quarter. Notably, Vietnam and Honduras recorded quarterly EBITDA margins of 63% and 55% respectively.

Upstreaming of cash from operations amounted to \$27 million in the quarter.

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2002

Total revenues for the first half of 2002 were \$294.1 million with revenues for Africa and Asia increasing by 8% and 6% respectively and revenues for MIC Systems increasing by 7% relative to the first half of 2001. Revenues for Latin America for the first half of the year decreased by 8%, due significantly to currency devaluations. Had exchange rates held at June 2001 levels, revenue growth for Africa, Asia and Latin America would have been approximately 16%, 8% and 3% respectively.

EBITDA for the first half of 2002 was \$128 million. Most notably MIC Systems recorded a 23% increase in EBITDA for the six months ended June 30, 2002. The respective increases for Asia and Africa were 17% and 9%. All regions benefited from additional cost cutting measures and, had it not been for the devaluations in Latin America, EBITDA growth on an annualized basis would have been positive. Excluding non-cellular businesses the EBITDA margin exceeded 45% year to date.

Growth of minutes in Asia and Latin America was particularly strong with annualized prepaid growth being 73% and 57% respectively, whilst total minute growth was 31% and 34% respectively. The addition of Interfact to MIC Systems has resulted in an 83% increase in total annualized chargeable data for MIC Systems.

The high-speed wireless data operations in Argentina and Peru each recorded year-to-date EBITDA margins of 19%.

Millicom International Cellular S.A. is a global telecommunications investor with cellular operations in Asia, Latin America and Africa. It currently has a total of 19 cellular operations and licenses in 18 countries. The Group's cellular operations have a combined population under license (excluding Tele2) of approximately 496 million people. In addition, MIC operates the world's largest GSM clearing house and has licenses to provide high-speed wireless data services in eight countries. MIC also has an 11.8 % interest in Tele2 AB, the leading alternative pan-European telecommunications company offering fixed and mobile telephony, data network and Internet services to over 15 million people in 21 countries. The Company's shares are traded on the Nasdaq Stock Market under the symbol MICC.

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CONFERENCE CALL DETAILS

A conference call to discuss the results will be held at 16:00 Luxembourg time / 10.00 New York time, on Monday, August 5, 2002. The dial-in number is: +44 (0)20 8240 8245 and participants should quote Millicom International Cellular. A live audio stream of the conference call can also be accessed at www.millicom.com. Please dial in / log on 5 minutes prior to the start of the conference call to allow time for registration. A recording of the conference call will be available for 48 hours, commencing immediately after the live call has finished, on +44 (0)20 8288 4459, access code: 402332.

APPENDICES

- **Consolidated statements of profit and loss for the three months ended June 30, 2002 and 2001**
- **Consolidated statement of profit and loss for the six months ended June 30, 2002 and 2001**
- **Consolidated balance sheets as at June 30, 2002 and December 31, 2001**
- **Consolidated statements of cashflows for the six months ended June 30, 2002 and 2001**
- **Consolidated statements of changes in shareholders' equity for the six months ended June 30, 2002 and 2001**
- **MIC quarterly analysis by region**

Millicom International Cellular S.A.
Consolidated statements of profit and loss
for the three months ended June 30, 2002 and 2001

	Quarter ended June 30 2002*	Quarter ended June 30 2001**
	(Unaudited) US\$ '000	(Unaudited) US\$ '000
Revenues	149,015	164,602
Operating expenses		
Cost of revenues (excluding depreciation and amortization)	(43,280)	(48,273)
Sales and marketing	(19,443)	(25,296)
General and administrative expenses	(21,952)	(25,717)
Corporate and license acquisition costs	(7,465)	(6,225)
Write-down of assets, net	(1,319)	585
Depreciation and amortization	(33,414)	(36,274)
Operating profit	22,142	23,402
Gain on exchange and disposal of investments	34,284	0
Loss from associate companies	(860)	(778)
Profit before financing and taxes	55,566	22,624
Interest expense	(46,482)	(50,754)
Interest income	2,612	5,938
Other income	0	0
Charge for financial instruments	(3,169)	(4,345)
Exchange loss, net	(12,962)	(8,803)
Loss before taxes	(4,435)	(35,340)
Taxes	(7,588)	(5,692)
Loss after taxes	(12,023)	(41,032)
Minority interest	(2,015)	2,823
Loss for the quarter	(14,038)	(38,209)
Loss per common share (US\$)	(0.29)	(0.78)
Weighted average number of shares outstanding in the period (in thousands)	48,916	48,865

* Excluding El Salvador

** The 2001 figures have been restated to reflect the consolidation of El Salvador under the equity method from May 2001.

