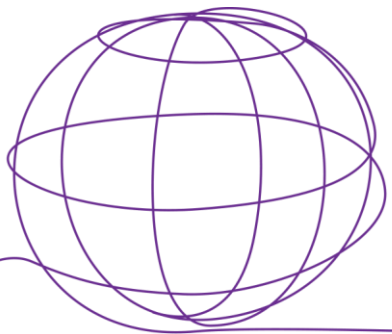


Kcell IPO



Pre-IPO

February 2012

TeliaSonera acquired 49 percent stake in the company from Kazakhtelecom and becomes the principal shareholder in Kcell increasing its effective ownership to 86.9 percent

August 2012

The Company was registered as Kcell Joint Stock Company according to the decision of Participants on re-organization of "GSM Kazakhstan OAO "Kazakhtelecom" LLP through transformation to Kcell Joint Stock Company



Kcell IPO

- In December 2012, Kcell successfully completed its offering of 50 million GDRs (representing 25 percent of total shares) on the LSE and common shares on KASE with TeliaSonera reducing its shareholding to 61.9 percent.
- The price was set at USD 10.50 per GDR and KZT 1,578.68 per share with each GDR representing one share.
- Funds raised by selling shareholder – USD 525 million
- It was the largest equity offering out of Kazakhstan over last 5 years 2nd largest IPO out of global frontier markets since 2010



IPO structure

Stock exchanges London (GDRs), KASE (shares)

Trading symbol KCEL (London), KCEL (KASE)

GDR depositary bank Deutsche Bank

Selling shareholder Sonera Holding B.V.


Offering size 50,000,000 shares / 25%

International/domestic split% 92/8

Global co-ordinators   

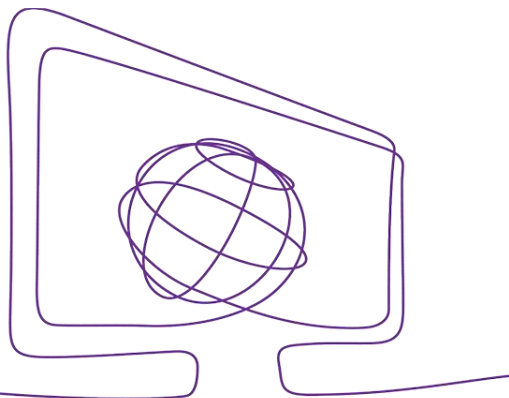
Domestic offer Visor Capital

Joint Bookrunner 

Co-manager 



IPO Process

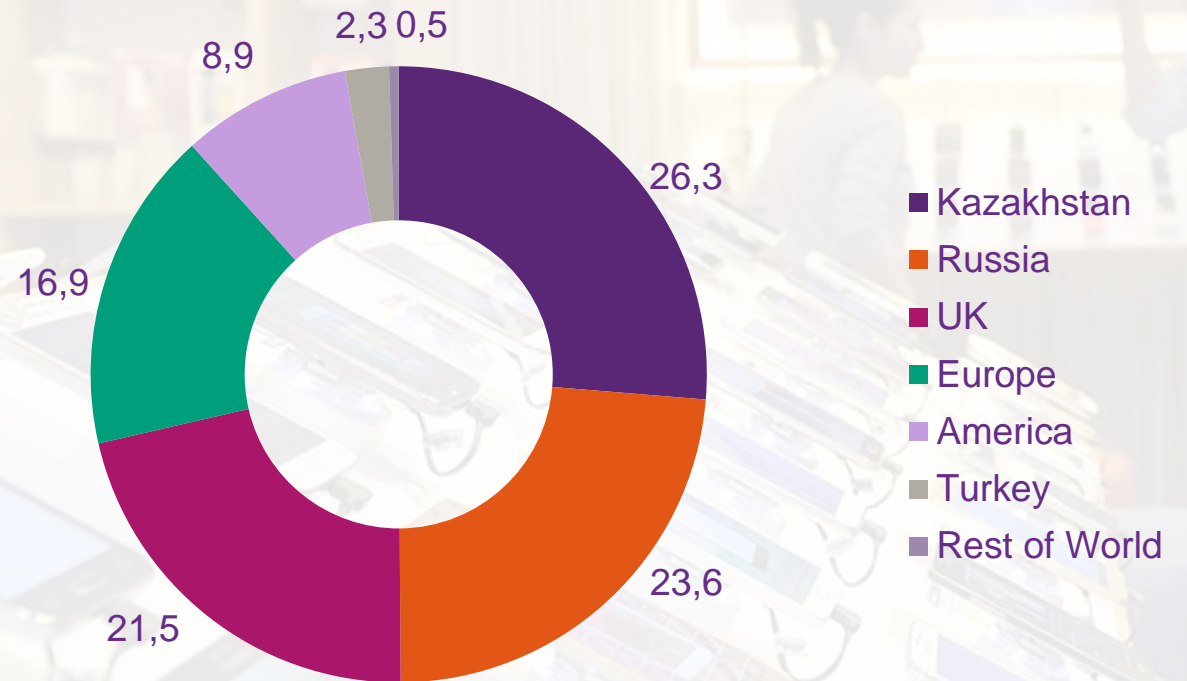


IPO and Deal Roadshow Summary

- Extensive marketing campaign, incl. pilot fishing in Almaty and London, followed by syndicates' analysts global investor education and management road show:
 - ✓ 11 cities (London, NY, Boston, Geneva, Zurich, Helsinki, Stockholm, Frankfurt, Moscow, St. Petersburg)
 - ✓ 64 meetings
 - ✓ 171 investors met
- Comfortably oversubscribed book
- Allocation concentrated to the highest quality investors, 70% long-only
- Strong participation from across the globe with orders from UK, US, Europe, Russia, UAE, Singapore, Hong Kong, Turkey
- Part of MSCI Kazakhstan and MSCI Frontier Markets Indices, KASE index.



Geographical split of free float %



Dividend policy

- Net income of the Company shall be allocated in accordance with a relevant decision of the AGM (annual general meeting of shareholders), based on the Company's development or other goals and a long-term targeted net debt to EBITDA ratio in the range of 0.5–0.9.
- Unless the Company's shareholders decide otherwise, annual dividends on common shares of the Company shall be at least 70% of the net income of the Company for the previous financial year.
- When making decisions on payment of dividends, the AGM 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 intends to pay dividends annually in respect of the previous financial year, as resolved by the Company's AGM.



Corporate Governance

- Kcell is committed to maintaining high standards of corporate governance that comply with both international best practice and the regulatory system within Kazakhstan
- Kcell Charter and the Code of Corporate Governance comply with the UK Code of Corporate Governance. It also complies with the regulations of the Kazakhstan Stock Exchange concerning joint stock companies and securities.
- The Kcell Board of directors comprised of seven members, three of the members are independent directors.

