

TMK

Investor Presentation

2Q and 1H 2012 IFRS Results

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Company Overview

Investment Highlights

Global Market Leader

- One of the largest tubular capacity
- High exposure to the oil & gas industry: approximately 74% of 2011 shipments went to the oil & gas sector
- Leading producer of value-added steel pipes for the oil & gas industry
- 14% global seamless OCTG⁽¹⁾, 12% of the U.S. OCTG market in 2011

Leading Position in Russia and the U.S.

- Russia: 52% seamless pipe market, 59% seamless OCTG market, 17% LD pipe market in 2011
- Strategic partnerships and long-term contracts with Russian oil & gas majors
- One of the leading supplier to shale oil & gas in the U.S.

Favorable Industry Fundamentals

- Strong industry fundamentals driven by robust demand for oil & gas
- Stable demand from Russian oil industry little affected by fluctuations in oil prices
- Consolidated industry with significant barriers to entry
- Demand for seamless OCTG expected to experience significant growth driven by increasing complexity of drilling
- Oil & gas plays are to be more resilient to possible economic recession due to limited supply from traditional deposits and geopolitical risks

Vertically Integrated Low Cost Producer

- Structural cost advantages over major international competitors
- Fully vertically integrated seamless pipe production (upstream and downstream operations) in all 3 divisions
- Long-term proven ability to pass cost increase to customers

Growth Potential and Deleveraging

- Strategic Investment Programme (2004-14) aimed at 48% capacity increase is nearly completed
- Ability to efficiently integrate acquired businesses and realise synergies
- The effect from the recent investment projects to be realized in 2012-2015 which will facilitate deleveraging

Key Performance Figures

	2007	2008	2009	2010	2011	2Q 2012 LTM
Revenue, U.S.\$ mln	4,179	5,690	3,461	5,578	6,754	6,646
EBITDA, U.S.\$ mln	920	1,047	328	942	1,050	991
ROE, %	28.9%	9.4%	neg	6.9%	22.4%	16.0%

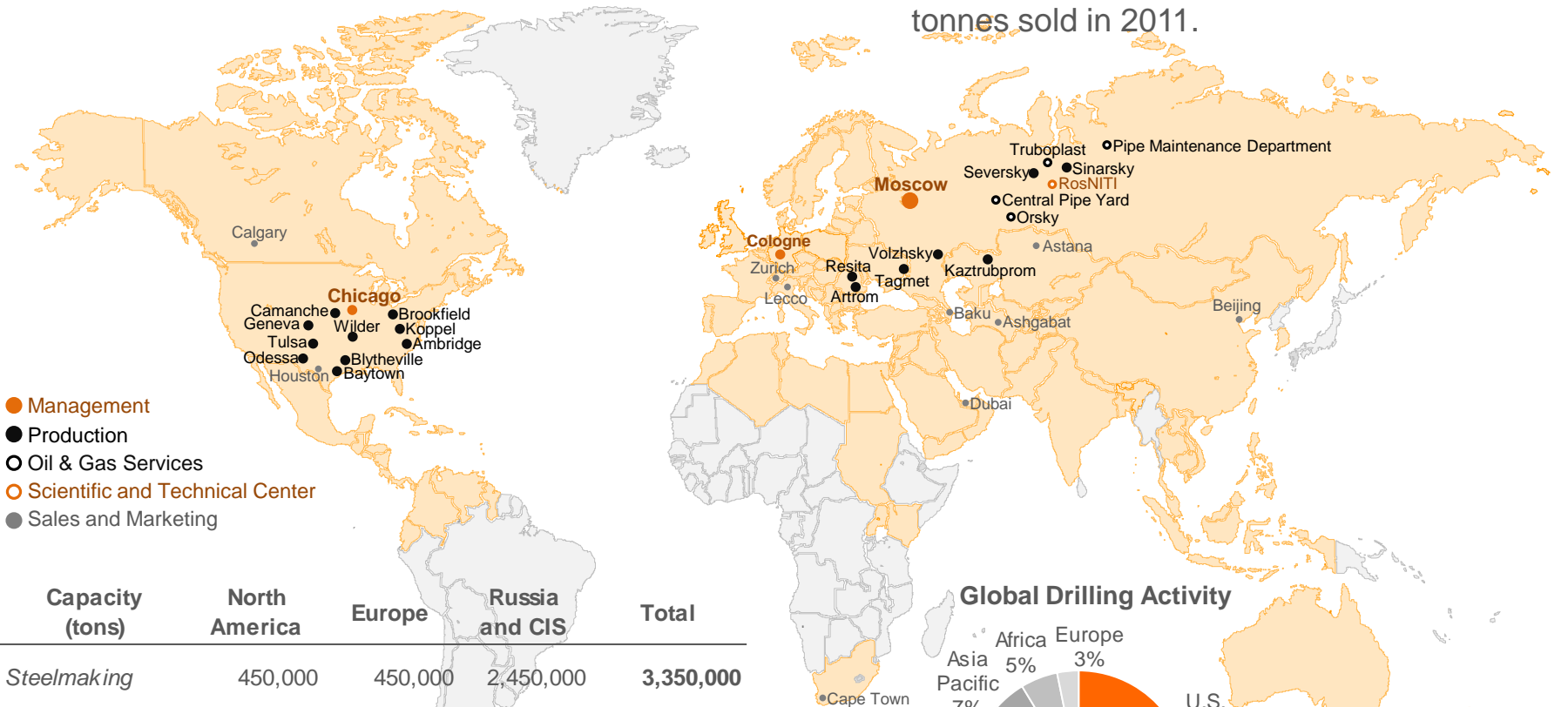
⁽¹⁾ OCTG - Oil Country Tubular Goods

Global Operational and Sales Footprint



Steel Tubular Industry Leader

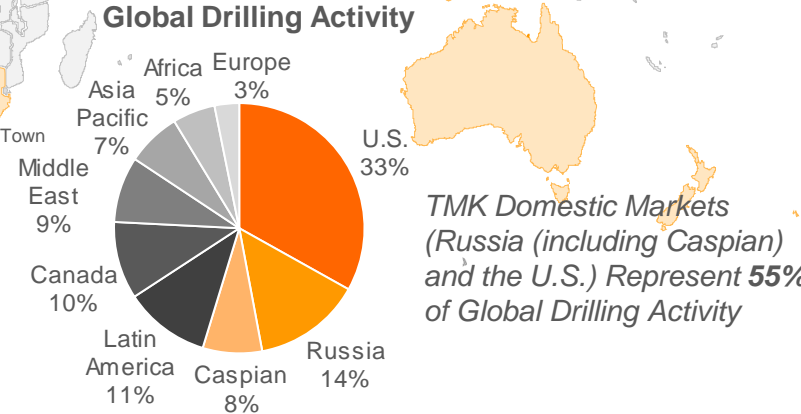
TMK's strategic positioning made it the steel tubular industry leader, with over 4 million tonnes sold in 2011.



Capacity (tons)	North America	Europe	Russia and CIS	Total
Steelmaking	450,000	450,000	2,450,000	3,350,000
Seamless Pipes	300,000	200,000	2,320,000	2,820,000
Welded Pipes	1,150,000		2,000,000	3,150,000
Heat Treat	441,000		1,500,000	1,941,000
Threading	981,000*		1,560,000	2,541,000

Note: *Including ULTRA Premium connections of 240,000 tons

Source: TMK data



Source: M-I SWACO

Russian and North American Synergies

Both Russia and North America have benefitted during the past three years since the acquisition of IPSCO

Benefits for Russia

- Best business practices – Russia is implementing practices such as Six Sigma; first Russian-American Black Belt class graduated in late October
- Leverage premium product – Made TMK Premium a TMK Group initiative; cross-licensing and cross-selling Premium connections



Benefits for North America

- Technology – Building relationships between U.S. plants and Russian research community and technical universities to create innovative solutions to address current and future challenges
- Complementary product mix – Broaden product offering of seamless pipe, and to a lesser extent welded pipe, to service the North American market and drive incremental sales



The Acquisition Has Combined Two Strong Regional Companies into an Even More Capable Global Organization

- Cooperation – A combined commitment to develop advanced products that support our customers rapidly changing drilling technologies: as evidenced by our new research center and global portfolio of premium connections
- Global Scope – Functioning as a worldwide organization has increased global focus and is accelerating development outside of our dominant regions

Financial Review

2Q 2012 Sales by Segment and Group of Product

Thousand Tonnes	Russia		Americas		Europe		Total	
	2Q 2012	QoQ, %	2Q 2012	QoQ, %	2Q 2012	QoQ, %	2Q 2012	QoQ, %
Seamless Pipe	546	9%	69	11%	48	9%	663	9%
OCTG	319	21%	62	13%	-	n/a	381	20%
Line Pipe	129	-7%	4	100%	8	14%	141	-4%
Industrial Pipe	98	-4%	3	-40%	40	8%	141	-2%
Welded Pipe	270	24%	168	-6%	-	n/a	438	11%
OCTG	-	n/a	108	10%	-	n/a	108	10%
Line Pipe	72	18%	23	-49%	-	n/a	95	-10%
Industrial Pipe	89	5%	37	3%	-	n/a	126	4%
Large Diameter	109	54%	-	n/a	-	n/a	109	54%
Total Pipes	816	13%	237	-2%	48	9%	1,101	10%

Source: TMK data

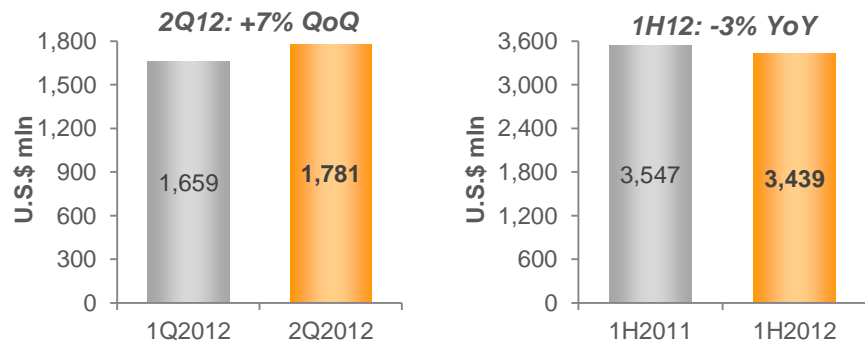
1H 2012 Sales by Segment and Group of Product

Thousand Tonnes	Russia		Americas		Europe		Total	
	1H 2012	YoY, %	1H 2012	YoY, %	1H 2012	YoY, %	1H 2012	YoY, %
Seamless Pipe	1,049	6%	131	-10%	92	-3%	1,272	3%
OCTG	582	18%	117	-9%	-	n/a	699	12%
Line Pipe	267	-6%	6	-40%	15	15%	288	-6%
Industrial Pipe	200	-8%	8	0%	77	-4%	285	-7%
Welded Pipe	487	-26%	347	20%	-	n/a	834	-12%
OCTG	-	n/a	206	19%	-	n/a	206	19%
Line Pipe	133	20%	68	62%	-	n/a	201	31%
Industrial Pipe	174	7%	73	-3%	-	n/a	247	4%
Large Diameter	180	-53%	-	n/a	-	n/a	180	-53%
Total Pipes	1,536	-7%	478	10%	92	-3%	2,106	-3%

Source: TMK data

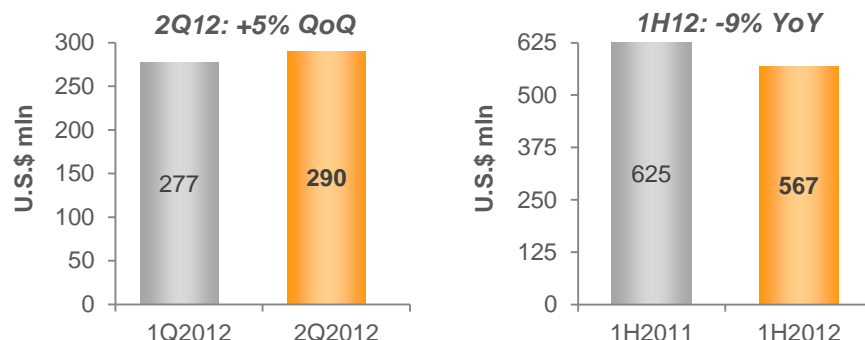
2Q 2012 and 1H 2012 Summary Financial Highlights

Revenue



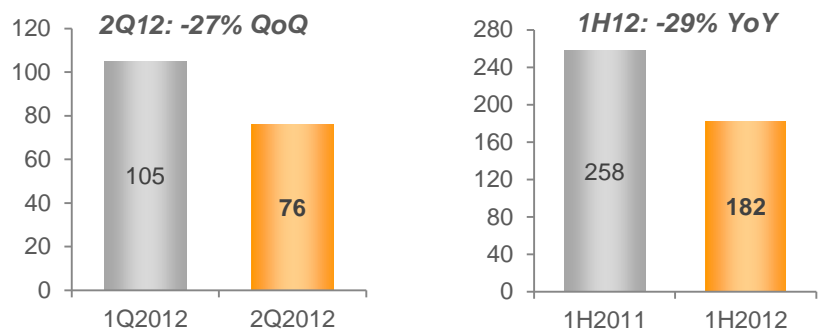
- 2Q 2012 revenue increased QoQ primarily due to both seamless OCTG pipe and large-diameter (LD) pipe sales growth
- 1H 2012 revenue decreased YoY mainly due to a decline in LD pipe sales partially offset by growth in sales of seamless and welded OCTG and welded line pipe

