Moscow, September 27th, 2007

TMK ANNOUNCES 1H 2007 REVIEWED IFRS RESULTS

OAO “TMK” (TMK), one of the world’s largest oil and gas pipe producers and the market leader of the Russian pipe industry, today announces its reviewed IFRS financial results for the six months ended June 30, 2007.

1H 2007 Highlights

Financials:

- Revenue grew by 28% to USD 2,030.0 million
- Gross profit came in at USD 657.9 million, an increase of 30% compared to first half 2006 results.
- EBITDA up 27% to USD 499.5 million as a result of a strong pricing environment and increasing operating efficiency

Sales Volumes:

- Total pipe sales volumes were nearly 1.54 million tonnes, including 1.02 million tonnes of seamless pipes
- Seamless pipe sales volumes rose 5.1%, OCTG pipes, the highest margin products, had a slight increase of 2.8% and amounted to 497 thousand tonnes.
- Welded pipe sales volume grew by 5.9%, driven by an increase in sales of large-diameter welded pipes.

Acquisitions / Joint Ventures:

- On January 25, 2007, OAO “Seversky Pipe Plant” and Corinth Pipeworks S.A., the largest pipe manufacturer in Greece, established a company ZAO “TMK-CPW” for the production of longitudinally welded pipes to be used in the oil and gas, machine building and construction industries. OAO “Seversky Pipe Plant” holds 51% and Corinth Pipeworks S.A. holds 49% of the company.

- On March 5, 2007, TMK purchased a 76.33% interest in OAO “Russian Research Institute of the Tube and Pipe Industries” (“RosNITI”) for USD 3.1 million. “RosNITI” is the only pipe research institute in Russia. In June and July 2007, TMK purchased an additional 21.03% in “RosNITI” for USD 864.5 thousand increasing its stake to 97.36%

- In the first six months of 2007, TMK purchased 0.15% of OAO “Sinarsky Pipe Plant” shares and 0.13% of OAO “Seversky Pipe Plant” shares for a total amount of USD 2.0 million

Recent Developments:

- On August 29, 2007, TMK signed an agreement for the purchase of 100% interest in OOO “Predpriyatiye “Truboplast” for USD 24.0 million via entities under common control with TMK who themselves acquired this interest in July 2007.

Moscow, September 27th, 2007

Summary 1H 2007 Results[1]

(Millions of U.S. dollars, except earnings per GDR)

	1H 2007	1H 2006	Change, %
Net sales	**2,030.0**	**1,584.3**	***28.1%***
Gross profit	**657.9**	**505.8**	***30.1%***
Profit before tax	**394.4**	**305.6**	***29.1%***
Net profit	**289.1**	**229.9**	***25.8%***
Earnings per GDR[2], USD	**1.28**	**1.00**	***28.0%***
EBITDA[3]	**499.5**	**393.6**	***26.9%***
EBITDA margin[4], %	*24.6%*	*24.8%*	

[1] This information for 1H 2007 and 1H 2006 reflects the transfer of OAO "Orsky Machine Building Plant" to OAO TMK in 1H 2007. On January 31, 2007, OAO TMK obtained 75% interest in OAO "Orsky Machine Building Plant" in a transaction with an entity under common control with OAO TMK. As this business combination involved entities under common control, it was accounted for using the pooling of interests method and OAO TMK's consolidated financial statements have been restated as if the transfer of OAO "Orsky Machine Building Plant" to OAO TMK had occurred as of the beginning of the first period presented in the financial statements.

[2] 1 GDR represents 4 ordinary (local) shares

[3] EBITDA is calculated as profit before tax plus finance costs minus finance income and plus depreciation and amortization

EBITDA is a measure of operating performance that is not required by, or presented in accordance with, IFRS. EBITDA is not a measurement of operating performance under IFRS and 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, EBITDA should not be considered as a measure of discretionary cash available to the Company to invest in the growth of its business.

EBITDA has limitations as an analytical tool, and potential investors should not consider it in isolation, or as a substitute for analysis of operating results as reported under IFRS. Some of these limitations include:

- EBITDA does not reflect the impact of financing or financing costs on operating performance, which can be significant and could further increase if TMK was to incur more debt.
- EBITDA does not reflect the impact of income taxes on operating performance.
- EBITDA does not reflect the impact of depreciation and amortisation on operating performance. The assets of TMK's businesses which are being depreciated and/or amortised will have to be replaced in the future and such depreciation and amortisation expense may approximate the cost to replace these assets in the future. By excluding this expense from EBITDA, EBITDA does not reflect TMK'sfuture cash requirements for these replacements.
- Other companies in the pipe industry may calculate EBITDA differently or may use them for purposes different from those of TMK, limiting their usefulness as comparative measure.

