



JSC TGC-1

2015FY IFRS Results

March 14, 2016
Saint Petersburg

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Operational Highlights

	12M 2014	12M 2015	Change
Installed Capacity, MW	7,164	7,057	-1.5%
Electricity Production, mn kWh, Including:	26,426	25,811	-2.3%
CHP	14,977	13,480	-10.0%
HPP	11,449	12,331	+7.7%
Electricity Sales Including Purchased Energy, mn kWh	29,509	28,969	-1.8%
Capacity Sales, MW (monthly average)	5,063	3,490	-31.1%
Heat Output, thous Gcal	24,339	23,020	-5.4%
Useful Heat Output Including Purchased Energy, thous Gcal	22,428	21,508	-4.1%
Fuel Rate on Electricity*, g/kWh	262.27	260.54	-0.7%
Fuel Rate on Heat*, kg/Gcal	139.21	138.77	-0.3%
Capacity Load Factor, %*	41.8	41.5	-0.3 p.p.
CHP	39.8	36.2	-3.6 p.p.
HPP	44.7	49.3	+4.6 p.p.

* Without Murmanskaya CHP.

** With account to Government grants, Impairment loss reversed/(recognized) and Other operating income.

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

Financial Highlights, mn RUR

	12M 2014	12M 2015	Change
Revenue	68,996	69,424	+0.6%
Operating Expenses, Incl.:	(60,662)	(61,022)	+0.6%
Variable Costs	(38,285)	(37,296)	-2.6%
Fixed Costs	(15,664)	(16,521)	+5.5%
Depreciation and Amortization	(6,713)	(7,205)	+7.3%
Total Operating Expenses**	(62,500)	(59,407)	-4.9%
Operating Profit	6,496	10,017	+54.2%
Profit Before Income Tax	3,871	7,463	+92.8%
EBITDA ***	13,209	17,222	+30.4%
Profit for the Year	4,149	5,826	+40.4%
Total Comprehensive Income for the Year	4,246	5,681	+33.8%

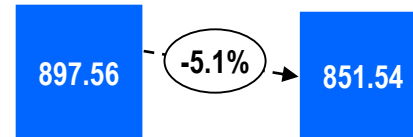
Dynamics of Sale Prices for Electricity at the Day-ahead Market

