



TMK IR PRESENTATION

November 2016

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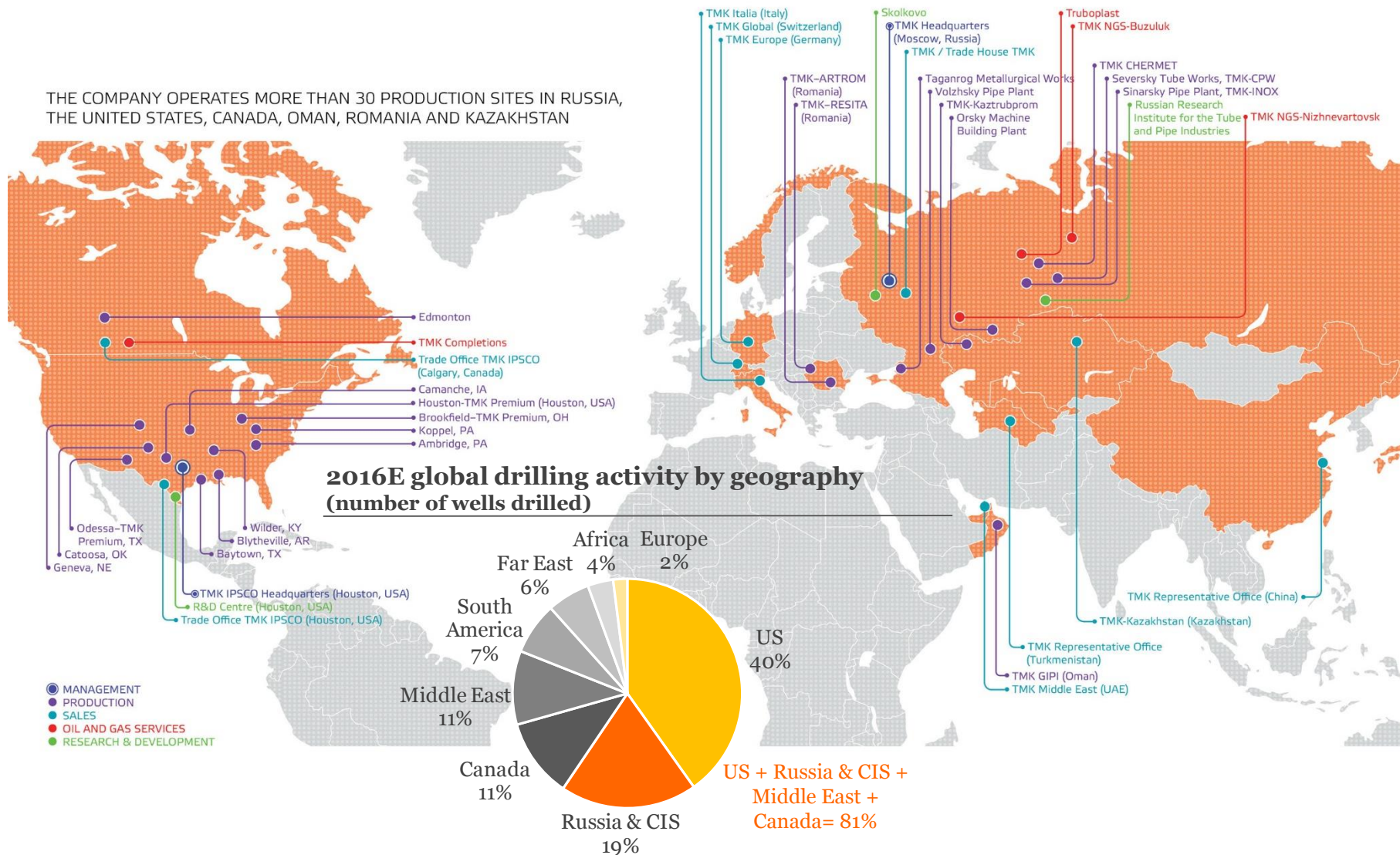
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TMK– Global Supplier of Full Range of Pipes for Oil and Gas Industry



THE COMPANY OPERATES MORE THAN 30 PRODUCTION SITES IN RUSSIA, THE UNITED STATES, CANADA, OMAN, ROMANIA AND KAZAKHSTAN

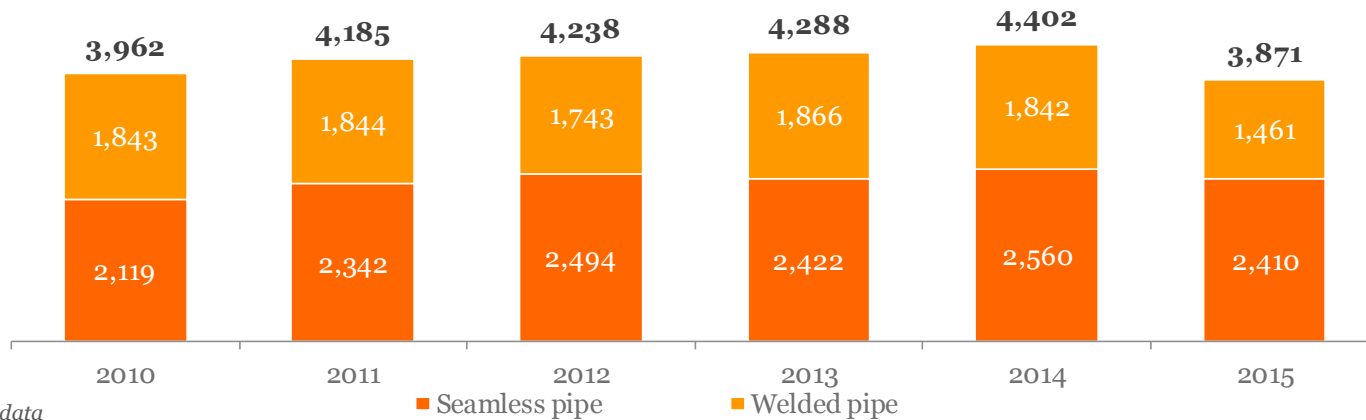


Note: Excluding China and Central Asia. Onshore and offshore drilling
Source: Spears & Associates

Leading Global Supplier of Pipe for Oil and Gas Industry

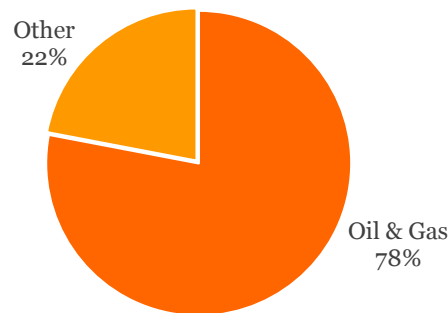
- A world leading tube producer by sales in 2015 and for the last 6 years

Sales (thousand tonnes)



Focus on oil & gas industry

2015 Sales by Industry (%)



- Local producer in countries which account for 81% of global drilling activity
- High exposure to the oil and gas industry: approximately 78% of sales went to the oil and gas sector in 2015

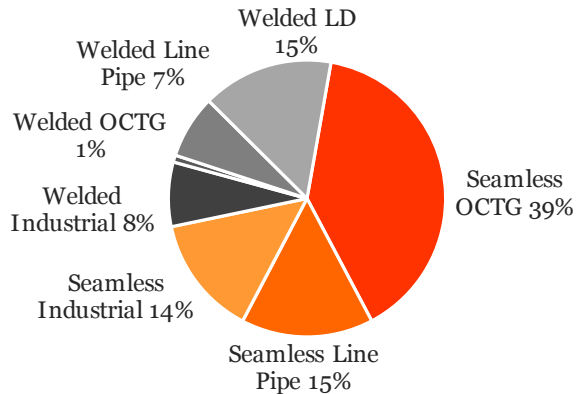
Source: TMK data

Diversified Business Model



Diversified product portfolio and customer base

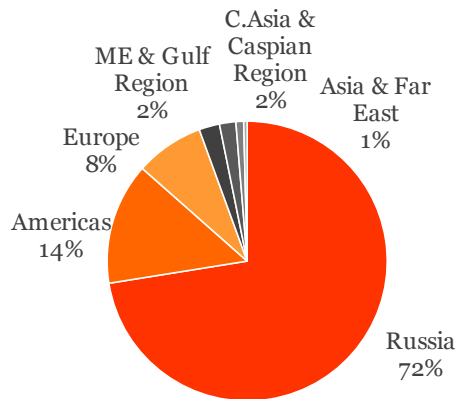
Sales by product (9M 2016)



Source: TMK data

Diversified geographical reach

TMK revenues by country (9M 2016)



Source: TMK data

Key Considerations

- High degree of diversification ensuring earnings resilience.
- Geographical diversification seeking to mitigate swings in geographical demand.
- 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.
- Long-term relationships with Russian oil and gas majors (Rosneft, Gazprom, Surgutneftgas and Lukoil).

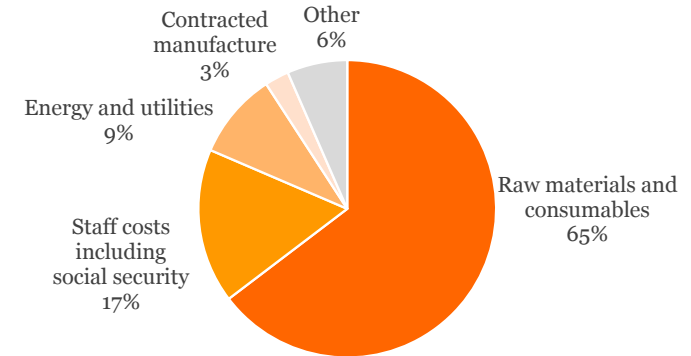
Low Cost Vertically Integrated Producer

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.
- Ability to generally pass increased cost of steel 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 scrap requirements.

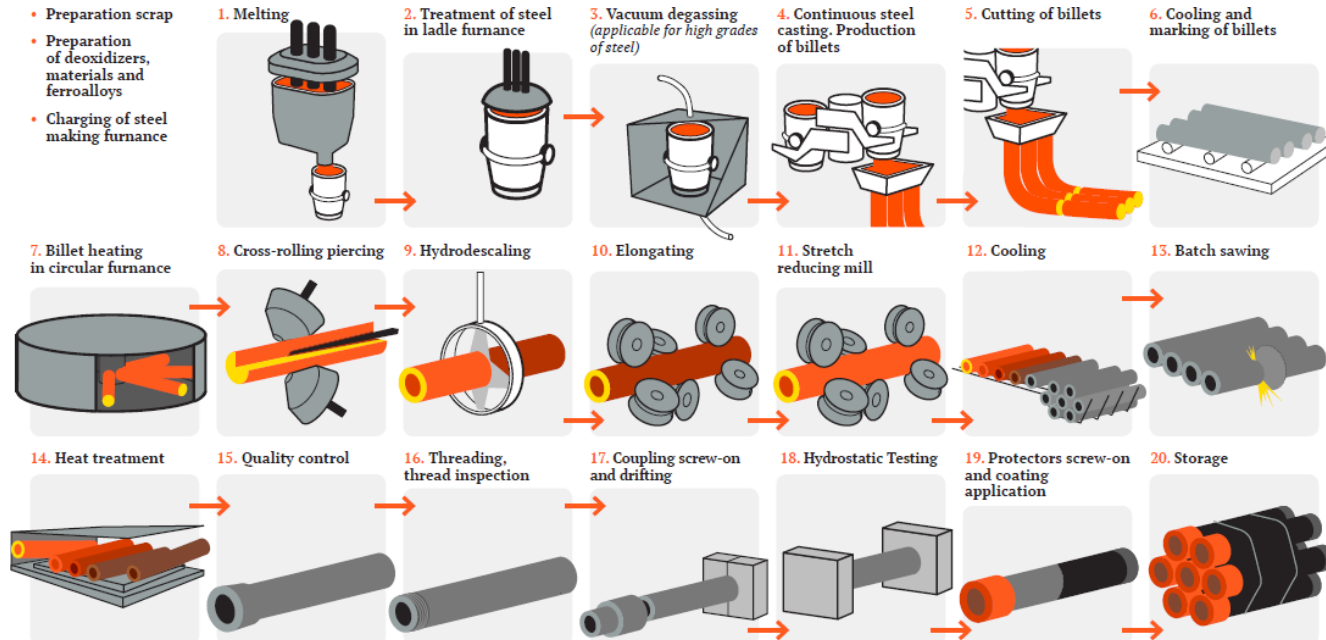
Raw materials costs can generally be passed through to customers

Cost of sales structure (9M 2016)



Note: Excluding depreciation and amortisation
Source: TMK IFRS accounts

Vertical integration in seamless business

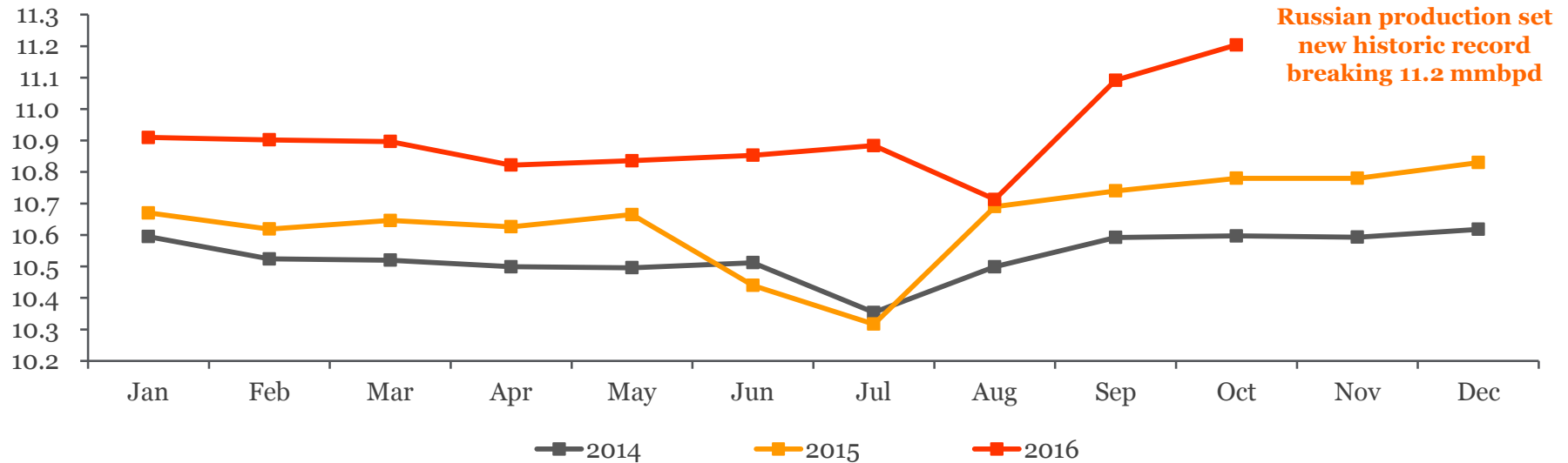


Source: TMK

Russian Market Overview

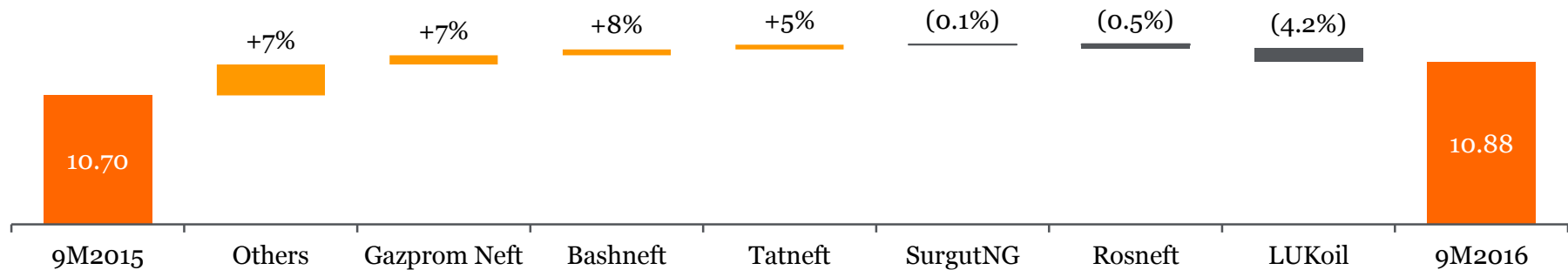
Russian Oil Production Hits Record High...

