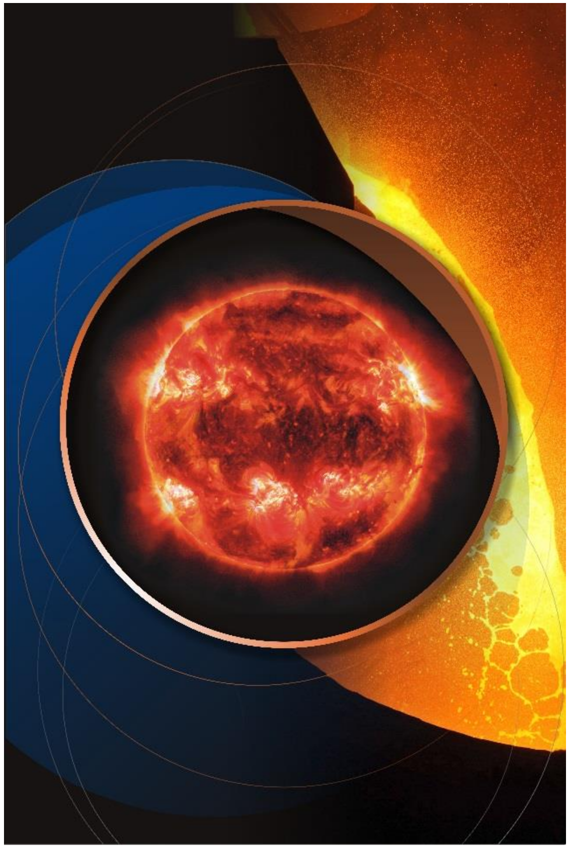

TMK CAPITAL MARKETS DAY

London
October 17, 2016

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Russian Market Update –

Sustainable Demand and Complex Opportunities

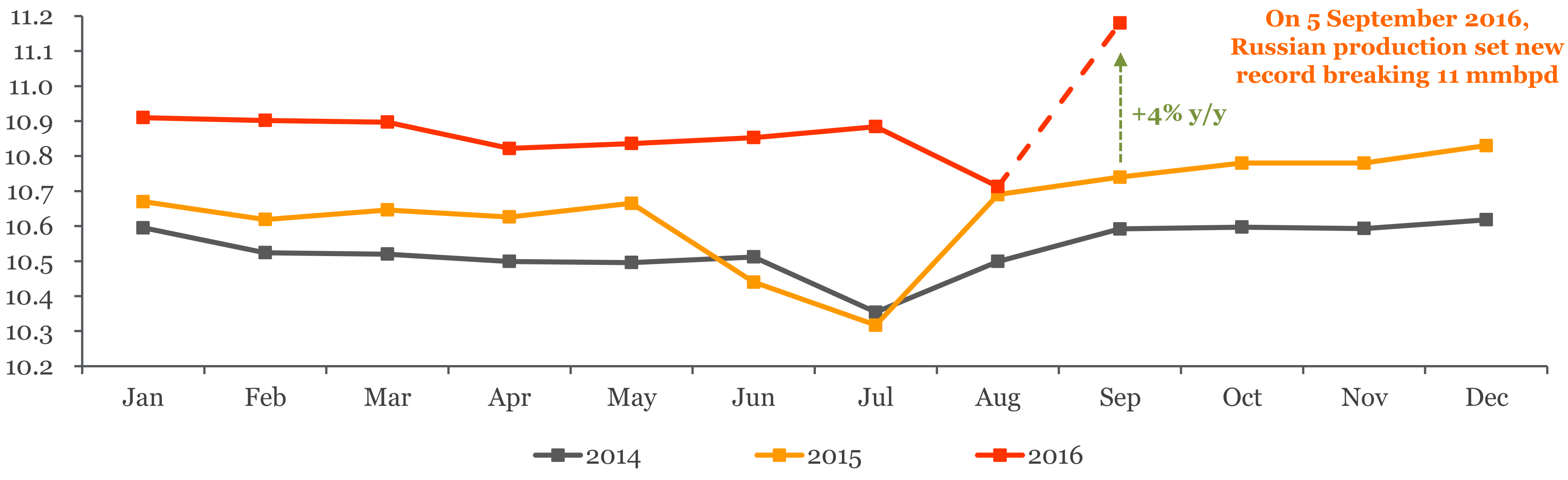
Sergey Alekseev
Director for Marketing

Executive Summary

- Russian oil production is increasing, up 1.9% YoY in Sep 2016, with brokers predicting continued growth
- Field-level activity is strong and growing. Drilling is up by 16% YoY in 1H 2016, led by Rosneft (+50% YoY) – total drilling in Russia may grow by 12% YoY in 2016
- In 2015 and 2016 Russia was the only region globally to maintain healthy drilling activity and stable OCTG demand
- Russian tubular market is becoming more and more self-sufficient, dominated by local integrated producers
- Russian seamless OCTG market increased by 3% YoY in 9M 2016, with TMK remaining a leader in production
- Increased share of the Russian domestic market as a result of import substitution program
- Mid-term forecast for Russian OCTG demand is stable

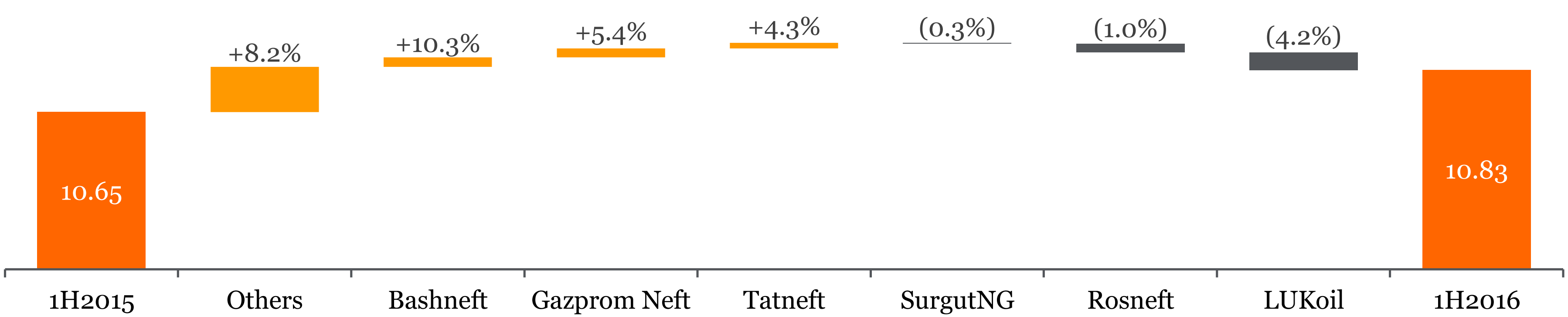
Russian Oil Production Hits Record High…

Russian total oil output, mmbpd



Source: Interfax, Info TEK

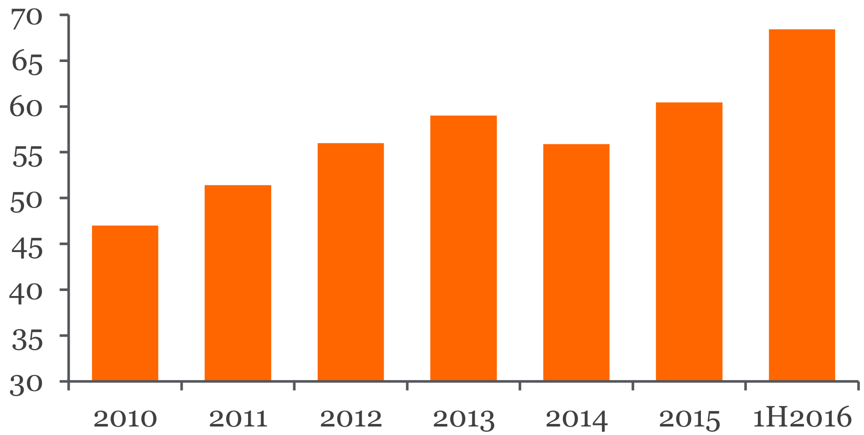
1H2016 Russian oil production growth broken down, mmbpd



Source: CDU TEK

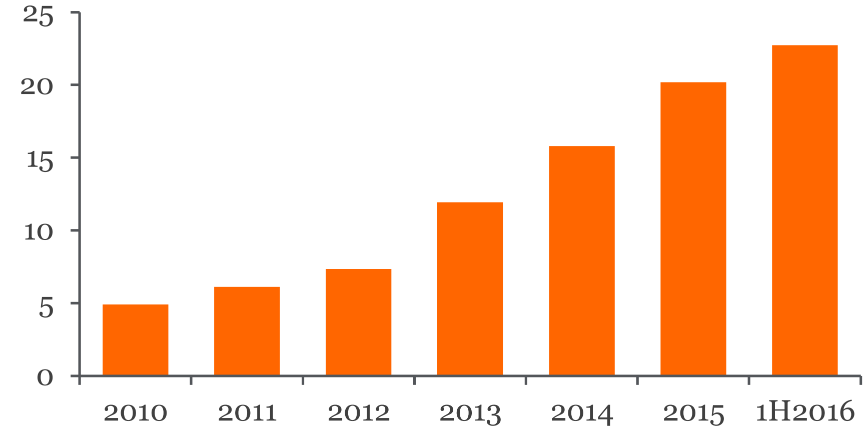
… Supported by Strong Drilling Activity

Russian drilling activity is strong and growing, km/d



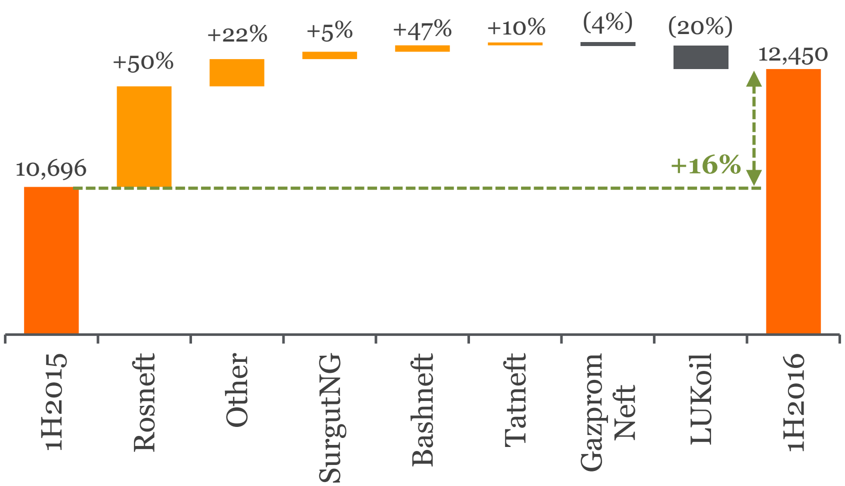
Source: CDU TEK

Horizontal drilling keeps growing in absolute, km/d



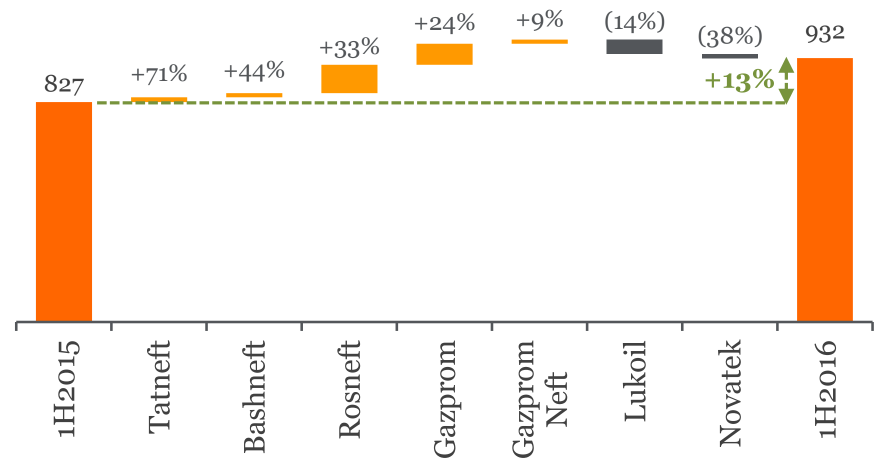
Source: CDU TEK

1H2016 Russian drilling growth broken down, km



Source: CDU TEK

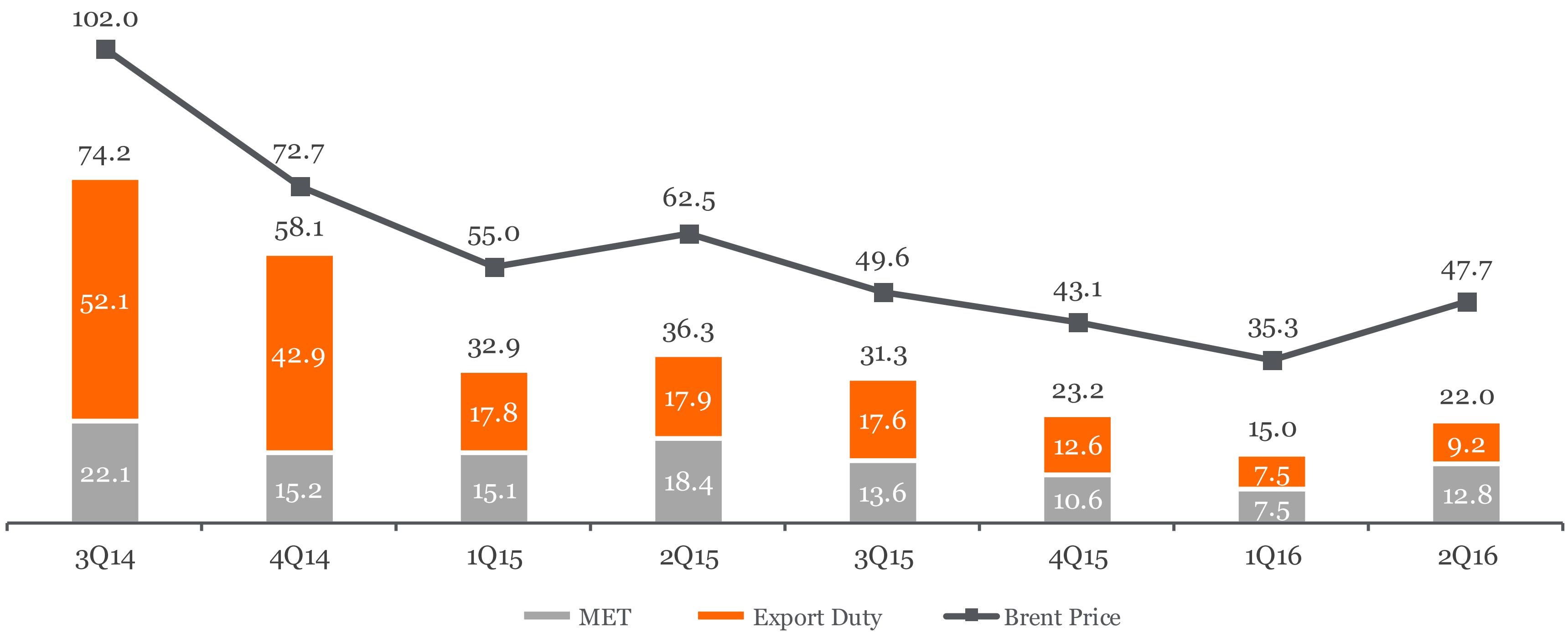
Upstream CAPEX budgets respond to profit resilience, RUB bn



