



# JSC TGC-1

## FY 2013 IFRS Results

March 17, 2014  
Saint Petersburg

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## Operational Highlights

	12M 2012	12M 2013	Change
Installed Capacity, MW	6,870	7,238	+5.4%
Electricity Production, mn kWh, Including:	30,388	29,303	-3.6%
CHP	16,889	17,313	+2.5%
HPP	13,499	11,990	-11.2%
Electricity Sales Including Purchased Energy, mn kWh	35,018	33,660	-3.9%
Capacity Sales, MW per Month	5,178	5,542	+7.0%
Heat Output, thous Gcal	26,438	25,315	-4.2%
Useful Heat Output Including Purchased Energy, thous Gcal	26,668	25,776	-3.3%
Fuel Rate on Electricity*, g/kWh	284.1	275.6	-3.0%
Fuel Rate on Heat*, kg/Gcal	139.8	138.8	-0.7%
Capacity Load Factor, %*	49.7	46.1	-3.6 p.p.
CHP	47.5	45.7	-1.8 p.p..
HPP	52.7	46.7	-6.0 p.p.

\* Without Murmanskaya CHP.

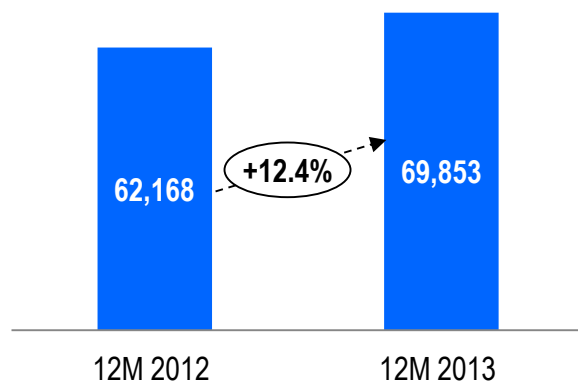
## Financial Highlights, mn RUR

	12M 2012	12M 2013	Change
Revenue	62,168	69,853	+12.4%
Operating Expenses, Incl.:	(53,151)	(59,659)	+12.2%
Variable Costs	(35,464)	(38,585)	+8.8%
Fixed Costs	(13,617)	(15,129)	+11.1%
<i>Fixed Costs, adj.</i>	<i>(13,812)</i>	<i>(13,992)</i>	+1.3%
Depreciation and Amortization	(5,587)	(6,407)	+14.7%
Operating Profit	9,882	9,891	+0.1%
Profit Before Income Tax	8,134	7,897	-2.9%
EBITDA***	15,468	16,298	+5.4%
Profit for the Year	6,255	6,768	+8.2%
Total Comprehensive Income for the Year	6,259	6,790	+8.5%

\*\* Adjusted to Provision/(release) for impairment of accounts receivable.

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

### Revenue, mn RUR

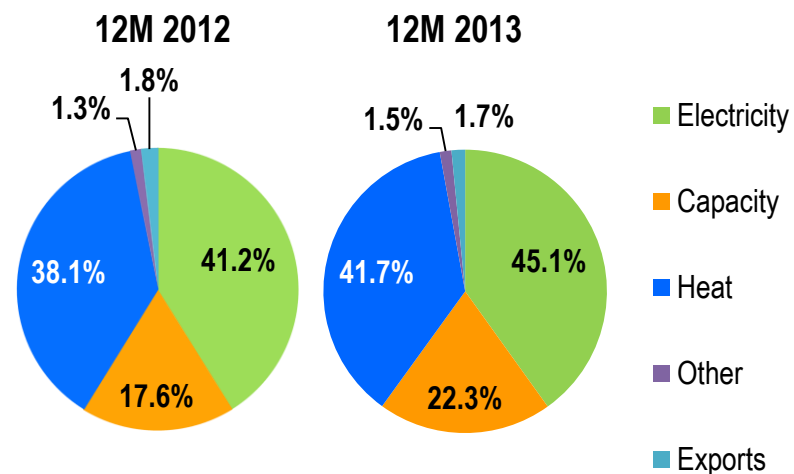


### Prices and Tariffs, mn RUR

	12M 2012	12M 2013	Change
Average electricity price, thous RUR/MWh	793.2	899.5	+13.4%
Average heat tariff, RUR/Gcal	857.7	969.6	+13.0%
Average new capacity price, RUR/MWh per month	494,717.3	501,763.3	+1.4%
Average old capacity price RUR/MWh per month	117,340.3	129,075.3	+10.0%

\* Management report data.