Russian total oil output, mmbpd



Source: Interfax, Info TEK.

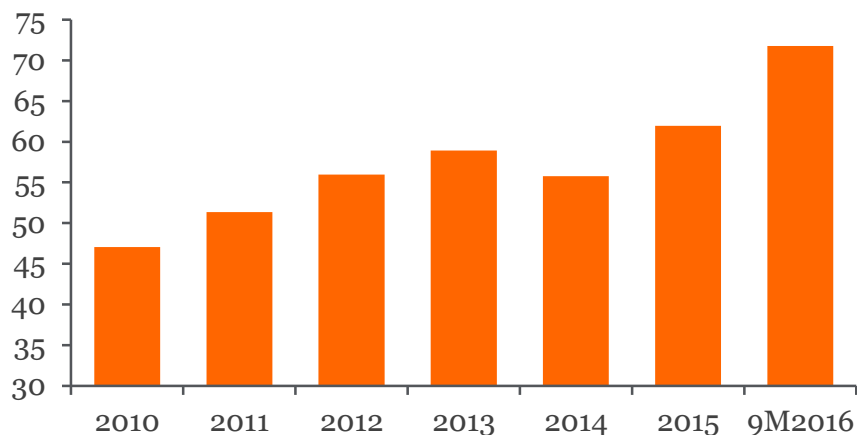
9M2016 Russian oil production growth broken down, mmbpd



Source: CDU TEK.

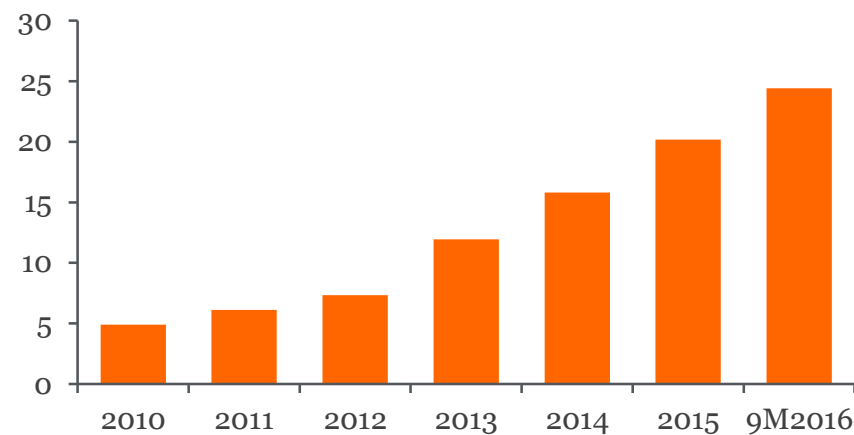
... Supported by Strong Drilling Activity

Russian drilling activity is strong and growing, km/d



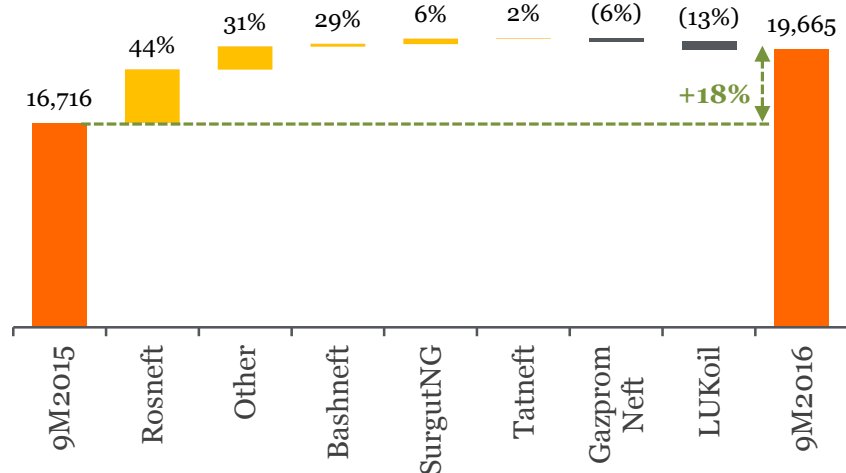
Source: CDU TEK.

Horizontal drilling keeps growing in absolute, km/d



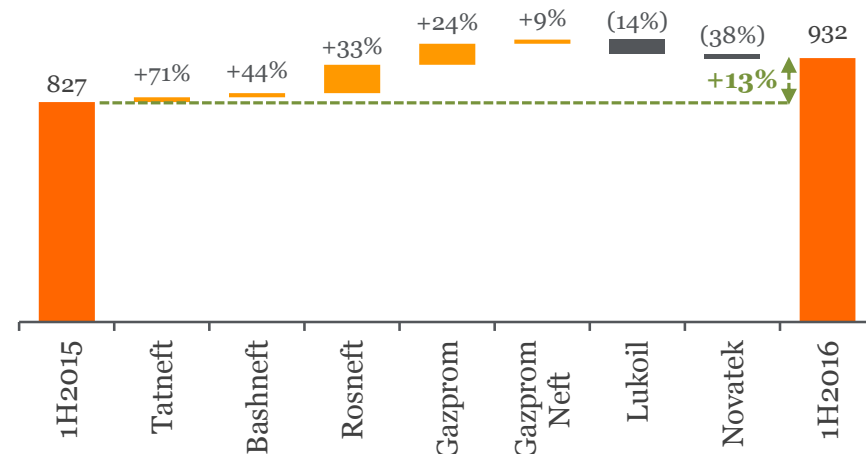
Source: CDU TEK.

9M2016 Russian drilling growth broken down, km



Source: CDU TEK.

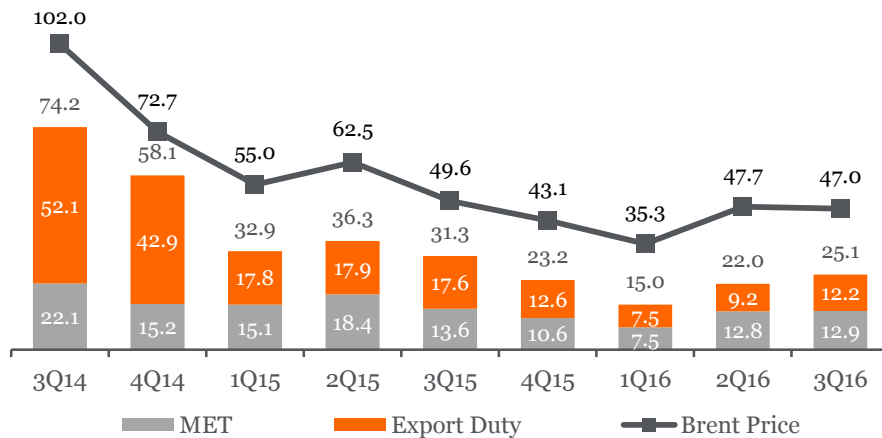
Upstream CAPEX budgets respond to profit resilience, RUB bn



Source: Companies' data.

... Underpinned by Flexible Fiscal Regime And Floating Exchange Rate

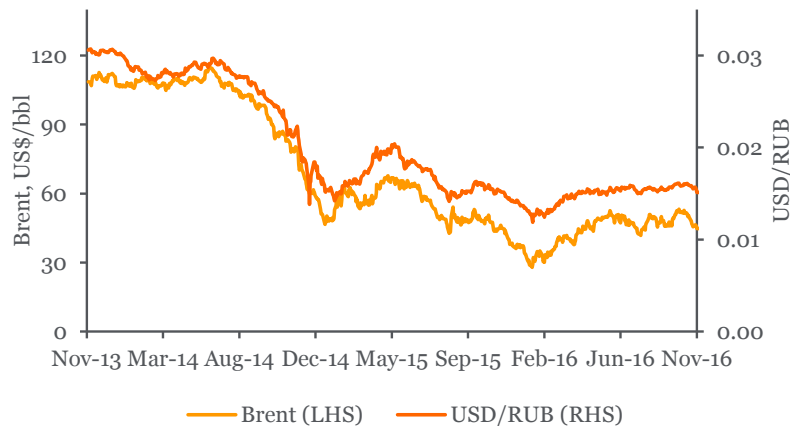
Historical MET and export duty, US\$/bbl



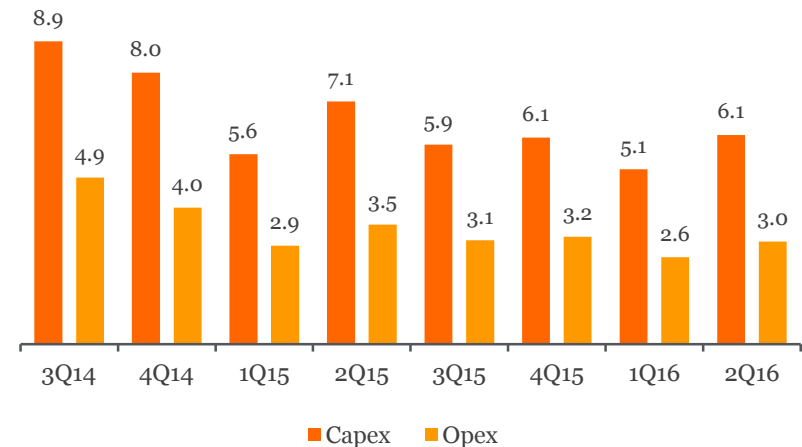
Source: Public Information, companies data.

- The main factor supporting upstream margins is the flexible tax regime which absorbs the significant part of oil price drop
- The two major Upstream taxes in Russia – Mineral Extraction Tax (MET) and Export Duty – are directly linked to oil price and provide amortizing effect when crude price goes down

Ruble devaluation with oil price drop, US\$/bbl



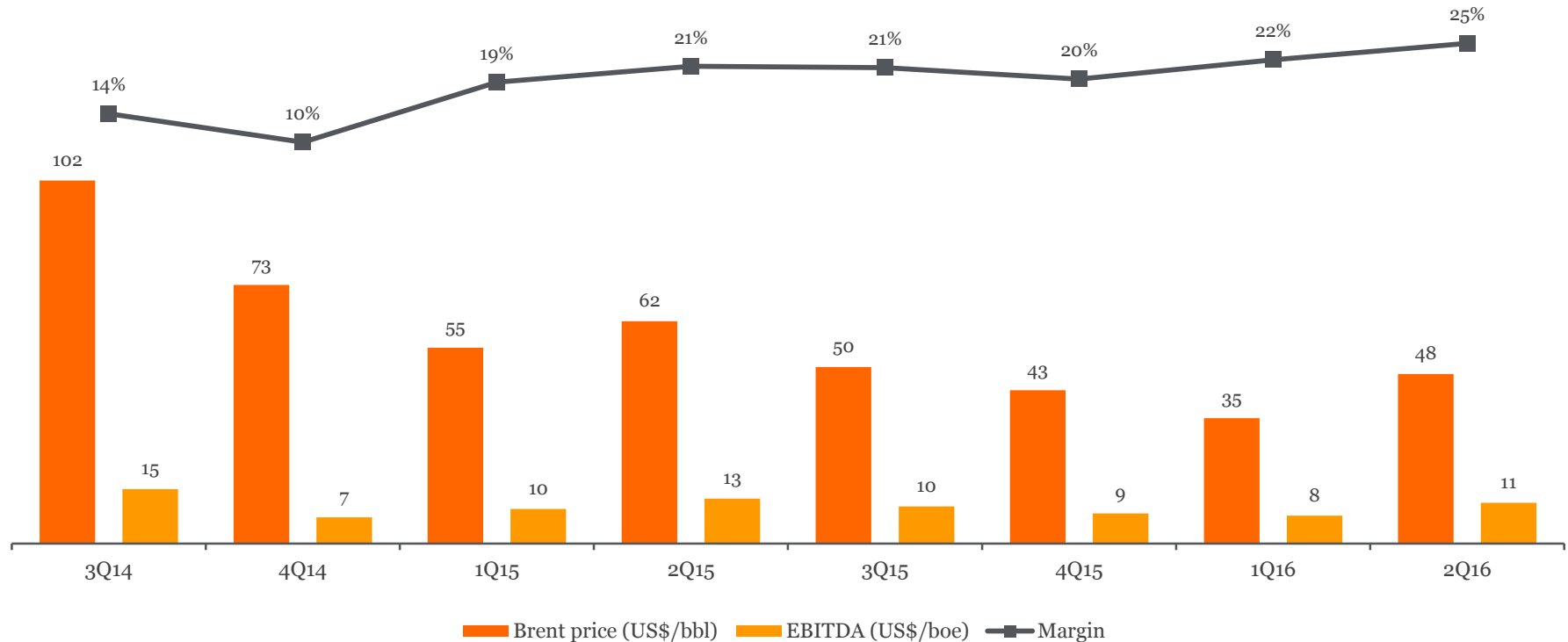
Average upstream Opex and Capex of Russian oil companies, US\$/boe



Robust Upstream Economics in Russia



Strong upstream EBITDA margin despite oil price collapse



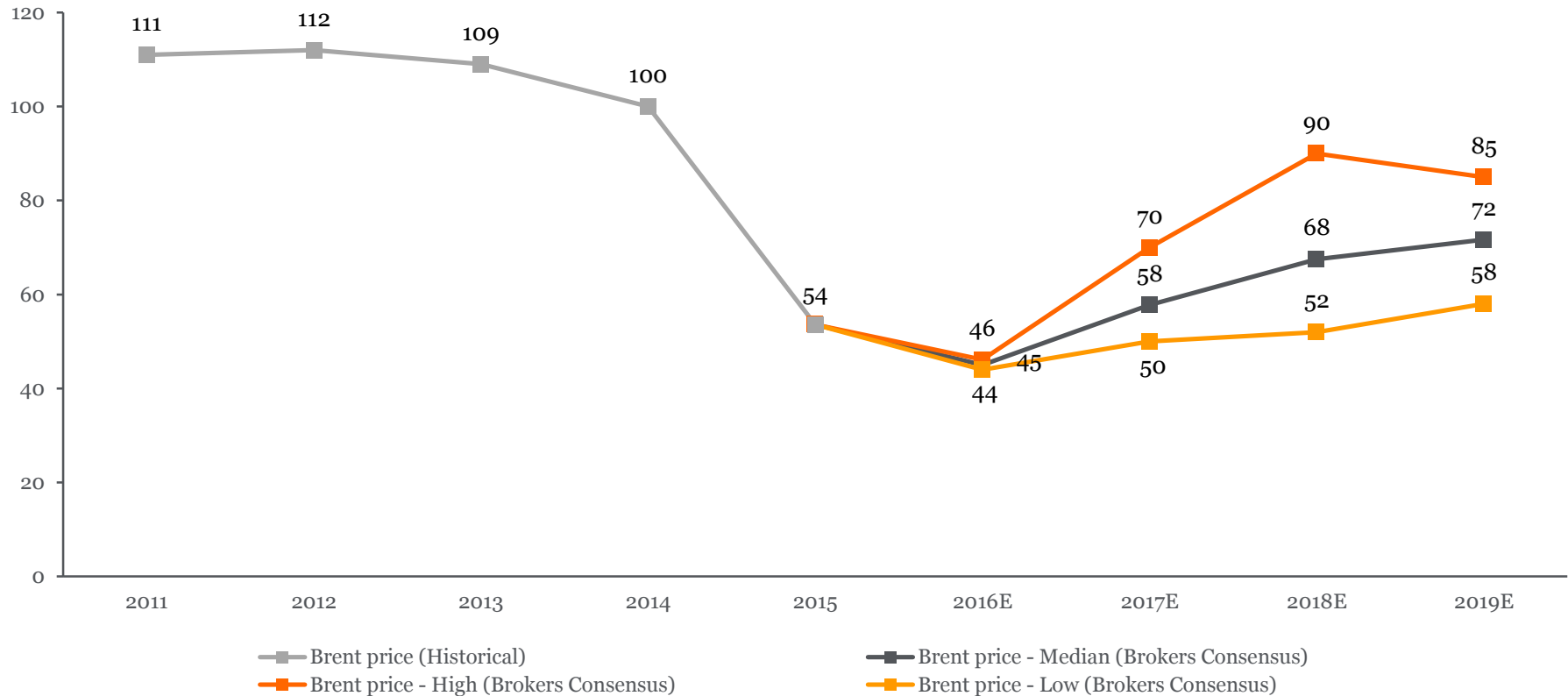
Source: Public Information, companies data.