Source: Companies' data

… Underpinned by Flexible Fiscal Regime…

Historical MET and export duty, US$/bbl

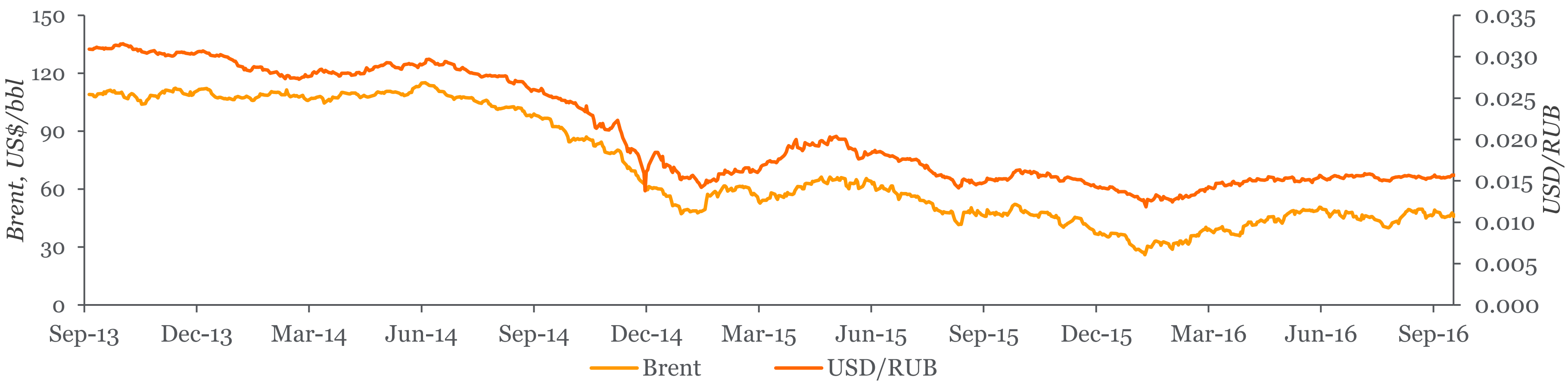


Source: Public Information, companies data

- The main factor supporting upstream margins is the flexible tax regime which absorbs the significant part of oil price drop
- The two major Upstream taxes in Russia – Mineral Extraction Tax (MET) and Export Duty – are directly linked to oil price and provide amortizing effect when crude price goes down

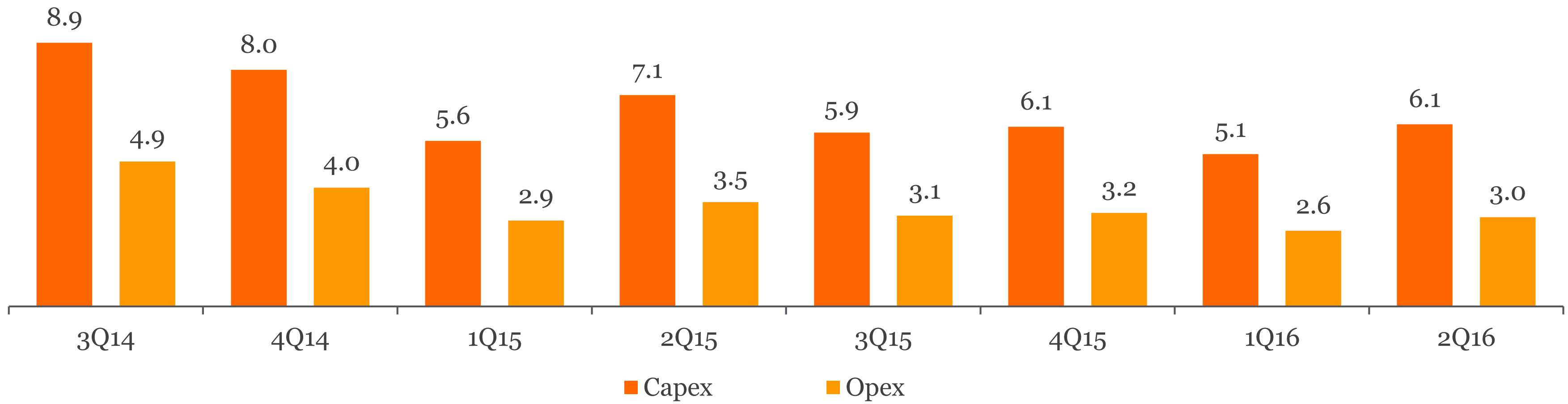
And Floating Exchange Rate

Rouble devaluation with oil price drop, US$/bbl



Source: FactSet as of 28 September 2016

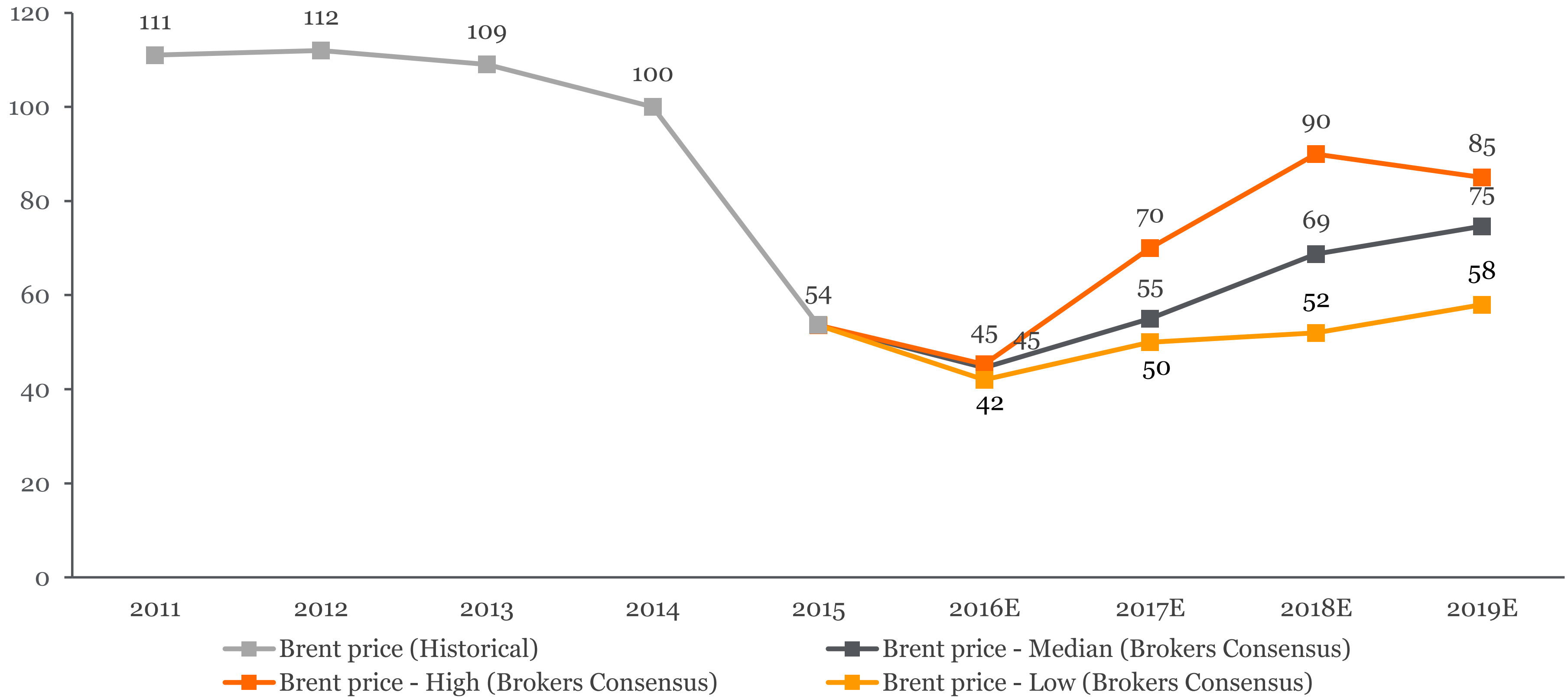
Average upstream Opex and Capex of Russian oil companies, US$/boe



Source: Public Information, companies data
Note: Opex and Capex were calculated based on Rosneft, Lukoil, Tatneft, Gazprom Neft and Bashneft figures weighted by their hydrocarbon production.

Broker Consensus Predicts Brent Price Recovery to US$70-80/bbl levels in 2018-2020

Brent historical and forecasted prices, US$/bbl

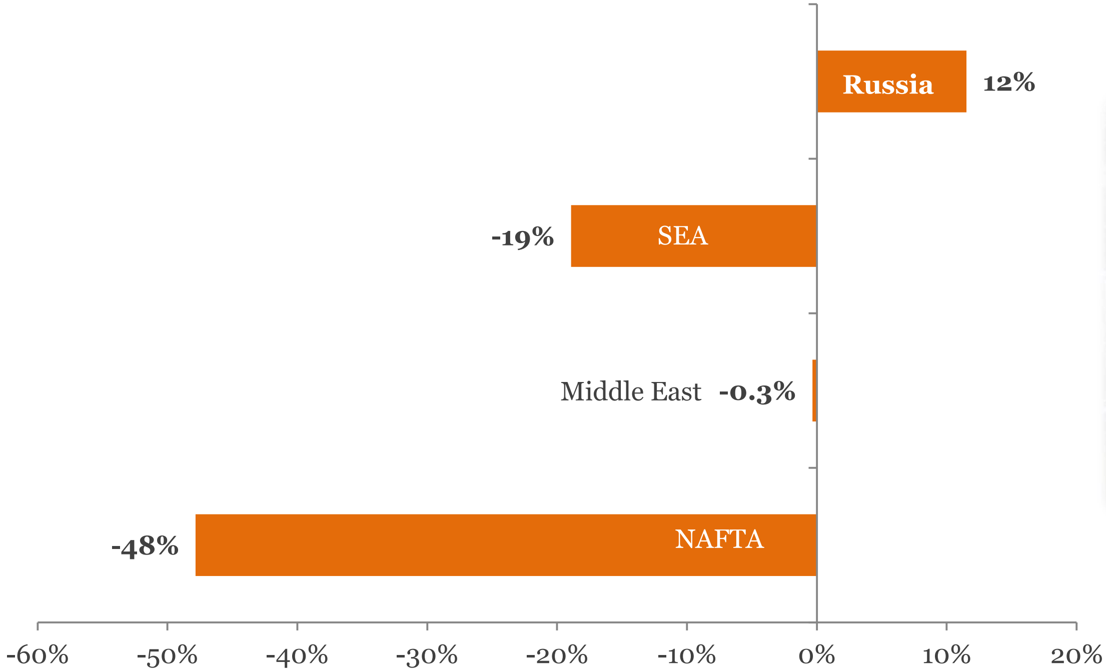


Source: Brokers consensus as of September 2016. Brokers include Citi, BAML, JPM, Credit Suisse, MS, Barclays, DB, UBS, Goldman Sachs, Wood Mackenzie

- Oil price started to rebound in January 2016 and is currently stabilized at US$40-50/bbl with declines in supply from US, China, Colombia and Mexico being countered by improving prospects in Russia and Kazakhstan
- Brokers estimate oil price to recover to US$70-80/bbl levels in 2018-2020

Russian Oil & Gas Market Overview

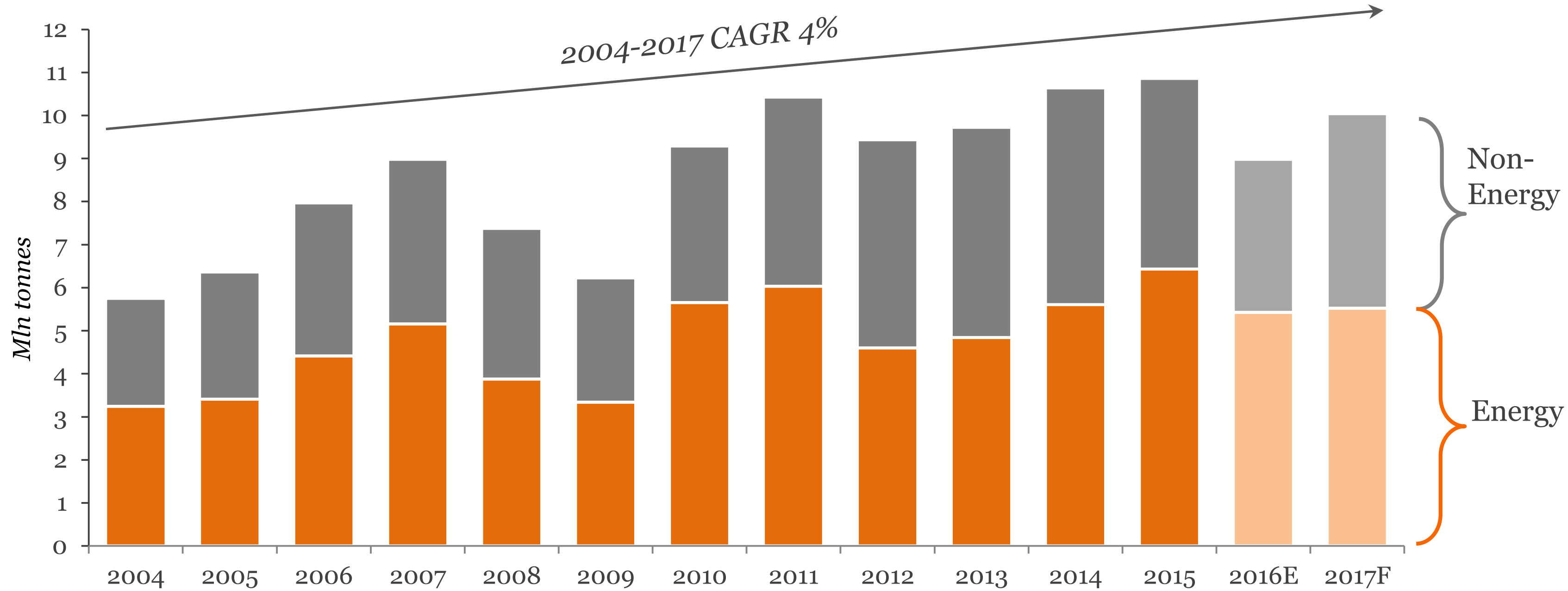
Growing drilling activity (footage) in selected regions 2016E/2015



