



# JSC TGC-1

## 9M 2013 IFRS Results

November 27, 2013  
Saint Petersburg

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## Operational Highlights

	9M 2012	9M 2013	Change
Installed Capacity, MW	6,864	7,238	+5.4%
Electricity Production, mn kWh, Including:	21,617	21,873	+1.2%
CHP	11,593	12,430	+7.2%
HPP	10,024	9,443	-5.8%
Electricity Sales Including Purchased Energy, mn kWh	25,201	25,299	+0.4%
Capacity Sales, MW per Month	5,056	5,429	+7.4%
Heat Output, thous Gcal	17,629	17,372	-1.5%
Useful Heat Output Including Purchased Energy, thous Gcal	17,856	18,053	+1.1%
Fuel Rate on Electricity*, g/kWh	288.9	280.0	-3.1%
Fuel Rate on Heat*, kg/Gcal	140.4	140.3	-0.1%
Capacity Load Factor, %*	47.3	46.0	-1.3 p.p.
CHP	43.8	43.8	0.0 p.p.
HPP	52.2	49.2	-3.0 p.p.

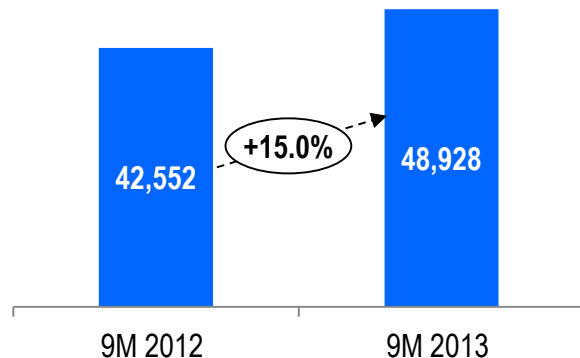
\* Without Murmanskaya CHP.

## Financial Highlights, mn RUR

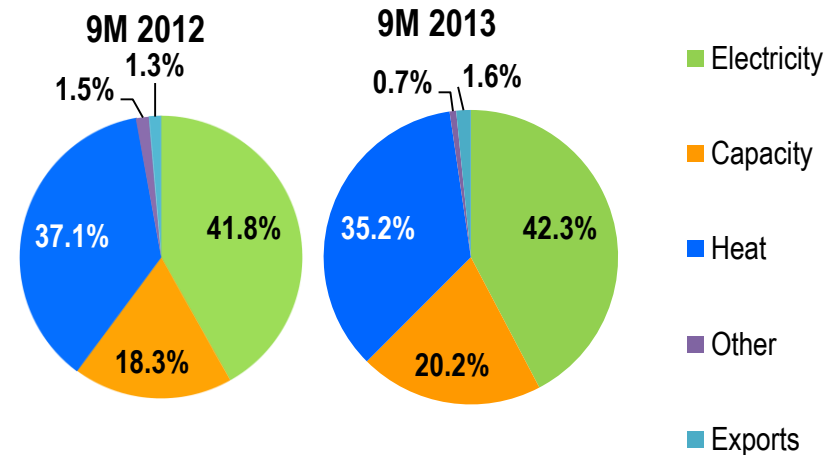
	9M 2012	9M 2013	Change
Revenue	42,552	48,928	+15.0%
Operating Expenses, Incl.:	(36,359)	(41,677)	+14.6%
Variable Costs	(9,539)	(10,581)	+11.0%
Fixed Costs	(24,057)	(26,696)	+10.9%
Depreciation and Amortization	(4,088)	(4,996)	+22.2%
Operating Income	1,325	595	-55.1%
Operating Profit	6,193	7,251	+17.1%
Profit Before Income Tax	4,902	5,410	+10.4%
EBITDA**	10,281	12,247	+19.1%
Profit/ Total Comprehensive Income	3,384	4,218	+24.6%

\*\*\* For the purpose of business planning TGC-1 calculates EBITDA as "Operating profit + Depreciation of property, plant and equipment, intangible assets and investment property".

