

Press Release

New Board of Directors of Kcell

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA

This announcement does not constitute or form part of any offer for sale or subscription of or solicitation to buy or subscribe for any securities, and neither this announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

This announcement is an advertisement and not a prospectus. Investors should not purchase or subscribe for any transferable securities referred to in this announcement except on the basis of information in the prospectus to be published by Kcell Joint Stock Company in due course in connection with the admission of its common shares to the official list of JSC "Kazakhstan Stock Exchange" (the "KASE"), as well as in connection with the admission of its global depository receipts to the official list of the United Kingdom Listing Authority and to trading on the London Stock Exchange plc's (the "LSE") main market for listed securities.

For Immediate Release 29 November 2012

New Board of Directors of Kcell

Kcell Joint Stock Company ("Kcell" or the "Company"), the leading provider of mobile telecommunications services in Kazakhstan by market share in terms of revenue and subscribers as at 30 September 2012, is pleased to announce its newly constituted Board of Directors following the reorganisation of the Company as a joint stock company and in connection with the planned admission of its common shares to the official list of the KASE and the admission of its global depository receipts to the official list of the United Kingdom Listing Authority and to trading on the LSE's main market for listed securities.

The Board of Directors of Kcell is constituted in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies" (the "JSC Law"), the Company's charter and its corporate governance code. The Board is comprised of six members, two of whom, including the Chairman, are independent directors.

Name	Position
Jan Erik Rudberg	Chairman of the Board of Directors, independent director
Veysel Aral	Member of the Board of Directors, Chief Executive Officer
Berndt Kenneth Karlberg	Member of the Board of Directors
Tolga Köktürk	Member of the Board of Directors
Bert Åke Stefan Nordberg	Member of the Board of Directors, independent director
Mats Göran Salomonsson	Member of the Board of Directors

The Company's corporate governance code defines "independent directors" as members of the Board of Directors of the Company, classified as "independent directors" in accordance with the current legislation of the Republic of Kazakhstan. A general meeting and a Board of Directors of the Company must also consider the matters set out in the provision B.1.1. of the UK Corporate Governance Code published in June 2010 (as amended from time to time). The Company's corporate governance code complies with the JSC Law and is currently based on the Kazakhstan model corporate governance code and TeliaSonera AB's Code of Ethics and Conduct.

The Company's Board of Directors has also established its following committees:

- Strategic Planning Committee
- Personnel and Remuneration Committee
- Internal Audit Committee
- Social Matters Committee

All committees of the Board of Directors are chaired by independent directors.

Jan Erik Rudberg, Chairman of the Board of Directors of Kcell, said:

"Kcell is entering a new phase of its corporate life and I welcome the opportunity to chair its Board of Directors. Kcell and its controlling shareholder – TeliaSonera – are fully committed to maintaining high standards of corporate governance and protecting the interests of all our stakeholders. My appointment as an independent chairman provides additional strength to the corporate governance structure of the Company".

For further information contact:

International Media

College Hill

Leonid Fink, Tony Friend, Kay Larsen +44 207 457 2020

Kazakhstan Media

United Agencies

Olesya Beruashvili +7 (727) 292 16 01

Swedish Media

TeliaSonera

Press office +46 771 77 58 30

Directors' Biographies

Mr Jan Erik Rudberg is the chairman of the Board of Directors and an independent director. He is the chairman of the board of directors of Hogia AB and a member of the board of directors (as an independent director) and the chairman of the audit committee of OJSC MegaFon. From 1994 until 2003 he held a variety of managerial positions with Telia AB. He previously served as chief executive officer of Tele2 AB, executive vice president of Nordbanken AB and chief executive officer of Enator AB. Mr Rudberg holds a degree from

the Gothenburg School of Business Administration, Sweden. He is currently based in France.

