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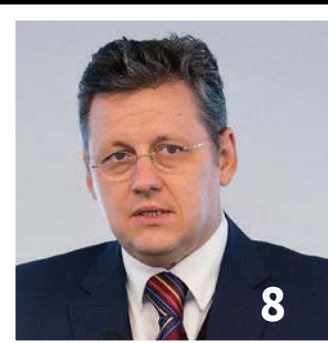
Technology Motion Knowledge

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**Trust and Transparency:
TMK's Approach to Investor Relations**



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News

»» DAVE MITCH NAMED TMK IPSCO PRESIDENT & CEO



DAVE MITCH
APPOINTED PRESIDENT & CEO OF TMK IPSCO

Dave Mitch took office as TMK IPSCO’s new president and CEO on Oct. 1 after serving as senior vice president and chief operating officer for two years. With 38 years of experience in the steel and pipe industry, Mitch has worked for companies including Armco, Copperweld, Lone Star Steel and U.S. Steel. In his new role, he is accountable to leadership at every level of the organization, as well as continuing to optimize costs and performance. He replaces Vicki Avril, who decided to step down from the company in September. ■

»» TMK LAUNCHES NEW BRAND FOR PREMIUM CONNECTIONS

TMK’s two premium connections families – TMK Premium and ULTRA – were recently united under a single brand – TMK Ultra Premium (TMK UP). Previously patented products will retain their names.

“Bringing the lines under a single brand will unify TMK’s global product offering and improve recognition of our premium products on the international market,” said Alexander Shiryayev, TMK’s President & CEO.

Pipes with premium connections are designed for oil and gas wells operating in challenging exploration and production conditions, including offshore, deep-sea and the Far North locations, as well as for horizontal and directional wells. ■



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»» TMK NAMES FIRST FELLOWSHIP RECIPIENTS

TMK named its first recipients of the A.D. Deineko Fellowship, which was established in 2012 to attract the most talented students to the company. Igor Pyshmintsev, deputy chief engineer at TMK and director of RosNITI, awarded diplomas to three students at the National University of Science and Technology for academic success in the field of metallurgy – fifth-year students Inna Bochkareva and Eleonor Ilyina and master’s student Yuri Gamin. Each receives a monthly stipend for one academic year. ■

»» PENNSYLVANIA HAULER DEBUTS TMK IPSCO-BRANDED CNG-POWERED FLEET OF TRUCKS

For 12 years, TMK IPSCO has worked with Beemac, a premier company that provides asset-based trucking, logistics, port, warehousing and specialized hauling services to customers throughout North America. Beemac has 50 trucks dedicated to hauling our billets and pipe between our facilities in Pennsylvania and Ohio.



The company recently ordered 20 new Volvo trucks with the compressed natural gas (CNG)-dedicated, 12-liter Cummins Westport engine.

“These engines burn much cleaner than diesel or gasoline engines, which means less pollution and cleaner air for our children and their children,” said David A. Dudo, senior vice president-operations at Beemac. “We are sitting right on top of the Marcellus shale, so why not take advantage of this opportunity?”

Emblazoned with the TMK IPSCO logo, these trucks are part of Beemac’s fleet dedicated to running short hauls between TMK IPSCO’s plants in Koppel and Ambridge, Penn., and Brookfield, Ohio, as well as Beemac’s barge site in Leetsdale, Penn.

Beemac is also opening a CNG filling station in January. It is the first public CNG filling station in Beaver County, and the sixth public station in the Pittsburgh area. As the infrastructure of public CNG filling stations grows across the nation, Beemac will add CNG-powered trucks to their long-haul fleet. ■

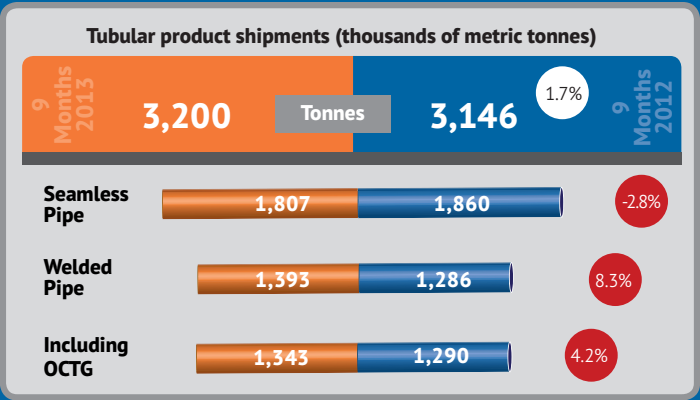
»» TMK Q1-Q3 2013 RESULTS

Below are highlights of TMK performance for the first nine months of 2013, compared to the same reporting period in 2012:

- Shipments grew due to increased demand for welded oil and gas pipe, primarily OCTG and large diameter pipe. Seamless pipe shipments fell due to planned maintenance on the pipe-rolling facilities at Seversky Tube Works and the Volzhsky Pipe Plant.
- Shipments of both welded and seamless industrial pipe held steady.
- TMK shipped 573,000 premium connections – a 22.7 percent increase.
- TMK IPSCO, the American division, shipments increased 1.4 percent due to growth in horizontal and directional drilling.
- Despite declines in pipe demand and prices in the European market, TMK’s European Division shipments remained even.

Financial results (millions of dollars)			
	1st -9 Months 2013	1st -9 Months 2012	Change (%)
REVENUE	4,861	5,056	–4
NET PROFIT	160	250	–36
ADJUSTED EBITDA	705	809	–13
PROFIT ACCORDING TO ADJUSTED EBITDA (%)	14	16	

For the full financial report, visit www.tmk-group.com



»» RUSSIAN ENGINEERS TRAVEL TO U.S. FOR LEAN SIX SIGMA BLACK BELT TRAINING

Seventeen directors and specialists from TMK’s Russian manufacturing facilities traveled to the U.S. in October to continue their Lean Six Sigma Black Belt training. The group learned theory and the practical side of implementing improvement projects at TMK IPSCO’s manufacturing facilities, which boast a long-standing, continuous improvement management system.