Revenue, mn RUR



Revenue Structure\*



Prices and Tariffs, mn RUR

	9M 2012	9M 2013	Change
Average electricity price, thous RUR/MWh	770.2	894.7	+16.2%
Average heat tariff, RUR/Gcal	829.7	920.9	+11.0%
Average new capacity price, RUR/MWh per month	476,487.8	486,253.4	+2.0%
Average old capacity price RUR/MWh per month	113,218.2	124,809.3	+10.2%

Revenue Change Factors, 9M 2013

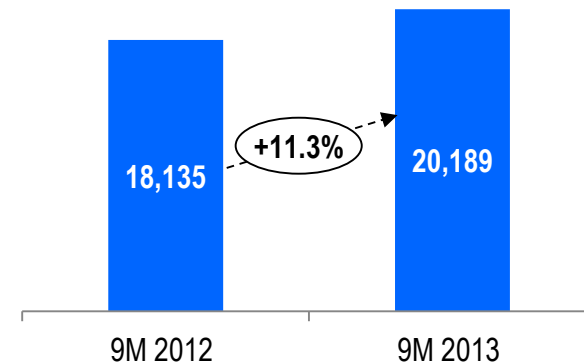
- A 16.7% increase of the electricity sale price at the “day-ahead” market from 835.0 RUR/MWh for 9M 2012 to 974.1 RUR/MWh for 9M 2013.
- Increased volume of capacity, supplied to the market under CSA, since commissioning of Pravoberezhnaya CHP (CCGT 450).
- Growth of the average sale price at competitive power takeoff by 13.7% from 116.4 thous RUR/MWh to 132.4 thous RUR/MWh.
- Increased heat tariffs since 2H 2013 and subsidies for Murmanskaya CHP in 1H 2013.

\* Management report data.

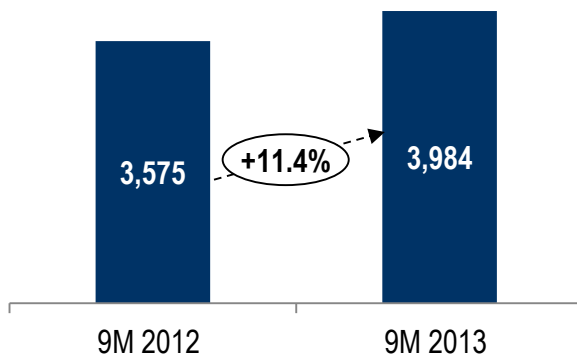
## Variable Costs, mn RUR

	9M 2012	9M 2013	Change
Fuel	18,135	20,189	+11.3%
Electricity, Capacity and Heat Purchases	3,575	3,984	+11.4%
Water Usage Expenses	1,526	1,656	+8.5%
Other Materials	461	507	+10.0%
Heat Transmission	360	360	-0.0%
<b>Total Variable Costs</b>	<b>24,057</b>	<b>26,696</b>	<b>+11.0%</b>

## Fuel Expenses, mn RUR



## Electricity, Capacity and Heat Purchases Expenses, mn RUR



## Variable Costs Change Factors

- Increased fuel costs due to growing fuel price and decreasing hydrogenation input to production on the back of low water content in 3Q 2013.
- Growth of electricity, capacity and heat purchases expenses, resulting from growing prices at the “day-ahead”, including growing purchases for export.
- Increase of water usage expenses on the back of transfer of supply systems at ES-2 of Tsentralnaya CHP, Vasileostrovskaya CHP and Vyborgskaya CHP to potable water.