Note: EBITDA was calculated based on Rosneft, Lukoil, Gazprom Neft and Bashneft figures weighted by their hydrocarbon production.

- Despite 50% drop in oil price since 3Q 2014 Russian Upstream sector remains profitable with stable EBITDA margin per bbl and significantly increasing EBITDA margin (to 20-25% range)

Broker Consensus Predicts Brent Price Recovery to US\$70+/bbl levels in 2018-2019

Brent historical and forecasted prices, US\$/bbl



Source: Brokers consensus as of November 2016.

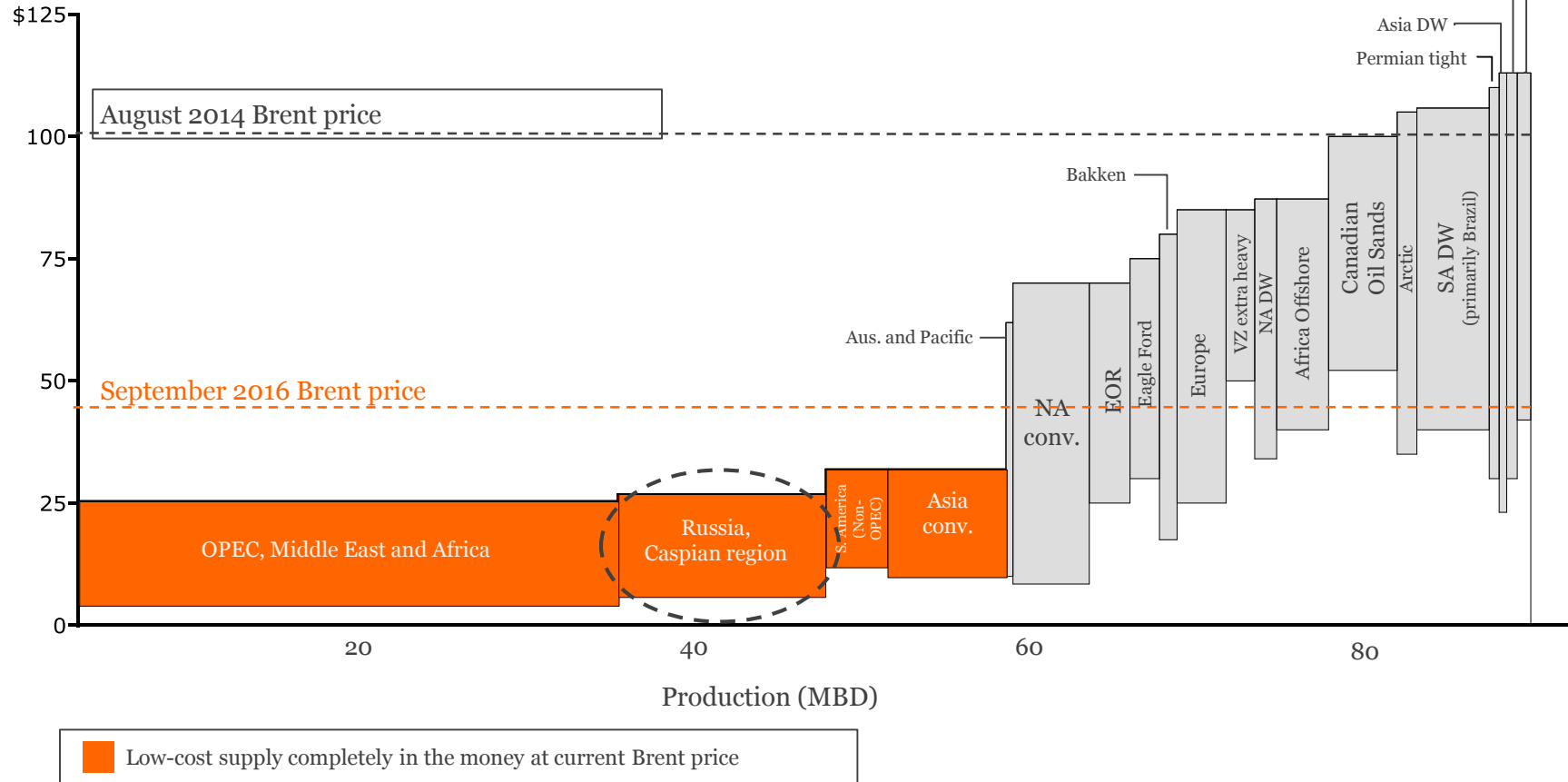
- Oil price started to rebound in January 2016 and currently stabilized at US\$40-50/bbl range with decline in production in US, China, Colombia and Mexico being compensated growth on production in Russia, Brazil and Kazakhstan
- Brokers estimate oil price to recover to US\$70+/bbl levels in 2018-2019

TMK Operates in Regions with Low-cost Oil Production



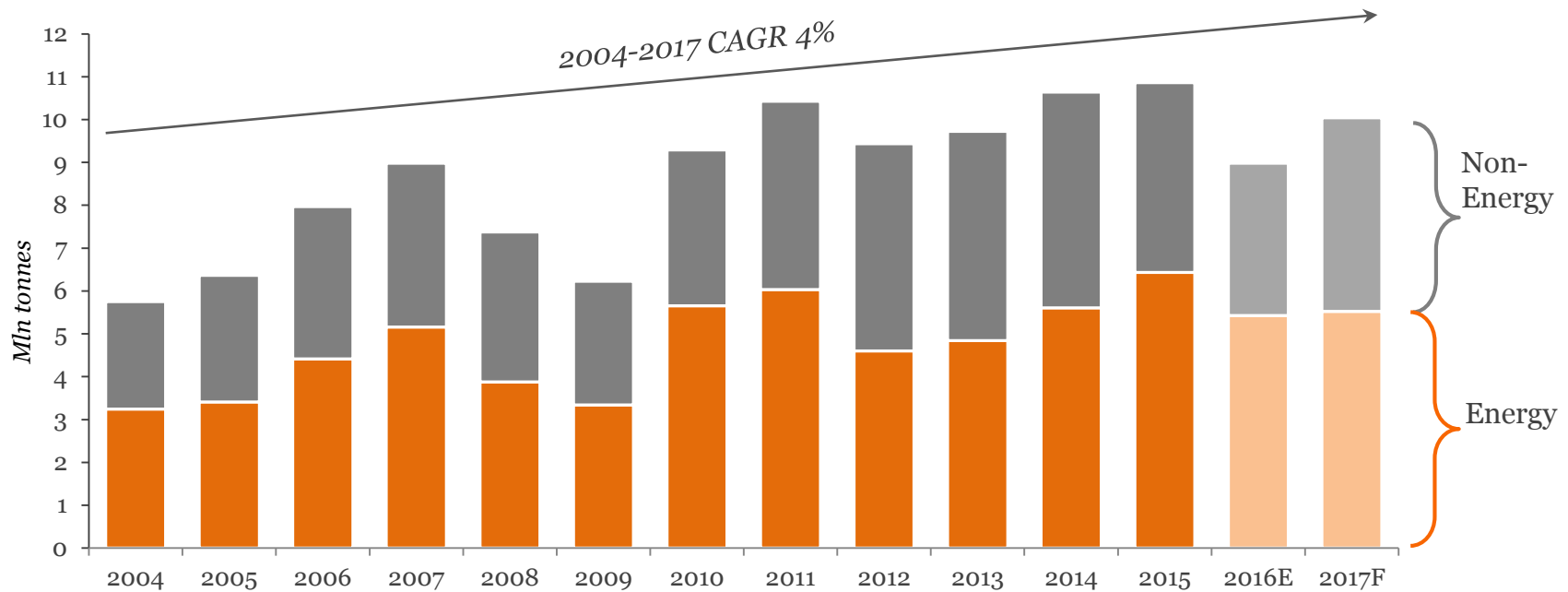
Global oil production supply curve

Breakeven price (per Boe)



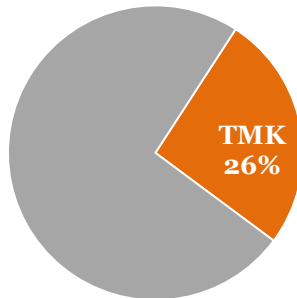
Note: Breakeven price assumes a 10% return, and NPV of 0; *includes Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan
 Source: IEA World Energy Outlook; EIA International Energy Outlook; EIA Annual Energy Outlook; Morgan Stanley; Bain

Russian Tube & Pipe Market



Source: TMK estimates

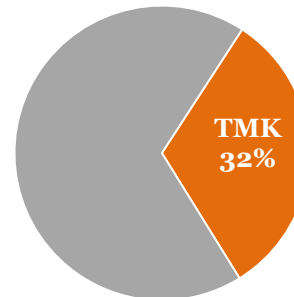
#1 on the Russian tube & pipe market



Source: TMK estimates, based on 9M2016 numbers

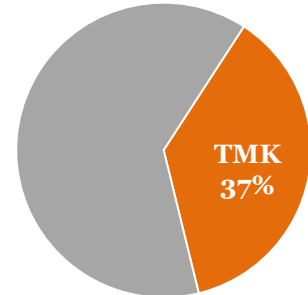
37% market share of energy pipe demand (+5% YoY)

9M 2015



Source: TMK estimates, based on 9M 2015-2016 numbers

9M 2016



Russian Market Share Positions

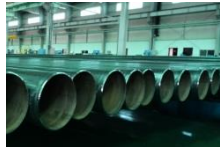


Seamless



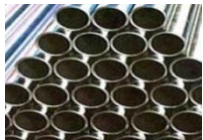
Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

OCTG 68% (+2% YoY)



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

Line Pipe 63% (+1% YoY)



Automotive, machine building, and power generation sectors.

Industrial 38% (0% YoY)

Welded



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

Line Pipe 20% (-2% YoY)



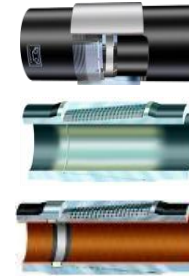
Large-Diameter 21% (+4% YoY) Construction of trunk pipeline systems for the long distance transportation of natural gas, crude oil and petroleum products.



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

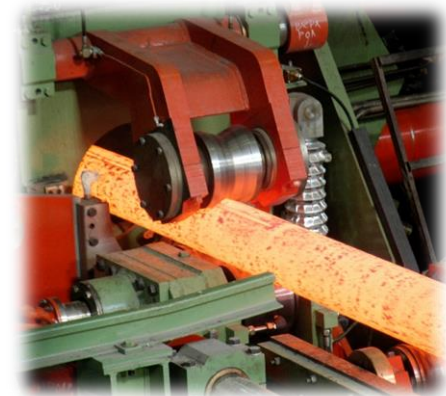
Industrial 8% (-2% YoY)

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) 81% (+9% YoY)

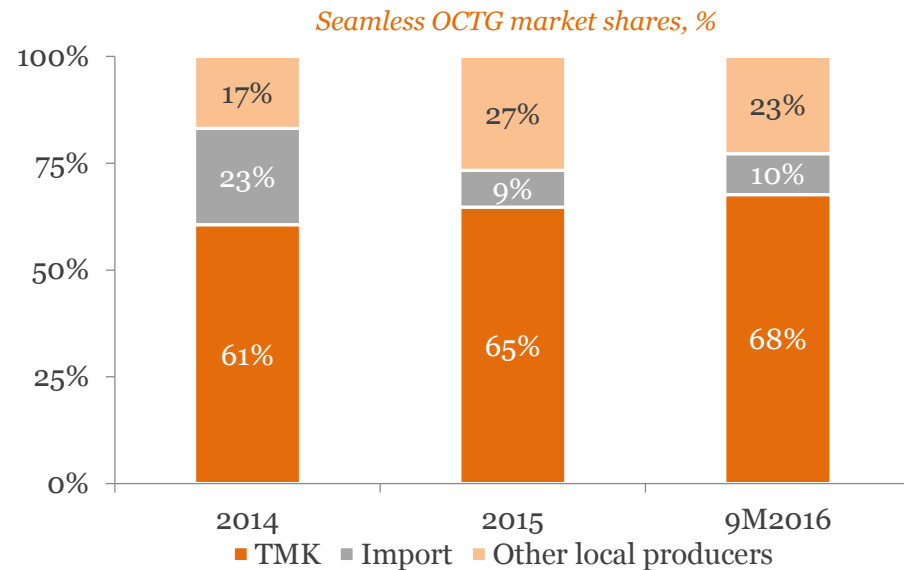


Source: TMK estimates, based on 9M2016 numbers

Strengthening Position on the Domestic Market

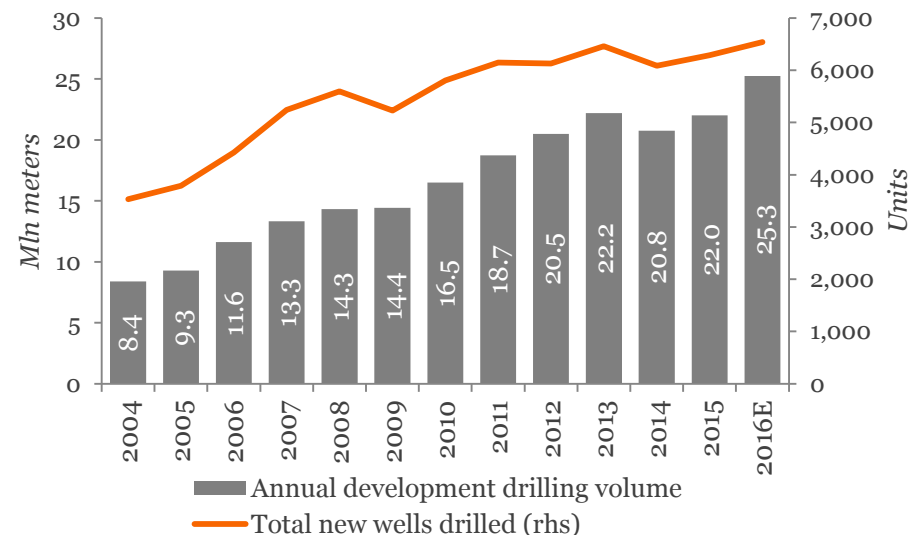


TMK share of seamless OCTG is growing



- Development of conventional and unconventional reserves will require the use of non-conventional drilling techniques and reliable OCTG products
- Russian seamless OCTG market is up by 3% YoY in 9M2016
- TMK is a leader in production of seamless OCTG on the Russian market with around 68% market share in 9M 2016

