



Investor Presentation  
January 2007



## **Disclaimer**

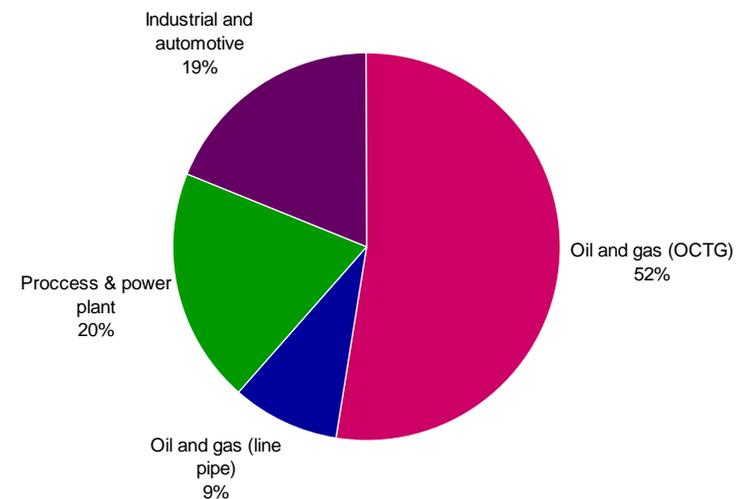
This presentation contains "forward-looking statements." Forward-looking statements are based on management's current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements. These statements include information regarding management strategy, investment plans, development and growth of the seamless 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.

# A key player in the global energy industry



- Leading global manufacturer of tubular products and services used in the drilling and production of oil and gas, for process and power plant and specialized industrial and automotive applications
- Leading supplier of large diameter welded pipes for oil and gas pipelines in South America
- Revenues of US\$7.6 billion LTM, with 21,500 employees worldwide
- Globally-organized company with European domicile

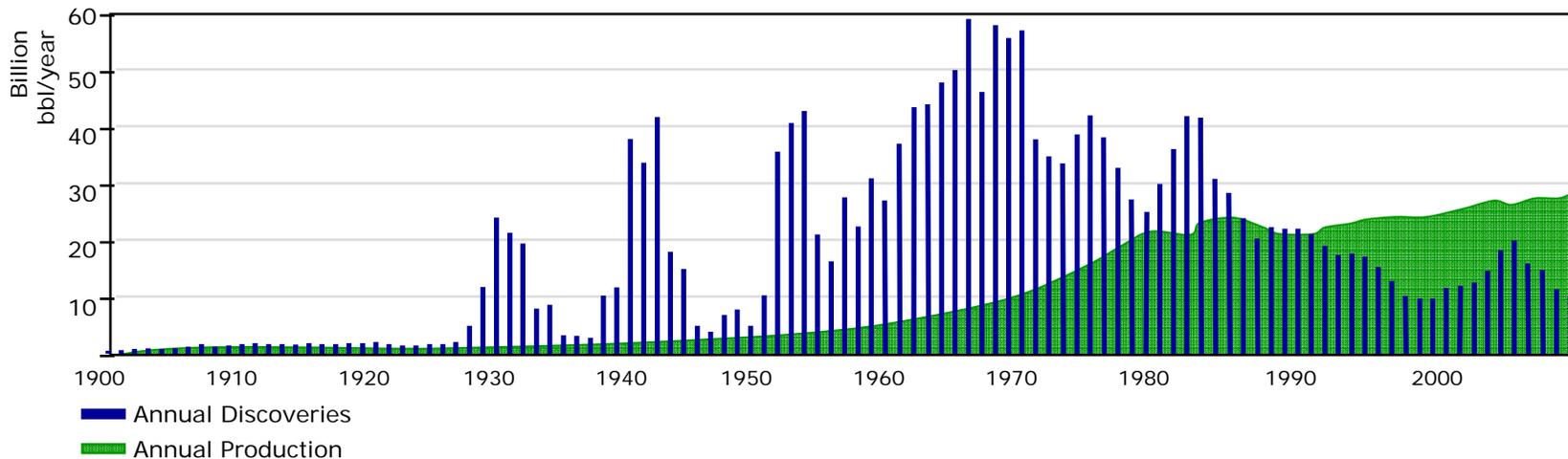
Seamless pipe sales volume by segment (2005)



# Demand for OCTG depends on oil and gas drilling activity



- Sustained growth in global demand for oil and gas
- Supply constraints led by accelerating depletion of mature fields, lack of discoveries of substantial new reserves and increasingly restricted access of the majors to probable and possible reserves
- Increased drilling activity both in mature fields and in technologically challenging projects constrained by availability of rigs, equipment and skilled personnel