TMK compensates for these limitations by relying primarily on its IFRS operating results and using EBITDA only supplementally. Reconciliation of EBITDA to profit before tax is as follows:

(Millions of U.S. dollars)

	1H 2007	1H 2006
Profit before tax	394.4	305.6
Depreciation	67.0	56.9
Amortisation	1.2	1.2
Finance costs	45.0	31.1
Finance income	(8.1)	(1.2)
EBITDA	499.5	393.6

Moscow, September 27th, 2007

For further information please contact:

TMK PR Department:
Sergey Ilin
Tel: +7 495 775 7600 ext. 2149
Email: pr@tmk-group.com
Or visit: www.tmk-group.com

Management Discussion and Analysis of Financial and Operating Results

Overview

TMK is among the world's three largest steel pipe producers with a relatively high market share of approximately 12.5% in the seamless OCTG segment. In the first six months of 2007, TMK sold 1.54 million tonnes of steel pipes including 1.02 million tonnes of seamless pipes of which 498 thousand tonnes was OCTG. Pipes for the oil and gas industry accounted for approximately 61% of TMK's total sales volumes in the first six months of 2007. TMK is also Russia's largest exporter of pipes, with export of TMK's Russian plants representing around half of total Russian exports. In the first six months of 2007, TMK's sales outside of Russia accounted for approximately 31% of TMK's total sales volume.

In the first six months of 2007, TMK continued development of its seamless pipe business which has the highest margins and better growth opportunities, together with a mixed growth/protection strategy in the welded segment.

Industry Outlook

The majority of TMK's steel pipe sales are carried out in Russia. Thus the general level of volumes and prices for TMK's products is significantly influenced by the Russian pipe market trends. The oil and gas sector remained the priority customer for TMK domestic pipe production. In the first six months of 2007, the demand for seamless and welded steel pipes from Russian oil and gas producers

[4] EBITDA margin represents EBITDA as a percentage of revenue

was quite strong. According to TMK's market research, the general consumption of pipes for the oil and gas industry increased by approximately 30% during the first six months of 2007. At the same time, oil and gas analysts expect exploration and production (E&P) expenditures to increase markedly in the coming years, driven by the need of Russian oil and gas majors to deliver on their long-term production targets and the government's increasingly tough stance towards reserves replacement. Capital expenditures are expected to rise at an average CAGR of 11% in 2007-2010.

Sales to oil and gas companies worldwide represent a high percentage of TMK's total sales and demand for seamless and welded steel pipes from the global oil and gas industry is a significant factor affecting TMK's results of operations, particularly sales volumes.

In recent years, global demand for seamless and welded pipes has been increasing strongly, driven by such factors as rising drilling activity and rig count and higher well complexity. E&P spending by oil and gas companies worldwide has increased sharply in recent years predominantly due to high oil prices pushed by resilient global energy demand and the depletion of existing reserves. In the first six months of 2007, sales of steel pipes worldwide increased by approximately 10% and particularly as a result of increasing expansion of Chinese producers. According to the International Energy Agency (IEA), global E&P spending will grow by 8% per annum in 2007-2010. IEA estimates that approximately 11% of E&P budgets are spent on OCTG pipes and approximately 40% of pipeline construction costs are spent on pipes.

TMK management believes that, if global demand for oil and gas remains at the current level, the factors which have resulted in the high oil prices and the increased drilling activity and demand for pipes from the oil and gas industry shown in 2006 will persist in the near term due to the long lead times and significant capital expenditures required for the development of major new oil and gas reserves.

Results of Operations

Revenue

In the first six months of 2007 as compared to the first six months of 2006, TMK revenue increased by 28% and amounted to USD 2,030.0 million. TMK's consolidated revenue increased due to a combination of higher average selling prices and higher sales volumes

Sales volumes

The following table shows TMK's pipe sales volumes.

