



Мы создаем  
энергию прогресса

**JSC TGC-1**  
**INTERIM REPORT**  
**JANUARY-JUNE 2010**

**August 2010**

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# TGC-1

## 1. TGC-1 IN FIGURES

### Operational highlights \*

	1H 2009	1H 2010	Change (%)
Electricity generation, mn kWh	14 187,0	14 435,1	1,7
Electricity useful output. mn kWh **	14 822,7	15 265,0	3,0
Heat generation. thousand GCal	15 719,6	17 051,6	8,5
Heat useful output. thousand GCal **	15 094,3	16 237,5	7,6

\* including Murmanskaya CHPP

\*\* Including purchased power

## TOP 1

### Key financials (Russian accounting standards), '000 RUR

	1H 2009	1H 2010	Change (%)
Sales	19 406 732	25 068 227	29,2
Costs	(16 210 073)	(20 968 778)	29,4
Operating profit	3 196 659	4 099 449	28,2
Pre-tax profit	2 735 895	3 688 252	34,8
Net profit	2 067 448	2 869 353	38,8
EBITDA	4 617 979	5 790 230	25,4
Total assets	84 743 983	95 897 650	13,2

## 2. PRODUCTION

### Electricity generation and output in 1H 2009-2010, GWh

	Electricity generation			Electricity useful output, excl. purchased power			Electricity useful output, incl. purchased power		
	1H 2009	1H 2010	Chg (%)	1H 2009	1H 2010	Chg (%)	1H 2009	1H 2010	Chg (%)
Nevsky branch	8 328,8	8 573,6	2,9	7 493,7	7 653,4	2,1	8 343,3	8 888,8	6,5
Karelsky branch	2 246,7	2 203,5	-1,9	2 135,8	2 094,4	-1,9	2 224,3	2 169,0	-2,5
Kolsky branch	3 589,5	3 635,6	1,3	3 451,8	3 491,1	1,1	4 243,1	4 194,8	-1,1
<b>Total TGC-1</b>	<b>14 165,0</b>	<b>14 412,8</b>	<b>1,7</b>	<b>13 081,3</b>	<b>13 238,9</b>	<b>1,2</b>	<b>14 810,6</b>	<b>15 252,6</b>	<b>3,0</b>
Murmanskaya CHPP	21,9	22,3	1,9	12,1	12,4	2,5	12,1	12,4	2,5
<b>TGC-1 incl. Murmanskaya CHPP</b>	<b>14 187,0</b>	<b>14 435,1</b>	<b>1,7</b>	<b>13 093,4</b>	<b>13 251,3</b>	<b>1,2</b>	<b>14 822,7</b>	<b>15 265,0</b>	<b>3,0</b>

### Heat generation in 1H 2009-2010

	Heat generation ('000 GCal)			Heat useful output ('000 GCal), incl. purchased heat		
	1H 2009	1H 2010	Change (%)	1H 2009	1H 2010	Change (%)
Nevsky branch	12 570,9	13 842,6	10,1	12 147,1	13 104,1	7,9
Karelsky branch	983,9	1 084,5	10,2	962,3	1 059,5	10,1
Kolsky branch	738,6	757,7	2,6	656,8	740,0	12,7
<b>Total TGC-1</b>	<b>14 293,4</b>	<b>15 684,8</b>	<b>9,7</b>	<b>13 766,1</b>	<b>14 903,5</b>	<b>8,3</b>
Murmanskaya CHP	1 426,2	1 366,8	-4,2	1 328,2	1 334,0	0,4
<b>Total TGC-1 including Murmanskaya CHP</b>	<b>15 719,6</b>	<b>17 051,6</b>	<b>8,5</b>	<b>15 094,3</b>	<b>16 237,5</b>	<b>7,6</b>

