



TGC-1

9M 2017 IFRS Results

November 8, 2017
Saint Petersburg

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Operational Highlights

	9M 2016	9M 2017	Change
Installed Capacity, MW	6,852	6,950	+1.4%
Electricity Production, mln kWh, Including:	20,270	20,884	+3.0%
CHPP	10,430	10,731	+2.9%
HPP	9,840	10,153	+3.2%
Electricity Sales Including Purchased Energy, mln kWh	22,363	23,138	+3.5%
Capacity Sales, MW (monthly average)	5,325	5,313	-0.2%
Heat Output, thous Gcal	15,729	16,576	+5.4%
Useful Heat Output Including Purchased Energy, thous Gcal	16,281	16,914	+3.9%
Fuel Rate on Electricity*, g/kWh	215.4	216.2	+0.4%
Fuel Rate on Heat*, kg/Gcal	170.9	170.0	-0.5%
Capacity Load Factor, %*	44.6	45.9	+1.3 p.p.
CHPP	39.1	40.1	+1.0 p.p.
HPP	52.4	54.2	+1.8 p.p.

Financial Highlights, RUB mln

	9M 2016	9M 2017	Change
Revenue	54,416	60,176	+10.6%
Operating Expenses, Incl.:	(45,639)	(50,651)	+11.0%
Variable Costs	(27,917)	(30,828)	+10.4%
Fixed Costs	(12,385)	(13,666)	+10.3%
Depreciation and Amortization	(5,337)	(6,157)	+15.4%
Total Operating Expenses**	(44,999)	(50,296)	+11.8%
Operating Profit	9,417	9,881	+4.9%
Profit Before Income Tax	7,974	8,799	+10.3%
EBITDA***	14,754	16,038	+8.7%
Profit/ Total Comprehensive Income for the Period	6,746	6,766	+0.3%

* Without Murmanskaya CHPP.

** With account to Other operating income and Government subsidy.

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

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

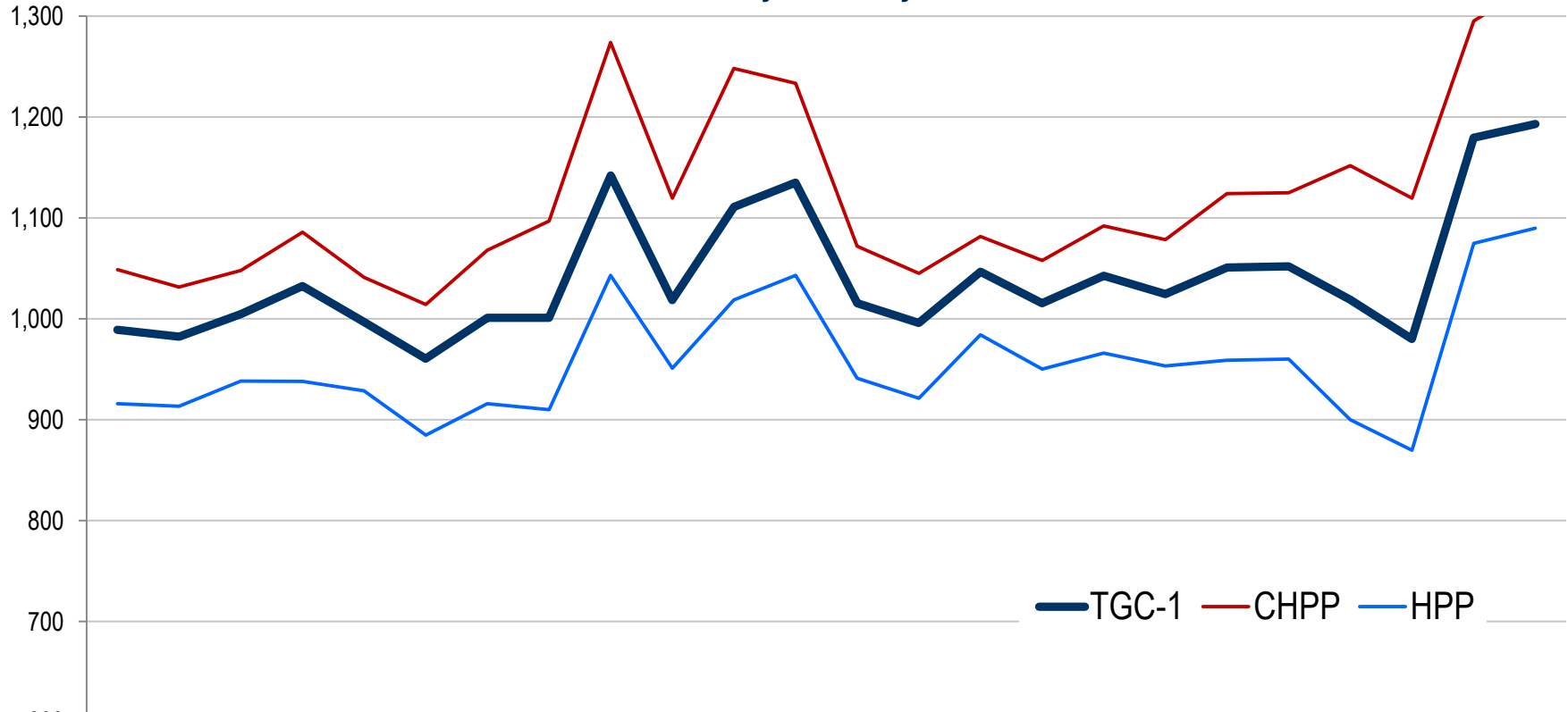
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/ MWh

