

TMK

Investor Presentation

March 2014

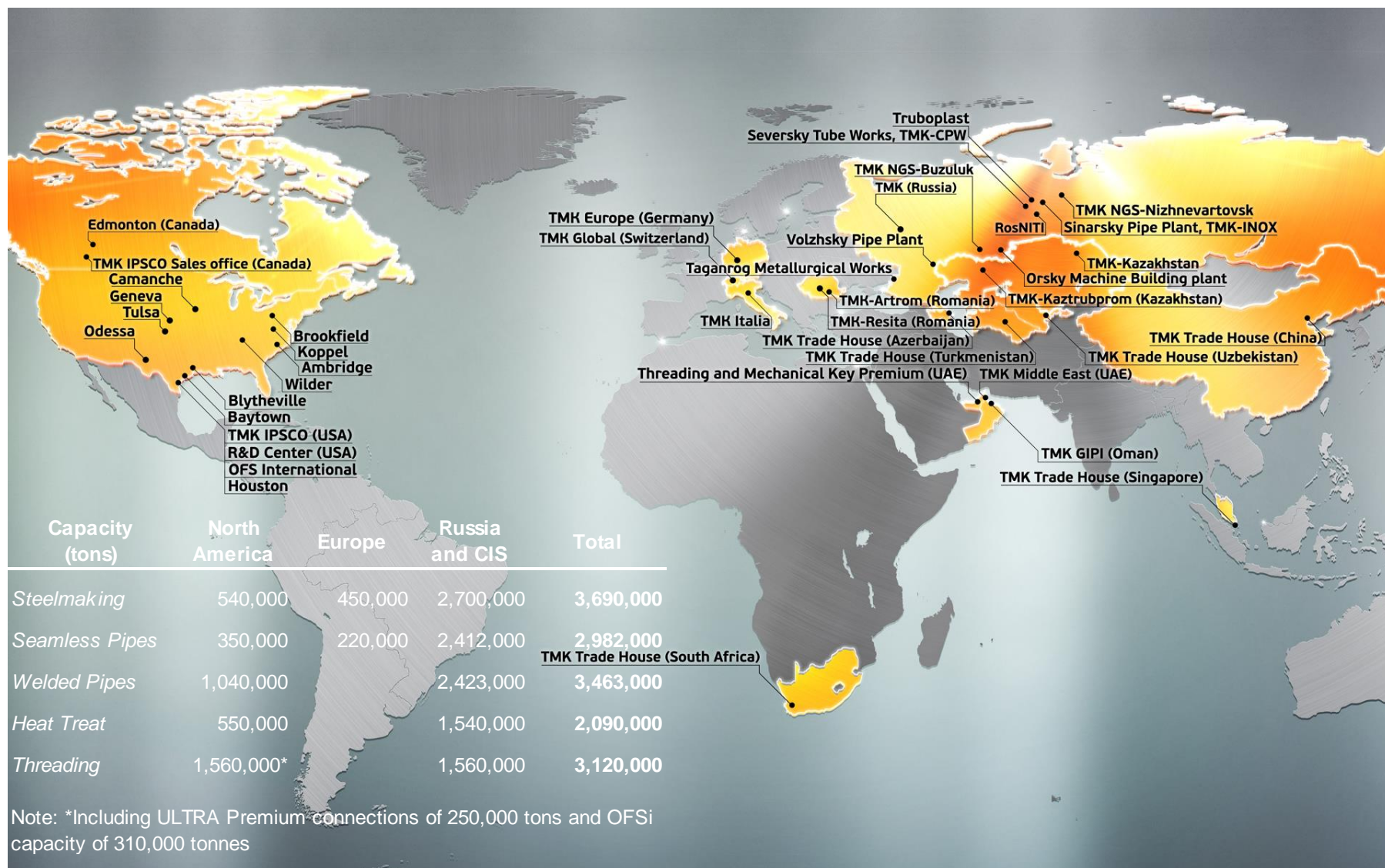
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- Strong demand in key Russian domestic market driven by O&G majors' upstream capex growth
- US volumes likely to improve amid signs that prices are stabilising
 - Coal/Gas switching in power generation
 - Export of LNG starting
 - Economic recovery
 - US manufacturing renaissance as companies “on-shore” investment
- Clear programme of net debt reduction post capex and M&A expansion
- Improved investor access to help improve liquidity
- Aspire to best in class Corporate Governance

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

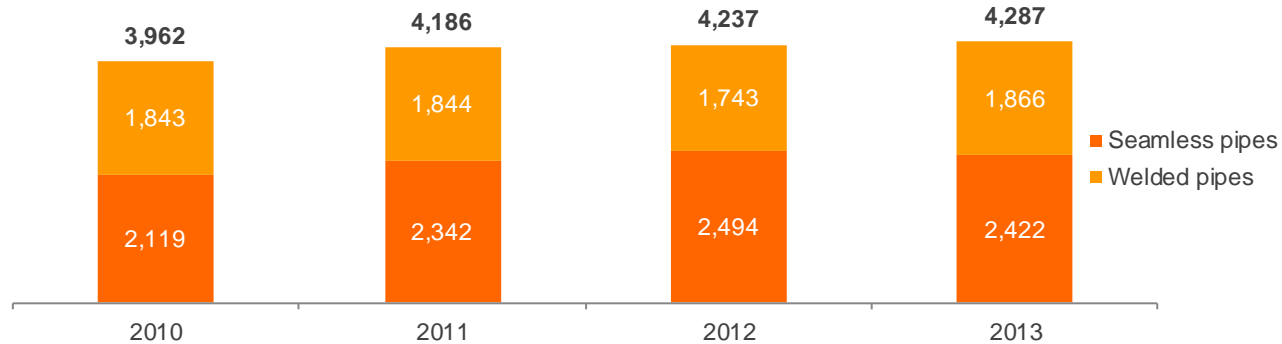


Source: TMK data

Leading Global Supplier of Pipes for Oil and Gas Industry

- A world leading tube producer by sales volumes in 2013 and last 4 years

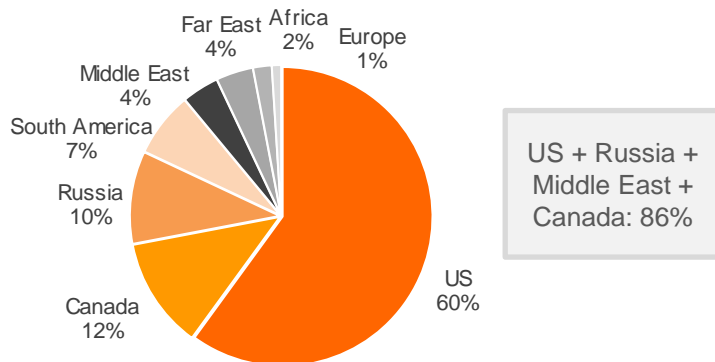
Sales Volumes (thousand tonnes)



Source: TMK data

- Local producer in countries which account for 86% of global drilling activity
- High exposure to the oil and gas industry: approximately 76% of sales went to the oil and gas sector in 2013

2013 Global Drilling Activity by Geography (Number of Wells Drilled)

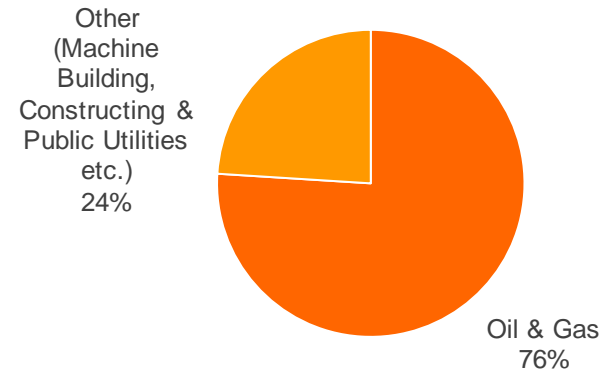


Note: Excluding China and Central Asia. Onshore and offshore drilling

Source: Spears & Associates

Focus on Oil & Gas Industry

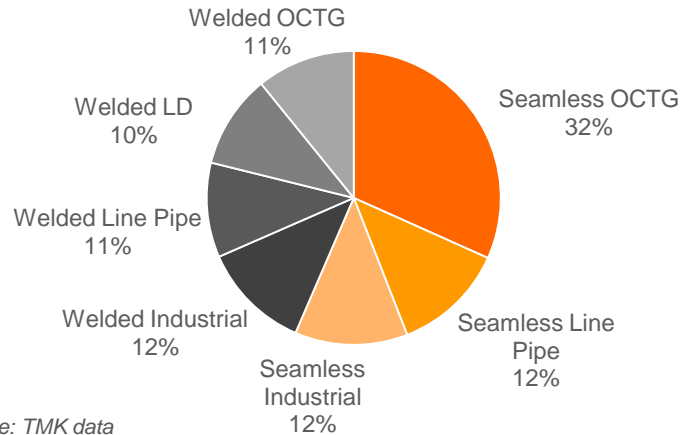
2013 Sales by Industry (%)



Source: TMK data

Diversified Product Portfolio and Customer Base

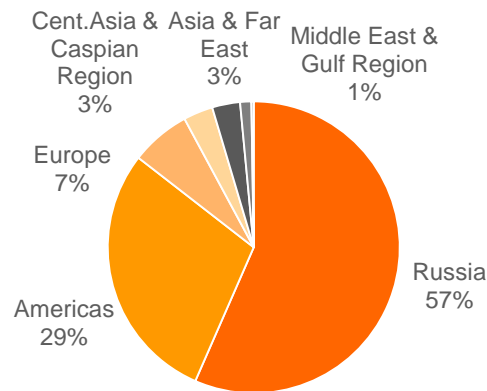
Sales Volumes by Product (2013)



Source: TMK data

Diversified Geographical Reach

TMK Revenues by Country (2013)



Source: TMK data

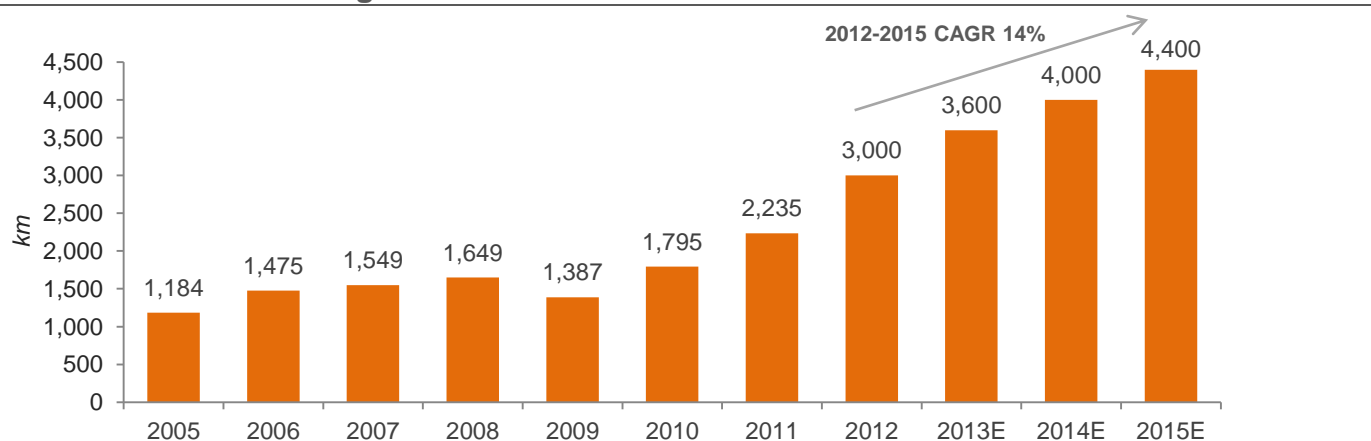
Key Considerations

- High degree of diversification enabling earnings resilience.
- Geographical diversification seeking to mitigate swings in geographical demand (Russian division 57% and American division 29% of 2013 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 30% of sales volumes in 2013).
- Long-term relationships with Russian oil and gas majors (Rosneft, Surgutneftgas, Lukoil, TNK-BP and Gazprom).

