



TGC-1

6M 2017 IFRS Results

August 7, 2017
Saint Petersburg

The information contained herein has been prepared using information available to Public Joint Stock Company “Territorial generating company №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.

Operational Highlights

	6M 2016	6M 2017	Change
Installed Capacity, MW	6,852	6,952	+1.5%
Electricity Production, mn kWh, Including:	14,740	14,513	-1.5%
CHP	8,102	8,042	-0.7%
HPP	6,639	6,471	-2.5%
Electricity Sales Including Purchased Energy, mn kWh	16,179	15,996	-1.1%
Capacity Sales, MW (monthly average)	5,492	5,469	-0.4%
Heat Output, thous Gcal	13,609	14,480	+6.4%
Useful Heat Output Including Purchased Energy, thous Gcal	13,916	14,497	+4.2%
Fuel Rate on Electricity*, g/kWh	207.0	199.6	-3.6%
Fuel Rate on Heat*, kg/Gcal	170.0	168.7	-0.8%
Capacity Load Factor, %*	48.5	48.1	-0.4 p.p.
CHP	45.3	45.3	0 p.p.
HPP	53.2	52.2	-1.0 p.p.

Financial Highlights, RUB mln

	6M 2016	6M 2017	Change
Revenue	41,284	44,691	+8.3%
Operating Expenses, Incl.:	(33,571)	(36,624)	+9.1%
Variable Costs	(21,922)	(23,535)	+7.4%
Fixed Costs	(8,113)	(9,022)	+11.2%
Depreciation and Amortization	(3,536)	(4,067)	+15.0%
Total Operating Expenses**	(33,184)	(36,402)	+9.7%
Operating Profit	8,100	8,289	+2.3%
Profit Before Income Tax	7,153	7,538	+5.4%
EBITDA***	11,636	12,356	+6.2%
Profit for the Period	5,852	5,820	-0.5%

* 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

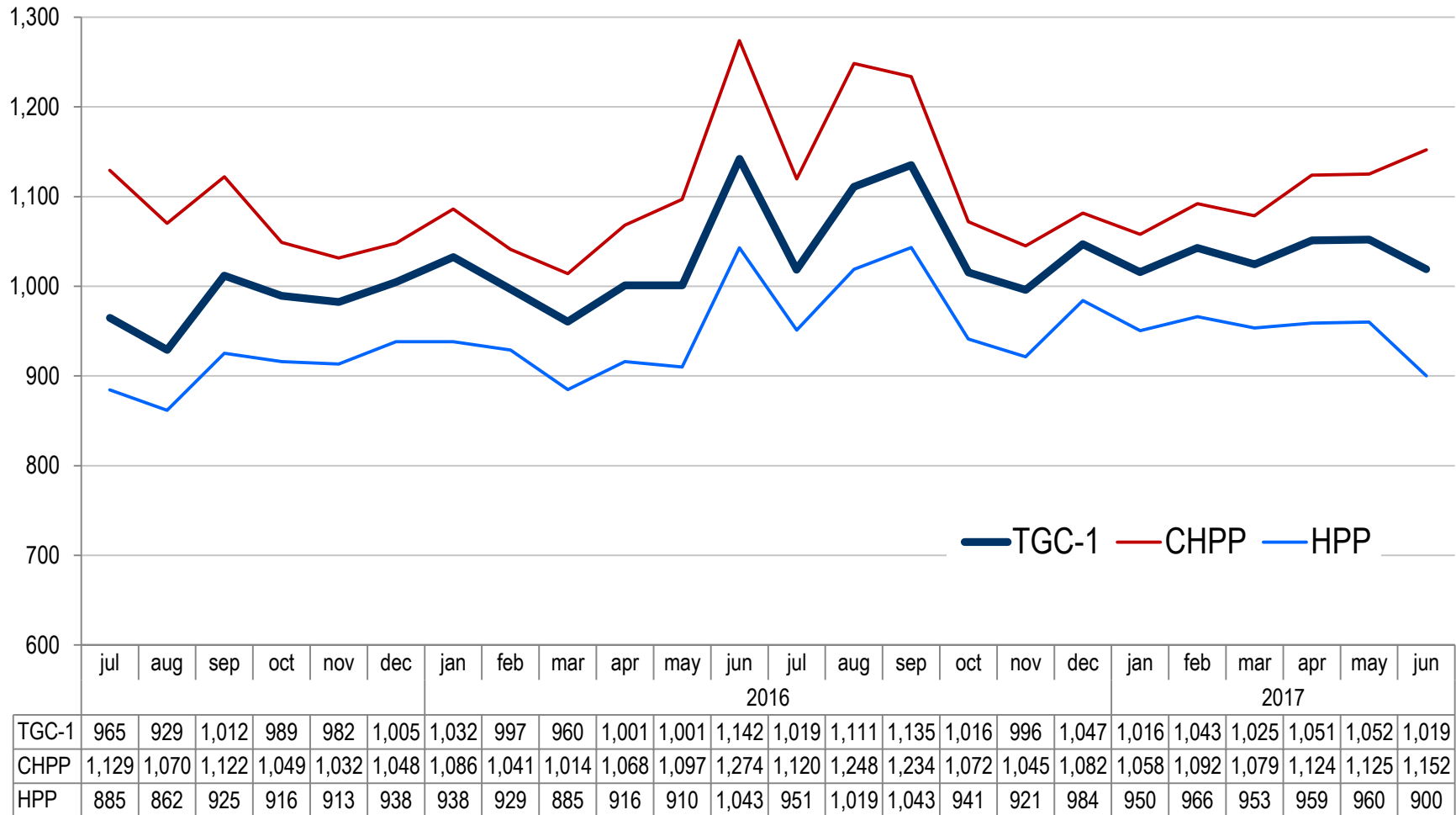
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/ MWh

