



JSC TGC-1

3M 2015 IFRS Results

May 14, 2015
Saint Petersburg

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Operational Highlights

| | 3M 2014 | 3M 2015 | Change |
|---|---------|---------|-----------|
| Installed Capacity, MW | 7,244 | 7,144 | -1.4% |
| Electricity Production, mn kWh, Including: | 7,725 | 7,496 | -3.0% |
| CHP | 4,899 | 4,800 | -2.4% |
| HPP | 2,826 | 2,696 | -4.6% |
| Electricity Sales Including Purchased Energy, mn kWh | 8,441 | 8,511 | 0.8% |
| Capacity Sales, MW (monthly average) | 5,274 | 2,960 | -43.9% |
| Heat Output, thous Gcal | 9,377 | 9,102 | -2.9% |
| Useful Heat Output Including Purchased Energy, thous Gcal | 9,288 | 9,160 | -1.4% |
| Fuel Rate on Electricity*, g/kWh | 256.8 | 251.6 | -2.0% |
| Fuel Rate on Heat*, kg/Gcal | 138.7 | 137.7 | -0.7% |
| Capacity Load Factor, %* | 49.4 | 48.7 | -1.4 p.p. |
| CHP | 52.7 | 51.9 | -1.5 p.p. |
| HPP | 44.5 | 43.8 | -1.6 p.p. |

Financial Highlights, mn RUR

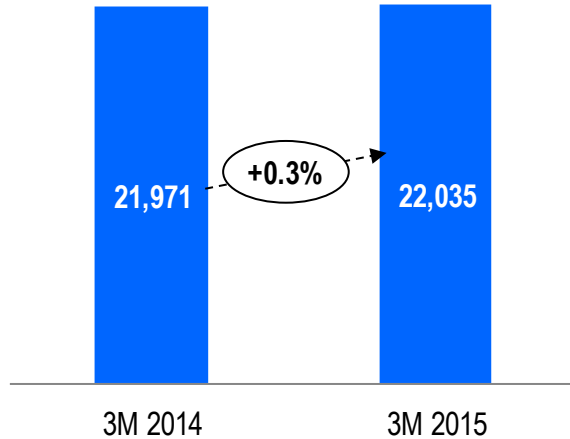
| | 3M 2014 | 3M 2015 | Change |
|--------------------------------|----------|----------|--------|
| Revenue | 21,971 | 22,035 | +0.3% |
| Operating Expenses, Incl.: | (17,928) | (17,549) | -2.1% |
| Variable Costs | (12,703) | (12,471) | -1.8% |
| Fixed Costs | (3,549) | (3,290) | -7.3% |
| Depreciation and Amortization | (1,676) | (1,788) | +6.7% |
| Total Operating Expenses** | (17,477) | (17,458) | -0.1% |
| Operating Profit | 4,494 | 4,577 | +1.8% |
| Profit Before Income Tax | 3,833 | 4,045 | +5.5% |
| EBITDA *** | 6,170 | 6,365 | +3.2% |
| EBITDA, adj. **** | 3,136 | 3,295 | +5.1% |
| Profit for the Year | 21,971 | 22,035 | +0.3% |
| Profit for the Year, adj. **** | (17,928) | (17,549) | -2.1% |

* Without Murmanskaya CHP.

