

**Tenaris**

Investor Presentation

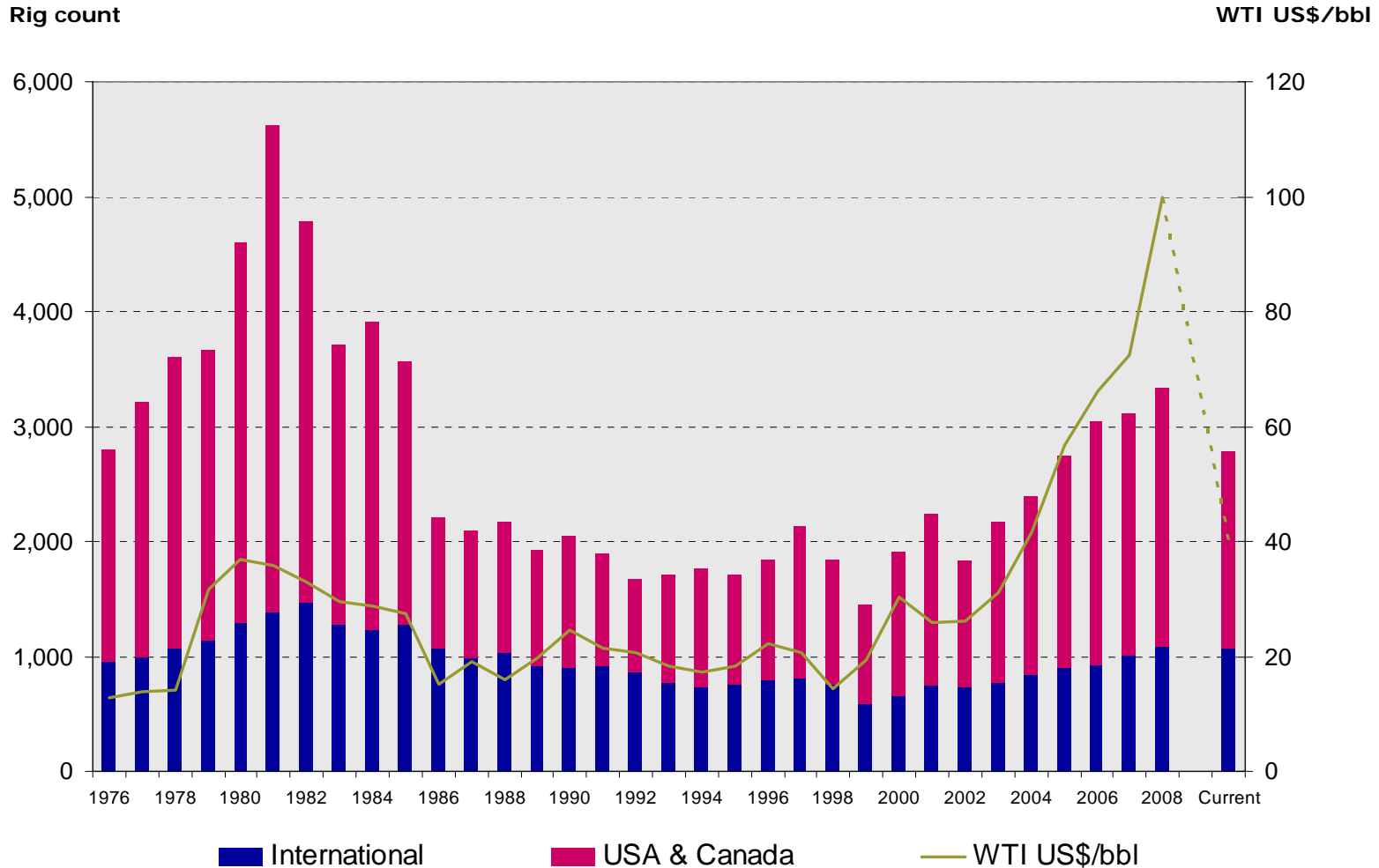
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## **Disclaimer**

This presentation contains “forward-looking statements.” Forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements. These statements include information regarding management strategy, investment plans, development and growth of the steel pipe and oil and gas industries, trends and other prospective data, including trends regarding the development of raw material costs and the levels of investment in oil and gas drilling worldwide and general economic conditions in the countries where Tenaris operates and sells its products and services. We do not undertake to update any forward-looking statement to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

