

JSC«TGC-1»:

IFRS Results and Results of Operations for 9 months of 2011

December 6, 2011
Saint Petersburg

The information contained herein has been prepared using information available to JSC “TGC-1”(hereinafter - TGC-1 or the Company) at the time of preparation of the presentation. Since making a presentation on the activities of TGC-1 and the content of the presentation could affect the external or other factors. In addition all relevant information about TGC-1 may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty. TGC-1 cautions that actual results may differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Report for a description of the major risk factors.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in TGC-1, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

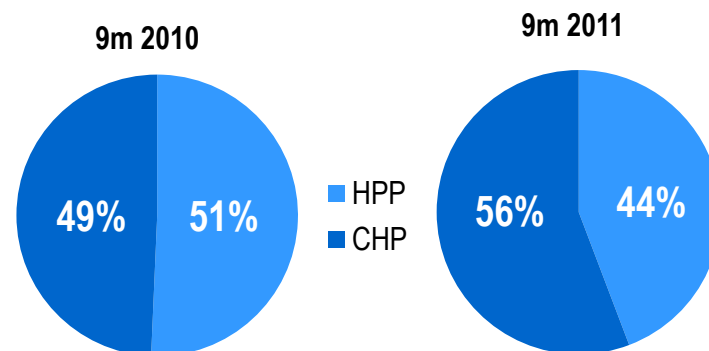
Main Highlights

	9 months 2010	9 months 2011	Change
Electricity Production, mln kWh, including:	19,697	20,718	+5.2%
CHP	9,713	11,556	+18.9%
HPP	9,985	9,162	-8.2%
Electricity Sales Including Purchased Energy, mn kWh	23,082	23,948	+3.8%
Heat Output, thous Gcal	19,130	18,270	-4.5%
Useful Heat Output Including Purchased Energy, thous Gcal	18,286	18,217	-0.4%
Fuel Rate on Electricity*, g/kWh	305.2	293.6	-3.8%
Fuel Rate on Heat*, kg/Gcal	139.5	140.2	+0.5%
Electric Capacity Utilization Factor**, %, including:	47.7	47.3	-0.4 p.p.
CHP	43.6	46.6	+3.0 p.p.
HPP	52.6	48.1	-4.5 p.p.

Main Factors of the Operational Highlights Changes

- Increase in the CHPs output and decrease in the fuel rate on electricity on the account of the new generation capacity
- Decrease in heat output was due to comparatively warm late winter months in 2010-2011
- The HPPs output decreased due to low water content in 1H 2011

