

TMK

Investor Presentation

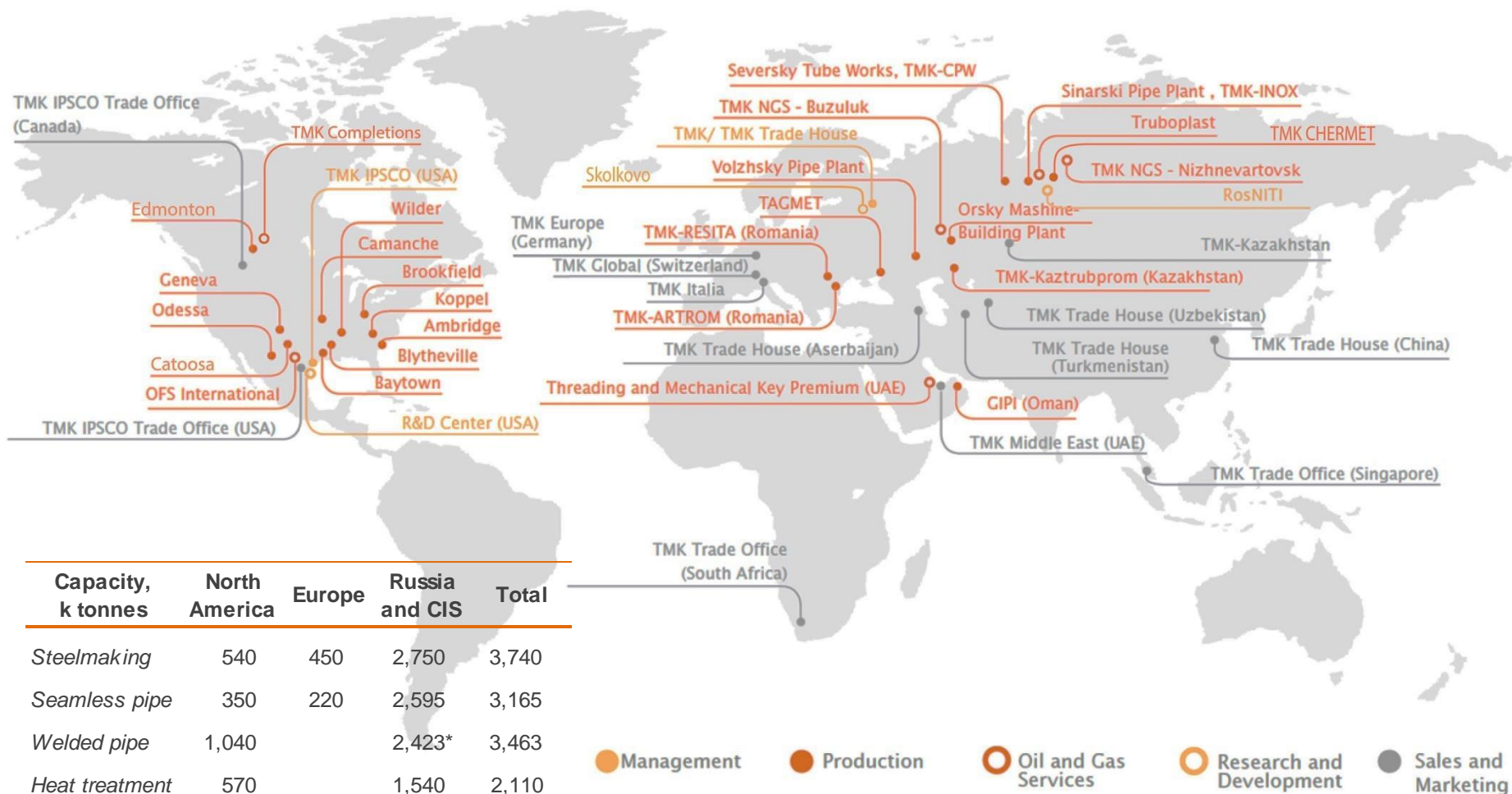
September 2015

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TMK– Global Supplier of Full Range of Pipes for Oil and Gas Industry



Note:

* Including 895 k tonnes of LDP capacity

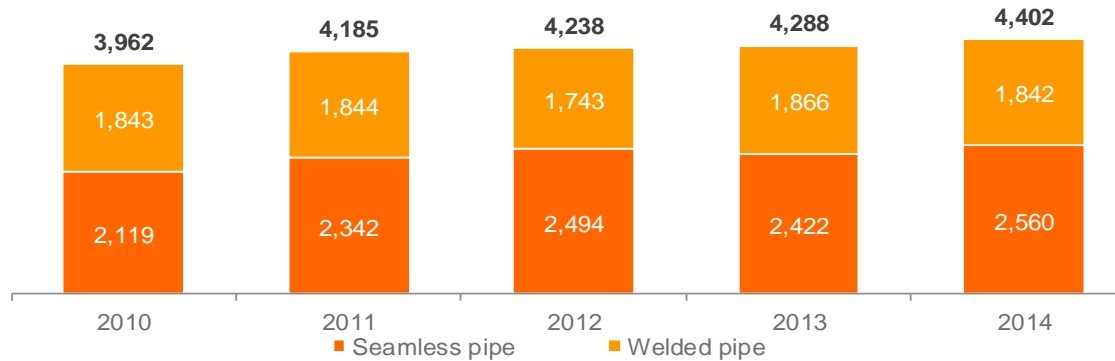
**Including ULTRA Premium connections of 250 k tonnes and OFSi capacity of 310 ktonnes

Source: TMK data

Leading Global Supplier of Pipe for Oil and Gas Industry

- A world leading tube producer by sales volumes in 2014 and in the last 5 years

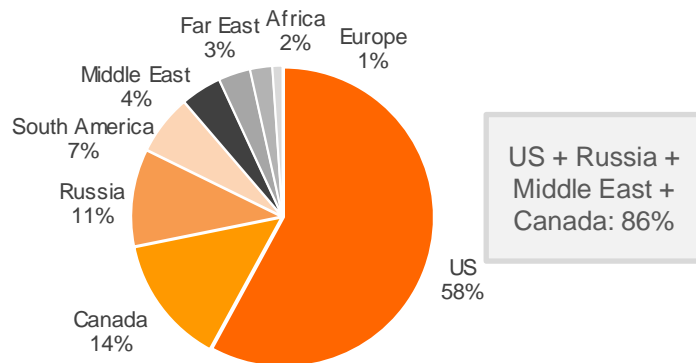
Sales Volumes (thousand tonnes)



Source: TMK data

- Local producer in countries which account for 86% of global drilling activity
- High exposure to the oil and gas industry: approximately 78% of sales went to the oil and gas sector in 2014

2014 global drilling activity by geography (number of wells drilled)

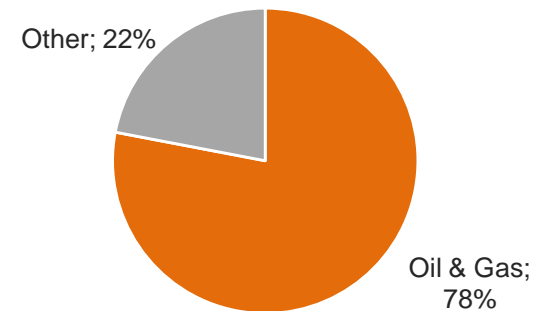


Note: Excluding China and Central Asia. Onshore and offshore drilling

Source: Spears & Associates

Focus on oil & gas industry

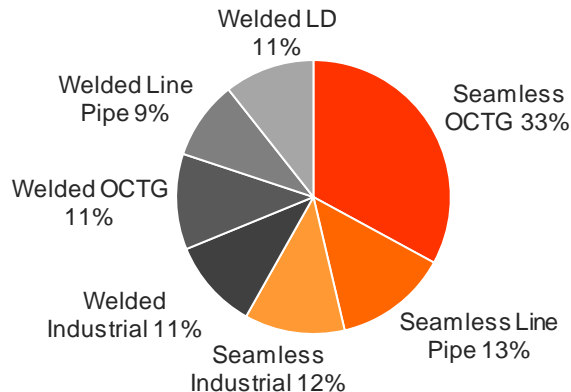
2014 Sales by Industry (%)



Source: TMK data

Diversified product portfolio and customer base

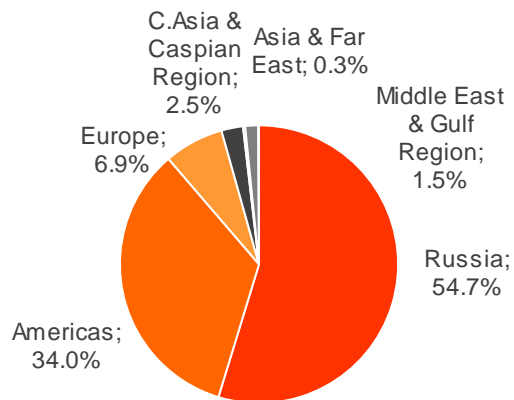
Sales Volumes by Product (FY2014)



Source: TMK data

Diversified geographical reach

TMK Revenues by Country (FY2014)



Source: TMK data

Key Considerations

- High degree of diversification enabling earnings resilience.
- Geographical diversification seeking to mitigate swings in geographical demand (Russian division 55% and American division 34% of 2014 revenues).
- Diversified product portfolio, including full range of seamless and welded pipes.
- Focus on higher value added products, including seamless pipes and OCTG.
- Diversified customer base covering end users in oil and gas and industrial sectors (top 5 customers represented 32% of sales for FY2014).
- Long-term relationships with Russian oil and gas majors (Rosneft, Surgutneftgas, Lukoil, TNK-BP and Gazprom).

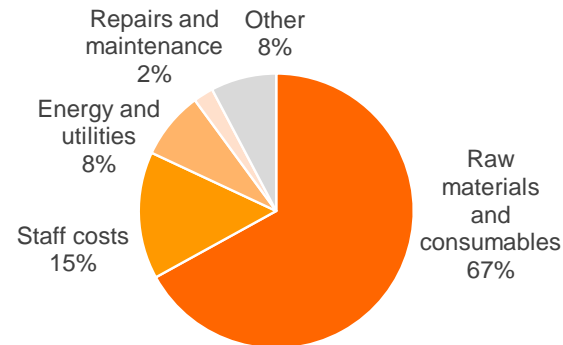
Low Cost Vertically Integrated Producer

Key considerations

- Structural cost advantages over major international competitors: Russia is one of the lowest cost regions for steel production.
- Fully vertically integrated seamless pipe production (upstream and downstream operations) in all divisions.
- Almost self-sufficient in steel billets.
- Both Russia and North American businesses have benefitted from significant synergies and complementarily since the acquisition of IPSCO.
- Ability to generally pass cost of steel increase to customers albeit with some time lag.
- In February 2015, TMK acquired a 100% interest in Chermetservis-Snabzhenie for a total amount of around RUB 2.73 billion. ChS-Snabzhenie had been the main scrap supplier to TMK steel mills for the last several years and fully covered the Company's needs in scrap

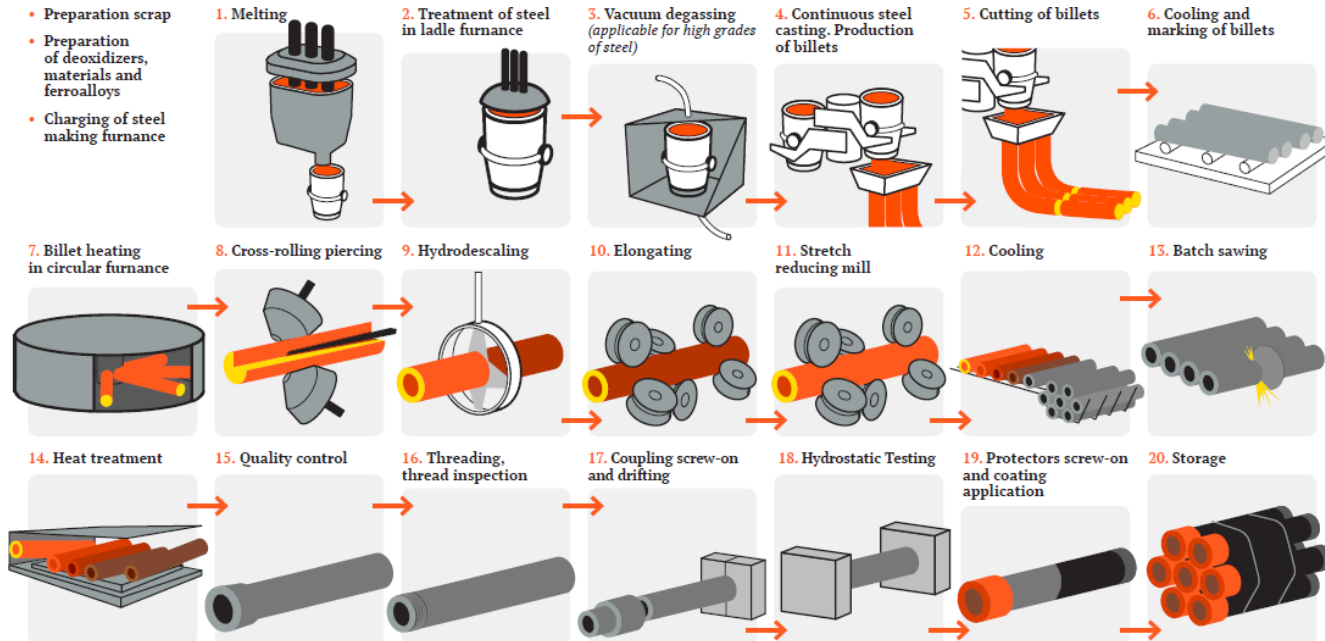
Raw materials costs can generally be passed through to customers

