



Мы создаем  
энергию прогресса

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

**November 2010**

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# TGC-1

## 1. TGC-1 IN FIGURES

### Operational highlights \*

	9M 2009	9M 2010	Change (%)
Electricity generation, mn kWh	19 297,3	19 697,8	2,1
Electricity useful output. mn kWh **	20 690,0	23 082,1	11,6
Heat generation. thousand GCal	17 671,8	19 129,6	8,2
Heat useful output. thousand GCal **	16 793,8	18 359,8	9,3

\* including Murmanskaya CHPP

\*\* Including purchased power

### Key financials (Russian accounting standards), mn RUR

	9M 2009	9M 2010	Change (%)
Sales	25 247	34 464	36,5
Costs	(22 569)	(31 126)	37,9
Operating profit	2 678	3 338	24,6
Pre-tax profit	3 137	2 727	-13,1
Net profit	2 368	2 023	-14,6
EBITDA	4 826	5 517	14,3
Total assets	88 434	98 978	11,9

## 2. PRODUCTION

### Electricity generation and output in 9M 2009-2010, GWh

	Electricity generation			Electricity useful output, excl. purchased power			Electricity useful output, incl. purchased power		
	9M 2009	9M 2010	Chg (%)	9M 2009	9M 2010	Chg (%)	9M 2009	9M 2010	Chg (%)
Nevsky branch	10 642,7	11 231,9	5,5	9 593,8	10 041,8	4,7	11 074,2	13 573,6	22,6
Karelsky branch	3 171,6	3 007,1	-5,2	3 027,5	2 863,4	-5,4	3 165,9	3 190,9	0,8
Kolsky branch	5 461,1	5 436,6	-0,4	5 270,4	5 231,4	-0,7	6 437,8	6 305,1	-2,1
<b>Total TGC-1</b>	<b>19 275,4</b>	<b>19 675,5</b>	<b>2,1</b>	<b>17 891,7</b>	<b>18 136,6</b>	<b>1,4</b>	<b>20 677,9</b>	<b>23 069,7</b>	<b>11,6</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>19 297,3</b>	<b>19 697,8</b>	<b>2,1</b>	<b>17 903,8</b>	<b>18 149,0</b>	<b>1,4</b>	<b>20 690,0</b>	<b>23 082,1</b>	<b>11,6</b>

### Heat generation in 9M 2009-2010

	Heat generation ('000 GCal)			Heat useful output ('000 GCal), incl. purchased heat		
	9M 2009	9M 2010	Change (%)	9M 2009	9M 2010	Change (%)
Nevsky branch	14 111,4	15 419,9	9,3	13 492,4	14 748,4	9,3
Karelsky branch	1 124,1	1 212,4	7,9	1 092,2	1 179,2	8,0
Kolsky branch	842,0	898,4	6,7	744,6	877,2	17,8
<b>Total TGC-1</b>	<b>16 077,4</b>	<b>17 530,6</b>	<b>9,0</b>	<b>15 329,2</b>	<b>16 804,8</b>	<b>9,6</b>
Murmanskaya CHP	1 594,4	1 599,1	0,3	1 464,6	1 554,9	6,2
<b>Total TGC-1 including Murmanskaya CHP</b>	<b>17 671,8</b>	<b>19 129,6</b>	<b>8,2</b>	<b>16 793,8</b>	<b>18 359,8</b>	<b>9,3</b>

### Utilization factor of maximum capacity in 9M 2010, %

	CHP	HPP	HPP+CHP
Nevsky branch	46,9	60,9	49,6
Karelsky branch	45,1	52,6	50,2
Kolsky branch	14,3	49,1	43,3
<b>Total TGC-1</b>	<b>43,6</b>	<b>52,6</b>	<b>47,7</b>

### Specific fuel consumption at Company's CHPPs in 9M 2010

	Specific fuel consumption		Specific fuel consumption on electricity output	
	electricity output, G/kWh	heat output, kg/GCal	cogen mode. G/kWh	condensing mode. G/kWh
<b>Nevsky branch</b>				
Central CHPP	413,97	159,67	358,69	527,29
Pravoberezhnaya CHPP-5	288,56	146,94	237,36	381,89
Vasileostrovskaya CHPP-7	294,21	134,39	277,34	441,91
Dubrovskaya CHPP-8	453,22	173,78	326,49	489,10
Pervomayskaya CHPP-14	359,46	149,35	331,38	472,62
Avtovskaya CHPP-15	339,48	134,60	308,05	423,47
Vyborgskaya CHPP-17	324,89	133,81	260,11	416,55
Severnaya CHPP-21	285,94	124,24	248,80	347,97
Yuzhnaya CHPP-22	273,26	137,49	231,07	527,29
<b>Total Nevsky branch</b>	<b>305,88</b>	<b>139,81</b>	<b>264,75</b>	<b>399,39</b>
<b>Karelsky branch</b>				
Petrozavodskaya CHPP	290,42	132,64	221,63	429,03
<b>Total Karelsky branch</b>	<b>290,42</b>	<b>132,64</b>	<b>221,63</b>	<b>429,03</b>
<b>Kolsky branch</b>				
Apatitskaya CHP	328,05	143,53	328,05	
<b>Total Kolsky branch</b>	<b>328,05</b>	<b>143,53</b>	<b>328,05</b>	
<b>Total TGC-1</b>	<b>305,18</b>	<b>139,50</b>	<b>264,00</b>	<b>401,37</b>