CHPP
13
HPP
40



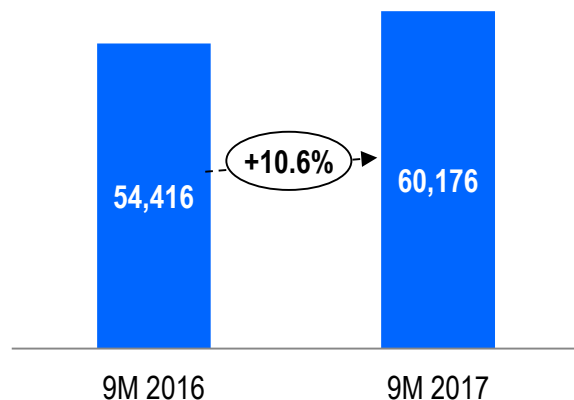
	9M 2016		9M 2017
Kolsky Branch	874.84	+0.8%	881.55
Karelsky Branch	1,022.25	+1.9%	1,041.49
Nevsky Branch	1,117.04	+2.3%	1,142.50
TGC-1	1,037.75	+2.2%	1,061.04

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

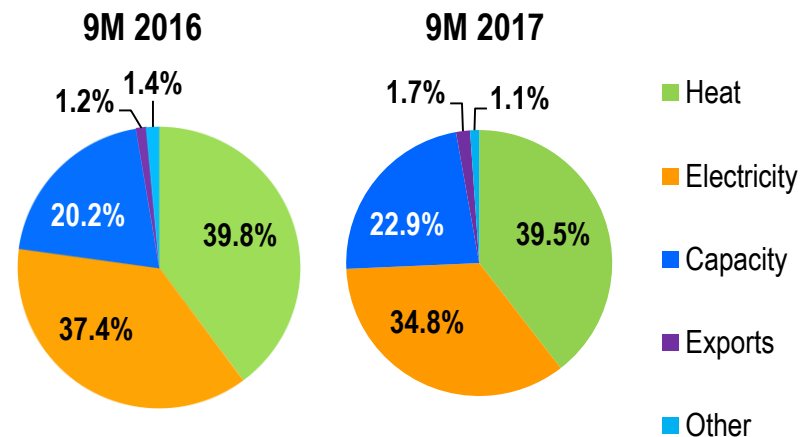


	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep
	2015			2016									2017											
TGC-1	989	982	1,005	1,032	997	960	1,001	1,001	1,142	1,019	1,111	1,135	1,016	996	1,047	1,016	1,043	1,025	1,051	1,052	1,019	980	1,180	1,193
CHPP	1,049	1,032	1,048	1,086	1,041	1,014	1,068	1,097	1,274	1,120	1,248	1,234	1,072	1,045	1,082	1,058	1,092	1,079	1,124	1,125	1,152	1,120	1,295	1,334
HPP	916	913	938	938	929	885	916	910	1,043	951	1,019	1,043	941	921	984	950	966	953	959	960	900	870	1,075	1,090

