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Press Release

TMK Acquires a Metal Scrap Company

TMK, one of the world's leading producers of tubular products, acquired 100% interest in ChermetServis-Snabzhenie. The deal value totalled about RUB 2.73 bn. This expenditure will not increase TMK's CAPEX in 2015. On the contrary, it is to be reduced by more than 30% compared to 2014 (with the current deal value already factored in).

Founded in 2000, ChermetServis-Snabzhenie (ChS-Snabzhenie) is one of the leaders in the Russian steel scrap market showing a sustainable growth of scrap sales and a stable financial performance. As TMK's single-source provider, ChS-Snabzhenie not only collects, processes and sells ferrous scrap, but also provides comprehensive procurement services to steel plants.

"ChS-Snabzhenie has been the main supplier of scrap for our steel mills for the last several years. Acquisition of this company will allow TMK to establish a complete scrap supply cycle at its facilities, which will guarantee the Company feedstock security. This deal is part of our vertical integration strategy and will boost the efficiency and reliability of the supply chain for our EAF production. It will also make the Company more independent of market uncertainties and will help TMK reduce its overhead expenses per tonne of scrap, thus keeping prices at acceptable levels. We will consolidate the acquisition target's financials to increase our earnings as well," said Alexander Shiryayev, TMK CEO.

For further information regarding TMK, please, visit www.tmk-group.com as well as 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.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 2014, TMK's pipe shipments totalled 4.4 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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