Adjusted EBITDA⁽¹⁾



- 2Q 2012 EBITDA increased QoQ due to volumes increase and lower operating expenses. EBITDA Margin was 16%
- 1H 2012 EBITDA decreased YoY due to lower welded pipe volumes, the negative effect of currency translation and higher operating expenses. EBITDA Margin was 16%

Net Income



- 2Q 2012 net income decreased QoQ being negatively impacted by a \$26 million foreign exchange loss vs. a \$31 million gain in 1Q 2012
- 1H 2012 net income declined YoY as a result of operating expenses growth

(1) Adjusted EBITDA is calculated as profit/loss before tax plus finance costs minus finance income plus depreciation and amortization adjusted for non-cash items

Note:

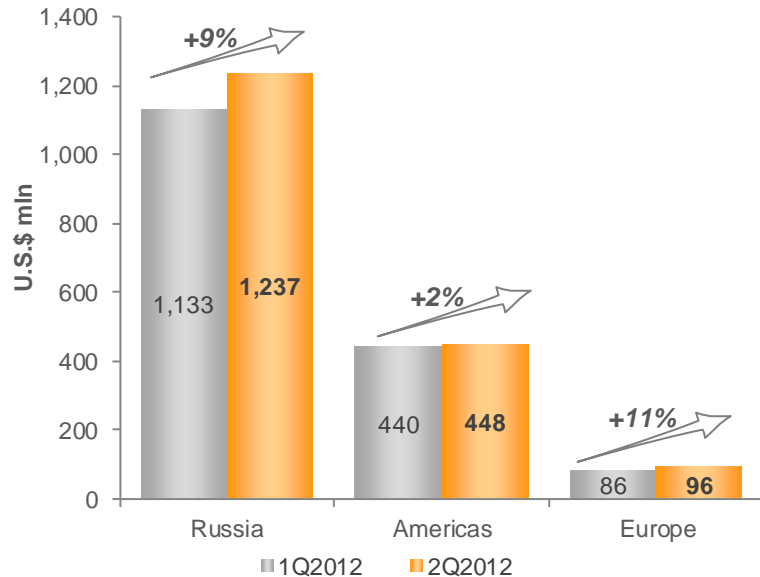
Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. On occasion therefore, amounts shown in tables and charts may not be the arithmetic accumulation of the figures that precede them, and figures expressed as percentages in the text and in tables may not total 100%

Source: TMK Consolidated IFRS Financial Statements, TMK data

2Q 2012 Revenue by Division

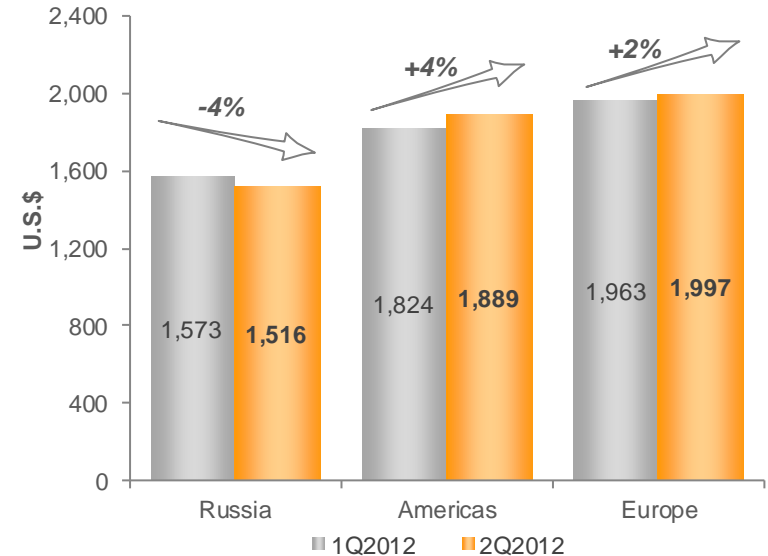


2Q 2012 Revenue



- Russian division grew mainly due to the growth of seamless OCTG volumes, LD and welded line pipes
- American division increased primarily as a result of higher volume in the seamless pipe business despite being negatively affected by a drop in welded line pipe sales, due to downtime for a capital project
- European division increased due to higher sales of seamless industrial pipe and steel billets

2Q 2012 Revenue per Tonne*



* Revenue per tonne for all three divisions include other revenue

- Russian division revenue per tonne decreased because of the higher proportion of LD pipe sales, the negative effect of currency translation and product mix
- American division experienced higher pricing on improving mix
- European division revenue per tonne increased due to other revenue growth mainly as a result of higher steel billets sales

Source: Consolidated IFRS Financial Statements, TMK data

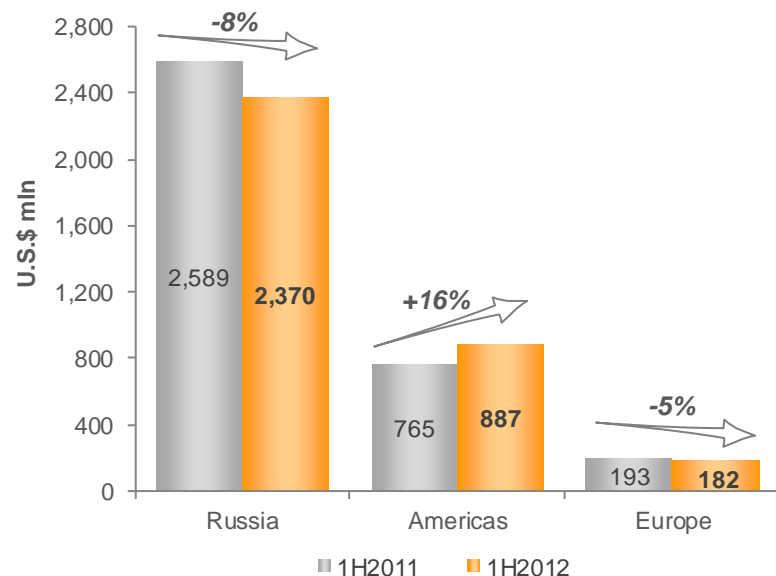
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1H 2012 Revenue by Division



1H 2012 Revenue



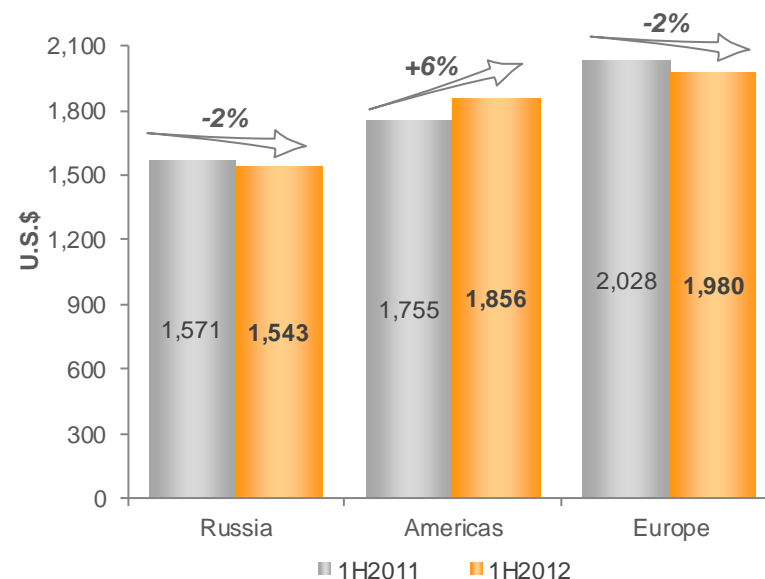
- Russian division decreased mainly due to the decline of welded pipe volumes as a result of the fall in LD pipe sales and the negative currency translation effect
- American division increased mainly due to higher volumes in welded pipes, as well as better pricing and improved product mix in both the welded and seamless businesses
- European division decreased due to effect of currency translation which was partially offset by higher average selling prices and improved product mix

Source: Consolidated IFRS Financial Statements, TMK data

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1H 2012 Revenue per Tonne*



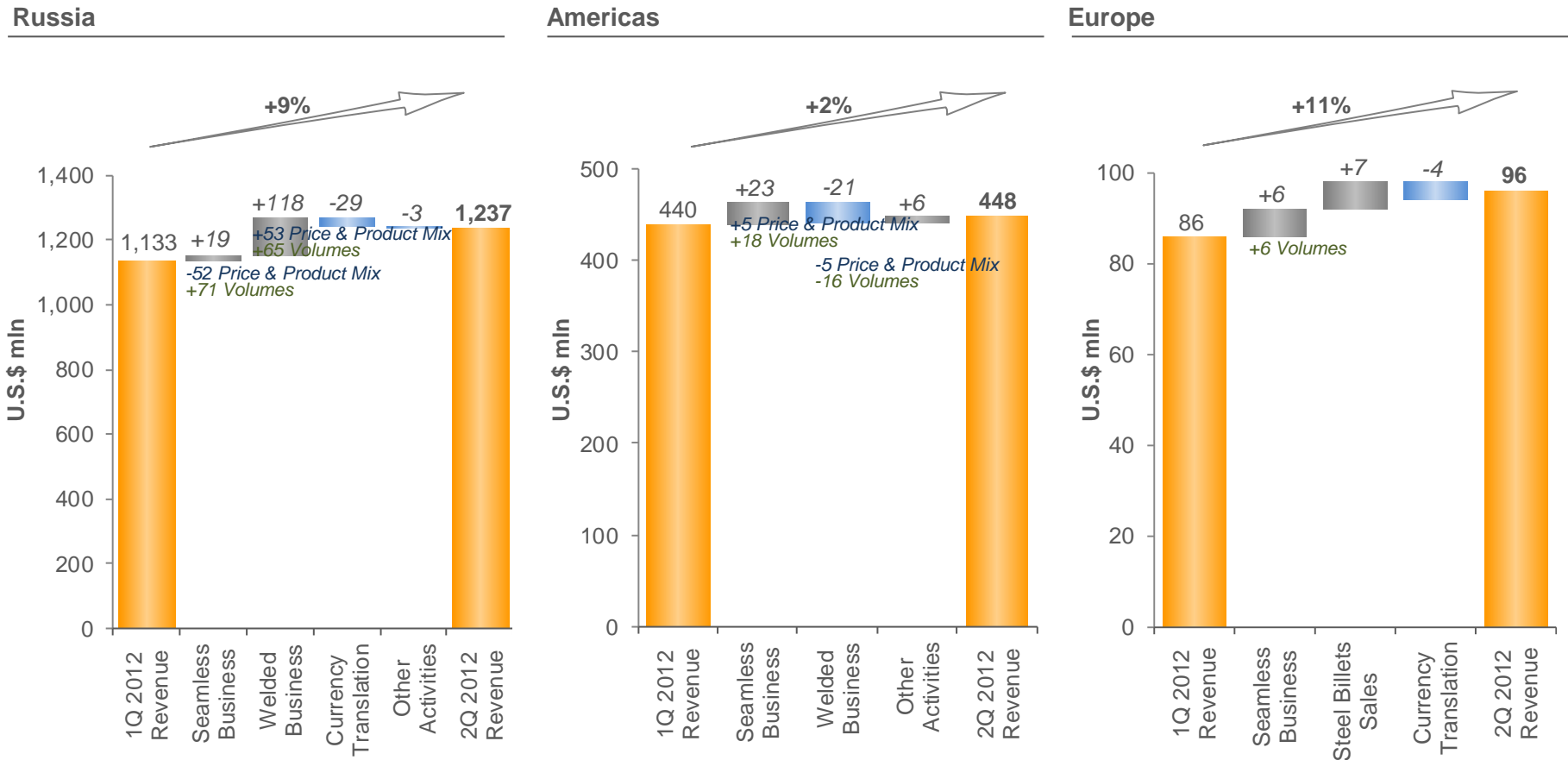
* Revenue per tonne for all three divisions include other revenue

- Russian division revenue per tonne decreased mainly due to the negative effect of currency translation
- American division revenue per tonne increased due to better pricing and product mix
- European division revenue per tonne declined due to the negative currency translation effect

2Q 2012 Revenue Growth by Segments and Groups of Products



Revenue growth in the Russian division was driven primarily by higher welded volumes, due to large-diameter business, and pricing. Increasing seamless volumes were virtually offset by declining welded volumes in the American division. The European division improved across all businesses but faced negative currency translation.



