



Q3 2013 Financial Results

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Continue to Deliver Growth

- Revenue KZT 48,749m (47,323)
 - Increase of 3.0% relative to Q3 2012
- EBITDA* KZT 26,892m (26,654)
 - Increase of 0.9% relative to Q3 2012
- EBITDA margin* 55.2% (56.3)
 - Continuous focus on cost efficiency
- Net income KZT 15,921m (16,647)
 - Decrease of 4.4%
- Subscribers 14.3m (14.1)
 - Increase by 175K relative to Q2 2013

* excluding non-recurring items



Key Highlights

- *Retaining the market leadership*
- *Superior profitability in a challenging environment*
- *Continuous increase of efficiency*
- *Focusing on innovation to remain at the forefront of technological developments*



Clear Strategy Focused on Value Creation

- *Maintain market leadership*
- *Leadership in data segment*
- *Cash generative growth*



Top Priorities

- *Quality of network*
- *Strengthening of the Company's position in the regions*
- *Cultural and organisational transformation*
- *Focus on Sustainability*

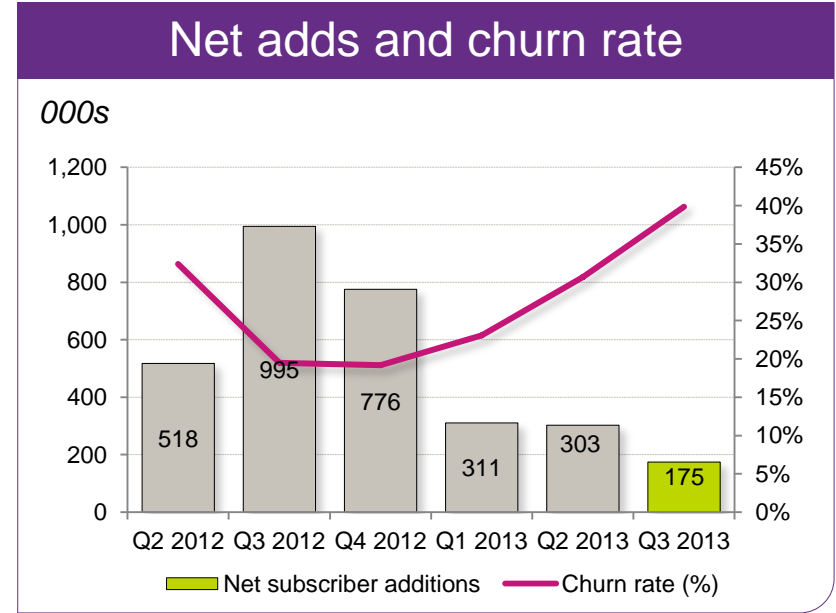
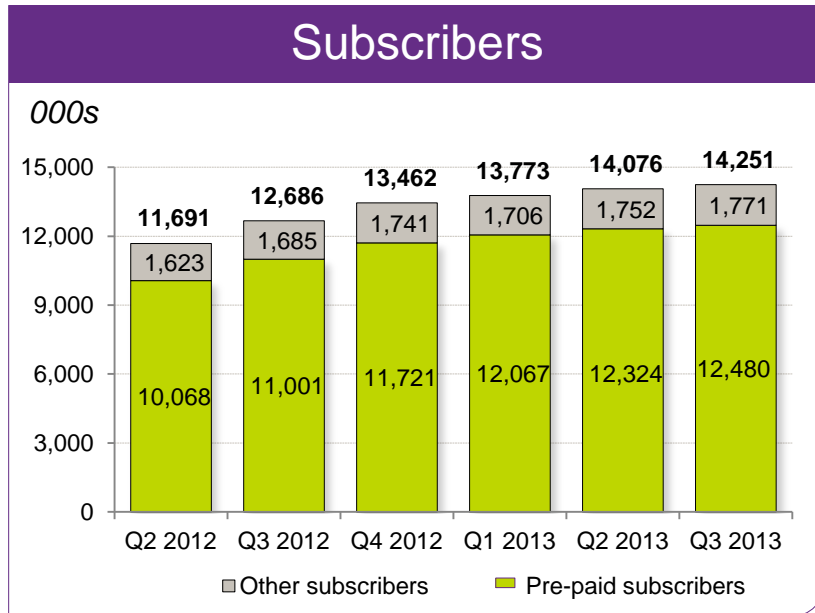


