



Мы создаем  
энергию прогресса

**JSC TGC-1**  
**INTERIM REPORT**  
**1st QUARTER 2010**

**May 2010**

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# TGC-1

## 1. TGC-1 IN FIGURES

### Operational highlights \*

	1Q 2009	1Q 2010	q-o-q (%)
Electricity generation, mln kWh	7,804.3	8,180.5	4.8
Electricity useful output, mln kWh **	7,934.7	8,451.3	6.5
Heat generation, thousand GCal	10,961.2	12,186.2	11.2
Heat useful output, thousand GCal **	10,629.9	11,725.2	10.3

\* including Murmanskaya CHPP

\*\* Including purchased power

### Key financials (Russian accounting standards), '000 RUR

	1Q 2009	1Q 2010	q-o-q (%)
Sales	11,981,990	16,012,269	33.6
Costs	(9,207,146)	(12,295,026)	33.5
Operating profit	2,774,844	3,717,243	34.0
Pre-tax profit	2,229,166	3,552,686	59.4
Net profit	1,720,154	2,847,070	65.5
EBITDA	3,474,118	4,561,120	31.3
Total assets	82,530,786	96,458,758	16.9

## 2. PRODUCTION

### Electricity generation and output in 1Q 2009-2010

	Electricity generation ('000 kWh)			Electricity useful output ('000 kWh), excl. purchased power			Electricity useful output ('000 kWh), incl. purchased power		
	1Q 2009	1Q 2010	q-o-q (%)	1Q 2009	1Q 2010	q-o-q (%)	1Q 2009	1Q 2010	q-o-q (%)
Nevsky branch	4,869,076.8	5,236,033.5	7.5	4,361,423.7	4,673,453.9	7.2	4,734,491.2	5,271,889.0	11.4
Karelsky branch	1,190,727.5	1,077,765.6	-9.5	1,122,500.4	1,014,437.2	-9.6	1,148,906.0	1,044,094.0	-9.1
Kolsky branch	1,726,246.9	1,848,135.3	7.1	1,650,142.8	1,765,532.1	7.0	2,040,612.6	2,124,271.1	4.1
<b>Total TGC-1</b>	<b>7,786,051.3</b>	<b>8,161,934.4</b>	<b>4.8</b>	<b>7,134,066.9</b>	<b>7,453,423.2</b>	<b>4.5</b>	<b>7,924,009.9</b>	<b>8,440,254.1</b>	<b>6.5</b>
Murmanskaya CHPP	18,237.6	18,614.0	2.1	10,697.0	10,999.0	2.8	10,697.0	10,999.0	2.8
<b>TGC-1 incl. Murmanskaya CHPP</b>	<b>7,804,288.9</b>	<b>8,180,548.4</b>	<b>4.8</b>	<b>7,144,763.9</b>	<b>7,464,422.2</b>	<b>4.5</b>	<b>7,934,706.9</b>	<b>8,451,253.1</b>	<b>6.5</b>

### Heat generation in 1Q 2009-2010

	Heat generation (GCal)			Heat useful output (GCal), incl. purchased heat		
	1Q 2009	1Q 2010	q-o-q (%)	1Q 2009	1Q 2010	q-o-q (%)
Nevsky branch	8,864,829.0	9,974,250.0	12.5	8,654,512.7	9,590,376.9	10.8
Karelsky branch	715,967.0	788,740.0	10.2	702,204.0	773,776.0	10.2
Kolsky branch	486,723.3	520,207.0	6.9	434,968.3	476,896.0	9.6
<b>Total TGC-1</b>	<b>10,067,519.3</b>	<b>11,283,197.0</b>	<b>12.1</b>	<b>9,791,685.0</b>	<b>10,841,048.9</b>	<b>10.7</b>
Murmanskaya CHP	893,670.0	903,018.0	1.0	838,242.5	884,132.1	5.5
<b>Total TGC-1 including Murmanskaya CHP</b>	<b>10,961,189.3</b>	<b>12,186,215.0</b>	<b>11.2</b>	<b>10,629,927.5</b>	<b>11,725,181.1</b>	<b>10.3</b>

