



JSC TGC-1

2014FY IFRS Results

March 13, 2015
Saint Petersburg

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Operational Highlights

	12M 2013	12M 2014	Change
Installed Capacity, MW	7,238	7,164	-1.0%
Electricity Production, mn kWh, Including:	29,303	26,426	-9.8%
CHP	17,313	14,977	-13.5%
HPP	11,990	11,449	-4.5%
Electricity Sales Including Purchased Energy, mn kWh	33,660	29,509	-12.3%
Capacity Sales, MW (monthly average)	5,542	5,063	-8.6%
Heat Output, thous Gcal	25,315	24,339	-3.9%
Useful Heat Output Including Purchased Energy, thous Gcal	25,776	22,428	-13.0%
Fuel Rate on Electricity*, g/kWh	275.6	262.3	-4.8%
Fuel Rate on Heat*, kg/Gcal	138.8	139.2	+0.3%
Capacity Load Factor, %*	46.1	41.8	-4.3 p.p.
CHP	45.7	39.8	-5.9 p.p.
HPP	46.7	44.7	-2.0 p.p.

* Without Murmanskaya CHP.

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

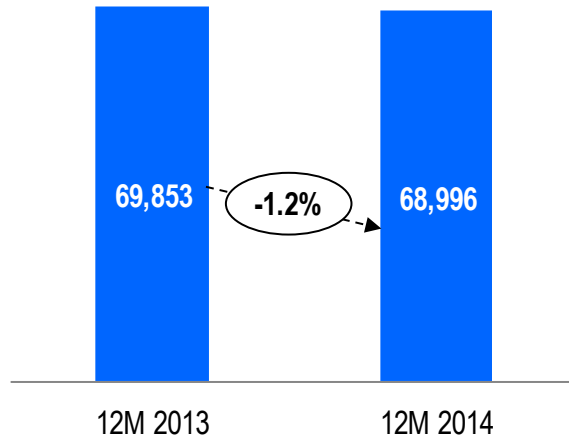
*** EBITDA = Operating profit + Depreciation of property, plant and equipment and Amortization of intangible assets and investment property

**** Adjusted to Impairment of PP&E.

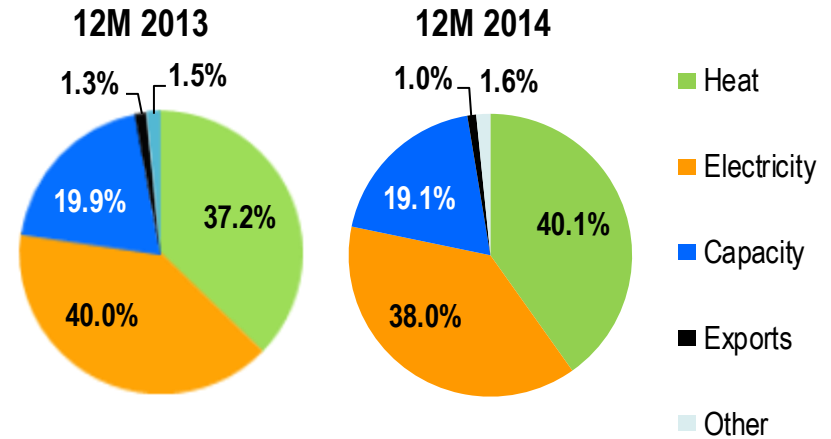
Financial Highlights, mn RUR

	12M 2013	12M 2014	Change
Revenue	69,853	68,996	-1.2%
Operating Expenses, Incl.:	(60,121)	(60,661)	+0.9%
Variable Costs	(38,585)	(38,284)	-0.8%
Fixed Costs	(15,129)	(15,664)	+3.5%
Depreciation and Amortization	(6,407)	(6,713)	+4.8%
Total Operating Expenses**	(59,962)	(62,500)	+4.2%
Operating Profit	9,891	6,496	-34.3%
Profit Before Income Tax	7,897	3,871	-51.0%
EBITDA ***	16,298	13,209	-19.0%
EBITDA, adj. ****	17,038	16,162	-5.1%
Profit for the Year	6,768	4,149	-38.7%
Profit for the Year, adj. ****	7,508	7,102	-5.4%

Revenue, mn RUR



Revenue Structure*



Prices and Tariffs*, mn RUR

	12M 2013	12M 2014	Change
Average Electricity Price, Thous RUR/MWh	899.5	904.5	+0.6%
Average Heat Tariff, RUR/Gcal	969.6	1,089.7	+12.4%
Average New Capacity Price, RUR/MWh per Month	501,763.3	481,225.3	-4.1%
Average Old Capacity Price RUR/MWh per Month	129,075.3	135,021.1	+4.6%

