

# Investor Presentation



**Tenaris**





## Disclaimer

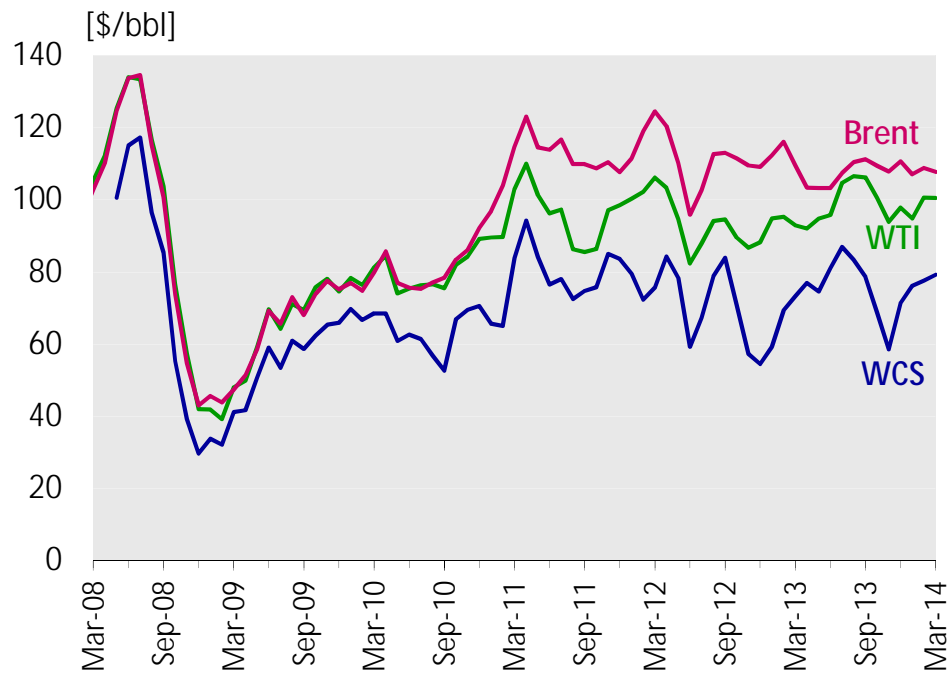
This presentation contains “forward-looking statements.” Forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements.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

Except where otherwise stated, the data presented herein is based on Tenaris analysis and estimates.

