

# 2008 Investor Day



Paolo Rocca – Chairman and CEO  
March 13, 2008

---



## 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.

# Results of operations

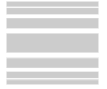


| Millions of US\$<br>(except ratios and per ADS amounts) | 2004         | 2005         | 2006         | 2007          |
|---|--------------|--------------|--------------|---------------|
| <b>Net sales</b>  | <b>3,718</b> | <b>6,210</b> | <b>7,728</b> | <b>10,042</b> |
| Tubes   | 3,273        | 5,128        | 6,827        | 8,553         |
| Projects  | 280          | 790          | 454          | 876           |
| Others  | 165          | 292          | 447          | 613           |
| <b>Operating income</b>                                 | <b>806</b>   | <b>1,946</b> | <b>2,792</b> | <b>2,957</b>  |
| <b>EBITDA <sup>1</sup></b>                              | <b>887</b>   | <b>2,158</b> | <b>3,046</b> | <b>3,449</b>  |
| EBITDA margin   | 24%          | 35%          | 39%          | 34%           |
| <b>Net income <sup>2</sup></b>                          | <b>785</b>   | <b>1,278</b> | <b>1,945</b> | <b>1,924</b>  |
| Earnings per ADS  | 1.33         | 2.16         | 3.30         | 3.26          |
| Net debt  | 828          | 183          | 2,095        | 2,970         |
| Net debt / EBITDA                                       | 0.93         | 0.08         | 0.69         | 0.86          |
| ROE   | 36%          | 43%          | 44%          | 31%           |

(1) EBITDA = Operating income plus depreciation and amortization. Except for 2004 where non-recurring gains relating to Fintecna arbitration award are excluded

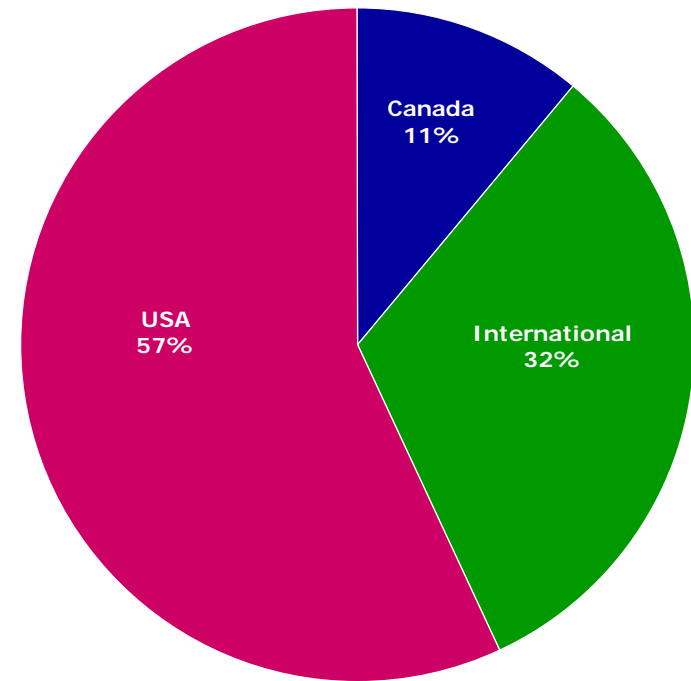
(2) Attributable to shareholders.

# Drilling activity



| Year 2004 = 100        | 2004       | 2005       | 2006       | 2007       |
|------------------------|------------|------------|------------|------------|
| <b>Rig count</b>       |            |            |            |            |
| USA                    | 100        | 116        | 138        | 149        |
| <i>% Change</i>        |            | 16%        | 19%        | 7%         |
| Canada                 | 100        | 124        | 127        | 93         |
| <i>% Change</i>        |            | 24%        | 3%         | (27%)      |
| International          | 100        | 109        | 111        | 120        |
| <i>% Change</i>        |            | 9%         | 2%         | 9%         |
| <b>Total</b>           | <b>100</b> | <b>115</b> | <b>127</b> | <b>130</b> |
| <b><i>% Change</i></b> |            | <b>15%</b> | <b>11%</b> | <b>2%</b>  |
| Onshore                | 100        | 116        | 131        | 134        |
| <i>% Change</i>        |            | 16%        | 12%        | 3%         |
| Offshore               | 100        | 106        | 106        | 105        |
| <i>% Change</i>        |            | 6%         | 0%         | (0%)       |
| <b>Total</b>           | <b>100</b> | <b>115</b> | <b>127</b> | <b>130</b> |
| <b><i>% Change</i></b> |            | <b>15%</b> | <b>11%</b> | <b>2%</b>  |

