



# JSC TGC-1

## 2Q 2012 IFRS Results

August 28, 2012  
Saint Petersburg

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## Highlights

Показатель	6M 2011	6M 2012	Change
Installed Capacity, MW	6,837	6,864*	+0.4%
Electricity Production, mn kWh, Including:	15,200	15,369	+1.1%
CHP	8,875	9,139	+3.0%
HPP	6,325	6,230	-1.5%
Electricity Sales Including Purchased Energy, mn kWh	17,304	17,772	+2.7%
Capacity Sales, MW per Month	4,961	5,261	+6.0%
Heat Output, thous Gcal	16,131	15,588	-3.4%
Useful Heat Output Including Purchased Energy, thous Gcal	16,102	15,596	-3.1%
Fuel Rate on Electricity**, g/kWh	288.6	282.8	-2.0%
Fuel Rate on Heat**, kg/Gcal	137.2	138.0	+0.6%
Installed Capacity Utilization Factor, %**	52.6	50.3	-2.3 p.p.
CHP	54.6	51.4	-3.2 p.p.
HPP	50.1	48.9	-1.2 p.p.

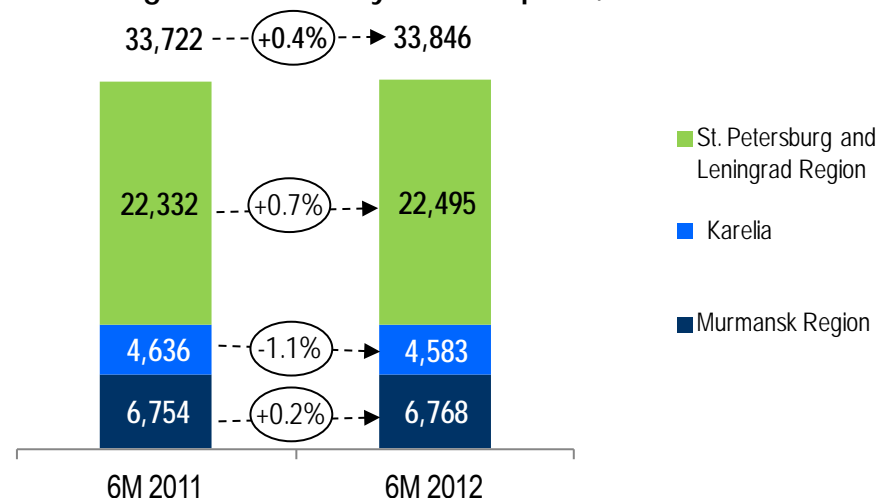
\* As of 01.07.2012, with the account of decommissioning of 110 MW at Pervomayskaya CHP

\*\* Without Murmanskaya CHP

## Operational Results Change Factors

- Increase in the CHPs output on the account of the new CCGT units at Uzhnaya and Pervomayskaya CHP. The new units' production totaled 22.3% of the CHPs production and 13.2% of the total production;
- HPPs output decrease due to low water content;
- The higher average air temperatures led to decrease of heat output;
- Fuel rate on electricity was reduced as a result of the new capacity utilization;
- Due to lower rate of utilization of CHPs' equipment, installed capacity utilization factor declined.

## Regional Electricity Consumption, mn kWh



## Highlights, mn RUR

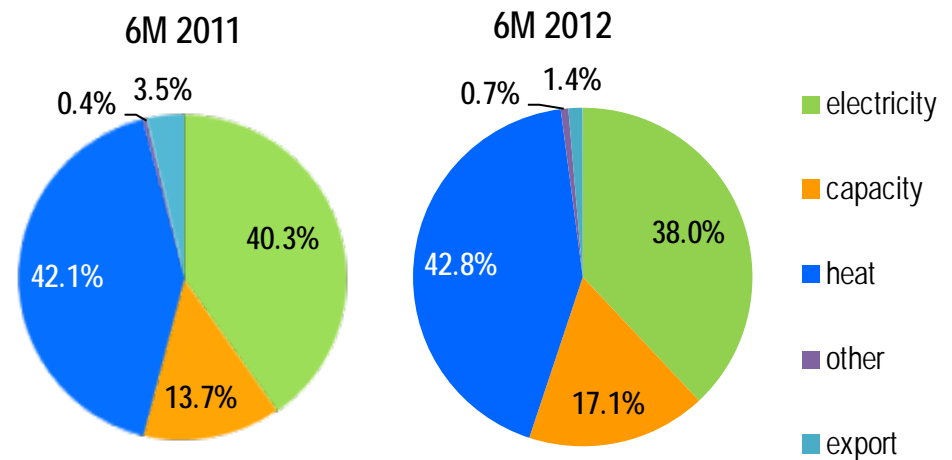
	6M 2011	6M 2012	Change
Revenue	34,327	32,038	-7%
Operating Expenses	(27,356)	(27,086)	-1%
Operating Profit	6,971	4,951	-29%
Profit Before Income Tax	6,680	4,065	-39%
EBITDA*	9,133	7,622	-17%
Profit	5,827	3,179	-45%

