Moscow, August 31, 2012

TMK ANNOUNCES 2Q 2012 AND 1H 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 interim consolidated IFRS financial results for the six months ending June 30, 2012.

2Q 2012 Highlights

- Total pipe sales increased by 10% quarter-on-quarter to 1,101 thousand tonnes, mainly due to an increase in seamless OCTG and large-diameter (LD) pipe sales.

- Revenue for the second quarter was $1,781 million, an increase of 7% over the first quarter of 2012.

- Adjusted EBITDA increased by 5% quarter-on-quarter to $290 million due to higher volumes of mainly seamless OCTG and LD pipe and lower operating expenses. Adjusted EBITDA margin was 16%.

- Net income was $76 million for the second quarter, as compared to $105 million in the first quarter of 2012, being negatively impacted by a $26 million foreign exchange loss versus a $31 million gain in the previous quarter.

- Net debt decreased by $128 million in the second quarter of 2012 and amounted to $3,569 million as of June 30, 2012, while the Net Debt-to-EBITDA ratio[1] was 3.6x. The share of short-term loans and borrowings was 27% as of June 30, 2012; loans with a fixed interest rate represented 82% of total debt. TMK's weighted average nominal interest rate decreased from 7.00% as of March 31, 2012 to 6.87% as of June 30, 2012.

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[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.

1H 2012 Highlights

Sales Volumes

- Total pipe sales decreased by 3% to 2,106 thousand tonnes compared to the first half of 2011, mainly due to a decline in LD pipe volumes partially offset by the growth in both sales of seamless and welded OCTG and welded line pipe.
- Seamless pipe sales increased by 3% compared to the first half of 2011 and amounted to 1,272 thousand tonnes. Seamless OCTG pipe volumes increased by 12% year-on-year on the back of strong drilling activity in Russia.
- Welded pipe sales decreased by 12% year-on-year and amounted to 834 thousand tonnes. Welded OCTG and line pipe sales increased by 19% and 31% respectively, whereas LD pipe sales declined.

Financials

- Revenue decreased by 3% year-on-year to $3,439 million mainly due to lower welded pipe volumes caused by a drop in LD pipe sales. Sales of seamless pipe, the core business of the Company, generated 62% of total revenue.
- Adjusted EBITDA decreased by 9% year-on-year to $567 million affected by lower welded pipe volumes, the negative effect of currency translation[2] and higher operating expenses. However this negative effect was partially offset by higher volumes and better pricing and product mix of seamless pipe. Adjusted EBITDA margin amounted to 16% for the first six months of 2012.
- Net income was $182 million for the first half of 2012 as compared to $258 million for the first half of 2011, negatively impacted by the operating expenses growth. Net income adjusted for the gain/(loss) on changes in fair value of the derivative instrument, amounted to $184 million; adjusted net income margin equaled 5% for the first half of 2012.

[2] For the purposes of this press-release, the effect of currency translation on revenue/costs and income/expense illustrates an influence of different rates used for translation of such revenue/costs or incomes/expenses from functional to presentation currency in different reporting periods.

Summary 2Q 2012 and 1H 2012 Results

(In millions of $, except earnings per GDR)

	2Q 2012	1Q 2012	Change, %	1H 2012	1H 2011	Change, %
Sales volumes, thousand tonnes	1,101	1,005	10%	2,106	2,179	-3%
Revenue	1,781	1,659	7%	3,439	3,547	-3%
Gross profit	389	411	-5%	801	814	-2%
Income before tax	106	151	-30%	257	360	-28%
Net income	76	105	-27%	182	258	-29%
Earnings per GDR[3], basic, U.S.$	0.36	0.48	-25%	0.84	1.20	-30%
Adjusted EBITDA[4]	290	277	5%	567	625	-9%
Adjusted EBITDA margin, %	*16%*	*17%*		*16%*	*18%*	

Recent Developments

- In April and May 2012, TMK shipped casing pipe with ULTRA™ FJ Premium connections to Lukoil and Gazprom. This premium product was patented by the American division and manufactured at the Orsky Plant in Russia.
- In June 2012, the annual shareholders' meeting approved a final dividend for 2011 in the amount of 2,531 million Russian roubles ($76 million at the exchange rate on the date of approval) or 2.70 Russian roubles ($0.08) per ordinary share.
- In July 2012, TMK and Gazprom signed a technological cooperation agreement for the period of 2012-2015. The Sci-Tech cooperation program stipulates the development of 21 new types of product and focuses on the delivery of import-substitute and high-performance tubular products that will meet the advancing needs of Gazprom.

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.

[3] One GDR represents four ordinary shares

[4] 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 associate and other non-cash items.

- In July 2012, TMK's Orsky Plant completed an audit of its quality management system for compliance with the American Petroleum Institute (API) standard. This certification will enhance the Company's capabilities to promote and supply its products to international customers.

2Q and 1H 2012 Segment Results

(In millions of $, unless stated otherwise)

	2Q 2012	**1Q 2012**	***Change, %***	**1H 2012**	**1H 2011**	***Change, %***
Sales volumes (thousand tonnes)						
Russia	816	720	13%	1,536	1,648	-7%
Americas	237	241	-2%	478	436	10%
Europe	48	44	9%	92	95	-3%
Revenue						
Russia	1,237	1,133	9%	2,370	2,589	-8%
Americas	448	440	2%	887	765	16%
Europe	96	86	11%	182	193	-5%
Adjusted EBITDA						
Russia	204	176	16%	380	430	-12%
Americas	68	86	-20%	154	160	-4%
Europe	17	15	17%	32	35	-8%

Russia

In the second quarter of 2012, revenue in the Russian division increased by 9% to $1,237 million mainly due to the growth of sales of seamless OCTG, LD and welded line pipes. Adjusted EBITDA increased by 16% to $204 million due to higher volumes, better pricing and product mix of welded pipe and lower operating expenses.