### Revenue Structure\*



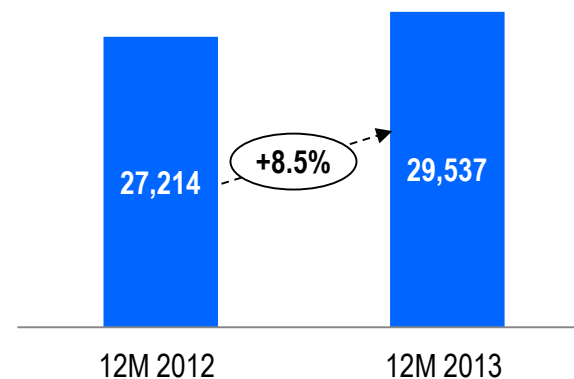
### Revenue Change Factors, 12M 2013

- A 13.8% increase of the electricity sale price at the “day-ahead” market from 860.8 RUR/MWh for 12M 2012 to 979.9 RUR/MWh for 12M 2013.
- Volume of capacity, supplied to the market under CSA, doubled on the back of commissioning of Pravoberezhnaya CHP (CCGT 450).
- Growth of the average sale price at competitive capacity outage by 11.7% from 122.4 thous RUR/MWh to 136.8 thous RUR/MWh.
- Positive electricity price dynamics at NordPool.
- Increased heat tariffs since 2H 2013 and subsidies for Murmanskaya CHP in 2013.

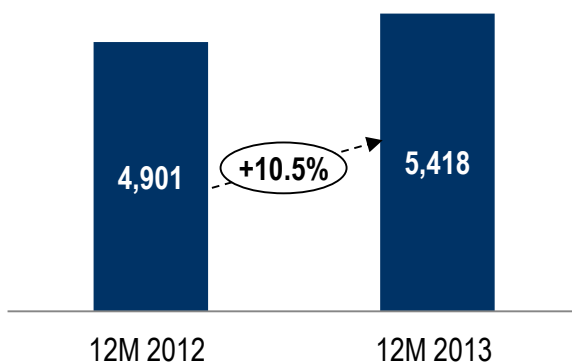
## Variable Costs, mn RUR

	12M 2012	12M 2013	Change
Fuel	27,214	29,537	+8.5%
Electricity, Capacity and Heat Purchases	4,901	5,418	+10.5%
Water Usage Expenses	2,098	2,236	+6.6%
Other Materials	693	748	+7.9%
Heat Transmission	558	646	+15.8%
<b>Total Variable Costs</b>	<b>35,464</b>	<b>38,585</b>	<b>+8.8%</b>

## Fuel Expenses, mn RUR



## Electricity, Capacity and Heat Purchases Expenses, mn RUR



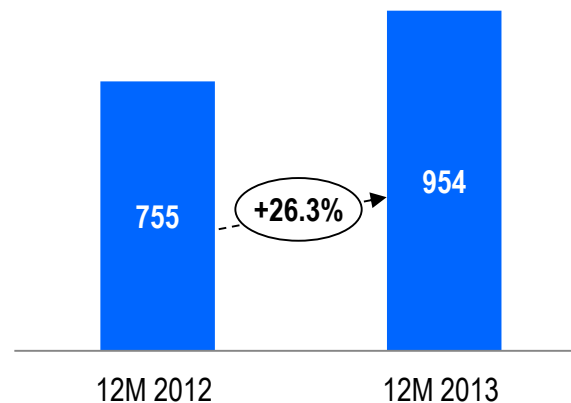
## Variable Costs Change Factors

- Increased fuel costs due to growing fuel price and decreasing hydrogenation input to production on the back of low water content in 2H 2013.
- Growth of electricity, capacity and heat purchases expenses, resulting from growing prices at the “day-ahead”, including growing purchases for export.
- Increase of water usage expenses on the back of transfer of supply systems at ES-2 of Tsentralnaya CHP, Vasileostrovskaya CHP and Vyborgskaya CHP to potable water.

