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PRESS RELEASE

TMK Announces 3Q and 9M 2017 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 3Q and 9M 2017.

3Q and 9M 2017 Summary Results

(thousand tonnes)

Product	3Q 2017	2Q 2017	Q-o-Q, %	9M 2017	9M 2016	Y-o-Y, %
Seamless pipe	651	687	(5.3%)	1,996	1,765	13.1%
Welded pipe	362	270	30.7%	825	792	4.1%
Total	1,013	957	5.0%	2,821	2,558	10.3%
Including OCTG	456	426	6.9%	1,311	1,019	28.6%

3Q 2017 Highlights

- TMK shipped 1,013 thousand tonnes of steel pipe, a 5.0% increase q-o-q. This growth was mainly driven by higher demand for welded pipe.
- Seamless pipe shipments were 651 thousand tonnes, down 5.3% q-o-q due to reduced industrial pipe shipments on the back of seasonal planned upgrade and maintenance works at key mills in Russia and Romania. Seamless OCTG shipments remained in line q-o-q.
- Welded pipe shipments grew 30.7% q-o-q to 362 thousand tonnes due to increased shipments of large-diameter pipe (LDP), as well as seasonal factors and higher demand from construction companies.



- Shipments of OCTG pipe increased 6.9% q-o-q, at 456 thousand tonnes, mainly due to growth at TMK's American and Middle East divisions.
- Shipments of premium threaded connections rose 22% q-o-q at 218 thousand joints, primarily benefitting from the recovery of the American pipe market.
- Drilling activity in North America remains high, allowing TMK's American division to increase shipments of tubular products for the oil and gas industry. In this market TMK's total OCTG pipe shipments increased 7.9% q-o-q, and welded OCTG shipments doubled.

9M 2017 Highlights

- TMK's plants increased pipe shipments by 10.3% y-o-y, to 2,821 thousand tonnes. This reflected growth in shipments across all types of tubular products except LDP.
- Shipments of seamless pipe rose 13.1% y-o-y, to 1,996 thousand tonnes, due to higher shipments of industrial pipe and OCTG.
- Welded pipe shipments grew 4.1% y-o-y to 825 thousand tonnes driven by increased demand for all types of products except LDP.
- TMK increased shipments of OCTG by 28.6% y-o-y, to 1,311 thousand tonnes, benefitting from sustainable demand in Russia and the American pipe market recovery.
- Shipments of premium threaded connections increased 60.7% y-o-y to 583 thousand joints. Strong demand for these products was driven by increased production of hard-to-recover hydrocarbons in Russia and the USA.

Alexander Shiryaev, TMK's CEO, said:

"In line with our previously announced plans, TMK has continued to ramp up its pipe shipments, primarily through higher sales of welded and seamless OCTG. Demand for these products in our key markets, Russia and the USA, remains consistently high. We believe this trend will persist over the rest of the year, enabling the Company to achieve an even stronger operational and financial performance for the full year 2017."



3Q and 9M 2017 Results by Division

RUSSIAN DIVISION

3Q 2017 vs. 2Q 2017

In 3Q 2017, TMK's Russian division increased its shipments of tubular products by 5% q-o-q, to 750 thousand tonnes¹. Higher sales were recorded across all product groups except welded line pipe and seamless industrial pipe.

Seamless pipe shipments amounted to 489 thousand tonnes, down 2.3% q-o-q, due to a decline of industrial pipe volumes on the back of seasonal planned upgrade and maintenance works at key mills.

OCTG shipments increased 6.4% q-o-q to 284 thousand tonnes, reflecting the start of shipments to a major client.

Welded pipe shipments increased 22.2% q-o-q, to 260 thousand tonnes, due to growth in LDP shipments (up 48.1%) and higher seasonal demand for industrial pipe from construction companies.

9M 2017 vs. 9M 2016

In 9M 2017, TMK's Russian division shipped 2,106 thousand tonnes of tubular products, a slight decrease y-o-y.

Seamless pipe shipments increased 4.8% y-o-y to 1,483 thousand tonnes.

