



TMK IR PRESENTATION

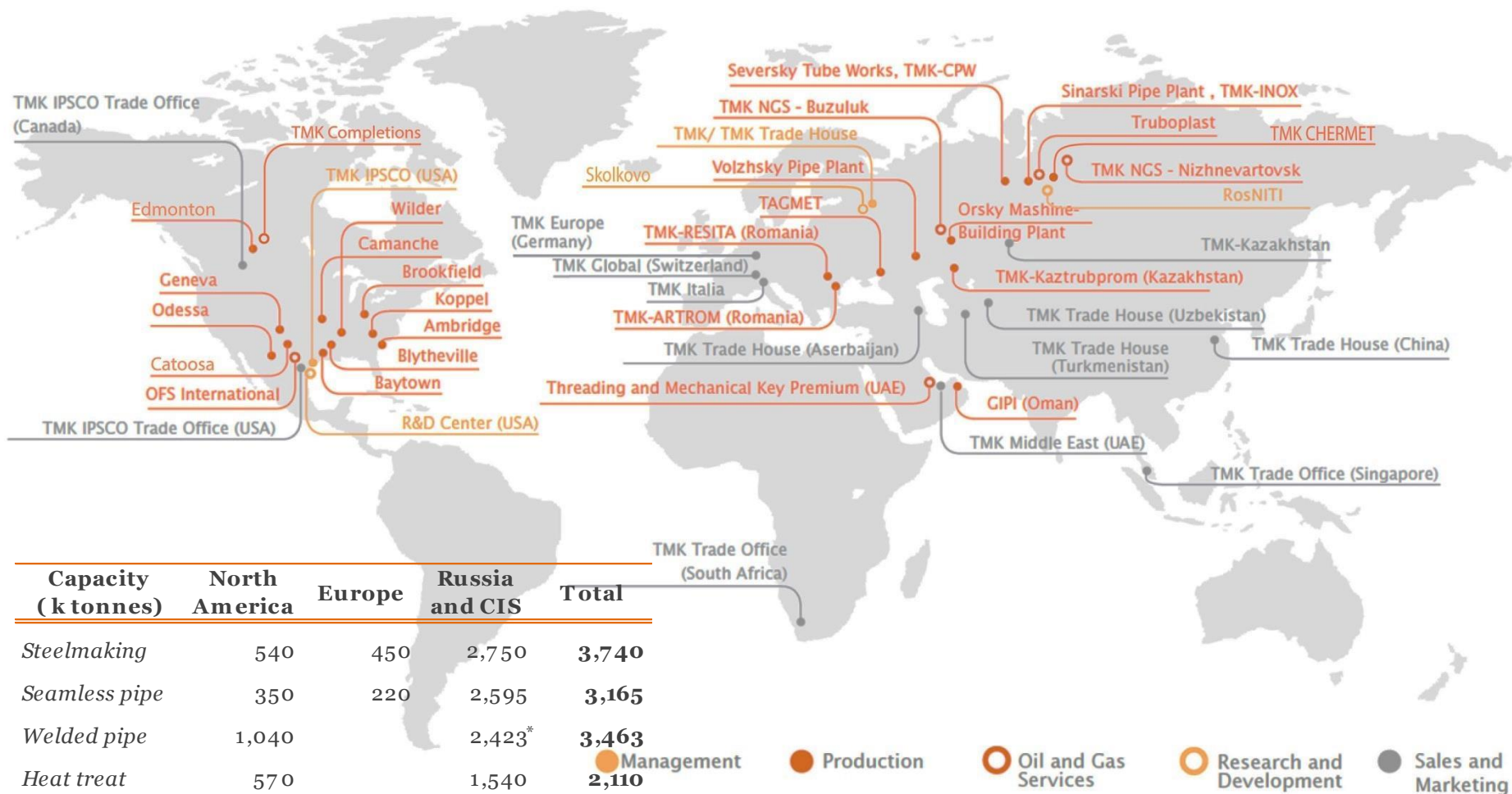
November-December 2015

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TMK– Global Supplier of Full Range of Pipes for Oil and Gas Industry

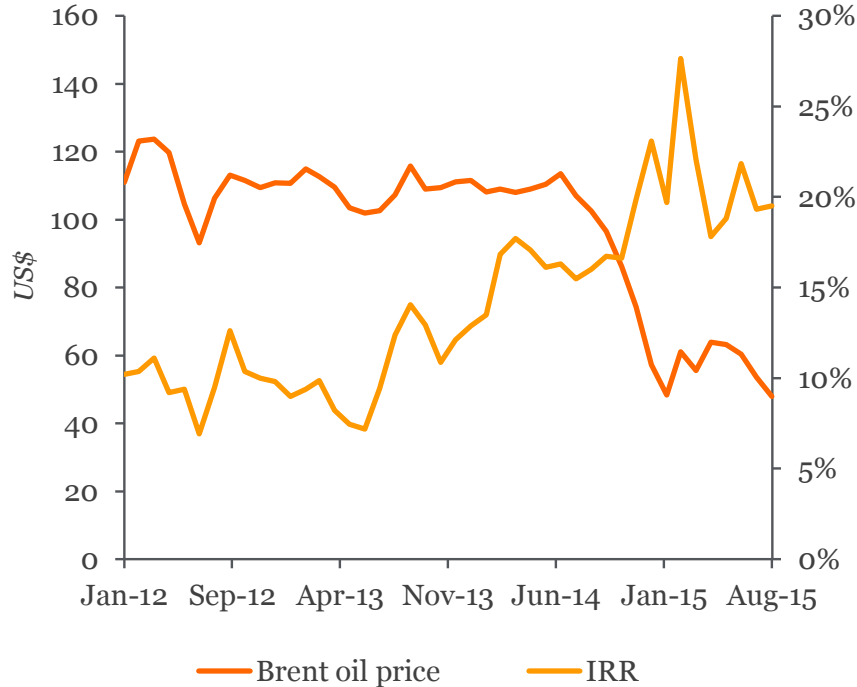


Source: TMK data

Russian Market Overview

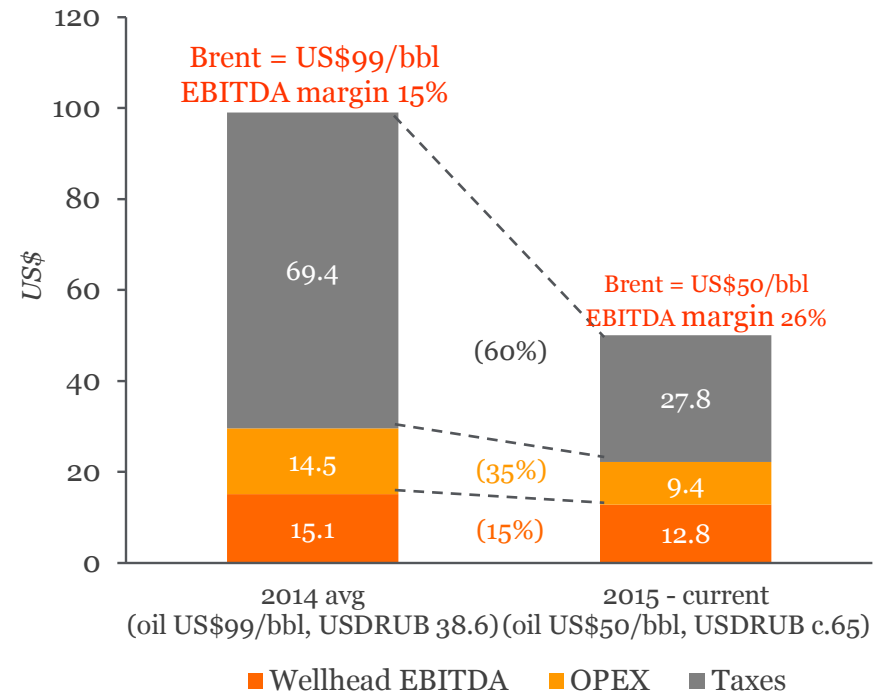
Russian Upstream Oil Sector is More Profitable than Last Year

Marginal oil well returns increased in 2015



Source: Citi Research

Russian upstream EBITDA resilience

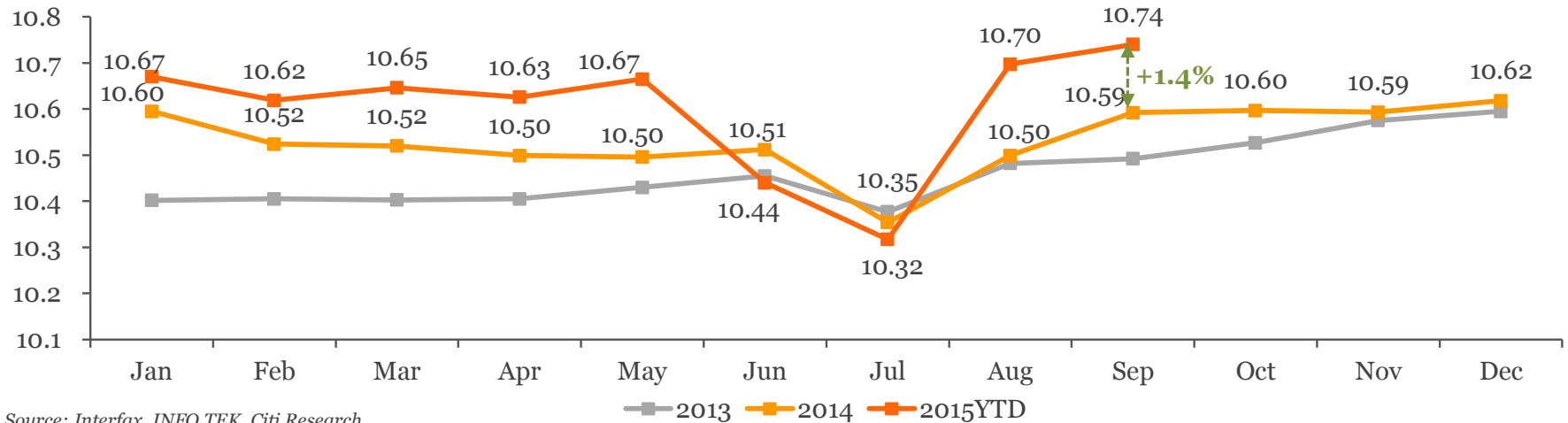


Source: Citi Research

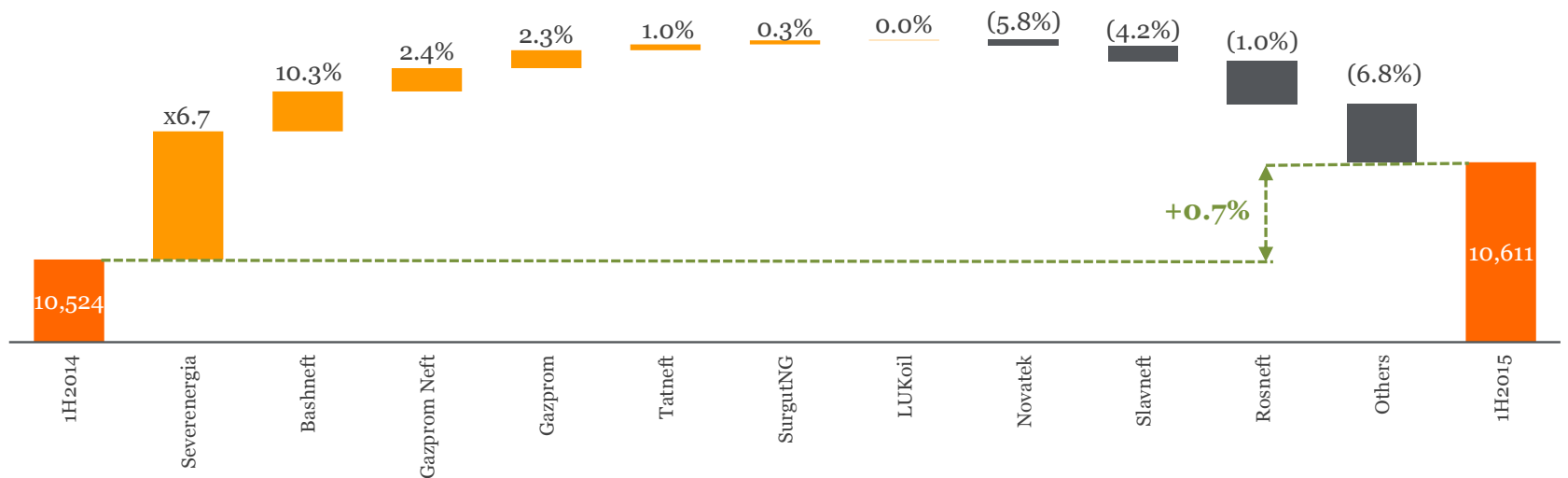
- Russian oil production remains profitable, economic returns (IRRs) on drilling a marginal oil well in Russia are better than last year.
- There are two main factors behind the resilient upstream profitability in Russia:
 - An automatically-adjusting tax regime, which absorbs over 80% of the oil price fall;
 - Freely floating RUB, which cut OPEX by around 35%.

Russian Oil Production Keeps Growing, Up 1.4% YoY in Sep 2015

Russian total oil output, mmbpd

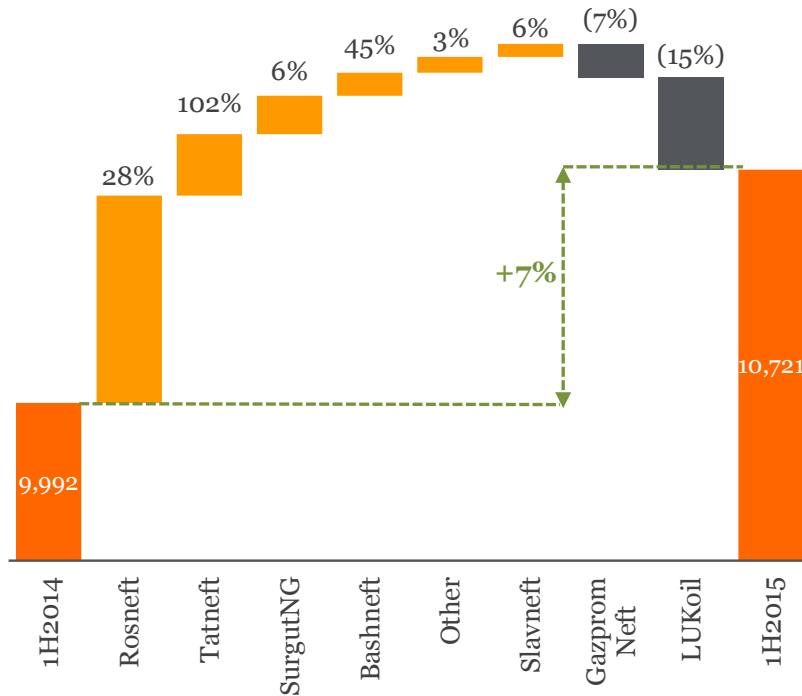


1H2015 Russian oil production growth broken down, kbpd



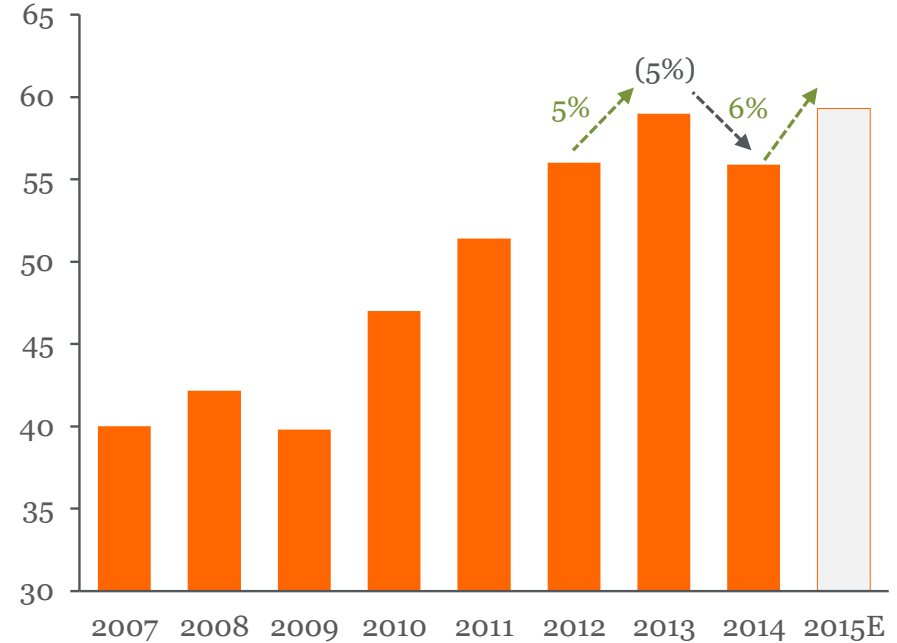
Russian Drilling Activity is Strong and Growing

