



JSC TGC-1

12M 2012 IFRS Results

March 18, 2013
Saint Petersburg

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Operational Highlights

	2011	2012	Change
Installed Capacity, MW	6,837	6,870*	+0.5%
Electricity Production, mn kWh, Including:	28,362	30,388	+7.1%
CHP	16,339	16,889	+3.4%
HPP	12,023	13,499	+12.3%
Electricity Sales Including Purchased Energy, mn kWh	32,961	35,018	+6.2%
Capacity Sales, MW per Month	4,900	5,178	+5.7%
Heat Output, thous Gcal	26,053	26,438	+1.5%
Useful Heat Output Including Purchased Energy, thous Gcal	26,314	26,668	+1.3%
Fuel Rate on Electricity**, g/kWh	291.2	284.1	-2.4%
Fuel Rate on Heat**, kg/Gcal	138.9	139.8	+0.6%
Installed Capacity Utilization Factor, %**	48.0	49.7	+1.7 p.p.
CHP	48.5	47.5	-1.0 p.p.
HPP	47.4	52.7	+5.3 p.p.

* As of 01.01.2013 – 7,373 MW considering the commissioning at Pravoberezhnaya CHP (CCGT unit) (+463 MW), Svetogorskaya HPP (Hydraulic Unit 2) (+7.25 MW) and Uzhnaya CHP (CCGT unit) remarking (+32 MW).

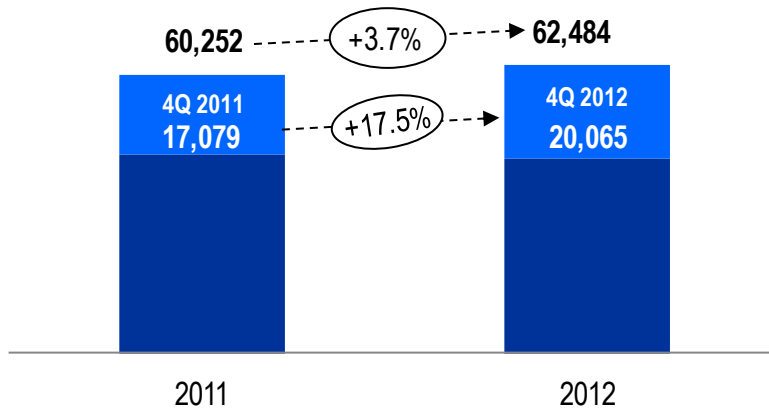
** Without Murmanskaya CHP.

Financial Highlights, mn RUR

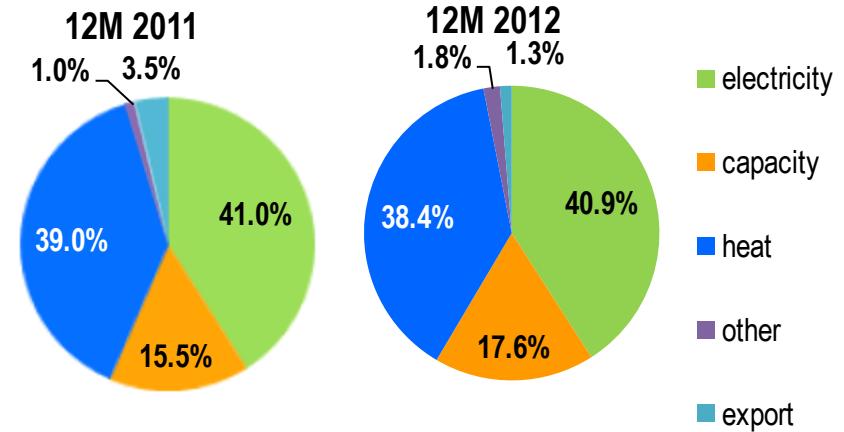
	2011	2012	Change
Revenue	60,252	62,484	+3.7%
Operating Expenses, incl.:	(53,235)	(52,625)	-1.1%
Fixed Costs	(14,918)	(13,640)	-8.6%
Variable Costs	(34,040)	(35,464)	+4.2%
Depreciation of property, plant and equipment, intangible assets and investment property	(4,820)	(5,587)	+15.9%
Impairment loss reversed during the year	-	549	-
Impairment loss recognized during the year	(27)	-	-
Operating Income	570	1,517	+166.1%
Operating Profit	7,017	9,859	+40.5%
Profit Before Income Tax	5,286	8,118	+53.6%
EBITDA***	11,837	15,445	+30.5%
Profit	3,902	6,242	+60.0%

*** For the purpose of business planning EBITDA calculates as EBITDA = Operating profit + Depreciation of property, plant and equipment, intangible assets and investment property.