N.B As a consequence of IAS 39, both negative and positive changes in market value of Tele2 AB are reflected in the shareholders' equity under the caption "revaluation reserve". For the quarter ended June 30, 2001, a positive change of \$29.9 million above original acquisition cost was initially recorded in the statement of profit and loss; this has been reversed through the revaluation reserve in this restated statement of profit and loss for the quarter ended June 30, 2001.

Millicom International Cellular S.A.
Consolidated statements of profit and loss
for the six months ended June 30, 2002 and 2001

	Total 2002*	Total 2001**
	(Unaudited) US\$ '000	(Unaudited) US\$ '000
Revenues	294,081	334,396
Operating expenses		
Cost of revenues (excluding depreciation and amortization)	(83,488)	(96,945)
Sales and marketing	(39,902)	(51,294)
General and administrative expenses	(42,684)	(52,758)
Corporate and license acquisition costs	(13,263)	(14,513)
Write-down of assets, net	(1,608)	(45)
Depreciation and amortization	(68,535)	(75,171)
Operating profit	44,601	43,670
Gain on exchange and disposal of investments	26,698	969
Loss from associate companies	(1,680)	(778)
Profit before financing and taxes	69,619	43,861
Interest expense	(94,140)	(103,704)
Interest income	5,938	12,409
Other income	13,571	8,075
(Charge) income for financial instruments	(2,349)	2,686
Exchange loss, net	(16,209)	(17,969)
Loss before taxes	(23,570)	(54,642)
Taxes	(13,705)	(11,490)
Loss after taxes	(37,275)	(66,132)
Minority interest	(3,103)	2,634
Loss for the quarter	(40,378)	(63,498)
Loss per common share (US\$)	(0.82)	(1.30)
Weighted average number of shares outstanding in the period (in thousands)	49,025	48,865

* Excluding El Salvador

** The 2001 figures have been restated to reflect the consolidation of El Salvador under the equity method from May 2001.

N.B As a consequence of IAS 39, both negative and positive changes in market value of Tele2 AB are reflected in the shareholders' equity under the caption "revaluation reserve". For the six months ended June 30, 2001, a negative change of \$143.1 million below original acquisition cost was initially recorded in the statement of profit and loss; this has been reversed through the revaluation reserve in this restated statement of profit and loss for the six months ended June 30, 2001.

Millicom International Cellular S.A.
Consolidated balance sheets
as at June 30, 2002 and December 31, 2001

	June 30, 2002 (Unaudited) US\$ '000	Dec 31, 2001 (Audited) US\$ '000
<u>Assets</u>		
Fixed assets		
Intangible assets		
Goodwill, net	51,094	52,575
Licenses, net	156,091	164,541
Deferred costs and other non-current assets, net	21,061	20,712
Tangible assets, net	483,905	512,236
Financial assets		
Investment in securities	330,815	671,802
Investment in associate company	52,098	52,858
Pledged deposits	52,674	47,404
Deferred taxation	2,416	3,785
Total fixed assets	1,150,154	1,525,913
Current assets		
Inventories	11,836	12,932
Debtors		
Trade debtors, net	124,221	136,078
Amounts due from joint ventures	47,941	46,001
Amounts due from affiliates	6,086	9,258
Prepaid and accrued income	33,168	27,228
Other current assets	40,109	35,800
Time deposits	12,548	21,444
Cash and cash equivalents	43,529	56,276
Total current assets	319,438	345,017
Total assets	1,469,592	1,870,930

Millicom International Cellular S.A.
Consolidated balance sheets
as at June 30, 2002 and December 31, 2001

	June 30, 2002 (Unaudited) US\$ '000	Dec 31, 2001 (Audited) US\$ '000
<u>Shareholders' equity and liabilities</u>		
Shareholders' equity		
Share capital and premium	281,989	281,989
Treasury stock	(54,512)	(52,033)
Legal reserve	4,256	4,256
Retained (loss) profit brought forward	(57,719)	80,334
Loss for the period	(40,378)	(138,053)
Revaluation reserve	(349,334)	(61,325)
Currency translation reserve	(72,091)	(46,274)
Total shareholders' equity	(287,789)	68,894
Minority interest	15,955	10,262
Liabilities		
Liabilities due after more than one year		
Deferred taxation	19,884	20,507
Corporate subordinated debt	955,439	954,601
Other debt and financing	301,305	347,475
	1,276,628	1,322,583
Liabilities due within one year		
Other debt and financing	155,457	153,898
Trade creditors	117,022	109,739
Amounts due to shareholders	7,657	7,158
Amounts due to affiliated companies	18,983	18,800
Financial liability	38,714	36,365
Accrued interest and other expenses	50,424	57,981
Other current liabilities	76,541	85,250
	464,798	469,191
Total liabilities	1,741,426	1,791,774
Total shareholders' equity and liabilities	1,469,592	1,870,930