Revenue Change Factors

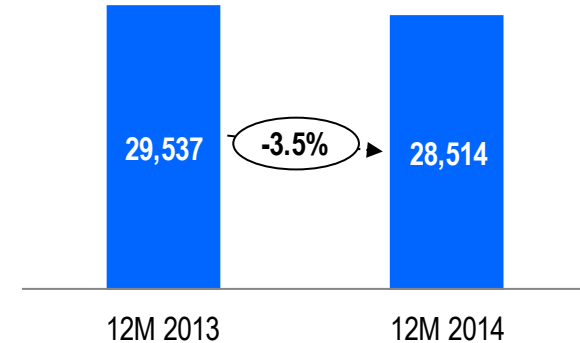
- +
 - Heat revenue growth due to increase of heat tariff.
 - A 1.7% increase in capacity volume, supplied under CSA, on the back of commissioning at Pravoberezhnaya CHP (CCGT 450).
 - Increase in sales volumes at regulated contracts by 8.2%
- - A 16.3% decrease of electricity sales at the “day-ahead” market, on the back of decreased demand due to warm weather and priority to nuclear stations.
 - Decrease in sales volume at Competitive Capacity Outtake (CCO) by 15.8% due to lower capacity volume at CCO for 2014.
 - Decrease in exports due to unfavorable market environment at Nord Pool.

* Management report data.

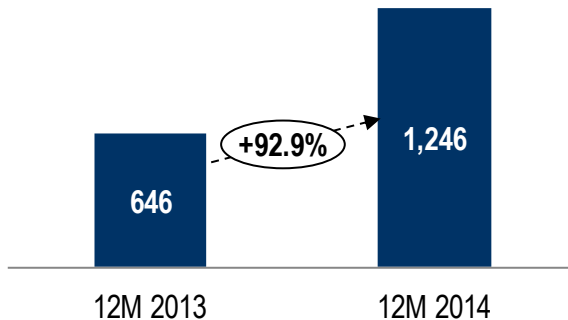
Variable Costs, mn RUR

	12M 2013	12M 2014	Change
Fuel	29,537	28,514	-3.5%
Electricity, Capacity and Heat Purchases	5,418	5,506	+1.6%
Water Usage Expenses	2,236	2,296	+2.7%
Other Materials	748	722	-3.5%
Heat Transmission	646	1,246	+92.9%
Total Variable Costs	38,585	38,284	-0.8%

Fuel Expenses, mn RUR



Heat Transmission, mn RUR



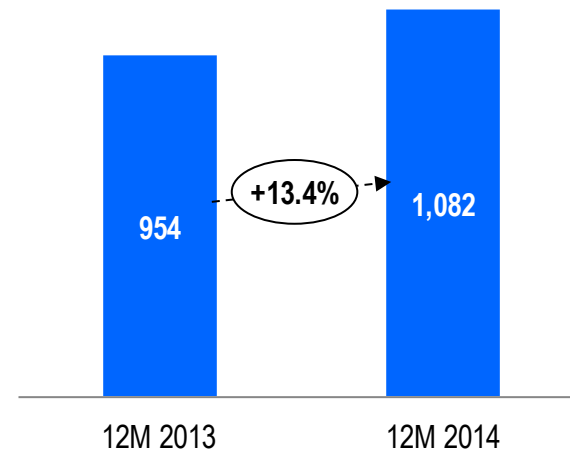
Variable Costs Change Factors

- Decreased fuel costs due to lower ineffective electricity production at CHP.
- Growth of Heat transmission expenses resulting from transit of heat at Hibinskaya Heating Company and increased tariff for heat transmission contract with Apatitenergo since 1H 2014.

Fixed Costs, mn RUR

	12M 2013	12M 2014	Изм.
Employee Benefits	6,794	6,811	+0.3%
Repairs and Maintenance	2,606	2,954	+13.4%
Taxes Other than Income Tax	954	1,082	+13.4%
Fees of Electricity Market Operators	818	836	+2.2%
Operating Lease Expenses	329	298	-9.4%
Insurance Cost	253	284	+12.3%
Other	3,375	3,399	+0.7%
Total Fixed Costs	15,129	15,664	+3.5%