# Oil prices strongly corrected but rig count yet to be affected

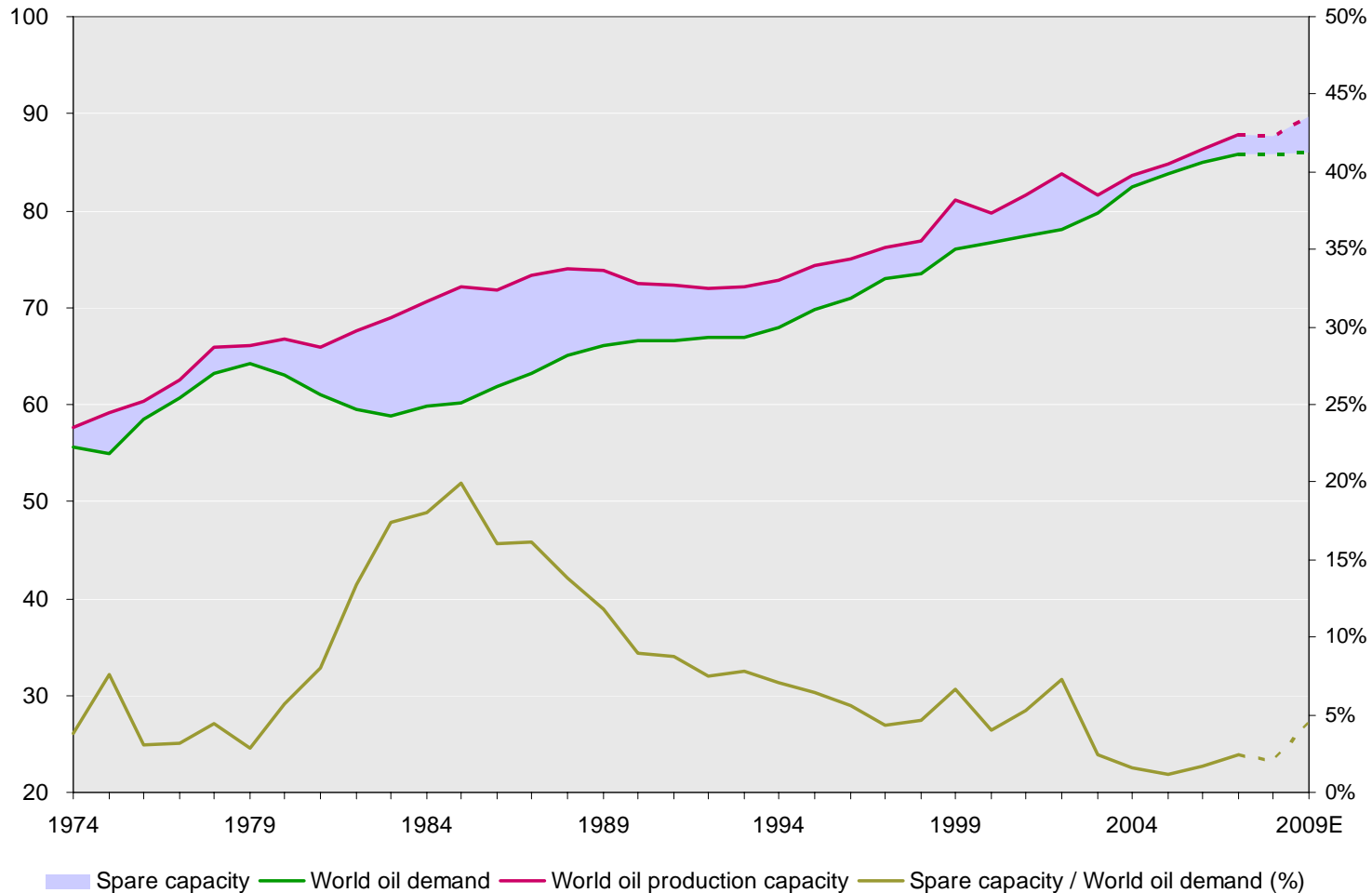


Source: EIA and Baker Hughes

# Supply is constrained but what will happen to demand?

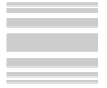


Million bbl/d

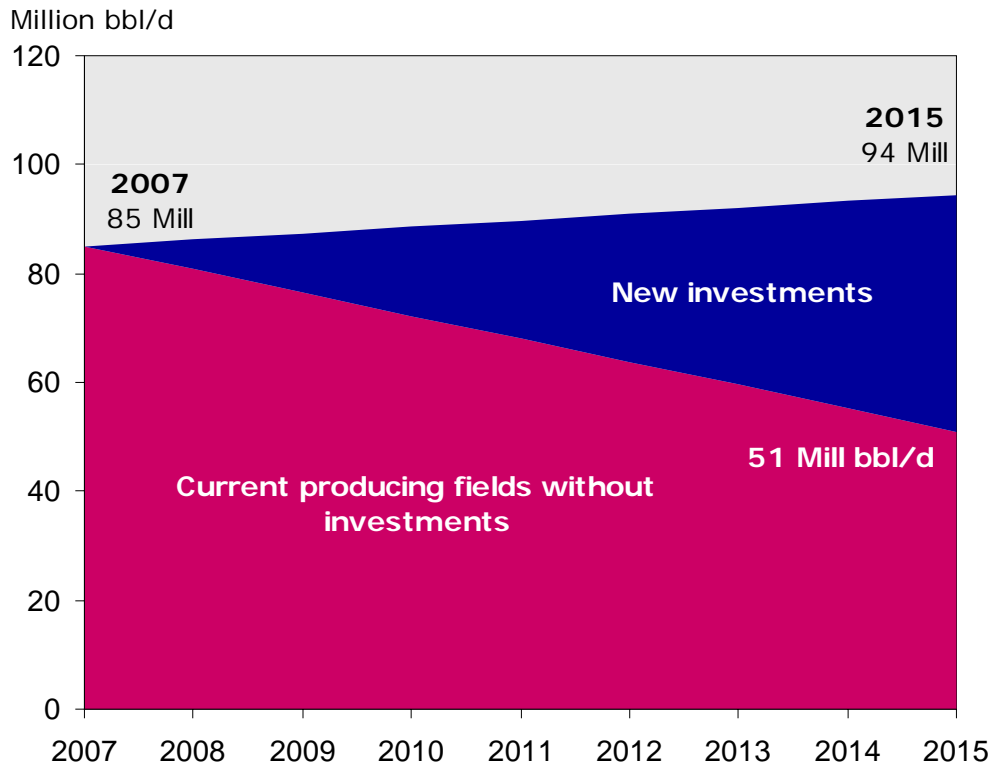


Source: EIA

# Supply side constraints will remain

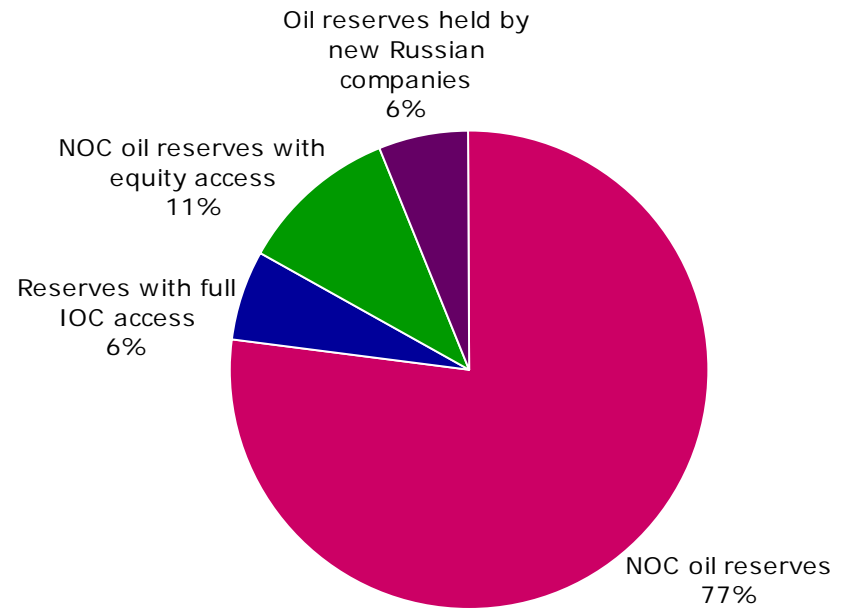


**World oil demand and production**



Source: Estimates based on IEA

**Access to world's proven oil reserves**



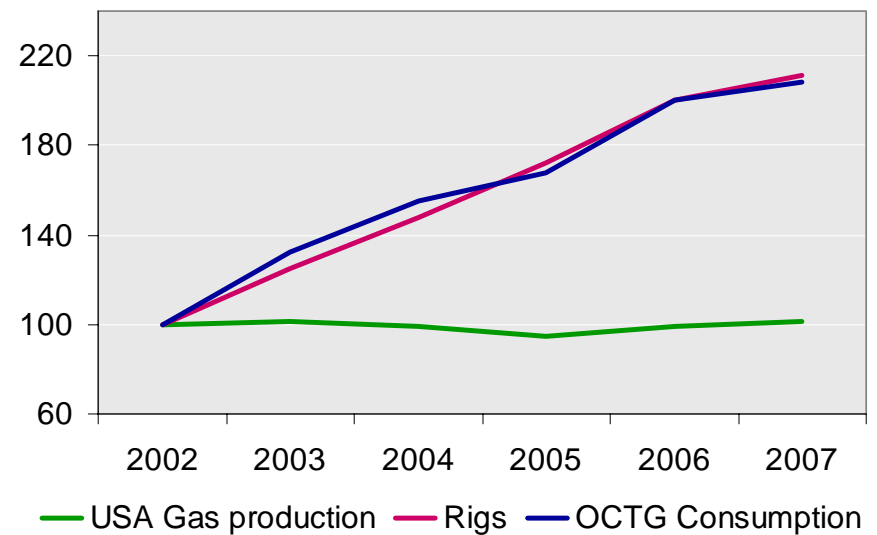