CHPP
13
HPP
40

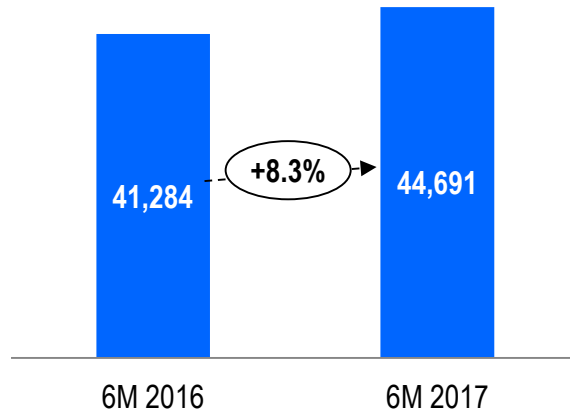


	6M 2016		6M 2017
Kolsky Branch	855.20	+1.6%	868.84
Karelsky Branch	999.45	+2.2%	1,021.00
Nevsky Branch	1,089.04	+1.2%	1,102.65
TGC-1	1,017.41	+1.6%	1,034.07

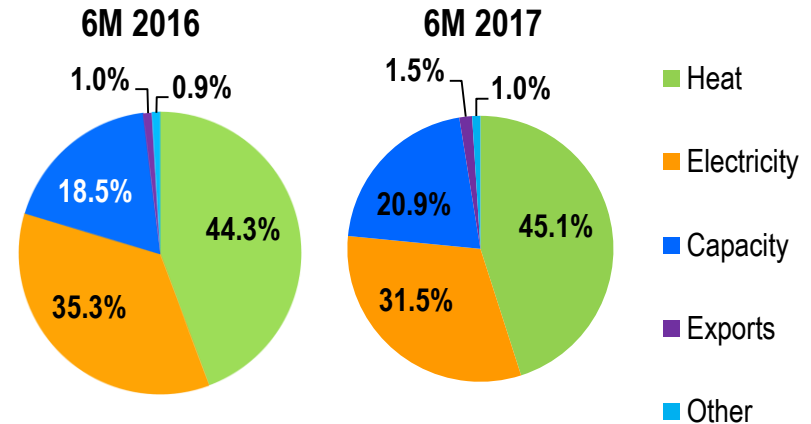
TGC-1's Sale Price for Electricity at the Day-ahead Market, RUB/MWh



