

TGC-1 6M 2017 IFRS Results

August 7, 2017 Saint Petersburg



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Operational and Financial Highlights for 6M 2017

Operational Highlights

Financial Highlights, RUB mln

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	6M 2016	6M 2017	Change	
Installed Capacity, MW	6,852	6,952	+1.5%	Rev
Electricity Production, mn kWh, Including:	14,740	14,513	-1.5%	Оре
CHP	8,102	8,042	-0.7%	
HPP	6,639	6,471	-2.5%	Va
Electricity Sales Including Purchased Energy, mn kWh	16,179	15,996	-1.1%	Fi
Capacity Sales, MW (monthly average)	5,492	5,469	-0.4%	De
Heat Output, thous Gcal	13,609	14,480	+6.4%	Tota
Useful Heat Output Including Purchased Energy, thous Gcal	13,916	14,497	+4.2%	Ope
Fuel Rate on Electricity*, g/kWh	207.0	199.6	-3.6%	Ope
Fuel Rate on Heat*, kg/Gcal	170.0	168.7	-0.8%	Prof
Capacity Load Factor, %*	48.5	48.1	-0.4 p.p.	EBI
CHP	45.3	45.3	0 p.p.	
HPP	53.2	52.2	-1.0 p.p.	Prof

Financial Highlights, RUB mln			
	6M 2016	6M 2017	Change
Revenue	41,284	44,691	+8.3%
Operating Expenses, Incl.:	(33,571)	(36,624)	+9.1%
Variable Costs	(21,922)	(23,535)	+7.4%
Fixed Costs	(8,113)	(9,022)	+11.2%
Depreciation and Amortization	(3,536)	(4,067)	+15.0%
Total Operating Expenses**	(33,184)	(36,402)	+9.7%
Operating Profit	8,100	8,289	+2.3%
Profit Before Income Tax	7,153	7,538	+5.4%
EBITDA***	11,636	12,356	+6.2%
Profit for the Period	5,852	5,820	-0.5%

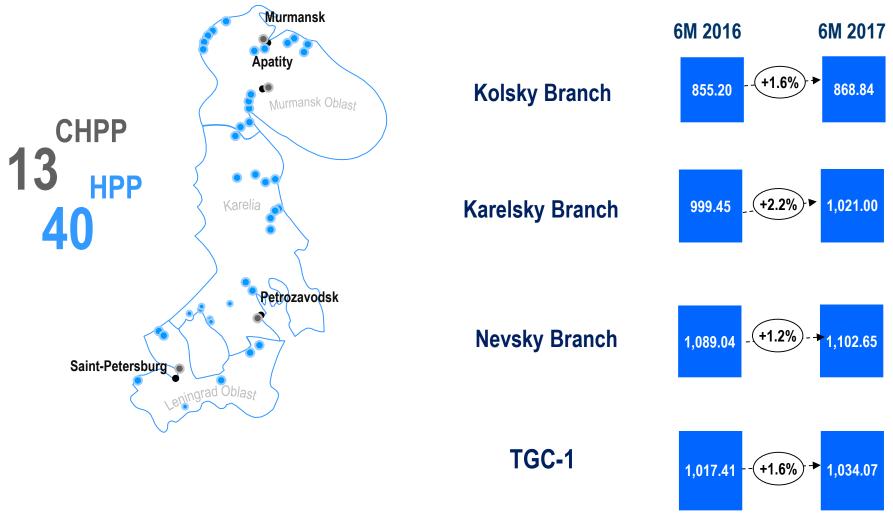
* Without Murmanskaya CHPP.

