Moscow, March 6, 2013

TMK ANNOUNCES 4Q 2012 AND FULL-YEAR 2012 IFRS RESULTS

The following contains forward looking statements concerning future events. These 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, announces today its audited consolidated IFRS financial results for the twelve months ending December 31, 2012.

Summary 4Q 2012 and Full-Year 2012 Results

(In millions of $, unless stated otherwise)

	4Q 2012	3Q 2012	Change, %	FY 2012	FY 2011	Change, %
Sales, thousand tonnes	**1,082**	1,050	3%	**4,238**	4,185	1%
Revenue	**1,631**	1,617	1%	**6,688**	6,754	-1%
Gross profit	**331**	352	-6%	**1,483**	1,446	3%
Income before tax	**53**	94	-43%	**405**	544	-26%
Net income	**32**	69	-54%	**282**	385	-27%
Earnings per GDR[1], basic, U.S.$	**0.12**	0.32	-63%	**1.28**	1.76	-27%
Adjusted EBITDA[2]	**230**	243	-5%	**1,040**	1,050	-1%
Adjusted EBITDA margin, %	***14%***	*15%*		***16%***	*16%*	

4Q 2012 Highlights

Sales Volumes

- Total pipe sales increased by 3% to 1,082 thousand tonnes compared to the third quarter of 2012 mainly a result of higher demand for seamless OCTG pipes and large diameter pipes (LDP).
- Seamless pipe sales increased by 2% compared to the third quarter of 2012 and amounted to 619 thousand tonnes. Seamless OCTG pipe volumes grew by 13% quarter-on-quarter mainly due to strong drilling activity in Russia.
- Welded pipe sales increased by 4% compared to the prior quarter and amounted to 463 thousand tonnes. Welded OCTG pipe sales remained relatively flat quarter-on-quarter while welded line pipe volumes decreased by 16% compared to the third quarter of 2012 due to weaker consumption in the U.S. Sales of LDP

Note: Certain monetary amounts, percentages and other figures included in this press release are subject to rounding adjustments. On occasion, therefore, amounts shown in tables may not be the arithmetic accumulation of the figures that precede them.

[1] One GDR represents four ordinary shares.

[2] Adjusted EBITDA is determined as profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortization, foreign exchange (gain)/loss, impairment/(reversal of impairment) of non-current assets, movements in allowances and provisions, (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash items.

grew by 28% as a result of TMK's participation, among other projects, in construction of the Russian onshore section of the South Stream pipeline.

Financials

- Fourth quarter revenue was relatively flat compared to the prior quarter and amounted to $1,631 million. The unfavorable changes in seamless pipe pricing in the American division were offset by higher LDP volumes in the Russian division as well as the impact of favorable currency translation.

- Adjusted EBITDA decreased by 5% quarter-on-quarter to $230 million being negatively affected by lower sales and weaker pricing in the American division. Consolidated adjusted EBITDA margin was 14% for the fourth quarter of 2012.

- Net income was $32 million for the fourth quarter as compared to $69 million in the third quarter of 2012. Net income adjusted for the gain/(loss) on changes in fair value of the derivative instruments[3], amounted to $38 million; adjusted net income margin was 2% for the fourth quarter of 2012.

- In the fourth quarter of 2012, total debt increased as a result of the Rouble appreciation against the U.S. dollar and the acquisition of a subsidiary with a $98 million debt on its balance sheet, while net repayment amounted to $75 (including partial repayment of the acquired subsidiary's debt). At the same time, net debt decreased by $30 million to $3,656 million because of the significant growth of cash and cash equivalents balance at the end of the year. As a result, Net Debt-to-EBITDA ratio[4] improved to 3.5x.

Full-Year 2012 Highlights

Sales Volumes

- Total pipe sales for the full-year 2012 were virtually flat compared to the prior year and amounted to 4,238 thousand tonnes.

- Seamless pipe sales increased by 7% year-on-year and amounted to 2,495 thousand tonnes. Seamless OCTG pipe volumes grew by 15% year-on-year primarily as a result of a robust exploration and production (E&P) activity of the Russian oil and gas majors.

- Welded pipe sales decreased by 5% year-on-year and amounted to 1,743 thousand tonnes. Welded OCTG and line pipe sales increased by 3% and 17% respectively, while LDP sales declined significantly due to the completion of major pipeline projects and the postponement of new ones.

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[3] For the purposes of this press release, net income has been adjusted for the gain/(loss) on changes in fair value of the derivative financial instruments to reflect management's opinion in respect of the treatment of the conversion option.

[4]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.