### Utilization factor of maximum capacity in 1Q 2010, %

	CHP	HPP	HPP+CHP
Nevsky branch	72.0	60.4	69.8
Karelsky branch	75.0	45.4	54.5
Kolsky branch	25.4	48.7	44.8
<b>Total TGC-1</b>	<b>67.9</b>	<b>50.7</b>	<b>60.0</b>

Specific fuel consumption at Company's CHPPs in 1Q 2010

	Specific fuel consumption		Specific fuel consumption on electricity output	
	electricity output, G/kWh	heat output, kg/GCal	on heating cycle. G/kWh	on condensation cycle. G/kWh
<b>Nevsky branch</b>				
Central CHPP	380.81	155.44	348.72	477.94
Pravoberezhnaya CHPP-5	271.95	145.98	254.57	361.14
Vasileostrovskaya CHPP-7	275.59	134.46	275.59	
Dubrovskaya CHPP-8	432.38	153.00	330.48	508.43
Pervomayskaya CHPP-14	354.65	143.43	336.97	455.77
Avtovskaya CHPP-15	308.93	136.18	284.62	417.14
Vyborgskaya CHPP-17	286.69	127.89	272.89	393.46
Severnaya CHPP-21	275.49	123.91	257.64	397.06
Yuzhnaya CHPP-22	257.42	135.48	233.01	335.78
<b>Total Nevsky branch</b>	<b>288.42</b>	<b>138.25</b>	<b>267.09</b>	<b>386.05</b>
<b>Karelsky branch</b>				
Petrozavodskaya CHPP	273.17	128.42	244.79	371.81
<b>Total Karelsky branch</b>	<b>273.17</b>	<b>128.42</b>	<b>244.79</b>	<b>371.81</b>
<b>Kolsky branch</b>				
Apatitskaya CHP	302.18	139.23	302.18	
<b>Total Kolsky branch</b>	<b>302.18</b>	<b>139.23</b>	<b>302.18</b>	
<b>Total TGC-1</b>	<b>287.46</b>	<b>137.61</b>	<b>266.56</b>	<b>384.38</b>

Fuel mix in 1Q 2010, %

	gas	fuel oil	coal	diesel
Nevsky branch	97.05	2.86	0.09	-
Karelsky branch	98.41	1.59	-	0
Kolsky branch	-	0.21	99.79	-
<b>Total TGC-1</b>	<b>93.20</b>	<b>2.65</b>	<b>4.15</b>	<b>0</b>
Murmanskaya CHP	-	100	-	-
<b>Total TGC-1 incl. Murmanskaya CHP</b>	<b>88.29</b>	<b>7.77</b>	<b>3.94</b>	<b>0</b>

### 3. SALES

#### ELECTRIC POWER AND CAPACITY

##### Electricity sales breakdown by market sectors 1Q 2010, '000 kWh

	Total TGC-1 (%)	Total TGC-1 ('000 kWh)	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sector of the wholesale market	42.9	3,623,399.9	2,110,290.3	499,974.3	1,013,135.3
Day-ahead market	47.4	4,003,137.5	2,680,828.8	514,894.3	807,414.5
Balancing market	2.4	203,719.3	111,419.4	20,618.4	71,681.6
Fixed-date electricity and capacity contracts	3.2	266,134.5	228,633.6	8,607.1	28,893.8
Export	4.0	338,715.3	136,307.3	0.0	202,407.9
Retail market	0.1	5,147.6	4,409.6	0.0	738.1
<b>TOTAL</b>	<b>100.0</b>	<b>8,440,254.10</b>	<b>5,271,888.98</b>	<b>1,044,094.02</b>	<b>2,124,271.10</b>

##### Capacity sales 1Q 2010, MW/month

	Total TGC-1 (%)	Total TGC-1 (MW/month)	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sector of the wholesale market	49.2	2,982.8	1,719.4	381.8	881.6
Long term electricity and capacity contracts (HPP/APP)	8.8	535.0	212.9	118.4	203.8
Fixed-date electricity and capacity contracts	35.6	2,158.8	1,115.7	217.7	825.4
Competitive Capacity Screening (KOM)	6.3	384.2	333.0	50.9	0.3
<b>TOTAL</b>	<b>100.0</b>	<b>6,060.9</b>	<b>3,381.0</b>	<b>768.8</b>	<b>1,911.1</b>