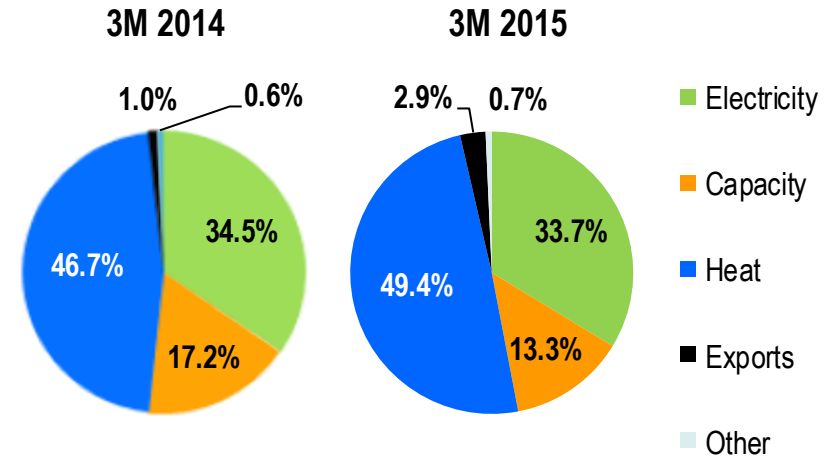
** With account to Government grants, Impairment of PP&E and Other operating income.

*** EBITDA = Operating profit + Depreciation of property, plant and equipment and Amortization of intangible assets and investment property

Revenue, mn RUR



Revenue Structure*



Prices and Tariffs*, mn RUR

| | 3M 2014 | 3M 2015 | Change |
|---|-----------|-----------|--------|
| Average Electricity Price, Thous RUR/MWh | 926.7 | 949.4 | +2.5% |
| Average Heat Tariff, RUR/Gcal | 1,120.3 | 1,196.6 | +6.8% |
| Average New Capacity Price, RUR/MWh per Month | 547,980.6 | 612,901.8 | 11.8% |
| Average Old Capacity Price RUR/MWh per Month | 145,873.6 | 141,089.7 | -3.3% |

Revenue Change Factors

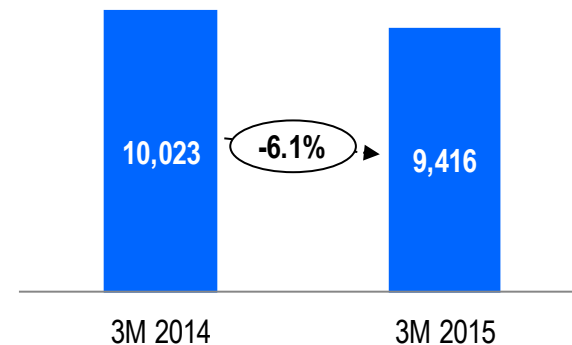
- +**
- Heat revenue growth due to increase of heat tariff;
- Increase of electricity sales at the “day-ahead” market;
- Two times growth of export electricity sales;
- Increase of “forced power” capacity sales.
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- Decrease of “competitive capacity outage” sales due to reduction of capacity taken by “competitive capacity outage”;
- Decrease of sales by “regulated contracts”.

* Management report data.

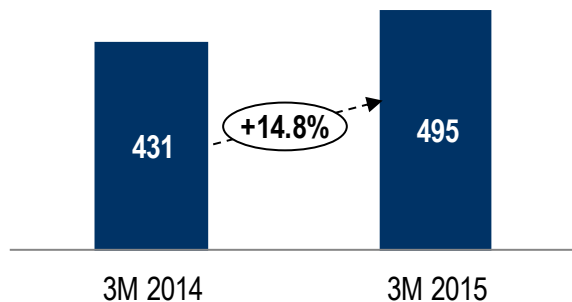
Variable Costs, mn RUR

| | 3M 2014 | 3M 2015 | Change |
|--|---------------|---------------|--------------|
| Fuel | 10,023 | 9,416 | -6.1% |
| Electricity, Capacity and Heat Purchases | 1,525 | 1,864 | +22.2% |
| Water Usage Expenses | 598 | 584 | -2.3% |
| Other Materials | 126 | 112 | -11.1% |
| Heat Transmission | 431 | 495 | +14.8% |
| Total Variable Costs | 12,703 | 12,471 | -1.8% |