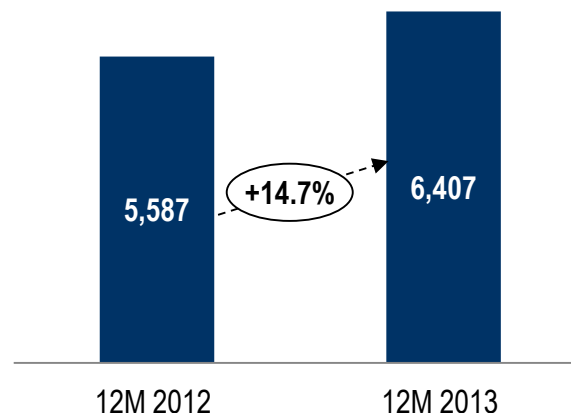
## Fixed Costs, mn RUR

	12M 2012	12M 2013	Change
Employee Benefits	6,544	6,794	+3.8%
Repairs and Maintenance	2,769	2,606	-5.9%
Taxes Other than Income Tax	755	954	+26.4%
Fees of Electricity Market Operators	714	818	+14.6%
Rent	270	329	+21.9%
Insurance Cost	252	253	+0.4%
Provision/(Release) for Impairment of Accounts Receivable	(195)	1,137	-
Other	2,507	2,239	-10.7%
<b>Total Fixed Costs</b>	<b>13,617</b>	<b>15,129</b>	<b>+11.1%</b>

## Taxes other than Income Tax, mn RUR



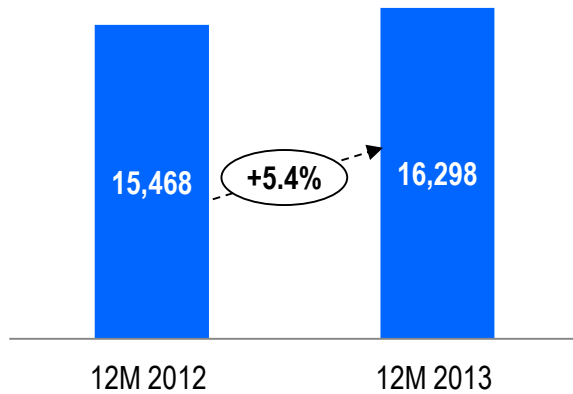
## Depreciation and Amortization, mn RUR



## Fixed Costs and Depreciation Change Factors

- Increased taxes due to downside correction of the property tax amount in 1Q 2012 for the previous periods and cancellation since the beginning of 2013 of the tax allowances for heating networks.
- Increased fees of electricity market operators due to the new capacities at market.
- Reduction of repairs and maintenance costs on the back of rescheduled works plan.
- PP&E amortization growth is due to new capacities commissioning.