Cost of Sales Structure (1H2015)



Note: Excluding depreciation and amortisation
Source: TMK IFRS accounts

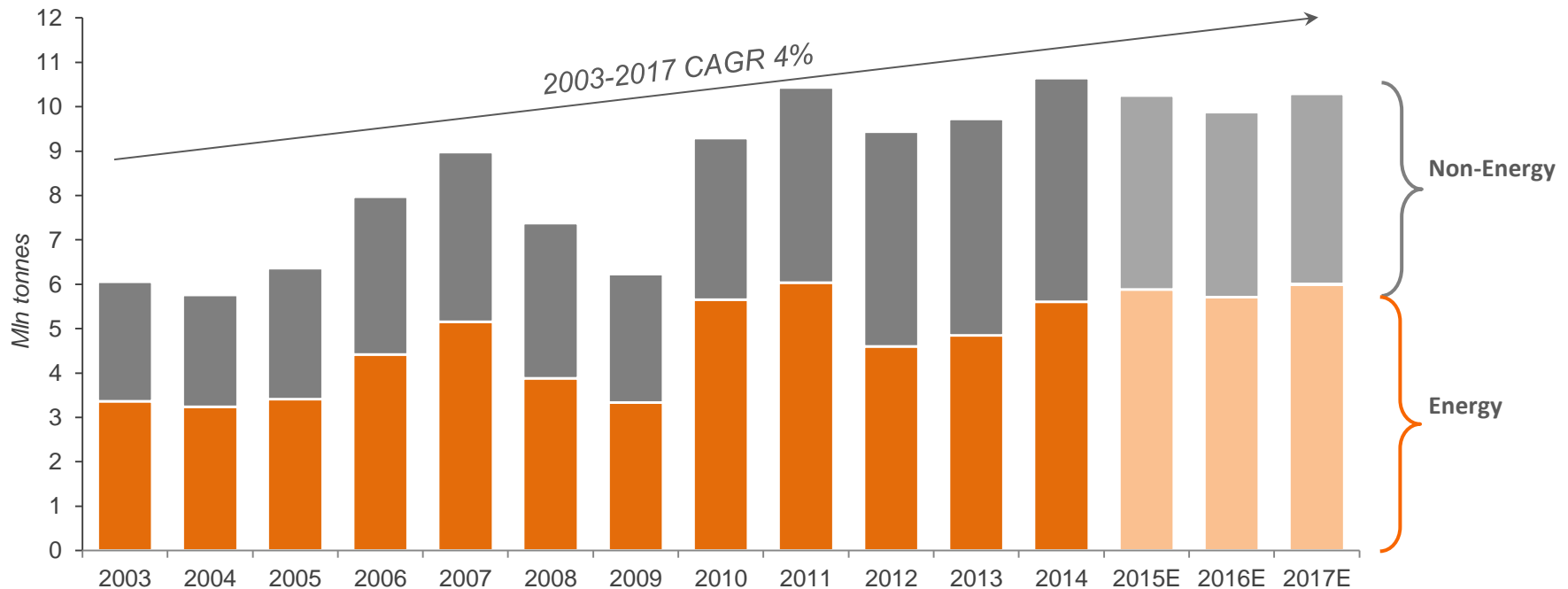
Vertical integration in seamless business



Source: TMK

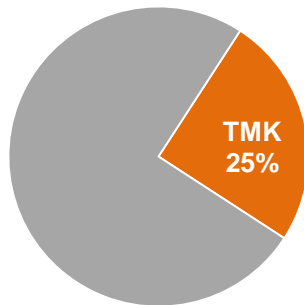
Russian Market Overview

Russian Tube & Pipe Market



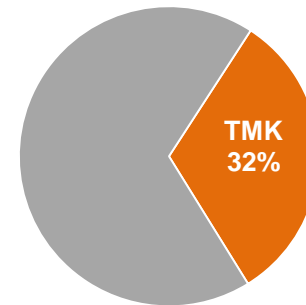
Source: TMK estimates

#1 in the Russian tube & pipe market



Source: TMK estimates, based on 1H2015 numbers

32% share of energy market demand



Source: TMK estimates, based on 1H2015 numbers

SEAMLESS

OCTG 67%



+8% HoH

Seamless OCTG for oil and gas



Line pipe 64%



+10% HoH

Seamless line pipe for oil and gas



Industrial pipe 36%



+5% HoH

High-margin products for industrial needs



WELDED

Large diameter pipe 17%

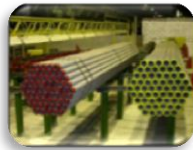


+1% HoH

Large diameter pipe for projects



Line pipe 24%



+1% HoH

Welded line pipe for oil and gas



Industrial pipe 9%



-2% HoH

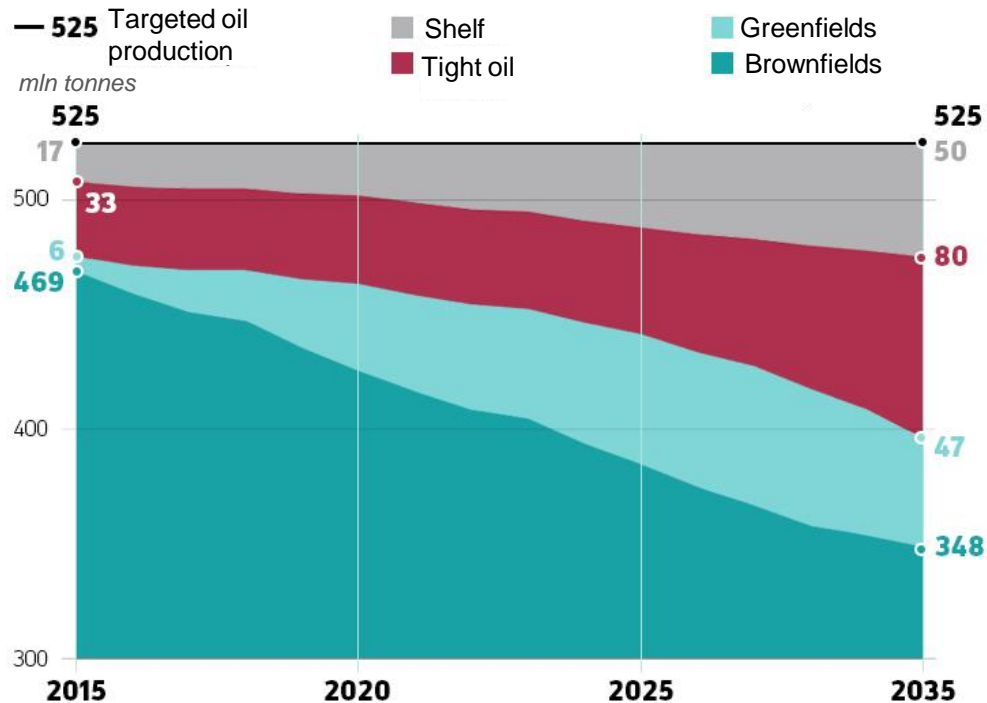
Welded industrial products



Source: TMK estimates, based on 1H2015 numbers

Oil production in Russia

Targeted scenario of oil production will be realized if total share of shelf and tight oil production reaches 25% by 2035



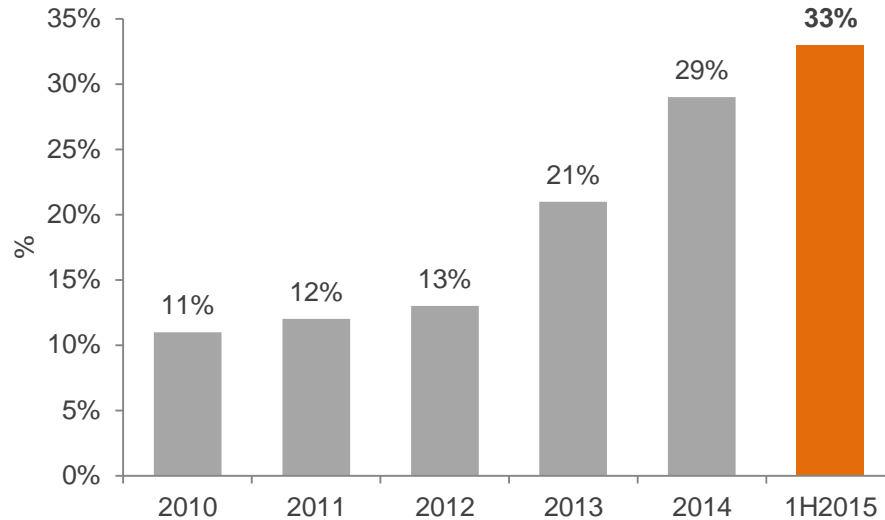
Source: Ministry of Energy, RBC

Key considerations

- Russia's Ministry of Energy expects oil production on brownfields to decrease by more than 25% by 2035.
- Oil production is forecasted to remain stable through 2035, and lower brownfield production should be offset by increasing tight oil and greenfield production.
- As a result of higher share of E&P activity at greenfields and tight oil reserves demand for premium tubular products should increase.

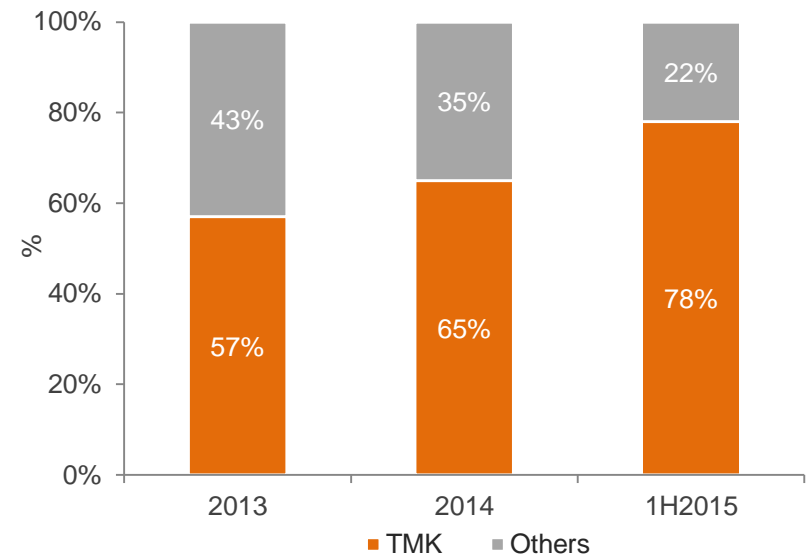


Growing share of horizontal drilling



Source: CDU TEK

TMK's share on the premium market



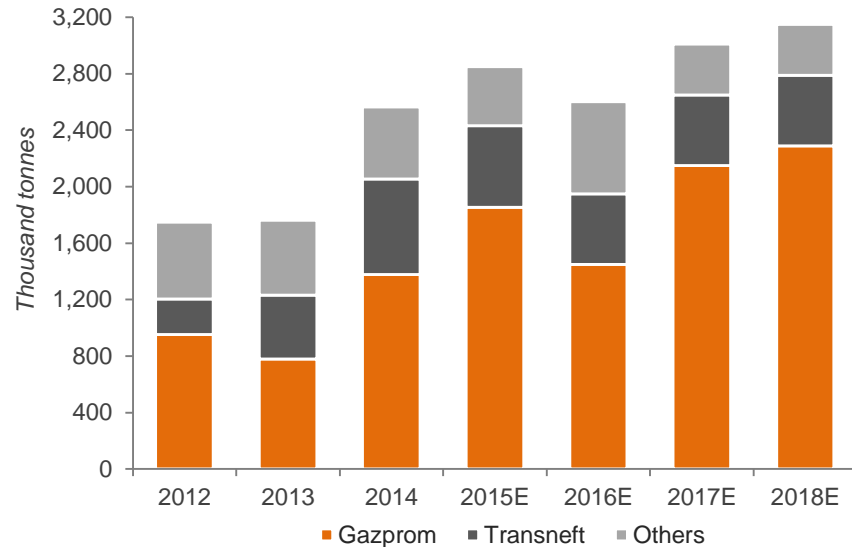
Source: TMK Estimates

- TMK is a leader in production of premium tubular products on the Russian market with a market share reaching around 78% in 1H2015.
- Share of horizontal drilling is constantly growing for the last five years and it drives demand for higher value added tubular products such as premium connections.