Source: Consolidated IFRS Financial Statements, TMK data

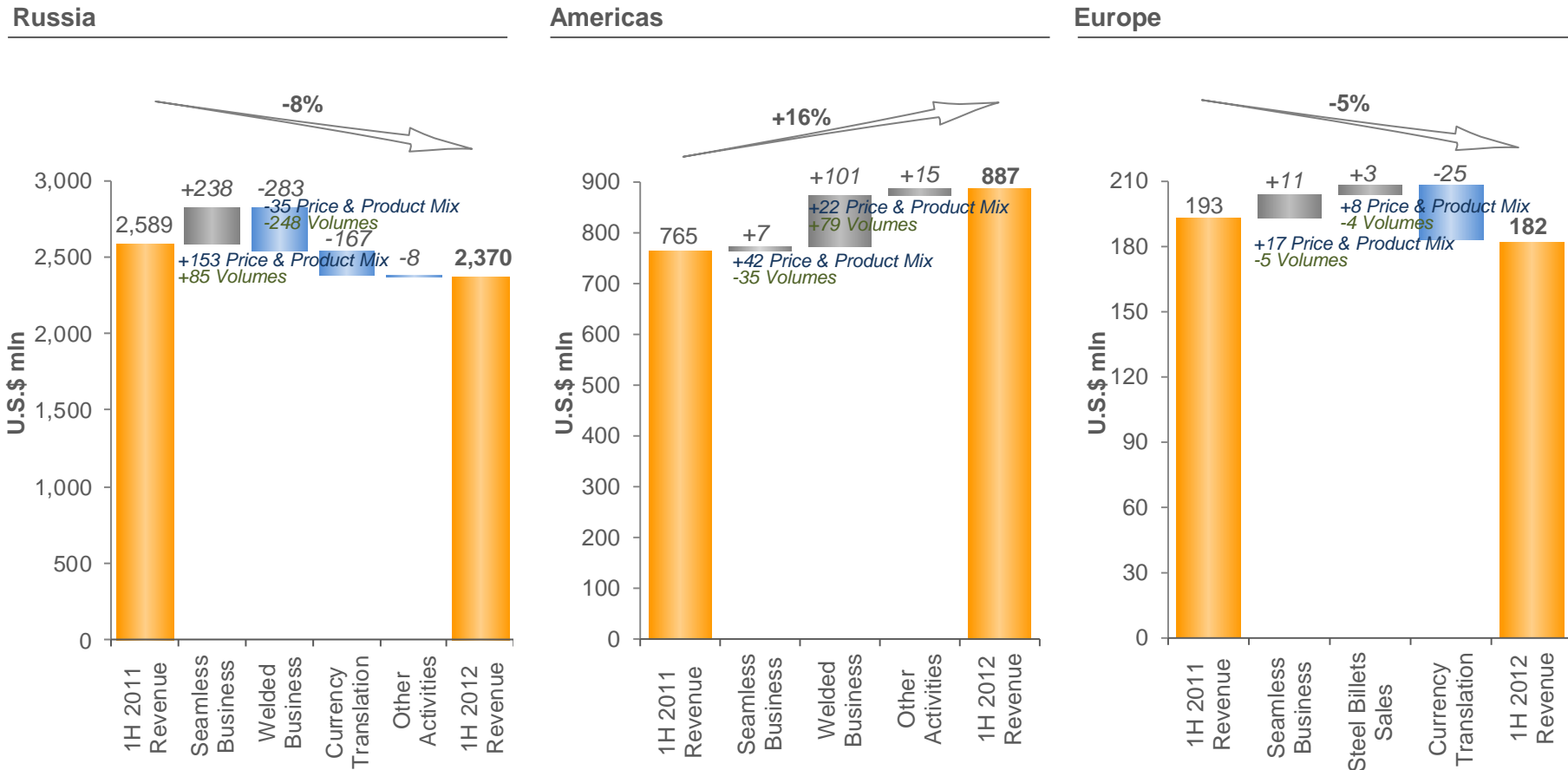
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1H 2012 Revenue Growth by Segments and Groups of Products



Revenue growth in the Russian division was driven by better pricing and product mix and higher sales volumes in the seamless business, while lower large-diameter pipe volumes offset those gains. In the American division, revenue was up primarily on welded volumes. The European division is down due to the negative impact of currency translation, being partially offset by price and product mix.



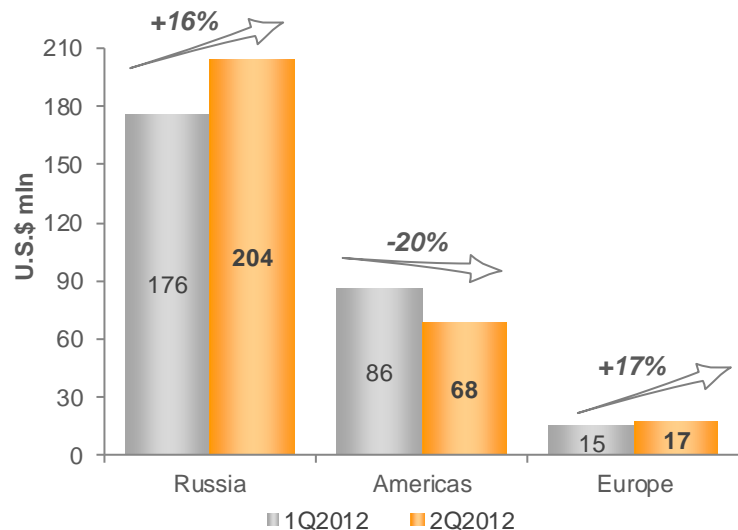
Source: Consolidated IFRS Financial Statements, TMK data

Note:

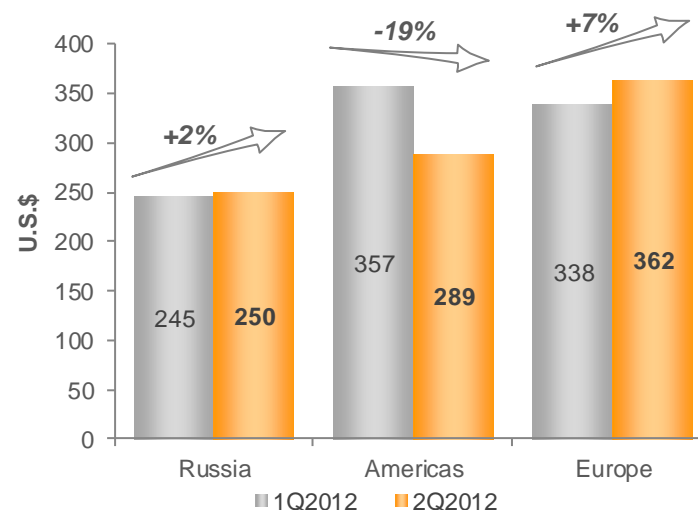
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2Q 2012 Adjusted EBITDA by Division vs. Prior Quarter

2Q 2012 Adjusted EBITDA



2Q 2012 Adjusted EBITDA per Tonne



2Q 2012 Adjusted EBITDA Margin



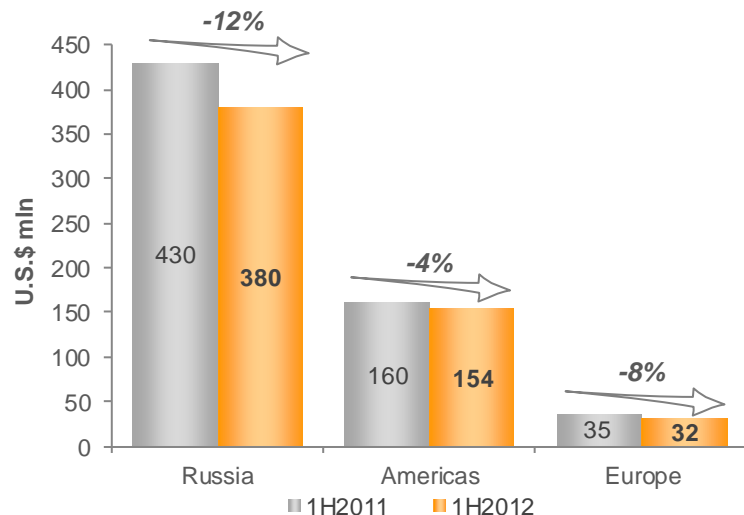
- Russian division EBITDA increased due to higher volumes, better pricing and product mix as well as lower operating expenses
- American division EBITDA decreased as a result of downtime for a capital project in our Wilder, Kentucky welded plant, increases in hot rolled coil prices in the early part of the year and continued pressure from imports
- European division EBITDA increased due to higher sales of seamless pipe and favorable changes in price and product mix

Note:

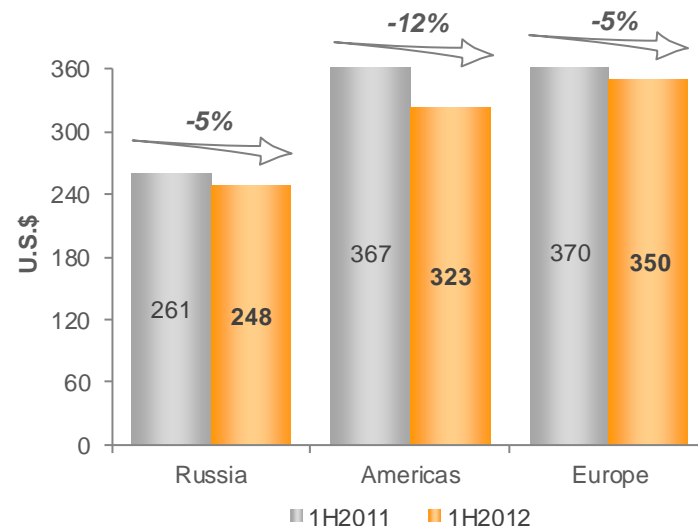
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1H 2012 Adjusted EBITDA by Division vs. Prior Year

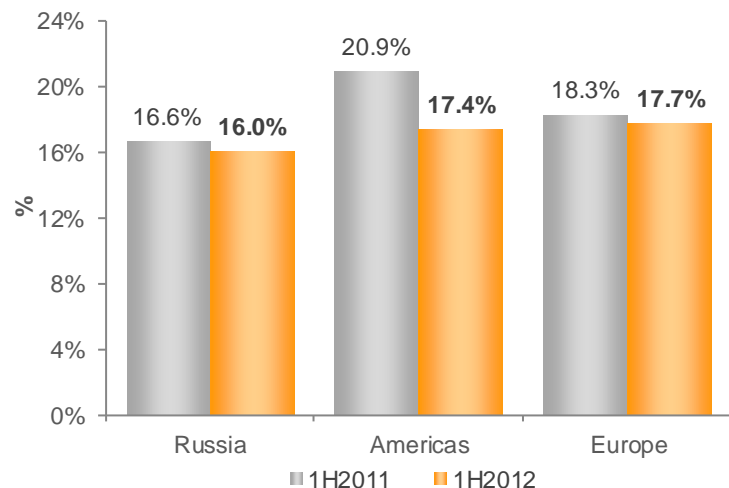
1H 2012 Adjusted EBITDA



1H 2012 Adjusted EBITDA per Tonne



1H 2012 Adjusted EBITDA Margin



- Russian division EBITDA decreased following a downward trend in revenue and gross profit, lower LD pipe volumes and higher operating expenses as well as negative effect of currency translation
- American division EBITDA decreased due to higher hot rolled coil prices and increasing pressure from imports limiting the ability to improve pricing in welded products
- European division EBITDA declined mainly due to negative effect of currency translation

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Source: TMK Consolidated IFRS Financial Statements, TMK data

Seamless – Core to Profitability

	U.S.\$ mln (unless stated otherwise)	2Q 2012	QoQ, %	1H 2012	YoY, %
SEAMLESS	Volumes- Pipes, kt	663	+9%	1,272	+3%
	Net Sales	1,084	+2%	2,143	+6%
	Gross Profit	285	-7%	592	+3%
	Margin, %	26%		28%	
	Avg Net Sales / Tonne (U.S.\$)	1,635	-6%	1,685	+3%
	Avg Gross Profit / Tonne (U.S.\$)	430	-15%	465	+0%
WELDED	Volumes- Pipes, kt	438	11%	834	-12%
	Net Sales	616	+17%	1,142	-17%
	Gross Profit	89	-6%	183	-21%
	Margin, %	14%		16%	
	Avg Net Sales / Tonne (U.S.\$)	1,406	+6%	1,369	-6%
	Avg Gross Profit / Tonne (U.S.\$)	203	-15%	219	-10%

- Sales of seamless pipes generated **61%** of total Revenue in 2Q 2012 and **62%** of total Revenue in 1H 2012
- Gross Profit from seamless pipe sales represented **73%** of 2Q 2012 total Gross Profit and **74%** of 1H 2012 total Gross Profit
- **26% Gross Profit Margin** from seamless pipes sales in 2Q 2012 and **28% Gross Profit Margin** in 1H 2012
- While welded pipe may be experiencing higher revenue growth for the year, seamless pipe continues to be core to the Company's profitability

