



JSC TGC-1

3M 2015 IFRS Results

May 14, 2015
Saint Petersburg

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Operational Highlights

	3M 2014	3M 2015	Change
Installed Capacity, MW	7,244	7,144	-1.4%
Electricity Production, mn kWh, Including:	7,725	7,496	-3.0%
CHP	4,899	4,800	-2.4%
HPP	2,826	2,696	-4.6%
Electricity Sales Including Purchased Energy, mn kWh	8,441	8,511	0.8%
Capacity Sales, MW (monthly average)	5,274	2,960	-43.9%
Heat Output, thous Gcal	9,377	9,102	-2.9%
Useful Heat Output Including Purchased Energy, thous Gcal	9,288	9,160	-1.4%
Fuel Rate on Electricity*, g/kWh	256.8	251.6	-2.0%
Fuel Rate on Heat*, kg/Gcal	138.7	137.7	-0.7%
Capacity Load Factor, %*	49.4	48.7	-1.4 p.p.
CHP	52.7	51.9	-1.5 p.p.
HPP	44.5	43.8	-1.6 p.p.

Financial Highlights, mn RUR

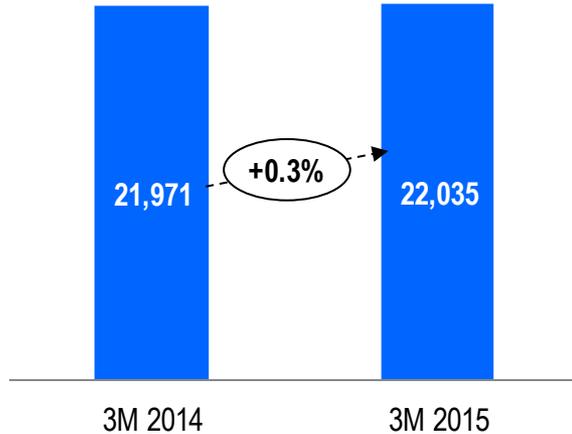
	3M 2014	3M 2015	Change
Revenue	21,971	22,035	+0.3%
Operating Expenses, Incl.:	(17,928)	(17,549)	-2.1%
Variable Costs	(12,703)	(12,471)	-1.8%
Fixed Costs	(3,549)	(3,290)	-7.3%
Depreciation and Amortization	(1,676)	(1,788)	+6.7%
Total Operating Expenses**	(17,477)	(17,458)	-0.1%
Operating Profit	4,494	4,577	+1.8%
Profit Before Income Tax	3,833	4,045	+5.5%
EBITDA ***	6,170	6,365	+3.2%
EBITDA, adj. ****	3,136	3,295	+5.1%
Profit for the Year	21,971	22,035	+0.3%
Profit for the Year, adj. ****	(17,928)	(17,549)	-2.1%

* Without Murmanskaya CHP.

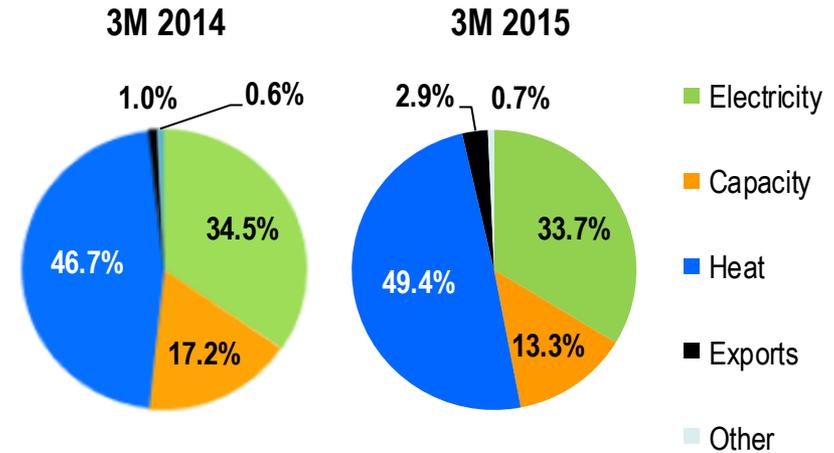
** With account to Government grants, Impairment of PP&E and Other operating income.

