



Kcell JSC

Changes in composition of the Board of Directors

Almaty, 12 May 2014 - 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 proposed changes to the composition of its Board of Directors.

The Board has received letters of resignation from two of its members, Mr. Mats Goran Salomonsson and Mr. Veysel Aral, effective immediately. Mr. Salomonsson and Mr. Aral both represented the TeliaSonera Group, the Company's majority shareholder, and have stepped down following their resignations from TeliaSonera.

Three new directors have been nominated and will stand for election at the Annual General Meeting of Shareholders ("AGM") on 21 May 2014. The nominated directors are Mr. Erik Hallberg, Ms. Ingrid Maria Stenmark and Mr. Vladimir Smirnov. Subject to their election to the Board of Directors, Mr. Hallberg and Ms. Stenmark will represent the TeliaSonera Group, while Mr. Smirnov will be an independent non-executive director. Mr. Smirnov's election would bring the number of independent directors on the Company's Board to three, joining Chairman of the Board Jan Erik Rudberg and William H.R. Aylward.

Jan Erik Rudberg, Chairman of Kcell's Board of Directors, commented:

"We are grateful to Mats and Veysel for their valuable contribution to Kcell's development and for providing strategic advice and counsel to the Board and management, particularly during the Company's successful IPO in 2012. We wish them well in their future endeavours.

At the same time, we are pleased to see the nomination of Mr. Erik Hallberg, Ms. Ingrid Maria Stenmark and Mr. Vladimir Smirnov, who bring a wealth of knowledge and expertise in various aspects of business and governance, and we are looking forward to working with them.

Subject to the approval at the AGM, the election of Vladimir will represent a significant change in the Board's composition with independent directors making up half of the Board. We will therefore surpass minimum regulatory requirements for the number of independent directors on the Board, marking another step in strengthening corporate governance at Kcell".

Biographies

Erik Hallberg

Mr. Hallberg is Executive Vice President and Head of Region Eurasia at TeliaSonera AB. Until December 2013 he was President of TeliaSonera International Carrier. He joined TeliaSonera in 1999 and has held various positions within Mobility Services and Broadband Services and he served as Senior Vice President and Head of Market area Baltic countries for four years. Mr. Hallberg has a degree in mechanical engineering. He was born in 1956.

Ingrid Maria Stenmark

Ms. Stenmark is Acting General Counsel and Head of Group Legal Affairs at TeliaSonera AB. She has been employed by TeliaSonera since 1994 and has held several managerial positions in various legal departments within the TeliaSonera Group. Prior to joining TeliaSonera she worked at the law firm Nordlander. Ms. Stenmark holds a Master of Law. She was born in 1966. If elected, Ingrid Maria Stenmark will become the first female director on Kcell's Board.

Vladimir Smirnov

Mr. Smirnov is Scania Group's Senior Advisor for Russia and Central Asia. He is also a former Kazakhstani cross-country skier who raced from the 1982 until 1991 for the USSR and, later, for Kazakhstan. At the 1994 Winter Olympics in Lillehammer Mr. Smirnov won the first Olympic gold medal for Kazakhstan. He also holds four World Champion titles; he was twice the World Cup General holder and 29 times the winner of the World Cup. He was formerly a member of the International Olympic Committee and an Honorary Consul of the Republic of Kazakhstan in Sweden. He was born in 1964.

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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, 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.