

# Investor Presentation



New York, October 16, 2014



## **Disclaimer**

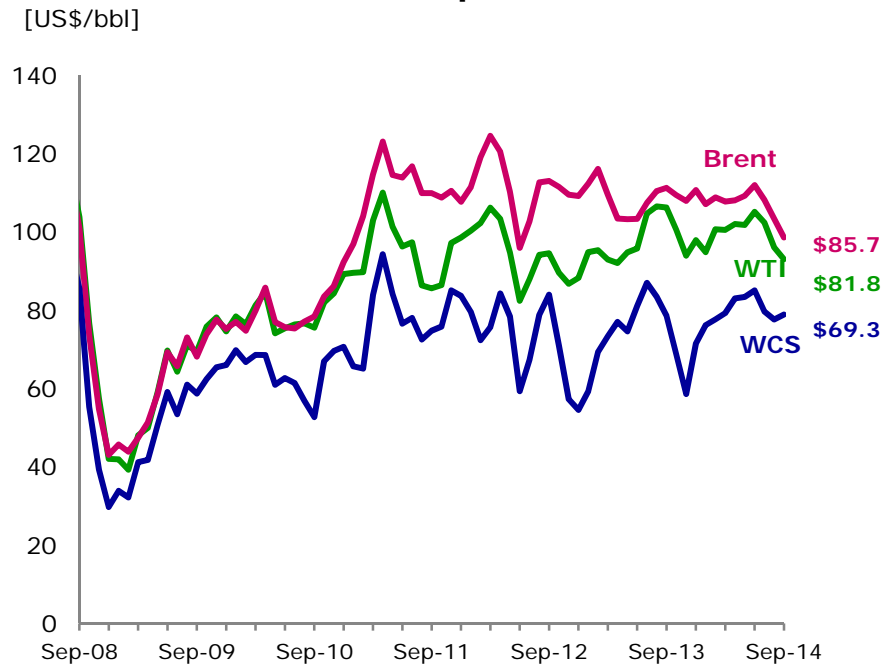
This presentation contains “forward-looking statements.” Forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements.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