Revenue, RUB mln



Revenue Structure*



Prices and Tariffs*

	9M 2016	9M 2017	Change
Average Electricity Price, RUB/MWh	940.9	949.4	+0.9%
Average New Capacity Price, RUB/MWh per Month	650,411.6	867,585.8	+33.4%
Average Old Capacity Price RUB/MWh per Month	113,697.4	116,767.7	+2.7%

Revenue Change Factors

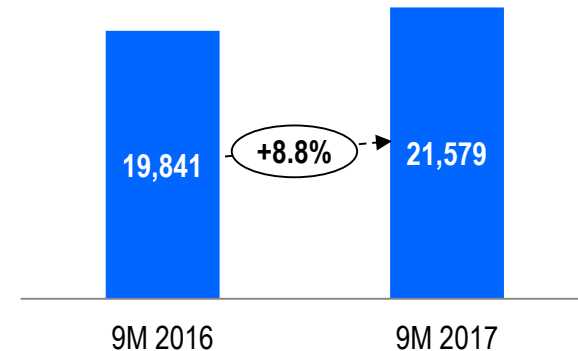
- The increase in capacity prices for CSA facilities in connection with the indexation of a number of indicators for calculating the price for capacity, as well as the commissioning of a CCGT-CHPP at the site of Power Plant No. 1 of the Centralnaya CHPP;
- Priority loading of combined-cycle plants with a high efficiency;
- An increase in the average annual selling price on the day-ahead market;
- Increase in electricity generation at hydroelectric stations due to higher water content at all branches of PJSC "TGC-1";
- The increase in the volume of heat supply due to lower temperatures during the heating season throughout 2017, as well as an increase in the tariff for thermal energy.

* Management report data.

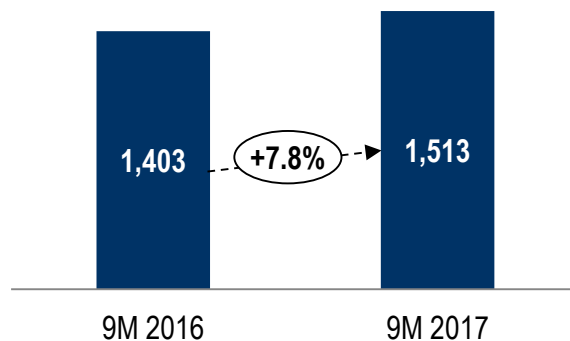
Variable Costs, RUB mln

	9M 2016	9M 2017	Change
Fuel	19,841	21,579	+8.8%
Electricity and Heat Purchases	4,260	5,037	+18.2%
Water Usage Expenses	1,862	2,050	+10.1%
Other Materials	551	649	+17.8%
Heat Transmission	1,403	1,513	+7.8%
Total Variable Costs	27,917	30,828	+10.4%

Fuel Expenses, RUB mln



Heat Transmission, RUB mln



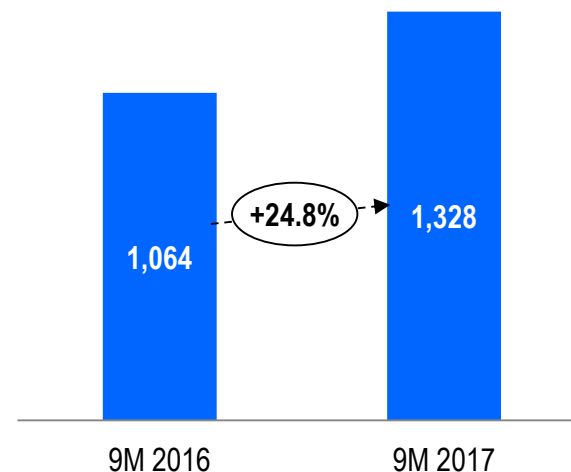
Variable Costs Change Factors

- Increased expenses for heat purchase in 9M 2017 year-on-year is related mostly to growing heat purchase volumes in Karelia, longer 2016/2017 heating season in Karelia, as well as growing tariff;
- Growing water usage expenses on the back of increased water supply tariff.