Revenue, RUB mln



Revenue Structure*



Prices and Tariffs*, RUB mln

	6M 2016	6M 2017	Change
Average Electricity Price, thous RUB/MWh	925.6	924.1	-0.2%
Average New Capacity Price, RUB/MWh per Month	664,756.9	877,835.8	+32.1%
Average Old Capacity Price RUB/MWh per Month	116,826.9	119,827.6	+2.6%

Revenue Change Factors

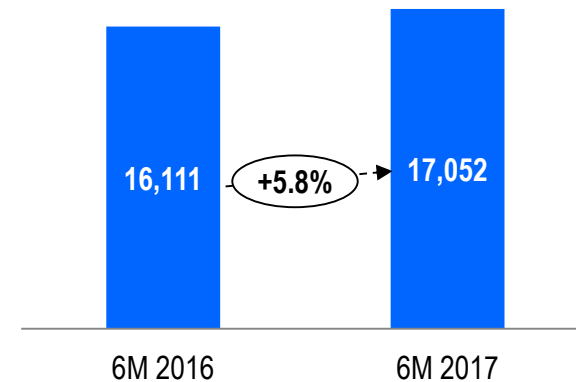
- Revenue from capacity sales increased by 22.6% on the back of growing capacity volume, sold at competitive capacity outtake, as well as capacity price growth under CDA;
- Optimization of capacity load;
- Revenue from exports growth on the account of unscheduled export supplies from the Vuoksa Cascade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

* Management report data.

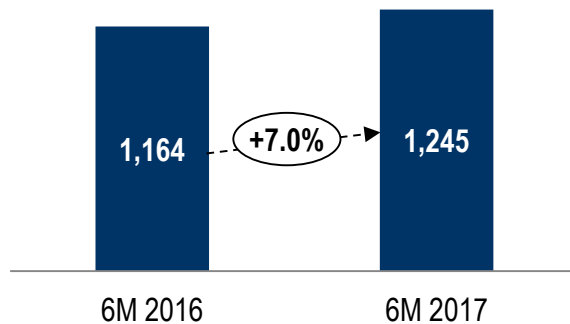
Variable Costs, RUB mln

	6M 2016	6M 2017	Change
Fuel	16,111	17,052	+5.8%
Electricity, Capacity and Heat Purchases	3,114	3,567	+14.5%
Water Usage Expenses	1,230	1,375	+11.8%
Other Materials	303	296	-2.3%
Heat Transmission	1,164	1,245	+7.0%
Total Variable Costs	21,922	23,535	+7.4%

Fuel Expenses, RUB mln



Heat Transmission, RUB mln



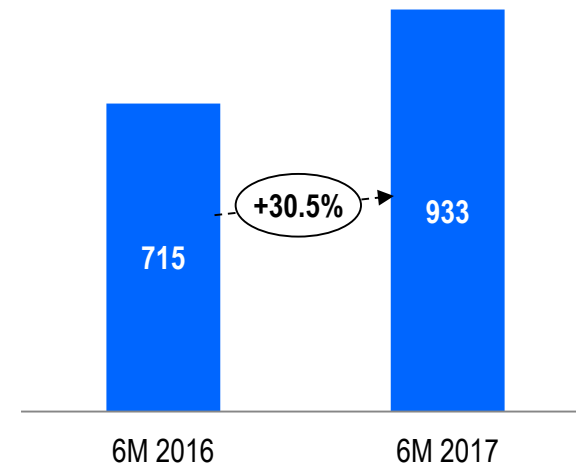
Variable Costs Change Factors

- Increased expenses for heat purchase in 1H 2017 year-on-year is related mostly to growing heat purchase volumes in Karelia, longer 2016/2017 heating season in Karelia, as well as growing tariff;
- Growing water usage expenses on the back of increased water supply tariff.