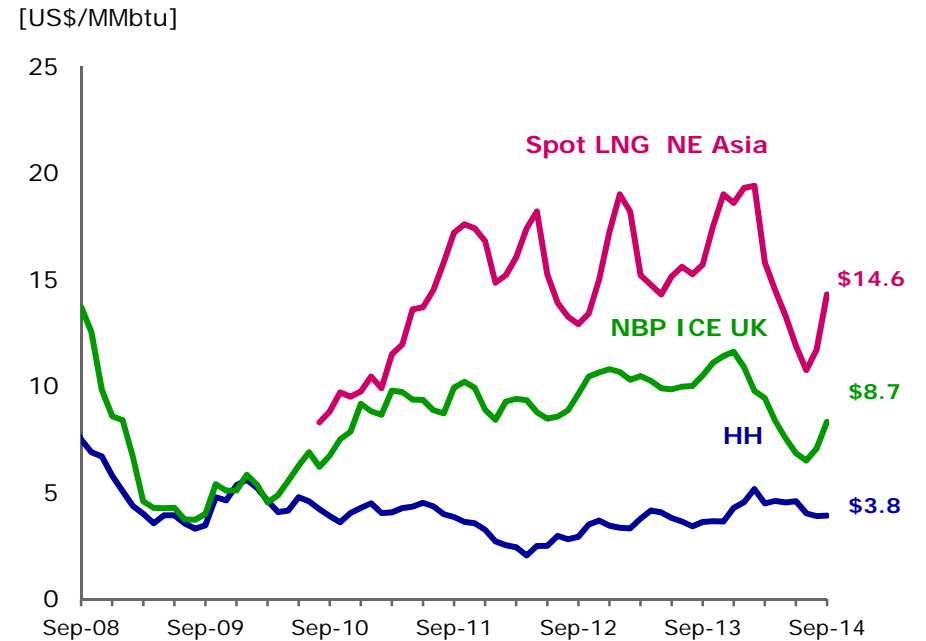


### Oil prices



Crude Oil approx Heat Content per Barrel: 5.8 MMbtu

### Gas prices

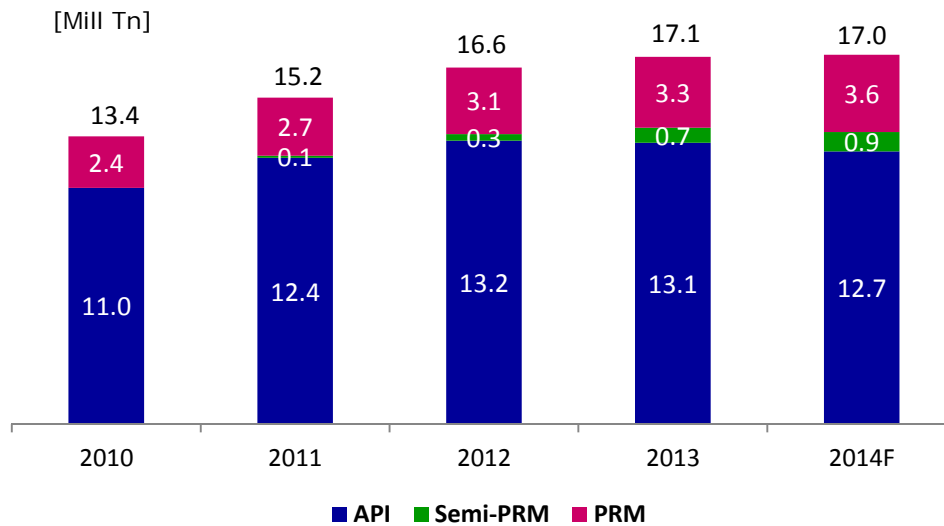


Source: Bloomberg / World Gas Intelligence

# OCTG demand



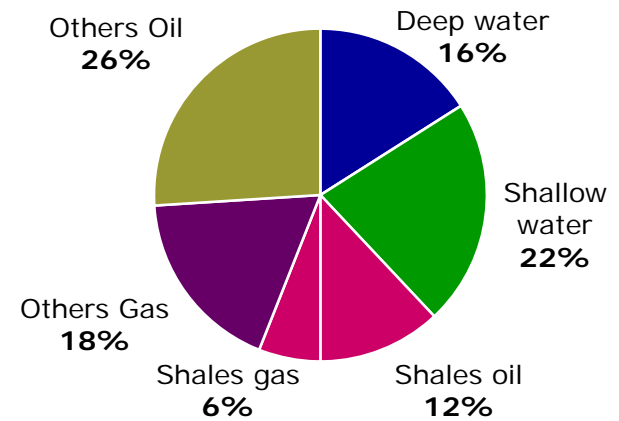
OCTG demand evolution



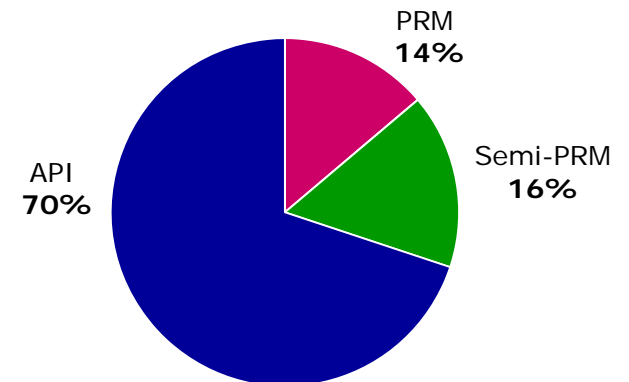
2010 – 2014 CAGR

- Premium demand growth 10%
- Shales demand growth 33%
- API demand growth 5%

Premium OCTG consumption by application (2013)



Shales (4.3 M tons in 2013)



# Transforming Tenaris

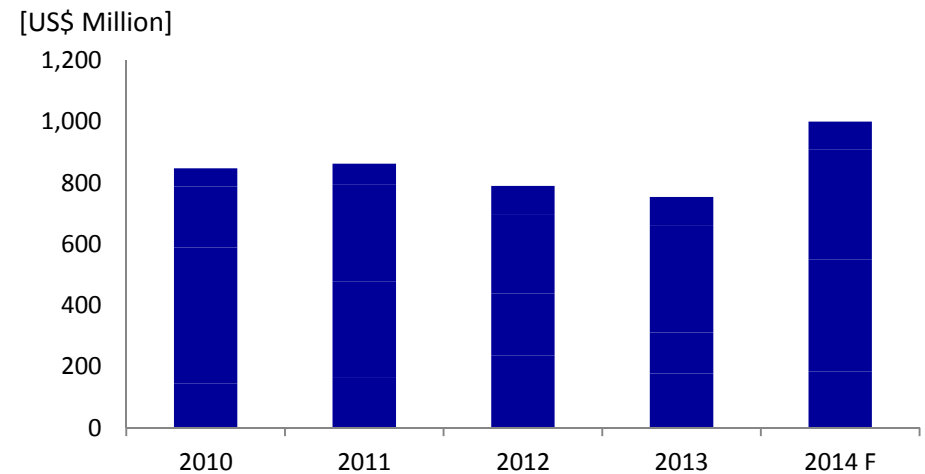


- Premium company
- Differentiation through industrial excellence, safety, product development and customer service
- Expansion in North America
- Global footprint
- TenarisUniversity: integrating a diverse, global organization
- Investing for sustainable growth