Growing oil drilling market in Russia

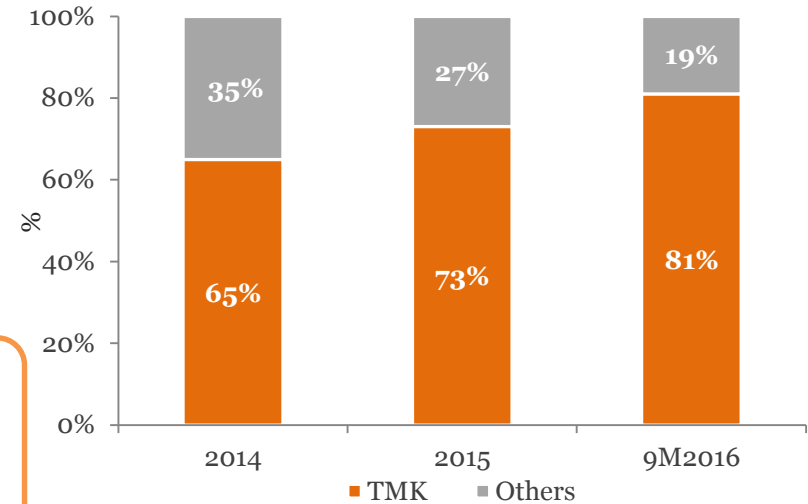


Current market challenges

- Development of fields with hard-to-recover reserves
- Directional drilling
- Drilling with liner in tough conditions
- Drilling with casing in tough conditions



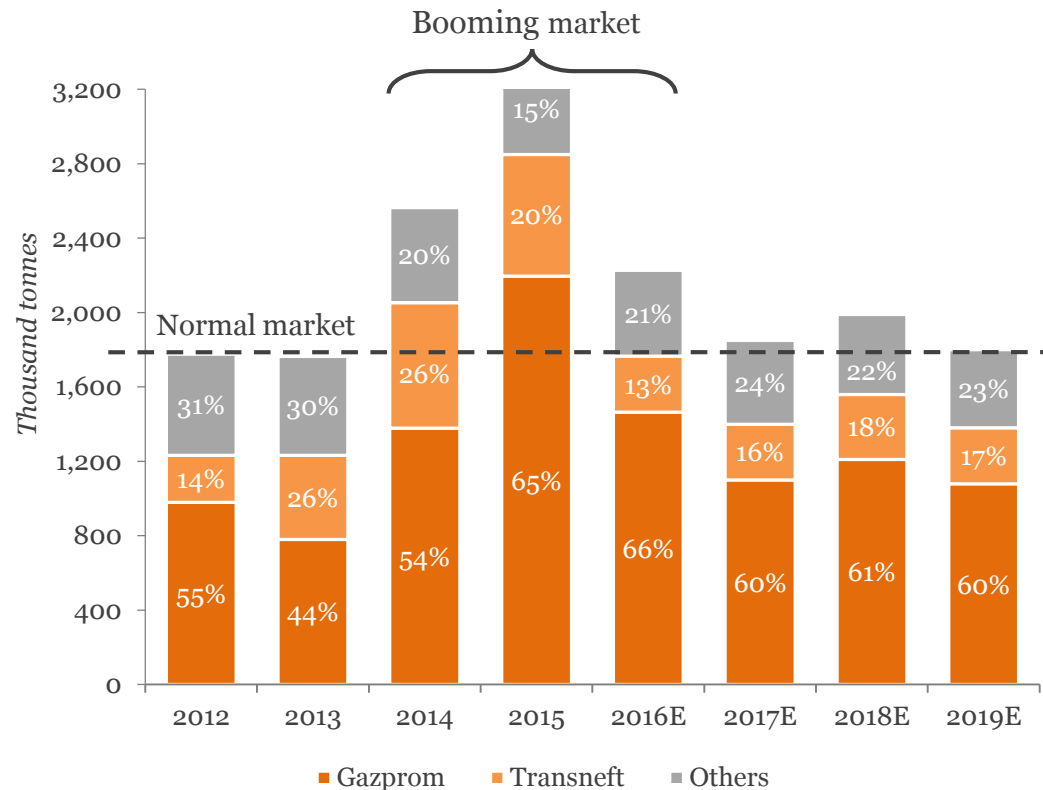
TMK's share on the premium market



Source: TMK estimates

- Key premium supplier for the Russian independent and state owned oil & gas companies
- Leader in the production of premium tubular products on the Russian market with around 81% market share in 9M 2016
- In 2016, we expect TMK premium shipments to grow by 8%

LDP demand in Russia, 2012-2019E



Source: TMK estimates



- Annual LDP demand for the next three years could amount to approximately 1.9 million tonnes
- Major projects planned: Power of Siberia (GAZP), Power of Siberia-2 (GAZP), Nord Stream-2, maintenance needs of Transneft and Gazprom

Long-term Relationships with Top-Tier Oil and Gas Companies



TMK long-term agreement to supply premium products to Gazprom

- Long-term agreement to 2023
- Guaranteed purchase of Premium tubular products
- Packaged solution (development of innovative products, production, logistical and technical support)
- Products will be designed and supplied in accordance with Gazprom's specific technical requirements
- Import substitution program
- Gazprom is prepared to pay in advance for the new products which are under development



For current and newly developed projects, including:

- Astrakhan field
- Urengoy field
- Chayandinskoye field
- Kovyktinskoye field
- Power of Siberia
- Offshore projects

Memorandum with Rosneft regarding offshore projects

- Partnership on import substitution program
- Considering use of TMK's premium products in Rosneft's Russian continental shelf projects
- The list of products in demand includes high-strength pipe casing and oil well tubing, large diameter pipe casing and new types of premium threaded connections

Shipments to LUKoil

- First shipments of premium pipes with lubricant-free coating to LUKoil-Niznevolzhskneft offshore field
- Shipments of premium products with hydrogen sulfide resistant coating to LUKoil-Kandym field
- Research and Development cooperation agreement for 2014-2016 as part of TMK's broader import substitution program

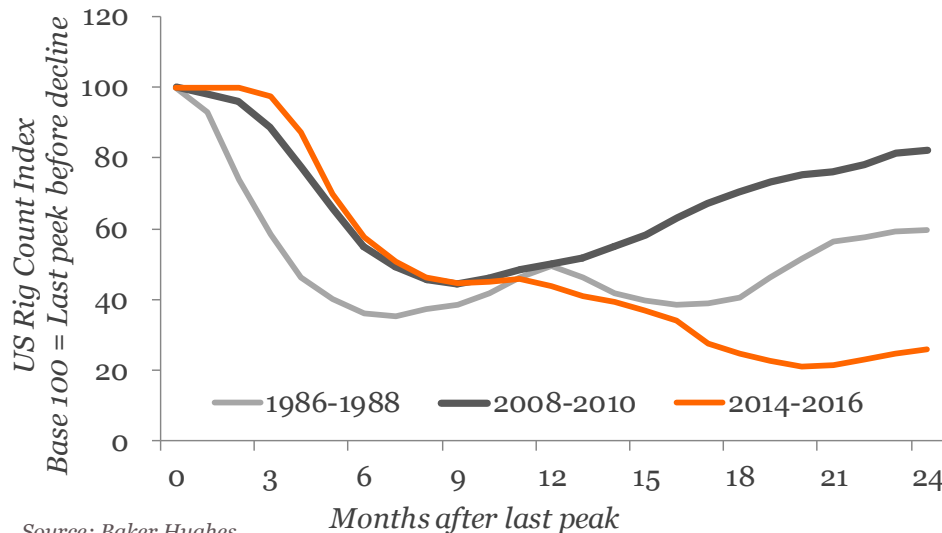
Source: TMK data

US Market Overview

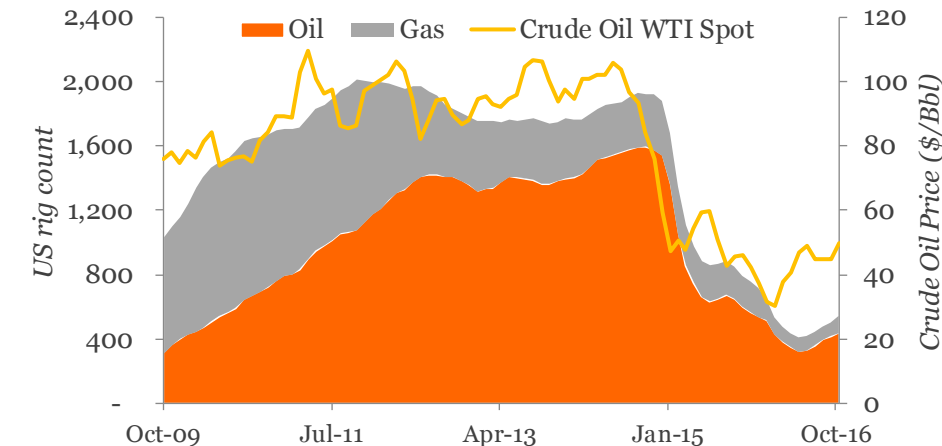
2016 Industry Performance Review: a Challenging Year



This downturn has been longer and tougher...



...but the rig count has started recovering

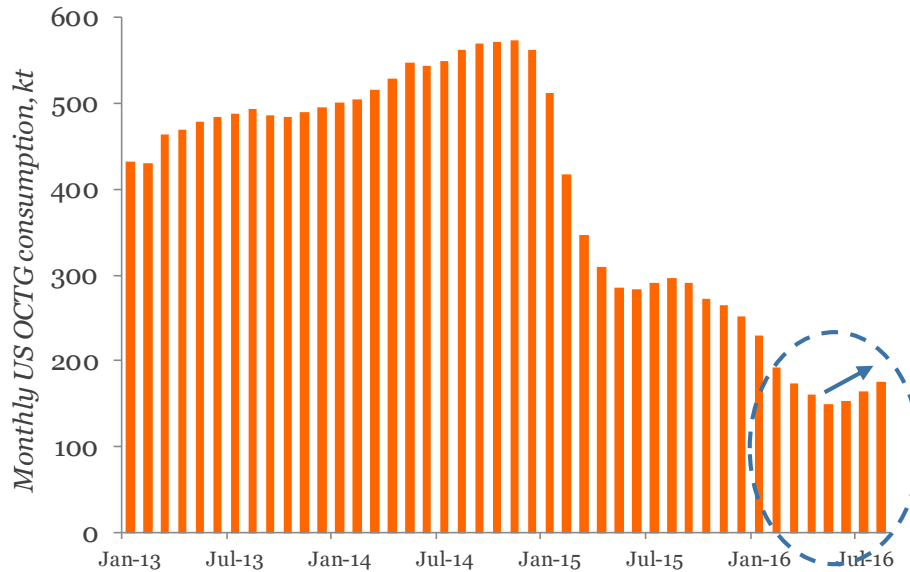


- Rig count reached bottom in May at 404 units, but grew by more than 160 rigs since then
- Average number of rigs in 3Q2016 increased by 14% QoQ, following the recovery in oil prices
- Low-breakeven Permian basin has concentrated most of the rigs added since the trough
- U.S. domestic crude production continues declining and averaged 8.5 mb/d in September, down 1.1 mb/d from the peak reached in April 2015
- Henry Hub Natural Gas prices experienced a strong rally during the summer 2016 rising from a 17-year low of \$1.64/MMBtu in early March to a high of \$3.07 in mid-September with the current level of \$2.37/MMBtu

TMK Operates in Regions with Low-cost Oil Production

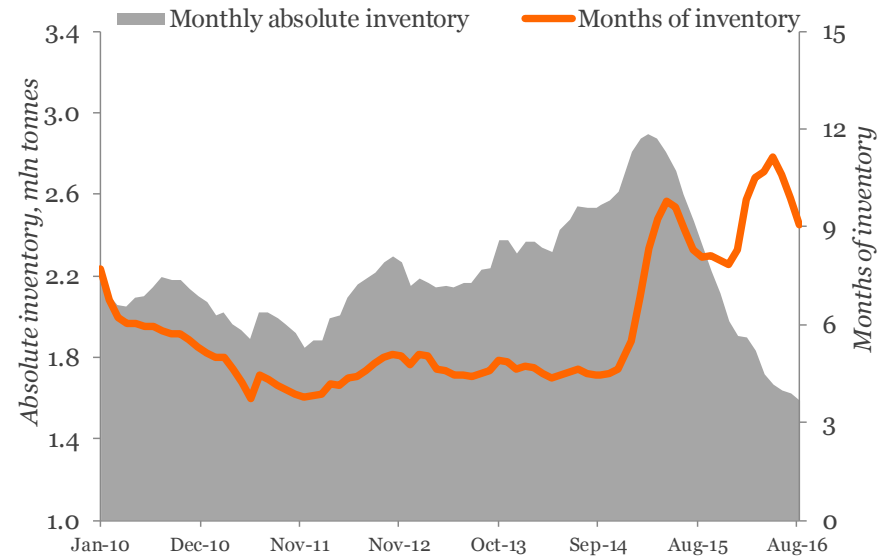


OCTG consumption dropped sharply but has already reached bottom and started recovering



Source: Preston Pipe & Tube Report

Inventory levels showed a steep decline but the market is still oversupplied



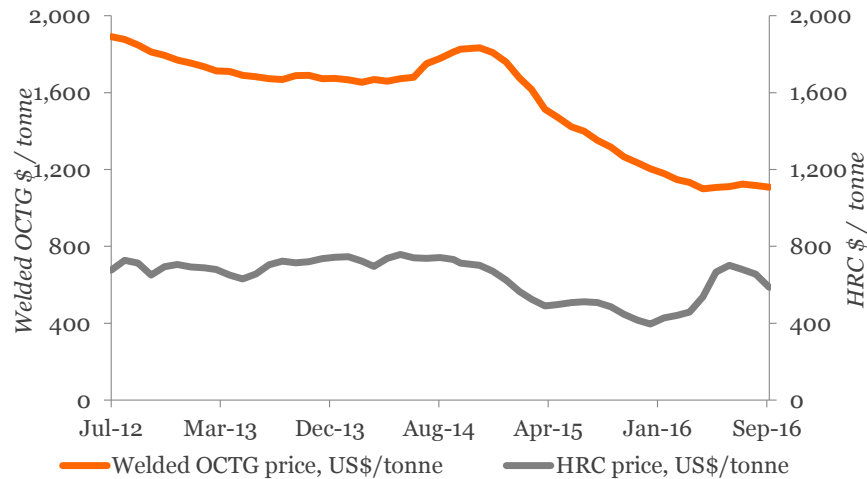
Source: Preston Pipe & Tube Report

- US consumption of OCTG is expected to decline to 2.2 million tonnes in 2016, 43% lower than in 2015
- US OCTG inventories not yet back to normalized level but down from 11.6 months to 9 months in 3Q
- Following the rig count evolution, a gradual recovery of the North American pipe market started in 2Q 2016 and is expected to continue, subject to oil and gas price stabilization and growth

OCTG Prices also Reached Bottom during 2Q and Stabilized

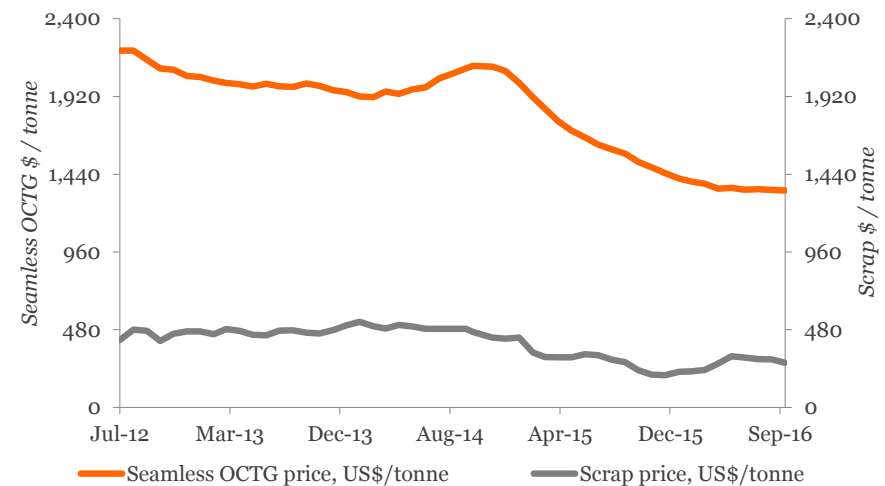


US distributor welded OCTG vs. HRC prices
(monthly average)