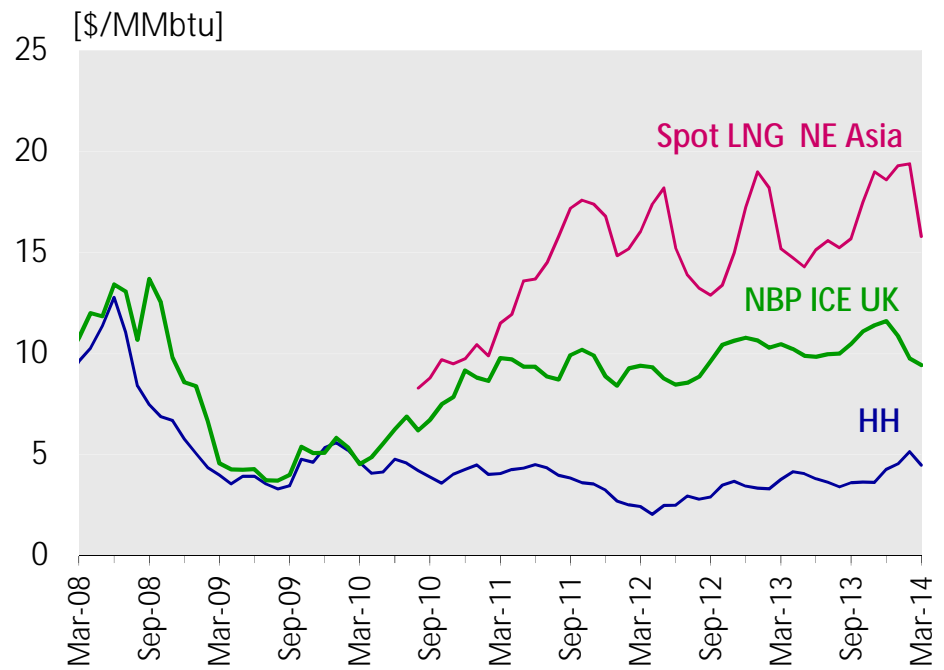
# Market environment



## Oil prices



## Gas prices



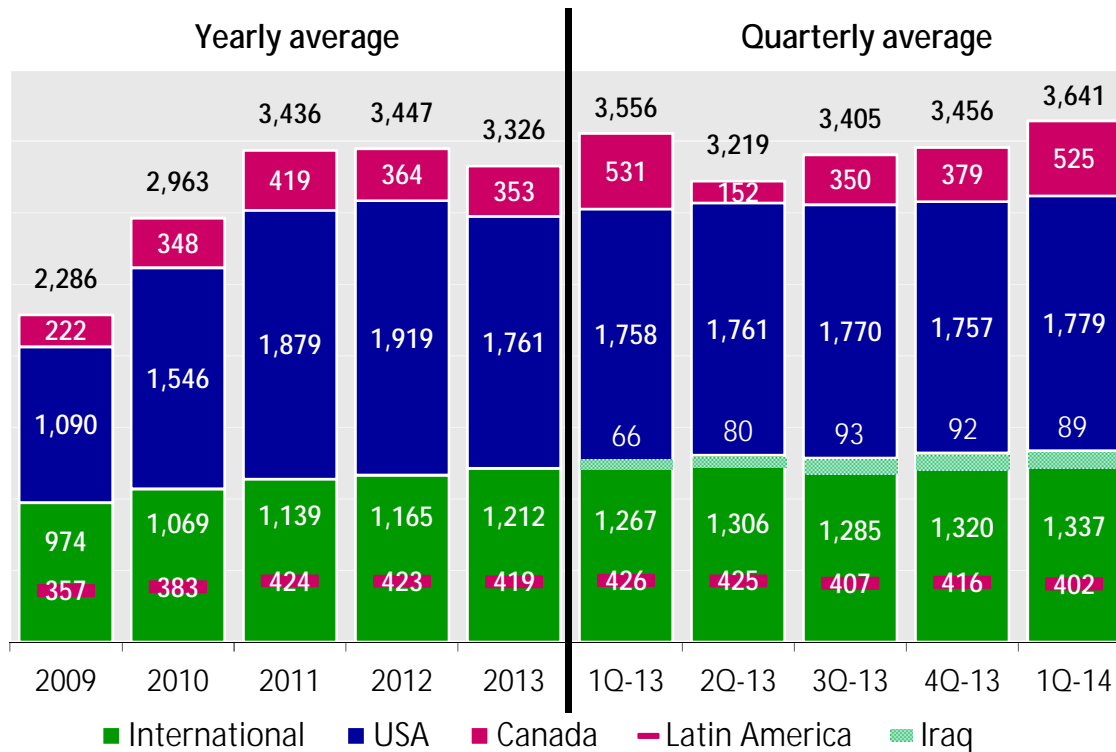
Crude Oil approx Heat Content per Barrel: 5.8 MMBtu

Source: Bloomberg / World Gas Intelligence

# Market environment

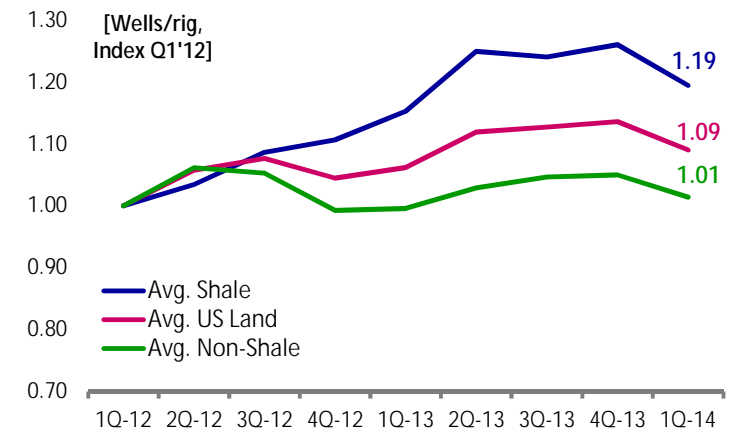


## Rig count



Note: Baker Hughes' rig count evolution does not cover China Onshore, FSU, Iran, Syria and Caspian Sea. Iraq is only included in the quarterly average, once it has been published by BHI since 3Q12.

