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PRESS RELEASE

TMK Announces 4Q 2016 and FY 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 fourth quarter of 2016 and full year 2016.

4Q 2016 and FY 2016 Summary Results

(thousand tonnes)

Product	4Q 2016	3Q 2016	Q-o-Q, %	2016	2015	Y-o-Y, %
Seamless pipe	633	614	3.1%	2,398	2,413	(0.6)%
Welded pipe	249	208	20.0%	1,042	1,460	(28.7)%
Total	882	822	7.4%	3,440	3,873	(11.2)%
including OCTG	382	374	2.2%	1,401	1,480	(5.3)%

4Q 2016 Highlights

- TMK shipped 882k tonnes of steel pipe, up 7.4% q-o-q mainly due to an increase in shipments of welded line pipe and seamless OCTG pipe in the Russian division.
- Shipments of seamless pipe increased by 3.1% q-o-q to 633k tonnes. The growth was driven by an increase in shipments of seamless OCTG and industrial pipe.



- Welded pipe shipments were up 20.0% q-o-q to 249k tonnes, mainly due to an increase in shipments of welded line pipe.
- Shipments of OCTG pipe, TMK's core product, were up 2.2% q-o-q to 382k tonnes. The growth was driven by an increase in seamless OCTG shipments.
- Shipments of premium threaded connections were up 18.0% q-o-q to 174k joints, as shipments of premium products grew in the American division on the back of the US pipe market recovery and in Russia thanks to increased horizontal drilling.
- In 4Q 2016, as part of its non-core asset disposal effort to reduce debt, TMK sold TMK CHERMET, a scrap metal business which was part of TMK Group. The asset was sold at enterprise value of 6.2 bln roubles with a significant profit, thus reducing TMK's net debt. The deal will not affect the Company's vertical supply chain. TMK will continue to be supplied with scrap on competitive market conditions. In addition, TMK signed a long-term contract for HBI shipments with Metalloinvest to further diversify feedstock sources and reduce its reliance on scrap metal.

FY 2016 Highlights

- In 2016, TMK shipped a total of 3,440k tonnes of tubular products, down 11.2% y-o-y. The decline was mainly due to lower welded pipe sales.
- Seamless pipe shipments remained almost flat y-o-y at 2,399k tonnes.
- Welded pipe shipments were 1,042k tonnes, down 28.7% y-o-y, mainly due to lower output across all types of welded pipe at the American division and lower consumption of large-diameter pipe (LDP) in Russia.
- OCTG shipments were down 5.3% to 1,401k tonnes, mostly due to lower demand for welded OCTG in the American market.
- Shipments of premium threaded connections were down 19.6% y-o-y to 550k joints due to new complex hydrocarbon exploration and production projects suspension in North America.

4Q 2016 and FY 2016 Results by Division



RUSSIAN DIVISION

4Q 2016 vs. 3Q 2016

In 4Q 2016, TMK's Russian division shipped a total of 721k tonnes¹ of tubular products, up 11.3% q-o-q. OCTG shipments grew by 6.8% to 283k tonnes due to a traditional seasonal surge in demand from the oil and gas industry.

Seamless pipe shipments amounted to 485k tonnes, up 6.9% q-o-q.

Welded pipe shipments were up 21.6% to 236k tonnes, largely driven by higher sales of welded line pipe on higher demand from oil and gas companies.

Large-diameter pipe (LDP) shipments were 122k tonnes, up 1.5% q-o-q.

FY 2016 vs. FY 2015

In 2016, the Russian division shipped a total of 2,866k tonnes of tubular products, down 8.6% y-o-y.

Seamless pipe shipments remained almost flat y-o-y at 1,899k tonnes.

OCTG shipments grew by 4.4% as drilling activity continued to rise in the Russian market.

During 2016, Russian division shipped a total of 967k tonnes of welded pipe, down 22.3% y-o-y, including 518k tonnes of LDP, down 18.1% from the previous year, when LDP sales had reached record highs. Importantly, the Company has grown its share of the Russian LDP market.

AMERICAN DIVISION

4Q 2016 vs. 3Q 2016

According to Baker Hughes, in 4Q 2016, the active rig count in the USA totalled 658 rigs, a 21% increase q-o-q.

Overall in the second half of 2016 TMK's American division demonstrated a very strong shipments growth of 66.9%. At the same time most of this growth happened in Q3 on the back of active inventory build-up by dealers. In 4Q 2016 we saw a decline in its shipments of tubular products, which fell 14.4% q-o-q to 116k tonnes.

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).



Seamless pipe shipments declined 15.5% q-o-q to 104k tonnes. Seamless OCTG shipments were down 7.7% q-o-q to 97k tonnes on the back of 3Q 2016 high sales.

Welded pipe shipments in the American division remained largely unchanged at 13k tonnes.

This 4Q decline, however, is a one-off phenomenon as we continue seeing a very strong growth while entering 2017.

FY 2016 vs. FY 2015

In 2016, TMK's American Division shipped a total of 403k tonnes of tubular products, down 29.8% y-o-y. The drop was due to further declines in drilling activity during 1H 2016.

Seamless pipe shipments were 328k tonnes, a decline of 8.6% y-o-y. Seamless OCTG shipments amounted to 293k tonnes, down 5.9% y-o-y.

Shipments of welded pipe dropped 65.2% to 75k tonnes.

EUROPEAN DIVISION

4Q 2016 vs. 3Q 2016

In 4Q 2016, seamless pipe shipments in TMK's European division were up 17.7% q-o-q to 45k tonnes, driven by stabilising demand for industrial pipe. Nevertheless, this segment of the European market still sees high levels of competition.

FY 2016 vs. FY 2015

In 2016, pipe shipments in the European division totalled 171k tonnes, up 6.0% y-o-y.

Premium Segment

On the back of oil prices stabilization and further growth in 2H 2016 American producers increased drilling ambitiously, which, together with horizontal drilling growth in Russia, provided TMK UP™ premium threaded connections shipments upturn in 2H 2016.



In 4Q 2016, TMK won a tender by OOO Gazprom Komplektatsiya and supplied 2.5 thousand tonnes of pipe with TMK UP FMC and TMK UP GF premium threaded connections.

As the successful bidder in a tender by Norway's Statoil, TMK made the first shipment of casing pipes with TMK UP Magna, TMK UP CWB and TMK UP PF premium threaded connections for Statoil's project in the Samara region at the Mityaevskoe and Neprikovskoe fields.

2017 Outlook

According to TMK, Russian oil and gas companies' planned oil production cuts will not substantially affect OCTG and line pipe consumption in 2017 in Russia, which will remain flat Y-o-Y with possible moderate growth of OCTG. Meanwhile, we expect a decline in LDP consumption due to the completion, or rescheduling of a number of major pipeline construction projects. Welded industrial pipe demand will be flat Y-o-Y.

With the anticipated rebalancing of the global oil market, TMK expects American oil & gas companies to invest more in exploration and production; thus, increasing drill count will drive the recovery of oil and gas pipe consumption.

Demand for seamless industrial pipe in Europe is expected to grow slightly on the back of increased demand from machine building industries.

Overall, in 2017, the Company expects an increase in shipments of its main target product segments y-o-y, primarily thanks to the recovery of the North American market and stable sales volumes in Russia.

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 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 Oilfield Services.
- American division:
 - 12 plants of TMK IPSCO;
 - TMK Completions.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman).

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