



July 18, 2018

PRESS RELEASE

TMK Announces 1H 2018 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.

2Q 2018 shipments data is preliminary and can be adjusted.

TMK, one of the world's leading producers of tubular products for the oil and gas industry, announces its operational results for the second quarter and first half of 2018.

2Q and 1H 2018 Summary Results

(thousand tonnes)

Product	2Q 2018	1Q 2018	Change	1H 2018	1H 2017	Change
Seamless pipe	716	677	6%	1,393	1,346	4%
Welded pipe	359	303	19%	662	462	43%
Total	1,075	980	10%	2,056	1,808	14%
<i>Including:</i> OCTG	492	460	7%	952	856	11%

2Q 2018 Highlights

- Total pipe shipments grew 10% quarter-on-quarter, to 1,075 thousand tonnes, driven by higher demand for both seamless and welded pipe.
- Seamless pipe shipments increased 6% quarter-on-quarter, to 716 thousand tonnes, due to stable demand for seamless OCTG and seasonal growth of demand for industrial pipe.
- Welded pipe shipments increased 19% quarter-on-quarter, to 359 thousand tonnes, mainly driven by higher demand for all types of welded pipe in Russia, including large diameter pipe.
- OCTG shipments increased 7% quarter-on-quarter, to 492 thousand tonnes.



- Shipments of premium-threaded connections increased 11% quarter-on-quarter, to 249 thousand joints.

1H 2018 Highlights

- Total pipe shipments grew 14% year-on-year, to 2,056 thousand tonnes, mainly driven by higher shipments of welded pipe at the American division on the back of increased drilling activity in the North America and ramp-up of TMK's US facilities.
- Seamless pipe shipments increased 4% year-on-year, to 1,393 thousand tonnes, due to higher shipments of OCTG and line pipe.
- Welded pipe shipments increased 43% year-on-year, to 662 thousand tonnes, mainly driven by higher shipments of welded pipe at the American division and increased shipments of large diameter pipe in Russia.
- OCTG shipments increased 11% year-on-year, to 952 thousand tonnes.
- Shipments of premium threaded connections increased 40%, to 473 thousand joints, driven by the increased complexity of hydrocarbon production projects in Russia and the USA, where premium products are used.

Alexander Shiryaev, TMK's CEO, said:

"I am pleased to report that in 2Q and 1H 2018 TMK has achieved solid growth in shipments of all of our key segments, including our seamless pipe products. Our American division performed strongly, with 34% year-on-year growth in overall shipments in 1H 2018, following the re-opening of existing production capacity to respond to high market demand.

TMK remains confident in the outlook for 2018. Demand for our core products, OCTG, is expected to remain strong, with customers requiring more sophisticated pipe solutions as well as premium connections to access more complex reserves. Our American division has continued to perform well, driven by higher E&P spending, contributing to the Group's strong performance."



2Q 2018 Results by Division

RUSSIAN DIVISION

Product	2Q 2018	1Q 2018	Change	1H 2018	1H 2017	Change
Seamless pipe	524	510	3%	1,035	994	4%
Welded pipe	251	194	29%	445	363	22%
Total	775	704	10%	1,479	1,357	9%
<i>Including:</i> OCTG	310	303	2%	613	579	6%

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

2Q 2018 vs. 1Q 2018

- Total pipe shipments increased 10% quarter-on-quarter, mainly driven by seasonal demand for industrial pipe and higher LDP shipments.
- Shipments of seamless pipe increased 3% quarter-on-quarter, with stable demand for seamless OCTG from the oil and gas companies and higher shipments of industrial pipe due to the seasonal factor.
- Shipments of welded pipe increased 29% quarter-on-quarter, due to higher shipments of welded industrial and line pipe, as well as large diameter pipe (+41% quarter-on-quarter).
- Shipments of OCTG grew 2% as drilling activity in Russia continued to grow.

