



# Tenaris

Nigel Worsnop  
IR Director



## Disclaimer

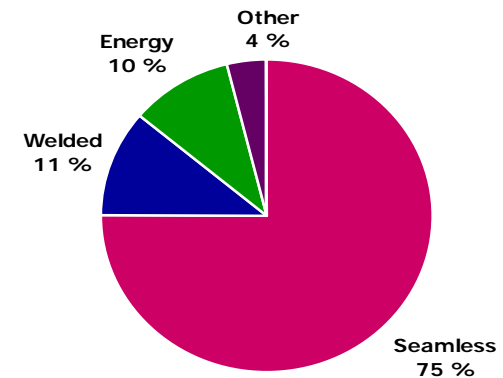
This presentation contains “forward-looking statements.” Forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements. 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

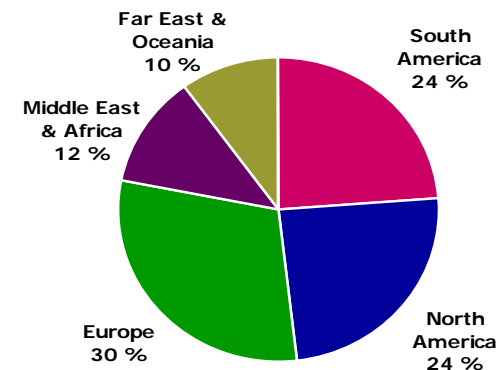


- Leading global supplier of seamless pipes to the oil and gas industry with manufacturing operations worldwide
- Leading supplier of welded pipes for South America's oil and gas infrastructure
- Innovative energy supply business in Italy
- Consolidated annual revenues of US\$3.2 billion in 2003 and 16,000 employees worldwide
- Domiciled in Luxembourg with operating subsidiaries all over the world

Revenues by segment (2003)



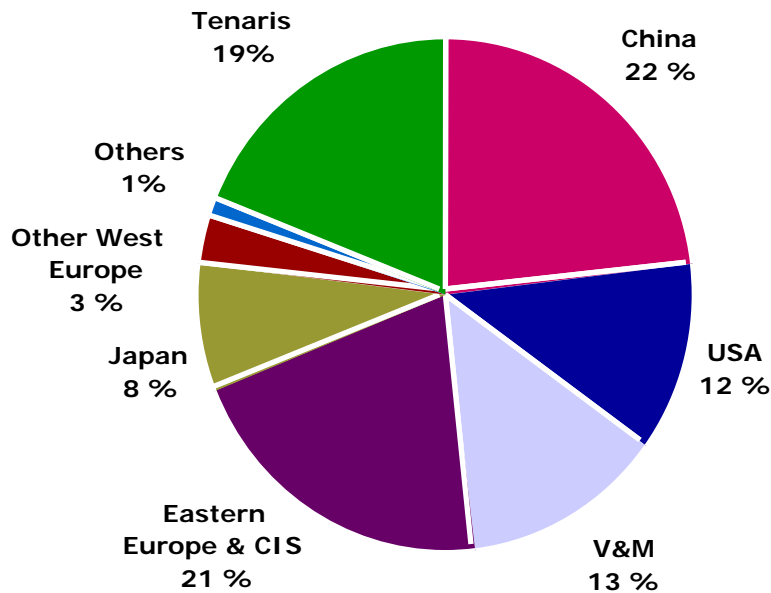
Revenues by region (2003)