Market Update

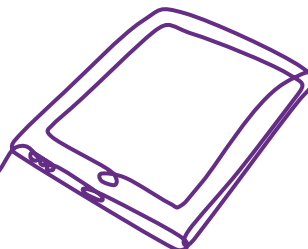
- *Ongoing price competition with Beeline and Tele2*
- *Altel 2G – 4G rollout*
- *Continuous pressure from the Regulator on end-user tariffs, MTR and introduction of number portability*



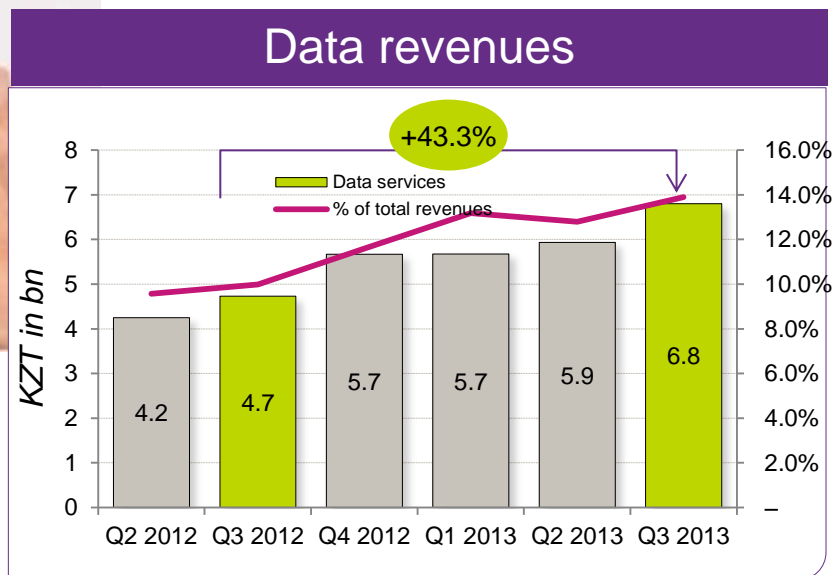
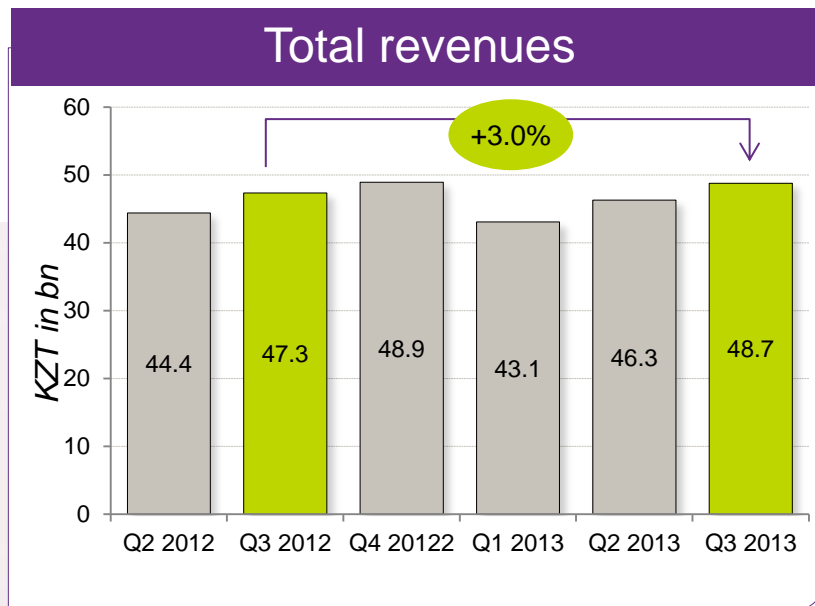
Growing Subscriber Base



- Growth in new subscribers, despite continued price competition and market saturation