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

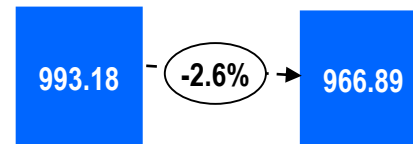


Kolsky Branch

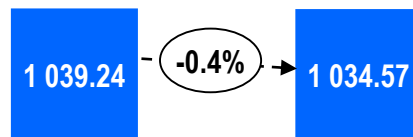
12M 2014 12M 2015



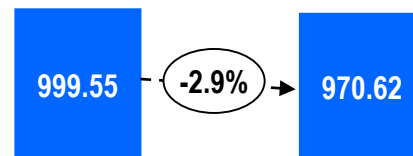
Karelsky Branch



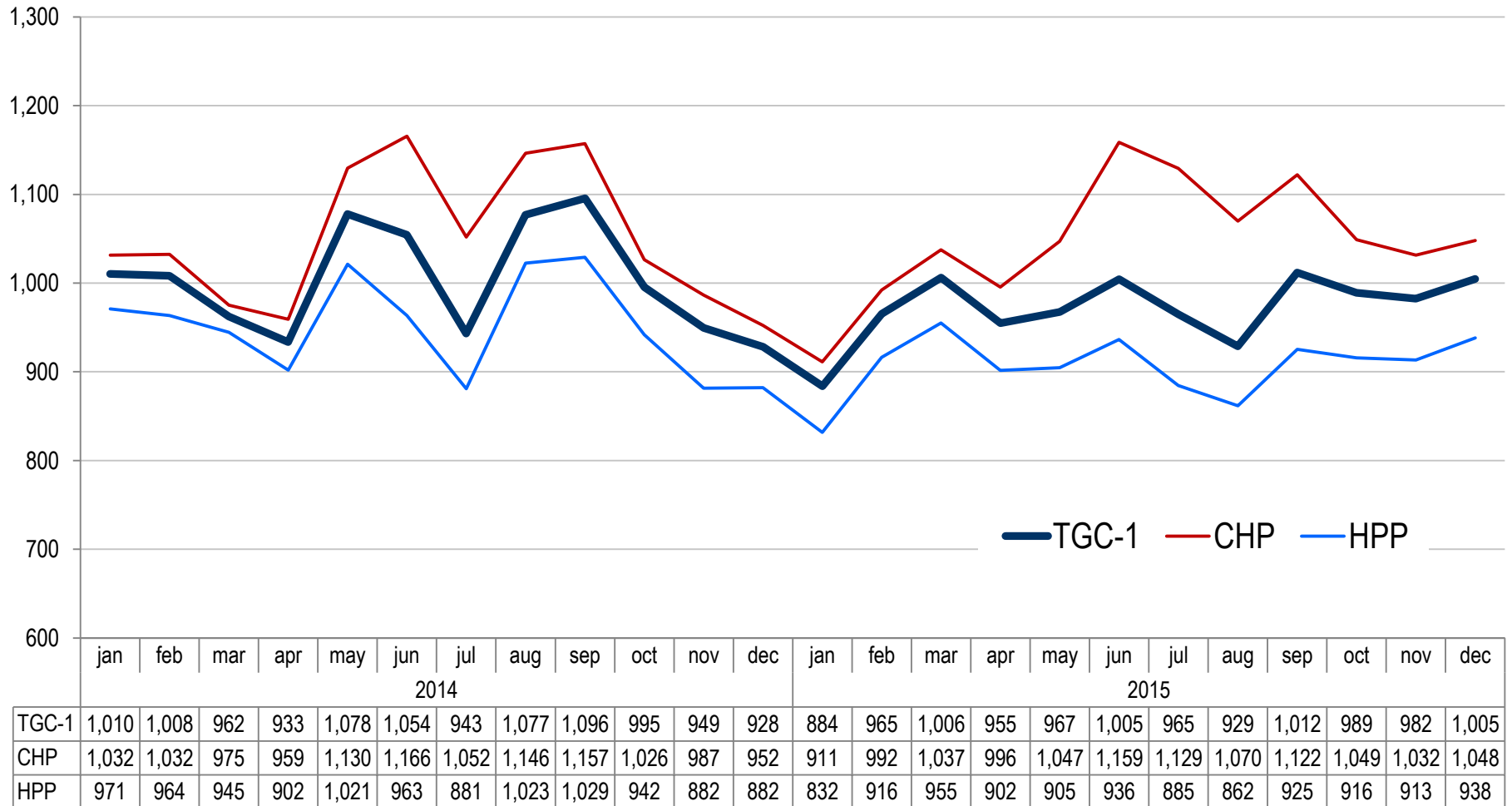
Nevsky Branch



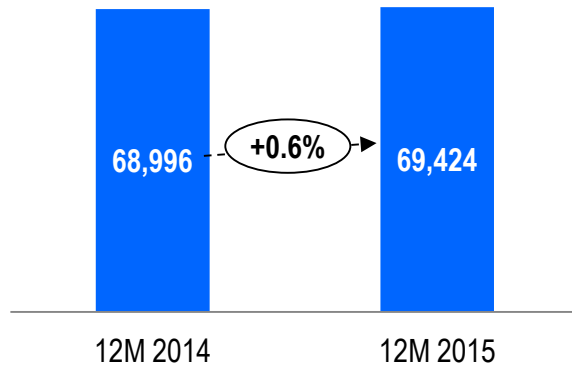
TGC-1



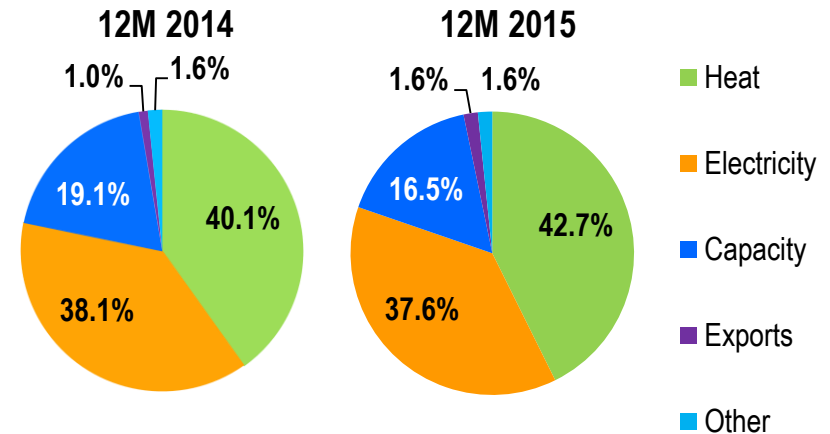
TGC-1's Sale Price for Electricity at the Day-ahead Market, RUR/MWh



