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Крупнейшая энергосистема Северо-Запада России



TGC-1

BRIEF DATA

9 months 2008





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SIGNIFICANT EVENTS

January

In compliance with the major facilities repair schedule of Karelsky Branch's power plants the overhaul of Vygostrovsky HEPP hydro unit No.2 was accomplished.

TGC-1 started the organization on the Kola Peninsula the modern communication channels system which will consolidate the power plants of Kolsky Branch – 17 HEPPs as well as Apatitskaya CHPP and Murmanskaya CHPP.

February

TGC-1 started construction of a new energy block of Yuzhnaya CHPP-22 in St. Petersburg.

Fortum, TGC-1 and ECF Project Ltd signed a largest ever agreement of CO2 emission reduction units in Russia according to which Fortum will purchase approximately 5 million tonnes of emission reduction units (ERU) from TGC-1. The ERUs will come from Joint Implementation projects conducted at TGC-1's production facilities during the Kyoto Period (2008-2012) of the European Emissions Trading Scheme. The projects TGC-1 will implement include reconstruction of hydro power plants in Leningrad Region, expansion and reconstruction of combined heat and power generation facilities as well as energy efficiency improvements with district heating network in St. Petersburg. Fortum can use the received ERUs to cover part of its own emissions once these projects are completed and their emission reduction has been verified.

According to the results of the IV annual competition of energy industry companies' annual reports and sites arranged by magazine "Energy market" the annual report of TGC-1 was announced the winner in "The best idea and design of annual report".

March

The results of the open competitive tender for the opportunity to sign a contract of Petrozavodskaya CHPP expansion project development were summarized. The winner is JSC "Energoproekt" (Kyiv, Ukraine).

The Board of Directors approved the action plan for launching of the Depositary Receipts Program and the decision of additional issue, TGC-1's Annual General Shareholder Meeting was called on 29 April 2008.

April

Annual stockholders meeting took place. TGC-1 shareholders approved the annual report, accounting report and upheld a number of board of directors proposals.

May

TGC-1 shares were transferred to quotation list A2 of the MICEX stock exchange.

Federal Financial Markets Service authorized the flotation of TGC-1 ordinary shares outside of the Russian Federation.

The first meeting of the new Board of Directors took place on 29 April 2008.



June

Thomson Reuters and Interfax Group published the results of the first survey of financial markets of Russia, Kazakhstan and Ukraine "Thomson Reuters Extel Survey – Focus CIS 2008" assessing the quality of Investor Relations of the companies from these countries. TGC-1 was awarded the first place in the electric utilities sector.

July

TGC-1 completed reorganization through a merger with JSC "TGC-1 Holding" spun-off of RAO "UES of Russia" in the process of its reorganization. RAO "UES of Russia" ceases its existence. As a result, shareholders of RAO "UES of Russia" became owners of JSC "TGC-1" shares, distributed among them proportionally to their stakes in JSC "TGC-1-Holding". Company's free-float increased from 8,73% to 22,36% of authorized share capital.

TGC-1 Global Depositary Receipt («GDR») program was established in order to ensure the rights of the shareholders of RAO «UES of Russia» after its reorganization and final liquidation. As long as RAO «UES» had its own GDR program, shareholders could choose to receive either shares or GDRs of spin-off companies (including TGC-1) proportionally to their stake in the holding company.

"Gazprom" registered 28.69% of TGC-1 shares, it had previously bought from RAO "UES of Russia".

TGC-1 published consolidated IFRS report for the year ended 31 December 2007.

Board of Directors on 25 July approved of the placement of ruble-denominated bonds for a total of 5 bln RUB.

August

The General Director of JSC TGC-1, Valery Rodin, and the Governor of the Murmanskaya Oblast, Yuri Evdokimov, discussed issues of energy supply in the Kolsky District

September

An electro-technical department was established within the management structure of TGC-1 which merged the primary electrotechnical equipment service with the relay protection and automation service. The primary goal of the newly created department is the maintenance of stations' electrotechnical equipment and examination of engineering documentation and technical objectives of projects for the reconstruction of distribution stations as well as emergency procedures at facilities on the power grid.