\* For the purpose of business planning EBITDA calculates as EBITDA = Operating profit + Depreciation and Amortization

## Revenue Change Factors

- Decline of electricity prices at the day-ahead market;
- Withdrawal of the status of "forced generation" from eight power plans of the Company in 1Q 2012, which resulted in a decline of power and electricity sales prices for the plants;
- Low water content;
- Export volumes reduction caused by unfavorable economic environment at the foreign market.

## Revenue Structure



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



## Price Change Factors

- System-related constrains;
- Cheap HPP generation.
  
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- Effects of inflow from Murmansk Region.
  
- New capacity commissioning;
- Additional generation supply on the account of INTER RAO export volumes reduction.

## Operational Performance for 6M 2012

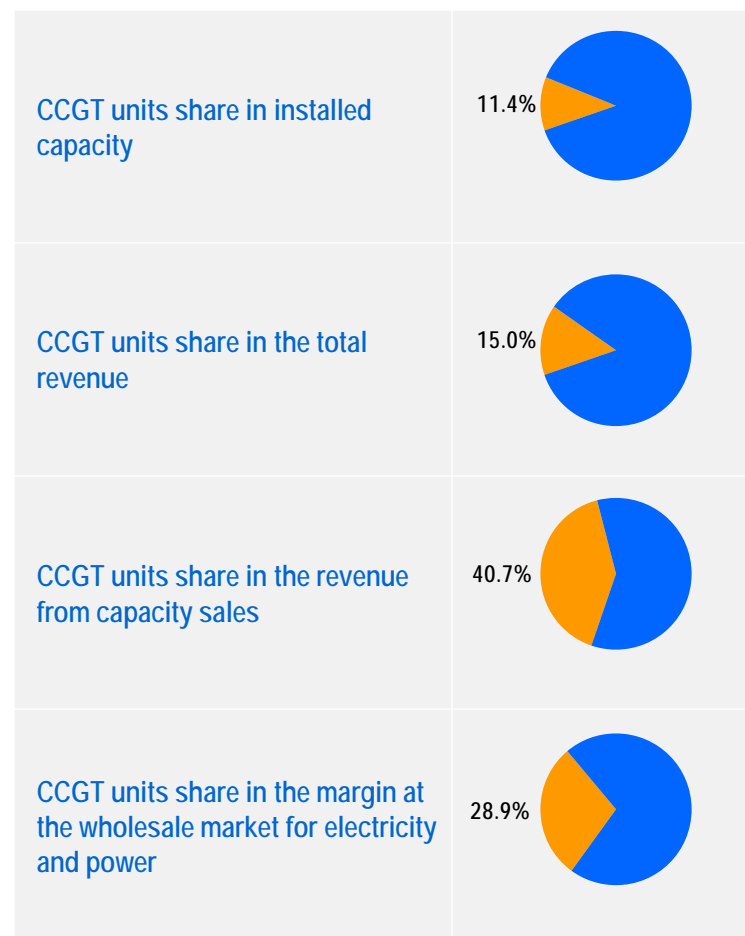
	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180 № 1)	Pervomayskaya CHP (CCGT 180 №2)	CCGT Total
Electricity Production, mn kWh	1,139.8	363.2	530.6	2,033.6
Heat Output, thous Gcal	452.0	182.2	202.5	836.7
Fuel Rate on Electricity, g/kWh	224.4	225.7	243.4	229.5
Fuel Rate on Heat, kg/Gcal	125.0	125.0	125.0	125.0

## Financial Performance \* for 6M 2012

mn RUR	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180 № 1)	Pervomayskaya CHP (CCGT 180 №2)	CCGT Total
Revenue, including	2,511.7	977.2	1,142.6	4,631.5
Electricity	1,079.2	355.9	475.2	1,910.4
Capacity	1,165.8	513.8	547.9	2,227.4
Heat	266.7	107.5	119.5	493.7
Purchased Energy	152.1	65.1	28.7	245.8
Fuel	896.0	291.4	426.6	1,614.1
Margin	1,463.6	620.7	687.3	2,771.6

\* Management report data.