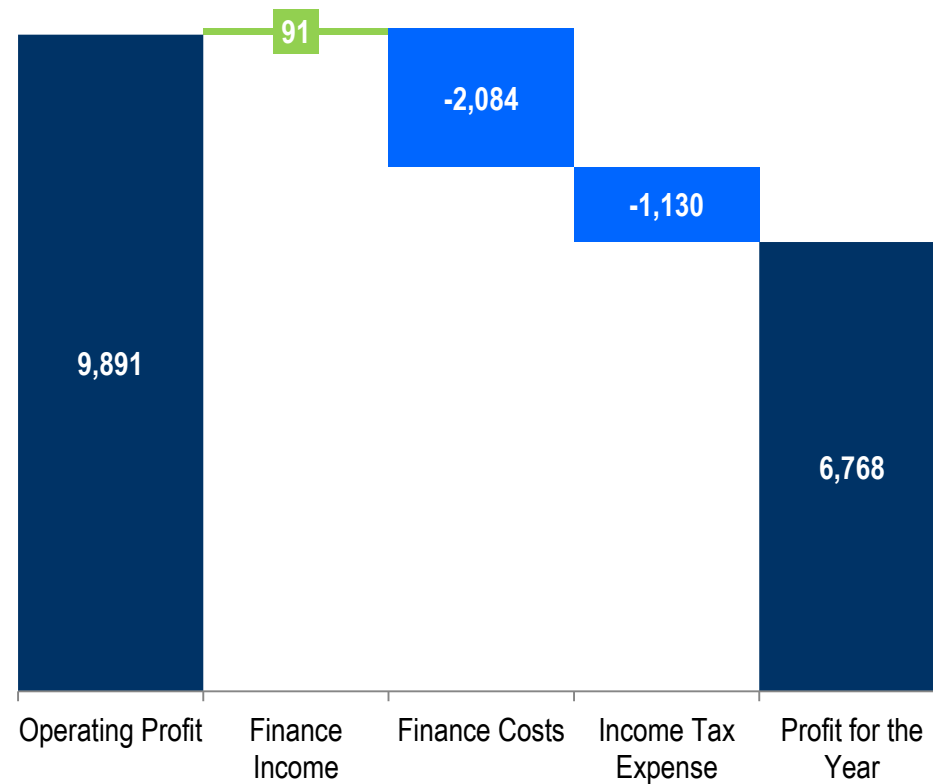
EBITDA, mn RUR



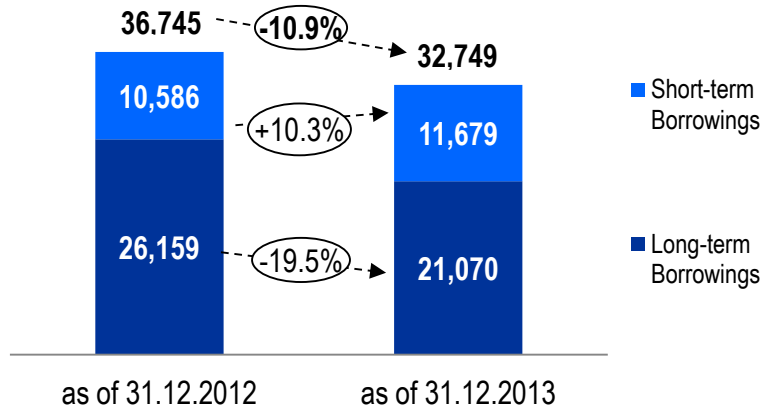
### EBITDA Change Factors

- Growing prices at the “day-ahead” market and regulated market.
- Increased capacity under CSA resulting from commissioning of the new CCGT 450 at Pravoberezhnaya CHP.
- Decrease of the fuel rate on electricity and heat on the account of changes in CHPs operating patterns.
- Realization of the operational efficiency increase program parameters aimed at decrease of periods under repair and optimization of buying system.

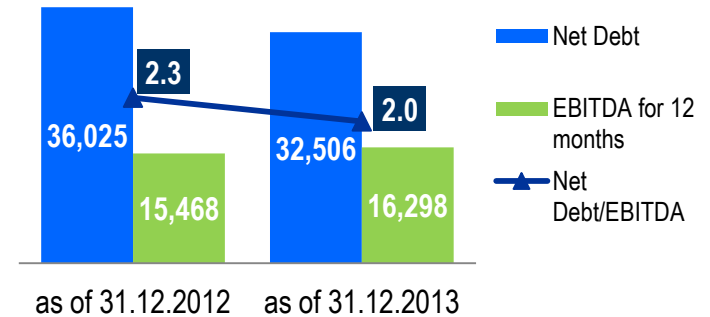
Profit Bridge for 12M 2013, mn RUR



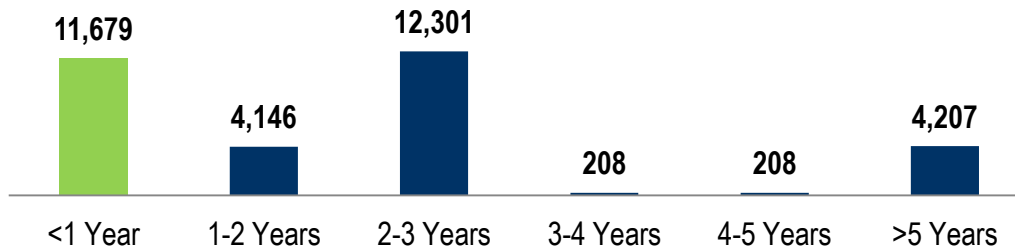
## Debt Structure, mn RUR



## Net Debt\*/ EBITDA



## Maturity Profile, as of December 31, 2013, mn RUR



## Debt Portfolio Management

- The weighted average effective interest rate for the debt portfolio for the 12 months of 2013 amounted (cumulatively, year to date) to 8.4%.
- Four bond issues series 01-04 of TGC-1 are traded on MICEX-RTS.