12M Revenue, mn RUR



Revenue Structure



Prices and tariffs, mn RUR

	2011	2012	Change	4Q 2011	4Q 2012	Change
Average electricity price, thous RUR/MWh	852.4	793.2	-6.9%	798.6	852.1	+6.7%
Average heat tariff, RUR/Gcal	825.8	857.7	+3.9%	829.4	914.0	+10.2%
Average new capacity price, RUR/MWh per month	407,743.1	494,717.3	+21.3%	475,435.2	548,399.3	+15.3%
Average old capacity price, RUR/MWh per month	127,627.1	117,340.3	-8.1%	123,538.9	128,460.3	+4.0%

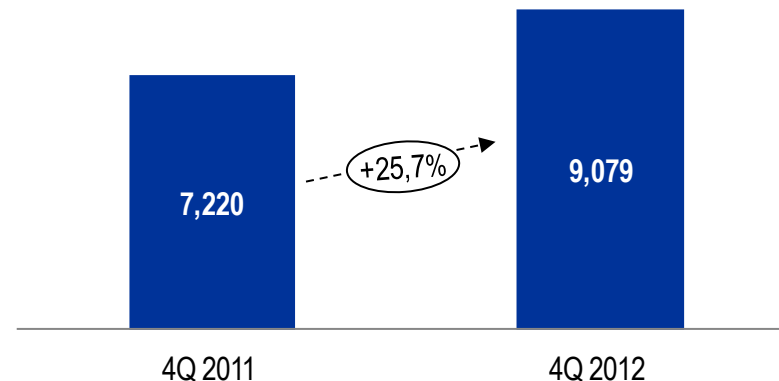
Revenue Change Factors, 2012

- Start of capacity supply to the wholesale market from the 2-nd CCGT-180 unit of Pervomayskaya CHP.
- Hydropower production growth due to the high water content of 2H 2012.
- New heat consumers.
- Increase of regulated tariffs for heat.

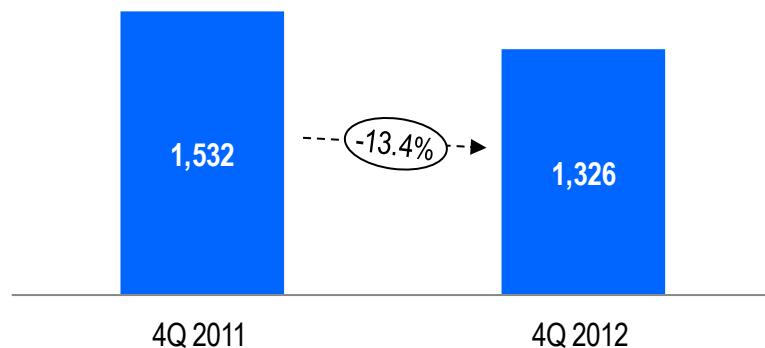
Variable Costs, mn RUR

	2011	2012	Change
Fuel	24,893	27,214	+9.3%
Electricity, Capacity and Heat Purchases	5,939	4,901	-17.5%
Water Usage Expenses	2,098	2,098	0.0%
Other Materials	576	693	+20.3%
Heat Transmission	533	558	+4.7%
Total Variable Costs	34,040	35,464	+4.2%

4Q Fuel Expenses, mn RUR



4Q Electricity and Heat Purchases Expenses, mn RUR



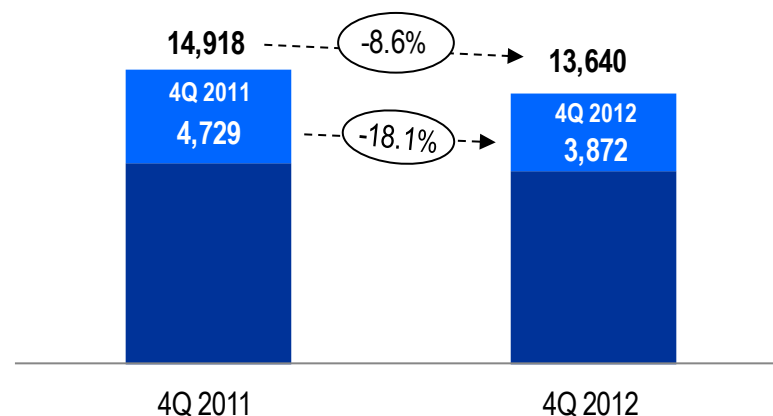
Variable Costs Change Factors

- 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.
- Fuel expenses increase due to increasing output of electricity and capacity, as well as indexation of gas price.
- Increase of expenses for other materials used for equipment repairs is due to the increase in in-house repairs and reduction of repair expenses through contracting.