Group Wide Confidence Based on Solid Industry Fundamentals

- Complex unconventional drilling in both US and Russia forecast to grow, Russian horizontal drilling forecast to grow by CAGR 14% in 2012-15

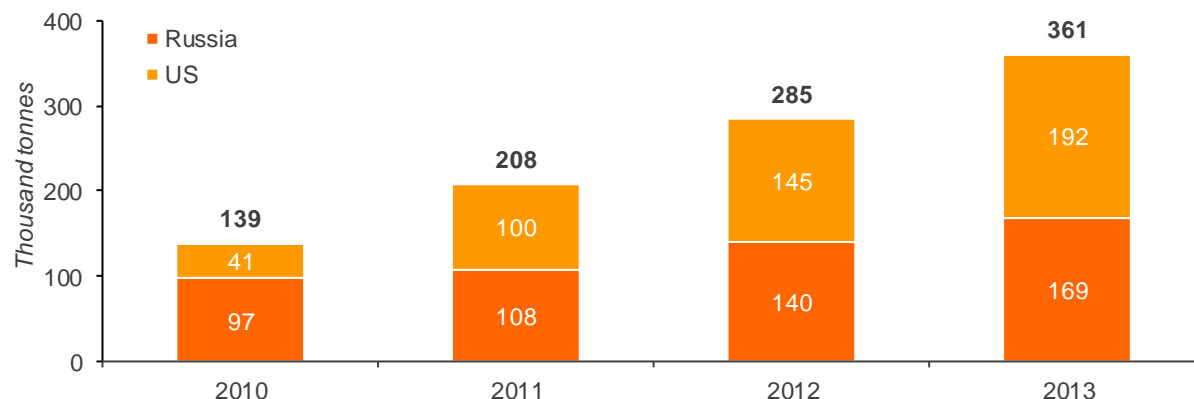
Forecast horizontal drilling in Russia



Source: RenergyCO 2012

- Premium connections volumes expected to double over same period

TMK's premium products sales in the US grew significantly and are now larger than in Russia



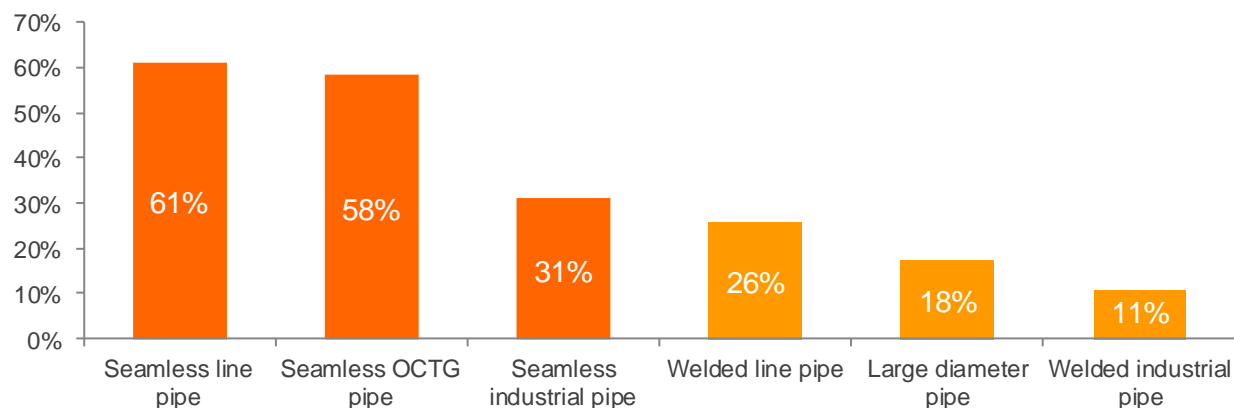
Source: TMK estimates

- Growing requirement for customer specific solutions plays to TMK strengths
 - Arctic steel
 - High temperature SAGD
 - Corrosion resistance
 - Premium connections
 - “fit for purpose”
- Pricing improvement anticipated in US when trade case is settled – but volume growth comes first
- Increased demand for technical solutions based on R&D integrated approach across all product lines and divisions
 - E.G. our 3 year technical cooperation programs with Gazprom on
 - Development of Hydrogen Sulphide resistant casings
 - Integration of dopeless pipes
 - Integration of Cr13 OCTG etc
 - Or Gazprom Neft
 - Integration of streamlined joints
 - Development of specific anti-corrosion materials etc

Our goal is to extract even more value from our market leading position

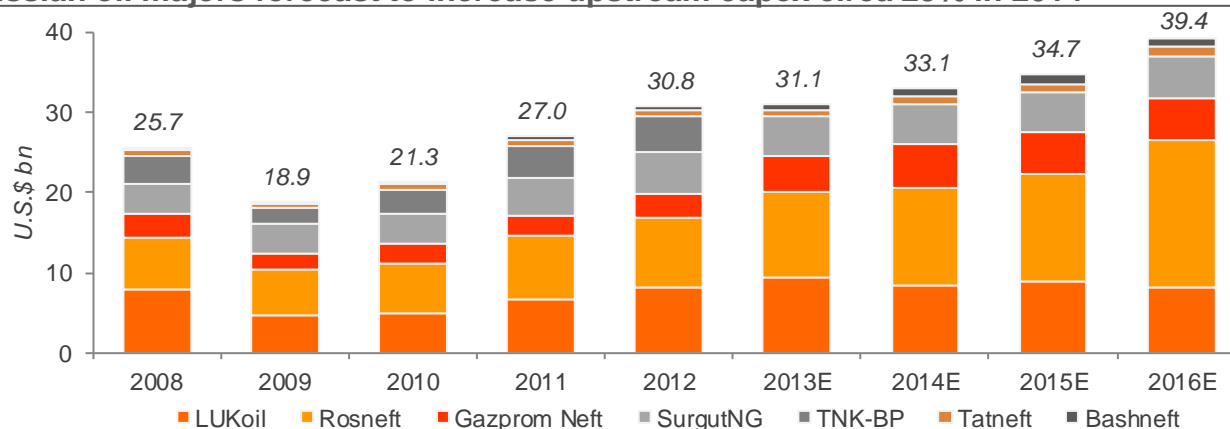
- TMK enjoys market leading position in the Russian market of Seamless OCTG
- TMK's focus on seamless pipes is reflected in its market shares in Russia

TMK's market shares in the Russian market (%) for FY 2013



Source: TMK estimates

Russian oil majors forecast to increase upstream capex circa 25% in 2014



Source: Citi equity research

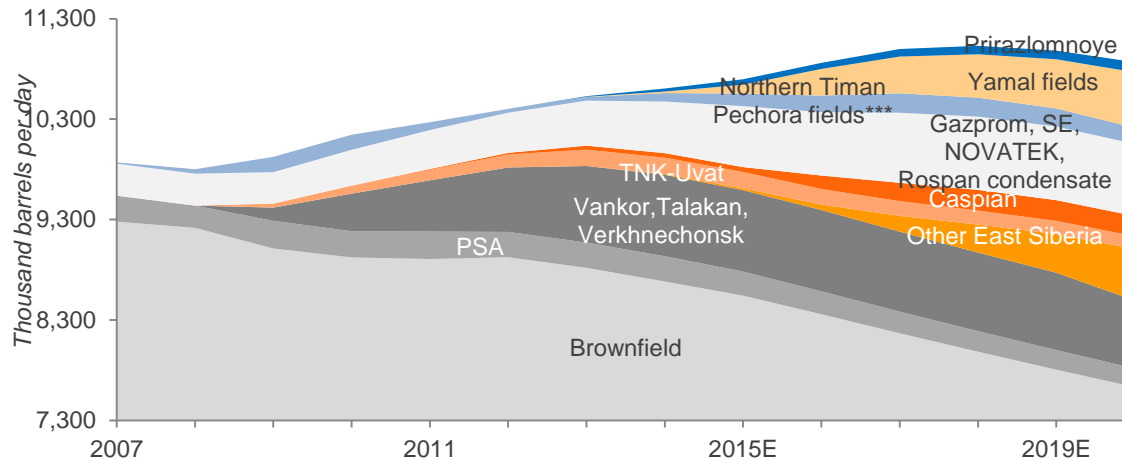
Russian Market Overview



And

- Continued investment in technology solutions, R&D and oil field services enhancing our position
- Demand is growing particularly for solutions in complex, unconventional drilling where our product suite provides clear market advantages

Russian oil production

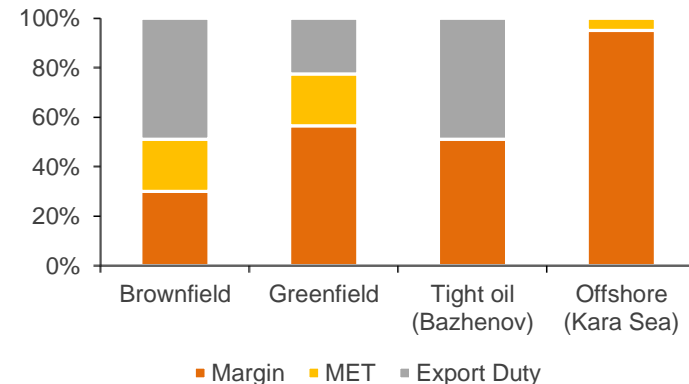


Source: Sberbank CIB

In addition

- Taxation for greenfield, tight and offshore projects will cause boost of drilling growth
- By 2020, approximately 25% of the Russian oil production will come from new areas compared to 12% currently according to BAML analysts estimates

Russian oil taxation



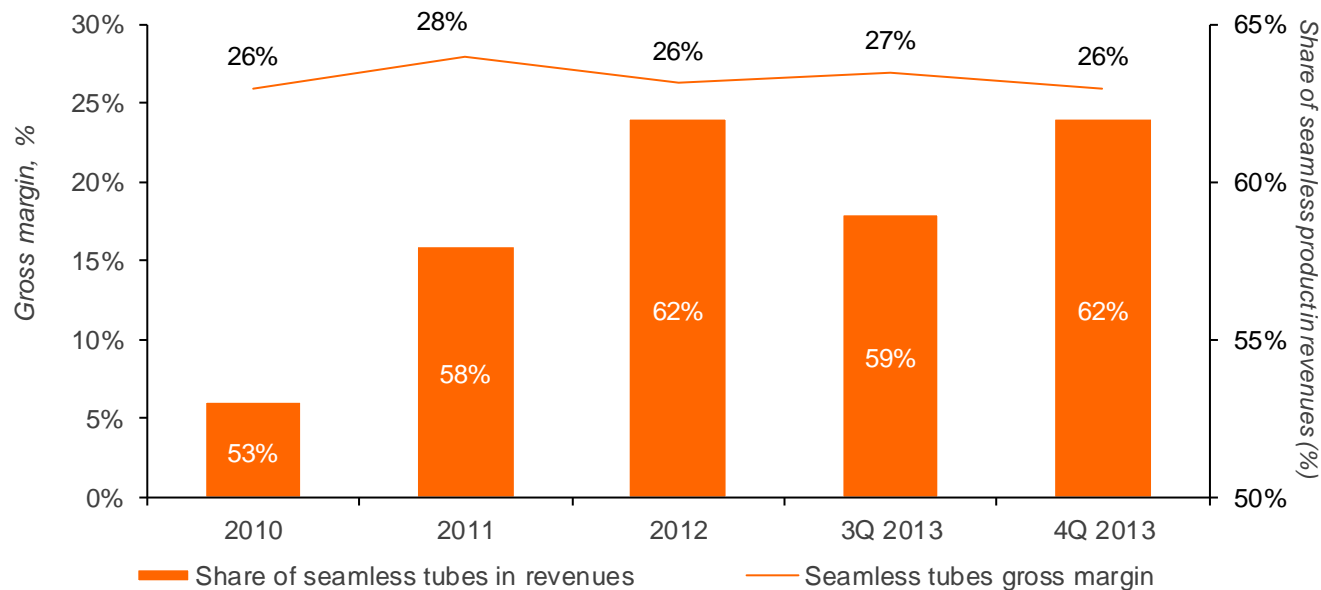
Source: Bank of America Merrill Lynch Research