Revenue, mn RUR



Revenue Structure*



Prices and Tariffs*, mn RUR

	12M 2014	12M 2015	Change
Average Electricity Price, Thous RUR/MWh	904.5	940.3	+4.0%
Average New Capacity Price, RUR/MWh per Month	481,225.3	550,081.1	+14.3%
Average Old Capacity Price RUR/MWh per Month	135,021.1	129,223.8	-4.3

Revenue Change Factors

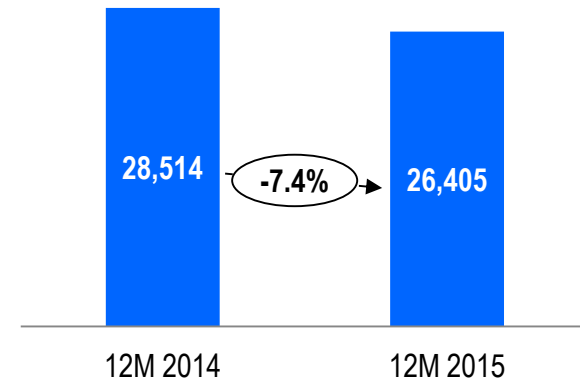
- Exports growing by one and half;
- Lower capacity volume sold at Competitive Capacity Outtake (CCO) on the back of less capacity taken at CCO-2015;
- Optimization of capacity load;
- Heat revenue growth due to increase of heat tariff;
- Higher production at HPP of Kolsky and Karelsky branches.

* Management report data.

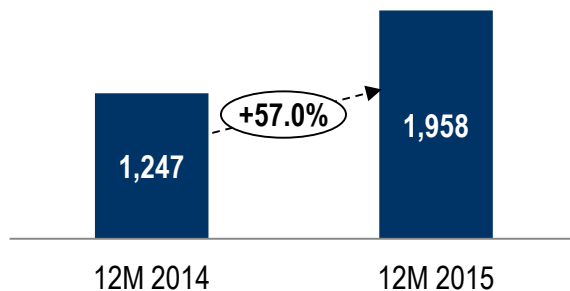
Variable Costs, mn RUR

	12M 2014	12M 2015	Change
Fuel	28,514	26,405	-7.4%
Electricity, Capacity and Heat Purchases	5,506	5,787	+5.1%
Water Usage Expenses	2,296	2,439	+6.2%
Other Materials	722	707	-2.1%
Heat Transmission	1,247	1,958	+57.0%
Total Variable Costs	38,285	37,296	-2.6%

Fuel Expenses, mn RUR



Heat Transmission, mn RUR



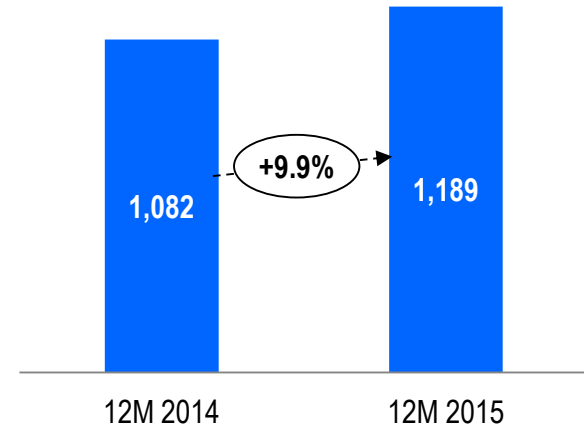
Variable Costs Change Factors

- Decreased fuel costs due to measures aimed at higher fuel efficiency, as well as lower electricity production at less efficient CHPs;
- Growth of Electricity, Capacity and Heat Purchase expenses due to growing prices at the wholesale market of electricity and capacity and higher purchase volumes;
- Growth of Heat Transmission expenses resulted from additional transit costs of heat at JSC Apatit in Kirovsk (Murmanskaya Oblast), at OJSC PKS – Heating Grids in Petrozavodsk (due to status of unified heating supplier acquired by TGC-1 for Petrozavodsk territory), as well as increased tariff for heat transmission via grids of JSC Hibinskaya Heating Company and JSC Apatityenergo since 2H 2015.

