Financial Presentation

1Q 2017 IFRS Results

May 18, 2017

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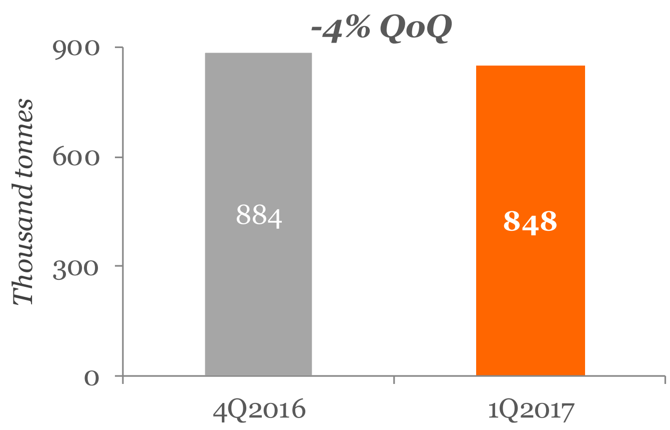
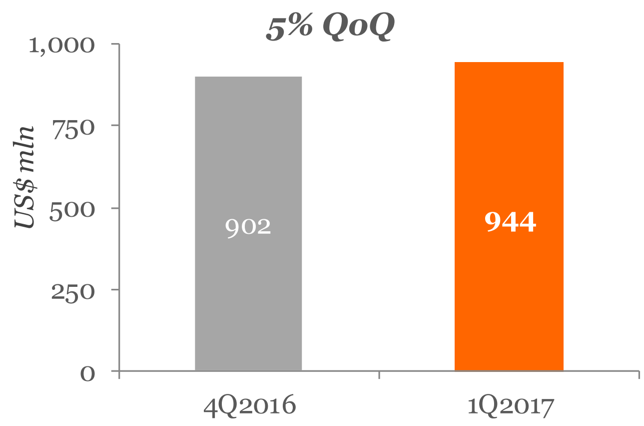
1Q 2017 Summary Financial Results and Market Update

1Q 2017 vs 4Q 2016 Summary Financial Highlights

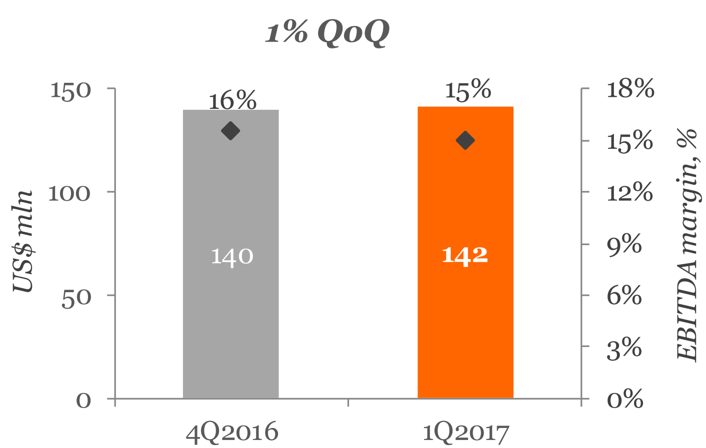
Sales were down QoQ, mainly due to lower LDP volumes at the Russian division



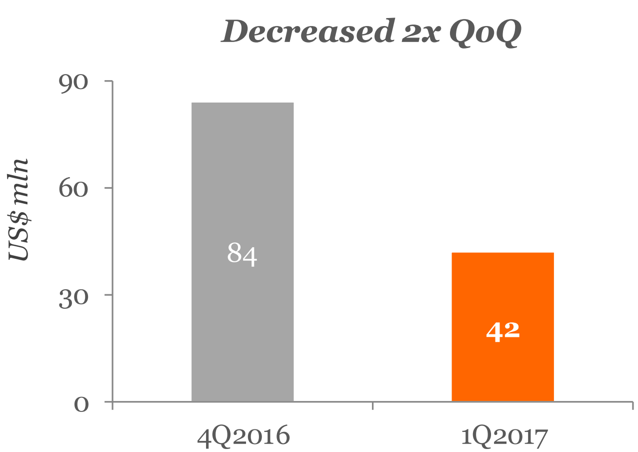
Revenue increased QoQ, due to a significant revenue growth at the American division



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



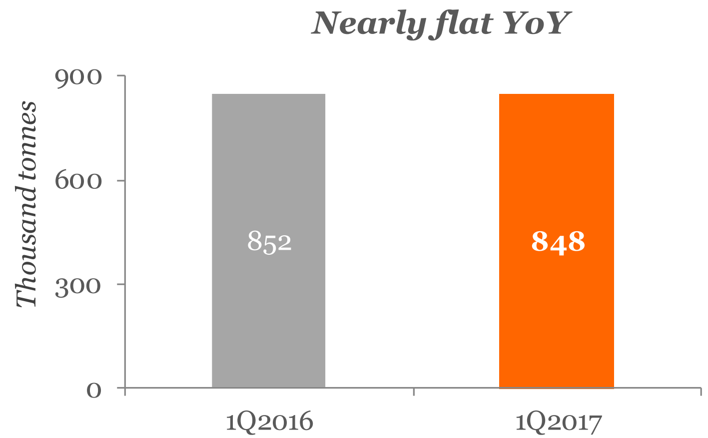
Net profit was $42 million compared to $84 million in 4Q2016. Higher net profit for 4Q 2016 was attributed to the disposal of some of the Company's subsidiaries