Source: Pipe Logix, HRC Midwest CRU Prices

US distributor seamless OCTG vs. scrap prices
(monthly average)



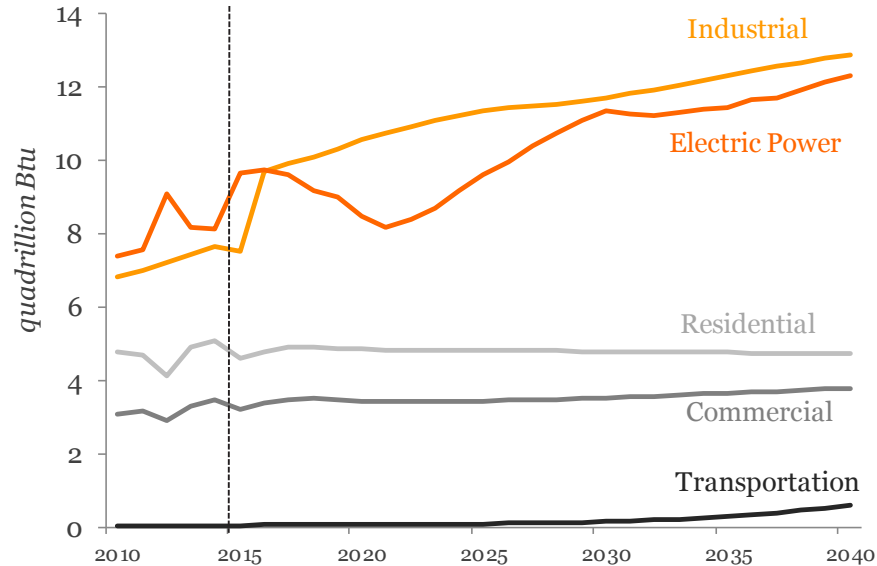
Source: Pipe Logix, AMM

- According to Pipe Logix, OCTG seamless and welded prices have been stable since they reached bottom in April 2016
- In 3Q 2016, HRC prices weakened and reached \$557 per tonne by the end of September (19% lower than at the end of June 2016). Scrap prices followed a similar trend and decreased 11% during the quarter ending on average at \$271 per tonne

US Natural Gas Consumption and Price Outlook

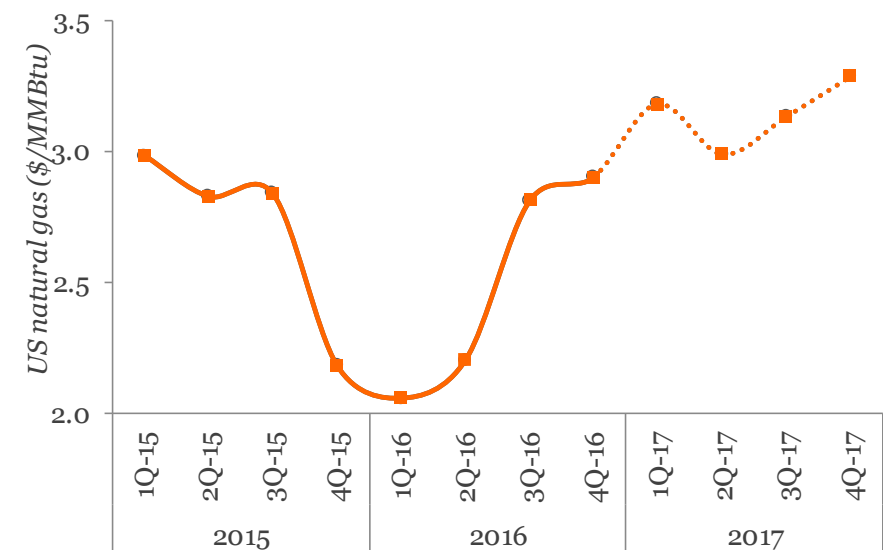


US natural gas consumption by sector, 2014 – 2040E (quadrillion Btu)



Source: EIA

Consensus points to higher Henry Hub natural gas prices in 2017



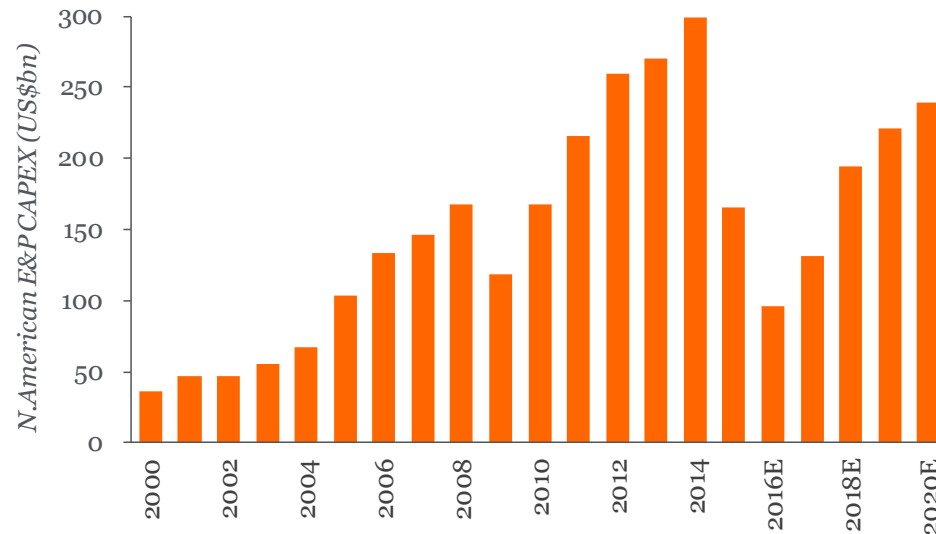
Source: EIA

- Industrial and electric power sectors are driving demand for natural gas
- In early 2000, electricity was generated by 16% by natural gas and by 52% - coal, while in 2016 it is expected that electricity will be generated by already 28% by natural gas and 37% - coal
- Henry Hub Natural Gas prices expected to gradually rise in 2017 with falling supply and rising export demand
- Major players in the Marcellus are expecting an average of \$3.25/MMBtu in 2017 and \$4.50/MMBtu in 2018, which would lead to higher drilling activity and stronger OCTG demand

US Exploration & Production CAPEX Recovery in 2017

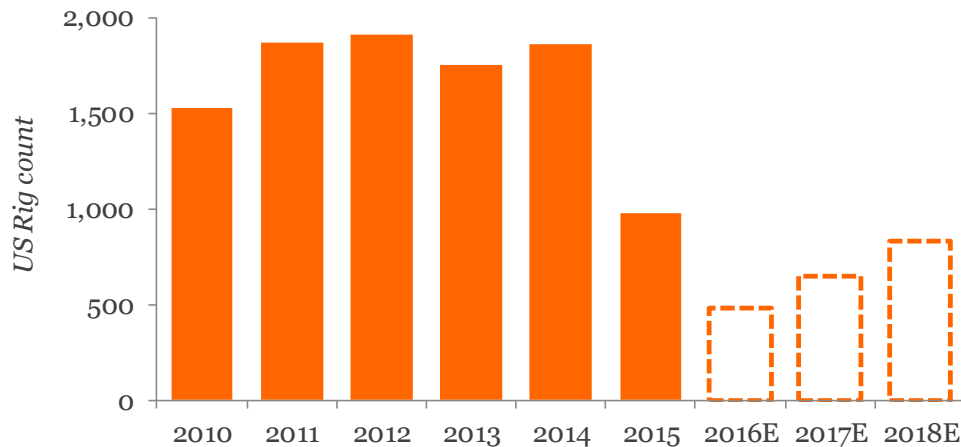


North American E&P CAPEX



Source: Citi Research and Corporate reports

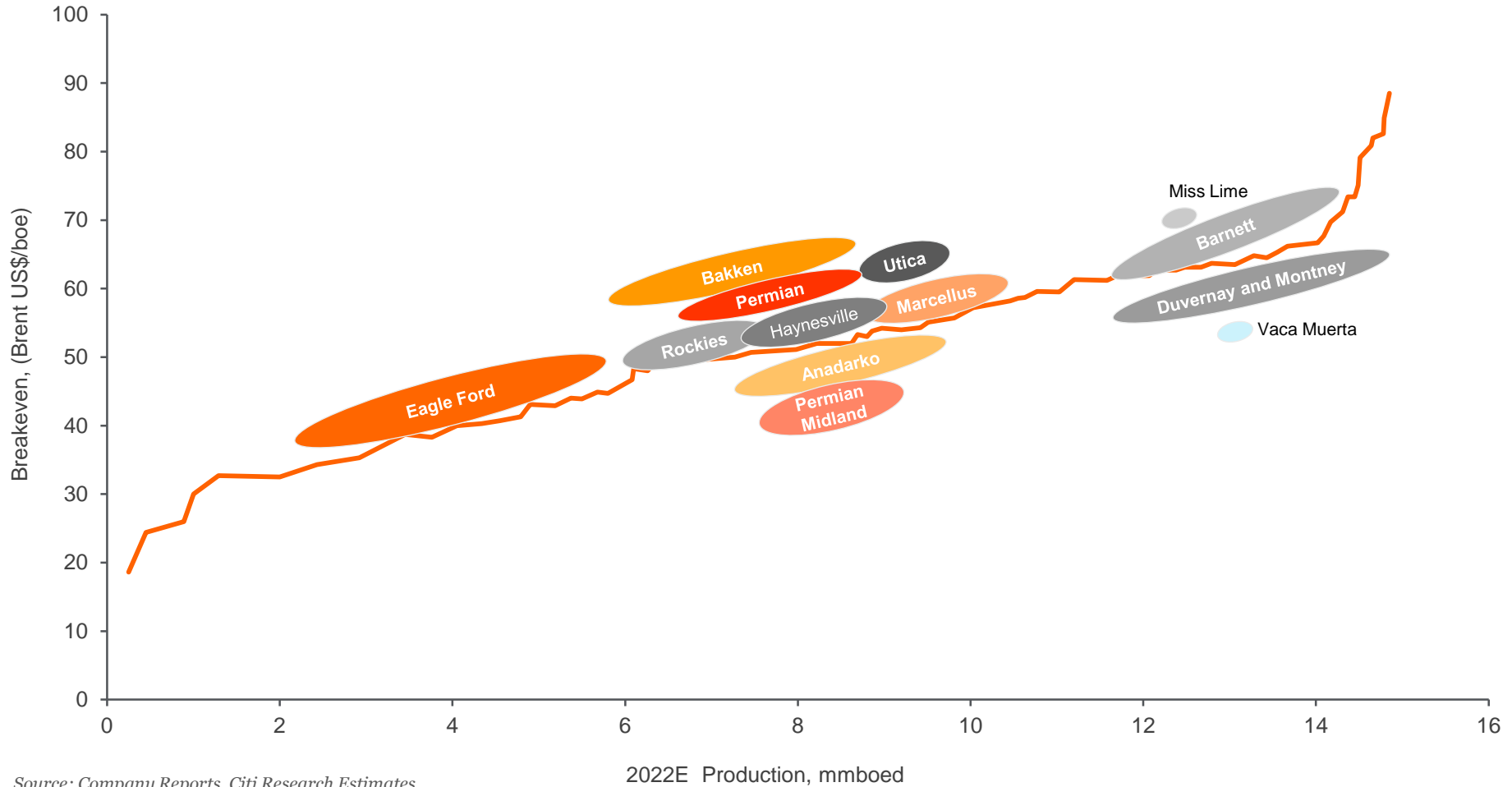
Rig Count outlook



Source: Baker Hughes

- Driven by higher crude oil and gas prices, NAM E&P CAPEX expected to grow in 2017 and beyond
- Consensus forecast indicates that rig count will average in the mid-600s during 2017
- Rig count recovery forecast to be moderate until mid-2017 as a consequence of price volatility and an abnormally high level of drilled but uncompleted (DUC) wells inventory
- Starting in 2H 2017, rig additions should accelerate, driven by higher crude oil and natural gas prices
- Low break-even Permian and Marcellus in a better position to benefit from higher E&P spending

Shale Assets on Cost-curve



- Despite a wide variation between plays, US shale producers require the oil price to remain at US\$50/bbl long-term for sustainable growth
- At the same time, some shale plays like Eagle Ford and Permian are profitable at below or around US\$40/bbl

Bundling pipe, Premium Connections and Completions

- Provide customers with creative solutions by leveraging the strengths of TMK IPSCO and TMK Completions
- Develop proposals to meet the unique requirements of each customer by linking products and services with innovative technology to ensure customer satisfaction



TMK OCTG Tubulars:

- Casing and tubing
- API and Proprietary
- Sizes 2-3/8" to 16"
- Seamless and welded



TMK UP ULTRA™:

Some of the strongest and most efficient premium connections available on the market



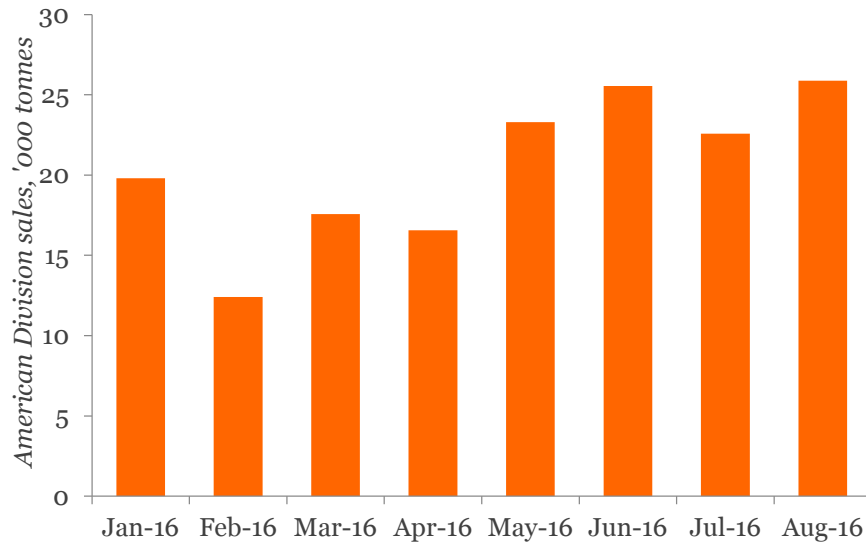
TMK Completions:

Innovative multi-stage fracturing systems and tools for cemented and uncemented designs

Results of New Go-to-Market Model in 2016



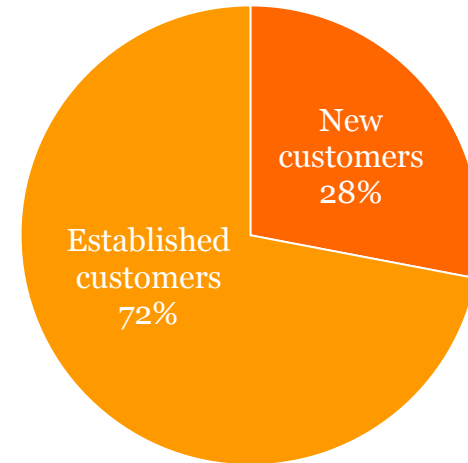
New go-to-market model is driving growth...



