

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS), AUSTRALIA, CANADA, JAPAN OR THE RUSSIAN FEDERATION OR TO ANY OTHER JURISDICTION WHERE SUCH AN ANNOUNCEMENT WOULD BE UNLAWFUL. THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR THE RUSSIAN FEDERATION.

This announcement is an advertisement for the purposes of the Prospectus Rules of the United Kingdom Financial Conduct Authority (the "**FCA**") and not a prospectus and investors should not subscribe for or purchase any Global Depositary Receipts ("**GDRs**") referred to in this announcement except on the basis of information in the prospectus (the "**Prospectus**") to be published by TCS Group Holding PLC in due course. Investors will be able to obtain a copy of the Prospectus from the registered office of TCS Group Holding PLC at 4 Profiti Iliia, Kanika International Business Center, 6th Floor, 4046 Germasogeia, Limassol, Cyprus.

3 October 2013

TCS Group Holding PLC

Intention to Proceed with Initial Public Offering

TCS Group Holding PLC (the "**Company**") together with its consolidated subsidiaries (collectively, "**TCS**"), including "Tinkoff Credit Systems" Bank (Closed Joint Stock Company) ("**TCS Bank**"), Russia's leading provider of online retail financial services, announces its intention to proceed with an initial public offering (the "**Offering**") of its Class A ordinary shares ("**Shares**") in the form of GDRs. The Company intends to apply for the admission of GDRs to the official list ("**Official List**") of the FCA and to trading on the main market for listed securities of the London Stock Exchange plc ("**London Stock Exchange**").

The Offering

The Offering will include both primary and secondary components and is scheduled to take place in the fourth quarter of 2013, subject to market conditions. The Offering is expected to raise up to \$750 million, including a primary component of between \$150 million and \$200 million. The balance of the Offering will comprise the sale of Shares in the form of GDRs by Mr Oleg Tinkov and other shareholders.

The Company intends to use the substantial majority of the net proceeds of the primary portion of the Offering to enhance the capital position of TCS Bank, which would allow it to further grow its retail lending business (mainly comprising credit cards), with the remaining proceeds to be allocated to support the future development of TCS's other lines of business including insurance and payment solutions.

It is expected that Mr Oleg Tinkov and the Company's management will provide customary lock-up arrangements of 365 days, and the other existing shareholders will provide customary lock-up arrangements of 180 days, in relation to their respective holdings of Shares following the Offering.

TCS has appointed Goldman Sachs International, Morgan Stanley and Sberbank CIB as Joint Global Co-ordinators and Joint Bookrunners, J.P. Morgan and Renaissance Capital as Joint Bookrunners, and Pareto Securities AB as a Selling Agent for the Offering.

The GDRs are expected to be offered in the United States to certain qualified institutional buyers as defined in, and in reliance on, Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or another exemption from the registration requirements of the Securities Act, and outside the United States and the Russian Federation in offshore transactions in reliance on Regulation S under the Securities Act.

The Offering is subject to receipt of all the necessary regulatory approvals, including the relevant registration and approvals by the FCA.

Oliver Hughes, CEO of TCS Bank, commenting on today's announcement, said:

"TCS Bank is Russia's first online financial services provider. Since its launch in 2007, TCS Bank has grown into a leading credit card issuer and has developed a successful online retail deposits programme. Our highly experienced and entrepreneurial management team has steered the bank since the start-up stage, and has built it into a successful, rapidly growing and profitable business. An IPO will help to further strengthen TCS Bank's capital position and enable us to develop the payments and insurance businesses. I am confident that our clear vision and focus, data-driven approach, innovation and distinctive business model will allow us to continue with our growth momentum and bring greater value to all our stakeholders."

Overview of TCS Bank

TCS Bank is an innovative provider of online retail financial services operating in Russia through a high-tech branchless platform.

Since its launch in 2007 by Mr Oleg Tinkov, one of the best known Russian entrepreneurs with a long track record of creating successful businesses, TCS Bank has grown into a leader in the Russian credit card market, with the third largest credit card loan portfolio and a market share of 7.7% based on non-delinquent receivables (according to Central Bank of Russia ("**CBR**") data, as of 1 July 2013). As of 30 June 2013, TCS Bank's net loan portfolio was US\$1.95 billion. By 30 June 2013 it had also issued over 3.5 million credit cards.

In addition to a market-leading credit card offering, TCS Bank has developed a successful online retail deposits programme. As of 30 June 2013, TCS Bank's total customer accounts (retail deposits) amounted to US\$977 million.

Innovative approach

Currently, TCS Bank has been expanding to bring additional innovative online products and services to Russian consumers, including mobile financial services, payment solutions and insurance.

TCS Bank has built an advanced high-tech retail financial services platform that provides deep reach all over Russia, including underserved parts of the country. This platform is entirely branchless, with a very low fixed cost base and high degree of operating flexibility. It serves customers remotely through award-winning Internet and mobile banking interfaces and high-volume call centres which set TCS Bank apart from competitors. Operating flexibility and reach are further enhanced by TCS Bank's use of direct marketing channels that enable it to attract new customers practically anywhere in Russia. TCS Bank's primary distribution channels are online (the Internet, mobile and telesales), direct mail and through direct sales agents. TCS Bank has built a high volume business and attracted over 500,000 credit card applications in June 2013 alone. In order to support its branchless platform, TCS Bank has also developed a "smart courier" network covering almost 600 cities and towns in

Russia which allows next day delivery to many customers. Robust data and risk management underpin TCS's continuing success, as does its focus on high quality customer service.

