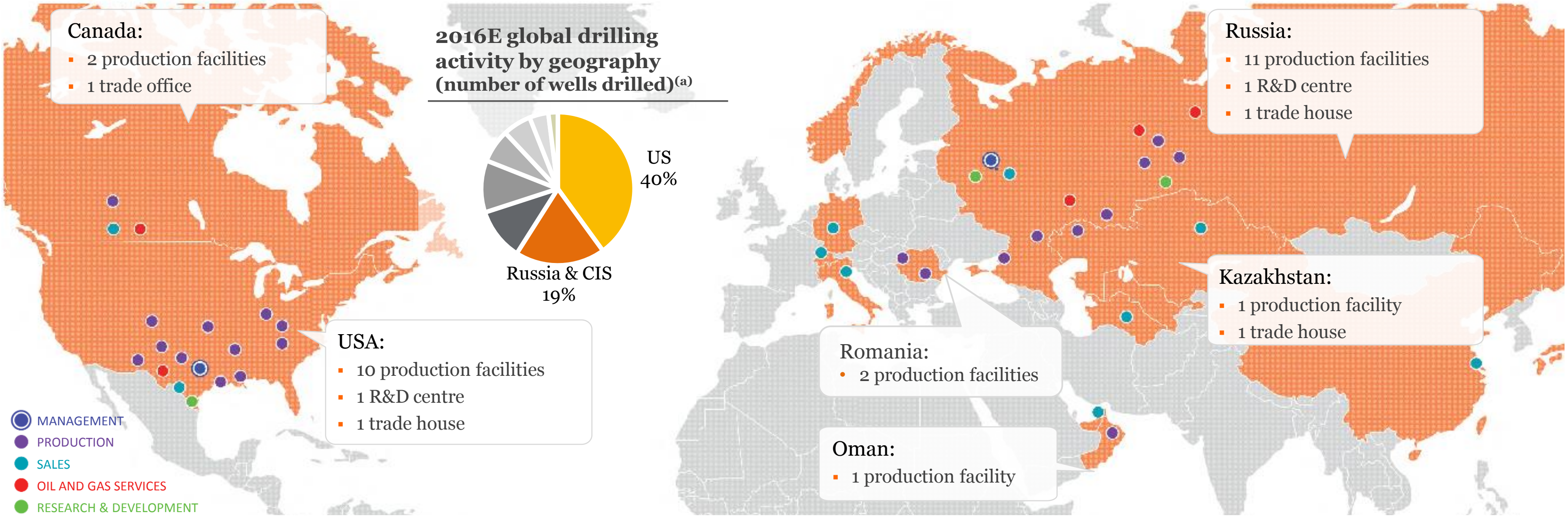
TMK IR PRESENTATION

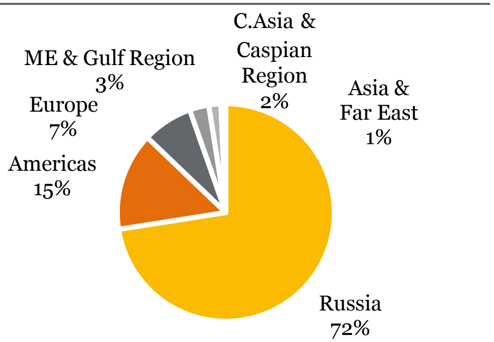
May 2017

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

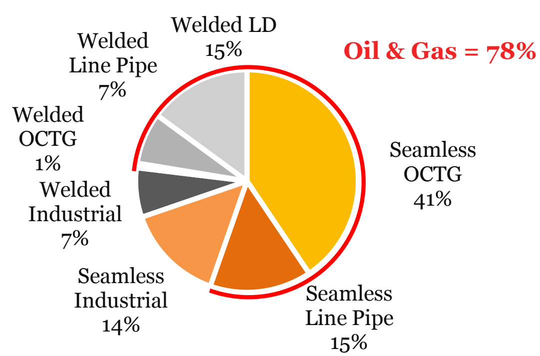
27 production sites in Russia, the USA, Canada, Oman, Romania and Kazakhstan, with trade offices in 10 countries



TMK sales by region (2016)



TMK sales by product (2016)



Key financials

(US$mln)	2013	2014	2015	2016
Revenue	**6,432**	**6,009**	**4,127**	**3,338**
Adj. EBITDA	**986**	**829**	**651**	**530**
Adj. EBITDA Margin (%)	*15%*	*14%*	*16%*	*16%*
FCF[b]	280	252	498	395
Net Profit (Loss)	215	(217)	(368)	166
Net Debt	3,600	2,969	2,496	2,539

Source: Company data

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

(a) Spears & Associates. Excluding China and Central Asia. Onshore and offshore drilling

(b) Calculated as Net cash flows from operating activities plus Net cash flows used in investing activities

TMK Today – Key Investment Highlights

1

Industry-leading market position and large modern asset base

- Top-3 player in seamless OCTG industry with c. 16% [(a)] market share - dominant N1 in Russia and Top-3 in the US
- State-of-the-art underutilised production base with major investments completed over 10 years in 2004-14
- Established longstanding relationships with major oil & gas upstream and midstream players

2

Combined exposure to some of the most attractive and dynamic regional oil & gas markets

- Russia – large low-cost oil producing region; a major market with increased drilling activity in 2016
- TMK - dominant player in Russian oil & gas with 38%[(a)] market share for pipes used in the oil and gas industry, 68%[(a)] market share in seamless OCTG
- US OCTG market at inflection point poised for recovery following a c. 75% demand contraction in 2014-16 – with shale industry supported by OPEC agreement and conducive political environment under new administration
- TMK – Top-3 US OCTG producer increasing its market share from 11% in 2014 to 14.4% in 2016

3

Low-cost position and stability of margins underpinned by significant vertical integration

- High degree of vertical integration in the seamless business due to in-house steel production
- Ability to pass through costs of steel products – demonstrated by stable margins throughout the cycle
- Substantial improvement in the global competitive positioning on the back of Ruble devaluation in 2014-16

4

Cost-cutting discipline and consistent focus on de-leveraging

- Cost-cutting programs with Adjusted EBITDA[(b)] effect of US$100m+ in the each of the past 3 years; disciplined capex
- Continuous reduction in net debt (US$1bn+ reduction in net debt since 2013)

5

Superior governance practices and uniquely stable and experienced management team

- Core management team unchanged since IPO in 2006
- 5 Independent Directors on the Board with vast diversified international and domestic experience

Source: Company data

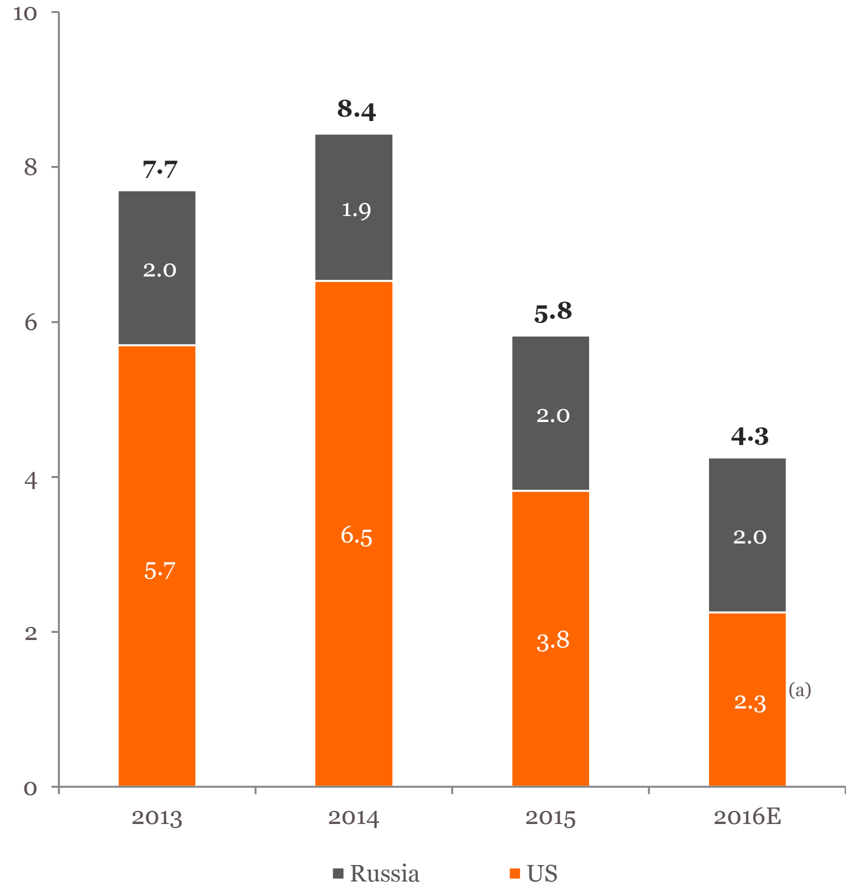
Notes: (a) Company estimates for the nine months ended 30 September 2016

(b) Adjusted EBITDA for TMK represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items

TMK Market Exposure = Highly Resilient Russian Market + US Shale Passing the Inflection Point

OCTG consumption in Russia and the US

(m tonnes)

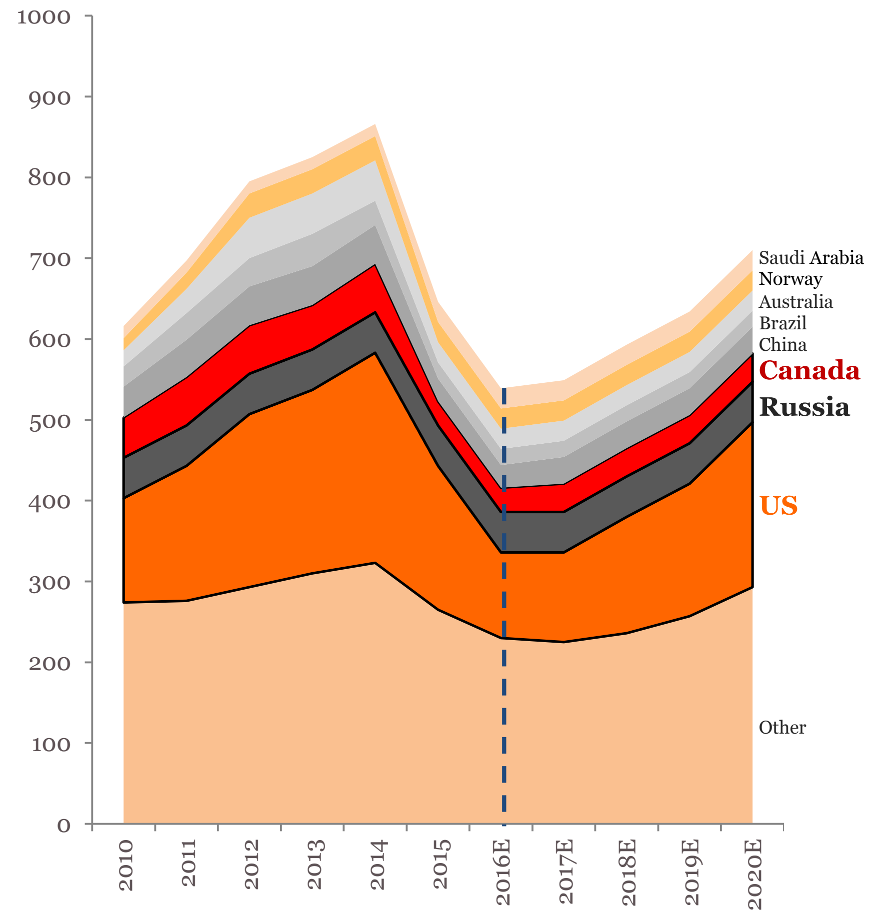


Source: Metal Expert for Russian OCTG consumption, Preston Pipe & Tube Report for US statistics

Notes: (a) Actual annualized consumption. Based on data for Jan-Nov-16 as per Preston Pipe & Tube Report (2.07 m tonnes)

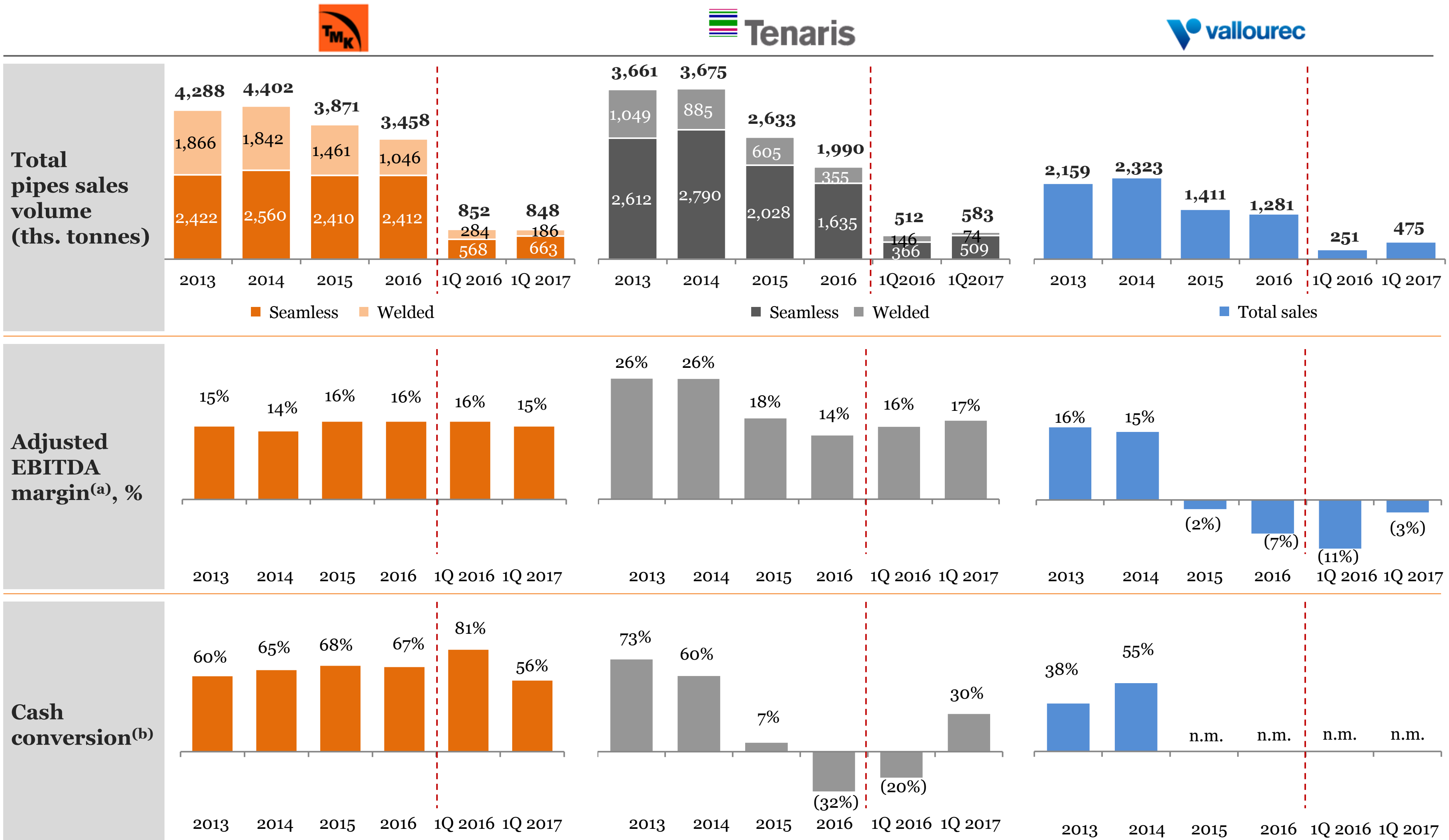
Global E&P investments

(US$ bn nominal)