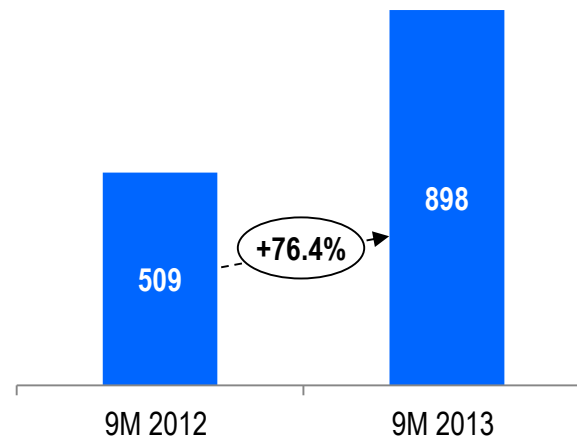
## Fixed Costs, mn RUR

	9M 2012	9M 2013	Change
Employee Benefits	4,879	5,043	+3.4%
Repairs and Maintenance	1,812	1,859	+2.6%
Taxes Other than Income Tax	509	898	+76.4%
Fees of Electricity Market Operators	527	607	+15.2%
Rent	191	259	+35.6%
Insurance Cost	177	191	+7.9%
Other	1,444	1,724	+19.5%
<b>Total Fixed Costs</b>	<b>9,539</b>	<b>10,581</b>	<b>+10.9%</b>

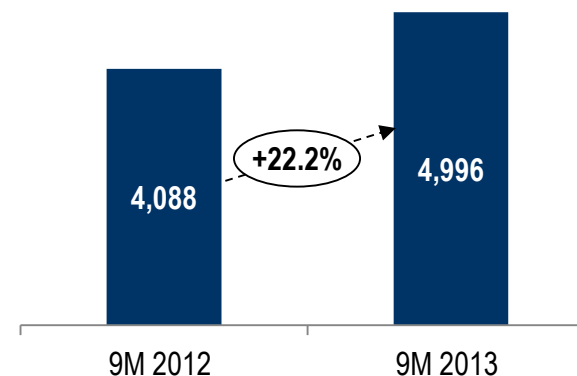
## Fixed Costs Change Factors

- Increased taxes due to downside correction of the property tax amount in 1Q 2012 for the previous periods and cancellation since the beginning of 2013 of the tax allowances for heating networks.
- Loss of 189.7 mn RUR from PP&E disposals at OJSC "Heating Network of Saint Petersburg" in the course of heating networks reconstruction.
- Increased fees of electricity market operators due to new capacities at market.
- PP&E amortization growth is due to new capacities commissioning.

