



Information on administrative liability imposed on Kcell JSC

Almaty, 7 March 2014 – Kcell Joint Stock Company (further as Company) (LSE, KASE: KCEL), brings this information to the attention of its shareholders and investors pursuant to paragraph 1.9 of Article 79 of the Law *On Joint Stock Companies* of the Republic of Kazakhstan. By order #5 of 21 February 2014, the Communications and Informatization Inspectorate under the Committee for Communication and Informatization of the Ministry of Transport and Communications of the Republic of Kazakhstan for Almaty city and Almaty region, Kcell JSC was brought to administrative responsibility under Article 496 Part 1 of the Code of Administrative Offences of the Republic of Kazakhstan and imposed an administrative fine in the amount of 250 (two hundred fifty) monthly calculation indices, or 463 000 (four hundred sixty three thousand) tenge.

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Company Overview

Kcell is the leading provider of mobile telecommunications services in Kazakhstan by market share in terms of revenue and the number of subscribers. It has operated since 1998, and as at 31 December 2013 it had approximately 14.3 million subscribers, representing a market share of 46.2%, as estimated by the Company. Its estimated market share in terms of revenue was 54% for the year ended 31 December 2013.

Kcell provides mobile voice telecommunications services, value-added services such as short message services, multimedia messaging services and mobile content services, as well as data transmission services including internet access. It has two brands: the Kcell brand, which is targeted primarily at corporate subscribers (including government subscribers), and the Activ brand, which is targeted primarily at mass market subscribers. The Company offers its services through its extensive, high quality network which covers substantially all of the populated territory of Kazakhstan.

In December 2012, Kcell successfully completed its offering of GDR's on the London Stock Exchange and common shares on KASE. The price was set at USD 10.50 per GDR and KZT 1,578.68 per share with each GDR representing one share. The offering consisted of a sale by TeliaSonera of 50 million shares, including shares representing 25 percent of Kcell's share capital. TeliaSonera holds directly and indirectly 61.9% of the Company's common shares.

Kcell plans to benefit from the significant growth potential for mobile data services in Kazakhstan. The Company intends to continue to invest in the deployment of its 3G network to expand coverage. Kcell aims to maintain its market leadership in terms of revenue and the number of subscribers by offering its

products and services at competitive prices, expanding its offering of products and services, maintaining the high quality of its network and enhancing its brand value.