Gazprom's Eastern Program Creates Additional Demand



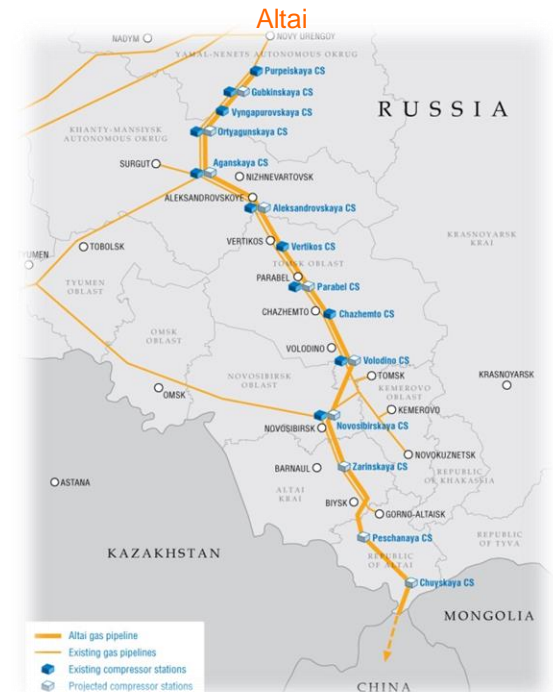
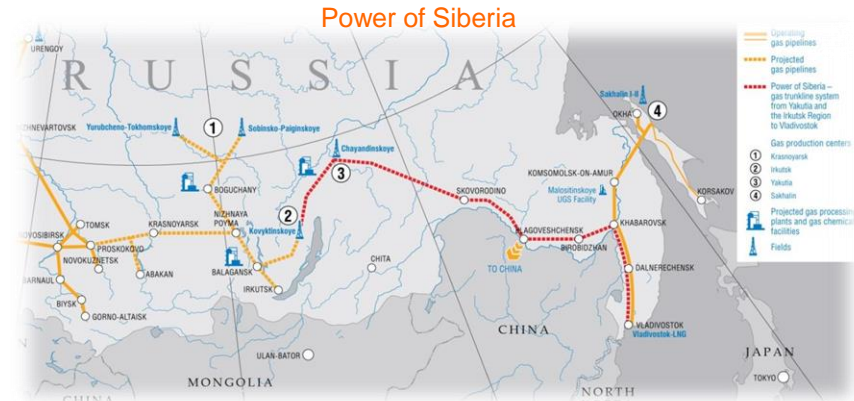
LDP demand in Russia, 2012-2018E



Source: TMK Estimates

- Annual LDP demand for the nearest four years could amount to approximately 2.8 million tonnes.
- Major projects planned: Power of Siberia (GAZP), Altai (GAZP), Nord Stream (GAZP), maintenance needs of Transneft and Gazprom.
- Demand for LDP from Power of Siberia project alone could amount to 2.7 mln tonnes through 2018.
- In April 2015, TMK started LD pipe deliveries for Power of Siberia gas transmission system. Throughout 2015 and beginning of 2016, the Company plans to deliver more than 150 thousand tonnes of LD pipe for the project.
- Substantial amounts of OCTG pipe consumption (including premium connections) are expected from the Chayandinskoye and Kovyktinskoye fields through 2020.
- In 3Q and 4Q 2015 TMK will supply to Gazprom more than 13 thousand tonnes of seamless steel threaded connection pipes worth of RUB 1.5 bn. Part of TMK's products of approximately 6 thousand tonnes will be supplied to Gazprom Chayanda gas field.

Gazprom's Eastern program

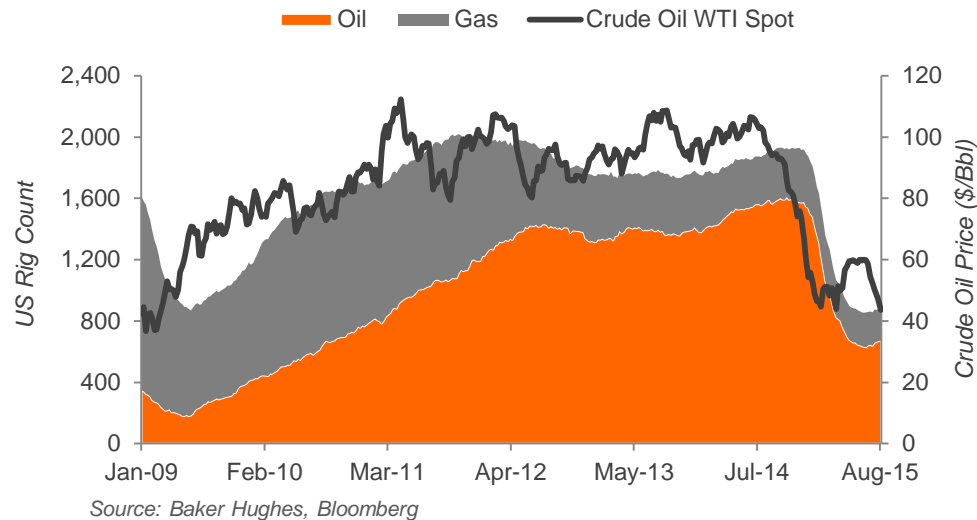


US Market Overview

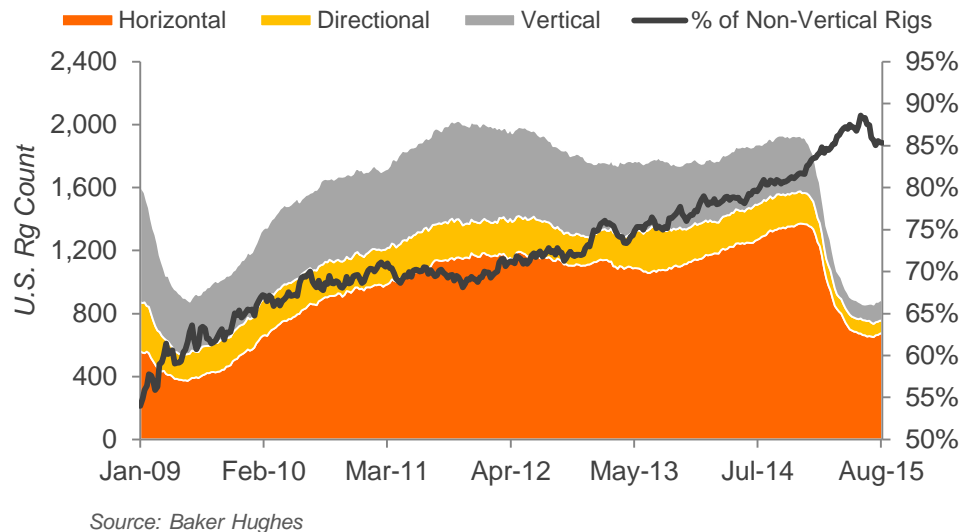
State of the Industry in the US



Drop in rig count followed drop in oil prices



Vertical drilling is more severely affected

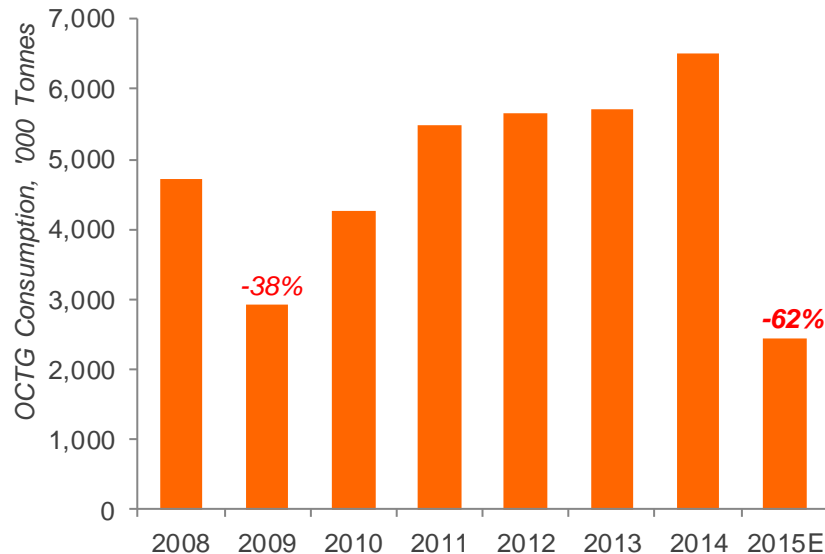


- The average number of rigs in 2Q 2015 fell by 35% quarter-on-quarter and by 36% in 1H 2015 over 1H 2014 to 907.
- TMK expects an increase in the rig count by the end of the year, with a subsequent growth in drilling activity.
- During 2009 market down-turn, rig count began to recover once oil prices reached \$70/Bbl. Since then, improvements in technology brought this inflection price down.
- The decline in drilling has been more extreme in vertical rigs.
- Generally, vertical rigs consume more welded, lower value pipe.

Impact on US OCTG Demand

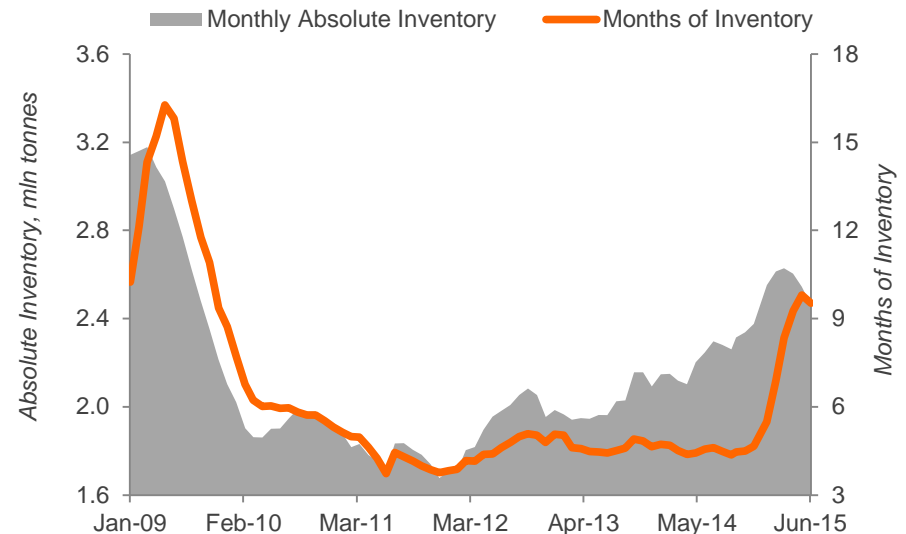


FY2015 forecast remains unchanged, with OCTG consumption expected to drop sharply



Source: Preston Pipe & Tube Report

Lower consumption has pushed inventory levels to 9.8 months in 2Q 2015



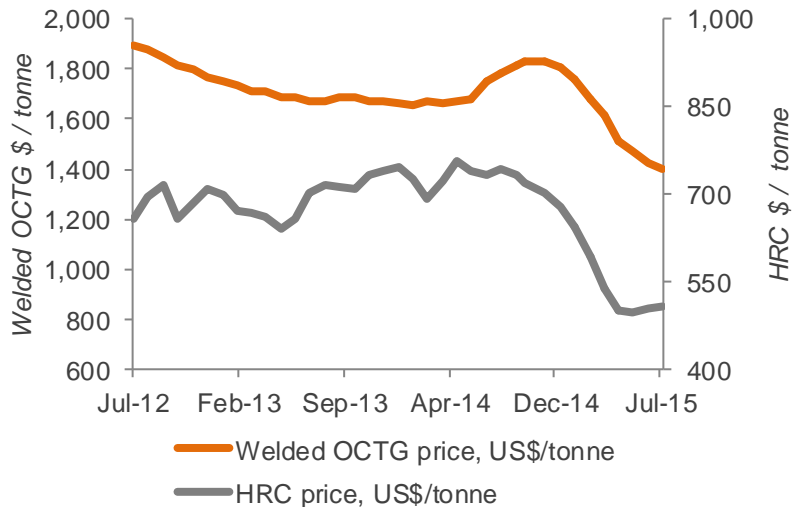
Source: Preston Pipe & Tube Report

- TMK expects the end of the decline in the rig count in the fourth quarter and a gradual recovery in drilling activity thereafter.
- Additionally, OCTG pricing is expected to further decline in the third quarter of 2015 due to excess levels of inventory.