Source: Rystad Energy

TMK – Superior Earnings Resilience Through the Cycle



Source: Companies' public reporting

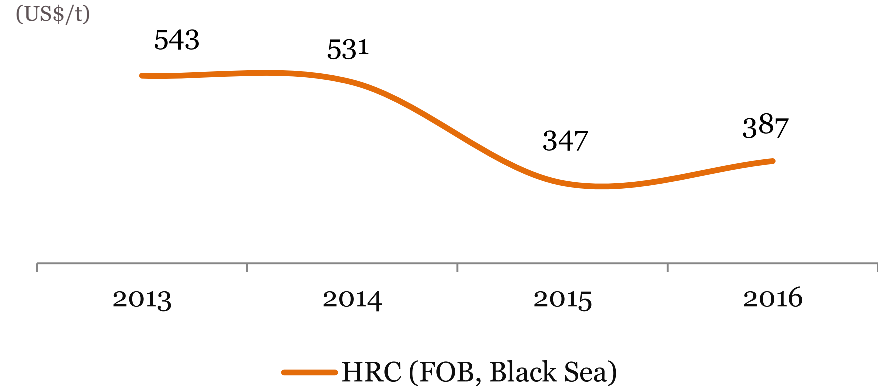
Note: (a) Adjusted EBITDA for TMK represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items

(b) Calculated as (Adjusted EBITDA – Capex) / Adjusted EBITDA

Vertically Integrated Model Ensuring Margin Stability

- Operating in one of the lowest cost regions for steel production globally
- Fully vertically integrated seamless pipe production (upstream and downstream) across all regional divisions
- Ability to pass through increases in the cost of steel products to end-customers
- Resilient margin throughout the cycle of high and low steel prices
- In 2016, an agreement with Metalloinvest for supply of hot-briquetted iron (“HBI”) was signed

Steel products price volatility



Source: Metal Expert

Seamless pipe – simplified value chain

Scrap, HBI

Refractories, ferroalloys and other consumables

EAFs

Production of billets

Pipe making facilities

Piercing, elongation, reduction of billets; pipe finishing

Welded pipe – simplified value chain

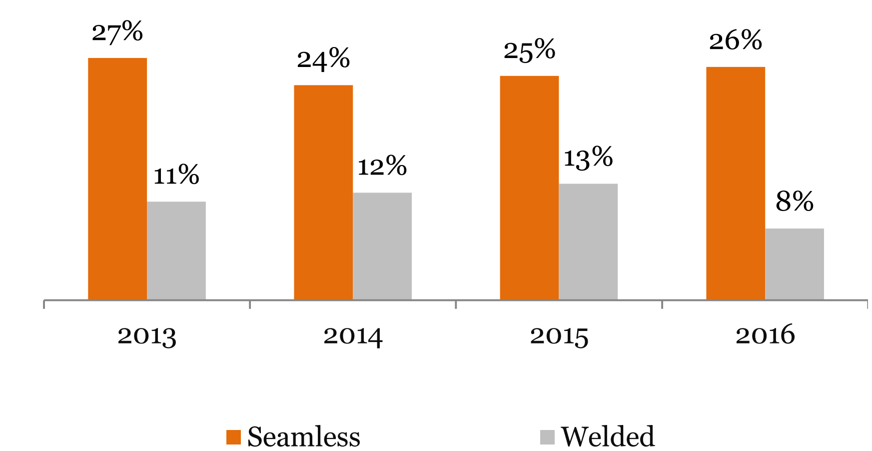
Steel coil/ plate

Pipe making facilities

Bending of steel coil or plate followed by welding the seam at the wedges

Perimeter of TMK operations in the value chain

TMK gross margin by product segments



Strong Position in Multiple End-Markets for Pipes Beyond Oil & Gas

Automotive

RENAULT TOYOTA

- TMK-ARTROM is qualified as an authorised supplier for such companies as Dacia (a subsidiary of Renault)
    - No. 1 supplier for Dacia in 2015
- Qualified as Tier 2 supplier for Toyota

Civil Construction

- Galvanised pipe for the outer steel frame of the Otkritie Arena stadium in Moscow
- Impact resistant seamless pipe shipped for the construction of Zenit Arena stadium retractable roof in St Petersburg
- Structural steel pipe for the stadium roof in Samara

Energy and Chemicals

- In 2015, TMK won a number of tenders for pipe shipments to energy and petrochemical businesses, including boiler long-length pipe for Taman TPP's equipment

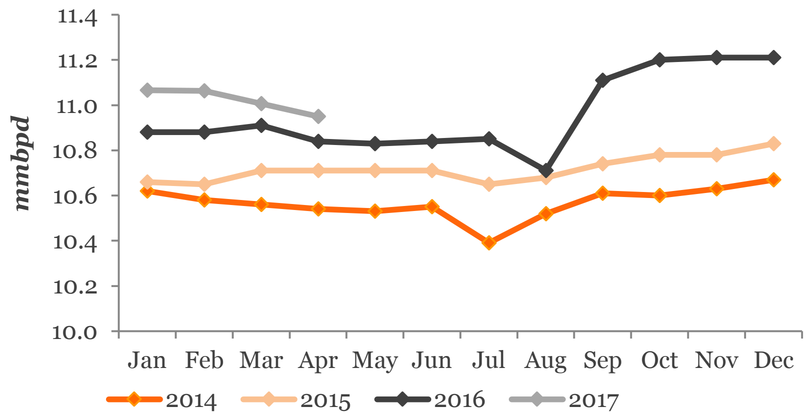
Diversified Hi-Tech Solutions

- TMK-INOX stainless pipe of 8–114 mm diameter, used in nuclear, aircraft, automotive, aerospace and energy industries

TMK Russian Division: Market Overview

Robust Oil Production Growth and Well Flow Dynamics

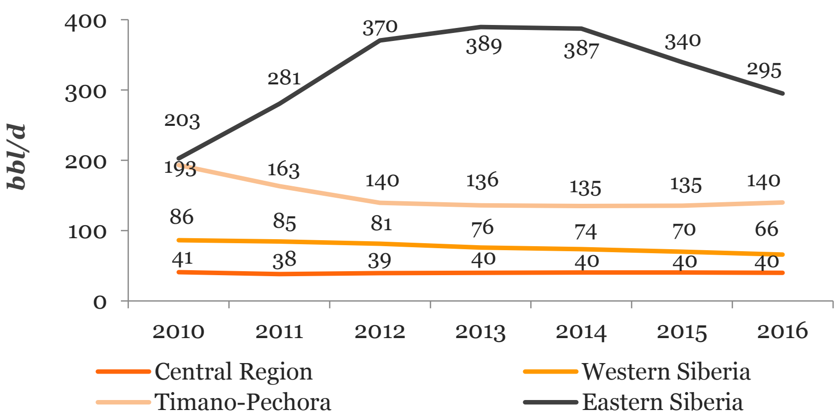
Russian oil production hits record high…



Source: Reuters

- Russian oil production set new historic record in November 2016, reaching 11.2 mmbpd
- As part of its deal with OPEC, Russia has agreed to cut production by 300,000 bpd in the first 6 months of 2017
- Production cuts, if they materialize, are unlikely to be reached through decrease in drilling activity given deteriorating well flow dynamics across Russia(2)
- OPEC has been cut 115 mmbbl/d monthly average in 1Q2017 vs. October 2016 level (-210 mmbbl/d by April'17 compared to October 16)

…on the back of declining well flow dynamics(1)



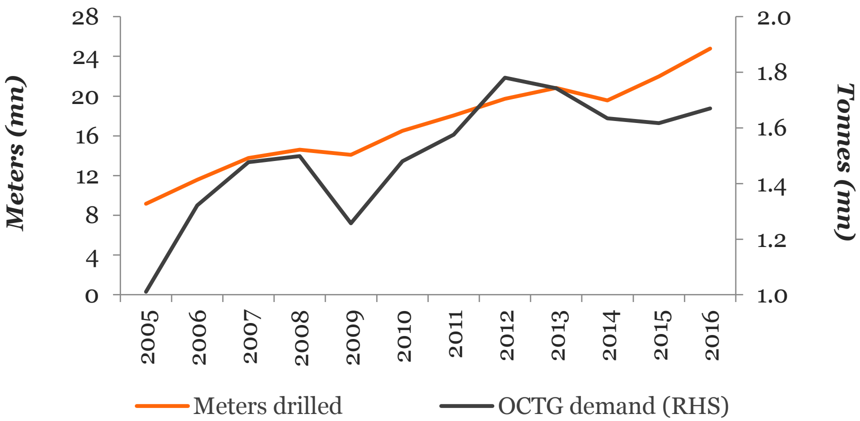
- Steadily declining production rates at old wells in Eastern and Western Siberia (c. 70% of Russian crude production) have been forcing oil producers to increase drilling activity
- Further expected decline in average well flows, at both old and new wells, over the near term, is likely to support continued growth in drilling activity in Russia

Source: CDU TEK

Note: (1) Converted from tonnes to barrels using conversion factor for Urals (0.1373 barrels per tonne); (2) Please refer to slide 50 of the Appendix for an overview of the oil output adjustment commonly used in different oil production methods

Growing Drilling Activity and OCTG Market Demand

OCTG market demand fundamentals supportive of continuing growth[1]

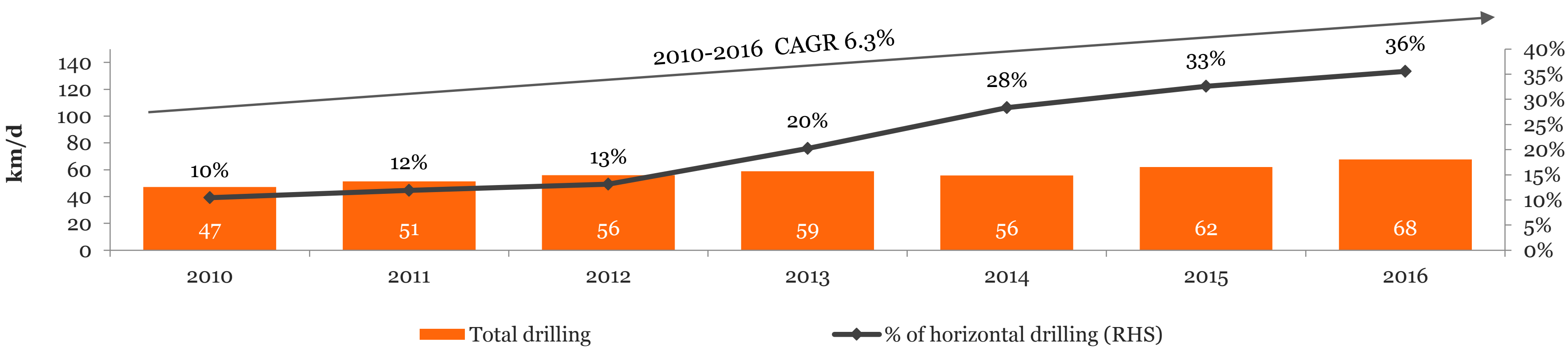


Source: CDU TEK, Metal Expert

Key considerations

- Drilling in Russia has demonstrated a strong 6.3% CAGR between 2010 and 2016, with OCTG demand having increased at 2.0% CAGR over the same period[1]
- OCTG pipe demand is expected to continue to increase in line with drilling volumes, based on strong historical correlation
- Application of sophisticated technologies to stem the decline in production has resulted in an increase in the share of horizontal drilling from 10% to 36% between 2010-16[1]
- Russia's footage growth increased by 13% YoY in 2016, according to the Ministry of Energy of the Russian Federation

Russian development drilling activity is strong and growing

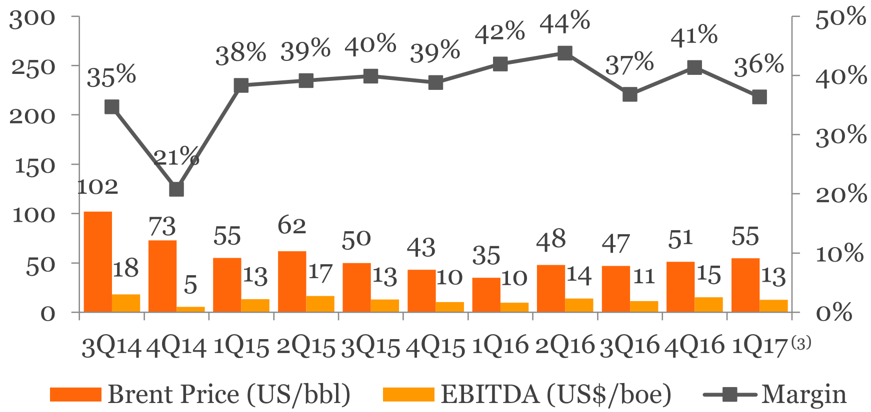


Source: CDU TEK

(1) According to CDU TEK

Favourable Tax Regime and Stable Upstream Economics

Strong upstream EBITDA[1] margin despite oil price collapse

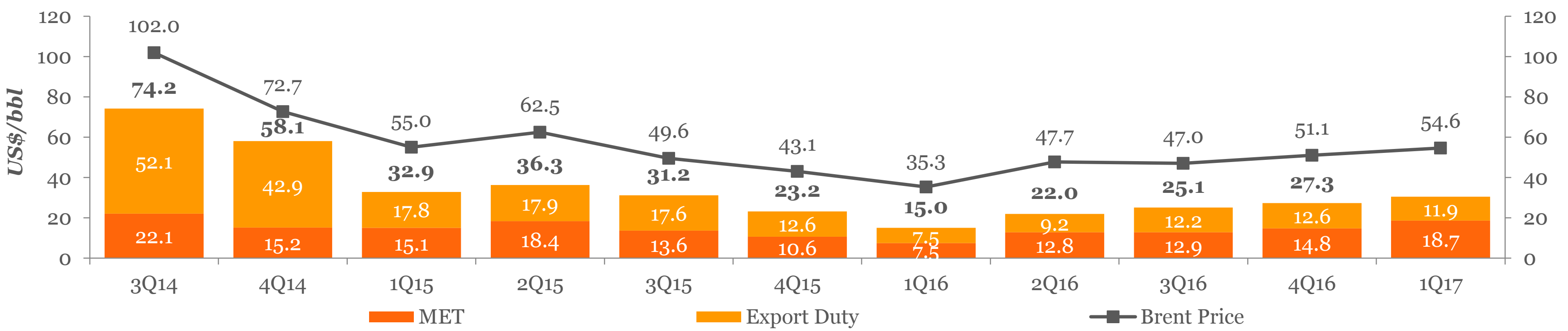


Source: Public information, companies' data

Key considerations

- Despite a c.50% decline in oil price since 3Q14, Russian Upstream sector remains profitable with stable EBITDA margins (in the 35%-40% range)[2]
- Currency devaluation has contributed to the relative decrease in cost base for Russian companies, increasing their margins and competitiveness versus international peers
- One of the main factors supporting upstream margins is the flexible tax regime which absorbs a significant part of any drop in oil price
- The two major upstream taxes in Russia – Mineral Extraction Tax (MET) and Export Duty – are directly linked to oil price and provide an amortizing effect when crude price goes down