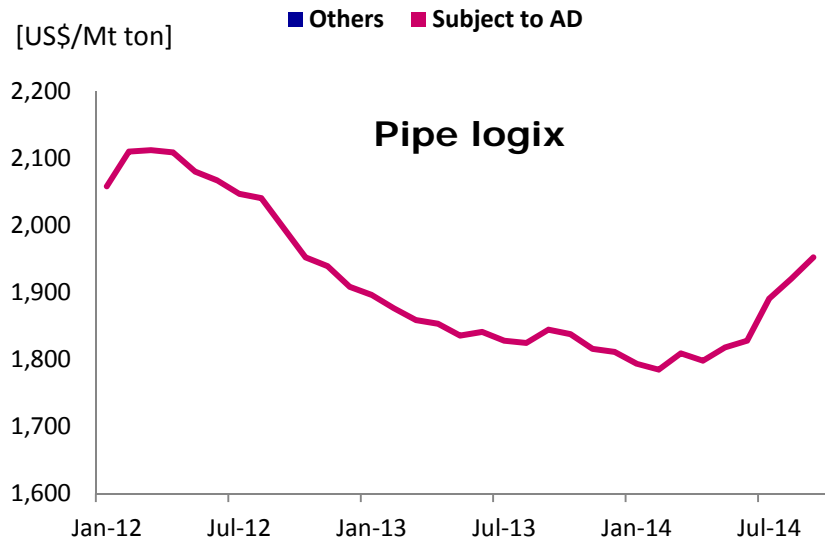
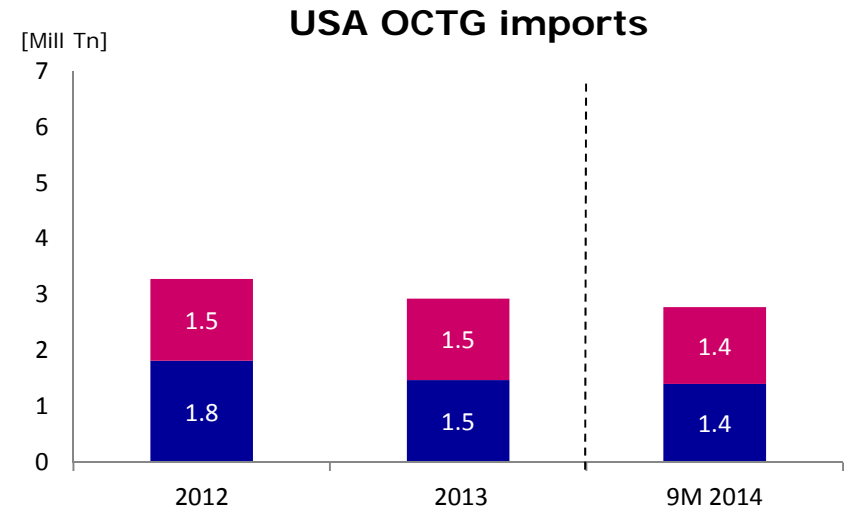
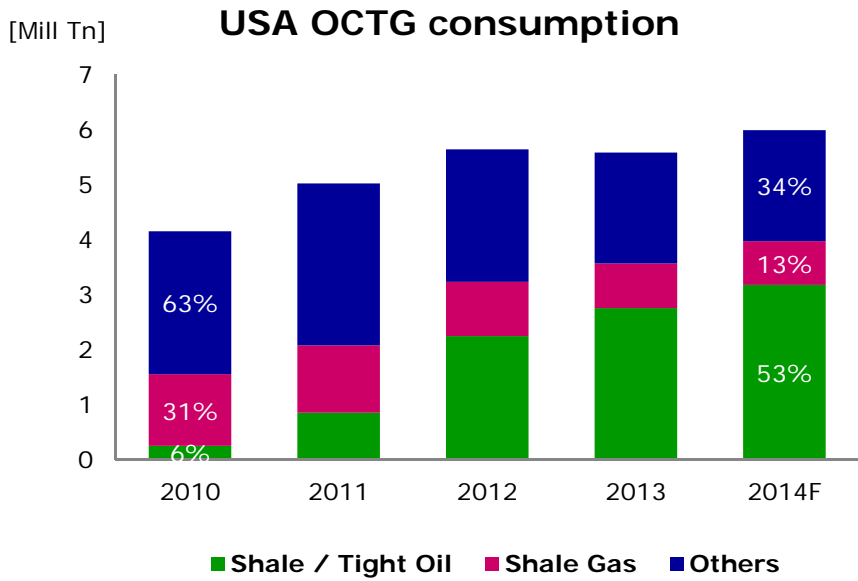
## Product mix

	2012	2017E
Heat Treated / Tubes Sales (%)	67%	85%
PRM + Semi-PRM / OCTG Sales (%)	55%	70%
Shales / OCTG Sales (%)	22%	35%