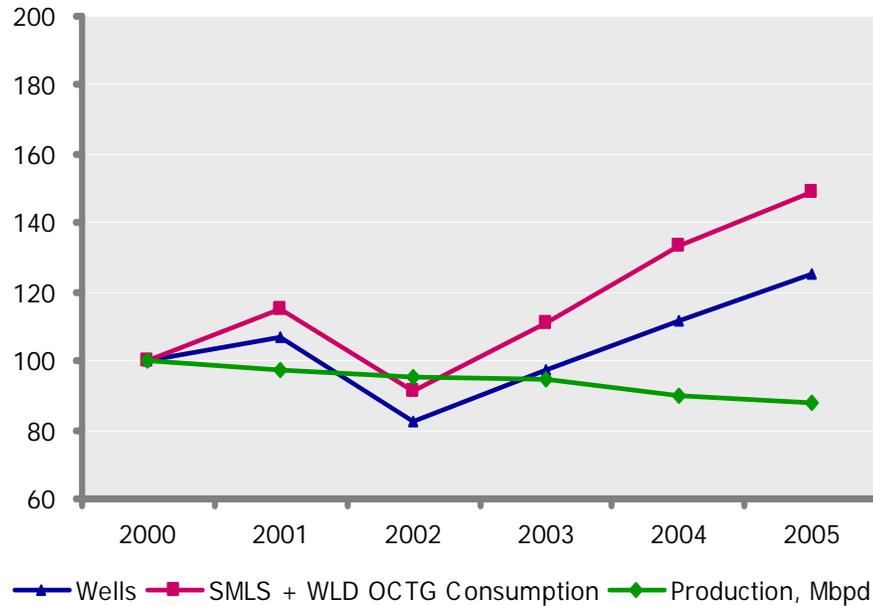
Source: BP Statistics 2004

# Rising reserve depletion leads to higher OCTG consumption

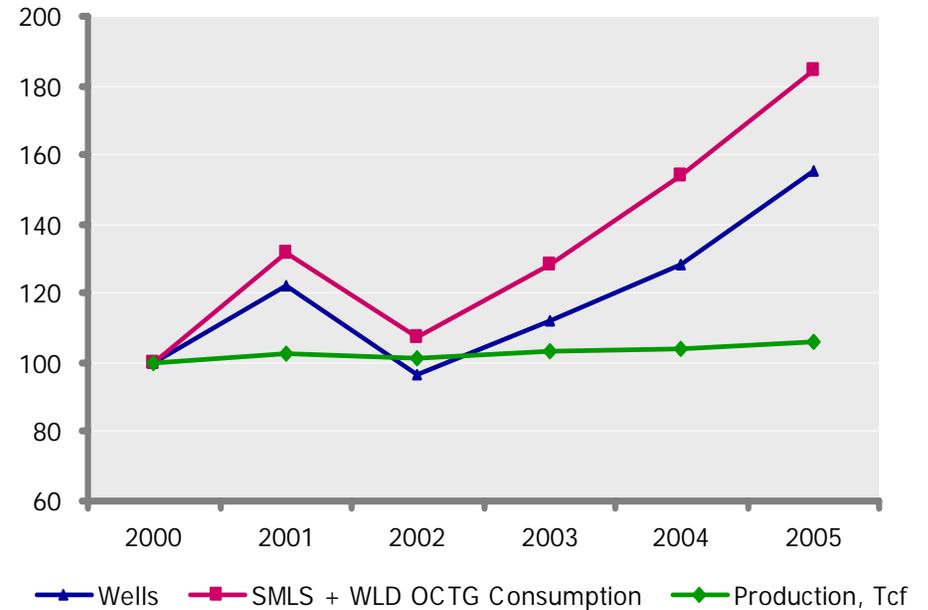


USA onshore – all basins

**Oil**



**Gas**



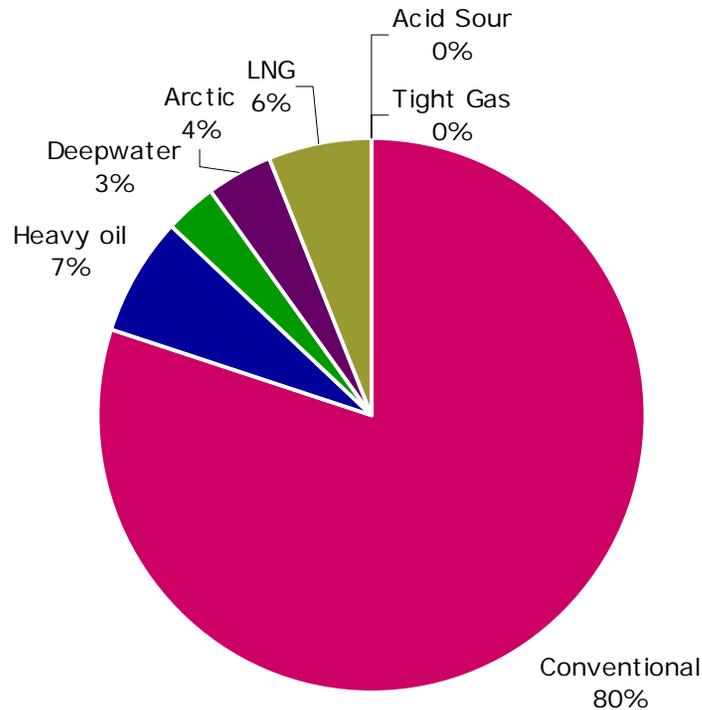
Source: Company data