### Utilization factor of maximum capacity in 1H 2010, %

	CHP	HPP	HPP+CHP
Nevsky branch	55,2	63,5	56,8
Karelsky branch	55,6	55,3	55,4
Kolsky branch	18,2	48,8	43,6
<b>Total TGC-1</b>	<b>51,7</b>	<b>53,6</b>	<b>52,6</b>

### Specific fuel consumption at Company's CHPPs in 1H 2010

	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
<b>Nevsky branch</b>				
Central CHPP	397,07	156,42	386,33	505,79
Pravoberezhnaya CHPP-5	278,66	145,78	291,85	367,72
Vasileostrovskaya CHPP-7	283,66	132,54	281,06	426,99
Dubrovskaya CHPP-8	446,51	158,60	506,21	511,59
Pervomayskaya CHPP-14	352,26	147,74	313,15	443,58
Avtovskaya CHPP-15	326,45	133,93	315,35	409,52
Vyborgskaya CHPP-17	303,79	130,90	255,68	403,03
Severnaya CHPP-21	276,72	122,85	248,60	339,35
Yuzhnaya CHPP-22	261,10	135,44	386,33	505,79
<b>Total Nevsky branch</b>	<b>294,92</b>	<b>138,12</b>	<b>285,59</b>	<b>394,27</b>
<b>Karelsky branch</b>				
Petrozavodskaya CHPP	279,45	130,35	243,23	378,65
<b>Total Karelsky branch</b>	<b>279,45</b>	<b>130,35</b>	<b>243,23</b>	<b>378,65</b>
<b>Kolsky branch</b>				
Apatitskaya CHP	309,22	140,49	309,22	
<b>Total Kolsky branch</b>	<b>309,22</b>	<b>140,49</b>	<b>309,22</b>	
<b>Total TGC-1</b>	<b>293,97</b>	<b>137,69</b>	<b>282,95</b>	<b>392,54</b>

### Fuel mix in 1H 2010, %

	gas	fuel oil	coal
Nevsky branch	97,90	2,04	0,06
Karelsky branch	98,41	1,59	-
Kolsky branch	-	0,19	99,81
<b>Total TGC-1</b>	<b>93,96</b>	<b>1,93</b>	<b>4,11</b>
Murmanskaya CHP		100	
<b>Total TGC-1 incl. Murmanskaya CHP</b>	<b>88,96</b>	<b>7,14</b>	<b>3,89</b>

### 3. SALES

#### ELECTRICITY AND CAPACITY

##### Electricity sales breakdown by market sectors 1H 2010, GWh

	Total TGC-1 (%)	Total TGC-1	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sales	41,6	6 344,4	3 468,3	1 041,6	1 834,5
Day-ahead market	48,4	7 388,4	4 502,7	1 067,0	1 818,7
Balancing market	2,6	400,8	246,2	38,8	115,8
Electricity+capacity contracts	3,1	469,2	387,7	21,6	59,9
Export	4,2	639,8	275,1		364,8
Retail	0,1	9,9	8,8		1,1
<b>TOTAL</b>	<b>100,0</b>	<b>15 252,6</b>	<b>8 888,8</b>	<b>2 169,0</b>	<b>4 194,8</b>

##### Capacity sales 1H 2010, MW/month

	Total TGC-1 (%)	Total TGC-1 (MW/month)	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sector of the wholesale market	49,0	2 972,13	1 716,53	378,41	877,19
Long term electricity and capacity contracts (HPP/APP)	6,6	402,24	213,74	64,69	123,80
Fixed-date electricity and capacity contracts	38,4	2 330,33	1 158,98	261,75	909,60
Competitive Capacity Screening (KOM)	5,9	359,20	294,52	64,39	0,30
<b>TOTAL</b>	<b>100,0</b>	<b>6 063,90</b>	<b>3 383,78</b>	<b>769,24</b>	<b>1 910,89</b>