Source: Consolidated IFRS Financial Statements, TMK data

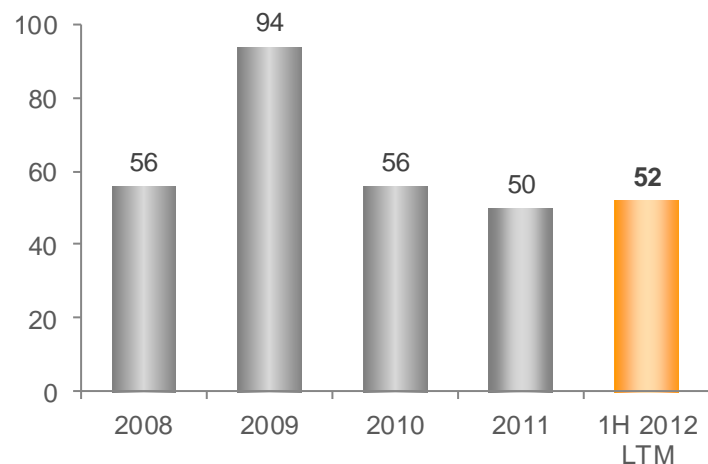
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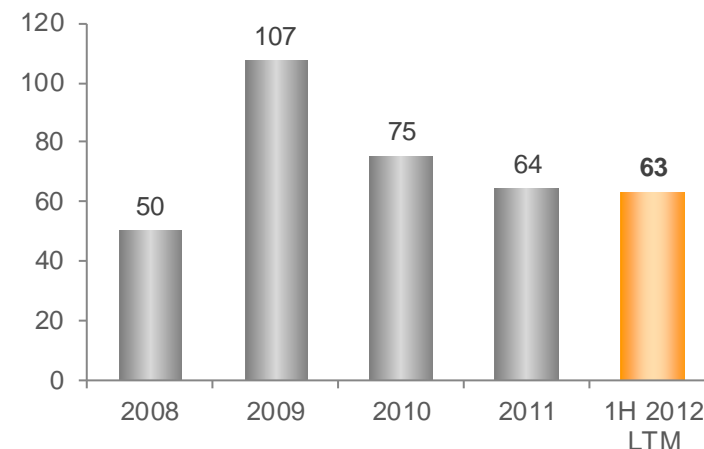
Working Capital Position



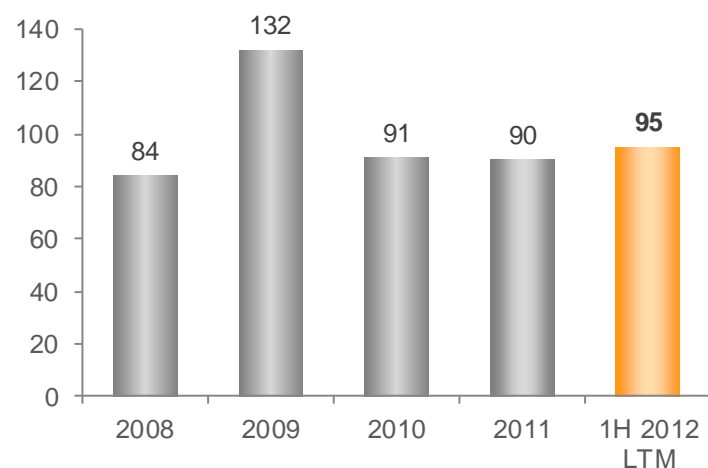
Accounts Receivable (days)



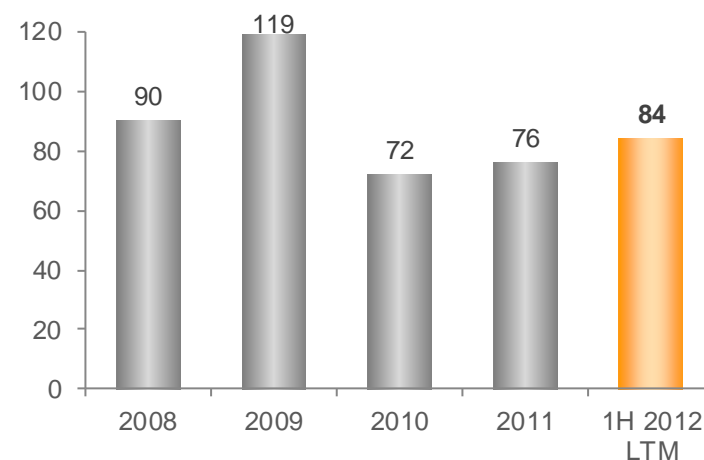
Accounts Payable (days)



Inventories (days)



Cash Conversion Cycle (days)



Source: TMK data

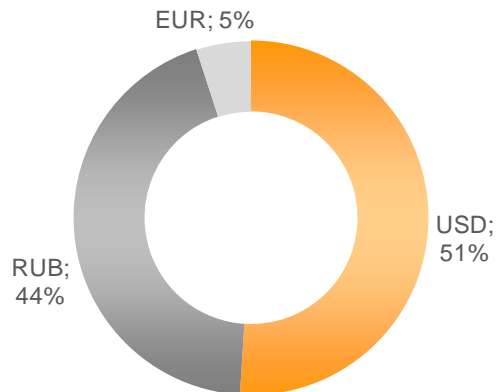
Debt Profile



TMK Continues to Optimize its Capital Structure and Develop a Flexible, Cost-effective Debt Portfolio

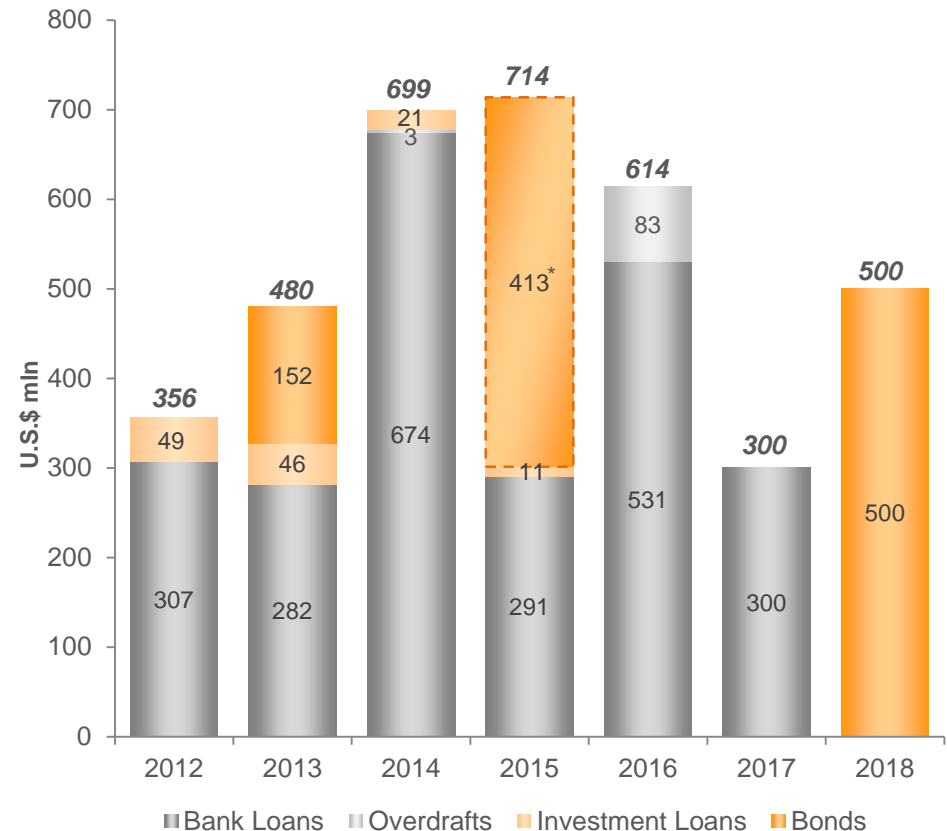
- As of 30 June, 2012, Total Debt accounted for U.S.\$3,710 mln
- 73% of Total Debt is long-term
- 29% of Total Debt is represented by Eurobonds, convertible bonds and rouble bonds, 71% - bank loans
- Weighted average nominal interest rate totalled 6.87%, down 13 b.p. from 31 March, 2012
- As of 30 June, 2012, borrowings with a floating interest rate represented U.S.\$663 million, or 18%, borrowings with a fixed interest rate – U.S.\$2,995 million, or 82%
- As of 30 June, 2012, unutilized borrowing facilities amounted to U.S.\$819 million
- Credit Ratings: S&P – B+, Stable; Moody's – B1, Stable

Debt Structure by Currency as of 30 June 2012



Note: Numbers represent TMK management accounts and differ from IFRS figures for the amounts of accrued interest, debt issue cost and liabilities under finance lease, and other items not related to the principal amount of debt

Maturity Profile as of 30 June 2012



* Convertible bond with a conversion price of \$22.308/GDR and a put option due on 11 February 2013. In IFRS accounts convertible bond liability was included in short-term loans and borrowings as of June 30, 2012.

Note: TMK management accounts. Figures above are based on non-IFRS measures, estimates from TMK management

Russia

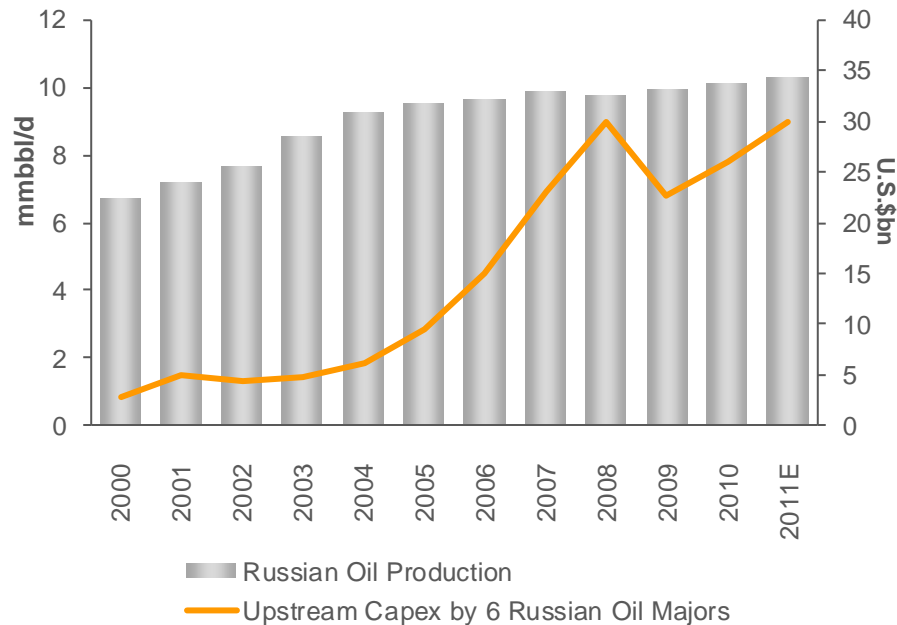
Oil Production and Capex Needs in Russia

Deteriorating oil production conditions at mature fields, particularly in the Urals and Western Siberia, require substantial capex spending by oil majors to maintain existing production levels.

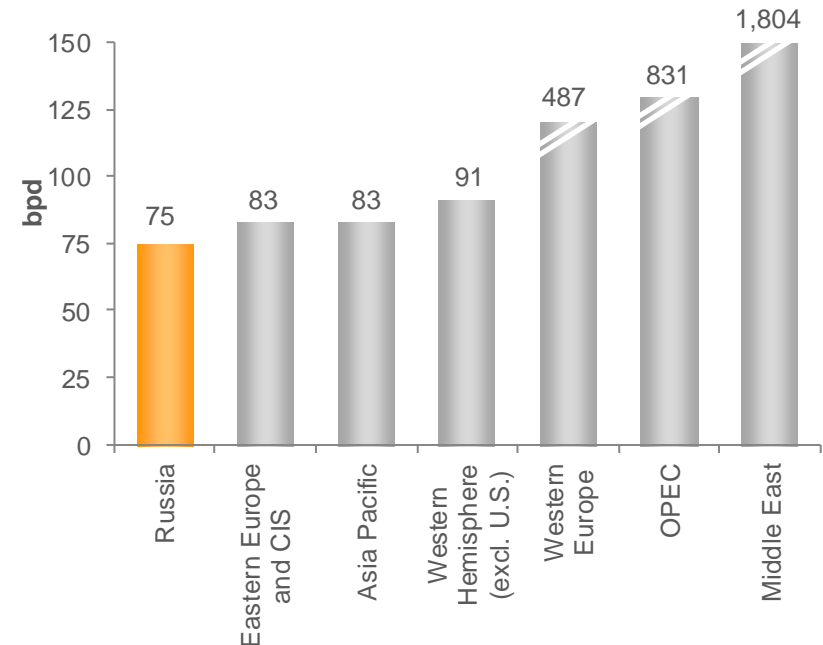
The average productivity of oil wells in Russia remains below most of other major oil regions in the world.

Tubing consumption per well remains significantly more intense than in any other region.