# Reserve development to be in complex operating environments

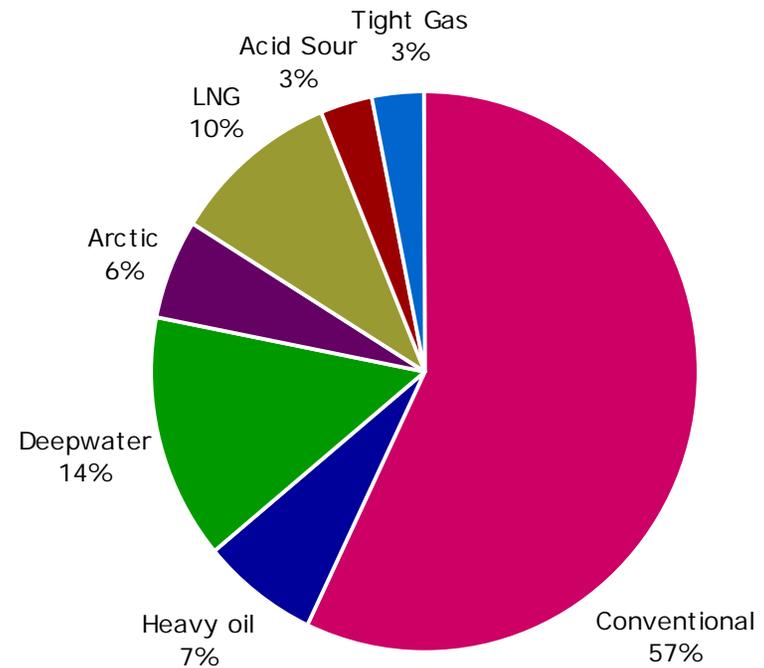


Production trend towards non-conventional sources

2003 Oil & Gas production

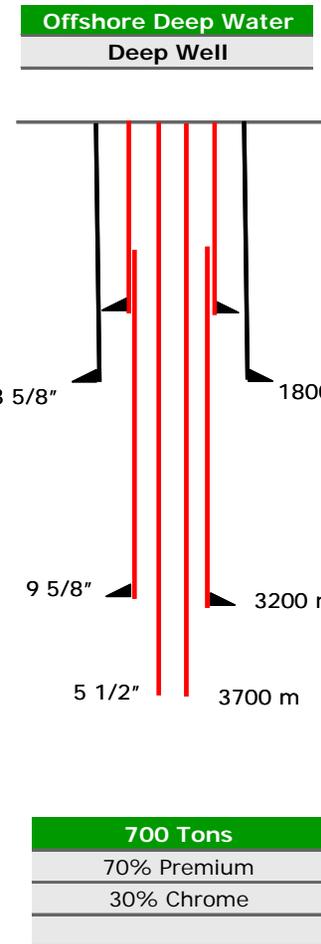
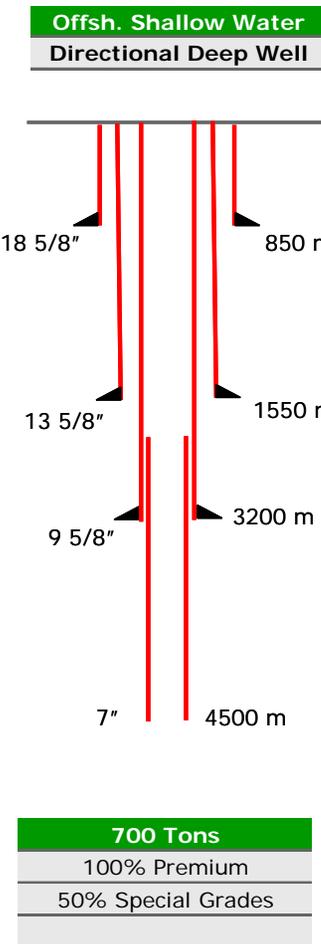
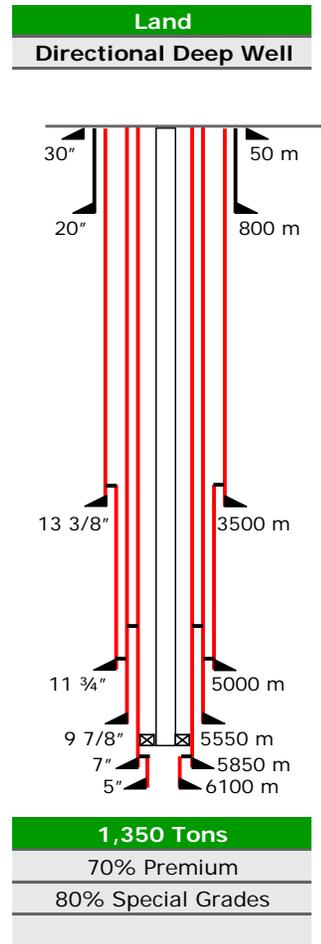
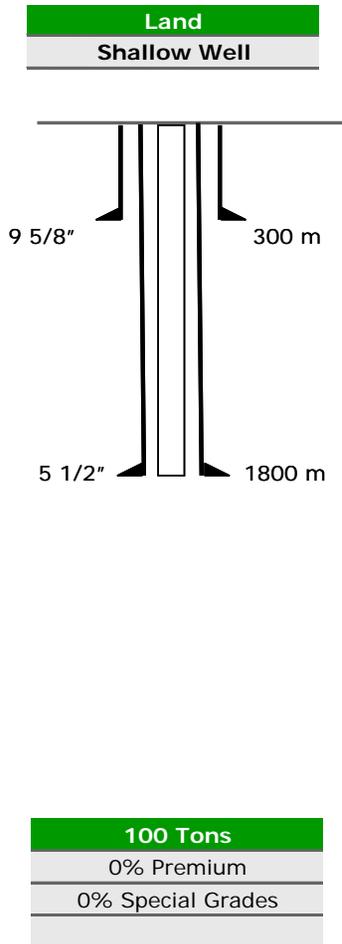


