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PRESS RELEASE

TMK and MMK agree on price formula for rolled sheet

TMK and Magnitogorsk Iron & Steel Works (MMK) signed an agreement to apply a price formula for hot-rolled heavy plate supplied to TMK. The document was signed by Alexander Shiryayev, CEO of TMK, and Pavel Shilyayev, CEO of MMK.

The price formula is based on the direct cost method. Its main variables include cost of raw materials and production cost of steel plate. Based on this formula, the price is also adjusted for inflation and currency exchange rates. The price of steel plate will be revised quarterly. Term of the agreement is 2016-2018.

"MMK is a traditional and major supplier of hot-rolled steel plate for production of large diameter pipe by TMK's Volzhsky Pipe Plant. The price formula will enable both parties to significantly reduce risks in the periods of volatile commodity and currency markets, make pricing mechanism transparent and improve planning efficiency", said Alexander Shiryayev, TMK CEO.

"The agreement will enable us to gradually develop our partnership in the coming years. It demonstrates our mutual interest in keeping our relationship stable. We believe our collaboration with TMK is strategic, and therefore we try to strengthen our partnership. Open and clear pricing is one of the major components of our work", said Pavel Shilyayev, MMK CEO.

For further information regarding TMK, please, visit 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>

TMK (www.tmk-group.com)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for oil and gas industry, operating more than 30 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;
 - TMK CHERMET.
- American division:
 - 12 plants of TMK IPSCO;
 - OFS International LLC;
 - TMK Completions.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman);
 - Threading & Mechanical Key Premium LLC (Abu-Dhabi).

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