### Fuel mix in 9M 2010, %

	gas	fuel oil	coal
Nevsky branch	98,26	1,69	0,05
Karelsky branch	98,68	1,32	-
Kolsky branch	-	0,31	99,69
<b>Total TGC-1</b>	<b>94,30</b>	<b>1,60</b>	<b>4,10</b>
Murmanskaya CHP	-	100	-
<b>Total TGC-1 incl. Murmanskaya CHP</b>	<b>89,37</b>	<b>6,74</b>	<b>3,89</b>

### 3. SALES

#### ELECTRICITY AND CAPACITY

##### Electricity sales breakdown by market sectors 9M 2010, GWh

	Total TGC-1 (%)	Total TGC-1	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sales	34,6	7 978,9	4 198,5	1 344,8	2 435,6
Day-ahead market	47,4	10 929,8	6 364,0	1 546,2	3 019,6
Balancing market	2,8	655,0	409,8	61,2	184,0
Electricity + capacity contracts	3,5	802,6	635,4	51,4	115,9
Long-term electricity contracts	7,4	1 703,0	1 515,5	187,4	-
Export	4,2	966,2	417,6	-	548,7
Retail	0,1	34,1	32,7	0,048	1,4
<b>TOTAL</b>	<b>100,0</b>	<b>23 069,7</b>	<b>13 573,6</b>	<b>3 190,9</b>	<b>6 305,1</b>

##### Capacity sales 9M 2010, MW/month

	Total TGC-1 (%)	Total TGC-1 (MW/month)	Nevsky branch	Karelsky branch	Kolsky branch
Regulated sector	43,5	2 665,76	1 559,64	344,44	761,69
Long term capacity contracts (HPP/APP)	6,3	387,52	240,32	48,26	98,94
Electricity + capacity contracts	43,0	2 637,49	1 272,53	315,02	1 049,94
Competitive Capacity Screening (KOM)	7,2	439,99	378,06	61,67	0,25
<b>TOTAL</b>	<b>100,0</b>	<b>6 130,77</b>	<b>3 450,55</b>	<b>769,39</b>	<b>1 910,82</b>

##### Electricity and capacity revenues in 9M 2010, mn RUR

	TGC-1	Electricity			Capacity		
		Nevsky	Karelsky	Kolsky	Nevsky	Karelsky	Kolsky
Regulated sales	5 127,5	2 688,0	192,1	135,0	1 337,8	311,6	463,1
Day-ahead market	8 624,3	5 473,5	1 223,0	1 927,8	-	-	-
Balancing market	387,6	269,8	38,8	79,1	-	-	-
Unregulated electricity+capacity contracts	3 130,2	649,7	53,2	118,7	1 166,2	286,2	856,2
Unregulated electricity contracts	1 594,1	1 440,4	153,7	-	-	-	-
Long term capacity contracts (for HPP/NPP)	333,4	-	-	-	224,8	46,2	62,5
Competitive capacity auctions	911,1	-	-	-	854,9	55,2	1,1
Export	1 481,2	673,9	-	807,4	-	-	-
Retail	44,1	40,5	0,7	2,9	-	-	-
<b>TOTAL</b>	<b>21 633,5</b>	<b>11 235,8</b>	<b>1 661,4</b>	<b>3 070,8</b>	<b>3 583,6</b>	<b>699,1</b>	<b>1 382,8</b>
<b>TOTAL electricity</b>	<b>15 968,0</b>						
<b>TOTAL capacity</b>	<b>5 665,5</b>						

### Electricity and capacity purchase in 9M 2010

	Volume, '000 kWh
Day-ahead market	4 159 892,9
Balancing market	687 411,3
Electricity + capacity contracts	85 761,5
<b>TOTAL</b>	<b>4 933 065,7</b>

	Volume, '000 MW
Competitive Capacity Screening	341,4
Electricity + capacity contracts	135,7
<b>TOTAL</b>	<b>477,1</b>

### HEAT

#### Heat revenue, mn RUR

	9M 2009	9M 2010	Chg (%)
Nevsky branch	8 702,1	10 967,9	26,0
Karelsky branch	485,1	572,8	18,1
Kolsky branch	667,0	864,9	29,7
<b>Total TGC-1</b>	<b>9 854,2</b>	<b>12 405,6</b>	<b>25,9</b>