2010 Oil & Gas production



Source: ExxonMobil

# Well complexity drives demand for premium products



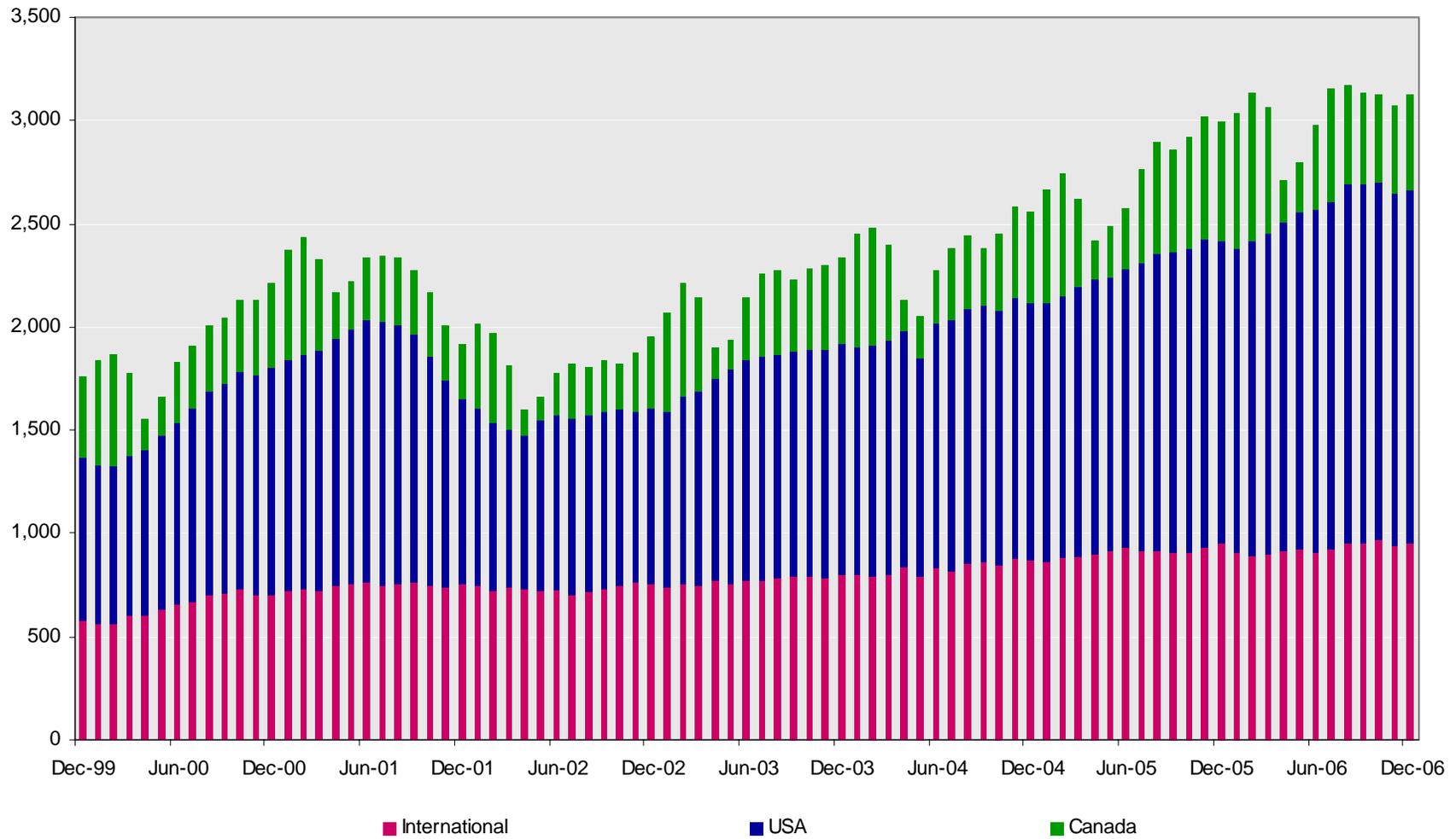
Source: Company data

Note: Strings with Premium Connections in **RED**

# Rig count evolution



Rig count



Source: Baker Hughes

# Expansion and consolidation



1950s Siderca and Tamsa founded to serve their local markets

1993 Siderca and Tamsa form alliance

1996 Dalmine joins the alliance

1998-2000 Building the global system

2002 Consolidation as Tenaris

2004 Expansion in Eastern Europe

2006 Expansion in North America

# To form unique global footprint



# With an integrated business model



- Focus on sales of high value products direct to end-user customer base
- Global industrial system producing comprehensive range of products to a single quality standard
- Global R&D network
- Global supply chain management integrating tubular supply chain from the mill to the well
- Efficient, low-cost operations with 50 years of management know-how

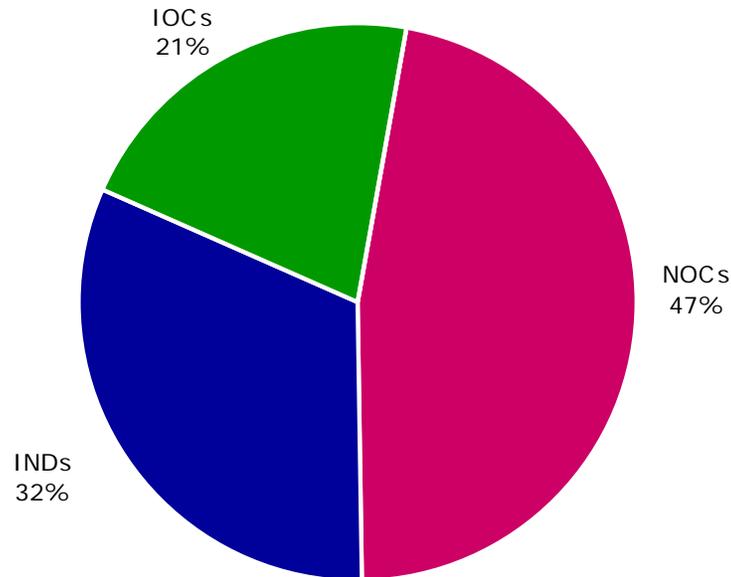


# Serving the entire industry



## OCTG customers

9M 2006



## Our main customers include:

- Aramco
- Chevron
- ConocoPhillips
- ENI-AGIP
- PDVSA
- Pemex
- Petrobras
- Repsol-YPF
- Schlumberger
- Shell
- Total

# With leading market position reflected in operating results



Millions of US\$	2003	2004	2005	9M 2006
<b>Net Sales</b>	<b>3,180</b>	<b>4,136</b>	<b>6,736</b>	<b>5,668</b>
Seamless	2,376	3,273	5,124	4,657
Welded	351	348	845	363
Energy	333	418	526	404
Others <sup>1</sup>	120	97	241	244
<b>EBITDA</b>	<b>602</b>	<b>899</b>	<b>2,163</b>	<b>2,156</b>
EBITDA margin <sup>3</sup>	19% <sup>2</sup>	22% <sup>2</sup>	32%	38%
<b>Net income</b>	<b>210</b>	<b>785</b>	<b>1,278</b>	<b>1,371</b>
Net income margin	7%	19%	19%	24%

(1) EBITDA = Operating income plus depreciation and amortization taken before non-recurring losses and provisions relating to BHP Billiton lawsuit and non-recurring gains relating to Fintecna arbitration award