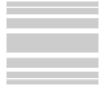
2007 rigs by area



Total rigs 3,116

Source: Baker Hughes

# Global OCTG market

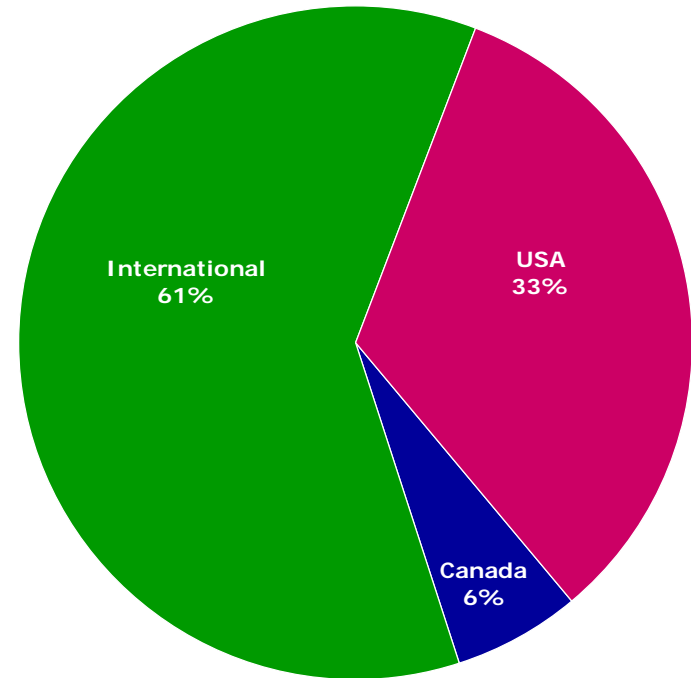


## 2007 OCTG apparent demand

Year 2004 = 100

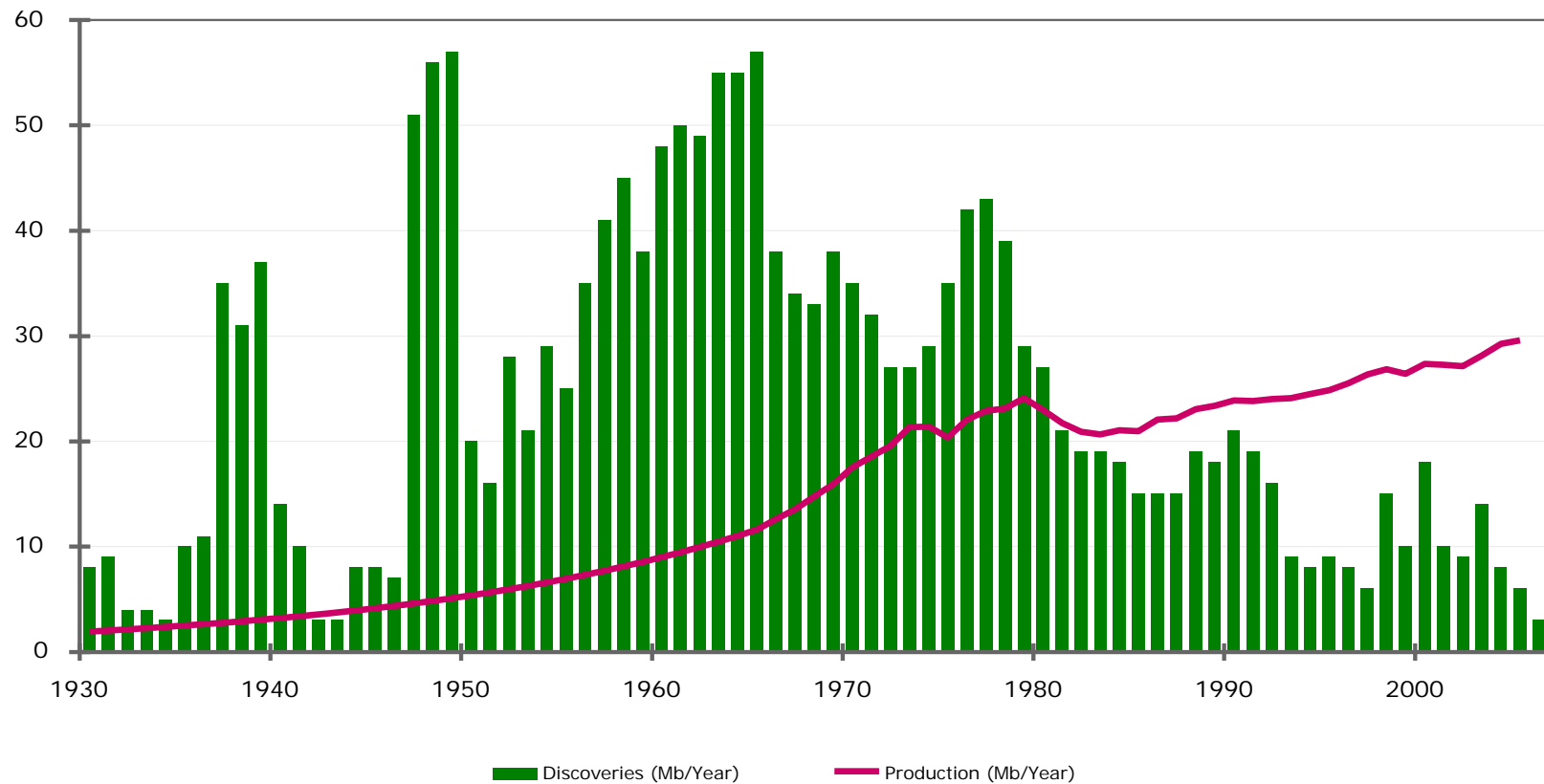
### OCTG market

|                       | 2004 | 2005 | 2006 | 2007 |
|-----------------------|------|------|------|------|
| Operative consumption | 100  | 113  | 125  | 136  |
| <i>% Change</i>       |      | 13%  | 10%  | 8%   |
| Apparent demand       | 100  | 117  | 134  | 130  |
| <i>% Change</i>       |      | 17%  | 14%  | (3%) |