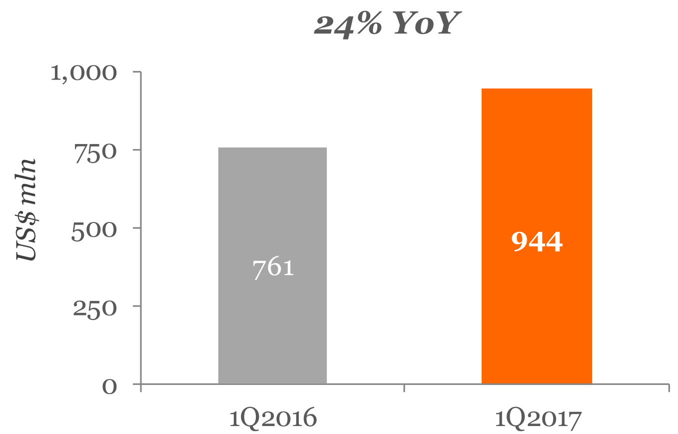
Source: TMK data

1Q 2017 vs 1Q 2016 Summary Financial Highlights

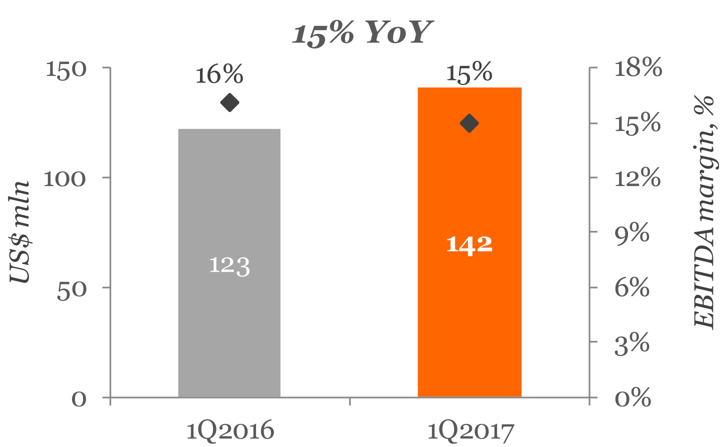
Sales remained nearly flat YoY



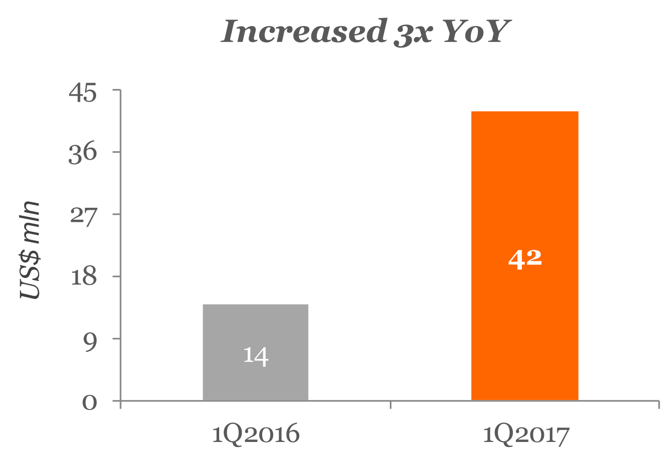
Revenue increased YoY, positively impacted by rouble appreciation against the US dollar and higher volumes at the American division



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



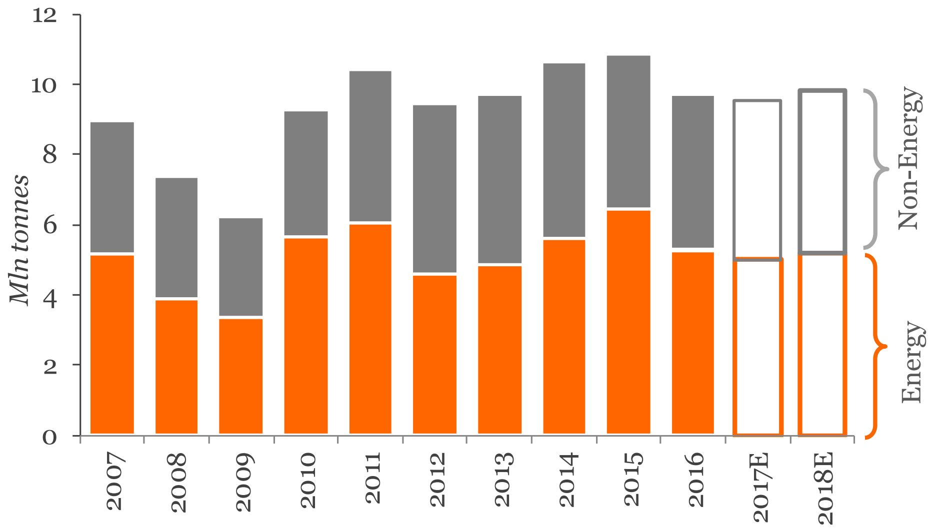
Net profit increased 3 times to $42 million