Source: PFC Energy

# Relative positioning in the USA and Canada



- USA and Canada – 13 industrial facilities; 29% of our total revenues (2008)
- 80% of USA OCTG sales are to alliance and program customers
- The majority of our expected USA alliance sales will be to customers with reduced exposure to financial crisis
- Very mature market; 35% of current gas production comes from wells drilled over the past 12 months

**Depletion in the USA**  
(2002=100)



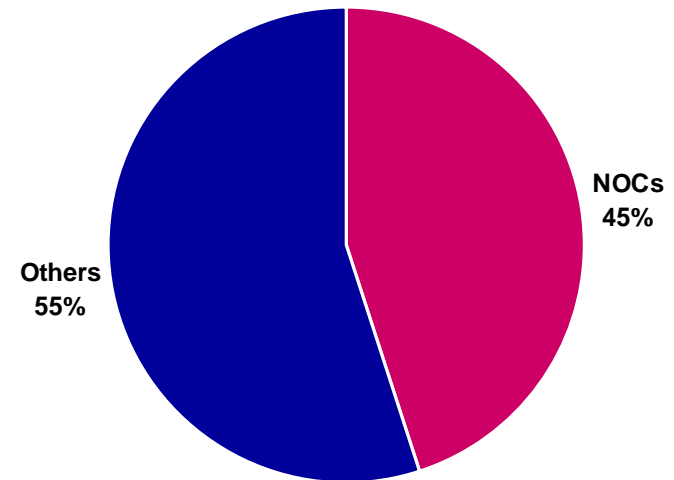
Sources: EIA, Baker Hughes and Tenaris

# Relative positioning in the rest of the world



- Long term agreements with majors
- JIT and key customer relationships with Latin American NOCs concerned about energy security
- Key Middle East NOC customers coming out of inventory adjustment process
- Strong position in long-term projects – deepwater line pipe (Pazflor, Kizomba D, Usan, Tupi) and downstream processing
- High exposure to high-end market – 35% global market share in premium OCTG
- Low exposure to industrial sector

