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PRESS RELEASE

TMK Announces 9M 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 nine months of 2014.

3Q 2014 and 9M 2014 Highlights

- During the nine months of 2014, TMK shipped a total of 3,159 thousand tonnes of steel pipe, down 1.3% year-on-year. In 3Q 2014, shipments grew by 6.7% quarter-on-quarter.
- During the nine months of 2014, seamless pipe shipments grew by 2.3% year-on-year to 1,848 thousand tonnes. Shipments in 3Q 2014 increased by 3.3% quarter-on-quarter to 621 thousand tonnes.
- During the nine months of 2014, welded pipe shipments dropped by 5.9% year-on-year to 1,311 thousand tonnes due to weaker demand for large diameter pipe (LDP) and industrial pipe. In 3Q 2014, welded pipe shipments were up 11.4% quarter-on-quarter, reaching 482 thousand tonnes.
- Shipments of OCTG pipe, TMK's core product, were up 5.5% year-on-year, reaching 1,417 thousand tonnes in the nine months of 2014. In 3Q 2014, the shipments of this product dropped by 7.1% quarter-on-quarter to 446 thousand tonnes due to a seasonal reduction in oil and gas drilling in Russia.
- Shipments of premium connections for the nine months of 2014 increased to 649 thousand joints, up 13.3% year-on-year. In 3Q 2014, shipments of premium products were up 20.7% quarter-on-quarter, reaching 245 thousand joints.

3Q 2014 and 9M 2014 Summary Results



(thousand tonnes)

Product	3Q 2014	2Q 2014	Q-o-Q, %	9M 2014	9M 2013	Y-o-Y, %
Seamless pipe	621	601	3.3%	1,848	1,806	2.3%
Welded pipe	482	433	11.4%	1,311	1,393	-5.9%
Total	1,103	1,034	6.7%	3,159	3,200	-1.3%
including OCTG	446	480	-7.1%	1,417	1,343	5.5%

3Q 2014 and 9M 2014 Market Overview and Performance by Division

Russian Division

In the nine months of 2014, TMK's Russian division shipped 2,144 thousand tonnes¹ of tubular products, down 4.3% year-on-year. In 3Q 2014, the division's shipments were up 9% quarter-on-quarter, reaching 762 thousand tonnes.

In January–September 2014, seamless pipe shipments totalled 1,329 thousand tonnes, a decline of 2% year-on-year. In 3Q 2014, shipments were up 1.3% quarter-on-quarter to 440 thousand tonnes.

In the nine months of 2014, shipments of seamless OCTG pipe remained almost flat year-on-year at 754 thousand tonnes, while dropping by 18.3% quarter-on-quarter to 217 thousand tonnes in 3Q 2014 due to a seasonal reduction in oil and gas drilling in Russia.

In the nine months of 2014, shipments of seamless line pipe remained flat year-on-year at 347 thousand tonnes, while growing 34.6% quarter-on-quarter to 134 thousand tonnes in 3Q 2014. The increase was due to the launch of a number of pipeline construction and related infrastructure projects.

In 3Q 2014, shipments of seamless industrial pipe went up by 28.4% quarter-on-quarter to 89 thousand tonnes, driven by a seasonal rise in demand for this product. During the nine months of 2014, as a result of

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).



considerably weaker demand from industrial companies in 1H 2014, shipments went down by 11.8% year-on-year to 227 thousand tonnes.

Welded pipe shipments declined by 7.7% to 815 thousand tonnes in the nine months of 2014 as a result of lower demand for LDP and line pipe. During the nine months of 2014, LDP shipments were down 14.3% to 300 thousand tonnes due to the completion of several projects in the CIS countries. In 3Q 2014, LDP shipments were up 33.1% quarter-on-quarter to 128 thousand tonnes as several major pipeline projects got underway in Russia (Bovanenkovo–Ukhta – 2, Southern Corridor, Kuyumba–Taishet and others). In the same quarter, welded line and industrial pipe shipments amounted to 91 and 100 thousand tonnes, up 18.3% and 9% quarter-on-quarter, respectively.