Fixed Costs, RUB mln

	9M 2016	9M 2017	Change
Employee Benefits	5,504	5,601	+1.8%
Repairs and Maintenance	2,386	2,338	-2.0%
Taxes Other than Income Tax	1,064	1,328	+24.8%
Fees of Electricity Market Operators	608	615	+1.2%
Rent Expenses	324	1 811	x5.6
Insurance Cost	211	215	+1.9%
Other	2,288	1,758	-23.2%
Total Fixed Costs	12,385	13,666	+10.3%

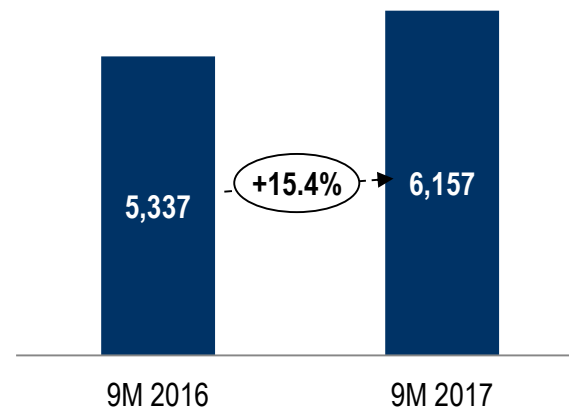
Taxes other than Income Tax, RUB mln



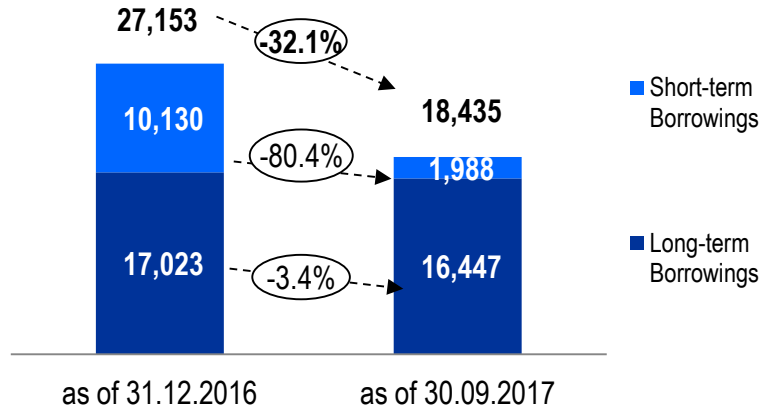
Fixed Costs and Depreciation Change Factors

- Increase of taxes other than income tax due to less property tax allowance used in St. Petersburg and growing property tax for grid assets;
- The decrease in other operating expenses due to the restoration of the provision for impairment of receivables.

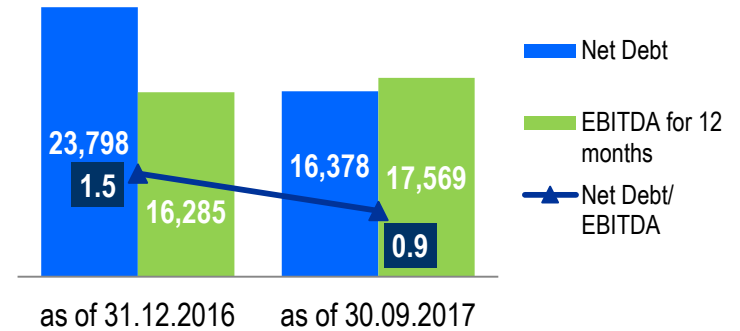
Depreciation and Amortization, RUB mln



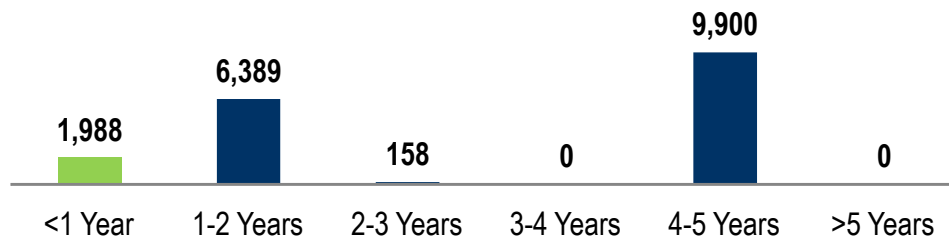
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of 30 September, 2017, RUB mln

