



JSC TGC-1

6M 2015 IFRS Results

August 5, 2015
Saint Petersburg

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Operational Highlights

	6M 2014	6M 2015	Change
Installed Capacity, MW	7,244	7,132	-1.5%
Electricity Production, mn kWh, Including:	13,889	13,610	-2.0%
CHP	8,016	7,490	-6.6%
HPP	5,873	6,120	+4.2%
Electricity Sales Including Purchased Energy, mn kWh	15,342	15,396	+0.4%
Capacity Sales, MW (monthly average)	5,162	3,345	-35.2%
Heat Output, thous Gcal	13,792	13,466	-2.4%
Useful Heat Output Including Purchased Energy, thous Gcal	13,926	13,746	-1.3%
Fuel Rate on Electricity*, g/kWh	262.2	260.8	-0.6%
Fuel Rate on Heat*, kg/Gcal	138.6	138.5	-0.04%
Capacity Load Factor, %*	44.2	43.9	-0.3 p.p.
CHP	42.9	40.3	-2.6 p.p.
HPP	46.0	49.3	+3.3 p.p.

* Without Murmanskaya CHP.

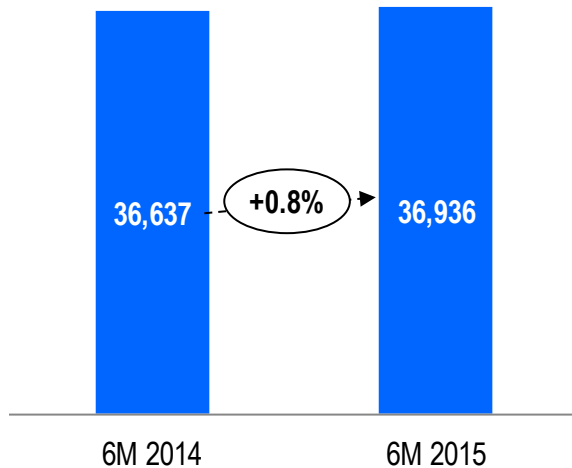
** With account to Government grants and Other operating income.

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

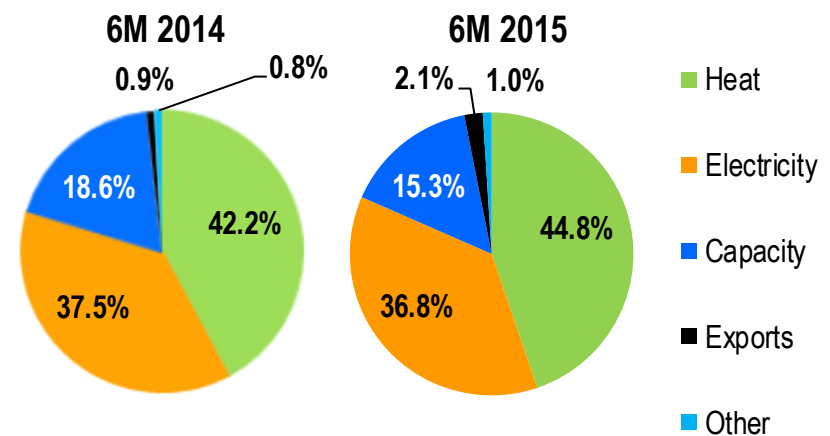
Financial Highlights, mn RUR

	6M 2014	6M 2015	Change
Revenue	36,637	36,936	+0.8%
Operating Expenses, Incl.:	(31,276)	(30,685)	-1.9%
Variable Costs	(20,645)	(20,175)	-2.3%
Fixed Costs	(7,291)	(6,928)	-5.0%
Depreciation and Amortization	(3,340)	(3,582)	+7.2%
Total Operating Expenses**	(30,716)	(29,887)	-2.7%
Operating Profit	5,921	7,049	+19.1%
Profit Before Income Tax	4,908	5,940	+21.0%
EBITDA ***	9,262	10,630	+14.8%
Profit for the Year/ Total Comprehensive Income for the Period	3,756	4,806	+28.0%

Revenue, mn RUR



Revenue Structure*



Prices and Tariffs*, mn RUR

	6M 2014	6M 2015	Change
Average Electricity Price, Thous RUR/MWh	920.2	937.1	+1.8%
Average Heat Tariff, RUR/Gcal	1,131.6	1,213.5	+7.2%
Average New Capacity Price, RUR/MWh per Month	491,867.6	555,720.2	+13.0%
Average Old Capacity Price RUR/MWh per Month	136,574.9	128,020.5	-6.3%