Source: TMK data

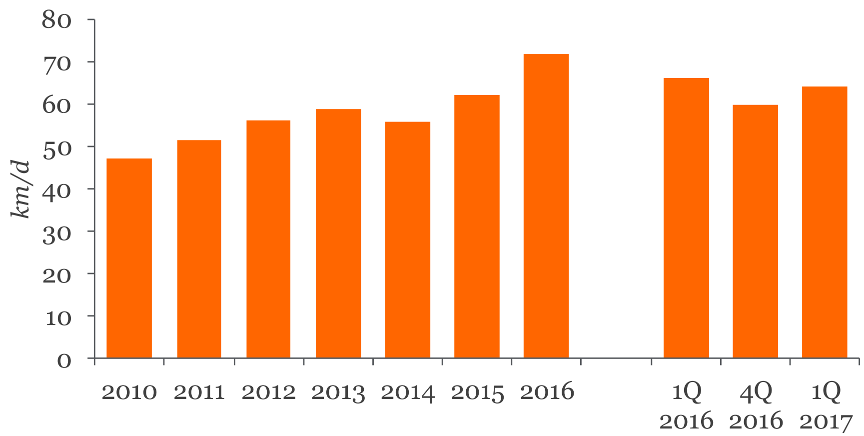
Russian Market Overview

Pipe market in Russia



Source: TMK estimates

Russian drilling activity remains strong



Source: CDU TEK

Key considerations

1Q 2017 vs 4Q 2016

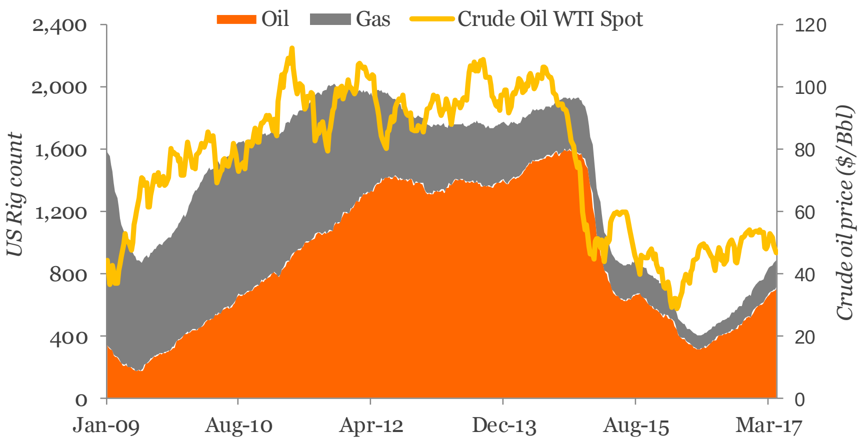
- In 1Q 2017, the Russian pipe market contracted by 8% overall compared to the previous quarter, due to weaker demand for LDP and welded industrial pipe.
- OCTG consumption increased by 12% quarter-on-quarter.
- Against a 3% decrease in drilling activity in Russia, the share of horizontal drilling continued to rise, from 35% in 4Q 2016 to 39% in 1Q 2017.

1Q 2017 vs 1Q 2016

- In 1Q 2017, the Russian pipe market declined 18% year-on-year mostly due to lower consumption of welded pipe, and LDP in particular.
- At the same time, the OCTG market grew 14% compared to the same period of 2016, alongside a 5% rise in drilling activity in Russia, with the share of horizontal drilling increasing from 36% in 1Q 2016 to 39% in 1Q 2017.

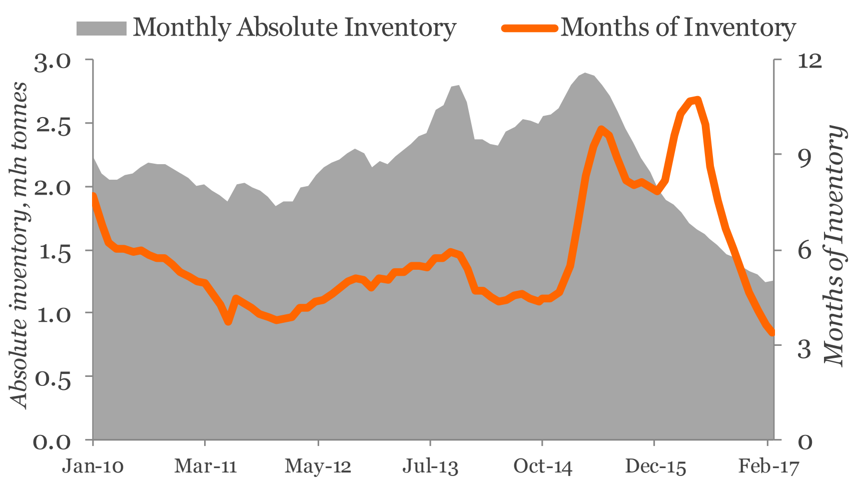
US Market Overview

Rising oil prices followed by improvement in rig count



Source: Baker Hughes, Bloomberg

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



Source: Preston Pipe & Tube Report

Key considerations

1Q 2017 vs 4Q 2016

- The average number of rigs in 1Q 2017 increased by 26% compared to the prior quarter (Baker Hughes), as oil prices remained stable.
- OCTG shipments increased by 36% quarter-on-quarter (Preston Pipe Report) and OCTG inventories decreased to an average 3.7 months compared to 5.3 in the previous quarter.
- Average composite OCTG seamless and welded pipe prices increased by 9% and 17% respectively compared to 4Q 2016 (Pipe Logix).