Fixed Costs, RUB mln

	6M 2016	6M 2017	Change
Employee Benefits	3,856	4,037	+4.7%
Repairs and Maintenance	1,332	1,284	-3.6%
Taxes Other than Income Tax	715	933	+30.5%
Fees of Electricity Market Operators	406	412	+1.5%
Rent Expenses	216	1,059	x4.9
Insurance Cost	136	144	+5.9%
Other	1,452	1,153	-20.6%
Total Fixed Costs	8,113	9,022	+11.2%

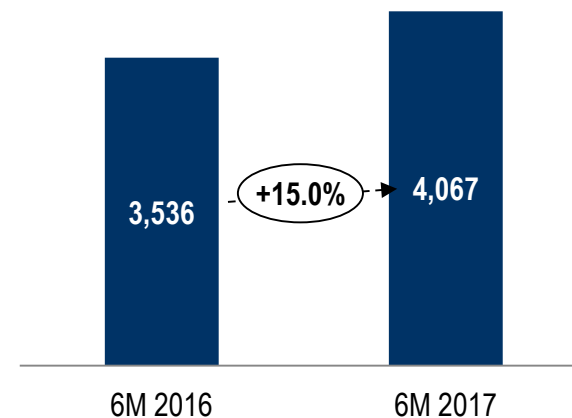
Taxes other than Income Tax, RUB mln



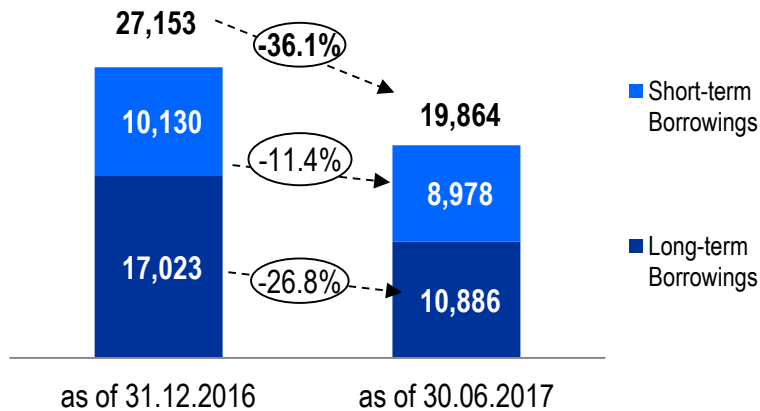
Fixed Costs and Depreciation Change Factors

- Increase of taxes other than income tax due to less property tax allowance used in St. Petersburg and growing property tax for grid assets.

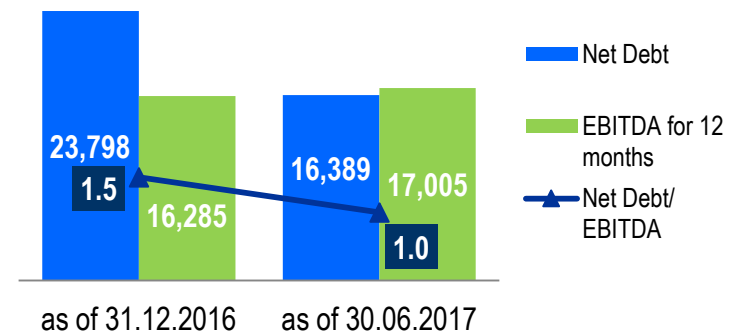
Depreciation and Amortization, RUB mln



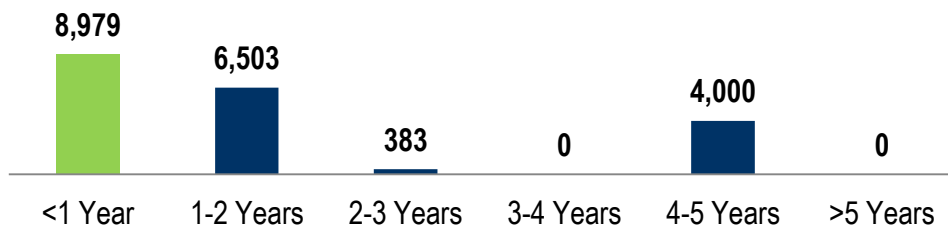
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of June 30, 2017, RUB mln