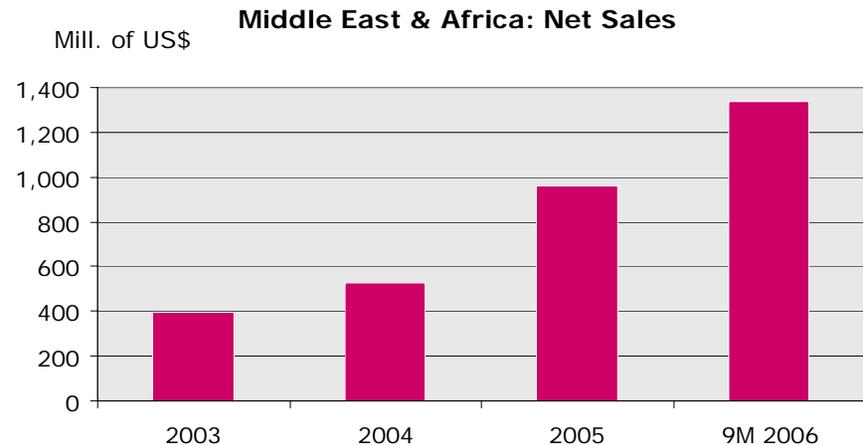
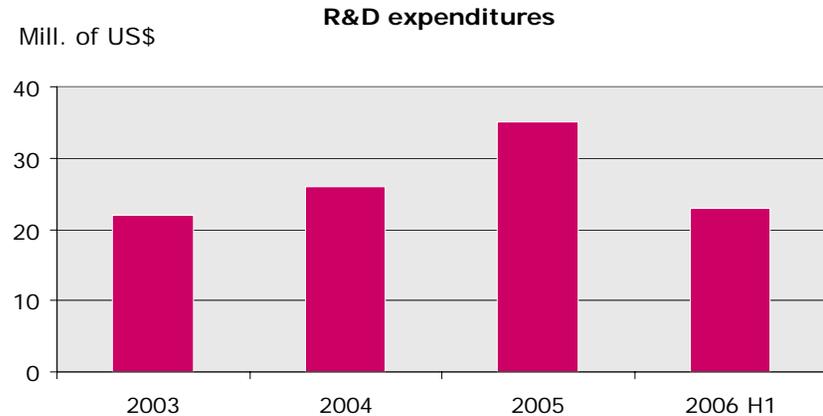
(2) 2003 results were affected by non-recurring losses of \$75 million from BHP lawsuit. 2004 results were affected by non-recurring gains of \$258 million (\$123 million – arbitration award from Fintecna, \$135 million - equity income gain from Sidor)

(3) Attributable to Shareholders

# Consolidating market position and investing for growth



- US\$350 million investment program to increase high-end seamless capacity
- Customer take-up of TenarisBlue® connections increasing
- Premium threading facility in Qingdao to consolidate position in Chinese market
- Russia - sales to Gazprom and Lukoil
- TenarisUniversity - oversee employee training and knowledge management activities



