



## Press release

September 30, 2013, Almaty

### **Kcell Appoints Kaspars Kukelis as Chief Commercial Officer**

Kcell Joint Stock Company ("Kcell" or the "Company") (LSE, KASE: KCEL), the leading provider of mobile telecommunications services in Kazakhstan by market share in terms of revenue and subscribers, announces the appointment of Kaspars Kukelis as Chief Commercial Officer, effective as of September 1, 2013. Mr. Kukelis will succeed Nurlan Sargaskaev, who was named CEO of Ncell within the TeliaSonera Group in June 2013.

Mr. Kukelis has more than 16 years' experience in the advertising, media, marketing and telecommunications sectors. Mr. Kukelis has served as the Company's marketing department director since 2008. Prior to that, he was the Chief Executive Officer of LLP Panda Advertising from 1996 until 2005. In 2002 and 2003, he was the President of LLP Kazakhstan Advertising Agencies Association. Mr. Kukelis has served as the Chairman of the Board of JSC "KAPS INTL" since 2004. In 2006 and 2007, Mr. Kukelis was the Chief Executive Officer of LLP "Kazyna Invest". In 2007 and 2008, he served as the Deputy Director of LLP "Easy World MG". Mr. Kukelis graduated from the Kazakhstan State Academy of Management with a degree in Economics.

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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 2012 it had approximately 13.5 million subscribers, representing a market share of 46.9%, as estimated by the Company. Its estimated market share in terms of revenue was 54.5% for the year ended 31 December 2012.

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.

Kcell benefits from operating in the fast growing emerging economy of Kazakhstan. In 2012 Kazakhstan's real GDP growth was 5.5%, according to the Economist Intelligence Unit (EIU). Real GDP per capita has



been growing at a compound annual growth rate of 5.9% since 2009 to reach US\$13,835 in 2012, according to the EIU.

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.