



# JSC TGC-1

## 9M 2014 IFRS Results

November 27, 2014  
Saint Petersburg

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## Operational Highlights

	9M 2013	9M 2014	Change
Installed Capacity, MW	7,238	7,244	+0.1%
Electricity Production, mn kWh, Including:	21,873	19,139	-12.5%
CHP	12,430	10,334	-16.9%
HPP	9,443	8,805	-6.8%
Electricity Sales Including Purchased Energy, mn kWh	25,299	21,376	-15.5%
Capacity Sales, MW (monthly average)	5,429	4,966	-8.5%
Heat Output, thous Gcal	17,372	15,811	-9.0%
Useful Heat Output Including Purchased Energy, thous Gcal	18,053	16,061	-11.0%
Fuel Rate on Electricity*, g/kWh	280.0	266.8	-4.7%
Fuel Rate on Heat*, kg/Gcal	140.3	140.2	-0.1%
Capacity Load Factor, %*	46.0	40.4	-5.6 p.p.
CHP	43.8	36.7	-7.1 p.p.
HPP	49.2	45.8	-3.4 p.p.

\* Without Murmanskaya CHP.

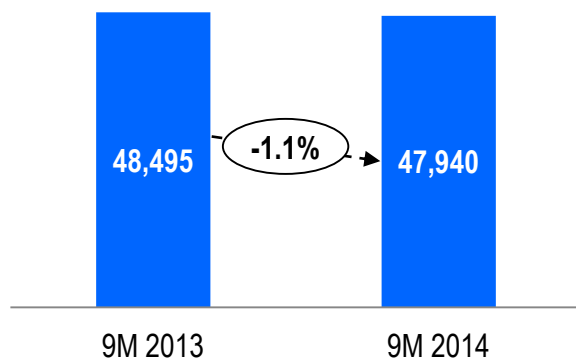
\*\*\* With account to Government grants and Other operating income.

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

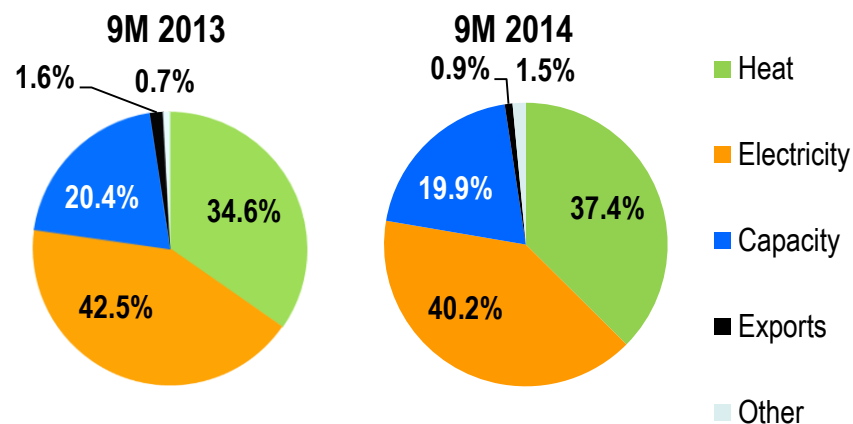
## Financial Highlights, mn RUR

	9M 2013	9M 2014	Change
Revenue	48,495	47,940	-1.1%
Operating Expenses, Incl.:	(42,030)	(42,109)	+0.2%
Variable Costs	(26,696)	(26,212)	-1.8%
Fixed Costs	(10,338)	(10,847)	+4.9%
Depreciation and Amortization	(4,996)	(5,049)	+1.1%
Total Operating Expenses**	(41,245)	(41,294)	+0.1%
Operating Profit	7,251	6,646	-8.3%
Profit Before Income Tax	5,410	5,032	-7.0%
EBITDA ***	12,246	11,695	-4.5%
Profit/ Total Comprehensive Income for the Period	4,218	3,913	-7.2%

## Revenue, mn RUR



## Revenue Structure\*



## Prices and Tariffs\*, mn RUR

	9M 2013	9M 2014	Change
Average Electricity Price, Thous RUR/MWh	894.7	923.7	+3.2%
Average Heat Tariff, RUR/Gcal	920.9	1,078.2	+17.1%
Average New Capacity Price, RUR/MWh per Month	486,253.4	469,729.0	-3.4%
Average Old Capacity Price RUR/MWh per Month	124,809.3	126,677.7	+1.5%

## Revenue Change Factors



- A 4.2% increase of the electricity sale price at the “day-ahead” market to 1,015.22 RUR/MWh for 9M 2014.
- A 3.24% increase in capacity volume, supplied under CSA, on the back of commissioning at Pravoberezhnaya CHP (CCGT 450).



