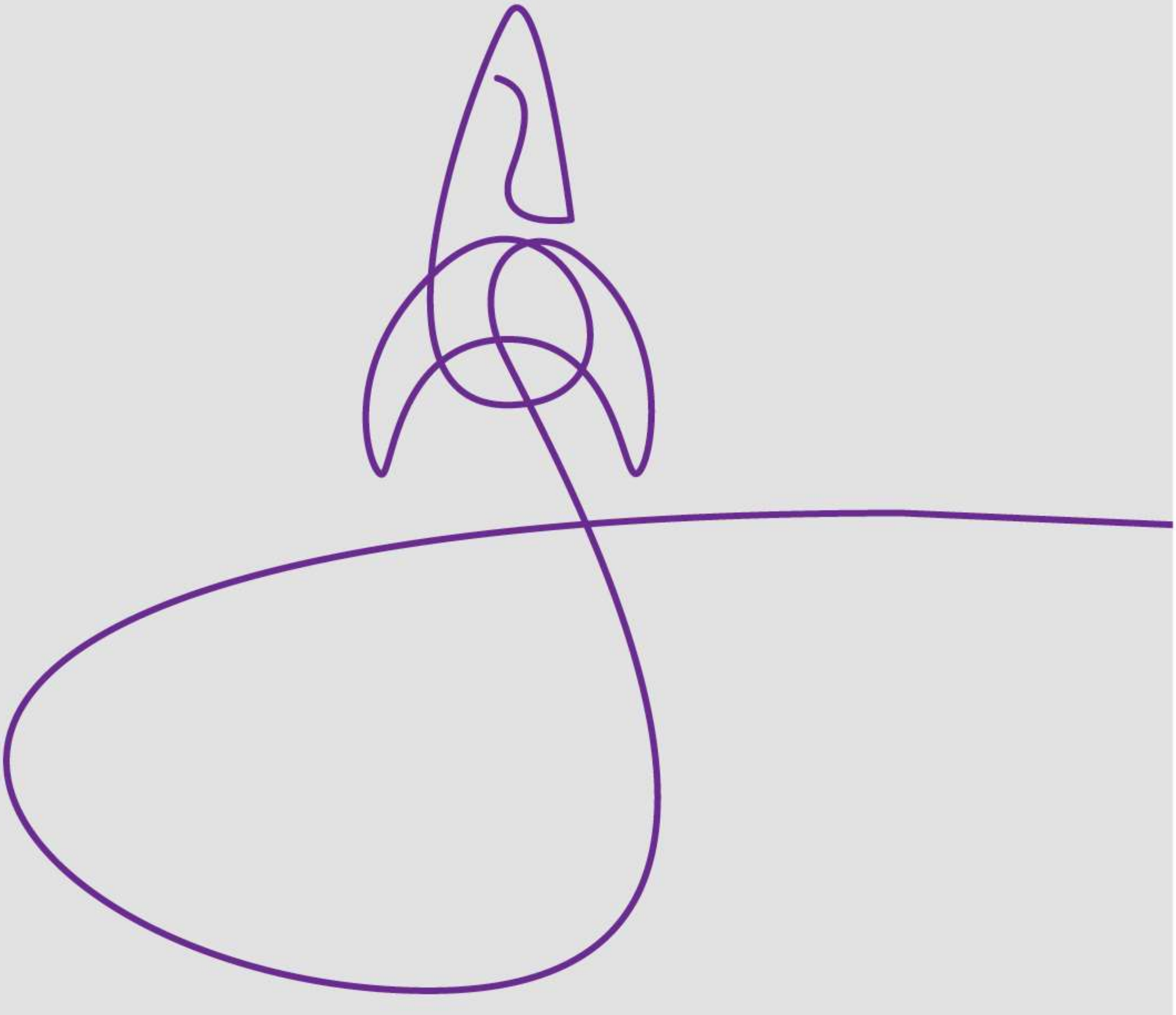

# Kcell JSC
Results for
Q2 2017

# Kcell JSC
# Interim Results for January-June 2017

**Almaty, 20 July 2017** – 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 its interim results for January – June 2017.