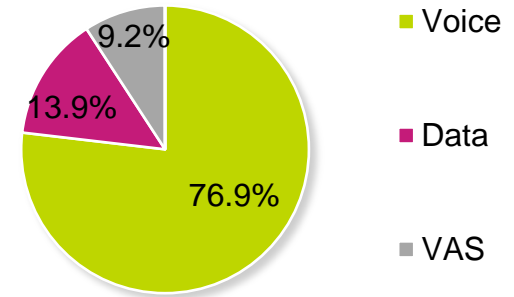
High Growth in Data



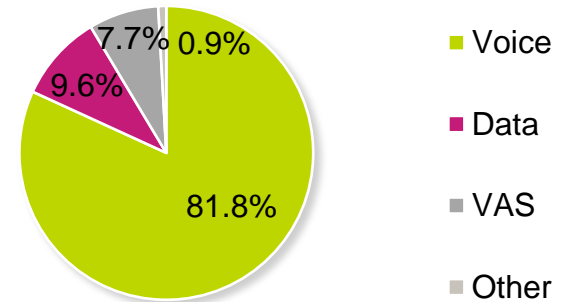
Data is Growing Fast



Revenue split Q3 2013

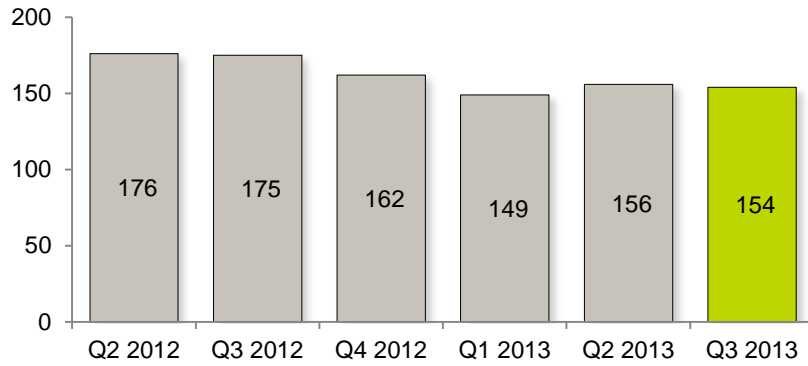


Revenue split Q3 2012

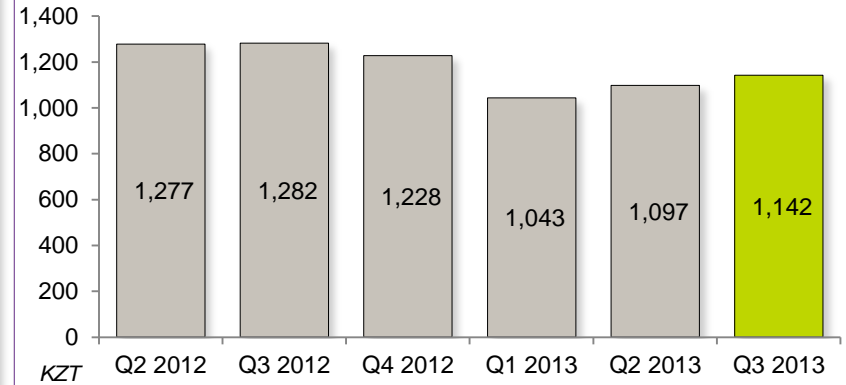


Voice Revenues

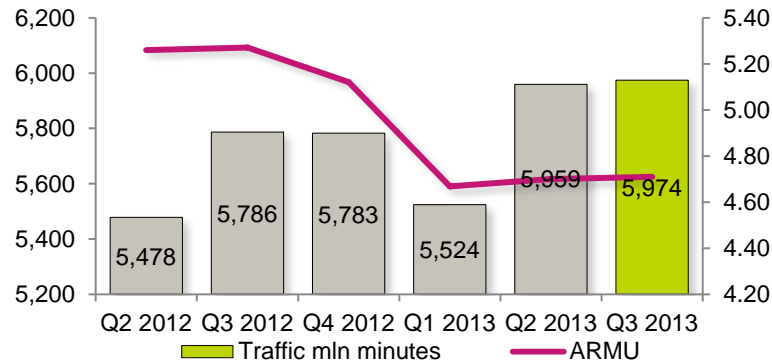
Minutes of Usage (MOU)



