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PRESS RELEASE

## **TMK and MMK agree on price formula for rolled sheet intended for LDP production**

METAL-EXPO 2014, an international industrial exhibition held in Moscow, saw TMK sign an agreement with Magnitogorsk Iron & Steel Works (MMK) to apply formula when calculating the pricing of wide hot rolled sheets shipped to TMK enterprises.

MMK is expected to ship wide hot rolled sheets to TMK's Volzhsky Pipe Plant, which would use them to produce large diameter pipes (LDP) intended for major Russian gas pipeline projects by Gazprom, including Power of Siberia, South Stream, and Bovanenkovo–Ukhta. TMK and Gazprom have been applying similar formula pricing to LDP products shipped to the gas major for two years now. The key parameters of the price formula for MMK sheets were agreed in line with the LDP formula applied by TMK and Gazprom.

"The price formula agreement signed with MMK, one of our main feedstock suppliers, and a similar agreement with Gazprom, one of our major clients, gives us the opportunity to harmonise our mutual interests based on objective market criteria. We are now well-positioned to considerably optimise internal business processes as well as improve planning efficiency and pricing transparency," said Alexander Shiryaev, TMK CEO.

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*For further information regarding TMK, please, visit [www.tmk-group.com](http://www.tmk-group.com) 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 on Facebook – <https://www.facebook.com/TMKGroupEN>*

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**TMK ([www.tmk-group.com](http://www.tmk-group.com))**

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 28 production sites in the United States, Russia, Canada, Romania, Oman, UAE, and Kazakhstan and two R&D centers in Russia and the USA. 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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