## Comparative Performance\* for 6M 2012



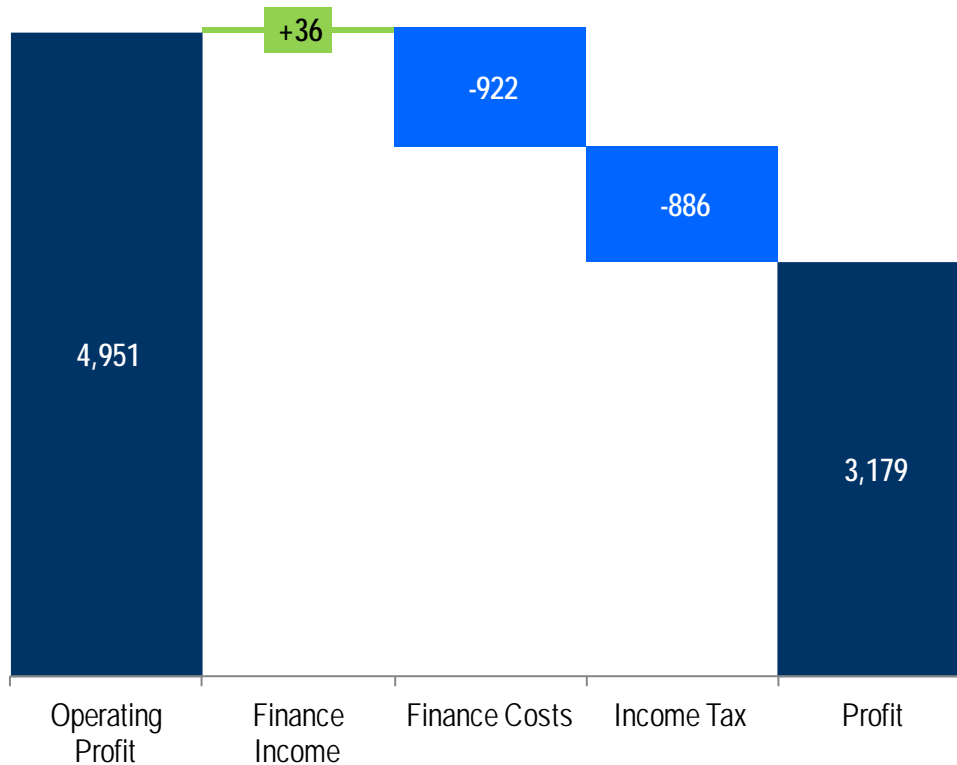
## Main Expenses Changes Factors

- Increase of fuel expenses associated with growth of electricity generation by the Company's CHPs;
- Increase of depreciation of property, plant and equipment due to new equipment commissioning;
- Increased costs of repairs and maintenance caused by the increase of repairs at OJSC Heating network of St. Petersburg and expensive maintenance and service of the new CCGT units;
- Lower spending on electricity and heat purchases, on the account of lower prices at the day-ahead market and balancing market, as well as substantial reduction of purchases volume for the electricity export support.

