



JSC TGC-1

3M 2014 IFRS Results

May 26, 2014
Saint Petersburg

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Operational Highlights

	3M 2013	3M 2014	Change
Installed Capacity, MW	7,238	7,244	+0.1%
Electricity Production, mn kWh, Including:	8,989	7,725	-14.1%
CHP	5,824	4,899	-15.9%
HPP	3,165	2,826	-10.7%
Electricity Sales Including Purchased Energy, mn kWh	10,282	8,441	-17.9%
Capacity Sales, MW per Month	5,777	5,274	-8.7%
Heat Output, thous Gcal	10,827	9,377	-13.4%
Useful Heat Output Including Purchased Energy, thous Gcal	10,587	9,288	-12.3%
Fuel Rate on Electricity*, g/kWh	274.3	256.8	-6.4%
Fuel Rate on Heat*, kg/Gcal	137.2	138.7	+1.1%
Capacity Load Factor, %*	56.8	49.4	-7.4 p.p.
CHP	61.3	52.7	-8.6 p.p.
HPP	50.0	44.5	-5.5 p.p.

* Without Murmanskaya CHP.

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

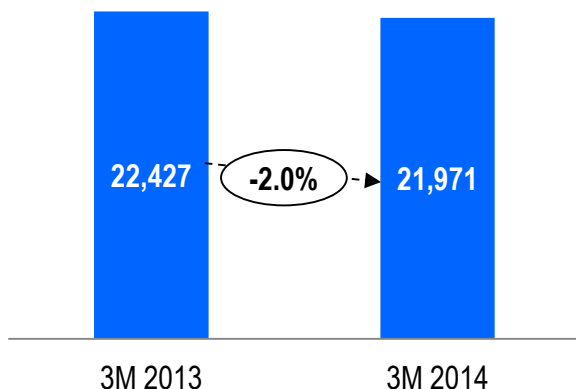
*** With account to Government grants and Other operating income.

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

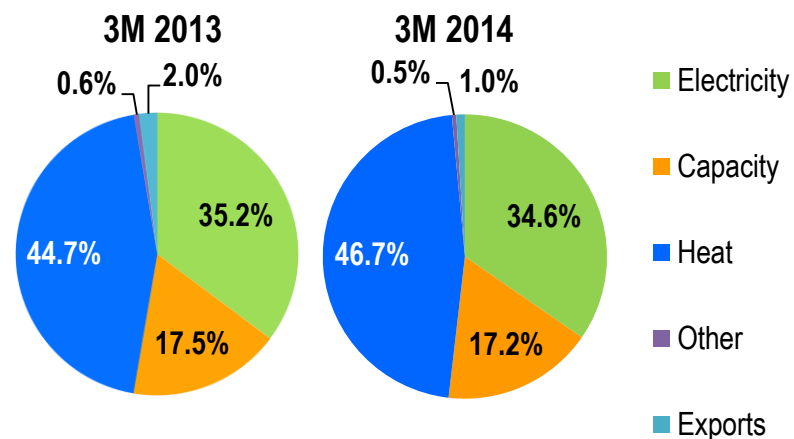
Financial Highlights, mn RUR

	3M 2013	3M 2014	Change
Revenue	22,427	21,971	-2.0%
Operating Expenses, Incl.:	(17,621)	(17,928)	+1.7%
Variable Costs	(12,972)	(12,703)	-2.1%
Fixed Costs	(2,953)	(3,549)	+20.2%
<i>Fixed Costs, adj.</i>	(3,030)	(3,547)	+17.1%
Depreciation and Amortization	(1,696)	(1,676)	-1.2%
Total Operating Expenses***	(17,390)	(17,477)	+0.5%
Operating Profit	5,037	4,494	-10.8%
Profit Before Income Tax	4,426	3,833	-13.4%
EBITDA ****	6,733	6,170	-8.4%
Profit/ Total Comprehensive Income for the Period	3,425	3,136	-8.4%

Revenue, mn RUR



Revenue Structure*



Prices and Tariffs, mn RUR

	3M 2013	3M 2014	Change
Average electricity price, thous RUR/MWh	849.6	926.7	+9.1%
Average heat tariff, RUR/Gcal	915.7	1,035.1	+13.0%
Average new capacity price, RUR/MWh per month	575,197.8	547,980.6	-4.7%
Average old capacity price RUR/MWh per month	137,420.9	145,873.6	+6.2%