The trip served two goals – to receive an independent assessment of projects by qualified American specialists and to get to know TMK IPSCO’s operations culture. Russian engineers saw how technological processes are built, how reporting is organized and how improvement projects are implemented at three facilities in Texas – the R&D Center in Houston, the Houston Ultra plant and the heat treatment line in Baytown.

Trainees developed projects ranging from organizing inspections and testing to optimizing logistics schemes. Each project employed Lean Six Sigma methodology, which requires that a problem be broken down into separate parts and that improvements be achieved in stages.

The future Black Belts noticed that significant differences exist between TMK’s American and Russian plants in terms of how operations are organized. For example, in the American division, machine operators implement the parameter control function as apposed to inspectors from the quality control department. Tools and methods to control thread parameters differ from the ones used in Russia. Older equipment is more frequently used at the American facilities than at the Russian ones, but does not impact operational effectiveness or product quality. This latter revelation became a primary focus of the projects developed by the Black Belts during their practical training.

“Russian engineering education has strong traditions, with Lean Six Sigma methodology borrowing a lot from the Soviet Union, particularly engineering methods of problem solving,” said Denis Raevsky, head of the TMK department which certifies quality and improvement management systems. “This explains why the system already in place at TMK IPSCO has been working for many years.”

The effectiveness of Russian improvement projects became apparent. For example, procedural changes in samples testing at the Volzhsky Pipe Plant significantly reduced the time required to prepare a rush order in full, without giving up any market share to competitors. Such examples of Lean Six Sigma projects demonstrate the economic benefits of the training, which far exceeds what TMK spends on the sessions. ■



»» TMK IPSCO HOSTS U.S. AND RUSSIA BUSINESS COUNCIL VISIT

In an effort to strengthen international working relationships and demonstrate the company’s capabilities, TMK IPSCO recently hosted a United States and Russia Business Council (USRBC) meeting and facilities tour. The visit was held at the TMK IPSCO headquarters and research and development center in Houston.

Guests included: Russian Ambassador Sergey Ivanovich Kislyak; Andrei Slepnev, trade minister for the Eurasian Economic Commission; Vladimir Salamatov, director general of the World Trade Center Association; Daniel Russell, president of the USRBC; and Dmitri Goncharov, chief of TMK’s government affairs department.

Led by TMK IPSCO Chairman Piotr Galitzine, the event included a global and North American pipe market presentation by George Adams, TMK IPSCO’s director of sales, OCTG, Americas. Mike Panzeri, director of seamless operations, facilitated a TMK Group operations and CAPEX discussion. In addition, Carl Raycroft, director of environment, health and safety, and Dhiren Panda, director of research, gave a new products and technologies presentation that was well received. The event concluded with an in-depth tour of the facility.

“We were honored to have these guests at our headquarters,” said Galitzine. “We look forward to continuing to work together and strengthening our all-important business relationships.” ■

»» SEVERSKY’S ENVIRONMENTAL PROJECT

Seversky Tube Works recently completed an environmental project to process slag and metal scrap.

Beginning in 1996, the facility annually removed up to 20 tonnes of metal scrap, which is used for steelmaking, and 130 tonnes of sand and gravel for road construction. To separate rock debris and scrap, Seversky built a crushing and grading plant next to the slag dump.

By 2013, the area occupied by the slag dump had been reduced from 50 acres to 25 acres. Seversky installed a shearing and drop hammer plant on the territory that had been cleared. ■



NORTH CASPIAN

TMK recently shipped tubular products for construction of deep-water pipelines at the Vladimir Filanovsky oil and gas condensate field in the North Caspian Sea, currently under development by Lukoil.

In 2012, TMK signed contracts with two companies building the oil and gas pipelines for the North Caspian project—Malaysia’s Bumi Armada Caspian and Italy’s SAIPEM S.p.A.

Since July 2012, TMK has supplied 70,300 tonnes of pipe with external three-layer polyethylene coating. Pipe products were manufactured at the Volzhsky Pipe Plant and Taganrog Metallurgical Works (TAGMET), under the supervision of the Russian Maritime Register of Shipping. Based on qualification testing results, the Volzhsky Pipe Plant and TAGMET were recognized by the Russian Maritime Register of Shipping as manufacturers of pipe products for underwater pipelines.



CENTRAL ASIA-CHINA

The Central Asia-China gas pipeline, which spans more than 4,000 miles, connects large natural gas fields in central Asia with China’s gas transport system. The gas pipeline includes two lines from the Saman-Depe field in Turkmenistan through Uzbekistan and Kazakhstan. From January to September 2013, TMK shipped more than 100,000 tonnes of welded pipe for the project. The pipe was manufactured at the Volzhsky Pipe Plant in accordance with API Spec 5L and delivered to Kazakhstan for construction of the main pipeline’s third line, which began in 2012.



YAMAL

Earlier in 2013, TMK won a seven-year agreement to deliver casing and tubing for well production in the South-Tambeyskoye gas condensate field. Approximately 200 wells will be drilled during the project, and a plant for liquefaction of 16.5 million tonnes of natural gas per year will be built. Located in the north-eastern portion of the Yamal Peninsula, the field is being developed by Yamal LNG, which is owned by NOVATEK and Total.

In late July, TMK began shipment of 7,000 tonnes of casing and tubing to Yamal, including 6,000 tonnes of Artic-grade pipe with premium connections. TAGMET, Seversky Tube Works, Sinarsky Pipe Plant and the Volzhsky Pipe Plant took part in completing the order. Pipe string components were prepared at the Orsk Machine-Building Plant, TMK NGS-Buzuluk and TMK-Kaztrubprom.