Source: Company results

...increasing customer base and market share

OCTG Sales in 2016E (tonnes)



Source: Company results

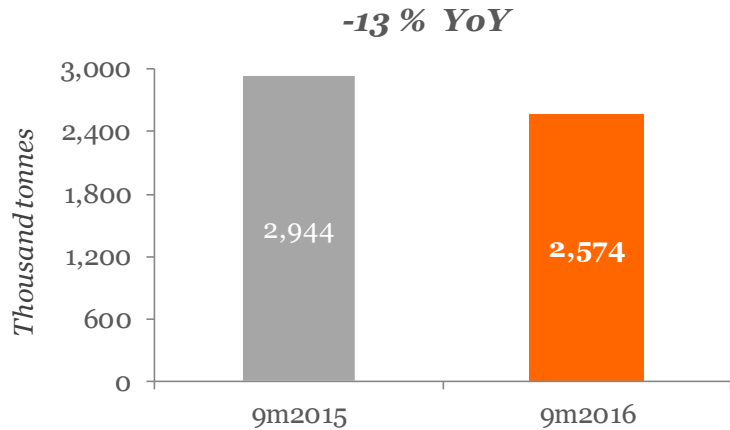
- Shipments growing since February in the context of weakening market, with other competitors seeing lower volumes in general
- Successful implementation of new go-to-market model in most U.S. regions driving recovery in sales and growth in market share: new customers account for 28% of overall OCTG volumes in 2016

- Majority of welded mills are temporarily idled, awaiting repositioning/upturn
- Downward trend of conversion cost per ton produced, - 34% during 2016
- Contributing factors: matching labor, aggressive performance targets, lean manufacturing techniques, campus mentality (production consolidation) and “make to order” approach
 - Matching labor to the utilization of operating facilities, this allows us to control labor cost in both low and recovering scenarios – total employment costs reduced by 46%
 - Variable cost is improving: -26% in 2016. Fixed cost downward trend: -16% in 2016
 - Process Engineering function installed at each operating facility to ensure implementation of Lean Manufacturing. Lean manufacturing techniques support variable cost and capacity improvements
 - Campus mentality: consolidation of the South Production Campus. Moving Houston Ultra lines to Baytown

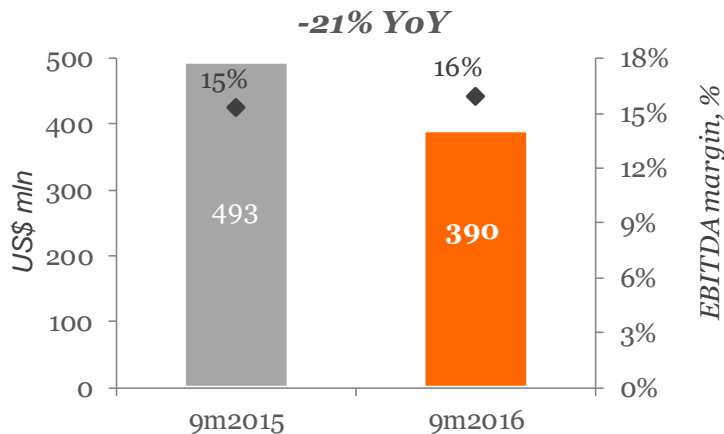
9M 2016 Summary Financial Results

9M 2016 Summary Financial Highlights

Sales decreased YoY, due to significantly lower volumes in Russian and reduced sales at the American division

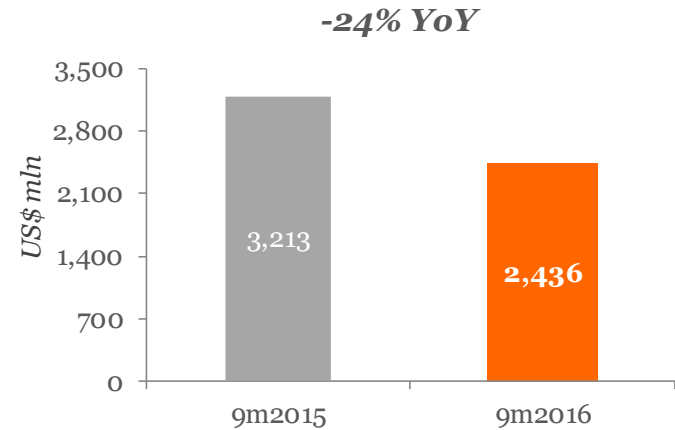


Adjusted EBITDA decreased YoY, mostly due to the impact of weak results at the American division, and a negative effect of currency translation

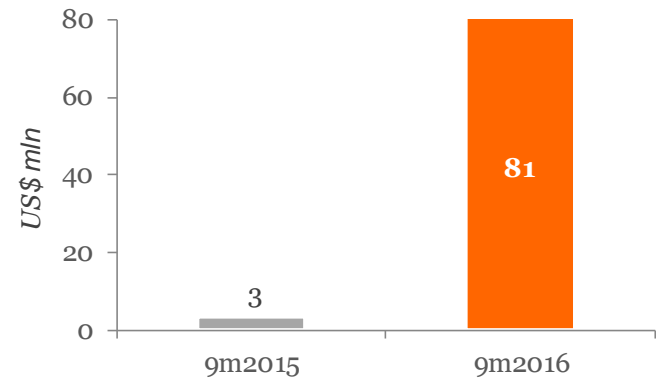


Source: TMK data

Revenue fell YoY, mostly due to weaker sales at the American division and a negative effect of currency translation

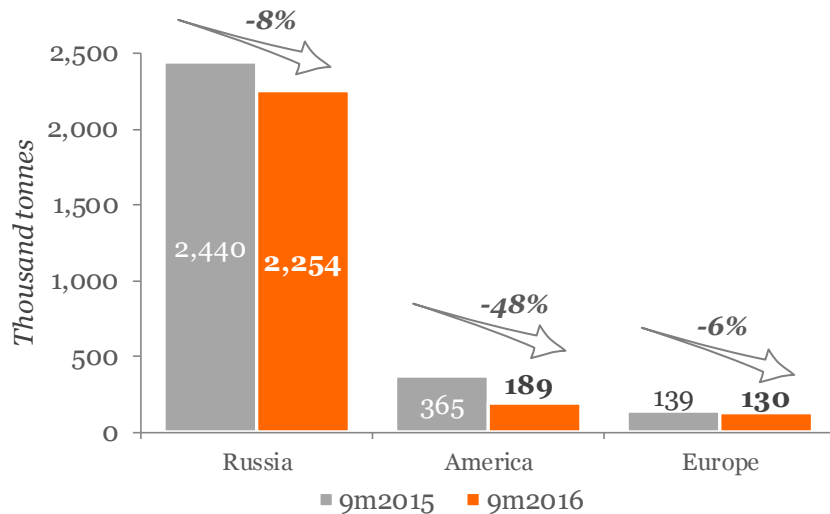


Net profit increased YoY, as there was a foreign exchange gain of \$101 mln in 9M 2016 compared to a foreign exchange loss of \$87 mln in 9M 2015



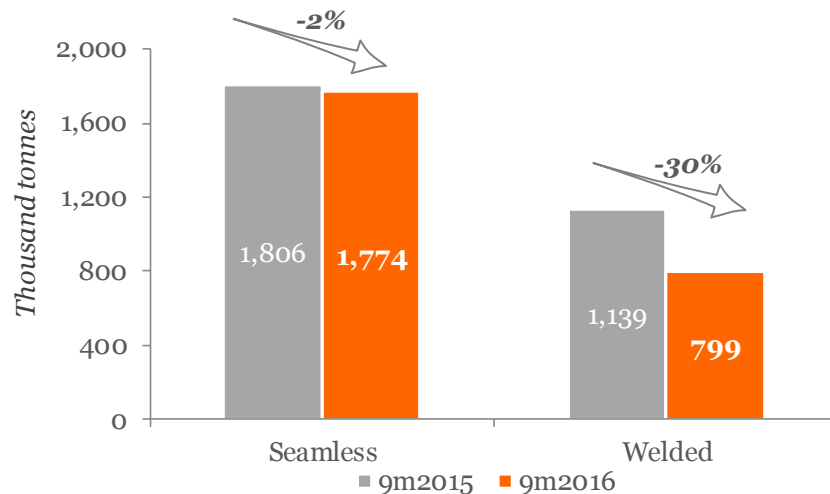
9M 2016 Sales by Division and Product Group

Sales by division



- Russian division sales decreased YoY, mainly affected by lower LD pipe volumes compared to record high demand in 9M 2015 and a sharp decline in welded OCTG sales at the American division.
- A dramatic YoY decrease in rig count combined with E&P spending cuts in the North American market led to a significant decline in pipe sales at the American division.
- European division sales decreased due to lower seamless pipe volumes, resulting from a decline in pipe consumption in the European market.

Sales by product group

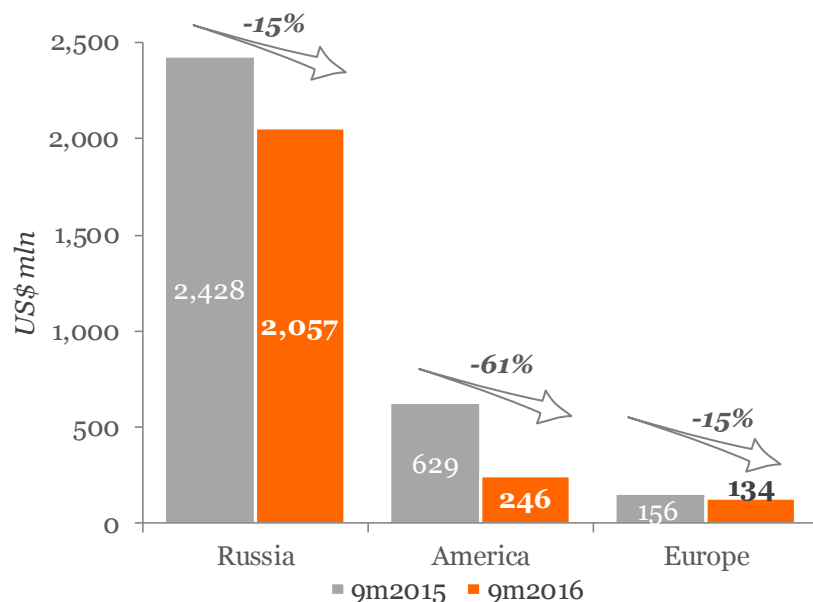


- Seamless pipe volumes decreased YoY, as a result of lower seamless pipe sales at the American division.
- Welded pipe sales decreased YoY, largely due to a sharp decline in welded OCTG volumes at the American division combined with lower LD pipe sales at the Russian division.
- Total OCTG sales decreased by 5% YoY, largely as a result of a sharp decline at the American division.

Source: TMK data

9M 2016 Revenue by Division

Revenue



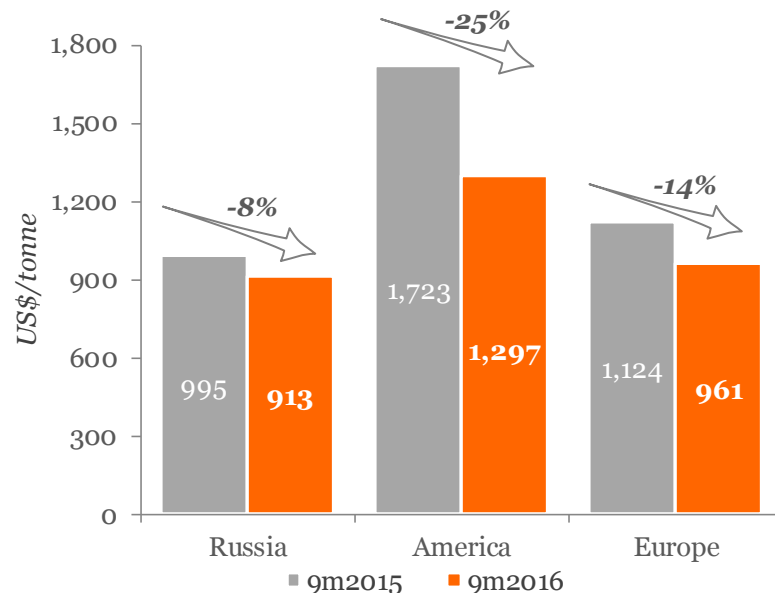
- Revenue for the Russian division decreased YoY, due to a negative effect of currency translation.
- Revenue for the American division dropped YoY, as a result of a significant decrease in pipe volumes coupled with weaker pricing.
- Revenue for the European division fell YoY, due to lower seamless pipe sales and 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*

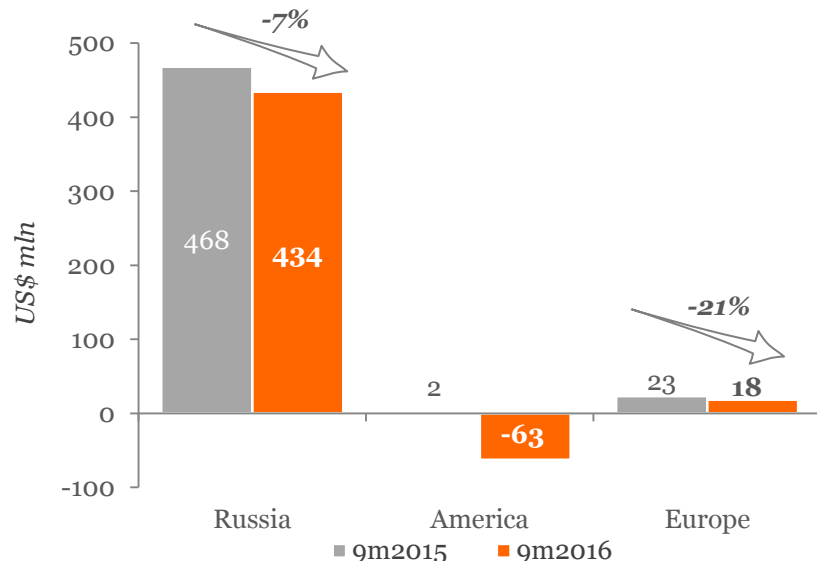


* Revenue/tonne for the Russian and American divisions is calculated as total revenue divided by pipe sales. Revenue for the European Division is calculated as total revenue divided by pipe+billet sales

- Russian division revenue per tonne decreased YoY, primarily due a negative effect of currency translation.
- American division revenue per tonne fell due to lower prices.
- European division revenue per tonne decreased YoY, as a result of an unfavorable pricing environment in the European market.

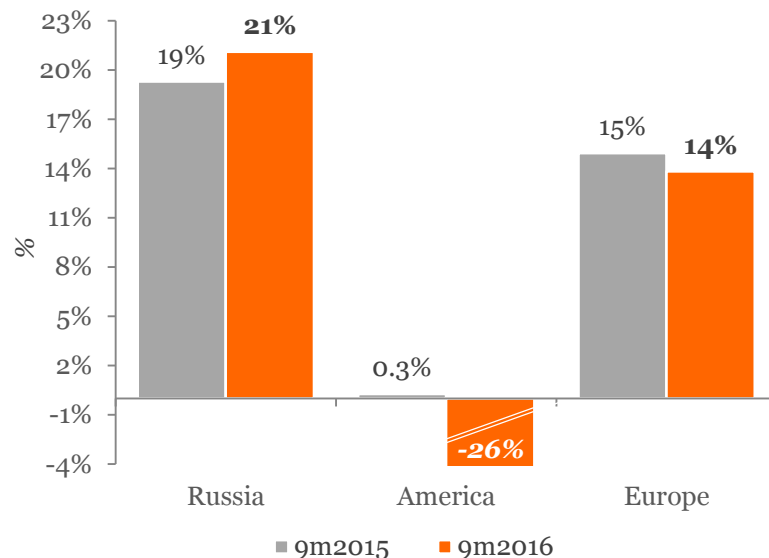
9M 2016 Adjusted EBITDA by Division

Adjusted EBITDA



- Russian division Adjusted EBITDA decreased YoY, due to a negative effect of currency translation.
- American division Adjusted EBITDA dropped YoY, following a sharp decline in sales and pricing.
- European division Adjusted EBITDA fell YoY, partially due to a decline in seamless pipe prices.

