



TGC-1

3M 2017 IFRS Results

May 15, 2017
Saint Petersburg

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Operational Highlights

	3M 2016	3M 2017	Change
Installed Capacity, MW	7,016	6,952	-0.9%
Electricity Production, mln kWh, Including:	7,994	7,564	-5.4%
CHPP	4,870	4,559	-6.4%
HPP	3,124	3,005	-3.8%
Electricity Sales including Purchased Energy, mln kWh	8,741	8,317	-4.9%
Capacity Sales, MW (monthly average)	5,583	5,548	-0.6%
Heat Output, thous Gcal	9,799	9,485	-3.2%
Useful Heat Output including Purchased Energy, thous Gcal	9,770	9,263	-5.2%
Fuel Rate on Electricity*, g/kWh	187.0	188.9	+1.0%
Fuel Rate on Heat*, kg/Gcal	168.3	167.5	-0.5%
Capacity Load Factor, %*	52.2	50.4	-1.8 p.p.
CHP	53.7	51.6	-2.1 p.p.
HPP	50.0	48.7	-1.3 p.p.

Financial Highlights, RUB mln

	3M 2016	3M 2017	Change
Revenue	25,238	25,776	+2.1%
Operating Expenses, incl.:	(19,507)	(20,009)	+2.6%
Variable Costs	(13,793)	(13,932)	+1.0%
Fixed Costs	(3,960)	(4,049)	+2.2%
Depreciation and Amortization	(1,754)	(2,028)	+15.6%
Total Operating Expenses**	(19,310)	(19,830)	+2.7%
Operating Profit	5,929	5,946	+0.3%
Profit Before Income Tax	5,397	5,391	-0.1%
EBITDA***	7,683	7,974	+3.8%
Profit for the Period	4,386	3,966	-9.6%

* Without Murmanskaya CHPP.

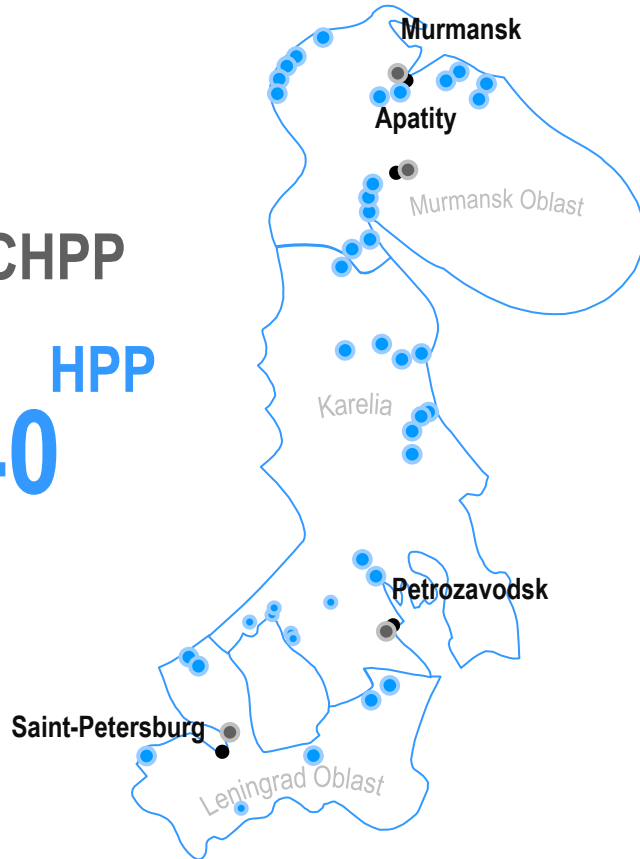
** With account to Other operating income and Government subsidy.