Historically favorable MET and export duty legislation in Russia

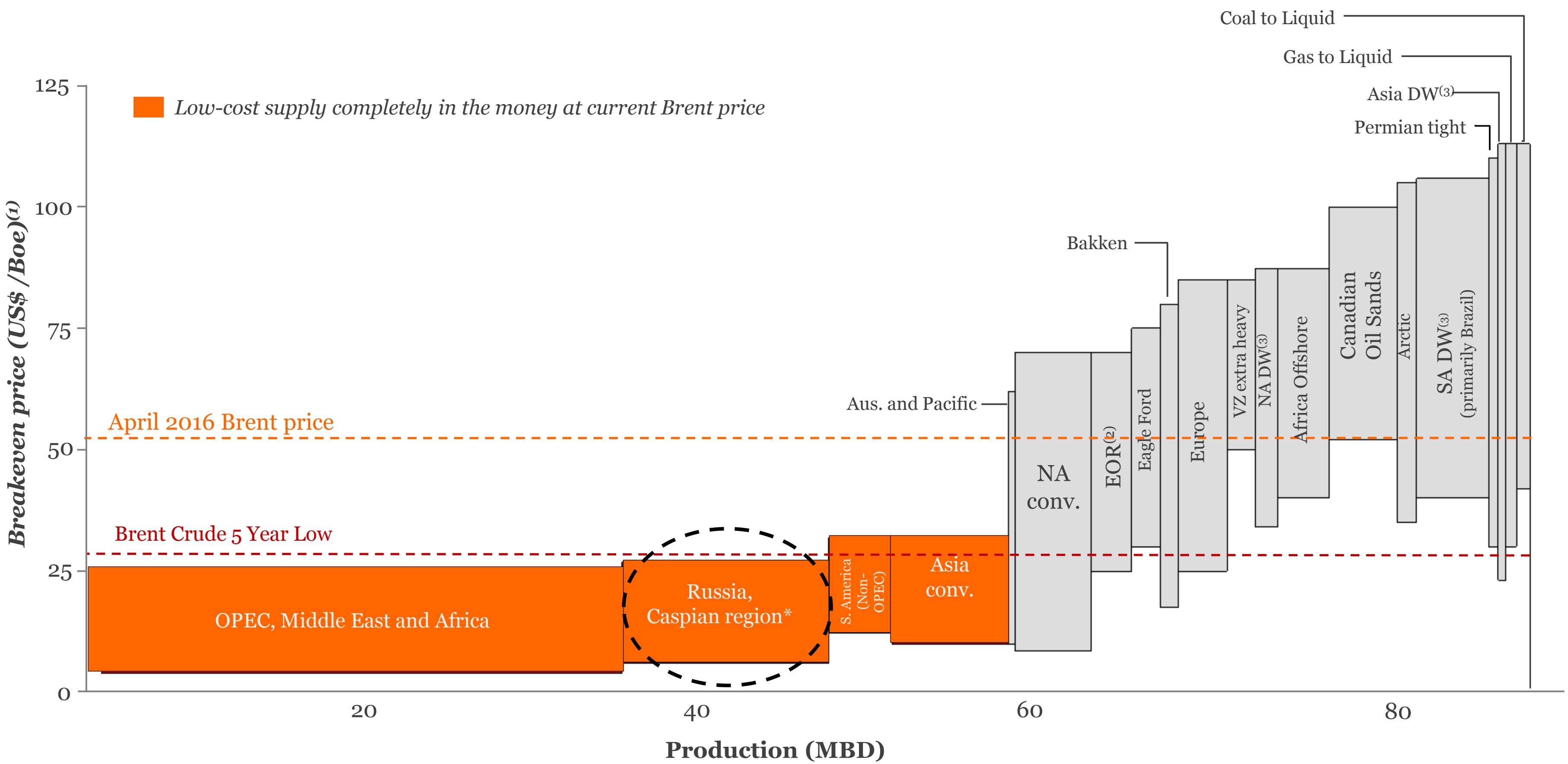


Source: Public information

Notes: (1) EBITDA was calculated based on Rosneft, Lukoil, Gazprom Neft and Bashneft figures weighted by their hydrocarbon production; (2) According to quarterly financial reports published by major oil and gas producers (Rosneft, Lukoil, Gazprom Neft and Bashneft); (3) Excludes Lukoil (1Q17 results to be released on May 23-31, 2017) and Gazpromneft (1Q17 results to be released on May 18, 2017)

TMK's Home Market is One of the Lowest Cost Oil Producing Regions

Global Oil Production Supply Curve



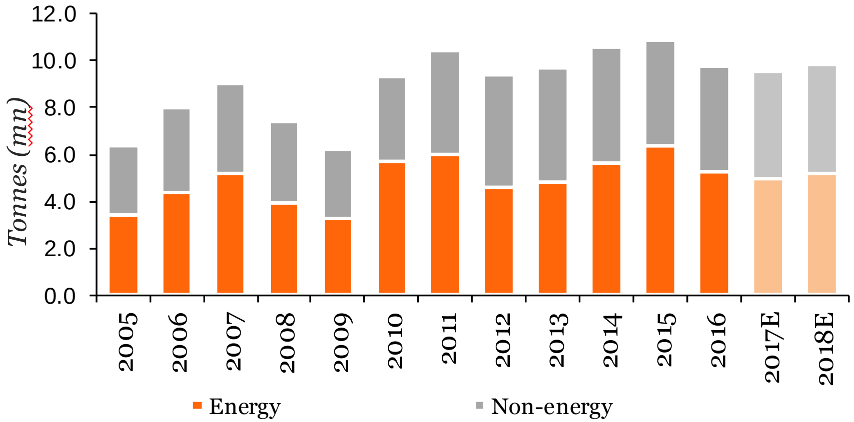
Even at 5 year lows, the low cost Russian and Caspian region is able to remain profitable unlike the majority of its international counterparts. In 2015 and 2016, Russia was the only region globally to maintain healthy drilling activity and stable OCTG demand

Source: IEA World Energy Outlook; EIA International Energy Outlook; EIA Annual Energy Outlook; Morgan Stanley; Bain & Co.

*Notes: (1) Breakeven price assumes a 10% return, and NPV of zero; *includes Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan; (2) Enhanced oil recovery; (3) Deep Water*

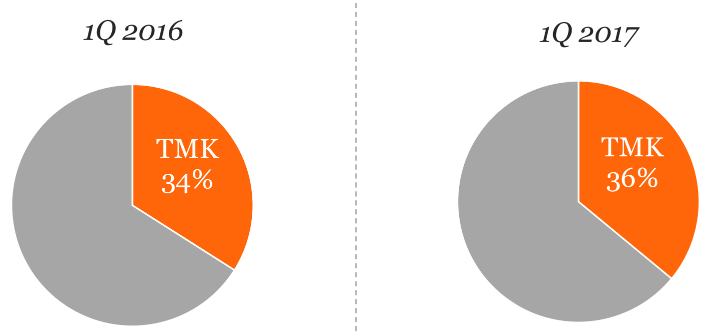
Russian Tube and Pipe Market Demand Outlook

Historic Russian pipe demand(1)



Source: TMK estimates

TMK market share of energy pipe demand



Source: TMK estimates, based on 2015-2016 numbers

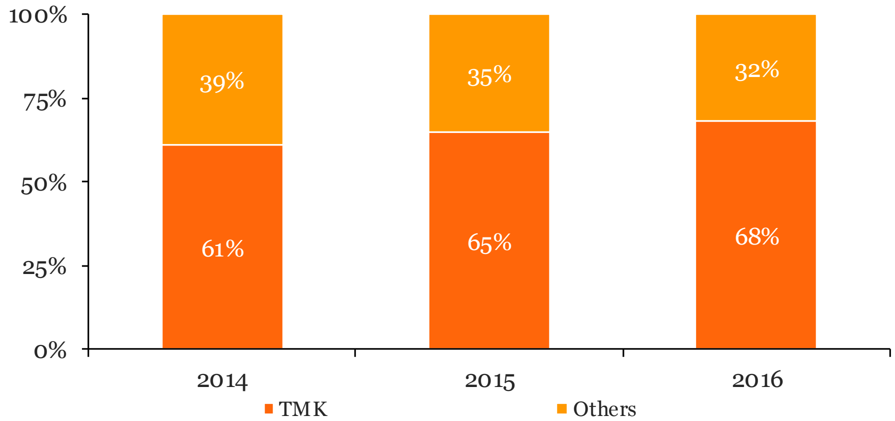
Key considerations

- According to TMK estimates, in 2016, Russian consumption of pipes and tubular products reached 9.7mt p.a. (-10% vs. 2015 and -8% vs. 2014), mainly affected by weaker LDP consumption
- Consumption of OCTG pipes is expected to grow in line with drilling volumes, given strong historical correlation
- TMK forecasts a contraction in the LDP segment due to the completion or rescheduling of a number of major pipeline construction projects
- Line pipe consumption is expected to return to its historical levels, supported by the gradual completion of greenfield projects at Rosneft, Gazprom Neft and Lukoil
- Industrial pipe consumption expected to rebound on the back of a general improvement in the Russian economy

Notes: (1) TMK estimates based on aggregate pipe consumption in Russia for each of the years indicated, calculated as the sum of local pipe production (as reported by production companies) and imports less exports (as reported by the Russian Ministry of Industry and Trade)
Energy Pipes are comprised of OCTG, LDP and Line pipes, while Non-energy refers to Industrial pipes

Strengthening Position on the Domestic Market

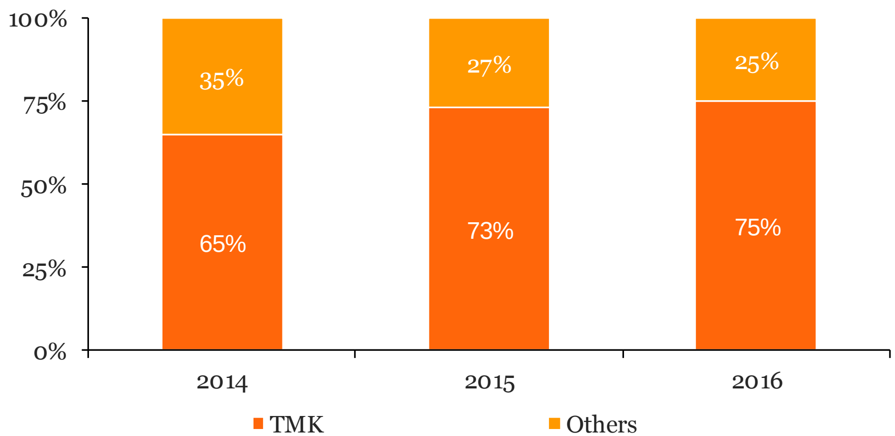
TMK share of seamless OCTG market is growing…



Source: TMK estimates

- Russian seamless OCTG market was flat YoY in 2016[1]
- Development of conventional and unconventional reserves will require the use of non-conventional drilling techniques and reliable OCTG products
- TMK is a leader in production of seamless OCTG on the Russian market with around 68% market share in 2016[1]

…with growing premium market share complementing TMK's leading OCTG offering



Source: TMK estimates

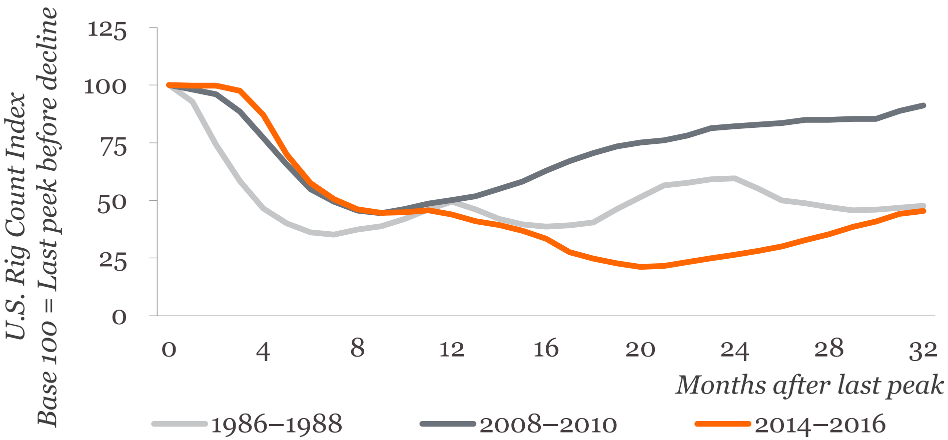
Notes: (1) According to TMK estimates

- TMK is a key premium supplier to the major Russian O&G companies
- TMK is a leader in the production of premium tubular products on the Russian market with around 75% market share in 2016
- The premium market is expected to grow as more greenfield projects come on stream and more sophisticated techniques are applied at brownfields
- TMK's premium market share has increased by 3% YoY in 2016[1]

TMK North American Division: Market Overview

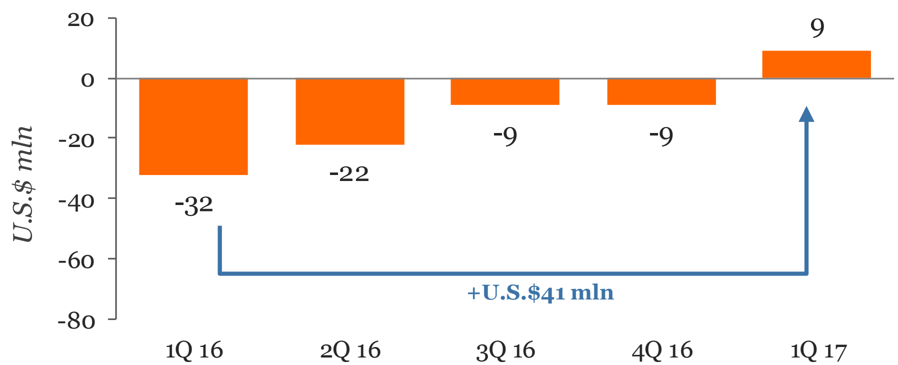
US Industry Performance Review – Outlook Improving