Price Decline Being Aided by Drop in Raw Material Costs

US distributor welded OCTG vs HRC prices

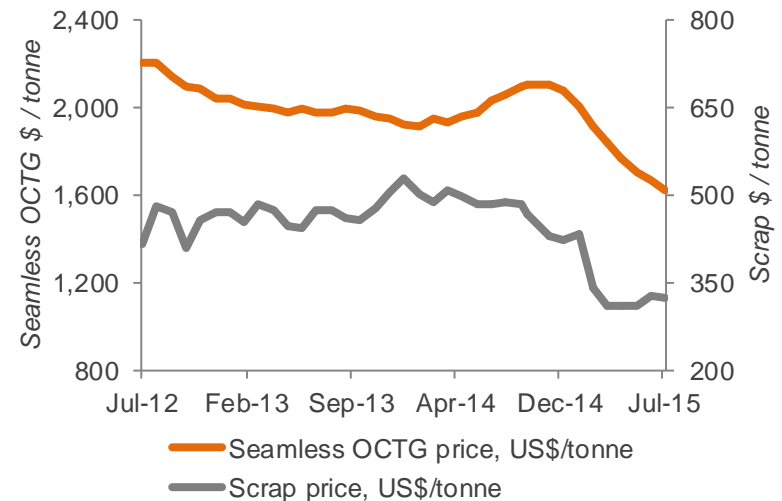
(Monthly Average)



Source: Pipe Logix, HRC Midwest CRU Prices

US distributor seamless OCTG vs. scrap prices

(Monthly Average)



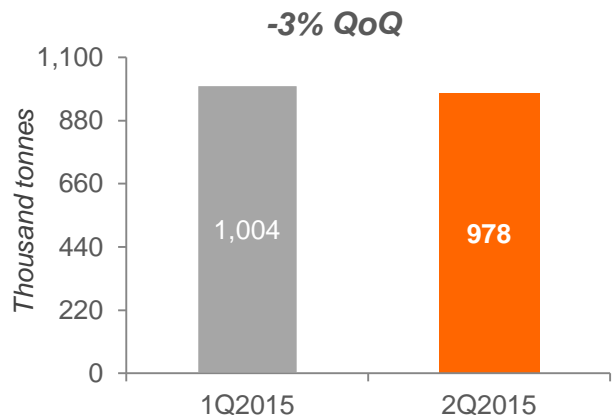
Source: Pipe Logix, AMM

- In 2Q2015, average OCTG seamless and welded prices fell by 11% and 13% respectively compared to 1Q2015.
- OCTG pricing is expected to further decline due to excess levels of inventory.
- HRC and scrap prices continue to decline: in 2Q2015 average scrap prices fell by around 12% QoQ, and average HRC prices decreased by around 15% QoQ.
- In 1H2015, average seamless and welded OCTG prices declined by 6% and 5% respectively compared to 1H2014, while average scrap and HRC prices fell by 33% and 22% respectively compared to the respective period of 2014.

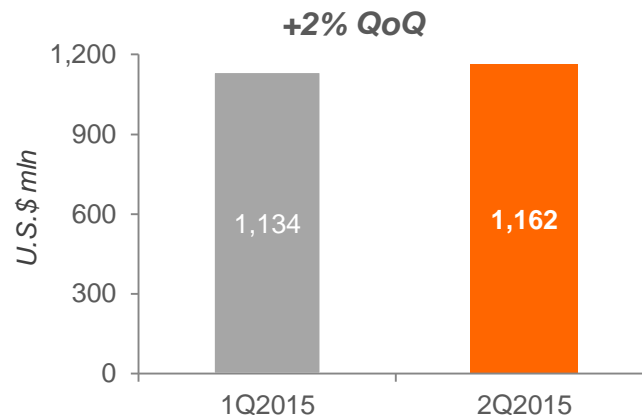
2Q 2015 Financial Results

2Q 2015 vs 1Q 2015 Summary Financial Highlights

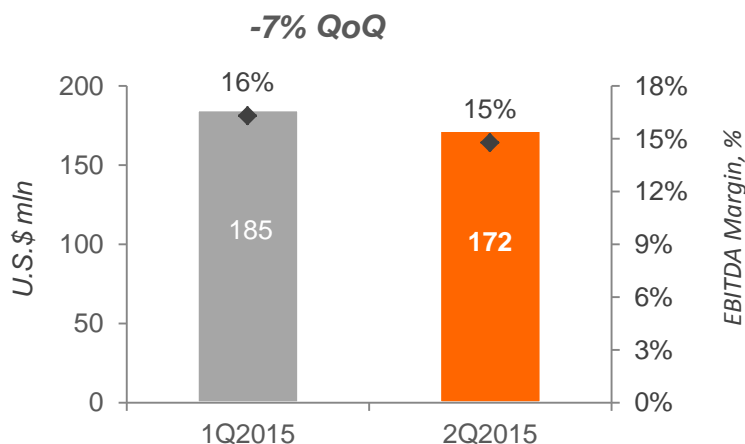
Sales decreased QoQ, primarily due to significantly lower sales in the American division partially offset by stronger performance of the Russian division



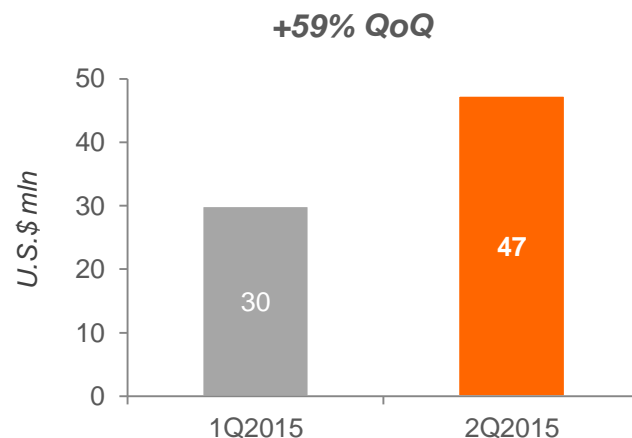
Revenue grew QoQ, mainly as a result of higher welded pipe sales in the Russian division, particularly stronger LD pipe volumes



Adjusted EBITDA fell QoQ primarily due to a negative adjusted EBITDA for the American division



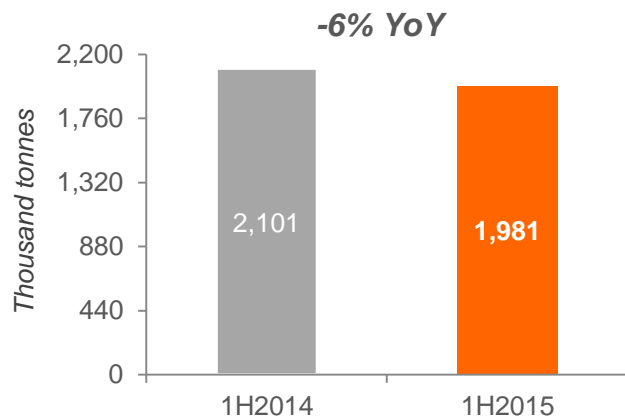
Net profit was \$47 million as compared to \$30 million for the first quarter of 2015



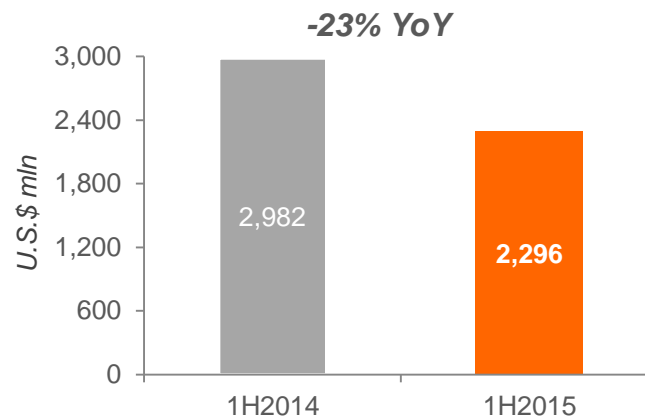
Source: TMK data

1H 2015 vs 1H 2014 Summary Financial Highlights

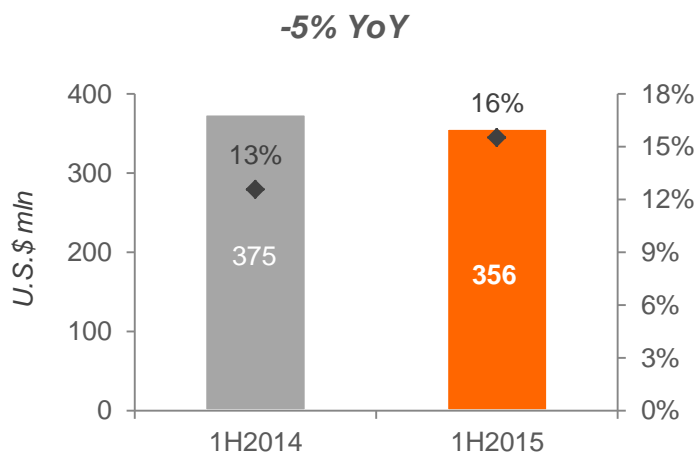
Sales decreased YoY mostly due to weaker sales in the American division



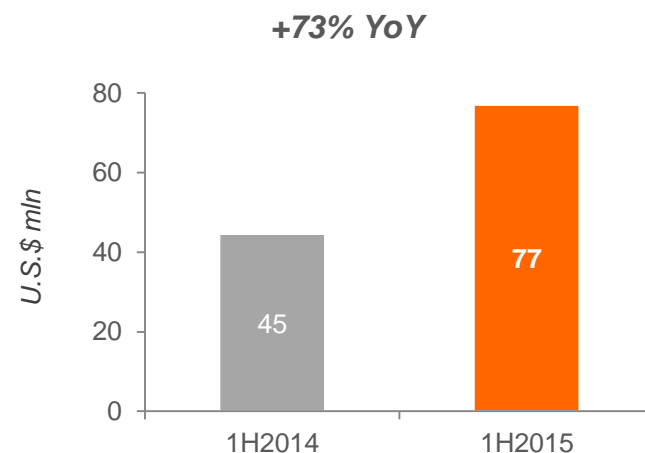
Revenue fell YoY mainly as a result of a negative effect of currency translation



Adjusted EBITDA declined YoY as growth in the Russian and European divisions was offset by weaker adjusted EBITDA in the American division due to lower sales and weaker prices



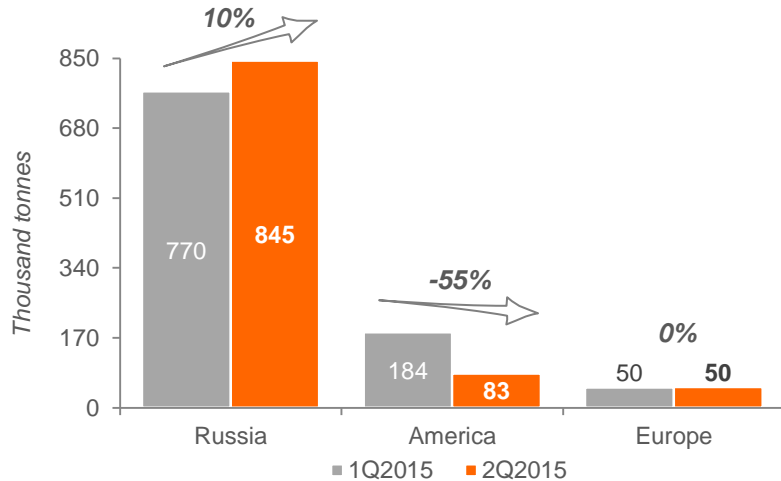
Net profit was \$77 million as compared to \$44 million for the first half of 2014



Source: TMK data

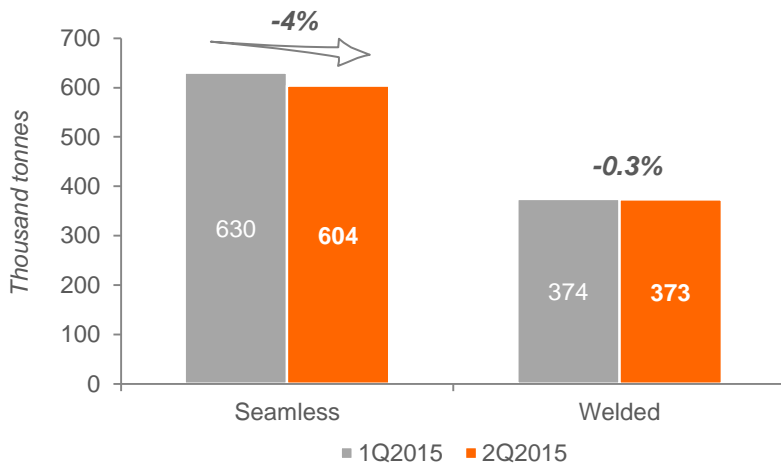
2Q 2015 vs 1Q 2015 Sales by Division and Group of Product

Sales by Division



- Russian division sales increased QoQ, mainly due to higher welded pipe sales, particularly LD pipe volumes.
- American division sales fell QoQ, largely due to lower OCTG pipe volumes.
- European division sales remained relatively flat QoQ.

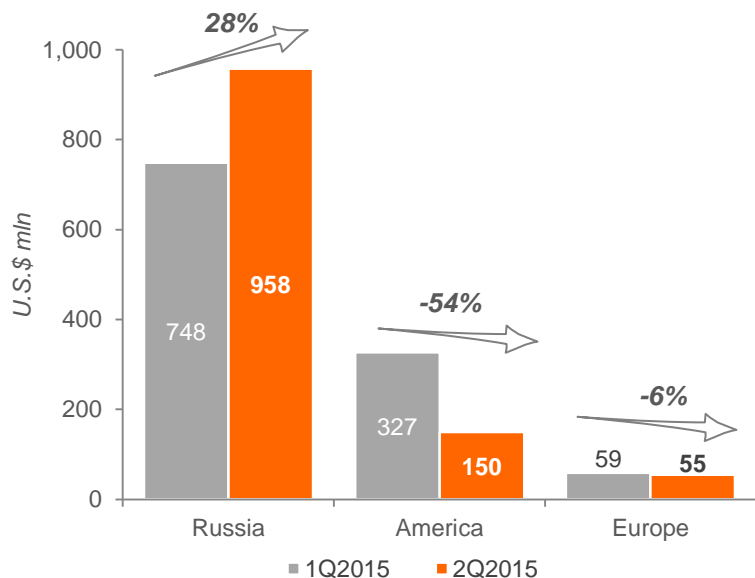
Sales by Group of Product



- Seamless pipe volumes decreased QoQ, partially as a result of weaker seamless OCTG sales in the American division.
- Welded pipe sales remained almost flat QoQ, as lower welded pipe volumes in the American division were offset by strong welded pipe sales in the Russian division.
- Total OCTG sales fell by 21% QoQ, due to lower volumes of OCTG in the American division.