**Tenaris OCTG sales volumes to NOCs ex USA and Canada**

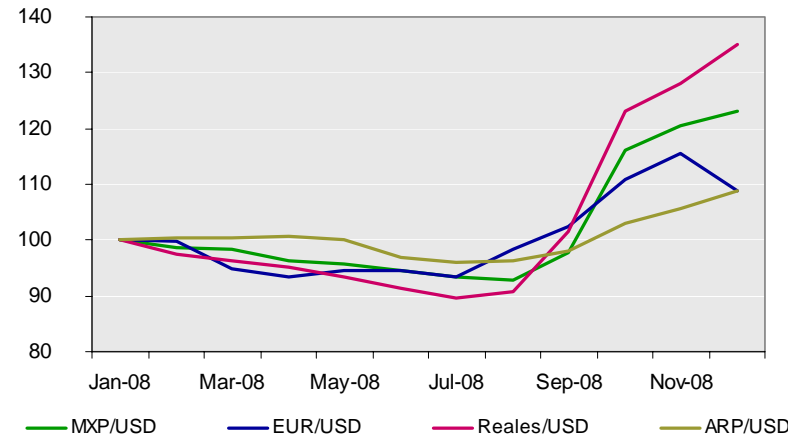


# Relative positioning: Costs and financial position

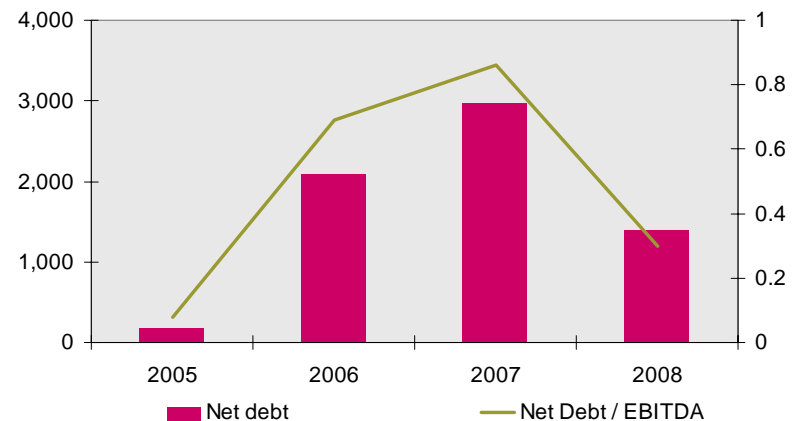


- Flexible industrial system using electric arc furnaces production route
- Ability to adjust production first in higher cost facilities
- Labor and local costs benefit from US dollar appreciation (Mexico, Europe, Brazil, Argentina and Canada)
- Solid financial position

**FX rates (Jan 08 = 100)**



**US\$ million Financial position**





# Products and services for a complete range of applications



- TenarisHydril premium connections cover full range of applications with leading technology
- Combination of premium, seamless, welded and coiled tubing unique in our sector and instrumental to expansion of alliance model
- Technical service capabilities being deployed worldwide
- Leader in deepwater line pipe and offshore OCTG
- Industrial system strengthened with additional high-end and R&D capacity