Revenue Change Factors

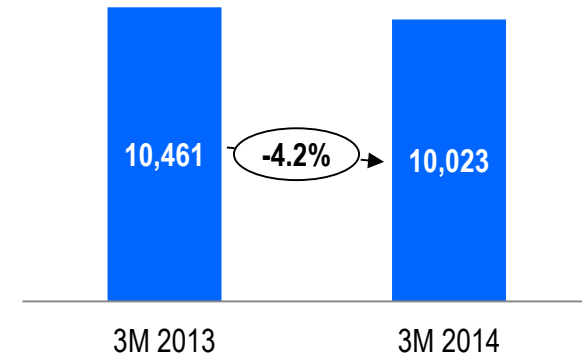
- +
 - A 10.6% increase of the electricity sale price at the “day-ahead” market to 994.7 RUR/MWh for 3M 2014.
 - Increase in capacity, supplied under CSA, on the back of commissioning of Pravoberezhnaya CHP (CCGT 450).
- - A 16.7% decrease of electricity sales at the “day-ahead” market, on the back of decreased demand due to warm weather and priority to nuclear stations.
 - Decrease in sales at Competitive Capacity Outtake CCO) by 14.7% due to decreased capacity volume at CCO for 2014.
 - Lower average capacity price under CSA due to peculiarities of its calculation mechanism.
 - Decrease in exports due to unfavorable market environment at Nord Pool.

* Management report data.

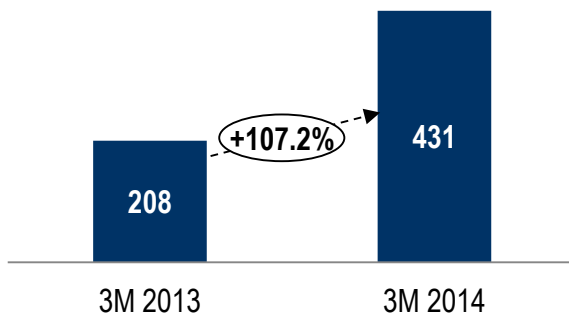
Variable Costs, mn RUR

	3M 2013	3M 2014	Change
Fuel	10,461	10,023	-4.2%
Electricity, Capacity and Heat Purchases	1,598	1,525	-4.6%
Water Usage Expenses	582	598	+2.7%
Other Materials	123	126	+2.4%
Heat Transmission	208	431	+107.2%
Total Variable Costs	12,972	12,703	-2.1%

Fuel Expenses, mn RUR



Heat Transmission, mn RUR



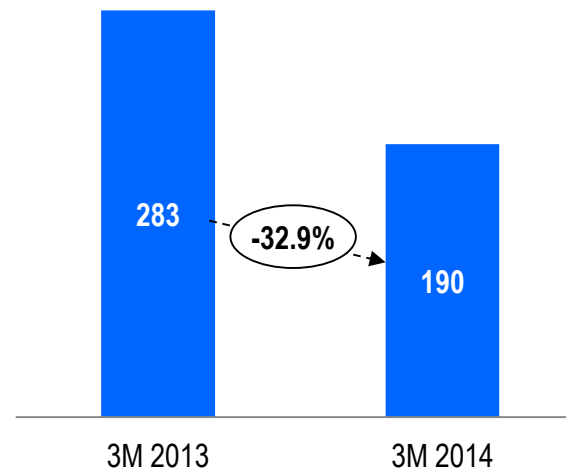
Variable Costs Change Factors

- Decreased fuel costs due to lower electricity production at CHP.
- Growth of Heat transmission expenses resulting from transit of heat for Hibinskaya Heating Company and increased tariff for heat transmission contract with Apatitenergo.
- Decrease in expenses for Electricity, capacity and heat purchases on the back of lower electricity consumption and exports.