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

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

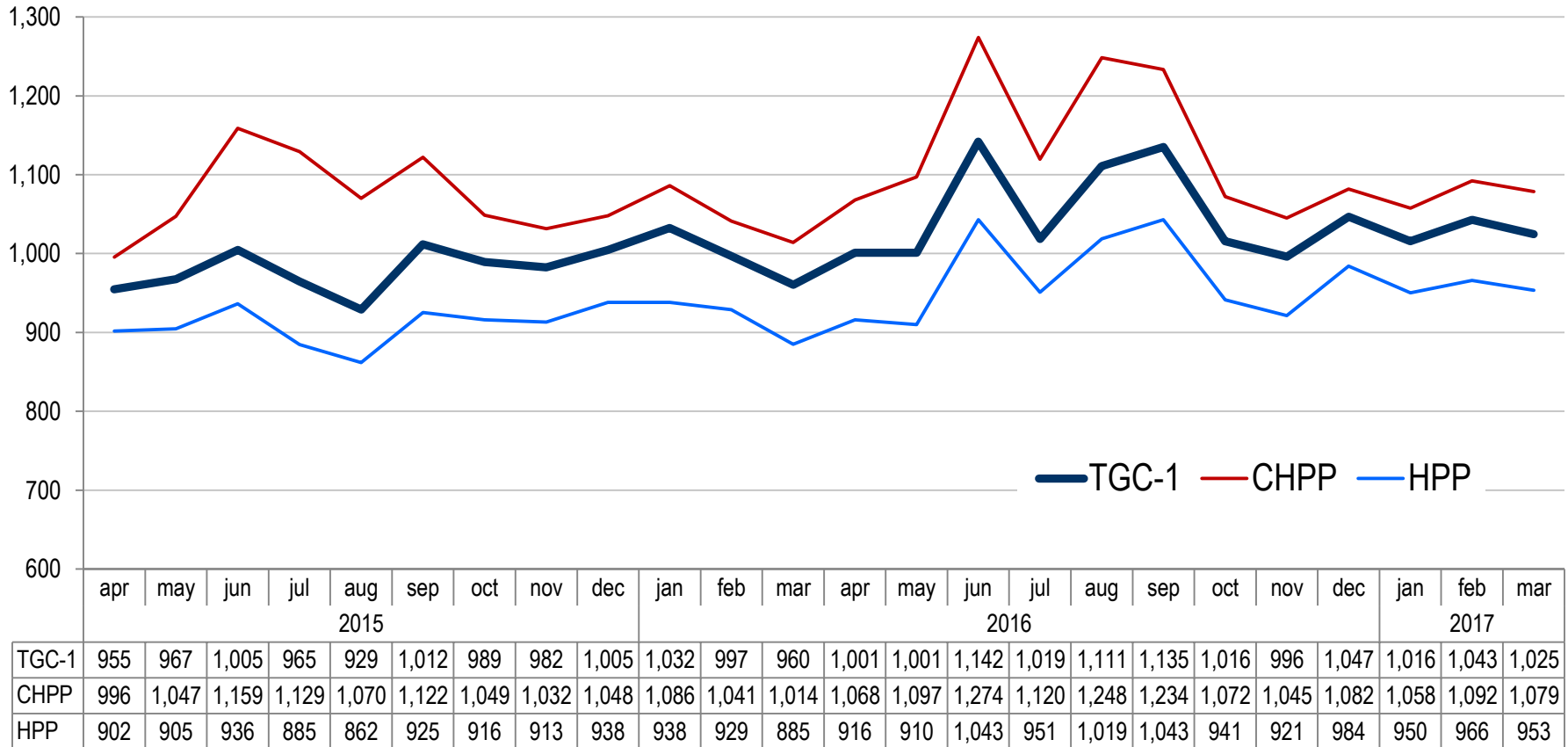
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/ MWh

CHPP
13
HPP
40

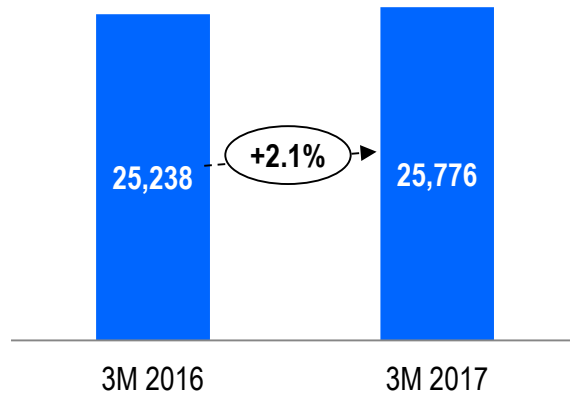


	3M 2016		3M 2017
Kolsky Branch	839.23	+5.2%	882.99
Karelsky Branch	986.76	+4.4%	1,030.52
Nevsky Branch	1,058.47	+2.3%	1,082.71
TGC-1	997.63	+3.0%	1,027.27