Fuel Expenses, mn RUR



Heat Transmission, mn RUR



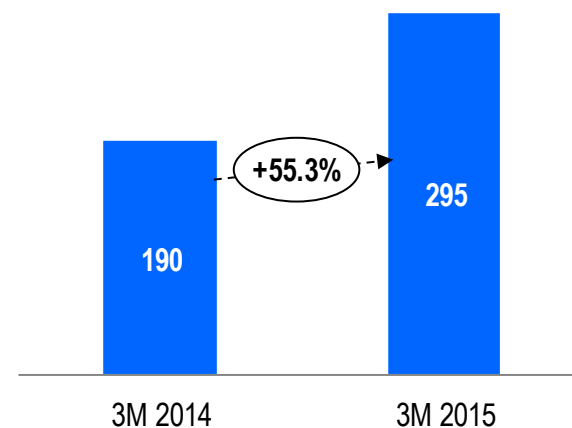
Variable Costs Change Factors

- Decreased fuel costs due to lower electricity production at ineffective CHP units.
- Growth of Electricity, Capacity and Heat Purchases expenses due to an increase in export volumes;
- Growth of Heat Transmission expenses resulting from additional transit costs of heat at JSC Apatit as well as increased tariff for heat transmission contract with JSC Hibinskaya Heating Company and JSC Apatitenergo since 2H 2014.

Fixed Costs, mn RUR

| | 3M 2014 | 3M 2015 | Изм. |
|--------------------------------------|--------------|--------------|--------------|
| Employee Benefits | 1,737 | 1,790 | +3.1% |
| Repairs and Maintenance | 422 | 500 | +18.5% |
| Taxes Other than Income Tax | 190 | 295 | +55.3% |
| Fees of Electricity Market Operators | 212 | 214 | +0.9% |
| Operating Lease Expenses | 81 | 80 | -1.2% |
| Insurance Cost | 64 | 72 | +12.5% |
| Other | 843 | 339 | -59.7% |
| Total Fixed Costs | 3,549 | 3,290 | -7.3% |

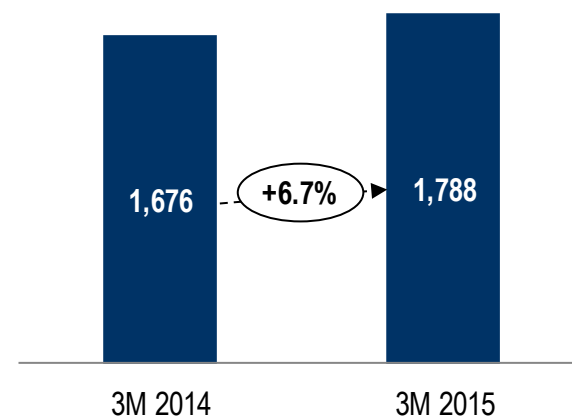
Taxes other than Income Tax, mn RUR



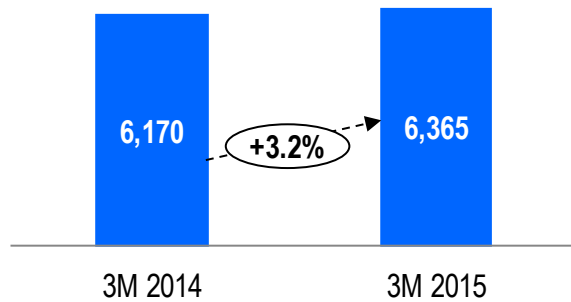
Fixed Costs and Depreciation Change Factors

- Increase of Repairs and Maintenance costs on the back of planned repairs of PP&E.
- Increase of Taxes other than Income Tax statement item due to the high base in Q1 2014.

