

9. CONSOLIDATED FINANCIAL STATEMENTS

OAo TMK **Consolidated Financial Statements** *for the year ended December 31, 2014*

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OAo TMK **Consolidated Income Statement** **for the year ended December 31, 2014**

(All amounts in thousands of US dollars, unless specified otherwise)

	NOTES	Year ended December 31,	
		2014	2013
Revenue:	1	6,008,946	6,431,903
<i>Sales of goods</i>		5,921,889	6,328,930
<i>Rendering of services</i>		87,057	102,973
Cost of sales	2	(4,839,470)	(5,074,311)
Gross profit		1,169,476	1,357,592
Selling and distribution expenses	3	(349,949)	(379,205)
Advertising and promotion expenses	4	(14,468)	(12,481)
General and administrative expenses	5	(278,423)	(317,288)
Research and development expenses	6	(15,214)	(12,733)
Other operating income	7	7,604	17,779
Other operating expenses	7	(42,958)	(52,101)
Impairment of goodwill	17	(151,369)	(1,080)
Impairment of property, plant and equipment	16	(1,135)	(4,243)
Foreign exchange loss, net		(301,246)	(49,189)
Finance costs		(232,685)	(252,247)
Finance income		6,641	7,164
Gain on changes in fair value of derivative financial instruments		2,080	8,377
Share of profit of associates	11	273	176
Gain on disposal of subsidiary	10	-	1,862
Profit/(loss) before tax		(201,373)	312,383
Income tax expense	8	(15,276)	(97,843)
Profit/(loss) for the period		(216,649)	214,540
Attributable to:			
Equity holders of the parent entity		(215,559)	213,929
Non-controlling interests		(1,090)	611
		(216,649)	214,540
Earnings/(loss) per share attributable to the equity holders of the parent entity, basic and diluted (in US dollars)	9	(0.25)	0.25

The accompanying notes are an integral part of these consolidated financial statements.