TMK IR PRESENTATION

April 2016

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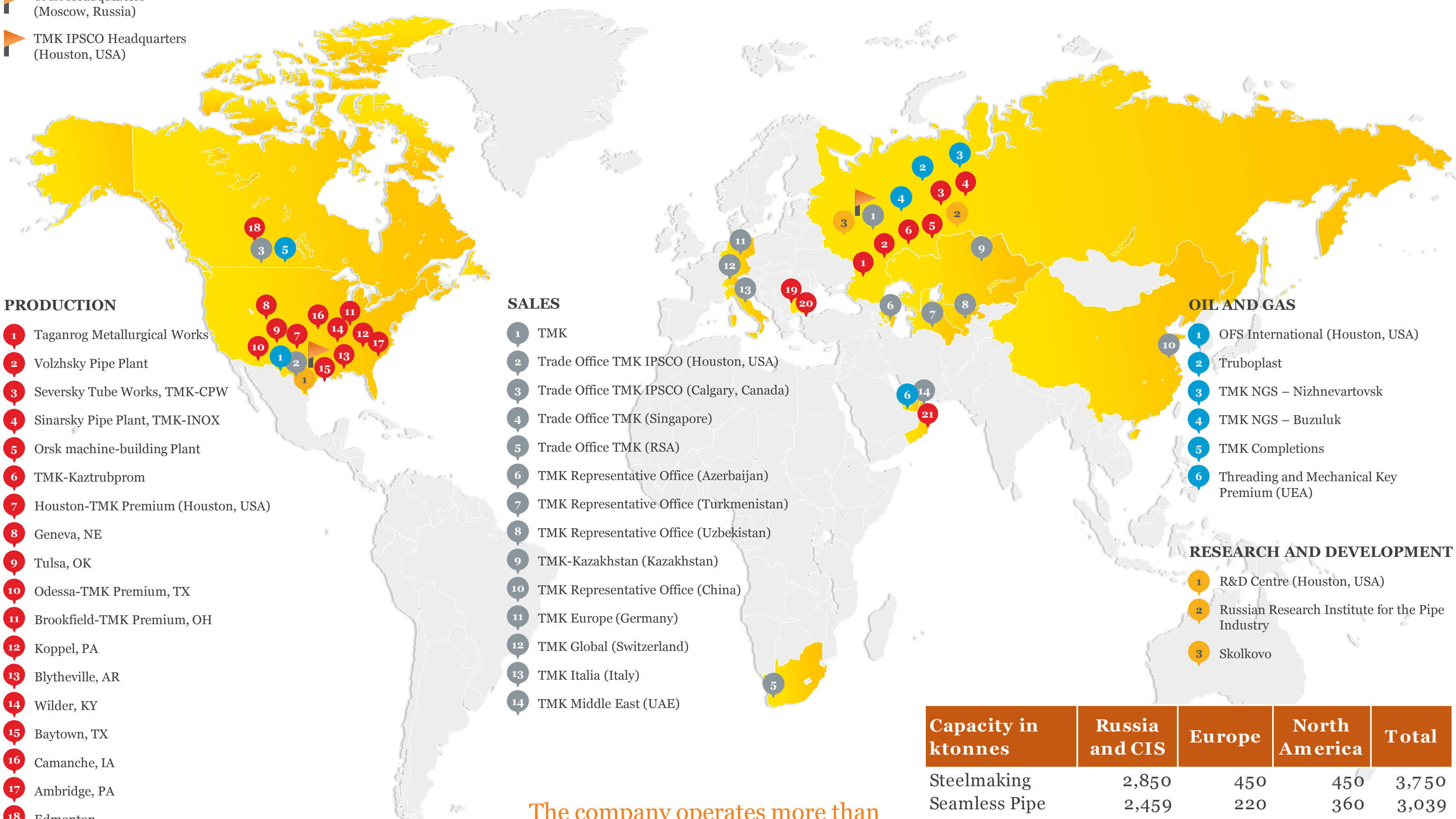
TMK– Global Supplier of Full Range of Pipes for Oil and Gas Industry



MANAGEMENT

- TMK Headquarters (Moscow, Russia)
- TMK IPSCO Headquarters (Houston, USA)

PRODUCTION

1. Taganrog Metallurgical Works
2. Volzhsky Pipe Plant
3. Seversky Tube Works, TMK-CPW
4. Sinarsky Pipe Plant, TMK-INOX
5. Orsk machine-building Plant
6. TMK-Kaztrubprom
7. Houston-TMK Premium (Houston, USA)
8. Geneva, NE
9. Tulsa, OK
10. Odessa-TMK Premium, TX
11. Brookfield-TMK Premium, OH
12. Koppel, PA
13. Blytheville, AR
14. Wilder, KY
15. Baytown, TX
16. Camanche, IA
17. Ambridge, PA
18. Edmonton
19. TMK-RESITA (Romania)
20. TKM-ARTROM (Romania)
21. TMK GIPI (Oman)

SALES

1. TMK
2. Trade Office TMK IPSCO (Houston, USA)
3. Trade Office TMK IPSCO (Calgary, Canada)
4. Trade Office TMK (Singapore)
5. Trade Office TMK (RSA)
6. TMK Representative Office (Azerbaijan)
7. TMK Representative Office (Turkmenistan)
8. TMK Representative Office (Uzbekistan)
9. TMK-Kazakhstan (Kazakhstan)
10. TMK Representative Office (China)
11. TMK Europe (Germany)
12. TMK Global (Switzerland)
13. TMK Italia (Italy)
14. TMK Middle East (UAE)

OIL AND GAS

1. OFS International (Houston, USA)
2. Truboplast
3. TMK NGS – Nizhnevartovsk
4. TMK NGS – Buzuluk
5. TMK Completions
6. Threading and Mechanical Key Premium (UEA)

RESEARCH AND DEVELOPMENT

1. R&D Centre (Houston, USA)
2. Russian Research Institute for the Pipe Industry
3. Skolkovo

The company operates more than 30 production sites in Russia, the United States, Canada, UAE, Oman, Romania and Kazakhstan

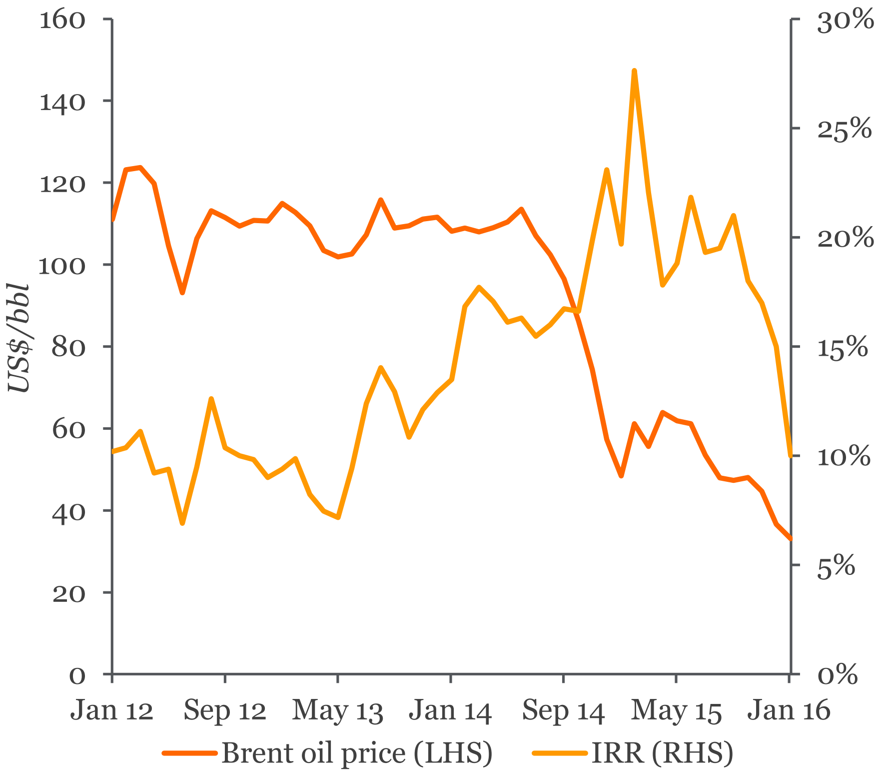
Capacity in ktonnes	Russia and CIS	Europe	North America	Total
Steelmaking	2,850	450	450	3,750
Seamless Pipe	2,459	220	360	3,039
Welded Pipe	2,095	-	1,045	3,140
Heat treat	1,530	90	608	2,228
Threading	1,243	-	1,085	2,328

Source: TMK data

Russian Market Overview

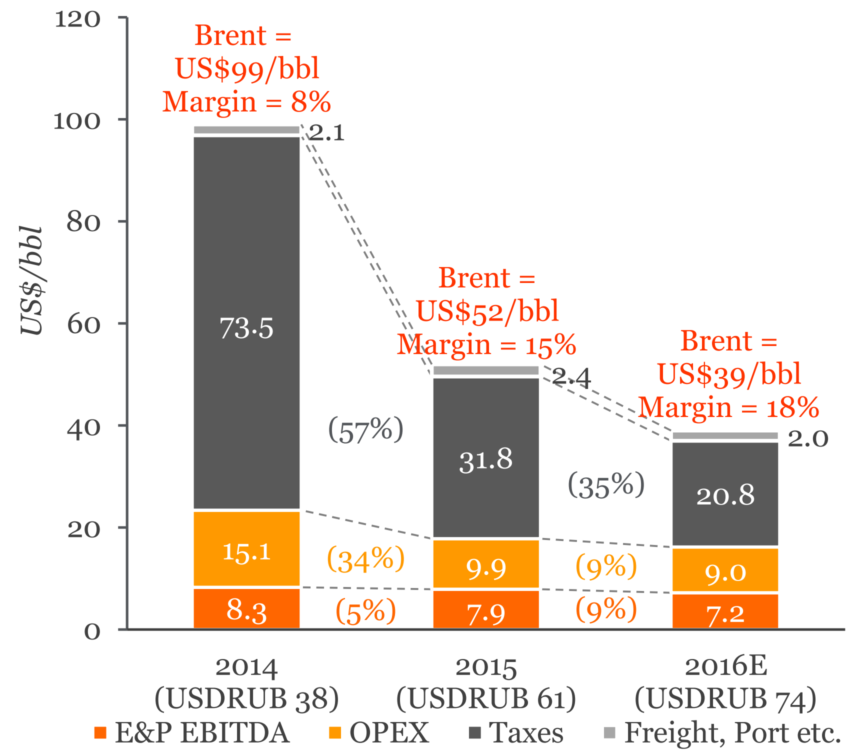
Russian Upstream Oil Sector Remains Profitable

Marginal Oil Well Returns is Close to 2012-13 Levels



Source: Citi Research

Russian Upstream EBITDA Resilience



Source: Citi Research.
Note: As oil prices fell in 2H14, the delayed adjustment in taxes depressed EBITDA

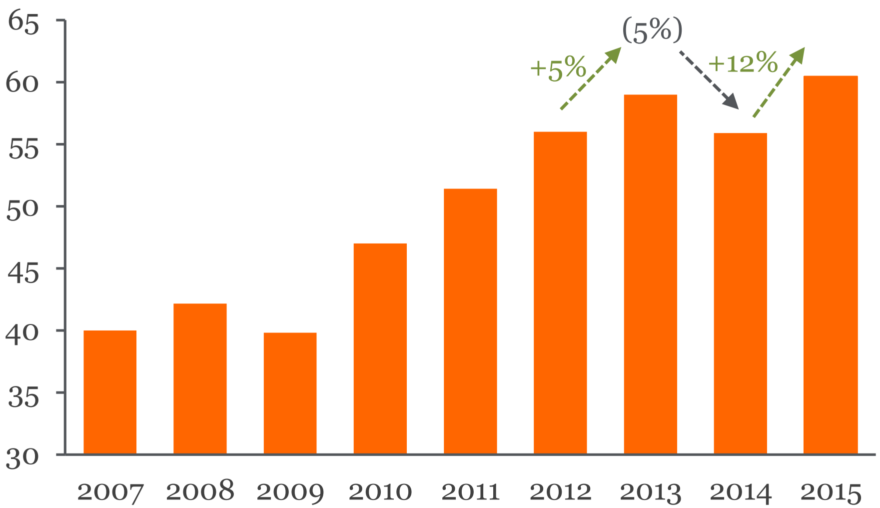
- Russian upstream oil and gas production remains profitable.
- There are two main factors behind the resilient upstream profitability in Russia:
  - An automatically-adjusting tax regime, which absorbs significant part of the oil price fall;
  - Freely floating RUB, which cut OPEX.

