



Мы создаем
энергию прогресса

JSC TGC-1
INTERIM REPORT
January-June 2011

TGC-1

August 2011

CONTENTS

1. TGC-1 in figures	p.3
2. Production	p.4
3. Sales	p.6
4. Financial highlights	p.9
5. Financial statement	p.11
6. Contacts	p.13

TGC-1

1. TGC-1 IN FIGURES

Operational highlights *

	1H 2010	1H 2011	q-o-q (%)
Electricity generation, mln kWh	14,435.1	15,132.0	4.8
Electricity useful output, mln kWh **	15,265.0	17,303.7	13.4
Heat generation, thousand GCal	17,051.6	16,130.7	-5.4
Heat useful output, thousand GCal **	16,237.5	16,102.3	-0.8

* including Murmanskaya CHPP

** Including purchased power

TGC-1

Key financials (Russian accounting standards), '000 RUR

	1H 2010	1H 2011	q-o-q (%)
Sales	25,068,227	32,555,513	29.9
Costs	(20,968,778)	(26,787,443)	27.7
Operating profit	4,099,449	5,768,070	40.7
Pre-tax profit	3,688,252	5,322,581	44.3
Net profit	2,869,353	4,674,037	62.9
Total assets	95,897,650	111,205,404	16.0

2. PRODUCTION

Electricity generation and output in 1H 2010-2011

	Electricity generation ('000 kWh)			Electricity useful output ('000 kWh), excl. purchased power			Electricity useful output ('000 kWh), incl. purchased power		
	1H 2010	1H 2011	q-o-q (%)	1H 2010	1H 2011	q-o-q (%)	1H 2010	1H 2011	q-o-q (%)
Nevsky branch	8,573,638.2	9,626,354.6	12.3	7,653,371.4	8,707,145.4	13.8	8,888,766.6	10,544,362.1	18.6
Karelsky branch	2,203,536.0	1,875,770.9	-14.9	2,094,430.6	1,764,394.7	-15.8	2,169,016.1	2,260,831.0	4.2
Kolsky branch	3,635,640.6	3,607,099.3	-0.8	3,491,062.6	3,470,083.7	-0.6	4,194,772.0	4,486,139.0	6.9
Total TGC-1	14,412,814.9	15,109,224.8	4.8	13,238,864.6	13,941,623.9	5.3	15,252,554.7	17,291,332.2	13.4
Murmanskaya CHPP	22,318.0	22,738.9	1.9	12,398.8	12,399.9	0.0	12,398.8	12,399.9	0.0
TGC-1 incl. Murmanskaya CHPP	14,435,132.9	15,131,963.7	4.8	13,251,263.4	13,954,023.8	5.3	15,264,953.5	17,303,732.1	13.4

Heat generation in 1H 2010-2011

	Heat generation (GCal)			Heat useful output (GCal), incl. purchased heat		
	1H 2010	1H 2011	q-o-q (%)	1H 2010	1H 2011	q-o-q (%)
Nevsky branch	13,842,643.0	13,003,782.0	-6.1	13,104,081.4	13,075,283.0	-0.2
Karelsky branch	1,084,474.0	1,035,956.0	-4.5	1,059,492.0	1,005,253.0	-5.1
Kolsky branch	757,685.5	709,184.3	-6.4	739,954.5	688,327.0	-7.0
Total TGC-1	15,684,802.5	14,748,922.3	-6.0	14,903,527.9	14,768,873.0	-0.9
Murmanskaya CHPP	1,366,805.0	1,381,744.0	1.1	1,333,955.8	1,333,400.6	0.0
Total TGC-1 including Murmanskaya CHPP	17,051,607.5	16,130,666.3	-5.4	16,237,483.7	16,102,273.6	-0.8

Utilization factor of maximum capacity in 1H 2011, %

	CHP	HPP	HPP+CHP
Nevsky branch	58.8	57.8	58.6
Karelsky branch	50.9	45.5	47.2
Kolsky branch	17.3	48.6	43.3
Total TGC-1	54.6	50.1	52.6
Murmanskaya CHPP	43.63	-	43.63

