



Information on administrative sanctions imposed on Kcell JSC and its official

Almaty, 9 April 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 orders #19 and 20 of 12.03.2014 of GU Almaty City Department of the Committee for Technical Regulation and Metrology under the Ministry of Industry and New Technologies of the Republic of Kazakhstan, Kcell JSC and its official (senior metrologist) were brought to administrative responsibility under Article 317-4, part 1, par 4 of the Code of Administrative Offences of the Republic of Kazakhstan resulting in an administrative fine of 200 monthly calculation indices, or 370 400 (three hundred and seventy thousand four hundred) tenge, imposed on the Company and a fine of 50 monthly calculation indices, or 92 600 (ninety two thousand six hundred) tenge, imposed on its official.

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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.