Revenue Change Factors

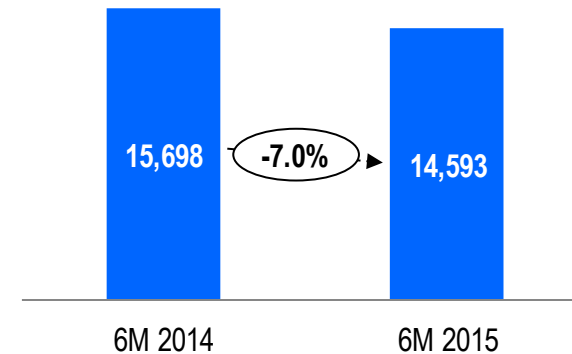
- Heat revenue growth due to increase of heat tariff;
- Exports growing by 76.8%;
- Lower capacity volume sold at Competitive Capacity Outtake (CCO) on the back of less capacity taken at CCO-2015;
- Optimization of capacity load.

* Management report data.

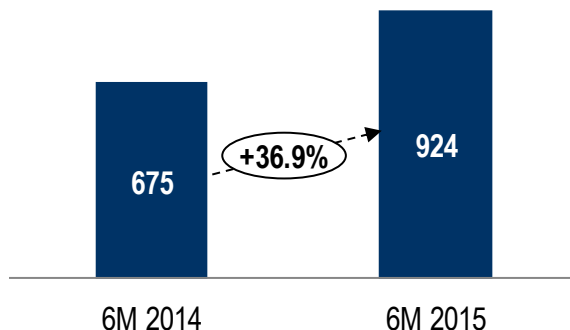
Variable Costs, mn RUR

	6M 2014	6M 2015	Change
Fuel	15,698	14,593	-7.0%
Electricity, Capacity and Heat Purchases	2,803	3,214	+14.7%
Water Usage Expenses	1,172	1,163	-0.8%
Other Materials	297	281	-5.4%
Heat Transmission	675	924	+36.9%
Total Variable Costs	20,645	20,175	-2.3%

Fuel Expenses, mn RUR



Heat Transmission, mn RUR



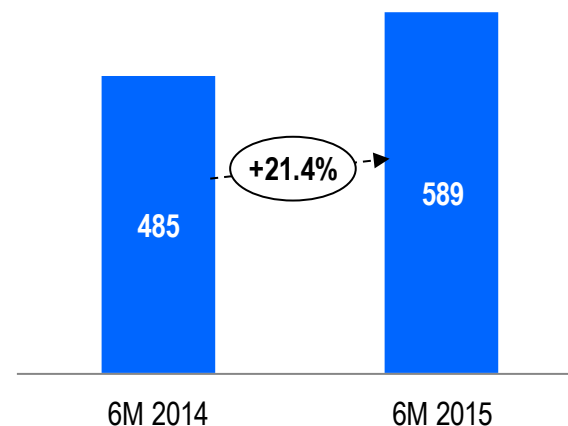
Variable Costs Change Factors

- Decreased fuel costs due to lower electricity production at CHPs.
- Growth of Electricity, Capacity and Heat Purchases expenses due to growing prices at the wholesale market of electricity and capacity and higher purchase 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 Apatityenergo since 2H 2014.

Fixed Costs, mn RUR

	6M 2014	6M 2015	Изм.
Employee Benefits	3,615	3,818	+5.6%
Repairs and Maintenance	976	1,152	+18.0%
Taxes Other than Income Tax	485	589	+21.4%
Fees of Electricity Market Operators	420	420	0.0%
Operating Lease Expenses	153	163	+6.5%
Insurance Cost	136	143	+5.1%
Other	1,506	643	-57.3%
Total Fixed Costs	7,291	6,928	-5.0%