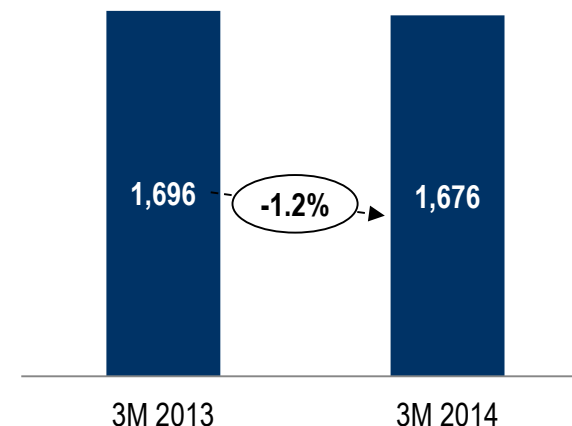
Fixed Costs, mn RUR

	3M 2013	3M 2014	Change
Employee Benefits	1,721	1,737	+0.9%
Repairs and Maintenance	174	422	+142.5%
Taxes Other than Income Tax	283	190	-32.9%
Loss/(Gain) on Disposal of PP&E	(107)	125	-216.8%
Fees of Electricity Market Operators	202	212	+5.0%
Rent	102	81	-20.6%
Insurance Cost	63	64	+1.6%
Provision/(Release) for Impairment of Accounts Receivable	(77)	2	-102.6%
Other	592	716	+20.9%
Total Fixed Costs	2,953	3,549	+20.2%
<i>Fixed Costs, adj.*</i>	<i>3,030</i>	<i>3,547</i>	<i>+17.1%</i>

Taxes other than Income Tax, mn RUR



Depreciation and Amortization, mn RUR

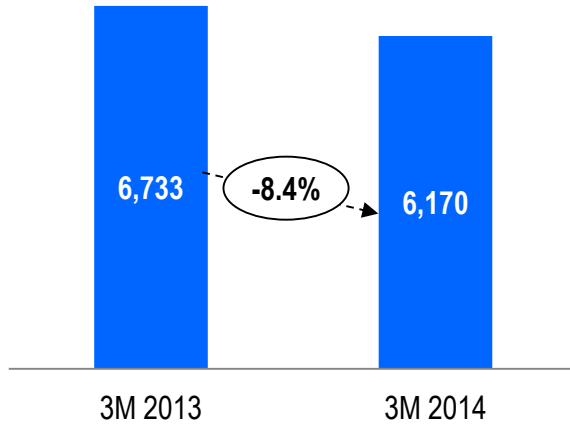


Fixed Costs and Depreciation Change Factors

- 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 1Q 2013 on "Loss/(Gain) on Disposal of PP&E" due to PP&E gain under compensational agreements for indemnification of damages caused during repair and construction works to OJSC "Heating Grid of St. Petersburg".

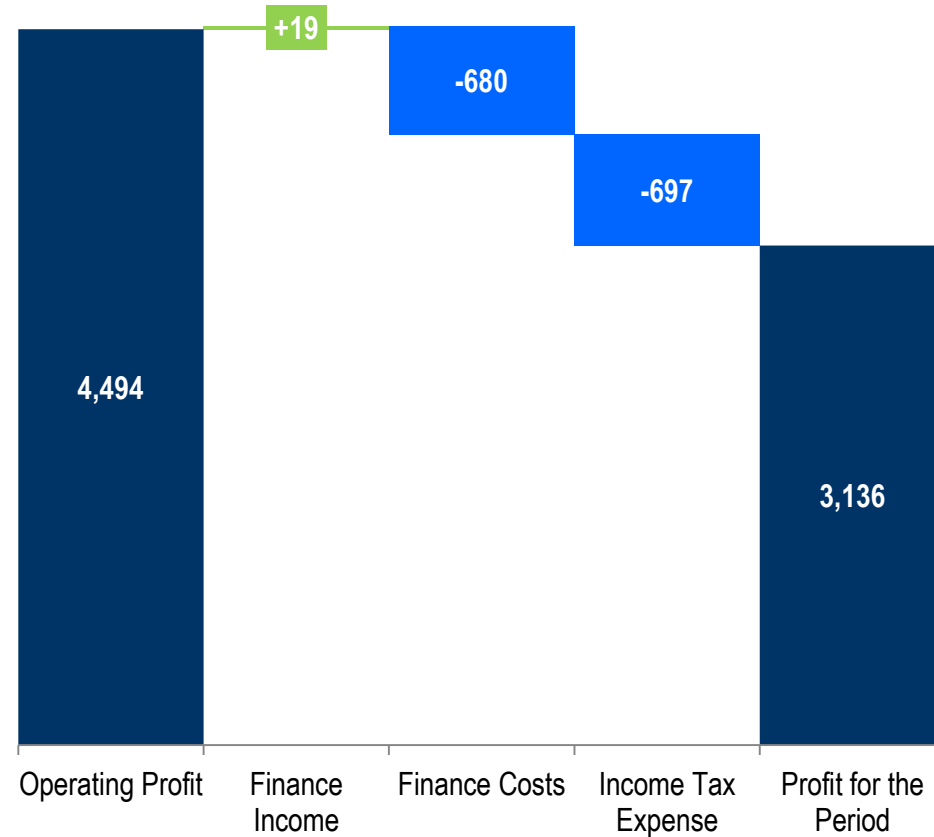
* Adjusted to Provision/(release) for impairment of accounts receivable.

