Moscow, September 2, 2011

TMK ANNOUNCES 1H 2011 IFRS RESULTS

The following contains forward looking statements concerning future events. These forward looking statements are based on current information and assumptions of TMK management concerning known and unknown risks and uncertainties.

OAO TMK ("TMK" or "the Company"), one of the world's leading producers of tubular products for the oil and gas industry, today announces its interim consolidated IFRS financial results for the six months ending June 30, 2011.

1H 2011 Highlights

Financials:

- Revenue increased by 38% year-on-year to U.S.$ 3,547 million driven mainly by a further improvement in pricing and product mix. Sales of seamless pipes, a core business of the Company, generated 57% of total revenue.

- Gross profit increased to U.S.$ 814 million, a year-on-year increase of 39%, resulting from an increase in sales volume, a favorable change in product mix and stronger pricing. Gross profit from seamless pipe sales represented 70% of total gross profit. Gross profit margin remained unchanged at 23% compared to the first six months of 2010. In the first six months of 2011 gross profit margin from seamless pipe sales was 29%, one of the highest respective measures in the industry.

- Adjusted EBITDA increased from U.S.$ 415 million in the first six months of 2010 to U.S.$ 625 million in the first six months of 2011. Adjusted EBITDA margin improved from 16% in the first six months of 2010 to 18% in the first six months of 2011.

- Net income amounted to U.S.$ 258 million as compared to a net income of U.S.$ 67 million in the first six months of 2010, as a result of higher gross profit and lower net finance costs. Net income adjusted for the gain on changes in the fair value of the derivative financial instrument equaled U.S.$ 243 million as compared to U.S.$ 35 million in the first six months of 2010. Adjusted net income margin increased to 7% as compared to 1% in the first six months of 2010.

- Net debt marginally decreased compared to March 31, 2011, amounting to U.S.$ 3,843 million. The Net Debt-to-EBITDA ratio[1] improved to 3.3 compared to 3.9 as of December 31, 2010. The short-term share of loans and borrowings amounted to 13% as of June 30, 2011 and loans with a fixed interest rate represented 92% of total debt. TMK's weighted average nominal interest rate decreased by 37 basis points as compared to March 31, 2011 and stood at 7.33% as of June 30, 2011.

[1] Net-Debt-to-EBITDA ratio is defined as Net Debt at the end of the given reporting date divided by the Adjusted EBITDA for the 12 months immediately preceding the given reporting date.

Sales Volumes:

- Total pipe sales increased by 16% to 2,179 thousand tonnes, mainly due to increases in both large-diameter (LD) and seamless oil country tubular goods (OCTG) pipe in the Russian division and welded line pipe in the American division.

- Seamless pipe sales increased by 15% compared to the first six months of 2010 and amounted to 1,235 thousand tonnes.

- Welded pipe sales increased by 17% to 944 thousand tonnes on the back of robust demand for LD pipe in Russia and higher sales volumes of line pipe in the U.S. Sales of LD pipe increased by 35% and amounted to 381 thousand tonnes.

Key Developments:

- In April 2011, TMK completed shipments of casing pipe with ULTRA SF connection to Gazprom Neft for the Urmanskoye field in Western Siberia. This project marked the first sale of ULTRA premium threads to the Russian market.
- In May 2011, TMK finalized the sale of its 100% ownership interest in its non-core asset TMK Hydroenergy Power S.R.L. which is the owner of four hydropower generating units located in Romania and previously owned by TMK-Resita.
- In June 2011, TMK successfully completed qualification tests of TMK PF and ULTRA-QX connections in accordance with ISO 13679 CAL IV standard which certifies that the products can be used in certain demanding and unconventional applications including offshore drilling.
- In June 2011, TMK started production of a new TMK CWB premium connection for drilling with casing. This technology allows obtaining higher gas-tightness specifications and provides better compatibility when used with other types of threads.