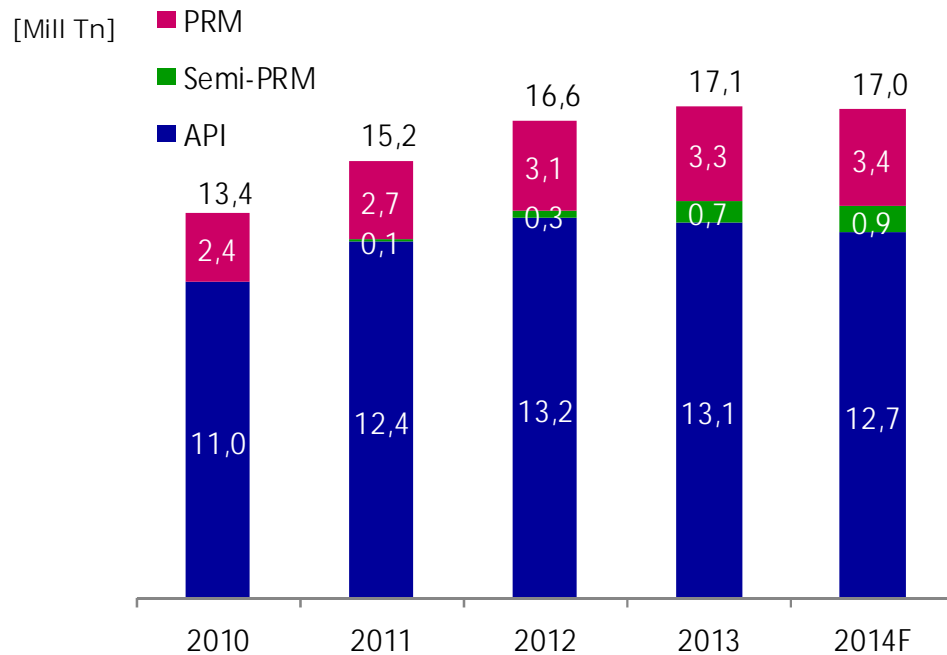
## US drilling efficiencies



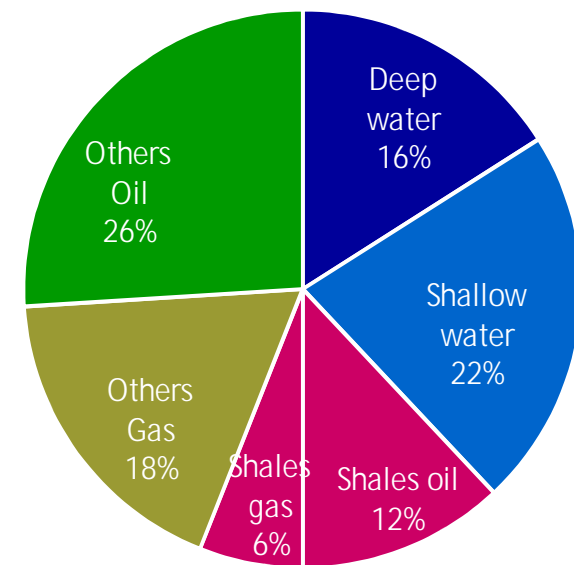
# OCTG demand



OCTG demand evolution



Premium OCTG consumption by application (2013)