Russian drilling growth broken down, km



Source: CDU TEK, Citi Research

Russian drilling activity, km/d

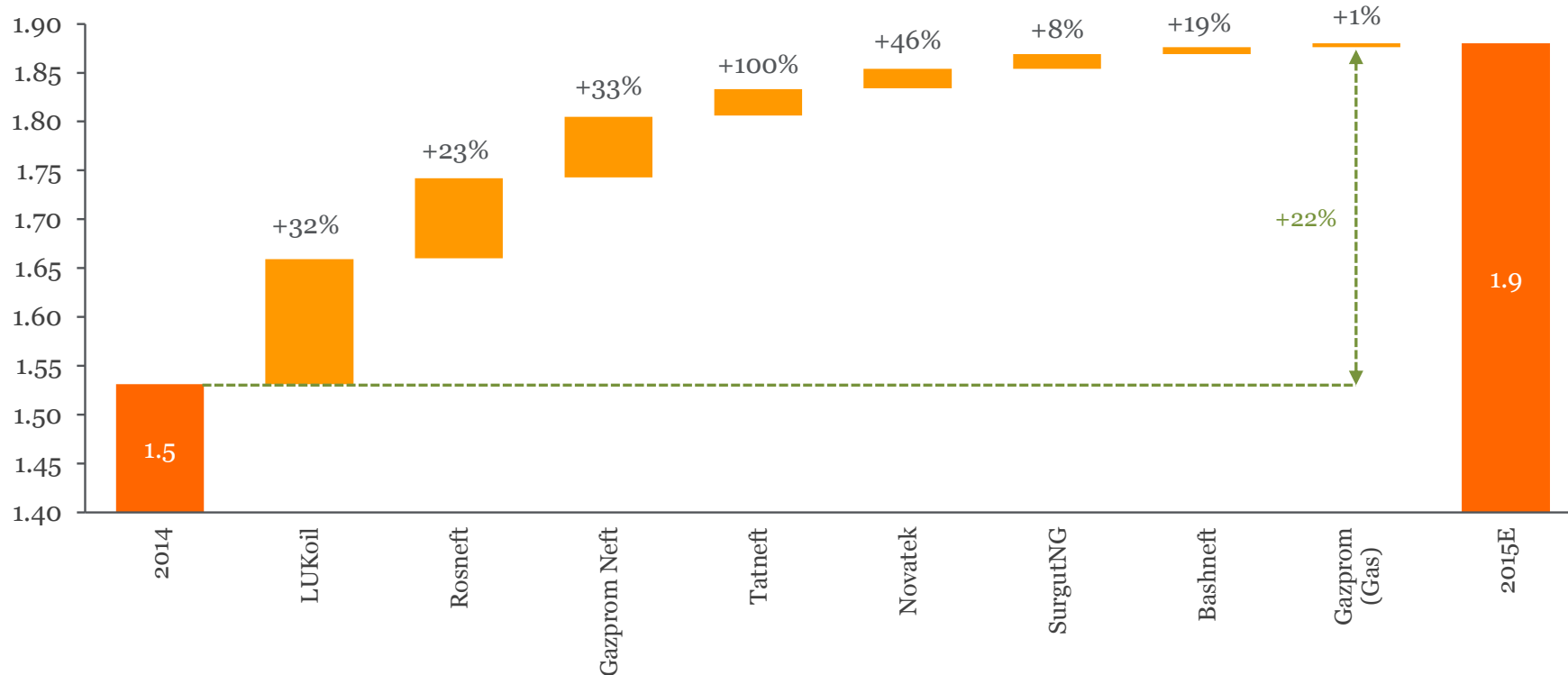


Source: CDU TEK, Citi Research

- Field-level activity is strong and growing. Drilling is up by 7% YoY in 1H15, led by Rosneft (+28% YoY).
- Russian total drilling may grow by 6% YoY in 2015E.

Russian Oil Companies' Upstream CAPEX is Set to Grow in RUB Terms

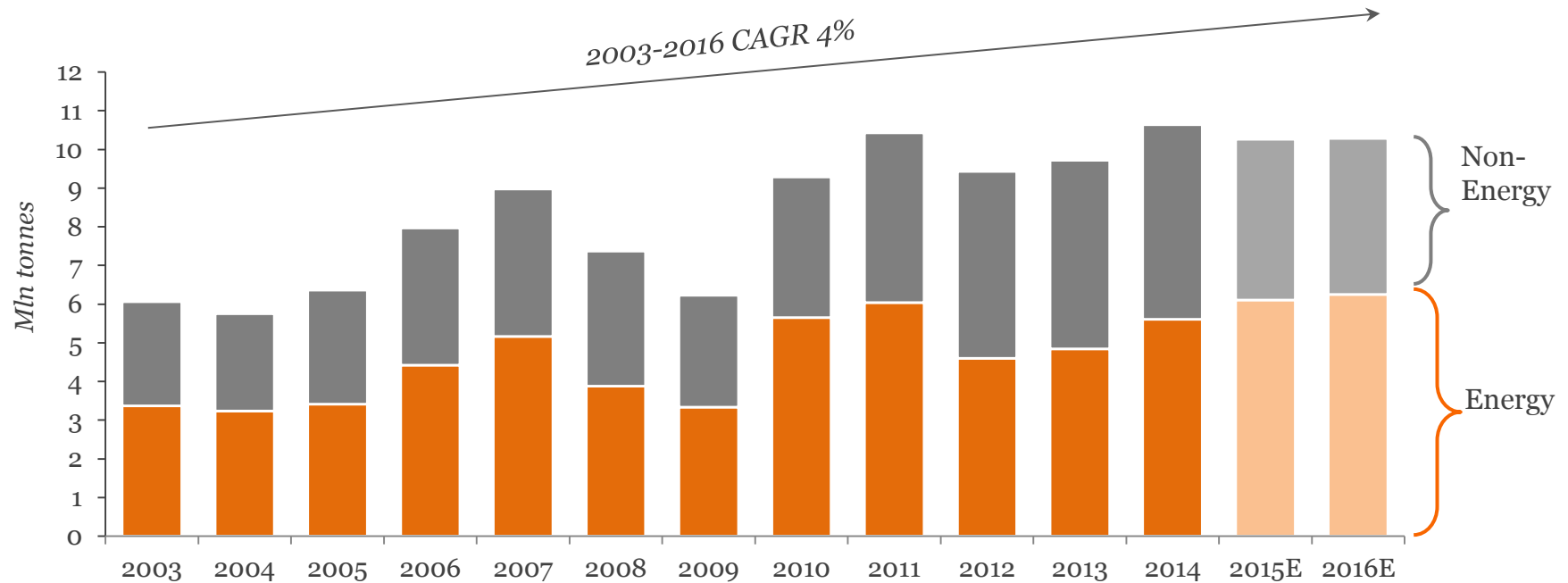
Cumulative upstream CAPEX budget growth decomposition, RUB trn



Source: Citi Research

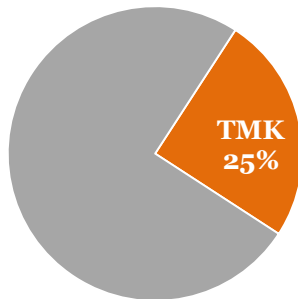
- Recent indications from Russia's oil companies suggest 2015E upstream CAPEX can grow by 20%+ YoY in RUB terms.
- Growing CAPEX in RUB terms should further support activity at the field level.

Russian Tube & Pipe Market



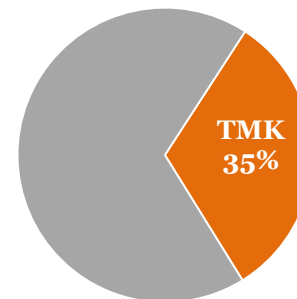
Source: TMK estimates

#1 on the Russian tube & pipe market



Source: TMK estimates, based on 9m2015 numbers

35% market share of energy demand

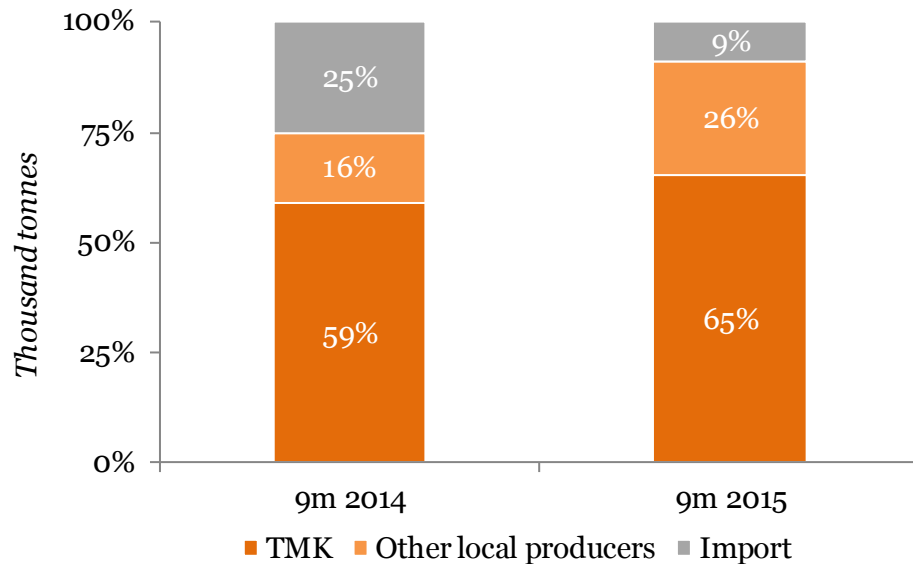


Source: TMK estimates, based on 9m2015 numbers

Strengthening Position on the Domestic Market

TMK share of seamless OCTG is growing

Seamless OCTG market shares, %



Source: TMK estimates



- Ruble depreciation gives the Russian division new opportunities in export and domestic markets.
- Russian tube & pipe imports decreased by 5% for 9m2015.
- Imports of OCTG declined by more than 65%.
- Key premium supplier for the Russian independent and state owned oil&gas companies.

Russian Market Share Positions for 9m2015



SEAMLESS

OCTG **65%**



+6% YoY

Seamless OCTG for oil and gas



Line pipe **61%**



+5% YoY

Seamless line pipe for oil and gas



Industrial pipe **40%**



+8% YoY

High-margin products for industrial needs



WELDED

Large diameter pipe **17%**

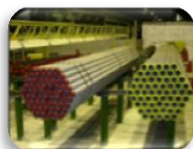


+0.4% YoY

Large diameter pipe for projects



Line pipe **22%**



-1% YoY

Welded line pipe for oil and gas



Industrial pipe **10%**



-1% YoY

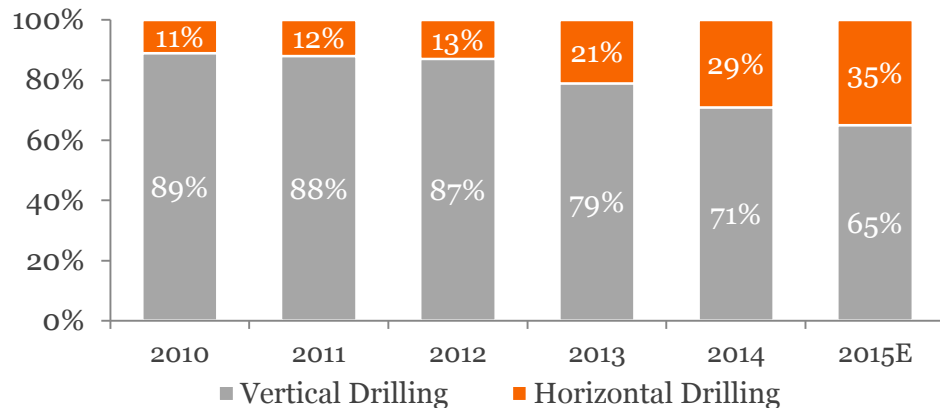
Welded industrial products



Source: TMK estimates, based on 9m2015 numbers

Shift to Horizontal Drilling

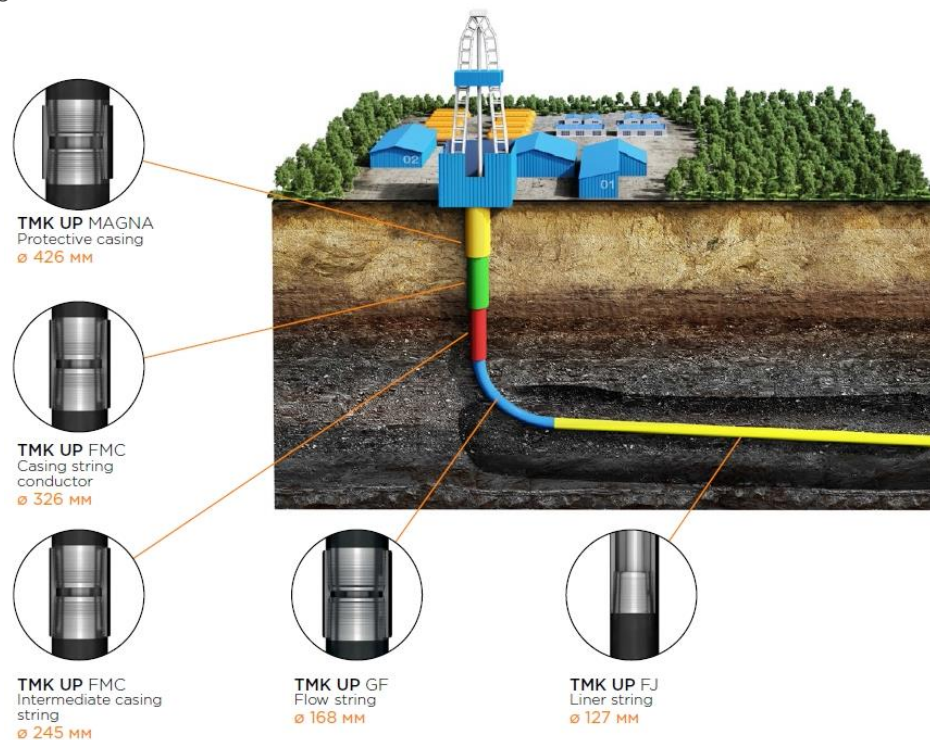
Horizontal drilling is increasing in Russia



Source: CDU TEK

- Horizontal drilling enables operators to target a larger area of oil/gas recovery and achieve a higher flow rate.
- Pad drilling for horizontal wells delivers greater efficiency and cost saving, small footprint.
- Safety regulations require use of gastight premium connections when the gas-oil ratio is high.
- Growth of directional and horizontal drilling increases well depth with a growing share of high-end OCTG used in the string.