This downturn has been longer and tougher…



Source: Baker Hughes

…Adjusted EBITDA [(a)] of the American division has troughed and is rebounding



Source: Company data

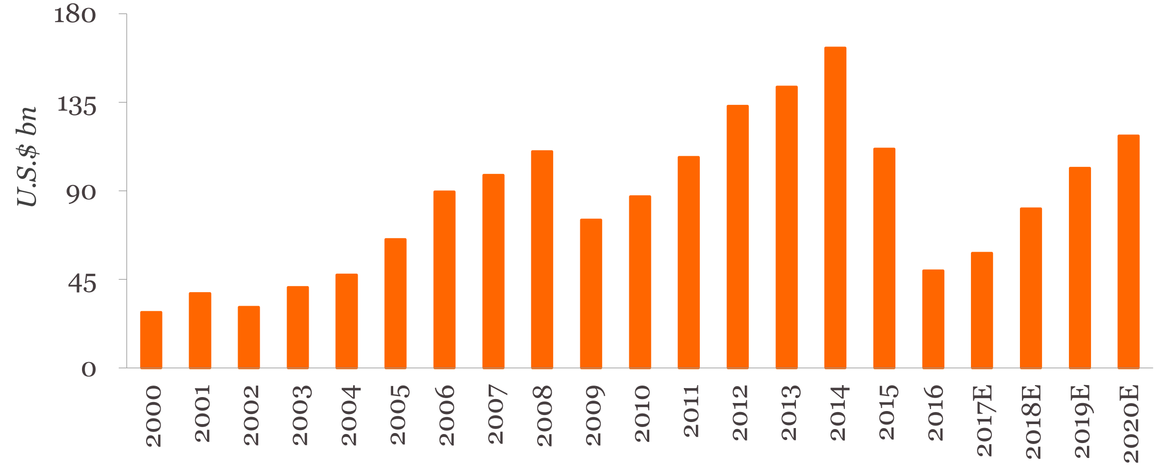
- Rig count reached bottom in May at 404 units, but has grown by over 470 rigs since then
- Average number of rigs in 1Q 2016 increased by 26% QoQ, following the recovery in oil prices
- Low-breakeven Permian basin has concentrated c.45% of the rigs added since the trough
- U.S. domestic crude production averaged 9.3 mb/d in May 2017, up 0.8 mb/d from the trough reached in July 2016
- Henry Hub Natural Gas prices experienced a strong rally in 2016 rising from a 17-year low of U.S.$1.64/MMBtu in early March to a high of U.S.$3.93 in late December and has traded in U.S.$2.60-3.40 range since then
- Adjusted EBITDA [(a)] of the American division troughed in 1Q 2016, then recovered in 2Q-4Q 2016 & 1Q 2017
- Recovery of U.S. financial performance to pre-2015 levels would be an important catalyst for TMK growth

Source: Baker Hughes, U.S. Energy Information Administration, Bloomberg, Company data

Note: (a) Adjusted EBITDA represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items

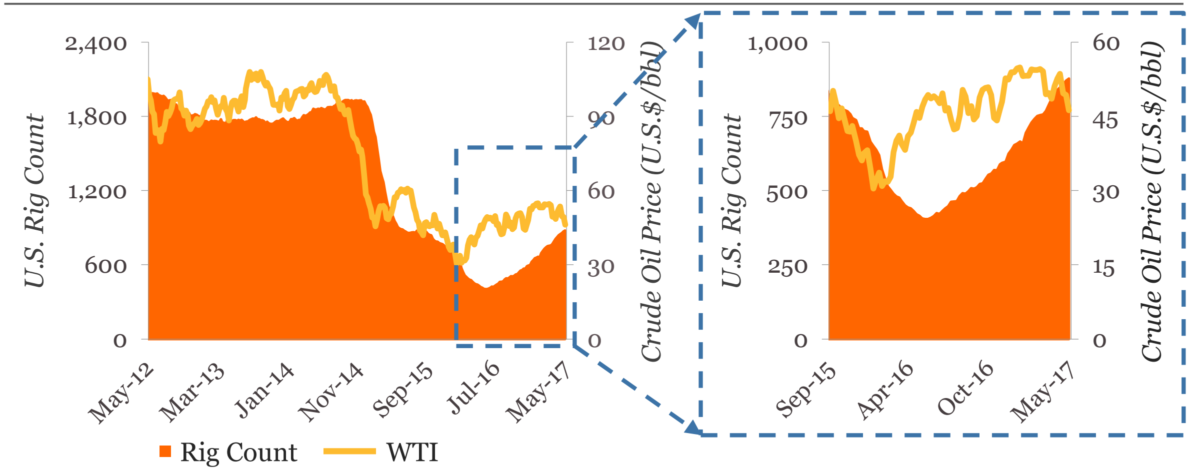
U.S. Exploration & Production Capex Recovery in 2017

U.S. E&P capex



Source: EMIS Energy

U.S. rig count



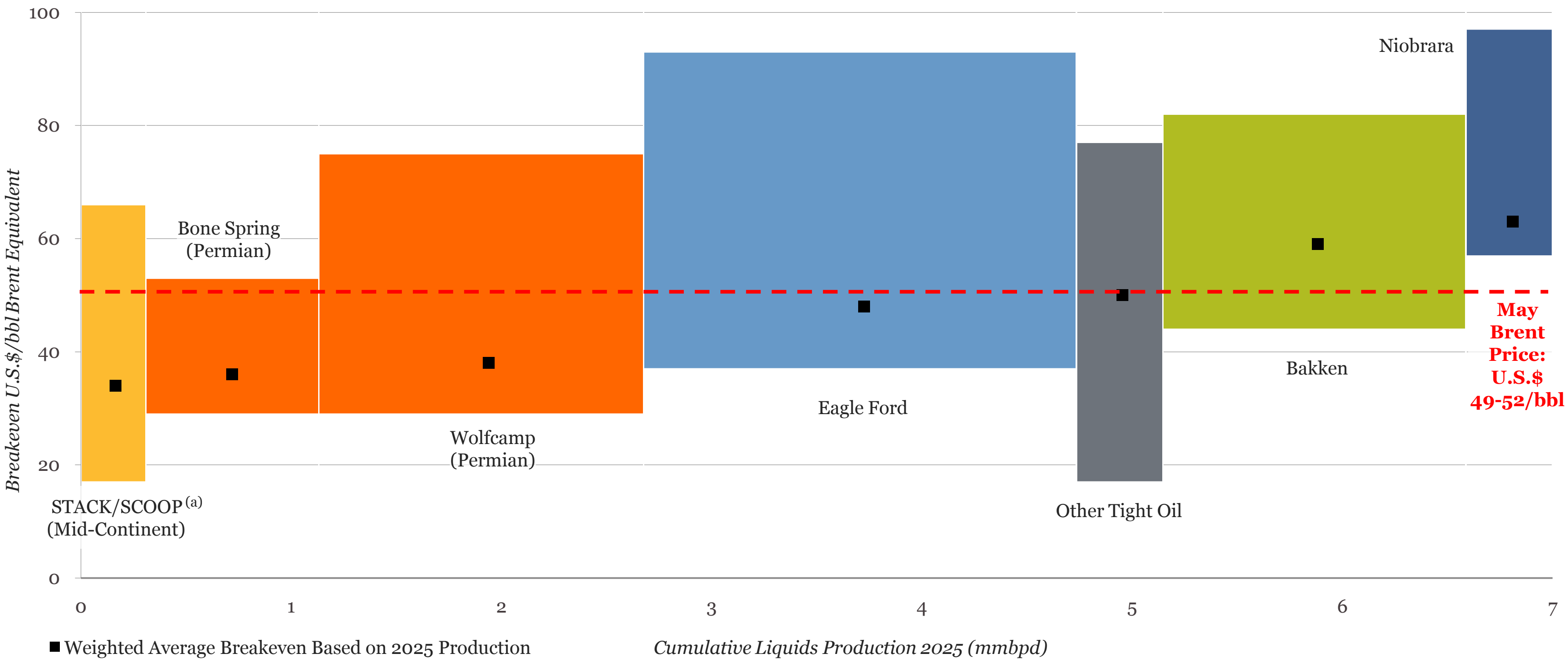
Source: Baker Hughes, Bloomberg

- Driven by higher crude oil and gas prices, U.S. E&P capex is expected to increase by 18% and 39% in 2017 and 2018, respectively
- This is expected to result in growing counts of active rigs
- While growth in the rig count may be moderate in 1H 2017 due to a high level of drilled, but uncompleted (DUC) wells, rig additions may potentially accelerate in 2H 2017 as DUC inventory contracts
- A key driver in the expected drilling activity recovery is that the breakeven oil price for shale producers has been substantially reduced since 2014

Source: EMIS Energy, Wood Mackenzie

Key New Projects on Cost Curve

Continental U.S. tight oil cost curve 2025



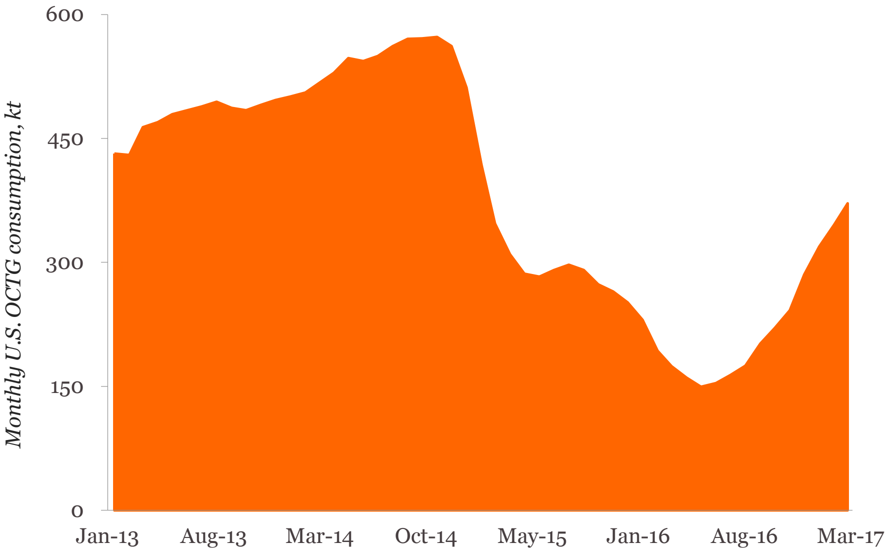
Source: Wood Mackenzie

- During the past 2 years, U.S. shale players managed to decrease production costs. Drilling technology evolved, driven by efficiency requirements. Key changes included higher intensity of drilling, longer laterals, significantly higher usage of proppants and equipment and well string standardization
- Despite a wide variation between plays, many U.S. shale producers are profitable at oil prices in the U.S.$50-60/bbl range in the long term. A number of shale plays in the Permian basin as well as STACK [a] and SCOOP [a] plays in the Mid-continent region of the U.S. are profitable at around U.S.$40/bbl

Note: (a) STACK: Sooner Trend Anadarko Basin Canadian and Kingfisher Counties; SCOOP: South Central Oklahoma Oil Province

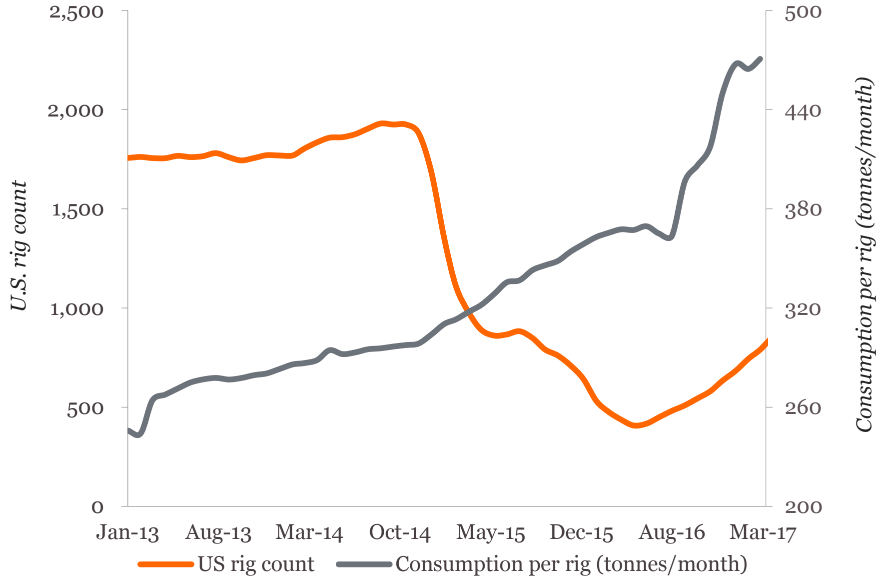
OCTG Consumption Expected to Recover to Previous Levels with Substantially Fewer Rigs

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



Source: Preston Pipe & Tube Report

OCTG consumption per rig increased significantly



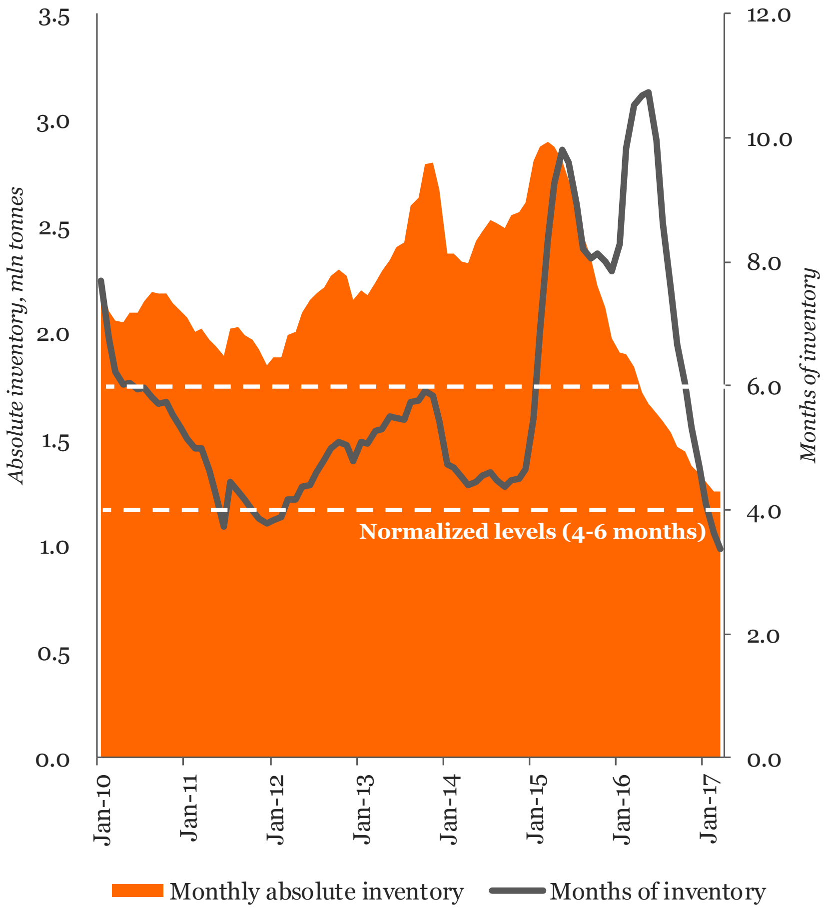
Source: Preston Pipe & Tube Report, Baker Hughes