Specific fuel consumption at Company's CHPPs in 1H 2011

	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
Nevsky branch				
Central CHPP	387.65	157.31	330.48	494.55
Pravoberezhnaya CHPP-5	278.43	149.82	253.18	378.23
Vasileostrovskaya CHPP-7	292.98	130.67	282.81	449.92
Dubrovskaya CHPP-8	462.24	152.98	328.43	523.21
Pervomayskaya CHPP-14	289.72	147.88	276.93	307.39
Avtovskaya CHPP-15	322.96	130.66	296.71	449.87
Vyborgskaya CHPP-17	299.12	130.43	261.86	399.00
Severnaya CHPP-21	282.15	122.40	251.46	413.36
Yuzhnaya CHPP-22	265.65	134.67	229.61	306.93
Total Nevsky branch	289.30	137.40	260.44	346.16
Karelsky branch				
Petrozavodskaya CHPP	272.66	131.57	242.98	371.66
Total Karelsky branch	272.66	131.57	242.98	371.66
Kolsky branch				
Apatitskaya CHPP	309.12	141.65	309.12	-
Total Kolsky branch	309.12	141.65	309.12	-
Total TGC-1	288.62	137.19	260.93	347.20
Murmanskaya CHPP	445.89	171.66	445.89	-

Fuel mix in 1H 2011, %

	gas	fuel oil	coal
Nevsky branch	98.21	1.72	0.07
Karelsky branch	98.67	1.33	-
Kolsky branch	-	0.28	99.72
Total TGC-1	94.59	1.64	3.77
Murmanskaya CHPP		100	
Total TGC-1 incl. Murmanskaya CHPP	89.87	6.54	3.59

3. SALES

ELECTRIC POWER AND CAPACITY

Electricity sales breakdown by market sectors 1H 2011, '000 kWh

	Total TGC-1 (%)	Total TGC-1 ('000 kWh)	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sector of the wholesale market	13.0	2,250,830.1	1,288,452.0	329,868.7	632,509.4
Day-ahead market	75.9	13,126,168.5	7,870,113.1	1,900,490.1	3,355,565.3
Balancing market	6.1	1,061,389.7	877,615.8	30,472.2	153,301.7
Export	3.9	670,653.3	326,997.2	-	343,656.1
Retail market	1.1	182,290.5	181,184.1	-	1,106.4
TOTAL	100.00	17,291,332.2	10,544,362.1	2,260,831.0	4,486,139.0

Capacity sales 1H 2011, MW

	Total TGC-1 (%)	Total TGC-1 (MW/month)	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sector of the wholesale market	26.8	1,327.9	695.7	148.5	483.8
Power delivery contract	8.4	416.8	416.8	-	-
Forced state	17.3	856.4	729.4	-	127.0
Competitive Capacity Screening	47.6	2,359.7	1,046.9	363.7	949.1
TOTAL	100.0	4,960.8	2,888.7	512.2	1,559.9

Electricity and capacity revenues in 1H 2011, '000 RUR

	TOTAL electricity	Electricity			TOTAL capacity	Capacity		
		Nevsky branch	Karelsky branch	Kolsky branch		Nevsky branch	Karelsky branch	Kolsky branch
Regulated sector of the wholesale market	997,339.1	878,090.0	81,561.5	37,687.6	986,404.7	576,154.5	150,239.3	260,010.9
Day-ahead market	12,146,068.2	7,727,049.9	1,723,736.0	2,695,282.3	-	-	-	-
Balancing market	946,746.1	835,641.9	14,785.5	96,318.7	-	-	-	-
Power delivery contract	-	-	-	-	932,626.9	932,626.9	-	-
Forced state	-	-	-	-	1,106,102.1	944,358.0	-	161,744.1
Competitive Capacity Screening	-	-	-	-	1,683,844.9	753,459.2	254,623.4	675,762.3
TOTAL	14,090,153.4	9,440,781.8	1,820,083.0	2,829,288.6	4,708,978.7	3,206,598.6	404,862.7	1,097,517.4

TOTAL wholesale market	18,799,132.1							
Export	1,184,939.6	635,024.8	-	549,914.8	-	-	-	-
Retail market	239,692.6	237,140.4	-	2,552.2	-	-	-	-
	15,514,785.6	10,312,947.0	1,820,083.0	3,381,755.6	4,708,978.7	3,206,598.6	404,862.7	1,097,517.4
TOTAL Electricity + Capacity	20,223,764.3							

Electricity and capacity purchase in 1H 2011

	Volume, '000 kWh		Volume, '000 MW
Day-ahead market	2,628,842.0	Power delivery contract	9.4
Balancing market	720,866.3	Forced state	21.6
TOTAL	3,349,708.3	Competitive Capacity Screening	273.7
		Long term capacity contracts (for HPP/NPP)	3.1
		TOTAL	307.7