## Second quarter

- Net sales decreased by 1.1 percent to KZT 36,027 million (36,413). Service revenue decreased by 1.1 percent to KZT 33,631 million (34,012).
- EBITDA, excluding non-recurring items, declined by 6.0 percent to KZT 13,484 million (14,338). EBITDA margin decreased to 37.4 percent (39.4).
- Operating income, excluding non-recurring items, decreased by 2.1 percent to KZT 7,747 million (7,914).
- Net finance cost increased to KZT 1,961 million (1,834).
- Net income 87.0 percent lower at KZT 600 million (4,630), as a result of a one-off adjustment related to an additional tax provision which was reported as non-recurring item.
- CAPEX-to-sales ratio of 11.0 percent (8.3).
- Free cash flow decreased to KZT 2,456 million (4,534).
- During the quarter, the total number of subscriptions increased by 13 thousand to 9,992 thousand (9,979).

## First half

- Net sales 0.5 percent lower at KZT 71,544 million (71,883). Service revenue decreased by 1.3 percent to KZT 66,653 million (67,526).
- EBITDA, excluding non-recurring items, decreased by 9.1 percent to KZT 26,610 million (29,265). EBITDA margin was 37.2 percent (40.7).
- Operating income, excluding non-recurring items, down 12.0 percent to KZT 15,242 million (17,329).
- Net finance cost increased to KZT 4,644 million (2,584).
- Net income down 60.9 percent to KZT 4,399 million (11,255).
- Free cash flow increased to KZT 4,204 million (-8,960).
- The number of subscriptions increased by 244 thousand year-on-year (9,748).

# Financial highlights

| KZT in millions, except key ratios, per share data and changes | Apr-Jun 2017 | Apr-Jun 2016 | Chg (%) | Jan-Jun 2017 | Jan-Jun 2016 | Chg (%) |
|---|---|---|---|---|---|---|
| Net sales | 36,027 | 36,413 | -1.1 | 71,544 | 71,883 | -0.5 |
| *of which service revenue* | 33,631 | 34,012 | -1.1 | 66,653 | 67,526 | -1.3 |
| EBITDA excl. non-recurring items | 13,484 | 14,338 | -6.0 | 26,610 | 29,265 | -9.1 |
| *Margin (%)* | 37.4 | 39.4 | | 37.2 | 40.7 | |
| Operating income | 5,074 | 7,801 | -35.0 | 12,569 | 16,859 | -25.4 |
| Operating income excl. non-recurring items | 7,747 | 7,914 | -2.1 | 15,242 | 17,329 | -12.0 |
| Net income attributable to owners of the parent company | 600 | 4,630 | -87.0 | 4,399 | 11,255 | -60.9 |
| Earnings per share (KZT) | 3.0 | 23.1 | -87.0 | 22.0 | 56.3 | -60.9 |
| CAPEX-to-sales (%) | 11.0 | 8.3 | | 13.8 | 44.8 | |
| Free cash flow | 2,456 | 4,534 | | 4,204 | -8,960 | |

In this report, comparative figures are provided in parentheses following the operational and financial results and refer to the same item in the second quarter of 2016, unless otherwise stated.

# Comments by Arti Ots, CEO

“In the first half of 2017, we saw continued improving trends in both macroeconomic indicators and the market environment in Kazakhstan. In the domestic telecoms market, as previously reported, ongoing tariff adjustments are starting to give a positive impact, which we expect to see the results of in the second half of the year.

The enterprise segment continues to grow, driven by sales in Business Solutions, which delivered 35 percent growth year-on-year. The further development of OTT entertainment services resulted in an improved revenue trend in Value Added Services, which reported 4.5 percent growth year-on-year. At the end of the quarter, we launched our mobile financial services.

The network sharing agreement we signed last August has significantly contributed to an acceleration of our 4G services, which are now available in seven more cities across the country.

Following a comprehensive tax audit for the period 2012-2015, the tax authority of Kazakhstan made a total claim of KZT 9.0 billion, of which KZT 5.8 billion is for unpaid taxes and KZT 3.2 billion represents fines and penalties for late payment.

Kcell intends to dispute this claim through the available mechanisms, which include court litigation. The Company considers it unlikely that the full amount of the claim will become payable following the appeal process.

We continue to implement strategic cost reduction initiatives in order to ensure that Kcell is well positioned for the future. These include inter-city transmission, further network sharing arrangements and field maintenance. A digital transformation project is targeting customer support and interaction as well as adapting the organization to the new digital reality.