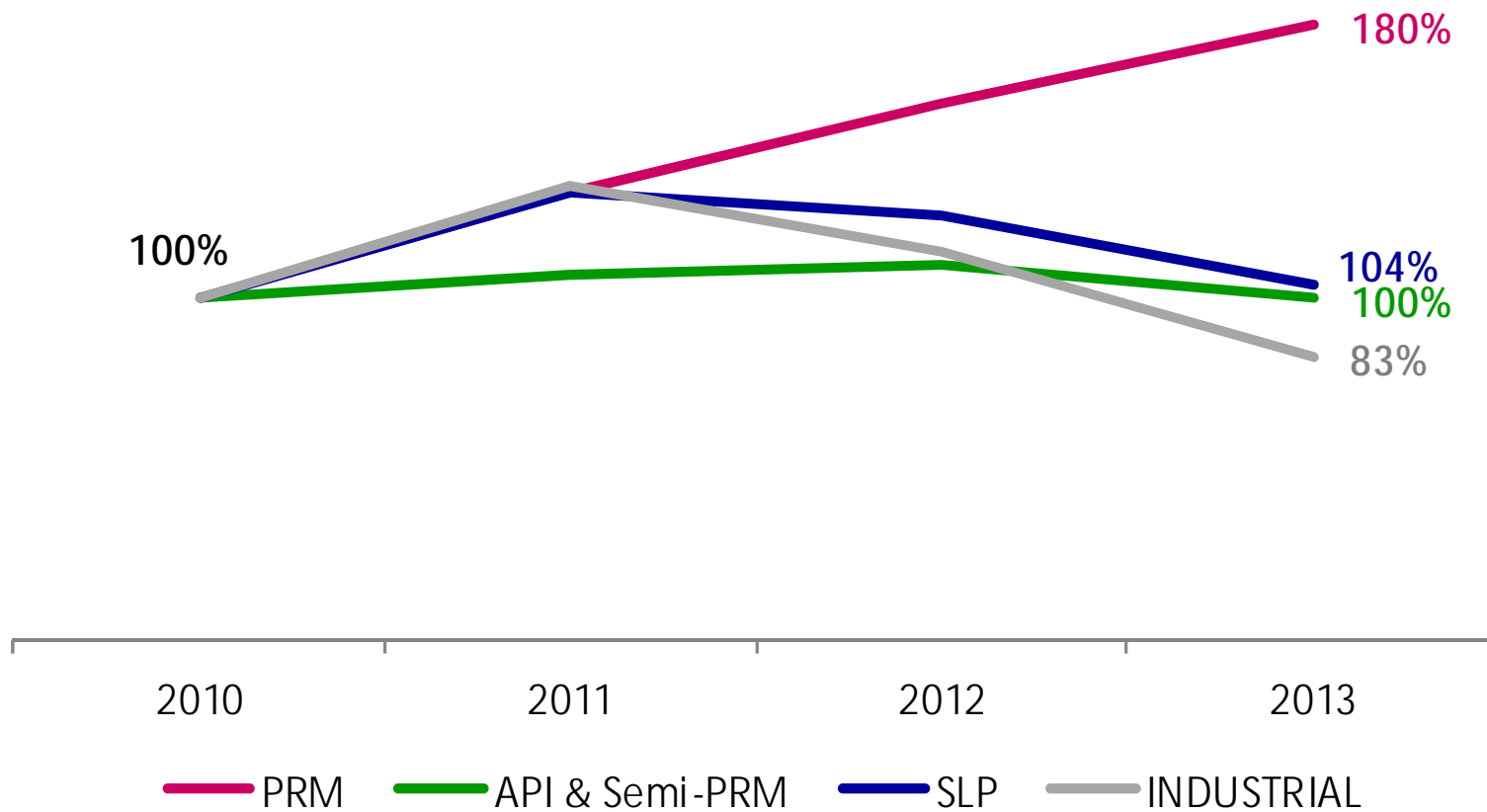


\* HPHT applications represent 12% of total premium consumption.

# OCTG demand



# Shipments by product type



# Key markets in transition



	2013	Mid-term
USA & Canada	<ul style="list-style-type: none"><li>• Infrastructure constraints</li><li>• Unfairly traded imports</li></ul>	<ul style="list-style-type: none"><li>• Shale gas</li><li>• Thermal</li></ul>
Mexico	<ul style="list-style-type: none"><li>• Chicontepec</li><li>• Pemex financial and operating constraints</li></ul>	<ul style="list-style-type: none"><li>• Energy &amp; fiscal reform</li><li>• Deepwater</li><li>• Shale gas</li></ul>
Brazil	<ul style="list-style-type: none"><li>• Petrobras financial and operating constraints</li></ul>	<ul style="list-style-type: none"><li>• Deepwater</li></ul>
Argentina	<ul style="list-style-type: none"><li>• Investment climate</li><li>• Energy imports</li></ul>	<ul style="list-style-type: none"><li>• Shales (oil &amp; gas)</li></ul>

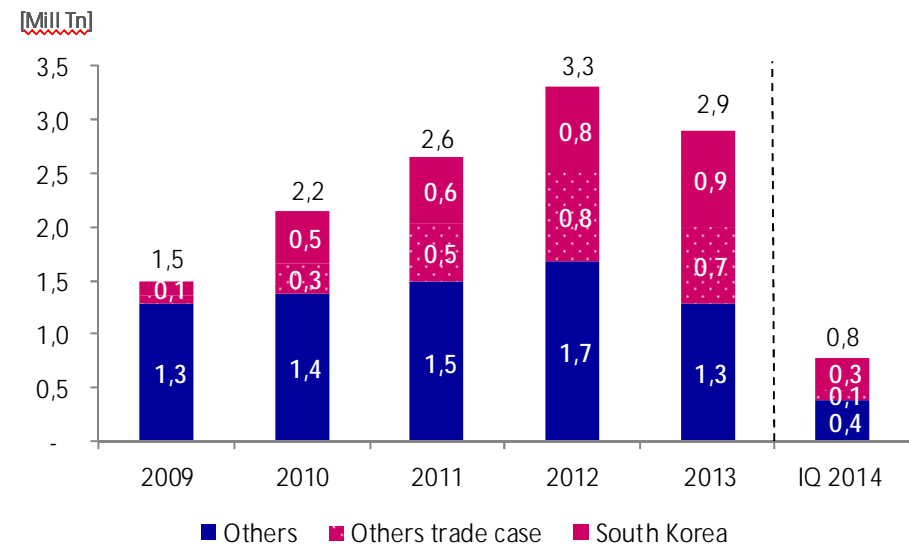


# USA OCTG trade case



- On February 18, 2014, the DOC imposed preliminary anti-dumping duties on a majority of the subject countries but not Korea.
- The DOC has stated that, in its final determination (July 7, 2014), it will consider additional elements, that in our view, strongly support the case against Korean imports.