- Increase in unconventional drilling requires a different approach
- Increase in usage of seamless pipe
- Horizontal drilling increasing demand for premium threads, heat treated pipe and connections
- Differentiation through both R&D and working on solutions for specific customised product
- An example is TMK PF premium connections and the innovative coating that were used for assembling casing columns run into the wells at Rosneft's Vankorskoye field. Main benefits:
 - Pipe is ready for making-up
 - No cleaning on the yard is needed
 - Pipe thread is already protected from corrosion
 - Saving cost and time of operators
 - Core product for the offshore
- Also growing our oil field service offering
 - Repairs and maintenance
 - Cleaning
 - Threading and running pipe
 - Storage and services



Changing Approach to Product Mix

- Traditional approach of supplying conventional product at market prices
- Focus now on supplying higher value, higher margin product
- Seamless OCTG sales now account for 35% of Russian sales
- Stable high margin in seamless business



Source: TMK data

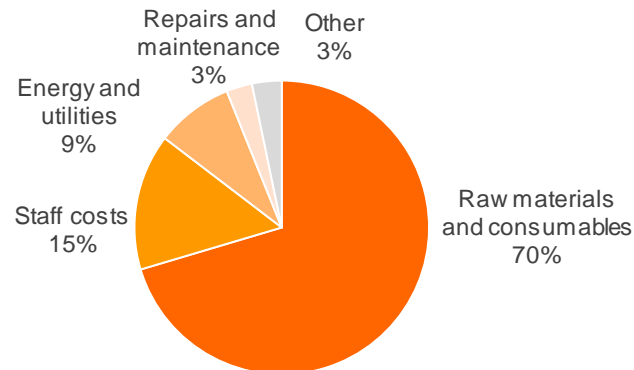
Low Cost Vertically Integrated Producer

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 during the past three years since the acquisition of IPSCO.
- Ability to generally pass cost of steel increase to customers albeit with some time lag.

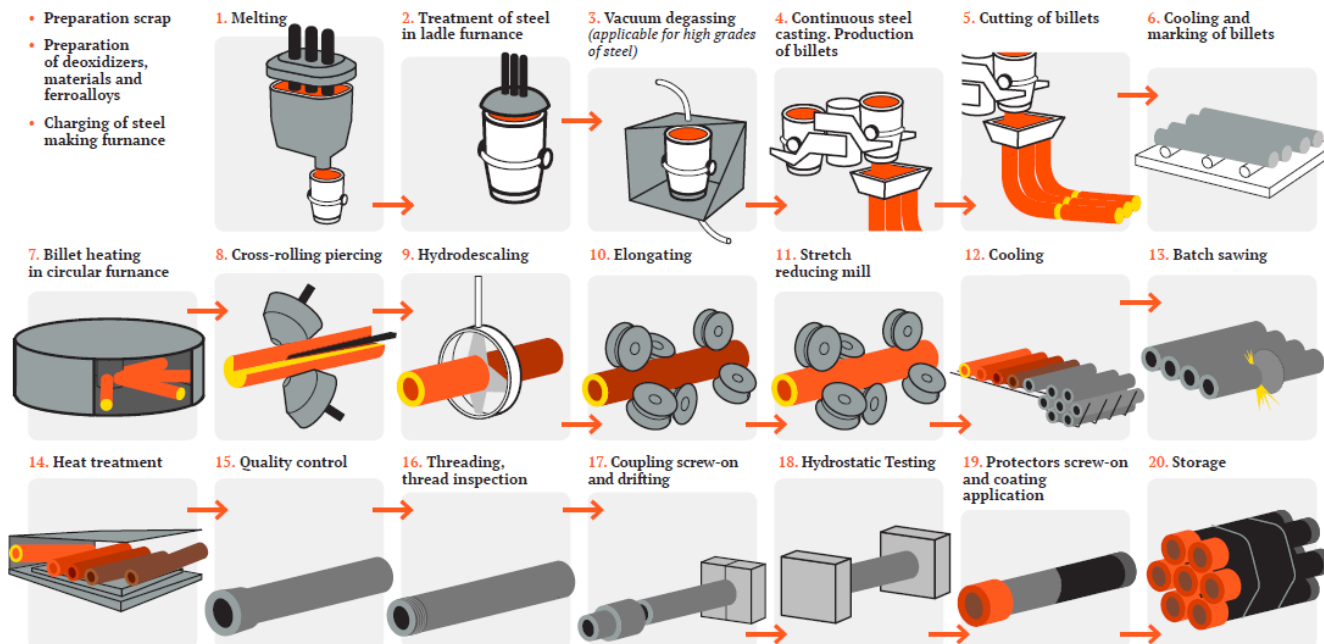
Raw Materials Costs can Generally be Passed Through to Customers

Cost of Sales Structure (2013)



Note: Excluding depreciation and amortisation
Source: TMK IFRS accounts

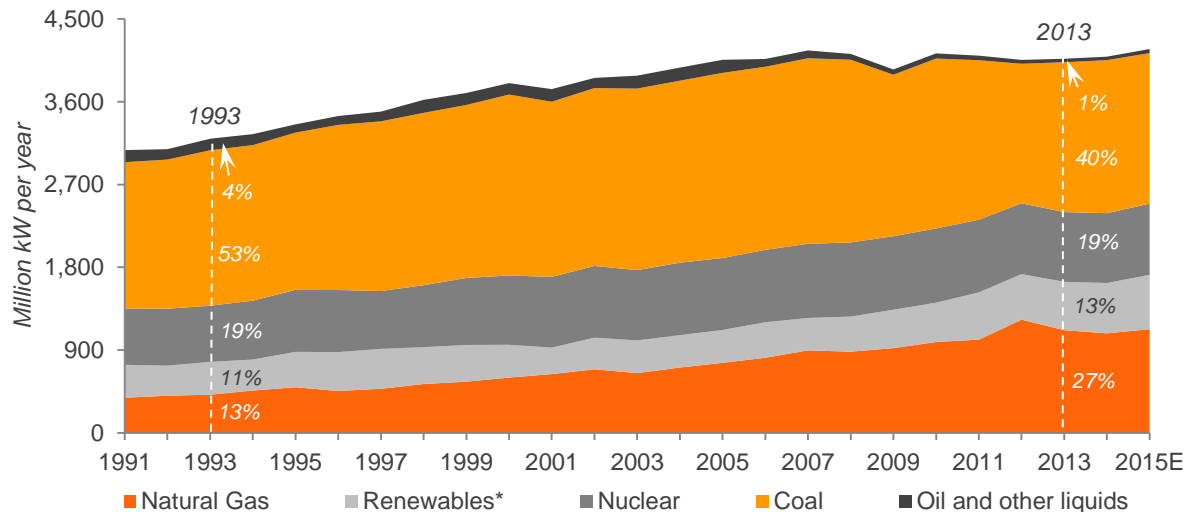
Vertical Integration in Seamless Business



Source: TMK

- Pricing of natural gas is key demand driver and factor in improvement of market product mix
- By 2016 US will start exporting LNG
- Gas/coal switching for electricity generation already happening with additional catalysts from improving air standards (MATS) and CO2 emission reductions (US EPA)
- Domestic demand rises as economic recovery gathers momentum
- We are forecasting a 300 rig increase over next three years
- Our OCTG products are key
 - Best premium connections
 - Best gas-tightness in the industry – key for gas
 - TMK products carry premium pricing advantage

US Electricity Generation by Fuel 1991 – 2015E

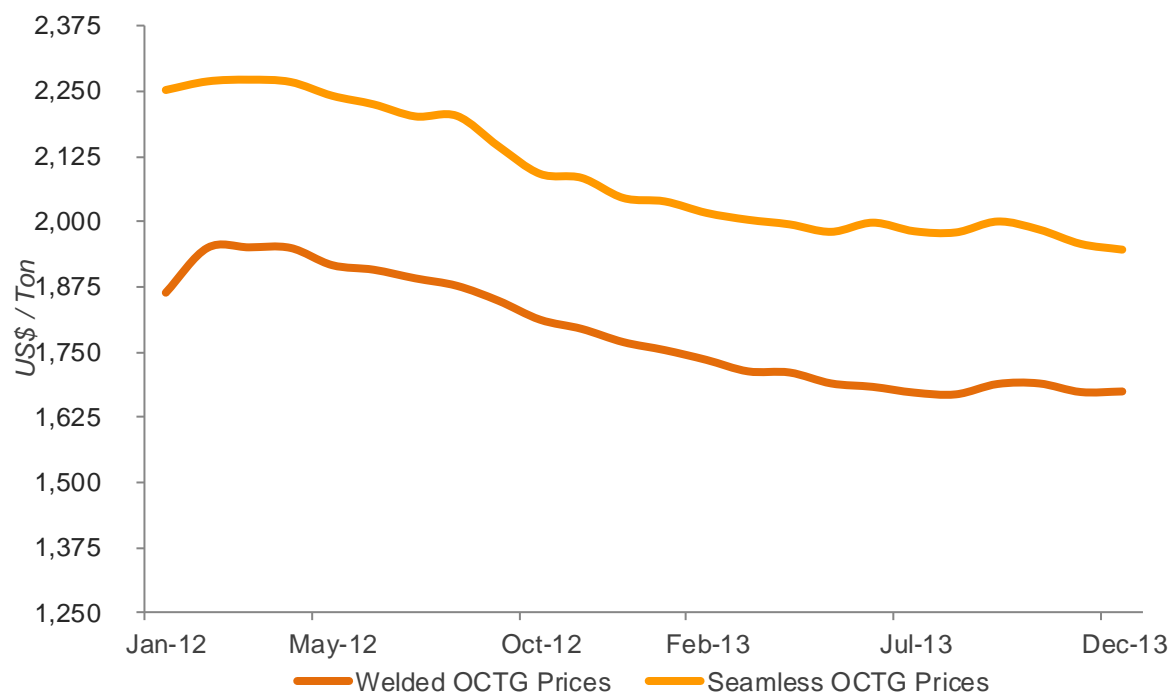


Source: EIA short term energy outlook October 2012

US Pricing Environment

- Average prices for welded and seamless OCTG decreased by 10% and 9% YoY respectively
- Average spread between welded and seamless prices increased from 16.7% to 17.4%
- Prices began to stabilize in 4Q 2013
- Based on the preliminary DOC decision, TMK expects prices to remain stable in the US during 1H 2014 and to experience a slight improvement in 2H 2014 assuming a favorable final ruling in the trade case in July 2014.