*** EBITDA = Operating profit + Depreciation of property, plant and equipment and Amortization of intangible assets and investment property

Revenue, mn RUR



Revenue Structure*



Prices and Tariffs*, mn RUR

	3M 2014	3M 2015	Change
Average Electricity Price, Thous RUR/MWh	926.7	949.4	+2.5%
Average Heat Tariff, RUR/Gcal	1,120.3	1,196.6	+6.8%
Average New Capacity Price, RUR/MWh per Month	547,980.6	612,901.8	11.8%
Average Old Capacity Price RUR/MWh per Month	145,873.6	141,089.7	-3.3%

Revenue Change Factors

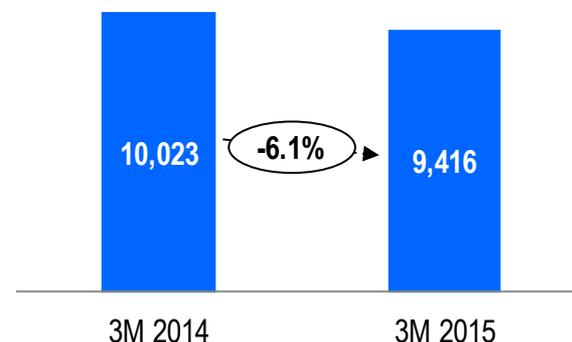
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 - Heat revenue growth due to increase of heat tariff;
 - Increase of electricity sales at the “day-ahead” market;
 - Two times growth of export electricity sales;
 - Increase of “forced power” capacity sales.
- - Decrease of “competitive capacity outage” sales due to reduction of capacity taken by “competitive capacity outage”;
 - Decrease of sales by “regulated contracts”.

* Management report data.

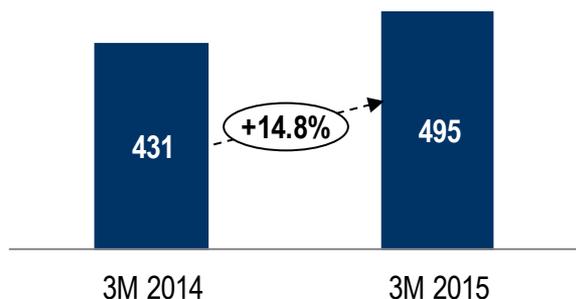
Variable Costs, mn RUR

	3M 2014	3M 2015	Change
Fuel	10,023	9,416	-6.1%
Electricity, Capacity and Heat Purchases	1,525	1,864	+22.2%
Water Usage Expenses	598	584	-2.3%
Other Materials	126	112	-11.1%
Heat Transmission	431	495	+14.8%
Total Variable Costs	12,703	12,471	-1.8%

Fuel Expenses, mn RUR



Heat Transmission, mn RUR



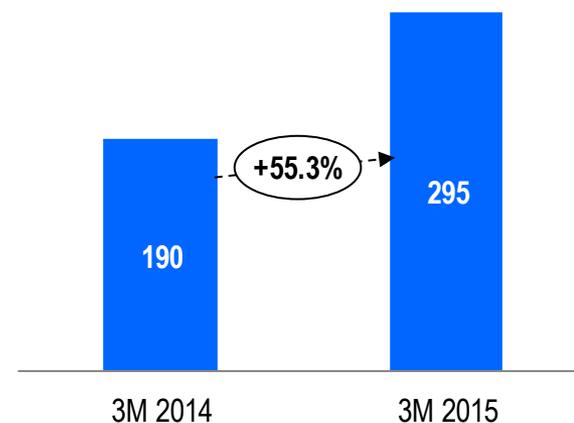
Variable Costs Change Factors

- Decreased fuel costs due to lower electricity production at ineffective CHP units.
- Growth of Electricity, Capacity and Heat Purchases expenses due to an increase in export volumes;
- Growth of Heat Transmission expenses resulting from additional transit costs of heat at JSC Apatit as well as increased tariff for heat transmission contract with JSC Hibinskaya Heating Company and JSC Apatitenergo since 2H 2014.

Fixed Costs, mn RUR

	3M 2014	3M 2015	Изм.
Employee Benefits	1,737	1,790	+3.1%
Repairs and Maintenance	422	500	+18.5%
Taxes Other than Income Tax	190	295	+55.3%
Fees of Electricity Market Operators	212	214	+0.9%
Operating Lease Expenses	81	80	-1.2%
Insurance Cost	64	72	+12.5%
Other	843	339	-59.7%
Total Fixed Costs	3,549	3,290	-7.3%