SOUTH STREAM

The Volzhsky Pipe Plant and TAGMET manufactured trial batches of pipe for a Gazprom project involving construction of transport pipelines and gas compressor station piping with a operating pressure of more than 4,000 psi.

During the pipe’s manufacture and acceptance testing, representatives from RosNITI and Gazprom VNIIGAZ took part alongside specialists from the two plants. The demanding requirements for this order took into account the possibility of using gas line pipe in the most adverse conditions, as well as the high operating pressure on the pipelines.



Piotr Galitzine

Leaders in the American division set the tone for the second round of presentations.

Paul Fullerton



TMK DEBUTS CAPITAL MARKETS DAYS IN NEW YORK AND LONDON



Scott Barnes demonstrates Premium connections



In October, TMK held its first Capital Markets Days in New York and London. Headed by Dmitry Pumpyanskiy, TMK's chairman of the board of directors, the two events gave company leaders the opportunity to present TMK's current performance and outlook to the global investment community.

Approximately 50 investors and analysts attended the New York meeting on Oct. 8, 2013, which was also streamed live on TMK's website. Two days later, more than 60 gathered for the London event.

Chairman Pumpyanskiy opened each event with a brief presentation on TMK's success and achievements, followed by a more in-depth report on company performance from Vladimir Shmatovich, vice president for strategy and business development. Peter O'Brien, independent director on TMK's board, addressed corporate governance and strategic decision-making

paths chosen by the board and management. Sergey Alekseev, director for marketing, completed the first round of presentations with a detailed analysis of the Russian pipe market as a primary area for TMK.

Leaders in the American division set the tone for the second round of presentations. Piotr Galitzine, chairman of TMK IPSCO, explained the North American pipe market, current trends and technologies in shale gas development, and TMK's role in each. Paul Fullerton, vice president for research and product development, finished the series of presentations with an overview of the company's research work and innovative premium tubular products.

A question-and-answer session followed the presentations, with investors and analysts taking interest in all aspects of TMK's operations – from development of the oilfield services business to shipment of pipe

products for offshore hydrocarbon production projects. Plus, all attendees got the opportunity to see and touch samples of pipe with premium connections, TMK's cutting-edge products.

"Thanks to this event, we gained invaluable experience and a deeper understanding of how we can improve relations with the investment community in the future and increase the transparency and openness of the company," said Marina Badudina, head of strategic investment analysis and investor relations. "Quality feedback from investors and analysts has allowed us to make specific adjustments to plans and actions aimed at increasing the company's value."

Based on feedback from the meetings, the company plans to make this an annual event. ■

TRUST AND TRANSPARENCY: TMK'S APPROACH TO INVESTOR RELATIONS

Vladimir Shmatovich, vice president for strategy and business development, discusses work on the securities market and how TMK builds relations with the investment community.

Q: How are you increasing the attractiveness of TMK securities?

A: We closely monitor trading dynamics and continuously take steps to increase TMK's visibility. We update our investment story, expand analyst coverage and participate in investment-related events.

Q: Is the share of TMK securities in free float large or small by market standards? How does this affect liquidity?

A: More shares available for market resale results in a larger number of investors that can be shareholders. And, it is easier to sell shares. Liquidity is important in terms of opportunities for quick sales of securities blocks, when necessary. TMK has approximately 23 percent of its shares in free float and an additional 7 percent has been put in depository under possible Eurobond conversion. As soon as the convertible Eurobonds are exchanged for shares or are redeemed, the indicated volume will also be available for placement on the market, which should positively impact the securities' liquidity.

Q: How does TMK attract financing?

A: TMK has sought financing on the securities market beginning with the IPO in 2006. The total flotation value was several billion dollars, including Eurobonds, convertible bonds and Russian ruble-denominated bonds. We conducted our most recent Eurobond placement in April 2013 for \$500 million for a 7-year period. The order book was oversubscribed by a factor of two, which proves investors' desire to work with us. We stand by our reputation as a good-faith borrower, not only paying all our obligations on time, but also providing timely notification to our shareholders and creditors regarding all significant changes in the company.

Q: In what ways does the company express its transparency?

A: In 2011, TMK began quarterly reporting under International Financial Reporting Standards (IFRS), although this is not required by listing rules on the London Stock Exchange. This was done after numerous requests by investors and analysts to increase the company's transparency, as well as to adhere to disclosure standards of our global competitors. Generally, after the release of a financial report, management meets with investors in Europe and the U.S. to discuss current performance and events. TMK also participates in many investment-related conferences. Our internal investor relations department works daily with investors and analysts, answering every inquiry.

TMK'S SECURITIES LISTINGS

- London Stock Exchange (GDR)
- OTCQX International Premier trading platform in the U.S. (ADR)
- Moscow Exchange MICEX-RTS

Q: How are meetings with investors and analysts held?

A: Both as individual and group meetings. The latter are investment conferences and meetings held during road shows. Investors and analysts also travel periodically to TMK's Moscow office to meet with members of the executive leadership team. Conference calls are held virtually every week. To showcase our manufacturing assets, we organize trips for investors to our production facilities in Russia and the U.S. We debuted our Capital Markets Day events in October 2013.

Q: What are investors and analysts most interested in, and what concerns them the most?

A: Investors choose issuers by studying their financial and operating performance. Once invested, they really focus on the company. They are concerned about everything that could harm the company – direction of company investments, steps to reduce debt burden, status of manufacturing transformations, general company development and future outlook. Investors are also sensitive to general market conditions, especially during periods of instability.

Q: Is it possible to retain investors during a crisis?

A: This is when maximum transparency and trust among partners can play a deciding role. At the height of the 2008-2009 financial crisis, many Russian companies limited their investor relations work. On the contrary, TMK began actively collaborating with institutional investors. It was important for us to keep all minority investors abreast of what was taking place with the company.

Q: What does TMK's investment attractiveness consist of at the moment?