- Share of horizontal drilling is constantly growing for the last five years and it drives demand for higher value added tubular products such as premium connections.



Premium Solutions: TMK UP Series



Why do they choose premium in Russia?

- Gas wells
- Oil wells with high gas-oil ratio
- Higher pressure
- When casing is rotated and pushed into place
- Steam-Assisted Gravity Drained (SAGD)
- Offshore

Lite Series



Higher resistance to torque for casing while drilling and rotating.

Classic Series



Easy and reliable make-up.

Professional Series



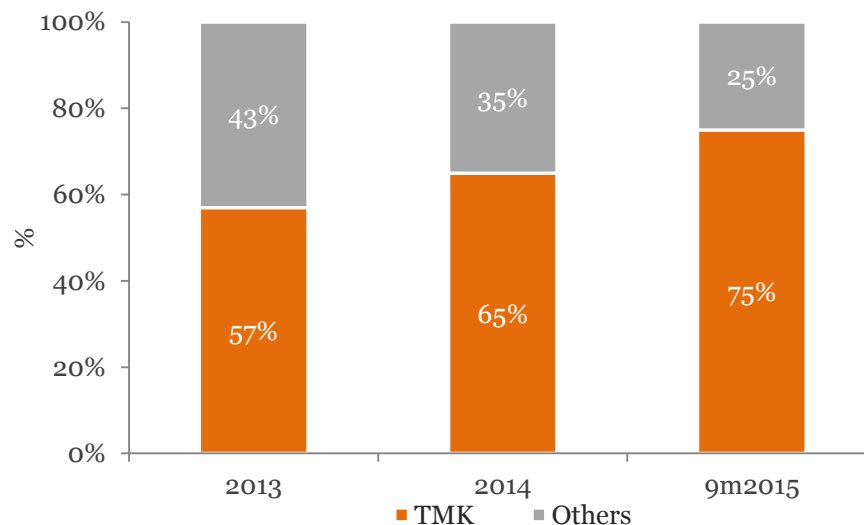
Ability to withstand high tension, compression and bending loads at excessive internal and external pressure.

Special Series



For complex operations: deviated wells; conductor pipe; SAGD wells.

TMK's share on the premium market

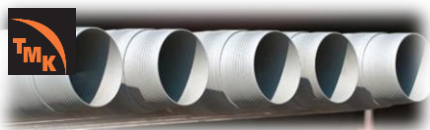


Source: TMK estimates

- TMK is a leader in production of premium tubular products on the Russian market with around 75% market share for 9m2015.
- New product 1: **TMK UP TORQ** - High Torque
- New product 2: **TMK UP CENTUM** – 100%

TMK long-term agreement to supply premium products to Gazprom:

Products will be designed and supplied in accordance with specific technical requirements of Gazprom



- Long-term agreement up to 2023
- Guaranteed purchase of Premium tubular products
- Packaged solution (development of innovative products, production, logistic and technical support)
- Import substitution program



Gazprom is ready to pay in advance for the new products which are on the stage of development



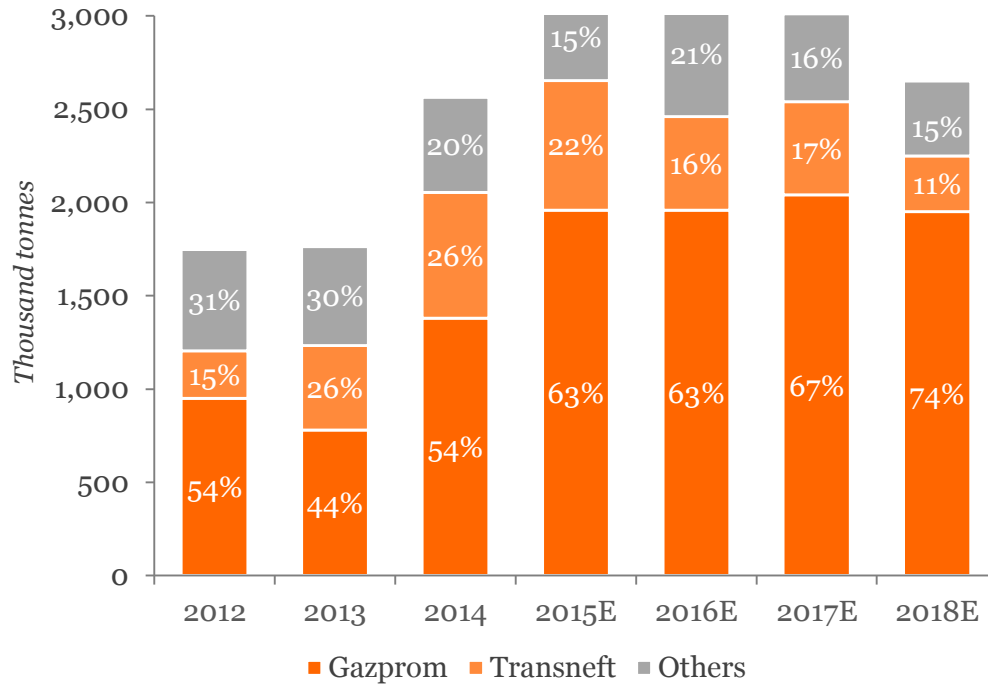
For the current and newly developed projects, including:

- Astrakhan field
- Urengoy field
- Chayandinskoye field
- Kovyktinskoye field
- Offshore projects

Gazprom's Eastern Program Creates Additional Demand



LDP demand in Russia, 2012-2018E



Source: TMK estimates



- Annual LDP demand for the nearest four years could amount to approximately 2.8-3 million tonnes.
- Major projects planned: Power of Siberia (GAZP), Power of Siberia-2 (GAZP), Turkish Stream (GAZP), Nord Stream-2, maintenance needs of Transneft and Gazprom.

Gazprom's Approach to Access the New Markets

Power of Siberia



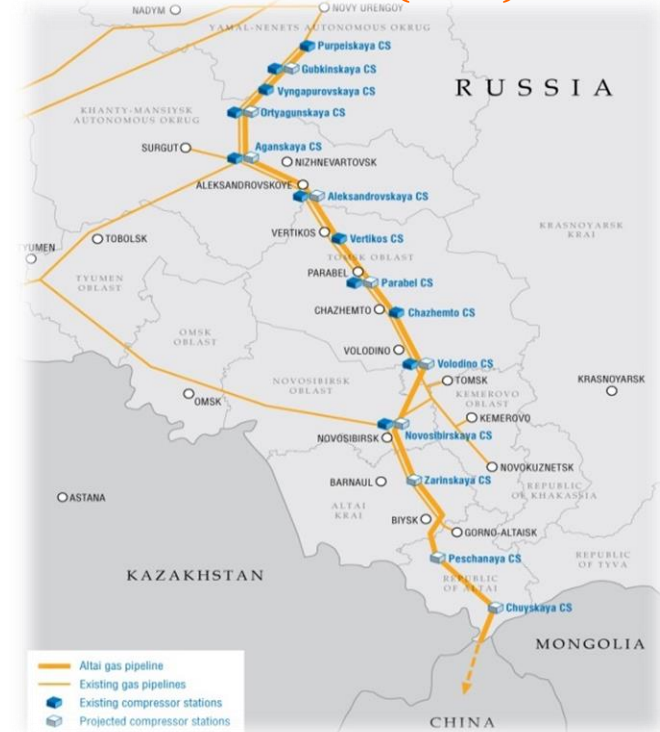
Source: Gazprom

- China demand for gas may reach 450-550 bcm by 2030, or 2.5–3 times the country's current gas consumption.
- Power of Siberia is the first-rate project in the world.
- Demand for LDP from Power of Siberia project could amount to 2.7 mln tonnes till 2018.
- Demand for LDP from Power of Siberia-2 (Altai) project could amount to 2.1 mln tonnes till 2020.
- TMK is already delivering LDP to the project Power of Siberia and willing to supply LDP for the upcoming strategic project Power of Siberia-2 (Altai).

Source: Gazprom, TMK estimates

- Strong demand for Russian gas in Asia-Pacific countries, primarily China.
- Gazprom seeks to grow its share of North-East Asia markets to 10–15% long-term.

Power of Siberia-2 (Altai)

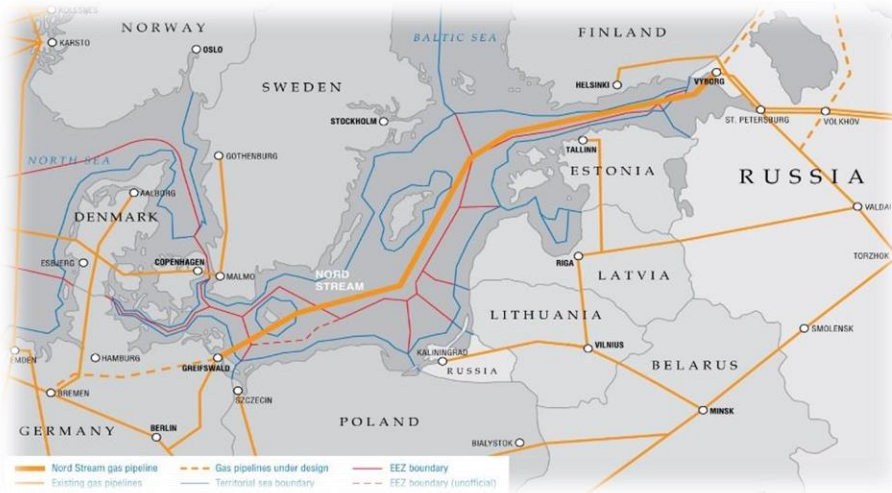


Source: Gazprom

Demand for Gas in EU is Growing

- Gazprom intends to maintain its share on the traditional European markets.
- Gas imports to the EU are anticipated to grow in the coming decade by nearly 200 billion cubic meters.

Nord Stream-2 offshore



Source: Gazprom

Nord Stream-2 onshore



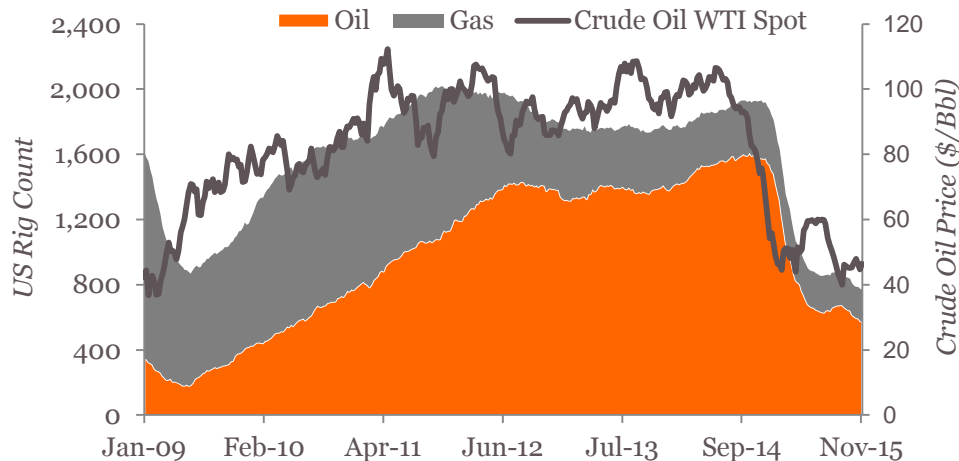
Source: Gazprom

- Demand for LDP from Nord Stream 2-nd line onshore project could amount to 1.2 mln tonnes till 2018.
- Additional demand to Russian LDP market could amount to 2.2 mln tonnes till 2019 for the Nord Stream 2-nd line offshore project.

U.S. Market Overview

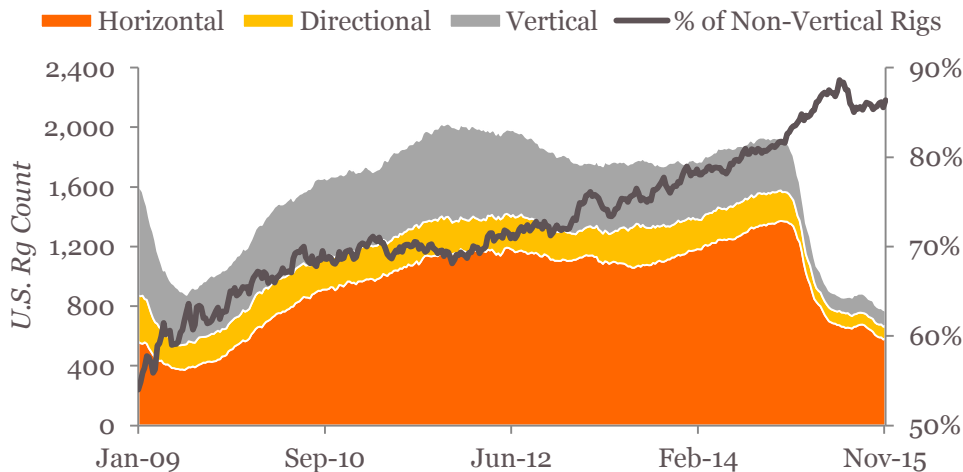
2015 Industry Performance Review: A Challenging Year

Drop in rig count followed drop in oil prices



Source: Baker Hughes, Bloomberg

Vertical drilling is more severely affected

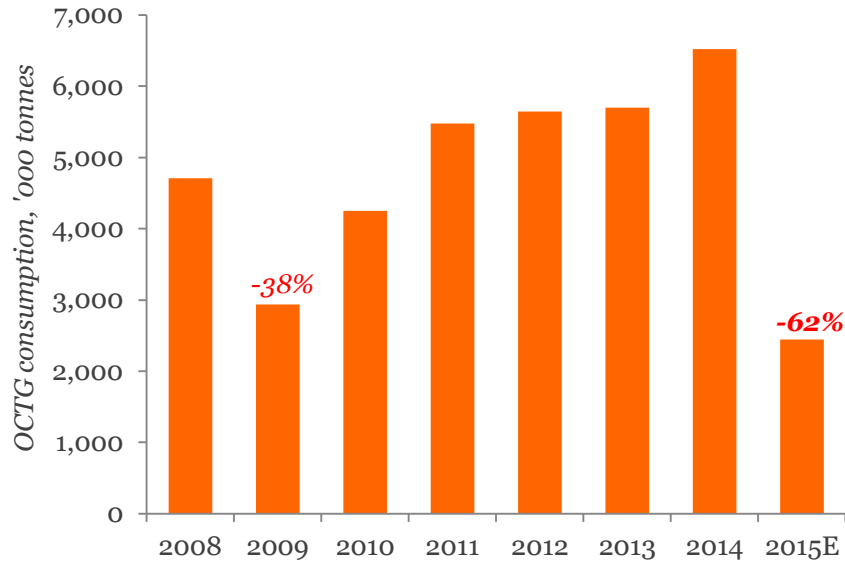


Source: Baker Hughes

- Average number of rigs in 3Q2015 decreased by 5% QoQ and dropped by 43% for 9M2015 over 9M2014 to 1,059.
- The current rig count is still pointing to US production declining sequentially between 2Q15 and 4Q15.
- During the 2009 market down-turn, rig count began to recover once oil prices reached \$70/Bbl. Since then, improvements in technology brought this inflection price down.
- The decline in drilling has been more extreme in vertical rigs.
- Generally, vertical rigs consume more welded, lower value pipe.