TGC-1 IN FIGURES

Operational Figures

➤ Installed capacity	6,278.4 MW
➤ Installed heat capacity	14,754 GCal/h
➤ Electricity generation	19,670.1 mln kWh
➤ Electricity useful output*	20,656.9 mln kWh
➤ Heat generation	17,385.5 thousand GCal
➤ Heat useful output*	16,6022.3 thousand GCal
➤ Staff	8,961 people

* Including purchased power energy

Financial Figures (RAS)

➤ Sales	21,722.5 mln RUR
➤ Operating profit	515.2 mln RUR
➤ Pre-tax profit	178.2 mln RUR
➤ Net profit	(127.6) mln RUR
➤ Total assets	72,868.7mln RUR
➤ Shareholder's equity	62,400.2 mln RUR

Note: Production figures include Murmanskaya CHP



PRODUCTION COMPLEX

	Electricity generation (thousand kWh)			Electricity useful output (thousand kWh), except purchased power energy			Electricity useful output (thousand kWh), including purchased power energy		
	9 months 2007	9 months 2008	Δ (%)	9 months 2007	9 months 2008	Δ (%)	9 months 2007	9 months 2008	Δ (%)
Nevsky branch	10,374,229.0	11,003,393.7	6.1	9,333,651.5	9,930,969.0	6.4	10,753,031.7	11,061,861.8	2.9
Karelsky branch	3,128,387.2	3,105,669.2	-0.7	2,987,138.9	2,959,531.7	-0.9	3,153,504.8	3,075,609.7	-2.5
Kolsky branch	5,386,628.2	5,538,932.1	2.8	5,233,734.9	5,379,290.5	2.8	6,633,985.8	6,507,702.8	-1.9
TGC-1	18,889,244.3	19,647,994.9	4.0	17,554,525.4	18,269,791.1	4.1	20,540,522.3	20,645,174.3	0.5
Murmanskaya CHP	21,498.5	22,055.2	2.6	10,916.1	11,702.5	7.2	10,916.1	11,702.5	7.2
TGC-1 and Murmanskaya CHP	18,910,742.9	19,670,050.1	4.0	17,565,441.5	18,281,493.6	4.1	20,551,438.5	20,656,876.8	0.5

	Heat generation (GCal)			Heat useful output (GCal) Including purchased power energy		
	9 months 2007	9 months 2008	Δ (%)	9 months 2007	9 months 2008	Δ (%)
Nevsky branch	14,182,848.0	13,697,737.0	-3.4	13,648,271.2	13,155,446.0	-3.6
Karelsky branch	1,121,344.0	1,144,311.0	2.0	1,093,129.1	1,115,586.0	2.1
Kolsky branch	900,837.0	853,040.3	-5.3	865,259.5	802,136.0	-7.3
TGC-1	16,205,029.0	15,695,088.3	-3.1	15,606,659.9	15,073,168.0	-3.4
Murmanskaya CHP	1,668,511.0	1,690,420.6	1.3	1,508,551.7	1,549,083.7	2.7
TGC-1 and Murmanskaya CHP	17,873,540.0	17,385,508.9	-2.7	17,115,211.6	16,622,251.7	-2.9



UTILIZATION FACTOR OF MAXIMUM CAPACITY

	Utilization factor of maximum capacity 9 months 2008 (%)
Nevsky branch	65.2
Karelsky branch	57.5
Kolsky branch	66.4
TGC-1 including:	64.4
CHP	56.2
Hydro	74.1
Murmanskaya CHP	24.0
TGC-1 and Murmanskaya CHP:	64.3
CHP	56.1
Hydro	24.0

FUEL MIX

	Fuel	9 months 2008 (%)
Nevsky branch	Gas	99.67
	Fuel oil	0.30
	Coal	0.03
Karelsky branch	Gas	99.06
	Fuel oil	0.58
	Diesel	0.36
Kolsky branch	Fuel oil	0.34
	Coal	99.66
TGC-1	Gas	95.49
	Fuel oil	0.32
	Coal	4.16
	Diesel	0.03
Murmanskaya CHP	Fuel oil	100
TGC-1 and Murmanskaya CHP	Gas	90.20
	Fuel oil	5.85
	Coal	3.93
	Diesel	0.02



TARIFFS

Electricity

	Tariff from 01.01.2008, kop/kWh
Nevsky Branch	68.11
Karelsky Branch	43.27
Kolsky Branch	29.24
TGC-1	54.37
Murmanskaya CHPP	265.0