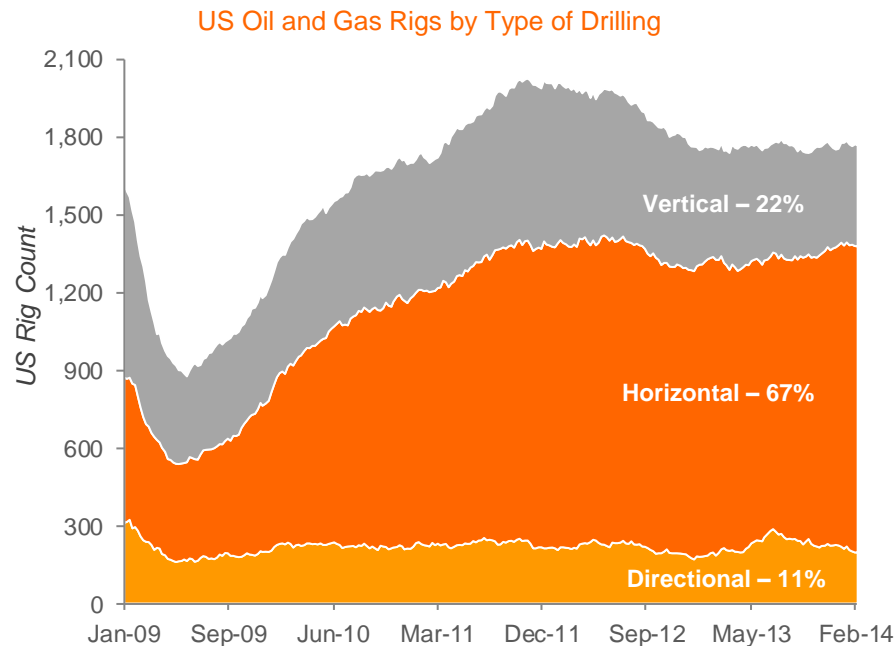
US Average Seamless and Welded OCTG Prices



Source: PipeLogix

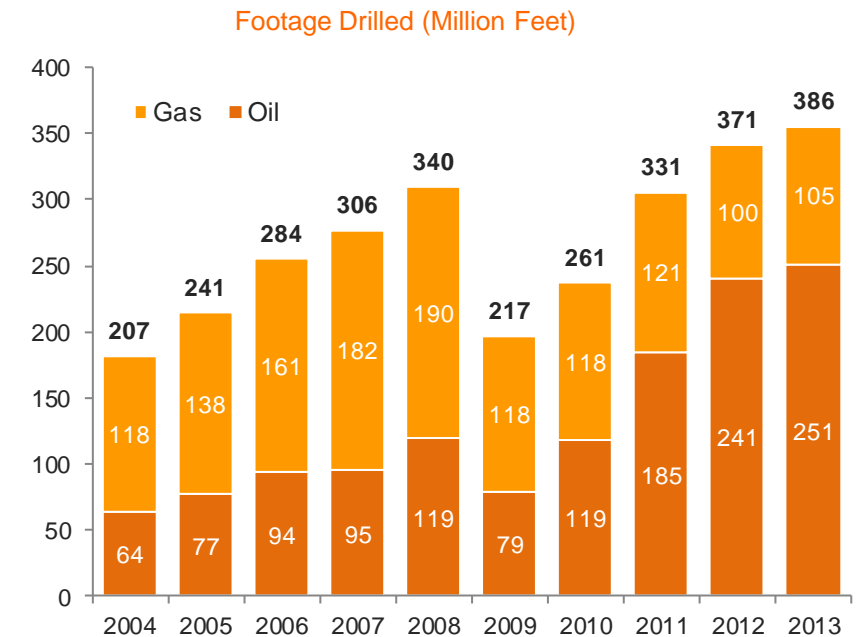
- US demand has been difficult with drop in natural gas drilling activity and product mix deterioration

Premium Tubular Content Increasing With Unconventional Drilling Activity



Source: Baker Hughes

Increasing Long Laterals Drive Growth

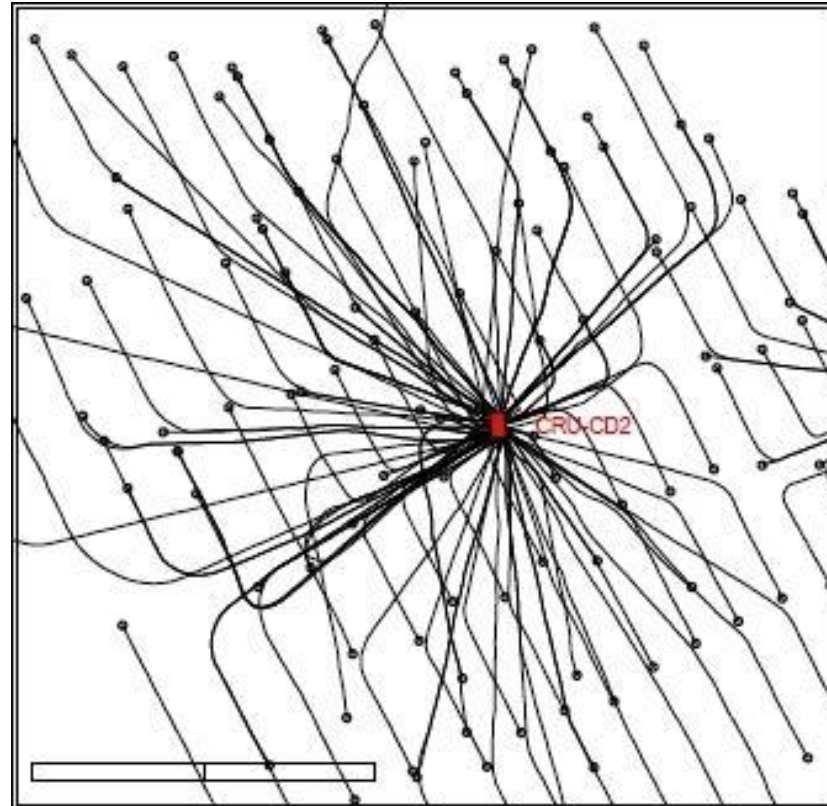


Source: Spears & Associates

- Drop in overall rig count has been offset by drilling efficiencies resulting in more footage drilled
- Growing signs of recovery in Natural Gas market with anticipated LNG exports driving both pipeline and further growth in natural gas drilling activity

The “Octopus” Structure

- 1 pad, 50 wells – a whole lot of pipe

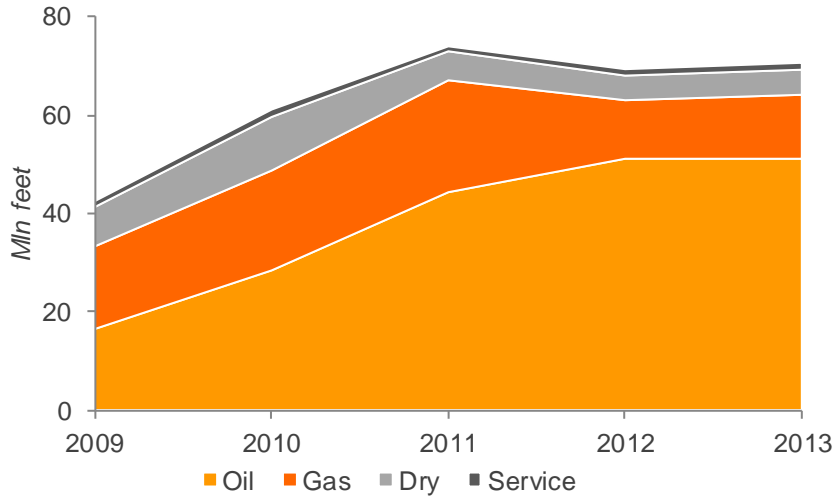


Taken from Brian Hicks article “The Strangest Looking Octopus You’ll ever see” December 13th 2012 Energy and Capital

Canadian Market Improving

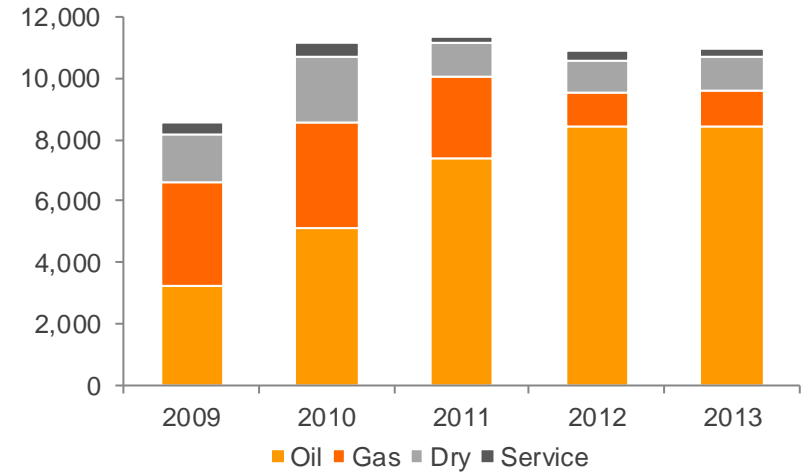
- Premium tubular content increasing with Natural Gas and SAGD drilling activity

Footage Drilled by Rig Type



Source: Spears & Associates

Wells Drilled by Type



Source: Spears & Associates

- In 2013, although average rig count remained stable, natural gas rig count increased by 17.6% YoY, which translated into more gas wells and footage drilled.
- This points towards a favorable environment for the Premium Connections market segment

Our New Approach Driving Growth

TMK strength lies in its diversity

- Group has full range of products for conventional and unconventional markets
- US wide presence- being close to the customer

TMK strength lies in its technology

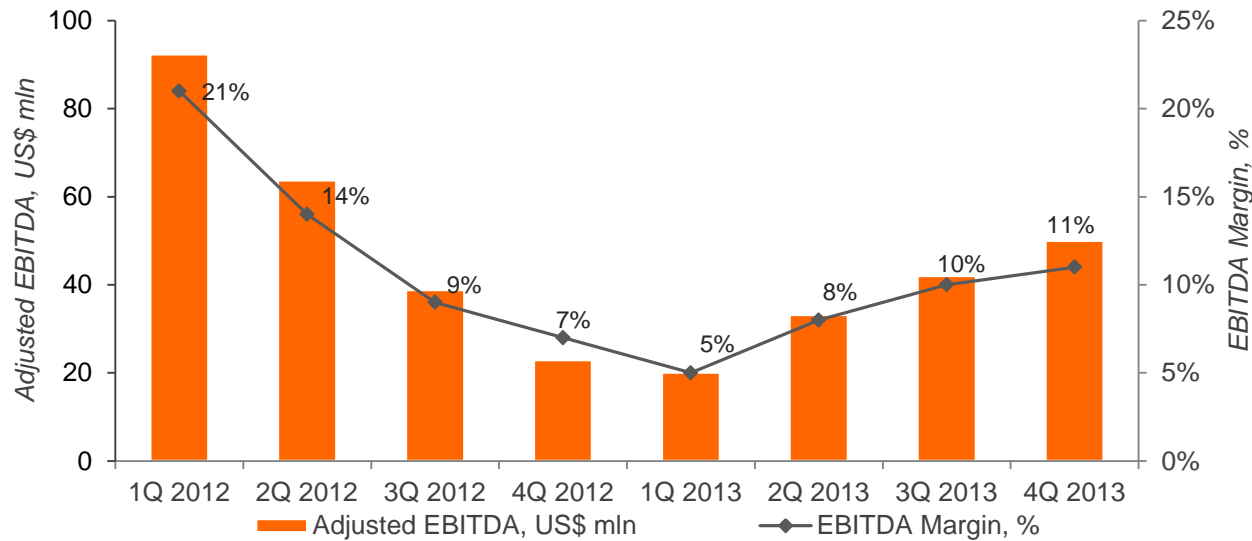
- Deliberate move from commodity product to technology led solutions
- Fit for purpose applications
- Creating long term customer partnerships benefiting from our technical and commercial knowhow
 - No inventory risk for the end user
 - Prices are negotiated based on transparent indexes
 - Joint Product Development program

Approach yielding results

- Increasingly moving to long term contracts (1-3 years) with International Oil Companies. In January 2014, TMK IPSCO was awarded two three-year contracts to provide both oil country tubular goods and line pipe to Shell for onshore and offshore applications.
- 70% of OCTG output currently dedicated to program business with a target of 90% by 2015
- We benefit from improved planning, procurement and production efficiencies that deliver higher margins
- Introduction of new higher value, higher margin technology driven products – replacing lower margin more basic products

As well as our unique products....

- Management increasingly confident of meeting sales growth targets
- Better visibility from being on major programmes
- Better margins/mix following new product launches
- EBITDA margin bottomed in Q1 2013 and rose to 11% in 4Q 2013



Source: TMK data

- Improving outlook on demand side with five LNG terminals so far approved (with more seeking approval), plus exports to Mexico through new pipelines, Coal-to-Gas switching and the CO2 kicker in the power market. Plus industrial demand for the next 5 years could go beyond the historical 1.4% GAGR of the last 5 years.