In June, Kcell paid a dividend equivalent to 70 percent of net income to shareholders. We have maintained our market leading position in Kazakhstan through our focus on delivering innovative products and services that meet the ever-evolving requirements of our customers whilst developing our technology and infrastructure, to ensure that we deliver value to our customers and to our shareholders.”

**Almaty**
20 July 2017

# CONFERENCE CALL

Kcell will host an analyst conference call on 20 July 2017 at 9.30 UK time / 14.30 Almaty / 11.30 Moscow. The conference will be held in English, audio webcast will be available at http://www.audio-webcast.com/cgi-bin/visitors.ssp?fn=visitor&id=4799

**Dial in details are as follows:**

| | |
|---|---|
| UK Toll Free: | 0800 279 7204 |
| Standard International Dial-in: | +44 330 336 9412 |
| Russia Toll Free: | 8 800 500 9283 |
| Russia Local Call number: | + 7 495 213 1767 |
| USA Toll Free: | 866 564 2842 |
| USA Dial-In: | +1 719 325 2213 |
| **Conference ID** | **4498753** |

A presentation will be available on the Company website shortly before the conference call on www.investors.kcell.kz./en

A replay will be available at: http://kcell200717-live.audio-webcast.com

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Kay Larsen
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Adrian Duffield

# Review of the second quarter 2017

## Net sales
Net sales decreased by 1.1 percent to KZT 36,027 million (36,413). Service revenue decreased by 1.1 percent to KZT 33,631 million (34,012).

Revenue from voice services decreased by 7.1 percent to KZT 20,151 million (21,681). Data revenue increased by 8.9 percent to KZT 11,160 million (10,244). Revenue from value-added services increased by 4.5 percent to KZT 2,324 million (2,223). Other revenue increased by 5.6 percent to KZT 2,392 million (2,265).

## Voice service revenue
Revenue from voice services decreased by 7.1 percent to KZT 20,151 million (21,681). Voice traffic increased to 5,827 million minutes (5,672). ARMU fell to KZT 2.1 (2.6).

Interconnect revenue was 2.1 percent higher and totaled KZT 5,331 million (5,222). This increase mainly resulted from an offering more off-net minutes in bundled offers.

## Data service revenue
Data revenue was 8.9 percent higher at KZT 11,160 million (10,244). Data traffic increased by 57.9 percent to 43,807,161 GB (27,740,525). Growth in data traffic was partially offset by offering packages with lower tariffs per MB, which led to a decrease in average revenue per MB (ARMB) to KZT 0.2 (0.4).

## Value-added service revenue
Revenue from value-added services increased by 4.5 percent to KZT 2,324 million (2,223), largely because of introduction of new services.

## Other revenue
Other revenue increased by 5.6 percent to KZT 2,392 million (2,265), mainly driven by higher handsets sales.

| KZT in millions, except percentages | Apr-Jun 2017 | % of total | Apr-Jun 2016 | % of total |
|---|---|---|---|---|
| Voice services | 20,151 | 55.9 | 21,681 | 59.6 |
| Data services | 11,160 | 31.0 | 10,244 | 28.1 |
| Value added services | 2,324 | 6.5 | 2,223 | 6.1 |
| Other revenues | 2,392 | 6.6 | 2,265 | 6.2 |
| **Total revenues** | **36,027** | **100.0** | **36,413** | **100.0** |

# EXPENSES

### Cost of sales

Cost of sales declined by 4.0 percent to KZT 22,274 million (23,206), primarily due to a decrease in interconnect cost to KZT 5,738 million (6,086).

### Selling and marketing expenses

Selling and marketing expenses remained largely stable at KZT 2,449 million (2,478).

### General and administrative expenses

General and administrative expenses increased by 92.6 percent to KZT 6,171 million (3,204), primarily due to a one-off adjustment related to an additional tax provision.

# EARNINGS, FINANCIAL POSITION AND CASH FLOW

**EBITDA**, excluding non-recurring items, declined by 6.0 percent to KZT 13,484 million (14,338). EBITDA margin decreased to 37.4 percent (39.4).

**Net finance cost** grew to KZT 1,961 million (1,834), as a result of an increase in net interest expenses.

**Income tax expense** increased to KZT 2,513 million (1,337).

**Net income attributable to owners of the parent company** decreased by 87.0 percent to KZT 600 million (4,630) and earnings per share decreased to KZT 3.0 (23.1).