#### Useful output breakdown, '000 GCal

	9M 2009		9M 2010		Chg (%)
	Output, '000 GCal	Share, %	Output, '000 GCal	Share, %	
<b>Total TGC-1</b>	<b>15 329,2</b>	<b>100,0</b>	<b>16 731,6</b>	<b>100,0</b>	<b>9,1</b>
Industrial consumers	793,3	5,2	1 190,4	7,1	50,1
Housing consumers	8 291,3	54,1	8 428,0	50,4	1,6
Other consumers	3 024,0	19,7	3 436,4	20,5	13,6
Heat suppliers (resellers)	3 220,6	21,0	3 364,0	20,1	4,5
Heat output to compensate losses	0,0	0,0	312,8	1,9	-

## TARIFFS

### Average electricity tariffs (regulated)

	as of 01.01.2009, kop./kWh	as of 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)

	as of 01.01.2009, RUR/GCal	as of 01.01.2010, RUR/GCal	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>	<b>640,92</b>	<b>739,81</b>	<b>15,4</b>



## 4. FINANCIAL HIGHLIGHTS

### Revenue breakdown, mn RUR

	9M 2009		9M 2010		Change, %
	mn RUR	Share, %	mn RUR	Share, %	
Electricity and capacity, including	<b>14 658,1</b>	<b>58,1</b>	<b>21 633,5</b>	<b>62,8</b>	<b>47,6</b>
Regulated electricity and capacity sales	6 873,5	27,2	5 127,5	14,9	-25,4
Unregulated electricity and capacity sales	6 459,2	25,6	14 980,7	43,5	131,9
Export of electricity	1 245,2	4,9	1 481,2	4,3	19,0
Electricity and capacity on retail market	80,2	0,3	44,1	0,1	-45,0
Heat	9 854,2	39,0	12 405,6	36,0	25,9
Other sales	734,8	2,9	425,0	1,2	-42,2
<b>Total revenue</b>	<b>25 247,1</b>	<b>100,0</b>	<b>34 464,2</b>	<b>100,0</b>	<b>36,5</b>

### Costs breakdown

	9M 2009		Electricity		Heat	
	mn RUR	Share, %	mn RUR	Share, %	mn RUR	Share, %
<b>Fuel</b>	<b>22 481,5</b>	<b>100,0</b>	<b>11 825,1</b>	<b>100,0</b>	<b>10 656,5</b>	<b>100,0</b>
Purchased energy	8 933,6	39,7	4 564,7	38,6	4 368,9	41,0
Water for technology process	2 183,5	9,7	2 047,5	17,3	135,9	1,3
Fixed assets repairing	1 386,3	6,2	164,7	1,4	1 221,6	11,5
Salary fund & uniform social tax	1 677,5	7,5	955,1	8,1	722,4	6,8
Amortization	2 616,0	11,6	1 513,2	12,8	1 102,8	10,3
Heat transit	2 148,4	9,6	760,4	6,4	1 388,0	13,0
Wholesale & retail market services	755,9	3,4	0,0	0,0	755,9	7,1
Rent	451,3	2,0	451,3	3,8	0,0	0,0
Taxes	213,6	1,0	133,8	1,1	79,8	0,7
Others	706,0	3,1	489,9	4,1	216,1	2,0
<b>Total costs</b>	<b>1 409,5</b>	<b>6,3</b>	<b>744,6</b>	<b>6,3</b>	<b>664,9</b>	<b>6,2</b>

	9M 2010		Electricity		Heat	
	mn RUR	Share, %	mn RUR	Share, %	mn RUR	Share, %
<b>Fuel</b>	<b>31 001,6</b>	<b>100,0</b>	<b>17 853,6</b>	<b>100,0</b>	<b>13 148,0</b>	<b>100,0</b>
Purchased energy	12 932,9	41,7	6 680,2	37,4	6 252,7	47,6
Water for technology process	5 367,2	17,3	5 214,0	29,2	153,3	1,2
Fixed assets repairing	1 629,0	5,3	335,3	1,9	1 293,7	9,8
Salary fund & uniform social tax	1 549,8	5,0	1 052,7	5,9	497,1	3,8
Depreciation	2 695,8	8,7	1 692,1	9,5	1 003,7	7,6
Heat transit	2 178,2	7,0	1 020,2	5,7	1 158,0	8,8
Wholesale & retail market services	119,2	0,4	0,0	0,0	119,2	0,9
Rent	478,2	1,5	478,2	2,7	0,0	0,0
Taxes	337,6	1,1	149,3	0,8	188,3	1,4
Others	561,9	1,8	398,0	2,2	163,9	1,2
<b>Total costs</b>	<b>3 151,8</b>	<b>10,2</b>	<b>833,6</b>	<b>4,7</b>	<b>2 318,2</b>	<b>17,6</b>