1H 2018 vs. 1H 2017

- Total pipe shipments increased 9% year-on-year, reflecting growth in both seamless and welded pipe shipments.
- Shipments of seamless pipe increased 4% year-on-year, supported by higher demand for seamless OCTG and line pipe.
- Shipments of welded pipe increased 22% year-on-year, due to a stronger performance across all welded pipe segments.
- OCTG shipments increased 6% year-on-year.

AMERICAN DIVISION



(thousand tonnes)

Product	2Q 2018	1Q 2018	Change	1H 2018	1H 2017	Change
Seamless pipe	138	121	14%	259	257	1%
Welded pipe	109	109	0%	218	99	120%
Total	247	230	7%	477	356	34%
<i>Including:</i> OCTG	182	157	16%	339	276	23%

(thousand tonnes)

Product	2Q 2018	1Q 2018	Change	1H 2018	1H 2017	Change
Total shipments	247	230	7%	477	356	34%
<i>Including:</i> Imported pipe	37	34	7%	71	70	1%

2Q 2018 vs. 1Q 2018

- Total pipe shipments increased 7% quarter-on-quarter, primarily due to the stronger sales of seamless pipe.
- Shipments of seamless pipe increased 14% quarter-on-quarter, as continued growth in US drilling activity and higher complexity of oil and gas extraction drove increased demand for seamless OCTG.
- Shipments of welded pipe were flat quarter-on-quarter, with lower shipments of welded line and industrial pipe fully compensated by higher shipments of welded OCTG, which were in high demand in 2Q 2018 in the US oil and gas market.
- Shipments of OCTG increased 16% quarter-on-quarter, due to stronger shipments of both seamless and welded OCTG, supported by the continued growth of drilling activity in the US oil and gas market.
- Imported pipe shipments at the American division grew 7% quarter-on-quarter.

1H 2018 vs. 1H 2017

- Total pipe shipments grew 34% year-on-year, supported by a significant increase in welded pipe shipments.



- Shipments of seamless pipe increased 1% year-on-year, due to higher seamless OCTG shipments.
- Shipments of welded pipe more than doubled compared to 1H 2017. This was due to continued improvements in the US oil and gas market and the restart of welded facilities at the American division in spring-summer 2017.
- OCTG shipments increased 23% year-on-year, mainly driven by stronger shipments of welded OCTG.
- Shipments of imported pipe at the American division increased 1% year-on-year.

EUROPEAN DIVISION

(thousand tonnes)

Product	2Q 2018	1Q 2018	Change	1H 2018	1H 2017	Change
Seamless pipe – Total	54	46	16%	100	95	5%

2Q 2018 vs. 1Q 2018

- Shipments of seamless pipe increased 16% quarter-on-quarter, recovering to normalized shipment levels after 1Q 2018, when low shipments of industrial pipe were recorded due to pre-planned maintenance works in January 2018.

1H 2018 vs. 1H 2017

- Shipments of seamless pipe increased 5% year-on-year due to more favourable market conditions. In 1H 2018, a significant shift in the product mix towards higher margin products was recorded.

2018 Outlook

TMK reiterates its previous outlook for the remainder of 2018 and expects demand for OCTG in Russia to remain strong in 2018, supported by stable drilling activity and high oil prices. Demand for LDP in 2018 is not expected to fall below 2017 levels.

The North American pipe market has seen continued improvement due to sustained consumption of OCTG and energy related products, buoyed by what we believe to be a fundamentally strong oil price environment, supporting continued capital investment by energy producers.



In Europe, TMK expects shipments of seamless pipe to increase. This is in part due to the launch of a new heat treatment facility at TMK-ARTROM, which will increase the division's offering of premium pipe as a share of the sales mix.

Overall, the Group expects pipe shipments to increase in 2018 compared to 2017, building a foundation for TMK's stronger financial performance throughout 2018 as the company guided before.

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 2017, 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 and on the Moscow Exchange MICEX-RTS.