**CAPEX** increased to KZT 3,964 million (3,034) and CAPEX-to-sales ratio increased to 11.0 percent (8.3).

**Free cash flow** was down to KZT 2,456 million (4,534), primarily due to a change in cash CAPEX.

# Review of the first half of 2017

## Net sales

Net sales were 0.5 percent lower and amounted to KZT 71,544 million (71,883). Service revenue decreased by 1.3 percent to KZT 66,653 million (67,526).

Revenue from voice services declined by 8.3 percent to KZT 39,781 million (43,383). Data revenue was 12.3 percent higher at KZT 22,159 million (19,732). Revenue from value-added services increased by 3.7 percent to KZT 4,715 million (4,547). Other revenue increased by 15.9 percent to KZT 4,889 million (4,220).

## Voice service revenue

Revenue from voice services declined by 8.3 percent to KZT 39,781 million (43,383). Voice traffic slightly increased to 11,372 million minutes (11,211). ARMU decrease to KZT 2.2 (2.7).

Interconnect revenue increased by 6.4 percent to KZT 10,583 million (9,949). This increase mainly resulted from an offering more off-net minutes in bundled offers.

## Data service revenue

Data revenue was 12.3 percent higher at KZT 22,159 million (19,732). Data traffic increased to 86,128,006 GB (53,016,281). Growth in data traffic was partially offset by offering packages with lower tariffs per MB, which resulted in a decrease in average revenue per MB (ARMB) to KZT 0.3 (0.4).

## Value-added service revenue

Revenue from value-added services increased by 3.7 percent to KZT 4,715 million (4,547), largely because of introduction of new services.

## Other revenue

Other revenue increased by 15.9 percent to KZT 4,889 million (4,220).The increase was attributable to higher handsets sales.

| KZT in millions, except percentages | Jan-Jun 2017 | % of total | Jan-Jun 2016 | % of total |
|---|---|---|---|---|
| Voice services | 39,781 | 55.6 | 43,383 | 60.3 |
| Data services | 22,159 | 31.0 | 19,732 | 27.5 |
| Value added services | 4,715 | 6.6 | 4,547 | 6.3 |
| Other revenues | 4,889 | 6.8 | 4,220 | 5.9 |
| **Total revenues** | **71,544** | **100.0** | **71,883** | **100.0** |

# EXPENSES

## Cost of sales

Cost of sales rose by 2.1 percent to KZT 44,853 million (43,934), driven largely by an increase in cost of goods sold.

## Selling and marketing expenses

Selling and marketing expenses were up 1.9 percent to KZT 5,086 million (4,991), primarily driven by an increase in staff cost.

## General and administrative expenses

General and administrative expenses increased by 44.6 percent to KZT 9,148 million (6,326), mainly as a result of tax provision.

# EARNINGS, FINANCIAL POSITION AND CASH FLOW

**EBITDA**, excluding non-recurring items, decreased by 9.1 percent to KZT 26,610 million (29,265). The EBITDA margin was 37.2 percent (40.7).

**Net finance cost** increased to KZT 4,644 million (2,584), which is related to net interest expenses.

**Income tax expense** increased by 16.8 percent to KZT 3,526 million (3,020).

**Net income attributable to owners of the parent company** decreased by 60.9 percent to KZT 4,399 million (11,255), while earnings per share fell to KZT 22.0 (56.3).

**CAPEX** decreased to KZT 9,892 million (32,191 including LTE license) and the CAPEX-to-sales ratio decreased to 13.8 percent (44.8 including LTE license).

**Free cash flow** increased to KZT 4,204 million (-8,960).

**Net debt/equity** ratio was 93.6 percent (78.3).

**Net debt/EBITDA** ratio was 1.28 (1.03).

**The equity/assets ratio** was 35.5 percent (40.1).

# Key Milestones 2017

### January

- Kcell became the official mobile operator of the 28th World Winter Universiade. The 28th World Winter Universiade was held in Almaty from 29 January to 8 February 2017. 2000 athletes from 58 countries took part in the Universiade. Kcell provided the high-quality mobile communication signal within sports facilities and launched the single reference contact center to provide the participants and guests of the Universiade with all the necessary background information, including competition schedule and locations of sports facilities.