## Capex

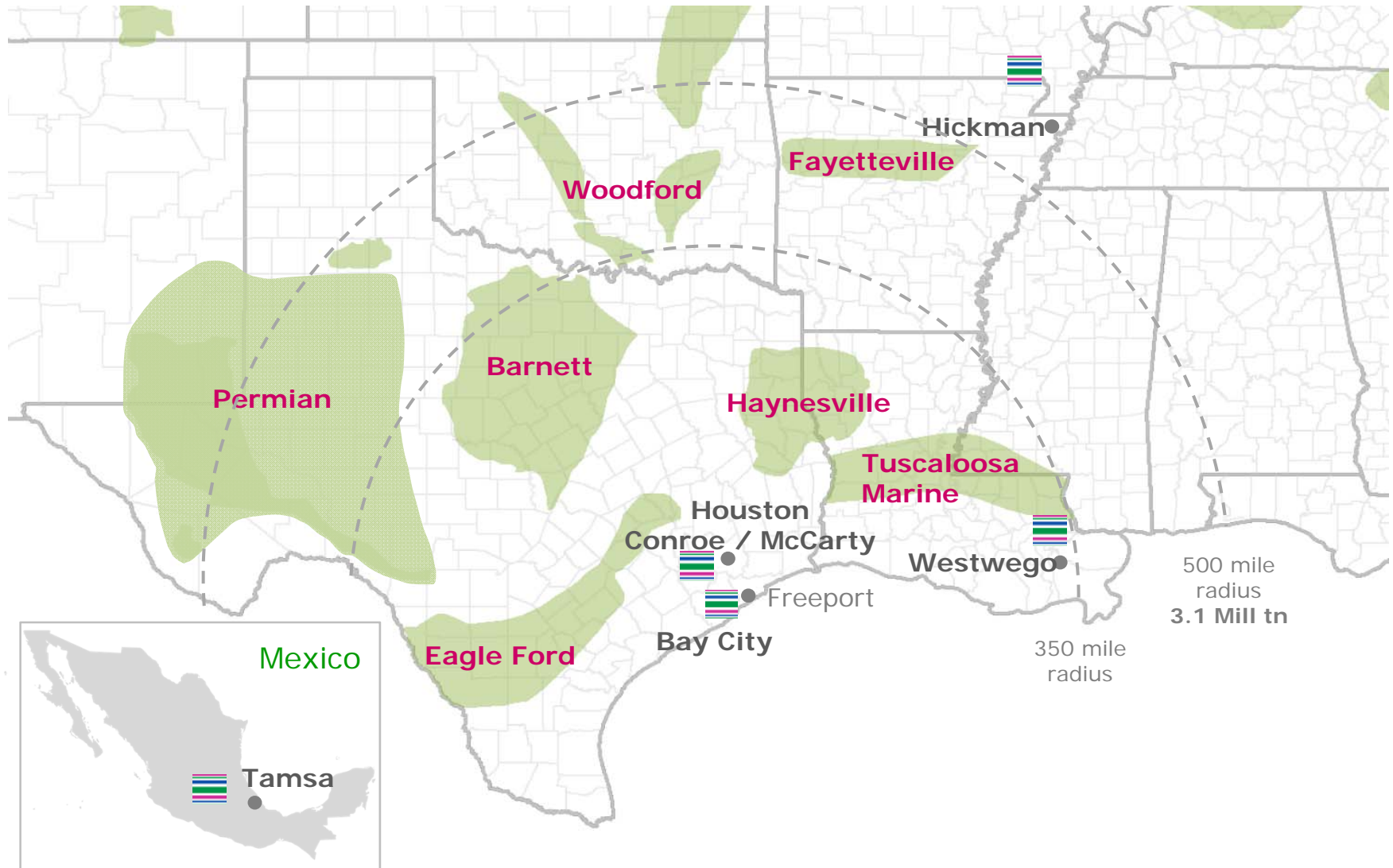


# North America – market context

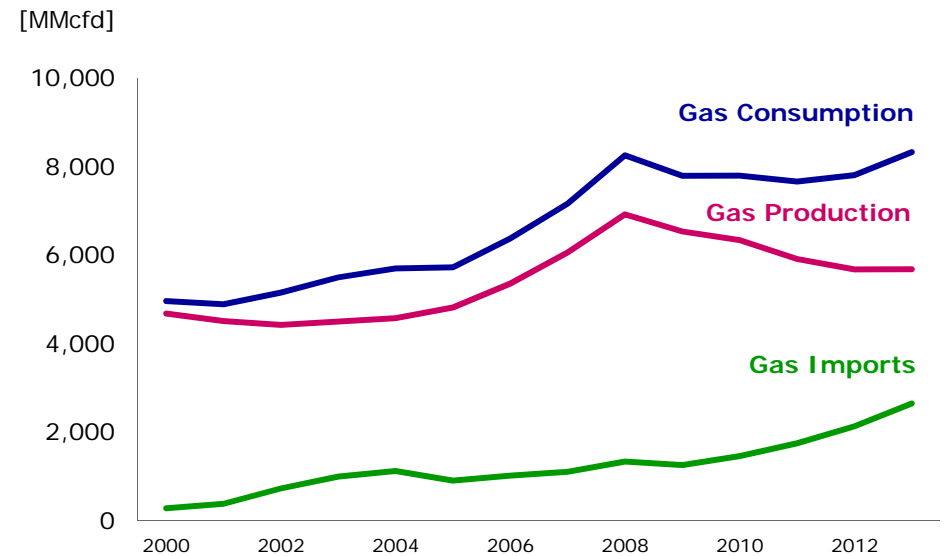
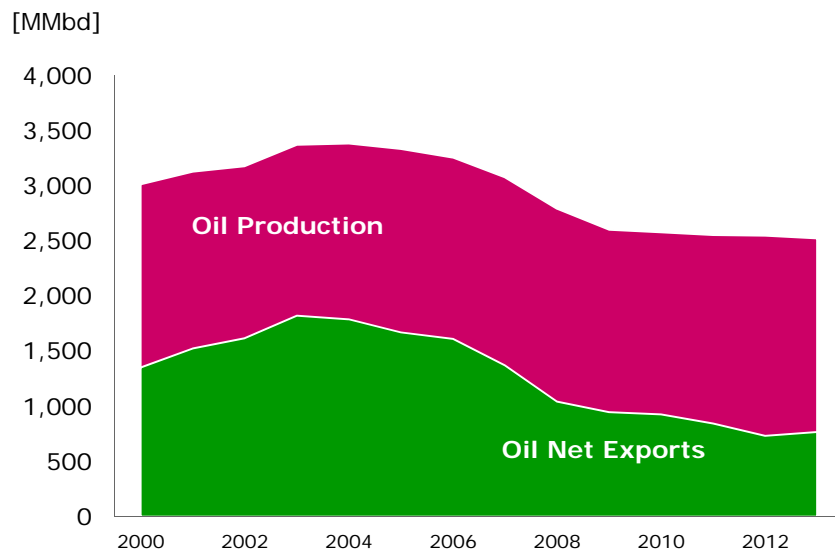


