

JSC TGC-1

IFRS results and results of operations for 6 months of 2011

September 5, 2011
Saint Petersburg

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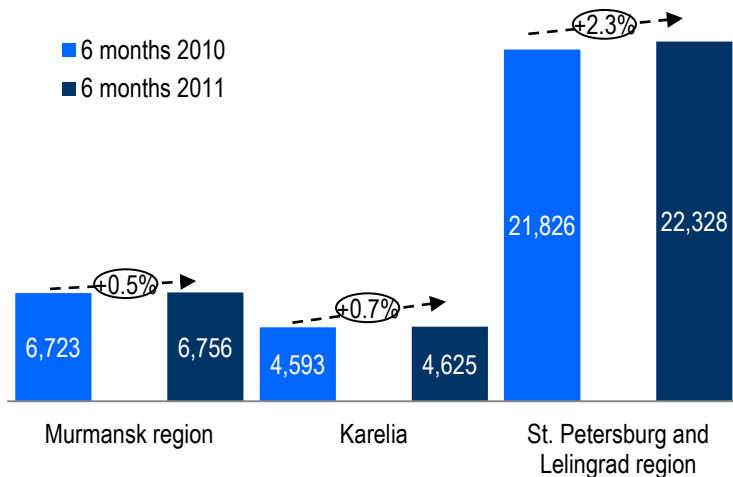
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Change in Production Factors

- Production at CHP of JSC "TGC-1" increased in 1H 2011 in connection with the commissioning of two new CCGT at Pervomayskaya CHP and Yuzhnaya CHP
- Production at hydro power plants decreased in 1H 2011 due to the low water content. Water levels were registered below average season level in the Leningrad region and Karelia.
- Heat output reduced due to the relatively warm weather late in winter of 2010-2011

Regional Electricity Consumption¹, mn kWh

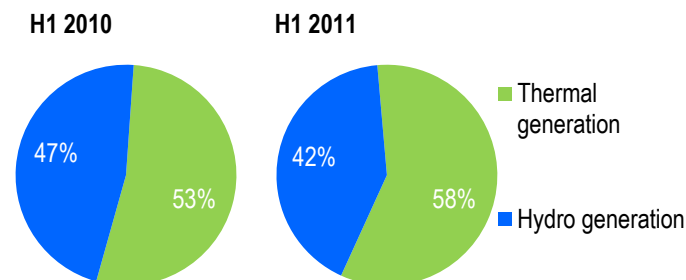


¹ Per System Operator of the Unified Power System data

	6 months 2010	6 months 2011	Change
Electricity Production, mln kWh, including:	14,435	15,132	+4.8%
CHP	7,686	8,807	+14.6%
HPP	6,749	6,325	-6.3%
Electricity Sales ¹ , mn kWh	15,265	17,304	+13.4%
Heat Output ² , thous Gcal	17,052	16,131	-5.4%
Fuel Rate on Electricity ³ , g/kWh	294.0	288.6	-1.8%
Fuel Rate on Heat, kg/Gcal	137.7	137.2	-0.4%
Electric Capacity Utilization Factor, %, including:	52.6	52.6	-
CHP	51.7	54.6	+2.9 p.p.
HPP	53.6	50.1	-3.5 p.p.

- Useful output including purchased energy
- Useful output excluding purchased energy
- Excluding Murmanskaya CHP

Electricity Output Structure



Pervomayskaya CHP - 180 MW



- Supply of power to the wholesale market since March 1, 2011

Yuzhnaya CHP - 450 MW



- Supply of power to the wholesale market since April 1, 2011

The main effect of the commissioning of new capacity is expected by the end of the heating season

Performance of New Generation Capacity for 6 months 2011

	Yuzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180)
Electricity Sales, mn kWh	790.9	563.8
Capacity Sales, MW	1,197.8	531.4
Heat Output, thous Gcal	19.35	169.5
Electricity Sales, mn RUR	749.6	603.9
Capacity Sales, mn RUR	489.7	280.7
Heat Sales, mn RUR	11	100
Fuel Rate on Electricity ³ , g/kWh	260	250.5
Fuel Rate on Heat, kg/Gcal	125	125
Wholesale Electricity and Capacity Market Sales Margin, mn RUR	962	416.4
Electric Capacity Utilization Factor, %	75	68

