



# Press release

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## Interpipe has published its annual consolidated financial statements

In 2011 INTERPIPE has improved its main financial results in comparison with results of 2010. The sales of pipe and wheel products grew by 10% and 6% respectively. At the same time the revenue grew by 32.7% and EBITDA rose by 86 million US\$, reaching 255.5 million US\$. This is demonstrated by FY 2011 consolidated financial statements approved by the Board of Directors of INTERPIPE LIMITED (INTERPIPE). Consolidated financial statements of the company are audited by Ernst&Young.

### FY 2011 Highlights

- Total pipe sales increased by 10% to 911.7 thousand tons compared to 2010.
- Total wheels sales increased by 6% to 170.3 thousand tons compared to 2010.
- Revenue increased by 32.7% to US\$ 1,670 million driven by higher sales volumes.
- Gross profit increased by 52% to US\$310 million.
- Adjusted EBITDA increased from US\$169.5 million for 2010 to US\$255.5 for 2011. Adjusted EBITDA margin amounted to 15.3% for 2011.
- Net profit was US\$41 million for 2011 as compared to US\$(24) million for 2010.

In November 2011 the Company has finalized the restructuring of its US\$887 million credit portfolio. As a part of the restructuring, lenders provided the Company with the additional funding in the amount of US\$136 million for implementation of the Interpipe's investment program.

Please, find Consolidated financial statements for 2011 document here:

<http://www.interpipe.biz/ru/investment/figures/statement/>

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**INTERPIPE**

### **Background information on INTERPIPE**

Interpipe is a vertically integrated steel pipe and railway wheel company. It is among the ten largest producers of pipe products and the third largest producer of railway wheels in the world. The Company's products are supplied to 80 countries all over the world through a chain of commercial offices located in Ukraine, Russia, Kazakhstan, Europe, the USA and the Middle East.

In 2011 the Company's mills produced about 1.1 mln tons of pipe and wheel products. Annual revenue from sales in 2011 amounted to US\$ 1.6 billion.

Dneprosteel is a key investment project for Interpipe that will provide steel and pipe production with its own billets. The new plant's capacity will be 1,320,000 tons a year, which will make it the largest mill in Eastern Europe. Total investments for the project are \$USD 700 million.

The electric arc furnace facility will replace an obsolete open-hearth furnace steel production. This will reduce energy consumption per ton of steel; reduce environmental emissions and consumption of natural gas.