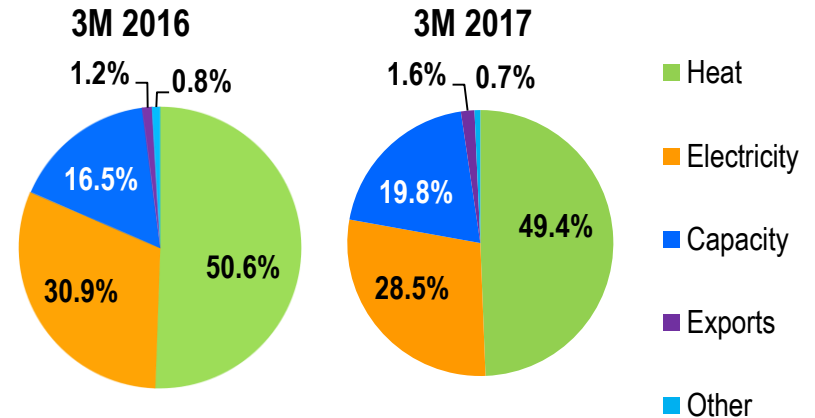
TGC-1's Sale Price for Electricity at the Day-ahead Market, RUB/MWh



Revenue, RUB mln



Revenue Structure*



Prices and Tariffs*

	3M 2016	3M 2017	Change
Average Electricity Price, RUB/MWh	926.0	934.1	+0.9%
Average New Capacity Price, RUB/MWh per Month	728,936.4	952,607.5	+30.7%
Average Old Capacity Price RUB/MWh per Month	124,861.2	127,139.3	+1.8%

Revenue Change Factors

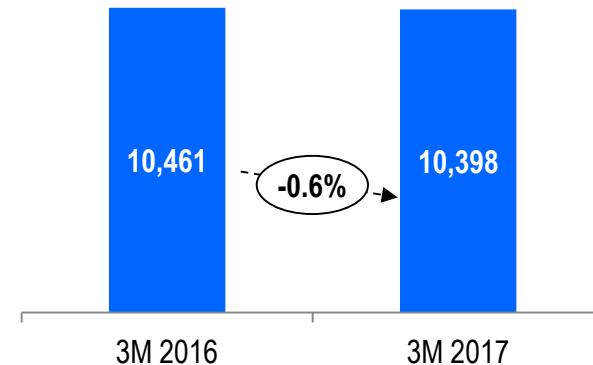
- Revenue from capacity sales increased by 22.6% on the back of growing capacity volume, sold at competitive capacity outtake, as well as capacity price growth under CDA;
- Optimization of capacity load;
- Revenue from exports growth on the account of unscheduled export supplies from the Vuoksa HPPs Cascade.

* Management report data.

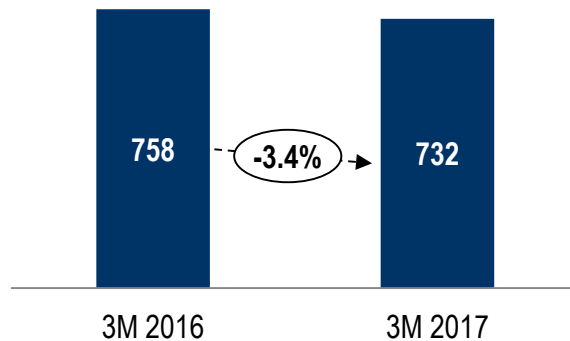
Variable Costs, RUB mln

	3M 2016	3M 2017	Change
Fuel	10,461	10,398	-0.6%
Electricity, Capacity and Heat Purchases	1,802	1,949	+8.2%
Water Usage Expenses	648	710	+9.6%
Other Materials	124	143	+15.3%
Heat Transmission	758	732	-3.4%
Total Variable Costs	13,793	13,932	+1.0%

Fuel Expenses, RUB mln



Heat Transmission, RUB mln



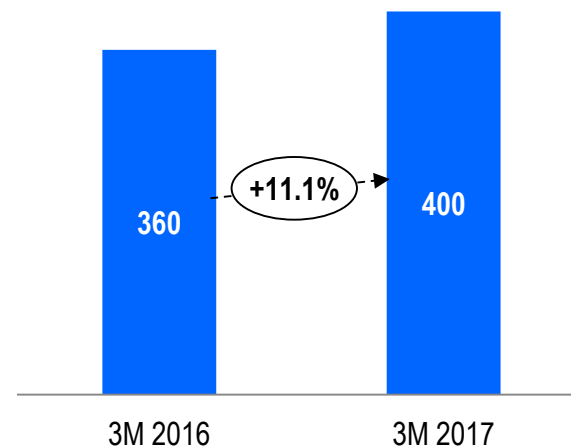
Variable Costs Change Factors

- Decreased fuel costs due to reduction of heat output;
- Increased expenses for heat purchase in 1Q 2017 year-on-year is related mostly to growing heat purchase volumes in Karelia, on the account of property rights transfer of some boiler-houses to other companies, as well as growing tariff;
- Heat transmission expenses decreased due to lower tariff for Karelsky Branch;
- Growing water usage expenses on the back of increased water supply tariff.