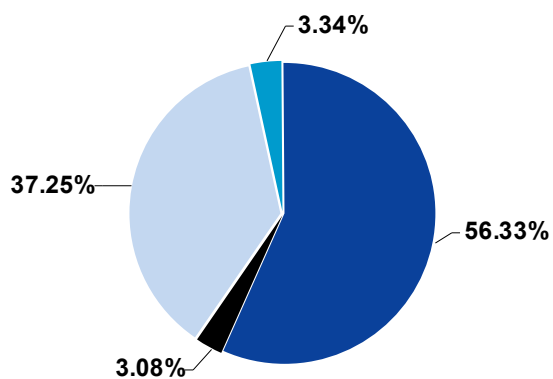
Heat

	Tariff from 01.01.2008, RUR/GCal
Nevsky Branch	540.26
Saint-Petersburg	536.09
Leningrad Oblast	724.28
Karelsky Branch	401.97
Kolsky Branch	642.00
TGC-1	536.24
Murmanskaya CHPP	969.36



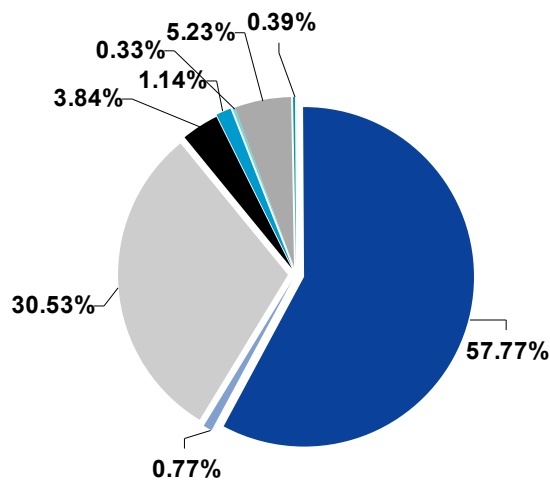
SALES AND COSTS OVERVIEW

SALES



- Electricity and capacity for domestic consumers
- Electricity and capacity exported
- Heat power
- Other goods, products, activities, services

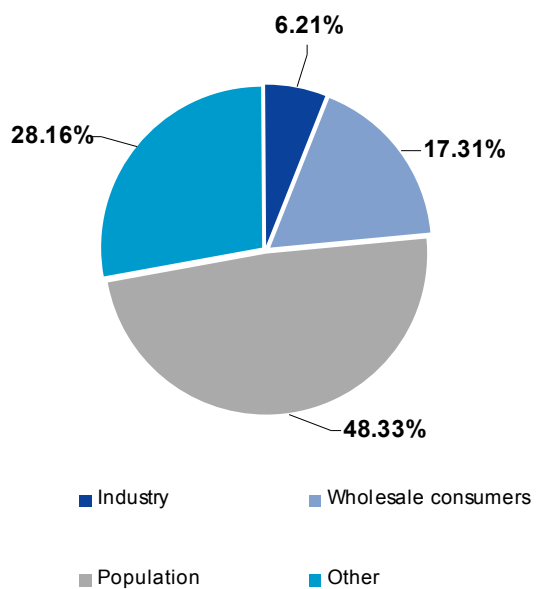
ELECTRICITY AND POWER REVENUES



- Regulated sector of the wholesale market
- Long-term electricity and capacity contracts
- Day-ahead market
- Balancing market
- Competitive Capacity Screening (KOM)
- Fixed-date electricity and capacity contracts
- Export supplies
- Retail market supplies