ARPU



Total traffic & ARMU in KZT



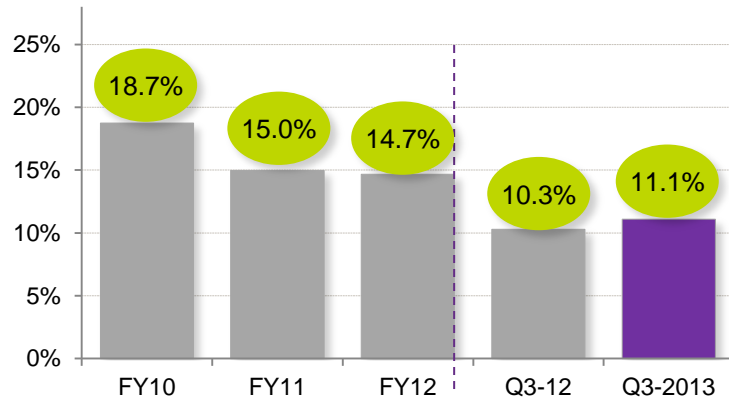
Financial Highlights Q3 and YTD2013

<i>KZT in millions, except per share data, number of shares and changes</i>	Q3 2013	Q3 2012	Chg (%)	YTD 2013	YTD 2012	Chg (%)
Revenues	48,749	47,323	3.0	138,073	133,104	3.7
EBITDA*	26,892	26,654	0.9	76,129	75,171	1.3
EBITDA margin (%)	55.2	56.3		55.1	56.5	
Operating income*	21,045	21,104	-0.3	58,749	58,266	0.8
Net income	15,921	16,647	-4.4	45,128	46,072	-2.0
Earnings per share (KZT)	79.61	83.24	-4.4	225.64	230.36	-2.0
Free cash flow	23,363	17,399		60,970	42,842	

*excluding non-recurring items

Capex Program

CAPEX-to-sales ratio



- 3G roll-out remains core priority
- Quality in network is the main focus
- Strong focus on efficiency
- Feasibility studies of LTE and Fiber cases

Robust Capital Structure

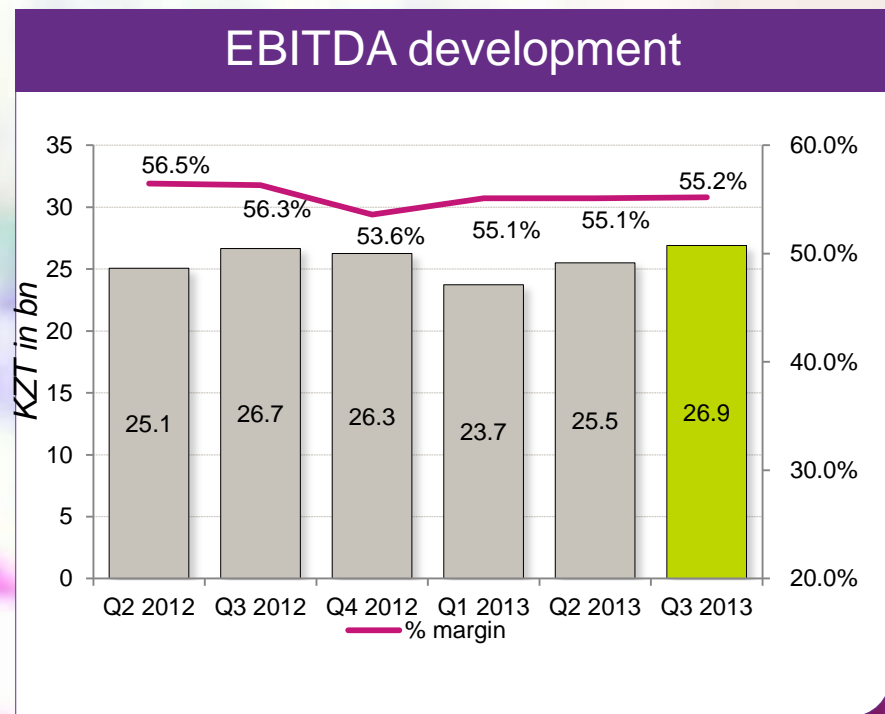
<i>KZT in millions</i>	Dec 31, 2012	Sep 30, 2013
Cash and equivalents	3,075	5,193
Gross financial debt	48,991	30,530
Reported net debt / (cash)	45,916	25,337
<i>LTM EBITDA</i>	101,426	102,000*
<i>Implied net debt / EBITDA</i>	0.46x	0.25x
<i>Implied net debt / book value of equity</i>	0.69x	0.32x
Dividends declared but unpaid	8,000	-
Adjusted net debt / (cash)	53,916	25,337
<i>Implied Adj. net debt / LTM EBITDA</i>	0.53x	0.25x
<i>Implied Adj. Net Debt / Book value of equity</i>	0.81x	0.32x