Fixed Costs, RUB mln

	3M 2016	3M 2017	Change
Employee Benefits	1,821	1,825	+0.2%
Repairs and Maintenance	588	602	+2.4%
Taxes Other than Income Tax	360	400	+11.1%
Fees of Electricity Market Operators	207	208	+0.5%
Rent Expenses	88	526	x6.0
Insurance Cost	75	72	-4.0%
Other	821	416	-49.3%
Total Fixed Costs	3,960	4,049	+2.2%

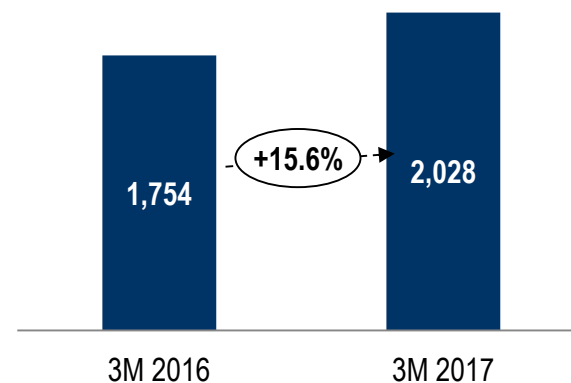
Taxes other than Income Tax, RUB mln



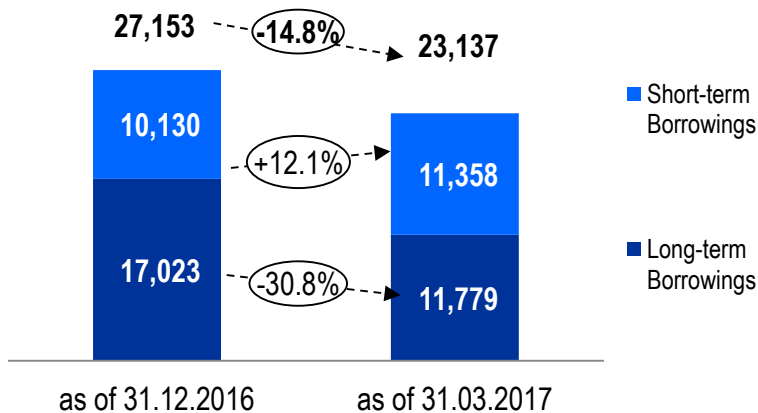
Fixed Costs and Depreciation Change Factors

- 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 higher property tax;
- Lower other fixed costs mainly due provision recovery for impairment of accounts receivable.

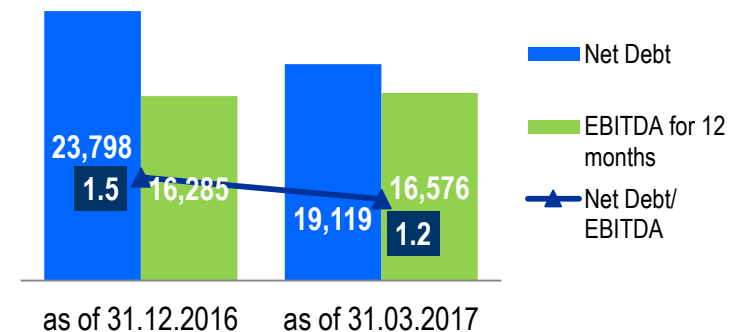
Depreciation and Amortization, RUB mln



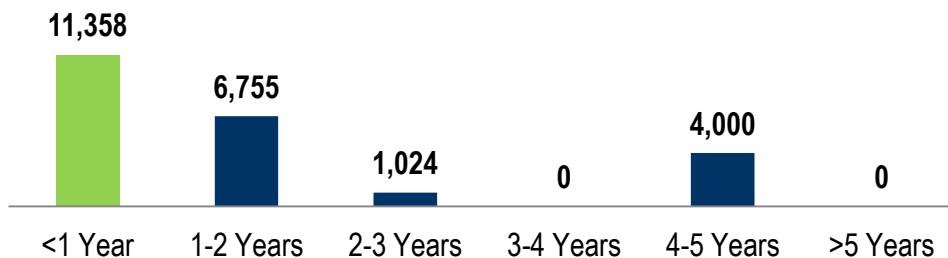
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of March 31, 2017, RUB mln