- Full product range
- Enhanced industrial system
- Pipe management service

# North America – changing market dynamics



# Mexico – decline in energy production

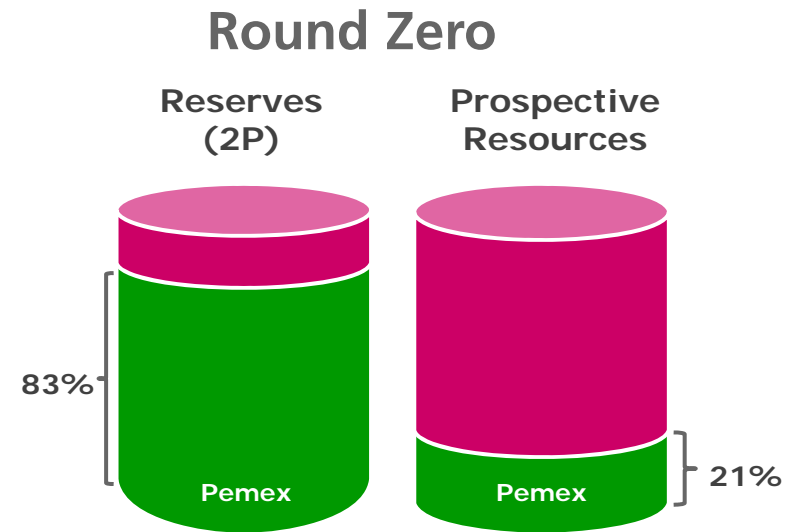




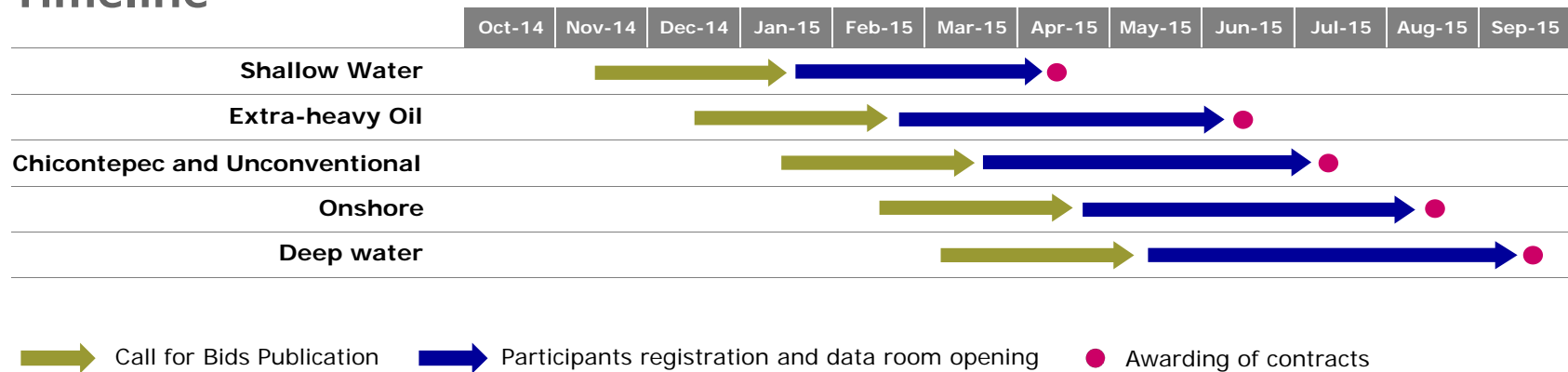
# Energy Reform



- Fiscal reform savings for Pemex Max. ~US\$7 Bn / year
- Migration of service contracts ~US\$35 Bn (~10 years)
- Round Zero (Farm Outs) ~US\$16.4 Bn (~4 years)
- Round One Contracts ~US\$34.1 Bn (~4 years)