EBITDA, mn RUR

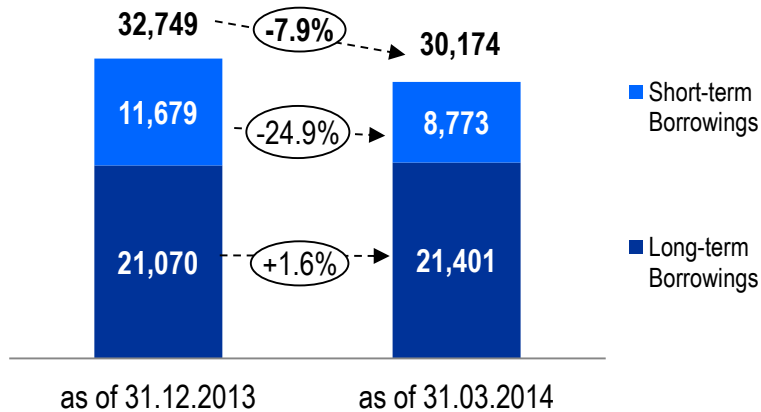


The negative EBITDA dynamics is mostly due to decrease in operational highlights on the back of declining electricity demand and warm weather in the reporting period.

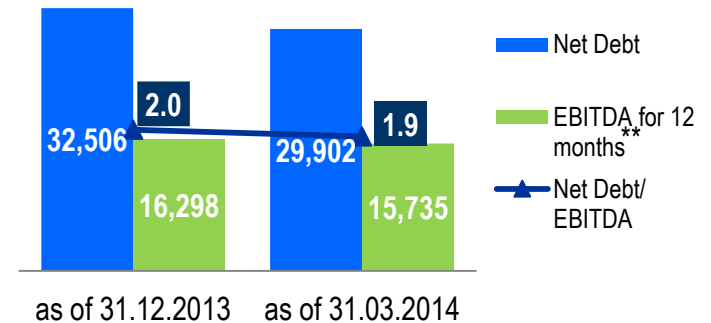
Profit Bridge for 3M 2014, mn RUR



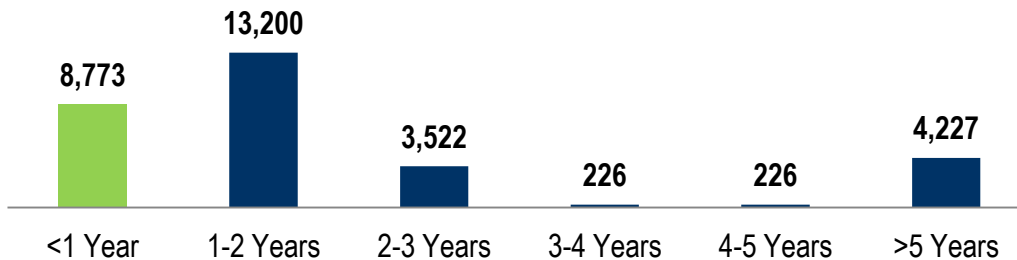
Debt Structure, mn RUR



Net Debt*/ EBITDA



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



Debt Portfolio Management

- The weighted average effective interest rate for the debt portfolio for the 3 months of 2014 amounted (cumulatively, year to date) to 7.8%.
- Three bond issues series 02-04 of TGC-1 are traded on Moscow Exchange.