2Q 2015 vs 1Q 2015 Revenue by Division

Revenue



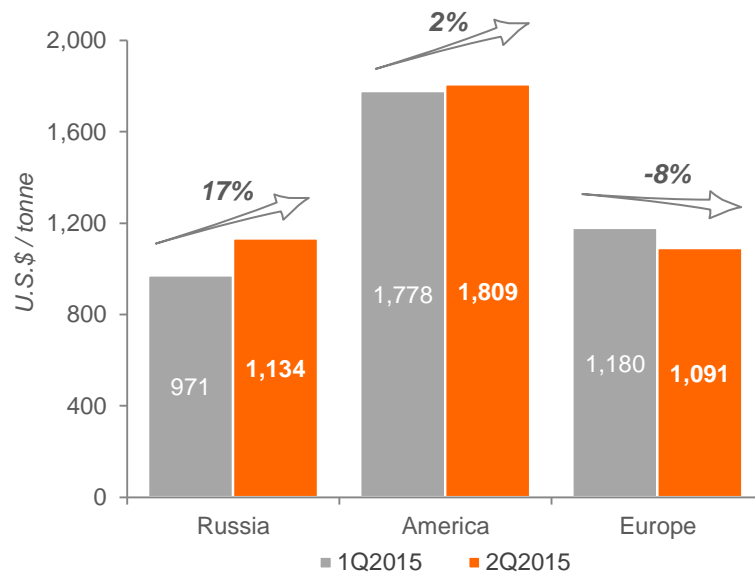
- Revenue for the Russian division increased QoQ, as a result of the growth in welded pipe volumes, particularly in LDP sales.
- Revenue for the American division fell QoQ, primarily due to a significant decrease in pipe volumes, particularly OCTG, following a slowdown in drilling activity and a drop in exploration and production spending.
- Revenue for the European division declined QoQ, mainly as a result of a weaker pricing.

Source: Consolidated IFRS Financial Statements, TMK data

Note:

Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

Revenue per Tonne*

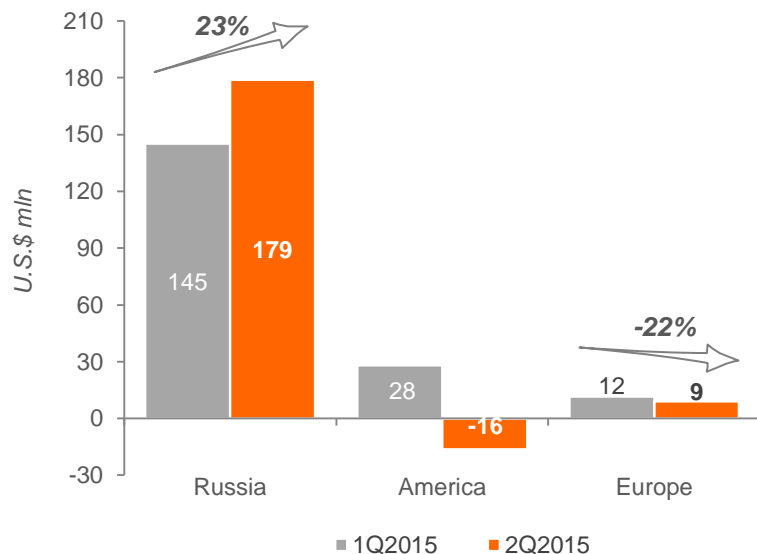


* Revenue /tonne for the Russian and American divisions is calculated as total revenue divided by pipe sales. Revenue for the European division is calculated as total revenue divided by (pipe+billet sales)

- Russian division revenue per tonne increased QoQ, due to favorable pricing and product mix of welded pipe and positive effect of currency translation.
- American division revenue per tonne marginally increased QoQ, as a result of favorable product mix
- European division revenue per tonne fell QoQ, as a result of unfavorable pricing.

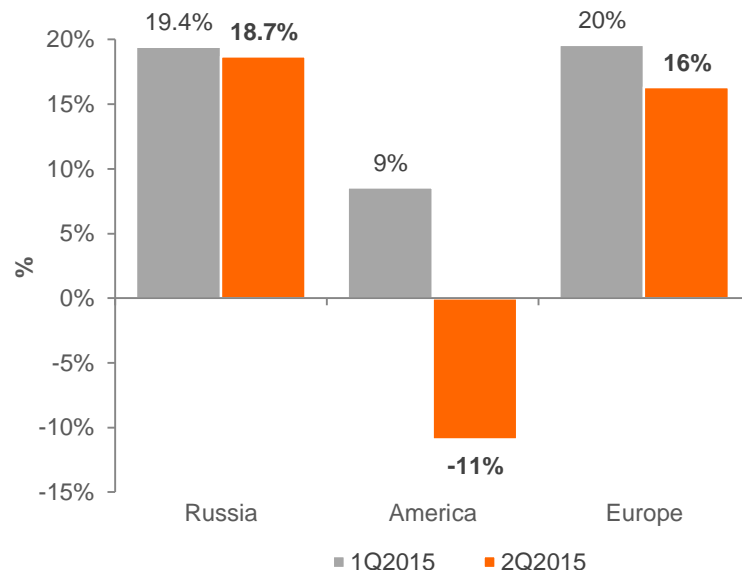
2Q 2015 vs 1Q 2015 Adjusted EBITDA by Division

Adjusted EBITDA



- Russian division Adjusted EBITDA increased QoQ, due to higher sales of welded pipe following stronger demand for LD pipe.
- American division Adjusted EBITDA dropped QoQ, due to a gross loss, caused by contraction of demand for OCTG and lower prices.
- European division Adjusted EBITDA decreased QoQ, due to unfavorable pricing environment on the European market.

Adjusted EBITDA Margin



- Russian division Adjusted EBITDA margin remained relatively flat QoQ, supported by higher sales of LD pipe.
- European division Adjusted EBITDA margin decreased QoQ, mainly due to unfavorable pricing on the European market.

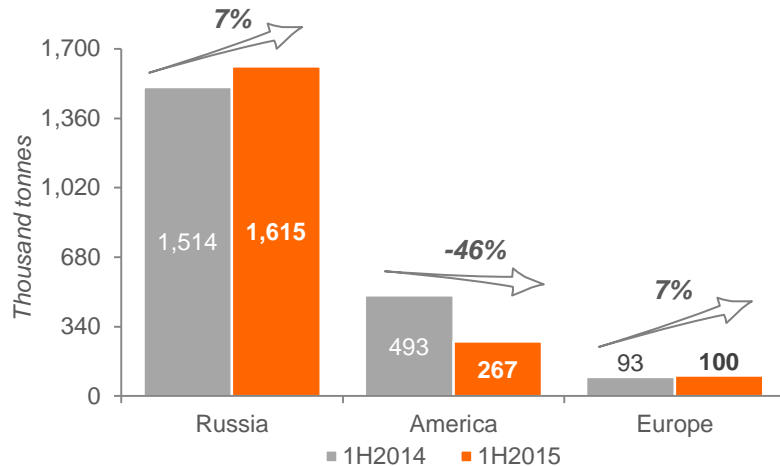
Source: TMK Consolidated IFRS Financial Statements, TMK data

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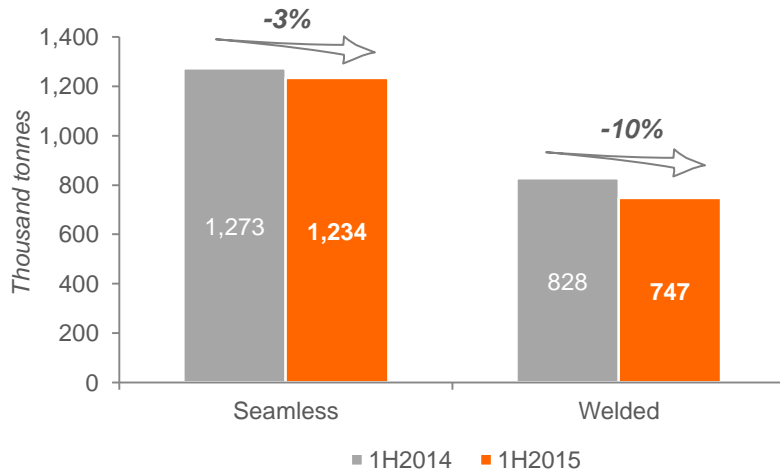
1H 2015 vs 1H 2014 Sales by Division and Group of Product

Sales by Division



- Russian division sales grew YoY, mostly due to higher LDP volumes.
- American division sales decreased YoY, mainly due to lower welded OCTG volumes.
- European division sales increased YoY, due to higher seamless industrial pipe volumes.

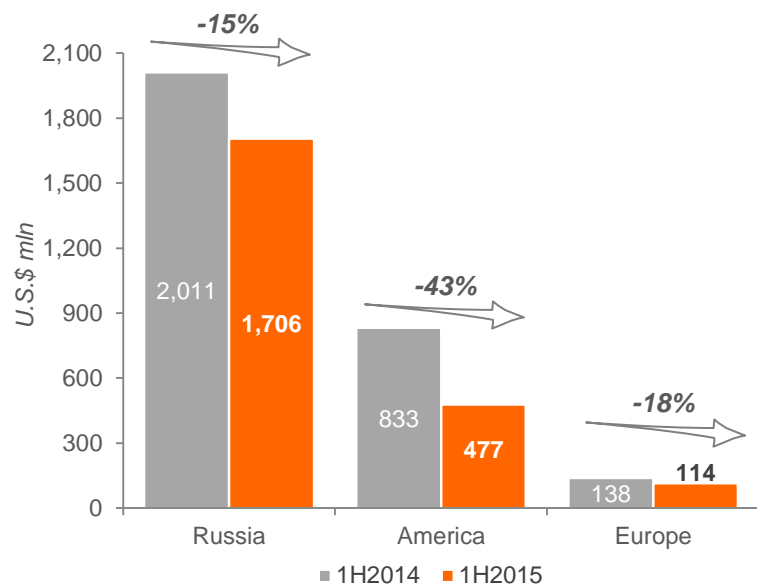
Sales by Group of Product



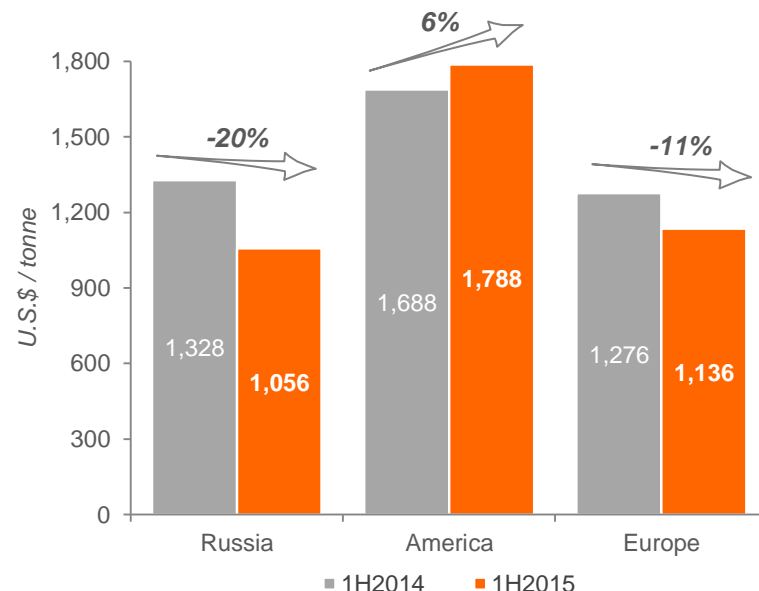
- Seamless pipe volumes decreased YoY, mainly as a result of lower seamless OCTG volumes in the American and Russian divisions.
- Welded pipe sales decreased YoY, largely due to lower volumes in the American division partially offset by stronger LDP sales in the Russian division.
- Total OCTG sales decreased by 23% YoY, mainly due to lower volumes in the Russian and American divisions.

1H 2015 vs 1H 2014 Revenue by Division

Revenue



Revenue per Tonne*



* Revenue/tonne for the Russian and American divisions is calculated as total revenue divided by pipe sales. Revenue for the European Division is calculated as total revenue divided by (pipe+billet sales)

- Revenue for the Russian division decreased YoY, largely due to a negative effect of currency translation.
- Revenue for the American division dropped YoY, due to lower welded and seamless pipe sales as a result of unfavorable conditions in the U.S. pipe market.
- Revenue for the European division fell YoY, largely as a result of a negative effect of currency translation.