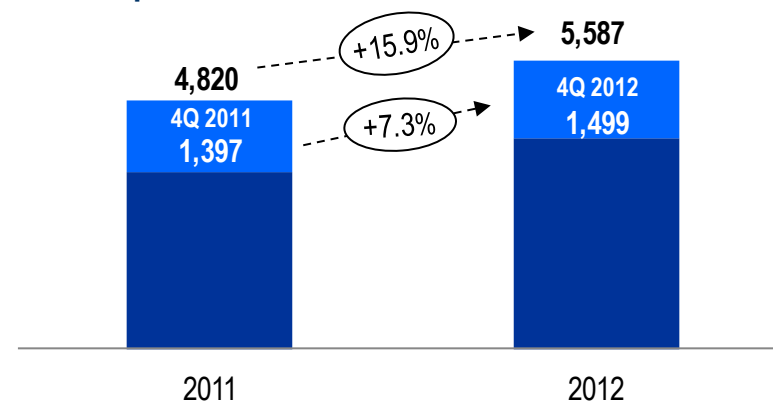
Fixed Costs, mn RUR

	2011	2012	Change
Employee Benefits	6,381	6,567	+2.9%
Repairs and Maintenance	2,831	2,769	-2.2%
Taxes other than Income Tax	1,176	755	-35.8%
Fees of Electricity Market Operators	785	714	-9.0%
Operating Lease Expenses	217	270	+24.4%
Insurance Cost	246	252	+2.4%
Security Expenses	377	396	+5.0%
IT Services	316	331	+4.7%
Telecommunication expenses	225	236	+4.9%
Services of acceptance of payments	206	194	-5.8%
Consulting, legal and audit expenses	222	135	-39.2%
Provision/(release) for impairment of accounts receivable	696	-195	-128.0%
Other operating expenses	1,239	1,215	-1.9%
Total Fixed Costs	14,918	13,640	-8.6%

Total Fixed Costs, mn RUR



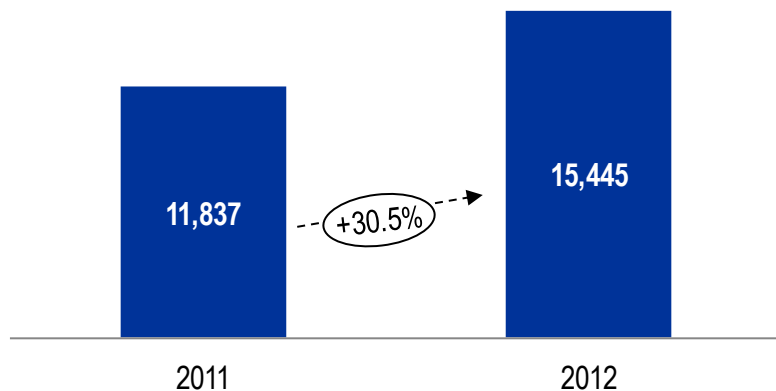
Depreciation and Amortization, mn RUR



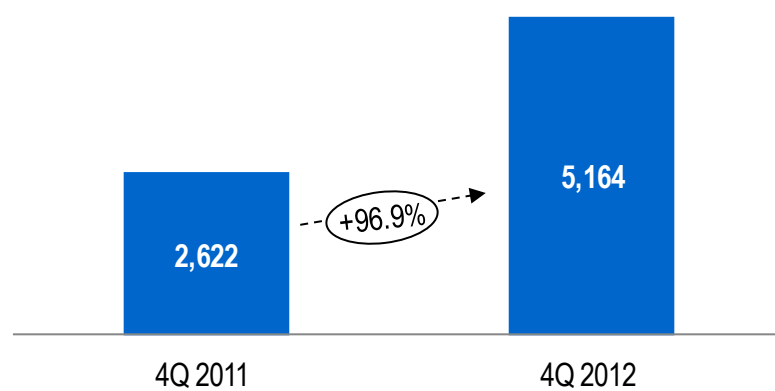
Reduction of the Fixed Costs by 8.6% is generally explained by the release for impairment of doubtful accounts receivable, cleared in the course of this year, and decrease of the property tax on the account of a privilege granted.

