



Proposed Dividends for the FY 2013

Almaty, April 29, 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 that its Board of Directors has recommended the payment of the annual dividend ("Annual Dividend") of KZT 221.81 (approximately \$1.22) per ordinary share, representing 70 percent of the Company's net income for the twelve months ending December 31, 2013 ("the Period").

In the view of the Company's strong financial results in 2013, the Board of Directors has additionally recommended the payment of a special dividend ("Special Dividend", together with the Annual Dividend - "the Dividends") of KZT 95.14 (approximately \$0.52) per ordinary share, representing 30 percent of the Company's net income for the Period.

In total, the proposed Dividends will amount to KZT 63,390 million representing 100 percent of the Company's net income in the full year of 2013.

The proposed record date of Shareholders entitled to receive the dividends is June 7, 2014 (01:00 Almaty time). If approved at the AGM on 21 May 2014, the proposed Annual Dividend will be paid not later than June 30, 2014, and the proposed Special Dividend will be paid not later than December 31, 2014.

The Company's dividend policy envisages distribution of at least 70% of the Company's net income for the previous reporting year. When proposing to 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.

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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.