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PRESS RELEASE

TMK Announces 3Q and 9M 2016 Operational Results

The following contains forward looking statements concerning future events. These forward looking statements are based on current information and assumptions of TMK management concerning known and unknown risks and uncertainties.

TMK, one of the world's leading producers of tubular products for the oil and gas industry, announces its operational results for the third quarter and nine months of 2016.

3Q and 9M 2016 Summary Results

(thousand tonnes)

Product	3Q 2016	2Q 2016	Q-o-Q, %	9M 2016	9M 2015	Y-o-Y, %
Seamless pipe	614	587	4.7%	1,765	1,799	-1.9%
Welded pipe	208	304	-31.6%	793	1,135	-30.2%
Total	822	890	-7.7%	2,558	2,934	-12.8%
including OCTG	374	333	12.3%	1,019	1,092	-6.6%

3Q 2016 Highlights

- In 3Q 2016, TMK shipped 822 thousand tonnes of steel pipe, down 7.7% q-o-q. This drop was mainly due to lower welded pipe shipments and preplanned capital repairs at TMK's Russian plants.
- In 3Q 2016, seamless pipe shipments were up 4.7% q-o-q to 614 thousand tonnes. The growth was driven by an increase in seamless OCTG shipments.
- Welded pipe shipments fell by 31.6% q-o-q to 208 thousand tonnes. The decline was mainly due to lower shipments of low-margin welded line pipe and welded industrial pipe.



- Shipments of OCTG pipe, TMK's core product, were up 12.3% q-o-q to 374 thousand tonnes. The growth was driven by an increase in seamless OCTG shipments.
- Shipments of premium threaded connections were up 32.0% q-o-q to 148 thousand joints, as shipments of premium products grew in the American division on the back of the US pipe market recovery.

9M 2016 Highlights

- In the nine months of 2016, TMK's plants shipped 2,558 thousand tonnes of tubular products, down 12.8% y-o-y. This decline was mainly due to lower welded pipe sales.
- Seamless pipe shipments were down 1.9% to 1,765 thousand tonnes, primarily due to lower shipments of seamless line pipe in Russia and North America.
- Welded pipe shipments were 793 thousand tonnes, down 30.2% y-o-y, due to lower shipments of welded line pipe and welded industrial pipe in the Russian and North American markets as well as LDP.
- OCTG shipments fell 6.6% to 1,019 thousand tonnes mainly due to lower shipments of welded OCTG pipe in the American division, in line with the Company's strategy of reducing the share of low-margin welded products in total shipments.
- Shipments of premium threaded connections were down 24.7% y-o-y to 363 thousand joints. The decline was due to relatively low shipments of premium connections in 1H 2016 as complex hydrocarbon exploration and production projects were suspended in Russia and North America.

3Q and 9M 2016 Results by Division

RUSSIAN DIVISION

3Q 2016 vs. 2Q 2016

In 3Q 2016, TMK's Russian division shipped 648 thousand tonnes¹ of tubular products, down 14.3% q-o-q. OCTG shipments fell by 4.7% q-o-q to 265 thousand tonnes. The drop was due to preplanned capital repairs at

¹ This includes shipments from TMK's Russian facilities, TMK-Kaztrubprom and TMK GIPI to the Russian, CIS and non-CIS markets (excluding North America).



TMK's Russian division plants and seasonally lower demand for tubular products from Russian oil and gas companies.

Seamless pipe shipments amounted to 453 thousand tonnes, down 5.6% q-o-q.

Welded pipe shipments dropped by 29.5% to 194 thousand tonnes mainly due to lower volumes of orders for welded line pipe and welded industrial pipe and as a result of large inventories built up by consumers during 2Q 2016 in metal price increases.

Large-diameter pipe (LDP) shipments were down 10.1% q-o-q to 120 thousand tonnes. This decline was driven by adjustments made by Gazprom to the pace of its trunk pipeline construction projects.

9M 2016 vs. 9M 2015

In the nine months of 2016, the Russian division shipped 2,145 thousand tonnes of tubular products, down 8.5% y-o-y.

Seamless pipe shipments were up 1.4% y-o-y to 1,414 thousand tonnes.

OCTG shipments grew by 8.9% as the levels of drilling activity continued to rise in the Russian market.

During the nine months of 2016, TMK shipped 730 thousand tonnes of welded pipe, down 23.1% y-o-y. In the same period, the Company shipped 396 thousand tonnes of LDP, down 16.5% from the same period last year, when LDP sales levels had reached record highs. Importantly, the Company has maintained its share of the Russian LDP market.

AMERICAN DIVISION

3Q 2016 vs. 2Q 2016

According to Baker Hughes, in 3Q 2016, the active rig count in the USA totalled 479 rigs, a 14% increase q-o-q. The recovery of drilling activity in the USA will continue at a moderate pace until mid-2017 due to oil price volatility and high rates of drilled but uncompleted oil and gas wells.

American division has developed and successfully implemented a regional planning sales program, based on potential customers' technical information and needs thorough analysis. As a result in 3Q 2016, TMK's American division shipped 136 thousand tonnes of tubular products, up 54.8% q-o-q. The increase also was driven by the recovering activity in the American pipe market, which started in 2Q 2016 following a long period of declining demand for tubular products in a low oil price environment.