Fixed assets amortization growth is due to new capacities commissioning.

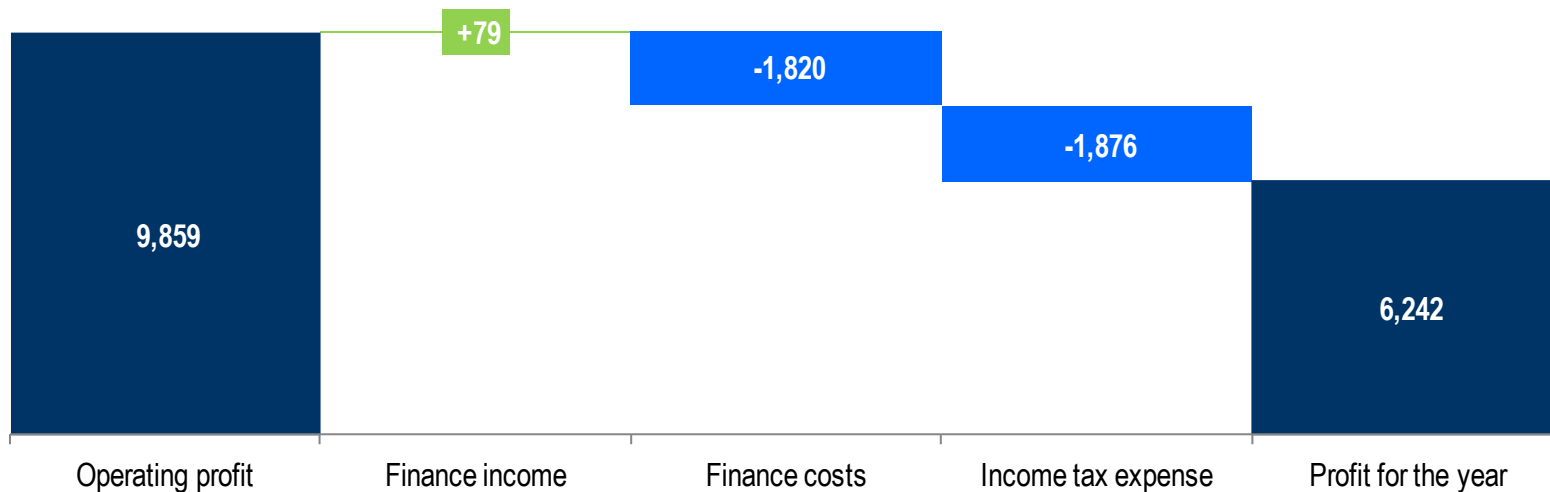
12M EBITDA, mn RUR



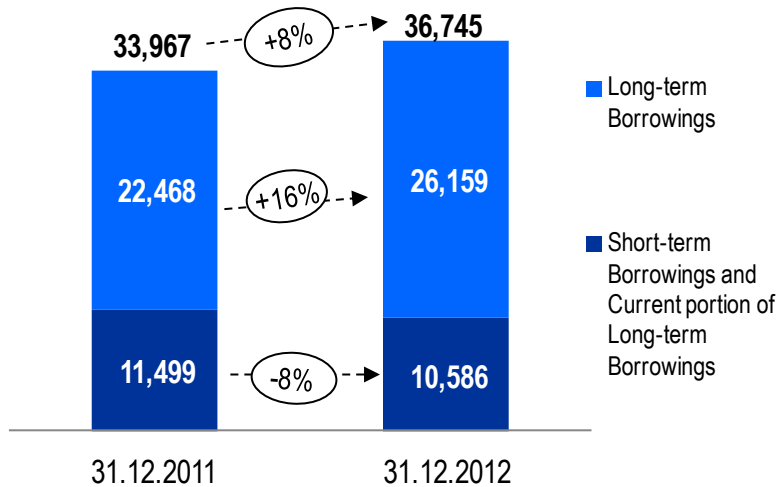
4Q EBITDA, mn RUR



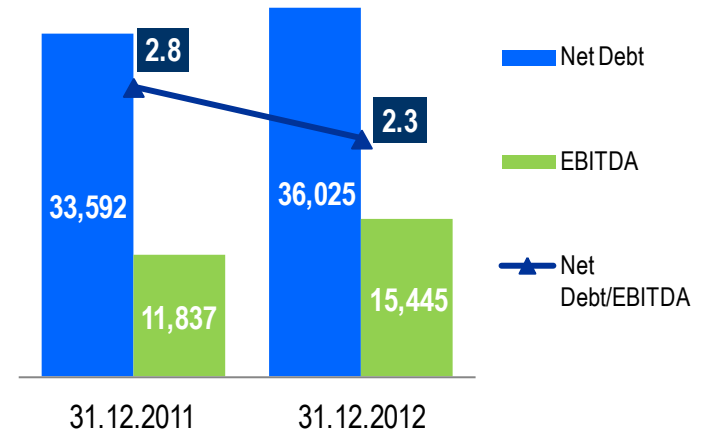
Profit Bridge for 12M 2012, mn RUR



Debt Structure, mn RUR



Net Debt*/ EBITDA



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

Debt Portfolio Management

- The weighted average effective interest rate for the debt portfolio for the 12 months of 2012 amounted (cumulatively, year to date) to 8.11%.
- Four bond issues series 01-04 of TGC-1 are traded on MICEX-RTS.

