



Proposed Dividend for the FY 2014

Almaty, 18 March 2015 - 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 that its Board of Directors has recommended the payment of the annual dividend (“Annual Dividend”), representing 70 percent of the Company’s net income for the twelve months ending 31 December 2014 (“the Period”).

Additionally, the Board of Directors has recommended the payment of a special dividend (“Special Dividend”, together with the Annual Dividend - “the Dividends”), representing 30 percent of the Company’s net income for the Period.

In total, the proposed Dividends will amount to KZT 58,260 million, or KZT 291.30 per ordinary share, representing 100 percent* of the Company’s net income for the full year of 2014.

The proposed record date of Shareholders entitled to receive the dividends is 20 April 2015, (01:00 Almaty time). If approved at the AGM on 17 April 2015, the proposed Annual Dividend will be paid not later than 15 May 2015 and the proposed Special Dividend will be paid not later than 30 October 2015.

The Company’s dividend policy aims for the distribution of at least 70 percent of the Company’s net income for the previous reporting year. When recommending the payment of a dividend at the Annual General Meeting of shareholders, the Board of Directors has to take into consideration the amount of cash the Company has at hand, its cash flow projections and its investment plans in the medium-term perspective, as well as capital market conditions.

*Due to technical banking requirements, the actual net income amount is slightly rounded down to ensure that it is equally divided into total number of shares, therefore the final dividend per share has two decimals.

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Company Overview

Kcell provides mobile voice telecommunications services, messaging services, value-added services such as multimedia 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, which represent 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.