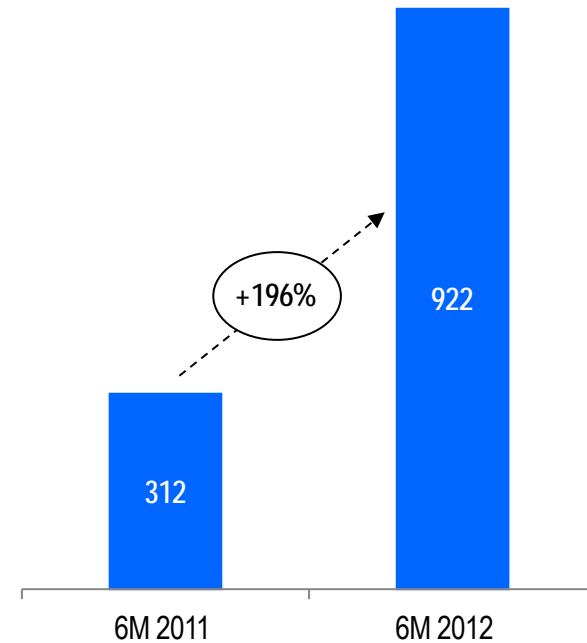
## Main Expenses Highlights, mn RUR

Operating Expenses	6M 2011	6M 2012	Change
Fuel	14,385	14,582	+1%
Electricity and Heat Purchases	3,256	2,476	-24%
Water Usage Expenses	1,077	1,085	+1%
Other Materials	287	257	-10%
Heat Transmission	333	321	-4%
<b>Total Variable Costs</b>	<b>19,338</b>	<b>18,721</b>	<b>-3%</b>
Employee Benefits	3,368	3,369	+0.03%
Repairs and Maintenance	529	811	+53%
Taxes Other Than Income Tax	548	495	-10%
Dispatcher's Fees	381	344	-10%
Lease Expenses	150	141	-6%
Insurance Cost	119	110	-8%
Other Operating Expenses	1,239	1,234	-0.4%
<b>Total Fixed Costs</b>	<b>6,334</b>	<b>6,504</b>	<b>+3%</b>
Depreciation and Amortization	2,162	2,671	+24%
Provision for Impairment of Accounts Receivable	(52)	(149)	+187%
(Gain)/Loss on Disposal of Property, Plant and Equipment	(79)	15	-119%
(Gain)/Loss on Disposal of Subsidiary	0	(96)	-
Other Operating Income	(347)	(580)	+67%
<b>Total operating expenses, net</b>	<b>27,356</b>	<b>27,086</b>	<b>-1%</b>

Profit Bridge for 6M 2012, mn RUR



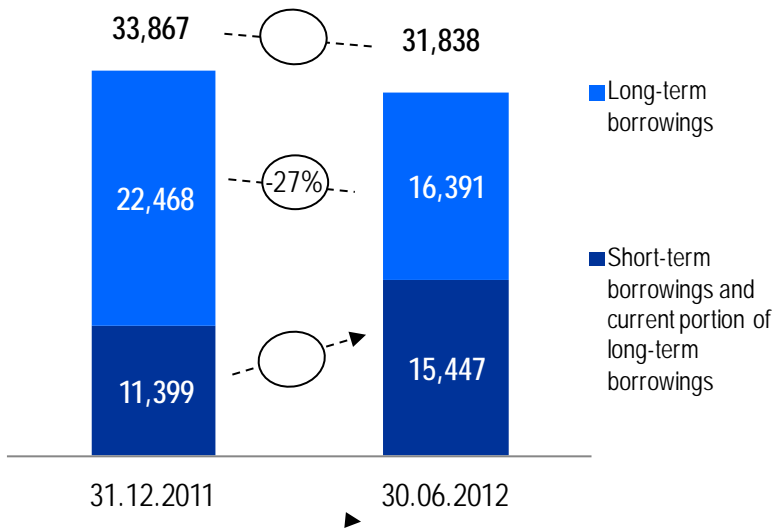
Finance Costs\*, mn RUR



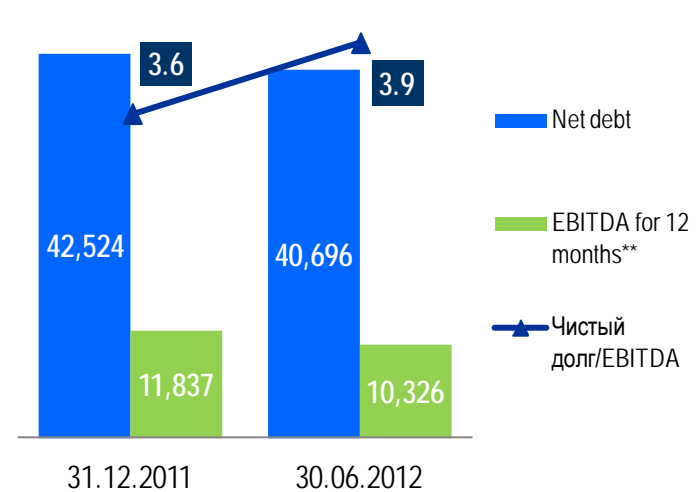
\* Finance costs increase in 1H 2012 resulted from difference in allocation of interest expenses, as in 2011 considerable part of the accrued interest was capitalized to the investment projects (construction in progress).