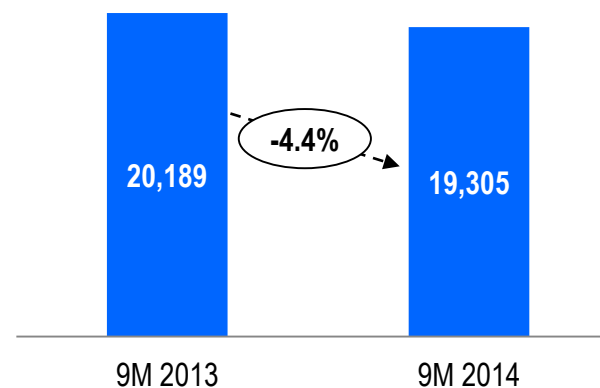
- A 13.21% decrease of electricity sales at the “day-ahead” market, on the back of decreased demand due to warm weather and priority to nuclear stations.
- Decrease in sales volume at Competitive Capacity Outtake (CCO) by 15.72% due to lower capacity volume at CCO for 2014.
- Decrease in exports due to unfavorable market environment at Nord Pool.

\* Management report data.

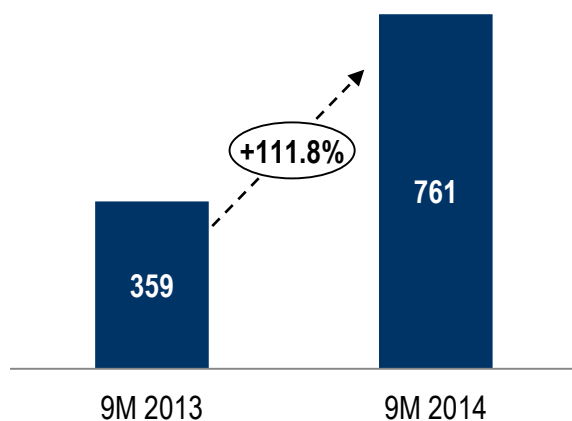
## Variable Costs, mn RUR

	9M 2013	9M 2014	Change
Fuel	20,189	19,305	-4.4%
Electricity, Capacity and Heat Purchases	3,984	3,963	-0.5%
Water Usage Expenses	1,656	1,682	+1.6%
Other Materials	507	501	-1.1%
Heat Distribution	359	761	+111.8%
<b>Total Variable Costs</b>	<b>26,696</b>	<b>26,212</b>	<b>-1.8%</b>

## Fuel Expenses, mn RUR



## Heat Transmission, mn RUR



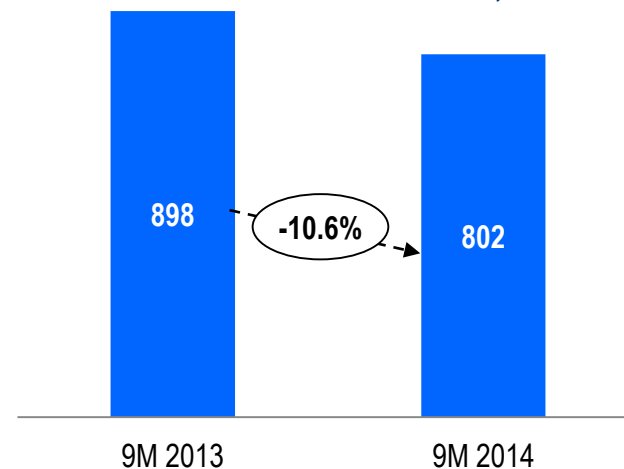
## Variable Costs Change Factors

- Decreased fuel costs due to lower 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.