HEAT

Heat revenue, '000 RUR

	1H 2010	1H 2011	q-o-q (%)
Nevsky branch	9,859,643	10,927,319	10.8
Karelsky branch	498,181	543,846	9.2
Kolsky branch	729,432	746,311	2.3
Total TGC-1	11,087,256	12,217,476	10.2

Useful output breakdown, '000 GCal

	1H 2010		1H 2011		q-o-q (%)
	Total TGC-1 ('000 GCal)	Total TGC-1 (%)	Total TGC-1 ('000 GCal)	Total TGC-1 (%)	
Total heat	14,903.4	100.0	14,768.9	100.0	-0.9
Industrial consumers	1,100.3	7.4	710.3	4.8	-35.4
Housing consumers	7,705.5	51.7	7,188.6	48.7	-6.7
Other consumers	3,179.8	21.3	3,189.0	21.6	0.3
Heat suppliers (resellers)	2,917.8	19.6	2,768.1	18.7	-5.1
Heat output to compensate losses	0.0	0.0	912.9	6.2	-

TARIFFS

Heat tariffs

	since 01.01.2010, RUR/GCal	since 01.01.2011, RUR/GCal	Change, (%)
Nevsky branch	750.00	852.11	13.6
St. Petersburg	745.85	846.92	13.6
Len oblast	961.99	1100.57	14.4
Karelsky branch	523.46	601.55	14.9
Kolsky branch	850.00	927.30	9.1
TGC-1	739.81	838.46	13.3
Murmanskaya CHPP	1,444.02	1,646.98	14.1

TGC-1

4. FINANCIAL HIGHLIGHTS

Revenue breakdown

	1H 2010		1H 2011		Change, %
	mIn RUR	Share, %	mIn RUR	Share, %	
Electricity and capacity, including	13,678,097	54.6	20,223,764	62.1	47.9
Regulated electricity and capacity sales	4,149,122	16.6	1,983,744	6.1	-52.2
Unregulated electricity and capacity sales	8,532,855	62.4	16,815,388	51.7	97.1
Export of electricity	981,148	7.2	1,184,940	3.6	20.8
Electricity and capacity on retail market	14,972	0.1	239,693	0.7	1501.0
Heat	11,087,255	81.1	12,217,476	37.5	10.2
Other sales	302,876	2.2	114,273	0.4	-62.3
Total revenue	25,068,227	100.0	32,555,514	100.0	29.9

Costs breakdown

	1H 2010		Electricity		Heat	
	mIn RUR	Share, %	mIn RUR	Share, %	mIn RUR	Share, %
Total costs	20,900,919	100.0	10,916,685	100.0	9,984,234	100.0
Fuel	10,646,227	50.9	5,112,287	46.8	5,533,940	55.4
Purchased energy	2,132,462	10.2	2,013,876	18.4	118,586	1.2
Water for technology process	1,033,029	4.9	123,199	1.1	909,831	9.1
Fixed assets repairing	796,556	3.8	469,124	4.3	327,432	3.3
Salary fund & uniform social tax	1,899,984	9.1	1,125,404	10.3	774,580	7.8
Depreciation	1,680,059	8.0	648,395	5.9	1,031,664	10.3
Heat transit	91,605	0.4	37	0.0	91,568	0.9
Wholesale & retail market services	319,984	1.5	319,984	2.9	0	0.0
Rent	258,857	1.2	96,064	0.9	162,793	1.6
Taxes	494,410	2.4	350,250	3.2	144,160	1.4
Others	1,547,747	7.4	658,064	6.0	889,681	8.9

	1H 2011		Electricity		Heat	
	mIn RUR	Share, %	mIn RUR	Share, %	mIn RUR	Share, %
Total costs	26,724,632	100.0	14,782,791	100.0	11,941,841	100.0
Fuel	12,772,049	47.8	6,774,312	45.8	5,997,737	50.2
Purchased energy	3,428,519	12.8	3,308,465	22.4	120,054	1.0
Water for technology process	1,154,172	4.3	138,937	0.9	1,015,235	8.5
Fixed assets repairing	826,185	3.1	590,140	4.0	236,045	2.0
Salary fund & uniform social tax	1,919,451	7.2	1,290,071	8.7	629,380	5.3
Depreciation	1,988,931	7.4	1,260,905	8.5	728,026	6.1
Heat transit	2,570,921	9.6	0	0.0	2,570,921	21.5
Wholesale & retail market services	381,158	1.4	381,158	2.6	0	0.0
Rent	90,124	0.3	59,578	0.4	30,546	0.3
Taxes	525,640	2.0	393,222	2.7	132,418	1.1
Others	1,067,481	4.0	586,002	4.0	481,479	4.0