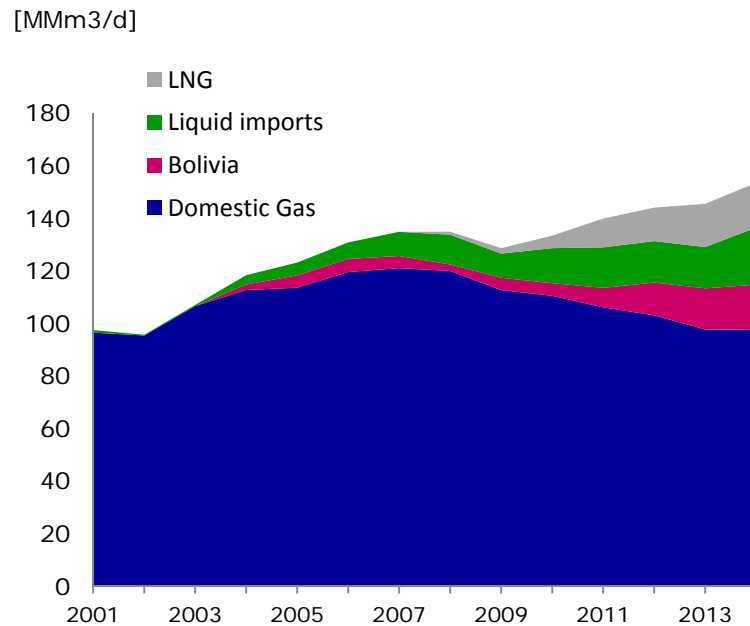
## Timeline



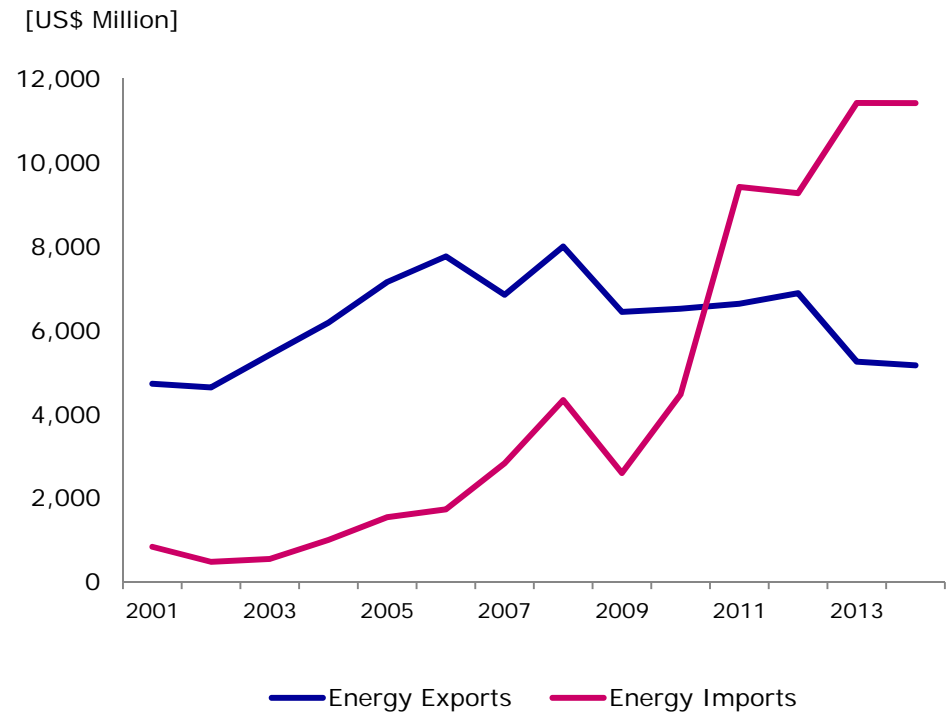
# Argentina – energy crossroads



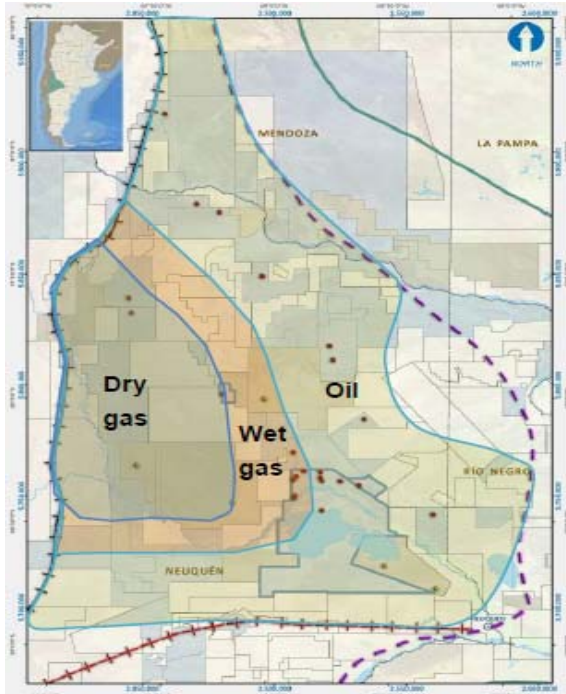
## Gas Consumption



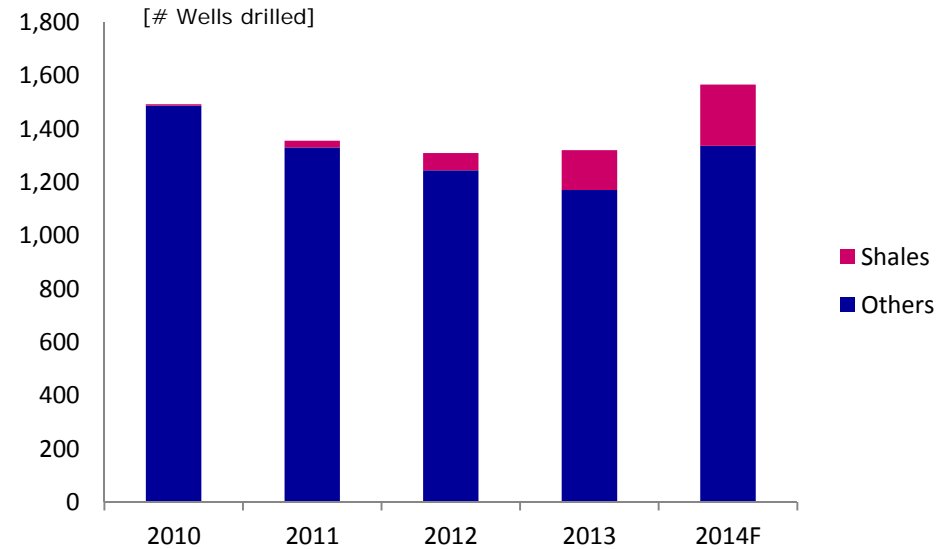
## Energy exports and imports



# Argentina - Vaca Muerta



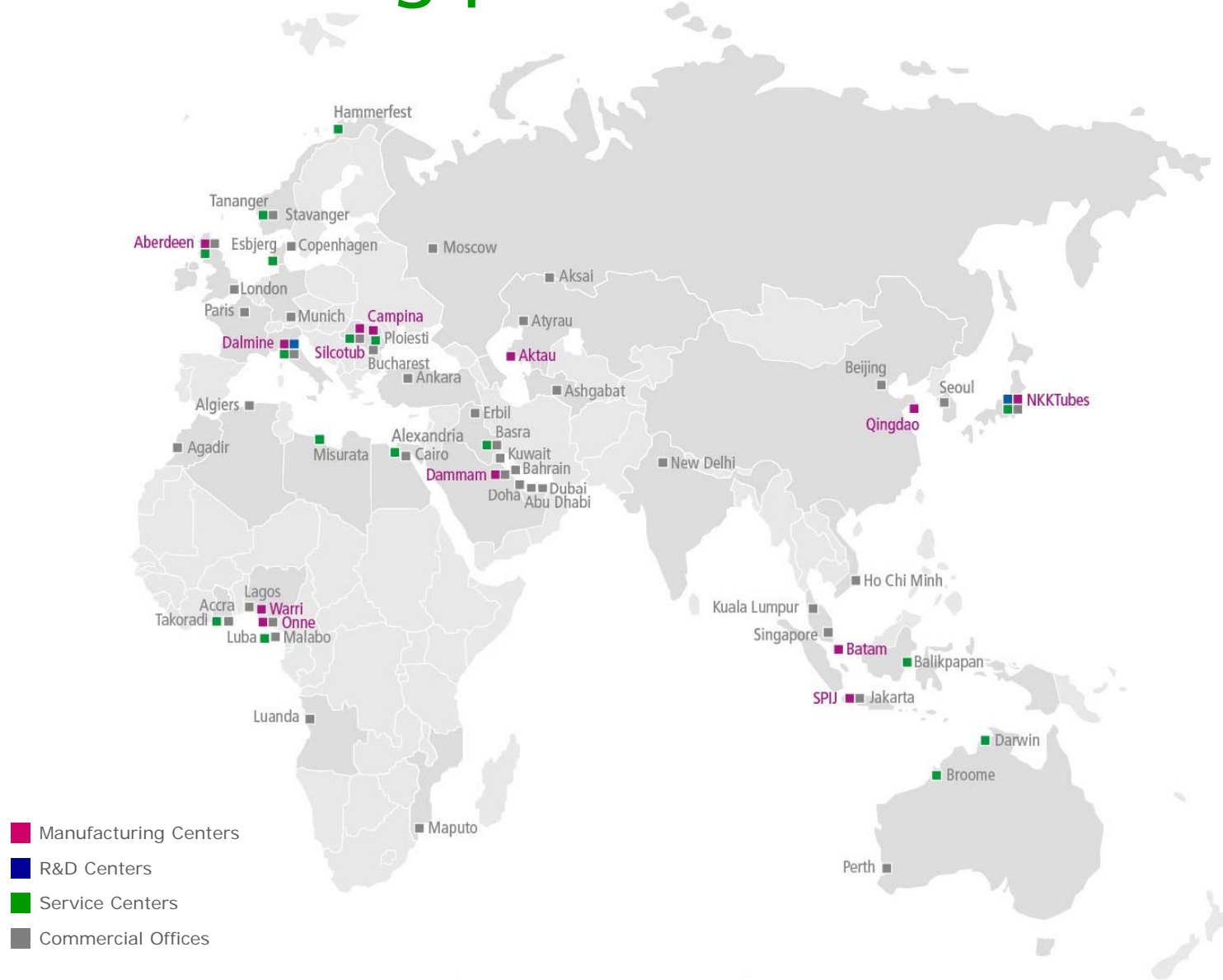