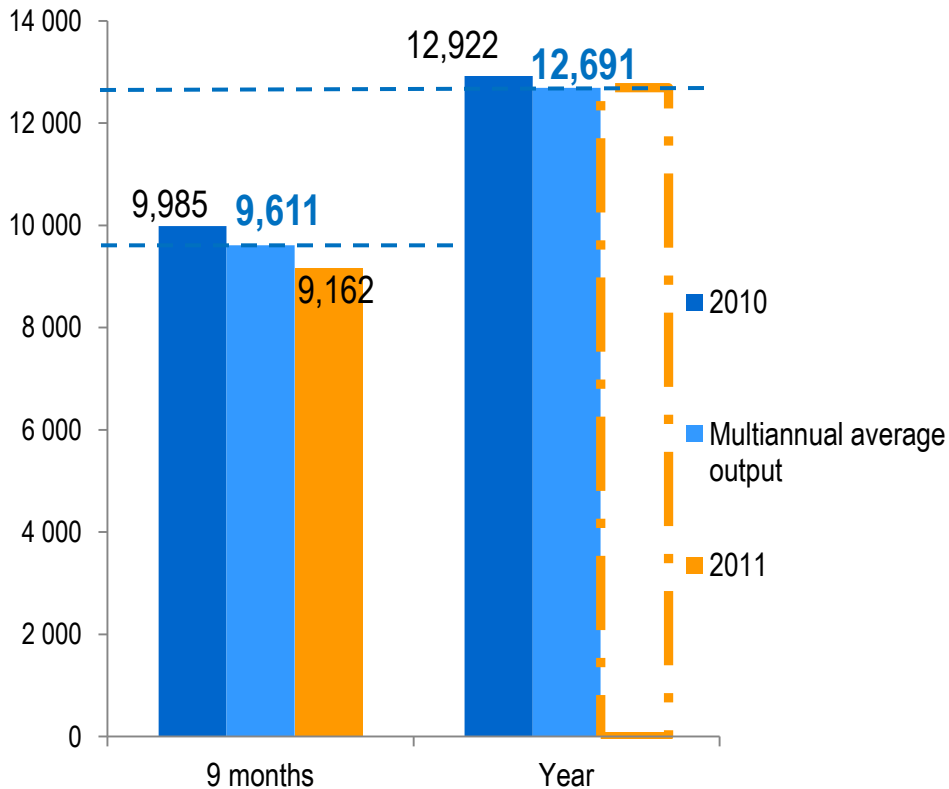
Electricity Output Structure



* Excluding Murmanskaya CHP, fuel rate for Murmanskaya CHP for the same period was 446 g/kWh on electricity and 172 kg/Gcal on heat

** Excluding Murmanskaya CHP, electric capacity utilization factor for Murmanskaya CHP for the same period was 43.6%

Electricity Output at TGC-1 HPPs, mln kWh



Influence of the Water Content on The HPPs Output

- This year the inflow of water to the reservoirs of TGC-1 HPPs has been lower than the multiannual, hence, the output decreased
- By the year results the water content is expected to have normal level, thus, the HPPs output is expected by the Company to correspond to the planned figures

Pervomayskaya CHP – 180 MW



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

Uzhnaya CHP – 450 MW



- Supply of power to the wholesale market since April 1, 2011
- Supply of heat by the new block since July

Lesogorskaya HPP– 29.5 MW



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

Operational Performance of the New Generation Capacity for 9 months 2011

	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180)
Electricity Production, mln kWh	1,488	745.6
Heat Output, thous Gcal	192.7	172
Fuel Rate on Electricity, g/kWh	248.9	260.4
Fuel Rate on Heat, kg/Gcal	125	125
Electric Capacity Utilization Factor, %	79.8	63.2

Financial Performance of the New Generation Capacity for 9 months 2011

mn RUR	Uzhnaya CHP (CCGT 450)	Pervomayskaya CHP (CCGT 180)
Revenue, including	2,640	1,389
Electricity	1,550	818
Capacity	976	470
Heat	114	101
Purchased Energy	201	64
Fuel	1,124	588
Marginal Income	1,315	737

Main Highlights, mn RUR

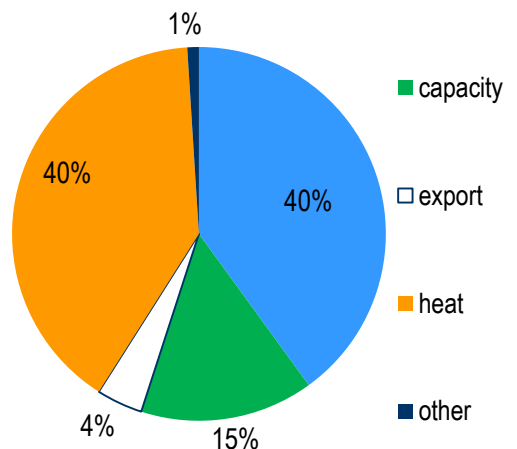
	9 months 2010	9 months 2011	Change
Revenue	36,849	43,708	+19%
Operating Expenses	33,679	37,915	+13%
Operating Profit	3,170	5,793	+83%
Profit before Income Tax	2,999	5,311	+77%
EBITDA ¹	5,619	9,215	+64%
Profit for the Period	2,461	2,996	+22%