TGC-1

5. CONDENSED FINANCIAL STATEMENT

(RUSSIAN ACCOUNTING STANDARDS)

Balance sheet

	'000 RUR		
ASSETS	June 30, 2011	Dec 31, 2010	Dec 31, 2009
I. NON-CURRENT ASSETS			
Intangible assets	33,902	35,876	-
Result of investigation	-	-	-
Fixed assets	55,345,663	56,581,286	43,591,163
Income yielding investments into tangible assets	-	-	-
Long-term financial investments	12,562,221	492,198	1,557,789
Deferred tax asset	42,657	41,056	193,524
Other non-current asset	20,817,268	28,421,952	29,192,825
TOTAL non-current assets	88,801,711	85,572,368	74,535,405
II. CURRENT ASSETS			
Inventories	2,523,511	2,324,727	1,945,259
Value added tax on purchased tangible	645,144	565,217	1,032,099
Accounts receivable	17,053,700	12,655,346	14,373,878
Short-term financial investments	1,744,500	1,591,369	1,076,941
Cash and cash equivalents	436,838	233,903	511,210
Other non-current assets	-	-	-
TOTAL non-current assets	22,403,693	17,370,562	18,939,387
TOTAL ASSETS	111,205,404	102,942,930	93,474,792
SHAREHOLDER'S EQUITY AND LIABILITIES			
June 30, 2011			
Dec 31, 2010			
Dec 31, 2009			
III. SHAREHOLDER'S EQUITY			
Authorized share capital	38,543,414	38,543,414	38,543,414
Paid up shares from shareholders	-	-	-
Non-current assets revaluation	10,108,413	16,386,651	16,392,037
Capital surplus (without revaluation)	23,285,600	23,285,600	23,285,600
Capital reserves	403,126	222,779	54,465
Retained profit (Losses)	2,054,080	(8,537,501)	(11,813,204)
TOTAL shareholder's equity	74,394,633	69,900,943	66,462,312
IV. LONG-TERM LIABILITIES			
Loans and credits	20,448,350	16,514,578	8,498,512
Deferred tax liability	3,124,326	2,281,954	2,058,040
Indirect liability reserve	-	-	-
Other long-term liabilities	-	-	-
TOTAL LONG-TERM LIABILITIES	23,572,676	18,796,532	10,556,552
V. SHORT-TERM LIABILITIES			
Loans and credits	7,489,246	6,182,115	6,838,618
Accounts payable	5,418,849	7,733,329	9,287,268
Deferred income	-	11	42
Provisions for liabilities and charges	330,000	330,000	330,000
Other short-term liabilities	-	-	-
TOTAL short-term liabilities	13,238,095	14,245,455	16,455,928
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	111,205,404	102,942,930	93,474,792

Income statement

	1H 2011	'000 RUR 1H 2010
Revenues	32,555,513	25,068,227
Cost of goods sold	(26,787,443)	(20,968,778)
Gross profit (loss)	5,768,070	4,099,449
Business expenses	-	-
Management expenses	-	-
Profit (loss) from sales	5,768,070	4,099,449
Other organizations participation income	-	-
Interest income	81,368	77,282
Interest expenses	(705,874)	(423,755)
Other income	3,741,786	2,362,827
Other expenses	(3,562,769)	(2,427,551)
Pre-tax profit (loss)	5,322,581	3,688,252
Current profit tax	(296,918)	(360,254)
incl. deferred tax liability (assets)	73,173	79,424
Deferred tax liability changes	(842,371)	(456,820)
Deferred tax assets changes	1,600	-
Other	489,145	(1,825)
<i>Net profit (loss)</i>	4,674,037	2,869,353

6. CONTACTS

Olga Solomina

Head of Corporate Management Department

Tel: +7 (812) 901-31-31

E-mail: Solomina.ON@tgc1.ru, ir@tgc1.ru

Anastasia Romanova

Main investor relations officer

Tel: +7 (812) 901-32-96

E-mail: Romanova.AY@tgc1.ru, ir@tgc1.ru

Ekaterina Shpungina

Leading investor relations officer

Tel: +7 (812) 901-32-97

E-mail: Shpungina.ES@tgc1.ru, ir@tgc1.ru

Victor Nesterov

Corporate Secretary, Head of Shareholders Relations

Tel: +7 (812) 901-35-91

E-mail: Nesterov.VV@tgc1.ru