Millicom International Cellular S.A.
Consolidated statements of cash flows
for the six months ended June 30, 2002 and 2001

	June 30 2002* (Unaudited) US\$ '000	June 30 2001** (Unaudited) US\$ '000
Net cash provided by operating activities	11,480	68,172
Cash flow from investing activities	29,347	(49,690)
Cash flow from financing activities	(52,924)	(47,781)
Cash effect of exchange rate changes	(650)	(1,600)
Net increase / (decrease) in cash and cash equivalents	(12,747)	(30,899)
Cash and cash equivalents, beginning	56,276	94,921
Cash and cash equivalents, ending	43,529	64,022

Millicom International Cellular S.A.
Consolidated statements of changes in shareholders' equity
For the six months ended June 30, 2002 and 2001

	June 30 2002* (Unaudited) US\$ '000	June 30 2001** (Unaudited) US\$ '000
Shareholders' equity at January 1, as previously reported		341,191
Effect of adopting IAS 39, financial instruments		(45,264)
Shareholders' equity at January 1, as restated	68,894	295,927
Purchase of treasury stock	(2,479)	-
Loss in period	(40,378)	(63,498)
Movement in revaluation reserve	(288,009)	(160,854)
Movement in currency translation reserve	(25,817)	(9,382)
Shareholders' equity	(287,789)	62,193

* Excluding El Salvador

** The 2001 figures have been restated to reflect the consolidation of El Salvador under the equity method from May 2001.

Millicom International Cellular S.A.
Quarterly analysis by region

	02 Q2	02 Q1	01 Q4	01 Q3	01 Q2
Gross cellular subs					
Sanbao Telecom	1,659,039	1,561,298	1,399,656	1,248,900	1,145,313
MIC Latin America*	1,810,840	1,738,434	1,702,368	1,605,703	1,551,119
MIC Africa	278,395	282,178	264,527	243,718	240,497
Sub-total	3,748,274	3,581,910	3,366,551	3,098,321	2,936,929
<i>El Salvador</i>	-	-	374,585	379,205	365,460
Divested	0	0	0	231,532	291,558
Total	3,748,274	3,581,910	3,741,136	3,709,058	3,593,947

Prop cellular subs

Sanbao Telecom	1,063,509	994,119	878,779	787,964	713,297
MIC Latin America*	1,454,282	1,404,008	1,385,599	1,318,766	1,277,261
MIC Africa	178,585	182,665	172,031	161,080	159,943
Sub-total	2,696,376	2,580,792	2,436,409	2,267,810	2,150,501
<i>El Salvador</i>	-	-	262,210	265,442	255,822
Divested	0	0	0	123,695	129,771
Total	2,696,376	2,580,792	2,698,619	2,656,947	2,536,094

Revenue (US\$ '000)

Sanbao Telecom	56,925	54,160	49,068	51,728	53,809
MIC Latin America*	68,530	69,557	74,555	73,088	74,563
MIC Africa	11,964	11,962	11,719	11,467	11,145
MIC Systems	7,141	6,261	5,921	7,464	6,228
Other	4,455	3,126	2,369	3,431	2,985
Sub-total	149,015	145,066	143,632	147,178	148,730
<i>El Salvador**</i>	0	0	0	0	4,065
Divested	0	0	7,168	12,196	11,807
Total	149,015	145,066	150,800	159,374	164,602

EBITDA (US\$ '000)

Sanbao Telecom	27,771	27,476	24,456	23,799	24,065
MIC Latin America*	30,040	29,926	30,099	32,655	33,414
MIC Africa	3,766	4,272	3,280	3,042	3,405
MIC Systems	3,457	2,795	2,732	3,499	2,585
Other	(694)	(802)	(1,286)	(1,411)	(3,105)
Sub-total	64,340	63,667	59,281	61,584	60,364
<i>El Salvador**</i>	0	0	0	0	1,514
Divested	0	0	2,194	2,794	3,438
Total	64,340	63,667	61,475	64,378	65,316

* *Excluding El Salvador*

** *MIC has discontinued proportional consolidation for El Salvador since May 2001*