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

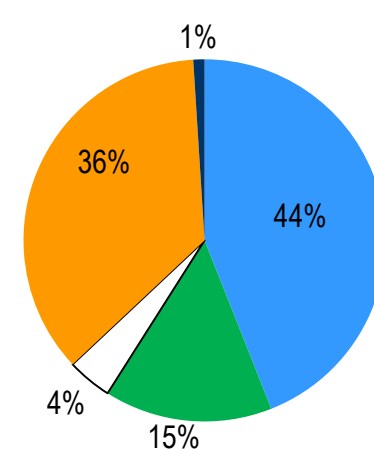
Main Factors of the Revenue Change

- Increase of the revenue generated by electricity and heat sales from the new generation capacity
- Growth of the prices and tariffs
- Increase of gainings of JSC "Teploset of Saint Petersburg" on the account of the heat supply via Suzdalskaya heating line in the mid June, 2011 (30 mn RUR in 3Q 2011)

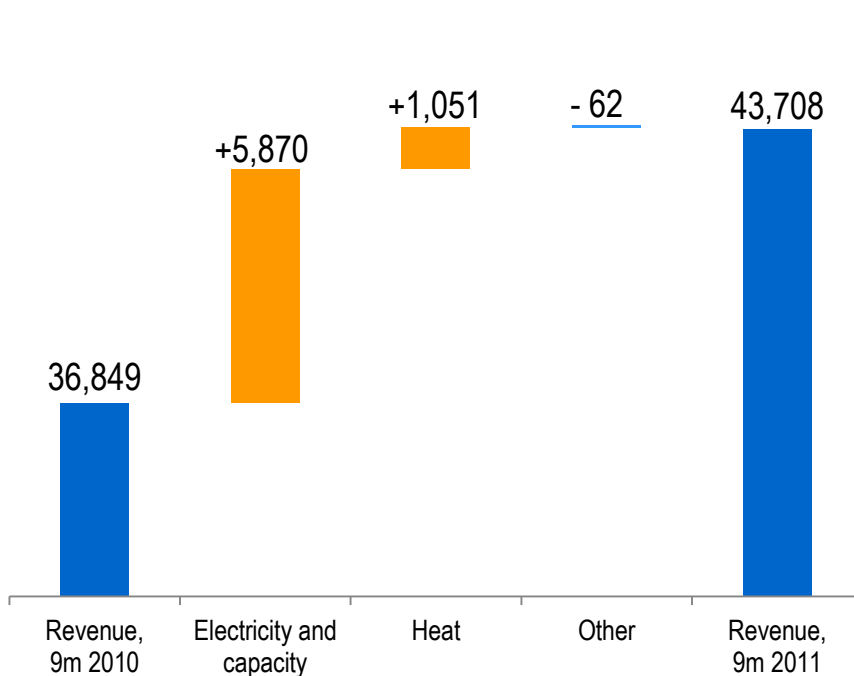
Revenue Structure, 9m 2010



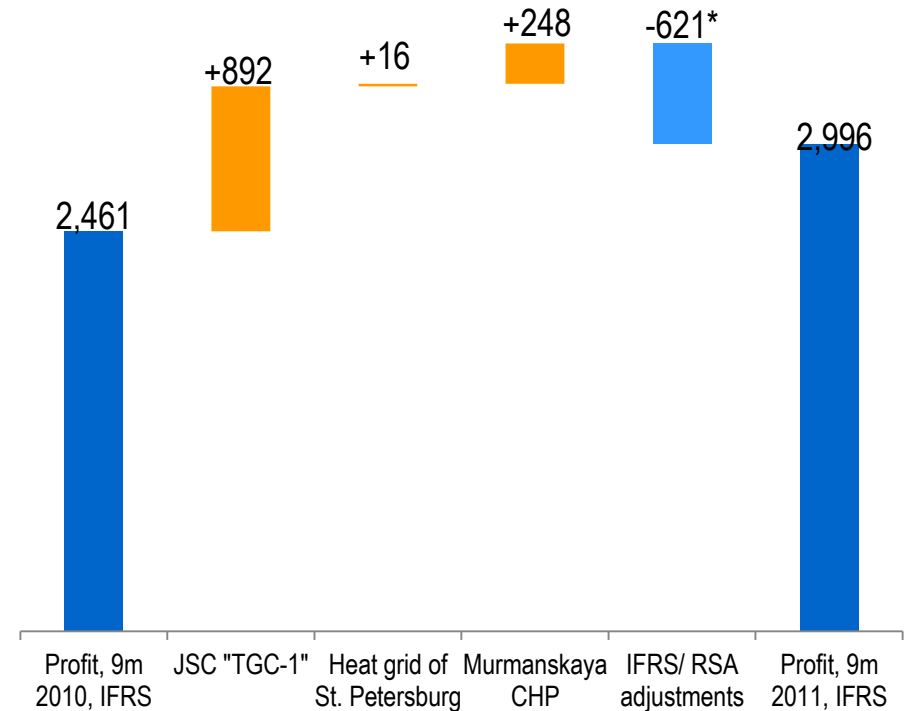
Revenue Structure, 9m 2011



Changes in the Revenue Sources Year-on-year, mn RUR



Contribution of the Group's Companies to the Changes of the Consolidated Profit, mn RUR



*Including difference between depreciation of fixed assets according to RAS and IFRS, difference in deferred tax according to IFRS and RAS etc.

Costs Increase Factors

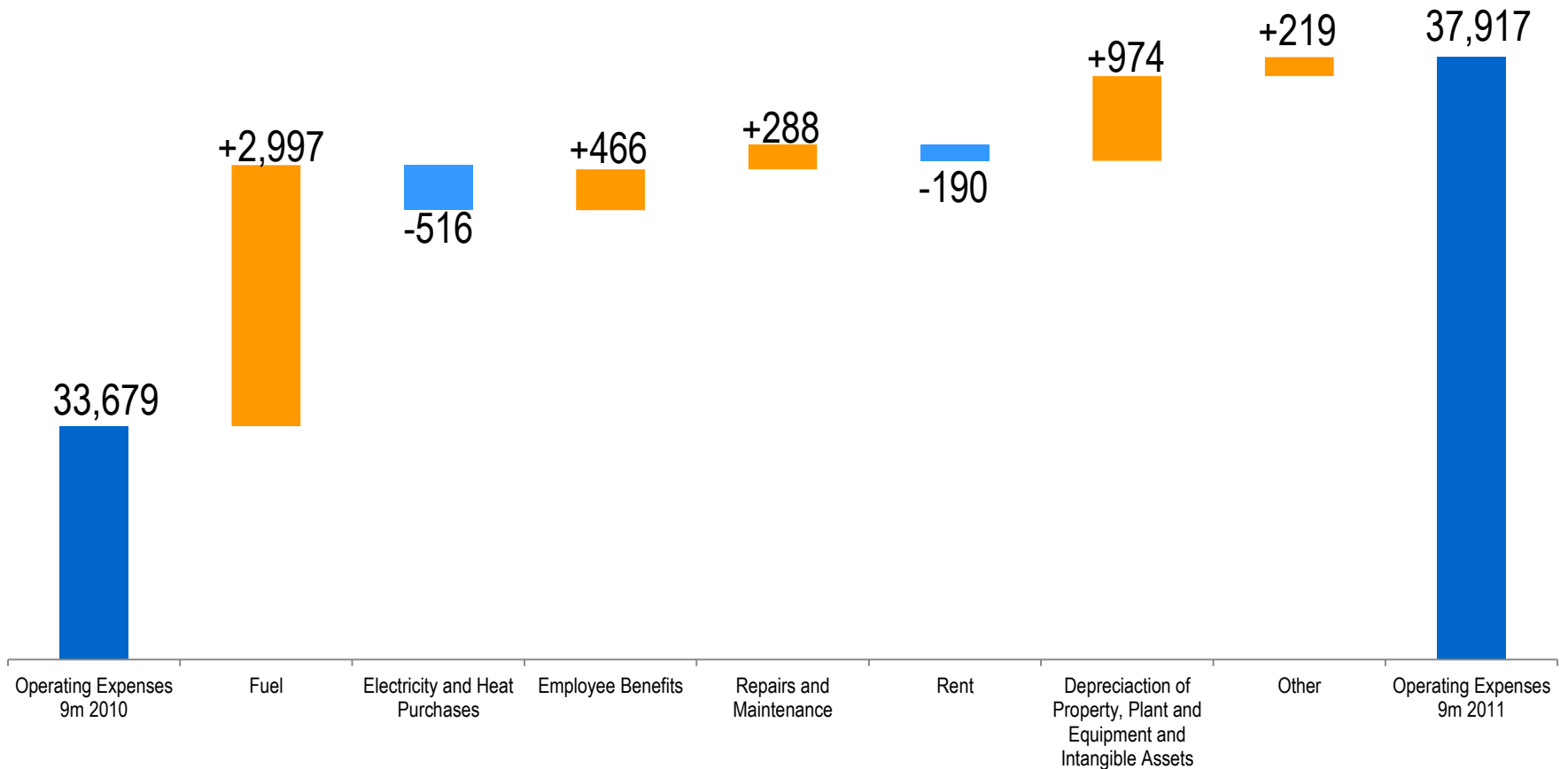
- Fuel expenses increase due to output increase and raw materials prices growth
- Depreciation increase due to commissioning of new units
- Repair expenses increased due to the following:
 - ✓ 186 mn RUR net of VAT for 9 months 2011 – technical maintenance of new blocks
 - ✓ 1,266 mn RUR periodic equipment repairs for 9 months including 842 mn RUR in the 3-rd quarter
 - ✓ 111 mn RUR - repairs and maintenance of GUP TEK's inter-district networks, which were incorporated in OJSC "Teploset of Saint Petersburg"
- Additional expenses for employees remuneration in OJSC "Teploset of Saint Petersburg" equal to 402 mn RUR of total increase
- Rent expenses decrease due to gaining into ownership of inter-district grids of OJSC "Teploset of Saint Petersburg"
- Other operating expenses for 9 months 2011 decreased for the amount of grants (equal to 328 mn RUR) achieved by OJSC "Murmanskaya TEC" in the 2-nd quarter of 2011.