Source: CDU TEK, Spears & Associates, TMK

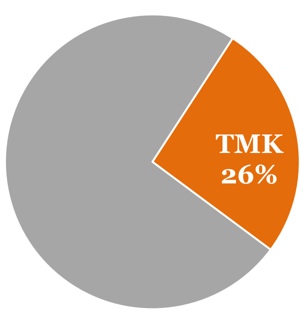
- Russia is expected to be the only region with footage growth this year
- Russian oil companies are among the lowest cost producers
- Ruble depreciation offers TMK's Russian division new opportunities in export and domestic markets
- Enhanced oil recovery from conventional fields

Russian Tube & Pipe Market



Source: TMK estimates

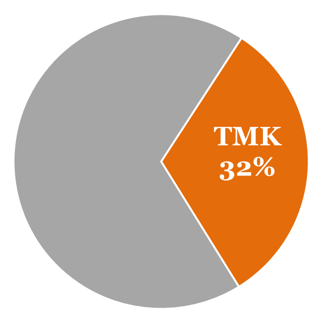
#1 on the Russian tube & pipe market



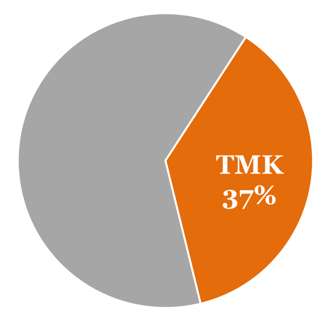
Source: TMK estimates, based on 9M2016 numbers

37% market share of energy pipe demand (+5% YoY)

9M 2015



9M 2016



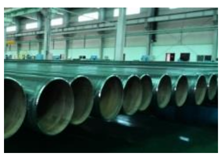
Source: TMK estimates, based on 9M 2015-2016 numbers

Russian Market Share Positions

Seamless

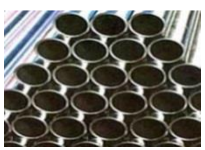
Threaded pipes for the oil and gas industry including drill pipe, casing and tubing.

OCTG 68% (+2% YoY)



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

Line Pipe 63% (+1% YoY)



Automotive, machine building, and power generation sectors.

Industrial 38% (0% YoY)

Welded

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

Line Pipe 20% (-2% YoY)

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

Large-Diameter 21% (+4% YoY)

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

Industrial 8% (-2% YoY)

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.

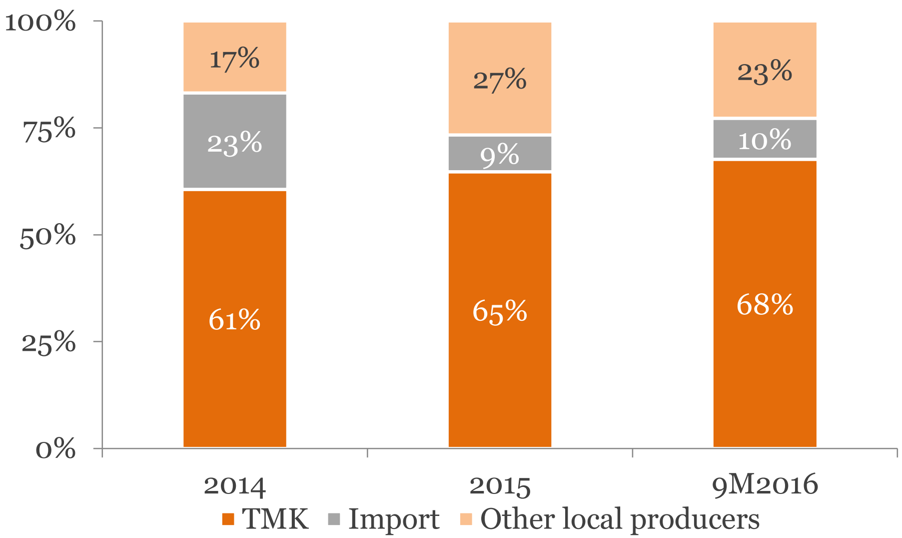
Premium Connections (TMK UP) 81% (+9% YoY)

Source: TMK estimates, based on 9M2016 numbers

Strengthening Position on the Domestic Market

TMK share of seamless OCTG is growing

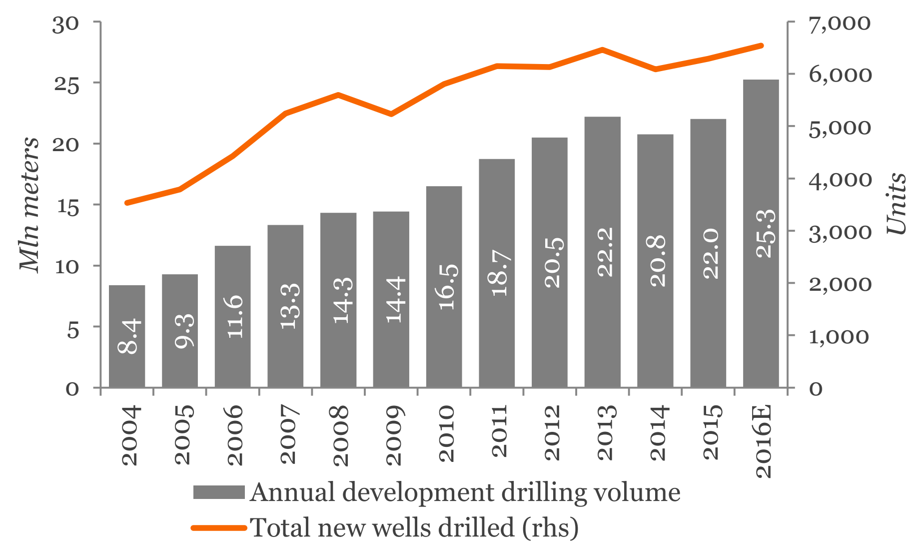
Seamless OCTG market shares, %



Source: TMK estimates

- Development of conventional and unconventional reserves will require the use of non-conventional drilling techniques and reliable OCTG products
- Russian seamless OCTG market is up by 3% YoY in 9M2016
- TMK is a leader in production of seamless OCTG on the Russian market with around 68% market share in 9M 2016

Growing oil drilling market in Russia



Source: CDU TEK

TMK UP Connections for all Conditions

Current market challenges

- Development of fields with hard-to-recover reserves
- Directional drilling
- Drilling with liner in tough conditions
- Drilling with casing in tough conditions

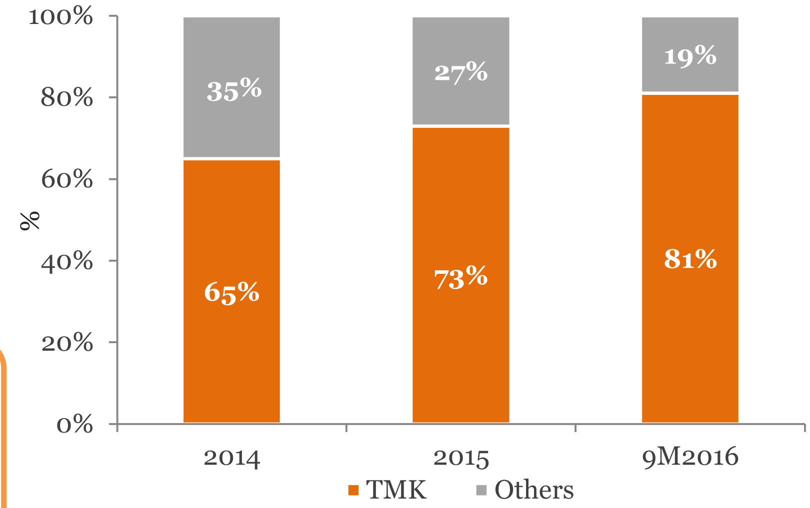
Higher resistance to torque for casing while drilling and rotating

Easy and reliable make-up

Ability to withstand high tension, compression and bending loads

Extreme torsional resistance for high operational torque

TMK's share on the premium market

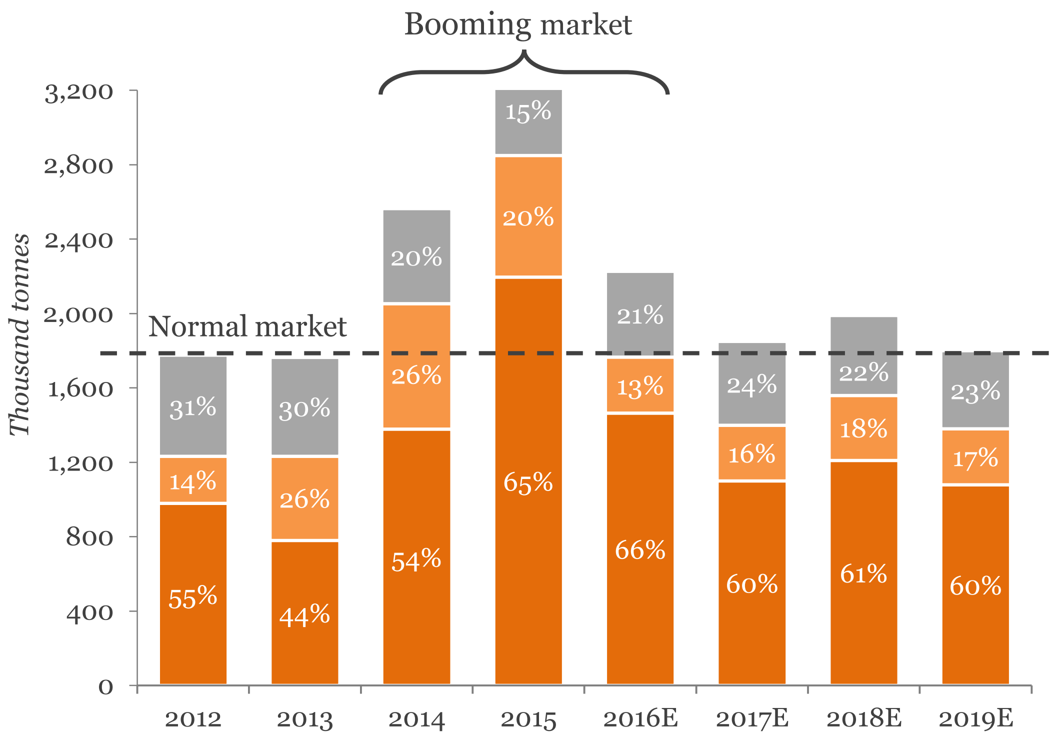


Source: TMK estimates

- Key premium supplier for the Russian independent and state owned oil & gas companies
- Leader in the production of premium tubular products on the Russian market with around 81% market share in 9M 2016
- In 2016, we expect TMK premium shipments to grow by 8%

LDP Demand in Russia

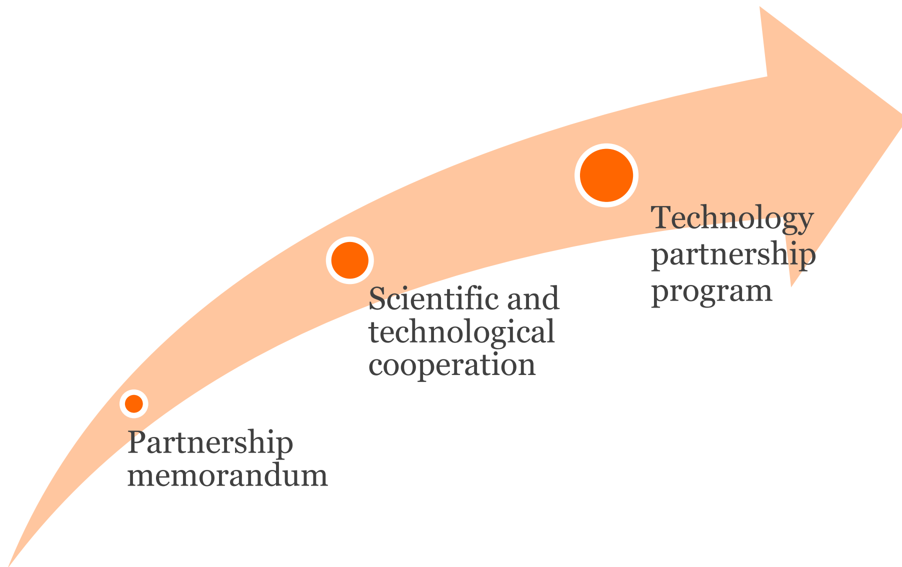
LDP demand in Russia, 2012-2019E



Source: TMK estimates

- Annual LDP demand for the next three years could amount to approximately 1.9 million tonnes
- Major projects planned: Power of Siberia (GAZP), Power of Siberia-2 (GAZP), Nord Stream-2, maintenance needs of Transneft and Gazprom

The Way to Strategic Cooperation



Strategic cooperation with key Customers

- Newly signed long-term agreements with key customers to develop and supply innovative premium products with related services will strengthen TMK's position
- Import substitution programs guarantee purchase of tubular products and related services
- TMK is a provider of steel pipes and efficient solutions, focused on innovations and oilfield services
- TMK's innovative products are able to improve the energy efficiency of wells considerably, as well as safety and environmental impact