##### Electricity and capacity revenues in 1Q 2010, '000 RUR

	TGC-1	Electricity			Capacity		
		Nevsky	Karelsky	Kolsky	Nevsky	Karelsky	Kolsky
Regulated sector of the wholesale market	2,449,166.68	1,480,029.1	112,574.2	70,596.2	491,734.8	115 258,0	178 974,4
Long term capacity contracts (HPP/APP)	162,601.2	-	-	-	77,711.3	38 874,8	46 015,2
Day-ahead market contracts	3,273,565.29	2,285,560.5	431,153.3	556,851.5	-	-	-
Balancing market	117,574.97	68,963.8	15,152.1	33,459.1	-	-	-
Fixed-date electricity and capacity contracts	1,007,998.84	234,094.6	8,176.7	29,177.2	396,998.5	78 078,3	261 473,5
Competitive Capacity Screening	233,899.5	-	-	-	215,639.0	17 720,8	539,7
Export	565,538.9	247,226.7	-	318,312.2	-	-	-
Retail market	6,890.9	6,388.7	-	502.2	-	-	-
<b>TOTAL</b>	<b>7,817,236.2</b>	<b>4,322,263.3</b>	<b>567,056.3</b>	<b>1,008,898.4</b>	<b>1,182,083.6</b>	<b>249 931,9</b>	<b>487 002,8</b>
<b>TOTAL electricity</b>	<b>5,898,218.0</b>						
<b>TOTAL capacity</b>	<b>1,919,018.2</b>						

### Electricity and capacity purchase in 1Q 2010

	Volume, '000 kWh		Volume, '000 MW
Day-ahead market	768,331.1	Competitive Capacity	275.5
Balancing market	202,456.2	Screening	
Fixed-date electricity and capacity contracts	16,043.6	Fixed-date electricity and capacity contracts	90.2
<b>TOTAL</b>	<b>986,830.9</b>	<b>TOTAL</b>	<b>365.7</b>

### HEAT

#### Heat revenue, '000 RUR

	1Q 2009	1Q 2010	q-o-q (%)
Nevsky branch	5,605,314	7,247,273	29.3
Karelsky branch	287,642	345,216	20.0
Kolsky branch	390,805	475,634	21.7
<b>Total TGC-1</b>	<b>6,283,761</b>	<b>8,068,123</b>	<b>28.4</b>

#### Useful output breakdown, '000 GCal

	1Q 2009		1Q 2010		q-o-q (%)
	Total TGC-1 ('000 GCal)	Total TGC-1 (%)	Total TGC-1 ('000 GCal)	Total TGC-1 (%)	
	<b>9,791.7</b>	<b>100.0</b>	<b>10,841.0</b>	<b>100.0</b>	<b>10.7</b>
Industrial consumers	512.4	5.2	840.9	7.8	64.1
Housing consumers	5,369.1	54.8	5,700.5	52.6	6.2
Other consumers	2,042.6	20.9	2,341.2	21.6	14.6
Heat suppliers (resellers)	1,867.6	19.1	1,958.4	18.1	4.9

### TARIFFS

#### Average electricity tariffs

	since 01.01.2009, kop./kWh	since 01.01.2010, kop./kWh	Changes
Nevsky branch	79.96	96.08	20.2%
Karelsky branch	48.12	47.54	-1.2%
Kolsky branch	31.73	30.54	-3.8%
<b>TGC-1</b>	<b>61.27</b>	<b>69.93</b>	<b>14.1%</b>

### Heat tariffs

	since 01.01.2009, RUR/G Cal	since 01.01.2010, RUR/G Cal	Changes
Nevsky branch	645.75	750.00	16.1
St. Petersburg	641.87	745.85	16.2
Lenoblast	816.61	961.99	17.8
Karelsky branch	473.42	523.46	10.6
Kolsky branch	777.00	850.00	9.4
<b>TGC-1</b>	<b>640.92</b>	<b>739.81</b>	<b>15.4</b>

