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PRESS RELEASE

TMK Announces 1Q 2014 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 first quarter of 2014.

1Q 2014 Highlights

- In the first quarter of 2014, TMK shipped a total of 1,022 thousand tonnes of steel pipe to consumers, down 3% and 8% year-on-year and quarter-on-quarter respectively. The drop in shipments is mainly due to lower demand for seamless and welded line pipe, as well as large diameter pipe (LDP).
- Seamless pipe shipments amounted to 626 thousand tonnes, which is flat year-on-year but down 3% quarter-on-quarter.
- Welded pipe shipments in the reporting period fell by 9% year-on-year to 396 thousand tonnes. It was LDP and welded line pipe segments that saw a decline. Welded pipe shipments dropped by 16% quarter-on-quarter.
- The total shipments of OCTG pipe, TMK's core product, remained flat as compared to the previous quarter and were up 13% year-on-year, reaching 491 thousand tonnes.
- Shipments of premium connections in the first quarter of 2014 amounted to 193 thousand joints, up 18% year-on-year, but down 4% quarter-on-quarter.



- Decrease in shipments and less favorable product mix of OCTG pipe (including premium connections) and seamless line pipe, coupled with the rouble devaluation, will put some downward pressure on TMK's 1Q financials in comparison to the expectations.

1Q 2014 Summary Results

(thousand tonnes)

Product	1Q 2014	4Q 2013	Q-o-Q, %	1Q 2014	1Q 2013	Y-o-Y, %
Seamless Pipe	626	642	-3%	626	625	0.1%
Welded Pipe	396	471	-16%	396	433	-9%
Total	1,022	1,113	- 8%	1,022	1,058	- 3%
including OCTG	491	493	-0.5%	491	434	13%

1Q 2014 Market Overview and Performance by Division

Russian Division

By 2014, key tubular products consumers had stocked up considerable inventories, which reduced demand for oil and gas pipe and industrial pipe in the first quarter of 2014.

In the first quarter, TMK's Russian division shipped 682 thousand tonnes¹ of tubular products, down 9% and 10% quarter-on-quarter and year-on-year respectively.

The Russian division's seamless pipe shipments decreased by 5% quarter-on-quarter to 454 thousand tonnes. The Russian division increased seamless OCTG pipe shipments by 5% quarter-on-quarter and 7% year-on-year, with a total of 272 thousand tonnes shipped.

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



Seamless line pipe shipments were down by 22% quarter-on-quarter and by 31% year-on-year.

Shipments of seamless industrial pipe fell by 7% quarter-on-quarter, but rose by 3% year-on-year.

In the first quarter of 2014, large diameter pipe shipments amounted to 77 thousand tonnes, down 19% quarter-on-quarter. This decline is due to the completion of several pipeline projects in late 2013.

American Division

Due to expansion of horizontal drilling and an increasing number of active rigs in the U.S. and Canada, the demand for OCTG pipe in the American market grew by 4% in the first quarter of 2014. Nevertheless, the market continues to be affected by considerable volumes of tubular product imports, the majority of which is under current review by the U.S. Department of Commerce to determine compliance to fair trade practices.

In the reporting period, TMK's American division increased its shipments by 14% year-on-year, reaching a total of 298 thousand tonnes of tubular products². As compared to the fourth quarter of 2013, the total shipments fell by 7% due to a decline in shipments of welded OCTG and line pipe related to the extreme winter weather conditions in the U.S. and Canada, which impacted both railroad and truck service.

Seamless OCTG pipe shipments amounted to 98 thousand tonnes, virtually unchanged quarter-on-quarter and up 21% year-on-year.

In the first quarter of 2014, the American division shipped 114 thousand tonnes of welded OCTG pipe, down 13% quarter-on-quarter, but up 15% year-on-year.

Welded line pipe shipments went down by 33% quarter-on-quarter due to a seasonal decline in demand, as well as, the impact on transportation logistics previously mentioned. The same factors accounted for the drop in welded industrial pipe shipments, which were down 7% quarter-on-quarter. Also, during the first quarter of 2014, the American division took a series of steps to reduce the production and share of low-margin welded products in its total output in response to low priced imports.

² This includes products manufactured by TMK's Russian and Romanian facilities and sold on the North American market.



European Division

The first quarter of 2014 saw early signs of recovery in the European pipe market. While consumption remains low, demand is mainly driven by tubular product distributors stocking up their inventories.

In the reporting period, the European division shipped a total of 41 thousand tonnes of pipe, up 3% year-on-year, but down 5% quarter-on-quarter.

Premium Segment

TMK ships pipe with premium connections and also provides threading services for third parties. The demand for TMK UP premium connections remains high, sustained by expansion of directional and horizontal drilling in America. However, many American energy companies continue transition to oil drilling, reducing the overall number of gas rigs and restraining demand for premium connections, a product widely used in natural gas production.

During the reporting period, TMK shipped more than 193 thousand joints of premium connections, up 18% year-on-year.

Outlook

TMK expects the 2014 demand for tubular products in Russia to follow a slight downward trend due to the unstable macroeconomic environment, exchange rate volatility and uncertainty in commodity markets. Still, the Company is planning to increase its shipments of seamless OCTG pipe, including those with premium connections.

In the American market, TMK expects demand for OCTG to continue to improve as the number of wells and footage drilled increases with the average rig count, both in total number and particularly in the number of horizontal rigs. However, the American division expects a minor decline in welded pipe shipments due to continued pressure from unfairly priced imports. TMK also expects a stronger demand for line pipe in the U.S.

The Eurozone economy is projected to return to cautious growth in 2014, which will gradually drive tubular product consumption in Europe up.



In general, the Company expects a marginal decrease in its pipe shipments for 2014.

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

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

TMK (www.tmk-group.ru)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 28 production sites in Russia, the U.S., Canada, Romania, Oman, the UAE, and Kazakhstan, and two R&D centres in Russia and the U.S. In 2013, TMK's pipe shipments totaled 4.3 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-Premium Service;
 - TMK Oilfield Services.
- American division:
 - 12 plants of TMK IPSCO;
 - OFS International LLC.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East division:
 - TMK GIPI (Oman);
 - Threading & Mechanical Key Premium LLC (Abu-Dhabi);

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