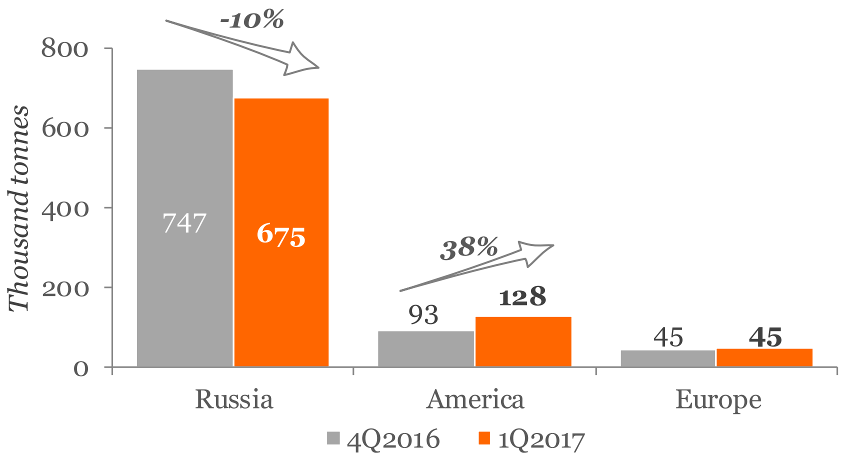
1Q 2017 vs 1Q 2016

- The average rig count increased 35% for 1Q 2017 compared to the same period of 2016 (Baker Hughes).
- Domestic OCTG shipments more than doubled against the same period of 2016, driven by strong demand resulting from growing drilling activity.
- Average composite OCTG seamless and welded pipe prices increased 6% and 15% respectively compared to 1Q 2016 (Pipe Logix).
- OCTG inventories decreased to an average 3.7 months compared to 9.4 in 1Q 2016.

1Q 2017 vs 4Q 2016 Results

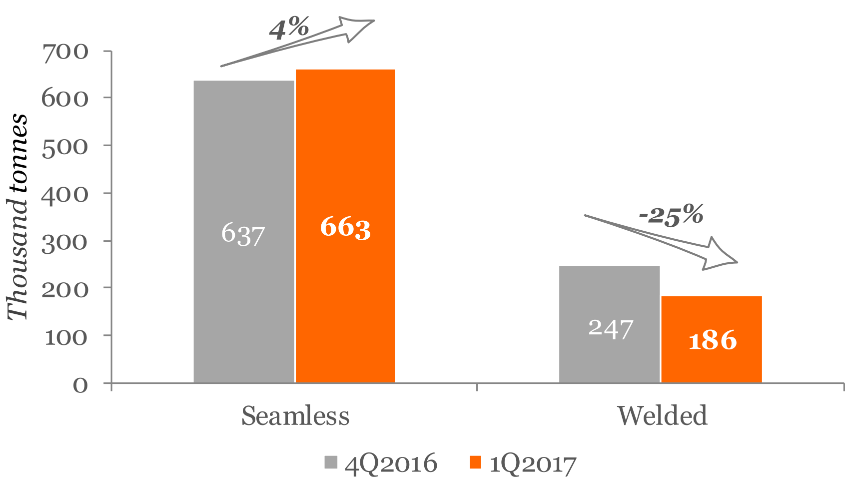
1Q 2017 vs 4Q 2016 Sales by Division and Product Group

Sales by division



- Russian division sales decreased QoQ, mostly due to lower LDP volumes.
- American division sales increased QoQ, as a result of higher pipe volumes overall.
- European division sales remained nearly flat QoQ.

Sales by product group

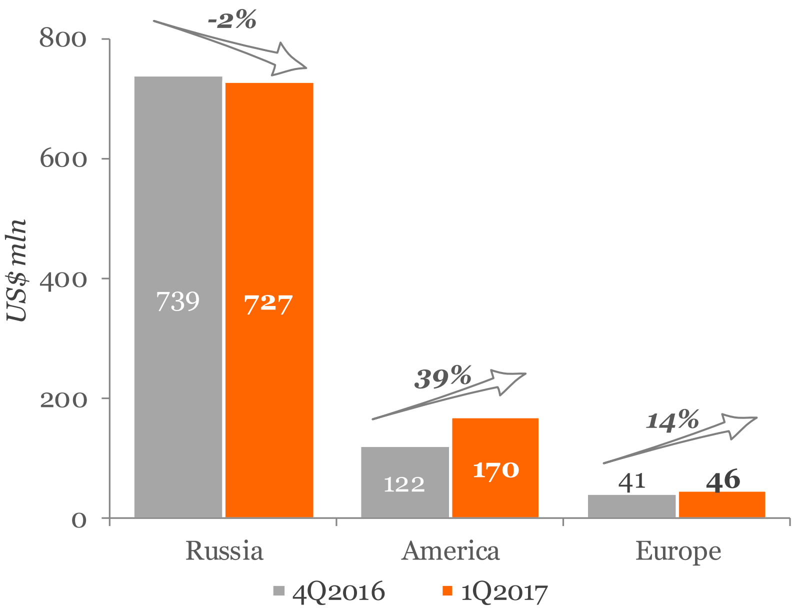


- Seamless pipe sales increased QoQ, mostly due to higher volumes at the Russian and American division.
- Welded pipe sales were down QoQ, mostly due to weaker LDP demand at the Russian division.
- Total OCTG sales demonstrated a 13% growth, with the most additions at the Russian division.