Wide strategic opportunity

TCS Bank's strategic goal is to become a diversified and integrated retail financial services provider serving customers through a high-tech online platform that offers premium-quality service and convenience, while maintaining high growth rates, profitability and effective data-driven risk management.

TCS Bank aims to achieve this by:

- Maintaining emphasis on further developing the high-growth credit card platform and other products for the consumer lending market
- Deploying transactional and payment products to acquire new customers and increase retention rates for existing customers
- Selling or cross-selling other new financial and non-financial products
- Maintaining leadership in customer service quality
- Continuing to support business expansion by using advanced IT systems
- Effectively managing credit risk in reliance on sophisticated data analysis and modelling
- Further improving cost-efficiency of operations

Strong financial performance

As of 30 June 2013, TCS Bank's total assets amounted to US\$2,419 million, loans and advances to customers stood at US\$1,952 million and customer accounts (deposits) amounted to US\$977 million. In the six months ended 30 June 2013, TCS Bank generated a net profit of US\$79 million and net interest income of US\$394 million, as compared to US\$52 million and US\$207 million in the first six months of 2012.

As of 31 December 2012, TCS Bank's total assets amounted to US\$2,173 million, loans and advances to customers stood at US\$1,573 million and customer accounts (deposits) amounted to US\$878 million. In 2012, TCS Bank generated profit for the year of US\$122 million and net interest income of US\$500 million, as compared to US\$68 million and US\$254 million in 2011, and US\$9 million and US\$96 million in 2010.

TCS Bank is well capitalised with the CBR N1 capital adequacy ratio at 17.1% as of 1 July 2013, while under international Basel III guidelines, its total capital ratio was at 22.0% and Tier 1 capital ratio was at 15.0% as of 30 June 2013.

For enquiries:

"Tinkoff Credit Systems" Bank (Closed Joint Stock Company)

Oleg Anisimov

+7 985 923 92 45

FTI Consulting London

Larisa Millings

+44 (0)20 7269 7153

FTI Consulting Moscow
Maria Shiryayevskaya
+7 495 795 06 23

Forward-looking statements

Some of the information in this announcement may contain projections or other forward-looking statements regarding future events or the future financial performance of the Company or TCS Bank. You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could," "may" or "might", the negative of such terms or other similar expressions. The Company and TCS Bank wish to caution you that these statements are only predictions and that actual events or results may differ materially. The Company and TCS Bank do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Company or TCS Bank, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, rapid technological and market change in the industries TCS Bank operates in, as well as many other risks specifically related to the Company, TCS Bank and their respective operations.

Disclaimer

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

Neither this announcement nor any copy of it may be taken or transmitted, directly or indirectly, into the United States, Australia, Canada, Japan or the Russian Federation. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe 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 therefor. The offer and the distribution of this announcement 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 announcement is not an offer for sale of any securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company has not registered and does not intend to register any portion of any offering in the United States or to conduct a public offering of any securities in the United States.

*This announcement is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "**Order**") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order or (iv) persons to whom this announcement may otherwise be lawfully communicated (all such persons together being referred to as "**relevant persons**"). Any investment activity to which this announcement relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.*

*This announcement is distributed in any member state of the European Economic Area which applies Directive 2003/71/EC as amended by Directive 2010/73/EU (together with any implementing measures in any member state, the "**Prospectus Directive**") only to those persons who are qualified investors for the purposes of the Prospectus Directive in such member state ("**qualified investors**"), and such other persons as this document may be addressed on legal grounds, and no person that is not a qualified investor or relevant person may act or rely on this document or any of its contents.*

This announcement does not constitute an advertisement, a public offer of securities in the Russian Federation, and is not an offer or an invitation to make offers, sell, purchase, exchange or transfer any securities in the Russian Federation or to or for the benefit of any Russian person, and must not be passed on to third parties or otherwise be made publicly available in Russia. The GDRs will not be registered and admitted to placement or public circulation in Russia and may not be offered to any person in the Russian Federation except as permitted by Russian law.

The timetable of the Offering, including the date of admission of GDRs to the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange, may be influenced by a range of circumstances such as market conditions. There can be no assurance that such admission will occur and you should not base your financial decisions on the Company's intentions in relation to the Offering at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offering. The price of securities can go down as well as up. Potential investors should consult a professional adviser as to the suitability of the Offering for the person concerned. Past performance is not a guide to future performance.

The Joint Global Co-ordinators and the Joint Bookrunners, each of which is authorised by the Prudential Regulation Authority and regulated in the UK by the FCA and the Prudential Regulatory Authority, are acting exclusively for the Company and no one else in connection with the Offering and will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients for giving advice in relation to the Offering or the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, any of the Joint Global Co-ordinators, the Joint Bookrunners or any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares in the form of GDRs and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the Shares in the form of GDRs being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Joint Global Co-ordinators, the Joint Bookrunners or any of their respective affiliates acting as investors for their own accounts. The Joint Global Co-ordinators, the Joint Bookrunners or any of their respective affiliates do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Joint Global Coordinators, the Joint Bookrunners or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation

or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from this announcement) or any other information relating to the Company, its subsidiaries, associated companies or direct or indirect shareholders, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, Goldman Sachs International, as stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares in the form of GDRs or effect other transactions with a view to supporting the market price of the Shares in the form of GDRs at a higher level than that which might otherwise prevail in the open market. The stabilising manager will not be required to enter into such transactions and such transactions may be effected on any stock, market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares in the form of GDRs on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilising manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares in the form of GDRs above the offer price. Save as required by law or regulation, neither the stabilising manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offering.