A: We are strategically targeting the oil and gas market, as it is one of the most stable and highly profitable. Our position and outlook here are strong. Growth in oil and gas extraction increases offshore drilling and onshore shale fracking, which boost demand for high-tech pipe products, including the premium class products that we manufacture. We also now offer oilfield services and are actively developing this business unit. This all-inclusive offer is most attractive for oil and gas companies. It allows us to strengthen our competitive position and to attract more investors.

Q: How has the investor base expanded in recent years? Have you increased the share of large, long-term investors versus players more inclined to speculation?

A: We were never overbalanced in favor of hedge funds, although they are also necessary and useful for increasing share liquidity. Large, long-term investors have always dominated; however, their locations have changed significantly. U.S. investors are the largest, primarily due to the purchase of IPSCO's assets in 2008. Other investors hail from London, Scandinavia, Western Europe and Southeast Asia.

Q: Has there been success in increasing TMK awareness on U.S. financial markets following the placement of ADRs on the OTCQX in 2010?

A: In 2013, turnover of depositary receipts on the OTCQX increased by 35 percent. We are very active on the American market. To attract U.S. investors, we regularly hold meetings and participate in conferences. Successful development of our American business division, TMK IPSCO, is an important factor in the company's investment attractiveness, especially since it is playing an ever-greater role in the U.S. oil and gas market.

Q: TMK's business is growing by leaps and bounds in oil and gas services. Is work being done to improve analyst coverage to account for this segment?

A: Yes. Of the 12 analysts who cover TMK, four are oil and gas or oilfield service sector analysts (VTB, UBS, Natixis and BAML). Two teams of metals industry analysts offer coverage with an oil and gas team (Barclays and JP Morgan). We expect two investment banks will initiate coverage of TMK as an oilfield services company (including Citi), and work to start joint coverage with one more bank (Morgan Stanley) is underway.

The trend toward positioning TMK as a company in the oil and gas sector is also felt directly in meetings with investors. Portfolio managers from sector-specific funds are attending meetings more frequently. A growing number of investors recognize that TMK belongs to the oilfield services sector rather than to the metals sector.

Q: The first TMK GDRs were traded on the Moscow exchange in October 2013. Is this a precedent, and what does it give TMK?

A: Yes. TMK became the first Russian issuer to have its GDRs admitted for trading on the Moscow exchange. The depositary receipts are included in the section of non-listed securities. In August 2013, we were approached by representatives of the MICEX stock exchange with a statement from investors requesting admittance of our GDRs for exchange-traded repos. We satisfied this request as quickly as possible.

Our experience will be defining for other Russian issuers. While the depositary receipts practice is still young, we expect that these new transactional opportunities will increase investor attractiveness and will promote growth in our securities' liquidity.

Q: What new short- and long-term goals have been set for investor relations?

A: We will continue shifting company perception as an oilfield services company among analysts and the wider investment community. We plan to further increase the company's transparency and improve external communications methods. We will more actively focus on global funds, not just those that invest exclusively in Russia or in developing markets. The main challenge is to diversify the base of TMK investors toward sector-specific (oil and gas) global funds. Our long-term, investors' relations goal will be to reduce the discount our shares trade at in relation to those of our primary global competitors, while increasing the company's value. ■

TMK SPONSORS INTERNATIONAL EXHIBITION AT MUSEUM OF FINE ARTS, HOUSTON

North façade of Caroline Wiess Law building.
Photographer: Rick Gardner. MFAH Archives.



» Hilaire-Germain-Edgar Degas, Dancers in the Classroom, c. 1880, oil on canvas, Sterling and Francine Clark Art Institute, Williamstown, Massachusetts. Image © The Clark



» Giovanni Boldini, Young Woman Crocheting, 1875, oil on canvas. Sterling and Francine Clark Art Institute, Williamstown, Massachusetts. Image © The Clark

Involvement in our communities is an important part of the way TMK IPSCO does business. The company and its employees are actively involved in local and regional events and causes. As part of our corporate contributions strategy and to increase our visibility in Houston, TMK IPSCO is Lead Corporate Sponsor of “The Age of Impressionism: Great French Paintings from the Sterling and Francine Clark Art Institute,” currently on exhibit at the Museum of Fine Arts, Houston (MFAH).

The acclaimed international exhibition showcases the Clark Art Institute’s renowned holdings of 19th-century French Impressionist painting, while telling the story of Sterling and Francine Clark’s devotion and passion for collecting. It features 73 paintings by a stellar line-up of 25 artists such as Édouard Manet, Edgar Degas, Claude Monet, Pierre-Auguste Renoir, Berthe Morisot, Camille Pissarro, Alfred Sisley, Pierre Bonnard, William-Adolphe Bouguereau, Jean-Baptiste-Camille Corot, Jean-Léon Gérôme, Jean-François Millet and Henri de Toulouse-Lautrec. Spanning 70 years, the collection includes portraits, landscapes, marines, still lifes and scenes of everyday life. The exhibition opened on Dec. 22, 2013, and will close on March 23, 2014.

To complement the exhibition, TMK IPSCO is also sponsoring a comprehensive education program for Houston-area teachers and their students, ages five through 12. This two-part program will allow educators and children to expand classroom curriculum through works of art.

In part one of the program, teachers will explore the exhibition and learn how to use the collection to teach age-appropriate lessons for students in kindergarten through sixth grade. Working with the museum’s Learning Through Art curriculum and the Age of Impressionism exhibition, teachers will receive lesson plans and hands-on activities that incorporate the works of art into new ways of teaching math, science, social studies, language arts and art. These take-away lesson plans will complement existing curricula and textbooks and meet the guidelines mandated for specific areas by the Texas Education Agency.

In part two of the program, teachers will return to the museum with their students for private, one-hour tours of “The Age of Impressionism: Great French Paintings from the Sterling and Francine Clark Art Institute.” Each school tour will focus on the exhibition’s themes, while teaching students how to look at and interpret the art.