Adjusted EBITDA margin



- Russian division Adjusted EBITDA margin increased YoY, as a result of higher prices and cost saving measures.
- European division Adjusted EBITDA margin decreased YoY, mostly due to lower pricing of seamless pipe.

Source: TMK Consolidated IFRS financial statements, TMK data

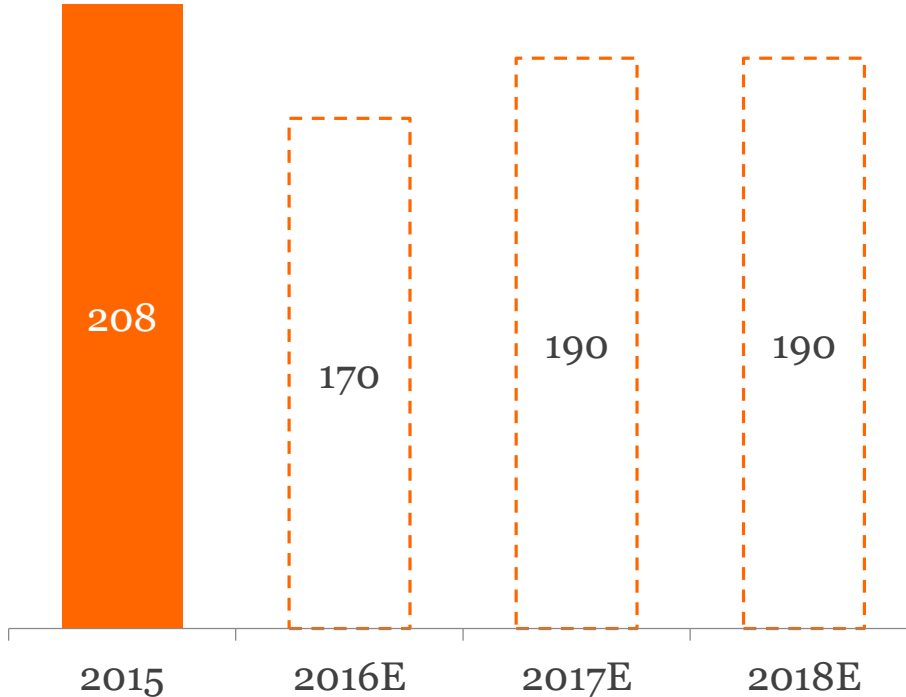
Note:

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.

Strategic Overview

Strict Control over CAPEX

Limited CAPEX for 2016E-2018E

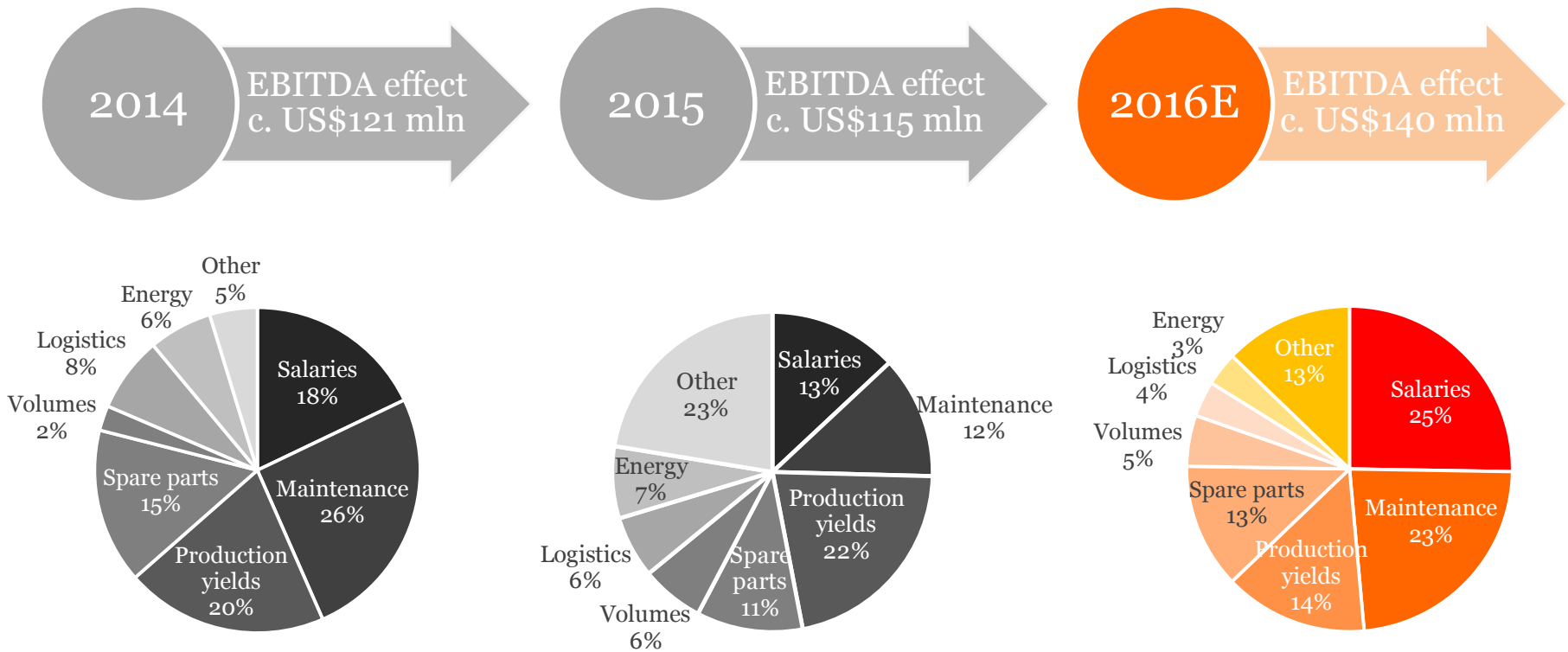


Source: TMK estimates

- Upper limit of US\$200 mln annual CAPEX (growth & maintenance) for 2016E-2018E reconfirmed
- Strategic investment program completed in Autumn 2014
- Strict control over maintenance costs
- No M&A's planned

Ongoing Cost Cutting Program

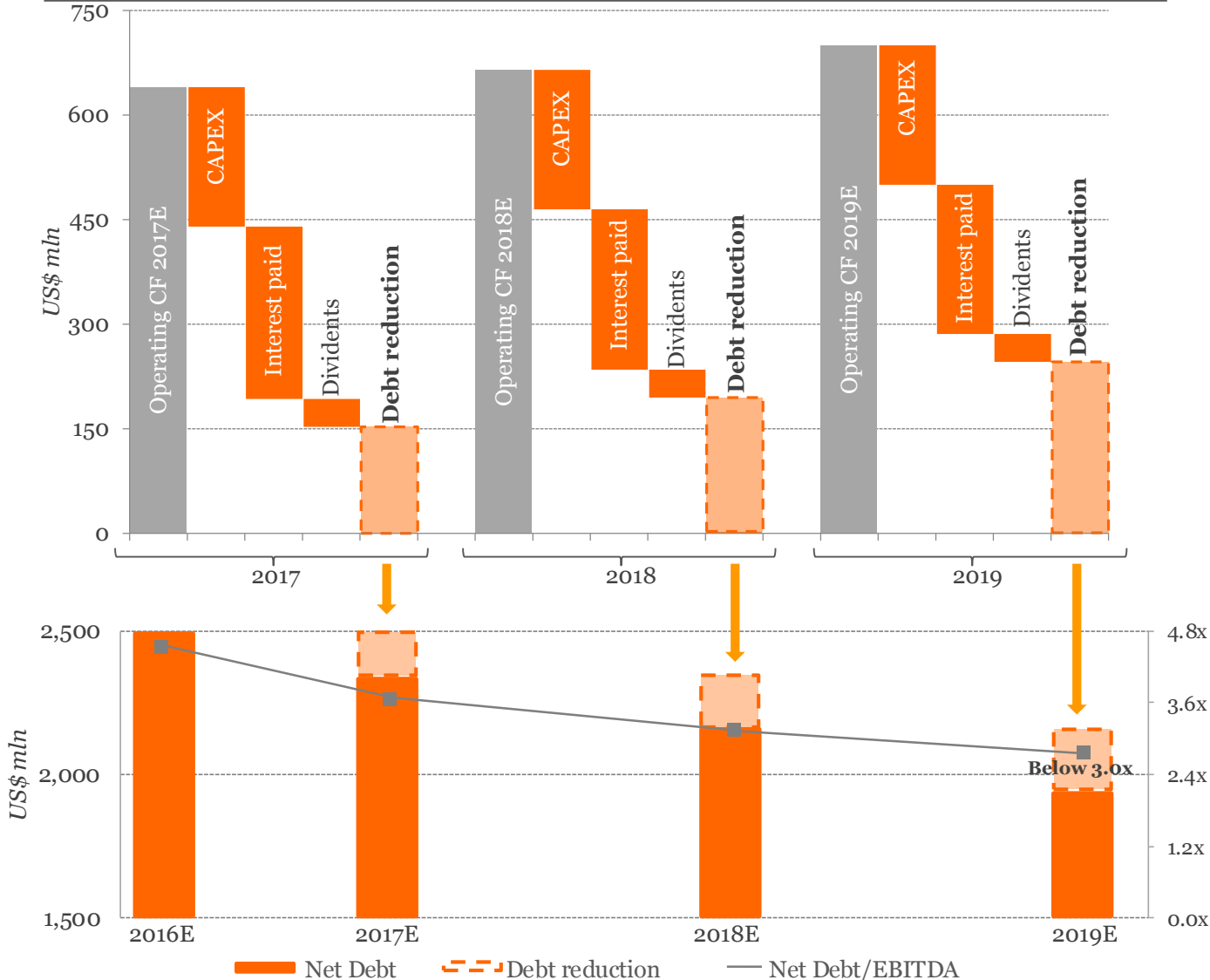
Cost cutting program breakdown



Source: TMK estimates

Pro-forma Example of TMK Deleveraging

Deleveraging schedule*

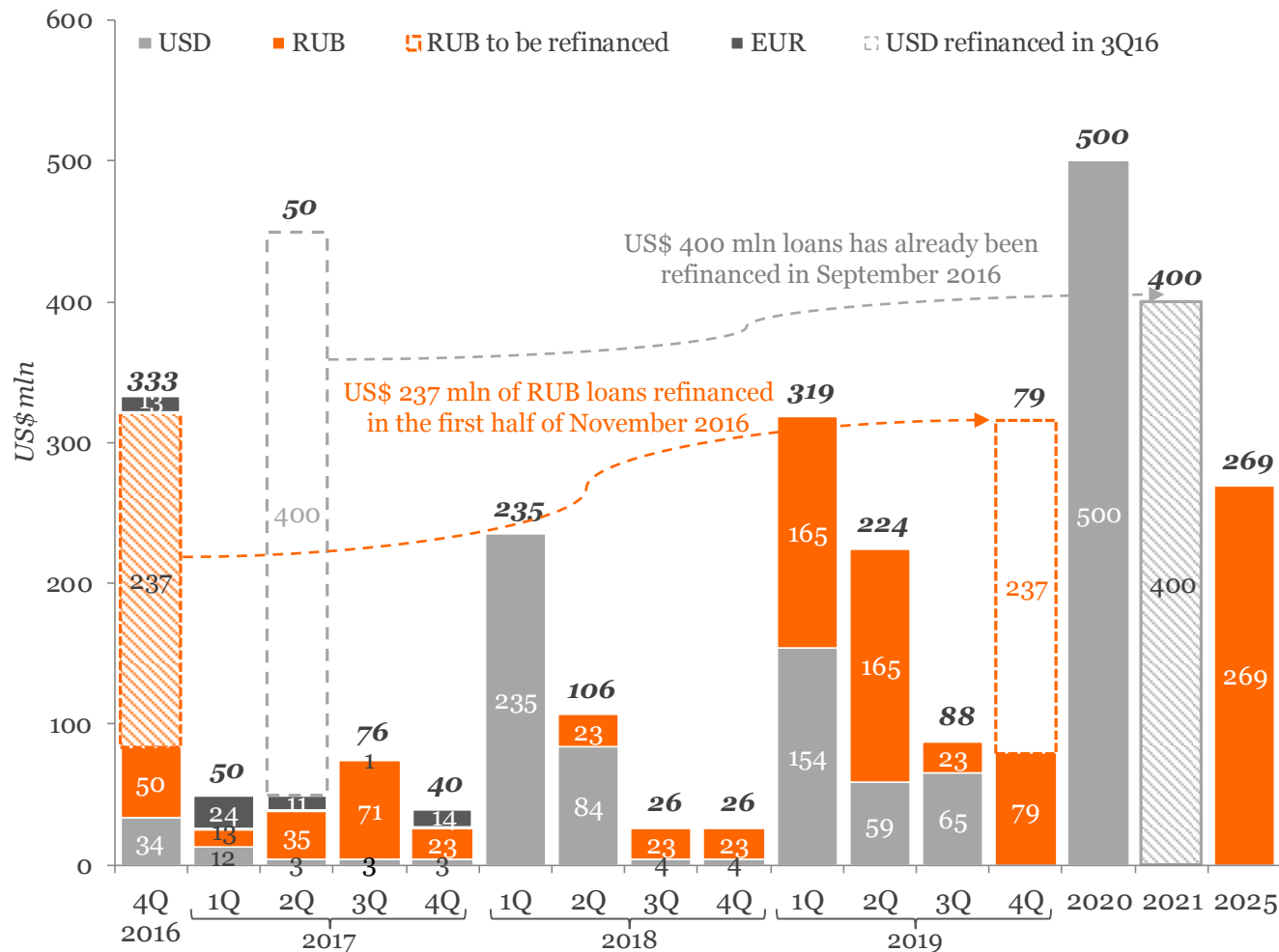


Source: TMK estimates

- EBITDA growth in 2017E-2019E
- Target to get to **below 3.0x Net Debt/EBITDA in 3 years** – focus on cash generation:
 - Limited capex and improved working capital
 - Disposal of non-key assets
 - Potential SPO
- 2.5x Net Debt/EBITDA** remains a longer-term target
- Key assumption – reasonably stable macros, including gradual US recovery

Comfortable Maturity Profile with Ongoing Refinancing

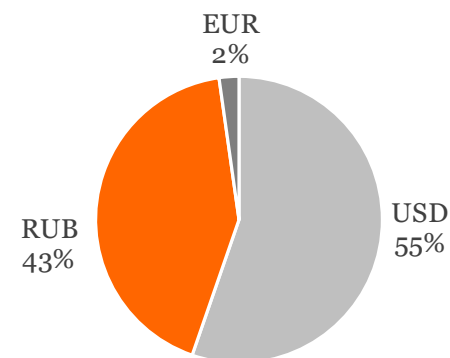
Debt maturity profile as at September 30, 2016



- As at September 30, 2016, net debt amounted to US\$2,564* mln
- Weighted average nominal interest rate decreased by 9 bps compared to June 30, 2016 to 9.00% as at Sep 30, 2016
- Credit Ratings:
 - S&P: B+, Negative;
 - Moody's: B1, Negative

*TMK estimate

Debt currency structure



Source: TMK management accounts (figures based on non-IFRS measures), TMK estimates

Source: TMK management accounts

MAINTAIN LEADERSHIP

- Continue dominating Russian market
- Remain among top 3 US OCTG producers
- Increase HI-TECH product sales to 70% of Russian division's revenue by 2020 and maintain our share of total premium connections market in Russia
- US\$100 mln revenue from newly developed products annually

