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**THE CITY OF KYIV LAUNCHES EXCHANGE OFFER AND CONSENT
SOLICITATION IN RESPECT OF OUTSTANDING LOAN PARTICIPATION
NOTES**

Kyiv, 23 November 2015 – The City of Kyiv, acting through the Department of Finance of the Executive Body of the Kyiv City Council (the “**Offeror**”) acting pursuant to authority granted by the Kyiv City Council (the “**City Council**”), is pleased to announce that it has launched an exchange offer (the “**Exchange Offer**”) in respect of the outstanding (i) U.S.\$250,000,000 8 per cent. Loan Participation Notes due 2015 issued by Credit Suisse International (the “**2015 Notes**”) and (ii) U.S.\$300,000,000 9.375 per cent. Loan Participation Notes due 2016 issued by Kyiv Finance plc (the “**2016 Notes**” and, together with the 2015 Notes, the “**Existing Notes**”), in each case issued for the sole purpose of funding loans to the City Council. Holders of Existing Notes are invited to tender their Existing Notes in exchange for new bonds to be issued by Ukraine with a coupon of 7.75% and maturing in 2019 and 2020 (the “**Sovereign Notes**”) and GDP-linked securities to be issued by Ukraine (the “**GDP-linked Securities**”).

In conjunction with the Exchange Offer, consents are being solicited from holders of the 2016 Notes by the issuer of such 2016 Notes (acting at the request and under the instructions of the Offeror) to approve the mandatory exchange of all of the 2016 Notes for Sovereign Notes and GDP-linked Securities (the “**Consent Solicitation**”, and the exchange contemplated by the Exchange Offer and the Consent Solicitation, together the “**Proposed Exchange**”)

The Offeror has published an Exchange Offer and Consent Solicitation Memorandum (the “**Memorandum**”) dated 23 November 2015 which contains detailed information about the Proposed Exchange, including the terms and conditions thereof, as well as a description of the procedures for holders of Existing Notes to participate in the Proposed Exchange. The Memorandum is available on the Offer Website maintained by D.F. King (as Information Agent) at sites.dfkingltd.com/kyiv, to eligible persons after completion of specified certification procedures.

Under the Proposed Exchange, holders of the Existing Notes are being asked to exchange their Existing Notes for (subject to rounding, a minimum tender requirement and eligibility criteria as set out in the Memorandum):

- Sovereign Notes (split equally between Sovereign Notes maturing in 2019 and 2020) with a principal amount equal to the sum of (i) 75% of the principal amount of Existing Notes held and (ii) Accrued Interest through to 2 November 2015 on such Existing Notes; and
- GDP-linked Securities having a Notional Amount of U.S.\$250 (except in the case of holders of 2016 Notes who do not participate in the Exchange Offer or consent to the Consent Solicitation on the terms set out in the Memorandum who will instead

receive GDP-linked Securities having a Notional Amount of U.S.\$220 in the event the Consent Solicitation is implemented).

In certain circumstances, set out in the Memorandum, holders of the Existing Notes who are not eligible to receive the Sovereign Notes or GDP-linked Securities pursuant to the Proposed Exchange, will instead receive the cash proceeds of a sale process of Sovereign Securities and/or GDP-linked Securities which would otherwise have been delivered to such holders if they were eligible, to be carried out by the Settlement and Tabulation Agent or Ukraine.

Holders of 2015 Notes have until 10:00 am (London time) on 8 December 2015 to submit Participation Instructions (and for such Participation Instructions to be received by the Settlement and Tabulation Agent) to tender their Notes for exchange pursuant to the Exchange Offer.

Holders of 2016 Notes have until 10:00 am (London time) on 4 December 2015 to submit Participation Instructions (and for such Participation Instructions to be received by the Settlement and Tabulation Agent) to tender their Notes for exchange pursuant to the Exchange Offer and vote in favour of the Consent Solicitation. A meeting of holders of the 2016 Notes will be held at the offices of White & Case LLP at 10:00 am (London time) on 8 December 2015 in respect of the Consent Solicitation.