# Acquisition of Maverick



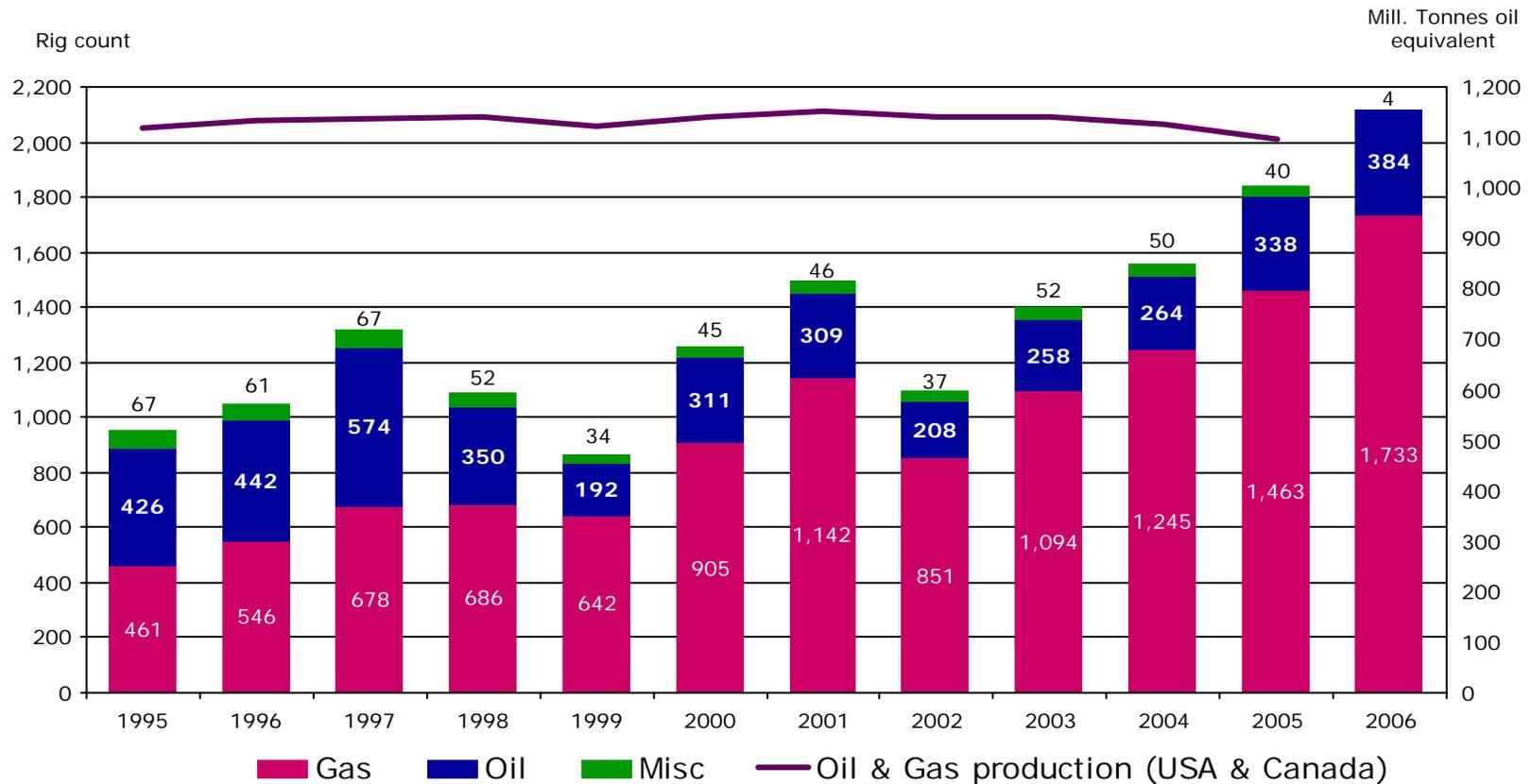
## Complementary market position

- Gain substantial access to United States and leading position in North American market commensurate with our global position
- Product offering in North America will cover a wide range of applications from onshore shallow wells to complex deepwater applications