- Russian division revenue per tonne fell YoY, as a result negative effect of currency translation.
- American division revenue per tonne increased YoY, due to favorable product mix.
- European division revenue per tonne decreased YoY, as a result of a negative effect of currency translation.

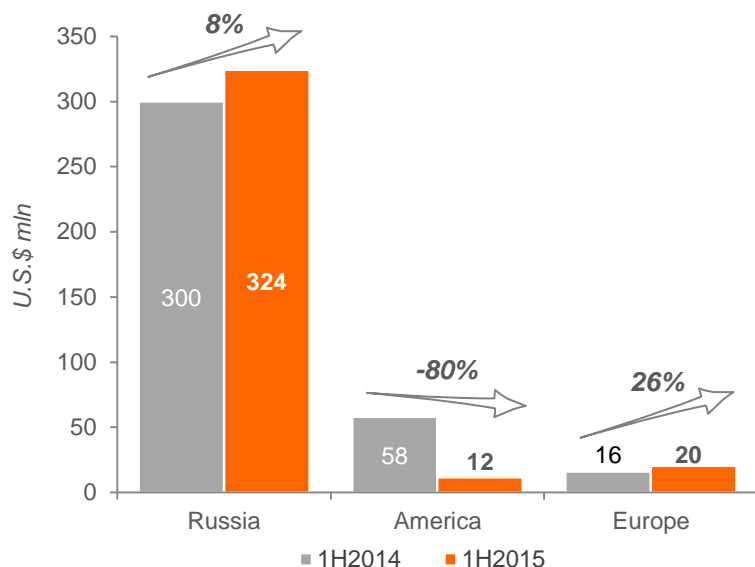
Source: Consolidated IFRS Financial Statements, TMK data\

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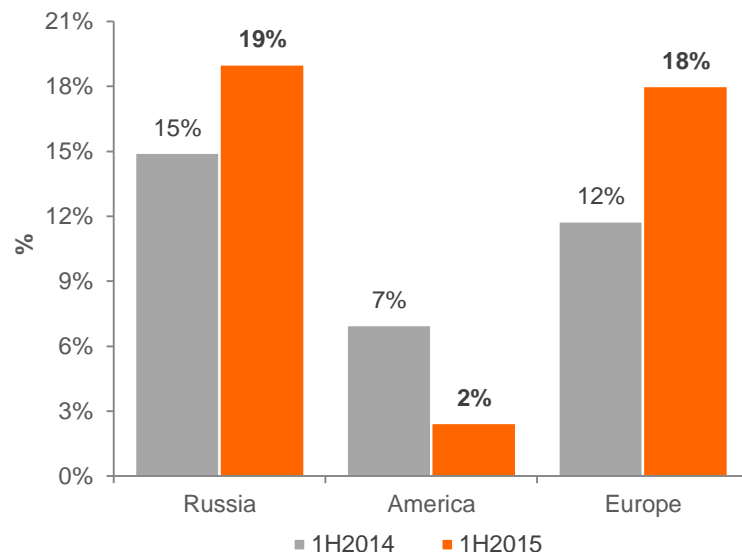
1H 2015 vs 1H 2014 Adjusted EBITDA by Division

Adjusted EBITDA



- Russian division Adjusted EBITDA increased YoY, mainly due to more favorable pricing and product mix.
- American division Adjusted EBITDA dropped YoY, mainly as a result of lower pipe sales and negative pricing environment.
- European division Adjusted EBITDA increased YoY, due to lower selling and administrative expenses.

Adjusted EBITDA Margin



- Russian division Adjusted EBITDA margin increased YoY, largely due to favorable pricing and sales mix, particularly higher LD pipe volumes.
- American division Adjusted EBITDA margin fell YoY, as a result of unfavorable pricing.
- European division Adjusted EBITDA margin grew YoY, mostly as a result of higher share of seamless pipe in total sales.

Source: TMK Consolidated IFRS Financial Statements, TMK data

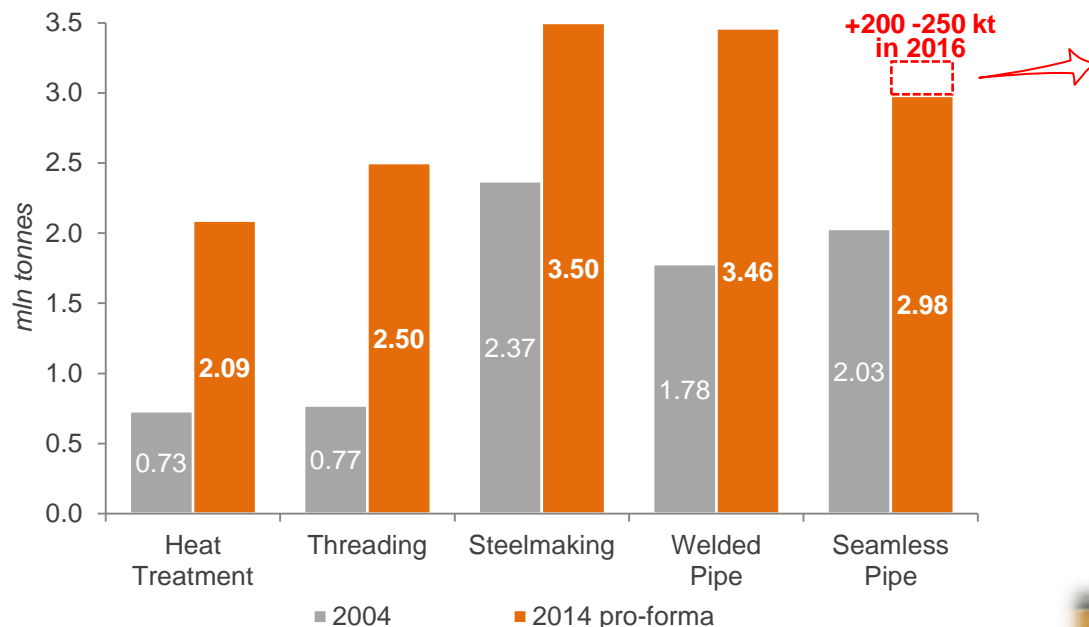
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Strategic Overview

All Strategic Assets Operating

Focus of CAPEX program has been seamless pipe and facility modernization in Russia and the US



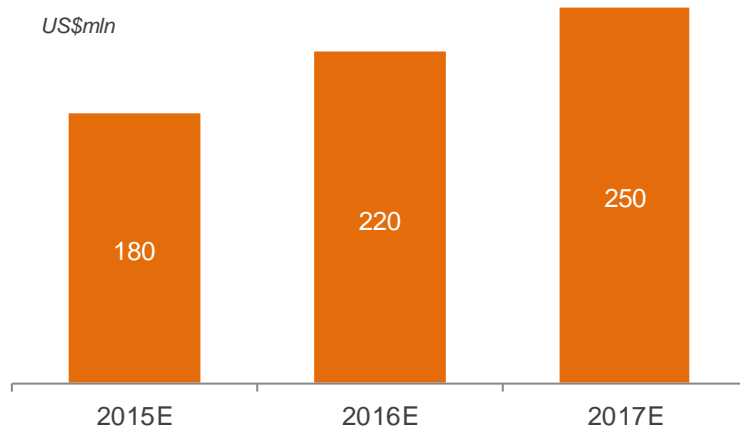
Source: TMK data

- Total strategic investment program amounted to around US\$3.6 bn.
- No major acquisitions are planned.
- Further investments will be focused on additions to finishing capacities across all major regions of operations.

- New pipe rolling FQM Mill at Seversky Pipe Plant put into operation in October 2014.
- Additional 200-250 thousand tonnes of seamless pipe capacity to meet growing demand.
- Total cost of the project around US\$435 mln to be fully paid by 2017.



Revised Capex and M&A Program



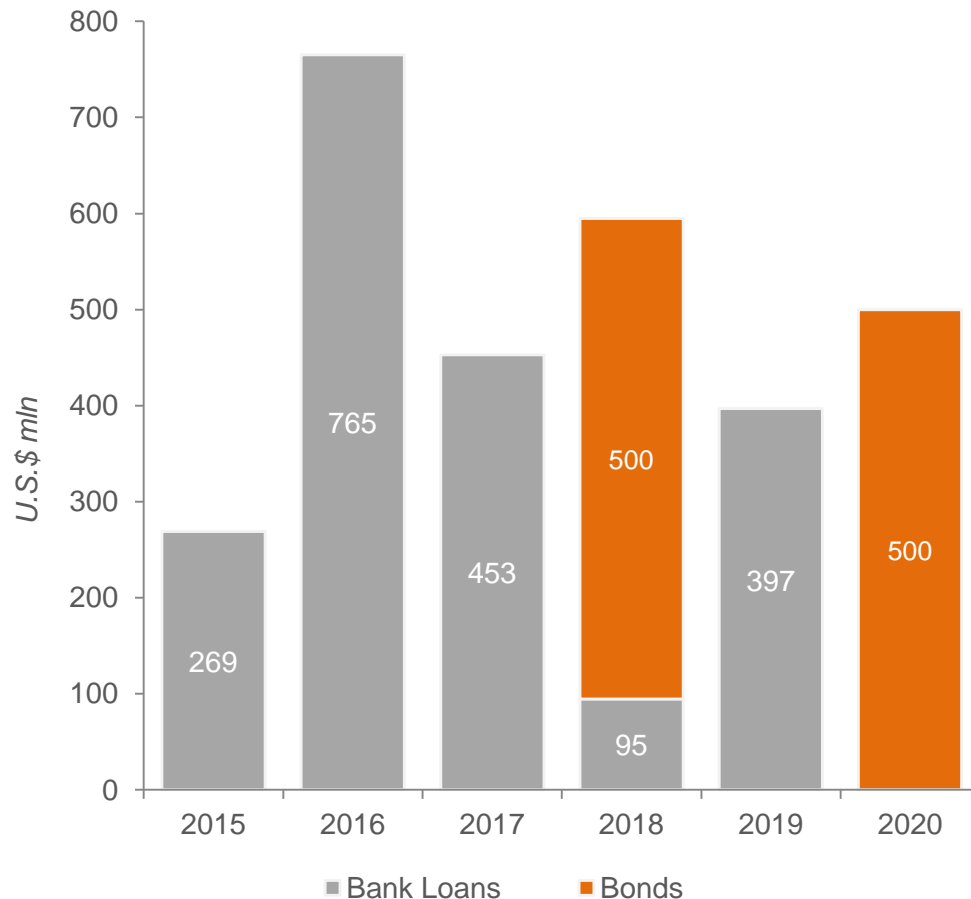
Source: TMK estimates

- CAPEX for 2015-2016 was cut by more than 30%.
- Maintenance CAPEX is around US\$100-120 mln annually.
- Majority of CAPEX will be spent on finishing capacities like heat treatment and threading lines.



Debt Maturity Extended

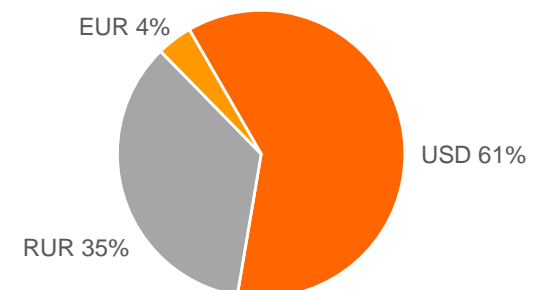
Debt maturity profile as of June 30, 2015



- As of June 30, 2015, total credit portfolio amounted to US\$2,979 mln based on management accounts.
- More than 85% of total bank loans are with the major Russian banks.
- Redeemed Feb 2015 Convertible Bonds using cash accumulated from operating and financial activities, including a new 4-year US\$ credit line with one of the leading Russian banks.
- Weighted average interest rate 9.07%.
- Credit Ratings:
 - S&P: B+, Negative;
 - Moody's: B1, Negative.