- Target leverage ratio (net debt / EBITDA) of 0.5-0.9x
- Net debt / EBITDA of 0.25x (as of Sep 30, 2013)
- Net debt / Equity of 0.32x (as of Sep 30, 2013)

*EBITDA for 9m 2013 plus Q4 2012

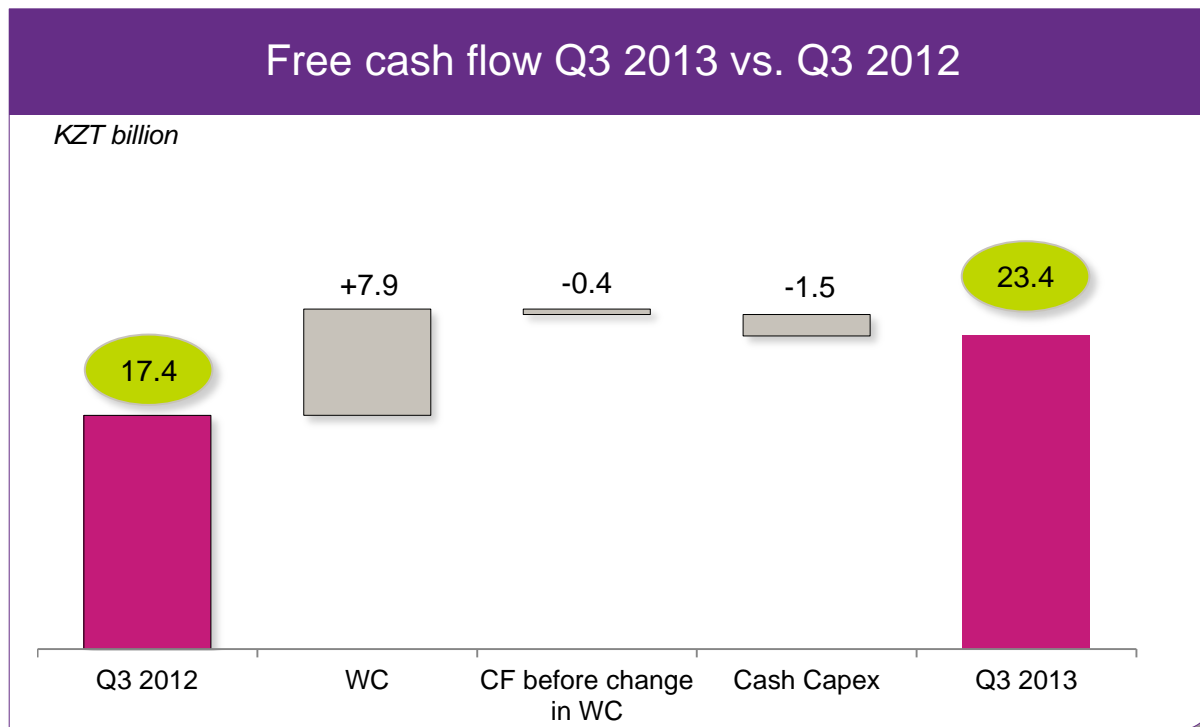
EBITDA Remains Stable



- EBITDA increased by 0.9 % relative to Q3 2012
- The EBITDA margin remained above 55 % due to our continuous focus on costs

* Excluding non-recurring items

Free Cash Flow Q3 2013 vs. Q3 2012



Regulatory Developments

- Regulator imposed new threshold of maximum prices
 - On January 30, 2013, Ministry of Transport and Communications sent the Reasoned opinion re lowering of price ceilings. On February 2, 2013 the Company challenged the lawfulness of the document in Specialised Inter-District Economic Court.
 - On April 16, 2013, the Company received MTC Order to eliminate breaches of RK law on natural monopolies and regulated markets, in which MTC refers to the violations committed by the Company through its failure to fulfill the requirements of the Reasoned Opinion. The Company also appealed against this act in the Specialised Inter-district Economic Court of Astana city
 - On June 12, 2013, the Specialized Inter-District Economic Court of Astana granted the Company's claim and invalidated and cancelled the disputed documents against the disputed documents of MTC.
 - On August 28, 2013 the Board of Appeals of Astana City Court to uphold the decision of the Specialized Inter-district Economic Court of Astana city of June 12, 2013 and to dismiss the appeal of MTC