- Following the rig count evolution, a gradual recovery of the U.S. OCTG market started in 2Q 2016 and may be expected to continue, subject to oil and gas price stabilization
- OCTG consumption per rig has grown by over 60% compared to 2014 levels. Overall OCTG consumption is expected to outpace growth in rigs driven by (1) increased drilling intensity and (2) longer laterals with thicker pipe walls and higher steel grades
- At the current level of OCTG consumption per rig (471 tonnes), 2014 level of total OCTG consumption would be reached with c.1,150 rigs vs. an average of c.1,850 rigs in 2014

Source: OCTG Situation Report, Preston Pipe & Tube Report, Baker Hughes

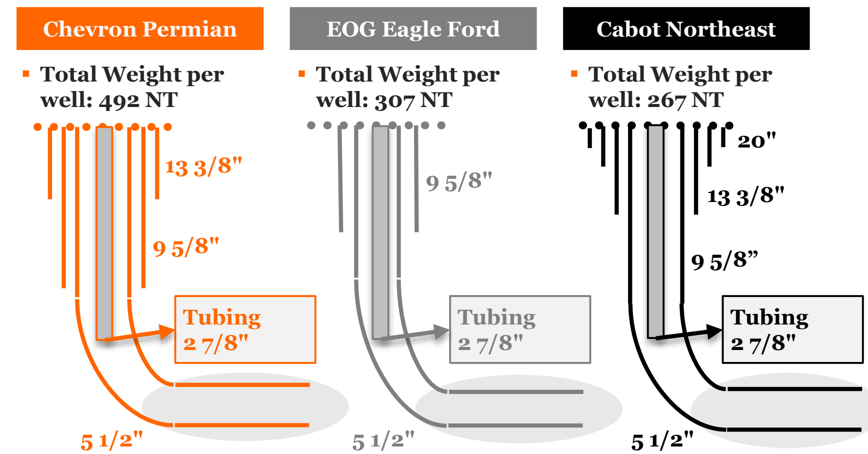
Inventory at Healthy Levels When Adjusted for Obsolescence

Inventory level normalization



Source: Preston Pipe & Tube Report

Standardized diameters of OCTG piping



Source: companies data

- U.S. OCTG inventories are moving towards normalized levels from c.11 months in May 2016 to c.4 months in January 2017
- A significant part of current inventories may potentially be obsolete due to drilling technologies changing in the past 18 months
  - Demand structure changed in terms of the diameters used. Currently there are 6-8 key diameters in demand due to efficiency-driven standardization of equipment
  - Steel grade requirements also changed due to higher consumption of OCTG per rig. Currently there are only 4-5 different steel grades used

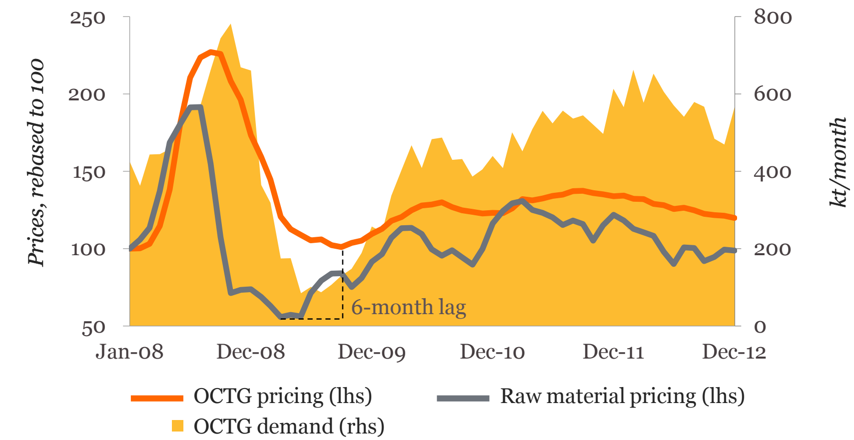
Source: Preston Pipe & Tube Report, PipeLogix and OCTG Situation Report

OCTG Prices Reached Bottom in 2Q 2016 and Then Rebounded

- Historically, OCTG pricing demonstrated a c.6-month lag to raw materials prices, e.g. in 2009, raw materials reached the bottom in April, while OCTG troughed in October
- In the current cycle, HRC and scrap prices reached the bottom at the end of 2015 and then rebounded considerably
- Welded and seamless OCTG prices reached the bottom in 2Q 2016 and then followed the raw material input pricing pattern, particularly in light of the overall OCTG demand recovery and inventory levels normalization

Source: OCTG Situation Report, AMM, CRU, Pipe Logix

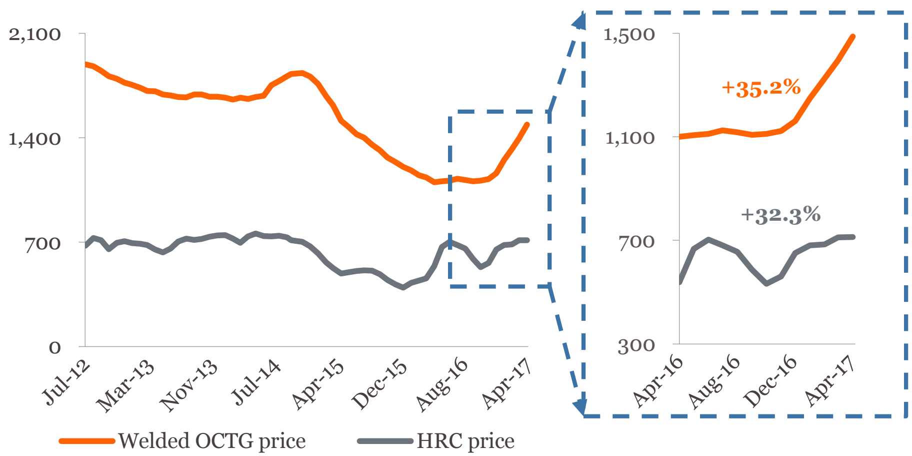
Indexed costs vs. prices (in 2009 example)



Source: OCTG Situation Report, AMM, CRU

U.S. distributor welded OCTG vs. HRC prices

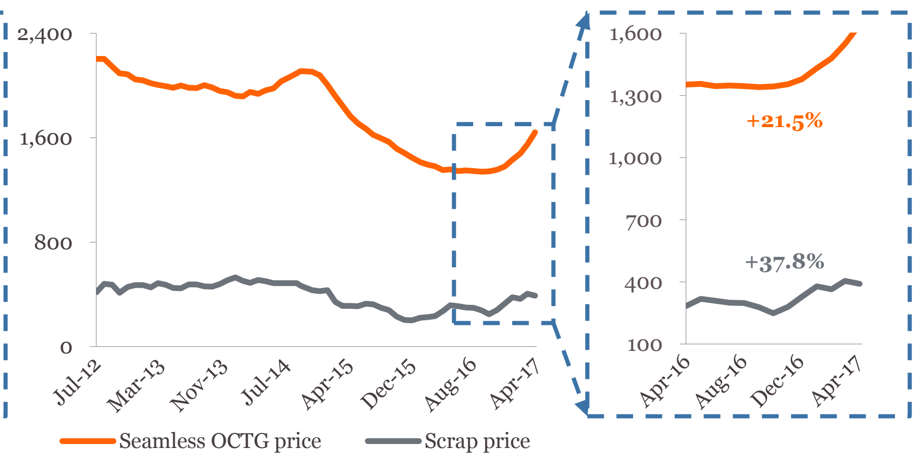
(monthly average, U.S.$/tonne)



Source: Pipe Logix, AMM

U.S. distributor seamless OCTG vs. scrap prices

(monthly average, U.S.$/tonne)



Source: Pipe Logix, AMM

Strategic Overview

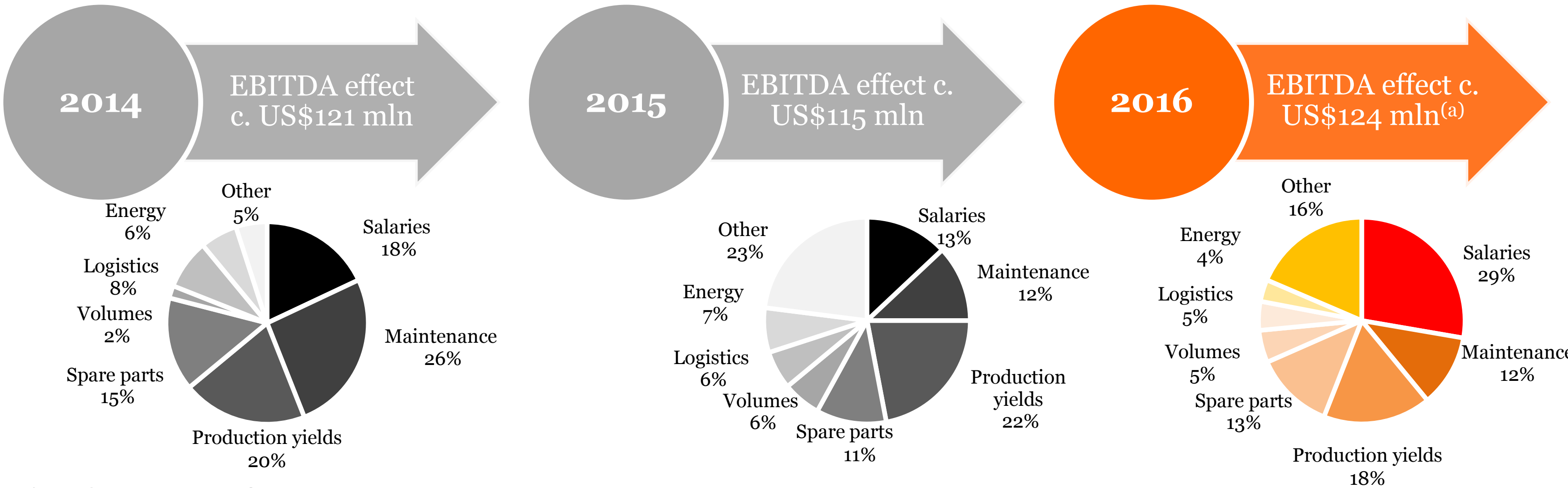
Key Strategic Pillars

FOCUS ON CUSTOMER-DRIVEN INNOVATION	▪ Expand product range and remain at the forefront of technology catering to evolving customer needs ▪ Significant additional revenue from newly developed products annually
CEMENT LEADERSHIP IN THE RUSSIAN MARKET	▪ Continue dominating the Russian market with primary focus on seamless OCTG and premium connections ▪ Maintain our share in Russian premium connections segment
CAPTURE NORTH AMERICA RECOVERY OPPORTUNITY	▪ Remain among Top-3 US OCTG producers ▪ Build on the achieved market share gains
FOCUS ON CASH GENERATION	▪ Continue optimizing working capital ▪ Ongoing cost cutting ▪ Limited CAPEX ▪ Disposal of non-key assets
DELEVERAGING	▪ 3.0x Net Debt[a] / Adjusted EBITDA[b] as a three year target ▪ 2.5x Net Debt / Adjusted EBITDA as a long-term objective

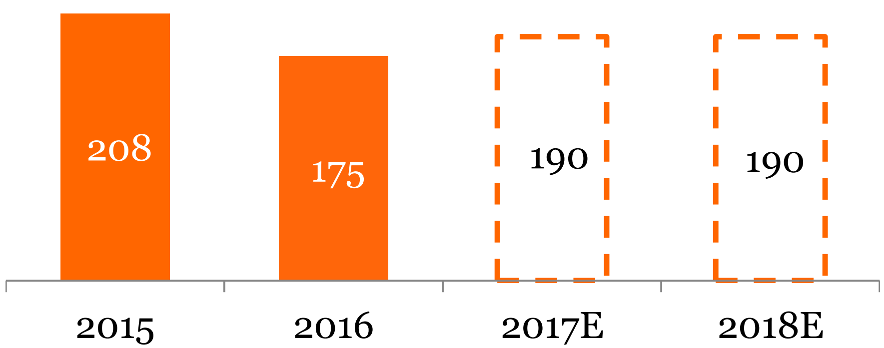
Note: (a) Net Debt represents interest bearing loans and borrowings plus liability under finance lease less cash and cash equivalents and short-term financial investments
(b) Adjusted EBITDA represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items