- Position in Colombia complements our position in Venezuela
- Expand high-end product range to include coiled tubing and umbilicals
- 2005 revenues - US\$1.8 billion with 82% from energy products

# Rising reserve depletion in USA and Canada reflected in drilling activity



But oil and gas production is declining

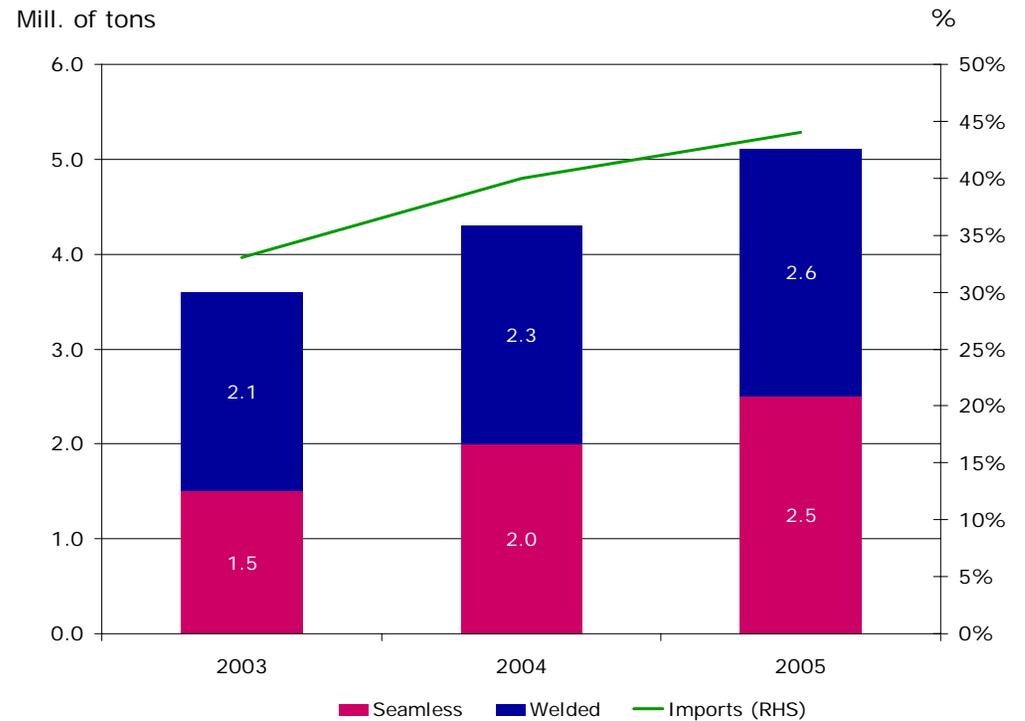
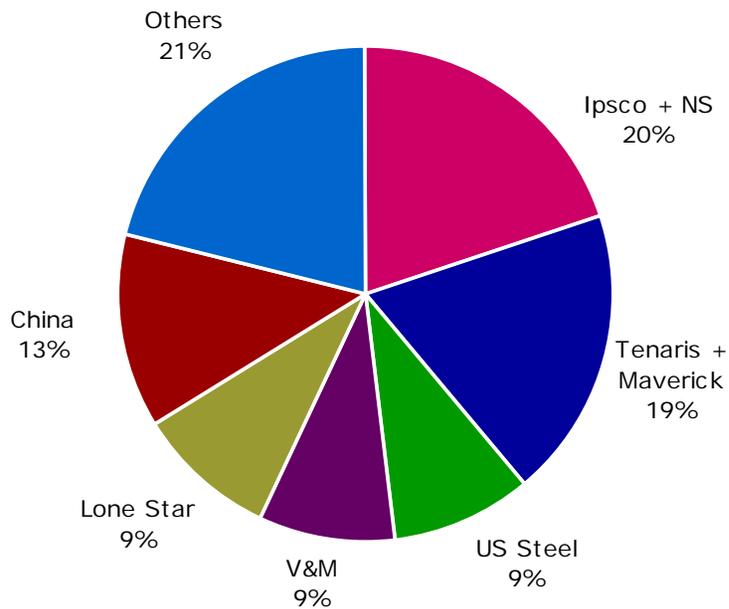