Mr Veysel Aral is a member of the Board of Directors. He has served as the vice president and the head of Central Asia region of business area "Eurasia" of TeliaSonera AB ("TeliaSonera") since 2011. Mr Aral has also served as the chief executive officer of the Company since 2007. From 1989 until 1992, Mr Aral worked for Turkish State Railways as telecommunications engineer. From 1992 until 2001, he served Ericsson Telekomünikasyon A.Ş. in a variety of managerial roles and was responsible for a variety of telecommunication projects in Turkey, Iran and Pakistan. From 2001 until 2006 he served Ericsson AB as a country manager (Azerbaijan, Georgia and Turkmenistan) and as vice president and account manager of Fintur accounts. In 2007, he also served Ericsson Telekomünikasyon A.Ş. as vice president and key account manager. Mr Aral holds a degree in physics engineering from the Middle East Technical University of Turkey. Mr Aral is currently based in Kazakhstan.

Mr Berndt Kenneth Karlberg is a member of the Board of Directors. From 1998 to 2002 he served as managing director of "Telia Mobile" at Telia AB, in which role he continued at the merged TeliaSonera AB in 2003 and 2004. From 2004 to 2006 he served as head of business area "Denmark, Norway, Baltics and Spain" of TeliaSonera AB. From 2006 to 2010 he served as head of business area "Mobility Services" of TeliaSonera AB. Previously, Mr Karlberg was an officer in the Swedish army, first graduating from Military Academy Karlberg and attaining his commission in 1976. He most recently graduated from Military Academy Karlberg in 1987 with the rank of senior staff. Mr Karlberg is currently based in Sweden.

Mr Tolga Köktürk is a member of the Board of Directors. He has been the chief financial officer of business area "Eurasia" of TeliaSonera AB since 2011. From 2006 until 2011, he served as the chief financial officer of the Company. From 2004 until 2006 he served as the chief financial officer of Azercell Telecom JV, TeliaSonera AB's mobile operation in Azerbaijan. Mr Köktürk holds a degree in economics from Koc University, Istanbul, Turkey. Mr Köktürk is currently based in Turkey.

Mr Bert Åke Stefan Nordberg is a member of the Board of Directors and an independent director. He is currently the chairman of the board of directors of Sony Mobile Communications AB. From 2009 to 2012, Mr Nordberg was a member of the board of directors, president and chief executive officer of Sony Ericsson Mobile Communications AB. From 2004 to 2009, he served as executive vice president of LM Ericsson AB. Mr Nordberg studied electronic engineering at Malmö Tekniska Läroverk, Sweden, and engineering (with the Swedish marines) in Berga, Sweden. Mr Nordberg is currently based in Sweden.

Mr Mats Göran Salomonsson is a member of the Board of Directors. He has served as the vice president of markets and business development of business area "Eurasia" of TeliaSonera AB since 2011. Mr Salomonsson has served TeliaSonera AB since 1994 in various positions. From 1996 until 2001, he worked for Telia Nära AB as financial manager and managing director. From 2001 until 2002, he worked for Telia Mobile AB. From 2003 until 2007 he held the position of the chief financial officer at TeliaSonera AB (business area "Norway, Denmark and Baltics"). From 2007 until 2009 he held the position of the chief financial officer at TeliaSonera AB (business area "Mobility Services"). From 2010 until 2011, he held the position of the chief financial officer at TeliaSonera AB (business area "Eurasia"). Previously, Mr Salomonsson held various management positions at AGA AB in Sweden and ABB AB in Sweden, Italy and the U.S., as well as Lagan Press AB and SAAB Automobile AB in Sweden. Mr Salomonsson holds a master of business degree from the Stockholm School of Economics, Sweden. He is currently based in Sweden.

Members of the committees of the Board of Directors

Strategic Planning Committee

Bert Åke Stefan Chairman of the committee,
Nordberg independent director

Berndt Kenneth Member of the committee
Karlberg

Mats Göran Member of the committee
Salomonsson

Personnel and Remuneration Committee

Bert Åke Stefan Chairman of the committee,
Nordberg independent director

Tolga Köktürk Member of the committee

Mats Göran Member of the committee
Salomonsson

Audit Committee

Jan Erik Rudberg Chairman of the committee,
independent director

Berndt Kenneth Member of the committee
Karlberg

Tolga Köktürk Member of the committee

Social Matters Committee

Jan Erik Rudberg Chairman of the committee,
independent director

Mats Göran Member of the committee
Salomonsson

Tolga Köktürk Member of the committee

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 of 30 September 2012 it had approximately 12.7 million subscribers, representing a market share of 47.7%, as estimated by the Company. Its market share in terms of revenue was 57% for the year ended 31 December 2011.