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

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

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

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



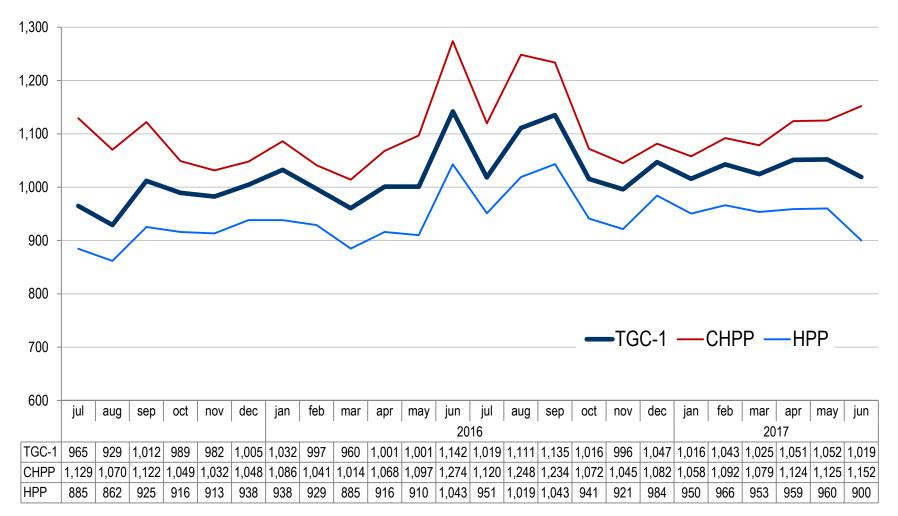
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TGC-1



Dynamics of Prices for Electricity at the Day-ahead Market: CHPPs and HPPs

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

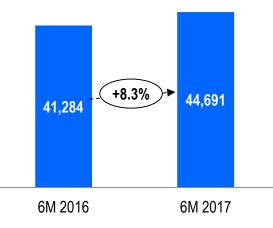


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IGC-1 Revenue

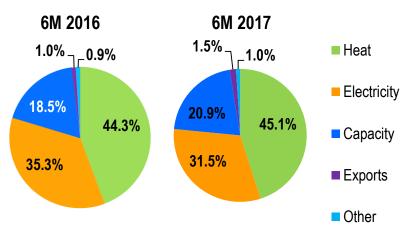
Revenue, RUB mln



Prices and Tariffs*, RUB mIn

	6M 2016	6M 2017	Change
Average Electricity Price, thous RUB/MWh	925.6	924.1	-0.2%
Average New Capacity Price, RUB/MWh per Month	664,756.9	877,835.8	+32.1%
Average Old Capacity Price RUB/MWh per Month	116,826.9	119,827.6	+2.6%

Revenue Structure*



Revenue Change Factors

- Revenue from capacity sales increased by 22.6% on the back of growing capacity volume, sold at competitive capacity outtake, as well as capacity price growth under CDA;
- Optimization of capacity load;
- Revenue from exports growth on the account of unscheduled export supplies from the Vuoksa Cascade HPPs.

* Management report data.

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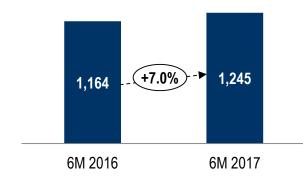


Variable Costs

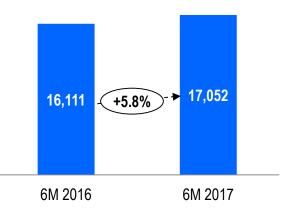
Variable Costs, RUB mln

	6M 2016	6M 2017	Change
Fuel	16,111	17,052	+5.8%
Electricity, Capacity and Heat Purchases	3,114	3,567	+14.5%
Water Usage Expenses	1,230	1,375	+11.8%
Other Materials	303	296	-2.3%
Heat Transmission	1,164	1,245	+7.0%
Total Variable Costs	21,922	23,535	+7.4%

Heat Transmission, RUB mIn



Fuel Expenses, RUB mln



Variable Costs Change Factors

- Increased expenses for heat purchase in 1H 2017 year-onyear is related mostly to growing heat purchase volumes in Karelia, longer 2016/2017 heating season in Karelia, as well as growing tariff;
- Growing water usage expenses on the back of increased water supply tariff.



Fixed Costs and Depreciation

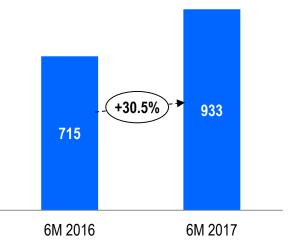
Fixed Costs, RUB mln

	6M 2016	6M 2017	Change
Employee Benefits	3,856	4,037	+4.7%
Repairs and Maintenance	1,332	1,284	-3.6%
Taxes Other than Income Tax	715	933	+30.5%
Fees of Electricity Market Operators	406	412	+1.5%
Rent Expenses	216	1,059	x4.9
Insurance Cost	136	144	+5.9%
Other	1,452	1,153	-20.6%
Total Fixed Costs	8,113	9,022	+11.2%

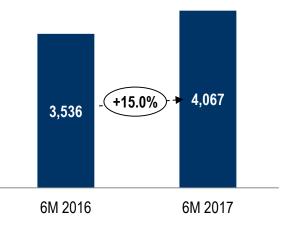
Fixed Costs and Depreciation Change Factors

 Increase of taxes other than income tax due to less property tax allowance used in St. Petersburg and growing property tax for grid assets.