Fixed Costs, mn RUR

	12M 2014	12M 2015	Change
Employee Benefits	6,811	7,130	+4.7%
Repairs and Maintenance	2,954	3,042	+3.0%
Taxes Other than Income Tax	1,082	1,189	+9.9%
Fees of Electricity Market Operators	836	857	+2.5%
Operating Lease Expenses	298	345	+15.8%
Insurance Cost	284	290	+2.1%
Other	3,399	3,668	+7.9%
Total Fixed Costs	15,664	16,521	+5.5%

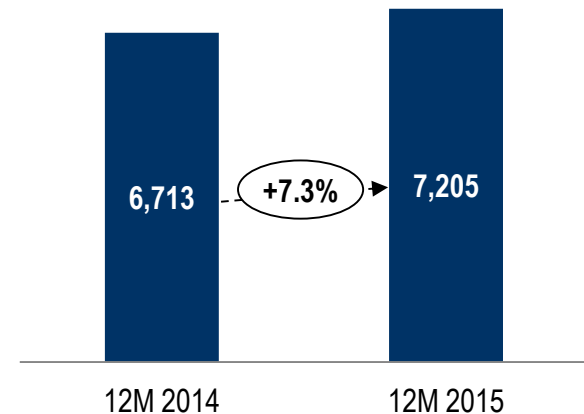
Taxes other than Income Tax, mn RUR



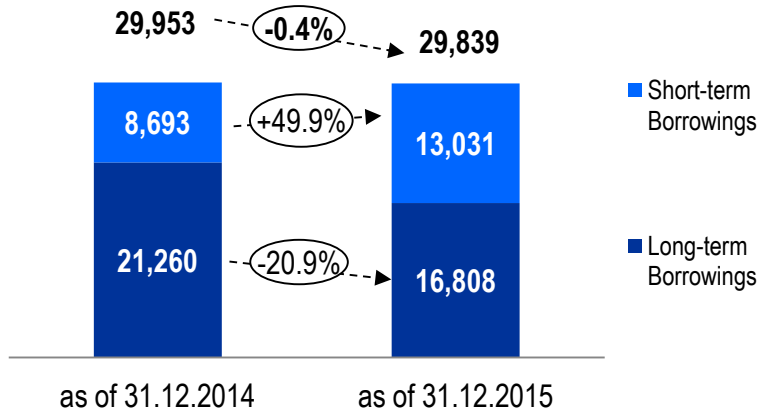
Fixed Costs and Depreciation Change Factors

- Increase of Repairs and Maintenance costs on the back of planned repairs of PP&E.
- Increase of Taxes Other than Income Tax due to the high base in 12M 2014 on the back of property tax remeasurement.
- Higher Other Fixed Costs mainly due to lower Gain on disposal of property, plant and equipment.