Operational Performance for 12M 2012

	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180 № 1)	Pervomayskaya CHP (CCGT 180 №2)	CCGT Total
Electricity Production, mn kWh	2,592.2	719.1	1,054.3	4,365.6*
Heat Output, thous Gcal	705.5	345.5	337.4	1,388.4*
Fuel Rate on Electricity, g/kWh	237.3	229.1	250.2	239.0
Fuel Rate on Heat, kg/Gcal	125.0	125.0	125.0	125.0

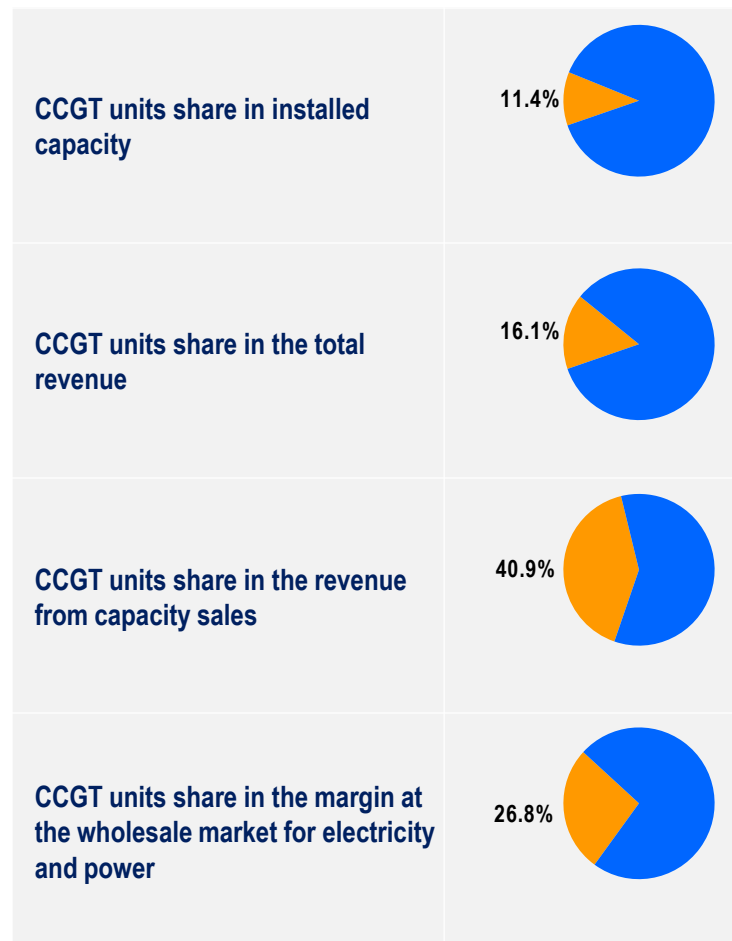
* Electricity output at Pravoberezhnaya CHP during the preoperational test for the September-December 2012 - 185.3 mn kWh, heat output - 52 thousand Gcal.