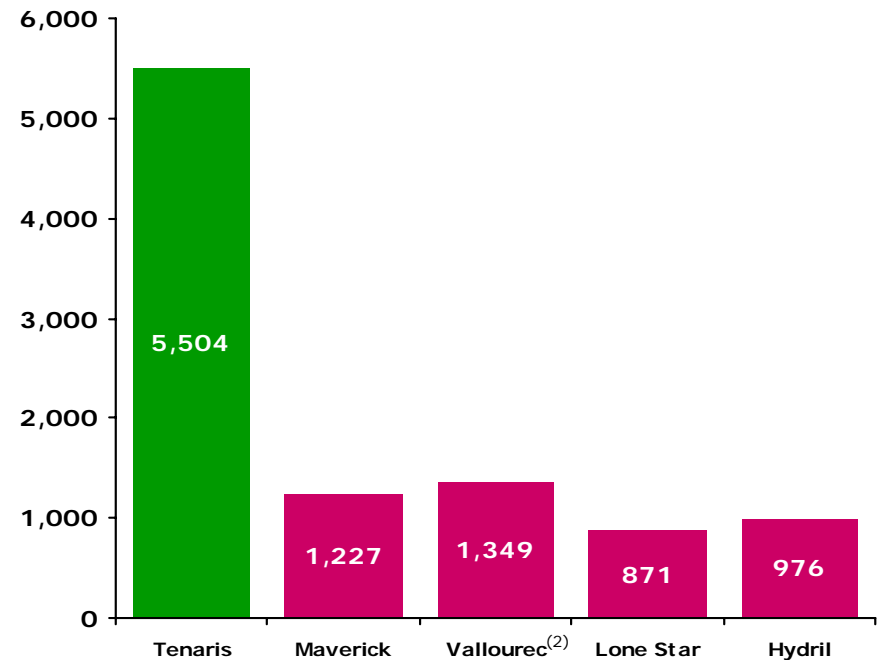
# Leader in OCTG sector



World seamless OCTG production  
2003 market share



Market cap of quoted sector  
players <sup>(1)</sup>



(1) As of December 31, 2004 (in US\$ MM).

(2) At Dec.31st, 2004 Vallourec owned 55% of V&M

- Leading consolidator in the industry
- Majority of sales direct to end-user customer base

# Solid industrial platform



- Integrated, fully invested network of 3 steel mills, 13 rolling mills and 14 heat treatment facilities producing seamless pipes in 7 countries
- Annual capacity of 3.3 million tons of seamless and 850,000 tons of welded pipes
- Comprehensive range of products manufactured to exacting quality standards
- Global R&D network with specialized testing laboratories
- Efficient, low-cost operations with 50 years of management know-how



# Positioned to serve the growing needs of demanding markets



# Serving four market segments



- Focusing on direct sales to end-user customers
- Developing industry-leading products
- Redesigning the supply chain
- Established roots in major energy producing countries



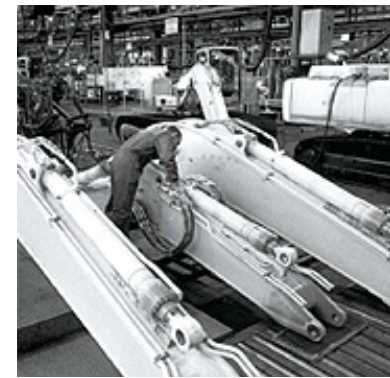
**Oilfield  
Services**



**Pipeline  
Services**



**Process & Power  
Plant Services**



**Industrial &  
Automotive Services**

# Consistently profitable operations



Millions of US\$	2001	2002	2003	9M03	9M04
<b>Net Sales</b>	<b>3,174</b>	<b>3,219</b>	<b>3,180</b>	<b>2,418</b>	<b>2,863</b>
Seamless	2,496	2,244	2,376	1,783	2,266
Welded	433	580	351	300	270
Energy	113	210	333	234	277
Others	132	185	120	102	50
<b>EBITDA <sup>(1)</sup></b>	<b>644 20%</b>	<b>667 21%</b>	<b>602 19%</b>	<b>472 20%</b>	<b>608 21%</b>
<b>Net Income <sup>(2)</sup></b>	<b>136 4%</b>	<b>194 6%</b>	<b>210 7%</b>	<b>210 9%</b>	<b>325 11%</b>

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

(2) Net income plus minority interest attributable to shareholdings acquired during the December 2002 exchange offer which marked the listing of Tenaris as a public company



# Strong financial position



## Indebtedness (Million US\$)

As of September 30, 2004	
Cash & Cash Equivalents (1)	427
Financial Debt (2)	1,203
<b>Net Debt</b>	<b>776</b>
<b>Net Debt/EBITDA (LTM)</b>	<b>1.04</b>
<b>Net Debt / Equity</b>	<b>38.6%</b>

## Balance Sheet (Million US\$)

As of September 30, 2004			
Current Assets	2,576	Current Liabilities	1,733
Non-Current Assets	2,445	Non-Current Liabilities	1,132
		Deferred Taxes	414
		Minority Interest	148
		Equity	2,007
<b>Total Assets</b>	<b>5,021</b>	<b>Total Liabilities &amp; Equity</b>	<b>5,021</b>

(1) Includes cash held in trust funds which expire at the end of 2004

(2) Does not include other liability of US\$112 million payable in respect of BHP Billiton lawsuit

(3) Market capitalization as of September 30, 2004 (US\$45.59 per ADR)

## Firm Value (Million US\$) US\$6,158

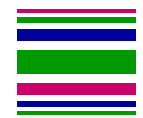
<b>Net Debt</b>	<b>776</b>
<b>Market Cap <sup>(3)</sup></b>	<b>5,382</b>