Resilient Russian Market with Historic Record High Oil Production and Drilling Activity

Russian total oil output is reaching record highs, mmbpd

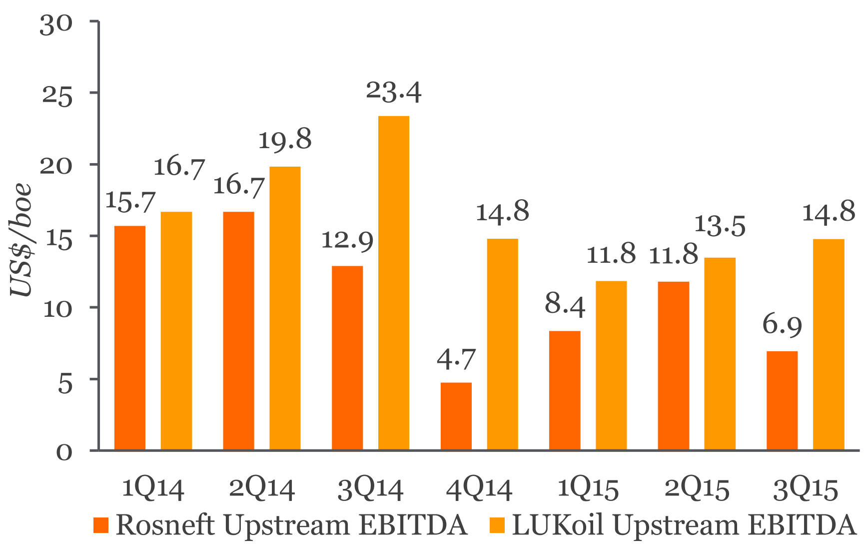
Source: Interfax, Info TEK

Russian drilling activity is strong and growing, km/d



Source: CDU TEK

Supported by Russian upstream EBITDA resilience

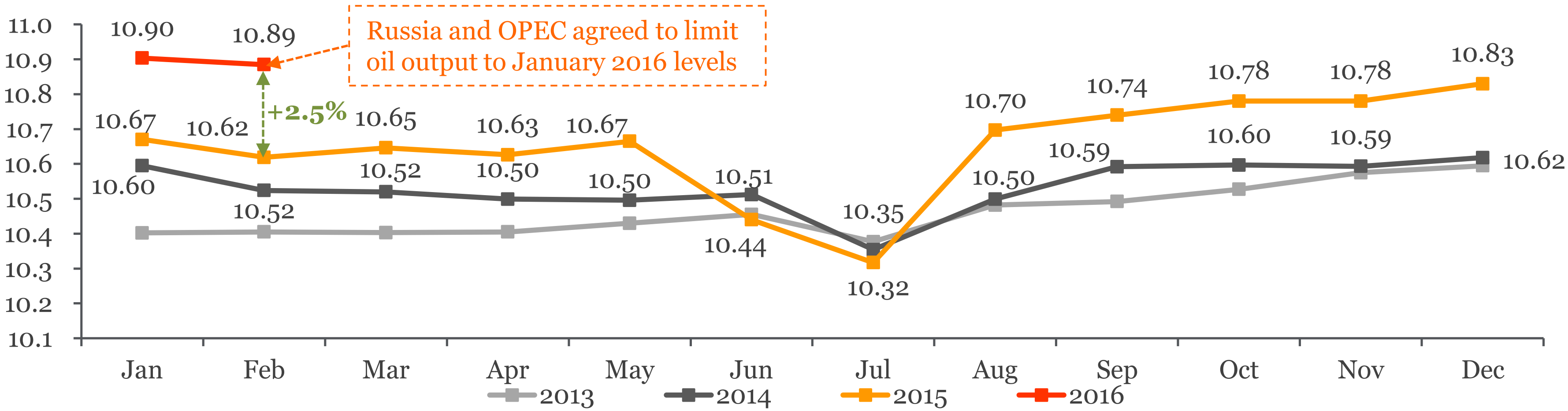


Source: Company data

Note: LUKoil numbers include overseas operations, which contribute c.20% of production

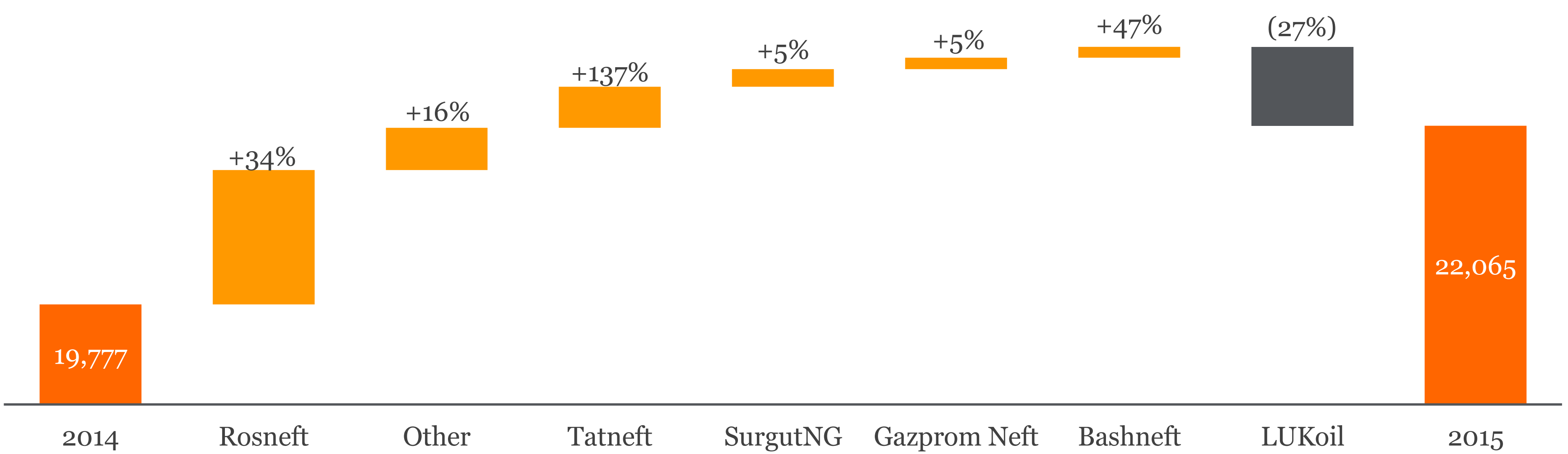
Russian Oil Production Supported by Strong Drilling Activity

Russian total oil output, mmbpd



Source: Interfax, Info TEK

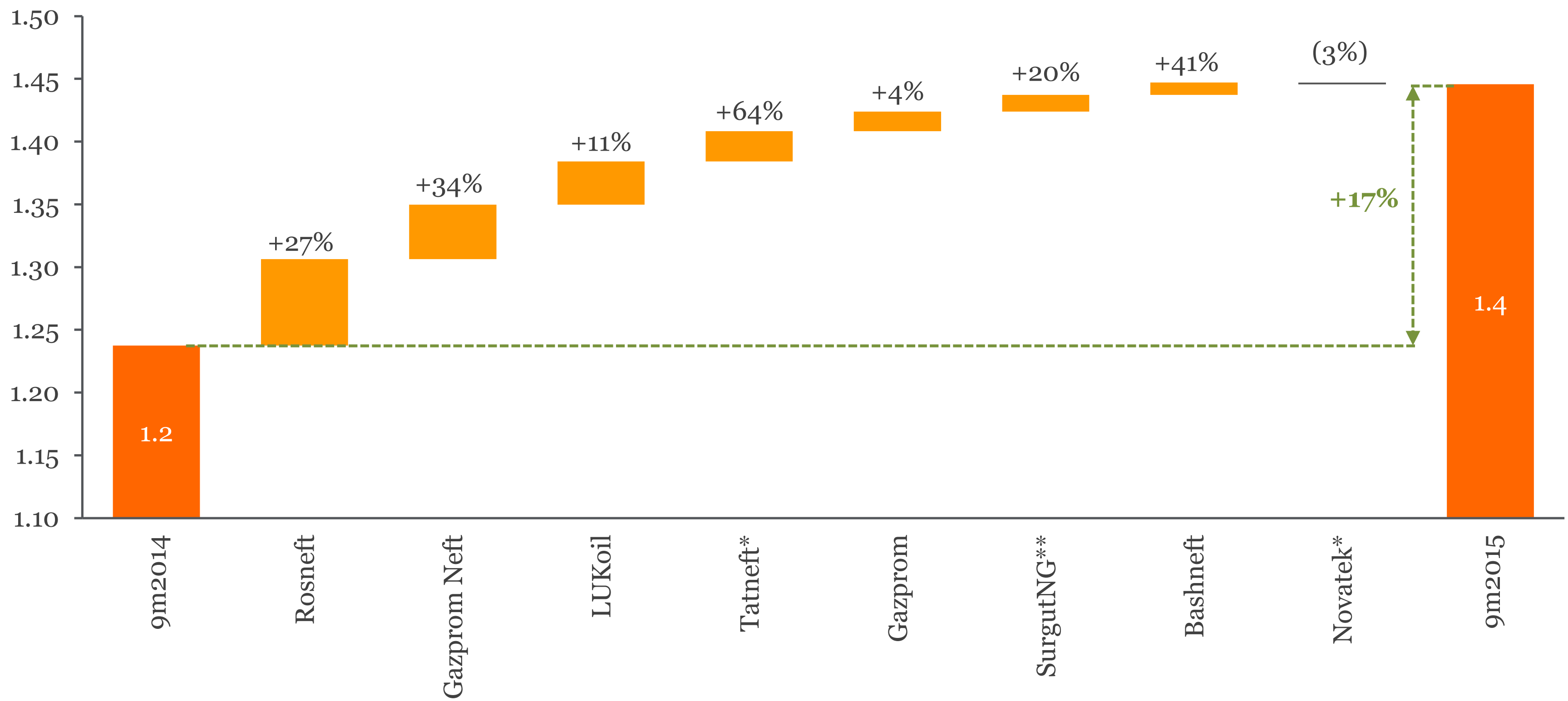
2015 Russian drilling growth broken down, km



Source: CDU TEK

Russian Oil Companies' Upstream CAPEX Grew YoY in RUB Terms

Cumulative upstream CAPEX budget growth decomposition, RUB trn



Source: Companies' data

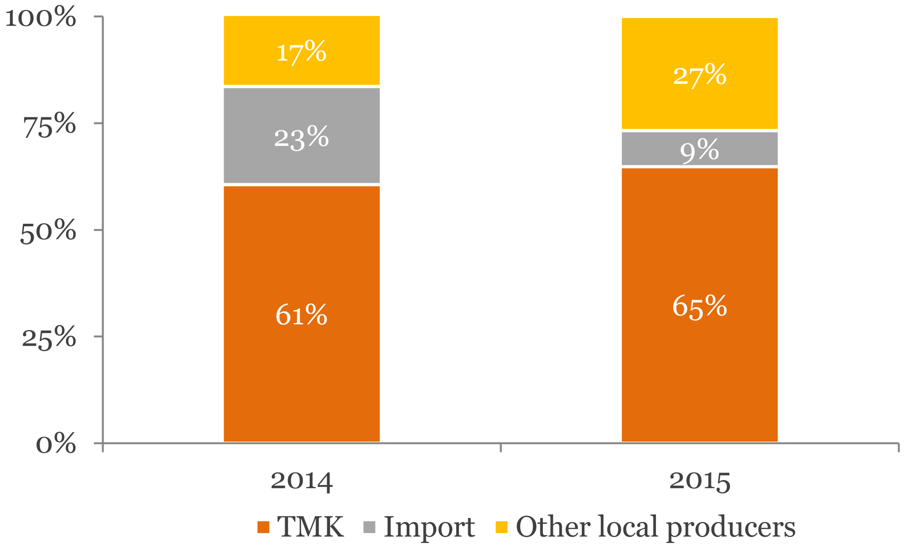
*Note: * For E&P CAPEX proxy for Tatneft and Novatek are taken overall CAPEX for 9m2015 and 9m2014. ** SurgutNG reports on semi-annual basis and its E&P CAPEX proxy is overall CAPEX for 1H2015 and 1H2014*

- 9m2015 upstream CAPEX grew by 17% YoY in RUB terms.
- Growing CAPEX in RUB terms should further support activity at the field level.