Strict Control over Costs and CAPEX

Ongoing cost-cutting programmes



Limited CAPEX for 2017E-2018E

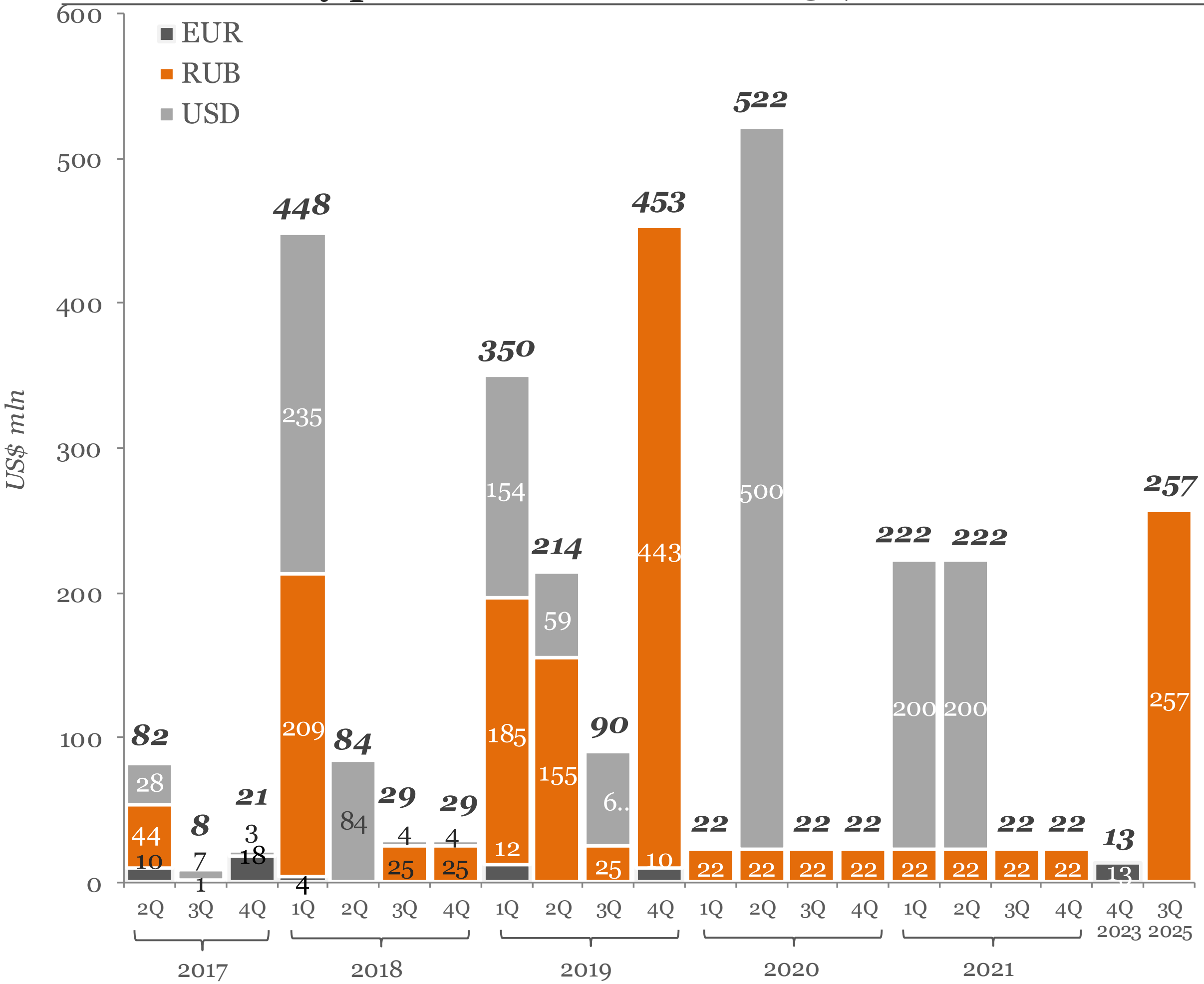


- Upper limit of US$200 mln annual CAPEX (growth & maintenance) for 2017E-2018E reconfirmed
- Strategic investment program completed in Autumn 2014
- Strict control over maintenance costs
- No M&A's planned

Source: TMK estimates
Note: (a) Converted to USD at USD/RUB average rate for 2016 of 66.90

Comfortable Maturity Profile with Ongoing Refinancing

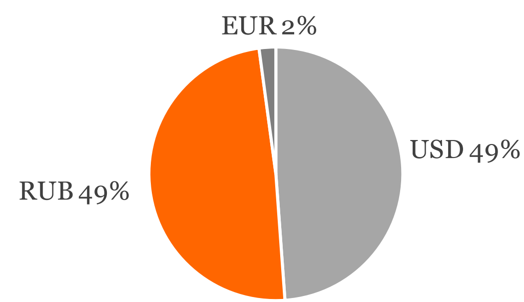
Debt maturity profile as at December 31, 2016



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

- As at March 31, 2017, Net Debt amounted to US$2,640 mln
- Over US$1bn reduction in Net Debt over the past 3 years
- In April 2017, TMK placed a 5 billion rouble 10-year bond with 9.75% coupon rate
- The terms of several loan facilities renegotiated in September 2016 and December 2016:
  - With Sberbank, all short-term loans in an aggregate amount of approximately U.S.$270 m refinanced with new facilities maturing in 2019
  - With Gazprombank, the maturity of U.S.$400m term loan facilities extended from June 2017 to December 2021
- Credit Ratings:
  - S&P: B+
  - Moody's: B1

Debt currency structure

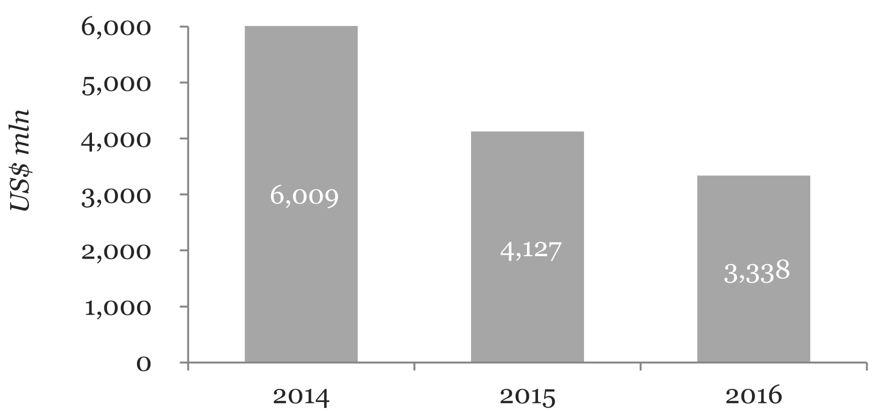


Source: TMK management accounts

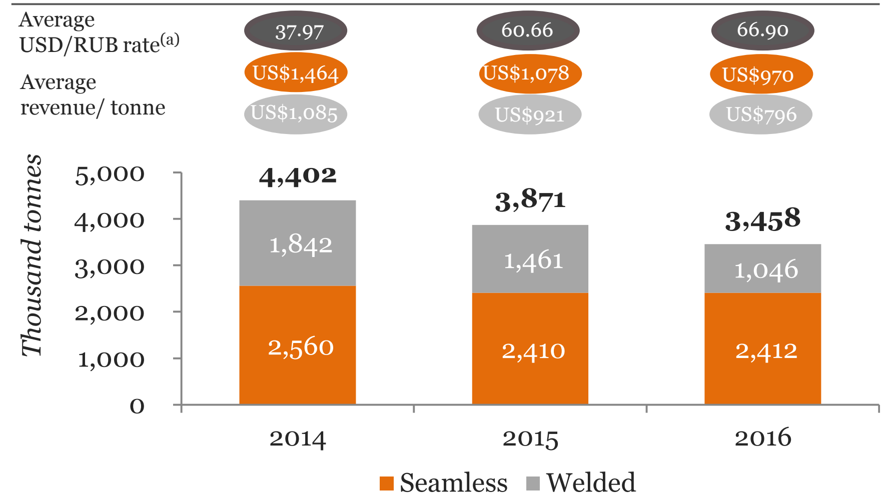
Summary Financial Results

FY Consolidated Results Snapshot

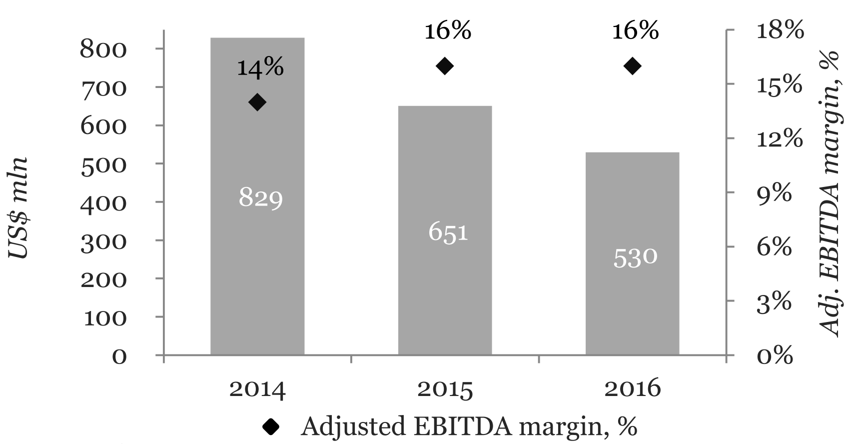
Revenue



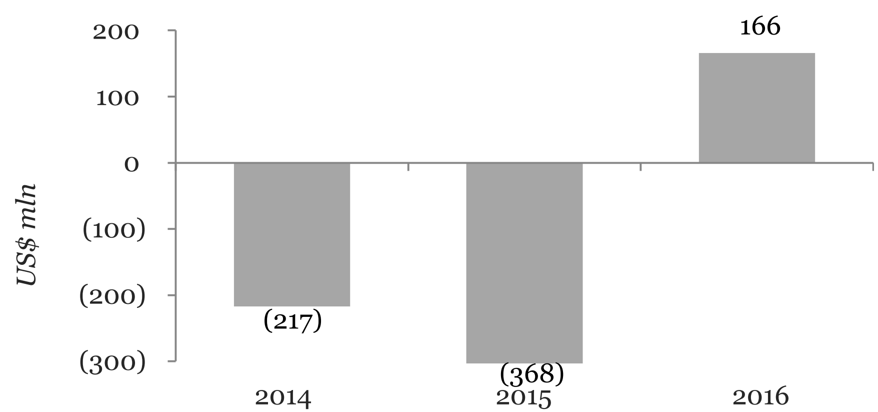
Volumes and realised prices



Adjusted EBITDA[b]



Net profit



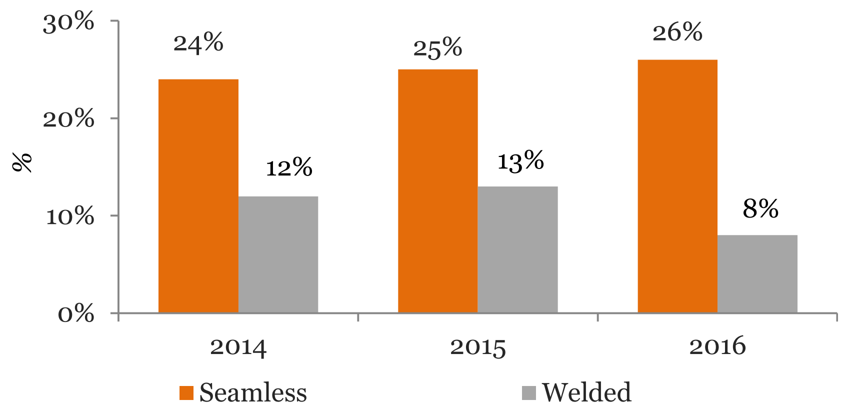
Source: TMK data

Note: (a) Average nominal USD/RUB exchange rate as published by the Central Bank of Russia.

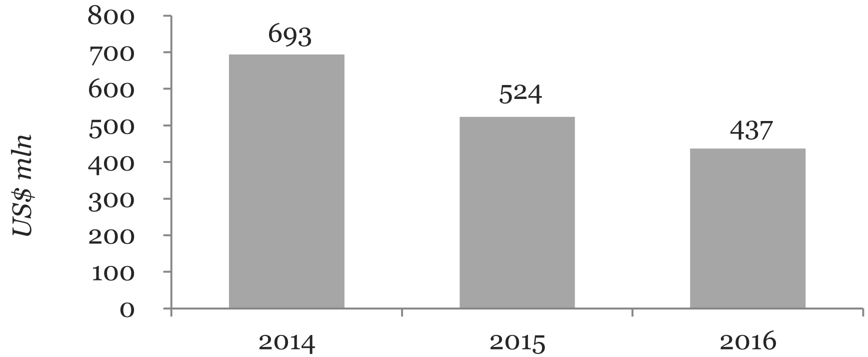
(b) Adjusted EBITDA represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items

Gross Margin, SG&A and Cash Conversion

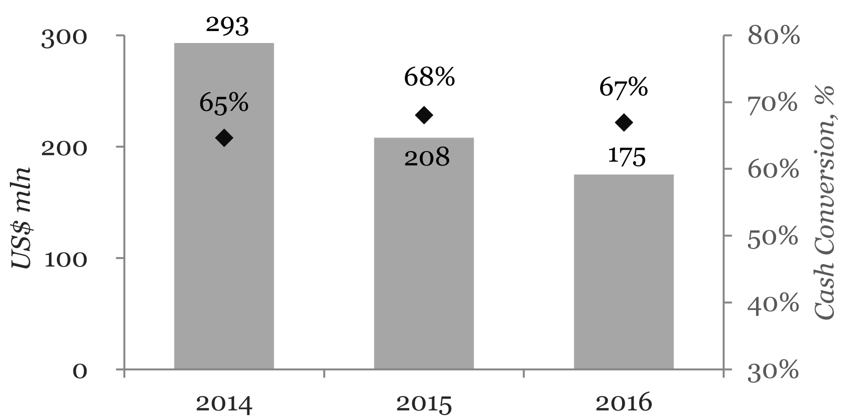
Gross margin



SG&A and Corporate Overheads[a]



Capex and cash conversion[b]