Summary 1H 2011 Results

(In millions of U.S.$, except earnings per GDR)

	1H 2011	1H 2010	*Change, %*
Revenue	3,547	2,566	+38%
Gross profit	814	586	+39%
Profit before tax	360	102	+253%
Net profit	258	67	+285%
Earnings per GDR [1], basic, U.S.$	1.20	0.32	+275%

	1H 2011	1H 2010	*Change, %*
Adjusted EBITDA [2]	625	415	+51%
Adjusted EBITDA margin, %	*18%*	*16%*	

[1] 1 GDR represents 4 ordinary shares

[2] Adjusted EBITDA represents net profit before depreciation and amortization, finance costs and finance income, exchange rate fluctuations, impairment of non-current assets, income tax expenses and other non-cash items which comprise share of profit in associates, loss/(gain) on disposal of property, plant and equipment, share-based payments, inventory and doubtful debts allowances and movement in other provisions and embedded financial instrument loss/(gain), determined based on IFRS Financial Statements. Adjusted EBITDA is a measure of operating performance that is not required by, or presented in accordance with, IFRS. Adjusted EBITDA should not be considered as an alternative to gross profit, net profit or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities or as a measure of liquidity. In particular, Adjusted EBITDA should not be considered as a measure of discretionary cash available to the Company to invest in the growth of its business.

1H 2011 Market Overview

Russia remained TMK's key market and accounted for 63% of total TMK revenue in the first six months of 2011. The Russian pipe market continued its strong recovery and grew by 31% in the first six months of 2011 over the first six months of 2010. TMK's Russian market share declined to 25% compared to 27% in the first six months of 2010 as the Company focused on improving profitability of its Russian sales whilst competing with imports which more than doubled in the first six months of 2011.

In its core business, seamless OCTG pipe, the Company increased sales volumes to the Russian market by 17% and maintained its market share at around 60%. TMK increased its sales volumes of seamless line pipe to the Russian market thereby taking its market share from 69% to 72%. At the same time, TMK substantially increased sales of welded line pipes in the first six months of 2011 although the Company's market share in the Russian welded line pipe market slightly decreased to 14% from 15% a year ago.

The large-diameter pipe market in Russia demonstrated a year-on-year increase of 45% in the first six months of 2011. TMK sold 358 thousand tonnes of large-diameter pipe to the Russian market which represents a 38% increase compared to the first six months of 2010. The Company managed to keep its Russian market share at around 17% compared to the first half of 2010 despite a substantial increase in imported large-diameter pipe which represented 24% of the Russian market compared to 9% in the first half of 2010. In the first six months of 2011, TMK supplied large-diameter pipe to a number of trunk pipeline projects, including Bovanenkovo – Ukhta, Ukhta – Torzhok, Pochinki – Gryazovets, Gryazovets – Vyborg, Sakhalin – Khabarovsk - Vladivostok and others.

The industrial seamless pipe market in Russia grew by 34% over the first six months of 2010 mainly driven by strong demand from the automotive and machine-building industries. TMK increased sales of seamless industrial pipes by over 28%; its market share, however, declined from 34% to 33%. Sales of seamless industrial pipe in the European division grew by 21%.

OCTG pipe demand in the U.S. remained high throughout the first six months of 2011. Negative impact from weak gas prices was offset by growth in onshore oil drilling propelled by high oil prices. According to the Baker Hughes Rig Count, the number of active drilling rigs in the U.S. continued to increase through the first and second quarters of 2011 reaching 1,886 active rigs as of July 1, 2011. In the first six months of 2011 the shipments of OCTG pipe in the U.S. increased by 28% as compared to the first half of 2010 and exceeded 2.5 million tonnes. OCTG inventory remained around 5 months of supply, while drilling permits, a leading indicator of drilling activity in the U.S., continued creeping up. The OCTG demand in the U.S. is expected to remain robust through the year-end as the number of rigs approach 2,000 and energy prices hold up.

2H 2011 Outlook

1H 2011 results came out stronger than expected as the Company managed to increase volumes and profitability in an environment of rising costs and increasing competition. The Company expects to see robust demand for oil and gas pipes through 2011 year-end as oil and gas companies maintain their drilling programs with little sensitivity to short-term volatility in energy prices.

Going into the third quarter of 2011, seasonally lower sales volumes, as well as a softening in the large-diameter segment as compared to the second quarter together with scheduled maintenance of equipment at the Seversky, Volzhsky and Sinarsky plants in Russia might adversely affect the Company's financial results and profitability. However, a stronger operating performance expected in the fourth quarter of 2011 should largely offset the negative impact of the preceding quarter. Therefore, TMK confirms the previously given guidance on sales volumes growth and does not expect a significant deterioration of financial performance over the second half of 2011.

TMK maintains its positive stance on the large-diameter market in Russia which, despite certain volatility related to the timing of projects this year, is expected to remain strong in 2012 backed by new large-scale projects from Gazprom, Transneft and oil and gas companies in the CIS countries.