Source: Company data

# Oil demand growing but limited discoveries

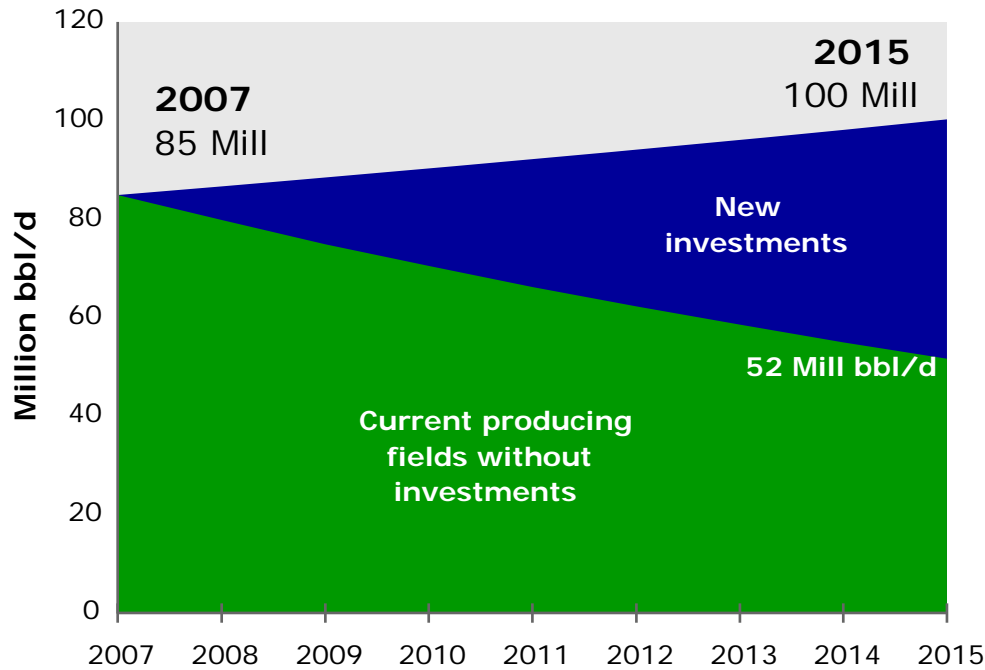


Source: BP Statistics and Wood Mackenzie

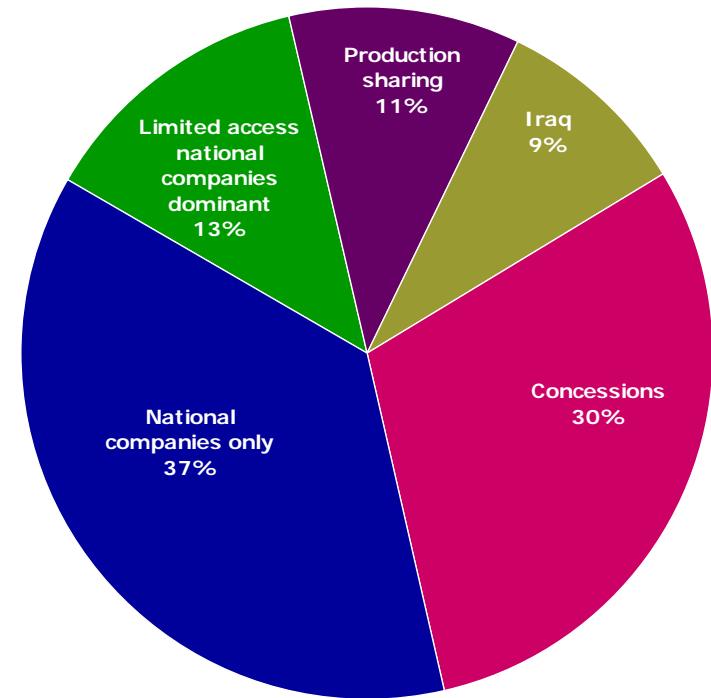
# Natural decline rates and access complicate efforts to meet demand



**World oil demand and production**



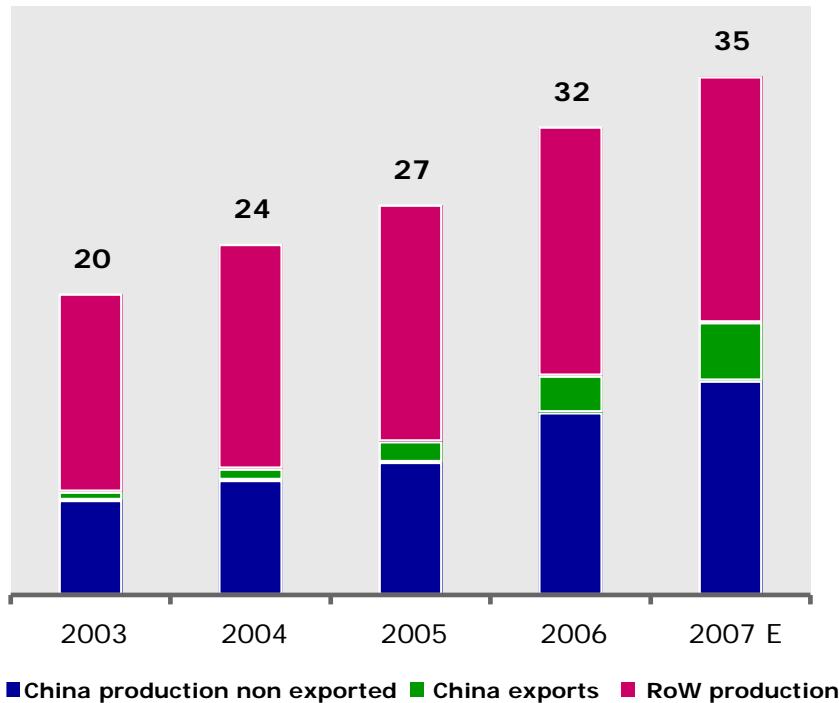
**Access to world's proven oil reserves**