Key considerations

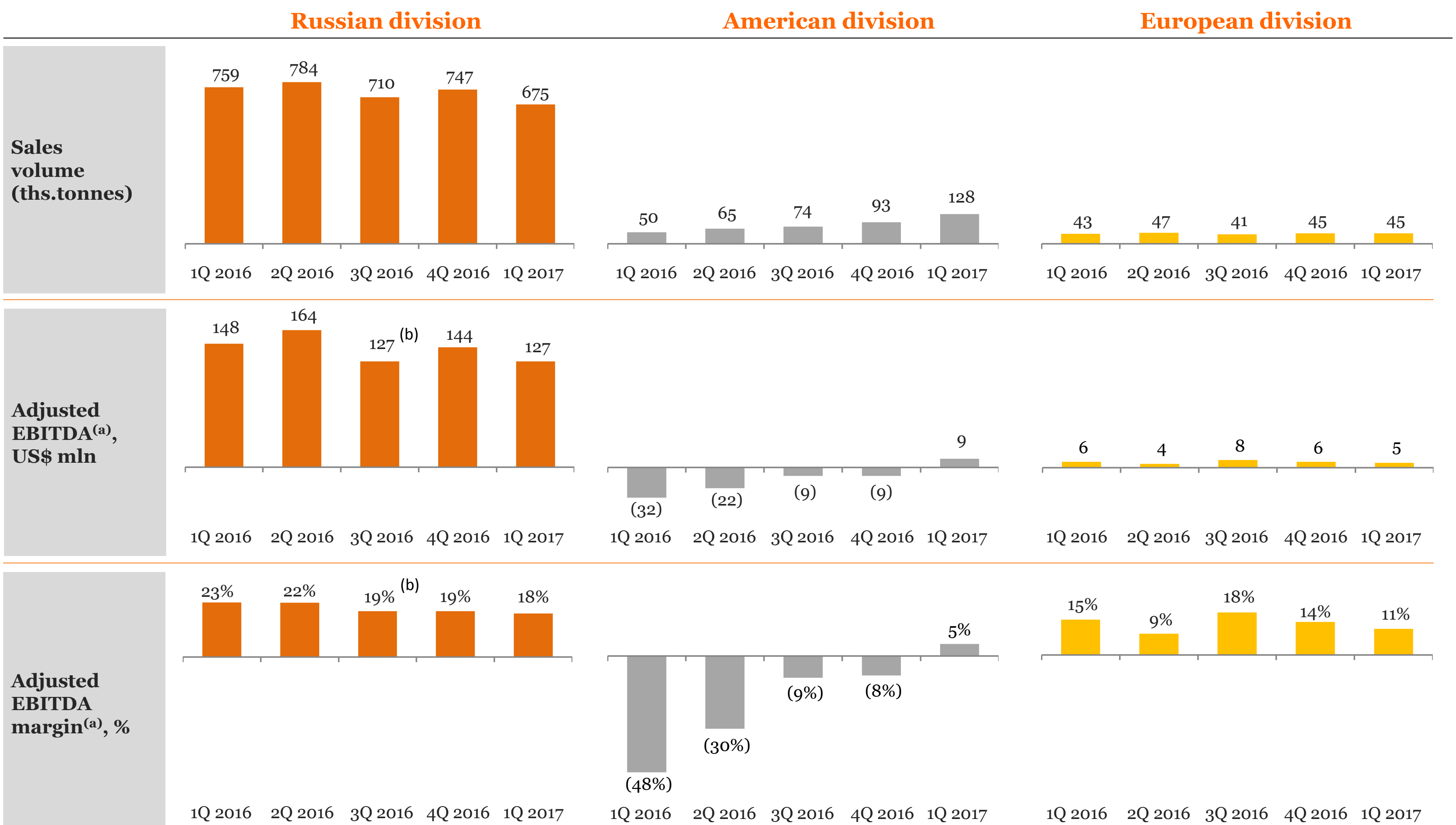
- Gross margin resilient through the cycle across both product lines
- Seamless segment accounting for approximately 90% of consolidated gross profit and demonstrates consistently superior margins
- Major reduction in SG&A in response to the revenue decline in 2015-16
- Relatively high share of fixed costs in seamless segment provides strong leverage to volume growth
- Significantly optimized lean cost structure due to stringent efficiency measures
- Growing cash conversion

Source: TMK data

Note: (a) Based on IFRS financial statements. Calculated as Gross Profit less Operating profit

(b) Calculated as (Adjusted EBITDA – Capex) / Adjusted EBITDA. Adjusted EBITDA represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items

Segmental Quarterly Performance Dynamics



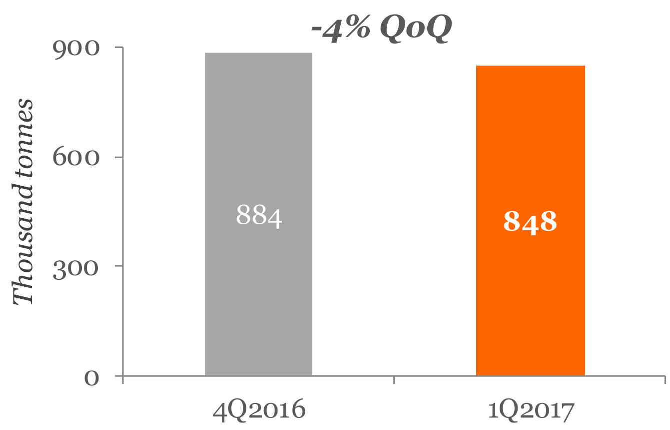
Source: TMK data

Note: (a) Adjusted EBITDA represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items

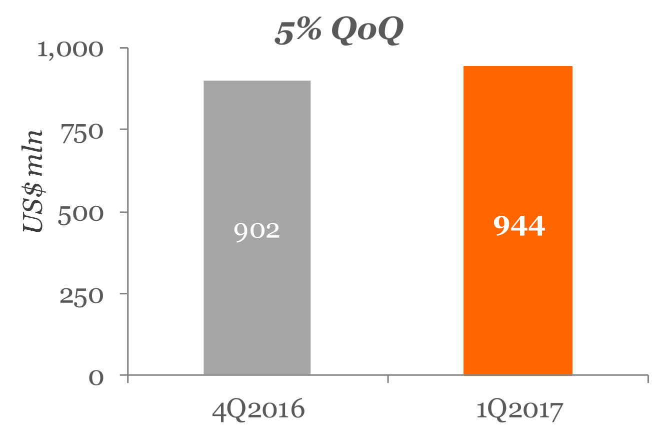
(b) Restated

1Q 2017 vs 4Q 2016 Summary Financial Highlights

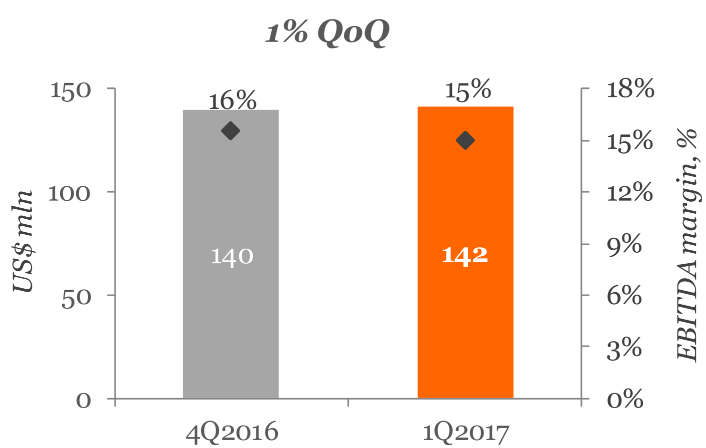
Sales were down QoQ, mainly due to lower LDP volumes at the Russian division



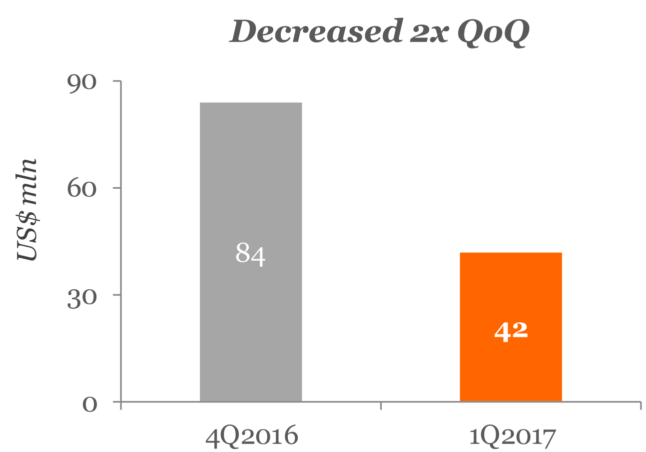
Revenue increased QoQ, due to a significant revenue growth at the American division



Adjusted EBITDA remained nearly flat, as favourable market conditions enabled the American division to offset the Russian division's weaker performance



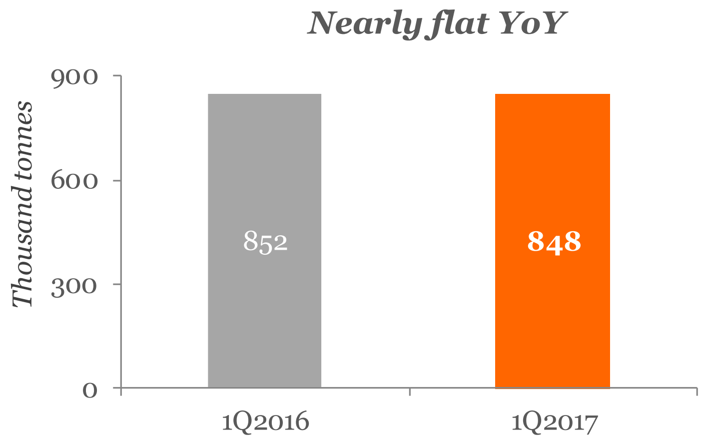
Net profit was $42 million compared to $84 million in 4Q2016. Higher net profit for 4Q 2016 was attributed to the disposal of some of the Company's subsidiaries



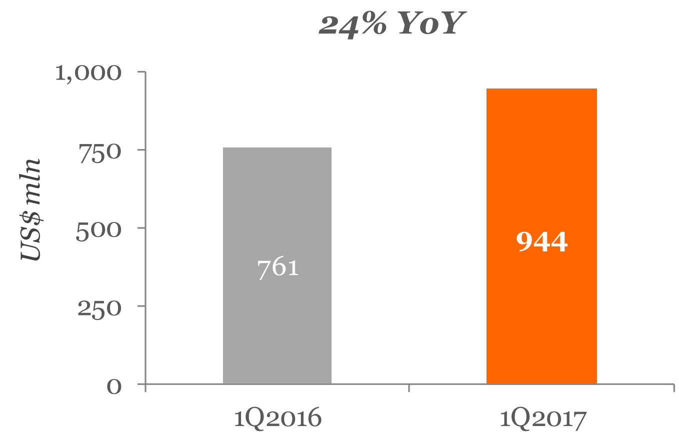
Source: TMK data

1Q 2017 vs 1Q 2016 Summary Financial Highlights

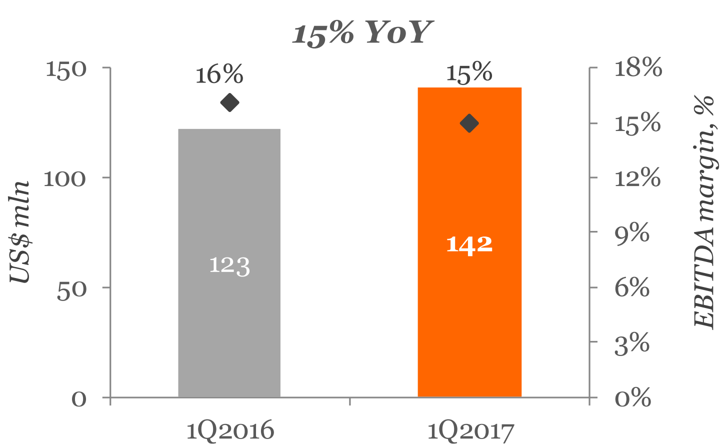
Sales remained nearly flat YoY



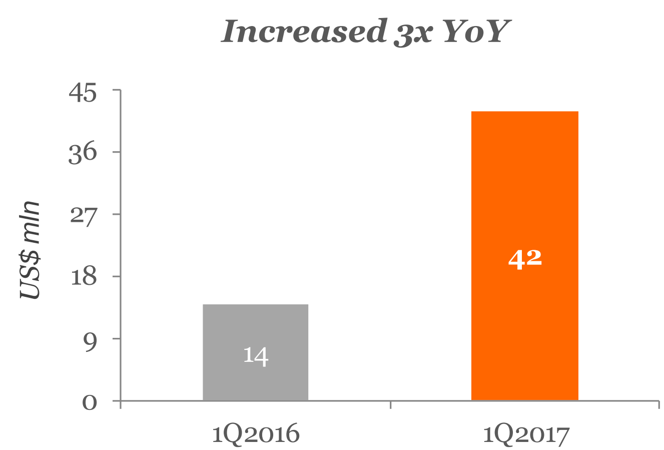
Revenue increased YoY, positively impacted by rouble appreciation against the US dollar and higher volumes at the American division



Adjusted EBITDA growth was attributable to the overall stronger performance of the American division



Net profit increased 3 times to $42 million



Source: TMK data

Appendix – Summary Financial Accounts

Key Consolidated Financial Highlights

(US$mln) [a]	2016	2015	2014	2013
Revenue	**3,338**	**4,127**	**6,009**	**6,432**
Adjusted EBITDA[b]	**530**	**651**	**829**	**986**
Adjusted EBITDA Margin [b] *(%)*	*16%*	*16%*	*14%*	*15%*
Profit (Loss)	166	(368)	(217)	215
Net Profit Margin (%)	*5%*	*n/a*	*n/a*	*3%*
Pipe Sales ('000 tonnes)	3,458	3,871	4,402	4,287
Average Net Sales/tonne (US$)[c]	965	1,066	1,365	1,500
Cash Cost per tonne (US$)[d]	692	783	1,030	1,108
Cash Flow from Operating Activities	476	684	595	703
Capital Expenditure[e]	175	208	293	397
Total Debt[f]	2,918	2801	3,223	3,694
Net Debt[f]	2,539	2,471	2,939	3,568
Short-term Debt/Total Debt	9%	21%	24%	11%
Net Debt/Adjusted EBITDA	4.8x	3.8x	3.5x	3.6x
Adjusted EBITDA/Finance Costs	1.9x	2.3x	3.6x	3.9x

Source: TMK Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2016 and TMK Consolidated Financial Statements for 2015 and 2014

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

(b) Adjusted EBITDA represents profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss, impairment/ (reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items. LTM as of 30 September 2016 and 30 September 2015.

