Moscow, August 24, 2015

TMK ANNOUNCES 2Q 2015 AND 1H 2015 IFRS RESULTS

The following contains forward looking statements concerning future events. These statements are based on current information and assumptions of TMK management concerning known and unknown risks and uncertainties.

PAO TMK ("TMK" or "the Company"), one of the world's leading producers of tubular products for the oil and gas industry, announces today its interim consolidated IFRS financial results for the six months ending June 30, 2015.

Summary 2Q and 1H 2015 Results

(In millions of U.S.$, unless stated otherwise)

	2Q 2015	**1Q 2015**	***Change, %***	**1H 2015**	**1H 2014**	***Change, %***
Sales volumes, thousand tonnes	**978**	1,004	(3%)	**1,981**	2,101	(6%)
Revenue	**1,162**	1,134	2%	**2,296**	2,982	(23%)
Gross profit	**241**	252	(5%)	**493**	566	(13%)
Foreign exchange gain/loss, net	**30**	(24)	n/a	**7**	(31)	n/a
Profit before tax	**53**	36	48%	**89**	62	44%
Net profit	**47**	30	59%	**77**	45	73%
Earnings per GDR[1], basic, U.S.$	**0.21**	0.13	64%	**0.35**	0.21	67%
Adjusted EBITDA[2]	**172**	185	(7%)	**356**	375	(5%)
Adjusted EBITDA margin, %	***15%***	*16%*		***16%***	*13%*	

Note: Certain monetary amounts, percentages and other figures included in this press release are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

[1] One GDR represents four ordinary shares

[2] Adjusted EBITDA is determined as profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortization, foreign exchange (gain)/loss, impairment/(reversal of impairment) of non-current assets, movements in allowances and provisions (except for provision for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash items.

2Q 2015 Highlights

Sales

Sales (thousand tonnes)	2Q 2015	1Q 2015	*Change, %*
Seamless	**604**	630	(4%)
Welded	**373**	374	0%
Total	**978**	1,004	(3%)

- Total pipe sales decreased by 3% from the prior quarter to 978 thousand tonnes, primarily due to significantly lower sales in the American division partially offset by stronger performance of the Russian division.
- Seamless pipe volumes decreased by 4% from the prior quarter to 604 thousand tonnes, as a result of weaker seamless OCTG sales in the American division. Seamless OCTG sales declined by 6% from the first quarter of 2015.
- Welded pipe sales remained relatively flat quarter-on-quarter at 373 thousand tonnes as lower welded pipe volumes in the American division were offset by strong welded pipe sales in the Russian division.

Financials

- Revenue increased by 2% to $1,162 million over the first quarter of 2015, mainly as a result of higher welded pipe sales in the Russian division, particularly stronger LD pipe volumes.
- Adjusted EBITDA reduced by 7% quarter-on-quarter to $172 million, primarily due to a negative adjusted EBITDA for the American division, which amounted to negative $16 million. Adjusted EBITDA margin slightly declined to 15% compared to 16% for the prior quarter.
- Net profit was $47 million as compared to $30 million for the first quarter of 2015. Foreign exchange gain in the second quarter of 2015 was $30 million compared to foreign exchange loss in the amount of $24 million in the first quarter of 2015.
- As of June 30, 2015, total debt amounted to $3,048 million, a $39 million decrease compared to March 31, 2015. Weighted average nominal interest rate increased by 3 bps compared to March 31, 2015 and amounted to 9.07%.

- Net debt decreased by $96 million compared to March 31, 2015 and amounted to $2,884 million as of June 30, 2015. Net Debt-to-EBITDA ratio slightly decreased to 3.67x as of June 30, 2015 compared 3.70x as of March 31, 2015.

1H 2015 Highlights

Sales

Sales (thousand tonnes)	**1H 2015**	**1H 2014**	***Change, %***
Seamless	**1,234**	1,273	(3%)
Welded	**747**	828	(10%)
Total	**1,981**	2,101	(6%)

- Total pipe volumes decreased by 6% year-on-year to 1,981 thousand tonnes, mostly due to weaker sales in the American division.
- Seamless pipe volumes decreased by 3% compared to the same period of 2014 to 1,234 thousand tonnes, mainly as a result of lower seamless OCTG volumes in the American division. Seamless OCTG pipe sales fell by 10% year-on-year.
- Welded pipe sales decreased by 10% from the first half of 2014 to 747 thousand tonnes, primarily due to lower welded OCTG volumes in the American division offset by stronger LD pipe sales in the Russian division.

Financials

- Revenue was $2,296 million, a decrease of 23% over the first half of 2014, mainly as a result of a negative effect of currency translation. Excluding this effect, revenue would have increased by $404 million year-on-year.
- Adjusted EBITDA decreased by 5% compared to the same period of 2014 to $356 million. Growth in the Russian and European divisions was offset by weaker adjusted EBITDA in the American division due to lower sales and weaker prices. Adjusted EBITDA margin improved to 16% compared to 13% in the first half of 2014.
- Net profit was $77 million as compared to $45 million for the first half of 2014. Foreign exchange gain in the first half of 2015 was $7 million compared to foreign exchange loss in the amount of $31 million for the same period of 2014.