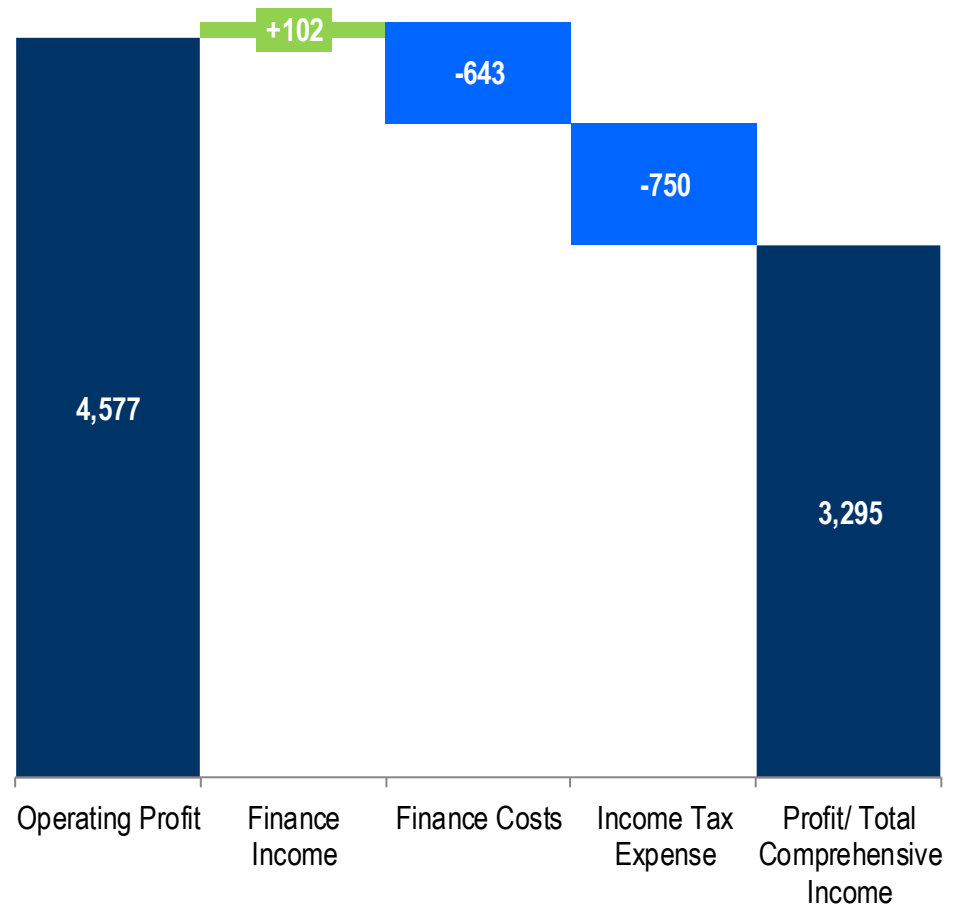
Depreciation and Amortization, mn RUR



EBITDA, mn RUR

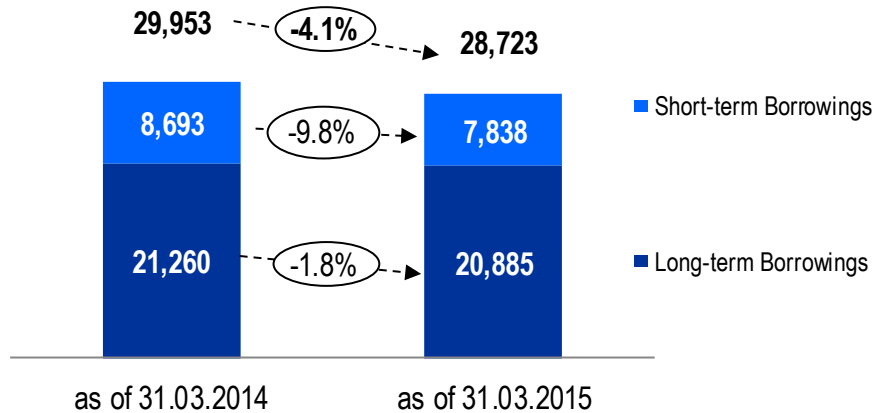


Profit Bridge for 3M 2015, mn RUR

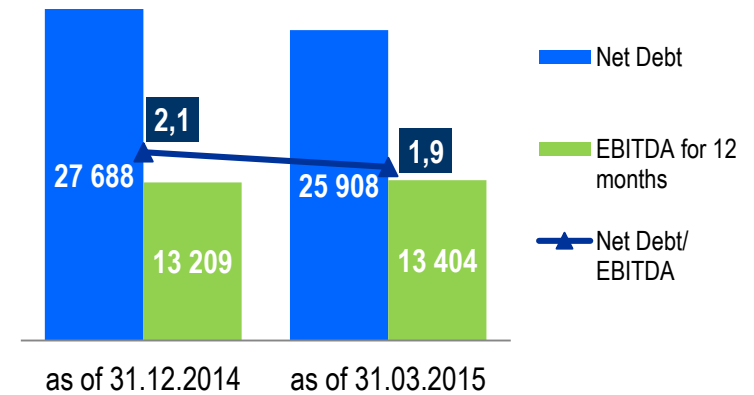


* Adjusted to Impairment of PP&E.

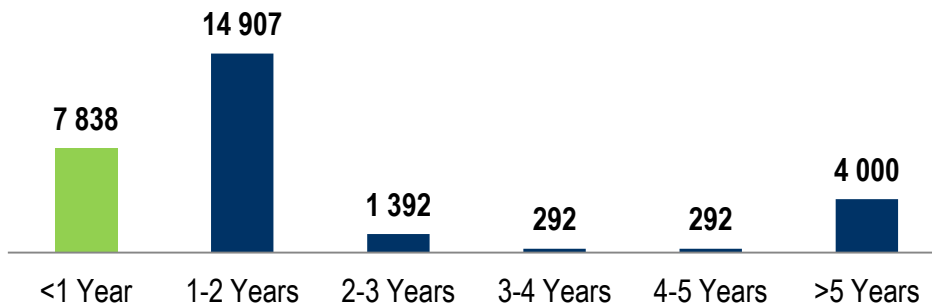
Debt Structure, mn RUR



Net Debt*/ EBITDA



Maturity Profile, as of March 31, 2015, mn RUR



Debt Portfolio Management

The weighted average effective interest rate for the debt portfolio for the 3 months of 2015 amounted (cumulatively, year to date) to 9.5%.

Two bond issues series 03-04 of TGC-1 are traded on Moscow Exchange.