(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

Income Statement

(US$ mln)	2016	2015	2014	2013
Revenue	**3,338**	**4,127**	**6,009**	**6,432**
Cost of sales	(2,634)	(3,282)	(4,839)	(5,074)
Gross Profit	**704**	**845**	**1,169**	**1,358**
Selling and Distribution Expenses	(220)	(260)	(350)	(379)
General and Administrative Expenses	(196)	(207)	(278)	(317)
Adverstising and Promotion Expenses	(6)	(8)	(14)	(12)
Research and Development Expenses	(11)	(13)	(15)	(13)
Other Operating Expenses, Net	(4)	(35)	(35)	(34)
Foreign Exchange Gain / (Loss) before Tax	130	(141)	(301)	(49)
Finance Costs, Net	(263)	(269)	(226)	(245)
Other	35	(354)	(150)	5
Income / (Loss) before Tax	**169**	**(443)**	**(201)**	**312**
Income Tax (Expense) / Benefit	(4)	75	(15)	(98)
Net Income / (Loss)	**166**	**(368)**	**(217)**	**215**

Source: TMK Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2016 and TMK Consolidated Financial Statements for 2015 and 2014
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.
(a) Calculated as Finance income less Finance costs

Statement of Financial Position

(US$ mln)	2016	2015	2014	2013
ASSETS				
Cash and Cash Equivalents	277	305	253	93
Accounts Receivable	689	512	728	995
Inventories	769	785	1,047	1,324
Prepayments	107	113	113	148
Other Financial Assets	42	0	1	0
Total Current Assets	**1,883**	**1,715**	**2,142**	**2,561**
Total Non-current Assets	**2,853**	**2,697**	**3,508**	**4,857**
Total Assets	**4,736**	**4,412**	**5,649**	**7,419**
LIABILITIES AND EQUITY				
Accounts Payable	735	682	831	1,111
ST Debt	268	600	764	398
Other Liabilities	48	41	48	62
Total Current Liabilities	**1,051**	**1,323**	**1,643**	**1,571**
LT Debt	2,650	2,201	2,459	3,296
Deferred Tax Liability	90	110	206	298
Other Liabilities	47	64	71	125
Total Non-current Liabilities	**2,786**	**2,374**	**2,735**	**3,718**
Equity	**899**	**715**	**1,271**	**2,130**
Including Non-Controlling Interest	55	53	66	96
Total Liabilities and Equity	**4,736**	**4,412**	**5,649**	**7,419**
Net Debt	2,539	2,471	2,969	3,600

Source: TMK Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2016 and TMK Consolidated Financial Statements for 2015 and 2014

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

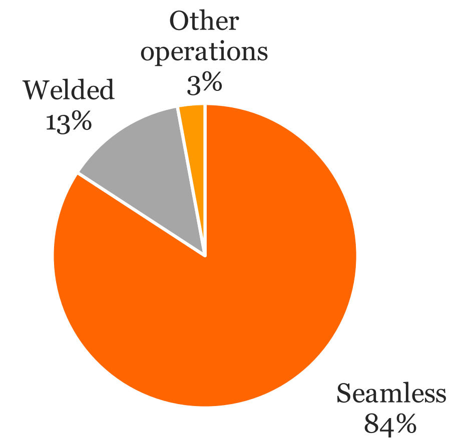
(US$ mln)	2016	2015	2014	2013
Profit / (Loss) before Income Tax	169	(443)	(201)	312
Adjustments for:				
Depreciation and Amortisation	242	251	304	326
Net Finance Cost	263	269	226	245
Others	(154)	552	479	61
Working Capital Changes	(13)	105	(159)	(159)
Cash Generated from Operations	**506**	**734**	**648**	**786**
Income Tax Paid	(31)	(51)	(53)	(82)
Net Cash from Operating Activities	**476**	**684**	**595**	**703**
Capex	(175)	(208)	(293)	(397)
Acquisitions	(11)	(2)	(60)	(38)
Others	106	25	10	12
Net Cash Used in Investing Activities	**(81)**	**(185)**	**(343)**	**(423)**
Net Change in Borrowings	(53)	(193)	154	(93)
Others	(365)	(187)	(206)	(313)
Net Cash Used in Financing Activities	**(418)**	**(381)**	**(53)**	**(407)**
Net Foreign Exchange Difference	(5)	(65)	(40)	(5.0)
Cash and Cash Equivalents at January 1	305	253	93	225
Cash and Cash Equivalents at YE	**277**	**305**	**253**	**93**

Source: TMK Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2016 and TMK Consolidated Financial Statements for 2015 and 2014
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
(a) Calculated as Finance costs less Finance income

Seamless – Core to Profitability

	U.S.$ mln *(unless stated otherwise)*	1Q2017	QoQ, %	1Q2017	YoY, %
SEAMLESS	Sales - Pipes, kt	**663**	*4%*	**663**	*17%*
	Revenue	**714**	*13%*	**714**	*37%*
	Gross profit	**169**	*5%*	**169**	*20%*
	Margin, %	*24%*		*26%*	
	Avg revenue/tonne (US$)	1,078	*9%*	1,078	*17%*
	Avg gross profit/tonne (US$)	255	*1%*	255	*3%*
WELDED	Sales - Pipes, kt	**186**	*-25%*	**186**	*-34%*
	Revenue	**177**	*-19%*	**177**	*-14%*
	Gross profit	**26**	*32%*	**26**	*195%*
	Margin, %	*15%*		*15%*	
	Avg revenue/tonne (US$)	953	*8%*	953	*32%*
	Avg gross profit/tonne (US$)	139	*75%*	139	*350%*

1Q 2017 gross profit breakdown



- Sales of seamless pipe generated 76% of total Revenue in 1Q 2017.
- Gross Profit from seamless pipe sales represented 84% of 1Q 2017 total gross profit.
- Gross Profit Margin from seamless pipe sales amounted to 24% in 1Q 2017.

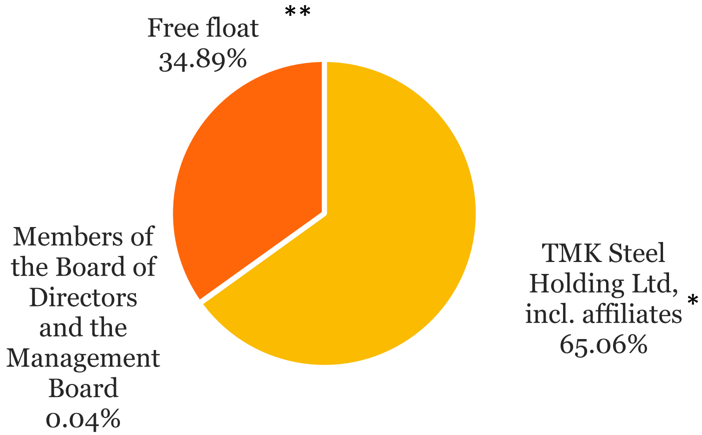
Source: Consolidated IFRS financial statements, TMK data

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.

Appendix – Capital Structure and Corporate Governance

Capital Structure

Capital structure



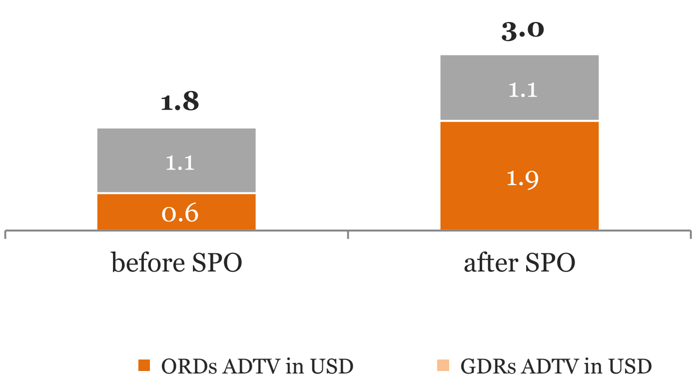
*The beneficiary is Dmitry Pumpyanskiy, Chairman of the Board of Directors of TMK. Includes shares owned by TMK Steel Holding Ltd and subsidiaries of TMK

**Including Rusnano (5.26%)

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 March 3, 2017 34.89% of TMK ordinary shares were in free float.
- Total shares outstanding amount to 1,033,135,366.
- One GDR represents four ordinary shares.

Change in liquidity post SPO in Feb-17[(a)]



Source: TMK

Note: (a) Assuming USD/RUB rate of 59. Based on average daily trading volume for 2 periods:3 months before 1-Feb-17 (SPO announcement) and since SPO till 12-Mar-17

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 and a member of the Board of Directors of 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 Supervisory Board of LLC UniCredit Leasing, 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, Chairman of the Board of Directors of PAO TransFin-M and member of the Board of Directors of PAO T Plus.

ALEKSANDER SHOKHIN, Independent director, Chairman of the Strategy Committee
Born in 1951. Graduated from the Lomonosov Moscow State University in 1974. PhD, Doctor of Economics, Professor.
Relevant experience: President of the Russian Union of Industrialists and Entrepreneurs, President of the Higher School of Economics State University, member of the Board of Directors of AO Russian Small and Medium Business Corporation, 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. Prior to joining Boeing in 1992 was a lead member of the Russian Academy of Sciences.

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.
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, Vice Chairman at UBS Investment Bank.

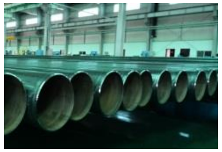
Appendix – TMK Products

Wide Range of Products, Focus on Oil and Gas

Seamless

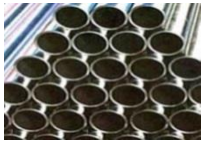
Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

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.

TMK Premium Product Offering

TMK connections series

Higher resistance to torque for casing while drilling and rotating
A comprehensive line of semi-premium connections designed to outperform standard API connections

Easy and reliable make-up
Comprises connections with metal-to-metal seals and positive torque stops that provide gas tightness and ensure reliability in difficult well conditions

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

Extreme torsional resistance for high operational torque

Premium products and services

- TMK to maintain its share of premium connections market with greater focus on sales of 2nd and 3rd generation premium connections to improve sales efficiency and enhance competitive advantage
- TMK is actively developing HI-TECH products for unconventional reserves, including offshore deposits:
  - OCTG: with Premium threading, Cr13, GreenWell technology, alloy OCTG (L80, C90, T95, P110) mostly with Premium threading
  - Stainless steel pipe
  - Pipe with increased corrosion resistance
  - Vacuum insulated tubing
  - LDP

Pipes with premium connections are designed for O&G wells developed in challenging exploration and production conditions, including offshore, deep-sea and Far North locations, as well as for horizontal and directional wells

Source: TMK data

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	

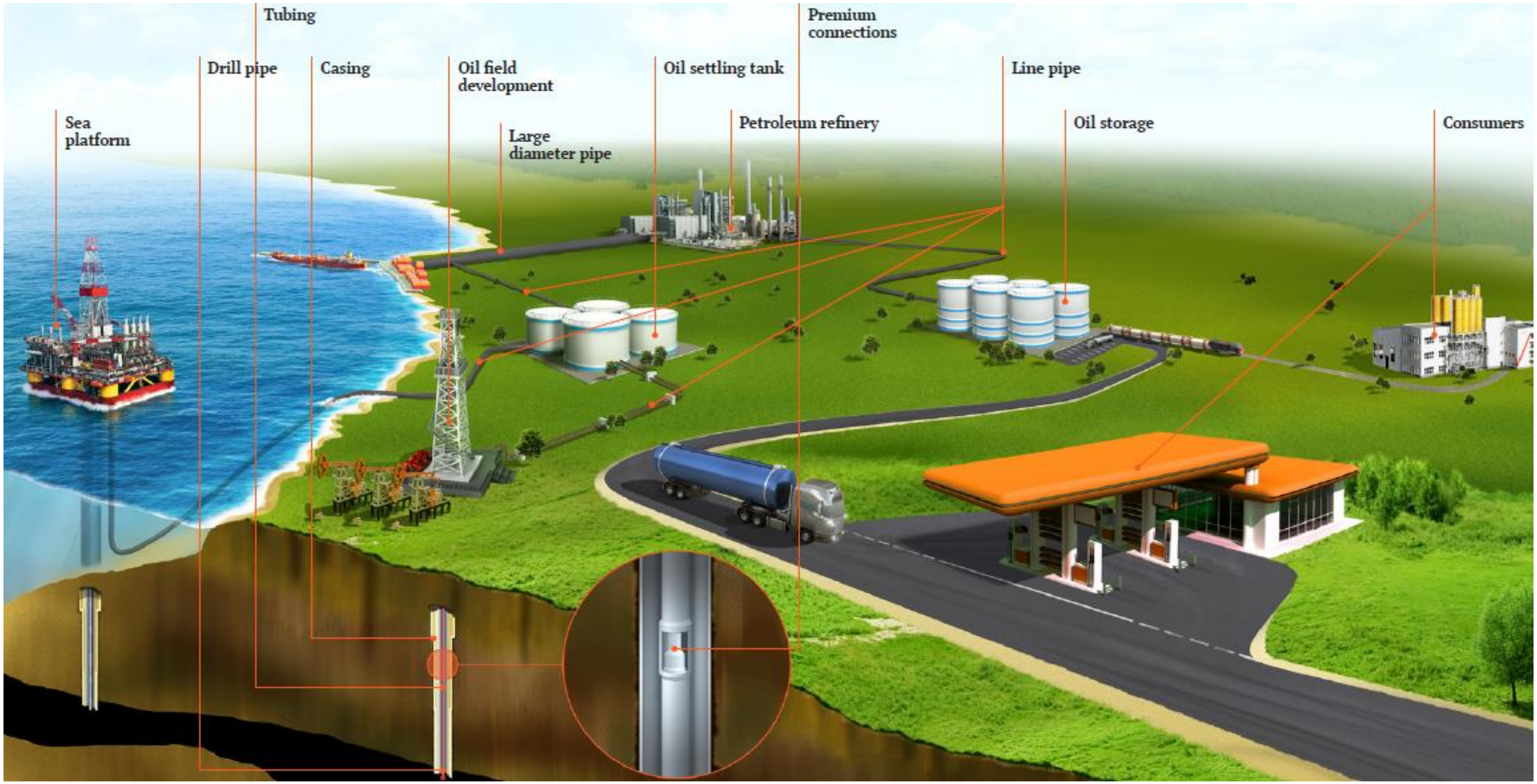
Unique range of Premium products

- 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

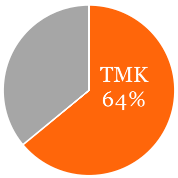


- **OCTG** – Oil Country Tubular Goods (drilling, casing, tubing) used for oil & gas exploration, well fixing and oil & gas production (41% of total sales for FY 2016);
- **Line pipe** – used for short distance transportation of crude oil, oil products and natural gas (22% of total sales for FY 2016);
- **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 for FY 2016).

Appendix – Other Materials

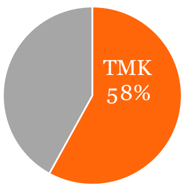
TMK's Undisputed Market Leading Position in Russia

Seamless



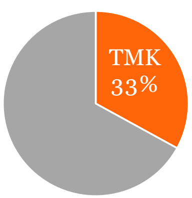
OCTG

Threaded pipes for O&G industry including drill pipe, casing and tubing



Line Pipe

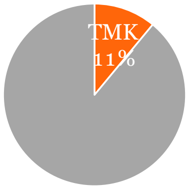
Short-distance transport of crude oil, oil products and natural gas



Industrial

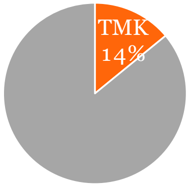
Automotive, machine building, and power generation sectors

Welded



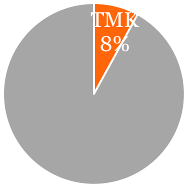
Line Pipe

Short-distance transportation of O&G and oil products



Large Diameter

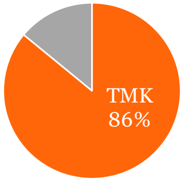
Construction of trunk pipeline systems for long distance transportation of O&G and petroleum products



Industrial

Wide array of applications and industries, including utilities and agriculture

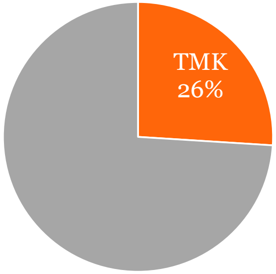
Premium



Premium Connections (TMK UP)

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

#1 in the Russian Tube and Pipe Market



Source: TMK estimates, based on 1Q 2017 numbers

TMK will continue to grow its market share due to expected increased competitiveness of domestically produced pipes vs. imported ones (due to RUB depreciation)

Thank You

TMK Investor Relations

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