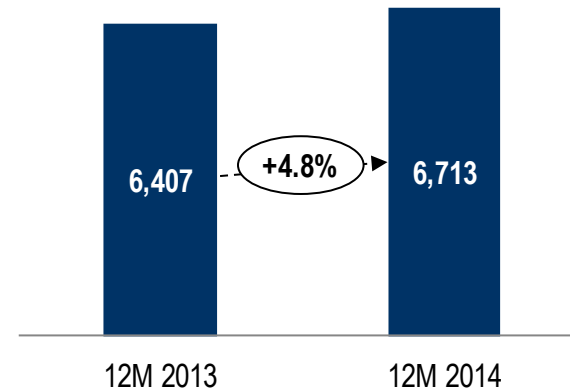
Taxes other than Income Tax, mn RUR



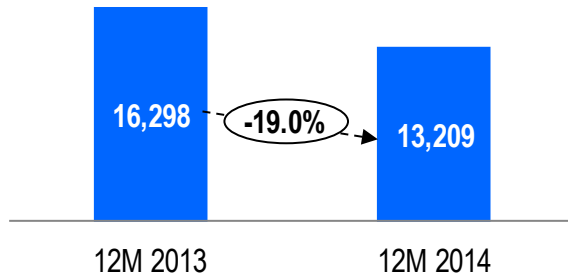
Fixed Costs and Depreciation Change Factors

- Increase of Repairs and maintenance costs on the back of planned repairs of PP&E.
- Growth of provision for impairment of accounts receivable, on the back of lower collectability of accounts receivable from final consumers and wholesale buyers, which results partly from worsened economic situation in Russia.