TMK continues upgrading its product mix and introducing innovative products and services to Russian oil and gas companies. Recently, the Company introduced certain high-grade products, like ULTRA premium threads, Chrome 13 pipe and insulated lift pipe (thermal casing), to its Russian customers. The Company also plans to increase its support of overseas projects of Russian oil and gas companies by supplying a full range of products and services on a global scale.

TMK continues to prioritize deleveraging and plans to reduce its debt in 2011. TMK also looks to further improve its debt profile and reduce the cost of borrowings. Availability of debt financing remains strong and the Company expects to continue refinancing as planned.

Performance of Divisions (1H 2011 vs. 1H 2010)

Sales volumes increased by 16% in the first half of 2011 and amounted to 2,179 thousand tonnes, including 797 thousand tonnes of OCTG pipe. OCTG pipe sales volumes increased by 7% compared to the previous year. The growth in sales volumes was mainly attributable to a 35% increase of LD pipe sales to 381 thousand tonnes and a 20% increase of line pipe sales to 459 thousand tonnes.

Sales volumes in the Russian division increased by 19% to 1,648 thousand tonnes. Steady demand from leading oil and gas companies resulted in 23% and 10% sales increase of line pipe and OCTG. Sales of large-diameter pipe increased by 35% due to the ongoing construction of major pipelines. Industrial pipe sales grew by 13% as a result of increased industrial output in Russia, the division's key market.

The American division increased its sales volumes in the first six months of 2011 by 6% to 436 thousand tonnes as a result of robust drilling activity in the existing and new shale plays as well as the imposition of import duties against Chinese tubular products. Sales volumes of seamless OCTG pipe increased by 13%, while sales volumes of welded line pipe surged by 45%. Sales of welded industrial pipe rose by 23% in the first six months of 2011 compared to the respective period in 2010.

Sales volumes in the European division increased by 7% in 1H 2011 to 95 thousand tonnes mainly due to higher demand especially from the machine-building sector. Sales of seamless industrial pipe, a core product in the European division, increased by 21%.

Revenue increased by 38% in the first half of 2011 to U.S.$ 3,547 million. The growth mainly resulted from an increase in sales of tubular products from U.S.$ 2,439 million in the first six months of 2010 to U.S.$ 3,391 in the first six months of 2011, while revenue from other operations increased by 23% to U.S.$ 156 million.

Revenue in the Russian division increased by 41% to U.S.$ 2,589 million in the first half of 2011 as compared to the first half of 2010. Higher sales volumes contributed increases of U.S.$ 204 million and U.S.$ 131 million in seamless and welded pipe revenue respectively, while improvements in pricing and product mix accounted for U.S.$ 185 million and U.S.$ 100 million revenue respectively. The effect of translation from the functional to the presentation currency accounted for a U.S.$ 124 million increase in revenue. Revenue from other operations grew by U.S.$ 15 million mainly due to an increase in revenue from pipe-related services.

Revenue in the American division increased by 23% to U.S.$ 765 million in the first half of 2011. The growth in revenue attributable to changes in prices and product mix amounted to U.S.$ 130 million, including U.S.$ 76 million in seamless pipe sales and U.S.$54 million in welded pipe sales, while changes in sales volumes accounted for increases of U.S.$ 14 million and U.S.$ 19 million in seamless and welded pipe revenue respectively. Revenue from other operations declined by U.S.$18 million as a result of higher usage of threading capacities for production of finished pipes (including co-operation with the Russian division), rather than providing threading services to third parties.

Revenue in the European division increased by 66% to U.S.$ 193 million in the first half of 2011 over the first half of 2010. The improvement was mainly driven by a growth in selling prices that, together with product mix improvement, brought a U.S.$ 35 million increase in revenue, while changes in sales volumes accounted for U.S.$ 7 million. An increase in revenue from other operations, substantially supported by sales of steel billets, contributed U.S.$ 26 million growth. The effect of translation from the functional to the presentation currency amounted to U.S.$ 9 million.

Gross profit increased by 39% in the first half of 2011 over the first half of 2010 and amounted to U.S.$ 814 million. Gross margin remained unchanged compared to the first half of 2010 and came in at 23% in the first half of 2011.

The Russian division increased its gross profit from U.S.$ 424 million in the first half of 2010 to U.S.$ 581 million in the first half of 2011. Gross margin decreased to 22% in the first half of 2011 from 23% in the first half of 2010 reflecting the decrease in the gross margin of large-diameter pipe sales which was partially offset by the growth in gross margin of OCTG and line pipe sales.