### May

- The AGM held on 24 May 2017, approved the proposal of Kcell Board of Directors to distribute KZT 11,678 million, representing 70 percent of the net income for 2016, as an annual dividend. The total dividend amount equates to a gross figure of KZT 58.39 per ordinary share (each GDR representing one ordinary share). Kcell shareholders registered at the record date of 25 May 2017 were entitled to receive the dividends.

- Other decisions adopted by the AGM include the approval of the Company's Separate and Consolidated Financial Statements for the year ended 31 December 2016, the Independent Auditor's Report, the Instructions relating to allocation of work between the Board and the CEO, and Kcell JSC Charter in the new version. Shareholders were also informed on the amount and structure of remuneration for the members of Board of Directors and Executive Body of the Company. The Board of Directors received no queries from shareholders regarding the performance of the Company and its executives.

### June

- The dividends of KZT 58.39 per ordinary share (each GDR representing one ordinary share) were paid in a lump sum by electronic transfer into shareholders' bank accounts.

- Kcell's Board of Directors approved an extension of KZT 10 billion loan under the Master Facility Agreement #82.2090/2016 dated 8 June 2016 between Kcell JSC and Subsidiary Bank Alfa Bank Kazakhstan JSC. The credit line was extended for a term of twelve months.

- Kcell completed a drawdown of a KZT 22 billion tranche under the Term Loan Facility Agreement dated 24 September 2013 between Kcell JSC and Halyk Bank of Kazakhstan JSC. The credit line was extended for a term of 18 months.

# ADMINISTRATIVE AND LEGAL UPDATE

### Tax audit

In July 2017, the Kazakhstan tax authority completed its comprehensive tax audit for the period between 2012 and 2015. Following the audit, the tax authority made a total claim of KZT 9.0 billion, of which KZT 5.8 billion is for unpaid taxes and KZT 3.2 billion represents fines and penalties for late payment. Kcell intends to dispute this claim through the available mechanisms, which include court litigation. The Company considers it unlikely that the full amount of the claim will become payable following the appeal process.

The Kazakhstan tax authority's claim relates to issues including VAT, CIT and other taxes. Kcell is currently disputing several of the individual findings, including a claim that withholding tax should have been paid in relation to the IPO in 2012, when retained earnings were reinvested in the newly formed joint stock company.

The January-June 2017 financial statements have been reviewed by the Kcell external auditors, and their report will be available on the Kcell website starting from 15 August 2017.

**The information was submitted for publication at 09:00 ALMT on 20 July 2017.**

## Financial Information

| | |
|---|---|
| Interim Report January–September 2017 | 19 October 2017 |

## Questions regarding the reports:

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## Definitions

**EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation. Equals operating income before depreciation, amortisation and impairment losses and before income from associated companies.

**CAPEX:** Capital expenditures and advances paid for property, plant and equipment as well as software and licenses including investments in tangible and intangible non-current assets, but excluding goodwill and fair value adjustments recognized in acquisitions, and excluding the recording of assets retirement obligations.