FOCUS ON CASH GENERATION

- Continue optimizing working capital
- Ongoing cost cutting
- Limited CAPEX
- No M&A activity planned
- Disposal of non-key assets and potential SPO

DELEVERAGING

- Target to get to below 3.0x Net Debt/EBITDA in 3 years
- 2.5x remains a longer-term goal

Appendix – Summary Financial Accounts

Key Consolidated Financial Highlights

<i>(US\$mln)^(a)</i>	2015	2014	2013
Revenue	4,127	6,009	6,432
Adjusted EBITDA^(b)	636	804	952
<i>Adjusted EBITDA Margin (%)</i>	<i>15%</i>	<i>13%</i>	<i>15%</i>
Profit (Loss)	(368)	(217)	215
<i>Net Profit Margin (%)</i>	<i>n/a</i>	<i>n/a</i>	<i>3%</i>
Pipe Sales ('000 tonnes)	3,871	4,402	4,287
Average Net Sales/tonne (US\$)^(c)	1,066	1,365	1,500
Cash Cost per tonne (US\$)^(d)	783	1,030	1,108
Cash Flow from Operating Activities	684	595	703
Capital Expenditure^(e)	208	293	397
Total Debt^(f)	2801	3,223	3,694
Net Debt^(f)	2,496	2,969	3,600
Short-term Debt/Total Debt	21%	24%	11%
Net Debt/Adjusted EBITDA	3.9x	3.7x	3.8x
Adjusted EBITDA/Finance Costs	2.3x	3.5x	3.8x

(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	2015	2014	2013	2012	2011
Revenue	4,127	6,009	6,432	6,688	6,754
Cost of Sales	(3,282)	(4,839)	(5,074)	(5,209)	(5,307)
Gross Profit	845	1,169	1,358	1,479	1,446
Selling and Distribution Expenses	(260)	(350)	(379)	(433)	(411)
General and Administrative Expenses	(207)	(278)	(317)	(293)	(283)
Advertising and Promotion Expenses	(8)	(14)	(12)	(11)	(9)
Research and Development Expenses	(13)	(15)	(13)	(17)	(19)
Other Operating Expenses, Net	(35)	(35)	(34)	(57)	(40)
Foreign Exchange Gain / (Loss), Net	(141)	(301)	(49)	23	(1)
Finance Costs, Net	(269)	(226)	(245)	(275)	(271)
Other	(354)	(150)	5	(16)	132
Income / (Loss) before Tax	(443)	(201)	312	400	544
Income Tax (Expense) / Benefit	75	(15)	(98)	(123)	(159)
Net Income / (Loss)	(368)	(217)	215	278	385

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	2015	2014	2013	2012	2011
ASSETS					
Cash and Bank Deposits	305	253	93	225	231
Accounts Receivable	512	728	995	914	772
Inventories	785	1,047	1,324	1,346	1,418
Prepayments	113	113	148	180	200
Other Financial Assets	-	1	-	4	4
Total Current Assets	1,715	2,142	2,561	2,670	2,625
Assets Classified as Held for Sale					-
Total Non-current Assets	2,697	3,508	4,857	4,934	4,507
Total Assets	4,412	5,649	7,419	7,603	7,132
LIABILITIES AND EQUITY					
Accounts Payable	682	831	1,111	1,132	1,053
ST Debt	600	764	398	1,068	599
Dividends	-	-	-	-	-
Other Liabilities	41	48	62	74	53
Total Current Liabilities	1,323	1,643	1,571	2,275	1,705
LT Debt	2,201	2,459	3,296	2,817	3,188
Deferred Tax Liability	110	206	298	302	305
Other Liabilities	64	71	125	125	111
Total Non-current Liabilities	2,374	2,735	3,718	3,244	3,603
Equity	715	1,271	2,130	2,084	1,823
<i>Including Non-Controlling Interest</i>	<i>53</i>	<i>66</i>	<i>96</i>	<i>99</i>	<i>92</i>
Total Liabilities and Equity	4,412	5,649	7,419	7,603	7,132
Net Debt	2,496	2,969	3,600	3,656	3,552

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	2015	2014	2013	2012	2011
Profit / (Loss) before Income Tax	(443)	(201)	312	400	544
<i>Adjustments for:</i>					
Depreciation and Amortisation	251	304	326	326	336
Net Interest Expense	269	226	245	275	271
Others	552	479	61	39	(101)
Working Capital Changes	105	(159)	(159)	(34)	(156)
Cash Generated from Operations	734	648	786	1,006	894
Income Tax Paid	(51)	(53)	(82)	(77)	(107)
Net Cash from Operating Activities	684	595	703	929	787
Capex	(208)	(293)	(397)	(445)	(402)
Acquisitions	(2)	(60)	(38)	(33)	-
Others	25	10	12	23	25
Net Cash Used in Investing Activities	(185)	(343)	(423)	(455)	(377)
Net Change in Borrowings	(193)	154	(93)	(148)	4
Others	(187)	(206)	(313)	(341)	(339)
Net Cash Used in Financing Activities	(381)	(53)	(407)	(489)	(335)
Net Foreign Exchange Difference	(65)	(40)	(5)	10	(2)
Cash and Cash Equivalents at January 1	253	93	225	231	158
Cash and Cash Equivalents at YE	305	253	93	225	231

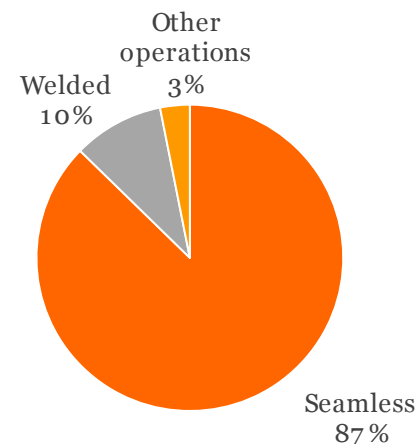
Source: Consolidated IFRS Financial Statements

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)	3Q2016	QoQ, %	9M 2016	YoY, %
SEAMLESS	Sales - Pipes, kt	608	2%	1,774	-2%
	Revenue	608	5%	1,709	-14%
	Gross profit	146	-7%	444	-10%
	Margin, %	24%		26%	
	Avg revenue/tonne (US\$)	1,001	4%	963	-13%
	Avg gross profit/tonne (US\$)	240	-8%	250	-9%
WELDED	Sales - Pipes, kt	218	-27%	799	-30%
	Revenue	177	-24%	615	-43%
	Gross profit	12	-58%	49	-69%
	Margin, %	7%		8%	
	Avg revenue/tonne (US\$)	812	4%	770	-19%
	Avg gross profit/tonne (US\$)	55	-42%	61	-56%

9M 2016 gross profit breakdown



- Sales of seamless pipe generated 74% of total Revenue in 3Q 2016 and 70% in 9M 2016.
- Gross Profit from seamless pipe sales represented 89% of 3Q 2016 total GP and 87% of 9M 2016 GP.
- Gross Profit Margin from seamless pipe sales amounted to 24% in 3Q 2016 and 27% for 9M 2016.

Source: Consolidated IFRS financial statements, TMK data

Note:

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Appendix – Capital Structure and Corporate Governance

Capital structure



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

**Including shares of VTB (13.44%) and Rosnano (5.26%)

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 June 30, 2016 32.24% of TMK shares were in free float, with approximately 50% of them traded in the form of GDRs on the London Stock Exchange.
- Total shares outstanding amount to 1,033,135,366 or equivalent of 258,283,841 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.



SERGEY KRAVCHENKO, Independent director, member of the Board of Directors

Born in 1960. Graduated from the Moscow State University of Mechanical Engineering in 1982. Professor, Doctor of Technical Science/

Relevant experience: President of Boeing Russia and CIS since 2002, responsible for the company's business development in Russia and CIS. Head of representative office of Boeing Russia and CIS. Prior to joining Boeing in 1992 was a lead member of the Russian Academy of Sciences, a teacher in Russia and a science advisor in the US, Europe and Asia.



ROBERT MARK FORESMAN, Independent director, member of the Board of Directors

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

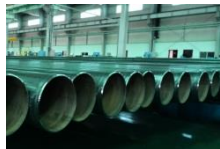
Wide Range of Products, Focus on Oil and Gas

Seamless



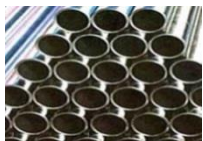
Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

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.

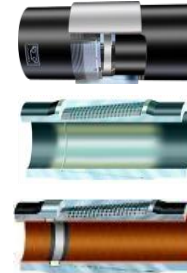
Large-Diameter



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.

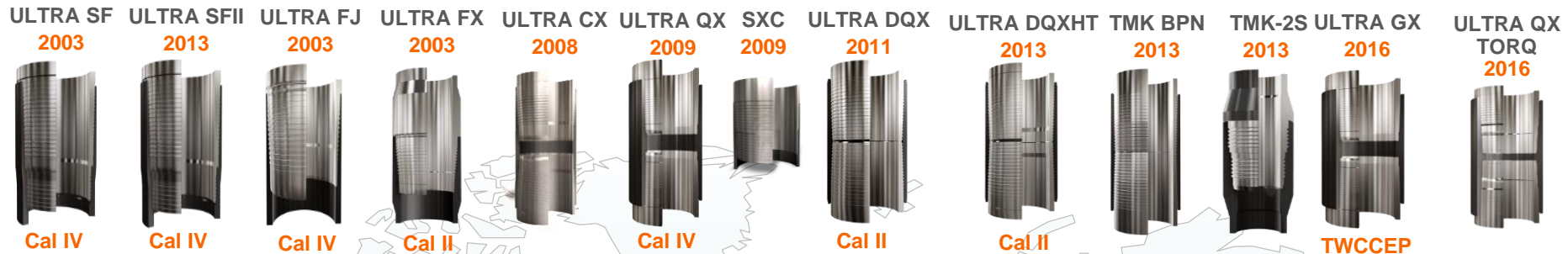
Premium Connections (TMK UP)

Oilfield Services

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

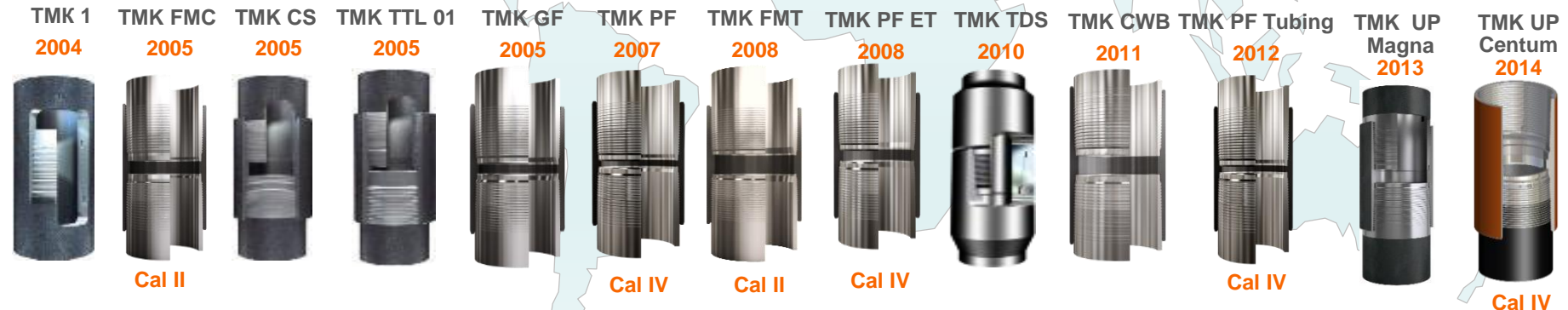


Premium Solutions: TMK UP

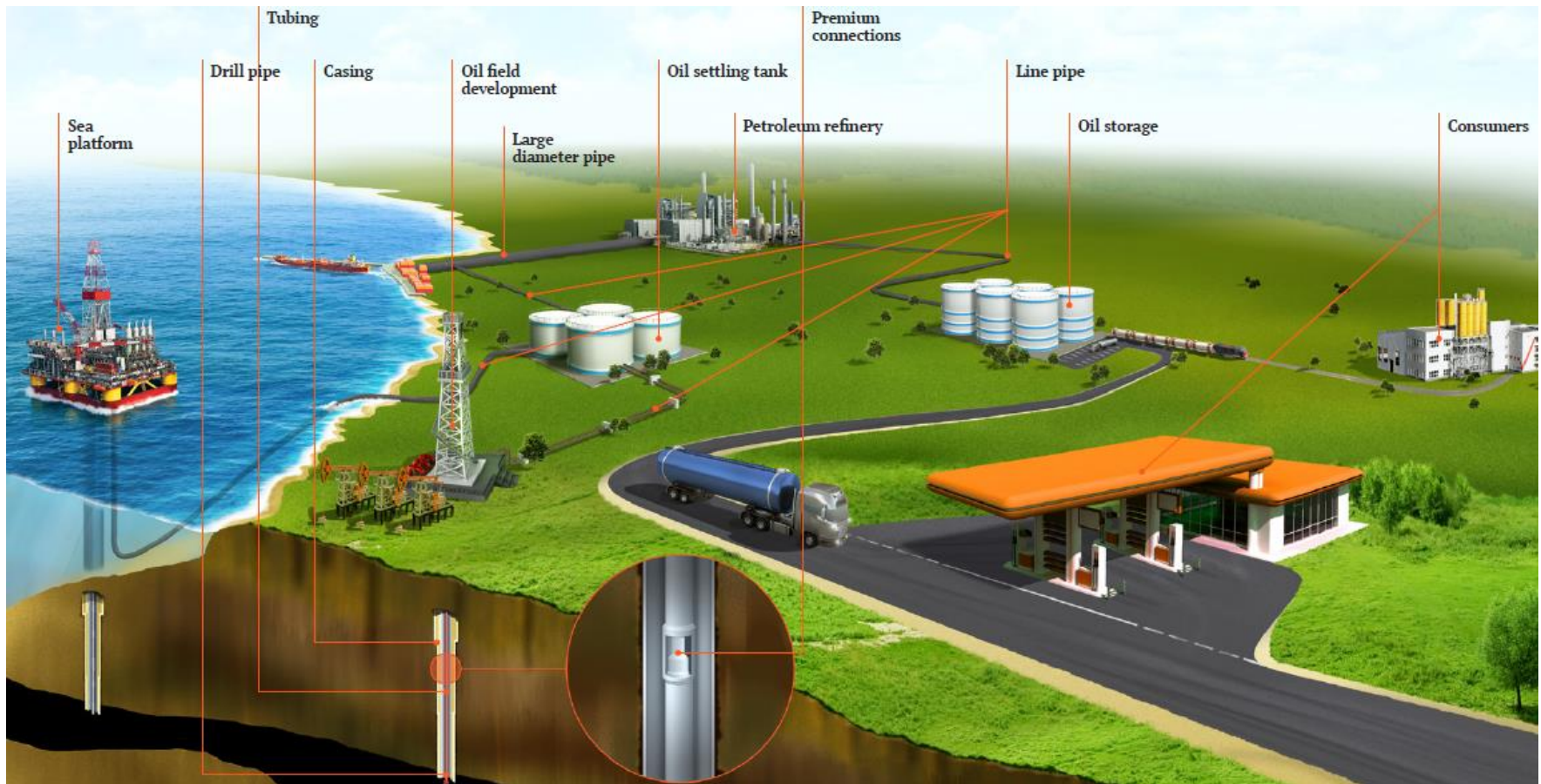


Unique range of Premium products

- 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



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 (40% of total sales in 9M 2016);
- **Line pipe** – used for short distance transportation of crude oil, oil products and natural gas (23% of total sales in 9M 2016);
- **LDP** - large diameter pipe used for construction of trunk pipeline systems for long distance transportation of natural gas, crude oil and petroleum products (15% in total sales in 9M 2016).

Thank You

TMK Investor Relations

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