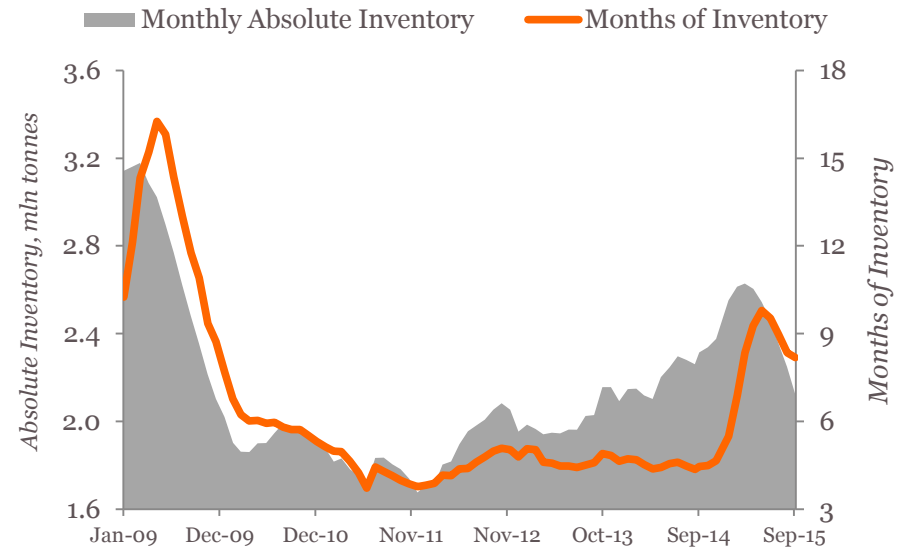
Impact on US OCTG Demand

FY2015 forecast remains unchanged, with OCTG consumption expected to drop sharply



Source: Preston Pipe & Tube Report

Lower consumption pushed inventory levels to 8.2 months in September 2015



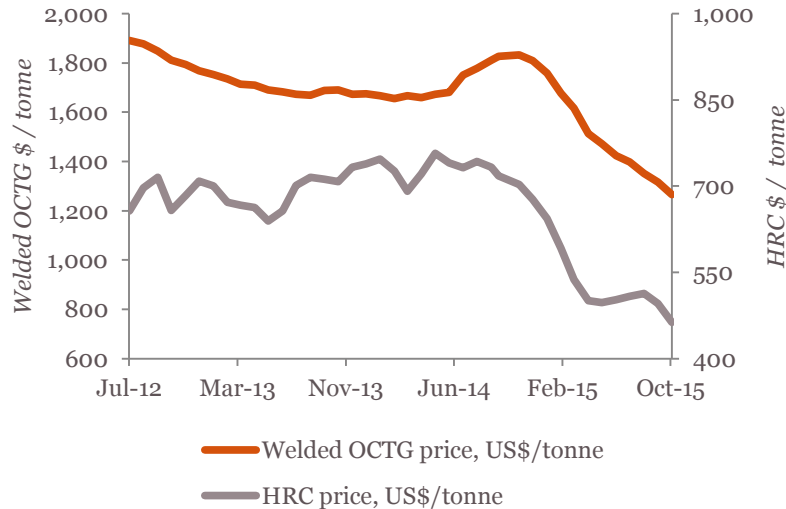
Source: Preston Pipe & Tube Report

- US demand for OCTG will remain low for the remainder of the year as drilling volumes continue to decline.
- OCTG pricing is expected to further decline in the fourth quarter of 2015 due to excess levels of inventory and foreign imports.
- A gradual recovery of the North American pipe market is not expected until 2016, subject to oil price stabilisation, growth of drilling volumes as well as reduction in inventory.

Price Decline Being Aided by Drop in Raw Material Costs

US distributor welded OCTG vs HRC prices

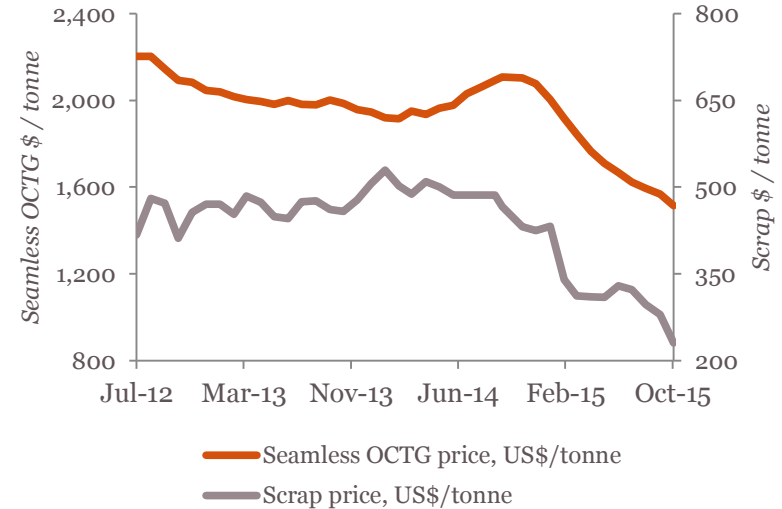
(Monthly Average)



Source: Pipe Logix, HRC Midwest CRU Prices

US distributor seamless OCTG vs. scrap prices

(Monthly Average)



Source: Pipel Logix, AMM

- According to Pipe Logix, in the third quarter of 2015, the average composite OCTG seamless and welded prices decreased by 9% and 8% respectively, compared to the second quarter of 2015. For the nine months of 2015, both prices fell by 12% over the same period of 2014.
- In October 2015, HRC prices decreased by 7%, over the previous month, to \$420, while scrap fell by 18%, to \$209 over the same period.

Cost-cutting is the order of the day

- Cost of drilling came **down by 20-25%**.
- Well completion costs in the Bakken **declined by 30%** during 1Q2015, **up to 35%** elsewhere.
- Falling costs and better takeaway capacity from new pipelines allow producers to keep wells profitable in the face of low prices.
- “We’ve seen price reductions, but we’ve also seen improved efficiencies,” Exxon Mobil Corp CEO Rex Tillerson said.



Source: The Bakken Magazine: “Halcon’s Bakken Well Cost Decline as Production Increases.”, Reuters

Reduced drill time

- Reduced the time it takes to drill a rig **down to a low of 4 days** through technological advancements and better planning.
- Apache’s **fracking costs fell 30%**, while drilling costs have tumbled 20% in the shales.
- Statoil cut the average cost of drilling LTO from \$4.5 million to \$3.5 million (23%).



Source: NYT: “Drillers Answer Low Prices with Cost-Saving Innovations.”

Water conservation and recycling

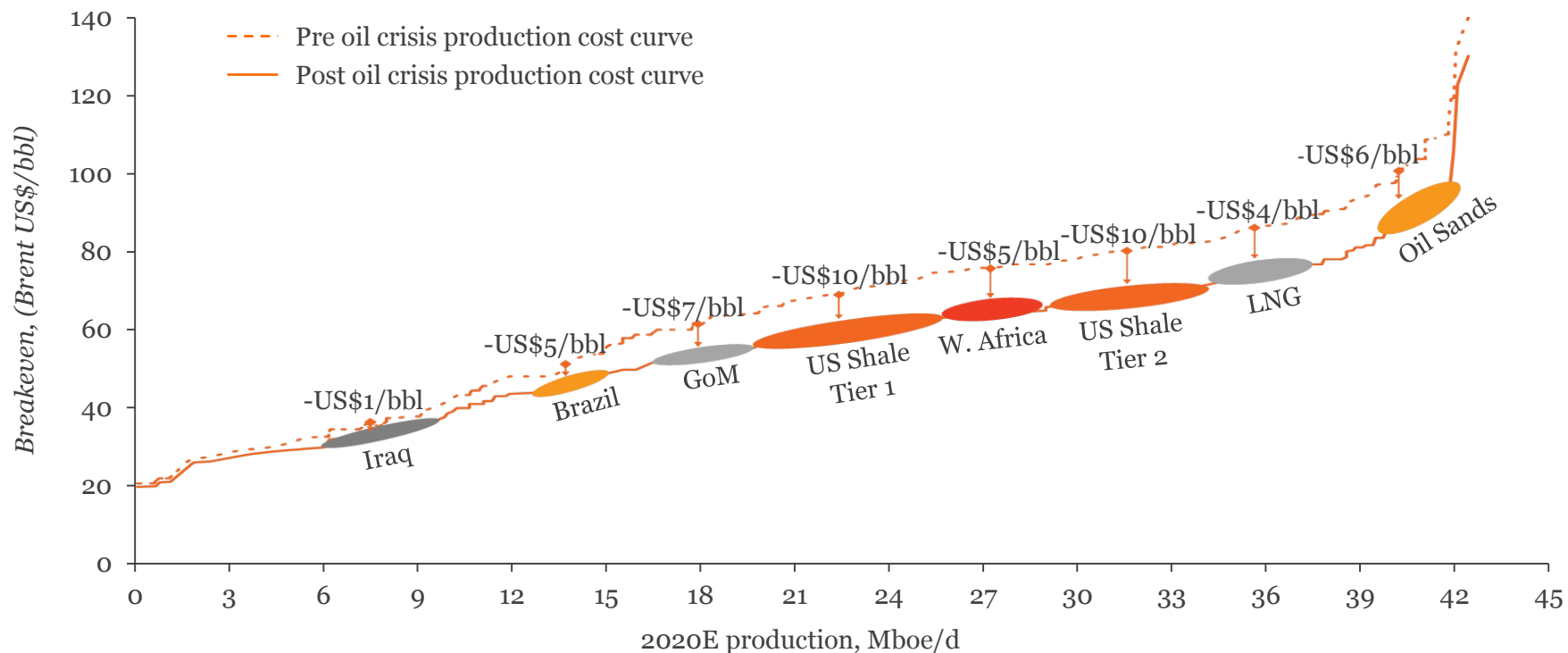
- Cut overall water use by 12%.
- Cut labor costs by 34%.
- Not hauling in fresh water cuts the cost per barrel of oil by \$3.
- Restoring habitats helps reduce runoff, environmental footprint and recharges the groundwater.
- Anadarko is **reusing 100%** of the frack water that flows back from its wells.



Source: Reuters

US Shale Oil Production Costs Decreased Significantly from Pre-Crisis

Oil production cost curve pre and post oil crisis snapshot

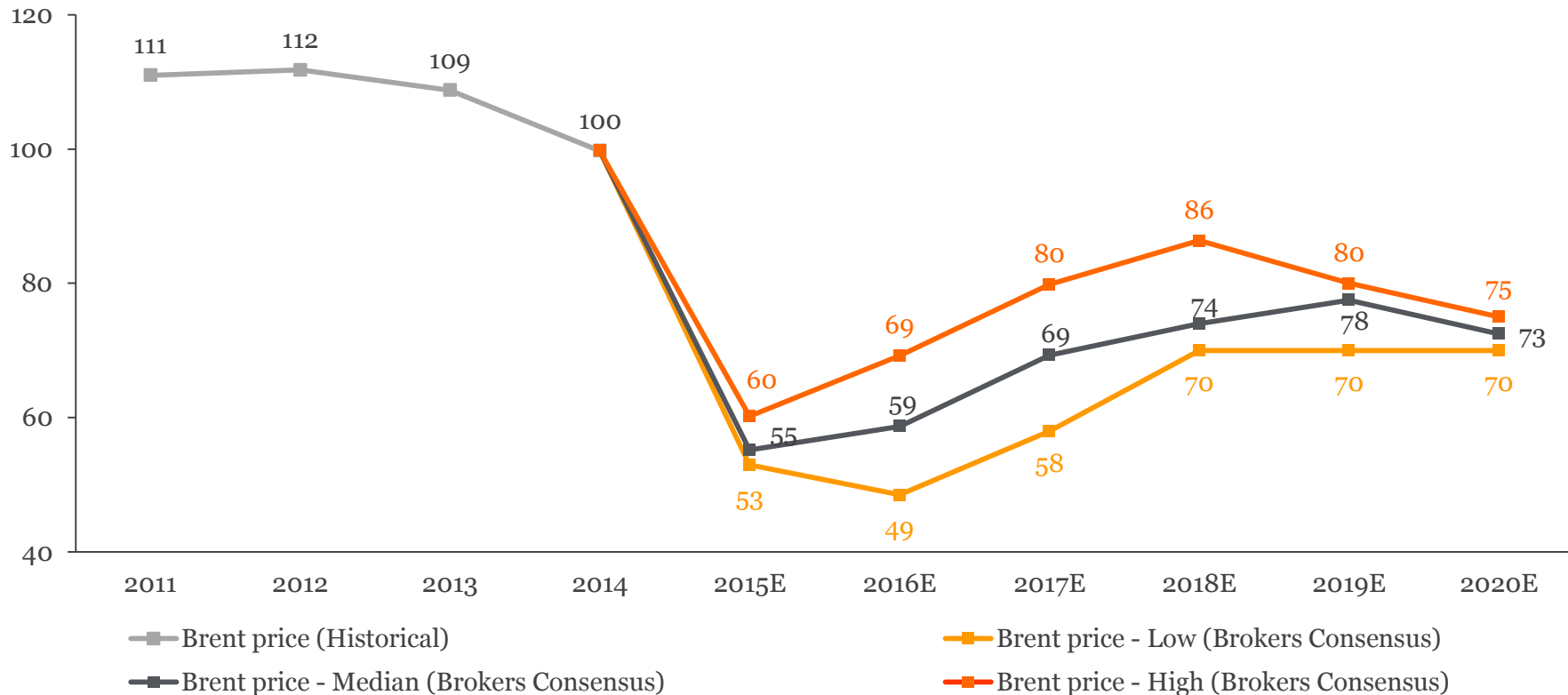


Source: Citi Research

- Production costs for US shale have quickly adjusted from pre crisis levels of US\$70-80/bbl to below US\$60/bbl on average now. A further drop to US\$50/bbl is possible.
- Production cost flexibility supports resilience of US shale producers in the downturn.

Brent Price is Expected to Recover to US\$70-80/bbl levels in 2017-2020

Brent historical and forecasted prices, US\$/bbl



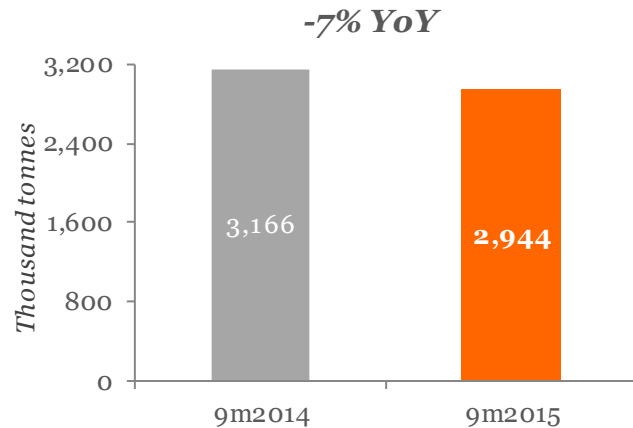
Source: Brokers consensus

- Brokers estimate oil price to recover to US\$70-80/bbl levels in 2017-2020.