Seamless pipe shipments more than doubled, growing by 104.5% to 123 thousand tonnes. Seamless OCTG shipments were up 100.4% q-o-q to 105 thousand tonnes.

At the same time, shipments of welded pipe in the American division fell by 52.4% to 13 thousand tonnes as a result of weak demand and due to large inventories and strong competition from imports in the US pipe market.

9M 2016 vs. 9M 2015

In the nine months of 2016, TMK's American division plants shipped 287 thousand tonnes of tubular products, down 38.6% y-o-y. The decline was due to low shipment volumes in the first months of 2016.

Seamless pipe shipments were 225 thousand tonnes, down 20.3% y-o-y. Welded pipe shipments fell by 66.5% to 62 thousand tonnes.

EUROPEAN DIVISION

3Q 2016 vs. 2Q 2016

In 3Q 2016, the European pipe market was characterised by weak demand for seamless industrial pipe and strong competition. The traditional summer holiday season in the EU countries also contributed to the decline in demand.

Due to these factors, shipments of seamless pipe in TMK's European division dropped 17.8% in 3Q 2016 to 38 thousand tonnes.

9M 2016 vs. 9M 2015

During the nine months of 2016, the European division shipped 126 thousand tonnes of tubular products, up 2.7% y-o-y.

Premium Segment

In 3Q 2016, shipments of TMK UP premium threaded connections grew by 32.0% q-o-q to 148 thousand joints on the back of the US pipe market recovery. In the nine months of 2016, shipments of premium threaded connections amounted to 363 thousand joints.

In 3Q 2016, TMK shipped over 4.5 thousand tonnes of pipe with TMK UP GF and TMK UP FMC premium threaded connections to Gazprom Dobycha Noyabrsk to be used at the Chayandinskoye oil and gas condensate field.



Under a long-term agreement on shipments of premium tubular products to Yamal LNG, an operator developing the South-Tambeyskoye gas condensate field in the north-east of the Yamal Peninsula, TMK shipped 4.7 thousand tonnes of premium tubular products to the company. The shipment included casing pipes with TMK UP PF and TMK UP FMC premium threaded connections, tubing with TMK UP FMT connections, and crossover subs.

Orsky Machine Building Plant, part of TMK Oilfield Services, was qualified by Kuwait Oil Company (KOC), one of the Middle East oil majors, as an approved supplier of TMK UP FJ and TMK UP SF premium threaded connections.

Overall, TMK remains the leading supplier of premium tubular products in the Russian market.

4Q 2016 Outlook

According to TMK, in 4Q 2016 the demand for OCTG will grow due to the start of the procurement season for tubular products at Russian oil and gas companies. Following a slowdown in the implementation of pipeline projects, LDP shipments will continue to decline. The demand for industrial pipe will also drop, due to a downturn in the construction industry.

The gradual growth in the active rig count which started in 2Q 2016, and the resulting increase in demand for OCTG in the USA, are expected to continue subject to further increases in global hydrocarbon prices. The oil market is expected to reach equilibrium by mid-2017, which will allow the American division to increase sales.

In 4Q 2016, the European pipe market is expected to show sluggish demand for industrial pipe as the construction and repair season is coming to an end and consumers seek to run down their inventories towards the year-end.

Overall, the Company expects a marginal y-o-y decline in shipments for the full year 2016.

For further information regarding TMK, please, visit www.tmk-group.com as well as download the YouTube iPad application from the App Store <https://itunes.apple.com/ru/app/yourtube/id516074932?mt=8&ls=1>

TMK on Facebook – <https://www.facebook.com/TMKGroupEN>

TMK (www.tmk-group.com)



TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipe for oil and gas industry, operating more than 30 production sites in the United States, Russia, Canada, Romania, Oman, UAE and Kazakhstan and two R&D centers in Russia and the USA. In 2015, TMK's pipe shipments totaled 3.9 million metric tons. The largest share of TMK's sales belongs to high margin oil country tubular goods (OCTG), shipped to customers in over 80 countries. TMK delivers its products along with an extensive package of services in heat treating, protective coating, premium connections threading, warehousing and pipe repairing. TMK's securities are listed on the London Stock Exchange, the OTCQX International Premier trading platform in the U.S. and on the Moscow Exchange MICEX-RTS.

TMK's assets structure by division:

- Russian division:
 - Volzhsky Pipe Plant;
 - Seversky Tube Works;
 - Taganrog Metallurgical Works;
 - Sinarsky Pipe Plant;
 - TMK-CPW;
 - TMK-Kaztrubprom;
 - TMK-INOX;
 - TMK-Premium Service;
 - TMK Oilfield Services;
 - TMK CHERMET.
- American division:
 - 12 plants of TMK IPSCO;
 - TMK Completions.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman).

TMK PR Department:
Alexander Goryunov
Tel: +7 (495) 775-7600
PR@tmk-group.com

TMK IR Department:
Marina Badudina
Tel: +7 (495) 775-7600
IR@tmk-group.com