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

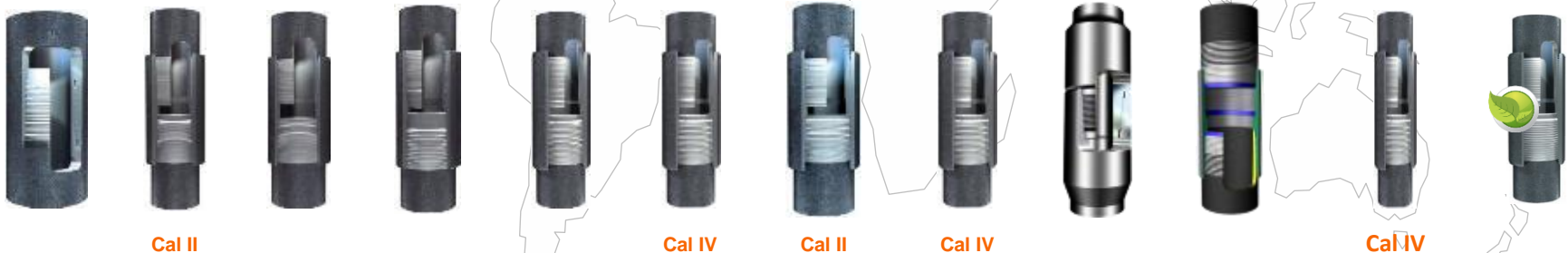


TMK Ultra Premium Connections
Global Supplies & Services

■ Unique range of Premium products

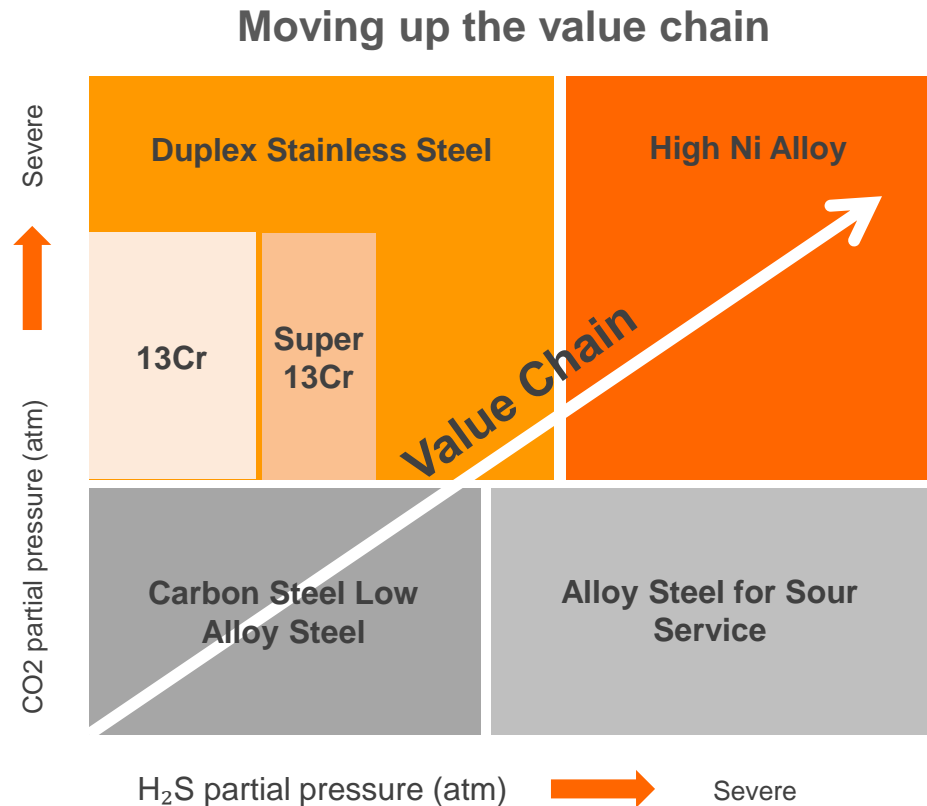
- Onshore/offshore
- Sour gas
- Thermal
- Arctic
- Horizontal and extended reach
- Drilling with casing
- Steam-Assisted Gravity Drainage (SAGD)
- Connections are available with «Greenwell» environment friendly technology

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

- Whilst volumes are increasing marginally, New Year launch of higher margin/value solutions will further drive revenue growth



Source: TMK data

- Customer fulfilment key – offering integrated solutions to their complex drilling needs
- New approach to customer mirrors changes to approach in Russia – moving up value chain, offering tailored solutions and increase in services

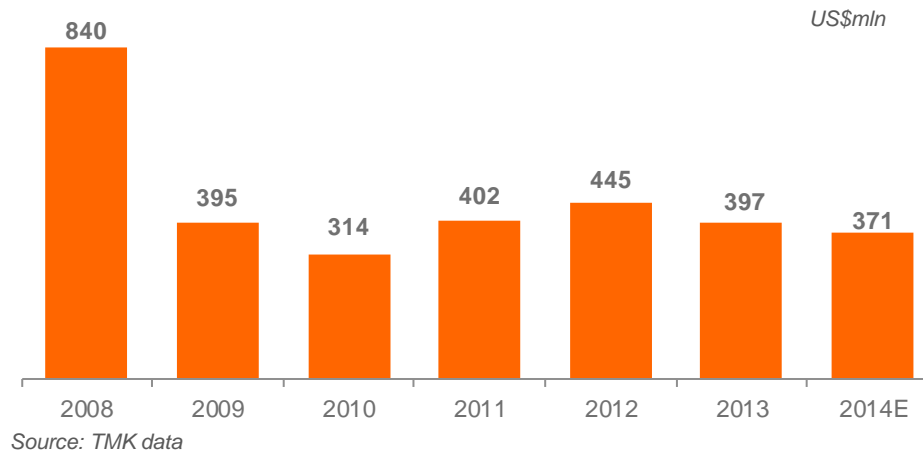
Other US & Canada Challenges to Address

- Benefits may be offset with new incoming (US) domestic capacity
- Duties may be lower than desired by domestic producers
- Removed tonnage may be redirected to Canadian market
- BP Macondo accident has made approval process for new technologies for Deep Offshore more difficult
- TMK making progress, already qualified for shallow waters

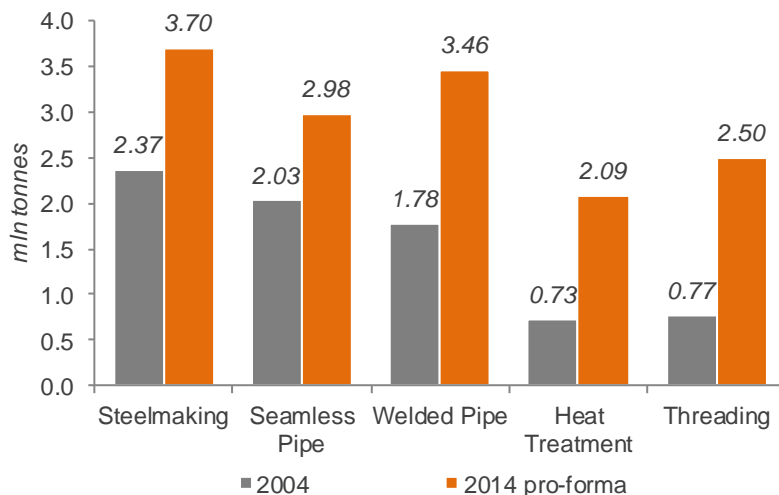


Deleveraging and Capex Plan

- Total \$1.1bn capex programme for three years which translates to \$300-400 mln per year with a \$100 mln annual maintenance capex



- Focus of capex programme has been seamless pipes and facility modernisation in Russia and US

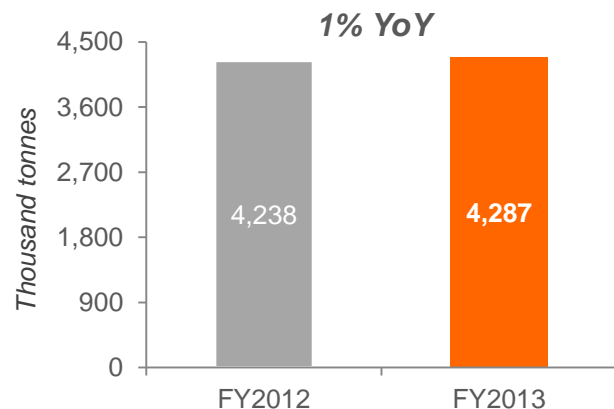


Key Production Facilities

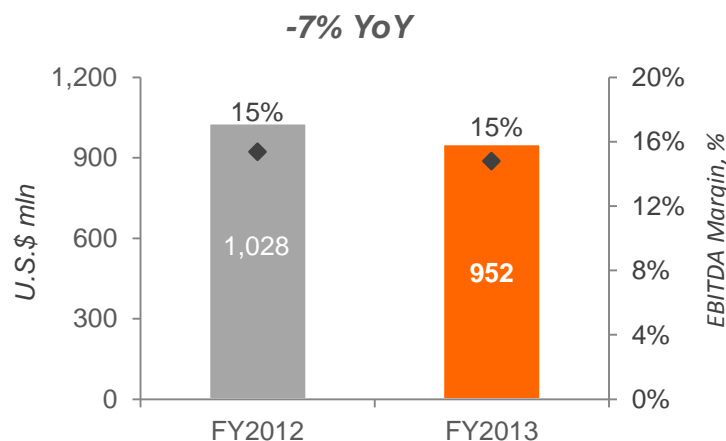
- 5 EAFs
- 7 Continuous Casters
- 11 Hot-Rolled Seamless Mills
- 76 Cold-Rolled Seamless Mills
- 29 Welded Rolling Mills
- 37 Heat-Treatment Lines
- 48 Threading Lines
- 10 Coating Lines
- 2 R&D Centres
- Ten manufacturing plants are ISO 14001:2004 certified and are audited annually
- All plants are certified with OHSAS 18001:2007 (Occupational Safety and Health Management System)

FY 2013 Summary Financial Highlights

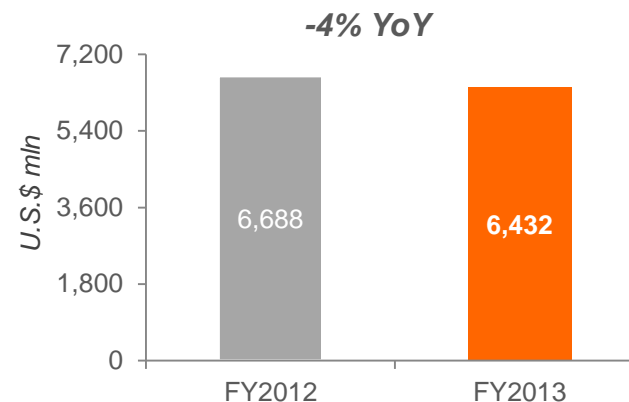
Sales increased YoY mainly due to higher volumes of welded OCTG pipe



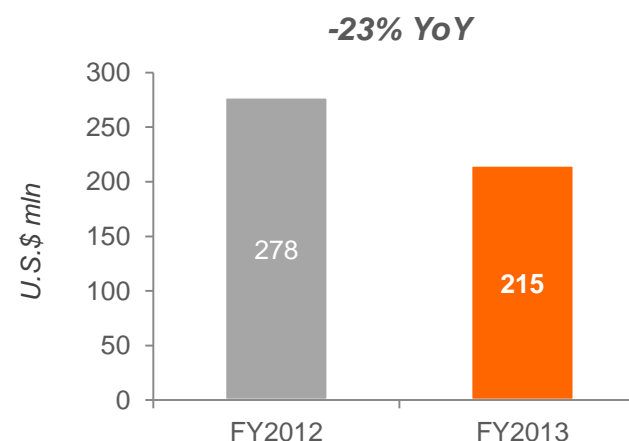
Adjusted EBITDA declined negatively affected by unfavorable market conditions in the U.S. and Europe



Revenue declined YoY mainly due to lower sales of seamless pipe in the Russian division and a negative effect of currency translation