Financial Performance** for 12M 2012

mn RUR	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180 № 1)	Pervomayskaya CHP (CCGT 180 №2)	CCGT Total
Revenue, including	5,346.7	2,021.7	2,344.2	9,712.5
Electricity	2,608.1	740.5	1,038.9	4,387.5
Capacity	2,312.9	1,071.1	1,101.2	4,485.3
Heat	425.7	210.0	204.1	839.8
Purchased Energy	334.0	120.4	66.2	520.6
Fuel	2,185.4	621.0	903.9	3,710.3
Margin	2,827.3	1,280.2	1,374.0	5,481.6

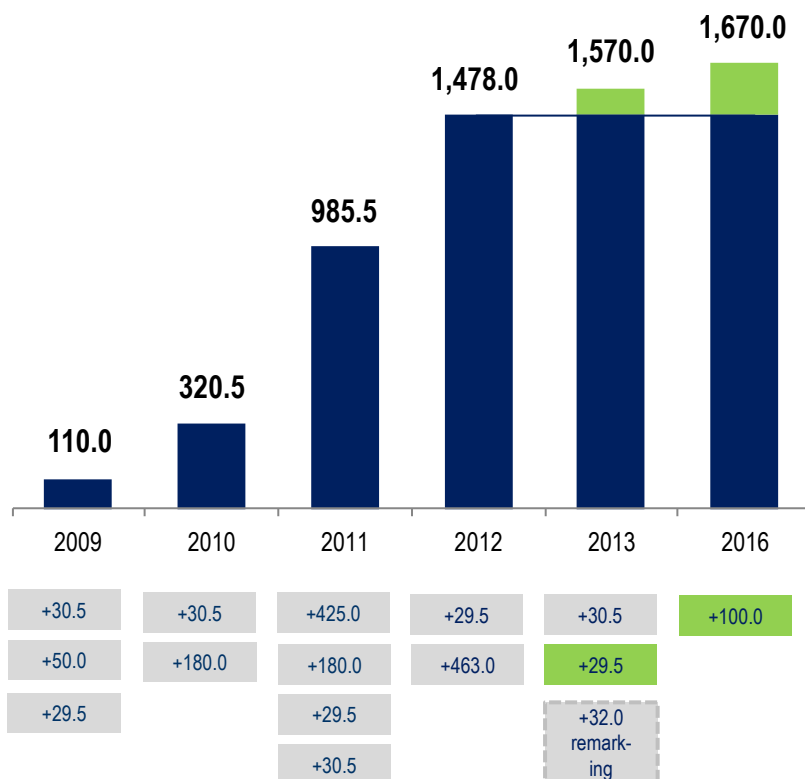
** Management report data.

Comparative Performance** for 12M 2012



Appendix

New Capacity Commissioning under CSA, MW (Cumulatively)



Commissioned Capacity (as of 01.01.2013)

Station	Year of Commissioning	Electric Power, MW	Supply of capacity to the wholesale market
Svetogorskaya HPP (Hydraulic Unit 3)	2009	30.5	01.01.2011*
Vasileostrovskaya CHP	2009	50.0	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	180.0	01.03.2011
Uzhnaya CHP	2011	457.0**	01.04.2011
Pervomayskaya CHP	2011	180.0	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***
Lesogorskaya HPP (Hydraulic Unit 3)	2012	29.5	01.01.2013****
Pravoberezhnaya CHP	2012	463.5	01.01.2013
Svetogorskaya HPP (Hydraulic Unit 2)	2013	30.5	01.04.2013
Total		1,540.5	