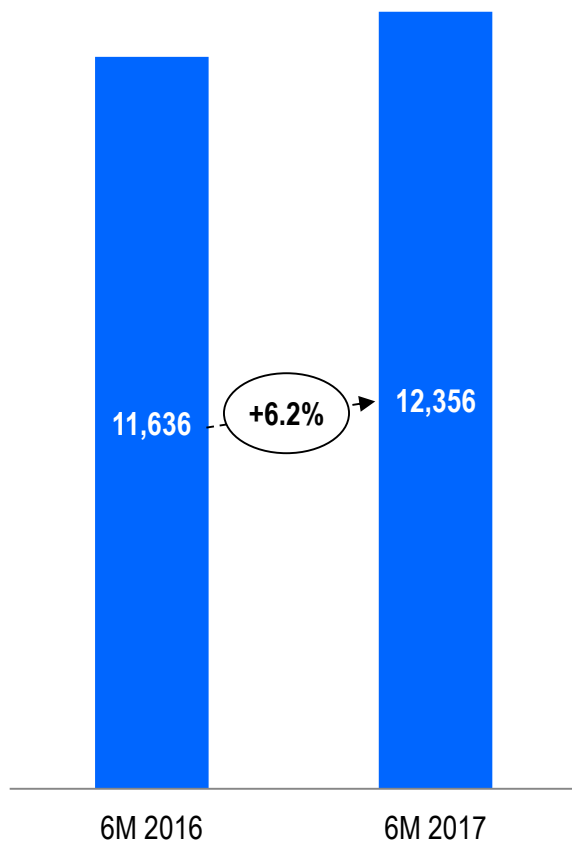
Debt Portfolio Management

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

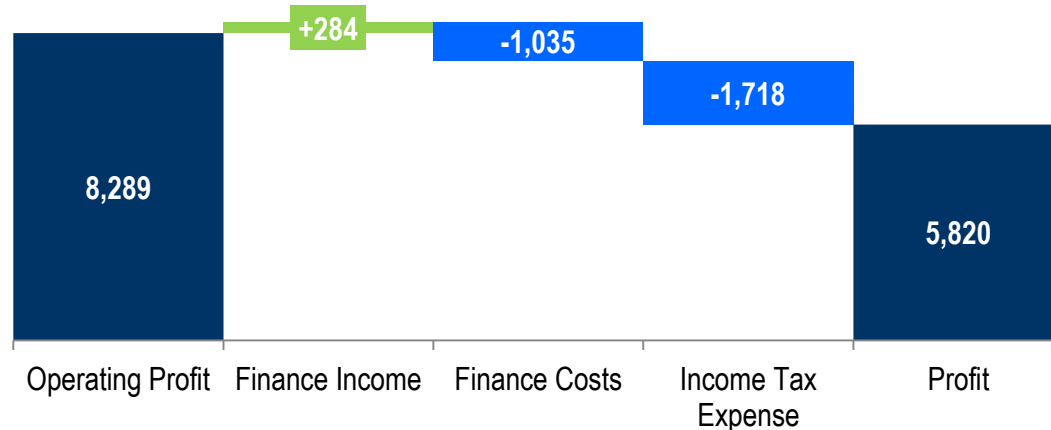
Weighted average interest for TGC-1 debt portfolio for 6M 2017 amounted to 10.14%

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

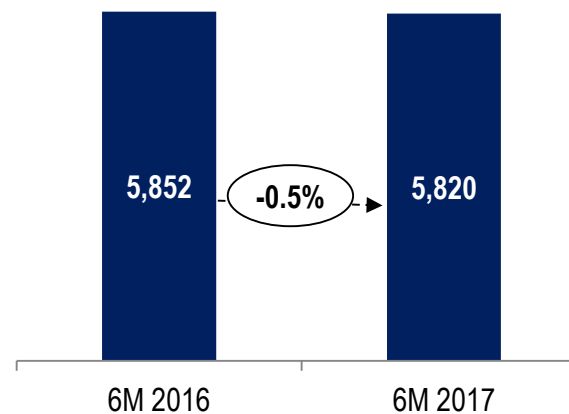
EBITDA, RUB mln



Profit Bridge for 6M 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!

Contacts for mass-media

+7 (812) 688-32-84
press_tgc1@tgc1.ru

Contacts for investors and analysts

+7 (812) 688-32-97
ir@tgc1.ru