##### Electricity and capacity revenues in 1H 2010, mn RUR

	TGC-1	Electricity			Capacity		
		Nevsky	Karelsky	Kolsky	Nevsky	Karelsky	Kolsky
Regulated sales	4 149,1	2 294,4	167,5	114,1	985,8	229,2	358,1
Long term capacity contracts (for HPP/NPP)	237,9	-	-	-	141,9	42,0	54,0
Day-ahead market	5 760,4	3 772,9	822,9	1 164,5	-	-	-
Balancing market	226,4	156,4	23,5	46,4	-	-	-
Electricity+capacity contracts	1 891,0	384,2	20,4	57,4	742,8	166,3	520,0
Competitive capacity screening	417,2	-	-	-	376,3	40,1	0,8
Export	981,1	445,1	-	-	-	-	536,0
Retail	15,0	12,7	-	-	-	-	2,3
<b>TOTAL</b>	<b>13 678,1</b>	<b>7 065,8</b>	<b>1 034,3</b>	<b>1 382,4</b>	<b>2 246,8</b>	<b>477,6</b>	<b>1 471,2</b>
<b>TOTAL electricity</b>	<b>9 482,5</b>						
<b>TOTAL capacity</b>	<b>4 195,6</b>						

##### Electricity and capacity purchase in 1H 2010

	Volume, '000 kWh
Day-ahead market	1 564 755,8
Balancing market	416 728,6
Fixed-date electricity and capacity contracts	32 205,7
<b>TOTAL</b>	<b>2 013 690,1</b>

	Volume, '000 MW
Competitive Capacity Screening	297,3
Fixed-date electricity and capacity contracts	99,1
<b>TOTAL</b>	<b>396,5</b>

## HEAT

### Heat revenue, mn RUR

	1H 2009	1H 2010	Change (%)
Nevsky branch	7 840,8	9 859,6	29,3
Karelsky branch	408,6	498,2	20,0
Kolsky branch	589,5	729,4	21,7
<b>Total TGC-1</b>	<b>8 838,9</b>	<b>11 087,3</b>	<b>28,4</b>

### Useful output breakdown, '000 GCal

	1H 2009		1H 2010		Change (%)
	Output, '000 GCal	Share,%	Output, '000 GCal	Share,%	
<b>Total TGC-1</b>	<b>13 766,1</b>	<b>100,0</b>	<b>14 903,4</b>	<b>100,0</b>	<b>8,3</b>
Industrial consumers	708,8	5,1	1 100,3	7,4	55,2
Housing consumers	7 460,3	54,2	7 705,5	51,7	3,3
Other consumers	2 777,1	20,2	3 179,8	21,3	14,5
Heat suppliers (resellers)	2 819,9	20,5	2 917,8	19,6	3,5

## TARIFFS

### Average electricity tariffs (regulated)

	since 01.01.2009, kop./kWh	since 01.01.2010, kop./kWh	Change (%)
Nevsky branch	79,96	96,08	20,2
Karelsky branch	48,12	47,54	-1,2
Kolsky branch	31,73	30,54	-3,8
<b>TGC-1</b>	<b>61,27</b>	<b>69,93</b>	<b>14,1</b>

### Heat tariffs (regulated)

	since 01.01.2009, RUR/G Cal	since 01.01.2010, RUR/G Cal	Change (%)
Nevsky branch	645,75	750,00	16,1
St. Petersburg	641,87	745,85	16,2
Lenoblast	816,61	961,99	17,8
Karelsky branch	473,42	523,46	10,6
Kolsky branch	777,00	850,00	9,4
<b>TGC-1</b>	640,92	<b>739,81</b>	15,4

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## 4. FINANCIAL PERFORMANCE REVIEW

