

Pipe Maker Expects Siberia Pipeline Project to Boost Q2 Results

By [The Moscow Times](#)

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TMK, Russia's largest maker of steel pipes for the oil and gas industry, said on Tuesday it expected stronger results in the second half of 2014 as it posted a return to profit after a net loss in the first quarter.

TMK, controlled by businessman Dmitry Pumpyansky, said the start of Gazprom's Power of Siberia pipeline project, which will link east Siberian gas production with China, should boost domestic demand for large-diameter pipes in the second half of the year, while high commodity prices were expected to support robust drilling activity in the United States.

"Overall, for the second half of the year TMK expects a stronger set of results due to growing LD pipe sales, higher seamless pipe prices in Russia in line with stable raw materials prices as well as a gradual recovery on the U.S. market," it said.

The company reported a second-quarter net profit of \$60 million thanks to a recovery in the ruble after a net loss of \$16 million in the previous quarter.

The bottom line improved during April-June owing to a foreign exchange gain of \$32 million, compared with a \$63 million loss in the first quarter due to ruble weakness.

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Its revenue grew 3 percent, quarter-on-quarter, to \$1.5 billion. Adjusted earnings before interest, taxation, depreciation and amortization, or EBITDA, also rose 3 percent to stand at \$190 million.

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