Conclusion

- Russian oil production and drilling activity growing due to favorable tax regime and sharp ruble depreciation
- TMK is the leader in OCTG and premium connections markets and is growing its market share
- TMK predominately focuses on products for the oil & gas industry. OCTG is a key product along with seamless line pipe and other mechanical seamless pipes
- TMK is moving down-stream and developing its own oil & gas services to support tubular products with after sales services
- Gazprom and Transneft pipeline projects will be the main drivers of the Russian LD pipe market for the next three years. TMK is well positioned to participate in these projects
- In the mid-term, premium connection market growth will be mostly driven by natural gas field development and growth of directional and horizontal drilling
- Premium solutions, oilfield services and high-value added products are an integral part of the Company’s Russian operations. TMK is able to improve profitability of its Russian division, particularly through its focus on import substitution

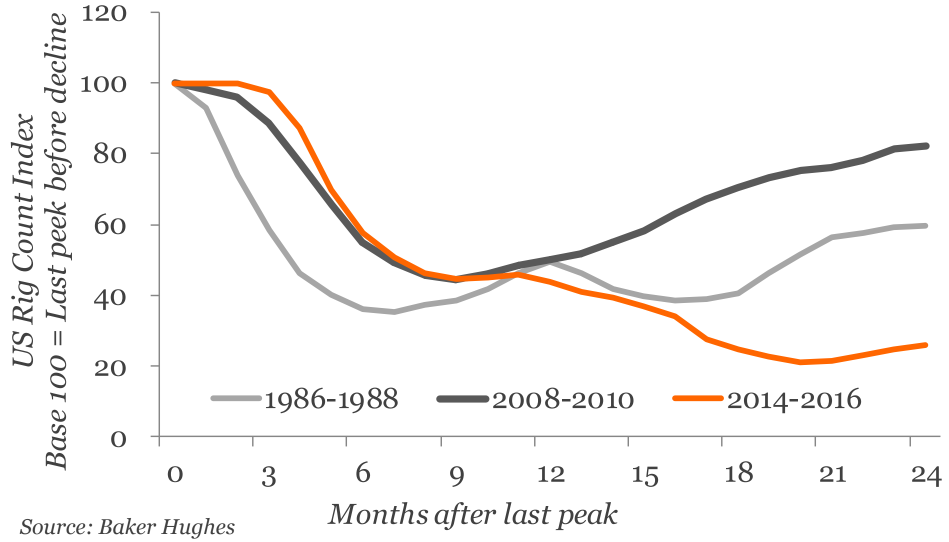

US Market Update –
"Lower for longer" becoming "recovery and ramping up"
Piotr Galitzine
Chairman & CEO, TMK IPSCO

Executive Summary

- The longest and deepest drop ever in the sector…
- …beginning to give way to a slow, but sustainable, recovery in oil pricing and rig count
- Inventory still high, but benefiting from well string design standardization in USA
- Invigorating sales through new go-to-market model…
- …and invigorating production through continuous improvement in yield, costs, Right First Time and make-to-order
- TMK Integrated Well Solutions continues to win new customers

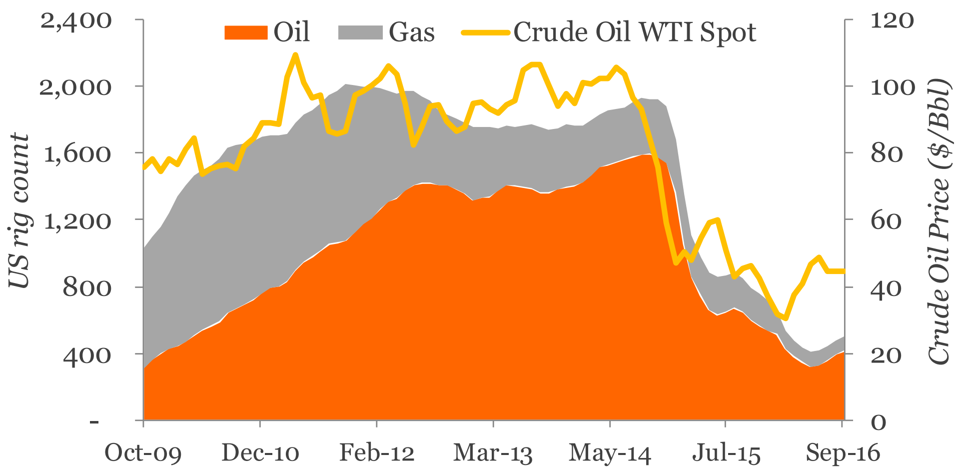
2016 Industry Performance Review: a Challenging Year

This downturn has been longer and tougher…



Source: Baker Hughes

…but the rig count has started recovering

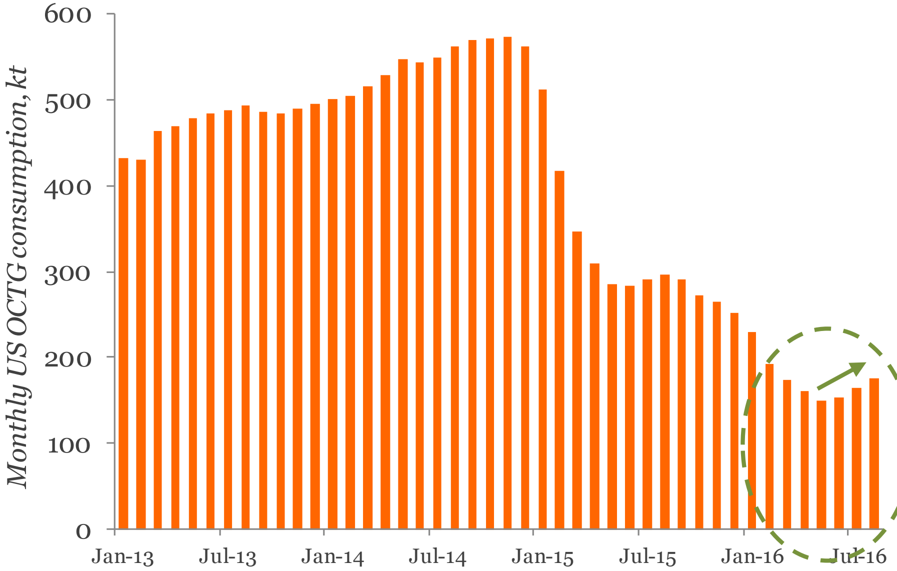


Source: Baker Hughes, Bloomberg

- Rig count reached bottom in May at 404 units, but grew by more than 100 rigs since then
- Average number of rigs in 3Q2016 increased by 14% QoQ, following the recovery in oil prices
- Low-breakeven Permian basin has concentrated most of the rigs added since the trough
- U.S. domestic crude production continues declining and averaged 8.5 mb/d in September, down 1.1 mb/d from the peak reached in April 2015
- Henry Hub Natural Gas prices experienced a strong rally during the summer 2016 rising from a 17-year low of $1.64/MMBtu in early March to a high of $3.07 in mid-September

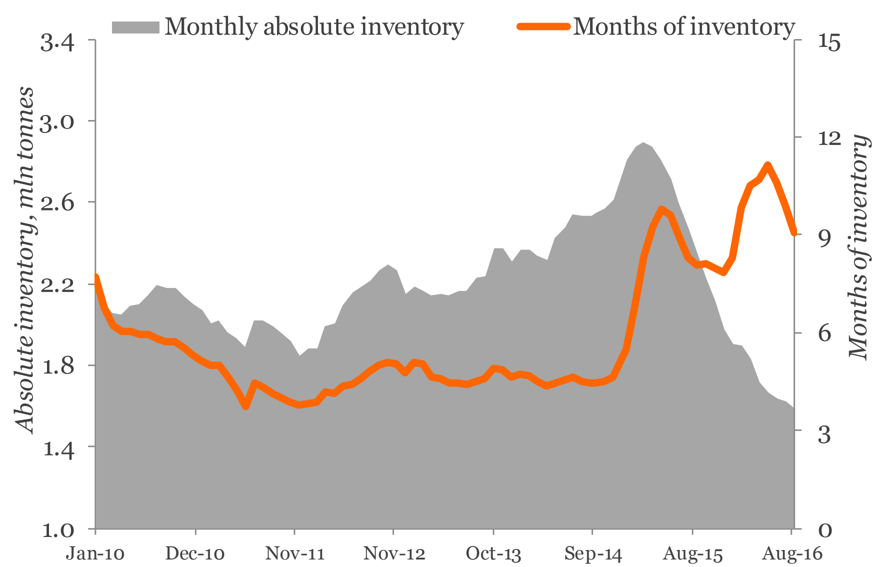
TMK Operates in Regions with Low-cost Oil Production

OCTG consumption dropped sharply but has already reached bottom and started recovering



Source: Preston Pipe & Tube Report

Inventory levels showed a steep decline but the market is still oversupplied

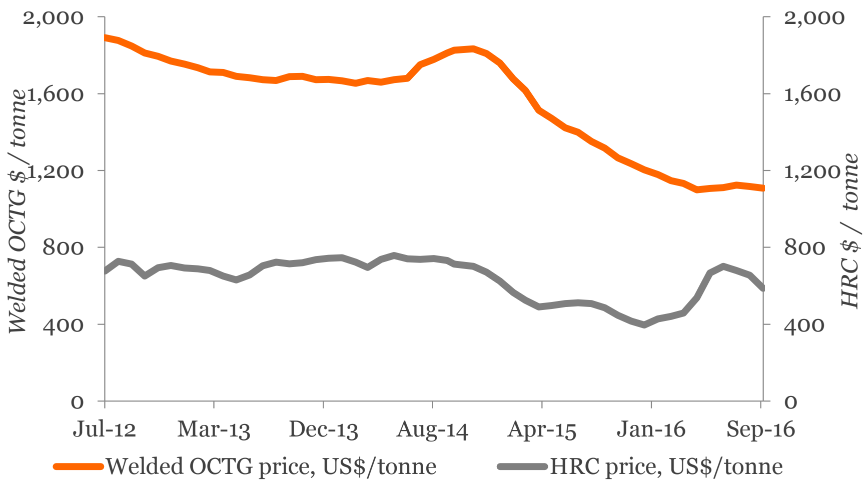


Source: Preston Pipe & Tube Report

- US consumption of OCTG is expected to decline to 2.2 million tonnes in 2016, 43% lower than in 2015
- US OCTG inventories not yet back to normalized level but down from 11.6 months to 9 months in 3Q
- Following the rig count evolution, a gradual recovery of the North American pipe market started in 2Q 2016 and is expected to continue, subject to oil and gas price stabilization and growth

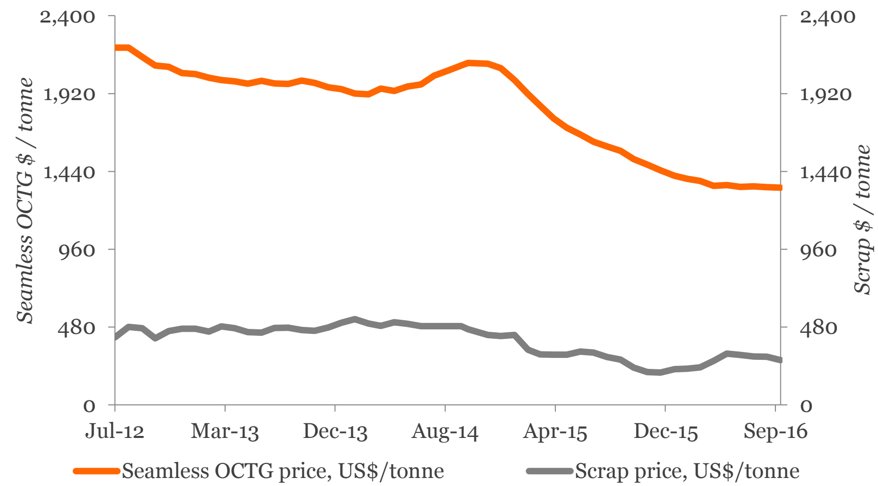
OCTG Prices also Reached Bottom during 2Q and Stabilized

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)

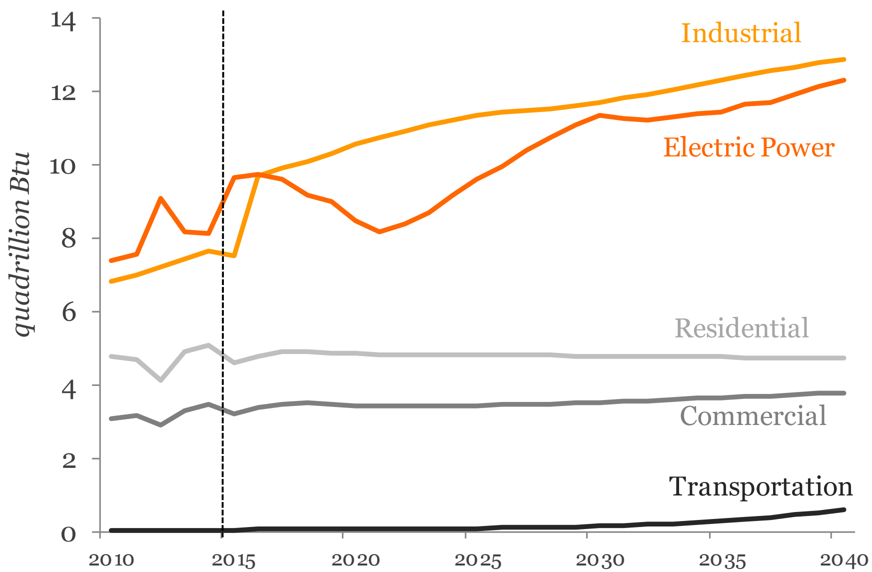


Source: Pipel Logix, AMM

- According to Pipe Logix, OCTG seamless and welded prices have been stable since they reached bottom in April 2016
- In 3Q 2016, HRC prices weakened and reached $557 per tonne by the end of September (19% lower than at the end of June 2016). Scrap prices followed a similar trend and decreased 11% during the quarter ending on average at $271 per tonne