# Consolidating long-term growth and industry leadership



- Global industrial structure based on low-cost operations
- Economies of scale support investment in R&D and in our unique global commercial network
- Supply-chain integration adds value and increases customer retention
- Strategic alliances and acquisitions reinforce competitive advantage





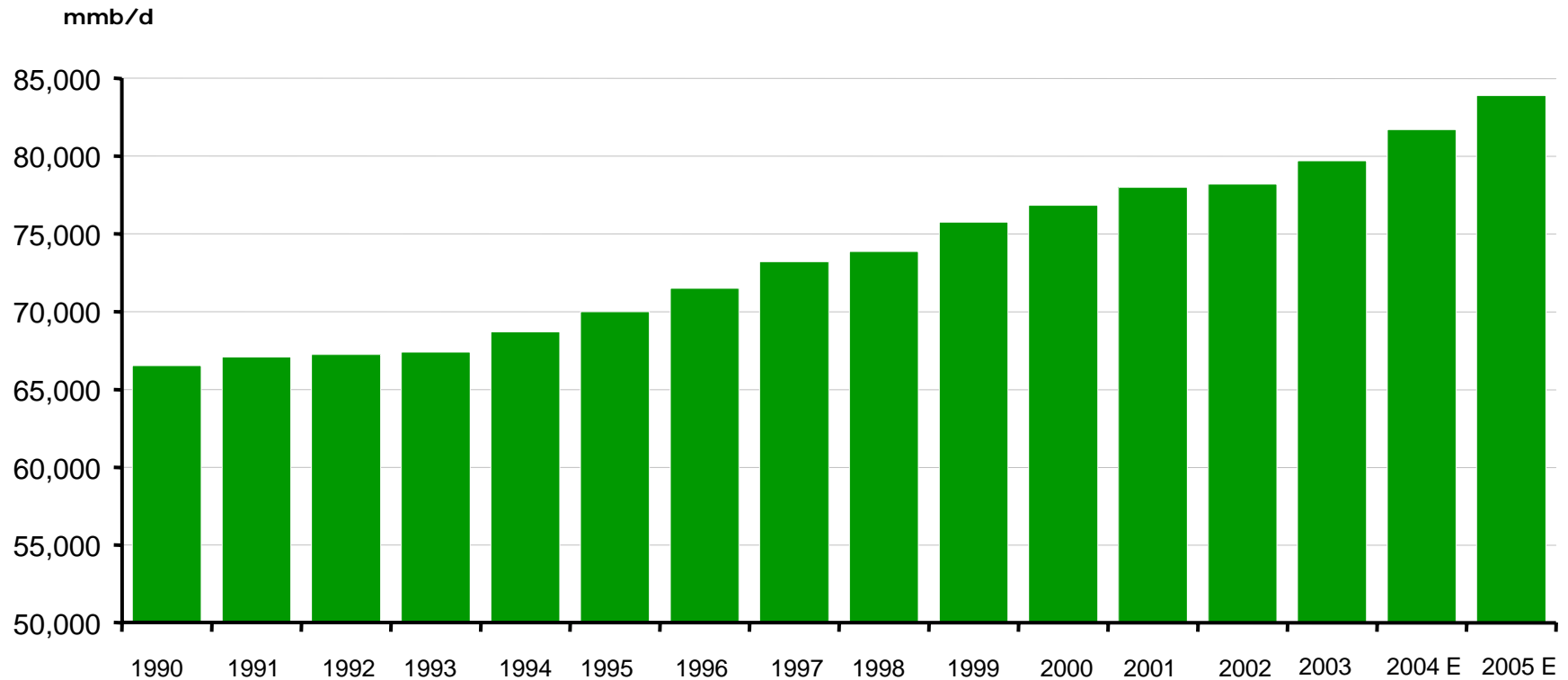
# Tenaris

*Tubular Technologies. Innovative Services.*