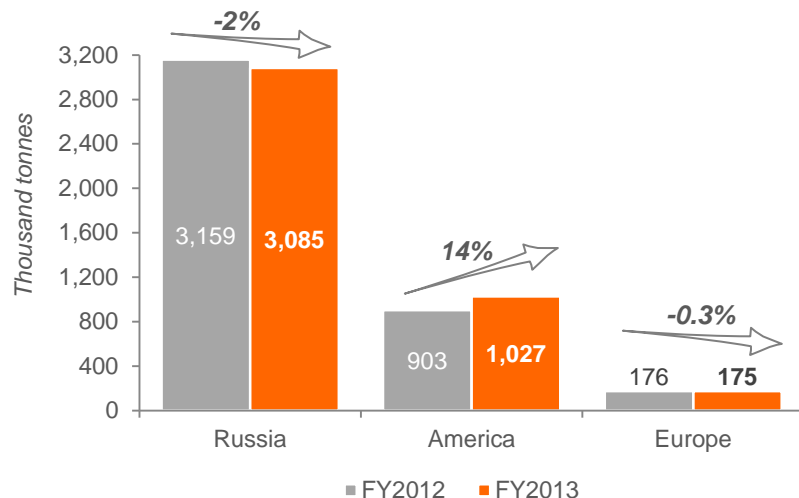
Net income declined YoY negatively affected by foreign exchange loss in the amount of \$49 million



Source: TMK data

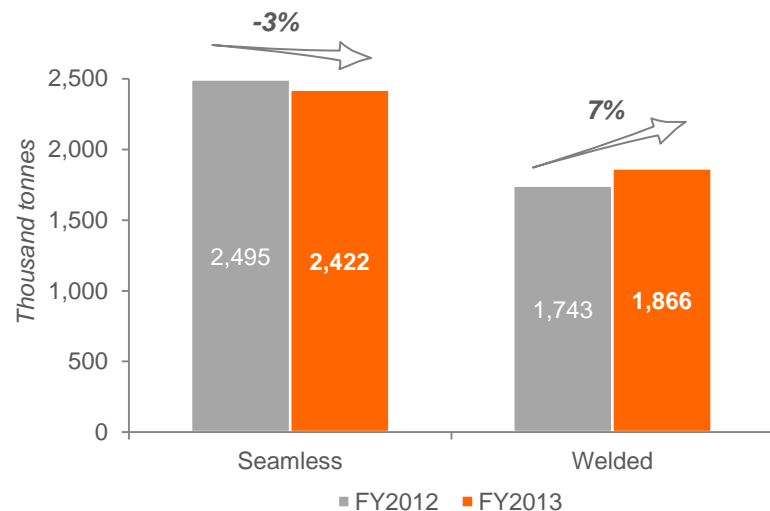
FY 2013 Sales by Division and Group of Product

FY 2013 Sales by Division



- Russian division sales declined YoY mostly due to lower OCTG and line pipe volumes.
- American division sales increased YoY due to higher welded and seamless OCTG pipe volumes.
- European division sales remained almost flat YoY.

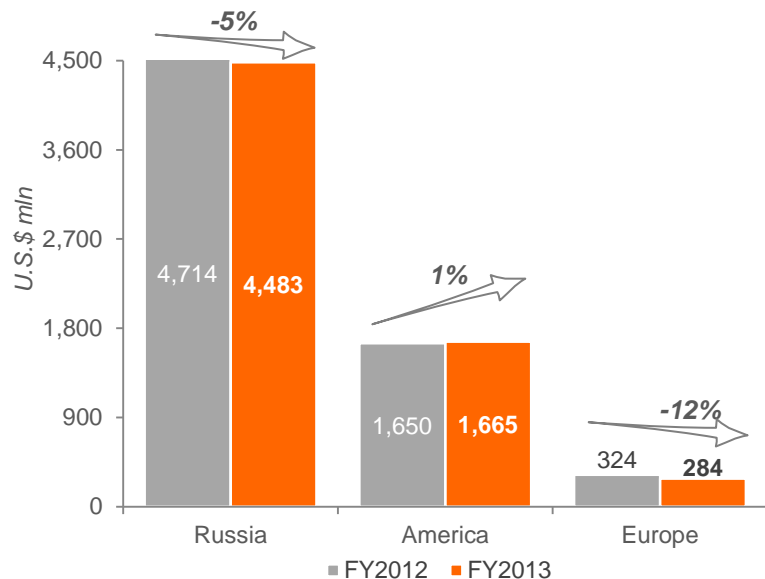
FY 2013 Sales by Group of Product



- Seamless pipe decreased YoY due to lower line pipe volumes in the Russian division.
- Welded pipe sales increased YoY largely as a result of higher volumes of welded OCTG and LD pipe.
- Total OCTG sales increased YoY mainly due to higher volumes in the American division.

FY 2013 Revenue by Division

FY 2013 Revenue



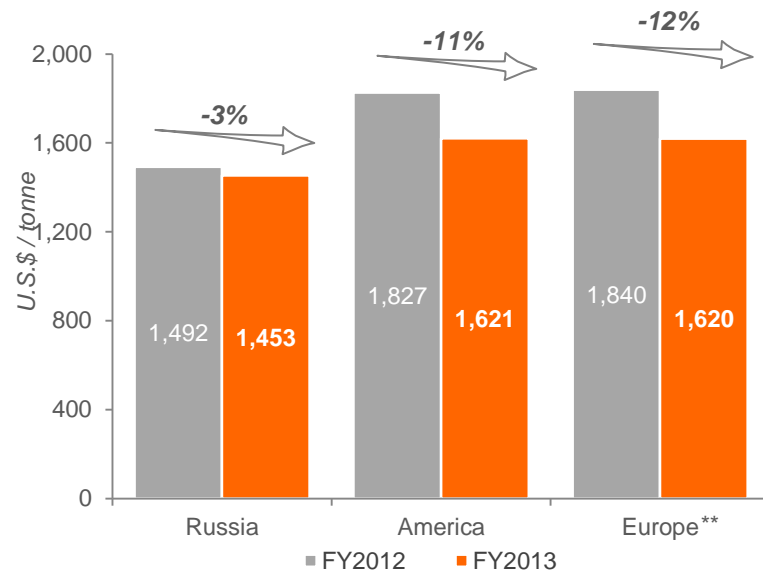
- Revenue for the Russian division decreased mainly due to lower seamless pipe sales and a negative effect of currency translation.
- Revenue for the American division increased mainly on the back of higher sales of seamless and welded pipe and better seamless product mix, which was partially offset by lower market prices affected by high imports.
- Revenue for the European division decreased primarily due to weaker pipe pricing and lower sales of steel billets.

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.

FY 2013 Revenue per Tonne*



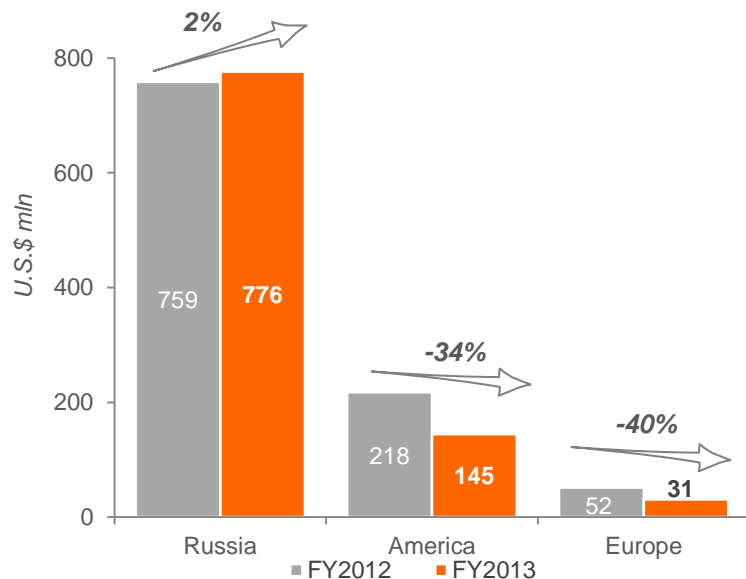
* Revenue per tonne for all three divisions includes other revenue

** Revenue for the European Division includes revenue from steel billets sales

- Russian division revenue per tonne decreased YoY as a result of unfavorable sales mix and a negative effect of currency translation.
- American division revenue per tonne declined as a result of weaker pricing.
- European division revenue per tonne declined as a result of lower pricing.

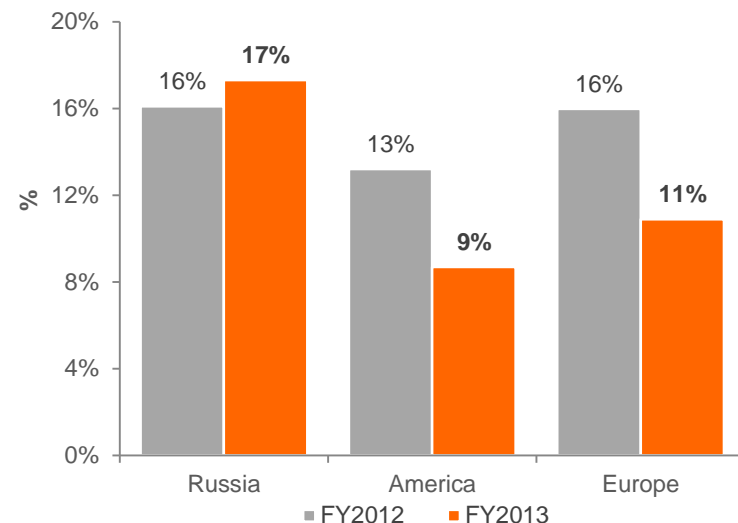
FY 2013 Adjusted EBITDA by Division

FY 2013 Adjusted EBITDA



- Russian division Adjusted EBITDA increased due to a decrease in selling, administrative and other operating expenses.
- American division Adjusted EBITDA decreased primarily due to unfavorable market conditions resulted in weaker pricing in welded and seamless pipe.
- European division Adjusted EBITDA declined affected by the unstable situation on the European market.

FY 2013 Adjusted EBITDA Margin



- Russian division Adjusted EBITDA margin improved largely due to lower SG&A as a percentage of revenue.
- American division Adjusted EBITDA margin fell mainly due to weaker pricing across all product lines.
- European division Adjusted EBITDA margin declined due to low average selling prices.