Strengthening Position on the Domestic Market

TMK share of seamless OCTG is growing

Seamless OCTG market shares, %



Source: TMK estimates

- Ruble depreciation gives the Russian division new opportunities in export and domestic markets.
- Russian tube & pipe imports decreased by 42% for FY2015.
- Imports of OCTG declined by more than 60%.
- Key premium supplier for the Russian independent and state owned oil&gas companies.

Russian Market Share Positions for FY2015

SEAMLESS

OCTG 65%

+4% YoY

Seamless OCTG for oil and gas

Line pipe 60%

+0.4% YoY

Seamless line pipe for oil and gas

Industrial pipe 41%

+8% YoY

High-margin products for industrial needs

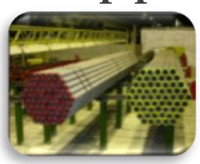
WELDED

Large diameter pipe 18%

+2% YoY

Large diameter pipe for projects

Line pipe 22%



-3% YoY

Welded line pipe for oil and gas

Industrial pipe 9%

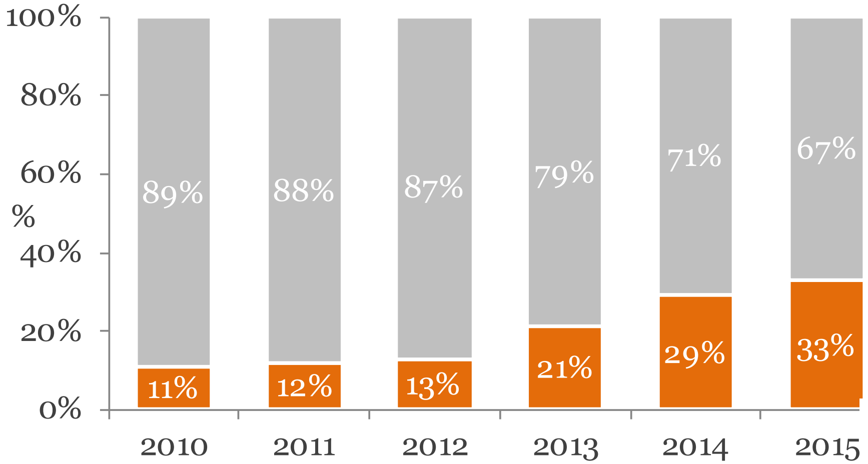
-1% YoY

Welded industrial products

Source: TMK estimates

Shift to Horizontal Drilling

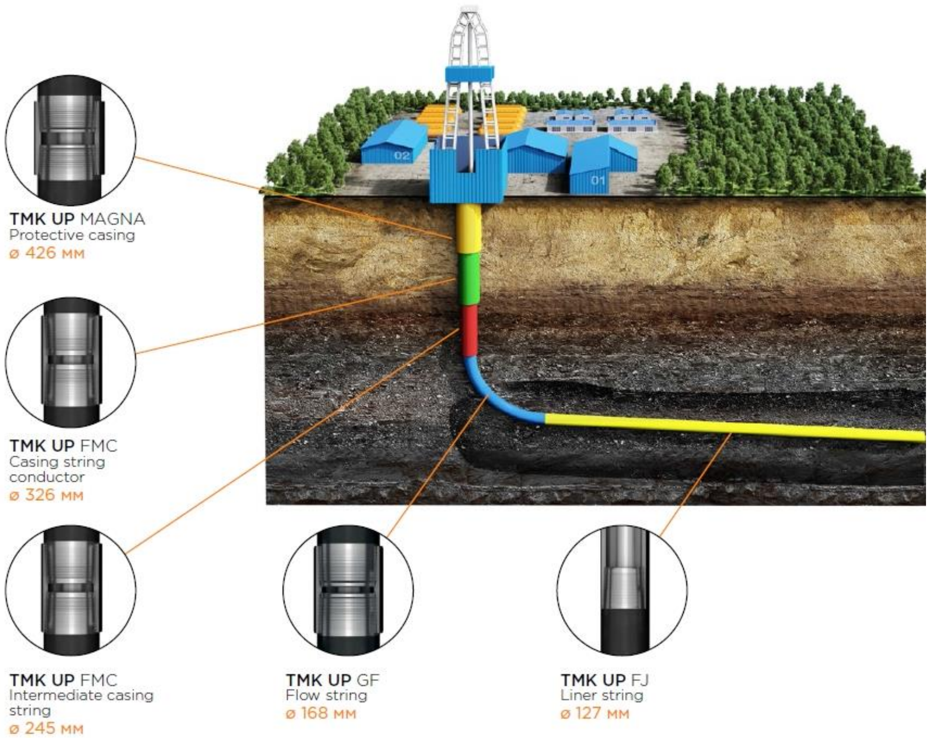
Horizontal drilling is increasing in Russia



Source: CDU TEK

- 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.

- Horizontal drilling enables operators to target a larger area of oil/gas recovery and achieve a higher flow rate.
- Pad drilling for horizontal wells delivers greater efficiency and cost saving, small footprint.
- Safety regulations require use of gastight premium connections when the gas-oil ratio is high.
- Growth of directional and horizontal drilling increases well depth with a growing share of high-end OCTG used in the string.



Premium Solutions: TMK UP Series

Why do they choose premium in Russia?

- Gas wells
- Oil wells with high gas-oil ratio
- Higher pressure
- When casing is rotated and pushed into place
- Steam-Assisted Gravity Drained (SAGD)
- Offshore

Lite Series

Higher resistance to torque for casing while drilling and rotating.

Classic Series

Easy and reliable make-up.

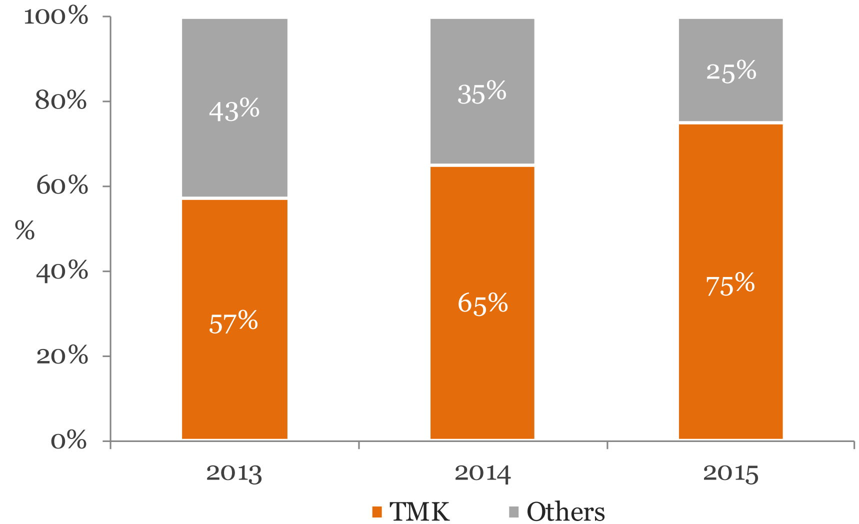
Professional Series

Ability to withstand high tension, compression and bending loads at excessive internal and external pressure.

Special Series

For complex operations: deviated wells; conductor pipe; SAGD wells.

TMK's share on the premium market



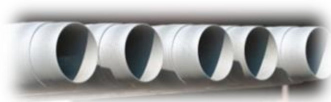
Source: TMK estimates

- TMK is a leader in production of premium tubular products on the Russian market with around 75% market share for FY2015.
- New product 1: **TMK UP TORQ** - High Torque
- New product 2: **TMK UP CENTUM** – 100%

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

TMK long-term agreement to supply premium products to Gazprom

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



For the 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
- Considerations on uses 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 new types of premium threaded connections

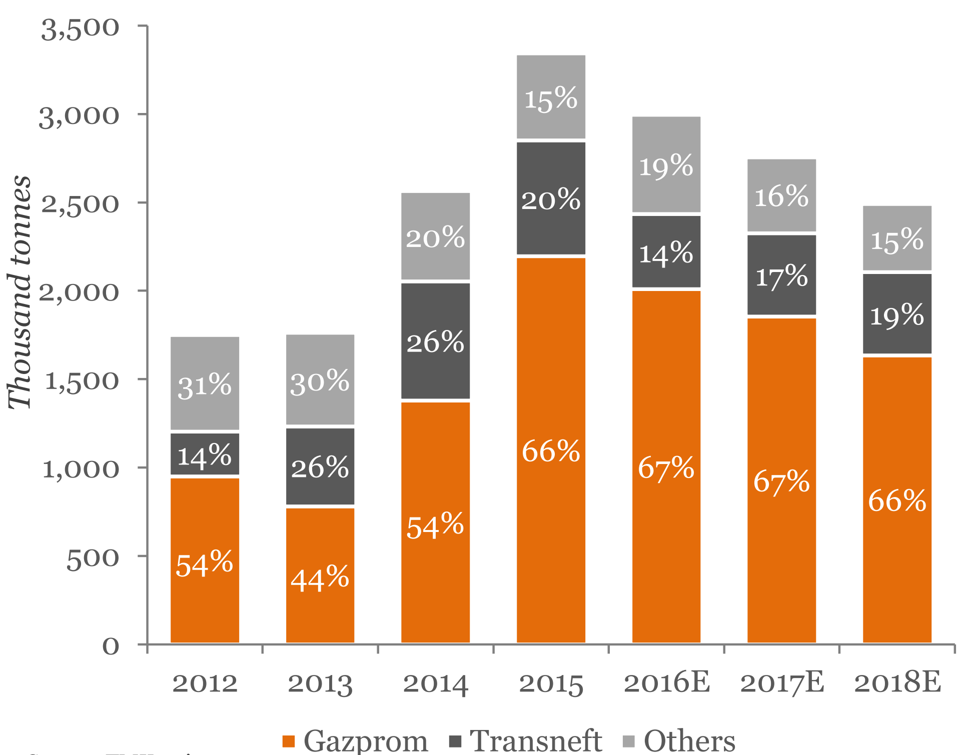
Shipments to LUKoil

- 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 a part of broader TMK's import substitution program

Source: TMK data

Gazprom's Eastern Program Creates Additional Demand

LDP demand in Russia, 2012-2018E



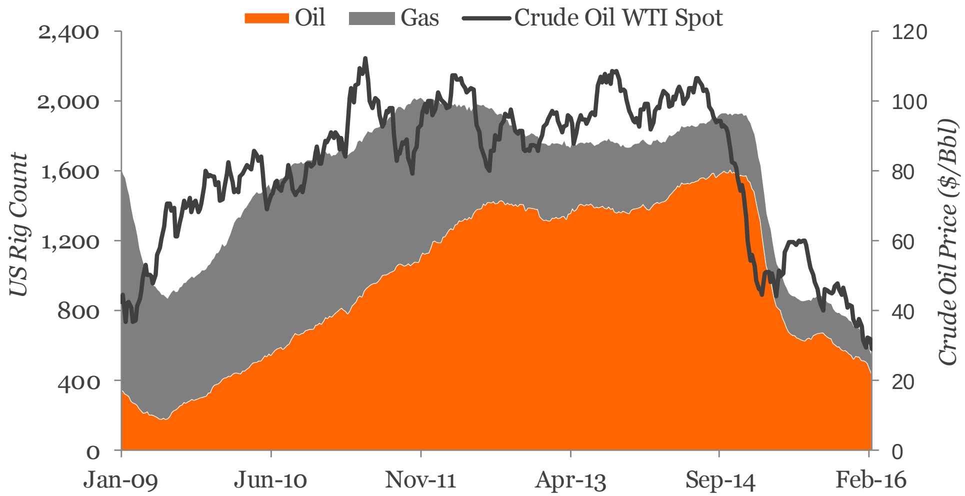
Source: TMK estimates

- Annual LDP demand for the nearest four years could amount to approximately 2.8-3 million tonnes.
- Major projects planned: Power of Siberia (GAZP), Power of Siberia-2 (GAZP), Nord Stream-2, maintenance needs of Transneft and Gazprom.

