

9. CONSOLIDATED FINANCIAL STATEMENTS

ОАО ТМК

Notes to the Consolidated Financial Statements (continued)

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

26) Interests in Subsidiaries

Principal Subsidiaries

The major subsidiaries included in these consolidated financial statements are presented in the following table:

Company	Location	Effective ownership interest	
		December 31, 2014	December 31, 2013
Manufacturing facilities			
OAO "Seversky Tube Works"	Russia	96.54%	96.33%
OAO "Sinarsky Pipe Plant"	Russia	97.28%	97.28%
OAO "Taganrog Metallurgical Works"	Russia	96.38%	96.38%
OAO "Volzhsky Pipe Plant"	Russia	100.00%	100.00%
ООО "ТМК-INOX"	Russia	49.61%	49.61%
ZAO "ТМК-CPW"	Russia	49.23%	49.13%
OAO "Orsky Machine Building Plant"	Russia	75.00%	75.00%
IPSCO Tubulars Inc.	USA	100.00%	100.00%
IPSCO Koppel Tubulars, L.L.C.	USA	100.00%	100.00%
IPSCO Tubulars (KY) Inc.	USA	100.00%	100.00%
IPSCO Tubulars (OK) Inc.	USA	100.00%	100.00%
Ultra Premium Oilfield Services, Ltd	USA	100.00%	100.00%
S.C. TMK-ARTROM S.A.	Romania	92.73%	92.73%
S.C. TMK-RESITA S.A.	Romania	100.00%	100.00%
TOO "ТМК-Казтрубпром"	Kazakhstan	100.00%	100.00%
TMK Gulf International Pipe Industry LLC	Oman	55.00%	55.00%
Services for oilfield and gas industries			
ООО "Предприятие "Трубопласт"	Russia	100.00%	100.00%
TMK NGS-Nizhnevartovsk	Russia	100.00%	100.00%
LLC TMK NGS-Buzuluk	Russia	100.00%	100.00%
OFS International LLC	USA	75.00%	75.00%
Threading & Precision Manufacturing LLC	USA	75.00%	75.00%
Independent Inspection Services LLC	USA	75.00%	75.00%
Oilfield Services & Technologies LLC	USA	75.00%	0.00%
Trading companies			
ZAO "Trade House TMK"	Russia	100.00%	100.00%
TMK IPSCO International L.L.C.	USA	100.00%	100.00%
TMK IPSCO Canada, Ltd.	Canada	100.00%	100.00%
TMK Europe GmbH	Germany	100.00%	100.00%
TMK Italia s.r.l.	Italy	100.00%	100.00%
TMK Middle East FZCO	UAE	100.00%	100.00%
TOO "ТМК-Kazakhstan"	Kazakhstan	100.00%	100.00%
TMK Global S.A.	Switzerland	100.00%	100.00%
Research and development			
OAO "Russian Research Institute of the Tube and Pipe Industries"	Russia	97.36%	97.36%
TMK R&D	Russia	100.00%	100.00%

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Notes to the Consolidated Financial Statements (continued)

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

26) Interests in Subsidiaries (continued)

Non-controlling Interests

The information about material non-controlling interests in subsidiaries is presented in the following table:

Company	2014		2013	
	Non-controlling interest, %	Non-controlling interest in net assets	Non-controlling interest, %	Non-controlling interest in net assets
TMK Gulf International Pipe Industry LLC	45.00%	16,879	45.00%	17,838
OAO "Sinarskaya heat and power plant"	33.08%	11,476	33.08%	20,740
S.C. TMK-ARTROM S.A.	7.27%	8,502	7.27%	8,716
OAO "Orsky Machine Building Plant"	25.00%	6,799	25.00%	11,270
OAO "Seversky Tube Works"	3.46%	6,364	3.67%	12,720
OAO "Taganrog Metallurgical Works"	3.62%	6,245	3.62%	10,971
OAO "Sinarsky Pipe Plant"	2.72%	5,784	2.72%	11,272
Other	—	4,187	—	2,300
		66,236		95,827

27) Related Parties Disclosures

Compensation to Key Management Personnel of the Group

Key management personnel comprise members of the Board of Directors, the Management Board and certain executives of the Group.

The compensation to key management personnel comprised of:

- Wages, salaries, social security contributions and other short-term benefits in the amount of 15,780 for the year ended December 31, 2014 (2013: 19,166);
- Provision for performance bonuses in the amount of 4,123 for the year ended December 31, 2014 (2013: 5,029).

The amounts disclosed above were recognised as general and administrative expenses in the income statement for the years ended December 31, 2014 and 2013.

The balance of loans issued to key management personnel amounted to 517 as at December 31, 2014 (December 31, 2013: 1,055). The Group guaranteed debts of key management personnel outstanding as at December 31, 2014 in the amount of 215 with maturity in 2016 (December 31, 2013: 2,323).

Transactions with the Parent of the Company

In December 2014, the Group approved interim dividends in respect of six months 2014, from which 266,796 thousand Russian roubles (4,896 at the exchange rate at the date of approval) related to the parent of the Company. As at December 31, 2014, no interim dividends were paid.