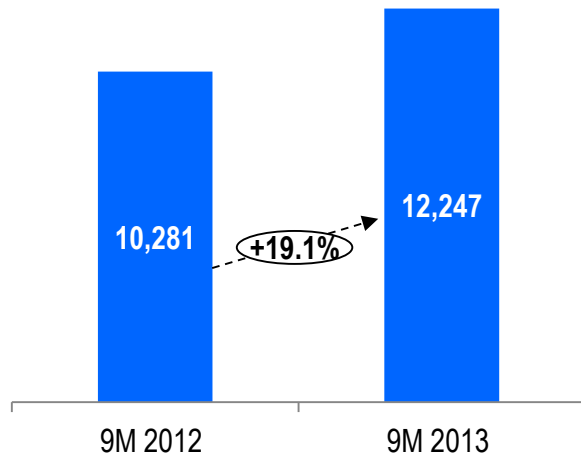
## Taxes other than Income Tax, mn RUR



## Depreciation and Amortization, mn RUR



EBITDA, mn RUR

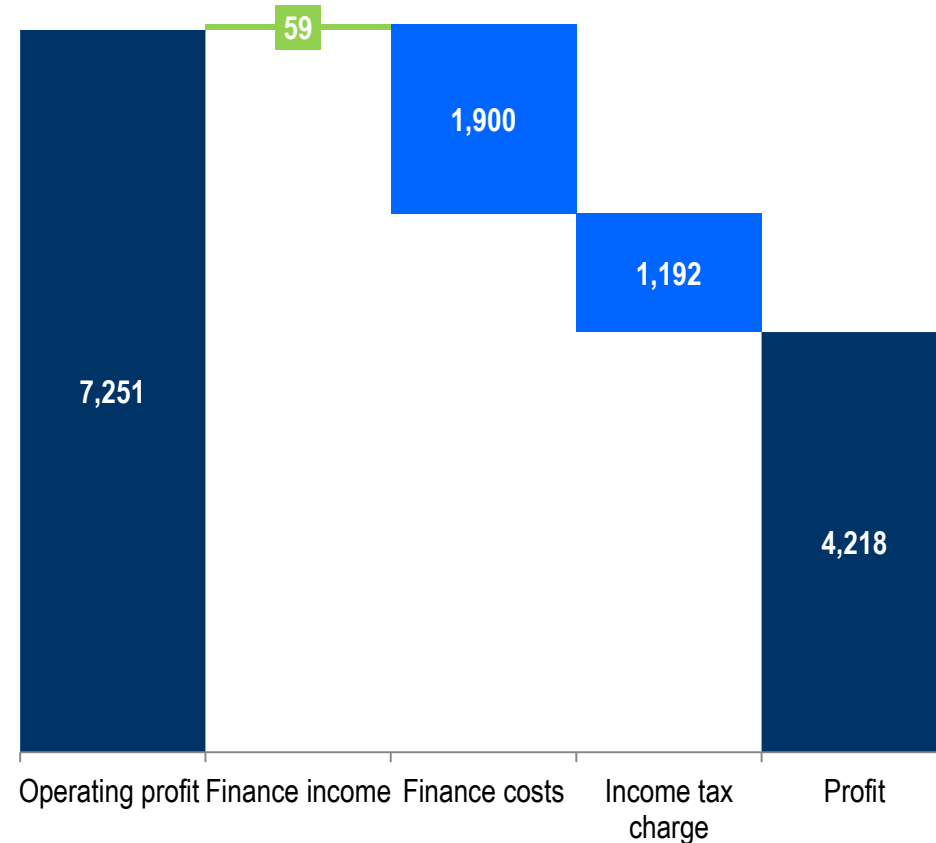


EBITDA Change Factors

In accordance with the Financial Statements for the 9 months, ended September 30, 2013, EBITDA grew by 19.1% up to 12,247 mn RUR on the account of the following factors:

- Growing prices at electricity sale prices at the “day-ahead” market and balancing market;
- Increased input of the new power units to the total electricity production (commissioning of the new CCGT 450 at Pravoberezhnaya CHP);
- Decrease of the fuel rate on electricity and heat on the account of changes in CHPs operating patterns;
- Realization of the operational efficiency increase program parameters aimed at decrease of periods under repair and optimization of buying system.