U.S. Market Overview

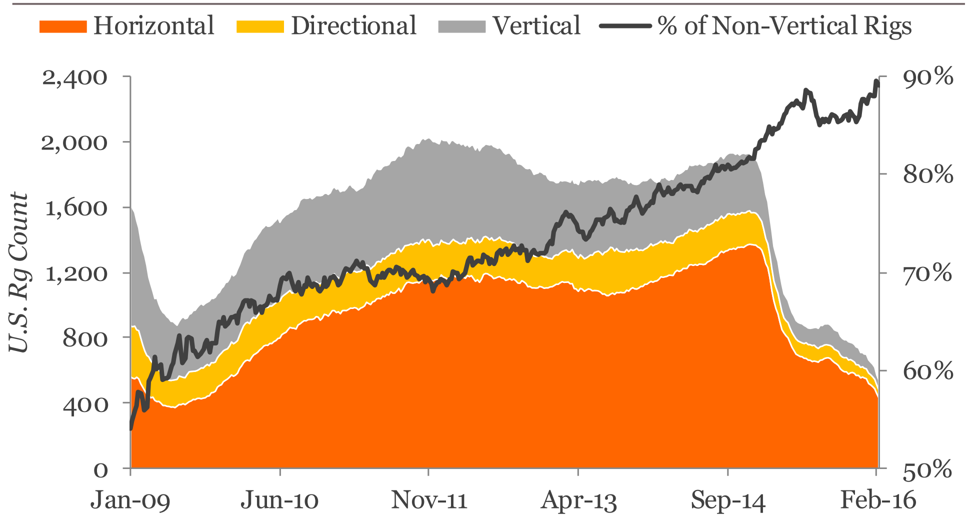
2015 Industry Performance Review: A Challenging Year

Drop in rig count followed drop in oil prices



Source: Baker Hughes, Bloomberg

Vertical drilling is more severely affected

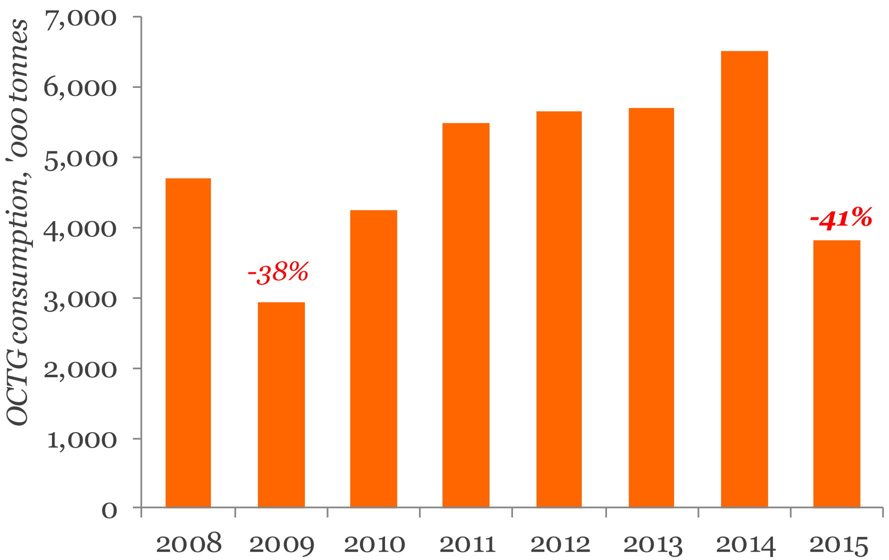


Source: Baker Hughes

- Average number of rigs in 4Q2015 decreased by 13% QoQ and dropped by 47% for FY2015 over FY2014 to 978.
- The current rig count is still pointing to US production declining sequentially between 4Q15 and FY15.
- The decline in drilling has been more extreme in vertical rigs.
- Generally, vertical rigs consume more welded, lower value pipe.

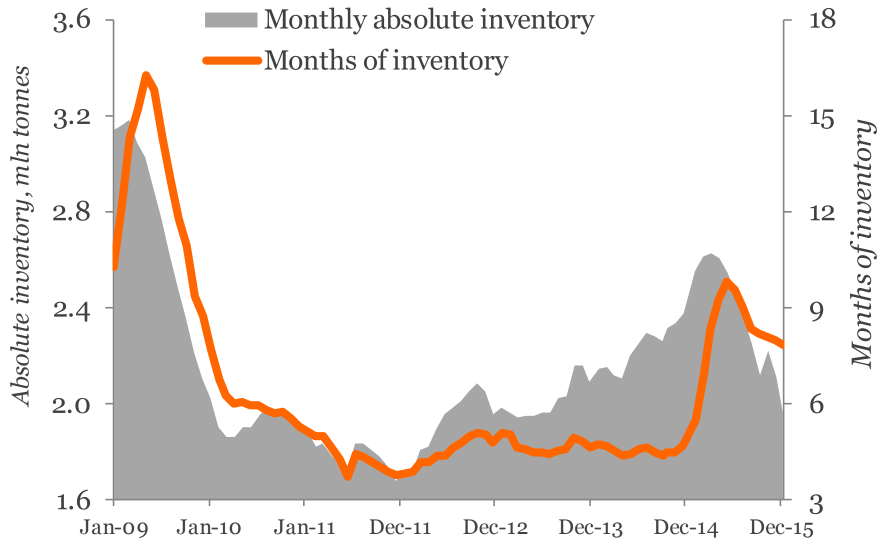
Impact on US OCTG Demand

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



Source: Preston Pipe & Tube Report

Lower consumption pushed inventory levels to 7.8 months in December 2015

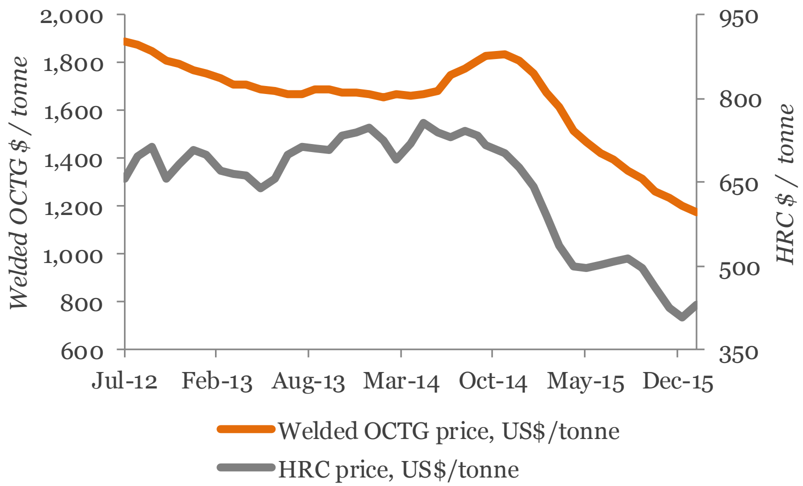


Source: Preston Pipe & Tube Report

- US demand for OCTG remained low through the end of the year as drilling volumes continued to decline.
- OCTG pricing declined in the fourth quarter of 2015 due to excess levels of inventory and foreign imports.
- A gradual recovery of the North American pipe market is not expected before 2017, subject to oil price stabilisation, growth of drilling volumes as well as reduction in inventory.

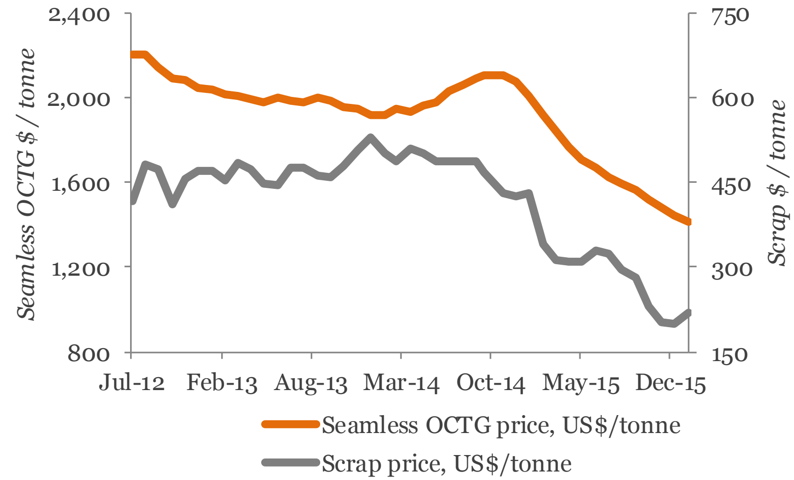
Price Decline Being Aided by Drop in Raw Material Costs

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: Pipel Logix, AMM

- According to Pipe Logix, in 4Q 2015, the average composite OCTG seamless and welded prices decreased by 7% and 9% respectively, compared to 3Q2015. For FY 2015, both prices fell by 17% over the same period of 2014.
- In December 2015, HRC prices decreased by 4%, over the previous month, to $370, while scrap fell by 2%, to $181 over the same period.

Producers' Response

Cost-cutting is the order of the day

- Cost of drilling came **down by 20-25%**.
- Well completion costs in the Bakken **declined by 30%** during 1Q2015, **up to 35%** elsewhere.
- Falling costs and better takeaway capacity from new pipelines allow producers to keep wells profitable in the face of low prices.
- "We've seen price reductions, but we've also seen improved efficiencies," Exxon Mobil Corp CEO Rex Tillerson said.

Source: The Bakken Magazine: "Halcon's Bakken Well Cost Decline as Production Increases.", Reuters

Reduced drill time

- Reduced the time it takes to drill a rig **down to a low of 4 days** through technological advancements and better planning.
- Apache's **fracking costs fell 30%**, while drilling costs have tumbled 20% in the shales.
- Statoil cut the average cost of drilling LTO from $4.5 million to $3.5 million (23%).

Source: NYT: "Drillers Answer Low Prices with Cost-Saving Innovations."

Water conservation and recycling

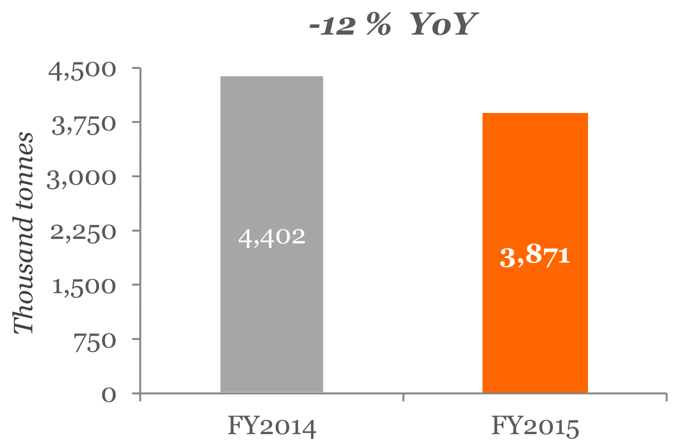
- Cut overall water use by 12%.
- Cut labor costs by 34%.
- Not hauling in fresh water cuts the cost per barrel of oil by $3.
- Restoring habitats helps reduce runoff, environmental footprint and recharges the groundwater.
- Anadarko is **reusing 100%** of the frack water that flows back from its wells.