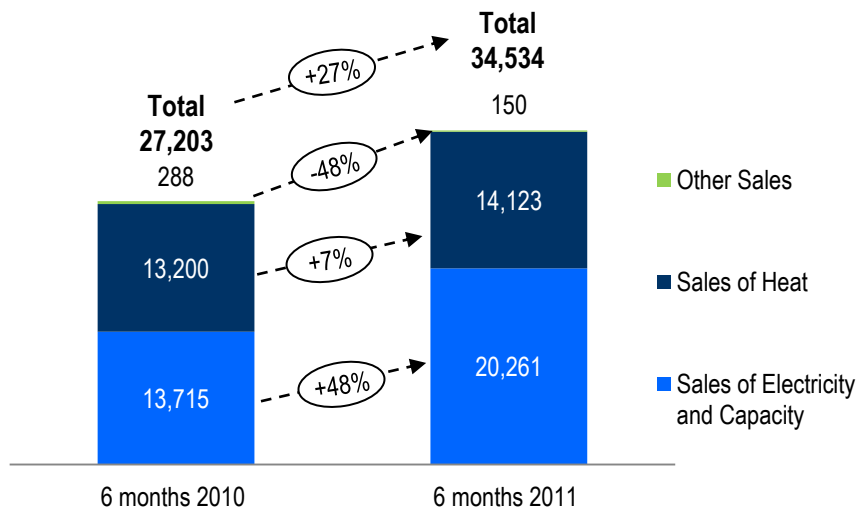
The Increase in Production by Thermal Power Plants due to Commissioning of New Capacity

	6 months 2010	6 months 2011	Change
Electricity generation Pervomayskaya CHP	1,998	2,792	+39.7%
Electricity generation Yuzhnaya CHP	605	1,004	+66.0%

Revenue Growth Factors

- Increase of electricity output
- Growth of regulated and non-regulated prices for energy and growth of tariffs for heat
- The effect of the commissioning of new combined cycle power units at Pervomayskaya and Yuzhnaya CHP allowed to offset the decline in income from the forced generation contracts, which tariffs had been reduced since April 2011
- In the 2nd quarter of 2011, Murmanskaya CHP received subsidies of RUR 328 mn as compensation for the purchase of heating oil

Revenue Structure, mn RUR

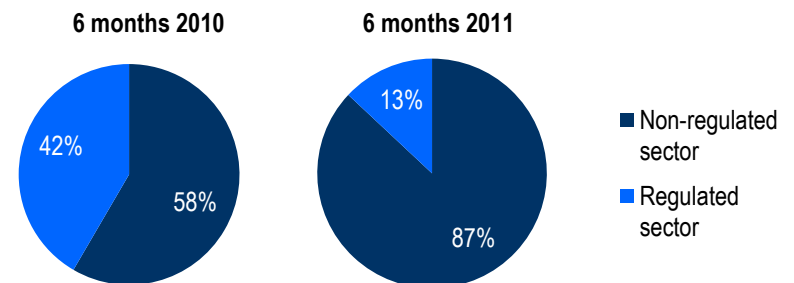


Financial Performance, mn RUR

	6 months 2010	6 months 2011	Change
Revenue	27,203	34,534	+27%
Operating Expenses	23,250	27,563	+19%
Operating Profit	3,953	6,971	+76%
Profit before Income Tax	3,584	6,680	+86%
EBITDA ¹	5,577	9,134	+64%
Profit for the Period	2,944	4,431	+51%

1. EBITDA = Operating profit+ Depreciation of property, plant and equipment and intangible assets

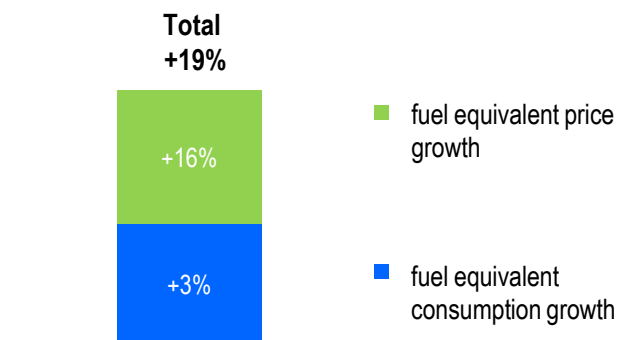
Electricity Sales in Regulated and Non-regulated sectors, mn kWh



Costs Increase Factors

- Fuel expense increase is associated with fuel prices increase in 2011 and electricity generation increase by CHP
- The expense for electricity purchase increased due to commissioning of new capacity, as well as servicing of direct supply contracts for electric energy
- The expense for repairs and maintenance increased due to consolidation of city district networks of GUP TEK, which were transferred to OJSC "Heating network of St. Petersburg"
- Rental expense reduced due to the transfer of previously leased heating systems of SUE "Energy of St. Petersburg" to OJSC "Heating grid of St. Petersburg"

Growth of fuel prices (1H 2011 y-on-y)