Debt structure

By currency as of June 30, 2015

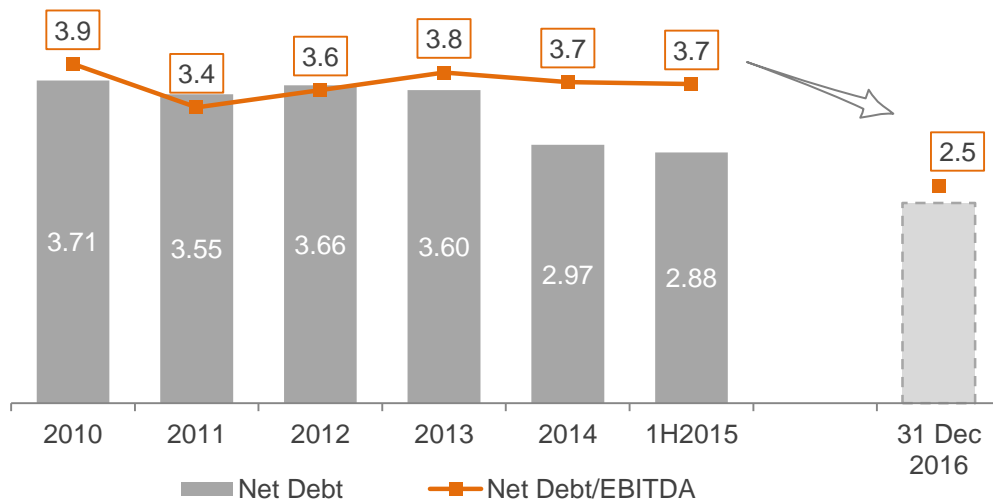


Source: TMK Management Accounts, figures based on non-IFRS measures, estimates from TMK management

Source: TMK data

Commitment to Deleverage

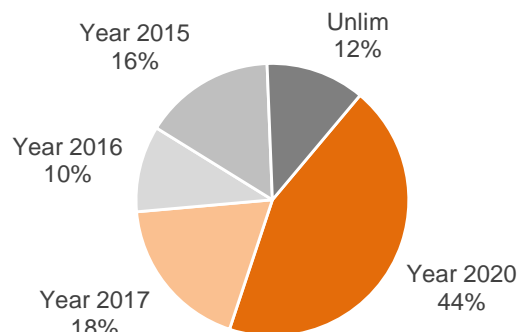
Target to achieve 2.5x Net Debt / EBITDA by YE2016



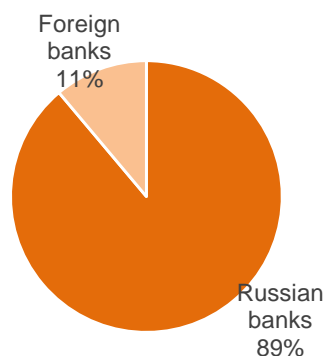
Source: TMK estimates

More than US\$600 mln of undrawn committed credit facilities available to cover ST Debt

Maturity Profile of Undrawn Credit Lines



Undrawn Credit Lines by Bank



Source: TMK Management Accounts

- Target to achieve 2.5x Net Debt-to-EBITDA ratio by the end of 2016 given possible non-organic transactions.
- Incurrence test for 2018 and 2020 Eurobonds amounts 3.5x Debt-to-EBITDA; exceeding the covenant means incurrence of permitted indebtedness, i.e. limitations to borrow additional debt over a fixed amount of around \$723 mln (at the exchange rate as of Jun 30, 2015). Compliant with a safety margin.
- Covenant on the majority of bank loans is 4.5x or 5.0x Net Debt or Total Debt-to-EBITDA.

Key Targets and Strategy Update

CAPEX

- Capex investment largely completed with focus now on deleveraging.
- Possibility of limited small-sized acquisitions in upstream and downstream aiming at EBITDA growth whilst complying with deleveraging targets.
- Limited capex and M&A.

Deleveraging

- Achieve 2.5x Net Debt / EBITDA ratio by the end of 2016 through reducing debt both from operational cash flow and by capital restructuring.
- Improve contract terms with Russian oil and gas majors and stabilize cash conversion cycle.

OFS and premium products

- Develop Oil Field Services to become a “one-stop-shop” to fulfil more customers’ needs.
- Achieve more than 30% share of premium connections in total OCTG sales by 2018.

Strengthen positions on local markets

- Strengthen relationships with strategic clients; become their key premium products provider.
- Transfer cost increases to customers and retain pricing power.

Appendix – Summary Financial Accounts

Key Consolidated Financial Highlights

| <i>(US\$mIn)^(a)</i> | 2014 | 2013 | 2012 |
|-----------------------------------------------------|--------------|--------------|--------------|
| Revenue | 6,009 | 6,432 | 6,688 |
| Adjusted EBITDA^(b) | 804 | 952 | 1,028 |
| <i>Adjusted EBITDA Margin (%)</i> | <i>13%</i> | <i>15%</i> | <i>15%</i> |
| Profit (Loss) | (217) | 215 | 278 |
| <i>Net Profit Margin (%)</i> | <i>n/a</i> | <i>3%</i> | <i>4%</i> |
| Pipe Sales ('000 tonnes) | 4,402 | 4,287 | 4,238 |
| Average Net Sales/tonne (US\$)^(c) | 1,365 | 1,500 | 1,578 |
| Cash Cost per tonne (US\$)^(d) | 1,030 | 1,108 | 1,152 |
| Cash Flow from Operating Activities | 595 | 703 | 929 |
| Capital Expenditure^(e) | 293 | 397 | 445 |
| Total Debt^(f) | 3,223 | 3,694 | 3,885 |
| Net Debt^(f) | 2,969 | 3,600 | 3,656 |
| Short-term Debt/Total Debt | 24% | 11% | 27% |
| Net Debt/Adjusted EBITDA | 3.7x | 3.8x | 3.6x |
| Adjusted EBITDA/Finance Costs | 3.5x | 3.8x | 3.5x |

(a) IFRS financials figures were rounded for the presentation's purposes. Minor differences with FS may arise due to rounding

(b) Adjusted EBITDA is calculated as profit before tax plus finance costs minus finance income plus depreciation and amortisation adjusted for non-operating and non-recurrent items

(c) Sales include other operations and is calculated as Revenue divided by sales volumes tonnes

(d) Cash Cost per Tonne is calculated as Cost of Sales less Depreciation & Amortisation divided by sales volumes

(e) Purchase of PP&E investing cash flows

(f) Total debt represents interest bearing loans and borrowings plus liability under finance lease; Net debt represents Total debt less cash and cash equivalents and short-term financial investments

Source: TMK Consolidated IFRS Financial Statements

Income Statement

| US\$ mln | 2014 | 2013 | 2012 | 2011 | 2010 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 6,009 | 6,432 | 6,688 | 6,754 | 5,579 |
| Cost of Sales | (4,839) | (5,074) | (5,209) | (5,307) | (4,285) |
| Gross Profit | 1,169 | 1,358 | 1,479 | 1,446 | 1,293 |
| Selling and Distribution Expenses | (350) | (379) | (433) | (411) | (403) |
| General and Administrative Expenses | (278) | (317) | (293) | (283) | (232) |
| Advertising and Promotion Expenses | (14) | (12) | (11) | (9) | (11) |
| Research and Development Expenses | (15) | (13) | (17) | (19) | (13) |
| Other Operating Expenses, Net | (35) | (34) | (57) | (40) | (34) |
| Foreign Exchange Gain / (Loss), Net | (301) | (49) | 23 | (1) | 10 |
| Finance Costs, Net | (226) | (245) | (275) | (271) | (412) |
| Other | (150) | 5 | (16) | 132 | (12) |
| Income / (Loss) before Tax | (201) | 312 | 400 | 544 | 185 |
| Income Tax (Expense) / Benefit | (15) | (98) | (123) | (159) | (81) |
| Net Income / (Loss) | (217) | 215 | 278 | 385 | 104 |

Source: Consolidated IFRS Financial Statements

Note:

Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

Statement of Financial Position

| US\$ mln | 2014 | 2013 | 2012 | 2011 | 2010 |
|-------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| ASSETS | | | | | |
| Cash and Bank Deposits | 253 | 93 | 225 | 231 | 158 |
| Accounts Receivable | 728 | 995 | 914 | 772 | 720 |
| Inventories | 1,047 | 1,324 | 1,346 | 1,418 | 1,208 |
| Prepayments | 113 | 148 | 180 | 200 | 172 |
| Other Financial Assets | 1 | 0 | 4 | 4 | 4 |
| Total Current Assets | 2,142 | 2,561 | 2,670 | 2,625 | 2,262 |
| Assets Classified as Held for Sale | | | | - | 8 |
| Total Non-current Assets | 3,508 | 4,857 | 4,934 | 4,507 | 4,592 |
| Total Assets | 5,649 | 7,419 | 7,603 | 7,132 | 6,862 |
| LIABILITIES AND EQUITY | | | | | |
| Accounts Payable | 829 | 1,105 | 1,132 | 1,053 | 878 |
| ST Debt | 764 | 398 | 1,068 | 599 | 702 |
| Dividends | 2 | 6 | - | - | - |
| Other Liabilities | 48 | 62 | 74 | 53 | 94 |
| Total Current Liabilities | 1,643 | 1,571 | 2,275 | 1,705 | 1,674 |
| LT Debt | 2,459 | 3,296 | 2,817 | 3,188 | 3,170 |
| Deferred Tax Liability | 206 | 298 | 302 | 305 | 300 |
| Other Liabilities | 71 | 125 | 125 | 111 | 111 |
| Total Non-current Liabilities | 2,735 | 3,718 | 3,244 | 3,603 | 3,581 |
| Equity | 1,271 | 2,130 | 2,084 | 1,823 | 1,606 |
| <i>Including Non-Controlling Interest</i> | 66 | 96 | 99 | 92 | 94 |
| Total Liabilities and Equity | 5,649 | 7,419 | 7,603 | 7,132 | 6,862 |
| Net Debt | 2,969 | 3,600 | 3,656 | 3,552 | 3,710 |

Source: Consolidated IFRS Financial Statements

Note:

Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

Cash Flow



| US\$ mln | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Profit / (Loss) before Income Tax | (201) | 312 | 400 | 544 | 185 |
| <i>Adjustments for:</i> | | | | | |
| Depreciation and Amortisation | 304 | 326 | 326 | 336 | 301 |
| Net Interest Expense | 226 | 245 | 275 | 271 | 412 |
| Others | 479 | 61 | 39 | (101) | 44 |
| Working Capital Changes | (159) | (159) | (34) | (156) | (527) |
| Cash Generated from Operations | 648 | 786 | 1,006 | 894 | 415 |
| Income Tax Paid | (53) | (82) | (77) | (107) | (29) |
| Net Cash from Operating Activities | 595 | 703 | 929 | 787 | 386 |
| Capex | (293) | (397) | (445) | (402) | (314) |
| Acquisitions | (60) | (38) | (33) | - | - |
| Others | 10 | 12 | 23 | 25 | 43 |
| Net Cash Used in Investing Activities | (343) | (423) | (455) | (377) | (271) |
| Net Change in Borrowings | 154 | (93) | (148) | 4 | 103 |
| Others | (206) | (313) | (341) | (339) | (289) |
| Net Cash Used in Financing Activities | (53) | (407) | (489) | (335) | (186) |
| Net Foreign Exchange Difference | (40) | (5) | 10 | (2) | (15) |
| Cash and Cash Equivalents at January 1 | 93 | 225 | 231 | 158 | 244 |
| Cash and Cash Equivalents at YE | 253 | 93 | 225 | 231 | 158 |

Source: Consolidated IFRS Financial Statements

Note:

Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

Seamless – Core to Profitability

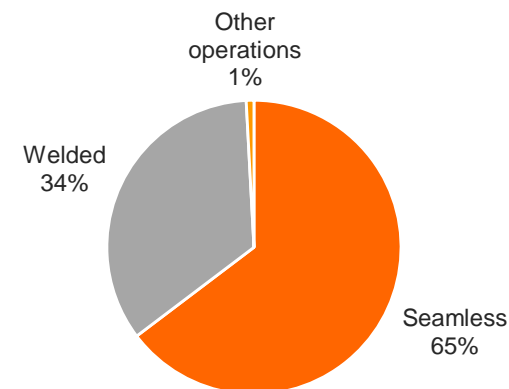
| | U.S.\$ mln (unless stated otherwise) | 2Q 2015 | QoQ, % | 1H 2015 | YoY, % |
|----------|-----------------------------------------|---------|-----------|---------|-----------|
| SEAMLESS | Volumes- Pipes, kt | 604 | -4% | 1,234 | -3% |
| | Revenue | 707 | 1% | 1,405 | -28% |
| | Gross Profit | 156 | -18% | 345 | -27% |
| | Margin, % | 22% | | 25% | |
| | Avg Revenue / Tonne (U.S.\$) | 1,170 | 6% | 1,138 | -26% |
| | Avg Gross Profit / Tonne (U.S.\$) | 258 | -14% | 279 | -25% |
| WELDED | Volumes- Pipes, kt | 373 | 0% | 747 | -10% |
| | Revenue | 405 | 5% | 790 | -12% |
| | Gross Profit | 83 | 45% | 140 | 73% |
| | Margin, % | 20% | | 18% | |
| | Avg Revenue / Tonne (U.S.\$) | 1,086 | 6% | 1,057 | -2% |
| | Avg Gross Profit / Tonne (U.S.\$) | 222 | 45% | 188 | 92% |

Source: Consolidated IFRS Financial Statements, TMK data

Note:

Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

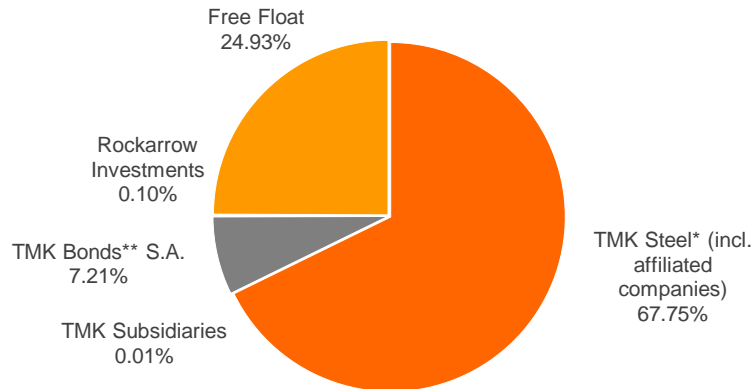
2Q 2015 Gross Profit Breakdown



- Sales of seamless pipe generated **61%** of total Revenue both in 2Q 2015 and in 1H 2015.
- Gross Profit from seamless pipe sales represented **65%** of 2Q 2015 total Gross Profit and **70%** of 1H 2015 total Gross Profit.
- Gross Profit Margin from seamless pipe sales amounted to **22%** in 2Q 2015 and **25%** in 1H 2015.