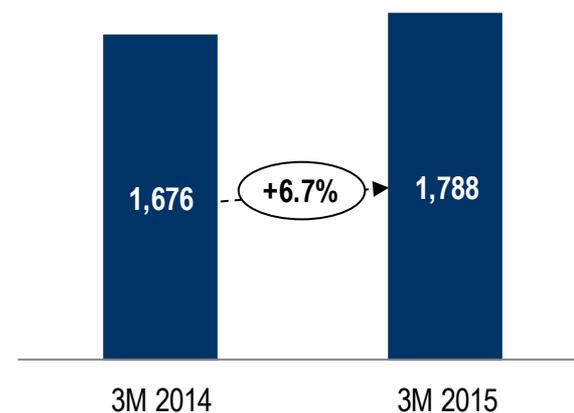
Taxes other than Income Tax, mn RUR



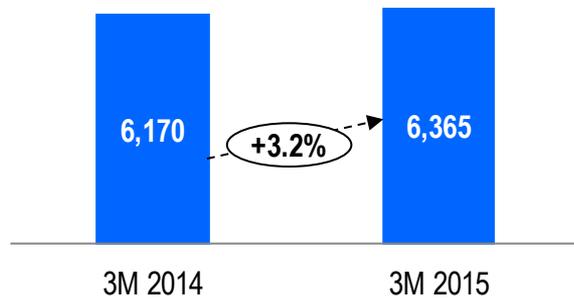
Fixed Costs and Depreciation Change Factors

- Increase of Repairs and Maintenance costs on the back of planned repairs of PP&E.
- Increase of Taxes other than Income Tax statement item due to the high base in Q1 2014.