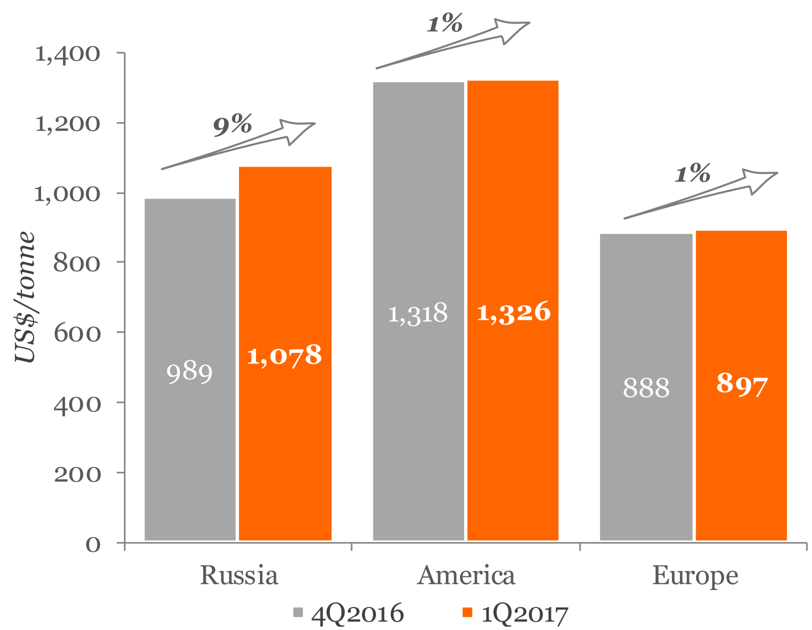
Source: TMK data

1Q 2017 vs 4Q 2016 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*

- Results for 1Q 2017 at the Russian division reflected weaker LDP sales, resulting from the completion or rescheduling of a number of major pipeline construction projects.
- In 1Q 2017, revenue at the American division increased, due to a significant increase in pipe sales overall.
- In 1Q 2017, revenue at the European division increased, as a result of higher seamless pipe sales and stronger pricing.
- Russian division revenue per tonne increased QoQ partially as a result of a positive effect of currency translation.
- American division revenue per tonne increased QoQ, as a result of improved pricing situation.
- European division revenue per tonne increased QoQ, due to higher prices for seamless industrial pipe.

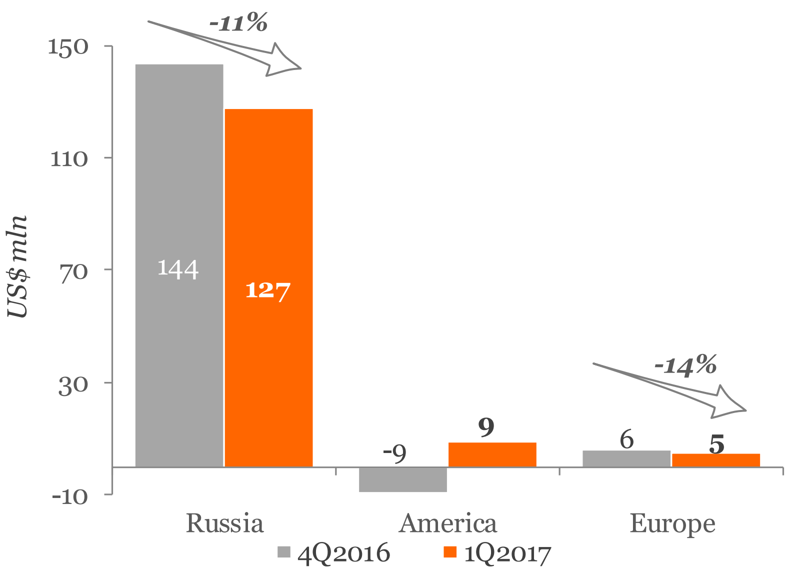
Source: Consolidated IFRS financial statements, TMK data

Note:

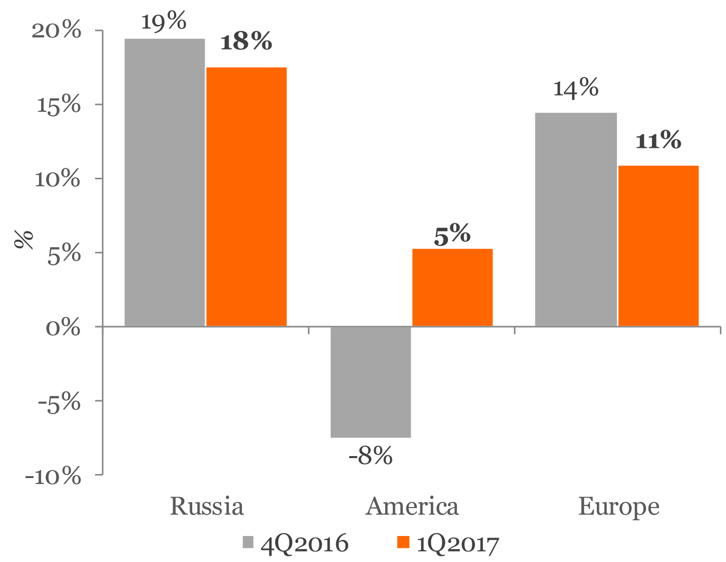
Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

1Q 2017 vs 4Q 2016 Adjusted EBITDA by Division

Adjusted EBITDA



Adjusted EBITDA margin



- Russian division Adjusted EBITDA decreased QoQ, due to higher raw materials prices and decline in LDP sales.
- The American division EBITDA significantly improved QoQ, as a result of higher prices and stronger sales.
- European division Adjusted EBITDA decreased QoQ, mainly due to higher scrap prices which were not offset by higher pipe prices.

- Russian division Adjusted EBITDA margin decreased QoQ due to growth in raw materials prices and lower share of LDP in total sales.
- American division Adjusted EBITDA significantly improved and amounted to 5% in 1Q 2017.
- European division Adjusted EBITDA margin decreased QoQ, mainly due to higher scrap prices.