For the first half of 2012, revenue of the Russian division decreased by 8% to $2,370 million mainly due to the decline of welded pipe volumes as a result of the fall in LD pipe sales and the negative effect of currency translation. Adjusted EBITDA decreased by 12% to $380 million following a downward trend in revenue and gross profit.

Americas

Revenue for the American division increased by 2% to $448 million in the second quarter of 2012 primarily driven by increasing volume in the seamless pipe business despite being negatively affected by a drop in welded line pipe sales as a result of plant downtime for a capital project at the Wilder, Kentucky facility. Adjusted EBITDA dropped by 20% to $68 million both as a result of this downtime as well as increases in hot rolled coil prices in the early part of the previous quarter.

For the first half of 2012, revenue for the American division increased by 16% and amounted to $887 million mainly due to higher volumes in welded pipes, as well as better pricing and improved product mix in both the welded and seamless businesses. Adjusted EBITDA declined, however, by 4% to $154 million. Purchase prices for hot rolled coil used in production in the first half of 2012 were higher than prices for coil used in production in the same period of the prior year. Increasing pressure from imports limited the ability of the American division to improve pricing in welded products, and plant downtime also added additional pressure on EBITDA.

Europe

Revenue for the European division increased by 11% to $96 million in the second quarter of 2012 due to higher sales of seamless industrial pipe. Adjusted EBITDA grew by 17% to $17 million.

For the first half of 2012, revenue of the European division decreased by 5% to $182 million. Positive contribution of higher average selling prices and improved product mix was negatively impacted by the effect of currency translation. Adjusted EBITDA declined by 8% to $32 million.

2Q and 1H 2012 Market Conditions

Russia

In the first half of 2012, the Russian pipe market declined by 22% compared to the first half of 2011 mainly as a result of a significant decline in LD pipe demand, as well as weaker consumption of seamless industrial and welded line pipe.

Demand for TMK's core products, seamless OCTG and line pipe, was relatively strong. In the first half of 2012, the seamless OCTG market in Russia remained flat year-on-year, while the seamless line pipe market grew by 12%. Robust demand for oil and gas grades continued to be supported by a high level of drilling activity which set a 10-year record in 2011. Oil production in Russia increased by 1.6% in the first half of 2012. The pace of production growth has recently been declining which, however, is evidence of a more challenging Russian drilling environment.

In the first half of 2012, the LD pipe market in Russia experienced a substantial decline year-on-year as new pipeline projects have been delayed.

The industrial seamless pipe market in Russia declined by 10% year-on-year for the first six months of 2012, while the welded industrial pipe market grew by 11% in the same period affected by growing construction activity in Russia.

Americas

OCTG demand in the U.S. remained steady throughout the second quarter of 2012. According to the Baker Hughes rig count, the U.S. finished the quarter at 1,959 active drilling rigs, down 1% from the first quarter. The gas rig count continued to decline, down 19% in the second quarter of 2012 due to low natural gas prices in the U.S. However, strong oil rig count growth continued to increase by 8%.

In the second quarter of 2012 industry shipments of OCTG in the U.S. increased by 21% as compared to the second quarter of 2011 and were flat compared to the first quarter of 2012, according to Pipe Logix. Per the OCTG Situation Report, the average OCTG inventory for all products increased to 5 months of supply, historically considered a normal level. Led by Korean producers, import shipments continued to exceed domestic shipments in the second quarter and reached volume levels not experienced since early 2009.

Europe

In the second quarter of 2012, the European market remained challenging due to macroeconomic concerns and the Eurozone debt crisis. As a result, end-users continued to focus on spot orders anticipating more favorable payment terms. Customers also kept inventories at a minimum level for their ongoing needs creating additional pressure on prices and volumes.

3Q 2012 and 2012 Outlook

The Russian division sees a strong order backlog through the end of 2012 as Russian oil and gas companies continue their drilling plans. The Company therefore expects the demand for OCTG and line pipe in Russia to remain strong in the second half of 2012.

While the Company feels positive about the long-term U.S. market outlook, the second half of 2012 is more uncertain. We expect to see continued adjustments in the drilling behavior of customers as a result of low gas prices. Both distributors and customers are closely managing inventory which will lead to both pressure on volumes and pricing in the third quarter.

The Company confirms its cautiously positive outlook for the remainder of the year and, despite some usual slowdown in the third quarter, expects to maintain the financial performance demonstrated in the first half of 2012 through the year-end.

1H 2012 IFRS Financial Statements are available at:
http://www.tmk-group.com/files/IFRS_TMK_6m2012_usd_en.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 and two R&D centres in Russia and the USA. In 2011, TMK's pipe shipments totaled 4.23 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:
  - 11 plants of TMK IPSCO.
- European division:
  - TMK-ARTROM;
  - TMK-RESITA.
- TMK-INOX;
- TMK-Premium Service;
- TMK Oilfield Services.