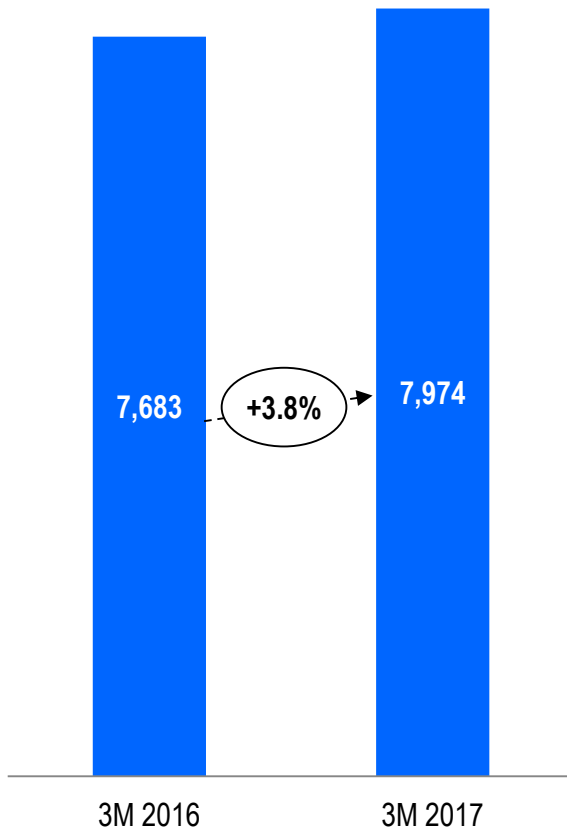
Debt Portfolio Management

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

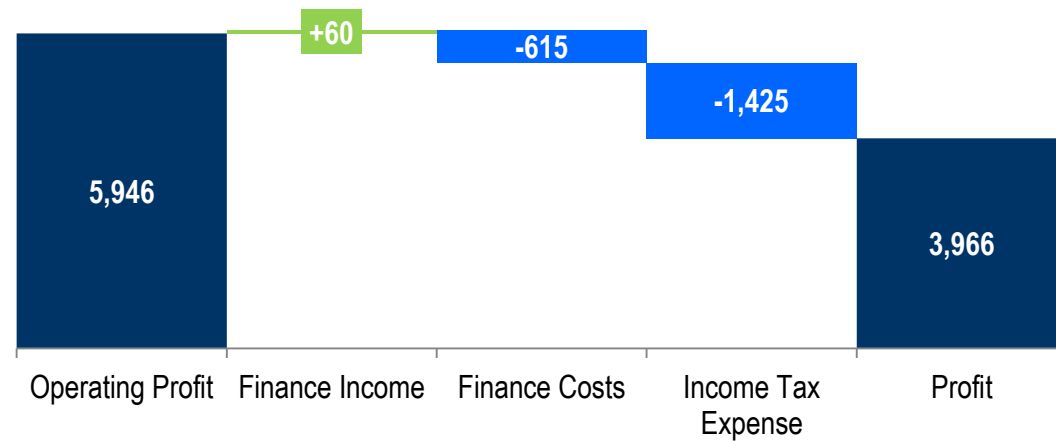
Weighted average interest for TGC-1 debt portfolio for 3M 2017 amounted to 10.35%

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

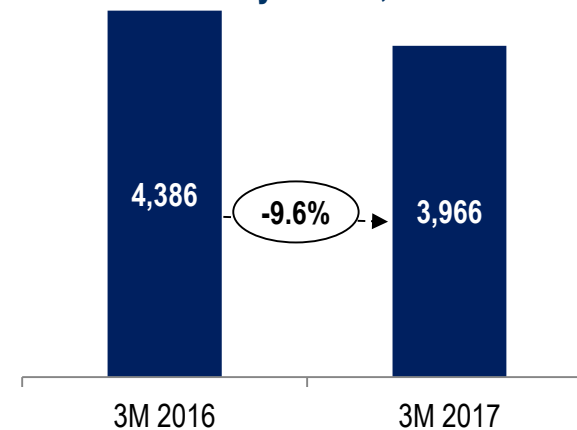
EBITDA, RUB mln



Profit Bridge for 3M 2017, RUB mln



Profit Dynamics, RUB mln



S&P Global

Ratings

Credit Ratings by S&P Global Ratings

Date	Rating Type	Rating Value
26.09.2016	International scale long-term rating	«BB+», forecast «stable»
26.09.2016	International scale short-term rating	«B», forecast «stable»

FitchRatings

Credit Ratings by Fitch Ratings

Date	Rating Type	Rating Value
05.10.2016	Foreign currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Domestic currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Foreign currency nominated short-term IDR	«B»
05.10.2016	Domestic currency nominated short-term IDR	«B»
05.10.2016	Domestic currency nominated priority unsecured rating	«BB+»

Thank you for Your Attention!

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