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

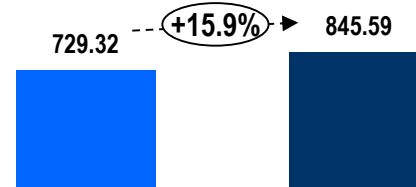


# Dynamics of Sale Prices for Electricity at the Day-ahead Market

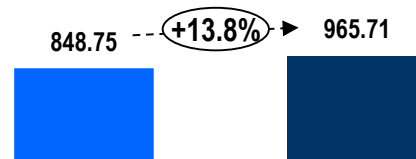
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market for 12 months, RUR/ MWh



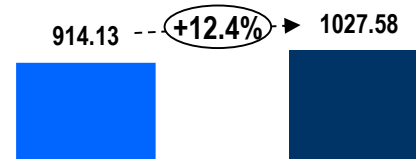
Kolsky Branch



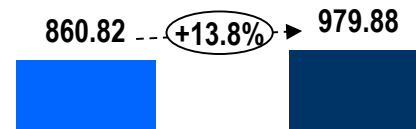
Karelsky Branch



Nevsky Branch

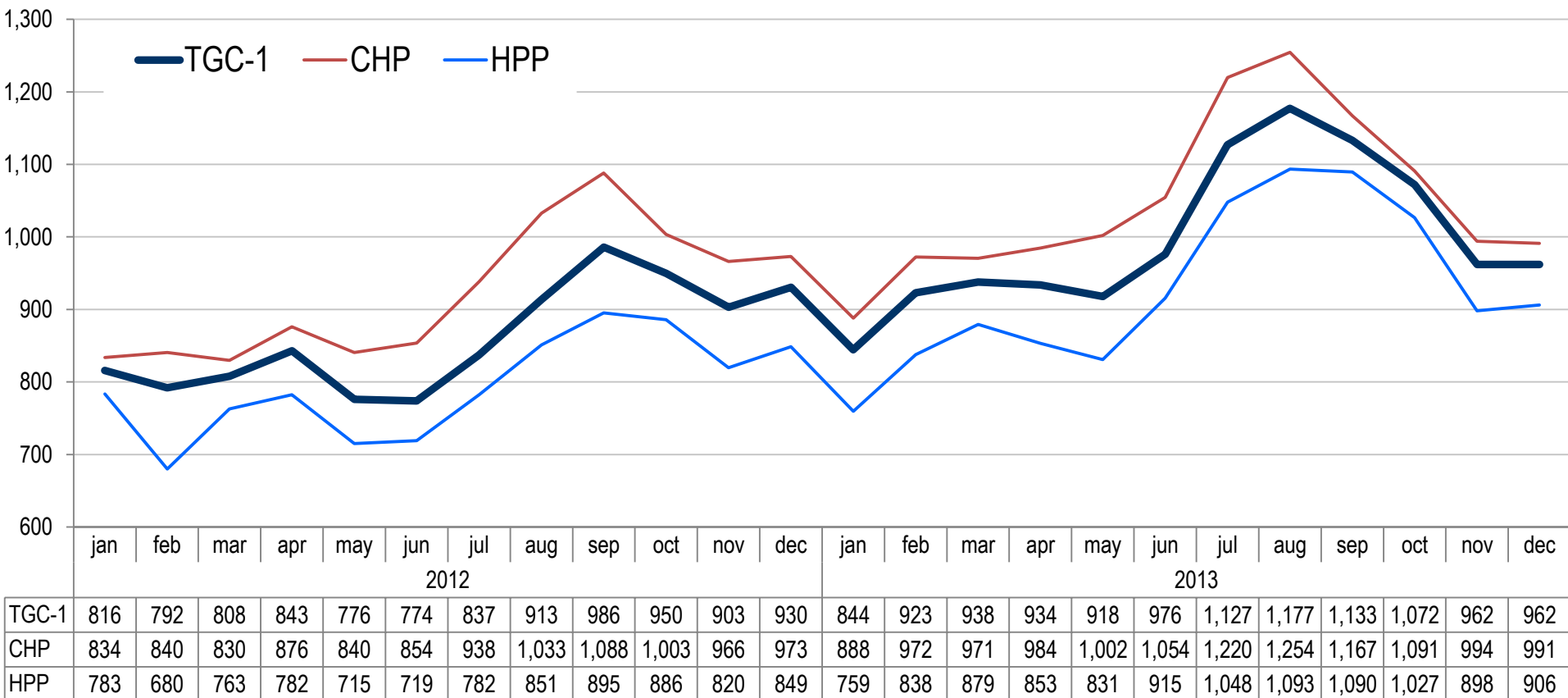


TGC-1



■ 12M 2012 ■ 12M 2013

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



# Thank you for Your Attention!

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