Source: Reuters

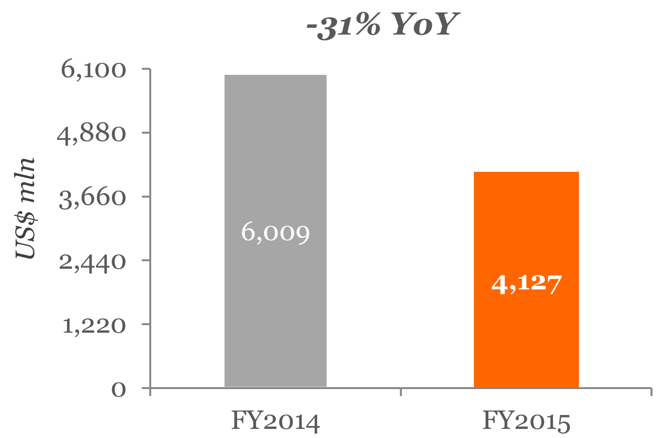
FY 2015 Financial Results

FY 2015 vs FY 2014 Summary Financial Highlights

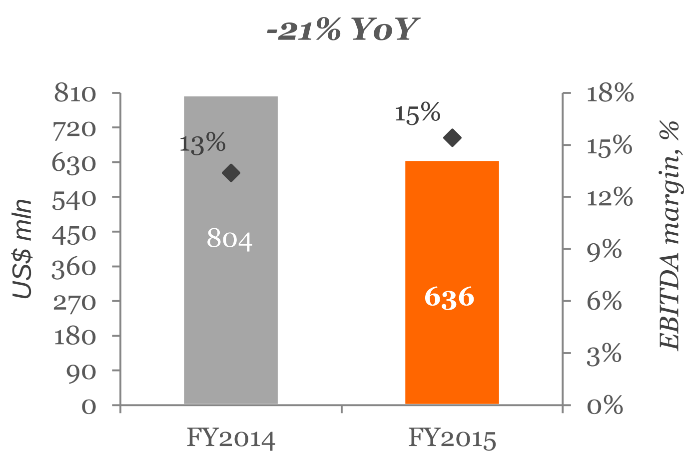
Sales decreased YoY, due to lower pipe volumes in the American division, caused by unfavorable market conditions



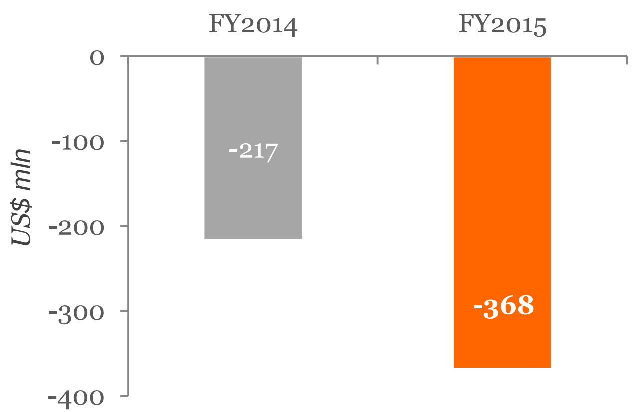
Revenue fell YoY, mainly due to a sharp decline of sales in the American division and a negative effect of currency translation



Adjusted EBITDA decreased YoY, mainly due to weaker results of the American division



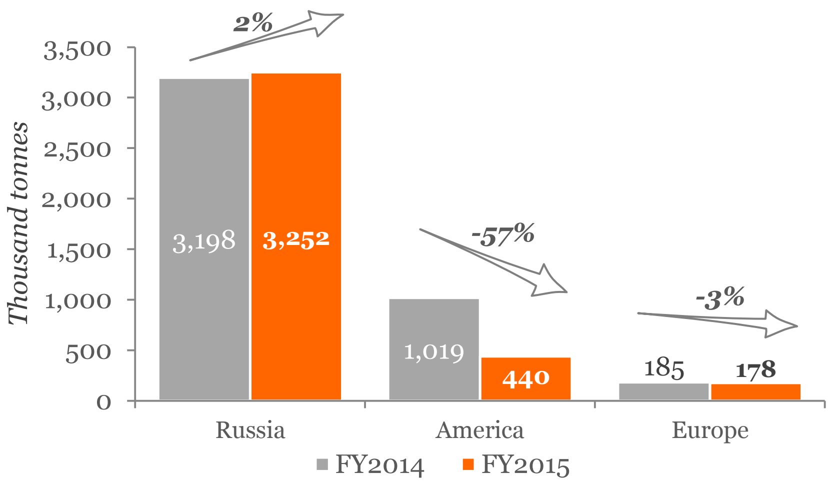
Net loss was $368 million as compared to $217 million for FY 2014, affected by a foreign exchange loss and impairment charges



Source: TMK data

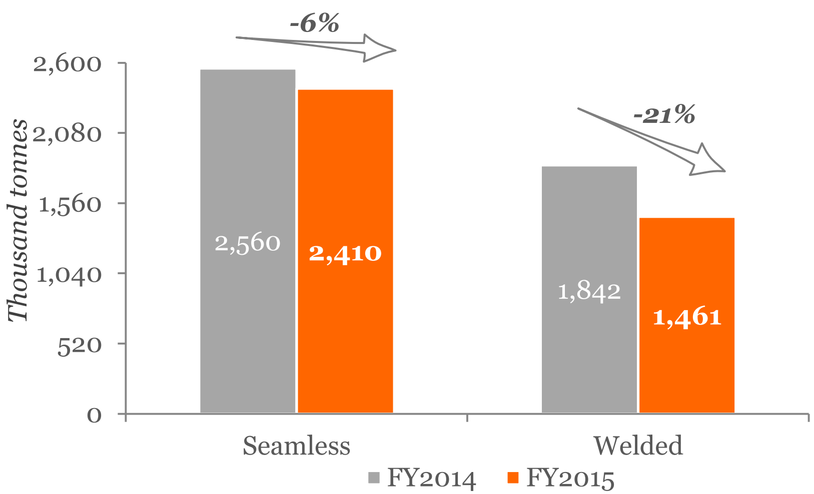
FY 2015 vs FY 2014 Sales by Division and Group of Product

Sales by division



- Russian division sales grew by 2% YoY, driven mainly by high LDP demand.
- American division sales dropped by 57% YoY, mainly due to lower volumes in the OCTG segment and unfavorable pricing environment.
- European division sales decreased due to lower seamless pipe volumes, resulted from a decline in pipe consumption in the European market.

Sales by group of product

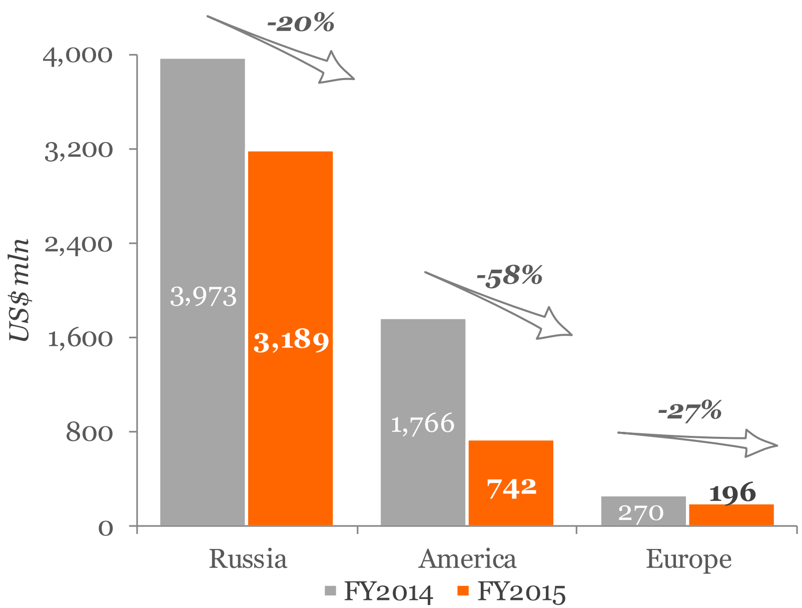


- Seamless pipe volumes decreased YoY, as a result of lower seamless pipe sales in the American division.
- Welded pipe sales decreased YoY, largely due to a sharp decline in welded OCTG volumes in the American division, which was not fully compensated by stronger LD pipe sales in the Russian division.
- Total OCTG sales decreased by 25%, largely as a result of a sharp decline in the American division.

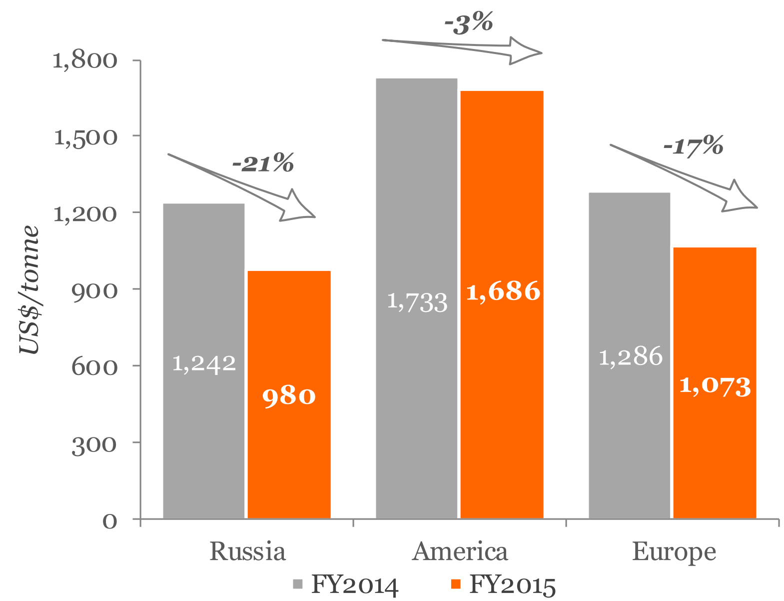
Source: TMK data

FY 2015 vs FY 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, due to a negative effect of currency translation.
- Revenue for the American division dropped YoY, as a result of a significant decrease in volumes of both seamless and welded pipe coupled with weaker pricing.
- Revenue for the European division fell YoY, largely due to lower prices for seamless pipe.

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

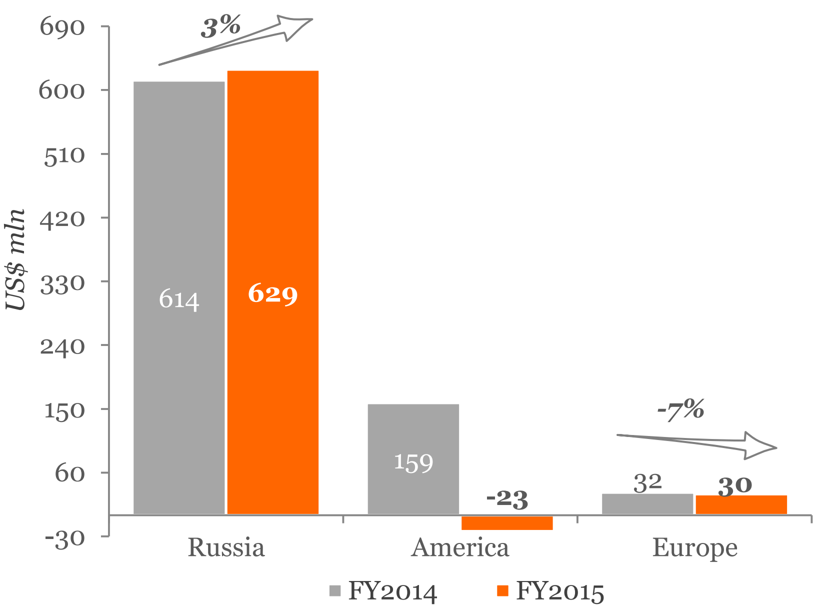
Source: Consolidated IFRS financial statements, TMK data

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.