Cost Structure, mn RUR

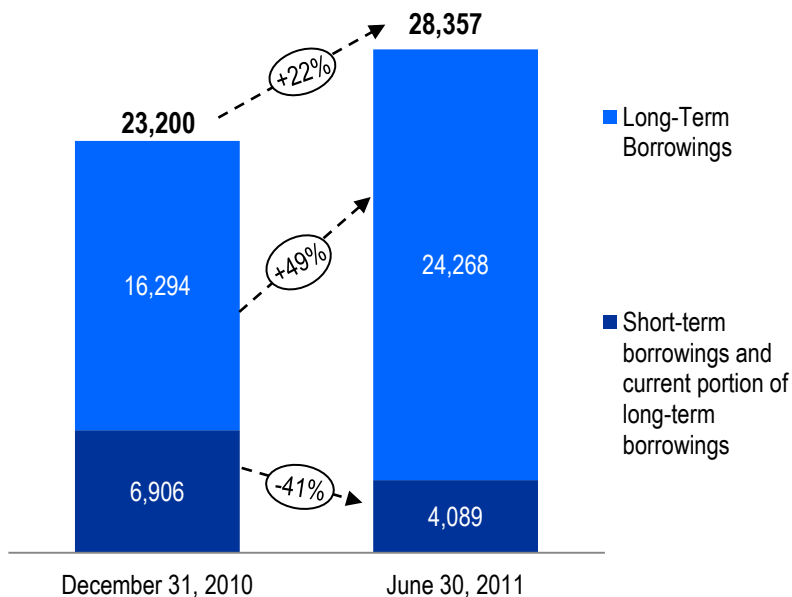
Variable Costs	6 months 2010	6 months 2011	Change
Fuel	12,131	14,385	19%
Electricity and Heat Purchases	2,489	3,791	52%
Water Usage Expenses	1,062	1,077	1%
Other Materials	255	287	12%
Heat Distribution	298	333	12%
Total	16,235	19,873	22%

Fixed costs	6 months 2010	6 months 2011	Change
Employee Benefits	3 025	3 368	11%
Repairs and Maintenance	422	528	25%
Taxes Other than Income Tax	506	547	8%
Dispatcher's Fees	320	381	19%
Lease Expenses	279	149	-47%
Insurance Cost	112	96	-14%
Depreciation of property, plant and equipment and intangible assets	1 624	2 162	33%
Other Operating Expenses	727	456	-37%
Total	7 015	7 687	9.5%

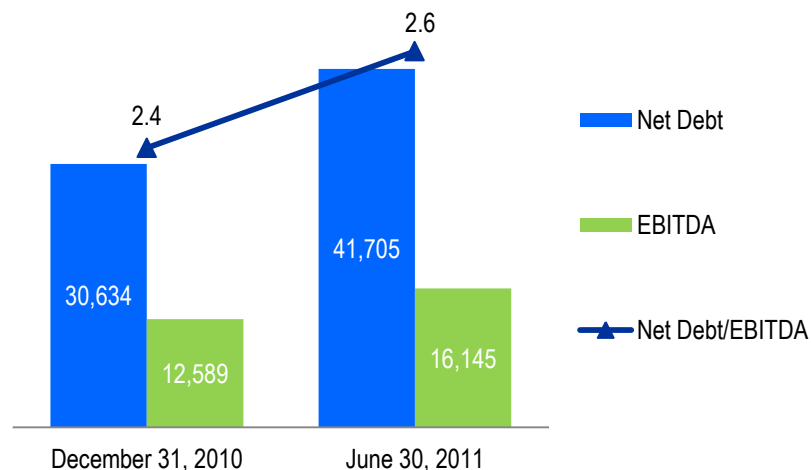
Minor Changes in the Structure of Liabilities

- The weighted average effective interest rate for the loan portfolio in June 30, 2011 amounted to 8.87%. For credits obtained in 2011 - 6.07%
- On July 11, 2011 TGC-1 reduced the coupon rate of the bonds series 02 to 6.7%. Put option was only executed for 40% of the bond issue after change of the terms and conditions of the bonds. Buyback was made at a price of face value for the total amount of RUR 2,106 mn
- TGC-1 is going to issue up to 4 tranches of bonds to finance the construction of CCGT-450 at Pravoberezhnaya CHP. The amount of each tranche is expected not to exceed RUR 2 bn with the maturity up to 10 years

Debt Structure, mn RUR



Net Debt¹/EBITDA²



¹ Net debt = the total amount of borrowings + accounts payable to suppliers and contractors and other accounts payable less cash and cash equivalents

² EBITDA for the 12 months ended June 30, 2011 = EBITDA for 2010 + EBITDA for the six months of 2011 - EBITDA for the six months of 2010

Appendix

Station	Type of Work	Commissioned Electric Power (MW)	Commissioned Thermal Power (Gcal/h)	Year of Commissioning
Pravoberezhnaya CHP	Expansion of the station due to construction of power unit №2 CCGT-450	450	318	2012
Yuzhnaya CHP	Expansion of the station due to construction of power unit №4 CCGT-450	450	290	2011 (implemented)
Pervomayskaya CHP	Reconstruction of the plant with replacement of equipment by the construction of two units of CCGT-180	2×180	238	2011-2012 (1st unit implemented)
Pervomayskaya CHP	Construction of the auxiliary complex	-	690	2013
Vuoksinский Cascade of HPP	Gradual replacement of hydro power units	8×30	-	2009-2013
Centralnaya CHP	Construction of gas turbine CHP capacity of 100 MW in the territory within the distant of 4 km from the Centralnaya CHP	2×50	120	2016

Thank you

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