Cost Structure, mn RUR

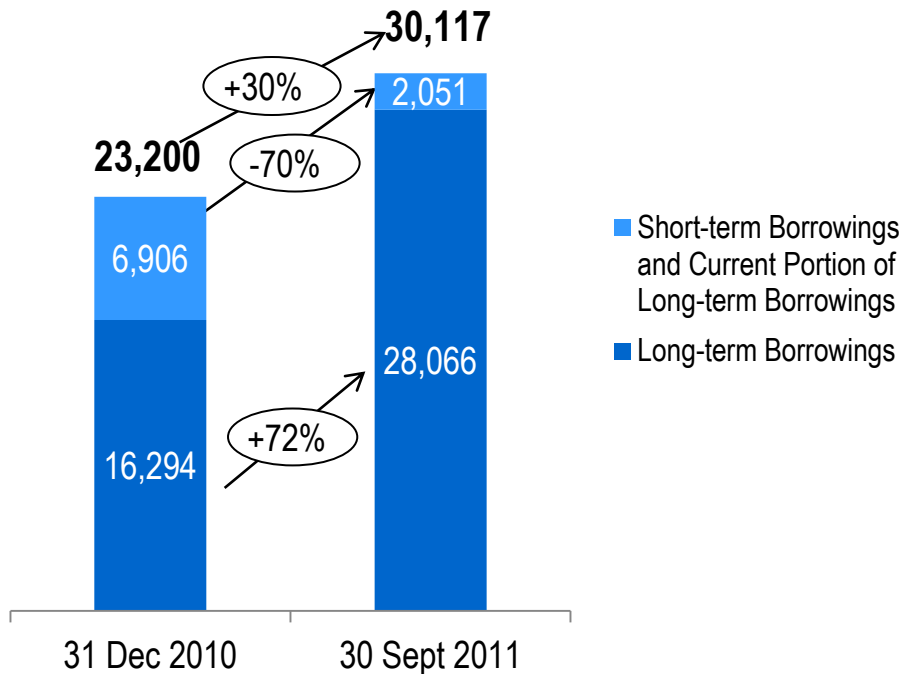
Variable Costs	9 month 2010	9 month 2011	Change, %
Fuel	14,676	17,673	+20%
Electricity and Heat Purchases	5,786	5,270	-9%
Water Usage Expenses	1,495	1,564	+5%
Other Materials	262	372	+42%
Heat Distribution	349	371	+6%
Total	22,568	25,250	+12%