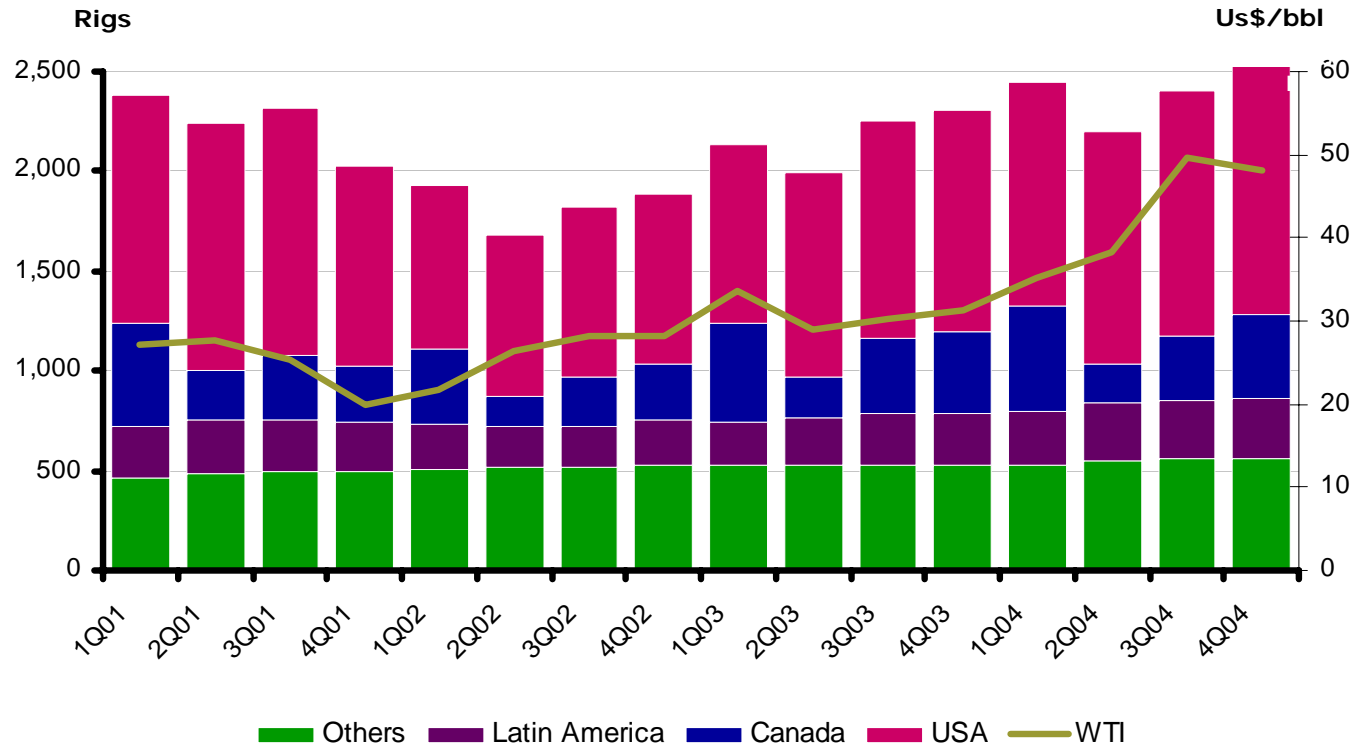
# Appendix

# World oil demand



Source: EIA and Deutsche Bank

# Rig counts



RIG COUNT: <sup>(1)</sup>	1VQ03	1VQ04
USA:	1109	1249
Canada:	408	420
Latin America: <sup>(2)</sup>	266	306
Other Intl.:	525	556
<b>TOTAL:</b>	<b>2308</b>	<b>2531</b>

(1) Average Quarterly Values  
 (2) Mexico included

## 2001 - 2004 Rig Count / WTI Evolution

Source: Baker Hughes (does not include Russia and China onshore)

