Information about holding the official of Kcell JSC in East Kazakhstan region liable for administrative offence

Almaty, October 18, 2013 - Joint Stock Company Kcell (hereinafter - the Company) (LSE, KASE: KCEL), the leading provider of mobile telecommunications services in Kazakhstan by market share in terms of revenue and subscribers, informs its shareholders and investors about the following information to be disclosed pursuant to subparagraph 9 paragraph 1 Article 79 of the Law "On Joint Stock Companies" of the Republic of Kazakhstan. According to Resolutions of State Enterprise "Inspection of Communications and Informatization of Communications and Informatization of the Ministry of Transport and Communications of the Republic of Kazakhstan for East Kazakhstan region" No.6 and No.7 dated 30.09.2013 Kcell JSC is found liable for an administrative offence under Article 494, part 1 of the Code of the Republic of Kazakhstan on Administrative Offences for breach of radio electronic facilities operation rules, the penalty is imposed in the form of an administrative fine in the amount of 80 (eighty) MCI comprising 138,480 (one hundred and thirty eight thousand four hundred and eighty) tenge and breach of radio electronic facilities operation rules, as well as usage of radio frequencies without obtaining special permit the penalty is imposed in the form of an administrative fine in the amount of 80 (eighty) MCI comprising 138,480 (one hundred and thirty eight thousand four hundred and eighty) tenge.

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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.