- As of June 30, 2015, total debt decreased by $175 million compared to December 31, 2014 and amounted to $3,048 million. TMK’s weighted average nominal interest rate increased by 181 bps compared to December 31, 2014 to 9.07% as of June 30, 2015.
- Net repayment of borrowings for the first half of 2015 amounted to $228 million.
- Net debt decreased by $85 million compared to December 31, 2014 and amounted to $2,884 million as of June 30, 2015. Net Debt-to-EBITDA ratio marginally declined to 3.67x as of June 30, 2015 compared to 3.69x as of December 31, 2014.

Recent Developments

- In June 2015, TMK-ARTROM, TMK’s subsidiary in Romania, commissioned a new workshop to produce precision pipe for the needs of automotive industry and hydraulic cylinder manufacturing with the annual capacity of 25 thousand tonnes of pipe.
- In June 2015, TMK and Rosneft signed a partnership agreement focusing on R&D cooperation in the field of development, production and implementation of high-tech lubricants.
- In July 2015, TMK launched construction of the R&D facility in Skolkovo Innovation Center with the scheduled opening in the first quarter of 2017. Estimated investments in the project amount to RUB 3 bn.

2Q 2015 and 1H 2015 Segment Results

(In millions of U.S.$, unless stated otherwise)

	2Q 2015	1Q 2015	Change, %	1H 2015	1H 2014	Change, %
Sales (thousand tonnes)						
Russia	**845**	770	10%	**1,615**	1,514	7%
America	**83**	184	(55%)	**267**	493	(46%)
Europe	**50**	50	0%	**100**	93	7%
Revenue						
Russia	**958**	748	28%	**1,706**	2,011	(15%)
America	**150**	327	(54%)	**477**	833	(43%)
Europe	**55**	59	(6%)	**114**	138	(18%)
Gross Profit						
Russia	**236**	195	21%	**431**	445	(3%)
America	**(8)**	41	n/a	**33**	93	(64%)
Europe	**13**	16	(21%)	**29**	28	4%
Adjusted EBITDA						
Russia	**179**	145	23%	**324**	300	8%
America	**(16)**	28	n/a	**12**	58	(80%)
Europe	**9**	12	(22%)	**20**	16	26%

Russia

2Q 2015 vs. 1Q 2015

Revenue increased by 28% from the first quarter of 2015 to $958 million, as a result of the growth in welded pipe volumes, particularly in LDP sales.

Gross profit grew by 21% quarter-on-quarter to $236 million, due to higher sales of welded pipe following stronger demand for LD pipe. Gross profit margin declined to 25% from 26% in the previous quarter.

Adjusted EBITDA increased by 23% compared to the first quarter of 2015 to $179 million, following a growth in gross profit. Adjusted EBITDA margin remained relatively flat compared to the prior quarter and amounted to 19%.

1H 2015 vs. 1H 2014

Revenue decreased by 15% year-on-year to $1,706 million, largely due to a negative effect of currency translation. Excluding this effect, revenue would have grown by $759 million.

Gross profit declined by 3% year-on-year to $431 million, as a growth resulting from more favorable pricing and product mix was offset by a negative effect of currency translation. Excluding the currency translation effect, gross profit would have increased by $233 million. Gross profit margin increased to 25% from 22% for the first half of 2014.

Adjusted EBITDA grew by 8% year-on-year to $324 million. Adjusted EBITDA margin improved to 19% from 15% for the first half of 2014.

America

2Q 2015 vs. 1Q 2015

Revenue fell by 54% over the prior quarter to $150 million, primarily due to a significant decrease in pipe volumes, particularly OCTG, following a slowdown in drilling activity and a drop in exploration and production spending.

Gross loss amounted to $8 million compared to gross profit of $41 million in the first quarter of 2015. Further slide in drilling activity coupled with lower E&P spending led to a contraction of demand for OCTG and negatively affected prices.

Adjusted EBITDA amounted to minus $16 million compared to $28 million in the first quarter of 2015, due to a gross loss.

1H 2015 vs. 1H 2014

Revenue dropped by 43% compared to the first half of 2014 to $477 million, due to lower welded and seamless pipe sales on the back of unfavorable conditions in the U.S. pipe market.

Gross profit decreased by 64% year-on-year to $33 million, mainly as a result of lower pipe sales and negative pricing environment. Gross profit margin decreased to 7% from 11% for the first half of 2014.

Adjusted EBITDA dropped by 80% compared to the same period of 2014 to $12 million following a significant decrease in gross profit. Adjusted EBITDA margin fell to 2% from 7% for the first half of 2014.

Europe

2Q 2015 vs. 1Q 2015

Revenue decreased by 6% quarter-on-quarter to $55 million, mainly as a result of a weaker pricing.

Gross profit fell by 21% from the first quarter of 2015 to $13 million, due to unfavorable pricing environment on the European market. Gross profit margin decreased to 24% from 28% for the first quarter of 2015.