* Competitive power takeoff since 2012 ** Remarking +32 MW Since 2013

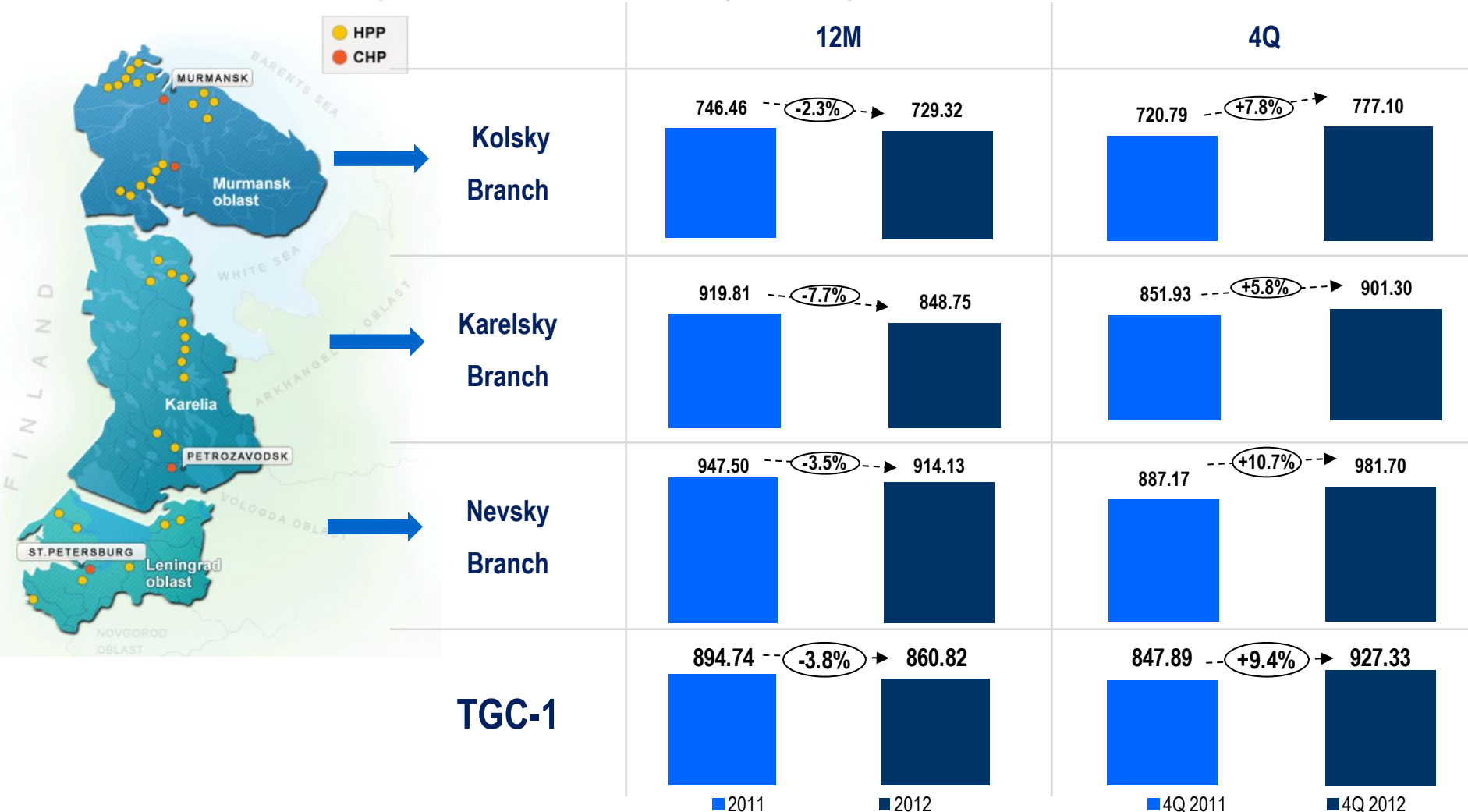
*** Competitive power takeoff since 2013 **** Competitive power takeoff since 2014