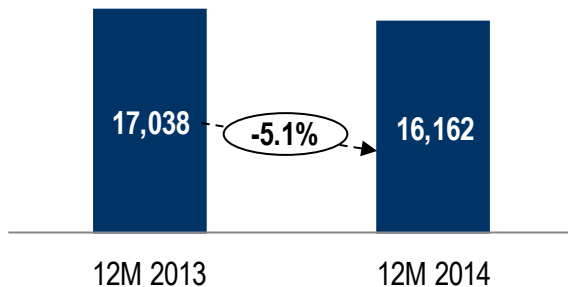
Depreciation and Amortization, mn RUR



EBITDA, mn RUR



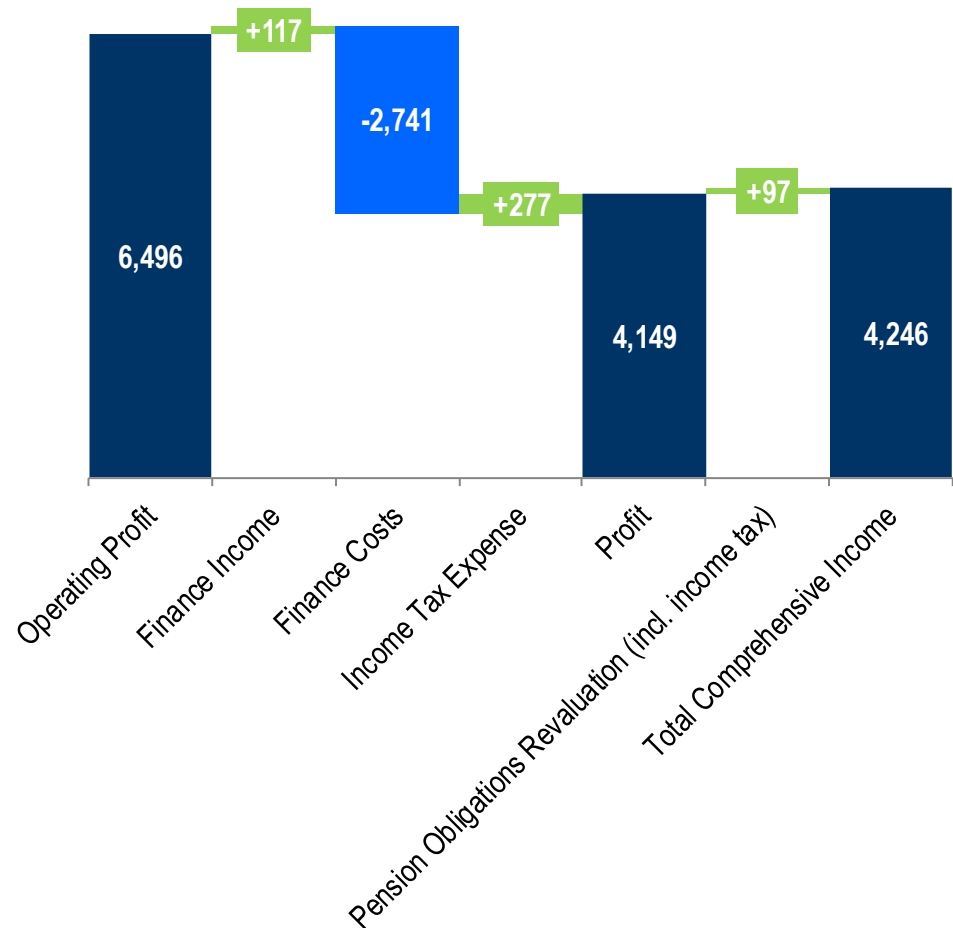
EBITDA, adj.* mn RUR



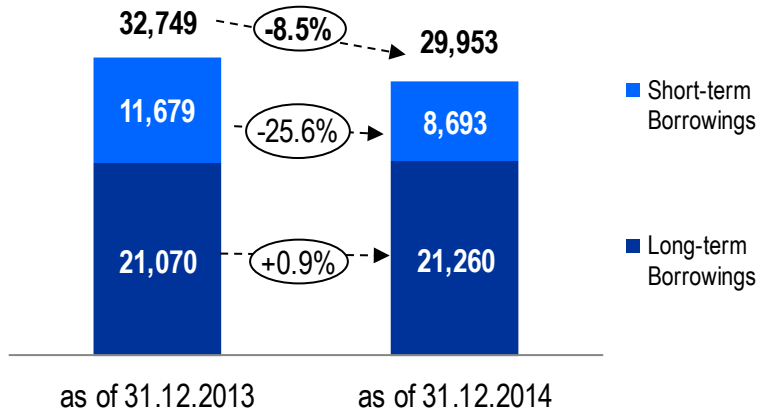
The negative EBITDA dynamics due to impairment of PP&E and impairment of accounts receivable

* Adjusted to Impairment of PP&E.

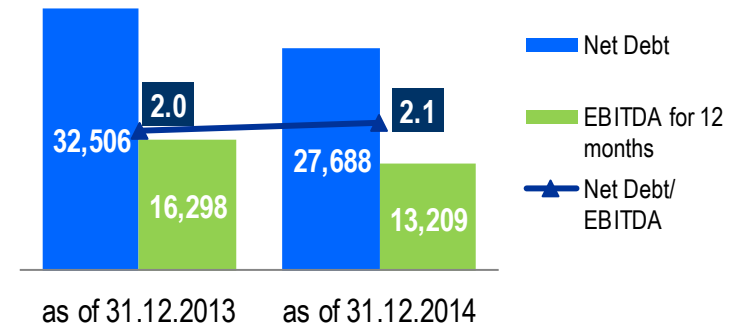
Profit Bridge for 12M 2014, mn RUR



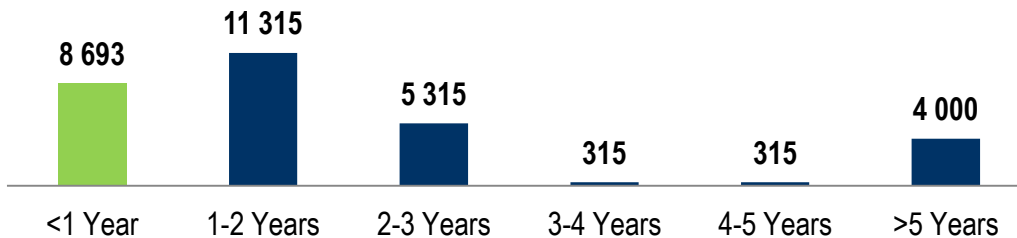
Debt Structure, mn RUR



Net Debt*/ EBITDA



Maturity Profile, as of December 31, 2014, mn RUR



Debt Portfolio Management

Debt Portfolio was reduced on the account of short-term liabilities.

The weighted average effective interest rate for the debt portfolio for the 12 months of 2014 amounted (cumulatively, year to date) to 8.8%.

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

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

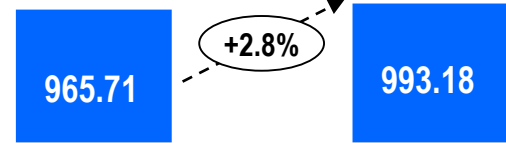
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market for 12 months, RUR/ MWh



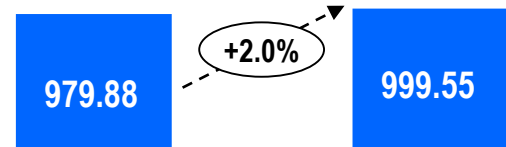
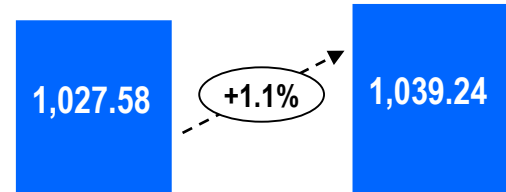
Kolsky Branch