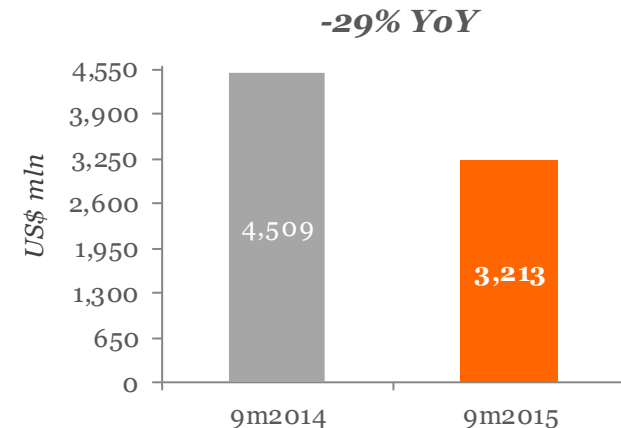
9 months 2015 Financial Results

9m 2015 vs 9m 2014 Summary Financial Highlights

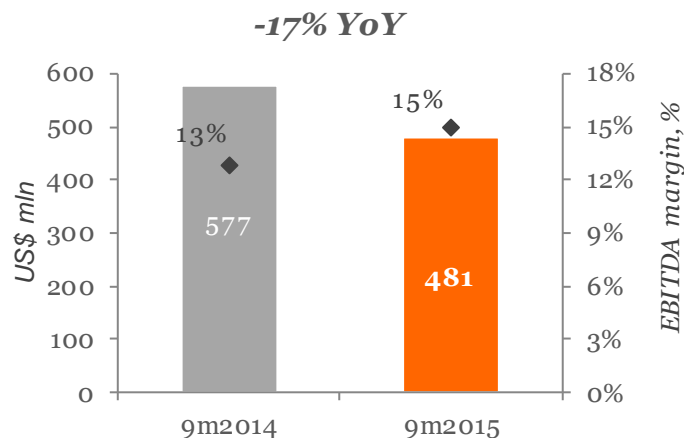
Sales decreased YoY, due to lower pipe volumes in the American division



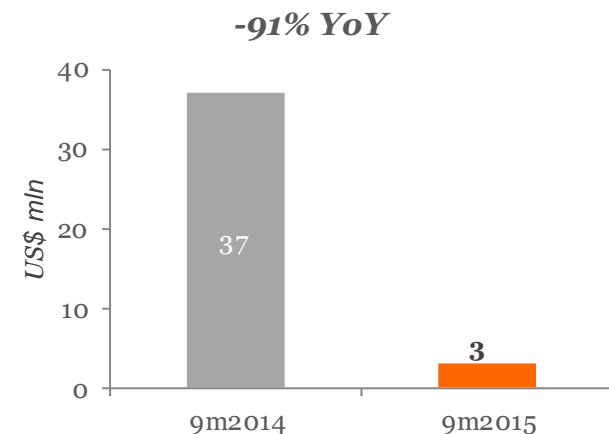
Revenue fell YoY, mainly due to a negative effect of currency translation and a fall of sales in the American division



Adjusted EBITDA decreased YoY, mainly due to weaker results of the American division

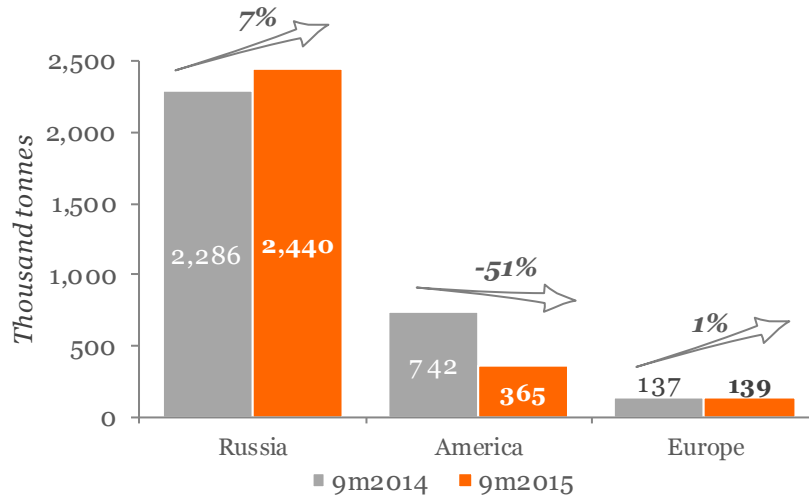


Net profit was \$3 million as compared to \$37 million for the first nine months of 2014



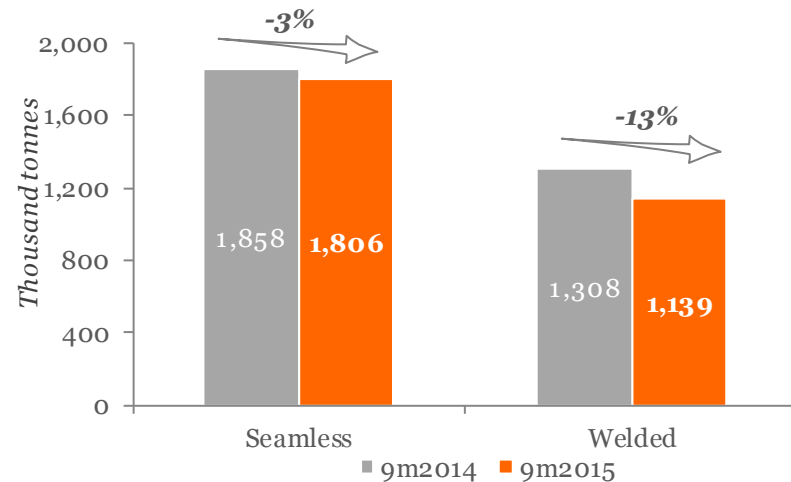
9m 2015 vs 9m 2014 Sales by Division and Group of Product

Sales by division



- Russian division sales grew YoY, largely due to higher LDP volumes.
- American division sales dropped YoY, mainly due to lower volumes across all pipe segments.
- European division sales remained relatively flat YoY.

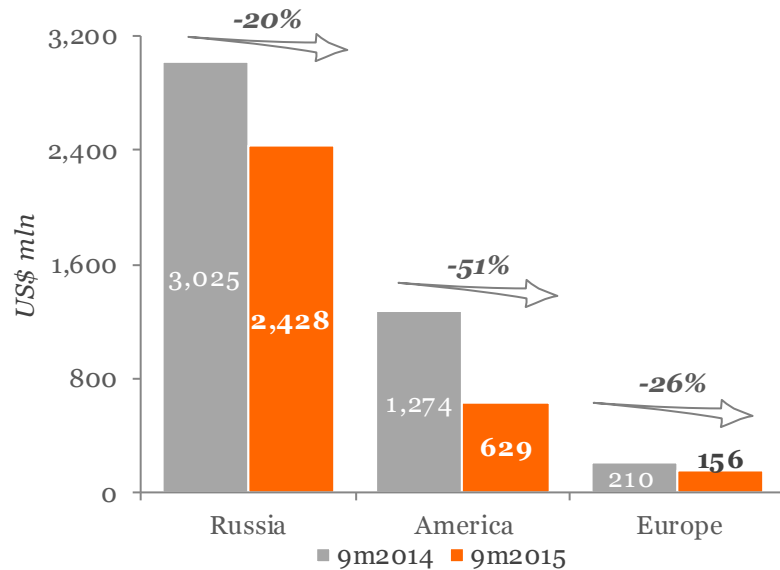
Sales by group of product



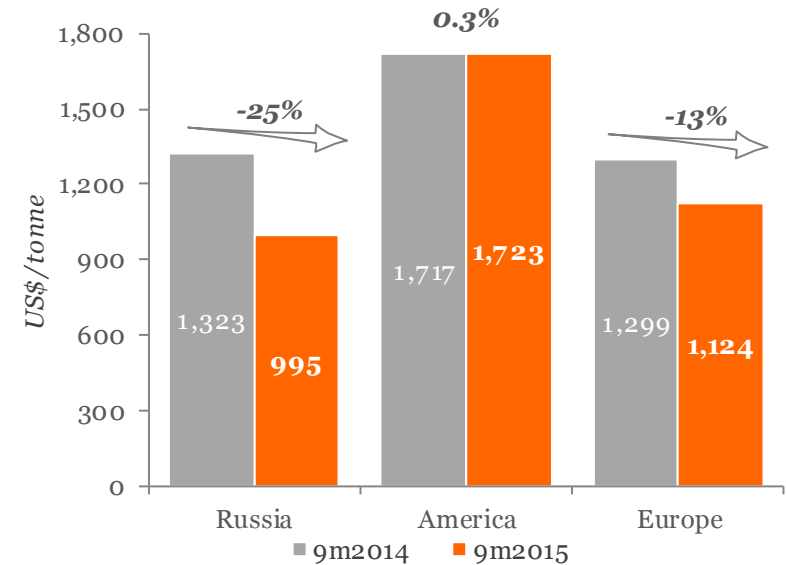
- Seamless pipe volumes decreased YoY, as a result of lower seamless pipe sales in the American division partially compensated by higher volumes in the Russian division.
- Welded pipe sales decreased YoY, largely due to lower welded OCTG pipe volumes in the American division, which was not fully compensated by stronger LD pipe sales in the Russian division.
- Total OCTG sales decreased by 24% YoY, largely due to lower volumes in the American division.

9m 2015 vs 9m 2014 Revenue by Division

Revenue



Revenue per tonne*



* Revenue/tonne for the Russian and American divisions is calculated as total revenue divided by pipe sales. Revenue for the European Division is calculated as total revenue divided by pipe+billet sales

- Revenue for the Russian division decreased YoY, due to a negative effect of currency translation.
- Revenue for the American division dropped YoY, as a result of significant decrease in volumes of both seamless and welded pipe.
- Revenue for the European division fell YoY, mostly due to a negative effect of currency translation and lower steel billets sales.

- Russian division revenue per tonne fell YoY, as a result negative effect of currency translation.
- American division revenue per tonne remained relatively flat YoY.
- European division revenue per tonne decreased YoY, as a result of unfavorable pricing environment.

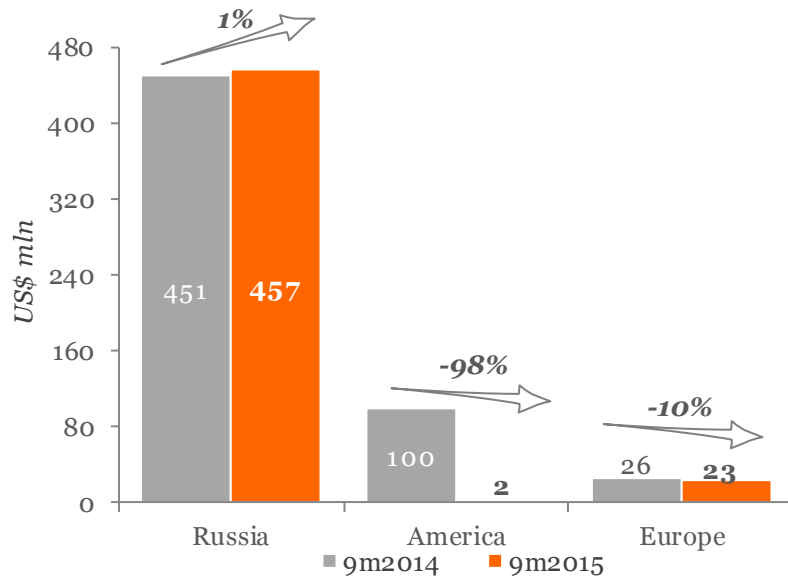
Source: Consolidated IFRS financial statements, TMK data

Note:

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

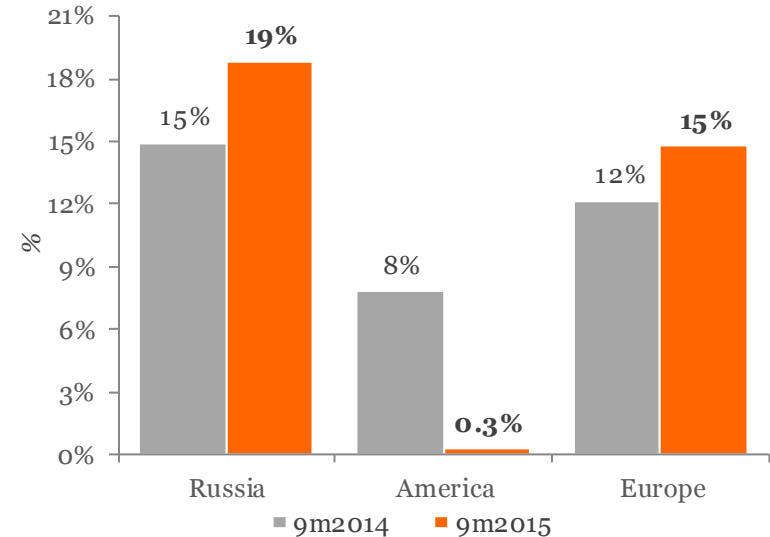
9m 2015 vs 9m 2014 Adjusted EBITDA by Division

Adjusted EBITDA



- Russian division Adjusted EBITDA increased YoY, as a negative effect of currency translation was partially offset by significantly lower selling and administrative expenses.
- American division Adjusted EBITDA dropped YoY, mainly as a result of lower pipe sales and unfavorable pricing environment.
- European division Adjusted EBITDA fell YoY, due to lower volumes and unfavorable pricing environment on the European market.

Adjusted EBITDA margin



- Russian division Adjusted EBITDA margin increased YoY, largely due to favorable pricing and sales mix, particularly higher LD pipe volumes.
- American division Adjusted EBITDA margin fell YoY, as a result of unfavorable pricing.
- European division Adjusted EBITDA margin grew YoY, mostly as a result of higher share of seamless pipe in total sales.

Source: TMK Consolidated IFRS financial statements, TMK data

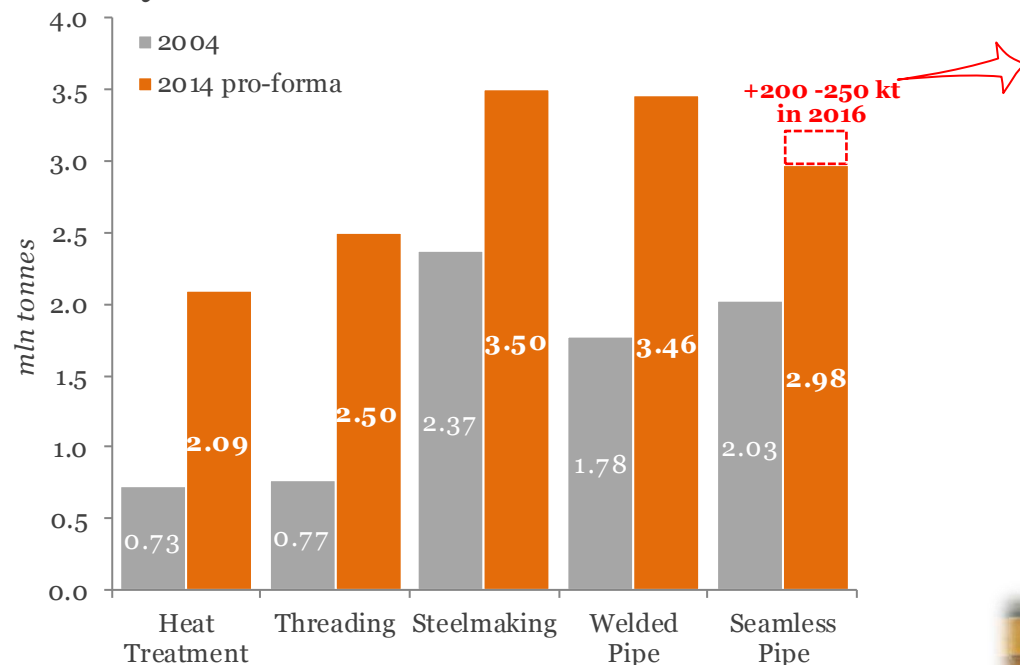
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Strategic Overview

All Strategic Assets Operating

Focus of CAPEX program has been seamless pipe and facility modernization in Russia and the US



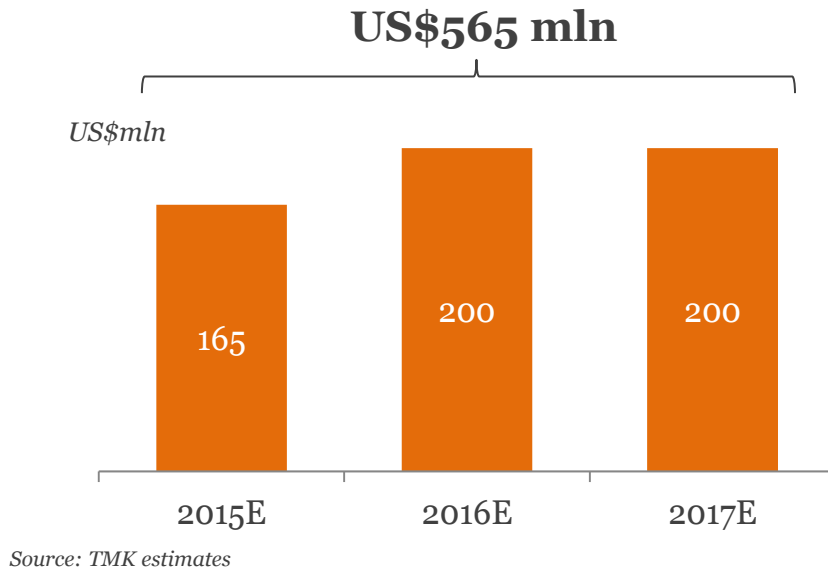
Source: TMK data

- Total strategic investment program amounted to around US\$3.6 bn.
- No major acquisitions are planned.
- Further investments will be focused on additions to finishing capacities across all major regions of operations.