## Fixed Costs, mn RUR

	9M 2013	9M 2014	Изм.
Employee Benefits	5,043	5,186	+2.8%
Repairs and Maintenance	1,859	1,968	+5.8%
Taxes Other than Income Tax	898	802	-10.6%
Fees of Electricity Market Operators	607	626	+3.1%
Operating Lease Expenses	259	223	-13.6%
Insurance Cost	191	210	+10.2%
Other	1,481	1,832	+23.7%
<b>Total Fixed Costs</b>	<b>10,338</b>	<b>10,847</b>	<b>+4.9%</b>

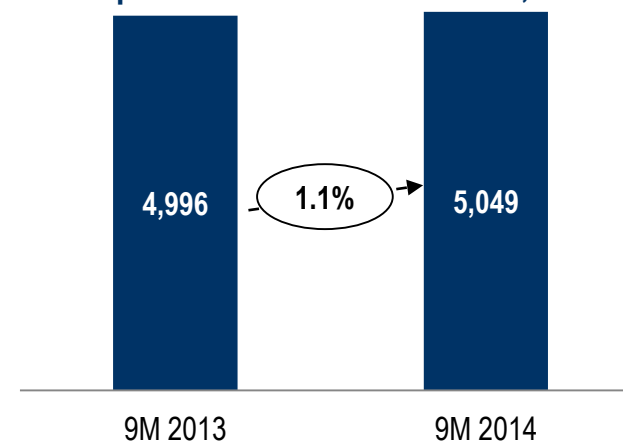
## Taxes other than Income Tax, mn RUR



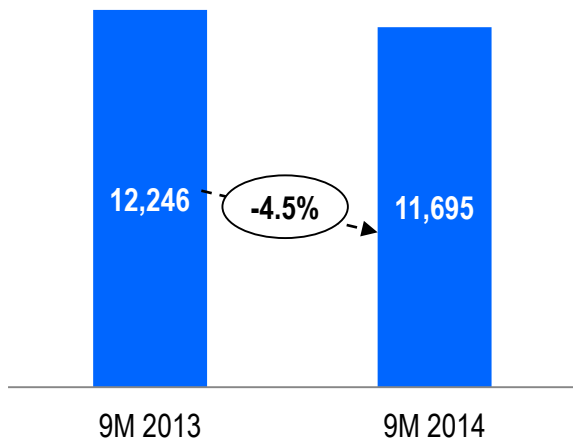
## Fixed Costs and Depreciation Change Factors

- Increase of Repairs and maintenance costs on the back of planned repairs of PP&E.
- Decreased taxes due to downside correction of the property tax amount for previous periods.
- High basis effect of 1H 2013 on “Provision/(Release) for Impairment of Accounts Receivable”.