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## 5. CONDENSED FINANCIAL STATEMENT

(RUSSIAN ACCOUNTING STANDARDS)

### Balance sheet

ASSETS	'000 RUR	
	Jan 1, 2010	Sep 30, 2010
<b>I. NON-CURRENT ASSETS</b>		
Intangible assets	-	36 842
Fixed assets, including:	43 591 163	43 526 770
land	25 364	36 864
buildings, machinery and equipment, facilities	43 219 755	43 172 567
other types of fixed assets	346 044	317 339
construction in progress	28 740 022	37 725 209
Income yielding investments into tangible assets	104	71
Long-term financial investments, including:	1 557 789	507 208
subsidiaries	375 625	405 625
associated companies	20 000	48 300
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	445 037
<b>TOTAL non-current assets</b>	<b>74 341 881</b>	<b>82 241 137</b>
<b>II. CURRENT ASSETS</b>		
Inventories	1 945 259	2 450 209
Value added tax on purchased tangibles	1 032 099	641 449
Accounts receivable, payments for which are expected in more than 12 months	1 051 928	695 197
Accounts receivable, payments for which are expected within 12 months, including:	13 321 950	10 841 060
buyers and customers	4 671 502	5 898 530
bills receivable	93 301	20 446
Debts of associated and depended companies	-	-
advances paid	6 501 920	2 865 423
other receivables	2 055 227	2 056 661
short-term financial investments	1 076 941	1 752 720
cash and cash equivalents	511 210	356 542
<b>TOTAL current assets</b>	<b>18 939 387</b>	<b>16 737 177</b>
<b>TOTAL ASSETS</b>	<b>93 281 268</b>	<b>98 978 314</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>		
<b>Jan 1, 2010</b>		
<b>Sep 30, 2010</b>		
<b>III. SHAREHOLDER'S EQUITY</b>		
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	39 675 796
Capital reserves	54 465	222 779
Retained profit of prior periods	4 855 480	4 520 693

Losses of prior periods	(16 668 684)	(16 668 684)
Retained profit of the reporting period	-	2 022 506
Losses of the reporting period	-	-
<b>TOTAL shareholder's equity</b>	<b>66 462 312</b>	<b>68 316 504</b>
<b>IV. LONG-TERM LIABILITIES</b>		
Loans and credits	8 498 512	13 614 560
Deferred tax liability	1 864 516	2 452 758
Other long-term liabilities	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>10 363 028</b>	<b>16 067 318</b>
<b>V. SHORT-TERM LIABILITIES</b>		
Loans and credits, including:	6 838 618	5 582 584
bank credits	5 669 059	315 869
loans	1 169 559	5 266 715
Accounts payable, including:	9 287 268	8 513 576
bank credits	7 519 396	5 968 743
suppliers and contractors	157 142	-
notes payable	3 166	100 903
wages payable to staff	9	43 559
payables to state and off-budget funds	281 567	195 643
charges to budget	879 473	1 003 192
advances received	446 515	1 201 536
other payables	-	168 314
Payables to participants (founding parties)	42	18
Deferred income	330 000	330 000
<b>TOTAL short-term liabilities</b>	<b>16 455 928</b>	<b>14 594 492</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>93 281 268</b>	<b>98 978 314</b>

### Income statement

	9M 2010	'000 RUR 9M 2009
<i>Profit and loss from ordinary activities</i>		
Revenues	34 464 150	25 247 106
Electricity and power for internal customers	20 152 292	13 412 934
Electricity and power (export)	1 481 249	1 245 207
Heat	12 405 611	9 854 188
Other products, works and services	424 998	734 777
Cost of goods sold	(31 125 769)	(22 569 175)
Electricity and power for internal customers	(17 505 966)	(11 575 774)
Electricity and power (export)	(347 850)	(249 295)
Heat	(13 148 149)	(10 656 463)
Other products, works and services	(123 804)	(87 643)
Gross profit	3 338 381	2 677 931
Profit (loss) from sales	3 338 381	2 677 931
<i>Other profit and expenses</i>		
Interest income	126 244	210 681
Interest expenses	(601 968)	(401 617)
Other organizations participation income	-	-
Other income	3 487 394	8 526 430
Other expenses	(3 622 996)	(7 876 478)
Pre-tax profit	2 727 055	3 136 947
Deferred tax assets	-	-
Deferred tax liability	(588 242)	(414 295)
Current profit tax	(113 631)	(353 308)
Other similar mandatory payments	(2 676)	(1 048)
Profit tax and other similar mandatory payments	(704 549)	(768 651)
Profit after tax	2 022 506	2 368 296
Net profit	<b>2 022 506</b>	<b>2 368 296</b>

## 6. CONTACTS

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