Adjusted EBITDA fell by 22% over the prior quarter to $9 million following a decrease in gross profit. Adjusted EBITDA margin declined to 16% from 20% for the first quarter of 2015.

1H 2015 vs. 1H 2014

Revenue fell by 18% compared to the first half of 2014 to $114 million, largely as a result of a negative effect of currency translation.

Gross profit remained relatively flat at $29 million compared to the first half of 2014, as a growth resulting from a favorable sales mix was offset by a negative effect of currency translation. Gross profit margin improved to 26% from 20% in the first half of 2014 due to higher share of seamless pipe volumes in total sales.

Adjusted EBITDA increased by 26% year-on-year to $20 million, as a result of the marginal growth in gross profit and lower selling and administrative expenses. Adjusted EBITDA margin improved to 18% from 12% in the first half of 2014.

2Q and 1H 2015 Market Conditions

Russia

In the second quarter of 2015, the Russian pipe market increased by 14% compared to the prior quarter, mainly due to a seasonal growth of the welded industrial pipe market and higher LD pipe consumption. For the first half of 2015, the Russian pipe market increased by 8% year-on-year driven primarily by stronger LD pipe demand.

In the second quarter of 2015, consumption of OCTG remained flat over the prior quarter while the line pipe market decreased by 20%, mainly as a result of stock adjustments made by the majority of consumers in the first quarter of 2015. For the first half of 2015, demand for OCTG decreased by 5% year-on-year, while line pipe consumption remained flat.

The industrial pipe market grew by 27% quarter-on-quarter following a usual seasonal upward trend. For the first half of 2015, consumption of industrial pipe decreased by 18% over the same period of 2014, mainly due to lower demand from construction industry.

The LD pipe market increased by 20% compared to the prior quarter. For the first half of 2015, LD pipe consumption rose by 92% year-on-year. The growth in both periods was driven by increasing demand for construction of the major oil and gas pipeline projects.

America

According to Baker Hughes, the average number of rigs in the second quarter of 2015 fell by 35% compared to the prior quarter and by 36% in the first half of 2015 over the first half of 2014. The decrease was due to the continuing slump in oil prices, which resulted in a lower demand for OCTG and growth of pipe inventories.

According to Preston Pipe Report, OCTG shipments in the second quarter of 2015 fell by 31% quarter-on-quarter. The decrease was driven by weak demand and high volumes of welded OCTG import. In the first half of 2015, OCTG shipments decreased by 32% over the same period of 2014.

In the second quarter of 2015, the number of months of OCTG inventory level increased to 9.8 compared to 8.4 the previous quarter due to lower OCTG consumption and higher level of imports.

According to Pipe Logix, in the second quarter of 2015, average composite OCTG seamless and welded prices fell by 11% and 13% respectively compared to the first quarter of 2015, while in the first half of 2015 both average composite OCTG seamless and welded prices decreased by 6% and 5% respectively, over the same period of 2014.

Europe

In the second quarter of 2015, the European pipe market remained under pressure from growing competition. Pipe production capacities were still underused, which allowed customers to negotiate more favorable payment terms. Both factors continued to drive pipe prices down during the first half of 2015.

2H and FY 2015 Outlook

For the full year 2015, TMK expects the LD pipe to remain a major driver in the Russian pipe market, offsetting weaker demand in other pipe segments, in particular, lower consumption of seamless and welded industrial pipe as a result of a slowdown in construction and machine building industries. TMK believes the Company can further strengthen its position in the Russian OCTG market following its import substitution programme.

In the U.S., TMK expects the end of the decline in the rig count in the fourth quarter and a gradual recovery in drilling activity thereafter. Additionally, OCTG pricing is expected to further decline in the third quarter of 2015 due to excess levels of inventory.

In the European pipe market, TMK expects no major improvements in the third quarter of 2015 with a slow recovery in the fourth quarter of the year.

Overall, the Company retains the positive dynamics in the most profitable segments of the business and confirms its earlier expectations for the full year 2015 that volumes and margins will remain relatively stable compared to the full year 2014.

2Q and 1H 2015 IFRS Financial Statements are available at:
www.tmk-group.com/media_en/texts/34/tmk_ifrs_6m2015_usd_en.pdf

2Q 2015 and 1H 2015 IFRS Results Conference Call:

TMK's management will hold a conference call to present the second quarter financial results today, August 24, 2015, at 09:00 New York / 14:00 London / 16:00 Moscow.

To join the conference call please dial:

UK Local:	+44 20 3427 1916
UK Toll Free:	0800 279 5004
Russia:	+7 495 213 0977
U.S. Local:	+1 212 444 0481
U.S. Toll Free:	1 877 280 2342
Conference ID:	6616042

(We recommend that participants to start dialing-in 5-10 minutes prior to ensure a timely start of the conference call)

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

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TMK (www.tmk-group.com)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipe for oil and gas industry, operating 30 production sites in the United States, Russia, Canada, Romania, Oman, UAE and Kazakhstan with 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).