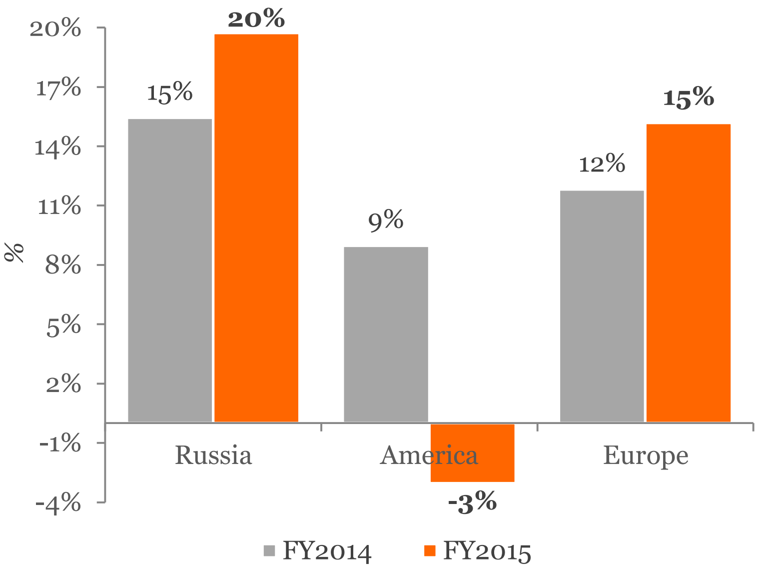
FY 2015 vs FY 2014 Adjusted EBITDA by Division

Adjusted EBITDA



- Russian division Adjusted EBITDA increased YoY, as a negative effect of currency translation was partially offset by lower selling and administrative expenses.
- 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, a result of higher prices and favorable product mix in both seamless and welded segments.
- European division Adjusted EBITDA margin grew YoY, mostly as a result of higher share of seamless pipe volumes in total sales

Source: TMK Consolidated IFRS financial statements, TMK data

Note:
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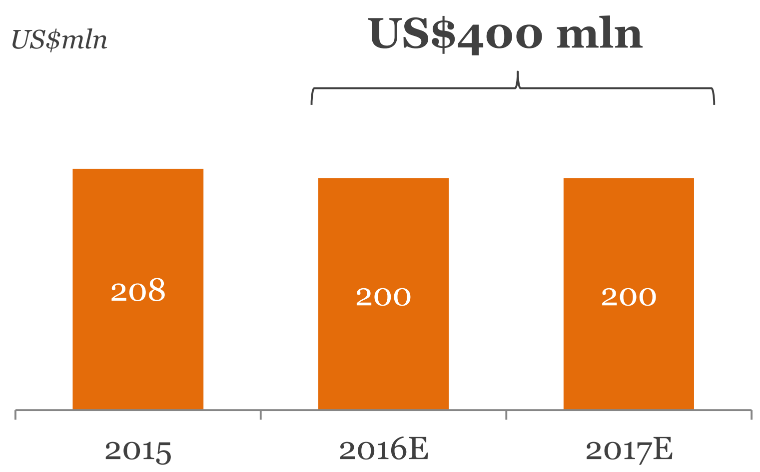
Strategic Overview

Revised Capex Program



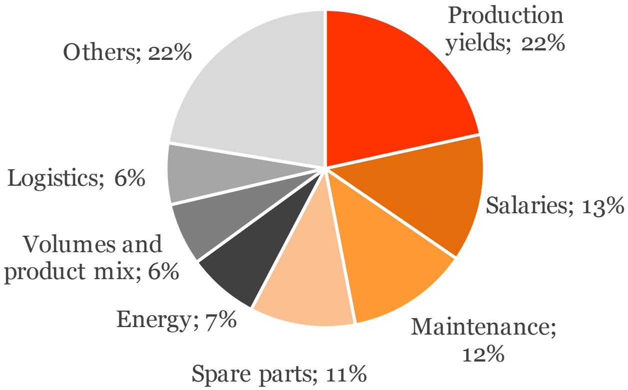
Source: TMK estimates

- Total US$400 mln capex program for 2016-2017, including approximately US$85 mln maintenance capex annually.
- Major strategic investment program completed in Autumn 2014.
- Majority of 2016-2017 capex will be spent on finishing capacities like heat treatment and threading lines.

Ongoing Cost Cutting Program

2015 cost cutting program breakdown

Total effect of around US$115 mln



Source: TMK estimates

- 2015 cost cutting program realized by around 130%.
- 2014 cost cutting program was realized by more than 100%.
- Estimated total effect on EBITDA is approximately US$115 mln.

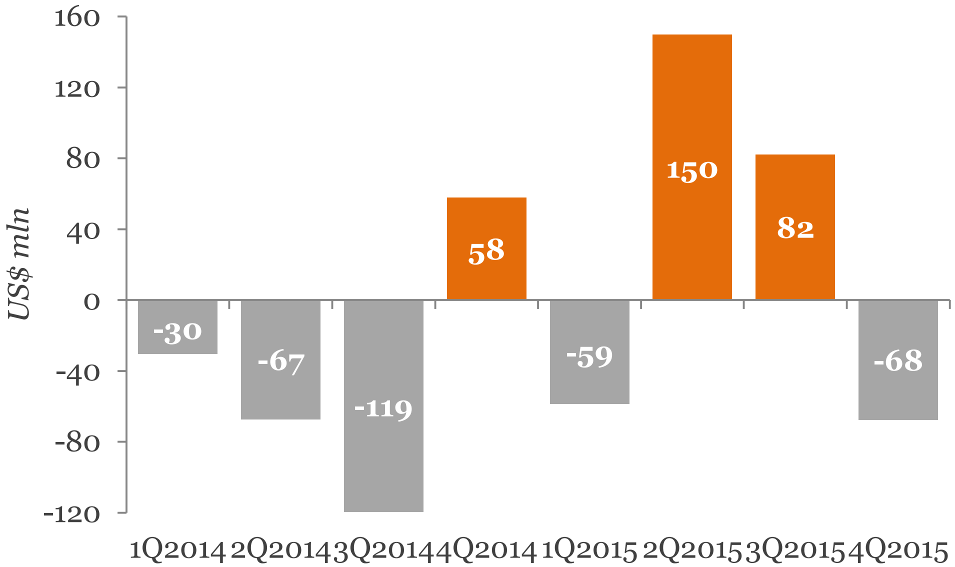
Ongoing cost cutting measures

Selected Items	Estimated effect on EBITDA, kUS$	
	2014	2015
Production yields	24,404	24,800
Salaries	21,733	14,991
Volumes and product mix	3,011	7,313
Energy	7,676	8,375
Logistics	9,102	7,202
…	…	…
RUB/USD	*38.42*	*60.96*

Source: TMK estimates

Optimization of Working Capital Position

Changes in working capital



Source: TMK data

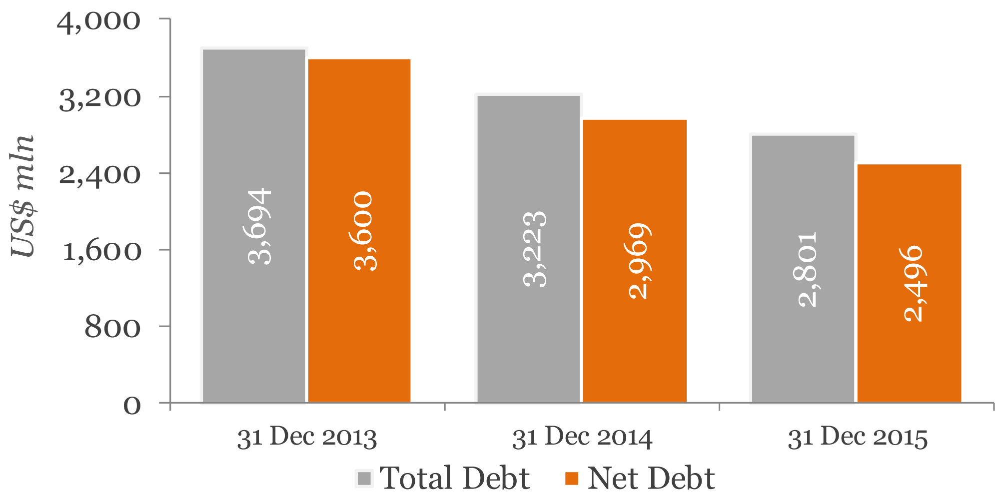
- For FY 2015, release of working capital in the amount of US$105 mln:
  - Improved payment discipline of the major clients;
  - Inventory management;
  - Enhancement in trade payables.
- Prepayments will enable incremental reduction of debt.

US$ mln	2014				2015				2014	2015
	1Q	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**	**12m**	**12m**
Decrease/(increase) in inventories	(22)	(25)	(63)	(21)	6	92	(39)	(19)	(130)	40
Decrease/(increase) in trade and other receivables	27	6	(91)	(19)	(6)	121	49	(45)	(76)	119
Decrease/(increase) in prepayments	6	(3)	0	(24)	12	7	(29)	(2)	(21)	(12)
Increase/(decrease) in trade and other payables	(28)	(44)	44	69	(46)	(77)	(19)	(6)	41	(148)
Increase/(decrease) in advances from customers	(14)	(2)	(10)	52	(24)	6	120	4	26	106
Working capital, US$ mln	**(30)**	**(67)**	**(119)**	**58**	**(59)**	**150**	**82**	**(68)**	**(159)**	**105**