American Division

In the nine months of 2014, TMK's American division increased its shipments to consumers by 6.1% year-on-year, reaching a total of 900 thousand tonnes of tubular products². In 3Q 2014, the division's shipments were up 4.9% quarter-on-quarter to 308 thousand tonnes.

In the nine months of 2014, seamless pipe shipments were 404 thousand tonnes, up 19.7%. In 3Q 2014, 148 thousand tonnes were shipped, which is an increase of 17.9% quarter-on-quarter.

In the nine months of 2014, shipments of seamless OCTG pipe were up 19.9% to 313 thousand tonnes, driven by the ongoing rise in drilling activity and development of unconventional hydrocarbon reserves in North America. In 3Q 2014, shipments of this pipe were up 16.7% quarter-on-quarter, reaching 115 thousand tonnes.

In the nine months of 2014, shipments of seamless line pipe were down 33.9% to 26 thousand tonnes. In 3Q 2014, the division shipped 8 thousand tonnes of this pipe, up 2.5% quarter-on-quarter. These changes in demand are typically inherent in the field development cycle.

The division's shipments of seamless industrial pipe increased by 73.8% to 66 thousand tonnes in the nine months of 2014, driven by a rise in demand from regional and industrial markets. In 3Q 2014, 25 thousand tonnes of seamless industrial pipe were shipped, up 30.7% quarter-on-quarter.

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



In the nine months of 2014, shipments of welded pipe were down 2.8% to 496 thousand tonnes. In 3Q 2014, shipments of welded pipe amounted to 160 thousand tonnes, down 4.8% quarter-on-quarter.

In January–September of 2014, the division's shipments of welded OCTG pipe rose 4.1% to 339 thousand tonnes, while dropping 4.4% quarter-on-quarter to 110 thousand tonnes in 3Q 2014, as planned reductions in the production of low margin items prior to the U.S. OCTG trade case decision took effect in 3Q 2014 deliveries.

Welded line pipe shipments in the nine months of 2014 fell by 2.8% year-on-year to 73 thousand tonnes and rose by 7.6% quarter-on-quarter to 26 thousand tonnes.

In the nine months of 2014, welded industrial pipe shipments were down 23.4% to 84 thousand tonnes. In 3Q 2014, shipments of this pipe amounted to 24 thousand tonnes, down 16.2% quarter-on-quarter. These reductions were the results of the division's continued efforts to shift production from low margin products to more complex, higher value-added products.

European Division

The European pipe market continues its gradual recovery after a lasting stagnation. However, the growth in demand for seamless industrial pipe, the division's core product, remains limited.

The division shipped 115 thousand tonnes of seamless pipe in the nine months of 2014, up 2% year-on-year. In 3Q 2014, the division's shipments were down 20.4% quarter-on-quarter to 33 thousand tonnes due to a traditional summer slowdown in business activity in Europe.

Premium Segment

The demand for TMK UP premium connections remains high, sustained by expansion of directional and horizontal drilling in America and Russia.

TMK shipped a total of 649 thousand joints of TMK UP premium connections in the nine months of 2014, up 13.3% year-on-year, while also boosting the quarter-on-quarter figure by 20.7% to 245 thousand joints in 3Q 2014.



4Q 2014 Outlook

The Russian pipe market is likely to grow in 4Q 2014, driven by an increase expected in horizontal drilling and development of oil and gas fields, as well as by the start of the new procurement season. Owing to that, TMK expects a steady demand for oil and gas pipe, particularly seamless OCTG.

The implementation of major pipeline projects in Russia will enable the Company to increase shipments and improve product mix in the welded pipe segment, especially LDP. TMK also awaits the expansion of demand for seamless line pipe as the infrastructure projects related to trunk pipeline construction are carried out.

In August, the US International Trade Commission (ITC) confirmed the Department of Commerce's decision to impose anti-dumping and countervailing duties on manufacturers from nine countries. The ITC ruling is expected to contribute to more fair competition in the US market, better pricing environment, and improved performance of TMK's American division.

In 4Q 2014, TMK expects shipments to remain broadly flat compared to 3Q 2014, while improved product mix gives grounds to project stronger financials.

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

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 production assets structure:



- 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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