Karelsky Branch



Nevsky Branch

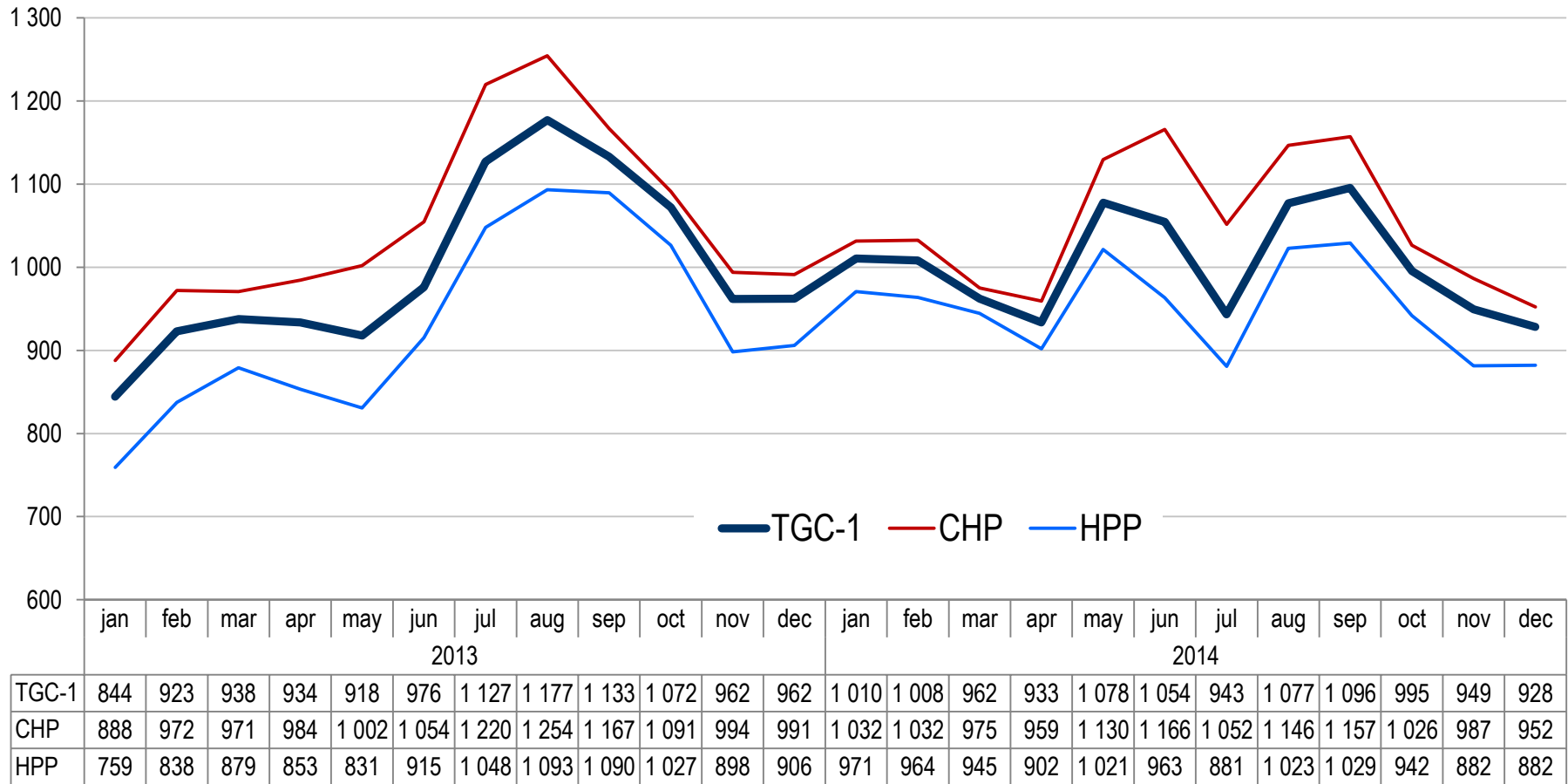


TGC-1

12M 2013

12M 2014

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



Thank you for Your Attention!

Contacts for mass-media

+7 (812) 901-32-84
+7 (812) 901-34-77
press_tgc1@tgc1.ru

Contacts for investors and analysts

+7 (812) 901-32-97
ir@tgc1.ru