Appendix – Capital Structure and Corporate Governance

Capital structure as of February 12, 2015



*The main beneficiary is Dmitry Pumpyanskiy, Chairman of the Board of Directors of TMK.

**TMK Bonds S.A. owns 17,876,489 GDRs of TMK, representing 71,505,956 TMK shares, or 7.21% of the share capital, securing obligations to convert into GDR US\$ 412.5 million bonds issued by TMK Bonds S.A. in February 2010 and maturing in 2015. On February 11, 2015 the bonds were fully redeemed.

Source: TMK

Key considerations

- TMK's securities are listed on the London Stock Exchange, the OTCQX International Premier trading platform in the U.S. and on Russia's major stock exchange – MICEX-RTS.
- As of 12 February 2015, 24.93% of TMK shares were in free float, with approximately 70% of them traded in the form of GDRs on the London Stock Exchange.
- As of 12 February 2015, the share capital of TMK was comprised of 991,907,260 fully paid ordinary shares or equivalent of 247,976,815 GDRs.
- One GDR represents four ordinary shares.

Key considerations

- The Board of Directors is comprised of 11 members, including 5 independent directors, 4 non-executive directors and 2 executive directors.
- The Board of Directors has 3 standing committees, chairman of each committee is an independent director:
 - Audit Committee;
 - Nomination and Remuneration Committee;
 - Strategy Committee.
- TMK's day-to-day operations are managed by the CEO and the Management Board which consists of eight members.
- The Company has an integrated system of internal controls which provides assurance as to the efficiency and management of risks of operations.



DMITRY PUMPYANSKIY, Chairman of the Board of Directors, non-executive director.

Born in 1964. Graduated from the Sergey Kirov Urals Polytechnic Institute in 1986. PhD in Technical Sciences, Doctor of Economics. Founder and beneficial majority shareholder of TMK

Relevant experience: Chairman of the Supervisory Board of Russian Agricultural Bank, Member of the Board of Directors at Rosagroleasing and SKB-Bank, President and Chairman of the Board of Directors of Sinara Group, member of the Management Board of the Russian Union of Industrialists and Entrepreneurs, CEO at TMK, CEO at Sinara Group, Board member at various industrial and financial companies



MIKHAIL ALEKSEEV, Independent director, Chairman of the Nomination and Remuneration Committee.

Born in 1964. Graduated from the Moscow Finance Institute in 1986. Doctor of Economics.

Relevant experience: Chairman of the Management Board of UniCredit Bank, Chairman of the Board and President of "Rossiysky Promyshlenny Bank" (Rosprombank), Senior Vice President and Deputy Chairman of the Management Board of Rosbank, Deputy Chairman of the Management Board of ONEXIM Bank, Deputy Head of the General Directorate of the Ministry of Finance of the USSR.



PETER O'BRIEN, Independent director, Chairman of the Audit Committee.

Born in 1969. Graduated from Duke University (USA) in 1991 and obtained an MBA from Columbia University Business School in 2000 and completed the AMP at Harvard Business School in 2011.

Relevant experience: Member of the Management Board, Vice President, Head of the Group of Financial Advisors to the President of Rosneft, Co-Head of Investment Banking, Executive Director of Morgan Stanley in Russia, Vice President at Troika Dialog Investment Company, Press Officer at the US Treasury.



ALEKSANDER SHOKHIN, Independent director, Chairman of the Strategy Committee.

Born in 1951. Graduated from the Lomonosov Moscow State University in 1974. PhD, Doctor of Science, Professor.

Relevant experience: President of the Russian Union of Industrialists and Entrepreneurs, President of the Higher School of Economics State University, Board member at Lukoil, Russian Railways, member of the Public Chamber of the Russian Federation, member of the State Duma, Minister of Labour and Employment and Minister of Economic Affairs, Head of the Russian Agency for International Cooperation and Development, twice appointed as Deputy Head of the Russian Government, Russia's representative to IMF and World Bank.



OLEG SCHEGOLEV, Independent director, member of the Strategy Committee.

Born in 1962. Graduated from the Moscow Finance Institute in 1984.

Relevant experience: First Vice President at Russneft, First Deputy Chairman of the Management Board and First Deputy CEO at Itera, Executive Director at Slavneft, Deputy Head of the Department for Longterm Planning of the Fuel and Energy Complex at the Ministry of Energy of the Russian Federation, chief officer, deputy director, department head at Sibneft.



ROBERT MARK FORESMAN, Independent director, member of the Board of Directors since 2012.

Born in 1968. Graduated from Bucknell University (USA) in 1990 and Harvard University Graduate School of Arts & Sciences in 1993. Obtained a certificate from the Moscow Power Engineering Institute in 1989.

Relevant experience: Head of Barclays Capital in Russia, Deputy Chairman of the Management Board at Renaissance Capital, Chairman of the Management Committee for Russia and CIS at Dresdner Kleinwort Wasserstein, Head of Investment Banking for Russia and CIS at ING Barings.

Appendix – TMK Products

Wide Range of Products, Focus on Oil and Gas

Seamless



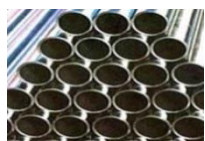
Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

OCTG



The short-distance transportation of crude oil, oil products and natural gas.

Line Pipe



Automotive, machine building, and power generation sectors.

Industrial

Welded



Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

OCTG



The short-distance transportation of crude oil, oil products and natural gas.

Line Pipe



Construction of trunk pipeline systems for the long distance transportation of natural gas, crude oil and petroleum products.

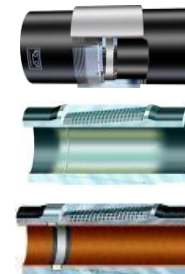
Large-Diameter



Wide array of applications and industries, including utilities and agriculture.

Industrial

Premium



Premium connections are proprietary value-added products used to connect OCTG pipes and are used in sour, deep well, off-shore, low temperature and other high-pressure applications.

Premium Connections (TMK UP)

Oilfield Services

Well equipment precision manufacturing, tools' rental, supervising, inventory management, threading and coating services.



ULTRA-SF 2003 ULTRA-FJ 2003 ULTRA-FX 2003 ULTRA CX 2008 ULTRA QX 2009 ULTRA DQX 2011

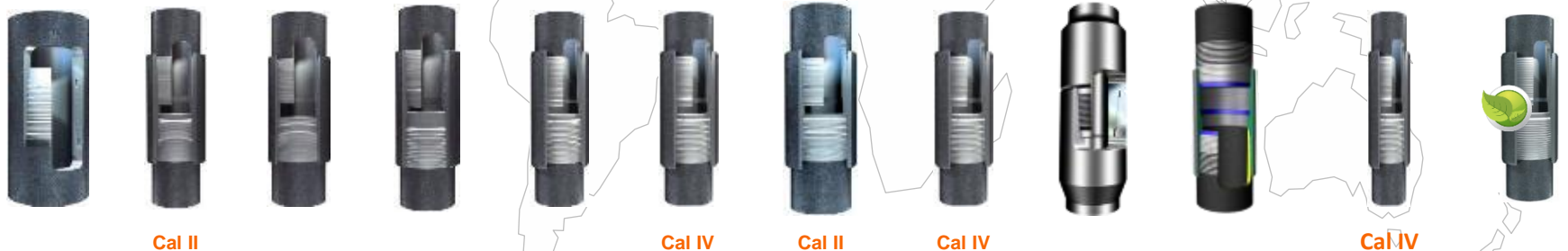


TMK Ultra Premium Connections
Global Supplies & Services

■ Unique range of Premium products

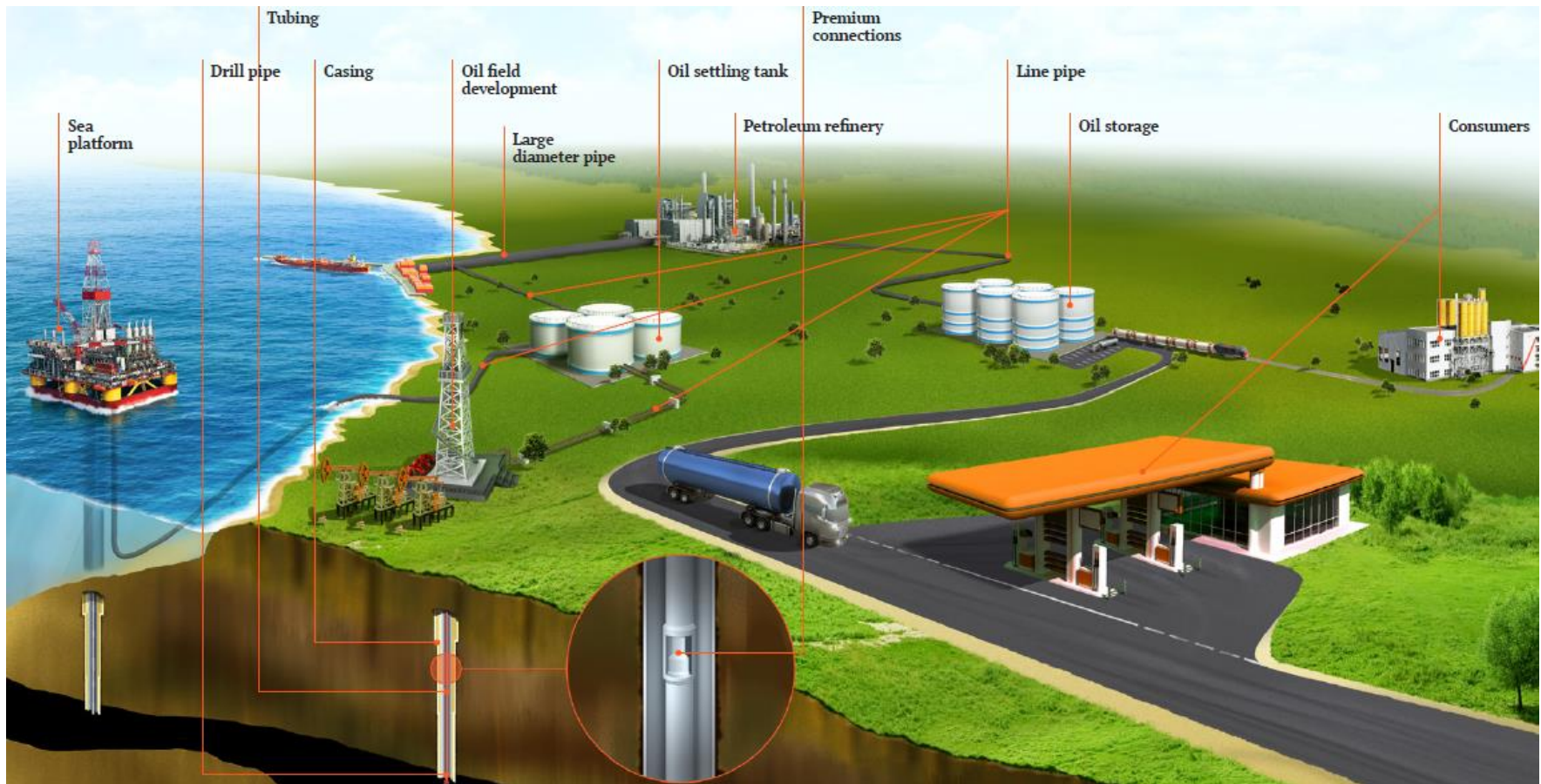
- Onshore/offshore
- Sour gas
- Thermal
- Arctic
- Horizontal and extended reach
- Drilling with casing
- Steam-Assisted Gravity Drainage (SAGD)
- Connections are available with «Greenwell» environment friendly technology

TMK 1 2004 TMK FMC 2005 TMK CS 2005 TMK TTL 01 2005 TMK GF 2005 TMK PF 2007 TMK FMT 2008 TMK PF ET 2008 TMK TDS 2010 TMK CWB 2011 TMK PF Tubing 2012 Greenwell 2013



- Implementation of new technologies and services according to regional conditions
- US expertise gives significant growth opportunities in Russia

Utilisation of TMK Pipe Products in Oil and Gas Industry



- **OCTG** – Oil Country Tubular Goods (drilling, casing, tubing) used for oil & gas exploration, well fixing and oil & gas production (44% of total sales volumes in 2014);
- **Line pipe** – used for short distance transportation of crude oil, oil products and natural gas (23% of total sales volumes in 2014);
- **LDP** - large diameter pipe used for construction of trunk pipeline systems for long distance transportation of natural gas, crude oil and petroleum products (11% in total sales volumes in 2014).

Thank You

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