- New pipe rolling FQM Mill at Seversky Pipe Plant put into operation in October 2014.
- Additional 200-250 thousand tonnes of seamless pipe capacity to meet growing demand.
- Total cost of the project around US\$435 mln to be fully paid by 2017.



Revised Capex Program



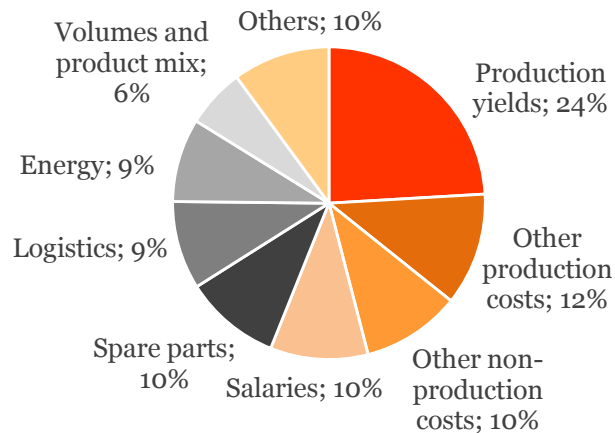
- Total US\$565 mln capex program for three years, including approximately US\$100-120 mln maintenance capex annually.
- Capex was cut by more than 30% to adjust to current macroeconomic conditions.
- Major strategic investment program completed in Autumn 2014.
- Majority of 2016-2017 capex will be spent on finishing capacities like heat treatment and threading lines.



Ongoing Cost Cutting Program

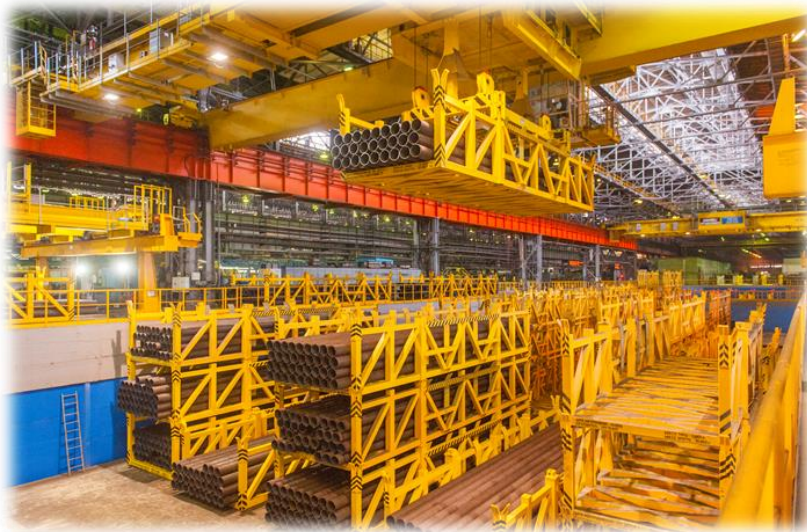
2015 cost cutting program breakdown

Total effect of around US\$80 mln*



Source: TMK estimates

*at RUB/USD 59.6029 used internally for FY2015 estimates



- 2015 cost cutting program as scheduled: around 75% of the program has already been realized.
- 2014 cost cutting program was realized by more than 100%.
- Estimated total effect on EBITDA is approximately US\$80 mln.

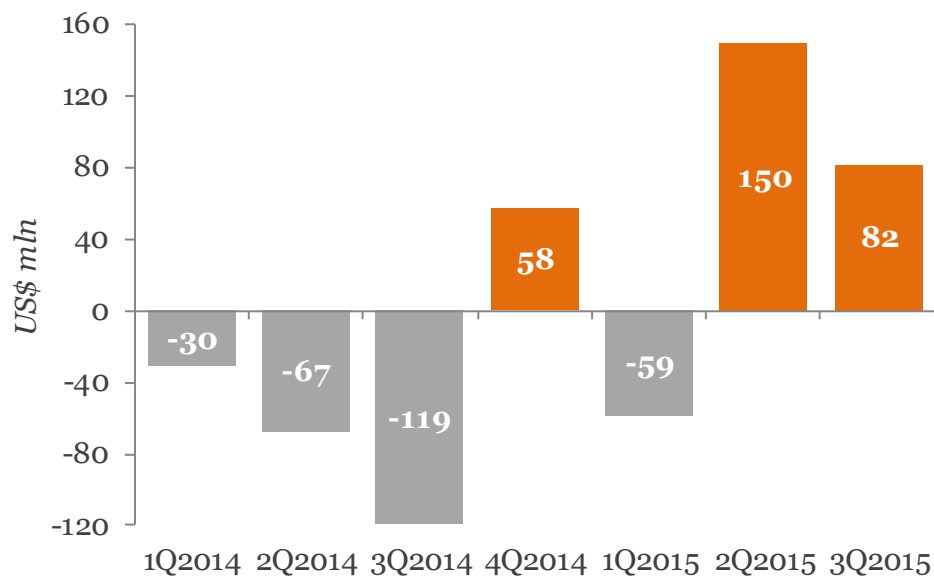
Ongoing cost cutting measures

Selected Items	Estimated effect on EBITDA, kUS\$	
	2014	2015E
Production yields	24,404	19,257
Salaries	21,733	13,568
Volumes and product mix	3,011	7,124
Energy	7,676	5,725
Logistics	9,102	5,495
...
RUB/USD	38.42166	59.6029

Source: TMK estimates

Optimization of Working Capital Position

Working capital position as of Sep 30, 2015



- For 9m 2015, release of working capital in the amount of US\$149 mln:

- Improved payment discipline of the major clients;
- Decrease in inventory levels.

- Prepayments will enable incremental reduction of debt.

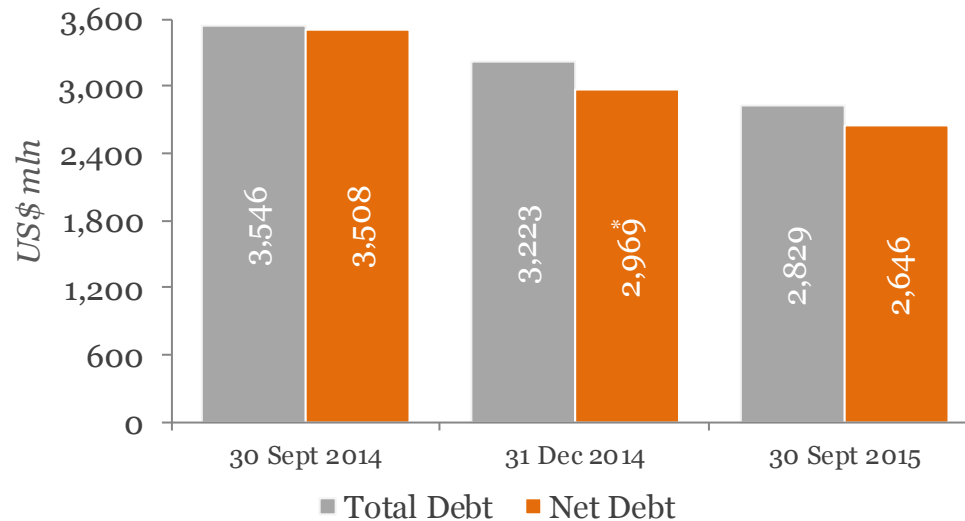
Source: TMK data

US\$ mln	2014				2015			2014	2015
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	12m	9m
(Increase)/decrease in inventories	-22	-25	-63	-21	6	92	-39	-130	78
(Increase)/decrease in trade and other receivables	27	6	-91	-19	-6	121	49	-76	95
Decrease in prepayments	6	-3	0	-24	12	7	-29	-21	-5
Decrease in trade and other payables	-28	-44	44	69	-46	-77	-19	41	-54
Decrease in advances from customers	-14	-2	-10	52	-24	6	120	26	34
Working capital, US\$ mln	-30	-67	-119	58	-59	150	82	-159	149

Source: TMK data

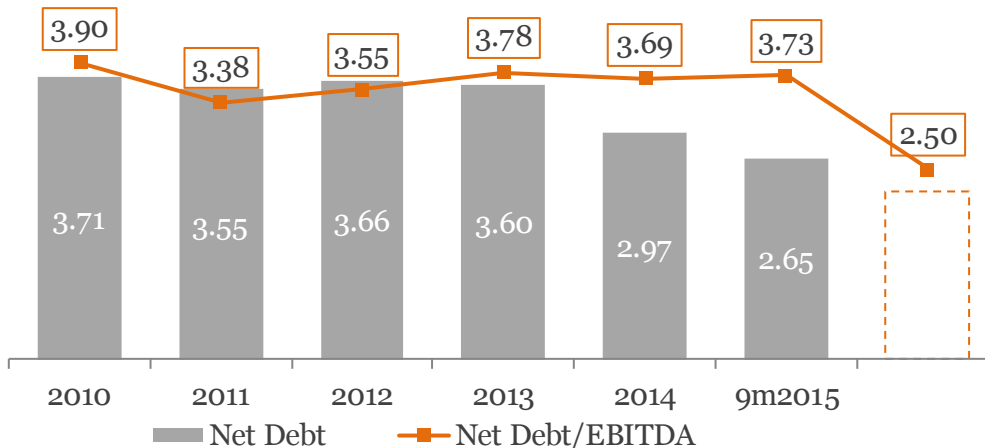
Commitment to Deleverage

Continuous decrease of debt level



Source: Consolidated IFRS financial statements

Target to achieve 2.5x Net Debt/EBITDA

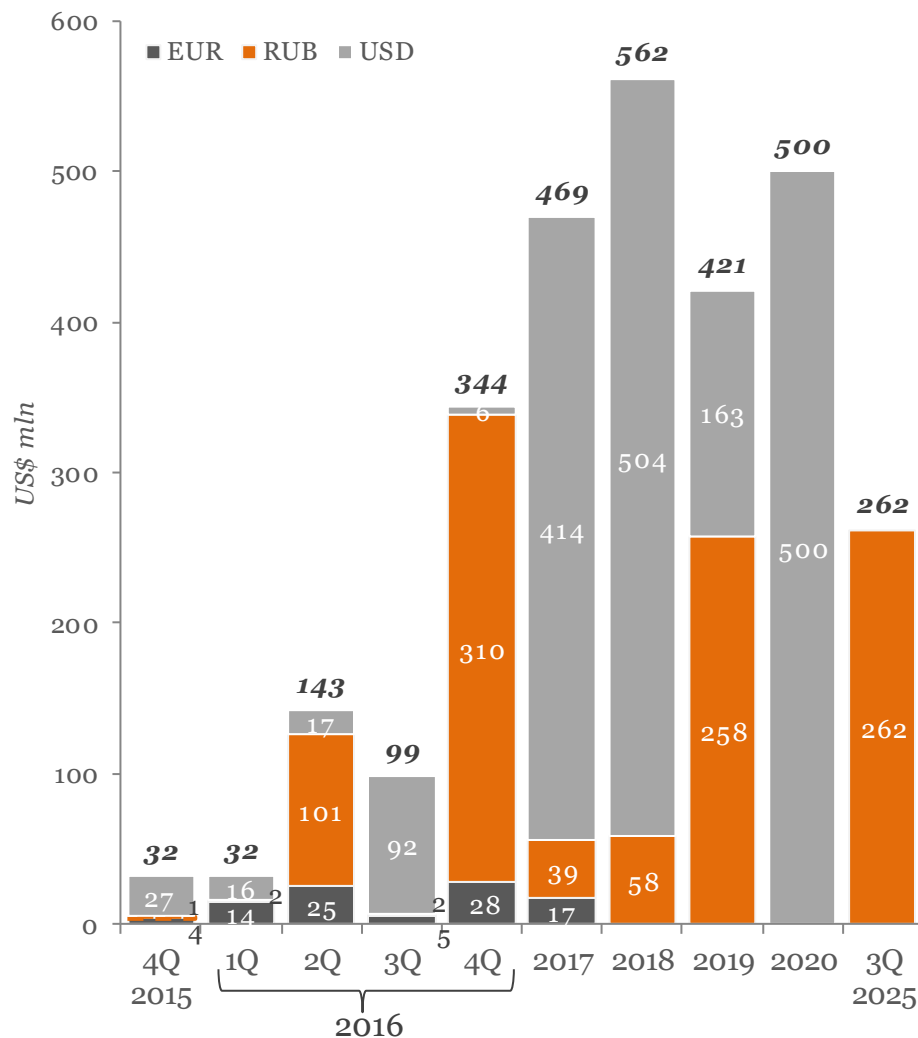


Source: TMK data, TMK estimates

- For 9M2015, net repayment of debt amounted to around US\$265 mln.
- Target to achieve 2.5x Net Debt-to-EBITDA ratio after recovery followed by continuous stable performance of the American division.
- Deleveraging through paying down debt by up to US\$200 mln annually as well as possible limited equity placement.

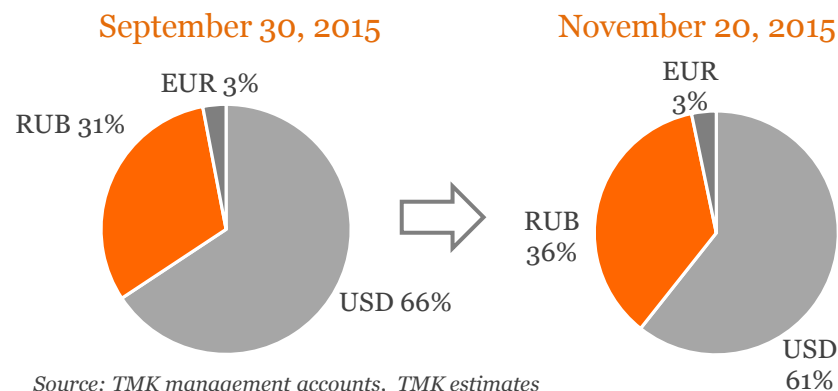
Debt Maturity Profile as of November 20, 2015

Debt maturity profile as of November 20, 2015



- As of September 30, 2015, total loan portfolio amounted to US\$2,761 mln based on management accounts compared to US\$3,148 mln as of December 31, 2014.
- More than 85% of total bank loans are with the major Russian banks.
- Weighted average interest rate 8.79% compared to 9.07% as of June 30, 2015.
- Credit Ratings:
 - S&P: B+;
 - Moody's: B1.
- In October-November 2015, TMK redeemed \$91.78 million of \$500 million 7.75% loan participation notes due 2018. Following settlement of the transaction outstanding amount of the Eurobonds is \$408.22 million.