The MFAH’s docent and tours program will provide tours for a total of 900 children over the course of the exhibition. These tours will expose children, who otherwise might not be able to afford a trip to the museum, to a positive, first-time art experience, including looking at and responding to art, learning about their cultural heritage and experiencing the friendly, safe and nurturing nature of the educators at the museum. The goal is to have these trips leave such a good first impression that these children will become life-long supporters of, and perhaps participants in, the arts.

As Lead Corporate Sponsor, TMK IPSCO’s name and logo is being prominently displayed on all MFAH marketing materials throughout Houston, including news programs on board United Airlines flights. Company employees will receive complimentary passes into the exhibition. In addition, the company will hold a gala customer event at the museum in early March. With that event, more than 1.5 million people worldwide will have seen this expedition.

“The Age of Impressionism: Great French Paintings from the Sterling and Francine Clark Art Institute” launched in 2011 at the Palazzo Reale in Milan, coinciding with a three-year expansion of the Clark’s Williamstown, Mass., facility. The MFAH is the second and final U.S. museum to host the exhibition. ■



» Pierre-Auguste Renoir, A Box at the Theater (At the Concert), 1880, oil on canvas, Sterling and Francine Clark Art Institute, Williamstown, Massachusetts. Image ©The Clark



» Henri Fantin-Latour, Roses in a Bowl and Dish, 1885, oil on canvas, Sterling and Francine Clark Art Institute, Williamstown, Massachusetts. Image © The Clark

TMK IPSCO Sponsors Popular Chalk-Art Festival to Raise Money for Houston’s Center for Hearing and Speech

For the second year, TMK IPSCO was a “Piazza Sponsor” of Houston’s Via Colori, a free two-day, chalk-art festival spotlighting the city’s rich artistic talent and outstanding professional street painters from around the nation. Recognized by Southern Living Magazine as one of the top 10 best festivals in the Southwest, Via Colori connects the community and raises critical funds to support the Center for Hearing and Speech (CHS).

Despite cold and drizzly weather, 15,000 supporters gathered on Nov. 23-24 in downtown Houston at Hermann Square and City Hall to take part in the eighth annual event, which raised \$400,000 for CHS. Nearly 200 artists completely covered their pavement canvases with vibrant and colorful mural masterpieces. These amazing works of art included many genres, including landscapes and portraits. Crowd favorites were a black-and-white portrait mural by Cecilia Linayao, a dragonfly mosaic by Allison Kellog and a 3D Native American mural by Mario Alberto Belmares.

“Via Colori patrons did not let the drizzle rain on their parade,” said Renee S. Davis, executive director of The Center for Hearing and Speech. “Everyone in attendance witnessed creativity unfolding before their eyes and experienced the camaraderie of Houstonians joining together for an incredible cause.”

CHS is the only full-serve resource in Houston that teaches deaf children to listen and speak without the use of sign language. Founded in 1947, the Center offers clinical, education and support services that have helped thousands of children improve their quality of life, reach their full potential and achieve success in society. Last year, CHS provided services to more than 5,200 children.

TMK IPSCO proudly supports Via Colori because it perfectly matches our corporate charitable direction of working with organizations that support the arts and children.



THE LAST HEAT: TMK ENDS OPEN-HEARTH STEELMAKING

November 6, 2013, marked an historic day for TMK. Open-hearth furnace #5, the last of its kind at the company, was shut down at the Taganrog Metallurgical Works (TAGMET), ending the company's history in this form of steelmaking.

Former employees from the shop, leaders from the Rostov Region and the city of Taganrog, as well as representatives from the oil and gas companies that purchase TAGMET products—Gazprom, Lukoil, Surgutneftegaz, and Bashneft—gathered to celebrate the end of an era.

A team of steelmakers conducted the final release of steel from the open-hearth furnace. Steel flowed into the ladle, scattering flashes of metal, and then, the final sparks were extinguished. In bidding farewell to the open-hearth furnace, former employees expressed a degree of sadness, as many had spent a large part of their lives with it.

Although the open-hearth furnace is now a relic of the past, its history stays with us. The grandchildren of those who made the first open-hearth heats are working today at the plant,” said Viktor Stonoga, an honored metallurgist of the Russian Federation who led the open-hearth shop for 25 years.

“TAGMET’s open-hearth furnace bred an outstanding legacy of metallurgists, to whom the company is grateful. They will always be an example for all of us,” said Alexander Shiryayev, TMK’s CEO. “In the race for today’s highly competitive market, those who are on the cutting edge of process and technology will win. We have implemented a widespread program to update TAGMET’s production capacity with the full support of the Rostov Regional Administration and the City of Taganrog.”

Open-hearth steelmaking began at TAGMET in 1932 with eight furnaces. Over 81 years, more than 35 million tonnes of open-hearth steel were produced. The open-hearth method of steelmaking began to wind down in 1990.

By 2004, TAGMET launched a modernization process that called for new production methods to be established, including decommissioning the open-hearth furnaces. It included constructing a premium quality finishing rolling mill and installing continuous-casting machines, a vacuum degasser and an electric-arc furnace. The electric-arc furnace was installed in August 2013, completing the modernization project.

TAGMET’s new steelmaking complex meets the modern standards in the areas of productivity, technology and environmental friendliness. When it reaches its design performance (950,000 tonnes per year), it will exceed the capacity of the open-hearth furnace by more than 300,000 tonnes. Open-hearth furnaces were responsible for 70 percent of total plant emissions. The new electric furnace will significantly reduce emissions in Taganrog, an area known for its recreational and tourism industries.

Supplied with its own steel billets that meet all necessary quality requirements, this modernization has strengthened TAGMET’s position on the market for tubular products.