## Depreciation and Amortization, mn RUR

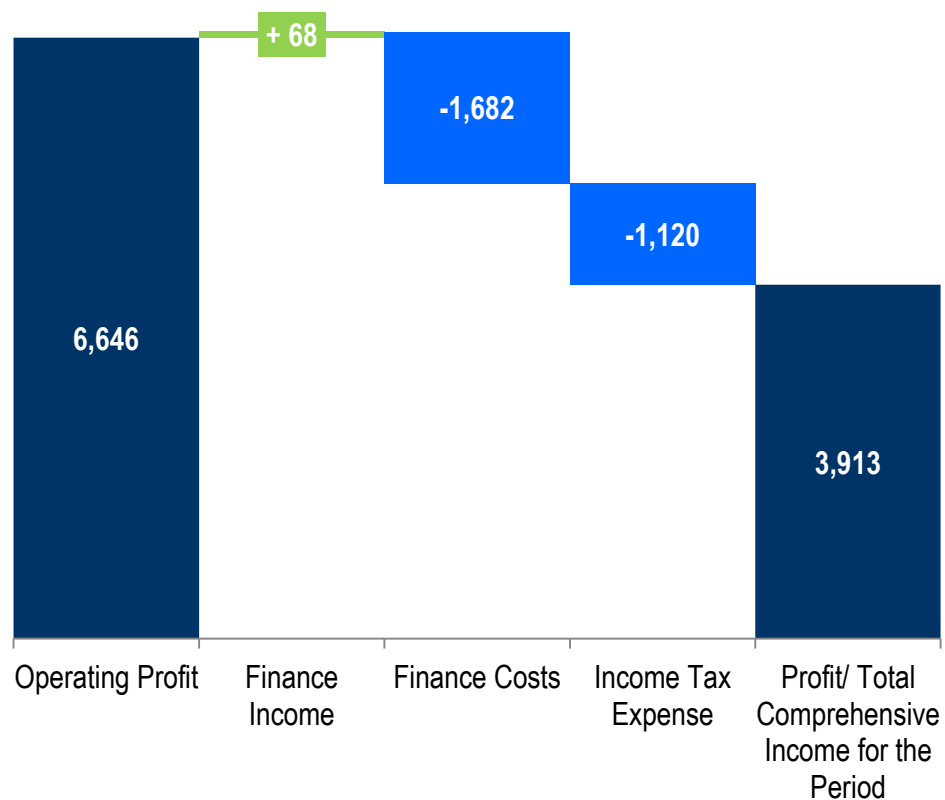


EBITDA, mn RUR

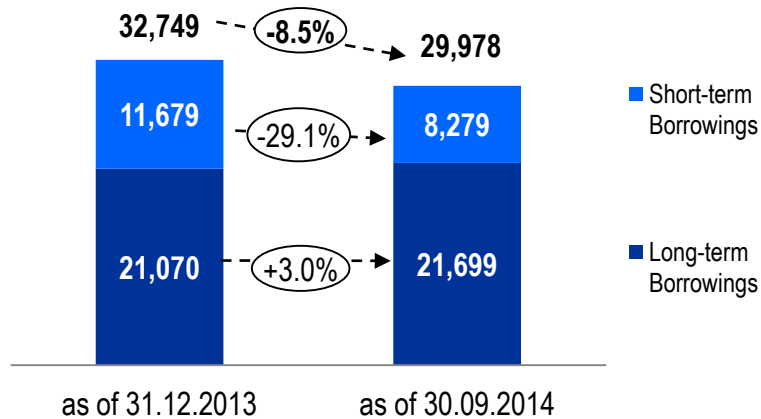


The negative EBITDA dynamics is mostly due to decrease in operational highlights on the back of declining electricity demand and warm weather in the reporting period.

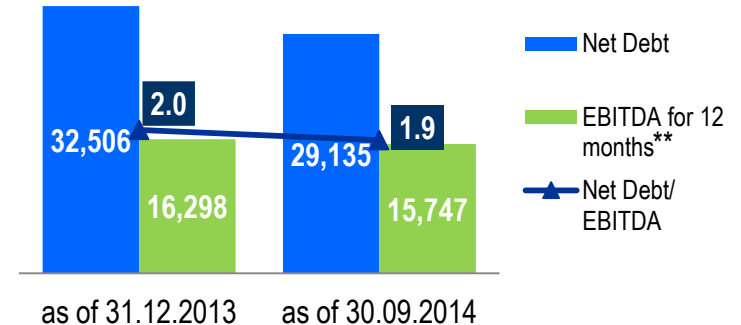
Profit Bridge for 9M 2014, mn RUR



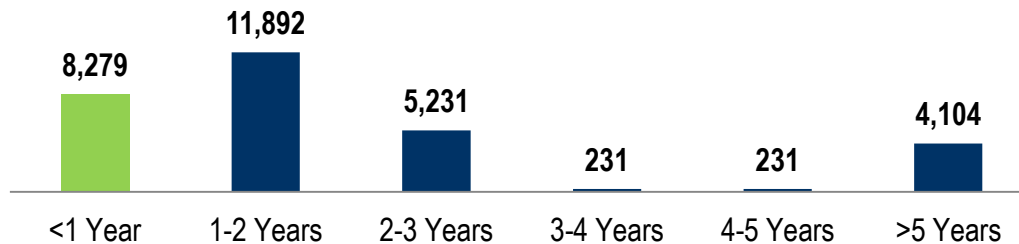
## Debt Structure, mn RUR



## Net Debt\*/ EBITDA



## Maturity Profile, as of September 30, 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 9 months of 2014 amounted (cumulatively, year to date) to 7.93%.