Debt currency structure



Source: TMK management accounts, figures based on non-IFRS measures

Source: TMK management accounts, TMK estimates

Key Targets and Achievements

CAPEX

- Strategic investment program completed.
- Capex program cut to around US\$600 mln for 2015-2017, which translates to more than 30% decrease compared to initial capex budget.

Deleveraging

- For 9M2015 net repayment amounted to around US\$265 mln.
- Working capital position improved: US\$149 mln release of working capital for 9m2015.
- Payment discipline of the major clients.
- Achieve 2.5x Net Debt/EBITDA ratio after one year of the American division stable performance.

OFS and premium products

- Further development of Oil Field Services to become a “one-stop-shop” to fulfil more customers’ needs.
- Achieve more than 30% share of premium connections in total OCTG sales by 2018.

Strengthen positions on local markets

- Gained share on the Russian market as a result of import substitution program.
- Newly signed long-term agreement with Gazprom to supply premium products.
- Transfer cost increases to customers and retain pricing power.

Appendix – Summary Financial Accounts

Key Consolidated Financial Highlights

<i>(US\$mln)^(a)</i>	2014	2013	2012
Revenue	6,009	6,432	6,688
Adjusted EBITDA^(b)	804	952	1,028
<i>Adjusted EBITDA Margin (%)</i>	<i>13%</i>	<i>15%</i>	<i>15%</i>
Profit (Loss)	(217)	215	278
<i>Net Profit Margin (%)</i>	<i>n/a</i>	<i>3%</i>	<i>4%</i>
Pipe Sales ('000 tonnes)	4,402	4,287	4,238
Average Net Sales/tonne (US\$)^(c)	1,365	1,500	1,578
Cash Cost per tonne (US\$)^(d)	1,030	1,108	1,152
Cash Flow from Operating Activities	595	703	929
Capital Expenditure^(e)	293	397	445
Total Debt^(f)	3,223	3,694	3,885
Net Debt^(f)	2,969	3,600	3,656
Short-term Debt/Total Debt	24%	11%	27%
Net Debt/Adjusted EBITDA	3.7x	3.8x	3.6x
Adjusted EBITDA/Finance Costs	3.5x	3.8x	3.5x

(a) IFRS financials figures were rounded for the presentation's purposes. Minor differences with FS may arise due to rounding

(b) Adjusted EBITDA is calculated as profit before tax plus finance costs minus finance income plus depreciation and amortisation adjusted for non-operating and non-recurrent items

(c) Sales include other operations and is calculated as Revenue divided by sales volumes tonnes

(d) Cash Cost per Tonne is calculated as Cost of Sales less Depreciation & Amortisation divided by sales volumes

(e) Purchase of PP&E investing cash flows

(f) Total debt represents interest bearing loans and borrowings plus liability under finance lease; Net debt represents Total debt less cash and cash equivalents and short-term financial investments

Source: TMK Consolidated IFRS Financial Statements

Income Statement

US\$ mln	2014	2013	2012	2011	2010
Revenue	6,009	6,432	6,688	6,754	5,579
Cost of Sales	(4,839)	(5,074)	(5,209)	(5,307)	(4,285)
Gross Profit	1,169	1,358	1,479	1,446	1,293
Selling and Distribution Expenses	(350)	(379)	(433)	(411)	(403)
General and Administrative Expenses	(278)	(317)	(293)	(283)	(232)
Advertising and Promotion Expenses	(14)	(12)	(11)	(9)	(11)
Research and Development Expenses	(15)	(13)	(17)	(19)	(13)
Other Operating Expenses, Net	(35)	(34)	(57)	(40)	(34)
Foreign Exchange Gain / (Loss), Net	(301)	(49)	23	(1)	10
Finance Costs, Net	(226)	(245)	(275)	(271)	(412)
Other	(150)	5	(16)	132	(12)
Income / (Loss) before Tax	(201)	312	400	544	185
Income Tax (Expense) / Benefit	(15)	(98)	(123)	(159)	(81)
Net Income / (Loss)	(217)	215	278	385	104

Source: Consolidated IFRS Financial Statements

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

Statement of Financial Position

US\$ mln	2014	2013	2012	2011	2010
ASSETS					
Cash and Bank Deposits	253	93	225	231	158
Accounts Receivable	728	995	914	772	720
Inventories	1,047	1,324	1,346	1,418	1,208
Prepayments	113	148	180	200	172
Other Financial Assets	1	0	4	4	4
Total Current Assets	2,142	2,561	2,670	2,625	2,262
Assets Classified as Held for Sale				-	8
Total Non-current Assets	3,508	4,857	4,934	4,507	4,592
Total Assets	5,649	7,419	7,603	7,132	6,862
LIABILITIES AND EQUITY					
Accounts Payable	829	1,105	1,132	1,053	878
ST Debt	764	398	1,068	599	702
Dividends	2	6	-	-	-
Other Liabilities	48	62	74	53	94
Total Current Liabilities	1,643	1,571	2,275	1,705	1,674
LT Debt	2,459	3,296	2,817	3,188	3,170
Deferred Tax Liability	206	298	302	305	300
Other Liabilities	71	125	125	111	111
Total Non-current Liabilities	2,735	3,718	3,244	3,603	3,581
Equity	1,271	2,130	2,084	1,823	1,606
<i>Including Non-Controlling Intere.</i>	66	96	99	92	94
Total Liabilities and Equity	5,649	7,419	7,603	7,132	6,862
Net Debt	2,969	3,600	3,656	3,552	3,710

Source: Consolidated IFRS Financial Statements

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

Cash Flow



US\$ mln	2014	2013	2012	2011	2010
Profit / (Loss) before Income Tax	(201)	312	400	544	185
<i>Adjustments for:</i>					
Depreciation and Amortisation	304	326	326	336	301
Net Interest Expense	226	245	275	271	412
Others	479	61	39	(101)	44
Working Capital Changes	(159)	(159)	(34)	(156)	(527)
Cash Generated from Operations	648	786	1,006	894	415
Income Tax Paid	(53)	(82)	(77)	(107)	(29)
Net Cash from Operating Activities	595	703	929	787	386
Capex	(293)	(397)	(445)	(402)	(314)
Acquisitions	(60)	(38)	(33)	-	-
Others	10	12	23	25	43
Net Cash Used in Investing Activities	(343)	(423)	(455)	(377)	(271)
Net Change in Borrowings	154	(93)	(148)	4	103
Others	(206)	(313)	(341)	(339)	(289)
Net Cash Used in Financing Activities	(53)	(407)	(489)	(335)	(186)
Net Foreign Exchange Difference	(40)	(5)	10	(2)	(15)
Cash and Cash Equivalents at January 1	93	225	231	158	244
Cash and Cash Equivalents at YE	253	93	225	231	158

Source: Consolidated IFRS Financial Statements

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

Seamless – Core to Profitability

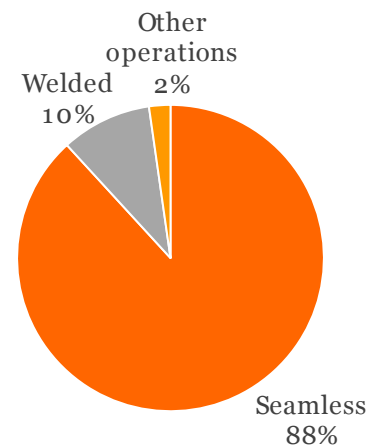
	U.S.\$ mln (unless stated otherwise)	3Q 2015	QoQ, %	9m 2015	YoY, %
SEAMLESS	Volumes- Pipes, kt	571	-5%	1,806	-3%
	Revenue	581	-17%	1,992	-31%
	Gross profit	157	3%	496	-29%
	Margin, %	27%		25%	
	Avg revenue/tonne (US\$)	1,027	-12%	1,103	-29%
	Avg gross profit/tonne (US\$)	275	9%	275	-27%
WELDED	Volumes- Pipes, kt	391	5%	1,139	-13%
	Revenue	294	-27%	1,084	-24%
	Gross profit	17	-80%	157	13%
	Margin, %	6%		14%	
	Avg revenue/tonne (US\$)	752	-31%	952	-13%
	Avg gross profit/tonne (US\$)	43	-81%	138	30%

Source: Consolidated IFRS financial statements, TMK data

Note:

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

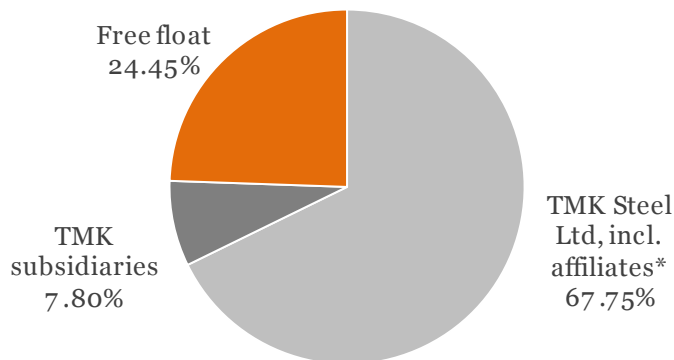
3Q 2015 gross profit breakdown



- Sales of seamless pipe generated **64%** of total Revenue in 3Q 2015 and **62%** for 9m 2015.
- Gross Profit from seamless pipe sales represented **88%** of 3Q 2015 total Gross Profit and **74%** of 9m 2015 total Gross Profit.
- Gross Profit Margin from seamless pipe sales amounted to **27%** in 3Q 2015 and **25%** for 9m 2015.

Appendix – Capital Structure and Corporate Governance

Capital structure as of November 17, 2015



*The main beneficiary is Dmitry Pumpyanskiy, Chairman of the Board of Directors of TMK.

Source: TMK

Key considerations

- TMK's securities are listed on the London Stock Exchange, the OTCQX International Premier trading platform in the U.S. and on Russia's major stock exchange – MICEX-RTS.
- As of November 17, 2015 24.45% of TMK shares were in free float, with approximately 70% of them traded in the form of GDRs on the London Stock Exchange.
- As of November 17, 2015, the share capital of TMK was comprised of 991,907,260 fully paid ordinary shares or equivalent of 247,976,815 GDRs.
- One GDR represents four ordinary shares.

Key considerations

- The Board of Directors is comprised of 11 members, including 5 independent directors, 4 non-executive directors and 2 executive directors.
- The Board of Directors has 3 standing committees, chairman of each committee is an independent director:
 - Audit Committee;
 - Nomination and Remuneration Committee;
 - Strategy Committee.
- TMK's day-to-day operations are managed by the CEO and the Management Board which consists of eight members.
- The Company has an integrated system of internal controls which provides assurance as to the efficiency and management of risks of operations.



DMITRY PUMPYANSKIY, Chairman of the Board of Directors, non-executive director.

Born in 1964. Graduated from the Sergey Kirov Urals Polytechnic Institute in 1986. PhD in Technical Sciences, Doctor of Economics. Founder and beneficial majority shareholder of TMK

Relevant experience: Chairman of the Supervisory Board of Russian Agricultural Bank, Member of the Board of Directors at Rosagroleasing and SKB-Bank, President and Chairman of the Board of Directors of Sinara Group, member of the Management Board of the Russian Union of Industrialists and Entrepreneurs, CEO at TMK, CEO at Sinara Group, Board member at various industrial and financial companies



MIKHAIL ALEKSEEV, Independent director, Chairman of the Nomination and Remuneration Committee.

Born in 1964. Graduated from the Moscow Finance Institute in 1986. Doctor of Economics.

Relevant experience: Chairman of the Management Board of UniCredit Bank, Chairman of the Board and President of "Rossiysky Promyshlenny Bank" (Rosprombank), Senior Vice President and Deputy Chairman of the Management Board of Rosbank, Deputy Chairman of the Management Board of ONEXIM Bank, Deputy Head of the General Directorate of the Ministry of Finance of the USSR.



PETER O'BRIEN, Independent director, Chairman of the Audit Committee.

Born in 1969. Graduated from Duke University (USA) in 1991 and obtained an MBA from Columbia University Business School in 2000 and completed the AMP at Harvard Business School in 2011.

Relevant experience: Member of the Management Board, Vice President, Head of the Group of Financial Advisors to the President of Rosneft, Co-Head of Investment Banking, Executive Director of Morgan Stanley in Russia, Vice President at Troika Dialog Investment Company, Press Officer at the US Treasury.



ALEKSANDER SHOKHIN, Independent director, Chairman of the Strategy Committee.

Born in 1951. Graduated from the Lomonosov Moscow State University in 1974. PhD, Doctor of Science, Professor.

Relevant experience: President of the Russian Union of Industrialists and Entrepreneurs, President of the Higher School of Economics State University, Board member at Lukoil, Russian Railways, member of the Public Chamber of the Russian Federation, member of the State Duma, Minister of Labour and Employment and Minister of Economic Affairs, Head of the Russian Agency for International Cooperation and Development, twice appointed as Deputy Head of the Russian Government, Russia's representative to IMF and World Bank.



OLEG SCHEGOLEV, Independent director, member of the Strategy Committee.

Born in 1962. Graduated from the Moscow Finance Institute in 1984.

Relevant experience: First Vice President at Russneft, First Deputy Chairman of the Management Board and First Deputy CEO at Itera, Executive Director at Slavneft, Deputy Head of the Department for Longterm Planning of the Fuel and Energy Complex at the Ministry of Energy of the Russian Federation, chief officer, deputy director, department head at Sibneft.



ROBERT MARK FORESMAN, Independent director, member of the Board of Directors since 2012.

Born in 1968. Graduated from Bucknell University (USA) in 1990 and Harvard University Graduate School of Arts & Sciences in 1993. Obtained a certificate from the Moscow Power Engineering Institute in 1989.

Relevant experience: Head of Barclays Capital in Russia, Deputy Chairman of the Management Board at Renaissance Capital, Chairman of the Management Committee for Russia and CIS at Dresdner Kleinwort Wasserstein, Head of Investment Banking for Russia and CIS at ING Barings.

Appendix – TMK Products

Wide Range of Products, Focus on Oil and Gas

Seamless



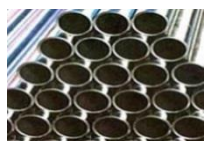
Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

OCTG



The short-distance transportation of crude oil, oil products and natural gas.

Line Pipe



Automotive, machine building, and power generation sectors.

Industrial

Welded



Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

OCTG



The short-distance transportation of crude oil, oil products and natural gas.

Line Pipe



Construction of trunk pipeline systems for the long distance transportation of natural gas, crude oil and petroleum products.

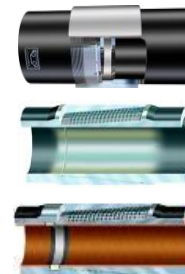
Large-Diameter



Wide array of applications and industries, including utilities and agriculture.