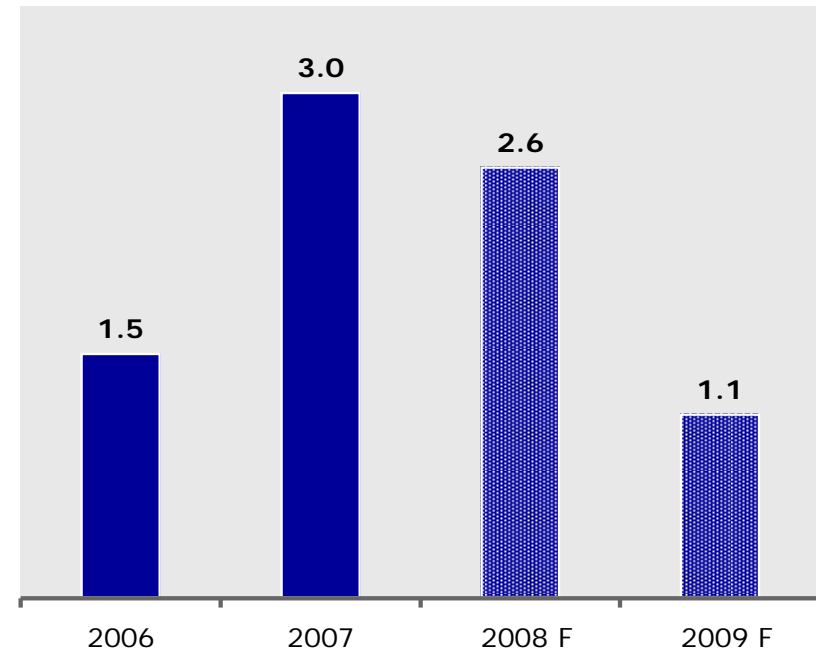
Source: Estimates based on IEA

# China and the competitive environment

World and Chinese seamless pipe production (Mton)



Chinese increase in seamless capacity (Mton)