Source: TMK Consolidated IFRS financial statements, TMK data

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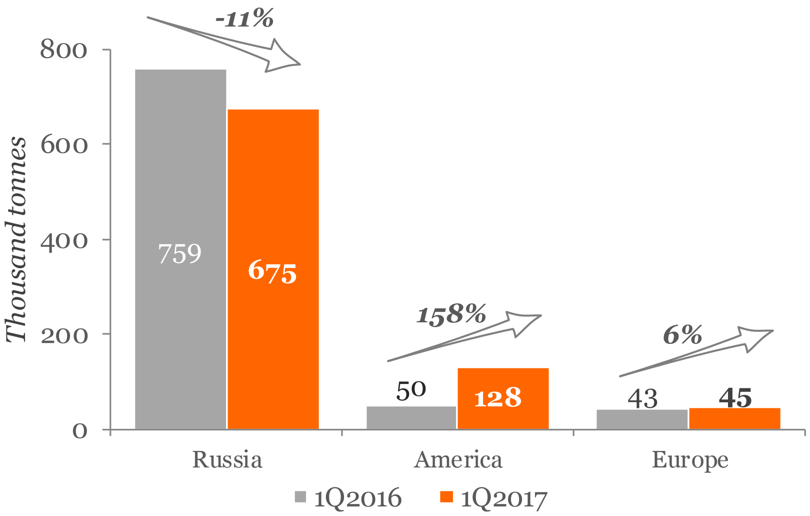
1Q 2017 vs 1Q 2016 Results

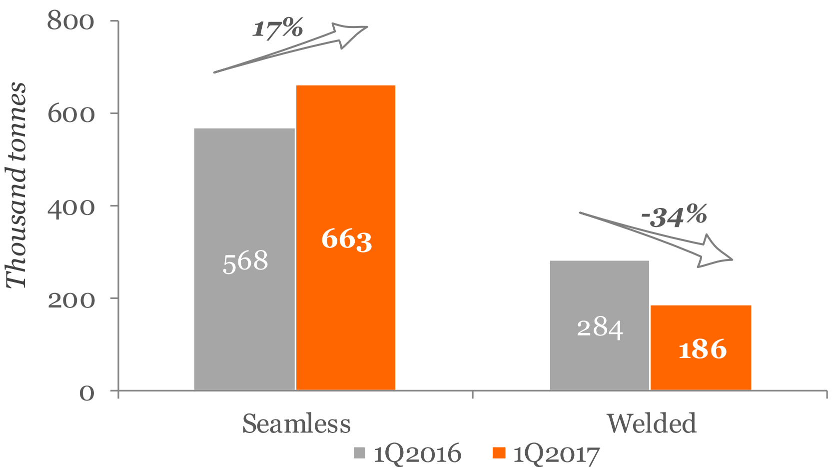
1Q 2017 vs 1Q 2016 Sales by Division and Product Group

Sales by division



- Russian division sales decreased YoY, mainly affected by lower LDP volumes.
- A significant YoY growth in rig count combined with E&P spending increase in the North American market led to a substantial increase in pipe sales at the American division.
- European division sales increased due to improved demand in the European market.

Sales by product group

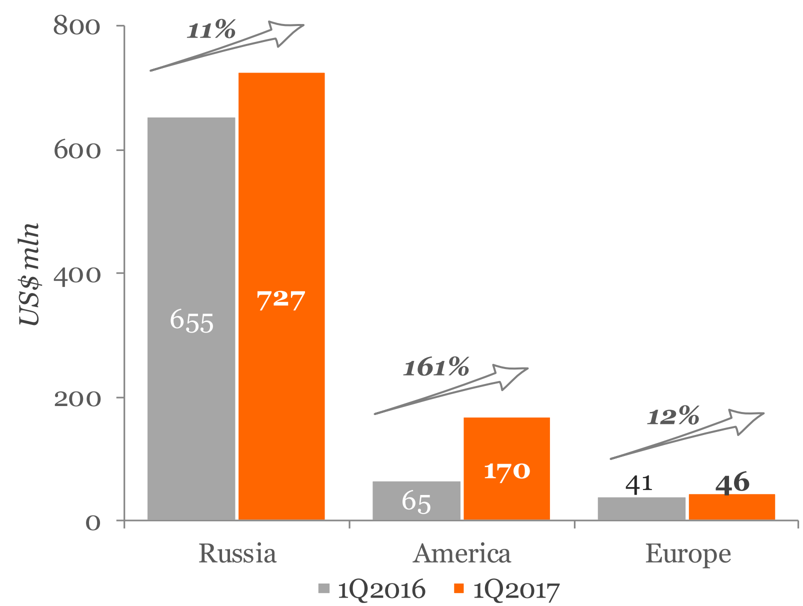


- Seamless pipe volumes increased YoY, driven by growth at the Russian and especially American divisions.
- Welded pipe sales decreased YoY, largely due to a sharp decline in LDP volumes at the Russian division.
- Total OCTG sales increased by 34% YoY, as a result of a significant growth both at the Russian and American division.

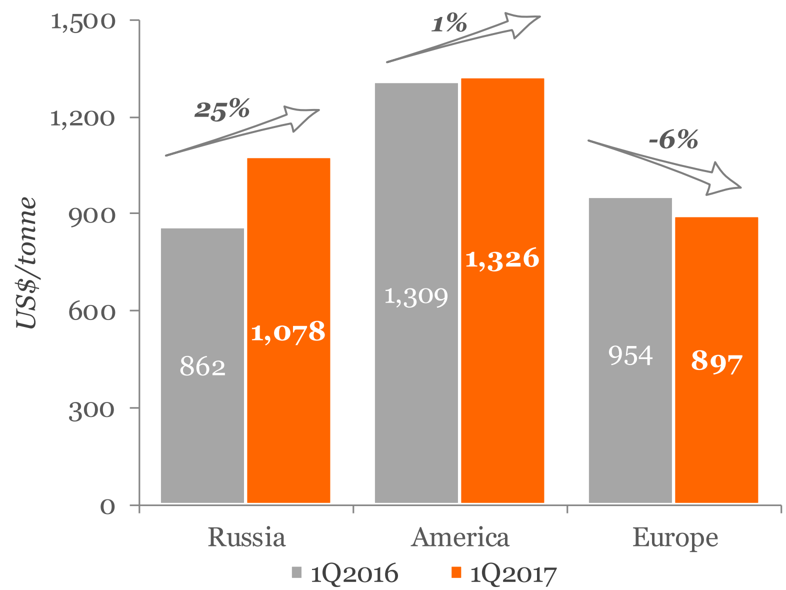
Source: TMK data

1Q 2017 vs 1Q 2016 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*

- The YoY revenue growth for the Russian division was largely a reflection of the rouble appreciation against the US dollar.
- Revenue for the American division almost tripled YoY, as a result of a significant increase in pipe volumes coupled with stronger pricing.
- Revenue for the European division increased YoY, due to stronger pipe prices and higher seamless pipe sales.