“TAGMET will always remain our reliable partner when it comes to solving socially important issues,” said Sergei Gorban, vice governor of the Rostov Region, emphasizing the fact that Taganrog now has the most modern metallurgical plant in Europe. ■

Over 81 years,
more than 35 million
tonnes of **open-
hearth steel** were
produced at TAGMET.

As part of the ceremony in Taganrog, TMK management held a meeting with customers to brief them on current production capabilities, products and promising areas of collaboration with oil and gas companies. Vladimir Oborsky, CEO of Trade House TMK, shared many advantages to doing business with TMK, the largest manufacturer of pipe products in the world.

- Seventy-five percent of TMK’s shipments are made to oil and gas companies.
- TMK operates its own research centers, allowing it to develop new types of in-demand products.
- The company has its own family of Premium threaded connections, TMK UP.
- TMK offers a range of supporting services.

🚧 Customers visit TAGMET production facilities.



Living our Values

Q3 FINALISTS NAMED

In July, TMK IPSCO launched an employee-recognition program entitled “Living our Values.” This initiative increases awareness of our core values – innovation, people, safety and sustainability, customer focus and outstanding quality and fosters cross-organizational collaboration.



Employees recognize coworkers who go the extra mile to live our company values on a daily basis. Teams can nominate themselves, or individuals can nominate teams. At the end of each quarter, finalists are selected and recognized.

This quarter’s finalists received Eddie Bauer windbreakers branded with the “Living our Values” and TMK IPSCO logos. Representatives of each team, along with finalists selected from Q4 nominations, will attend a gala event in January 2014, where winners in each category and an overall winning team will be selected.

The first round of finalists were recently selected from nominations received during Q3 2013:

Innovation:

John DeSanzo, Brad Cline, Rusty Brewer, John Osborn, John Rutyna, Brad Cline, Jimmy Davis, Caleb Quigley, Clarence Rogers, Alfonso Gallaga, Montie Bishop, Ernie Sexton, Nick Drakulic, Mike Garasic, Branko Markulin, Ronnie Wilhite

The Catoosa team partnered with the Brookfield and ULTRA teams to incorporate a five-tooth DQX chaser and other program changes, which decreased cycle time. This resulted in a 65-percent productivity increase and more than \$75,000 per month in savings at Catoosa.

Innovation and Outstanding Quality:

Larry Taylor, Bryan Kinman, Kevin Benjamin

The Wilder team reviewed all tooling for the 16” mill, making major changes to the design. As a result, the mill increased yield from 79.4 percent in 2012 to 83.59 percent in May 2013 and 88.06 percent in June 2013. Product quality has improved and overall yield has increased almost 10 percent.

Outstanding Quality:

Joe Carpenter, Riz Sunsara, Cortney Buckmaster

This legal and purchasing team championed continuous process improvement, which has resulted in improved processing time for capital projects and for purchasing, in general.

People and Safety:

Bryan Thompson and the entire Blytheville Safety Committee

As of Sept. 19, 2013, the Blytheville plant went more than 800,000 hours without a recordable injury and more than 1.8 million hours without a lost-time injury.

Customer Focus:

Mark Crawford, Maureen Horn, Bryan Belford, Greg Lynd, Mellissa Sprouse

The OCTG inside sales team and supply chain have tirelessly found ways to save the company money, fill the mills, solve customer issues and ultimately secure orders. ■

TMK IPSCO EMPLOYEES SHINE AT 9TH ANNUAL TMK APPLIED RESEARCH CONFERENCE IN SOCHI, RUSSIA



From left to right: TMK IPSCO employees Sam Lewis, Mark Turnbaugh and Andy Cain visit Red Square in Moscow.



Andy Cain, electrical engineer at TMK IPSCO

“At TMK IPSCO, the first priority is safety. The last two years I have worked on organizing safety systems at our company’s Wilder plant. In my presentation, I talked about an automated safety system that is used in the facility’s thread shop. We set up a programmable logic controller (PLC) as its basis. It resembles a traditional PLC system, but with one difference—it has two processors that work independently of one another, which prevents the possibility of mistakes. We use traditional key-operated systems as transducers and a light curtain. As a result, the automated system to track safety that we proposed meets category three standards set by the government. In the future, we plan to equip all of the plant’s key systems with the PLC we’ve modified.”

In early October, TMK held its ninth annual Applied Research Conference in Sochi, Russia, a four-day event that supports, trains and encourages early-career employees. It is also an opportunity for employees to gain access to company leaders, while formally sharing best practices that have been successfully implemented at other TMK facilities. The conference included formal presentations, social/networking events, and tours of Sochi and the event venues for the 2014 Winter Olympics.

Chairman of the Board of Directors Dmitriy Pumpyanskiy addressed nearly 300 conference attendees about leveraging and supporting early and developing careers at TMK. He cited formal training, ongoing education and providing an environment that encourages company loyalty as ways to empower TMK’s young professionals.

“You are not only subject matter experts. You are thinkers and creators who have the ability to look ahead and think strategically. You are our company’s gold reserves,” said Chairman Pumpyanskiy.

TMK IPSCO nominated 18 employees as potential attendees to attend the conference. The Executive Leadership Team ultimately chose three participants: Andy Cain, an electrical engineer from the Wilder, Ky., plant; Sam Lewis, a process engineer from the

Camanche, Iowa, facility; and Mark Turnbaugh, manager of product development, Premium Connections, from the Houston R&D facility.

Each of these attendees underwent formal presentation training from a professional consulting firm, and then rehearsed before an executive team in Houston before presenting at the conference. Presentation topics focused on solutions that were actually implemented at TMK IPSCO and generated measureable results. Content included defining the problem, describing the implemented solution and communicating the results.

Andy Cain presented on safety automation, while Sam Lewis presented ways to reduce P110 weld-related defects. Mark Turnbaugh presented on the topic of a stage gate model that links product development and system integration systems together.

All three presentations were well received, with Andy Cain taking home first prize in the automation category and Sam Lewis earning third place for the topic of pipe welding.