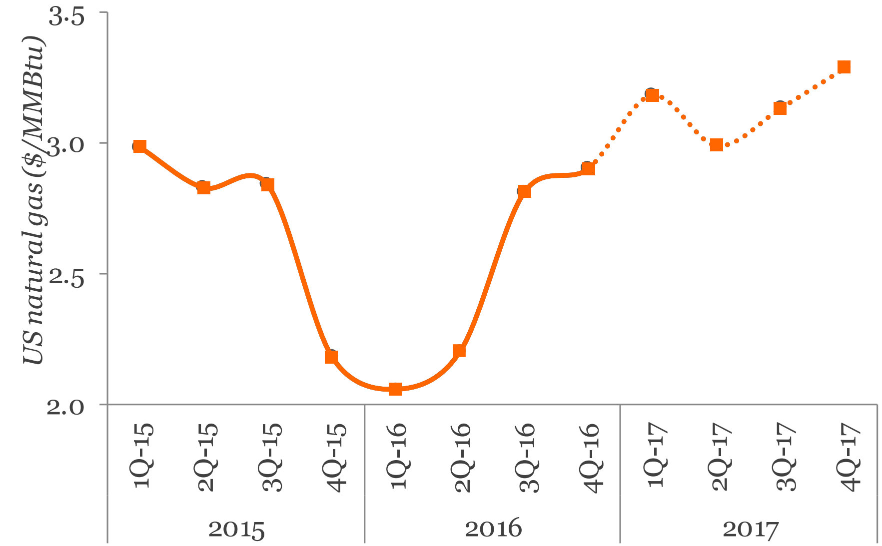
US Natural Gas Consumption and Price Outlook

US natural gas consumption by sector, 2014 – 2040E (quadrillion Btu)



Source: EIA

Consensus points to higher Henry Hub natural gas prices in 2017

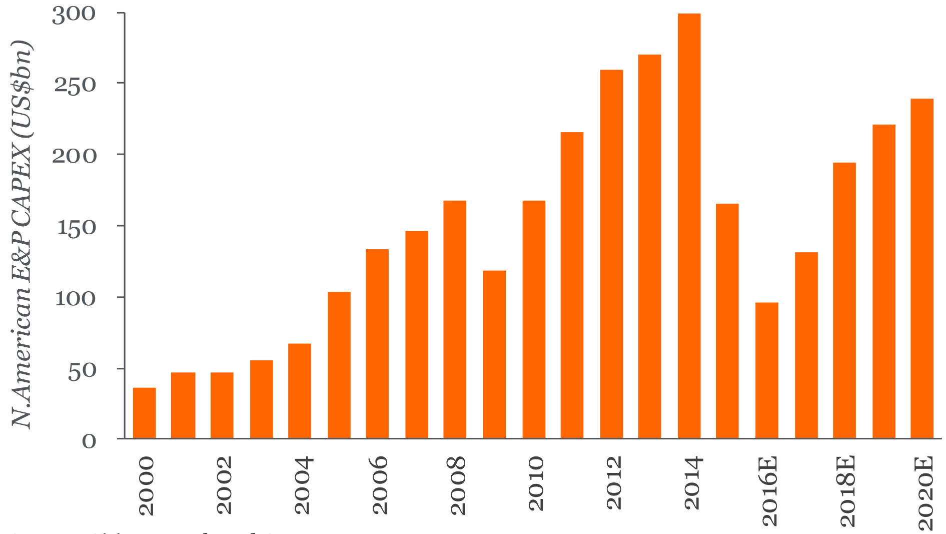


Source: EIA

- Industrial and electric power sectors are driving demand for natural gas
- In early 2000, electricity was generated by 16% by natural gas and by 52% - coal, while in 2016 it is expected that electricity will be generated by already 28% by natural gas and 37% - coal
- Henry Hub Natural Gas prices expected to gradually rise in 2017 with falling supply and rising export demand
- Major players in the Marcellus are expecting an average of $3.25/MMBtu in 2017 and $4.50/MMBtu in 2018, which would lead to higher drilling activity and stronger OCTG demand

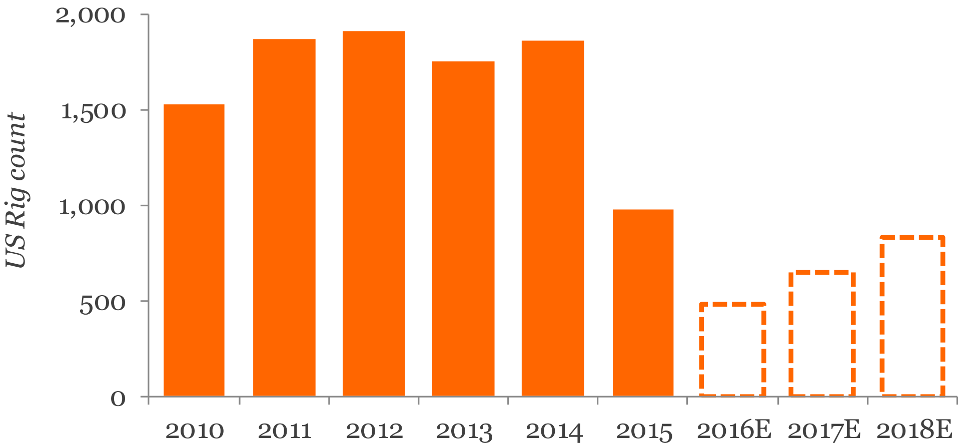
U.S. Exploration & Production CAPEX Recovery in 2017

North American E&P CAPEX



Source: Citi Research and Corporate reports

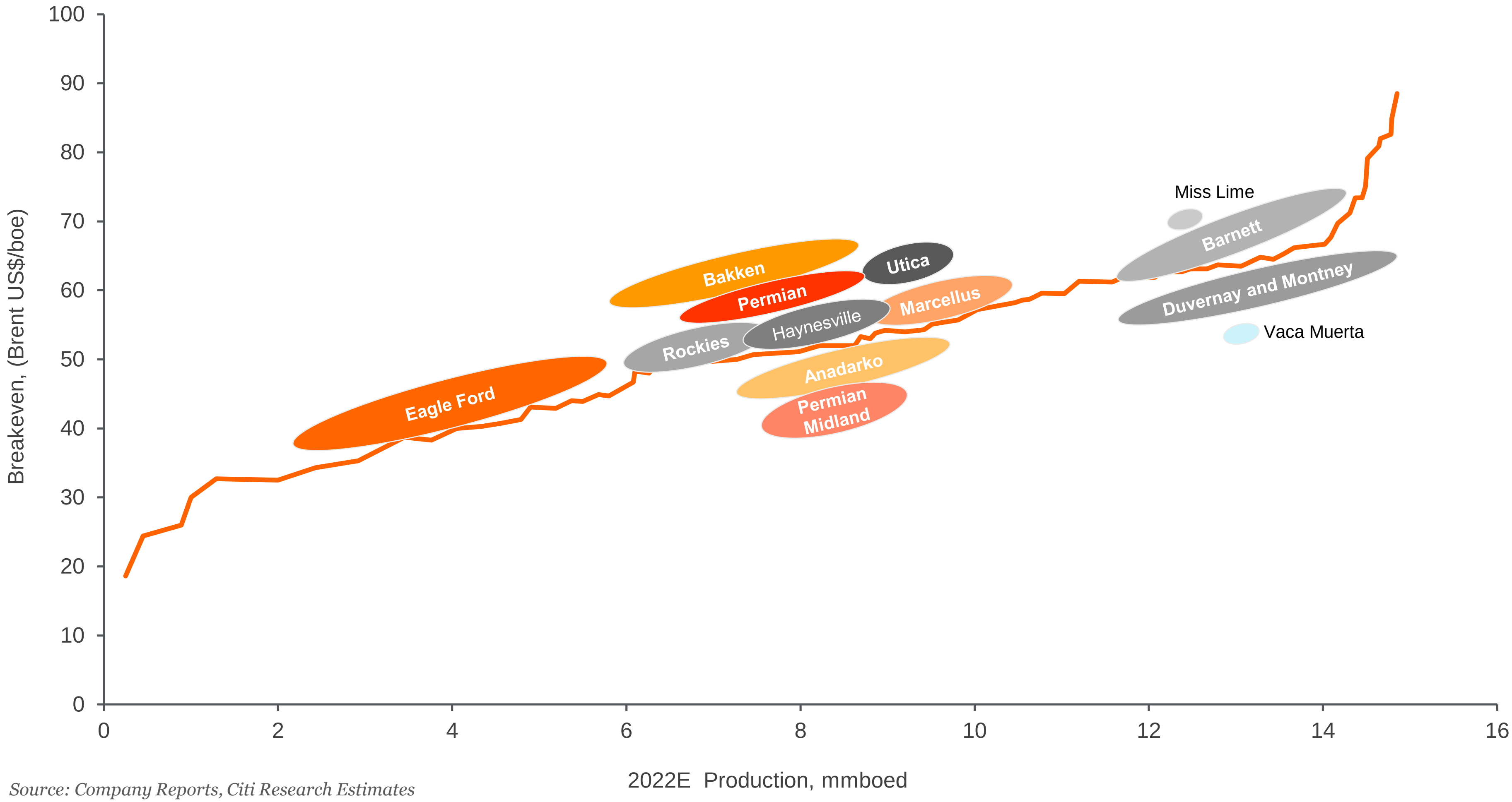
Rig Count outlook



Source: Baker Hughes

- Driven by higher crude oil and gas prices, NAM E&P CAPEX expected to grow in 2017 and beyond
- Consensus forecast indicates that rig count will average in the mid-600s during 2017
- Rig count recovery forecast to be moderate until mid-2017 as a consequence of price volatility and an abnormally high level of drilled but uncompleted (DUC) wells inventory
- Starting in 2H 2017, rig additions should accelerate, driven by higher crude oil and natural gas prices
- Low break-even Permian and Marcellus in a better position to benefit from higher E&P spending

Shale Assets on Cost-curve



Source: Company Reports, Citi Research Estimates

- Despite a wide variation between plays, US shale producers require the oil price to remain at US$50/bbl long-term for sustainable growth
- At the same time, some shale plays like Eagle Ford and Permian are profitable at below or around US$40/bbl

Strategy 2020

- Profitably grow share in core seamless, Premium connections and import business, while operating welded business at the more efficient mills
  - **Go-to-market model:**
    - Sales focus on providing broader technical solutions to reduce E&Ps costs, increasing the American division's market share
    - Work closely with end users and distribution partners, while increasing technical sales efforts
  - **Overall production philosophy:**
    - Modify production to a make-to-order approach, with planned tonnage linked to actual purchase orders
    - Manage operations on a regional basis and reduce time and expense of shipping product between plants.
- Last nine months: broad-based, structured approach to make major reductions in spending and employment levels, while continuing cost-cutting programs and developing new approaches to the market

Integrated Well Solutions: TMK IPSCO and TMK Completions

Bundling pipe, Premium Connections and Completions

- Provide customers with creative solutions by leveraging the strengths of TMK IPSCO and TMK Completions
- Develop proposals to meet the unique requirements of each customer by linking products and services with innovative technology to ensure customer satisfaction

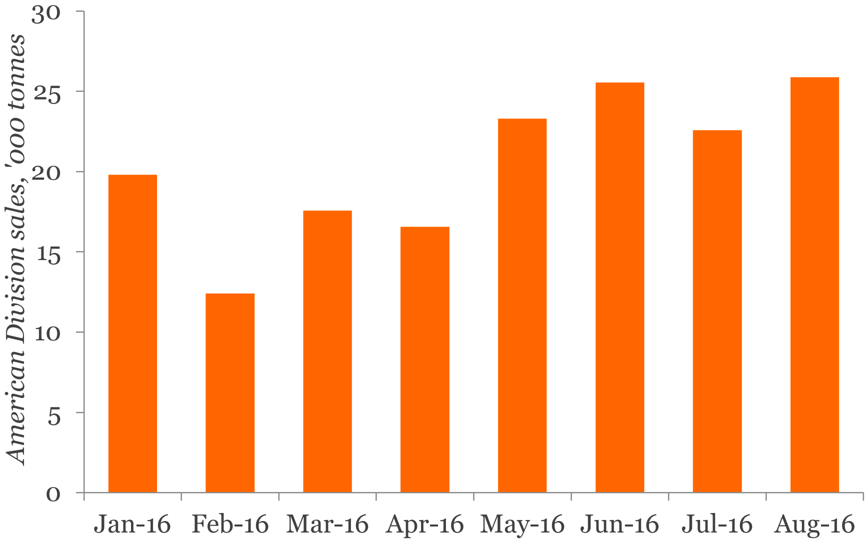
TMK OCTG Tubulars:
- Casing and tubing
- API and Proprietary
- Sizes 2-3/8” to 16”
- Seamless and welded

TMK UP ULTRA™:
Some of the strongest and most efficient premium connections available on the market

TMK Completions:
Innovative multi-stage fracturing systems and tools for cemented and uncemented designs

Results of New Go-to-Market Model in 2016

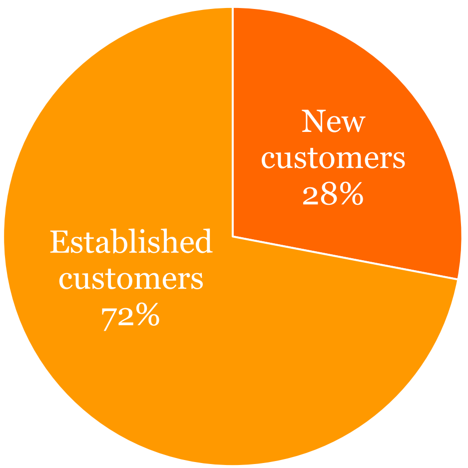
New go-to-market model is driving growth…



Source: Company results

…increasing customer base and market share

OCTG Sales in 2016E (tonnes)



Source: Company results

- Shipments growing since February in the context of weakening market, with other competitors seeing lower volumes in general
- Successful implementation of new go-to-market model in most U.S. regions driving recovery in sales and growth in market share: new customers account for 28% of overall OCTG volumes in 2016

Cost Reduction in Operations

- Majority of welded mills are temporarily idled, awaiting repositioning/upturn
- Downward trend of conversion cost per ton produced, - 34% during 2016
- Contributing factors: matching labor, aggressive performance targets, lean manufacturing techniques, campus mentality (production consolidation) and “make to order” approach
  - Matching labor to the utilization of operating facilities, this allows us to control labor cost in both low and recovering scenarios – total employment costs reduced by 46%
  - Variable cost is improving: -26% in 2016. Fixed cost downward trend: -16% in 2016
  - Process Engineering function installed at each operating facility to ensure implementation of Lean Manufacturing. Lean manufacturing techniques support variable cost and capacity improvements
  - Campus mentality: consolidation of the South Production Campus. Moving Houston Ultra lines to Baytown