Oil Production and Upstream Capital Expenditure



Average Well Flow Rates





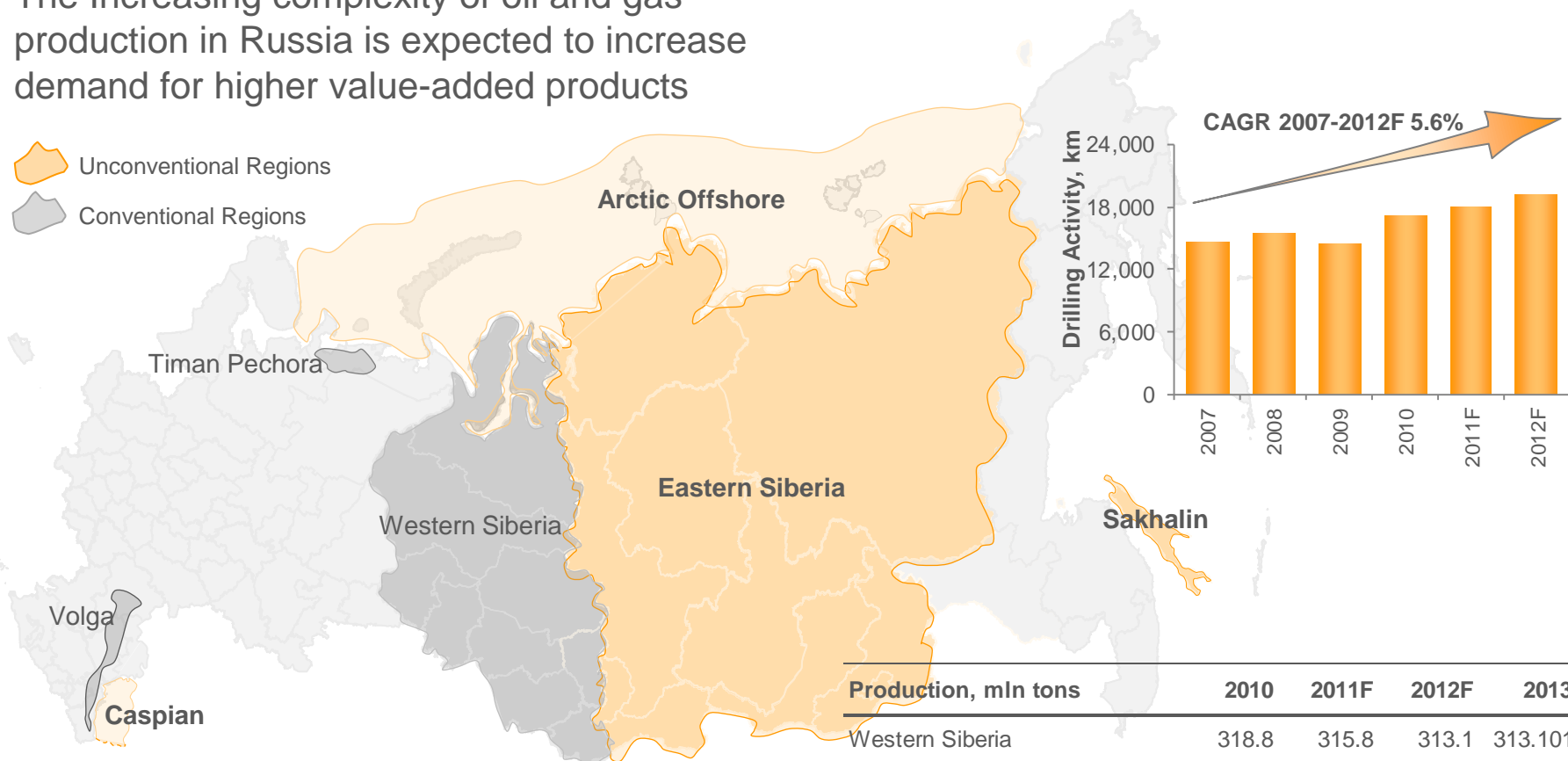
Source: EIA – International Energy Statistics, UBS, VTB Capital

Note: incl. Rosneft, Lukoil, TNK-BP, Surgutneftegas, Gazprom Neft and Tatneft

Russian Drilling - Moving East for Growth

The Increasing complexity of oil and gas production in Russia is expected to increase demand for higher value-added products

 Unconventional Regions
 Conventional Regions

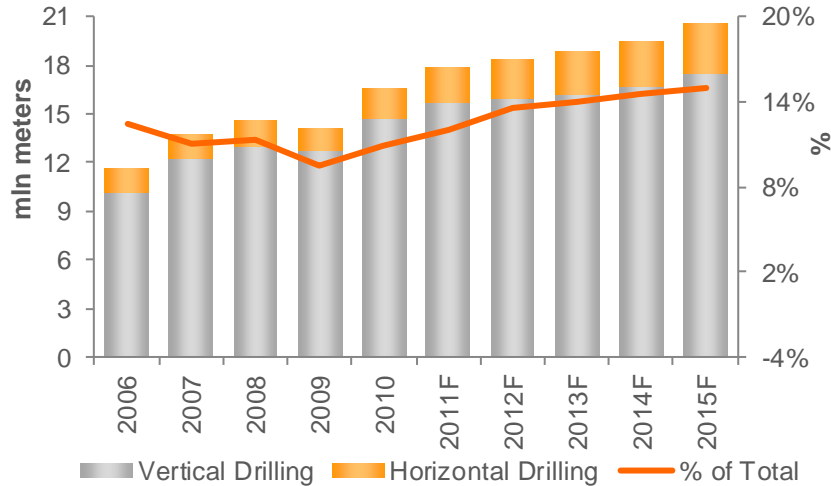


Production, mln tons	2010	2011F	2012F	2013F
Western Siberia	318.8	315.8	313.1	313.1012
Volga-Urals	107.0	104.3	101.7	99.2
Timan-Pechora & Kaliningrad	32.4	32.4	32.4	32.9
Far East	18.3	19.0	22.0	22.0
Eastern Siberia	17.5	25.5	31.5	38.0
North Caucasus & Precaspian	11.1	12.3	12.9	14.8
Total Oil Production	505.1	509.3	513.6	520.0

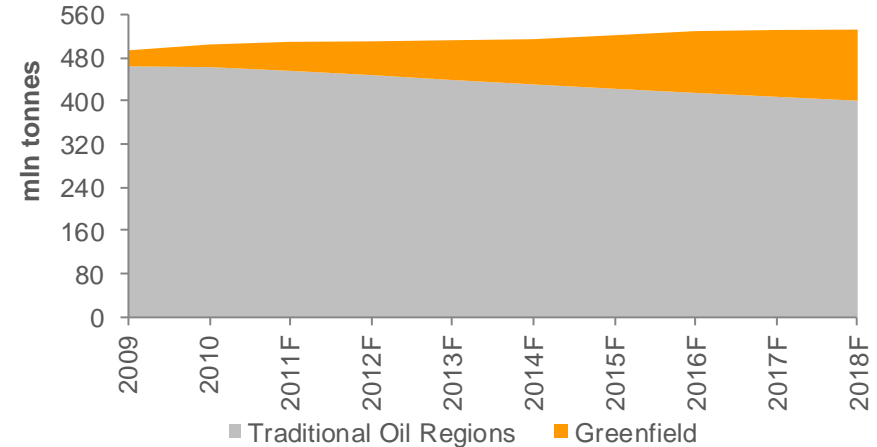
Source: TMK estimates, VTB Capital

Increasing Complexity of Russian Drilling

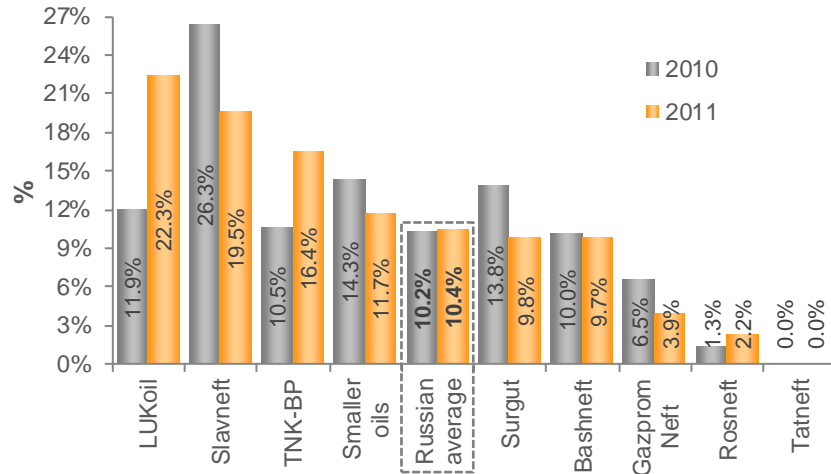
Horizontal Drilling is Expected to Double in the Next 5 Years



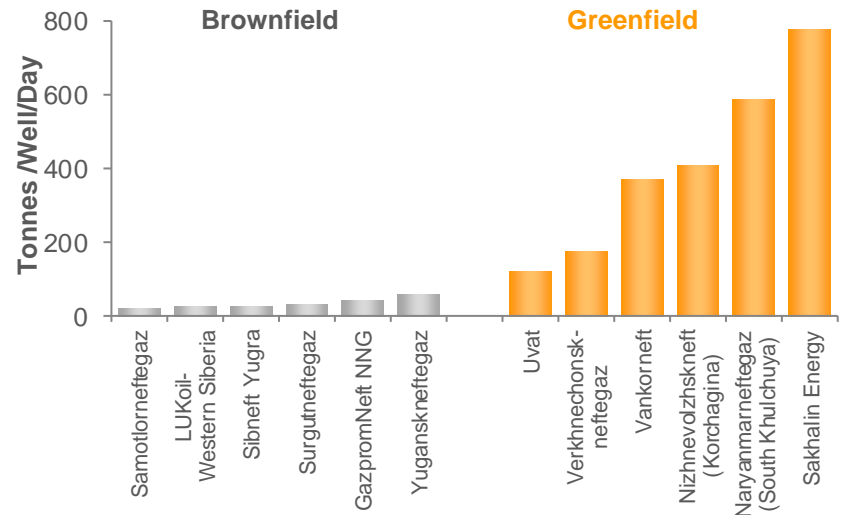
The Share of Greenfield Production is Projected to Reach 17% in 2015 Compared to 7% in 2011



Share of Horizontal Wells in Russia

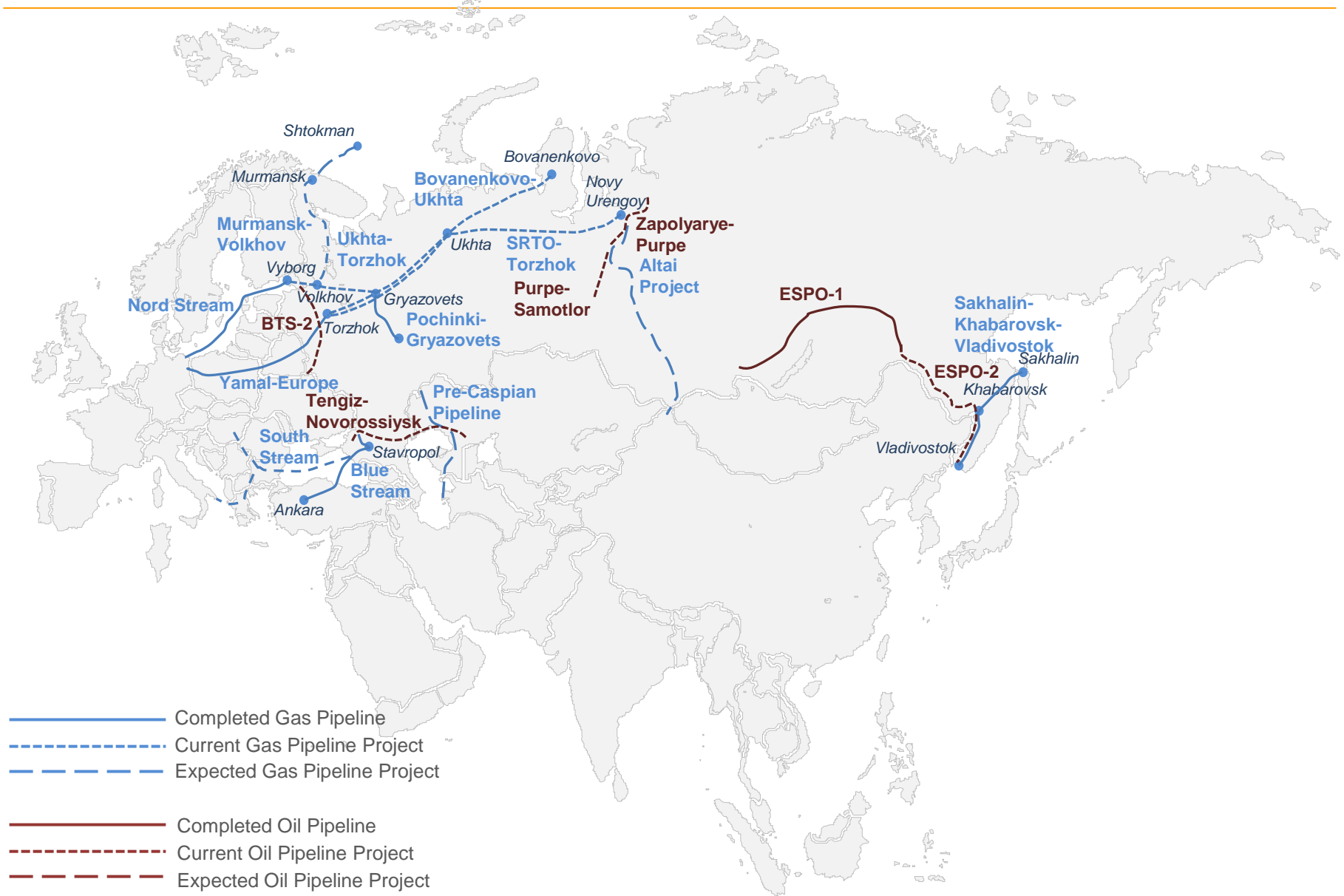


Starting Well Flow Rates for Greenfield Projects are Significantly Higher Compared to Brownfield Production