Gross profit in the American division came in at U.S.$ 180 million in the first half of 2011 compared to U.S.$ 137 million in the first half of 2010. Together with a 31% increase in gross profit, gross margin rose to 24% mainly as a result of increased sales volumes and higher selling prices as well as the increased share of high-margin seamless OCTG in the division's sales.

The European division's gross profit more than doubled in the first half of 2011 compared to the first half of 2010 and amounted to U.S.$ 53 million. Gross margin rose from 22% in the first half of 2010 to 28% in the first half of 2011 mainly due to increased production of certain high-margin grades, i.e. heat-treated industrial alloyed pipes.

Adjusted EBITDA increased by 51% and amounted to U.S.$ 625 million. Adjusted EBITDA margin improved from 16% in the first six months of 2010 to 18% in the first six months of 2011. Adjusted EBITDA of the Russian division amounted to U.S.$ 430 million and represented 69% of the Company's total EBITDA. Adjusted EBITDA of the American division represented 26% of the Company's total EBITDA and amounted to U.S.$ 160 million. Adjusted EBITDA margin of the Russian and the American divisions in the first six months of 2011 was 17% and 21% respectively.

Net income in the first six months of 2011 amounted to U.S.$ 258 million as compared to U.S.$ 67 million in the first six months of 2010. As TMK's management believes that the IFRS accounting treatment of the conversion option[2] of the convertible bond does not reflect the expected outflow of resources under the conversion rights, we consider Net income adjusted for the gain on changes in the fair value of the derivative financial

[2] The conversion option, whether exercised or expired, will not result in cash outflows from the Company. In the event of the bond not being converted, the liability under the conversion option will be recognized as a gain in our income statement. In the event of the exercise of the option, the liability will be transferred to equity (together with the carrying value of the converted bonds); no gain or loss will be recognized on the transaction. Additionally, the accounting treatment of the conversion option requires that changes in the fair value of the embedded instrument be recognized in the income statement. The price and volatility of TMK's GDRs have significant impact on the fair value of the embedded derivative. In the event the GDRs perform well, the liability under the conversion option will increase and result in losses in the income statement. The changes in the fair value may be material in comparison to our net income and may cause distortions in the income statement. Such adjusted net income (loss) figure is an alternative performance measure that is not reflected in the consolidated financial statements and has not been audited or reviewed in accordance with ISA.

instrument as an important supplemental measure of performance. Net income adjusted for the gain on changes in the fair value of the derivative financial instrument equaled U.S.$ 243 million as compared to U.S.$ 35 million in the first six months of 2010. Adjusted net income margin increased to 7% in the first six months of 2011 from 1% in the relevant period of 2010.

Total financial debt remained relatively flat at U.S.$ 4,017 million as of June 30, 2011 compared to U.S.$ 4,029 million as of March 31, 2011 and increased by 4% compared to U.S.$ 3,872 as of December 31, 2010. The net amount of debt repayment in the first six months of 2011 equaled U.S.$ 36 million. Appreciation of the Russian rouble against the U.S. dollar resulted, however, in an increase of the U.S. dollar equivalent of the Russian rouble-denominated loans and, consequently, in a growth of total debt as compared to the beginning of the year. Net finance costs decreased from U.S.$ 191 million in the first six months of 2010 to U.S.$ 144 million in the relevant period of 2011 as a result of lower interest rates. The weighted average nominal interest rate decreased 53 basis points as compared to December 31, 2010 and stood at 7.33% as of June 30, 2011. The Company continued to improve its debt maturity profile with the share of short-term debt decreasing from 18% as of December 31, 2010 to 13% as of June 30, 2011.

1H 2011 IFRS Financial Statements are available at: http://media.corporate-ir.net/media_files/IROL/20/200536/FS_1H2011_IFRS_ENG.pdf

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TMK (www.tmk-group.com)

TMK is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 24 production sites in the United States, Russia, Romania and Kazakhstan. Among global leaders, TMK has the largest steel pipe production capacity. The largest share of TMK's shipments belongs to high margin oil country tubular goods (OCTG). In 2010, TMK's pipe sales totaled approximately four million tonnes, shipped to customers in more than 65 countries.

TMK's ordinary shares are listed on Russia's MICEX and RTS stock exchanges. Its GDRs are traded on the London Stock Exchange, and its ADRs – on the OTCQX International Premier trading platform in the U.S.

Volzhsky Pipe Plant	TMK-Kaztrubprom	TMK IPSCO
Sinarsky Pipe Plant	TMK-INOX	TMK-Europe
Seversky Tube Works	TMK-Premium Service	
Taganrog Metallurgical Works	TMK Oilfield Services	