# TGC-1



## 4. FINANCIAL PERFORMANCE REVIEW

### Revenue breakdown

	1Q 2009		1Q 2010		q-o-q (%)
	Thous. RUR	(%)	Thous. RUR	(%)	
Electricity and capacity including	5,471,554	45.7	7,817,236	48.8	42.9
Electricity and capacity in regulated sector	3,003,440	25.1	2,449,167	15.3	-18.5
Electricity and capacity in Competitive Capacity Screening	1,996,434	16.7	4,795,639	29.9	140.2
Export electricity and capacity	449,191	3.7	565,539	3.5	25.9
Electricity and capacity on retail market	22,489	0.2	6,891	0.0	-69.4
Heat	6,283,761	52.4	8,068,123	50.4	28.4
Other production, works, services	226,675	1.9	126,910	0.8	-44.0
<b>Total revenue</b>	<b>11,981,990</b>	<b>100.0</b>	<b>16,012,269</b>	<b>100.0</b>	<b>33.6</b>

### Costs breakdown

	1Q 2009		Electricity		Heat	
	Thous. RUR.	%	Thous. RUR.	%	Thous. RUR.	%
<b>Total costs</b>	<b>9,177,941</b>	<b>100.0</b>	<b>4,156,162</b>	<b>100.0</b>	<b>5,021,779</b>	<b>100.0</b>
Fuel	4,802,406	52.3	2,179,588	52.4	2,622,818	52.2
Purchased energy	612,232	6.7	522,879	12.6	89,353	1.8
Water for technology process	482,827	5.3	53,910	1.3	428,917	8.5
Fixed assets repairing	389,955	4.2	199,712	4.8	190,243	3.8
Salary fund & uniform social tax	791,123	8.6	415,863	10.0	375,260	7.5
Amortization	695,810	7.6	229,980	5.5	465,830	9.3
Heat transit	481,019	5.2	0	0.0	481,019	9.6
Wholesale & retail market services	152,171	1.7	152,171	3.7	0	0.0
Rent	68,995	0.8	40,019	1.0	28,976	0.6
Taxes	236,200	2.6	147,516	3.5	88,684	1.8
Others	465,203	5.1	214,524	5.2	250,679	5.0

	1Q 2010		Electricity		Heat	
	Thous. RUR.	%	Thous. RUR.	%	Thous. RUR.	%
<b>Total costs</b>	<b>12,272,621</b>	<b>100.0</b>	<b>5,973,681</b>	<b>100.0</b>	<b>6,298,940</b>	<b>100.0</b>
Fuel	7,297,015	59.5	3,301,083	55.3	3,995,932	63.4
Purchased energy	1,124,634	9.2	1,049,266	17.6	75,368	1.2
Water for technology process	545,815	4.4	67,182	1.1	478,633	7.6
Fixed assets repairing	279,960	2.3	161,691	2.7	118,269	1.9
Salary fund & uniform social tax	884,544	7.2	490,899	8.2	393,645	6.2
Amortization	838,723	6.8	307,088	5.1	531,635	8.4
Heat transit	25,260	0.2	0	0.0	25,260	0.4
Wholesale & retail market services	154,098	1.3	154,098	2.6	0	0.0
Rent	119,539	1.0	42,682	0.7	76,857	1.2
Taxes	250,909	2.0	166,431	2.8	84,478	1.3
Others	752,124	6.1	233,261	3.9	518,863	8.2

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## 5. CONDENSED FINANCIAL STATEMENT

(ACCORDING TO RUSSIAN ACCOUNTING STANDARDS)