Financials

- Revenue decreased by 1% year-on-year to $6,688 million mainly due to the negative impact of currency translation. Excluding the full-year 2012 unfavorable currency translation impact of $318 million, total revenue would grow by $252 million. Sales of seamless pipe, the core business of the Company, comprised 62% of total revenue.

- Adjusted EBITDA for the full-year 2012 decreased by 1% year-on-year to $1,040 million while gross profit increased by 3% year-on-year. Higher volumes of seamless OCTG and better profitability of the welded business in Russia were offset by the negative effect of currency translation, higher operating expenses and negative sales mix in the American division. Adjusted EBITDA margin amounted to 16% for the full-year 2012.

- Net income was $282 million for the full-year 2012 as compared to $385 million for the full-year 2011. Net income adjusted for the gain/(loss) on changes in fair value of the derivative instruments, amounted to $290 million; adjusted net income margin totaled 4% for the full-year 2012.

- Net debt increased from $3,552 million as of 31 December 2011 to $3,656 million as of 31 December 2012 mainly as a result of the effect of Rouble appreciation against the U.S. dollar and the acquisition of a subsidiary with a $98 million debt on its balance sheet. Net repayment of borrowings for twelve months of 2012 amounted to $148 million (including partial repayment of the acquired subsidiary's debt).

Recent Developments

- In December 2012, TMK acquired 55% ownership of Gulf International Pipe Industry (GIPI) in Oman. The plant's annual capacity exceeds 200,000 tonnes of welded OCTG and line pipe.

- In December 2012, TMK established a service joint venture, Threading and Mechanical Key Premium LLC, with EMDAD in Abu Dhabi, the United Arab Emirates, with annual production capacity of 10,000 tonnes of premium pipe. The center will focus on repair of pipes and underground equipment as well as threading of connections on various components of pipe columns. Commissioning of the center is set for the middle of 2013.

4Q and Full-Year 2012 Segment Results

(In millions of $, unless stated otherwise)

	4Q 2012	3Q 2012	Change, %	FY 2012	FY 2011	Change, %
Sales volumes (thousand tonnes)						
Russia	**826**	797	4%	**3,159**	3,115	1%
Americas	**211**	214	-1%	**903**	892	1%
Europe	**45**	39	15%	**176**	178	-1%
Revenue						
Russia	**1,212**	1,132	7%	**4,714**	4,788	-2%
Americas	**352**	410	-14%	**1,650**	1,590	4%
Europe	**67**	75	-11%	**324**	375	-14%
Adjusted EBITDA						
Russia	**195**	190	2%	**766**	721	6%
Americas	**26**	42	-38%	**222**	265	-16%
Europe	**9**	10	-14%	**52**	64	-19%

Russia

In the fourth quarter of 2012, revenue for the Russian division increased by 7% to $1,212 million compared to the prior quarter mainly due to the positive effect of currency translation and higher volumes of welded pipe, primarily LDP, driven by TMK's involvement, among other projects, in the Russian onshore part of the South Stream pipeline. Adjusted EBITDA amounted to $195 million, an increase of 2% compared to the third quarter of 2012 mainly as a result of lower selling expenses.

For the full-year 2012, revenue of the Russian division decreased by 2% to $4,714 million due to the negative effect of currency translation, lower volumes and unfavorable sales mix of welded pipe as a result of a decrease in LDP sales. Adjusted EBITDA increased by 6% year-on-year to $766 million on the back of higher seamless OCTG volumes and improved profitability in the welded segment due to a significant drop in the average purchase price for steel coil.

Americas

In the fourth quarter, revenue for the American division decreased by 14% to $352 million compared to the prior quarter primarily due to weaker pricing across all product lines of seamless and welded pipe following temporary drop in demand as a result of customer's year-end inventory adjustments and declining rig count. Adjusted EBITDA decreased by 38% to $26 million in the fourth quarter of 2012 primarily due to lower volumes and unfavorable pricing attributed to welded tubular products as well as weaker pricing across all product lines of seamless pipe.

Revenue for the American division increased by 4% year-on-year and amounted to $1,650 million for the full-year 2012. The increase was driven by higher volumes of primarily welded OCTG and welded line pipe as well as changes in sales mix of seamless pipe that was to a significant extent offset by a drop in sales of both seamless industrial and line pipe. Adjusted EBITDA for 2012 declined by 16% to $222 million. The decline was largely driven by negative sales mix, in particular higher share of welded pipe, and decreased profitability of seamless pipe due to higher fixed costs absorption.

Europe

In the fourth quarter, revenue of the European division declined by 11% to $67 million compared to the prior quarter mainly due to a significant drop in steel billets sales and a weaker pricing for all product lines as a result of challenging macroeconomic conditions in the European Union. Adjusted EBITDA fell by 14% to $9 million due to the above mentioned reasons.