Source: TMK Consolidated IFRS Financial Statements, TMK data

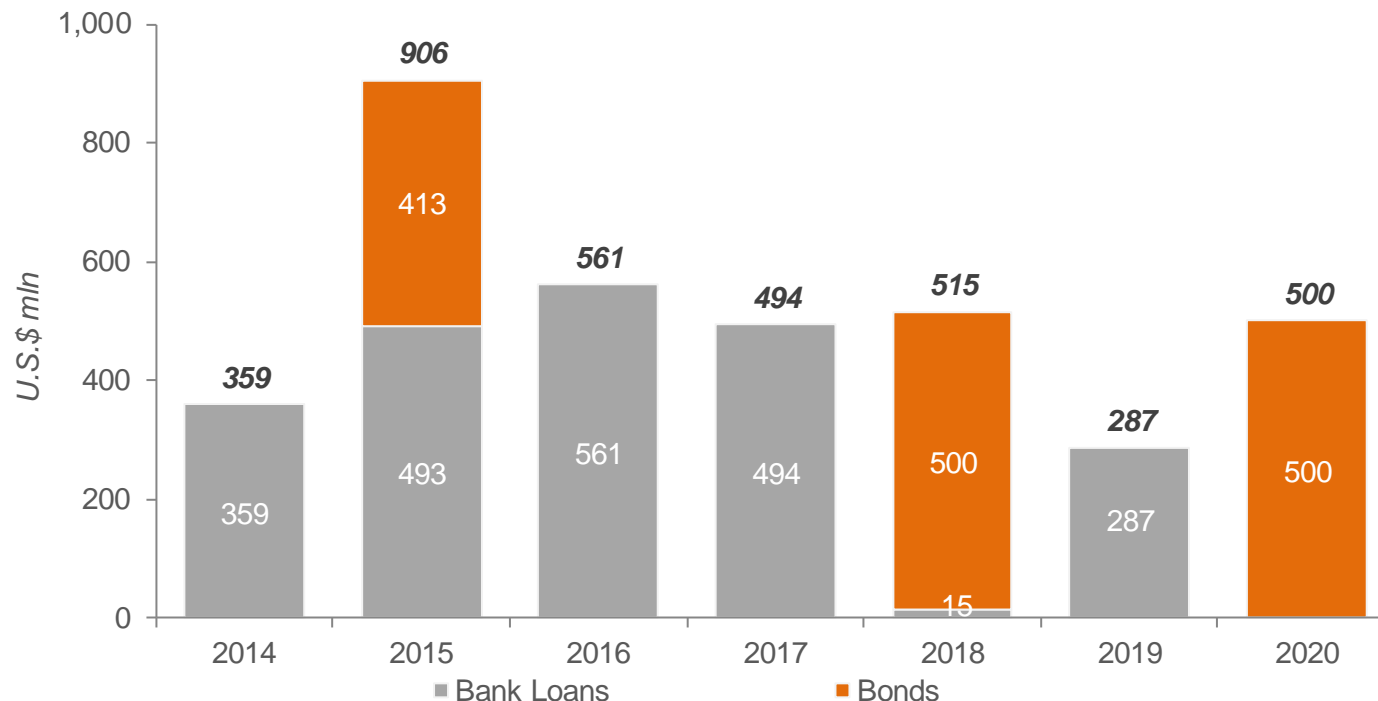
Note:

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Deleveraging and Capex Plan

- Maintenance capex anticipated to be lower than depreciation post 2013
- Benefits of capex programme reflected in growing confidence for future years EBITDA growth
- Dividend distribution set at minimum 25% of net income
- Commitment to reduce Net Debt/EBITDA from current level to 2.5x within 3 years

Debt maturity profile as of December 31, 2013



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

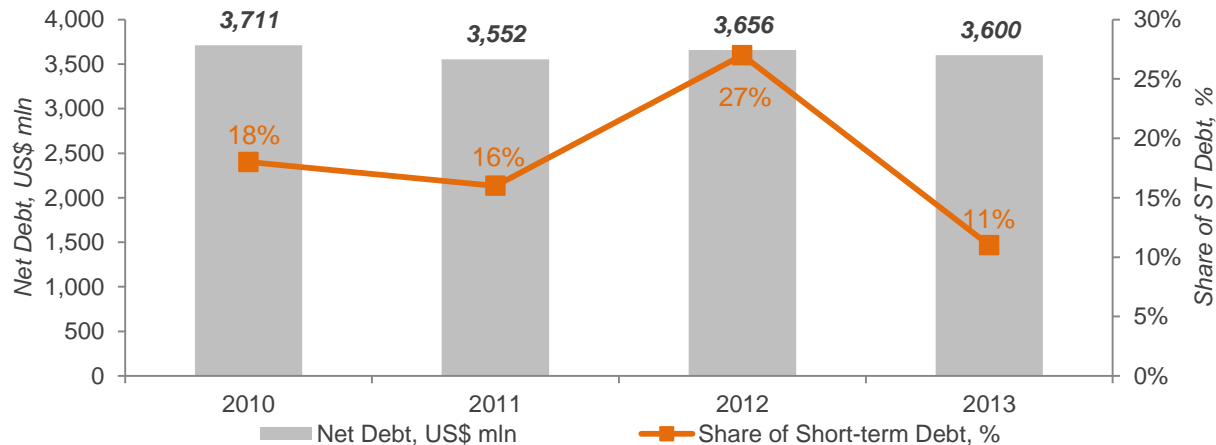
- 87% of debt is unsecured
- More than \$1.6 bn of undrawn committed credit lines facilities

Improving Debt Structure



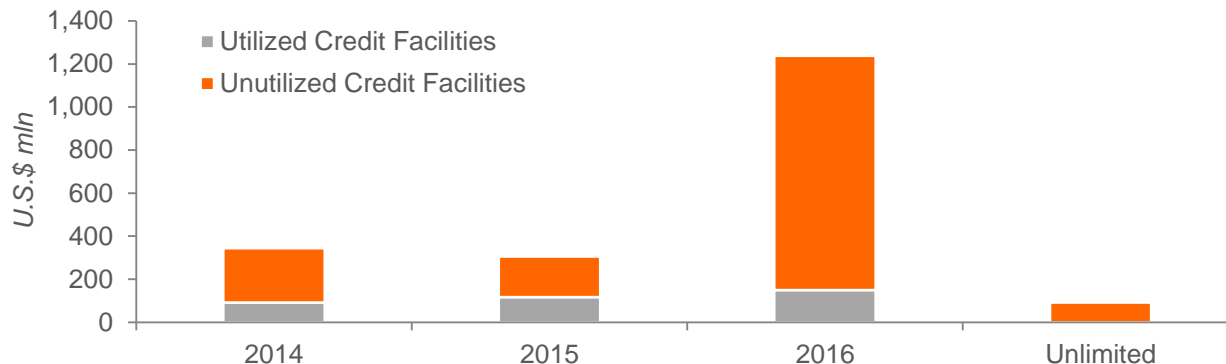
- 89% of total financial debt is long-term

Net Debt and Short-term Debt Share



- Over US\$1.6 bln committed credit lines maturing up to 2016
- Only 13% of debt is secured with assets and mortgages

More than US\$1.6bln of undrawn committed credit lines to cover short-term Debt



- Leverage our new capacity to sell more high margin seamless pipes into our existing markets
- Improve our product mix through our technology advancements
- Improve the financial performance by focusing on profitable work rather than just low margin high volume pipe
- Capex investment in enhancing facilities mainly completed with free cash flow reducing debt
- Continue to develop and sell more premium products for challenging, harsh environments such as the Arctic and Caspian sea.
- Expand our Oil Field Services to a more “one-stop shop” approach to greater fulfil customers’ needs

- Excellent fundamentals underpin Russian market growth
- Leveraging relationships with Gazprom and Rosneft
- Importing our shale expertise to Russia from US
- US market turning for TMK as product launches raise margins and revenues
- Longer term US outlook more favourable – key KPI to watch is gas price and demand

Appendix – Summary Financial Accounts

Key Consolidated Financial Highlights

(US\$mIn) ^(a)	2013	2012	2011
Revenue	6,432	6,688	6,754
Adjusted EBITDA^(b)	952	1,028	1,047
<i>Adjusted EBITDA Margin (%)</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>
Profit (Loss)	215	278	385
<i>Net Profit Margin (%)</i>	<i>3%</i>	<i>4%</i>	<i>6%</i>
Pipe Sales ('000 tonnes)	4,287	4,238	4,185
Average Net Sales/tonne (US\$)^(c)	1,500	1,578	1,614
Cash Cost per tonne (US\$)^(d)	1,108	1,152	1,207
Cash Flow from Operating Activities	703	929	787
Capital Expenditure^(e)	397	445	402
Total Debt^(f)	3,694	3,885	3,787
Net Debt^(f)	3,600	3,656	3,552
Short-term Debt/Total Debt	11%	27%	16%
Net Debt/Adjusted EBITDA	3.8x	3.6x	3.4x
Adjusted EBITDA/Finance Costs	3.8x	3.5x	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. In 1Q 2013 management amended its definition of Adjusted EBITDA to include accruals of bonuses to management and employees into the calculation of Adjusted EBITDA instead of actual cash payments. Management believes such an approach better reflects the Group's quarterly performance and eliminates fluctuations during the year. The comparative information in this presentation was adjusted accordingly.

(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	2013	2012	2011	2010	2009
Revenue	6,432	6,688	6,754	5,579	3,461
Cost of Sales	(5,074)	(5,209)	(5,307)	(4,285)	(2,905)
Gross Profit	1,358	1,479	1,446	1,293	556
Selling and Distribution Expenses	(379)	(433)	(411)	(403)	(313)
General and Administrative Expenses	(317)	(293)	(283)	(232)	(204)
Advertising and Promotion Expenses	(12)	(11)	(9)	(11)	(5)
Research and Development Expenses	(13)	(17)	(19)	(13)	(10)
Other Operating Expenses, Net	(34)	(57)	(40)	(34)	(17)
Foreign Exchange Gain / (Loss), Net	(49)	23	(1)	10	14
Finance Costs, Net	(245)	(275)	(271)	(412)	(404)
Other	5	(16)	132	(12)	(46)
Income / (Loss) before Tax	312	400	544	185	(427)
Income Tax (Expense) / Benefit	(98)	(123)	(159)	(81)	103
Net Income / (Loss)	215	278	385	104	(324)

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	2013	2012	2011	2010	2009
ASSETS					
Cash and Bank Deposits	93	225	231	158	244
Accounts Receivable	995	914	772	720	580
Inventories	1,324	1,346	1,418	1,208	926
Prepayments	148	180	200	172	223
Other Financial Assets	0	4	4	4	4
Total Current Assets	2,561	2,670	2,625	2,262	1,977
Assets Classified as Held for Sale		-	-	8	-
Total Non-current Assets	4,857	4,934	4,507	4,592	4,704
Total Assets	7,419	7,603	7,132	6,862	6,681
LIABILITIES AND EQUITY					
Accounts Payable	1,105	1,132	1,053	878	1,057
ST Debt	398	1,068	599	702	1,537
Dividends	6	-	-	-	-
Other Liabilities	62	74	53	94	27
Total Current Liabilities	1,571	2,275	1,705	1,674	2,622
LT Debt	3,296	2,817	3,188	3,170	2,214
Deferred Tax Liability	298	302	305	300	272
Other Liabilities	125	125	111	111	85
Total Non-current Liabilities	3,718	3,244	3,603	3,581	2,571
Equity	2,130	2,084	1,823	1,606	1,488
<i>Including Non-Controlling Interest</i>	<i>96</i>	<i>99</i>	<i>92</i>	<i>94</i>	<i>74</i>
Total Liabilities and Equity	7,419	7,603	7,132	6,862	6,681
Net Debt	3,600	3,656	3,552	3,710	3,503

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	2013	2012	2011	2010	2009
Profit / (Loss) before Income Tax	312	400	544	185	(427)
<i>Adjustments for:</i>					
Depreciation and Amortisation	326	326	336	301	313
Net Interest Expense	245	275	271	412	406
Others	61	39	(101)	45	36
Working Capital Changes	(159)	(34)	(156)	(527)	558
Cash Generated from Operations	786	1,006	894	415	886
Income Tax Paid	(82)	(77)	(107)	(29)	(33)
Net Cash from Operating Activities	703	929	787	386	852
Capex	(397)	(445)	(402)	(314)	(395)
Acquisitions	(38)	(33)	-	-	(510)
Others	12	23	25	43	14
Net Cash Used in Investing Activities	(423)	(455)	(377)	(271)	(891)
Net Change in Borrowings	(93)	(148)	4	103	582
Others	(313)	(341)	(339)	(289)	(447)
Net Cash Used in Financing Activities	(407)	(489)	(335)	(186)	135
Net Foreign Exchange Difference	(5)	10	(2)	(15)	4
Cash and Cash Equivalents at January 1	225	231	158	244	143
Cash and Cash Equivalents at YE	93	225	231	158	244

Source: Consolidated IFRS Financial Statements

Note:

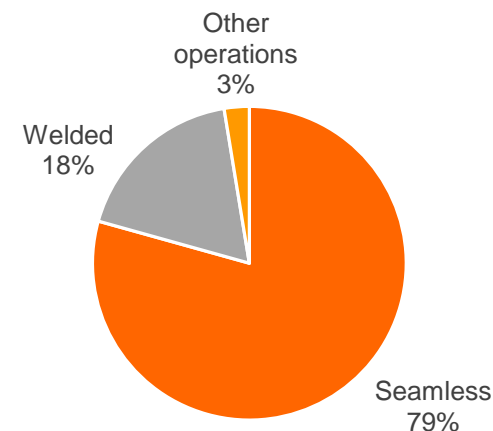
Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

Seamless – Core to Profitability

	U.S.\$ mln (unless stated otherwise)	4Q 2013	QoQ, %	FY 2013	YoY, %
SEAMLESS	Volumes- Pipes, kt	617	15%	2,422	-3%
	Revenue	978	12%	3,960	-4%
	Gross Profit	251	8%	1,077	-1%
	Margin, %	26%		27%	
	Avg Revenue / Tonne (U.S.\$)	1,586	-3%	1,635	-1%
	Avg Gross Profit / Tonne (U.S.\$)	407	-7%	445	2%
WELDED	Volumes- Pipes, kt	473	-3%	1,866	7%
	Revenue	527	-5%	2,201	-2%
	Gross Profit	85	104%	246	-28%
	Margin, %	16%		11%	
	Avg Revenue / Tonne (U.S.\$)	1,113	-2%	1,180	-9%
	Avg Gross Profit / Tonne (U.S.\$)	179	110%	132	-33%

Source: Consolidated IFRS Financial Statements, TMK data

FY 2013 Gross Profit Breakdown



- Sales of seamless pipe generated **62%** of total Revenue in 4Q 2013 and **62%** for FY 2013.
- Gross Profit from seamless pipe sales represented **72%** of 4Q 2013 total Gross Profit and **79%** for FY 2013 total Gross Profit.
- Gross Profit Margin from seamless pipe sales amounted to **26%** in 4Q 2013 and **27%** for FY 2013.