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

** EBITDA for 12 months, ended March 31, 2015 = EBITDA for FY 2014 + EBITDA for 3M 2015 - EBITDA for 3M 2014

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

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



Kolsky Branch

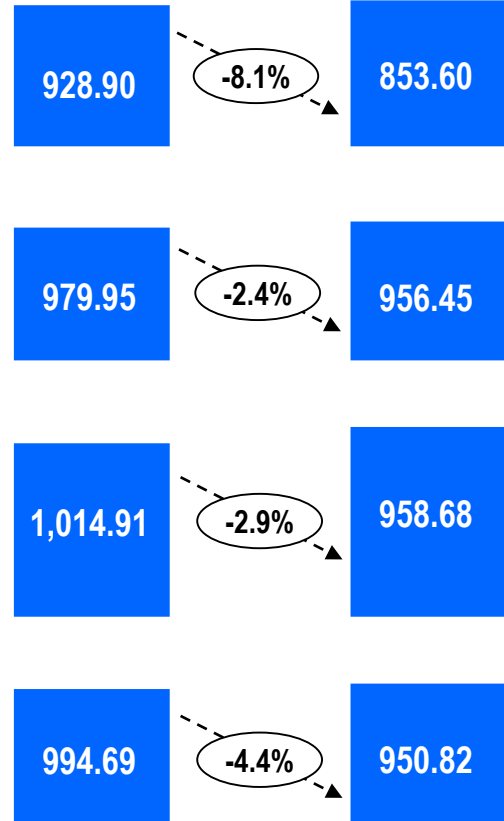
Karelsky Branch

Nevsky Branch

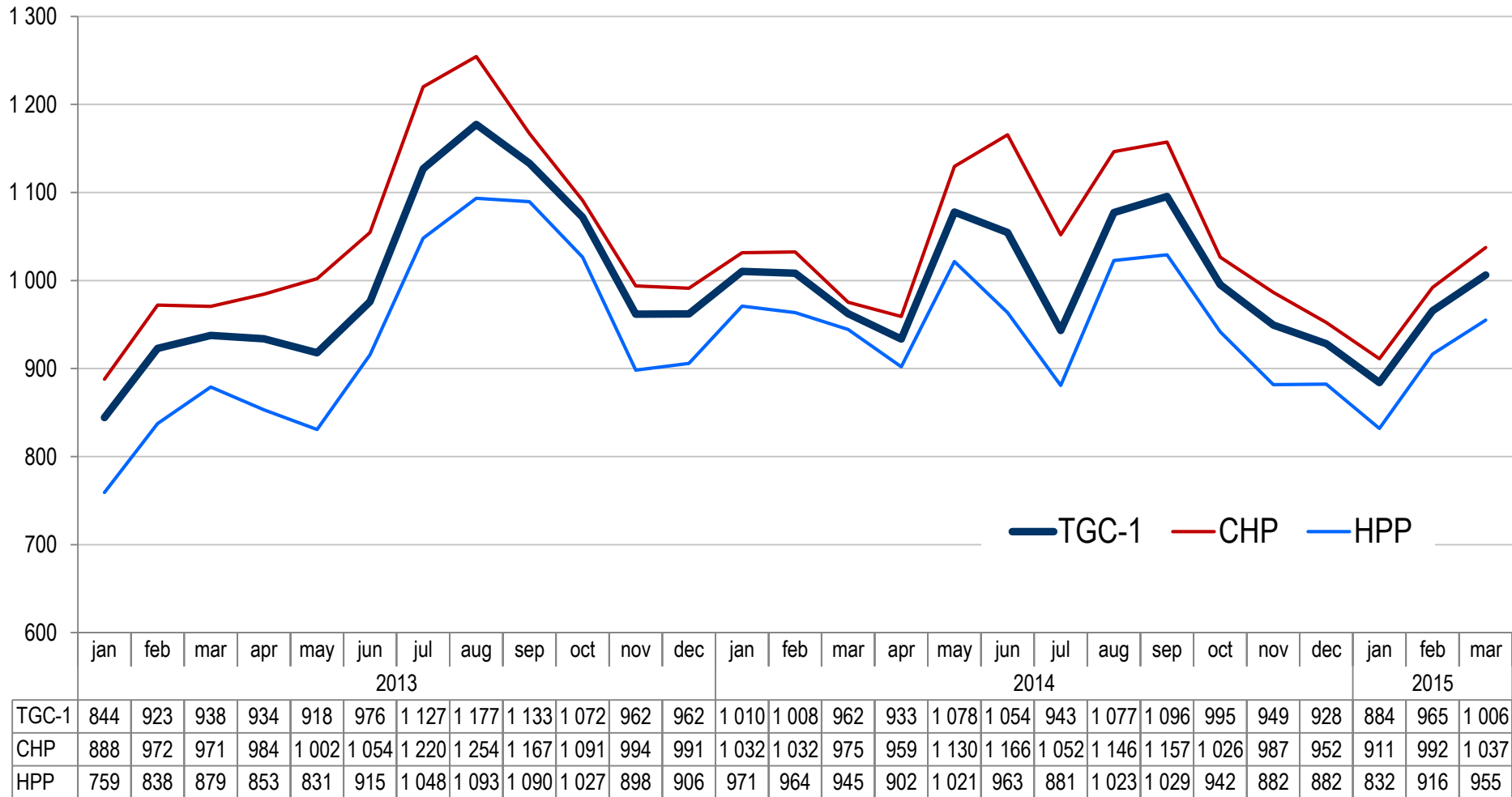
TGC-1

3M 2014

3M 2015



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



Thank you for Your Attention!

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