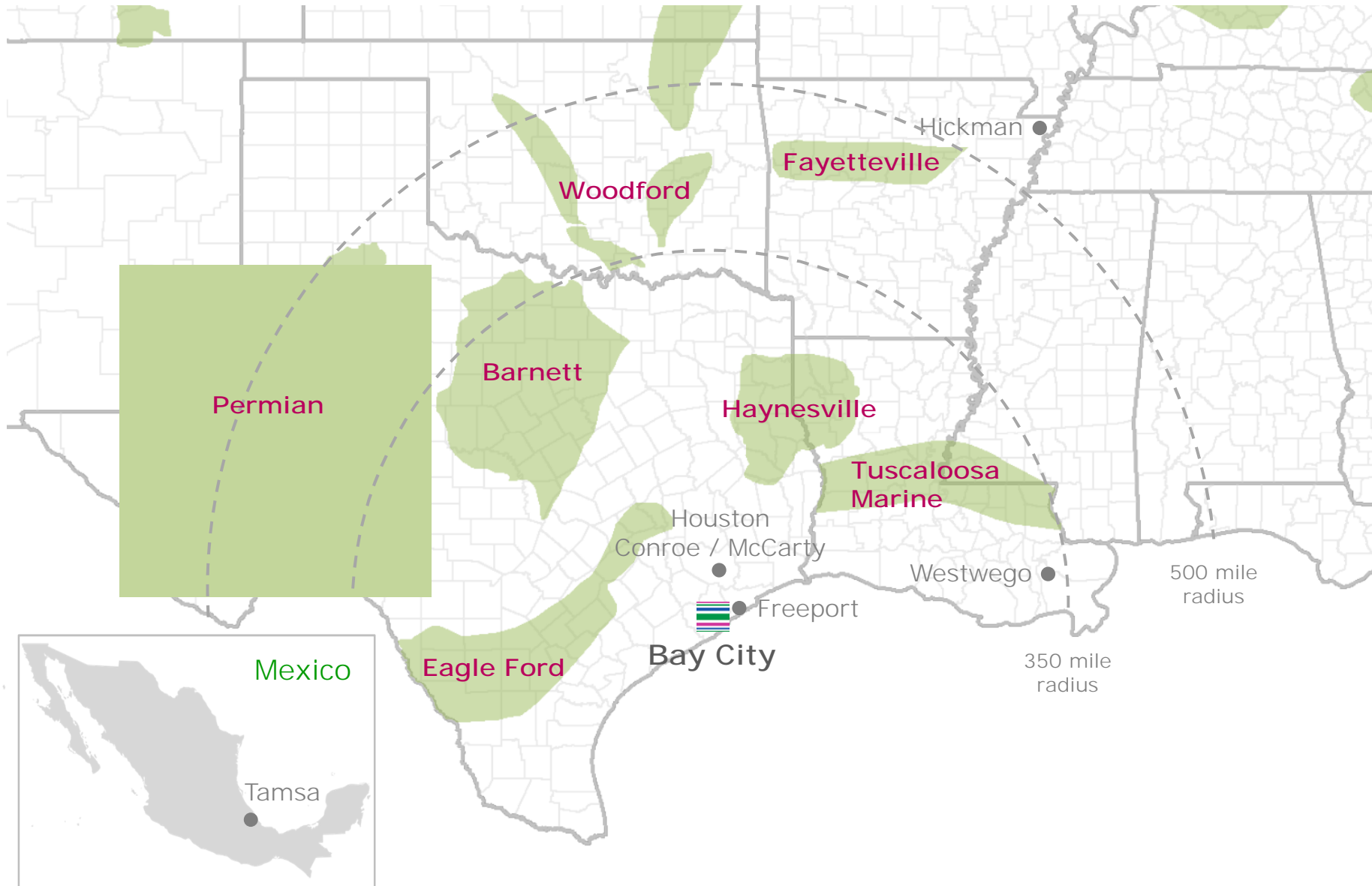
USA OCTG imports



# Bay City



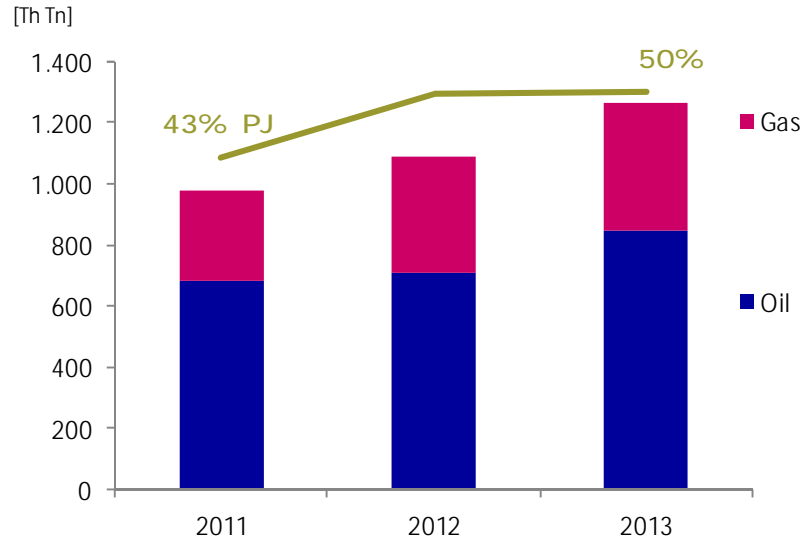
# Bay City: strategic location



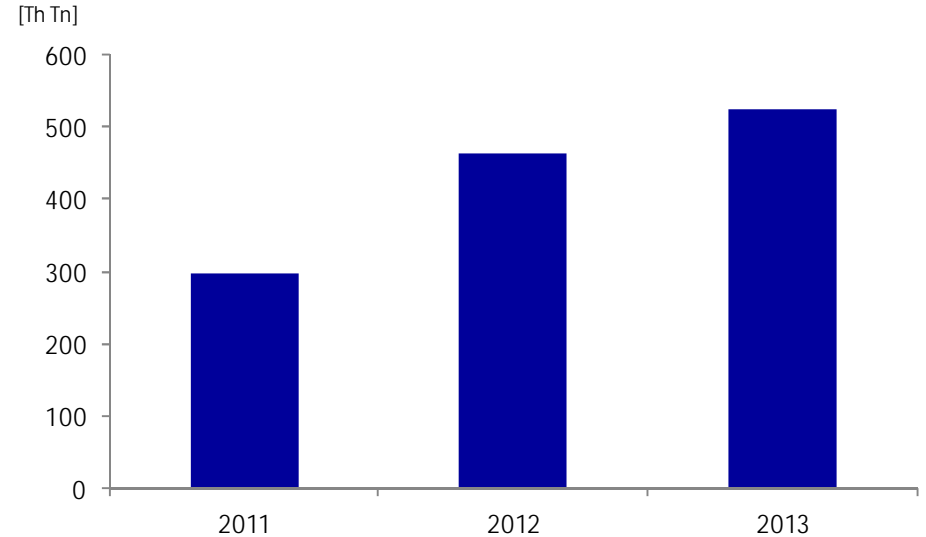
# Key markets showing strong growth



## Middle East OCTG consumption



## Deepwater OCTG consumption



# Premium connections portfolio



New products for more complex drilling requirements

## Deepwater

TSH Wedge 623™ (GOM)

TSH Blue® Riser (GOM)

## HP/HT

Blue® Max (North Sea)

Blue® Heavy Wall (Angola)

## Large Diameter Conductor and Surface Casing

Blue® Quick Seal (North Sea)

BlueDock™ connector (Brazil)