OCTG shipments grew 6% to 863 thousand tonnes reflecting drilling growth in Russia.

Over the first nine months of 2017, the Company shipped 623 thousand tonnes of welded pipe, a 14.6% decrease y-o-y. The decline was mainly due to a reduction in shipments of large diameter pipe (down 51.6% y-o-y), reflecting lower volumes purchased by oil and gas companies to support gas and oil trunk pipeline projects.

AMERICAN DIVISION

Drilling activity in the USA remains high. According to Baker Hughes, the active rig count in the USA reached 936 rigs in 3Q 2017, roughly flat q-o-q. With the rig count balance achieved, demand for OCTG from oil and gas companies continues to grow, as consumption of OCTG per rig and horizontal drilling are increasing.

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).



3Q 2017 vs. 2Q 2017

In 3Q 2017, TMK's American division increased total shipments by 7.8%, to 219 thousand tonnes. Seamless pipe volumes were 116 thousand tonnes, a 15.8% decrease due to certain shipments rescheduled for the next quarter, while welded pipe shipments increased by 58.6% to 102 thousand tonnes. OCTG shipments grew 7.9% q-o-q to 171 thousand tonnes.

9M 2017 vs. 9M 2016

In 9M 2017, the American division achieved a 100% y-o-y increase in total shipments, to 575 thousand tonnes. Seamless pipe shipments increased by 66.3% to 374 thousand tonnes while welded pipe shipments increased more than 200% to 201 thousand tonnes. Total OCTG shipments grew by 118% to 448 thousand tonnes.

EUROPEAN DIVISION

3Q 2017 vs. 2Q 2017

Seamless pipe shipments decreased by 6.9% to 44.8 thousand tonnes on the back of seasonal planned upgrade and maintenance works at key mills in Romania. The decline was offset by a better pricing environment.

9M 2017 vs. 9M 2016

In 9M 2017, seamless pipe shipments by the European division increased 10.8% to 139 thousand tonnes.

Premium Segment

Shipments of TMK UP premium threaded connections continued to grow, up 22.1% q-o-q and 60.7% y-o-y, driven by strong demand in TMK's key markets, Russia and North America.

In July 2017, TMK was the first Russian company to start producing casing pipes from the corrosion-resistant chromium-nickel alloy TMK-C. The first batch of 110 grade TMK-C pipe with TMK UP PF highly gas-tight premium threaded connections was produced at TAGMET and shipped to LUKOIL.

In August 2017, TMK started producing casing pipes with unique gas-tight TMK UP CENTUM threaded connections. The Company shipped the first batch of this new product to NOVATEK's Arctic LNG 2 project. The pipes were successfully run at the Salmanovskoye (Utrenneye) oil and gas condensate field with the involvement of TMK supervisors.



4Q 2017 Outlook

TMK expects consumption of OCTG and seamless industrial pipe to remain high in the Russian market in 4Q 2017. Overall, the Russian pipe market in 2017 is forecast to remain flat with the possibility of growth compared to FY2016.

The robust ramp-up of the oil and gas industry in the USA and Canada has levelled off somewhat, following oil prices' balance reached; however, oil and gas companies have continued to actively pursue development projects, increasing their purchases of tubular products. Taking into account its strong performance in 3Q 2017, TMK expects its American division to significantly improve its financial results for the second half 2017.

TMK anticipates continued strong demand for industrial pipe in the European market, which will continue to support higher prices.

For further information regarding TMK, please, visit www.tmk-group.com as well as download [the YourTube iPad application](#) from the App Store

[TMK on Facebook](#) * [TMK on Twitter](#) * [TMK videos on Youtube](#) * [TMK's photo on Flickr](#)

TMK (www.tmk-group.com)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for oil and gas industry, operating more than 25 production sites in the United States, Russia, Canada, Romania, Oman and Kazakhstan with two R&D centers in Russia and the USA. In 2016, TMK's pipe shipments totalled 3.46 million tonnes. 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:
 - 11 plants of TMK IPSCO;
 - TMK Completions.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman).

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