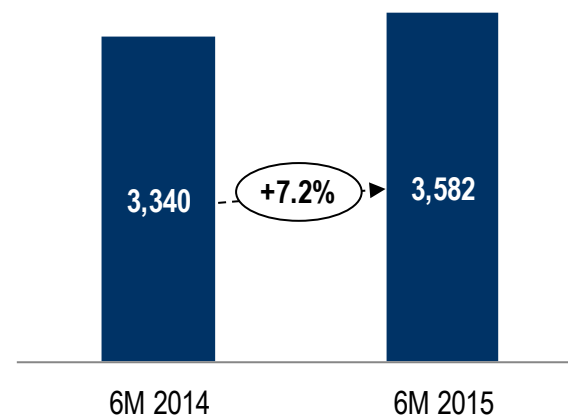
Taxes other than Income Tax, mn RUR



Fixed Costs and Depreciation Change Factors

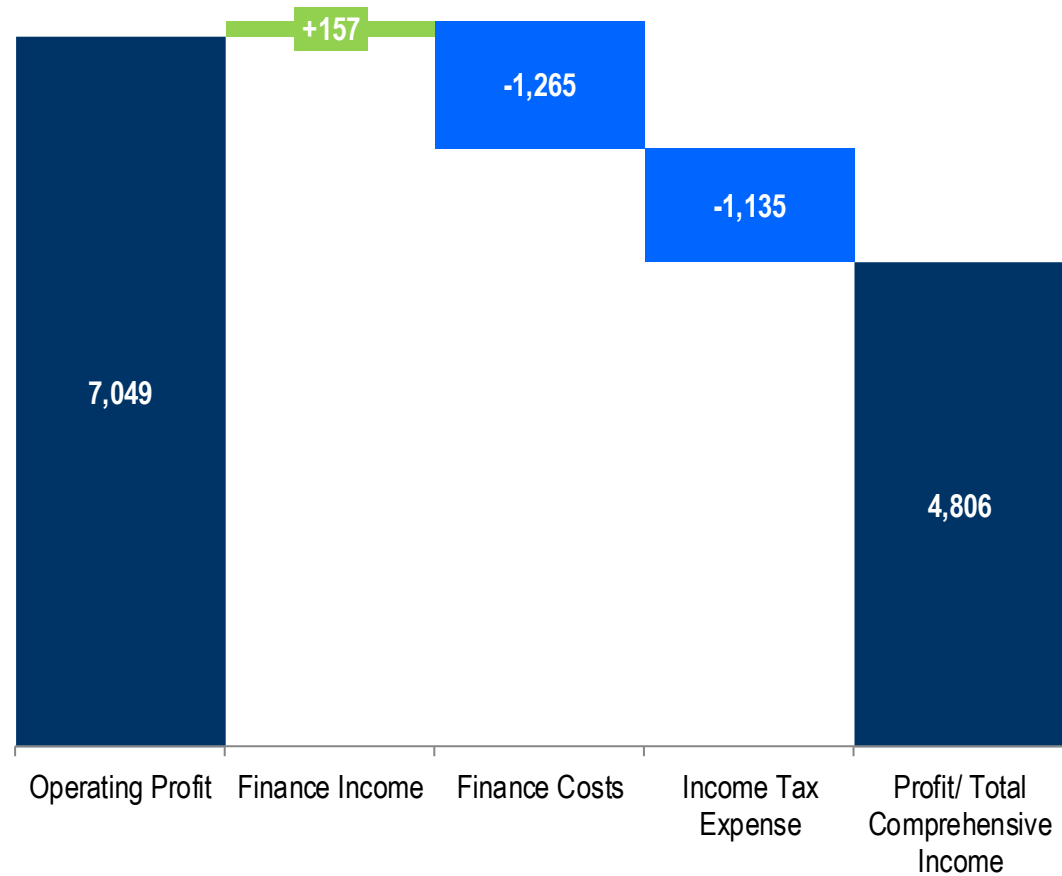
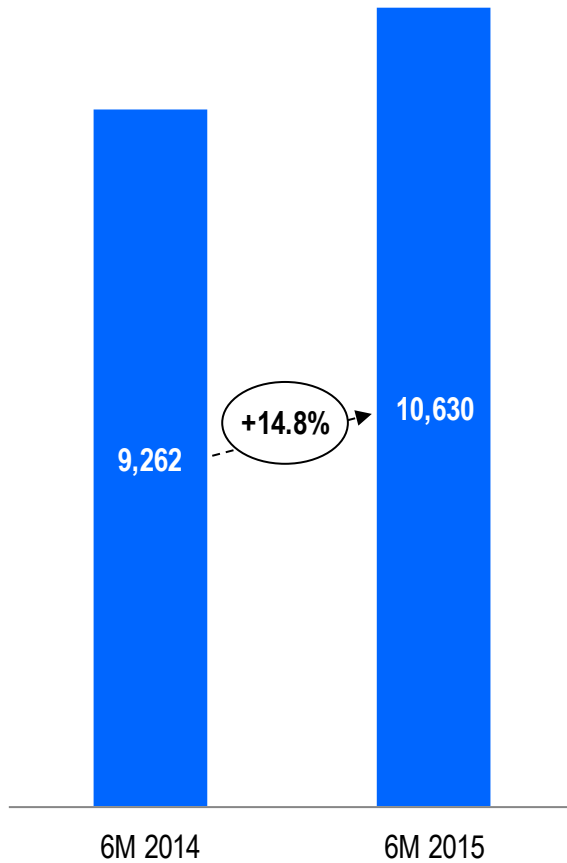
- Increase of Repairs and Maintenance costs on the back of planned repairs of PP&E.
- Lower Other Fixed Costs mainly due to recovery of provision for receivables impairment.
- Increase of Taxes Other than Income Tax statement item due to the high base in Q1 2014.