For the full-year 2012, revenue of the European division decreased by 14% to $324 million primarily due to the unfavorable impact of currency translation and weaker pricing while sales of seamless industrial pipe increased year-on-year. Adjusted EBITDA declined by 19% to $52 million due to the above stated factors coupled with an increase in selling, general and administrative expenses.

4Q and Full-Year 2012 Market Conditions

Russia

In the fourth quarter of 2012, the Russian pipe market remained flat compared to the prior quarter as the growth of line pipe was partially offset by the weaker demand for industrial pipe due to slower construction activity in Russia and lower consumption from machine building industry.

Demand for TMK's core products, seamless OCTG and line pipe, was relatively strong. For the fourth quarter of 2012, the seamless OCTG and line pipe market in Russia increased by 12% and 48% respectively compared to the third quarter supported by a high level of drilling activity in Russia and seasonal stock up period.

For the full-year 2012, the Russian pipe market declined by 10% year-on-year primarily as a result of weaker consumption of LDP due to large project completions in 2011 and the postponement of new ones.

Full-year 2012 seamless OCTG and line pipe market in Russia experienced a strong growth of 7% and 15% respectively compared to the full-year 2011. High demand for oil and gas continued to be supported by a robust level of E&P activity resulting in growth of total meters of oil wells drilled by 9% year-on-year.

Americas

OCTG demand in the U.S. saw the rig count declines continue in the fourth quarter of 2012. According to the Baker Hughes rig count, the U.S. finished the fourth quarter at 1,763 active drilling rigs, down 12% from the prior year. The recovery in gas prices over the past two quarters has not had a visible impact on the gas rig count, which remains at some of the lowest levels experienced in over a decade. Natural gas prices are well below historical levels, but crude oil prices have remained relatively stable. As a result, the vast majority, 75% of active rigs, are employed in oil drilling. The rig count activity shift from gas to oil has altered customer demand, however, oil exploration continues to support demand for TMK's line of premium connections.

According to Preston Pipe and Tube, in the fourth quarter of 2012 U.S. industry OCTG shipments decreased by almost 7% as compared to the fourth quarter of 2011 and were down roughly 17% compared to the third quarter of 2012. Per the OCTG Situation Report, while the inventory months of supply declined in December, the levels are still well above the average for the prior six months. Although import shipments were slightly below the highs seen in the first half of 2012, per Pipe Logix, imports continued to represent over 55% of the U.S. OCTG market in the second half of 2012, with a sudden drop off in December.

Europe

In the fourth quarter of 2012, and throughout the full-year 2012, the European market continued to be challenging, with weak demand and growing competition. Additionally, in the fourth quarter of 2012, the market experienced a seasonally weaker level of consumption as construction projects were completed before or suspended due to the beginning of winter. Falling demand from mechanical engineering, automotive, power generation and construction industries was driven by the customers' intention to minimize inventory level resulting in a weak demand.

<u>1Q 2013 and Full-Year 2013 Outlook</u>

In early 2013 the Russian division sees a strong order backlog for the beginning of the year, particularly in OCTG and line pipe, as a result of growing E&P activity of oil and gas companies. However, the drilling environment in the U.S. and economic conditions in Europe remain challenging, and therefore the Company conservatively expects the results of the first quarter of 2013 to be in line with the results of the fourth quarter of 2012.

Given the anticipated improvements in the subsequent quarters of 2013 the Company expects to compensate slower pace of the first quarter of 2013 with better operational performance for the remainder of the year and full-year 2013 results to be in line with the results of the full-year 2012 with some upside potential.

Full-Year 2012 IFRS Financial Statements are available at:
http://www.tmk-group.com/files/IFRS_TMK_y2012.pdf

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TMK is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating about 30 production sites in the United States, Russia, Canada, Romania, Oman, UAE and Kazakhstan, and two R&D centres in Russia and the USA. In 2012, TMK's pipe shipments totaled 4.24 million tonnes. The largest share of TMK's sales belongs to high margin oil country tubular goods (OCTG), shipped to customers in 85 countries. TMK delivers its products along with an extensive package of services in heat treating, protective coating, premium connections threading, warehousing and pipe repairing.

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

TMK's production assets structure:

- Russian division:
  - Volzhsky Pipe Plant;
  - Seversky Tube Works;
  - Taganrog Metallurgical Works;
  - Sinarsky Pipe Plant;
  - TMK-Kaztrubprom.
- American division:
  - 12 plants of TMK IPSCO.
- European division:
  - TMK-ARTROM;
  - TMK-RESITA.
- GIPI (Oman);
- Threading & Mechanical Key Premium LLC (Abu-Dhabi);
- TMK-INOX (Russia);
- TMK-Premium Service;
- TMK Oilfield Services.