- Russian division revenue per tonne increased YoY, primarily due a positive effect of currency translation.
- American division revenue per tonne grew as a result of better pricing.
- European division revenue per tonne decreased YoY, due to less favorable product mix.

Source: Consolidated IFRS financial statements, TMK data

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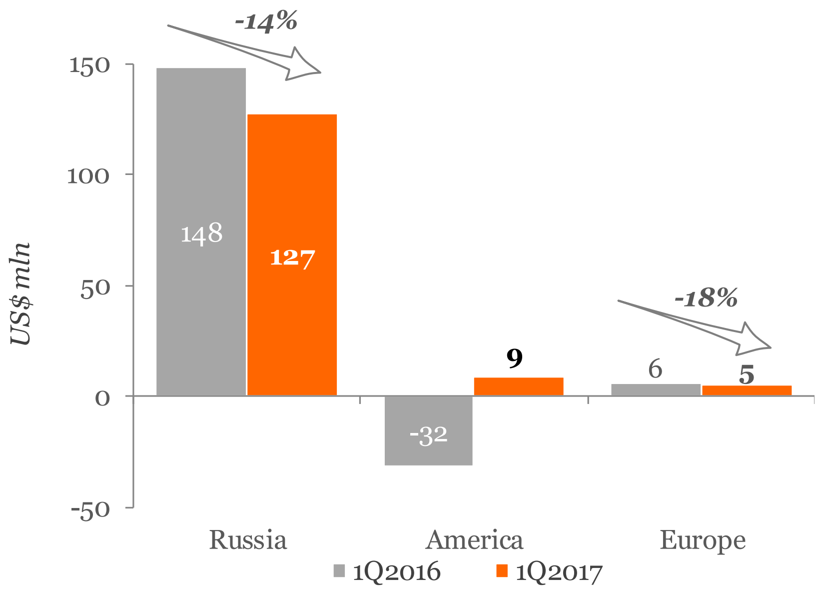
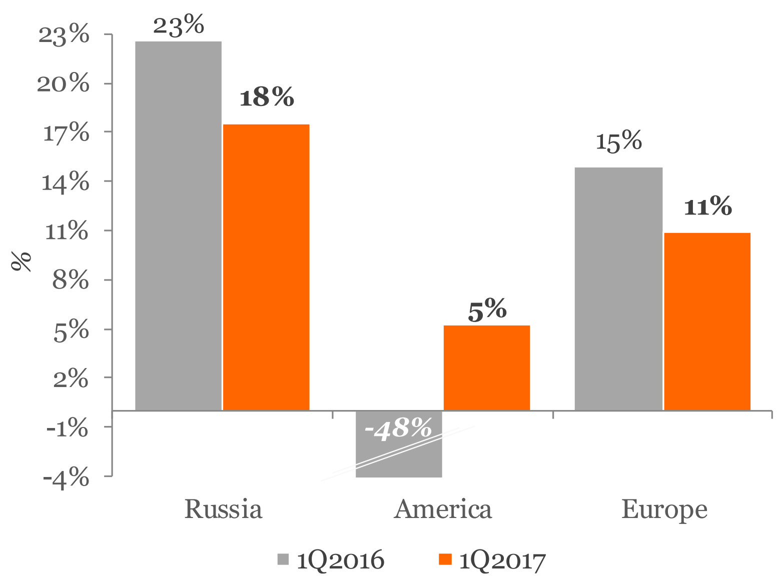
1Q 2017 vs 1Q 2016 Adjusted EBITDA by Division

Adjusted EBITDA



- Russian division Adjusted EBITDA decreased YoY, due to higher costs of raw materials and lower LDP sales.
- American division Adjusted EBITDA significantly improved YoY, following a strong growth in sales and pricing.
- European division Adjusted EBITDA remained nearly flat compared to 1Q 2016.

Adjusted EBITDA margin



- Russian division Adjusted EBITDA margin decreased YoY, due to the growth in raw materials prices and unfavorable product mix resulting from lower LDP sales.
- American division Adjusted EBITDA significantly improved and amounted to 5% in 1Q 2017.
- European division Adjusted EBITDA margin decreased YoY, mostly due to higher scrap prices.

Source: TMK Consolidated IFRS financial statements, TMK data

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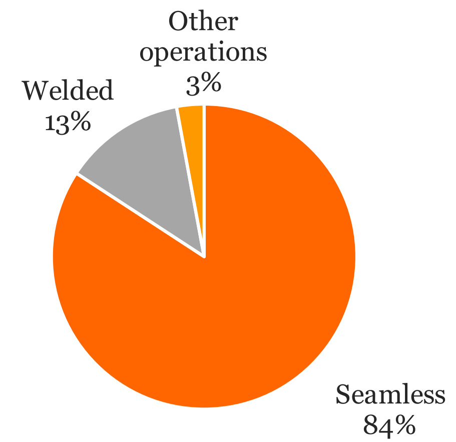
Seamless – Core to Profitability

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

Source: Consolidated IFRS financial statements, TMK data

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.

