



Kcell launches 4G/LTE network in Kazakhstan

Almaty, 31 August 2016 - 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, has launched a 4G/LTE network in Kazakhstan.

The project has been implemented in partnership with Ericsson (NASDAQ: ERIC), one of the leading global suppliers of LTE technologies and services. The 4G/LTE network will be available to subscribers in the cities of Almaty, Atyrau, Aktau, Shymkent.

In addition, under a network sharing agreement between Kcell and Beeline Kazakhstan, owned by VimpelCom Group (NASDAQ: VIP), (announced today in a separate release), Kcell subscribers will be able to access 4G/LTE services in nine further cities: Astana, Karaganda, Zhezkazgan, Kostanay, Oskemen, Borovoe, Pavlodar, Semey and Satpayev¹. As a result, Kcell will offer 4G/LTE coverage in 13 cities, covering more than 30 percent of the population of Kazakhstan, by the end of 2016.

Kcell's 4G/LTE network will operate on the 800 MHz and 1800 MHz spectrum, which facilitates a more stable indoor signal and will greatly enhance the quality of mobile Internet services. 4G/LTE will offer speeds of up to 100 Mbit/sec.

Arti Ots, CEO of Kcell JSC, commented:

"Since we launched our first pilot 4G/LTE hot spots in shopping malls in February 2016, more than 200,000 unique subscribers have tested our 4G/LTE Internet services. Today more than 25 percent of Kcell customers are using 4G/LTE smartphones so we are delighted to be launching this 4G/LTE network.

Kcell aims at enhancing the quality of our clients' lives and providing services based on the highest international standards. The launch of the 4G/LTE network will enable our customers to maximize data speeds so that they can share, distribute and exchange large volumes quickly and easily."

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¹ Refer to "Kcell and Beeline Kazakhstan sign 4G/LTE network sharing agreement" announcement published on 31 August 2016 for further details

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Company Overview

Kcell provides mobile voice telecommunications services, messaging services, value-added services such as multimedia 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 GDRs 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, which represent 25 percent of Kcell's share capital.

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 and to introduce high quality 4G services. 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.