Conclusion

- Making progress amid the chaos
  - New go-to-market model:
    - Growing customer count significantly
    - Growing market share sustainably
  - Continuous improvement in:
    - Ongoing yield/Overall Equipment Efficiencies (O.E.E.) improvements
    - Will manage operations on a regional basis and reduce the time and expense of shipping product between plants
  - Started down-sizing early on, now growing production employee count again
  - Make-to-order approach on both seamless and welded
  - Continue R&D in both premium and semi-premium connections and completions
- "Lower for longer" becoming “recovery and ramping up"

Sustainable Performance in Turbulent Times

Vladimir Shmatovich
Vice President for Strategy and Business Development

Fundamentals

OIL PRICE

- Regions with low- and mid-level production costs to account for the majority of global drilling
- At the current oil price Russian oil production remains profitable, supporting growing drilling activity in Russia
- Key factors behind the resilient upstream profitability in Russia are an automatically-adjusting tax regime and a freely floating RUB, which cut OPEX of Russian oil companies by almost 40% since 3Q 2014

DOMINATING RUSSIA

- Prominent market leader in seamless OCTG in Russia with 68% market share in 9m 2016
- Import substitution program drives further development: TMK's Russian enterprises offer solutions for complex oil&gas projects
- Russian division EBITDA margin remains at a level of more than 20% for the third consecutive quarter

GLOBAL COMMITMENT

- Company's assets located in some of the largest oil&gas regions in the world – Russia and the US
- The US remains the largest OCTG market in the world, and starting to show signs of improvement

Fundamentals – Oil Price

OIL PRICE

- Regions with low- and mid-level production costs to account for the majority of global drilling
- At the current oil price Russian oil production remains profitable, supporting growing drilling activity in Russia
- Key factors behind the resilient upstream profitability in Russia are an automatically-adjusting tax regime and a freely floating RUB, which cut OPEX of Russian oil companies by almost 40% since 3Q 2014

DOMINATING RUSSIA

- Prominent market leader in seamless OCTG in Russia with 68% market share in 9m 2016
- Import substitution program drives further development: TMK's Russian enterprises offer solutions for complex oil&gas projects
- Russian division EBITDA margin remains at a level of more than 20% for the third consecutive quarter

GLOBAL COMMITMENT

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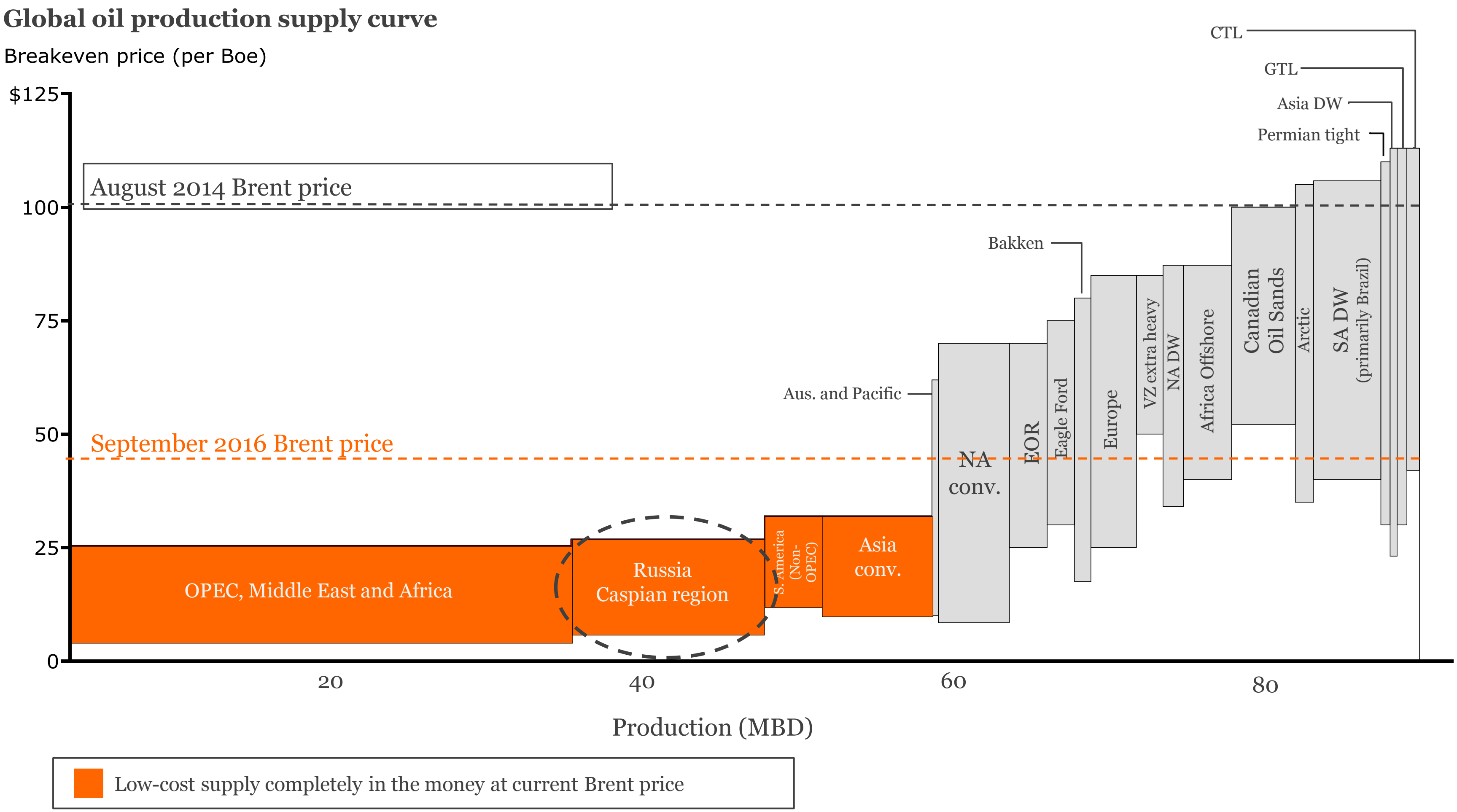
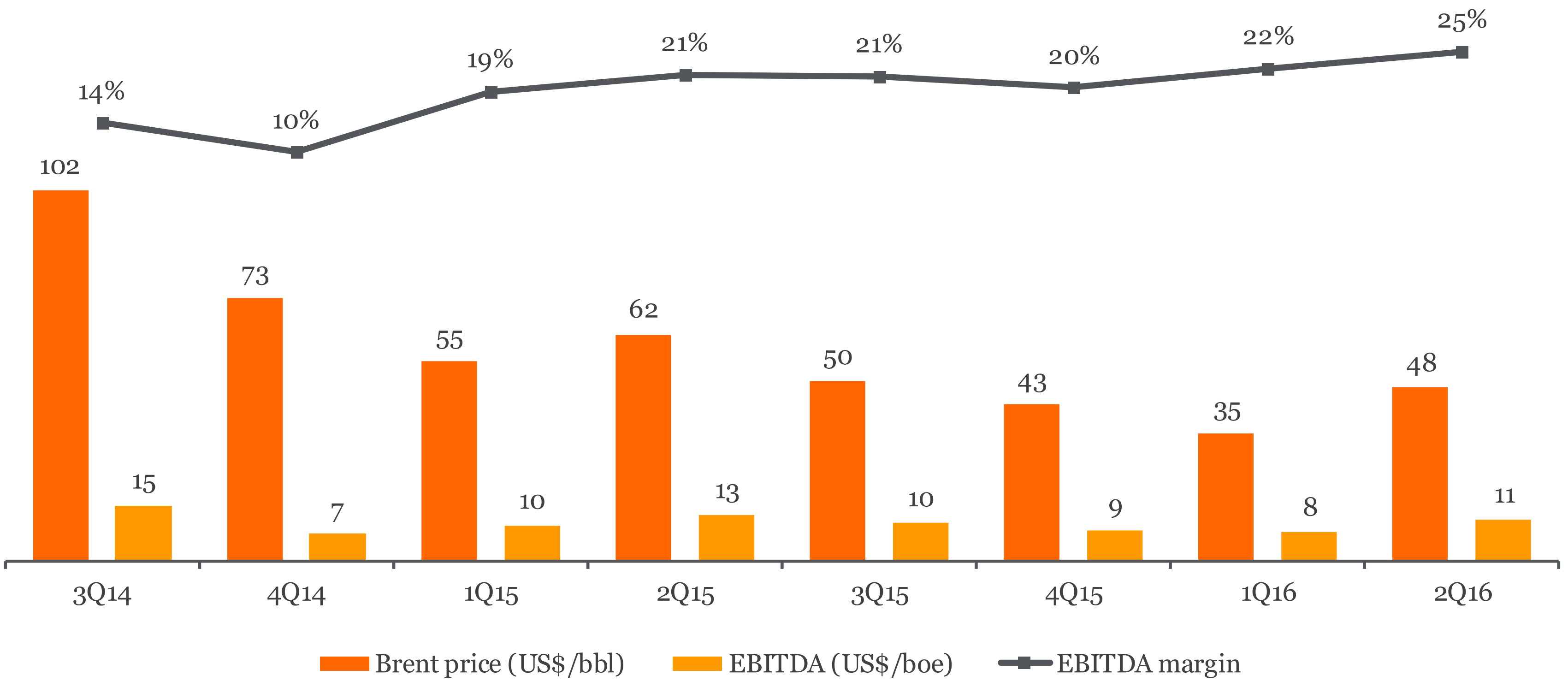
TMK Operates in Regions with Low-cost Oil Production



*Note: Breakeven price assumes a 10% return, and NPV of 0; *includes Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan*
Source: IEA World Energy Outlook; EIA International Energy Outlook; EIA Annual Energy Outlook; Morgan Stanley; Bain

Robust Upstream Economics in Russia

Strong upstream EBITDA margin despite oil price collapse



Source: Public Information, companies data.
Note: EBITDA was calculated based on Rosneft, Lukoil, Gazprom Neft and Bashneft figures weighted by their hydrocarbon production.

- Despite 50% drop in oil price since 3Q 2014, Russian upstream remains profitable with stable EBITDA margin per bbl and significantly increasing EBITDA margin (to 20-25% range)

Fundamentals – Dominating Russia

OIL PRICE

- Regions with low- and mid-level production costs to account for the majority of global drilling
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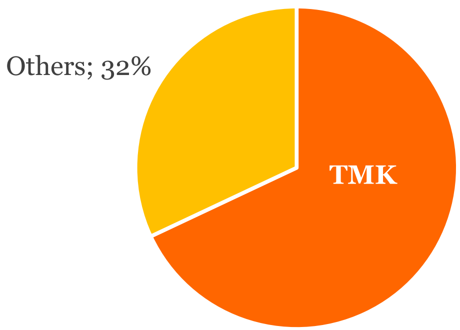
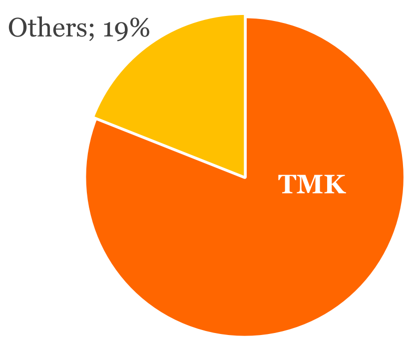
Dominating Russia

Prominent market leader

68% of seamless OCTG market



81% of premium OCTG market

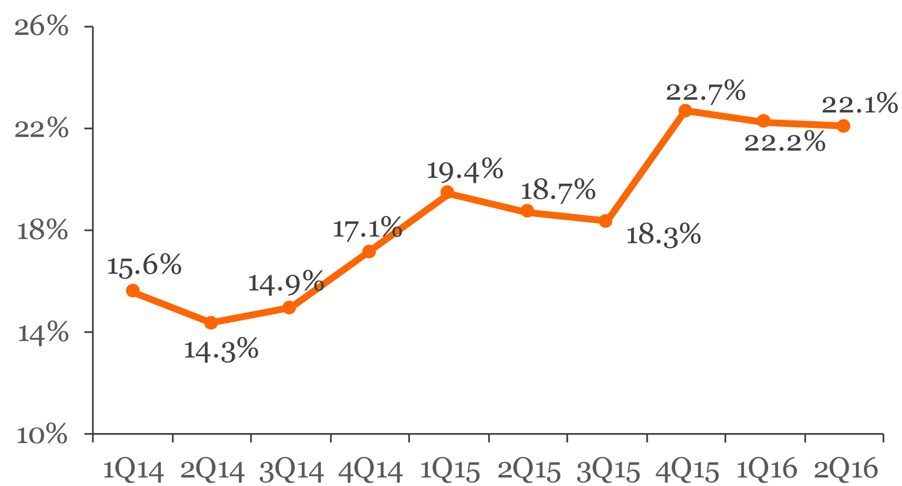


Source: TMK estimates, based on 9m2016 numbers

TMK solutions for complex projects

- Long-term agreement to supply premium products to Gazprom
- Supplies to Prirazlomnoe oil field (GAZP) and South-Tambeyskoye gas field (Yamal LNG)
- Premium solutions, oilfield services and high value added products allow TMK to improve profitability of the Russian division

