



January 19, 2018

PRESS RELEASE

TMK Announces FY 2017 and 4Q 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 the full year 2017 and the fourth quarter of 2017.

FY 2017 and 4Q 2017 Summary Results

(thousand tonnes)

Product	2017	2016	Y-o-Y, %	4Q 2017	3Q 2017	Q-o-Q, %
Seamless pipe	2,676	2,398	11.6%	680	651	4.5%
Welded pipe	1,129	1,042	8.4%	305	362	(15.9%)
Total	3,806	3,440	10.6%	985	1,013	(2.8%)
Including OCTG	1,765	1,401	25.9%	453	456	(0.5%)

FY 2017 Highlights

- In 2017, TMK shipped a total of 3,806 thousand tonnes of pipe, up 10.6% y-o-y. This growth was driven by significantly higher shipments at the American division stimulated by market recovery in North America.
- Seamless pipe shipments were up 11.6% y-o-y to 2,676 thousand tonnes primarily due to increased shipments of OCTG.
- Welded pipe shipments were up 8.4% y-o-y to 1,129 thousand tonnes, with a significant decline in LDP shipments fully offset by higher shipments of other types of welded pipe in the American division.



- In 2017, TMK shipped 1,765 thousand tonnes of OCTG (up 25.9% y-o-y), supported by strong demand in the North American and Russian markets.
- Shipments of premium threaded connections were up 43% y-o-y to 787 thousand joints. Strong demand for TMK's products was driven by the increased production of hard-to-recover hydrocarbons in Russia and overall recovery in the US market.

4Q 2017 Highlights

- TMK shipped 985 thousand tonnes of steel pipe, down 2.8% q-o-q, mainly due to seasonally weak demand for welded industrial pipe.
- Seamless pipe shipments were up 4.5% q-o-q to 680 thousand tonnes, supported by higher shipments of OCTG and line pipe.
- Welded pipe shipments decreased by 15.9% q-o-q to 305 thousand tonnes due to seasonally weak demand for industrial pipe and lower consumption of large-diameter pipe (LDP) by oil and gas companies in Russia.
- OCTG pipe shipments were flat q-o-q at 453 thousand tonnes. At the same time, seamless OCTG shipments were up 2.6%.
- Shipments of premium threaded connections were almost flat q-o-q at 204 thousand joints.
- In December 2017, TMK IPSCO brought two new high torque connections to the market, the TMK UP ULTRA QX TORQ and the TMK UP ULTRA SF TORQ.

Alexander Shiryaev, TMK's CEO, said:

“2017 was a good year for TMK, with shipments of products increasing by more than 10%. This growth was largely driven by strong demand for OCTG in our key markets, Russia and the USA. We expect this trend to continue, with TMK delivering higher shipment volumes and a stronger financial performance in 2018.”



FY 2017 and 4Q 2017 Results by Division

RUSSIAN DIVISION

FY 2017 vs. FY 2016

In 2017, the Russian division shipped a total of 2,815 thousand tonnes of tubular products, broadly flat y-o-y.

Seamless pipe shipments were up 5.2% y-o-y to 1,998 thousand tonnes, supported by sustained high levels of drilling activity in Russia.

OCTG shipments were up 5.4% to 1,157 thousand tonnes.

During 2017, TMK shipped 817 thousand tonnes of welded pipe, down 15.4% y-o-y, mainly due to a decline in LDP shipments (down 48.1% y-o-y) as a result of lower volumes of pipes and tubular products purchased to support gas trunk pipeline projects and meet maintenance needs.

4Q 2017 vs. 3Q 2017

In 4Q 2017, TMK's Russian division shipped 709 thousand tonnes¹ of tubular products, down 5.4% q-o-q, mainly due to seasonally weak demand for welded industrial pipe.

Seamless pipe shipments amounted to 515 thousand tonnes, up 5.2% q-o-q, due to higher shipments of OCTG and line pipe.

OCTG shipments were up 3.3% q-o-q to 294 thousand tonnes.

Welded pipe shipments decreased by 25.4% q-o-q to 194 thousand tonnes due to a seasonally low construction activity and a weaker demand for LDP.

AMERICAN DIVISION

FY 2017 vs. FY 2016

In 2017, total shipments by the American division were up 98.3% y-o-y to 800 thousand tonnes. Seamless pipe shipments increased by 48.6% to 488 thousand tonnes while welded pipe shipments were 316% up to 312 thousand tonnes. OCTG shipments grew 100% in 2017 to 608 thousand tonnes.

4Q 2017 vs. 3Q 2017

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).



In the USA, drilling activity remained high. According to Baker Hughes, the active rig count in the USA reached 929 rigs in 4Q 2017, roughly flat q-o-q.

In 4Q 2017, TMK's American division increased total shipments by 2.9% to 225 thousand tonnes. Seamless pipe shipments were almost flat q-o-q at 114 thousand tonnes while welded pipe shipments increased by 8.2% to 111 thousand tonnes. OCTG shipments fell by 6.8% to 160 thousand tonnes due to downward Q4 budget adjustments by main oil and gas producers as the average oil price stayed below budgeted levels through 9M 2017.

EUROPEAN DIVISION

FY 2017 vs. FY 2016

In 2017, seamless pipe shipments in the European division were up 11.5% y-o-y to 190 thousand tonnes, matching the record high levels delivered in 2014.

4Q 2017 vs. 3Q 2017

In 4Q 2017, TMK's European division increased seamless pipe shipments by 13.1% q-o-q to 51 thousand tonnes.

Premium Products

Increased drilling activity in the Russian and North American markets and further employment of projects to develop hard-to-recover hydrocarbon resources drove the demand for TMK UP premium connections.

In October 2017, TMK won a tender to supply LUKOIL subsidiaries with 18.4 thousand tonnes of 114-339 mm casing pipes with TMK UP PF, TMK UP PF ET, TMK UP FMC, TMK UP GF, and TMK UP Centum premium threaded connections.

In November 2017, TMK launched the production of a new type and size of vacuum insulated tubing (VIT) – with a 89 mm external tube, 48 mm internal tube, and a triangular threaded connection designed to GOST 633 standard. The first batch of the new product was shipped to Udmurtneft, Rosneft's subsidiary.

In November 2017, TMK became the first Russian company to start producing casing pipes with unique TMK UP ULTRA GX threaded connections. The first batch of the new product was shipped to another Rosneft subsidiary, Samaraneftegaz.



In December 2017, TMK IPSCO brought two new high torque connections to the market, the TMK UP ULTRA QX TORQ and the TMK UP ULTRA SF TORQ. This is part of an overall plan to introduce high torque versions of our most popular ULTRA Premium connections.

Such high torque connections are required as the laterals get longer and E&P companies increasingly move to multiple-point entry into the hydrocarbon formations.

2018 Outlook

In 2018, TMK expects continued strong demand for all types of tubular products, supported by increased drilling and higher oil prices in Russia. LDP will be an exception, with demand expected to be at the level seen in 2017.

In the USA, TMK expects further increases in OCTG consumption as a result of sustained strong drilling activity and oil prices which are forecast to be at a comfortable level for producers operating in all the major shale plays.

TMK expects that the stronger economic performance anticipated in Europe will support sustained demand for seamless industrial pipe.

Overall, in 2018, TMK expects a y-o-y increase in shipments in most of its key product categories, supported by further growth in the North American market and sustained sales volumes in Russia.

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

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TMK (www.tmk-group.com)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for oil and gas industry, operating 27 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 3.8 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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