Fixed costs	9 month 2010	9 month 2011	Change, %
Employee Benefits	4,379	4,845	+11%
Repairs and Maintenance	1,346	1,634	+21%
Taxes Other than Income Tax	772	833	+8%
Dispatcher's Fees	478	587	+23%
Lease Expenses	361	171	-53%
Insurance Cost	165	146	-12%
Depreciation of Property, Plant and Equipment and Intangible Assets	2,449	3,423	+40%
Other Operating Expenses	1,161	1,026	-12%
Total	11,111	12,665	14%

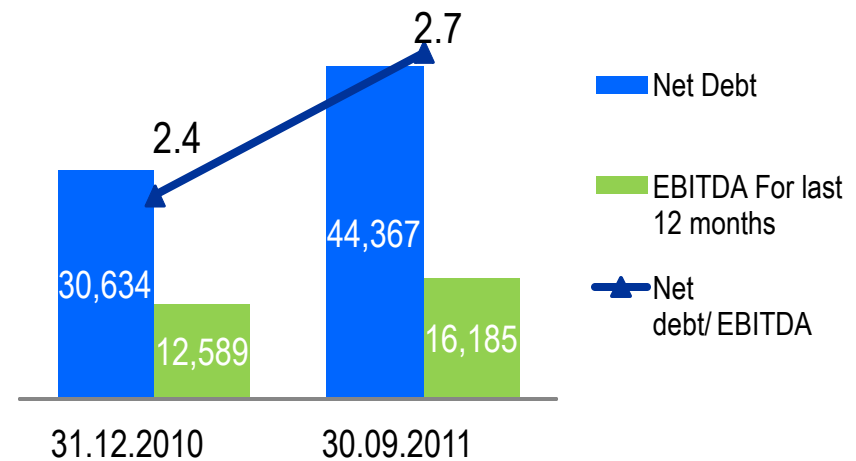
Operating Expenses Bridge, mn RUR



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 September 30, 2011 = EBITDA for 2010 + EBITDA for the 9 months of 2011 - EBITDA for the 9 months of 2010.

Loan Portfolio Management

- The weighted average effective interest rate for the loan portfolio in October 1, 2011 amounted to 8.29%.
- TGC-1 is going to issue 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. The total amount of bonds will not exceed 8 bn RUR.

Appendix

Station	Type of Work	Commissioned Electric Power (MW)	Commissioned Thermal Power (Gcal/h)	Year of Commissioning
Vuoksinskiy chain of HPP	Gradual replacement of hydro power units	8×30	-	2009-2013 (150 MW units replaced)
Pervomayskaya CHP	Reconstruction of the plant with replacement of equipment by the construction of two units of CCGT-180	2×180	238	2011-2012 (1 unit is commissioned)
Uzhnaya CHP	Expansion of the station due to construction of power unit №4 CCGT-450	450	290	2011 (completed)
Pravoberezhnaya CHP	Expansion of the station due to construction of power unit №2 CCGT-450	450	318	2012
Pervomayskaya CHP	Construction of the auxiliary complex	-	690	2013
Tsentralnaya CHP	Construction of gas turbine with the capacity of 100 MW in the territory within 4 km from Tsentralnaya CHP	2×50	120	2016

Thank you for Your Attention!

Contacts for mass-media

+7 (812) 901-32-84
+7 (812) 901-34-77
press_tgc1@tgc1.ru

Contacts for investors and analysts

+7 (812) 901-32-96
+7 (812) 901-32-97
ir@tgc1.ru