Argentina drilling activity



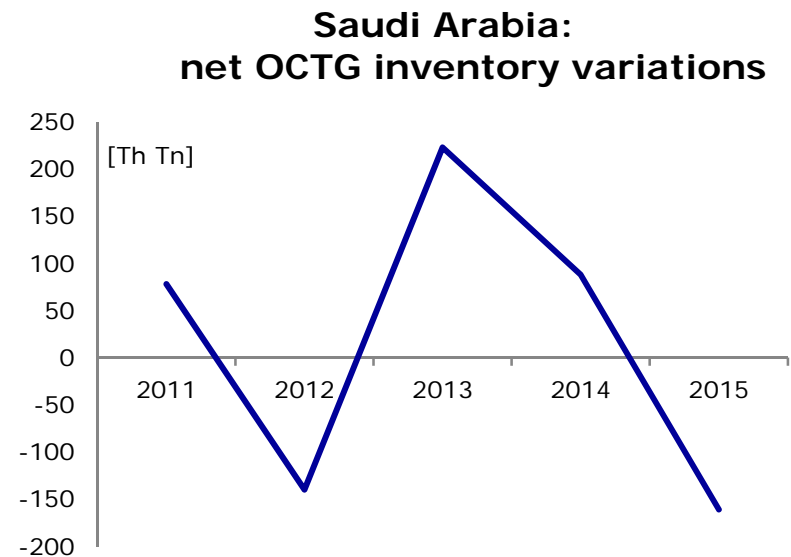
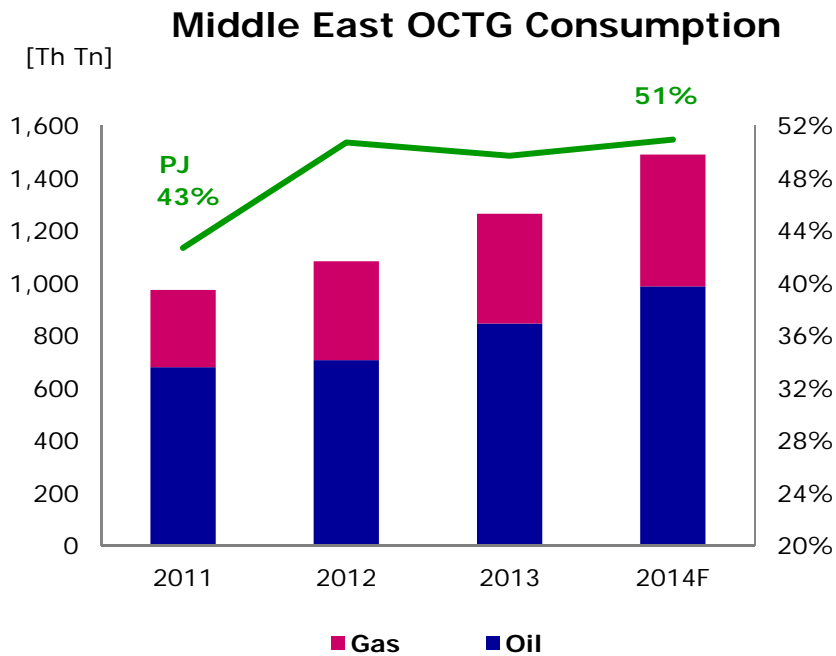
Plays properties		Vaca Muerta	Eagle Ford
Wells drilled in 2013	#	150	4,400
Surface	km2	30,000	50,000
Thickness	mts	30-450	30-100
TOC	%	3-10	3-5
Max. Vertical Depth	mts	4,100	4,000
Max. Lateral Length	mts	1,500	2,400