(In thousands of tonnes)

	1H 2007	1H 2006	% change
Seamless pipes			
Russia	679	648	4.8%
Outside Russia	342	323	5.9%
	1,021	**971**	**5.1%**
Welded pipes			
Russia	378	403	(6.2)%
Outside Russia	142	88	61.4%
	520	**491**	**5.9%**
Total pipes	**1,541**	**1,462**	**5.4%**
of which			
Russia	1,057	1,051	0.6%
Outside Russia	484	411	17.8%

TMK's seamless pipe sales growth of 5.1% in the first six months of 2007 as compared to the first six months of 2006 was predominantly due to an increase in sales of industrial seamless pipes which has been primarily driven by increasing demand from machine-building companies. At the same time, sales volumes of the highest margin products, seamless OCTG for the oil and gas industry, increased by 2.8% in the first six months of 2007 as compared to the first six months of 2006 due to the full load factor in seamless production capacity.

An increase in welded pipes sales in the first six months of 2007 as compared to the first six months of 2006 was predominantly attributable to increased sales of large-diameter welded pipes. Sales volumes fell in the first six months of 2006 due to a decrease in sales to Gazprom resulting from production workshop stoppages for repairs at OAO "Volzhsky Pipe Plant". In the first six months of 2007, sales of large-diameter welded pipes to Gazprom returned to a normal level which partially compensated the relative decline in sales volumes of TMK's industrial welded pipes on the Russian market. At the same time, sales volumes of welded pipes outside Russia increased sharply due predominantly to the growth of sales volumes of large-diameter welded pipes to CIS countries.

Revenue by business segment

The following table shows TMK's revenue by business segment.

(Millions of U.S. dollars)

	1H 2007	1H 2006	% change
Seamless pipes	1,375.5	1,063.5	29.3%
Welded pipes	543.0	393.7	37.9%
Other operations	111.5	127.1	(12.3)%
Total revenue	**2,030.0**	**1,584.3**	**28.1%**

Seamless Pipes

In the first six months of 2007, TMK recorded both higher average selling prices and higher sales volumes for seamless pipes which is largely attributable to strong demand from the oil and gas industry and increasing demand from machine-building companies.

Average TMK selling prices for seamless pipes increased by 23% to USD 1,348 per tonne in the first six months of 2007 from USD 1,095 per tonne in the first six months of 2006 principally reflecting the passing on of increased manufacturing costs attributable to higher raw material costs. The volume of TMK's seamless pipes sales increased by 5.1% in the first six months of 2007 as compared to the first six months of 2006, with sales volumes of OCTG increased approximately by 2.8%.

Welded Pipes

In the first six months of 2007 as compared to the first six months of 2006, an increase in TMK's welded pipe revenue was primarily attributable to an increase in the prices for medium- and small-diameter welded pipes as well as increased sales volumes of large-diameter pipes driven by the increased demand from CIS countries and strong demand from Gazprom.

Average TMK selling prices for welded pipes increased by 30% to USD 1,046 per tonne in the first six months of 2007 from USD 802 per tonne in the first six months of 2006 principally reflecting the passing on of increased manufacturing costs attributable to higher raw material costs, particularly increased prices for coils and plates, and change in the product mix. The volume of TMK's welded pipes sales increased by 5.9% in the first six months of 2007 as compared to the first six months of 2006, with sales volumes of large-diameter welded pipes increased approximately by 19%.

Gross Profit

TMK's gross profit, which represents net revenues less cost of sales, increased by 30.1% in the first six months of 2007 as compared to the first six months of 2006 as a result of overall selling price increases in excess of raw material input price increases, volume growth and improved operating efficiency.

The table below illustrates our gross margin by business segment.

	1H 2007	1H 2006
Seamless pipes	40.2%	41.8%
Welded pipes	18.1%	12.5%
Other operations	5.9%	9.0%
Overall gross margin	**32.4%**	**31.9%**

Seamless Pipes

Gross margins for seamless pipes decreased slightly in the first six months of 2007 as compared to the first six months of 2006 as a result of an increased proportion of industrial seamless pipes, which generated lower margins than OCTG pipes, in the product mix. The proportion of OCTG products decreased due to a sales volumes growth rate lower than for other seamless pipes resulting from the high load factor in production capacity

Welded Pipes

The increase in gross margins for welded pipes in the first six months of 2007 as compared to the first six months of 2006 was primarily attributable to the growth in selling prices for medium- and small-diameter pipes in excess of the increases in raw material costs. The increase in sales volumes of higher-margin large-diameter welded pipes in the first six months of 2007 as compared to the first six months of 2006 also contributed to the growth of the gross margin for welded pipes.