## Dopeless® Technology

Standard on new products

TSH Wedge 623™



TSH Blue® Riser



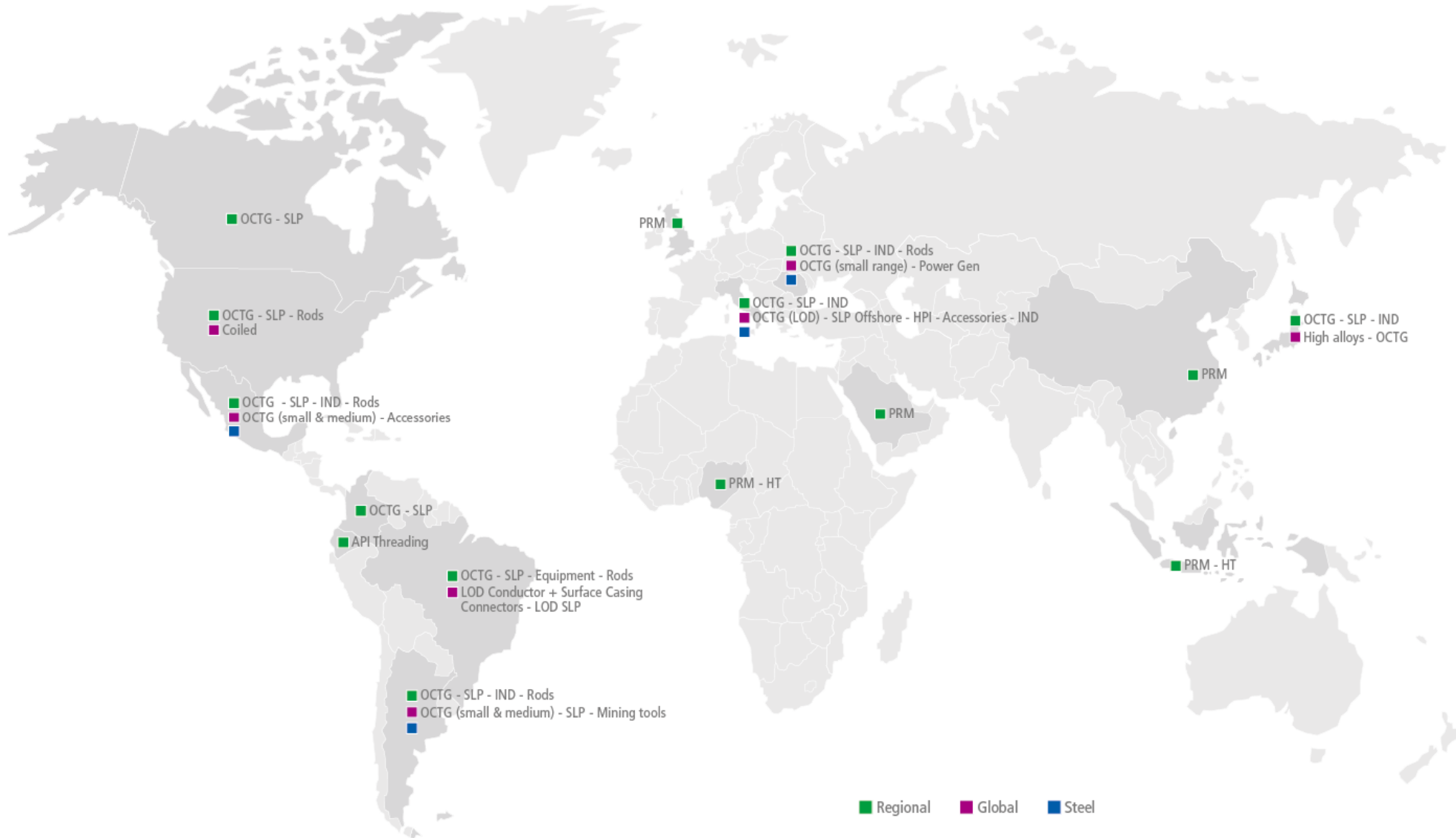
TSH Blue® Max



TSH Blue® Quick Seal



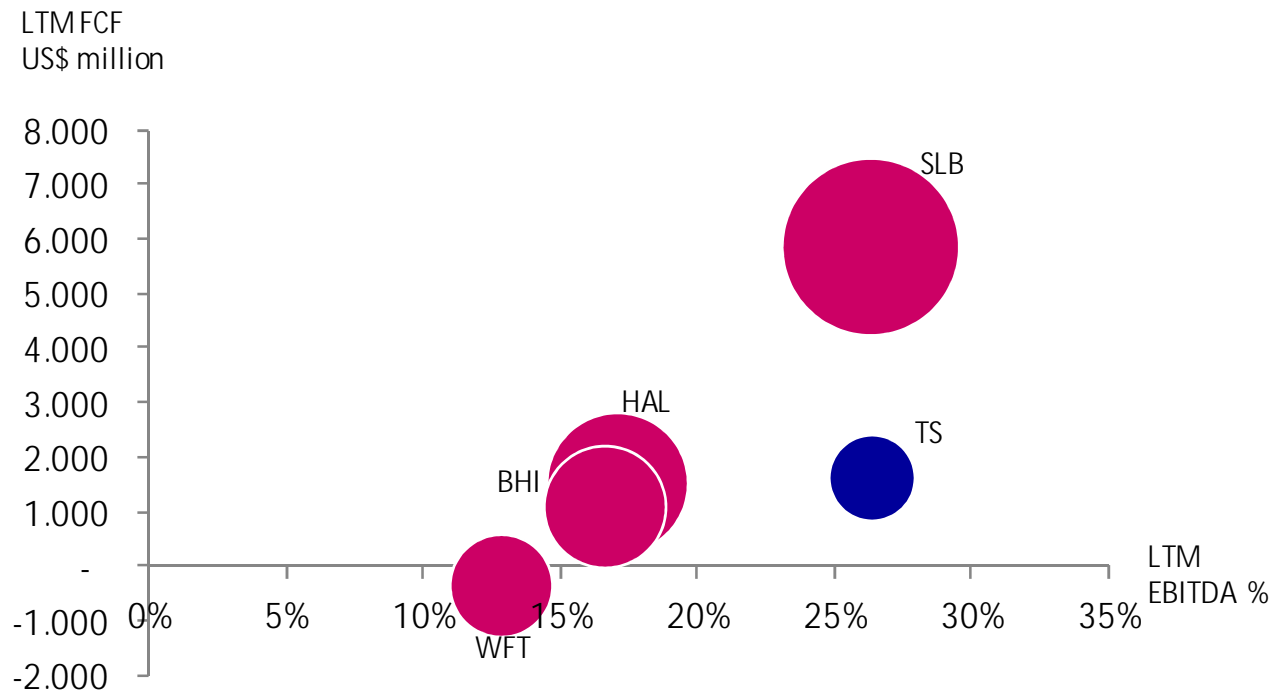
# Global industrial system and supply chain