Source: VTB Capital, Industry Sources

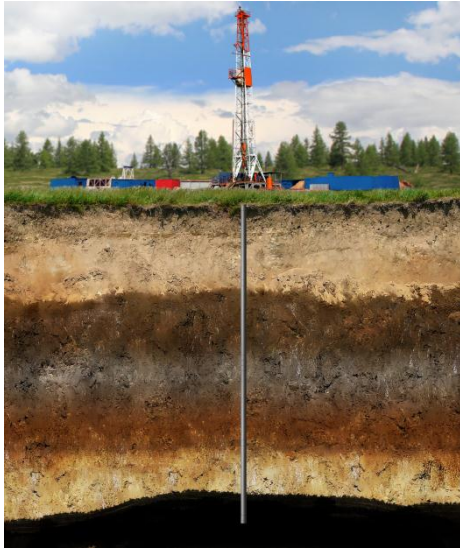
Russian LDP Demand Drivers



North America

Shift to Unconventional Drilling

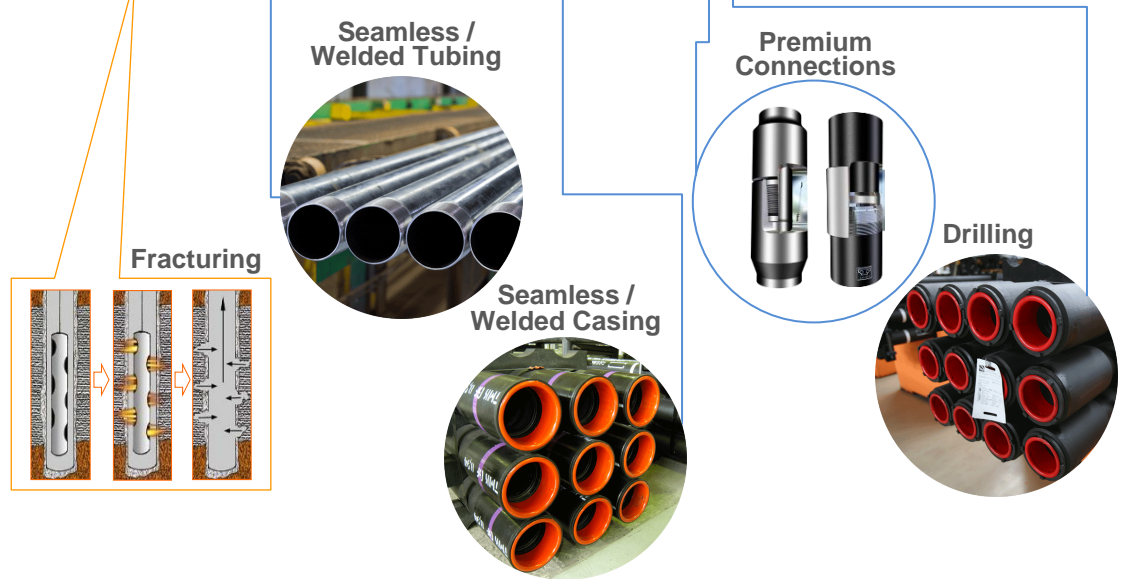
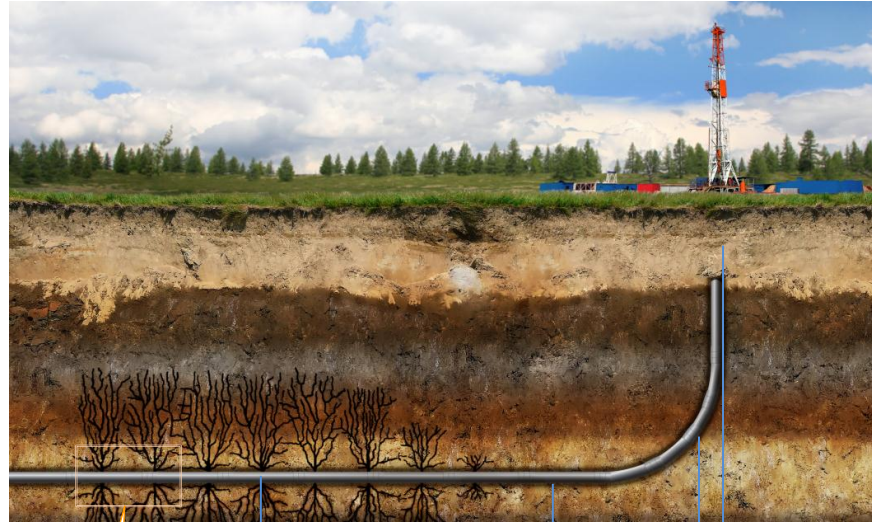
Conventional (Vertical) Drilling



	Vertical Shale	Horizontal Shale
Length, km	Up to 5	Up to 10
% Seamless	35%	60%
% Premium Connections	<5%	30%
OCTG Tons per Well	45	190
% Small OD <7"	25%	65%

Source: J.P. Morgan, Industry Sources

Unconventional (Horizontal) Drilling (Hydraulic Fracturing)



Increasing Drilling Complexity

Increasing Service Intensity

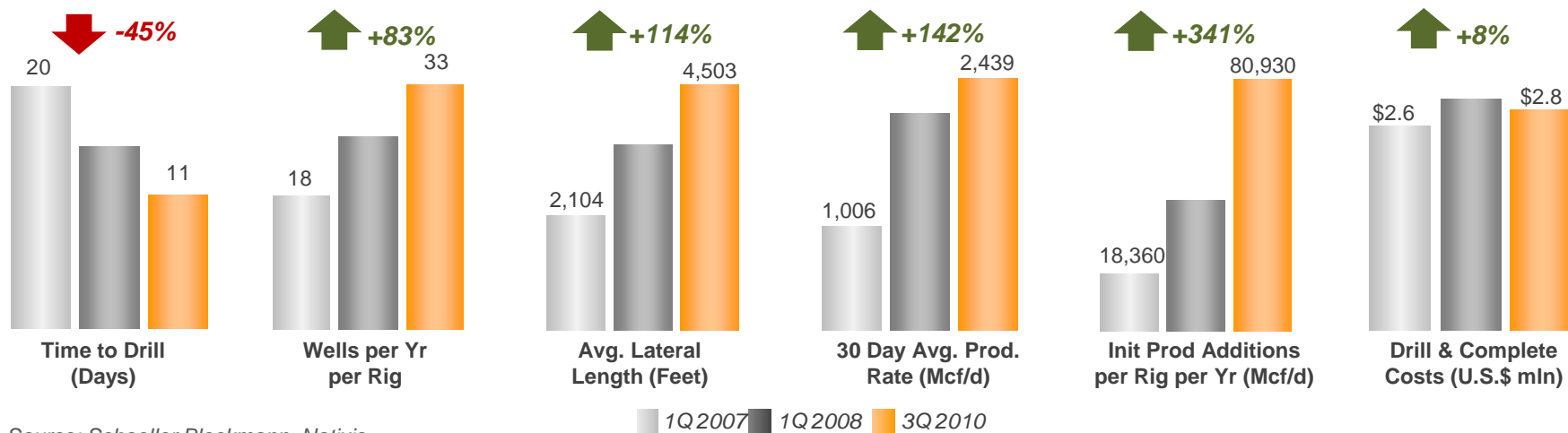
Field	Period	Average Hydraulic HP	Lateral Length (ft)	Number of Stages	Average AFE ⁽¹⁾ (US\$ mn)
Marcellus	2008	6k	3,000	7	3.4
	2010	30k	5,000	15	5.2
Bakken	2008	12k	6,500	5	3.9
	2010	14k	8,500	17	6
Eagle Ford	2008	18k	0*	3	5.5
	2010	36k	6,000	14	8.2
Permian	2008	12k	3,500	8	3.5
	2010	30k	4,500	12	5.5

⁽¹⁾ **AFE - Authority for Expenditure** - A budgetary document, usually prepared by the operator, to list estimated expenses of drilling a well to a specified depth, casing point or geological objective, and then either completing or abandoning the well.

* Vertical wells only

Source: Halliburton, Barclays Capital

Trend for Average Operating Data for Drilling in the Haynesville Basin



Source: Schoeller Bleckmann, Natixis

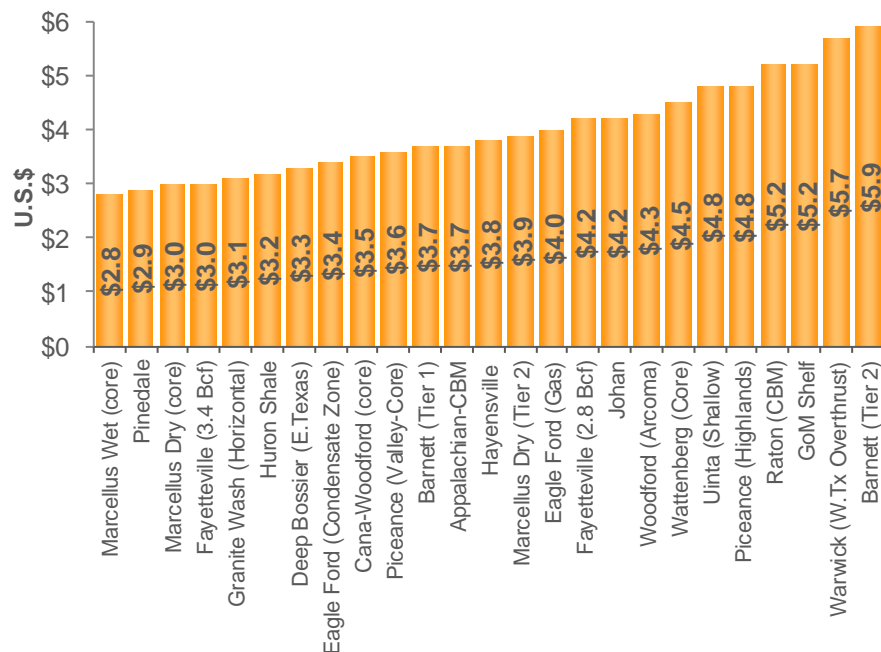
- Service intensity in 2008 multiplied by **3-5 times** compared to 2006, and by more than 7 times in 2010.
- Horizontal drilling** now accounts for a much larger share of the U.S. rig count mix owing to shale developments.
- This change in the mix has major consequences: the consumption of OCTG tubes for a rig assigned to conventional vertical drilling is estimated at 1,400 tonnes per year whereas it is estimated at about **4,000 tonnes per year for horizontal drilling**.

Lower Break-even Costs Encouraging Drilling

The industry has traditionally viewed U.S.\$5 to U.S.\$6 as the economic drilling price of gas, but a recent study estimates surprisingly low break-even costs for the major shales.