Industrial

Premium



Premium connections are proprietary value-added products used to connect OCTG pipes and are used in sour, deep well, off-shore, low temperature and other high-pressure applications.

Premium Connections (TMK UP)

Oilfield Services

Well equipment precision manufacturing, tools' rental, supervising, inventory management, threading and coating services.



ULTRA-SF 2003 ULTRA-FJ 2003 ULTRA-FX 2003 ULTRA CX 2008 ULTRA QX 2009 ULTRA DQX 2011



TMK Ultra Premium Connections

Global Supplies & Services

■ Unique range of Premium products

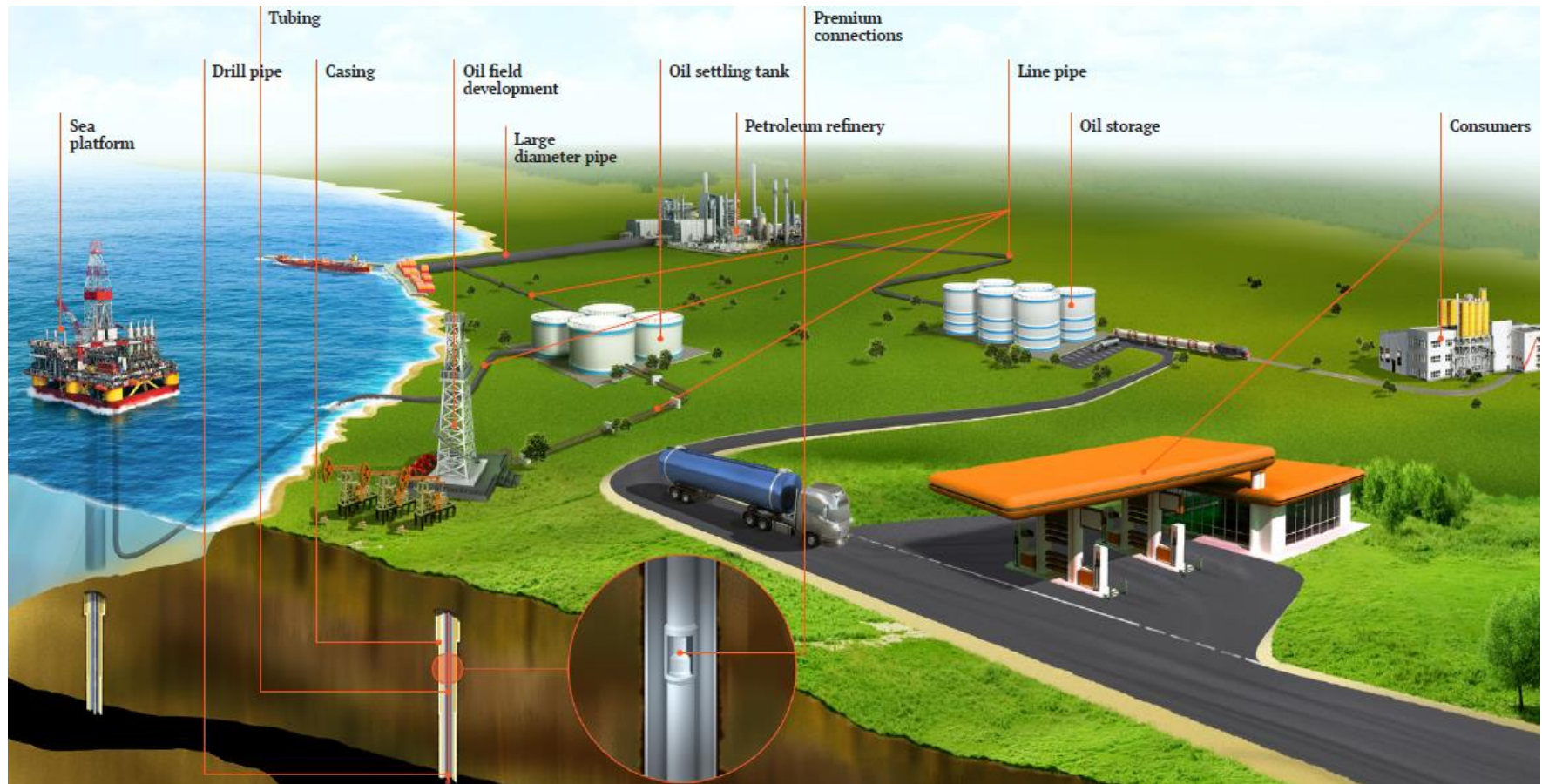
- Onshore/offshore
- Sour gas
- Thermal
- Arctic
- Horizontal and extended reach
- Drilling with casing
- Steam-Assisted Gravity Drainage (SAGD)
- Connections are available with «Greenwell» environment friendly technology

TMK 1 2004 TMK FMC 2005 TMK CS 2005 TMK TTL o1 2005 TMK GF 2005 TMK PF 2007 TMK FMT 2008 TMK PF ET 2008 TMK TDS 2010 TMK CWB 2011 TMK PF Tubing 2012 Greenwell 2013



- Implementation of new technologies and services according to regional conditions
- US expertise gives significant growth opportunities in Russia

Utilisation of TMK Pipe Products in Oil and Gas Industry

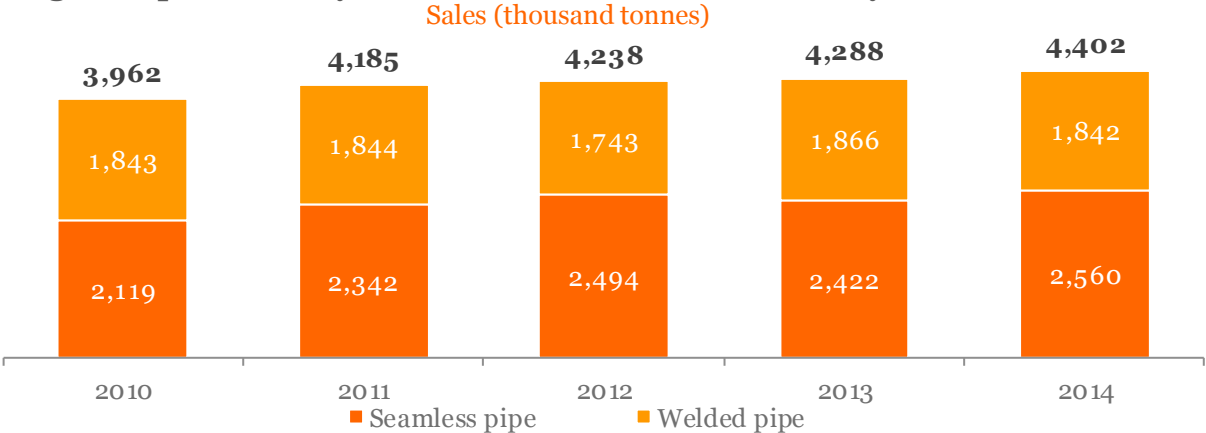


- **OCTG** – Oil Country Tubular Goods (drilling, casing, tubing) used for oil & gas exploration, well fixing and oil & gas production (44% of total sales volumes in 2014);
- **Line pipe** – used for short distance transportation of crude oil, oil products and natural gas (23% of total sales volumes in 2014);
- **LDP** - large diameter pipe used for construction of trunk pipeline systems for long distance transportation of natural gas, crude oil and petroleum products (11% in total sales volumes in 2014).

Appendix – TMK Diversified Business Model

Leading Global Supplier of Pipe for Oil and Gas Industry

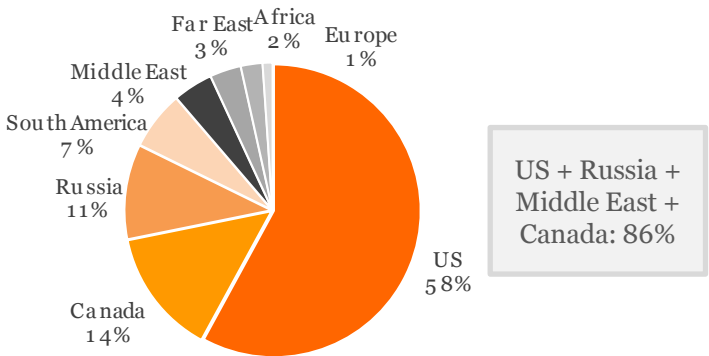
- A world leading tube producer by sales in 2014 and for the last 5 years



Source: TMK data

- Local producer in countries which account for 86% of global drilling activity
- High exposure to the oil and gas industry: approximately 78% of sales went to the oil and gas sector in 2014

2014 global drilling activity by geography (number of wells drilled)

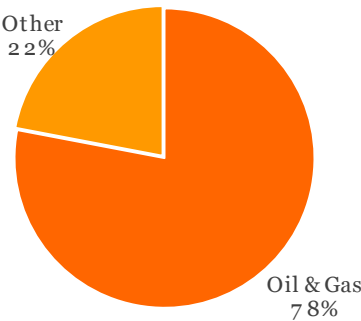


Note: Excluding China and Central Asia. Onshore and offshore drilling

Source: Spears & Associates

Focus on oil & gas industry

2014 Sales by Industry (%)



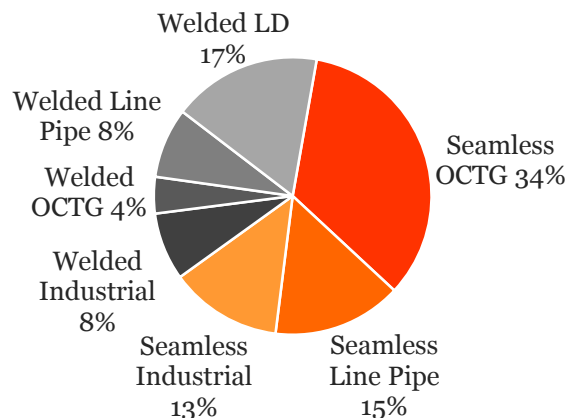
Source: TMK data

Diversified Business Model



Diversified product portfolio and customer base

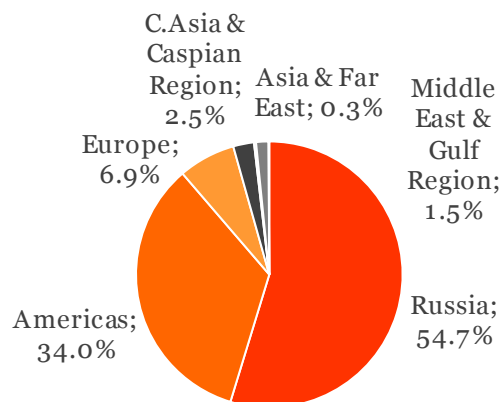
Sales by product (FY2014)



Source: TMK data

Diversified geographical reach

TMK revenues by country (FY2014)



Source: TMK data

Key Considerations

- High degree of diversification enabling earnings resilience.
- Geographical diversification seeking to mitigate swings in geographical demand (Russian division 55% and American division 34% of 2014 revenues).
- Diversified product portfolio, including full range of seamless and welded pipes.
- Focus on higher value added products, including seamless pipes and OCTG.
- Diversified customer base covering end users in oil and gas and industrial sectors (top 5 customers represented 32% of sales for FY2014).
- Long-term relationships with Russian oil and gas majors (Rosneft, Surgutneftgas, Lukoil, TNK-BP and Gazprom).

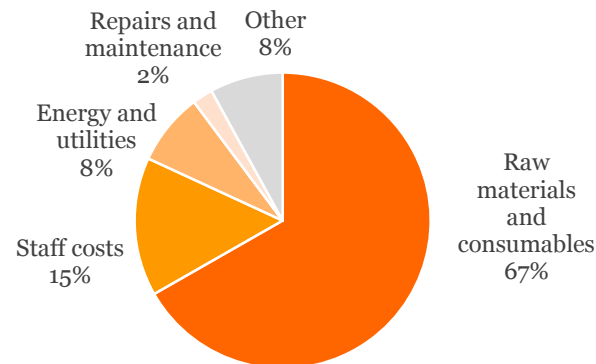
Low Cost Vertically Integrated Producer

Key considerations

- Structural cost advantages over major international competitors: Russia is one of the lowest cost regions for steel production.
- Fully vertically integrated seamless pipe production (upstream and downstream operations) in all divisions.
- Almost self-sufficient in steel billets.
- Both Russia and North American businesses have benefitted from significant synergies and complementarily since the acquisition of IPSCO.
- Ability to generally pass cost of steel increase to customers albeit with some time lag.
- In February 2015, TMK acquired a 100% interest in Chermetservis-Snabzhenie for a total amount of around RUB 2.73 billion. ChS-Snabzhenie had been the main scrap supplier to TMK steel mills for the last several years and fully covered the Company's needs in scrap

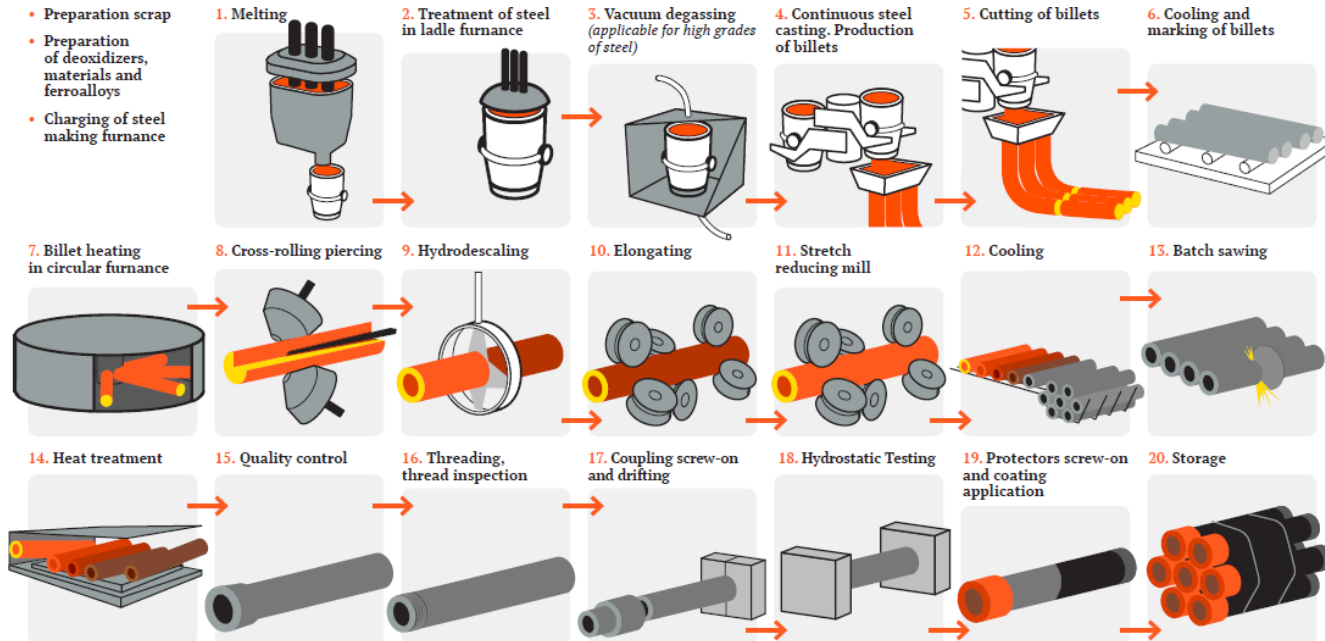
Raw materials costs can generally be passed through to customers

Cost of sales structure (9m2015)



Note: Excluding depreciation and amortisation
Source: TMK IFRS accounts

Vertical integration in seamless business



Source: TMK

Thank You

TMK Investor Relations

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