Profit Bridge for 9M 2013, mn RUR



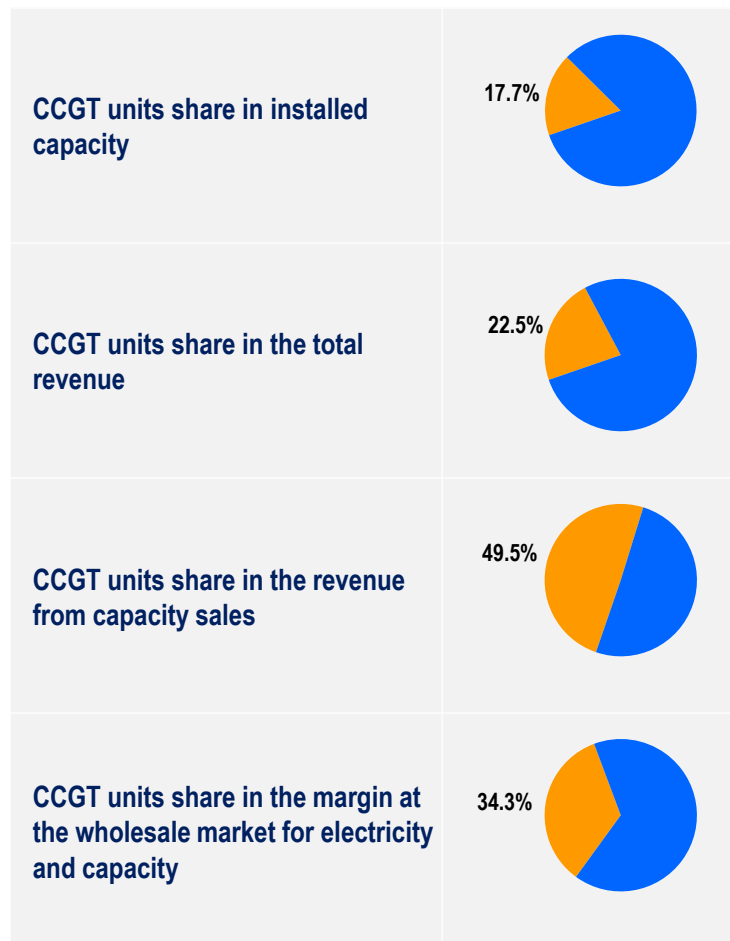
## Operational Performance for 9M 2013

	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180 #1)	Pervomayskaya CHP (CCGT 180 #2)	Pravoberezhnaya CHP (CCGT 450)	CCGT Total
Electricity Production, mn kWh	2,126.9	537.4	967.6	875.8	4,507.6
Heat Output, thous Gcal	709.7	228.7	231.0	186.2	1,355.5
Fuel Rate on Electricity, g/kWh	237.9	237.7	254.3	243.4	242.4
Fuel Rate on Heat, kg/Gcal	125.0	125.0	125.0	125.0	124.6

## Financial Performance\* for 9M 2013

mn RUR	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180 #1)	Pervomayskaya CHP (CCGT 180 #2)	Pravoberezhnaya CHP (CCGT 450)	CCGT Total
Revenue, including	4,544.6	1,487.2	2,058.1	2,667.3	10,757.3
Electricity	2,316.3	596.2	1,051.6	1,000.4	4,964.5
Capacity	1,749.1	747.5	860.8	1,534.7	4,892.2
Heat	479.3	143.6	145.7	132.2	900.7
Purchased Energy	225.5	109.9	49.7	72.5	457.6
Fuel	2,026.8	502.1	902.5	821.1	4,252.5
Margin	2,292.2	875.3	1,105.9	1,773.7	6,047.2

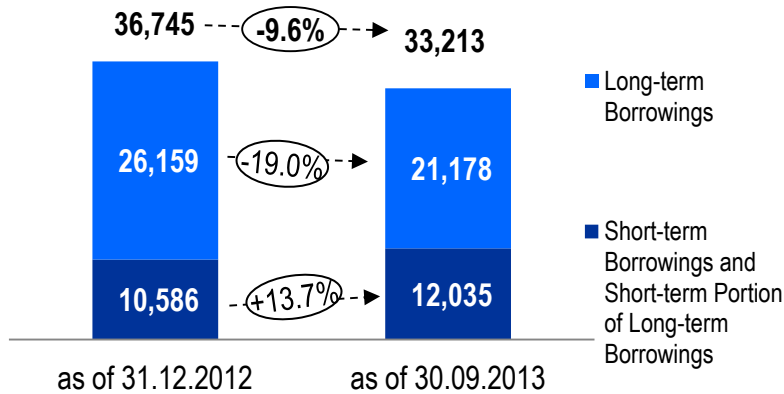
## Comparative Performance\* for 9M 2013



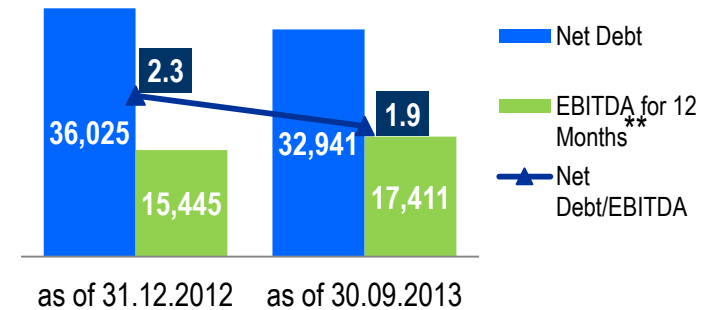
\* Management report data.