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

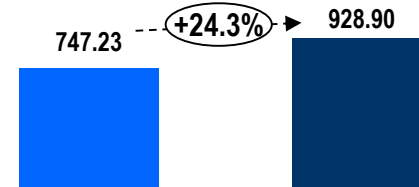
** EBITDA for 12 months, ended March 31, 2014 = EBITDA for FY 2013 + EBITDA for 3M 2014 - EBITDA for 3M 2013

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

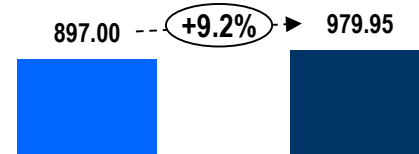
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market for 3 months, RUR/ MWh



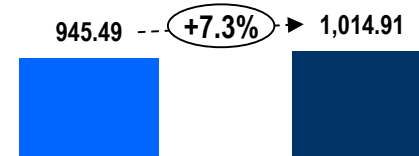
Kolsky Branch



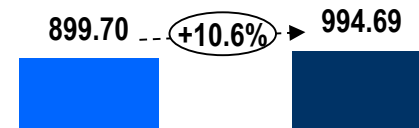
Karelsky Branch



Nevsky Branch

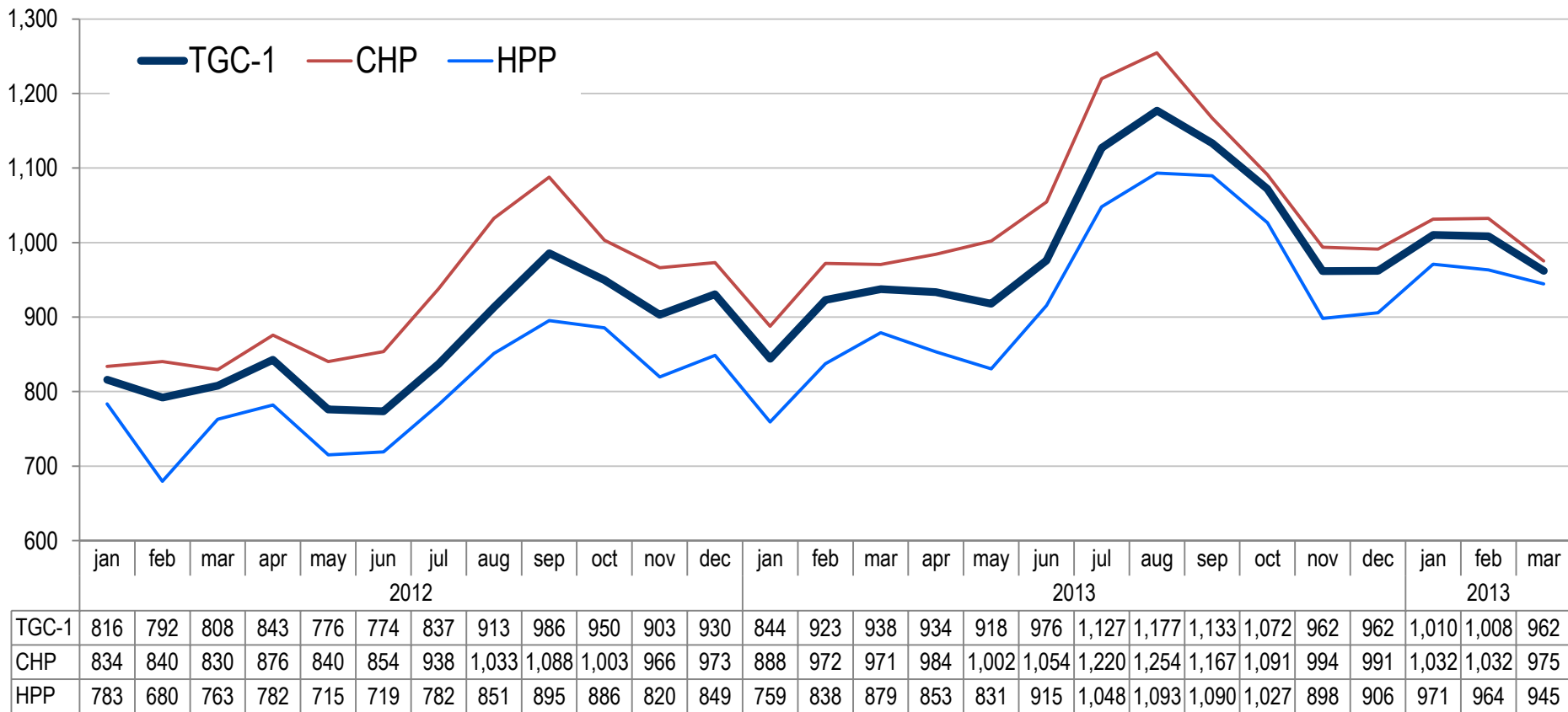


TGC-1



■ 3M 2013 ■ 3M 2014

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



Thank you for Your Attention!

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