Source: Baker Hughes and BP statistics

# OCTG market in USA & Canada



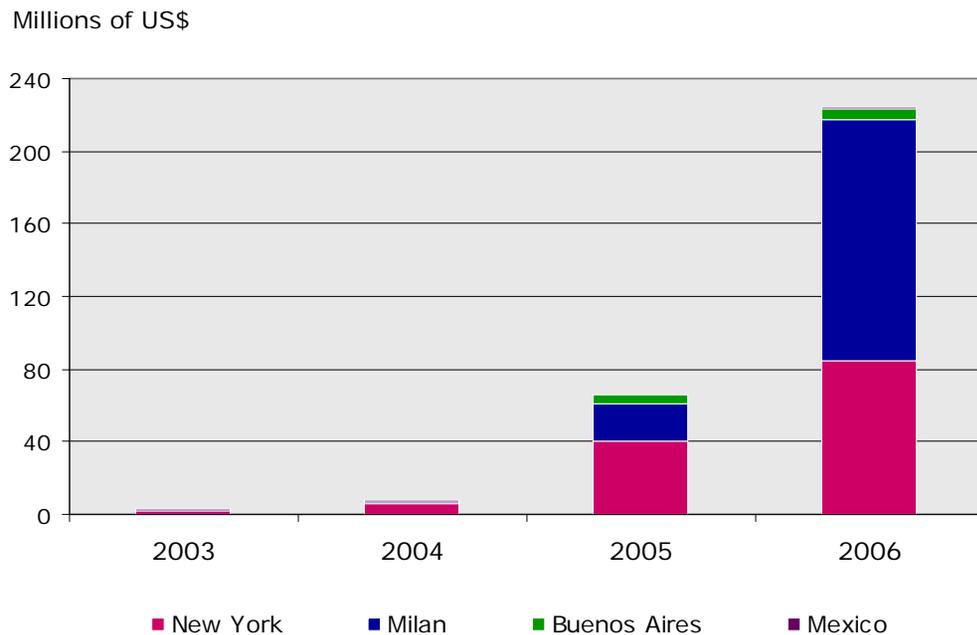
**Market share 2006  
Jan-Aug**



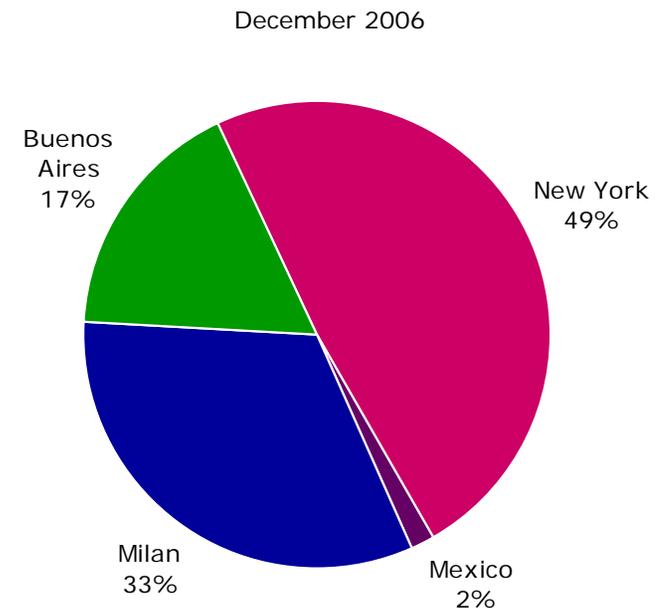
# Good share liquidity



### Average daily trading



### Free float shares by market

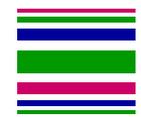


# Summary



- A leading global player in the oilfield services and equipment sector
- Well positioned to benefit from increased drilling activity and well complexity
- Successful business model and leading market position in sector with high barriers to entry
- Strong financial performance with solid growth prospects
- Good share liquidity based on New York and Milan listings





# Tenaris

*Tubular Technologies. Innovative Services.*