Source: TMK data

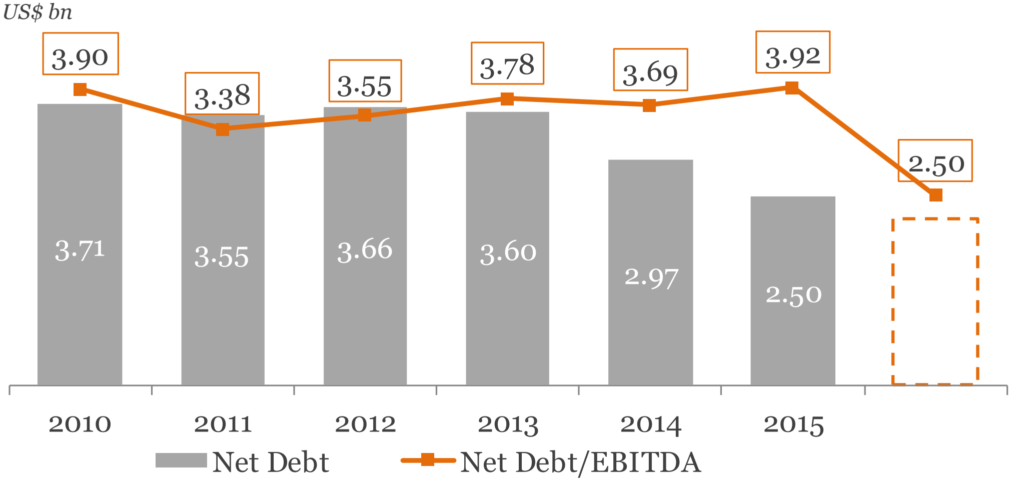
Commitment to Deleverage

Continuous decrease of debt level



Source: Consolidated IFRS financial statements

Target to achieve 2.5x Net Debt/EBITDA

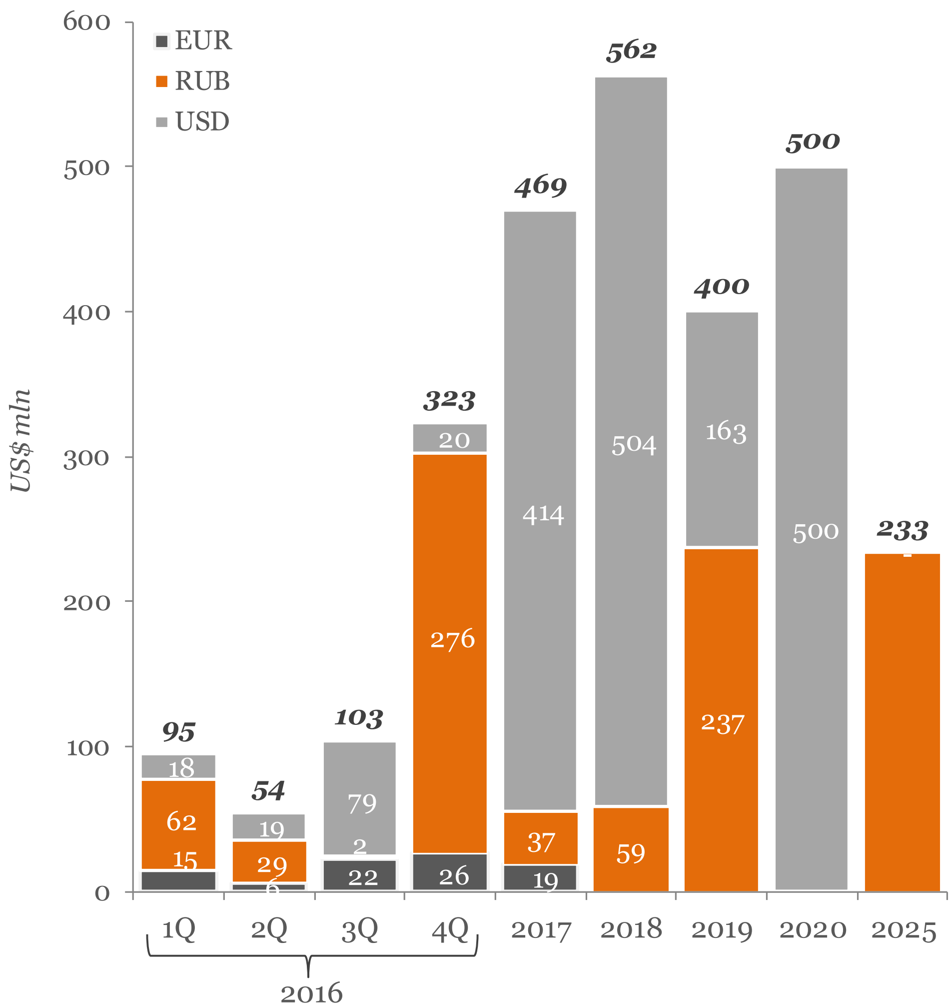


Source: TMK data, TMK estimates

- For FY 2015, net repayment of debt amounted to US$193 mln.
- Target to achieve 2.5x Net Debt-to-EBITDA ratio after recovery followed by continuous stable performance of the American division.
- Deleveraging through paying down debt by up to US$200 mln annually as well as possible limited equity placement.

Debt Maturity Profile as of December 31, 2015

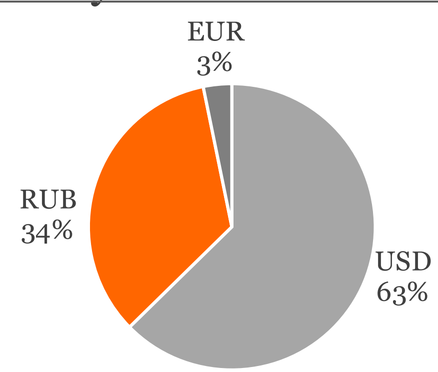
Debt maturity profile as of December 31, 2015



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

- As of December 31, 2015, total loan portfolio amounted to US$2,738 mln based on management accounts compared to US$3,148 mln as of December 31, 2014.
- More than 90% of total bank loans are with the major Russian banks.
- Weighted average interest rate increased to 9.06% as of December 31, 2015 compared to 7.26% as of December 31, 2014.
- Credit Ratings:
  - S&P: B+, Negative;
  - Moody's: B1, Negative.
- In October-November 2015, TMK redeemed $91.78 million of $500 million 7.75% loan participation notes due 2018. Following settlement of the transaction outstanding amount of the Eurobonds is $408.22 million.

Debt currency structure



Source: TMK management accounts, TMK estimates

Key Targets and Achievements

CAPEX	▪ Strategic investment program completed. ▪ Capex program cut to around US$600 mln for 2015-2017, which translates to more than 30% decrease compared to initial capex budget.
Deleveraging	▪ For FY 2015 net repayment amounted to around US$193 mln. ▪ Working capital position improved: US$ 105 mln release of working capital for FY2015. ▪ Payment discipline of the major clients. ▪ Achieve 2.5x Net Debt/EBITDA ratio after one year of the American division stable performance.
OFS and premium products	▪ Further development of 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	▪ Gained share on the Russian market as a result of import substitution program. ▪ Newly signed long-term agreement with Gazprom to supply premium products. ▪ Transfer cost increases to customers and retain pricing power.

Appendix – Summary Financial Accounts

Key Consolidated Financial Highlights

(US$mln)[(a)]	2015	2014	2013
Revenue	**4,127**	**6,009**	**6,432**
Adjusted EBITDA[(b)]	**636**	**804**	**952**
Adjusted EBITDA Margin (%)	*15%*	*13%*	*15%*
Profit (Loss)	(368)	(217)	215
Net Profit Margin (%)	*n/a*	*n/a*	*3%*
Pipe Sales ('000 tonnes)	**3,871**	**4,402**	**4,287**
Average Net Sales/tonne (US$)[(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**
Including Non-Controlling Interest	*53*	*66*	*96*	*99*	*92*
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**
Adjustments for:					
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

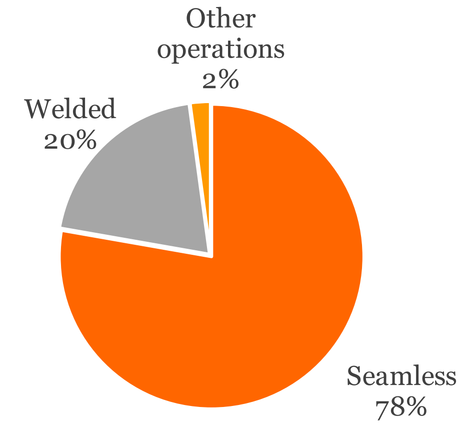
Note: certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

Seamless – Core to Profitability

	U.S.$ mln *(unless stated otherwise)*	4Q 2015	QoQ, %	FY 2015	YoY, %
SEAMLESS	Volumes- Pipes, kt	**604**	*6%*	**2,410**	*-6%*
	Revenue	**606**	*3%*	**2,598**	*-31%*
	Gross profit	**161**	*2%*	**657**	*-28%*
	Margin, %	*26%*		*25%*	
	Avg revenue/tonne (US$)	1,003	*-2%*	1,078	*-26%*
	Avg gross profit/tonne (US$)	266	*-3%*	273	*-23%*
WELDED	Volumes- Pipes, kt	**323**	*-18%*	**1,461**	*-21%*
	Revenue	**262**	*-11%*	**1,346**	*-33%*
	Gross profit	**13**	*-24%*	**170**	*-29%*
	Margin, %	*5%*		*13%*	
	Avg revenue/tonne (US$)	813	*8%*	921	*-15%*
	Avg gross profit/tonne (US$)	40	*-8%*	116	*-11%*

Source: Consolidated IFRS financial statements, TMK data

FY 2015 gross profit breakdown



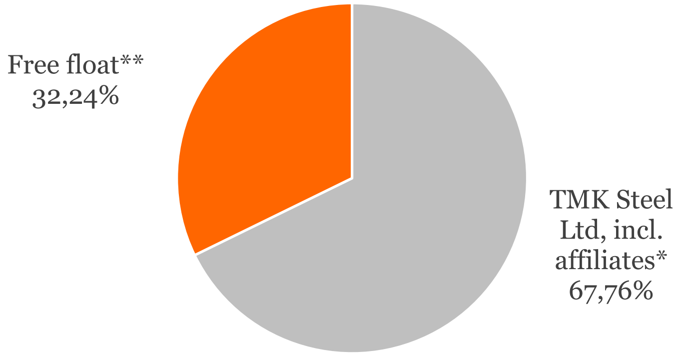
- Sales of seamless pipe generated **66%** of total Revenue in 4Q 2015 and **63%** for FY 2015.
- Gross Profit from seamless pipe sales represented **93%** of 4Q 2015 total Gross Profit and **78%** of FY 2015 total Gross Profit.
- Gross Profit Margin from seamless pipe sales amounted to **26%** in 4Q 2015 and **25%** for FY 2015.

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

Capital structure as of December 31, 2015



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

**Including shares of VTB (8%) and Rosnano (6%)

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 December 31, 2015 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.
- As of December 31, 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.

TMK Corporate Governance

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 Promyishlenny 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

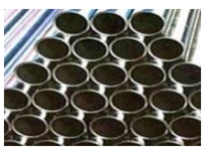
Seamless

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.

Premium Solutions: TMK UP

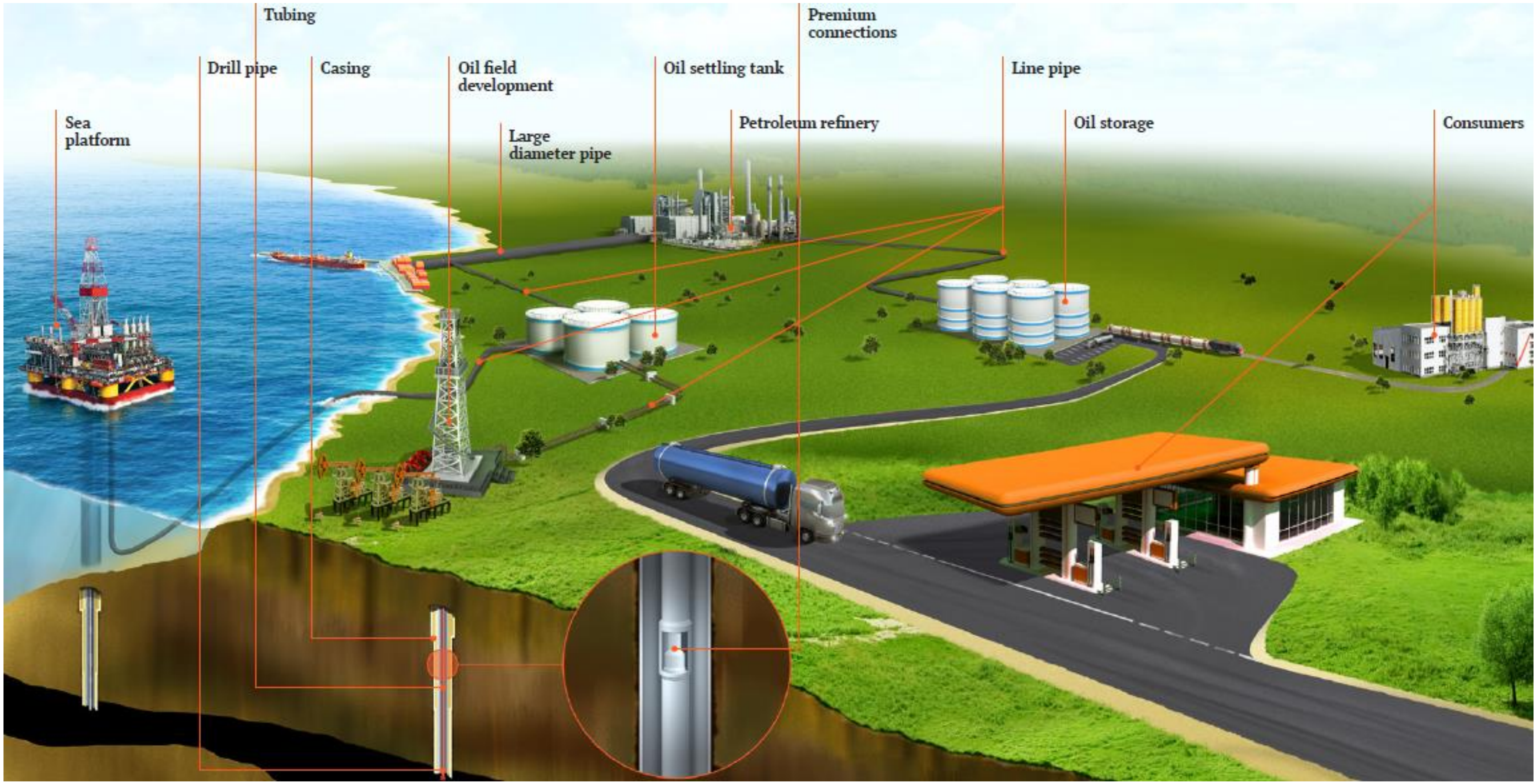
- ULTRA SF 2003 — Cal IV
- ULTRA SFII 2013 — Cal IV
- ULTRA FJ 2003 — Cal IV
- ULTRA FX 2003 — Cal II
- ULTRA CX 2008
- ULTRA QX 2009 — Cal IV
- SXC 2009
- ULTRA DQX 2011 — Cal II
- ULTRA DQXHT 2013 — Cal II
- TMK BPN 2013
- TMK-2S 2013
- ULTRA GX 2016 — TWCCEP
- ULTRA QX TORQ 2016