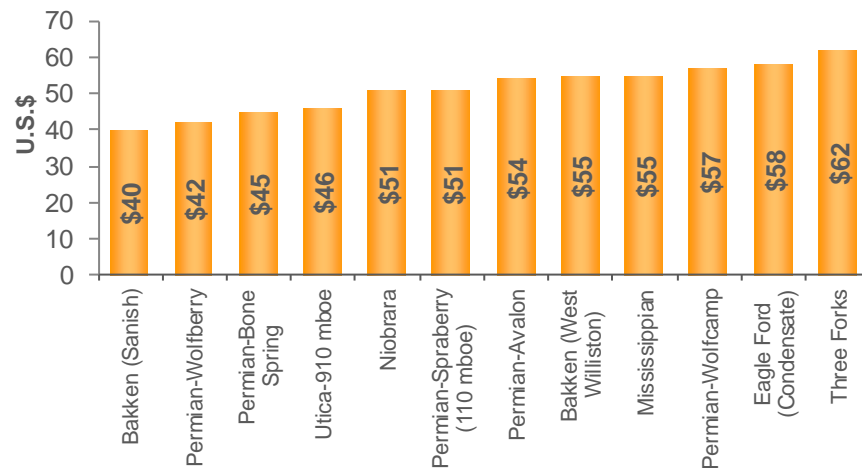
Lower break-even costs will allow higher rig count to continue despite lower natural gas price forecasts

Many of the Shale Gas Plays are still Economic at Gas above U.S.\$4/Mcf



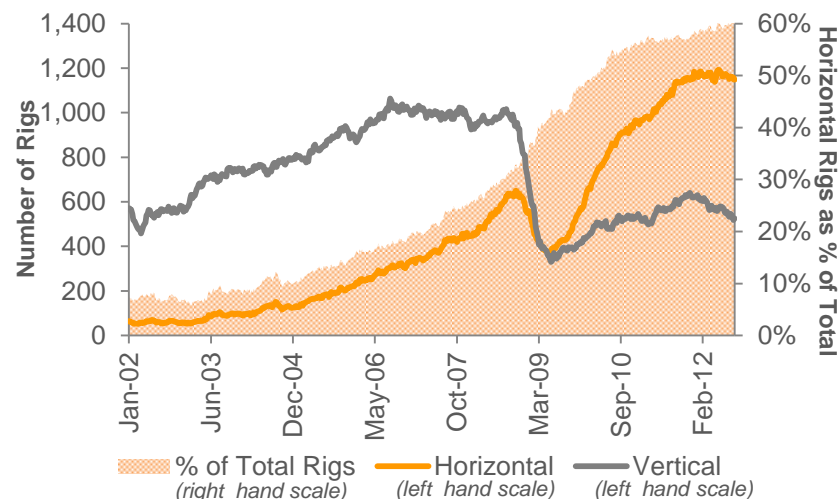
Source: Morgan Stanley Research

Major Oil Plays Look Economic Above U.S. \$70/bbl



Source: Morgan Stanley Research

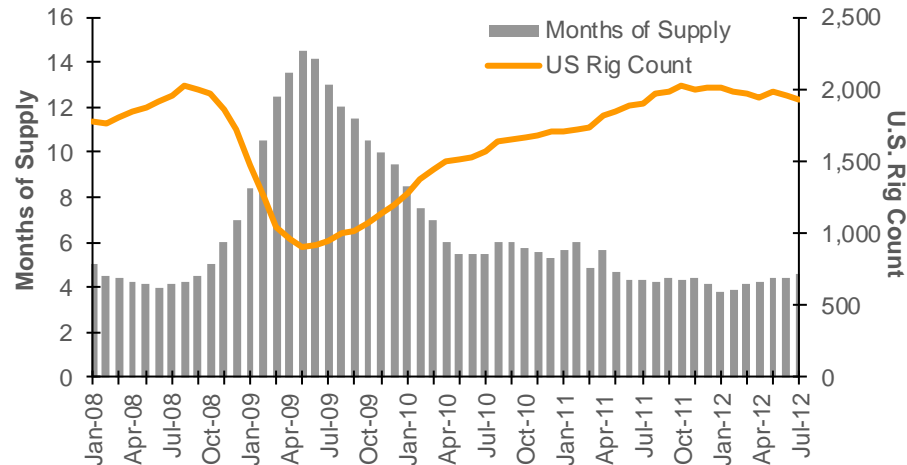
U.S. Horizontal Drilling Activity



Source: Baker Hughes

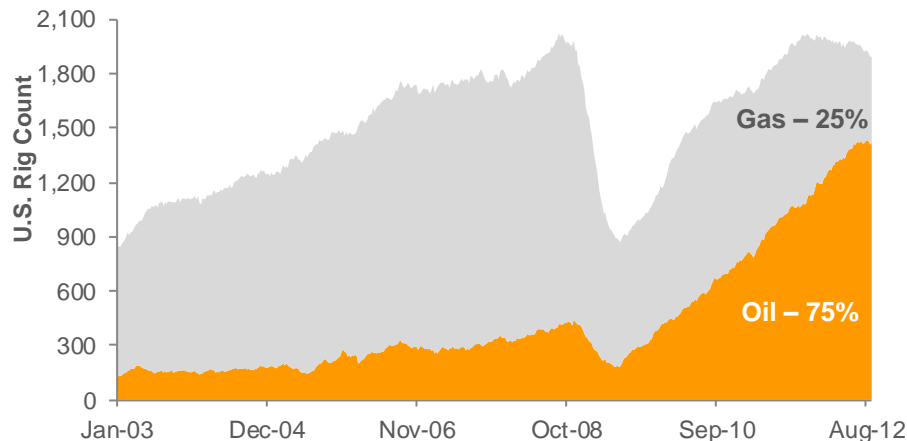
US Drilling – Stronger than Ever

Drilling Activity Brought Months of OCTG Supply Back to Normal



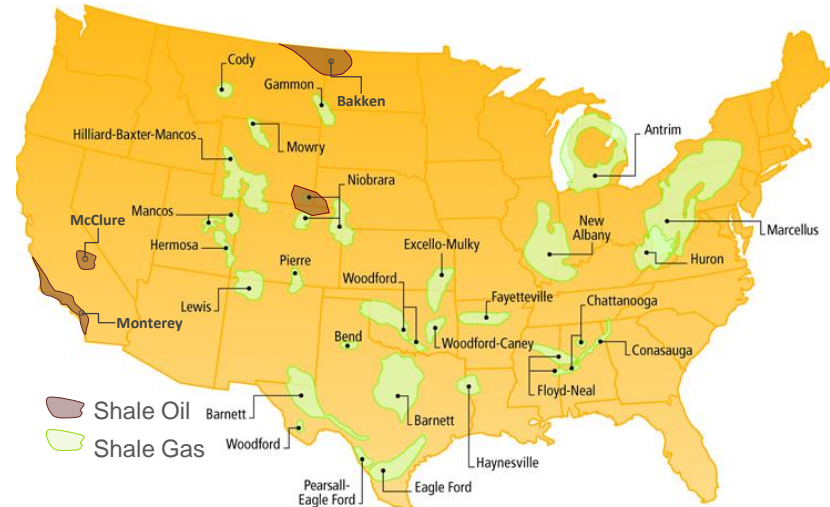
Source: Baker Hughes, The OCTG Situation Report, Preston Pipe & Tube Report

Increasing Oil Drilling Activity Supported by High Crude Oil Prices



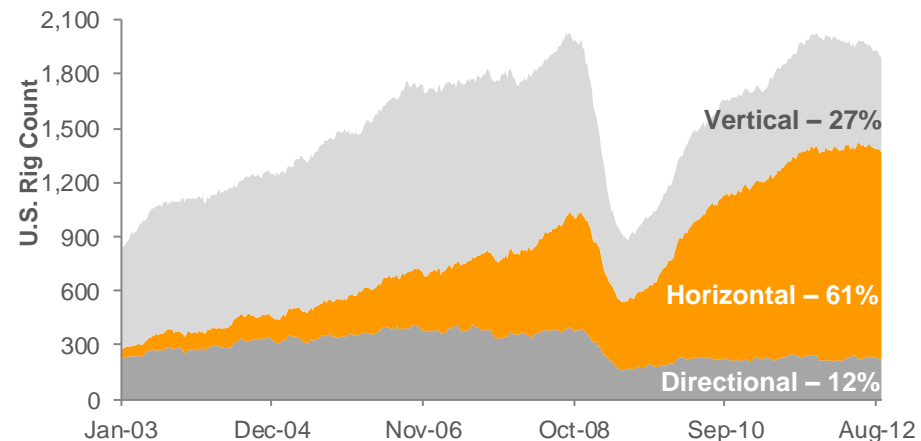
Source: Baker Hughes

Major U.S. Shale Oil & Gas Plays



Source: U.S. Department of Energy

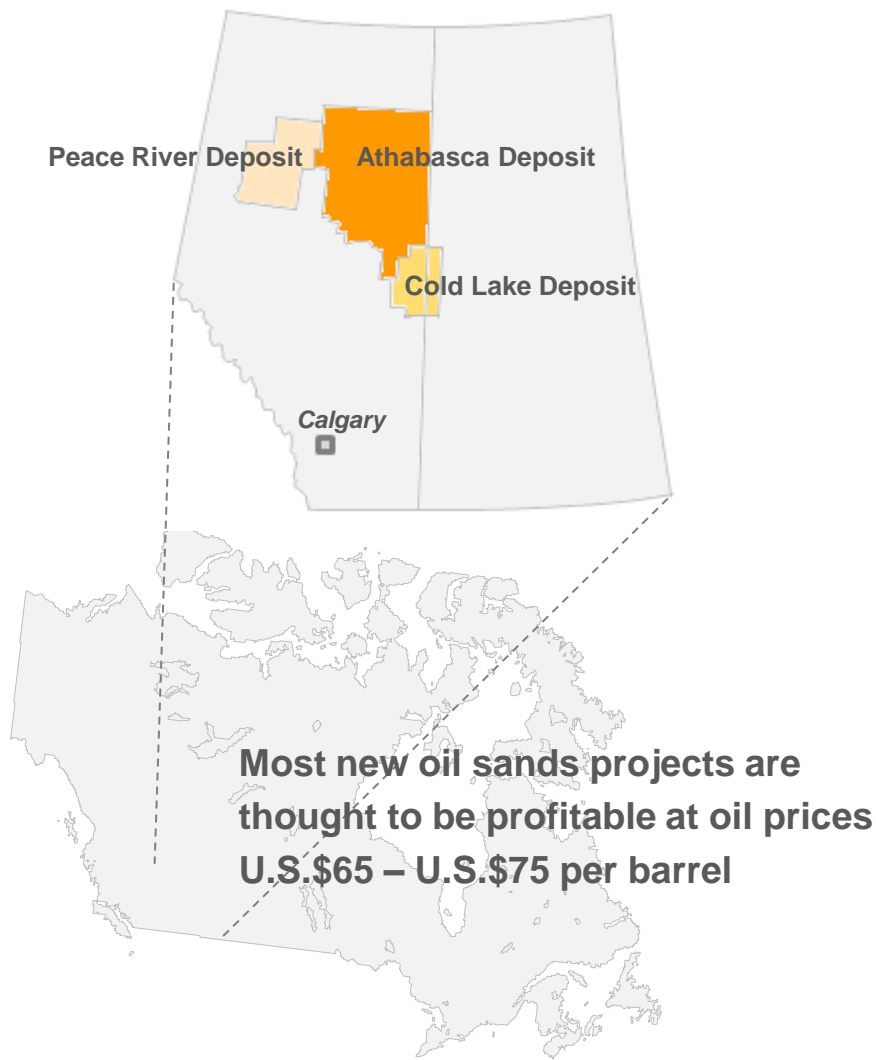
Premium Tubular Content Increasing With Unconventional Drilling Activity



Source: Baker Hughes

Canadian Oil Sands

Three Major Oil Sands Deposits



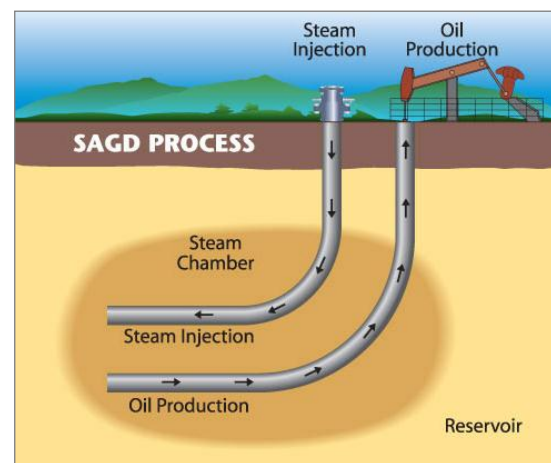
Source: Canadian Association of Petroleum Producers, World Energy Outlook 2010

Canadian Oil Sands – Fast Facts

- Around 170 billion of Oil Sands reserves
- Potential for over 100 years of production
- Mining – less than 200 feet deep: 20% of reserves
- Drilling – more than 200 feet deep: 80% of reserves
- Canada: 21% of U.S. oil imports in 2009, 37% - in 2035F. About half of the Canadian Crude Oil imports come from Oil Sands.
- By 2025, production from Canadian Oil Sands is expected to rise from about 1.4 million barrels per day to about 3.5 million barrels per day
- Canadian Oil Sands represent more than a half of the world accessible oil reserves

Source: Canadian Association of Petroleum Producers, EIA, CERA

Drilling – Steam Assisted Gravity Drainage (SAGD)



Source: Canadian Centre for Energy Information

Investments

Russia

Construction of EAF at Tagmet

Total Investment: **U.S.\$ 247 mln**
Remaining Investment: **U.S.\$ 120 mln**
Project Launch: **2013**
Capacity Increase: **+ 950 k tonnes**



Construction of FQM Mill at Seversky Pipe Plant

Total Investment: **U.S.\$ 414 mln**
Remaining Investment: **U.S.\$ 205 mln**
Project Launch : **2013**
Capacity Increase: **+ 600 k tonnes, including:**
- Line Pipe **+280 k tonnes**
- OCTG **+320 k tonnes**



USA

R&D Center in Houston

Investment: **U.S.\$26 mln**
Timing: **Building Completed in 2011**
Final test equipment installed in July 2012