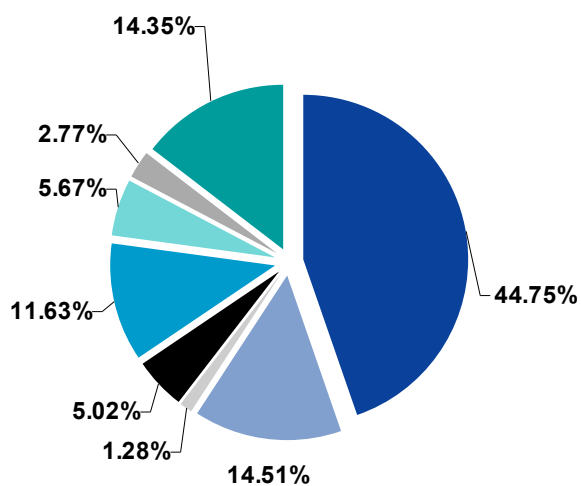


HEAT REVENUES



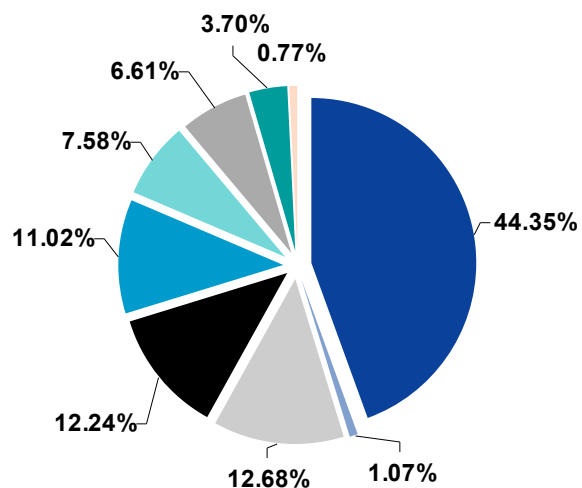


COST OF ELECTRICITY AND POWER



- Fuel
- Purchased energy
- Water
- Amortisation
- Salaries, wages and social charges
- Repair of fixed assets
- Tax
- Other expenses

COST OF HEAT

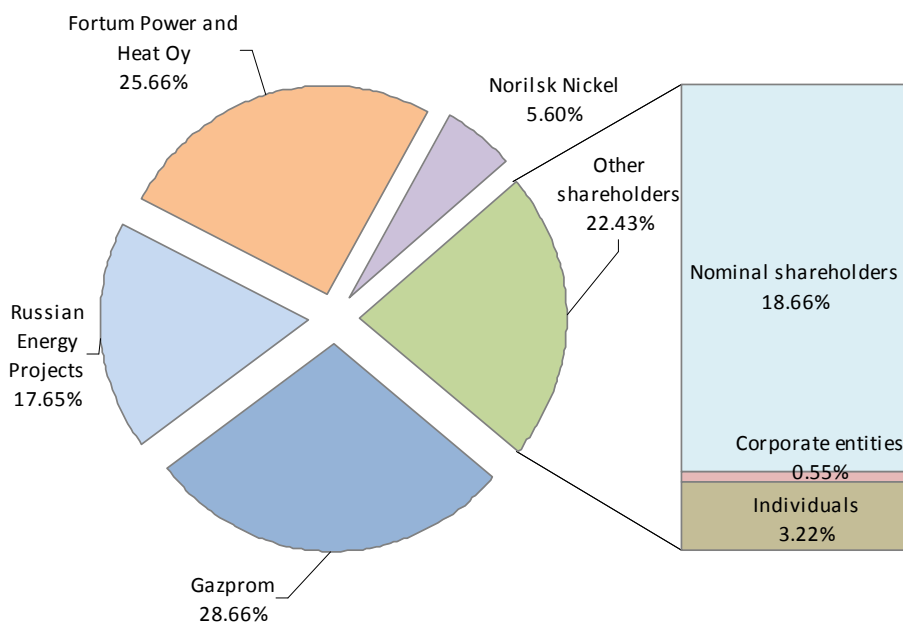


- Fuel
- Purchased energy
- Water
- Amortisation
- Salaries, wages and social charges
- Repair of fixed assets
- Heat transmission
- Tax
- Other expenses



SHARE CAPITAL STRUCTURE

TGC-1 share capital is RUR 38,543,414,165.71 divided into 3,854,341,416,571 3/7 common nominal shares with a par value of RUR 0.01. TGC-1 shares are traded on the MICEX stock exchange as “A2” listed securities and on the RTS stock exchange as “B” listed securities.





CONDENSED FINANCIAL STATEMENT OF JSC «TGC-1»

Balance sheet (RAS)