Plan of Commissioning 2013-2016

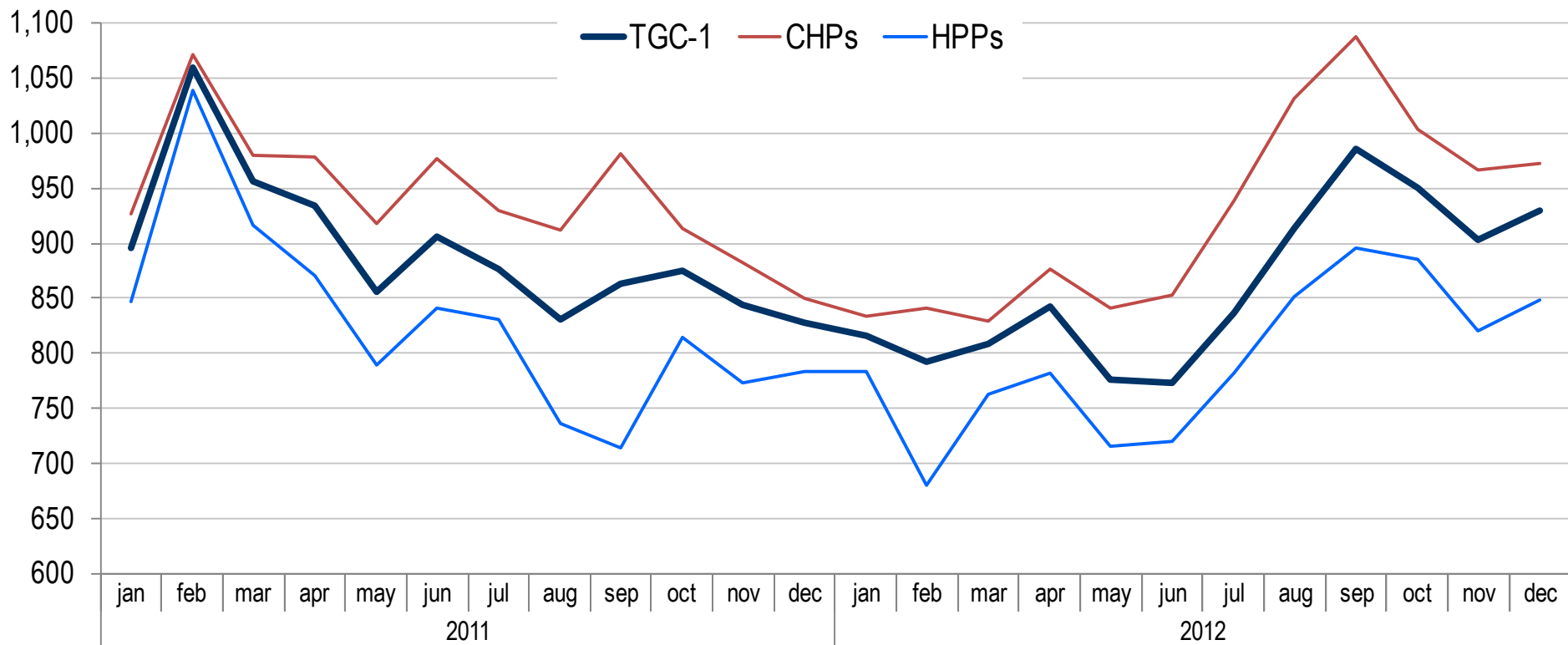
Station	Year of Commissioning	Electric Power, MW	Supply of capacity to the wholesale market
Lesogorskaya HPP (Hydraulic Unit 4)	2013	29.5	01.01.2014
Tsentralnaya CHP	2016	50.0	01.01.2017
		50.0	
Total		129.5	

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

TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market in 2012, RUR/ MWh



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



	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
	2011												2012											
TGC-1	895	1,060	956	934	856	906	876	830	864	875	843	828	816	792	808	843	776	774	837	913	986	950	903	930
CHPs	927	1,072	980	978	918	977	929	913	982	914	883	851	834	840	830	876	840	854	938	1,033	1,088	1,003	966	973
HPPs	847	1,040	917	870	790	840	831	736	714	814	773	783	783	680	763	782	715	719	782	851	895	886	820	849

Effects from Realization of the Program for TGC-1 Shareholder Value Increase

Apr. - Dec. 2011

Program Elaboration

16.04.2012

Approval of the Program for 2012

16.07.2012

Program Correction

17.12.2012

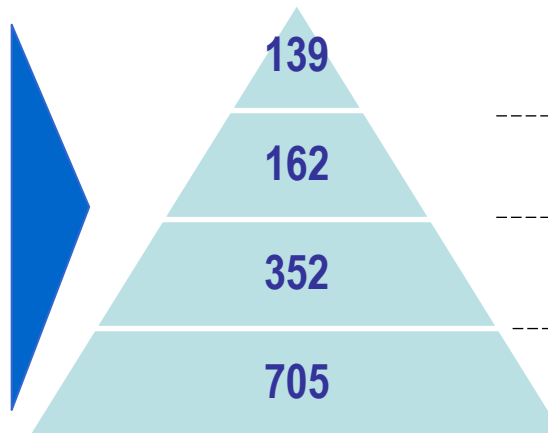
Approval of the Program for 2013 – 2014

11.02.2013

Summarizing the Program for 2012

Additional benefit plan on EBITDA in 2012

Additional benefit fact on EBITDA in 2012



Optimization of the Working Capital

Lean Production

Optimization of Costs

Sale of Non-core Assets

TOTAL: 1,335 mn RUR + 2% to the plan 1,358 mn RUR*

Plan for 2013-2014

1,618 mn RUR *

* Management report data.

Thank you for Your Attention!

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