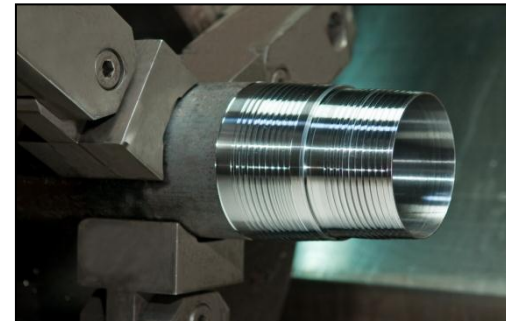


The in-house R&D Center will allow for significant strengthening of the Company's research potential, further improvement of the product mix and quality as well as performing much of the connections testing and metallurgical inspection to ensure TMK pipes meet the highest quality standards

Threading and Heat Treatment

Investment: **U.S.\$45 mln**
Period: **2012-2017**
Additional Capacity: **230 thousand tons**

Investment: **U.S.\$160 mln**
Period: **2012-2017**
Additional Capacity: **280 thousand tons**



Appendix – Summary Financial Accounts

TMK Income Statement

U.S.\$ mln	2011	2010	2009	2008	2007
Revenue	6,754	5,579	3,461	5,690	4,179
Cost of Sales	(5,307)	(4,285)	(2,905)	(4,252)	(2,891)
Gross Profit	1,446	1,293	556	1,438	1,288
Selling and Distribution Expenses	(411)	(403)	(313)	(344)	(238)
General and Administrative Expenses	(283)	(232)	(204)	(268)	(218)
Advertising and Promotion Expenses	(9)	(11)	(5)	(10)	(5)
Research and Development Expenses	(19)	(13)	(10)	(15)	(10)
Other Operating Expenses, Net	(40)	(34)	(17)	(45)	(51)
Foreign Exchange Gain / (Loss), Net	(1)	10	14	(100)	20
Finance Costs, Net	(271)	(412)	(404)	(263)	(90)
Other	132	(12)	(46)	(85)	3
Income / (Loss) before Tax	544	185	(427)	308	699
Income Tax (Expense) / Benefit	(159)	(81)	103	(110)	(192)
Net Income / (Loss)	385	104	(324)	198	506

Source: Consolidated IFRS Financial Statements

Notes:

- (1) Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. On occasion therefore, amounts shown in tables and charts may not be the arithmetic accumulation of the figures that precede them, and figures expressed as percentages in the text and in tables may not total 100%

TMK Statement of Financial Position

U.S.\$ mln	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
ASSETS					
Cash and Bank Deposits	231	158	244	143	89
Accounts Receivable	772	720	580	758	541
Inventories	1,418	1,208	926	1,176	782
Prepayments	200	172	223	213	238
Other Financial Assets	4	4	4	4	-
Total Current Assets	2,625	2,262	1,977	2,294	1,651
Assets Classified as Held for Sale	-	8	-	-	-
Total Non-current Assets	4,507	4,592	4,704	4,774	3,025
Total Assets	7,132	6,862	6,681	7,068	4,676
LIABILITIES AND EQUITY					
Accounts Payable	1,053	878	1,057	808	400
ST Debt	599	702	1,537	2,216	1,033
Dividends	-	-	-	-	129
Other Liabilities	53	94	28	716	156
Total Current Liabilities	1,705	1,674	2,622	3,740	1,718
LT Debt	3,188	3,170	2,214	994	506
Deferred Tax Liability	305	300	272	371	279
Other Liabilities	110	110	83	52	67
Total Non-current Liabilities	3,602	3,580	2,569	1,417	852
Equity	1,825	1,607	1,490	1,910	2,107
<i>Including Non-Controlling Interest</i>	92	95	74	97	104
Total Liabilities and Equity	7,132	6,862	6,681	7,068	4,676

Source: Consolidated IFRS Financial Statements

Notes:

(1) Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. On occasion therefore, amounts shown in tables and charts may not be the arithmetic accumulation of the figures that precede them, and figures expressed as percentages in the text and in tables may not total 100%

TMK Cash Flow

U.S.\$ mln	2011	2010	2009	2008	2007
Profit / (Loss) before Income Tax	544	185	(427)	308	699
<i>Adjustments for:</i>					
Depreciation and Amortisation	336	301	313	248	140
Net Interest Expense	271	412	406	263	90
Others	(101)	44	36	228	(9)
Working Capital Changes	(156)	(527)	558	(81)	(386)
Cash Generated from Operations	894	415	886	966	534
Income Tax Paid	(107)	(29)	(33)	(227)	(213)
Net Cash from Operating Activities	787	386	852	740	321
Capex	(402)	(314)	(395)	(840)	(662)
Acquisitions	-	-	(510)	(1,185)	(72)
Others	25	43	14	1	165
Net Cash Used in Investing Activities	(377)	(271)	(891)	(2,024)	(569)
Net Change in Borrowings	4	103	582	1,780	441
Others	(339)	(289)	(447)	(443)	(263)
Net Cash Used in Financing Activities	(335)	(186)	135	1,337	178
Net Foreign Exchange Difference	(2)	(15)	4	2	14
Cash and Cash Equivalents at January 1	158	244	143	89	144
Cash and Cash Equivalents at YE	231	158	244	143	89

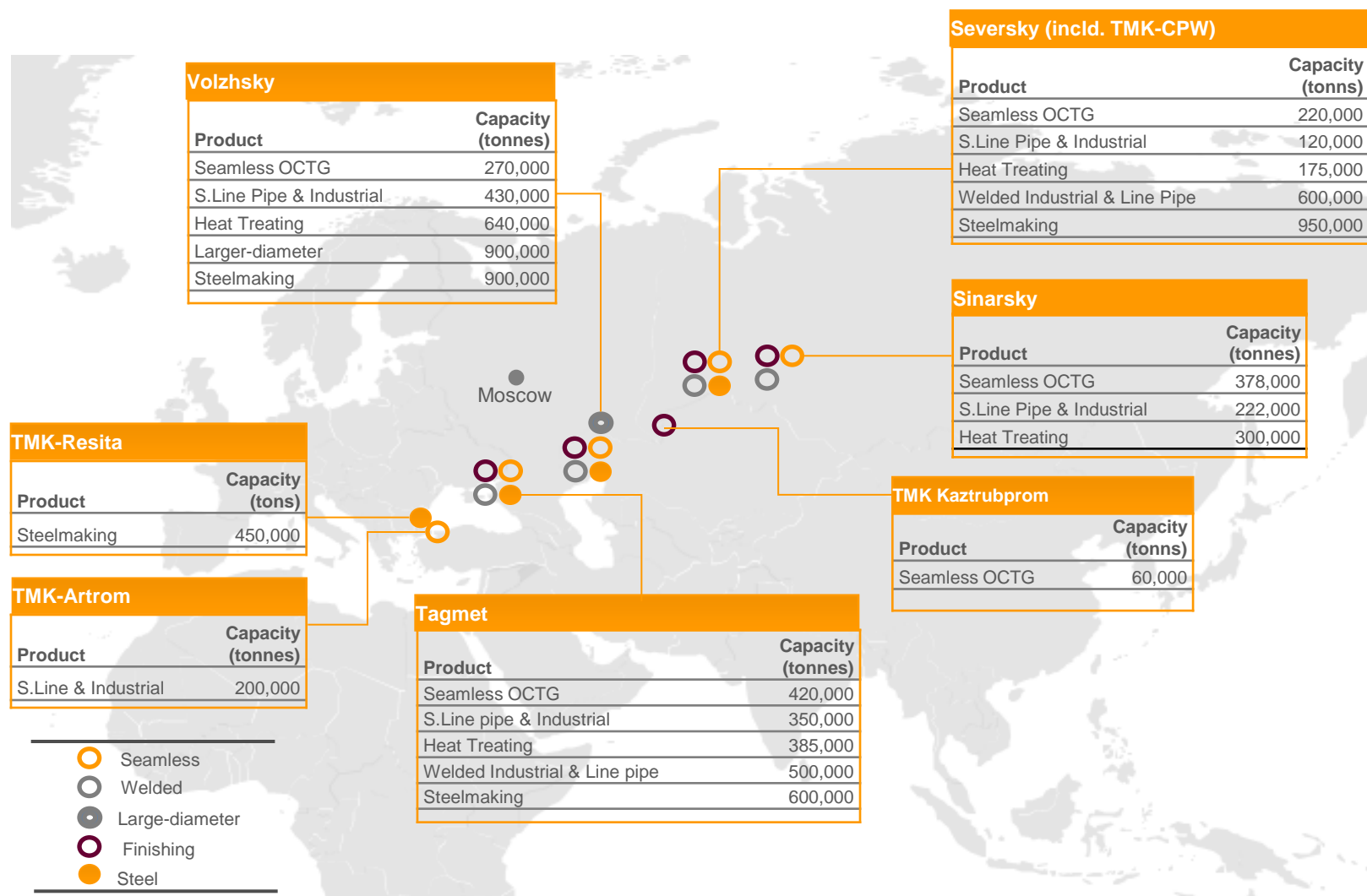
Source: Consolidated IFRS Financial Statements

Notes:

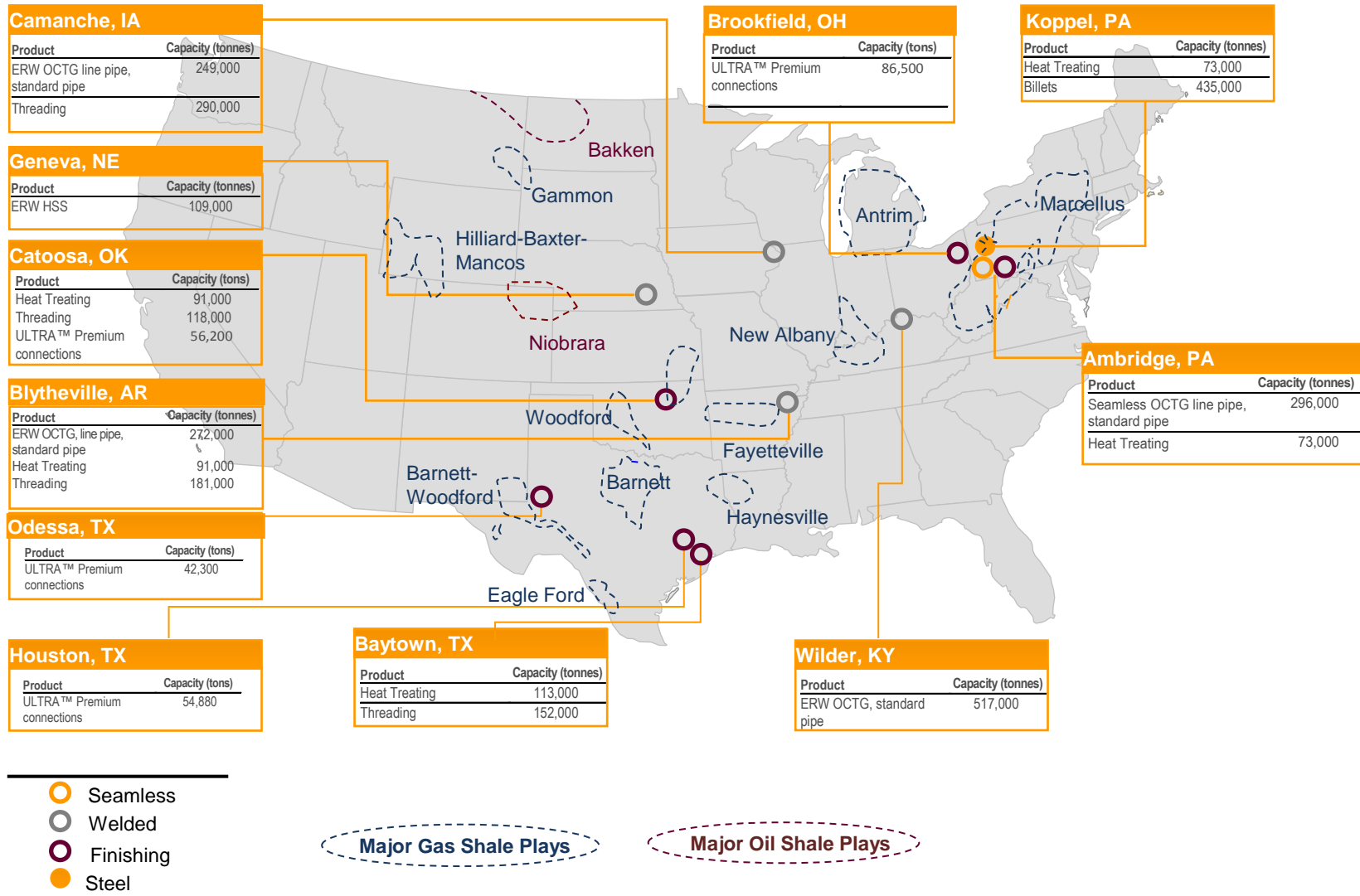
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Appendix – TMK Global Assets

Russia - CIS - Europe Production



TMK IPSCO – US Market Penetration



Source: TMK, as of September 2010, Energy Information Administration

Thank You

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