Noteholders should note that any institution, intermediary or settlement system through which they hold any Existing Notes may impose earlier deadlines than those mentioned above and such Noteholders should observe such earlier deadlines in order to participate in the Exchange Offer and/or (in the case of the 2016 Notes only) the Consent Solicitation

In the event that the meeting of holders of 2016 Notes on 8 December 2015 is quorate and the Consent Solicitation is approved and/or the Offeror elects (in its sole discretion) to accept tenders of Existing Notes for exchange (which the Offeror expects to announce on or about the date of such meeting), and subject to certain other conditions to settlement set out in the Memorandum (including but not limited to, the approval by the City Council and Ukraine of the Proposed Exchange and the issue of the Sovereign Securities, respectively), the Offeror expects that settlement of the Proposed Exchange will occur on or about 17 December 2015. In the event that such meeting is not quorate, the Offeror retains the discretion to convene an adjourned meeting and postpone any announcement as to acceptances of tenders of Existing Notes for exchange until after such adjourned meeting.

Goldman Sachs International has been appointed by the Offeror to act as Dealer Manager only in respect of the Existing Notes represented by the Regulation S ISIN and held (directly or indirectly) by persons located outside of the United States.

Goldman Sachs International
Tel: +44 207 774 9862

Attention: Liability Management Desk
Email: liabilitymanagement.eu@gs.com

Terms used and not defined in this press release have the meanings given to them in the Memorandum.

Further Information

Any questions relating to the completion and submission of Participation Instructions or other matters relating to the voting process should be addressed to the Settlement and Tabulation Agent as follows:

Settlement and Tabulation Agent

The Bank of New York Mellon

In London:

One Canada Square

London E14 5AL

By telephone: +44 (0) 1202 689 644

By email: debtstructuring@bnymellon.com

Restrictions

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Italy

None of the Proposed Exchange, this announcement, the Memorandum or any other documents or materials relating to the Proposed Exchange have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”). The Proposed Exchange may only be carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”), and article 35-bis, paragraph 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Existing Notes can offer to exchange some or all of the Existing Notes through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with

applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority. Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in respect of the Existing Notes and/or the Proposed Exchange.

United Kingdom

The communication of this announcement or the Memorandum by the Offeror and any other documents or materials relating to the Proposed Exchange is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (i) persons having professional experience in matters relating to investments falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)) or (ii) any other persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

France

The Proposed Exchange is not being made, directly or indirectly, to the public in the Republic of France (“**France**”). Neither this announcement, the Memorandum nor any other documents or offering materials relating to the Proposed Exchange have been or shall be distributed to the public in France and only (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), as defined in, and in accordance with, Articles L.411-2-II-1 and D.321-1 of the French *Code monétaire et financier* and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, as defined in, and in accordance with, Articles L.411-2-II-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier* are eligible to participate in the Proposed Exchange. The Memorandum has not been and will not be submitted for clearance to nor approved by the *Autorité des marchés financiers* (“**AMF**”).

Pursuant to Article 211-3 of the General Regulation of the AMF, Holders and any Direct Participant are informed that the Sovereign Notes cannot be distributed (directly or indirectly) to the public in France otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

Belgium

Neither this announcement, the Memorandum nor any other documents or materials relating to the Proposed Exchange have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (“*Autorité des services et marches financiers / Autoriteit financiële diensten en markten*”) and, accordingly, the Proposed Exchange may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the “**Belgian Takeover Law**”) or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on

regulated markets (the “**Belgian Prospectus Law**”), both as amended or replaced from time to time.

Accordingly, the Proposed Exchange may not be advertised and the Proposed Exchange will not be extended, and neither this announcement, the Memorandum nor any other documents or materials relating to the Proposed Exchange (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to persons which are “qualified investors” in the sense of Article 10 of the Belgian Prospectus Law, acting on their own account; or (ii) in any other circumstances set out in Article 6, §4 of the Belgian Takeover Law and Article 3, §4 of the Belgian Prospectus Law. Each of this announcement and the Memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Proposed Exchange. Accordingly, the information contained in each of this announcement and the Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.