The chair of the session on production automation, TMK’s chief power engineer, Vladimir Dvorkin, drew special attention to the TMK IPSCO American presentations.

“They have something we can learn from,” he said of the American specialists.

“Technologically, our plants are equipped in practically the same way, but their organization and plant management are more universal. There, they don’t have such a narrow understanding as ‘power engineer.’ Andy, for example, is an electrical engineer.”

“It was an outstanding conference,” said Cain. “I feel fortunate to have been invited and because there were so many great presentations. I’m honored to have presented a TMK IPSCO solution that was received as well as it was.”

Lewis added: “The conference was a good experience. It was interesting to see how similar problems are attacked in our different mills around the world. We were shown the utmost hospitality by our Russian colleagues.”

Next year is the 10th anniversary of the TMK Applied Research Conference and TMK IPSCO has been invited to participate again. ■



Dmitriy Pumpyanskiy, Chairman of the Board of Directors, TMK:

“The hallmark of this youth conference is the participation of representatives from four different countries – Russia, Kazakhstan, Romania and USA. I am glad that the geography of our forum is expanding. We are discussing technical, financial and business-related issues in different languages but with the same purpose of ensuring the development of our company. You are not only subject matter experts. You are thinkers and creators who have the ability to look ahead and think strategically. You are our company’s gold reserves.”

TMK-ARTROM RESPONDS TO DEMAND FOR HIGH-TECH PIPE PRODUCTS

New types of pipe are constantly being developed at TMK-ARTROM. Each year, this list grows because the European market is imposing stricter requirements and expecting new solutions from manufacturers.

In 2010, the share of new high-tech products fell short and averaged up to 1 percent of the total volume of pipe produced. In 2013, this figure rose to 6 percent. This improvement occurred against the backdrop of a 30- percent growth in production volumes. The cold-forming shop accounts for the largest share of new products—up to 22 percent of the total annual volume.

“In manufacturing pipe, we use more than 40 grades of steel,” said Alexandru Niamciu, TMK-ARTROM’s technical department director. “Parameters such as wall thickness and outside diameter are repeated, but most customers select a unique chemical composition of the steel and melting conditions. Our primary advantage lies in the effective collaboration with colleagues from TMK-RESITA, who help us deliver orders from the most exacting customers.”

It takes approximately three months to develop a new product, which is the time needed by the plant to fill the first order in accordance with a new specification. However, work to achieve the necessary consumption indices might last an entire year. Reaching the target values is the basis for transfer of products to the standard category. ■

Over the last five years, TMK-ARTROM’s pipe-rolling shops have developed 15 new types of products, which have boosted market position and brought in more business. Some of these include:

- TMK-ARTROM’s main product is mechanical pipe used in the automobile, construction and energy industries, among others. The ASSEL mill was limited to producing pipe with a maximum diameter of 203 mm. Gradually, it made successive increases to the outside diameter to 244.5 mm with a wall thickness of 60 mm.
- In 2012, TMK-ARTROM successfully passed all stages in developing products intended for use with high-precision machines, specifically pipe for telescopic hydraulic cylinders. As opposed to pipe for ordinary hydraulic cylinders, the outer surface undergoes further processing. Hot-deformed, semi-finished product is subjected to a detailed magnetic particle inspection in order to expose small, external-surface defects, after which finishing operations take place in the cold-rolling shop. Therefore, the customer receives pipe that requires minimal additional processing.
- Cold-draw shop #3 developed precision pipe for use in automobile engine manufacturing for well-known German and Italian companies. This product uses steel with a minimal level of nonmetallic inclusions, and nondestructive testing equipment is set to the strictest and most exact mode.
- A new ultrasonic testing unit enabled development of high-grade pipe for the energy industry, including pipe made from 13CrMo4-5 steel. In addition, TMK-ARTROM’s program includes grade 3 boiler tubes from these newly developed grades of steel and existing ones in the product catalog.
- Seamless pipe made from 33MoCr11 steel allows the company to offer pipe products for drill strings. This will be beneficial to companies operating in Romania’s oilfield services market.

TMK-INOX ACQUIRES MOSCOW-BASED ARINOI

TMK-INOX, a joint venture between TMK and RUSNANO, has acquired Arinoi, a Moscow-based manufacturer of welded pipe. With this acquisition, TMK-INOX becomes Russia’s largest manufacturer of welded pipe using corrosion-resistant steel and alloys.

The Arinoi facility includes eight lines that manufacture pipe. Through the acquisition, TMK-INOX can now produce 8,000 tonnes of corrosion-resistant pipe products with diameters ranging from 8-114 mm.

The products conform to all Russian and international standards. Customers span the automotive, food-processing, electric power and construction industries.

Both of TMK-INOX’s production sites – in Kamensk-Uralsky (the Sverdlovsk Region) and Moscow – will operate in a single technological process. A high-performance splitter for large-size, corrosion-resistant coil recently installed at the Kamensk-Uralsky site will supply work stock for both shops.

The change in ownership took place without stopping operations, which allowed Arinoi to keep its orders, customer base and employees.

The Arinoi acquisition is the latest stage in TMK’s move to develop corrosion-resistant pipe manufacturing. The company created this business line three years ago when it established TMK-INOX. The primary innovation has been the use of nanotechnologies in processing metal for a new generation of pipe. ■



TMK DEVELOPS NEW LUBRICANT-FREE COATING TECHNOLOGY



Known for their environmental friendliness and high performance, lubricant-free pipe strings are the technology of the future. TMK recently developed a new lubricant-free coating technology for threaded connections – Green Well.