**ARMB:** Average revenue per MB.

# Condensed Consolidated Statements of Comprehensive Income

| KZT in millions, except per share data, number of shares and changes | Apr-Jun 2017 | Apr-Jun 2016 | *Chg (%)* | Jan-Jun 2017 | Jan-Jun 2016 | *Chg (%)* |
|---|---|---|---|---|---|---|
| Revenues | 36,027 | 36,413 | -1.1 | 71,544 | 71,883 | -0.5 |
| Cost of sales | -22,274 | -23,206 | -4.0 | -44,853 | -43,934 | 2.1 |
| **Gross profit** | **13,753** | **13,207** | **4.1** | **26,690** | **27,948** | **-4.5** |
| Selling and marketing expenses | -2,449 | -2,478 | -1.2 | -5,086 | -4,991 | 1.9 |
| General and administrative expenses | -6,171 | -3,204 | 92.6 | -9,148 | -6,326 | 44.6 |
| Other operating income and expenses, net | -59 | 276 | | 113 | 227 | |
| **Operating income** | **5,074** | **7,801** | **-35.0** | **12,569** | **16,859** | **-25.4** |
| Finance costs and other financial items, net | -1,961 | -1,834 | 6.9 | -4,644 | -2,584 | 79.7 |
| **Income after financial items** | **3,113** | **5,967** | **-47.8** | **7,925** | **14,275** | **-44.5** |
| Income taxes | -2,513 | -1,337 | 87.9 | -3,526 | -3,020 | 16.8 |
| **Net income** | **600** | **4,630** | **-87.0** | **4,399** | **11,255** | **-60.9** |
| **Other comprehensive income** | | | | | | |
| **Total comprehensive income** | | | | | | |
| | 600 | 4,630 | -87.0 | 4,399 | 11,255 | -60.9 |
| Total comprehensive income attributable to owners of the parent | | | | | | |
| Earnings per share (KZT), basic and diluted | 3.0 | 23.1 | -87.0 | 22.0 | 56.3 | -60.9 |
| Number of shares (thousands) | | | | | | |
| Outstanding at period-end | 200,000 | 200,000 | | 200,000 | 200,000 | |
| Weighted average, basic and diluted | 200,000 | 200,000 | | 200,000 | 200,000 | |
| EBITDA | 10,811 | 14,225 | -24.0 | 23,937 | 28,795 | -16.9 |
| EBITDA excl. non-recurring items | 13,484 | 14,338 | -6.0 | 26,610 | 29,265 | -9.1 |
| Depreciation, amortization and impairment losses | -5,738 | -6,424 | -10.7 | -11,368 | -11,936 | -4.8 |
| Operating income excl. non-recurring items | 7,747 | 7,914 | -2.1 | 15,242 | 17,329 | -12.0 |

# Condensed Consolidated Statement of Financial Position

| KZT in millions | 30 Jun 2017 | 31 Dec 2016 |
|---|---|---|
| **Assets** | | |
| Intangible assets | 42,331 | 42,842 |
| Property, plant and equipment | 94,316 | 95,322 |
| Other non-current assets | 86 | 86 |
| Long-term receivables | 1,125 | 1,163 |
| **Total non-current assets** | **137,858** | ***139,413*** |
| Inventories | 3,264 | 3,587 |
| Trade and other receivables | 29,120 | 29,554 |
| Cash and cash equivalents | 13,848 | 8,477 |
| **Total current assets** | **46,232** | **41,617** |
| **Total assets** | **184,090** | **181,031** |
| | | |
| **Equity and liabilities** | | |
| Share capital | 33,800 | 33,800 |
| Retained earnings | 31,601 | 38,880 |
| **Total equity attributable to owners of the parent** | **65,401** | ***72,680*** |
| Long-term borrowings | 34,000 | 8,000 |
| Deferred tax liabilities | 4,909 | 6,012 |
| Other long-term liabilities | 1,355 | 1,285 |
| **Total non-current liabilities** | **62,264** | ***15,298*** |
| Short-term borrowings | 44,456 | 57,415 |
| Trade payables, and other current liabilities | 33,969 | 35,638 |
| **Total current liabilities** | **56,425** | ***93,053*** |
| **Total equity and liabilities** | **184,090** | **181,031** |

# Condensed Consolidated Statement of Cash Flows

| KZT in millions | Apr-Jun 2017 | Apr-Jun 2016 | Jan-Jun 2017 | Jan-Jun 2016 |
|---|---|---|---|---|
| Cash flow before change in working capital | 16,745 | 11,507 | 26,620 | 22,205 |
| Change in working capital | -7,502 | -3,274 | -10,780 | -7,615 |
| **Cash flow from operating activities** | **9,243** | **8,233** | **15,840** | **14,590** |
| Cash CAPEX | -6,787 | -3,699 | -11,636 | -23,550 |
| ***Free cash flow*** | ***2,456*** | ***4,534*** | ***4,204*** | ***-8,960*** |
| **Cash flow from financing activities** | **1,322** | **3,815** | **1,322** | **3,815** |
| **Cash flow for the period** | **3,778** | **8,349** | **5,526** | **-5,145** |
| **Cash and cash equivalents, opening balance** | **10,044** | **19,142** | **8,477** | **31,589** |
| Cash flow for the period | 3,778 | 8,349 | 5,526 | -5,145 |
| Exchange rate difference | 26 | -287 | -155 | 760 |
| **Cash and cash equivalients, closing balance** | **13,848** | **27,203** | **13,848** | **27,203** |