### Debt Structure, mn RUR



### Net Debt\* / EBITDA



\* Net debt = Total amount of borrowings + Trade and other payables less Cash and cash equivalents

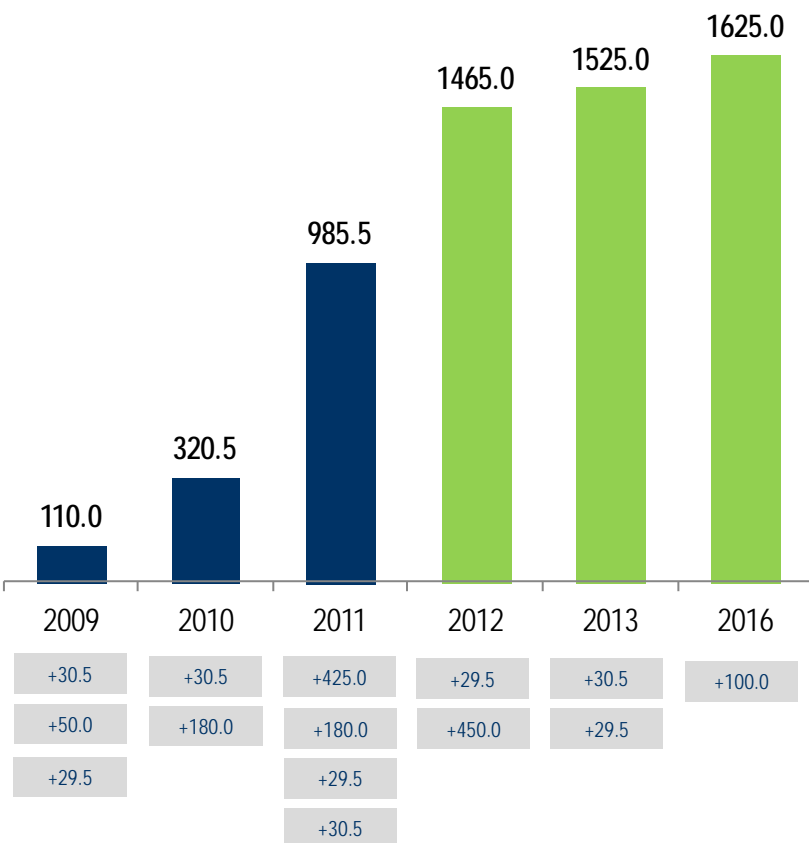
\*\* EBITDA for 12 months, ended June 30, 2012 = EBITDA for 2011 + EBITDA for 6 months 2012 – EBITDA for 6 months 2011

## Debt Portfolio Management

- The weighted average effective interest rate for the debt portfolio for the 6 months of 2012 amounted (cumulatively, year to date) to 8.02%.
- For the purpose of financing the Company's investment program, on March 11, 2012 a 10-year bond issue series 04 was registered for the amount of 2 bn RUR, the first coupon rate was adopted at a rate of 7.6%. Thus, four bond issues series 01-04 of TGC-1 are traded on MICEX, RTS.

# Appendix

## New Capacity Commissioning under CSA, MW (Cumulatively)



## Commissioned Capacity (as of 28.08.2012)

Station	Year of Commissioning	Electric Power, MW	Supply of capacity by to the wholesale market
Svetogorskaya HPP (Hydraulic Unit 3)	2009	30.5	01.01.2011*
Vasileostrovskaya CHP	2009	50	01.01.2011
Lesogorskaya HPP (Hydraulic Unit 1)	2009	29.5	01.01.2011*
Svetogorskaya HPP (Hydraulic Unit 1)	2010	30.5	01.01.2011*
Pervomayskaya CHP	2010	180	01.03.2011
Uzhnaya CHP	2011	425	01.04.2011
Pervomayskaya CHP	2011	180	01.01.2012
Lesogorskaya HPP (Hydraulic Unit 2)	2011	29.5	01.07.2011**
Svetogorskaya HPP (Hydraulic Unit 4)	2011	30.5	01.01.2012**
<b>Total</b>		<b>985.5</b>	