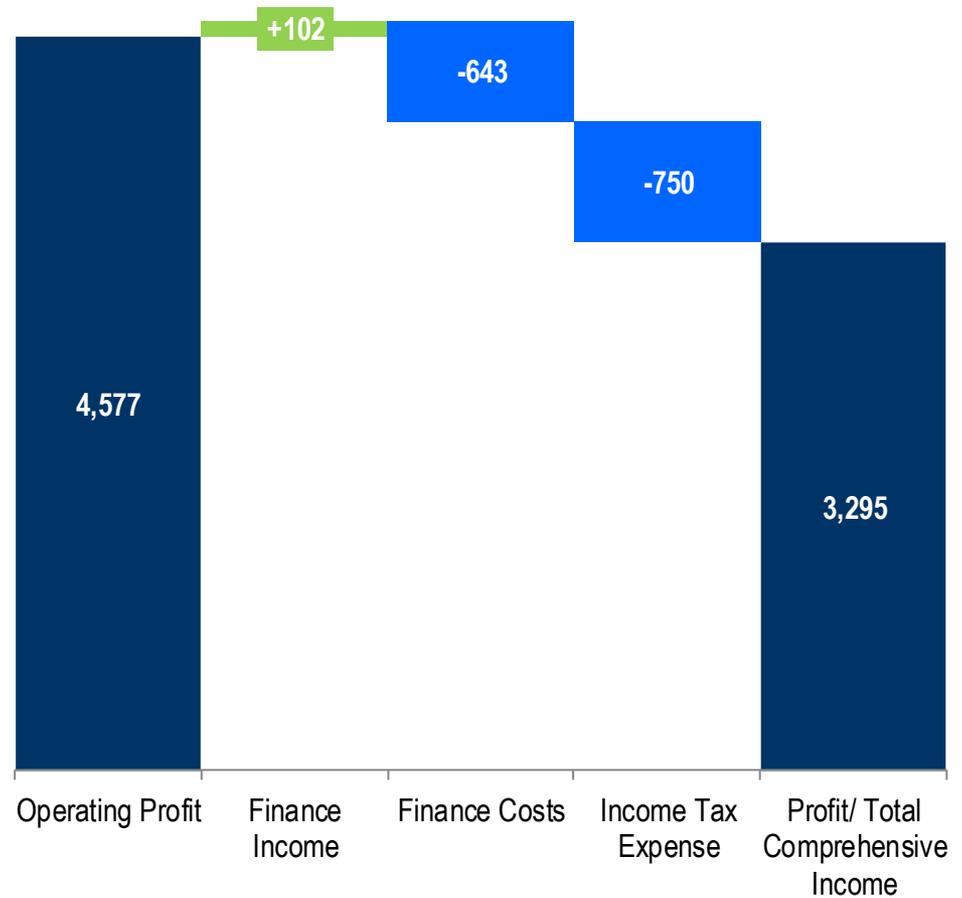
Depreciation and Amortization, mn RUR



EBITDA, mn RUR

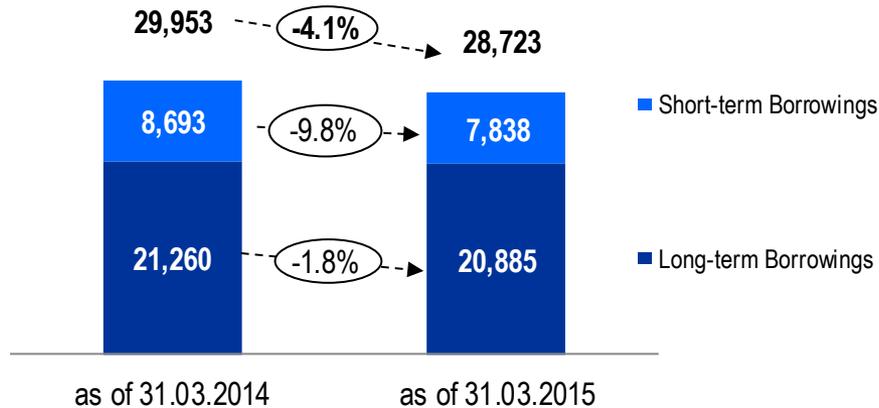


Profit Bridge for 3M 2015, mn RUR

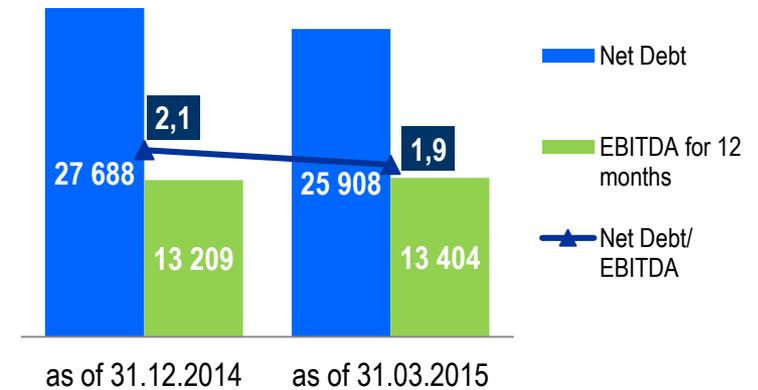


* Adjusted to Impairment of PP&E.

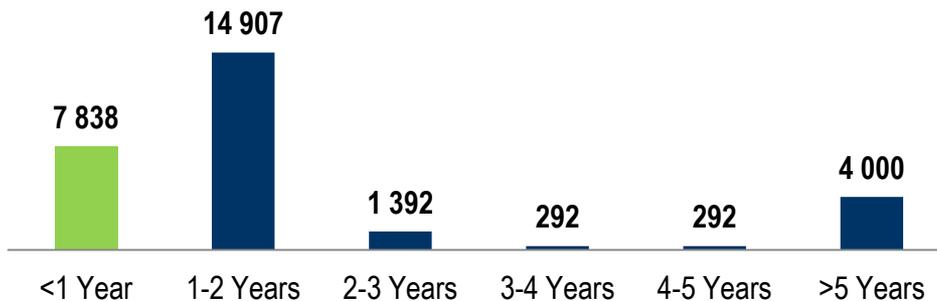
Debt Structure, mn RUR



Net Debt*/ EBITDA



Maturity Profile, as of March 31, 2015, mn RUR



Debt Portfolio Management

The weighted average effective interest rate for the debt portfolio for the 3 months of 2015 amounted (cumulatively, year to date) to 9.5%.

Two bond issues series 03-04 of TGC-1 are traded on Moscow Exchange.