Raw Materials, Labour Costs and Energy Costs.

Raw materials, labour costs and energy costs are the major components of the cost of production.

- The prices TMK paid in Russia for several types of steel billets increased by approximately 11%-26% (depending on the type of the material), prices for purchases of steel coil increased by 19%-22% (depending on the type of the material) and scrap prices increased by 26%-35% (depending on the region in Russia) in the first six months of 2007 as compared to the first six months of 2006.

- Labour costs constitute the second largest component of cost of sales. Labour costs include salaries and wages of production personnel and social and pension contributions attributable to these salaries and wages. The increase in labour costs in the first six months of 2007 as compared to the first six months of 2006 was driven principally by pay increases in line with inflation as well as increased production volumes, as the salaries of TMK's employees are linked to performance indicators. Average salary rates increased by 20%-35% (depending on the location of the subsidiary) in the first six months of 2007 as opposed to the first six months of 2006. The actual number of employees decreased by approximately 5% as at June 30, 2007 in comparison with June 30, 2006.

- Energy costs include principally purchases of electricity from RAO UES and purchases of natural gas from Gazprom. Energy costs increased in the first six months of 2007 as compared to the first six months of 2006 principally due to increased production and higher energy prices. TMK's weighted average prices for natural gas increased by approximately 5%-13% (depending on the region of Russia) and electrical energy prices increased by approximately 18-22% in the first six months of 2007 as compared to the first six months of 2006.

Net Debt

Net debt[5] increased by 37.3% to USD 1027.6 million. Debt drawdowns were primarily used to finance the strategic investment programme and the increase in working capital. TMK is very conscious of its degree of leverage and aims to keep net debt below one and a half times EBITDA. The net debt to EBITDA ratio increased to 1.13[6] in the 12-month period ended June 30, 2007, as compared to 0.93 in 2006. The Net debt to Equity ratio rose to 0.53 compared to 0.43 in 2006. The interest coverage ratio[7] decreased from 10.8 in the first six months of 2006 to 9.6 in the first six months of 2007.

Net debt has been calculated as follows:

	At June 30 2007	At December 31 2006
Net Debt calculation	*(millions of U.S. dollars)*	
Add:		
Short-term loans and borrowings and current portion of long-term loans and borrowings	655.8	371.6
Finance lease liabilities, current portion	0.3	0.2
Long-term loans and borrowings, net of current portion	544.5	662.7
Finance lease liabilities, net of current portion	0.6	0.2
Less:		
Cash and cash equivalents	(70.1)	(144.0)
Short-term investments[8]	(103.5)	(142.0)
Net Debt	**1027.6**	**748.7**

[5] Net debt represents long-term loans and borrowings plus short-term loans and borrowings plus financing lease liabilities less cash and cash equivalents and bank deposits classified as short-term investments. Net debt is not a balance sheet measure under IFRS, and should not be considered as an alternative to other measures of financial position. Calculation of net debt given herein may differ from the methodology used by other companies and therefore comparability may be limited.
Net Debt is a measure of operating performance that is not required by, or presented in accordance with, IFRS. Although net debt is a non-IFRS measure, it is widely used to assess liquidity and the adequacy of a company's financial structure. We believe Net Debt provides an accurate indicator of an ability to meet financial obligations, represented by gross debt, from available cash. Net Debt allows to show investors the trend in net financial condition over the periods presented. However, the use of Net Debt effectively assumes that gross debt can be reduced by cash. In fact, it is unlikely that TMK would use all of cash to reduce its gross debt all at once, as cash must also be available to pay employees, suppliers and taxes, and to meet other operating needs and capital expenditure requirements. Net Debt and its ratio to equity, or leverage, are used to evaluate financial structure in terms of sufficiency and cost of capital, level of debt, debt rating and funding cost, and whether financial structure is adequate to achieve business and financial targets. TMK's management monitors the net debt and leverage or similar measures as reported by other companies in Russia or abroad in order to assess TMK's liquidity and financial structure relative to such companies. TMK's management also monitors the trends in our Net Debt and leverage in order to optimise the use of internally generated funds versus funds from third parties.

[6] Calculated using LTM EBITDA
[7] Interest coverage ratio is calculated as EBIT (profit before tax plus finance cost minus finance income) divided by finance costs amount
[8] Short-term investments include bank deposits, and exclude other items that can not be classified as cash equivalents (USD 31.1 million in 1H 2006 and USD 32.5 million in 2006)