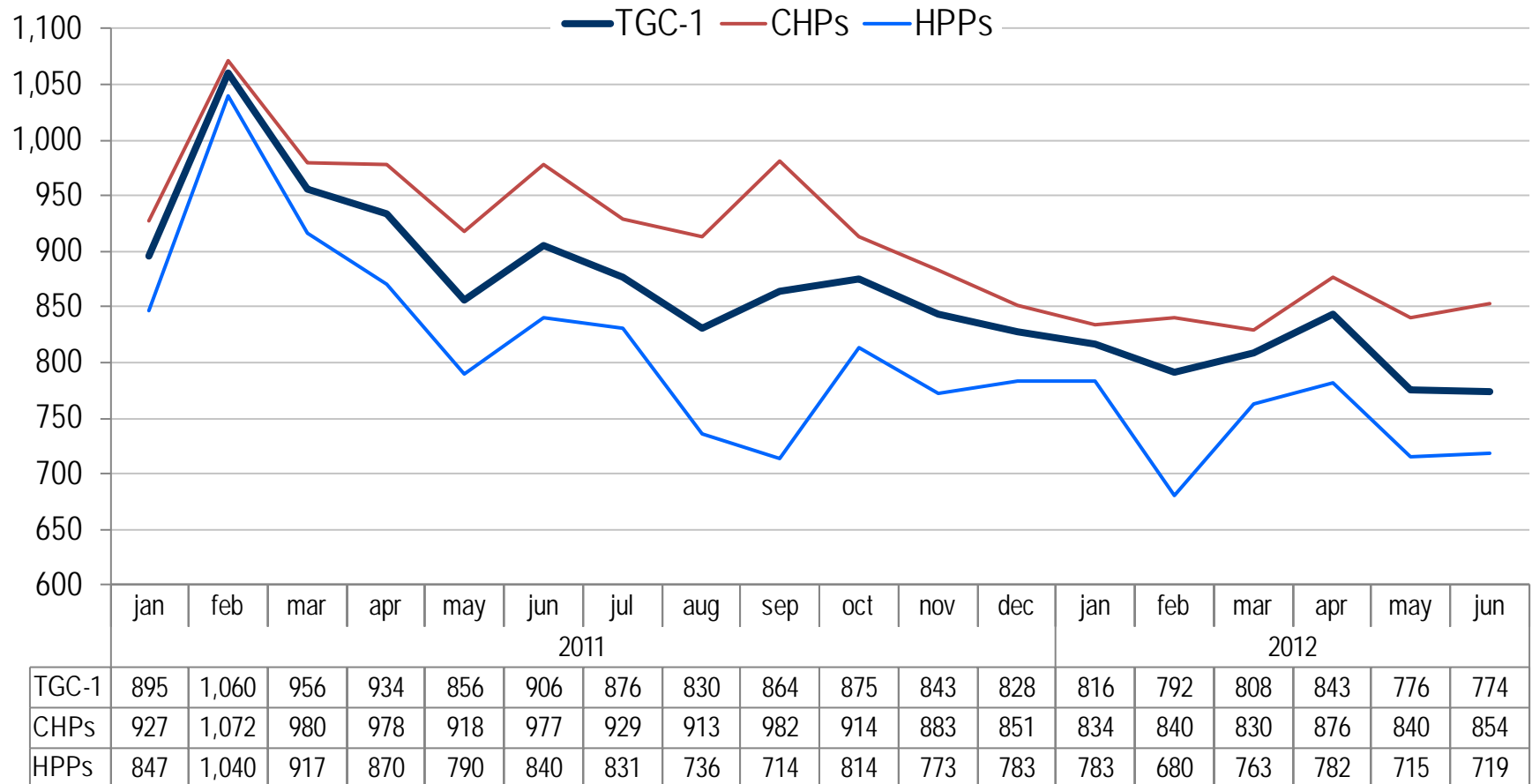
\* Competitive power takeoff since 2012

\*\* Competitive power takeoff since 2013 r.

## Plan of Commissioning 2012-2016

Station	Year of Commissioning	Electric Power, MW	Supply of capacity by to the wholesale market
Lesogorskaya HPP (Hydraulic Unit 3)	2012	29.5	01.01.2013
Pravoberezhnaya CHP	2012	450	01.01.2013
Svetogorskaya HPP (Hydraulic Unit 2)	2013	30.5	01.04.2013
Lesogorskaya HPP (Hydraulic Unit 4)	2013	29.5	01.01.2014
Tsentralnaya CHP	2016	100	01.01.2017
<b>Total</b>		<b>639.5</b>	

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



# Thank you for Your Attention!

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