* Net debt = Total amount of borrowings less cash and cash equivalents

** EBITDA for 12 months, ended March 31, 2015 = EBITDA for FY 2014 + EBITDA for 3M 2015 - EBITDA for 3M 2014

Dynamics of Sale Prices for Electricity at the Day-ahead Market

TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUR/ MWh



Kolsky Branch

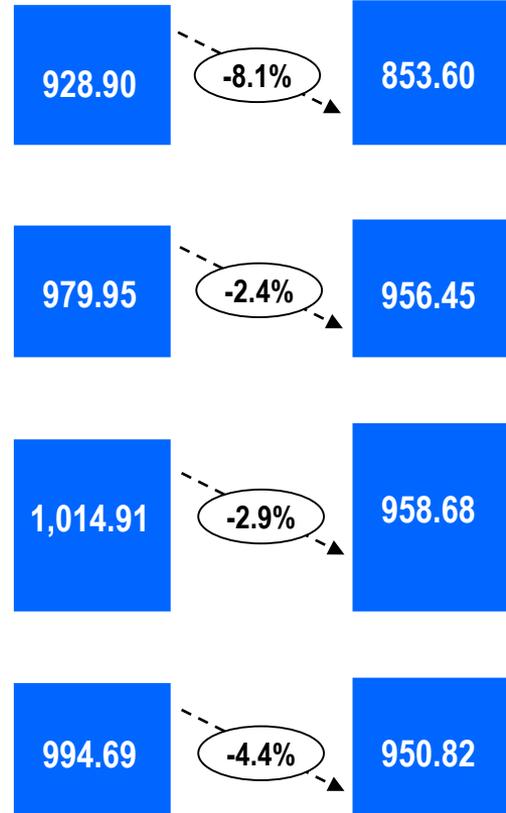
Karelsky Branch

Nevsky Branch

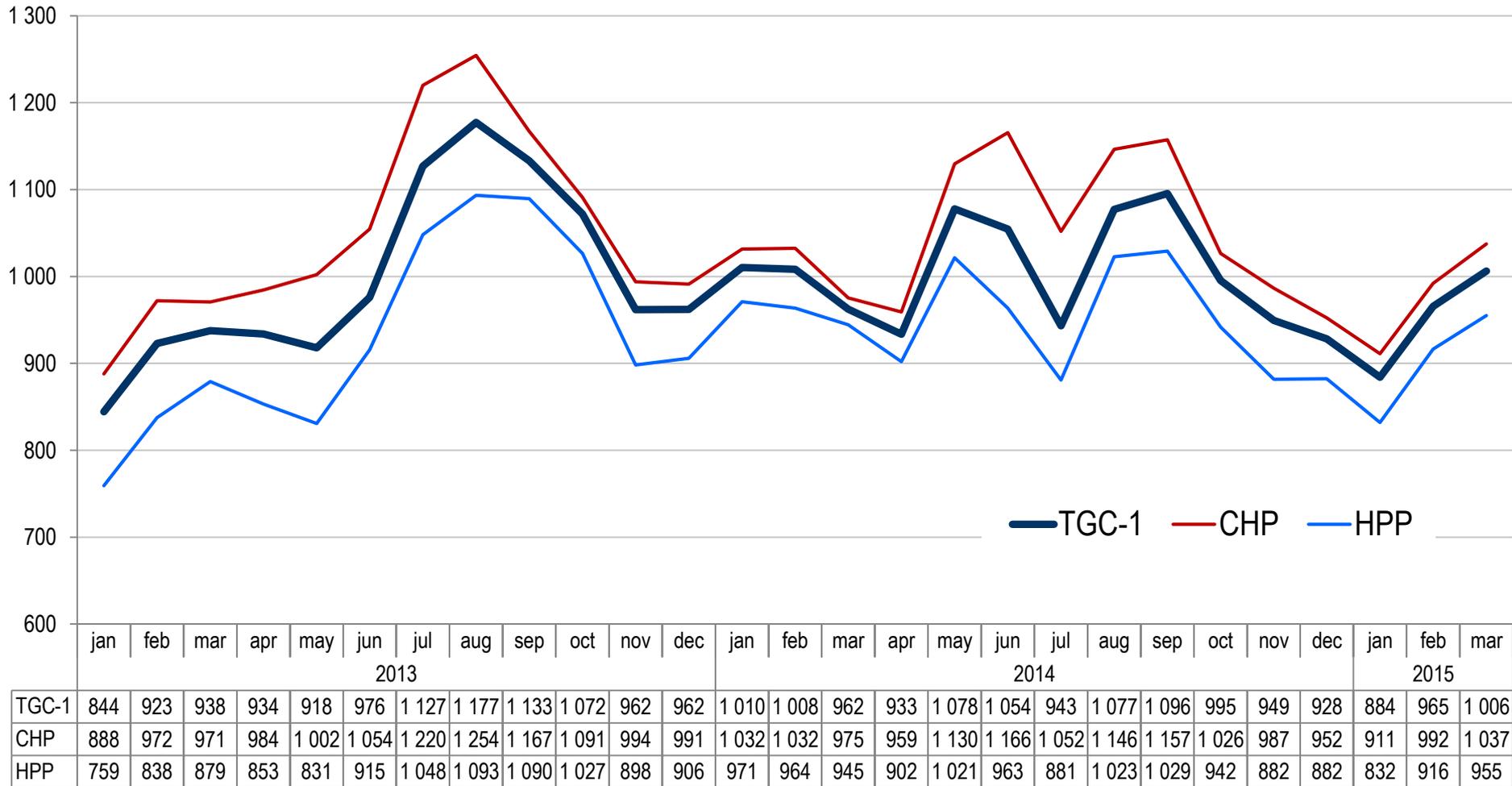
TGC-1

3M 2014

3M 2015



TGC-1's Sale Price for Electricity at the Day-ahead Market, RUR/MWh



Thank you for Your Attention!

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