### Revenue breakdown, mn RUR

	1H 2009		1H 2010		Change, %
	'000 RUR	Share, %	'000 RUR	Share, %	
Electricity and capacity including	10 071,6	51,9	13 678,1	54,6	35,8
Electricity and capacity in regulated sector	5 377,0	27,7	4 149,1	16,6	-22,8
Electricity and capacity in Competitive Capacity Screening	3 807,8	19,6	8 532,9	62,4	124,1
Export electricity and capacity	836,1	4,3	981,1	7,2	17,3
Electricity and capacity on retail market	50,8	0,3	15,0	0,1	-70,5
Heat	8 838,9	45,5	11 087,3	81,1	25,4
Other production, works, services	496,2	2,6	302,9	2,2	-39,0
<b>Total revenue</b>	<b>19 406,7</b>	<b>100,0</b>	<b>25 068,2</b>	<b>100,0</b>	<b>29,2</b>

### Costs breakdown

	1H 2009		Electricity		Heat	
	mn RUR	Share, %	mn RUR	Share, %	mn RUR	Share, %
Fuel	7 399,2	45,8	3 611,4	45,0	3 787,8	46,6
Purchased energy	1 289,1	8,0	1 171,1	14,6	118,0	1,5
Water for technology process	965,6	6,0	113,0	1,4	852,7	10,5
Fixed assets repairing	869,9	5,4	490,1	6,1	379,8	4,7
Salary fund & uniform social tax	1 677,6	10,4	943,8	11,8	733,8	9,0
Amortization	1 415,0	8,8	512,0	6,4	903,0	11,1
Heat transit	672,1	4,2	0,0	0,0	672,0	8,3
Wholesale & retail market services	298,8	1,8	298,8	3,7	0,0	0,0
Rent	141,7	0,9	86,4	1,1	55,3	0,7
Taxes	485,1	3,0	329,4	4,1	155,6	1,9
Others	942,5	5,8	476,4	5,9	466,1	5,7
<b>Total costs</b>	<b>16 156,6</b>	<b>100,0</b>	<b>8 032,3</b>	<b>100,0</b>	<b>8 124,2</b>	<b>100,0</b>

	1H 2010		Electricity		Heat	
	mn RUR	Share, %	mn RUR	Share, %	mn RUR	Share, %
Fuel	10 646,2	50,9	5 112,3	46,8	5 533,9	55,4
Purchased energy	2 132,5	10,2	2 013,9	18,4	118,6	1,2
Water for technology process	1 033,0	4,9	123,2	1,1	909,8	9,1
Fixed assets repairing	796,6	3,8	469,1	4,3	327,4	3,3
Salary fund & uniform social tax	1 900,0	9,1	1 125,4	10,3	774,6	7,8
Depreciation	1 680,1	8,0	648,4	5,9	1 031,7	10,3
Heat transit	91,6	0,4	0,0	0,0	91,6	0,9
Wholesale & retail market services	320,0	1,5	320,0	2,9	0,0	0,0
Rent	258,9	1,2	96,1	0,9	162,8	1,6
Taxes	494,4	2,4	350,3	3,2	144,2	1,4
Others	1 547,7	7,4	658,1	6,0	889,7	8,9
<b>Total costs</b>	<b>20 900,9</b>	<b>100,0</b>	<b>10 916,7</b>	<b>100,0</b>	<b>9 984,2</b>	<b>100,0</b>

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## 5. CONDENSED FINANCIAL STATEMENT

(RUSSIAN ACCOUNTING STANDARDS)