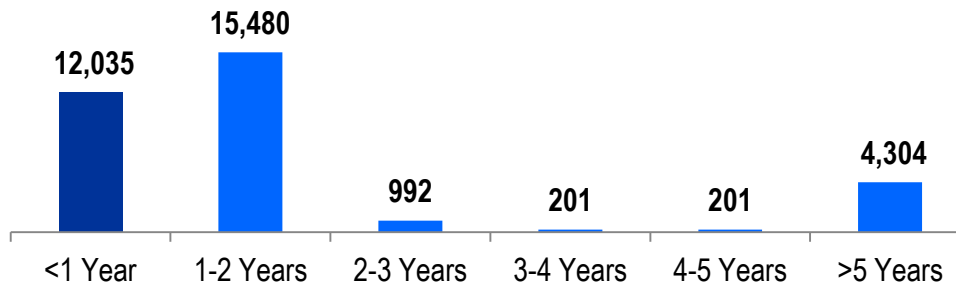
## Debt Structure, mn RUR



## Net Debt\*/ EBITDA



## Maturity Profile, as of September 30, 2013, mn RUR



## Debt Portfolio Management

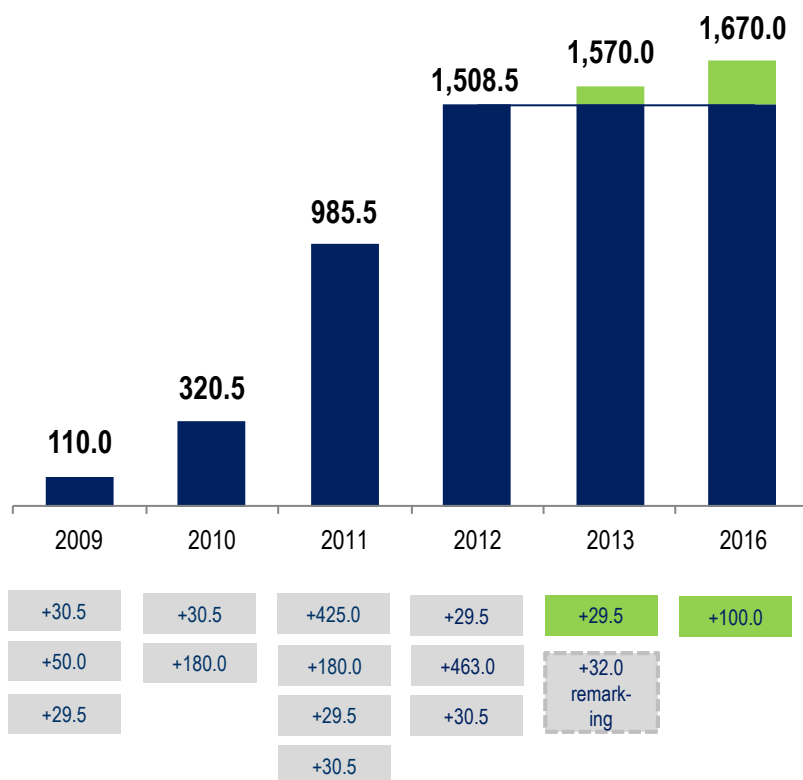
- The weighted average effective interest rate for the debt portfolio for the 9 months of 2013 amounted (cumulatively, year to date) to 8.51%.
- Four bond issues series 01-04 of TGC-1 are traded on MICEX-RTS.

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

\*\* EBITDA for 12 months, ended September 30, 2013 = EBITDA for 2012 + EBITDA for 9 months of 2013 – EBITDA for 9 months of 2012

# Appendix

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



## Commissioned Capacity (as of 01.10.2013)

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	463.0	01.01.2013
Svetogorskaya HPP (Hydraulic Unit 2)	2012	30.5	01.04.2013
<b>Total</b>		<b>1,540.5</b>	

\* 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

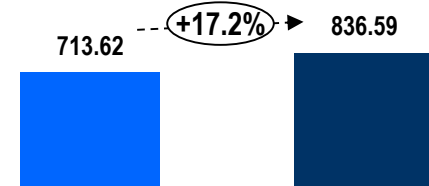
Station	Year of Commissioning	Electric Power, MW	Supply of capacity to the wholesale market
Lesogorskaya HPP (Hydraulic Unit 4)	2013	29.5	01.04.2014
Tsentralnaya CHP	2016	50.0	01.01.2017
		50.0	
<b>Total</b>		<b>129.5</b>	

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

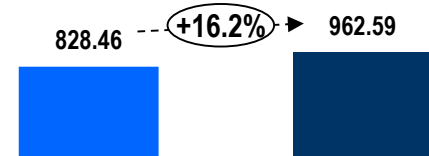
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market for 9 months, RUR/ MWh