Regulatory Developments

➤ MTR Regulation case

- Pursuant to the Order of RK Agency for Competition Protection (ACP) the Company has been included in the Register of dominants. The Company did not agree with the ACP's order, and applied to the Specialised Inter-District Economic Court of Astana city.
- On April 9, 2013, the Appellate Judicial Panel for Civil and Administrative Cases of Astana Court resolved to declare illegal and reverse order with regard to the inclusion of the Company in Register and grant the Company's appeal.
- On June 13, 2013 the Cassation Board of Astana court, having considered the ACP's cassation appeal, cancelled the decision of Appellate Judicial Panel for Civil and Administrative Cases of April 9, 2013, and ruled the case in favor of ACP.
- Now the Company continues to appeal against the ACP order in the Supervisory Board of the Supreme court.

Q&A



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Income Statement

<i>KZT in millions, except per share data, number of shares and changes</i>	Q3 2013	Q3 2012	Chg (%)	YTD 2013	YTD 2012	Chg (%)
Revenues	48,749	47,323	3.0	138,073	133,104	3.7
Cost of sales	-20,754	-18,699	11.0	-59,132	-55,604	6.3
Gross profit	27,995	28,624	-2.2	78,941	77,500	1.9
Selling and marketing expenses	-4,447	-4,887	-9.0	-12,572	12,108	3.8
General and administrative expenses	-2,587	-2,978	-13.1	-7,902	-8,083	-2.2
Other operating income and expenses, net	84	122	-30.6	282	289	-2.0
Operating income	21,045	20,881	0.8	58,749	57,598	2.0
Finance costs and other financial items, net	-536	5		-1,685	85	
Income after financial items	20,509	20,886	-1.8	57,064	57,683	-1.1
Income taxes	-4,588	-4,239	8.2	-11,936	-11,611	2.8
Net income	15,921	16,647	-4.4	45,128	46,072	-2.0
Earnings per share (KZT), basic and diluted	79.61	83.24	-4.4	225.64	230.36	-2.0

Balance Sheet

<i>KZT in millions</i>	Sep 30, 2013	Dec 31, 2012
Assets		
Intangible assets	14,606	16,140
Property, plant and equipment	109,961	110,337
Other non-current assets	3,362	3,121
Total non-current assets	127,929	129,598
Inventories	674	978
Trade and other receivables	11,697	15,990
Cash and cash equivalents	5,193	3,075
Total current assets	17,564	20,043
Total assets	145,493	149,641
Equity and liabilities		
Share capital	33,800	33,800
Retained earnings	45,129	32,403
Total equity attributable to owners of the parent	78,929	66,203
Deferred tax liabilities	5,800	5,104
Other long-term liabilities	988	988
Total non-current liabilities	6,788	6,092
Short-term borrowings	30,530	48,991
Trade payables, and other current liabilities	29,246	28,355
Total current liabilities	59,776	77,346
Total equity and liabilities	145,493	149,641

Statement of Cashflows

<i>KZT in millions</i>	Q3 2013	Q3 2012	YTD 2013	YTD 2012
Cash flow before change in working capital	22,177	22,584	64,716	62,523
Change in working capital	8,086	146	12,127	176
Cash flow from operating activities	30,263	22,730	76,843	62,699
Cash CAPEX	-6,900	-5,331	-15,873	-19,857
Total cash flow from investing activities	-6,900	-5,331	-15,873	-19,857
<i>Cash flow before financing activities</i>	23,363	17,399	60,970	42,842
Cash flow from financing activities	-20,250	-17,185	-58,852	-43,118
Cash flow for the period	3,113	214	2,118	-276
Cash and cash equivalents, opening balance	2,080	863	3,075	1,353
Cash flow for the period	3,113	214	2,118	-276
Cash and cash equivalents, closing balance	5,193	1,077	5,193	1,077

Forward-looking statements

Statements made in this document relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Kcell.