



Information for shareholders and investors

Almaty, 10 March 2014 – Kcell Joint Stock Company (“Kcell” or “Company”) (LSE, KASE: KCEL), informs that the Court of the first instance ruled in favor of the Agency for Competition Protection of the Republic of Kazakhstan (“ACP”) in the legal case against the Company. The case related to alleged violation by Kcell of the anti-monopoly law with respect to the charges for the Daytime Unlimited services under the Activ brand, and non-interruption of services when customers' balance reaches 0 under the Kcell brand. The ACP claimed that the Company abused its dominant position in the Kazakhstan's market, leading to the violation of customers' rights. The court supported the fine in the amount of KZT 16,054 million under Article 147 clause 3 of the Code of Administrative Offences of the Republic of Kazakhstan. The decision was announced on March 7, 2014; the written copy of the court decision containing details of the judgment has not been released by the court at the time of this announcement.

The decision has not entered into force yet. The Company strongly believes that in accordance with the recent changes in the Code of Administrative Offences, the fine, if applicable, should be limited to 10% of the income received from the zone of violation and not 10% of total revenues from voice services as currently applied by the court.

The Company intends to object the decision in due time and will defend its position as it does not agree with allegations.

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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.