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.

Appendix – Capital Structure and Corporate Governance

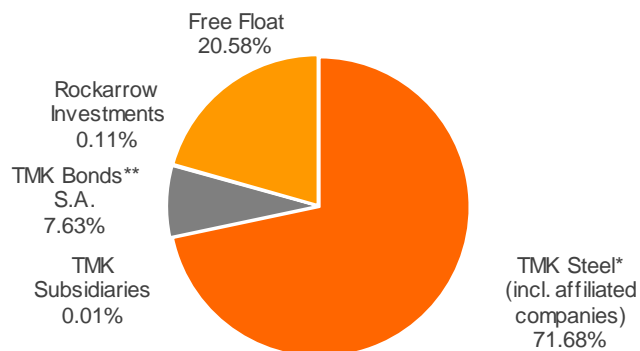
Capital Structure and Dividend Policy

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 31 December 2013, 20.58% of TMK shares were in free float, with approximately 90% of them traded in the form of GDRs on the London Stock Exchange.
- As of 31 December 2013, the share capital of TMK was comprised of 937,586,094 fully paid ordinary shares or equivalent of 234,396,524 GDRs.
- One GDR represents four ordinary shares.
- TMK shares and GDRs are included into several major Russia indices: MSCI Russia, MICEX M&M, MICEX MC.

Source: TMK

Capital Structure



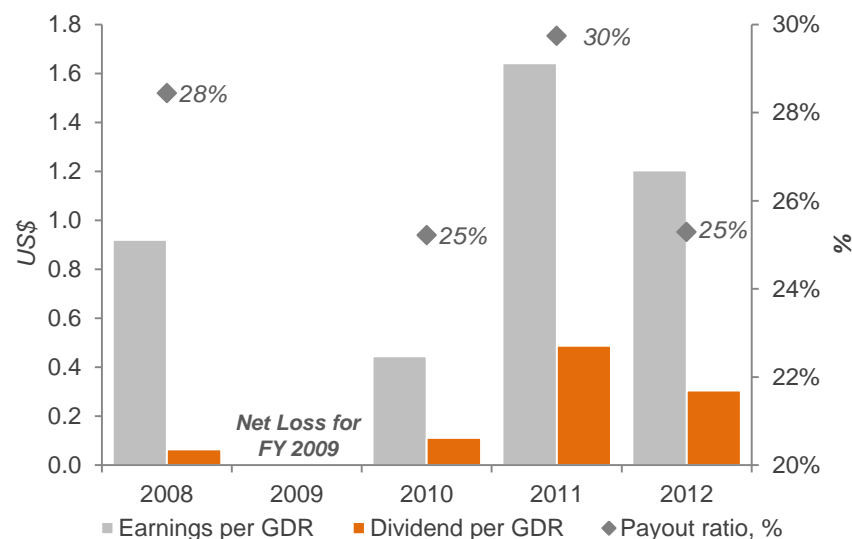
*The main beneficiary is Dmitry Pumpyanskiy, Chairman of the Board of Directors of TMK.

**TMK Bonds S.A. owns 17,876,489 GDRs of TMK, representing 71,505,956 TMK shares, or 7.63% 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. The bonds may be converted at USD 22.308 per GDR.

Source: TMK

Dividend Policy

- At least 25% of annual IFRS net profits is paid out as dividends.
- Starting 2007, dividends are usually paid semi-annually.
- TMK resumed dividend payments in 2010 as in 2009 the Company posted a net loss for the year due to global industry crisis.



Source: TMK

Key Considerations

- The corporate governance practices of the Company in 2013 were in full compliance with the Corporate Governance Code.
- Starting 2011, TMK began publishing quarterly consolidated IFRS reports.
- The Board of Directors is comprised of 11 members, including 5 independent directors, 4 non-executive directors and 2 executive directors.
- As of 31 December 2013, members of the Board of Directors held no interests in affiliated companies.
- 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 consists of eight members.
- Throughout 2013 and to date, the Company has had an operational system of internal control which provides reasonable assurance as regards the efficiency of operations covering all controls.
- TMK ranks No 6 in S&P rating of corporate governance among Russian companies.



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 owner 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. Took a course in 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



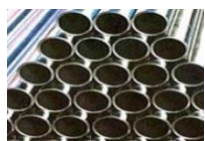
Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

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.

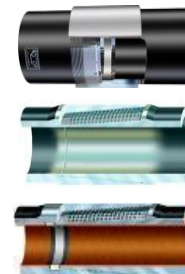
Large-Diameter



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.

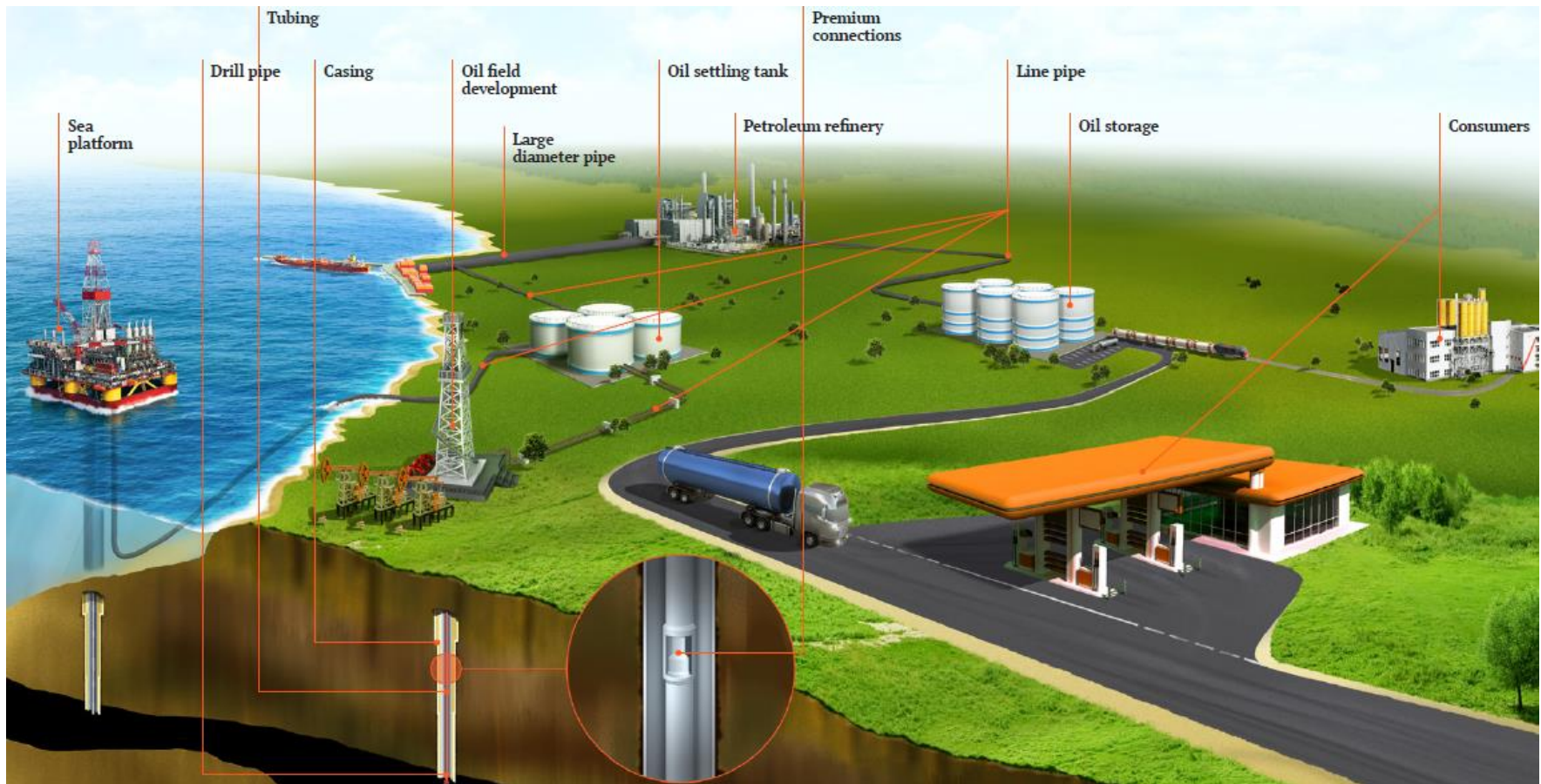
Premium Connections (TMK UP)

Oilfield Services

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



Utilisation of TMK Pipe Products in Oil and Gas Industry

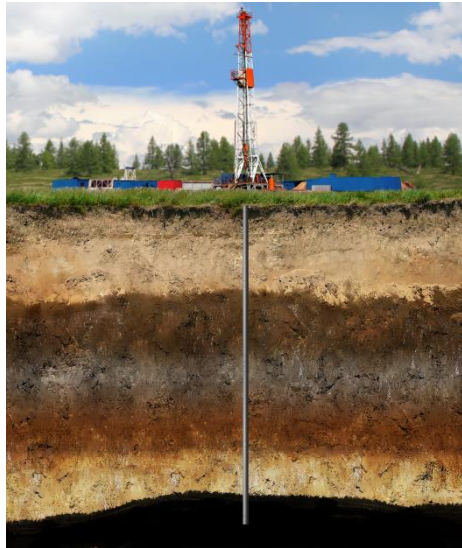


- **OCTG** – Oil Country Tubular Goods (drilling, casing, tubing) used for oil & gas exploration, well fixing and oil & gas production (43% of total sales volumes in 2013);
- **Line pipe** – used for short distance transportation of crude oil, oil products and natural gas (23% of total sales volumes in 2013);
- **LDP** - large diameter pipe used for construction of trunk pipeline systems for long distance transportation of natural gas, crude oil and petroleum products (10% in total sales volumes in 2013).

Shift to Unconventional Drilling Drives Demand for Seamless and Premium Products



Conventional (Vertical) Drilling



Unconventional (Horizontal) Drilling (Hydraulic Fracturing)



Drilling with casing TMK CWB



Seamless / Welded Tubing



Premium Connections



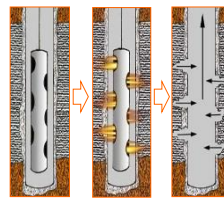
Drilling



Seamless / Welded Casing



Fracturing



	Vertical Shale	Horizontal Shale
Length, km	Up to 5	Up to 10
% Seamless	35%	60%
% Premium Connections	<5%	30%
OCTG Tons per Well	45	190
% Small OD <7"	25%	65%

Source: J.P. Morgan, Industry Sources

Thank You

TMK Investor Relations

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