Depreciation and Amortization, mn RUR

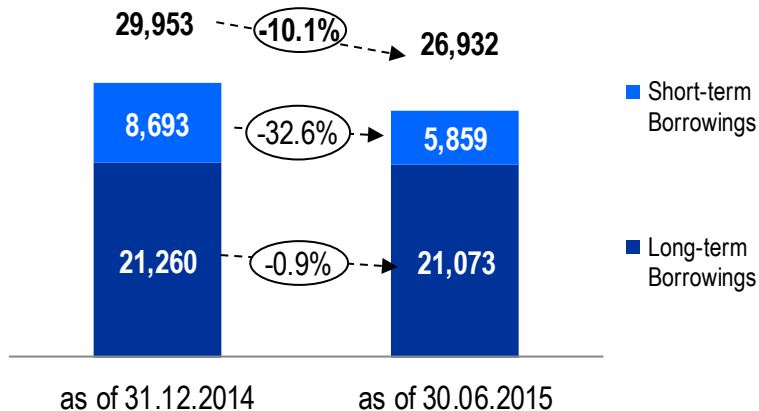


EBITDA, mn RUR

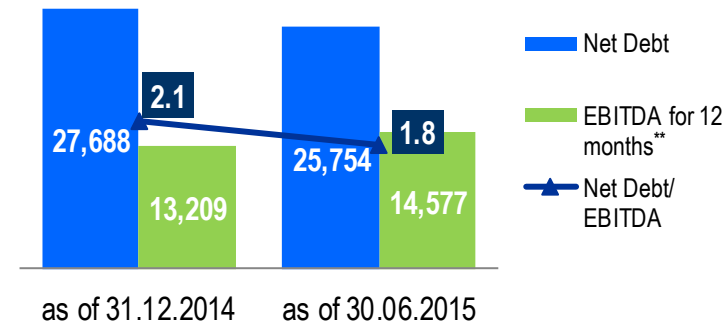
Profit Bridge for 6M 2015, mn RUR



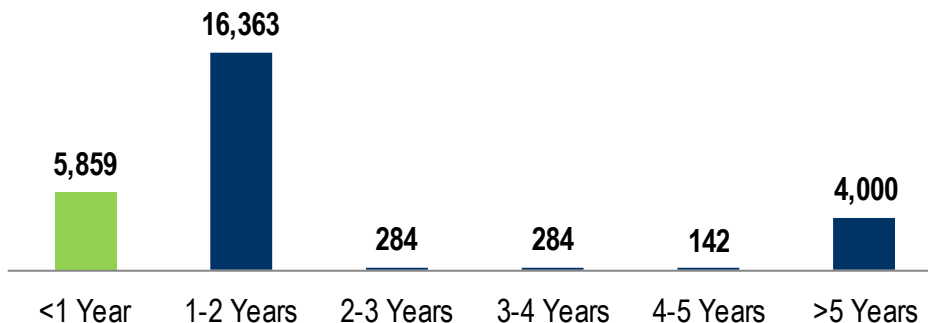
Debt Structure, mn RUR



Net Debt*/ EBITDA



Maturity Profile, as of June 30, 2015, mn RUR



Debt Portfolio Management

The weighted average effective interest rate for the debt portfolio for the 6 months of 2015 amounted (cumulatively, year to date) to 9.78%.