### Balance sheet

ASSETS	'000 RUR	
	01.01.2010	30.03.2010
<i>I. NON-CURRENT ASSETS</i>		
Intangible assets	-	38 839
Fixed assets, including:	43,591,163,	43,433,090
land	25,364	25,979
buildings, machinery and equipment, facilities	43,219,755	43,071,707
other types of fixed assets	346,044	335,404
construction in progress	28,740,022	31,442,352
Income yielding investments into tangible assets	104	93
Long-term financial investments, including:	1,557,789	1,111,929
subsidiaries	375,625	375,646
associated companies	20,00,	20,000
other companies	445,891	10
long-term loans	708,273	708,273
other long-term financial investments	8,000	8,000
Other non-current assets	452,803	444,886
<i>TOTAL non-current assets</i>	<i>74,341,881</i>	<i>76,471,189</i>
<i>II. CURRENT ASSETS</i>		
Inventories	1,945,259	2,102,655
Value added tax on purchased tangibles	1,032,099	452,675
Accounts receivable, payments for which are expected in more than 12 months	1,051,928	846,380
Accounts receivable, payments for which are expected within 12 months, including:	13,321,950	14,783,003
buyers and customers	4,671,502	8,345,540
bills receivable	93,301	165,361
Debts of associated and depended companies	-	-
advances paid	6,501,920	5,135,821
other receivables	2,055,227	1,136,281
short-term financial investments	1,076,941	1,015,461
cash and cash equivalents	511,210	787,395
<i>TOTAL current assets</i>	<i>18,939,387</i>	<i>19,987,569</i>
<i>TOTAL ASSETS</i>	<i>93,281,268</i>	<i>96,458,758</i>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>		
<i>III. SHAREHOLDER'S EQUITY</i>		
Authorized share capital:	38,543,414	38,543,414
in preferred shares	-	-
in ordinary shares	38,543,414	38,543,414
Paid up shares from shareholders	-	-
Capital surplus	39,677,637	39,676,895
Capital reserves	54,465	54,465
Retained profit of prior periods	4,855,480	4,856,221

Losses of prior periods	(16,668,684)	(16,668,684)
Retained profit of the reporting period	-	2,847,070
Losses of the reporting period	-	-
<i>TOTAL shareholder's equity</i>	66,462,312	69,309,381
<b>IV. LONG-TERM LIABILITIES</b>		
Loans and credits	8,498,512	12,072,640
Deferred tax liability	1,864,516	2,026,553
Other long-term liabilities	-	-
<i>TOTAL LONG-TERM LIABILITIES</i>	10,363,028	14,099,193
<b>V. SHORT-TERM LIABILITIES</b>		
Loans and credits, including:	6,838,618	4,521,643
bank credits	5,669,059	4,319,802
loans	1,169,559	201,841
Accounts payable, including:	9,287,268	8,198,507
bank credits	7,519,396	6,054,085
suppliers and contractors	157,142	-
notes payable	3,166	142,042
wages payable to staff	9	72,186
payables to state and off-budget funds	281,567	766,765
charges to budget	879,473	789,076
advances received	446,515	374,353
other payables	-	-
Payables to participants (founding parties)	42	34
Deferred income	330,000	330,000
<i>TOTAL short-term liabilities</i>	16,455,928	13,050,184
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>93,281,268</b>	<b>96,458,758</b>

### Income statement

	1Q 2010	'000 RUR 1Q 2009
<i>Profit and loss from ordinary activities</i>		
Revenues	16,012,269	11,981,990
Electricity and power for internal customers	7,251,697	5,022,363
Electricity and power (export)	565,539	449,191
Heat	8,068,123	6,283,761
Other products, works and services	126,910	226,675
Cost of goods sold	(12,295,026)	(9,207,146)
Electricity and power for internal customers	(5,867,799)	(4,076,224)
Electricity and power (export)	(105,882)	(79,938)
Heat	(6,298,940)	(5,021,779)
Other products, works and services	(22,405)	(29,205)
Gross profit	3,717,243	2,774,844
Profit (loss) from sales	3,717,243	2,774,844
<i>Other profit and expenses</i>		
Interest income	38,628	59,605
Interest expenses	(219,751)	(57,933)
Other organizations participation income	-	-
Other income	1,597,484	1,705,253
Other expenses	(1,580,918)	(2,252,603)
Pre-tax profit	3,552,686	2,2029,166
Deferred tax assets	-	-
Deferred tax liability	(162,036)	(232,380)
Current profit tax	(539,789)	(276,554)
Other similar mandatory payments	(3,791)	(78)
Profit tax and other similar mandatory payments	(705,616)	(509,012)
Profit after tax	2,847,070	1,720,154
Net profit	2,847,070	1,720,154

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