Solid EBITDA margin



Source: TMK data

Fundamentals – Global Commitment

OIL PRICE	▪ Regions with low- and mid-level production costs to account for the majority of global drilling ▪ At the current oil price Russian oil production remains profitable, supporting growing drilling activity in Russia ▪ Key factors behind the resilient upstream profitability in Russia are an automatically-adjusting tax regime and a freely floating RUB, which cut OPEX of Russian oil companies by almost 40% since 3Q 2014
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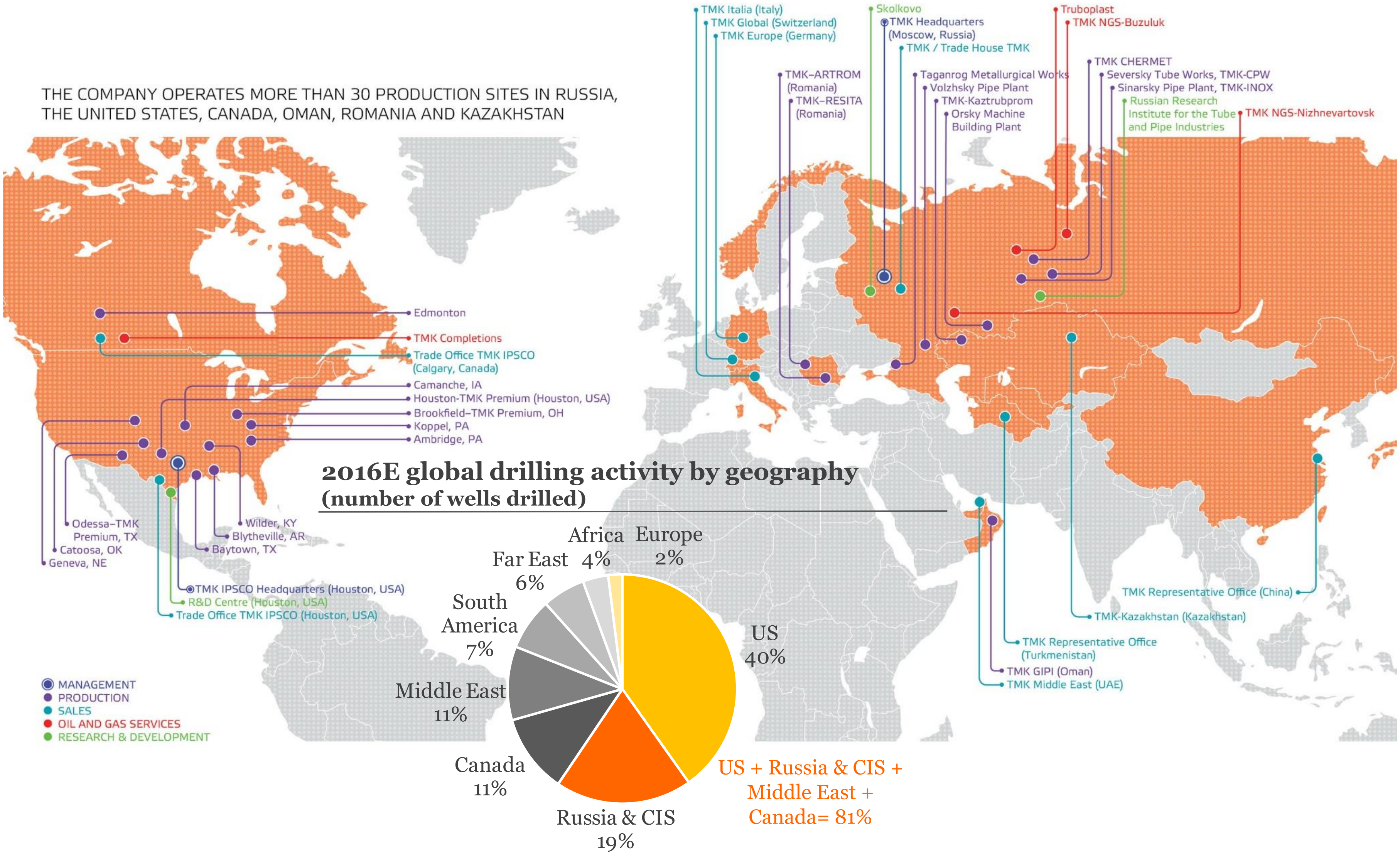
GLOBAL COMMITMENT	▪ Company's assets located in some of the largest oil&gas regions in the world – Russia and the US ▪ The US remains the largest OCTG market in the world, and starting to show signs of improvement

Focus to Remain a Global Company

THE COMPANY OPERATES MORE THAN 30 PRODUCTION SITES IN RUSSIA, THE UNITED STATES, CANADA, OMAN, ROMANIA AND KAZAKHSTAN



Note: Excluding China and Central Asia. Onshore and offshore drilling
Source: Spears & Associates

Responding to Challenges

SANCTIONS AGAINST RUSSIAN OIL&GAS	▪ Import substitution programs by Russian oil & gas companies ▪ Drives development of premium products and oilfield services
AMERICAN DIVISION	▪ Cost cutting program implemented ▪ Majority of welded mills are temporarily idled, awaiting repositioning/upturn ▪ Losses are getting several times lower
HIGH LEVERAGE	▪ Strong commitment to deleverage through: – working capital improvement – cost cutting – limiting CAPEX – sale of non-key assets – potential SPO ▪ To get to below 3.0x Net Debt/EBITDA in 3 years period, while 2.5x Net Debt/EBITDA remains a longer-term target

Responding to Challenges – Sanctions against Russian Oil & Gas

SANCTIONS AGAINST RUSSIAN OIL&GAS	▪ Import substitution programs by Russian oil & gas companies ▪ Drives development of premium products and oilfield services
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Premium Products and Services

- TMK to maintain its share of premium connections market with greater focus on sales of 2nd and 3rd generation premium connections to improve sales efficiency and enhance competitive advantage

- TMK is actively developing HI-TECH products (high-tech pipes for unconventional reserves, including offshore deposits):
  - OCTG: with Premium threading, Cr13, GreenWell technology, alloy OCTG (L80, C90, T95, P110) mostly with Premium threading
  - Stainless steel pipe
  - Pipe with increased corrosion resistance
  - Vacuum insulated tubing
  - LDP

- Currently, HI-TECH products comprise around 50% of Russian division's total revenue*. By 2020 the Company plans to increase HI-TECH product sales to 70% of Russian division's revenue

- Annual revenue from sales of newly developed products amounts to c. US$100 mln

** TMK estimates for 8 months 2016*

Development of HI-TECH Products

- Import substitution program: 8-years contract with GAZP for a total amount of more than RUB 50 bn and pipe volumes of more than 100 thousand tonnes.

  – In 2016, TMK developed and started shipments of stainless steel and hi-alloy pipe with specially designed premium connections for operations in areas with extreme conditions (high hydrogen sulphide, low temperatures, helium content) at Chayanda, Astrakhan and Urengoy gas fields

- Premium connections for all applications including SAGD technology

- Shipments of premium connections to South Kirinskoye, Prirazlomnoe, Filanovsky and Yurkharovskoye

- TMK's HI-TECH products are fully compliant with strict requirements for Lukoil's offshore projects in the North Caspian, Gazpromneft projects in the Arctic and Gazprom projects on Sakhalin Island, bringing share of the Russian products to 100%

Responding to Challenges – American Division

SANCTIONS AGAINST RUSSIAN OIL&GAS

- Import substitution programs by Russian oil & gas companies
- Drives development of premium products and oilfield services

AMERICAN DIVISION

- Cost cutting program implemented
- Majority of welded mills are temporarily idled, awaiting repositioning/upturn
- Losses are getting sequentially smaller

HIGH LEVERAGE

- Strong commitment to deleverage through:
  - working capital improvement
  - cost cutting
  - limiting CAPEX
  - sale of non-key assets
  - potential SPO
- To get to below 3.0x Net Debt/EBITDA in 3 years period, while 2.5x Net Debt/EBITDA remains a longer-term target

Responding to Challenges – High Leverage

SANCTIONS AGAINST RUSSIAN OIL&GAS

- Import substitution programs by Russian oil & gas companies
- Drives development of premium products and oilfield services

AMERICAN DIVISION

- Cost cutting program implemented
- Majority of welded mills are temporarily idled, awaiting repositioning/upturn
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HIGH LEVERAGE

- Strong commitment to deleverage through:
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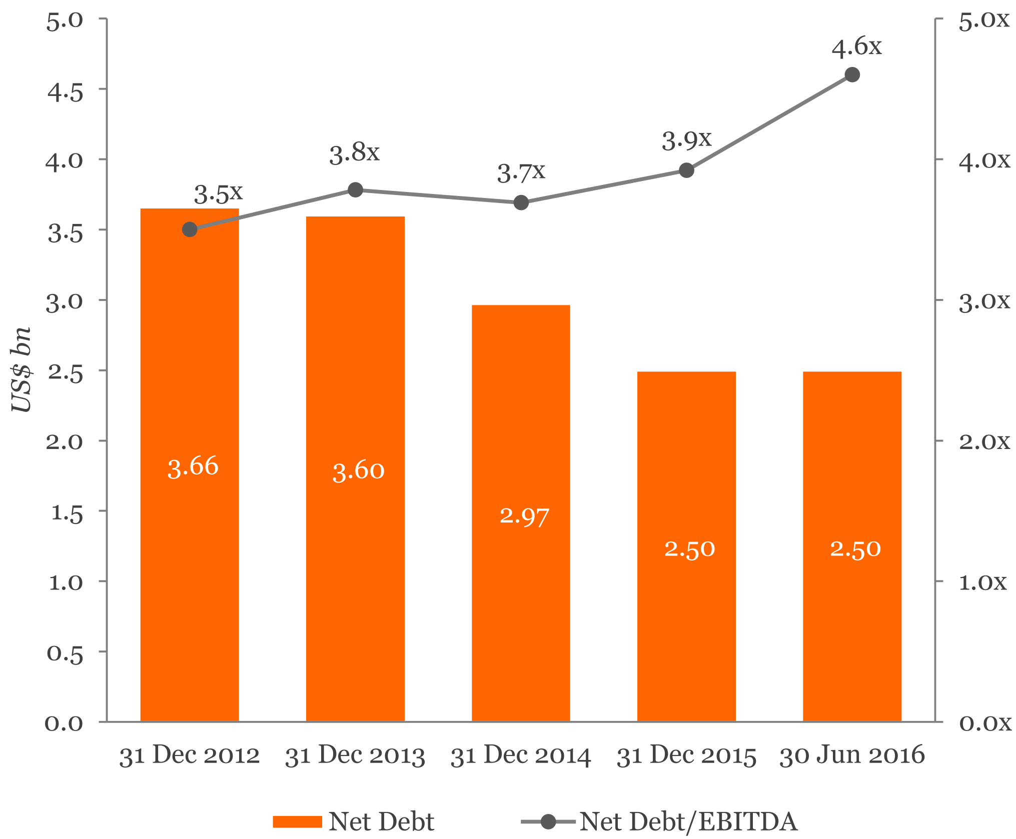
Net Debt Dynamics

Net debt decreased by more than US$1 bn since 2012

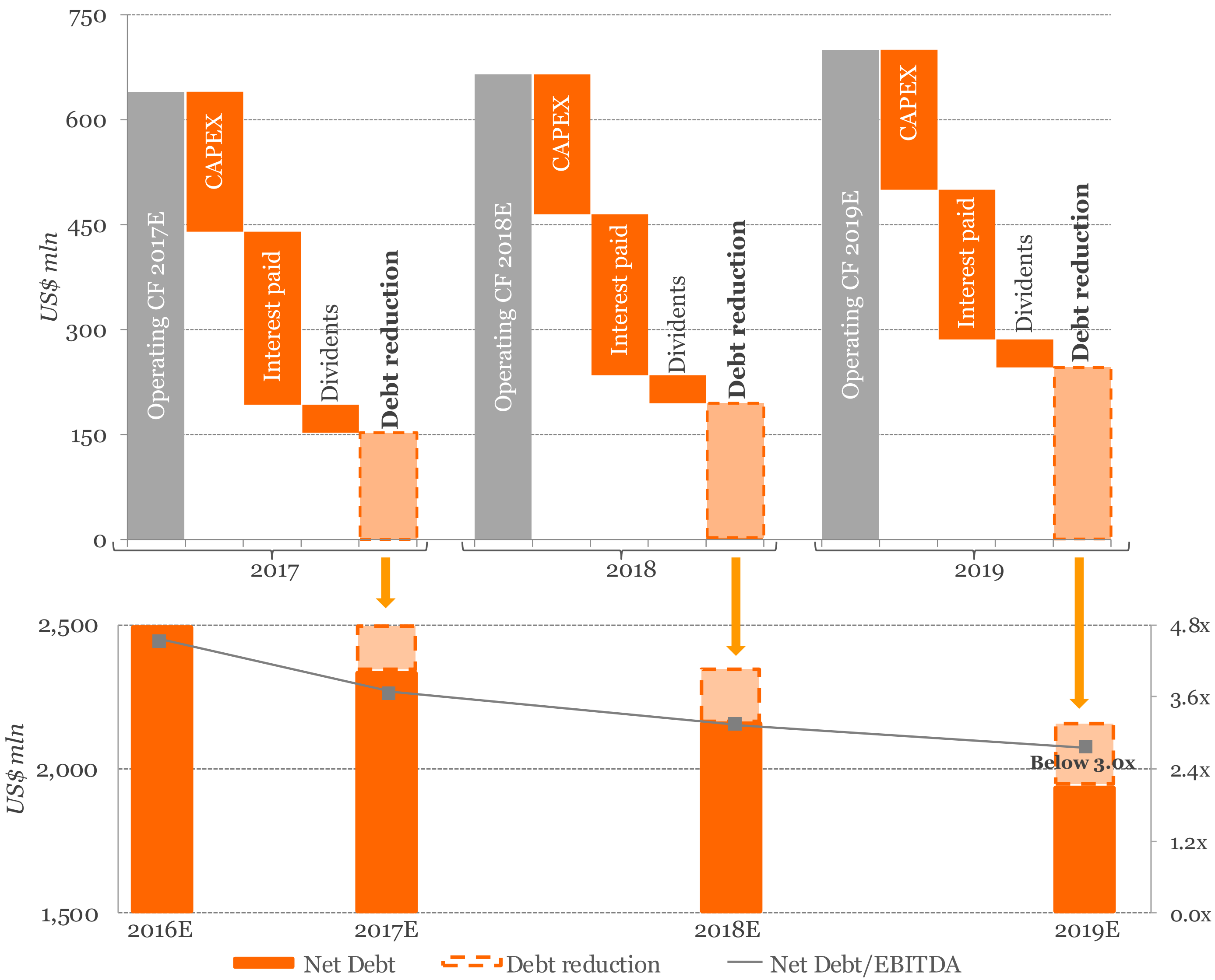


Source: TMK data and estimates

- Net debt decreased by more than US$1 bn since 2012
- High visibility for the leverage - till the year end 2016 it will stay at the current level or lower
- Compliant with current covenants