Blue™



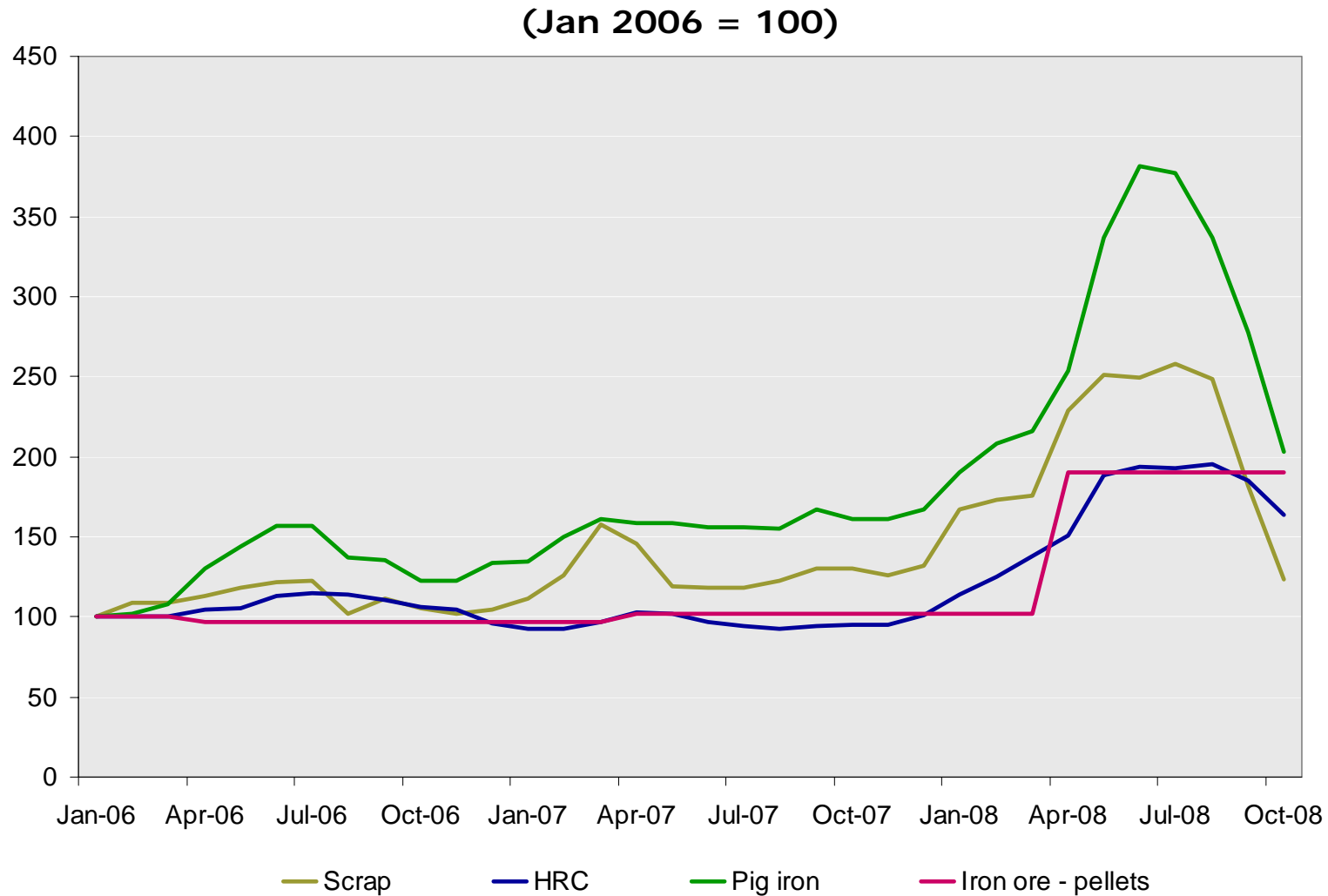
Wedge 523™



# Raw material cost environment



Correction after sharp increase in 2008 H1

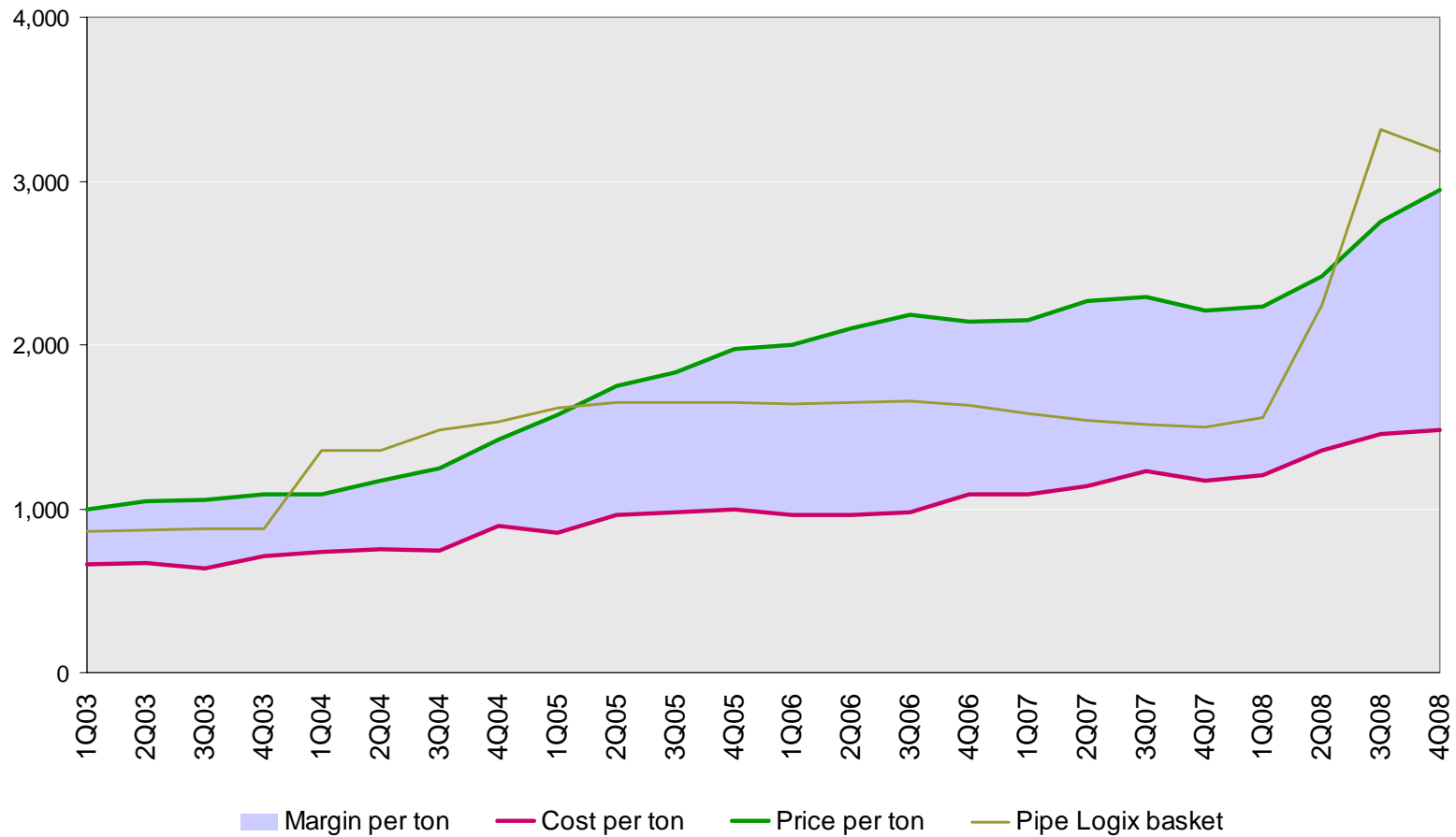


# Margins per ton of our Tubes segment



## Prices and costs per metric ton of our Tubes segment

US\$ per metric ton



# Regions show different market dynamics



US\$ million	2006	2007	2008
North America	1,993	2,922	4,519
South America	960	1,222	1,354
Europe	1,315	1,661	1,706
Middle East & Africa	1,896	2,058	1,810
Far East & Oceania	663	690	727
<b>Total tubes sales</b>	<b>6,827</b>	<b>8,553</b>	<b>10,115</b>
Projects	454	876	1,271
Others	447	613	746
<b>Total sales</b>	<b>7,728</b>	<b>10,042</b>	<b>12,132</b>

- Prices reacted faster in North America where demand growth has been strong and market structure encourages volatility
- In Europe, prices are influenced by the Euro:US\$ exchange rate
- In Middle East and Africa, current market demand affected by inventory adjustments at major NOCs and market structure leads to lags in price adjustments

# Strong operating results



Millions of US\$  
(except ratios and per ADS amounts)

	2005	2006	2007	2008
<b>Net sales</b>	<b>6,210</b>	<b>7,728</b>	<b>10,042</b>	<b>12,132</b>
Tubes	5,128	6,827	8,553	10,115
Projects	790	454	876	1,271
Others	292	447	613	746