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 — Cal II
- TMK CS 2005
- TMK TTL 01 2005
- TMK GF 2005
- TMK PF 2007 — Cal IV
- TMK FMT 2008 — Cal II
- TMK PF ET 2008 — Cal IV
- TMK TDS 2010
- TMK CWB 2011
- TMK PF Tubing 2012 — Cal IV
- TMK UP Magna 2013
- TMK UP Centum 2014 — Cal IV

Utilisation of TMK Pipe Products in Oil and Gas Industry

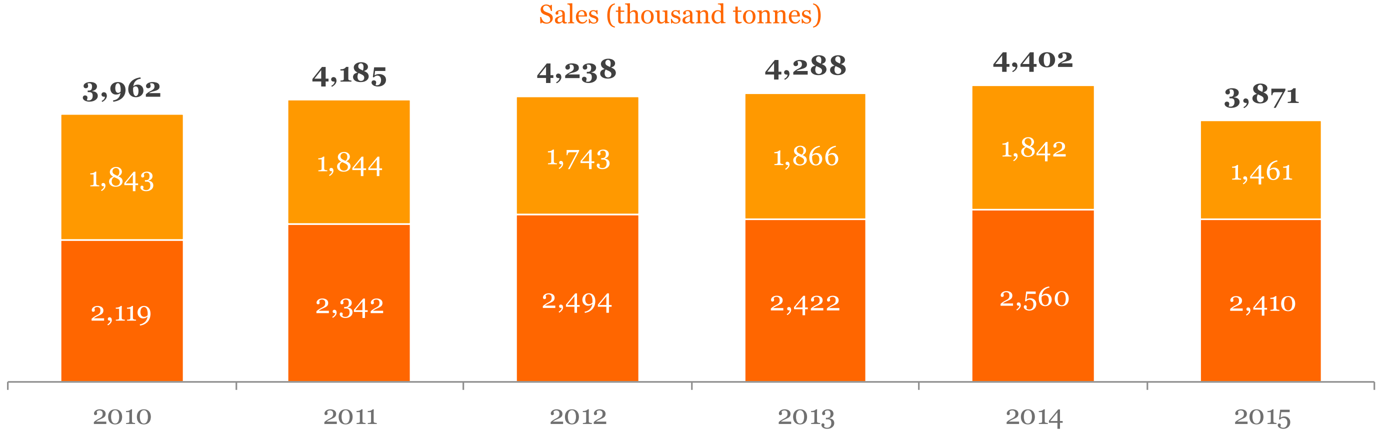


- **OCTG** – Oil Country Tubular Goods (drilling, casing, tubing) used for oil & gas exploration, well fixing and oil & gas production (38% of total sales in 2015);
- **Line pipe** – used for short distance transportation of crude oil, oil products and natural gas (24% of total sales in 2015);
- **LDP** - large diameter pipe used for construction of trunk pipeline systems for long distance transportation of natural gas, crude oil and petroleum products (16% in total sales in 2015).

Appendix – TMK Diversified Business Model

Leading Global Supplier of Pipe for Oil and Gas Industry

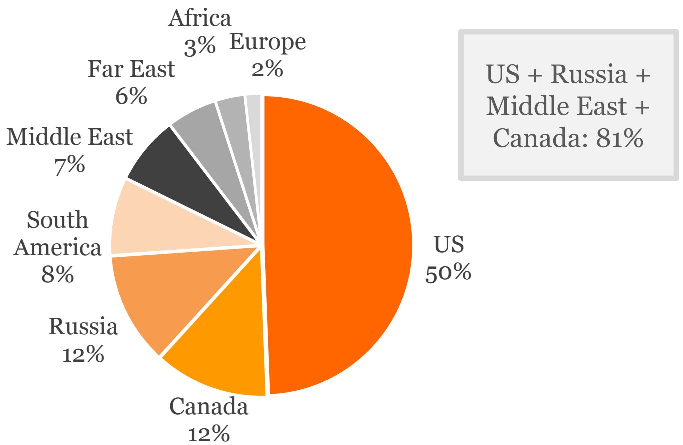
- A world leading tube producer by sales in 2015 and for the last 6 years



Source: TMK data

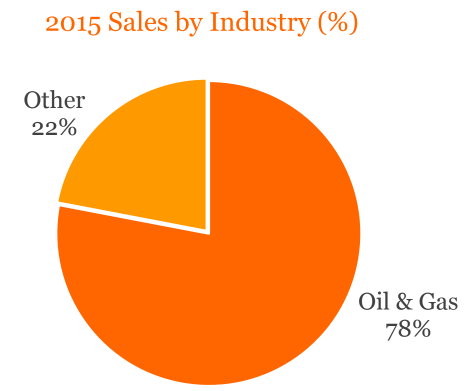
- Local producer in countries which account for 81% of global drilling activity
- High exposure to the oil and gas industry: approximately 78% of sales went to the oil and gas sector in 2015

2015 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

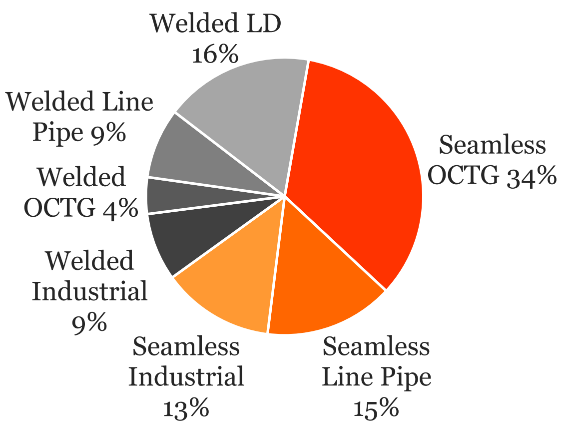


Source: TMK data

Diversified Business Model

Diversified product portfolio and customer base

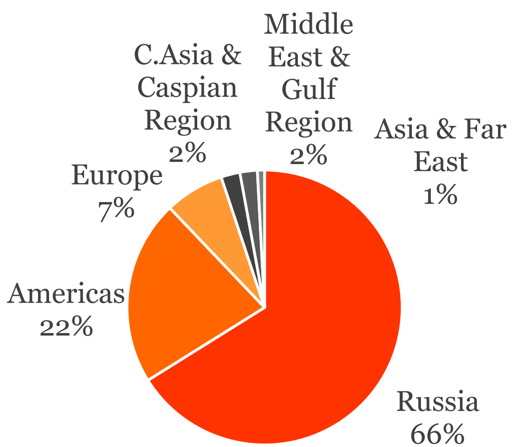
Sales by product (FY 2015)



Source: TMK data

Diversified geographical reach

TMK revenues by country (FY 2015)



Source: TMK data

Key Considerations

- High degree of diversification enabling earnings resilience.
- Geographical diversification seeking to mitigate swings in geographical demand (Russian division 66% and American division 22% of 2015 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 39% of sales for FY2015).
- Long-term relationships with Russian oil and gas majors (Rosneft, Gazprom, Surgutneftgas and Lukoil).

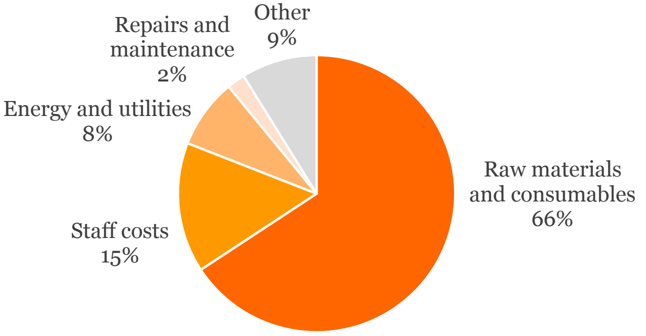
Low Cost Vertically Integrated Producer

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.
- 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

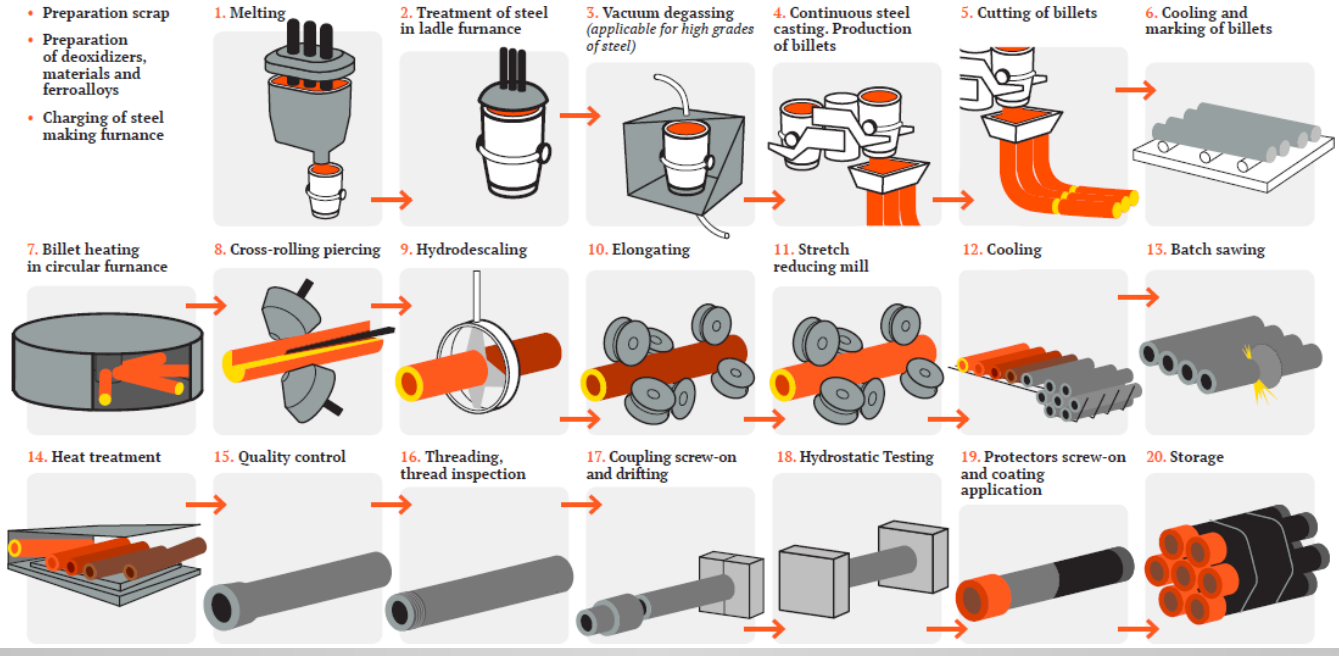
Raw materials costs can generally be passed through to customers

Cost of sales structure (FY 2015)



Note: Excluding depreciation and amortisation
Source: TMK IFRS accounts

Vertical integration in seamless business



Source: TMK

Thank You

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