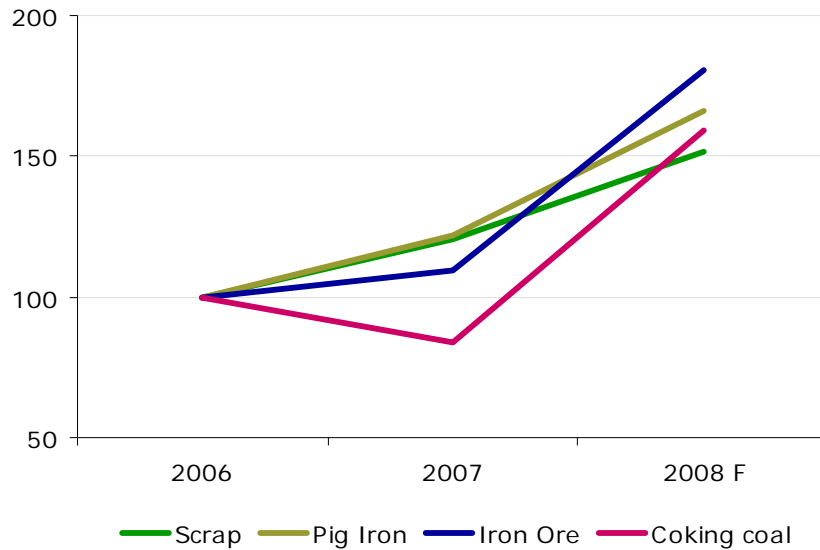




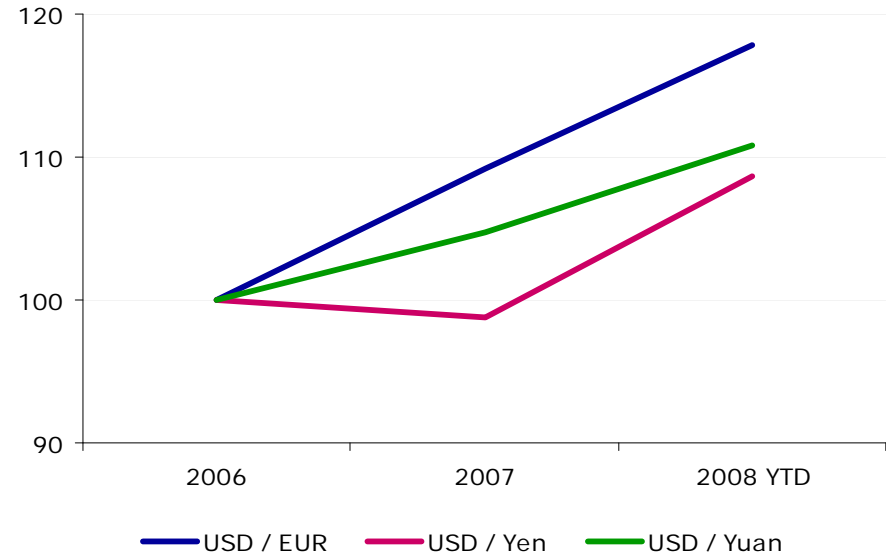
# Evolution of industry costs



**Raw materials  
(2006=100)**

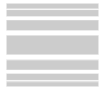


**FX rates  
(2006=100)**



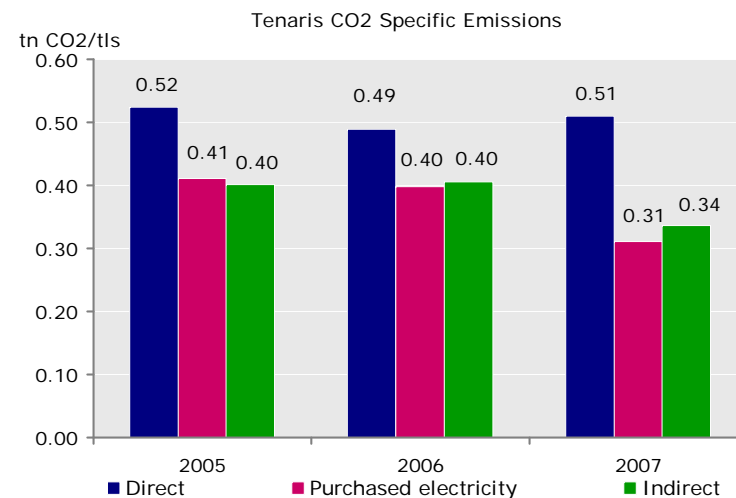
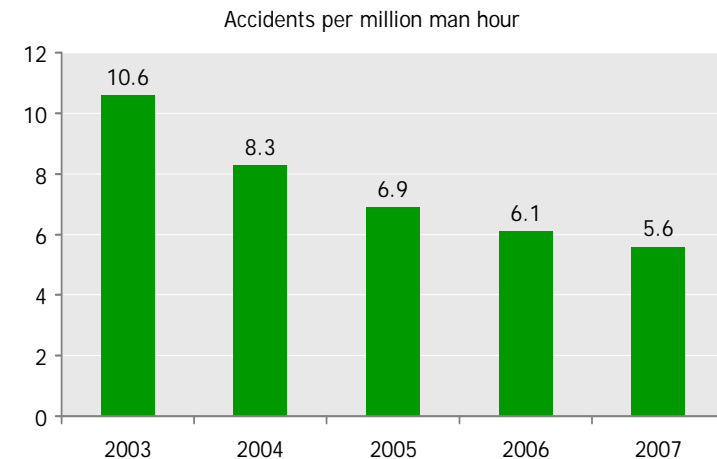
Note: FX rate for 2008 is YTD average  
Source: CRU and company data

# Tenaris: unique global positioning



- Product and service differentiation
- Industrial presence in key markets
- Global industrial and commercial system
- Quality, health, safety and environment management
- Investing in research and development
- Focus on human resources

## Safety and environmental indicators



Sector Approach IISI (International Iron & Steel Institute) methodology. [www.worldsteel.org/](http://www.worldsteel.org/)



*Tubular Technologies. Innovative Services.*