Taxes other than Income Tax, RUB mIn

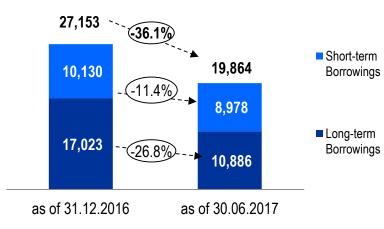


Depreciation and Amortization, RUB mIn

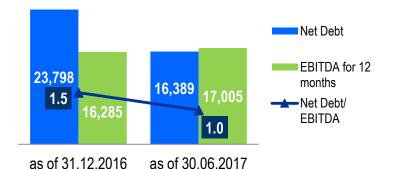


Debt and Liabilities

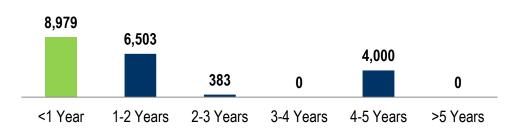
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of June 30, 2017, RUB mln



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

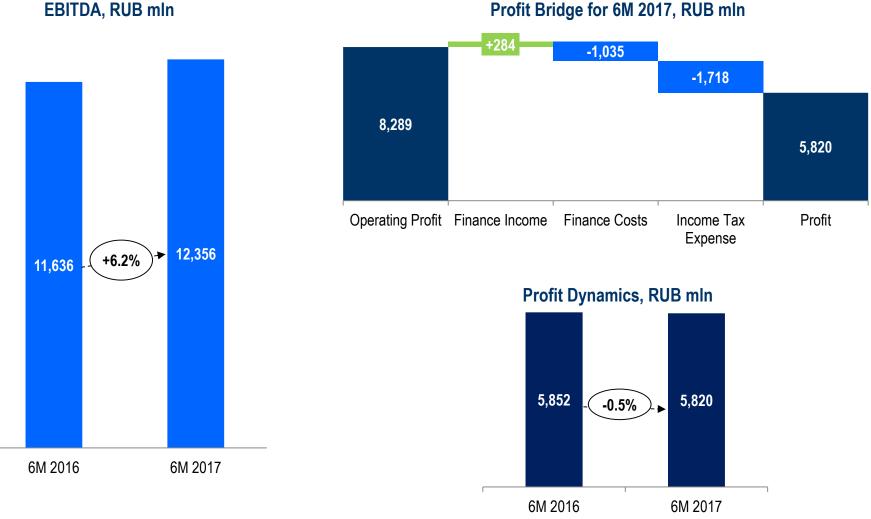
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Debt Portfolio Management

Two bond issues series 03-04 of TGC-1 are traded on Moscow Exchange.

Weighted average interest for TGC-1 debt portfolio for 6M 2017 amounted to 10.14%

TGC-1 **EBITDA and Profit Bridge**



Profit Bridge for 6M 2017, RUB mln

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Assigned Credit Ratings

S&P Global Ratings

Credit Ratings by S&P Global Ratings

Date	Rating Type	Rating Value
26.09.2016	International scale long-term rating	«BB+», forecast «stable»
26.09.2016	International scale short-term rating	«B», forecast «stable»

FitchRatings Credit Ratings by Fitch Ratings

Date	Rating Type	Rating Value
05.10.2016	Foreign currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Domestic currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Foreign currency nominated short-term IDR	«В»
05.10.2016	Domestic currency nominated short-term IDR	«В»
05.10.2016	Domestic currency nominated priority unsecured rating	«BB+»



Thank you for Your Attention!

Contacts for mass-media

Contacts for investors and analysts

+7 (812) 688-32-84 press_tgc1@tgc1.ru +7 (812) 688-32-97 ir@tgc1.ru