RUR thousand

ASSETS	01.01.2008	30.09.2008
I. NON-CURRENT ASSETS		
Intangible assets	-	-
Fixed assets, including:	33 430 525	33 194 016
land	21 691	21 691
buildings, machinery and equipment, facilities	33 111 320	32 812 759
other types of fixed assets	297 514	359 566
construction in progress	5 228 720	11 501 888
Income yielding investments into tangible assets	194	160
Long-term financial investments, including:	1 710 061	2 651 856
subsidiaries	372 972	372 972
associated companies	20 000	20 000
other companies	269 026	358 349
long-term loans	845 273	1 683 273
other long-term financial investments	202 790	217 262
Other non-current assets	101 591	177 992
TOTAL non-current assets	40 471 091	47 525 912
II. CURRENT ASSETS		
Inventories	2 277 255	2 358 902
Value added tax on purchased tangibles	207 945	347 600
Accounts receivable, payments for which are expected in more than 12 months	1 456 712	58 129
Accounts receivable, payments for which are expected within 12 months, including:	11 118 211	20 935 506
buyers and customers	2 848 734	3 346 094
advances paid	6 841 980	16 394 285
other receivables	1 427 497	1 193 127
short-term financial investments	17 956 356	119 978
cash and cash equivalents	2 007 360	1 522 697
TOTAL current assets	35 023 839	25 342 812
TOTAL ASSETS	75 494 930	72 868 724
SHAREHOLDER'S EQUITY AND LIABILITIES	01.01.2008	30.09.2008
III. SHAREHOLDER'S EQUITY		
Authorized share capital:	38 509 598	38 509 598
in preferred shares	-	-
in ordinary shares	38 509 598	38 509 598
Paid up shares from shareholders	(20 558)	(5)
Capital surplus	39 795 293	39 770 918
Capital reserves	36 694	42 899
Retained profit of prior periods	807 783	876 340
Losses of prior periods	(16 671 906)	(16 691 906)
Retained profit of the reporting period	-	(127 635)
Losses of the reporting period	-	-
TOTAL shareholder's equity	62 456 904	62 400 209
IV. LONG-TERM LIABILITIES		
Loans and credits	5 192 349	2 289 857
Deferred tax liability	1 267 727	1 575 295
Other long-term liabilities	-	-
TOTAL LONG-TERM LIABILITIES	6 460 076	3 865 152
V. SHORT-TERM LIABILITIES		
Loans and credits, including:	828 466	501 064
bank credits	742 663	497 668
loans	85 803	3 396
Accounts payable, including:	5 748 405	6 068 386
suppliers and contractors	3 888 246	3 665 310
notes payable	-	-
wages payable to staff	16 836	134 233
payables to state and off-budget funds	31 820	43 967
charges to budget	199 096	245 161
advances received	1 396 213	1 854 526
other payables	216 194	125 099
Payables to participants (founding parties)	903	33 817
Deferred income	176	96
TOTAL short-term liabilities	6 577 950	6 603 363
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	75 494 930	72 868 724



Reference note on inventories reported in off-balance accounts

RUR thousand

ASSETS	01.01.2008	30.09.2008
Leased fixed assets, including:	15 485	29961
leasing	-	-
Inventory holdings accepted for safekeeping	452 183	499328
Materials accepted for processing	-	-
Goods accepted on commission	-	-
Equipment accepted for installation	-	-
Receivables from insolvent debtors, written-off to loss	144 351	145034
Security of liabilities and payments received	5 363 783	6413364
Security of liabilities and payments issued	283 554	-
Wear of fixed assets	746	746
Wear of improvements and other similar objects	-	-
Registered high-security forms	484	483
Leased out fixed assets	-	-
State-owned tangibles	-	-
Intangible assets received for usage	-	-
Tangibles transferred in authorized share capital in payment of shares	-	-

Income statement (RAS)

RUR thousand

Index	9 months 2008	9 months 2007
Profit and loss from ordinary activities		
Revenues	21 722 500	18 015 625
Electricity and power for internal customers	12 235 396	9 995 019
Electricity and power (export)	669 577	135 631
Heat	8 091 253	7 375 575
Other products, works and services	726 274	509400
Cost of goods sold	(21 207 272)	(17 813 799)
Electricity and power for internal customers	(11 449 011)	(9 505 664)
Electricity and power (export)	(51 550)	(55 869)
Heat	(9 503 813)	(8 110 048)
Other products, works and services	(202 898)	(142 218)
Gross profit	515 228	201 826
Profit (loss) from sales	515 228	201 826
Other profit and expenses		
Interest income	509 732	11 998
Interest expenses	(156 726)	(301 629)
Other organizations participation income	-	1 430
Other income	651 933	1 080 163
Other expenses	(1 342 015)	(1 467 975)
Pre-tax profit	178 152	(474 187)
Deferred tax assets	-	-
Deferred tax liability	(307 568)	(241 536)
Current profit tax	-	-
Other similar mandatory payments	1 781	(916)
Profit tax and other similar mandatory payments	(305 787)	(242 452)
Profit after tax	(127 635)	(716 639)
Net profit	(127 635)	(716 639)



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