# Financial performance



## Free cash flow and EBITDA margin



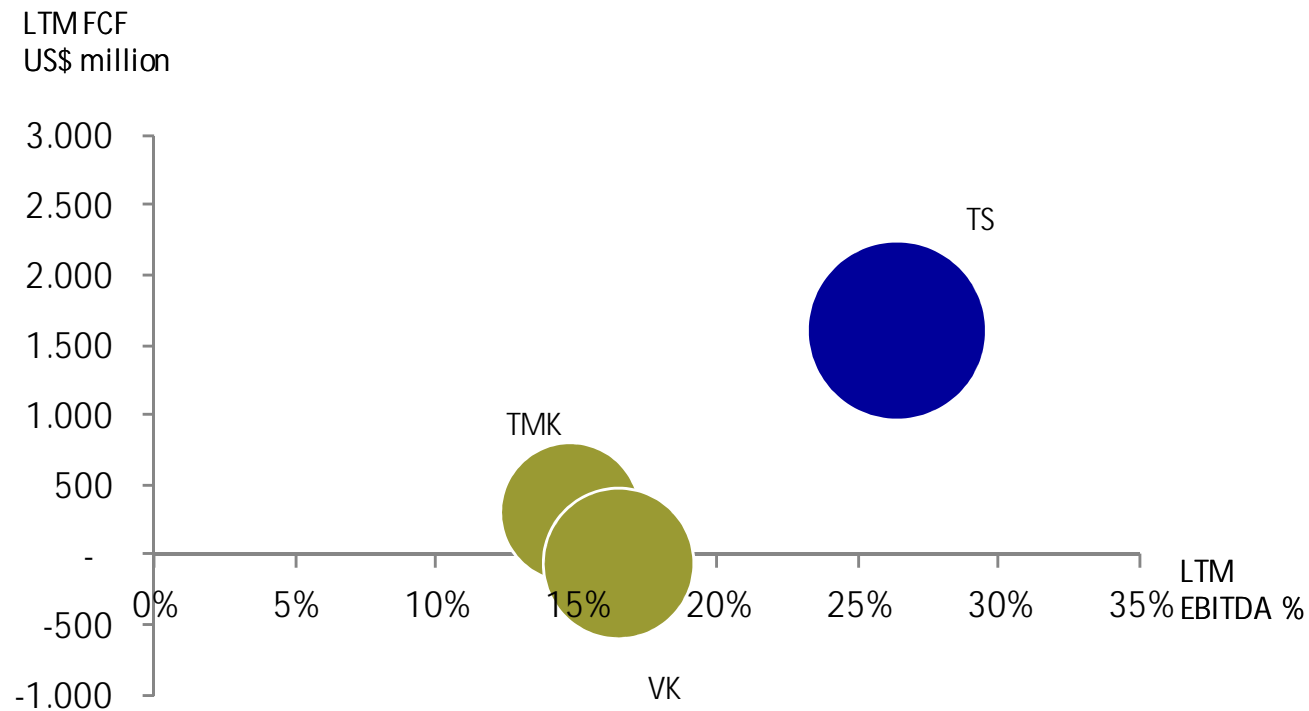
LTM= last twelve months  
Free cash flow = Operating cash flow – Capital expenditures  
EBITDA= Operating income + Depreciation & Amortization +/- Non recurring results  
The size of the circles is proportionate to invoicing



# Financial performance



## Free cash flow and EBITDA margin



LTM= last twelve months

Free cash flow = Operating cash flow – Capital expenditures

EBITDA= Operating income + Depreciation & Amortization +/- Non recurring results

The size of the circles is proportionate to invoicing



# Operating and financial results



Millions of US\$ (except ratios and per ADS amounts)	2009	2010	2011	2012	2013	IQ 2014
Net Sales	8.149	7.712	9.972	10.834	10.594	2.580
Operating income	1.734	1.519	1.844	2.357	2.185	566
EBITDA	2.239	1.959	2.399	2.875	2.795	718
EBITDA margin	27%	25%	24%	27%	26%	28%
Net income of owners of the parent	1.162	1.127	1.331	1.699	1.551	423
Earnings per ADS	1,97	1,91	2,26	2,88	2,63	0,72
Cash flow from operations	3.064	871	1.283	1.860	2.355	612
Net debt / (cash)	(676)	(276)	(324)	271	(911)	(1.279)

# Strategic agenda



- Expansion in North America: new industrial and logistics center in USA
- Strengthen our leading position in Latin America: Mexico, Colombia, Brazil, Argentina
- Leverage technical leadership and global capabilities in complex projects worldwide
- Differentiation through product development, industrial excellence and customer solutions