Pro-forma Example of TMK Deleveraging

Deleveraging schedule*



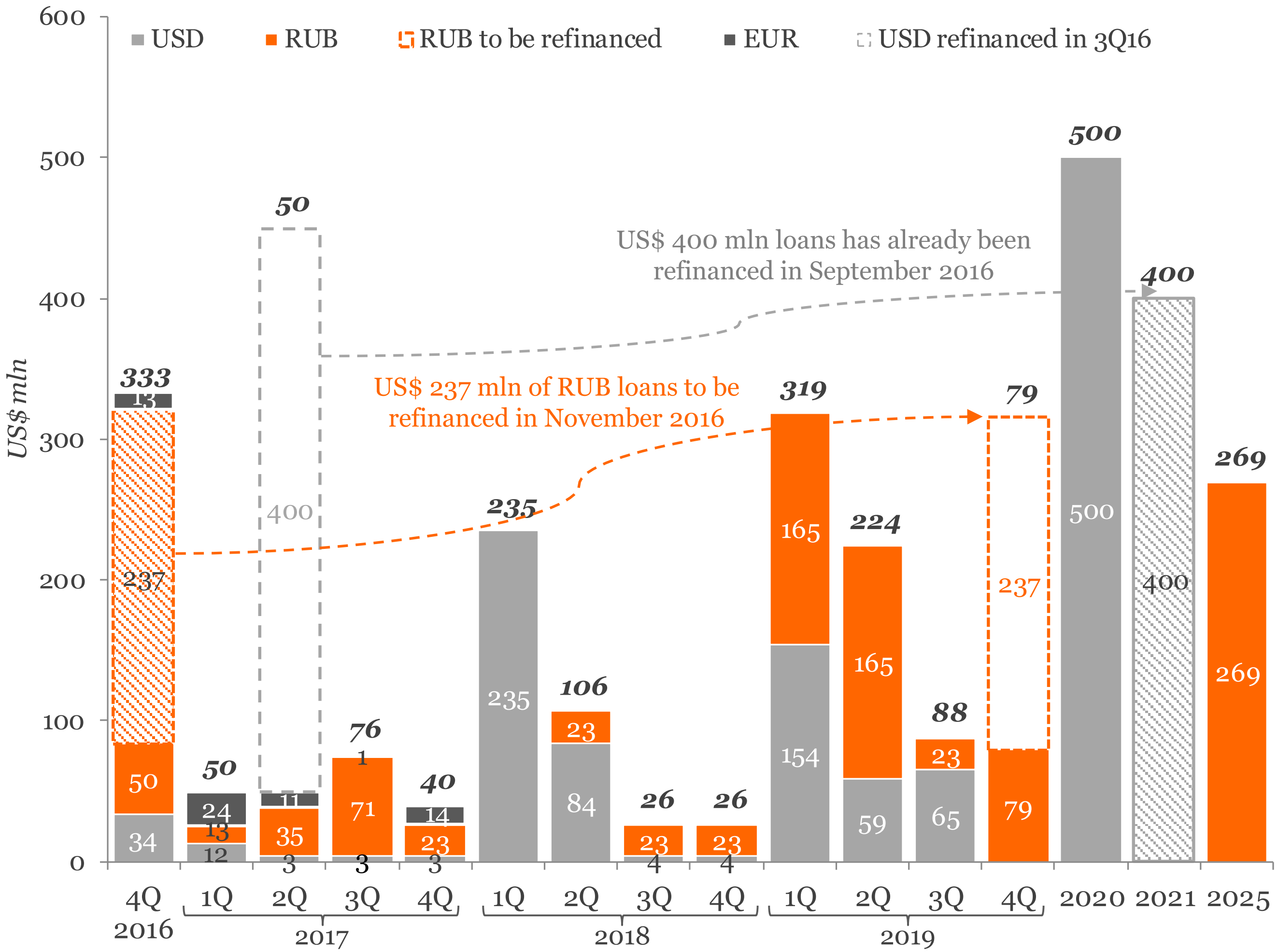
Source: TMK estimates

- EBITDA growth in 2017E-2019E
- Target to get to **below 3.0x Net Debt/EBITDA in 3 years** – focus on cash generation:
  - Limited capex and improved working capital
  - Disposal of non-key assets
  - Potential SPO
- **2.5x Net Debt/EBITDA** remains a longer-term target
- Key assumption – reasonably stable macros, including gradual US recovery

* DOES NOT REPRESENT A GUIDANCE

Comfortable Maturity Profile with Ongoing Refinancing

Debt maturity profile as at September 30, 2016

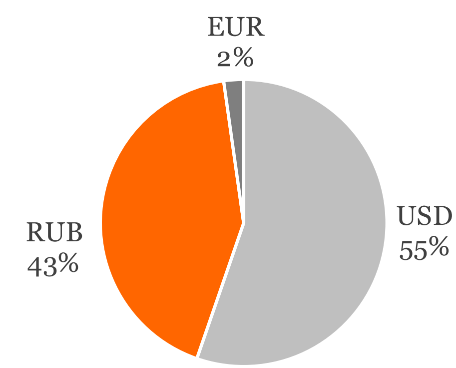


Source: TMK management accounts (figures based on non-IFRS measures), TMK estimates

- As at September 30, 2016, net debt amounted to US$2,564* mln
- Weighted average nominal interest rate decreased by 9 bps compared to June 30, 2016 to 9.00% as at Sep 30, 2016
- Credit Ratings:
  - S&P: B+, Negative;
  - Moody's: B1, Negative

**TMK estimate*

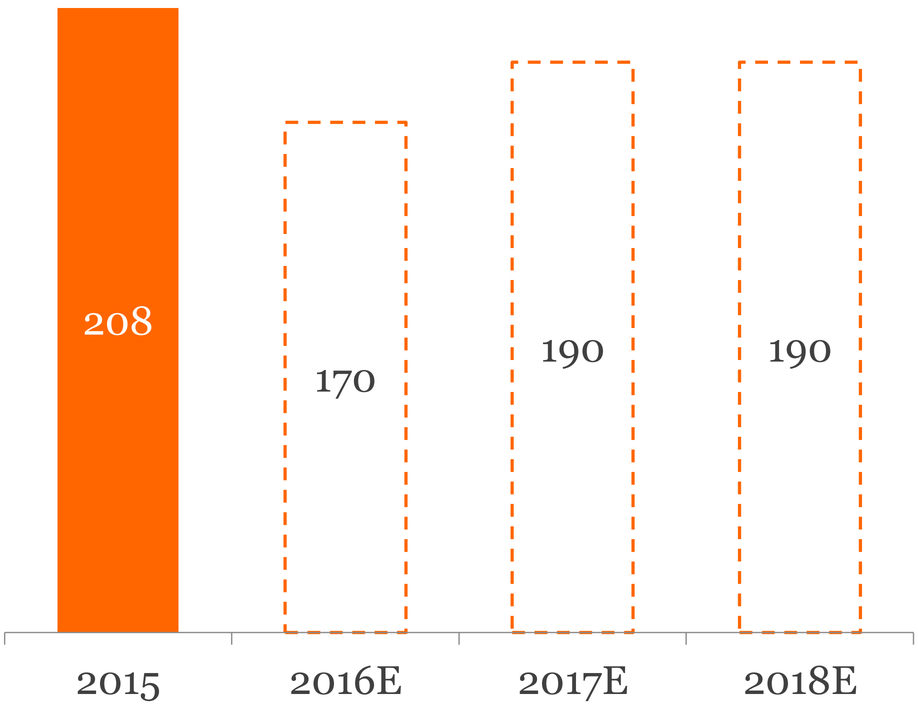
Debt currency structure



Source: TMK management accounts

Strict Control over CAPEX

Limited CAPEX for 2016E-2018E



Source: TMK estimates

- Upper limit of US$200 mln annual CAPEX (growth & maintenance) for 2016E-2018E reconfirmed
- Strategic investment program completed in Autumn 2014
- Strict control over maintenance costs
- No M&A's planned

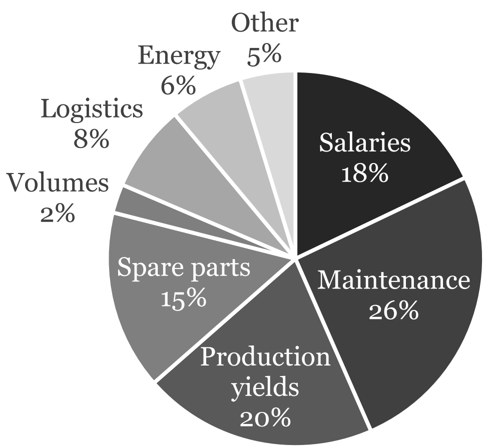
Ongoing Cost Cutting Program

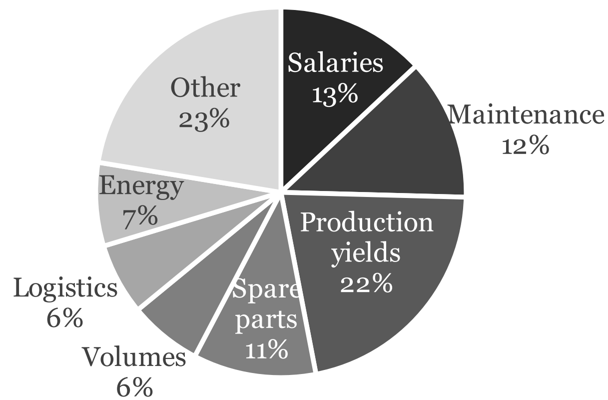
Cost cutting program breakdown

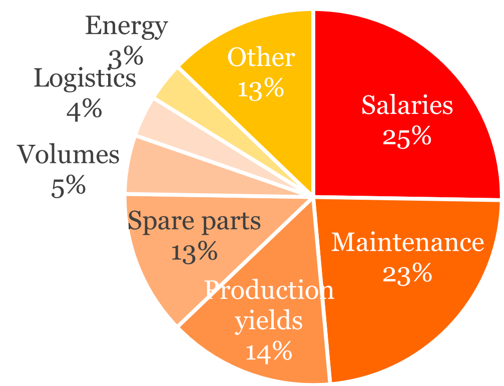
2014 — EBITDA effect c. US$121 mln

2015 — EBITDA effect c. US$115 mln

2016E — EBITDA effect c. US$140 mln







Source: TMK estimates

Goals

MAINTAIN LEADERSHIP

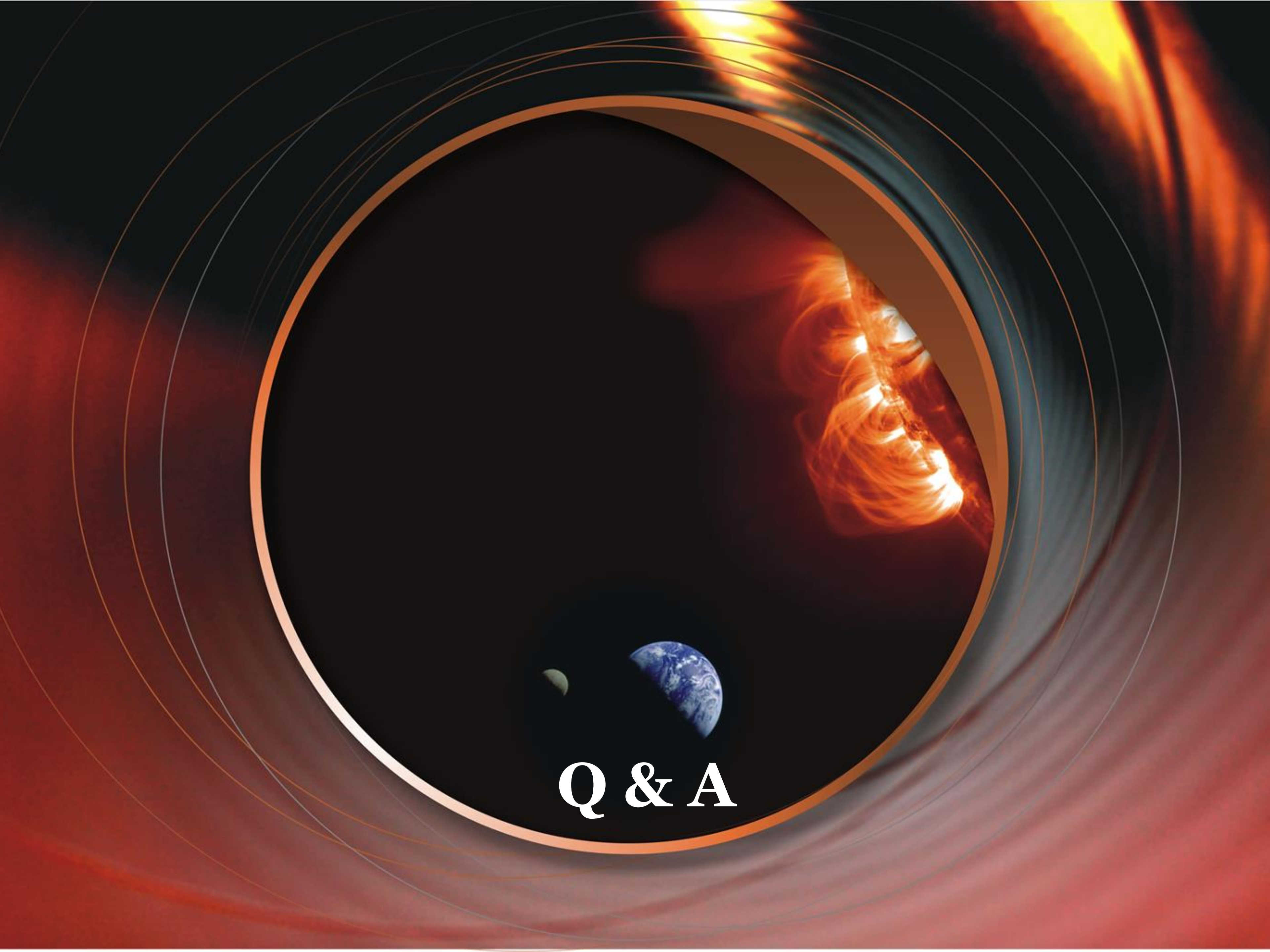
- Continue dominating Russian market
- Remain among top 3 US OCTG producers
- Increase HI-TECH product sales to 70% of Russian division's revenue by 2020 and maintain our share of total premium connections market in Russia
- US$100 mln revenue from newly developed products annually

FOCUS ON CASH GENERATION

- Continue optimizing working capital
- Ongoing cost cutting
- Limited CAPEX
- No M&A activity planned
- Disposal of non-key assets and potential SPO

DELEVERAGING

- Target to get to below 3.0x Net Debt/EBITDA in 3 years
- 2.5x remains a longer-term goal


Q & A