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 June 30, 2015 = EBITDA for FY 2014 + EBITDA for 6M 2015 - EBITDA for 6M 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

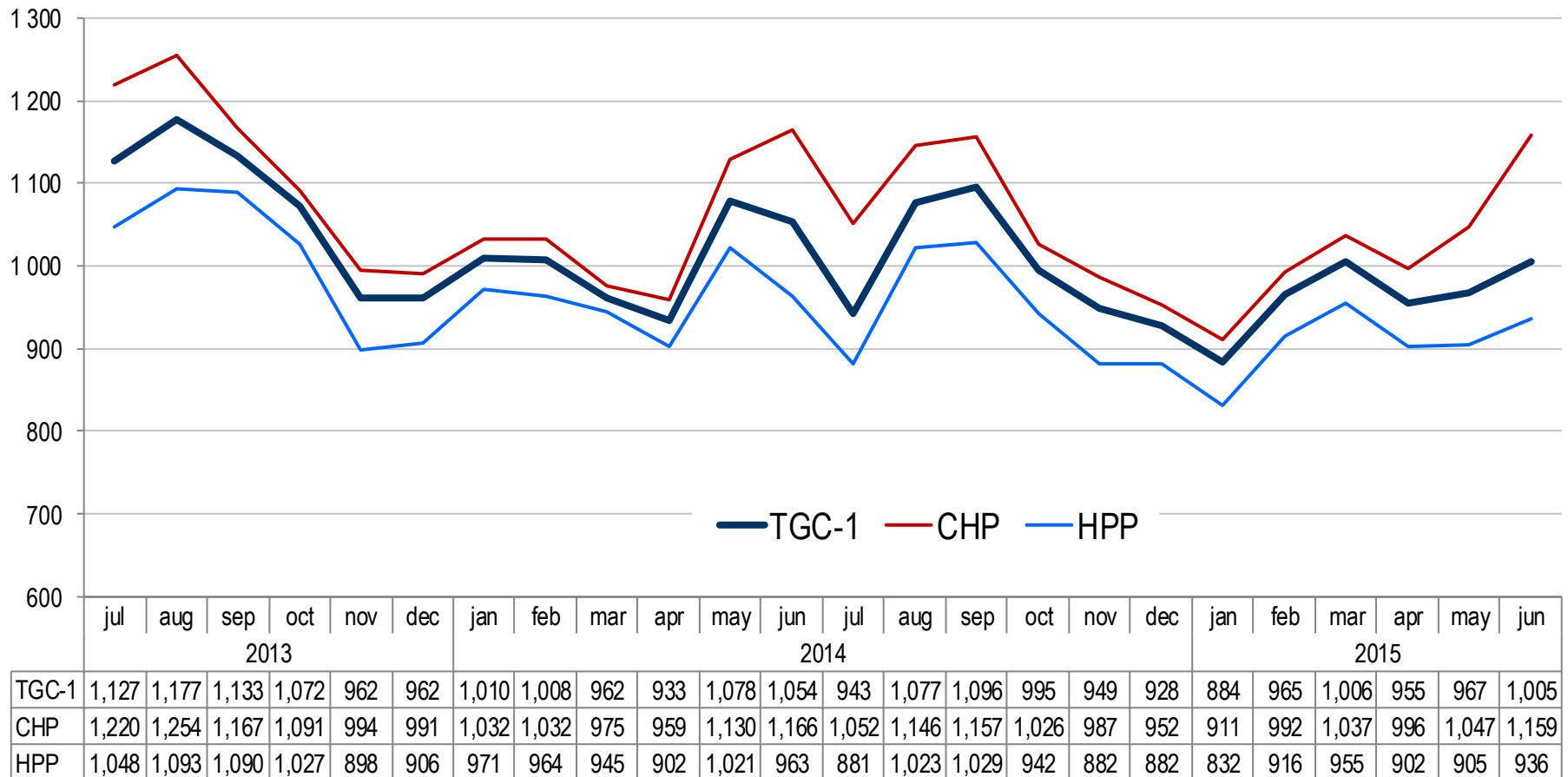
Karelsky Branch

Nevsky Branch

TGC-1

	6M 2014		6M 2015
Kolsky Branch	916.93	-5.9%	862.81
Karelsky Branch	993.44	-3.3%	961.05
Nevsky Branch	1,038.61	-3.1%	1,006.33
TGC-1	1,006.78	-4.6%	960.78

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



Thank you for Your Attention!

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