<b>Operating income</b>	<b>1,946</b>	<b>2,792</b>	<b>2,957</b>	<b>3,028</b>
<b>EBITDA <sup>1</sup></b>	<b>2,158</b>	<b>3,046</b>	<b>3,449</b>	<b>4,064</b>
EBITDA margin	35%	39%	34%	33%
<b>Net income <sup>2</sup></b>	<b>1,278</b>	<b>1,945</b>	<b>1,924</b>	<b>2,125</b>
Earnings per ADS	2.16	3.30	3.26	3.60
Net debt	183	2,095	2,970	1,392
Net debt / EBITDA	0.08	0.69	0.86	0.34
ROE	43%	44%	31%	28%

(1) EBITDA = Operating income plus depreciation, amortization and impairment charges.

(2) Attributable to shareholders

# Preparing for the next cycle



- New small diameter rolling mill in Mexico with an annual production capacity of 450,000 tons of pipes
- Capital expenditure plans to focus on long-term projects involving safety, quality, technology and product development.
- Projects which were aimed at increasing capacity over the short-term have been postponed.
- Strengthening our local presence

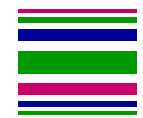
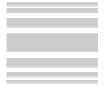


# Summary



- We continue to strengthen our unique position in the industry
- Our financial strength and engineering capabilities enable us to undertake an expansion program of organic growth
- Human resource base strengthened through investment in TenarisUniversity
- Preparing to accompany the next expansion cycle





# Tenaris

*Tubular Technologies. Innovative Services.*