Note:
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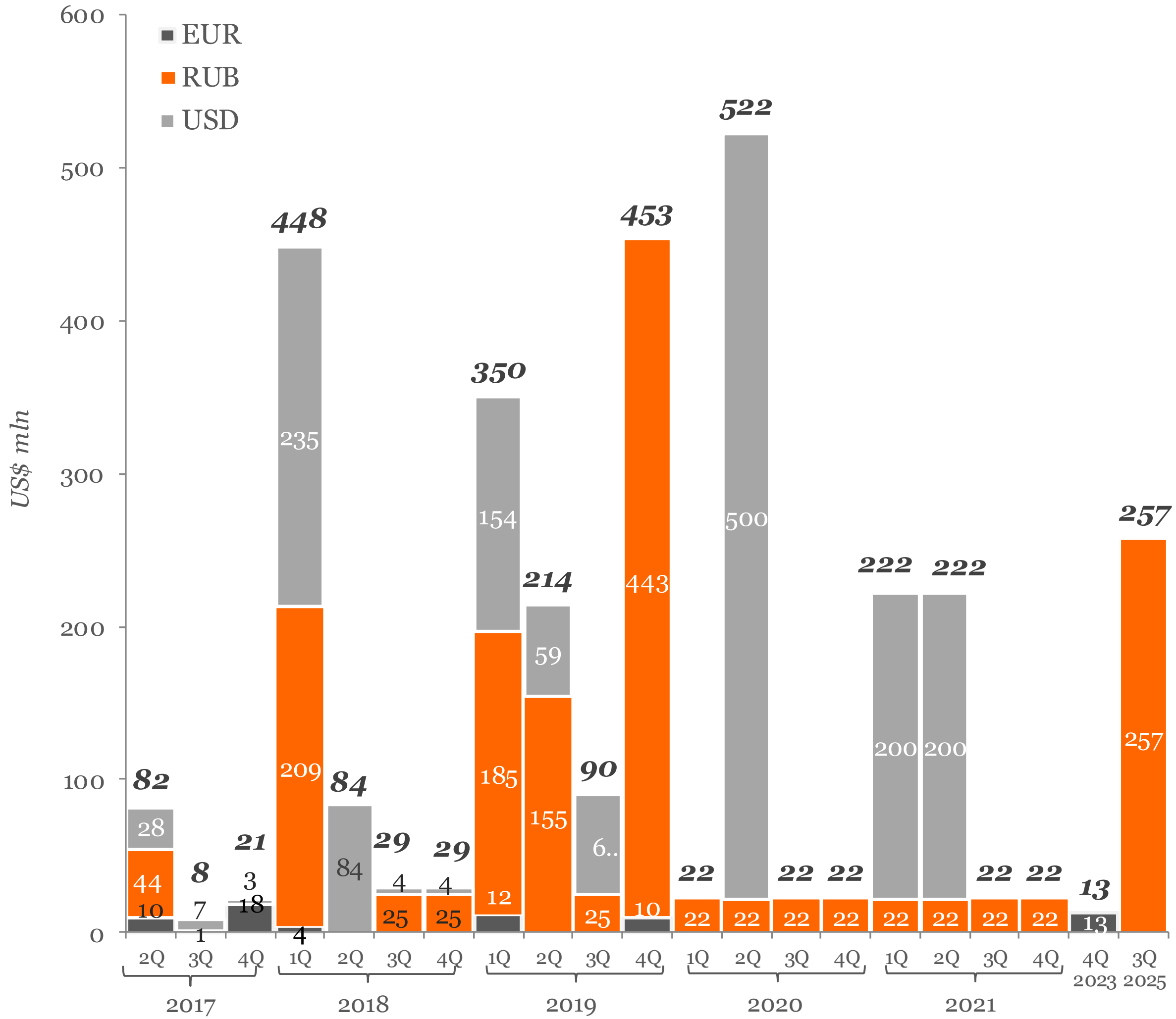
Debt Maturity Profile as at March 31, 2017

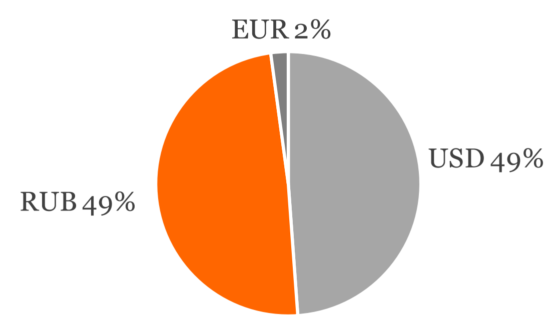
Debt maturity profile as at March 31, 2017



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

Outlook

- In Russia, TMK anticipates seamless OCTG pipe consumption to remain strong in 2017 with the potential for a moderate growth against 2016. At the same time, TMK expects LDP consumption in 2017 to remain at low level due to the completion or rescheduling of a number of major pipeline construction projects.

- TMK believes the oil and gas industry in the United States and Canada will demonstrate further recovery, with OCTG consumption in North America growing and inventories remaining at pre-downturn levels. Supported by the announced pricing increases, the Company anticipates the American division's financial performance to further strengthen considerably in 2Q-4Q 2017, assuming a stable oil price and a constant or softening HRC price.

- For FY 2017, industrial pipe consumption in the European pipe market is expected to increase and support further growth in prices.

- TMK reiterates its previous guidance for FY 2017, anticipating broadly flat margins and overall stronger financial results compared to FY 2016, driven by a significantly improved performance of its American division.

Thank you

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