### Balance sheet

ASSETS	'000 RUR	
	01.01.2010	30.03.2010
<i>I. NON-CURRENT ASSETS</i>		
Intangible assets	-	37 852
Fixed assets, including:	43 591 163	43 020 364
land	25 364	27 035
buildings, machinery and equipment, facilities	43 219 755	42 670 718
other types of fixed assets	346 044	322 611
construction in progress	28 740 022	34 720 067
Income yielding investments into tangible assets	104	82
Long-term financial investments, including:	1 557 789	478 908
subsidiaries	375 625	405 625
associated companies	20 000	20 000
other companies	445 891	10
long-term loans	708 273	45 273
other long-term financial investments	8 000	8 000
Other non-current assets	452 803	444 341
<i>TOTAL non-current assets</i>	<i>74 341 881</i>	<i>78 701 614</i>
<i>II. CURRENT ASSETS</i>		
Inventories	1 945 259	2 154 265
Value added tax on purchased tangibles	1 032 099	466 139
Accounts receivable, payments for which are expected in more than 12 months	1 051 928	911 878
Accounts receivable, payments for which are expected within 12 months, including:	13 321 950	11 588 369
buyers and customers	4 671 502	6 248 308
bills receivable	93 301	20 446
Debts of associated and depended companies	-	-
advances paid	6 501 920	3 940 422
other receivables	2 055 227	1 379 193
short-term financial investments	1 076 941	1 745 308
cash and cash equivalents	511 210	330 077
<i>TOTAL current assets</i>	<i>18 939 387</i>	<i>17 196 036</i>
<i>TOTAL ASSETS</i>	<i>93 281 268</i>	<i>95 897 650</i>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>		
<i>III. SHAREHOLDER'S EQUITY</i>		
Authorized share capital:	38 543 414	38 543 414
in preferred shares	-	-
in ordinary shares	38 543 414	38 543 414
Paid up shares from shareholders	-	-
Capital surplus	39 677 637	39 676 085
Capital reserves	54 465	222 779
Retained profit of prior periods	4 855 480	4 520 404

Losses of prior periods	(16 668 684)	(16 668 684)
Retained profit of the reporting period	-	2 869 353
Losses of the reporting period	-	-
<i>TOTAL shareholder's equity</i>	66 462 312	69 163 351
<b>IV. LONG-TERM LIABILITIES</b>		
Loans and credits	8 498 512	13 640 959
Deferred tax liability	1 864 516	2 321 336
Other long-term liabilities	-	-
<i>TOTAL LONG-TERM LIABILITIES</i>	10 363 028	15 962 295
<b>V. SHORT-TERM LIABILITIES</b>		
Loans and credits, including:	6 838 618	3 277 555
bank credits	5 669 059	2 839 733
loans	1 169 559	437 822
Accounts payable, including:	9 287 268	6 996 109
bank credits	7 519 396	5 109 342
suppliers and contractors	157 142	-
notes payable	3 166	151 616
wages payable to staff	9	72 622
payables to state and off-budget funds	281 567	205 610
charges to budget	879 473	846 879
advances received	446 515	610 040
other payables	-	168 314
Payables to participants (founding parties)	42	26
Deferred income	330 000	330 000
<i>TOTAL short-term liabilities</i>	16 455 928	10 772 004
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>93 281 268</b>	<b>95 897 650</b>

### Income statement

	1H 2010	'000 RUR 1H 2009
<i>Profit and loss from ordinary activities</i>		
Revenues	25 068 227	19 406 732
Electricity and power for internal customers	12 696 948	9 235 513
Electricity and power (export)	981 148	836 094
Heat	11 087 255	8 838 882
Other products, works and services	302 876	496 243
Cost of goods sold	(20 968 778)	(16 210 073)
Electricity and power for internal customers	(10 673 072)	(7 873 943)
Electricity and power (export)	(243 612)	(158 394)
Heat	(9 984 234)	(8 124 215)
Other products, works and services	(67 860)	(53 521)
Gross profit	4 099 449	3 196 659
Profit (loss) from sales	4 099 449	3 196 659
<i>Other profit and expenses</i>		
Interest income	77 282	142 789
Interest expenses	(423 755)	(150 481)
Other organizations participation income	-	-
Other income	2 362 827	2 801 747
Other expenses	(2 427 551)	(3 254 819)
Pre-tax profit	3 688 252	2 735 895
Deferred tax assets	-	-
Deferred tax liability	(456 820)	(419 818)
Current profit tax	(360 254)	(247 732)
Other similar mandatory payments	(1 825)	(897)
Profit tax and other similar mandatory payments	(818 899)	(668 447)
Profit after tax	2 869 353	2 067 448
Net profit	2 869 353	2 067 448

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