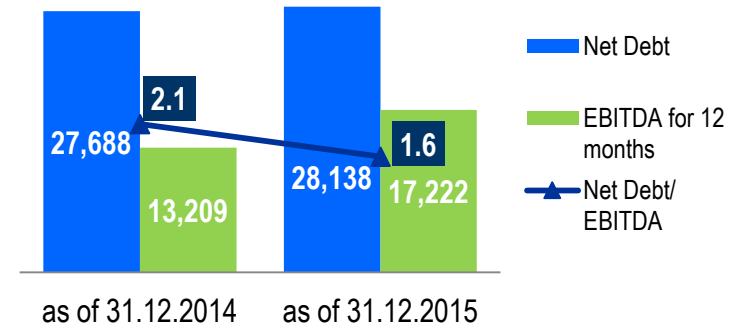
Depreciation and Amortization, mn RUR



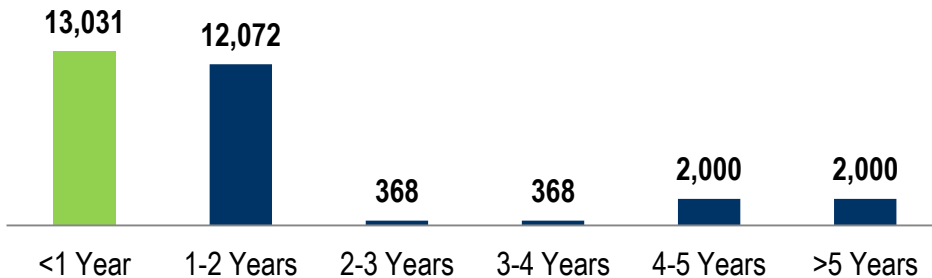
Debt Structure, mn RUR



Net Debt*/ EBITDA



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



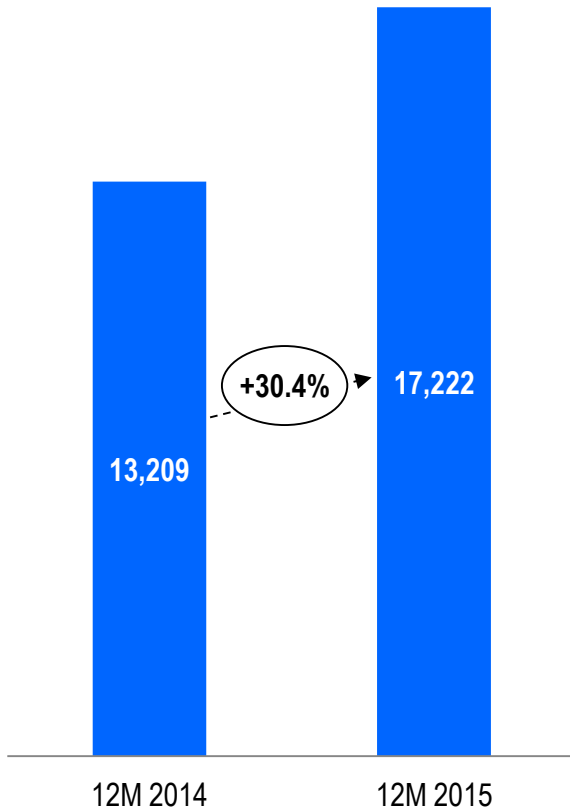
Debt Portfolio Management

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

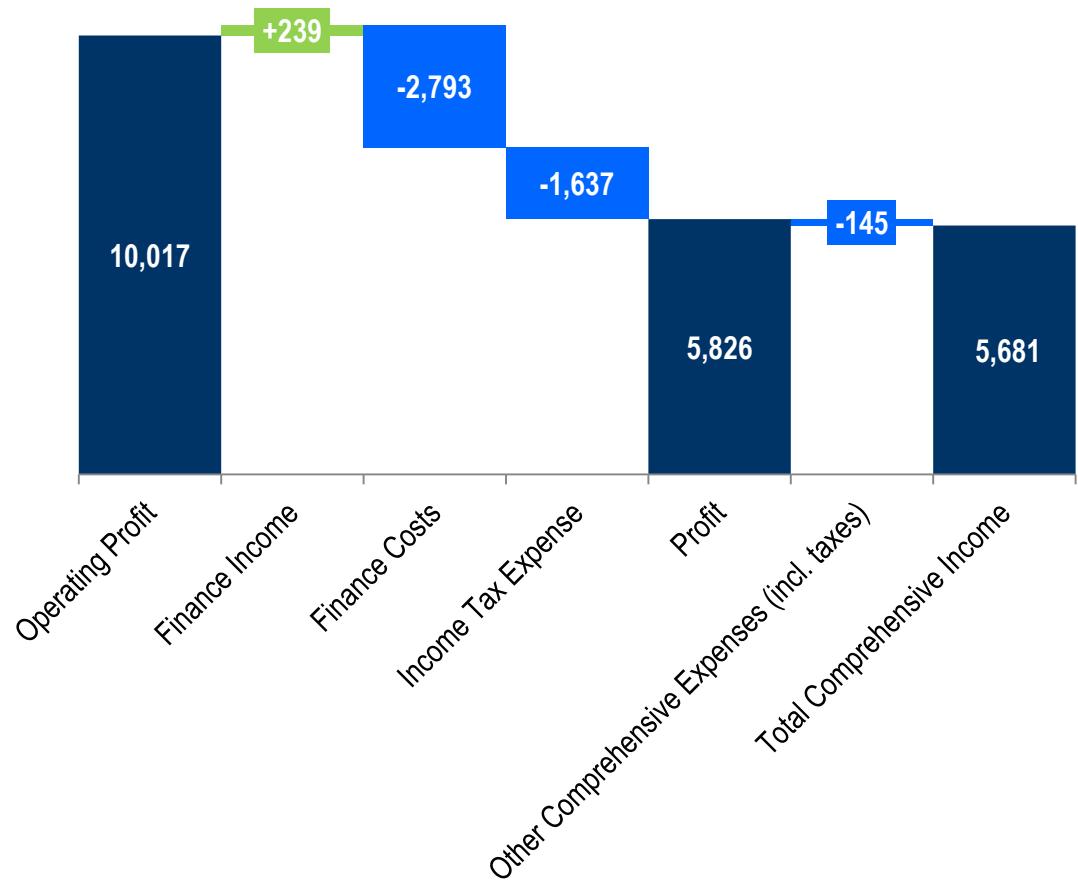
Weighted average effective interest for TGC-1 debt portfolio for 12M 2015 (accumulated from the beginning of the year) amounted to 10.32%

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

EBITDA, mn RUR



Profit Bridge for 12M 2015, mn RUR



Thank you for Your Attention!

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