



Press release

22 May, 2013, Almaty

Ali Agan appointed Chief Executive Officer of Kcell

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 the appointment of Ali Agan as Chief Executive Officer, effective as of 1 June 2013. Mr. Agan will succeed Veysel Aral, who was named President of BA Eurasia within the TeliaSonera Group in February 2013.

Mr. Agan has more than 20 years' international experience in the financial and telecommunications sectors, in a broad range of functions including sales, distribution and content provision. Mr. Agan joins from Ucell, a subsidiary of TeliaSonera Group and the second largest operator in Uzbekistan, where he was CEO from September 2012. Prior to that, from May 2008, Mr. Agan was Deputy CEO and from December 2008 CEO of Azercell, a subsidiary of TeliaSonera Group, which is the leading mobile operator in Azerbaijan.

During 2005-2008, Ali Agan was CEO & Board member of MEP Iletisim & Erk Group of Companies, where he held Board responsibilities across 16 of the Group's businesses covering five countries. From 2003-2005, he founded and headed ATALAY Currency and Gold Trading Co. and AGAN International Trading Co. in Istanbul, Turkey.

Between 2000 and 2003, Mr. Agan worked in Bayindir Life Insurance Co., Bayindirbank and Bayindir Insurance Co. as Director, Vice-President and Executive Vice-President, respectively. In 1998-2000, he worked in MONUMENTAL Agency Group, Aegon USA, first as a Sales Manager, and later as District Manager & Assistant to the RVP.

Mr. Agan holds an MBA in Finance from the University of Baltimore (USA, MBA). He also studied at the University of Toronto (Canada) and has a degree in Economics from the Faculty of Political Sciences at the University of Ankara (Turkey).

Commenting on the changes, Jan Erik Rudberg, Chairman of Kcell, said:

"We are delighted that Ali will be taking the role of Chief Executive of Kcell. He brings strong international experience from both within and beyond the telecoms sector and I look forward to working alongside him on the Board."

"I would also like to take this opportunity to thank Veysel Aral for his years of service and huge contribution to the Group, including overseeing Kcell's IPO at the end of 2012 and putting Kcell on a firm footing for further growth in the years ahead."

Ali Agan commented:

"I am delighted to be joining Kcell, TeliaSonera Group's largest international subsidiary, at such an exciting time in the Group's development. Amid rapid global change, the telecommunication industry is facing a number of challenges. With its focus on operational excellence and understanding of its customers' needs in the context of global market trends, Kcell will continue to be a trusted provider of key services to its customers."



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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.