# Condensed Consolidated Statement of Changes in Equity

| | Jan-Jun 2017 | | | Jan-Jun 2016 | | |
|---|---|---|---|---|---|---|
| KZT in millions | Share capital | Retained earnings | Total equity | Share capital | Retained earnings | Total equity |
| Opening balance | 33,800 | 38,880 | **72,680** | 33,800 | 46,646 | **80,446** |
| Dividends | – | -11,678 | **-11,678** | – | -23,316 | **-23,316** |
| Retained earnings of consolidated subsidiaries | – | – | **–** | – | -1,133 | **-1,133** |
| Total comprehensive income | – | 4,399 | **4,399** | – | 11,255 | **11,255** |
| **Closing balance** | **33,800** | **31,601** | **65,401** | **33,800** | **33,451** | **67,251** |

### Basis of preparation

As in the annual accounts for 2016, Kcell's consolidated financial statements of and for the six-month period ended 30 June 2017, have been prepared in accordance with International Financial Reporting Standards (IFRSs). This report has been prepared in accordance with IAS 34 Interim Financial Reporting.
The accounting policies adopted are consistent with those of the previous financial year. All amounts in this report are presented in KZT millions, unless otherwise stated. Rounding differences may occur.

# Non-recurring items

| KZT in millions | Apr-Jun 2017 | Apr-Jun 2016 | Jan-Jun 2017 | Jan-Jun 2016 |
|---|---|---|---|---|
| **Within EBITDA** | | | | |
| Restructuring charges, synergy implementation costs, etc. | 2,673 | 113 | 2,673 | 470 |
| **Total** | **2,673** | **113** | **2,673** | **470** |

# Investments

| KZT in millions | Apr-Jun 2017 | Apr-Jun 2016 | Jan-Jun 2017 | Jan-Jun 2016 |
|---|---|---|---|---|
| **CAPEX** | | | | |
| Intangible assets, including LTE license | 1,969 | 552 | 2,175 | 26,782 |
| Property, plant and equipment | 1,995 | 2,482 | 7,717 | 5,409 |
| **Total** | **3,964** | **3,034** | **9,892** | **32,191** |

# Related party transactions

For the six months ended 30 June 2016, Kcell purchased services for KZT 2,168 million and sold services for a value of KZT 534 million. Related parties in these transactions were mainly TeliaSonera and its group entities, Turkcell, Fintur Holding B.V. and KazTransCom.

# Net debt

| KZT in millions | 30 Jun 2017 | 31 Dec 2016 |
|---|---|---|
| Long-term and short-term borrowings | 78,456 | 65,415 |
| Less short-term investments, cash and bank | -13,848 | -8,477 |
| **Net debt** | **64,608** | **56,938** |

## Financial key ratios

| | 30 Jun 2017 | 31 Dec 2016 |
|---|---|---|
| Return on equity (%, rolling 12 months) | 14.2 | 23.0 |
| Return on capital employed (%, rolling 12 months) | 12.9 | 25.9 |
| Equity/assets ratio (%) | 35.5 | 40.1 |
| Net debt/equity ratio (%) | 93.6 | 78.3 |
| Net debt/EBITDA rate (multiple, rolling 12 months) | 1.28 | 1.03 |
| Owners' equity per share (KZT) | 327.0 | 363.4 |

## Operational data

| | Apr-Jun 2017 | Apr-Jun 2016 | Chg (%) | Jan-Jun 2017 | Jan-Jun 2016 | Chg (%) |
|---|---|---|---|---|---|---|
| Subscribers, period-end (thousands) | 9,992 | 9,748 | 2.5 | 9,992 | 9,748 | 2.5 |
| Of which prepaid | 9,054 | 8,508 | 6.4 | 9,054 | 8,508 | 6.4 |
| MOU (min/month) | 231 | 229 | 0.9 | 226 | 221 | 2.0 |
| ARPU (KZT) | 1,131 | 1,159 | -2.5 | 1,122 | 1,133 | -0.9 |
| Churn rate (%) | 44.9 | 44.9 | | 44.2 | 46.9 | |
| Employees, period-end | 1,842 | 1,813 | 1.6 | 1,842 | 1,813 | 1.6 |

### Forward-looking statements

This report contains statements concerning, among other things, Kcell's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent Kcell's future expectations. Kcell believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement.

Such important factors include, but may not be limited to: Kcell's market position; growth in the telecommunications industry; and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of Kcell and the telecommunications industry in general. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, Kcell undertakes no obligation to update any of them in light of new information or future events.