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.

For the year ended 31 December 2011, the Company generated revenue of KZT 178,786 million (c.US\$1,193.0 million¹); EBITDA for 2011 was KZT 105,794 million (c.US\$706.0 million), representing a margin of 59.2%; and profit for the year was KZT 66,858 million (c.US\$446.1 million). For the nine months ended 30 September 2012, the Company generated revenue of KZT 133,104 million (c.US\$888.2 million); EBITDA for the period was KZT 74,503million (c.US\$497.2 million), representing a margin of 56.0%; and profit for the period of KZT 46,072 million (c.US\$307.4 million).

Kcell benefits from operating in the fast growing emerging economy of Kazakhstan. In 2011 Kazakhstan's real GDP growth was 7.5%, 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\$11,491 in 2011, according to the EIU, while Kazakhstan's unemployment rate declined from 6.6% in 2009 to 5.4% in 2011. As at 31 December 2011, Kazakhstan had a positive trade balance of US\$47.3 billion with foreign direct investments of US\$12.9 billion, according to the EIU.

The Company is controlled by TeliaSonera AB, one of Europe's largest telecommunication companies and a strong international telecoms operator with many years of successful experience in managing mobile telecoms and a pioneer in innovation and technology. Prior to the Offering, TeliaSonera AB held 49% of Kcell directly and 37.9% indirectly through Fintur Holdings B.V. ("Fintur"), a company jointly owned by TeliaSonera AB and Turkcell İletişim Hizmetleri A.Ş., resulting in a total effective ownership of 86.9%. Sonera Holding B.V., a 100% subsidiary of TeliaSonera AB, acquired its 49% holding from Kazakhtelecom JSC in 2012.

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.

Dividend policy

The Company's dividend policy is governed by the Company's corporate governance code, approved by the general meeting of shareholders on 17 October 2012. This dividend policy will apply to dividends to be declared by the Company after the declaration of the special dividend described below. Unless the Company's shareholders decide otherwise, annual dividends on common shares of the Company shall be at least 70% of the Company's net income for the previous financial year. When making

decisions on payment of dividends, the general meeting of shareholders will take into consideration the proposal of the Company's board of directors as to the amount of such dividends that shall be based on the Company's best interests, cash on hand, cash flow projections and investment plans in the medium term perspective, as well as capital market conditions.

The Company's current intention is to declare and pay a special dividend in the second quarter of the financial year ending 31 December 2013 in an amount referable to 100% of the net income of the Company for the period 1 July 2012 to 31 December 2012. This special dividend will be paid to shareholders of the Company pro rata to their shareholdings as at a record date to be set within the second quarter of 2013.

There is, however, no guarantee that the Company will declare and pay dividends in accordance with the foregoing policy or as stated above. In practice, the payment of dividends will depend upon a number of factors and is subject to various contingencies.

Important Notice

This press release does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefore. The offer and the distribution of this press release and other information in connection with the listing and offer in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This communication is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iv) other persons to whom it may lawfully be communicated (all such persons together being referred to as "relevant persons"). The offered securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.

This press release is not an offer to sell nor a solicitation to buy any securities nor a prospectus for the purposes of EU Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive") as may be amended from time to time. This communication is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive. A prospectus will be prepared and made available in accordance with the Prospectus Directive if any securities are issued and, when published, will be obtainable in accordance with the Prospectus Directive. Investors should not subscribe for or purchase any securities referred to in this press release except on the basis of the information contained in the prospectus to be published by the Company in due course relating to the securities. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in any relevant Member State) and includes any relevant implementing measure in the relevant Member State.

This press release may not be published, distributed or transmitted in or into the United States. This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States unless they are registered under the Securities Act or pursuant to an exemption from registration. There will be no public offering of the securities in the United States.

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Forward-looking statements are not guarantees of future performance. These forward-looking statements speak only as at the date of this release. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

¹The functional currency of the Company is Kazakhstan Tenge. Translations of Kazakhstan Tenge amounts into U.S. dollars are given solely for the convenience of the reader as at 30 September 2012 at the exchange rate of KZT 149.86 to one U.S. dollar, which was the official exchange rate quoted by the National Bank of Kazakhstan on 30 September 2012.