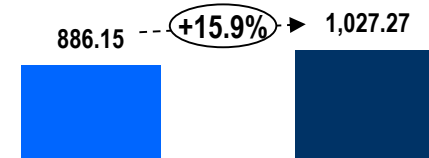
Kolsky Branch



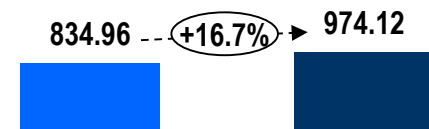
Karelsky Branch



Nevsky Branch

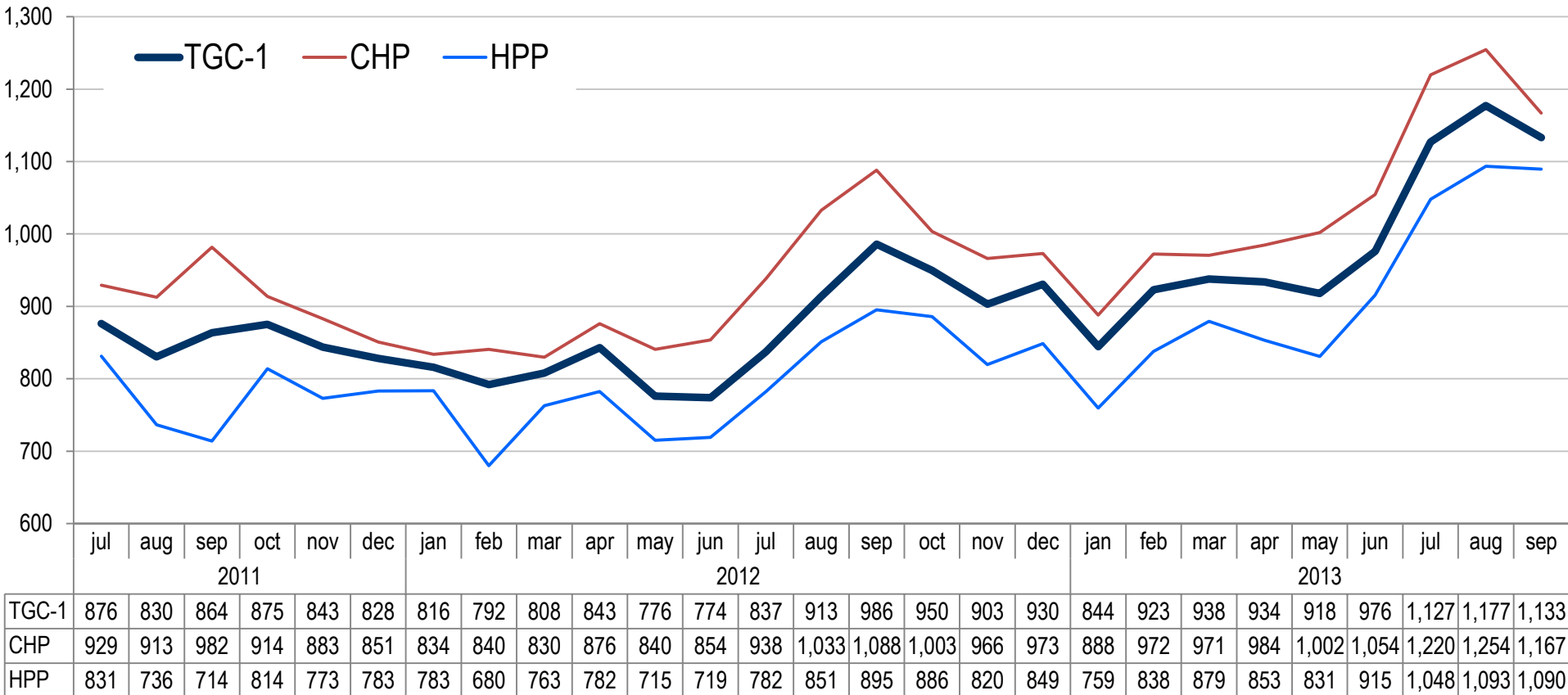


TGC-1



■ 9M 2012 ■ 9M 2013

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



# Thank you for Your Attention!

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