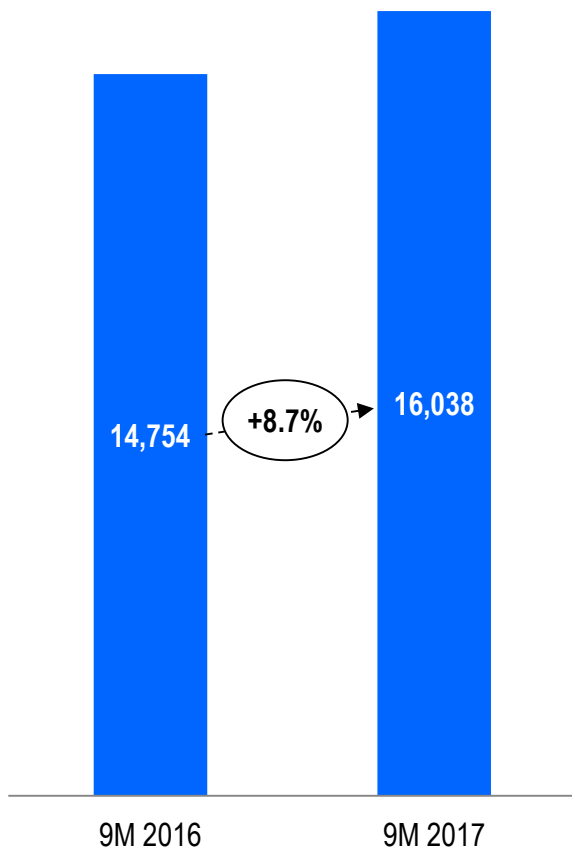


Debt Portfolio Management

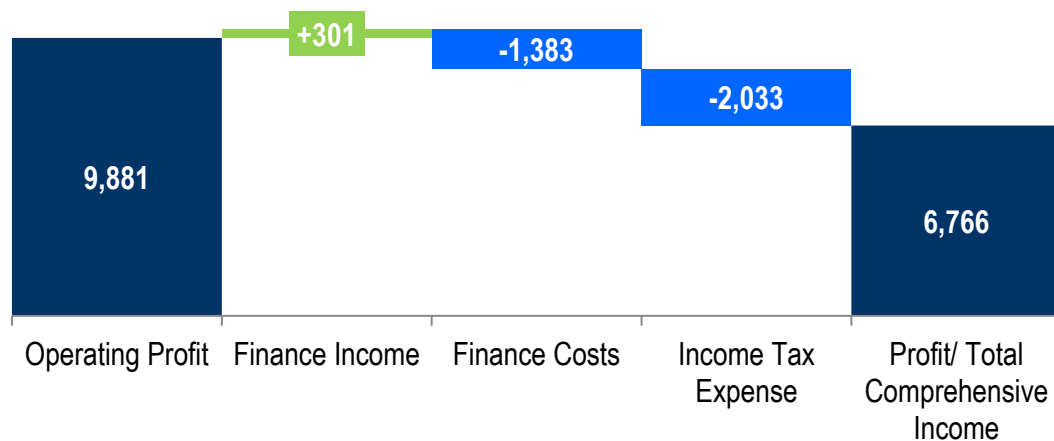
- Two bond issues series 03-04 of TGC-1 are traded on Moscow Exchange.
- Weighted average interest for TGC-1 debt portfolio for 9M 2017 amounted to 9.60%

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

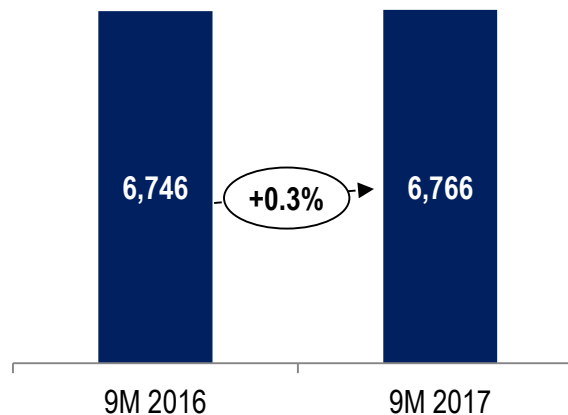
EBITDA, RUB mln



Profit Bridge for 9M 2017, RUB mln



Profit Dynamics, RUB mln



S&P Global Ratings

Credit Ratings by S&P Global Ratings

Date	Rating Type	Rating Value
21.09.2017	International scale long-term rating	«BB+», forecast «positive»
21.09.2017	International scale short-term rating	«B», forecast «positive»

FitchRatings Credit Ratings by Fitch Ratings

Date	Rating Type	Rating Value
05.10.2016	Foreign currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Domestic currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Foreign currency nominated short-term IDR	«B»
05.10.2016	Domestic currency nominated short-term IDR	«B»
05.10.2016	Domestic currency nominated priority unsecured rating	«BB+»

Thank you for Your Attention!

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