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 September 30, 2014 = EBITDA for FY 2013 + EBITDA for 9M 2014 - EBITDA for 9M 2013

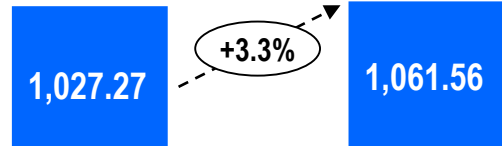


# Dynamics of Sale Prices for Electricity at the Day-ahead Market

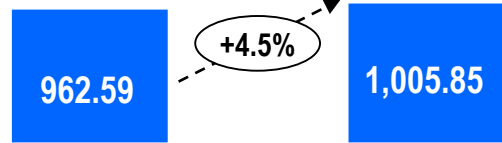
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market for 9 months, RUR/ MWh



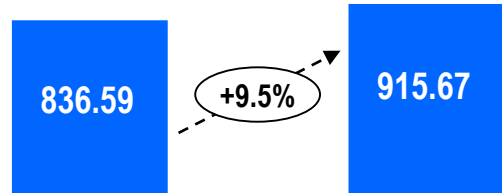
Kolsky Branch



Karelsky Branch



Nevsky Branch



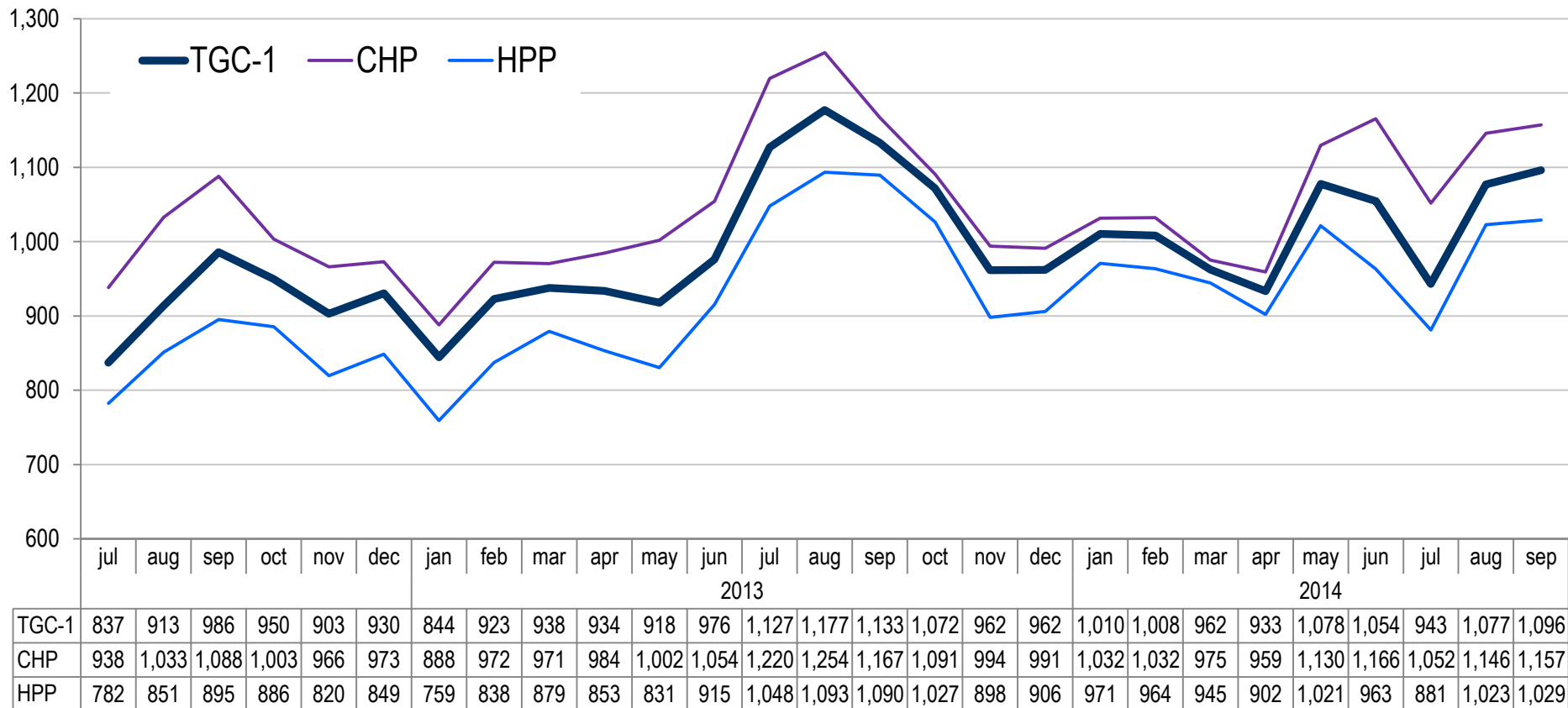
**TGC-1**



9M 2013

9M 2014

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



# Thank you for Your Attention!

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