# E&P spending forecast



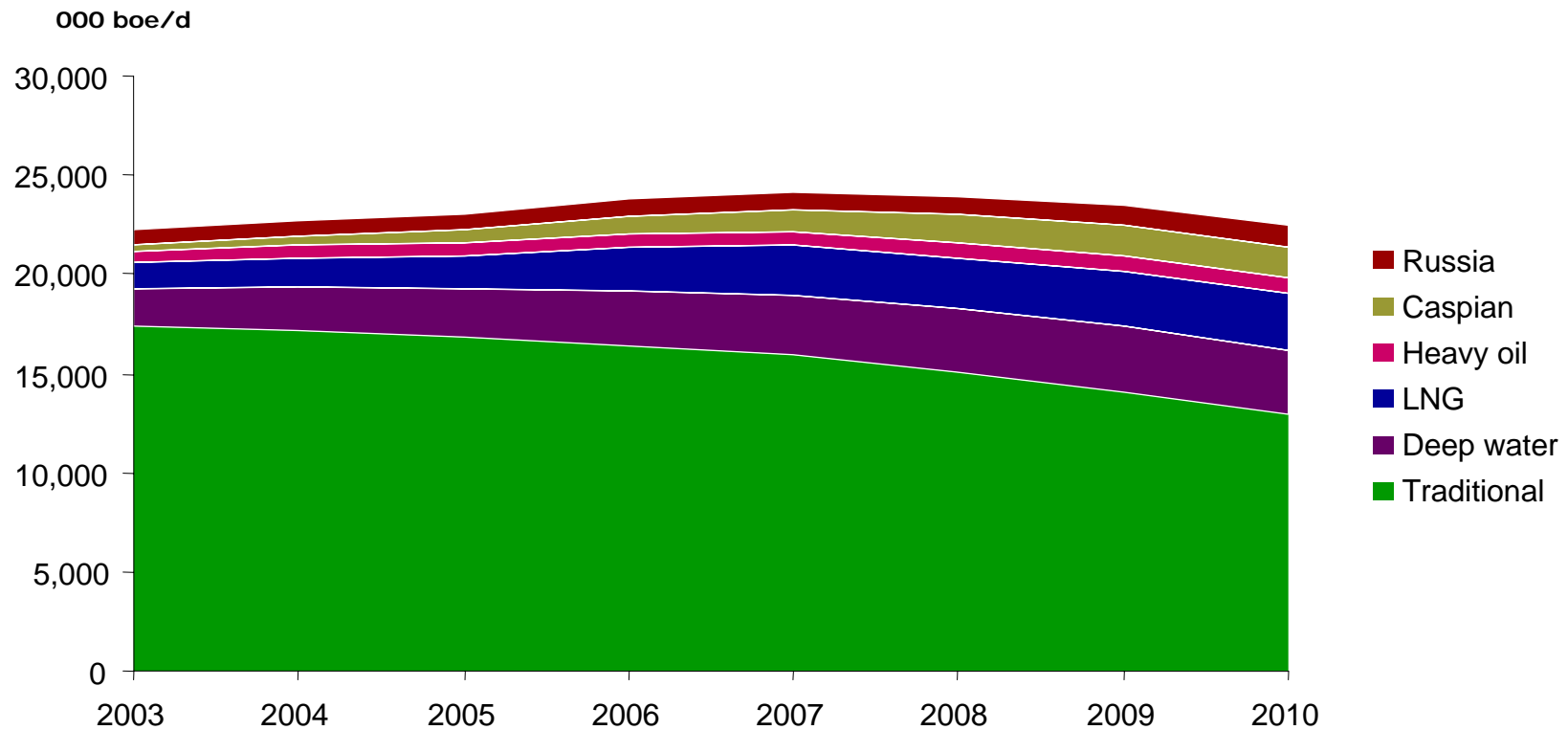
	2003 A	2004 E		2005 E	
(Billion of US\$)			Δ VS. 03		Δ VS. 04
USA	32.9	38.4	16.7%	41.3	7.5%
Canada	15.8	16.9	7.0%	18.7	11.0%
Outside USA/Canada	99.7	108.3	8.6%	112.5	3.9%
<b>Worldwide</b>	<b>148.4</b>	<b>163.6</b>	<b>10.2%</b>	<b>172.5</b>	<b>5.5%</b>

Source: Citigroup – Smith Barney . Mid-year Survey

# Changing focus of the majors



Activity in non-traditional areas forecast to rise to 42% of total in 2010



Companies ExxonMobil, BP, Shell, ChevronTexaco, Total, ConocoPhillips.  
 Deepwater includes US GoM, Angola, Nigeria

Source: Wood Mackenzie



# Strategic raw material costs



US\$/ton	Jul. 03	Dec. 03	Jun. 04	Sep. 04	Nov. 04
<b>Europe</b>					
Scrap	141	194	207	272	320
Pig iron	168	200	285	340	355
<b>North America</b>					
Scrap	136	172	148	207	276
Pig iron	165	200	270	350	364
HBI	150	195	260	320	365
<b>Fe Alloys</b>					
FeMo (us\$/kg Mo)	10.9	15.9	28.4	39.8	57.0
<b>Iron Ore</b>					
		31.95			37.90

Source: CRU / MBR (Metal Bulletin Research)

# Acquisitions during 2004



## ❖ Silcotub (Romania)

- Enter Eastern Europe and strengthen position in European industrial and automotive market
- Efficient and modern plant with cold drawing and finishing facilities
- Additional 180,000 tons of seamless pipe capacity
- USD42 million

## ❖ Posven (Venezuela)

- Source of low cost, high quality raw material for Mexican and other operations
- 1.5 million tons of HBI (nominal annual design capacity)
- USD120 million (50% Tenaris)

# Corporate organization