Green Well is a hard composite coating containing a polymer matrix that has the equivalent antifriction, anti-scuffing and anti-corrosion properties of traditional liquid thread lubricant. Green Well offers considerable advantages, including ensuring pressure-tightness of the casing columns without using thread-sealing lubricant. Pipes can be assembled into strings more quickly during the assembly process. Threads no longer have to be cleaned and re-doped, significantly reducing the time to prepare the pipe for the well run. Use of the technology has ensured the gas-tightness of the string's connections and reduced assembly time by a factor of three.

Green Well was recently used on casing manufactured at the Taganrog Metallurgical Works and threaded with TMK PF premium connections. The assembled pipe strings were run into wells at Rosneft's Vankor oilfield in Russia. TMK specialists oversaw the runs of production casing and instructed the customer's service teams on how to make up casing pipes using Green Well.

This innovative product expands TMK's opportunity to participate in tenders held by Rosneft and other large Russian and international oil and gas companies.

Experimental work on the Green Well lubricant-free coating technology for threaded connections took place at the Orsk Machine-Building Plant. The facility now possesses new threading equipment and a unit to make up couplings. This provides the right torque for the coupling and the pin end.

"Oil and gas companies have very special requirements for the quality of pipe and connections used in challenging climate and geological conditions, and Green Well meets all of them," said Sergei Bilan, TMK's vice president for premium products and services. "One of the most promising areas for us is creating new premium products with lubricant-free coating."

TMK continues to perfect the Green Well technology. The next stage involves testing gas-tightness under different loads and climatic conditions. A search is underway for other curing components and technologies for the next generation of lubricant-free coatings. ■

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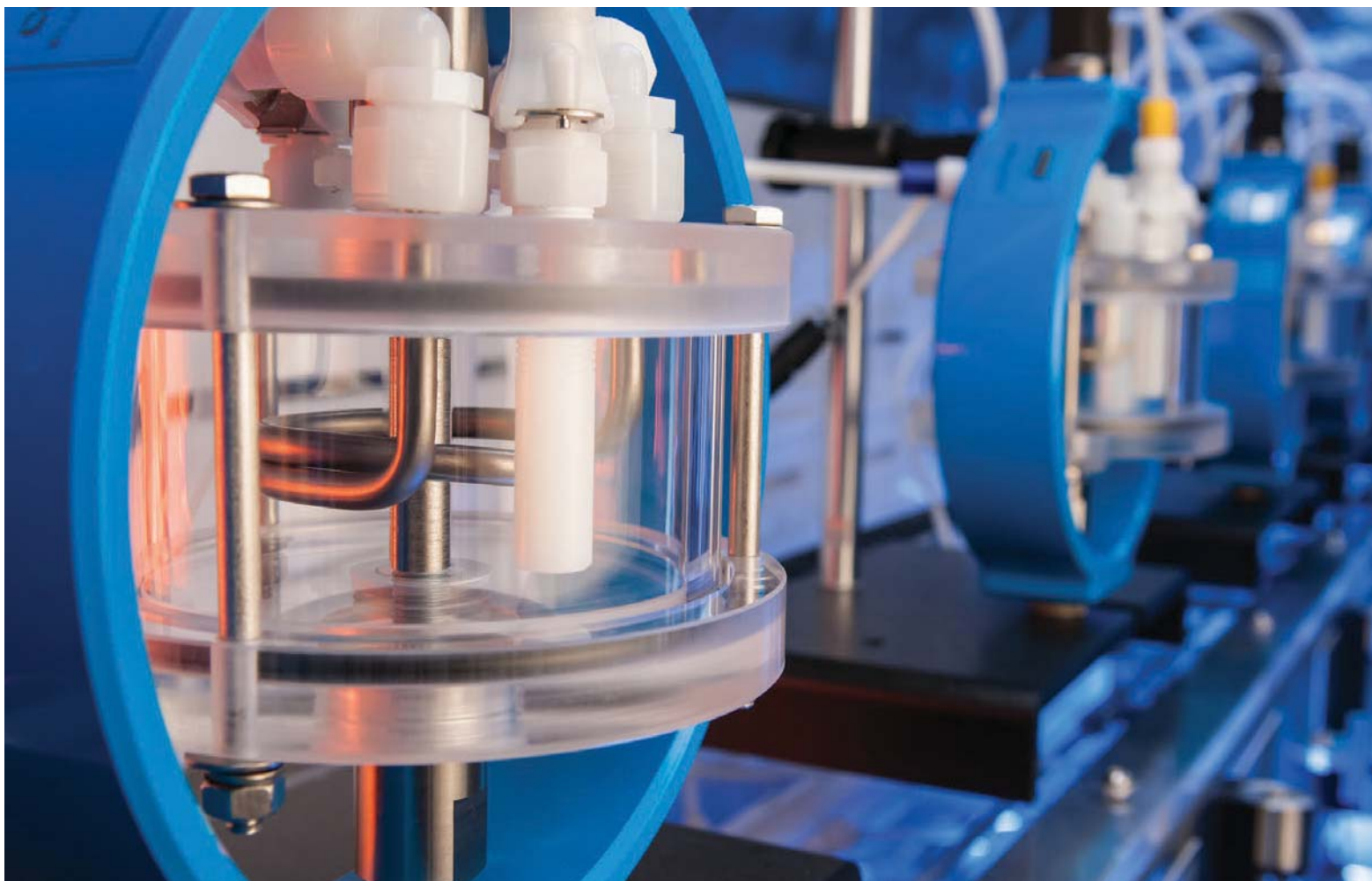
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Collaboration in Energy

Furthering our commitment to deliver even more innovative tubular solutions for the oil & gas industry, TMK IPSCO offers customers a state-of-the-art Research & Development Center in Houston. This center combines some of the industry's leading engineers, scientists and technologists with the most advanced engineering simulations and physical testing equipment available, including a comprehensive corrosion laboratory for both HIC and SSC testing and two in-house connection testing load frames. To begin your next collaboration in customized solutions for your ever-changing energy applications, contact TMK IPSCO, a leader in welded and seamless pipe, premium connections and accessories.