Source: BHI/ EIA/Tenaris/YPF

# EH – serving premium markets



# Middle East – premium consumption growing



Source: Tenaris estimates

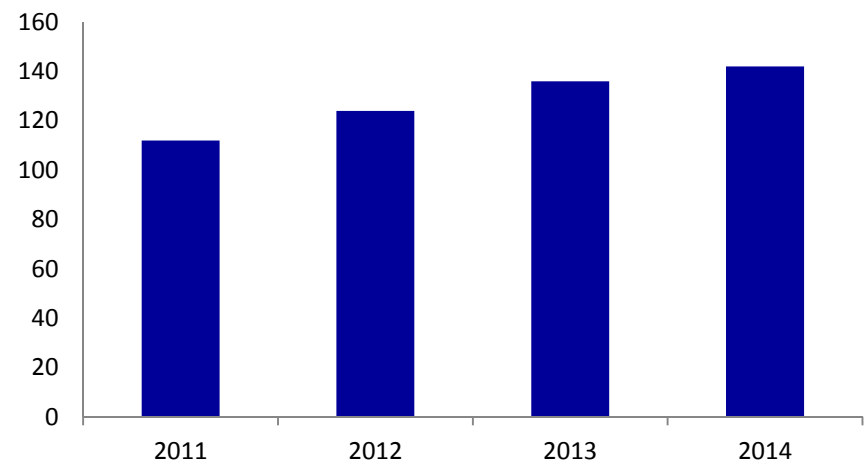
- Products for complex applications (sour, HPHT, extended reach)
- Local content
- Technical services

# EH – offshore market



- New products under more stringent testing standards
- Dopeless® technology and pipe management
- Technical services

[# Rigs] **EH contracted deepwater rigs**



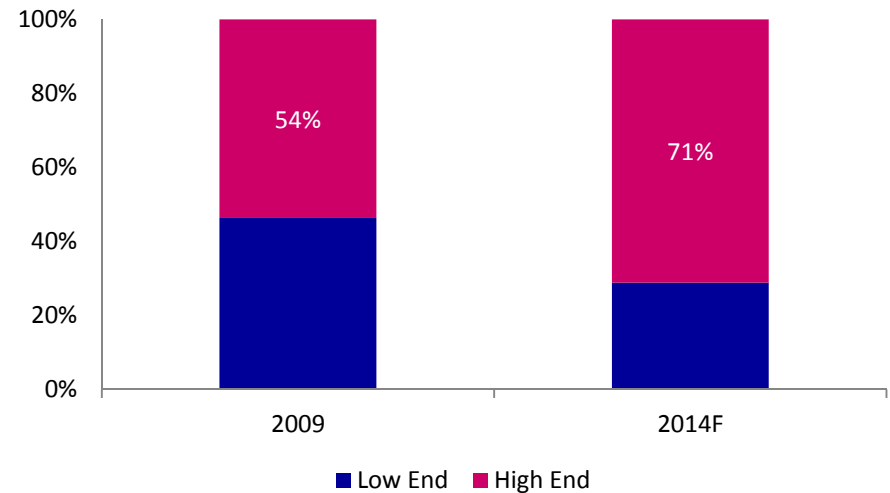
[55% of global OCTG deepwater consumption]

# European operations repositioned

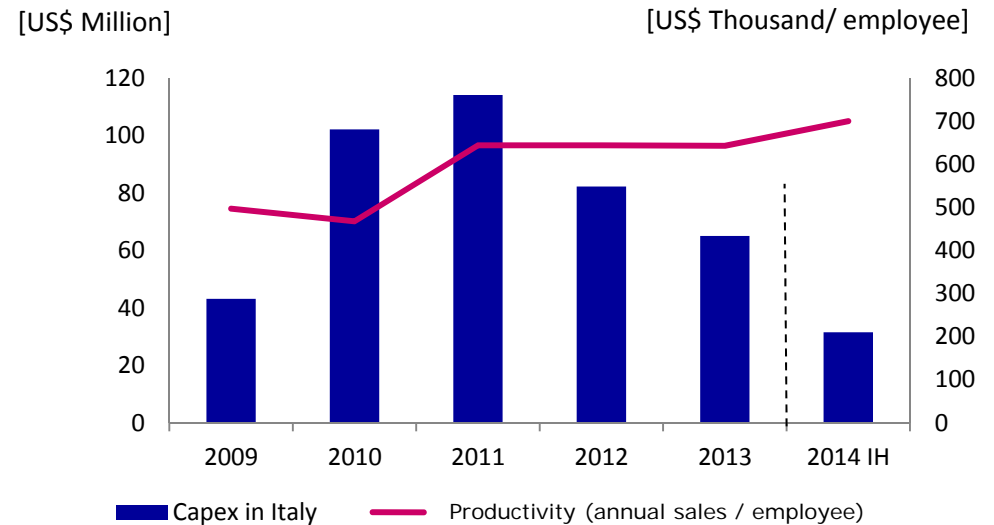


- Product line repositioning
- Productivity gains
- R&D specialization

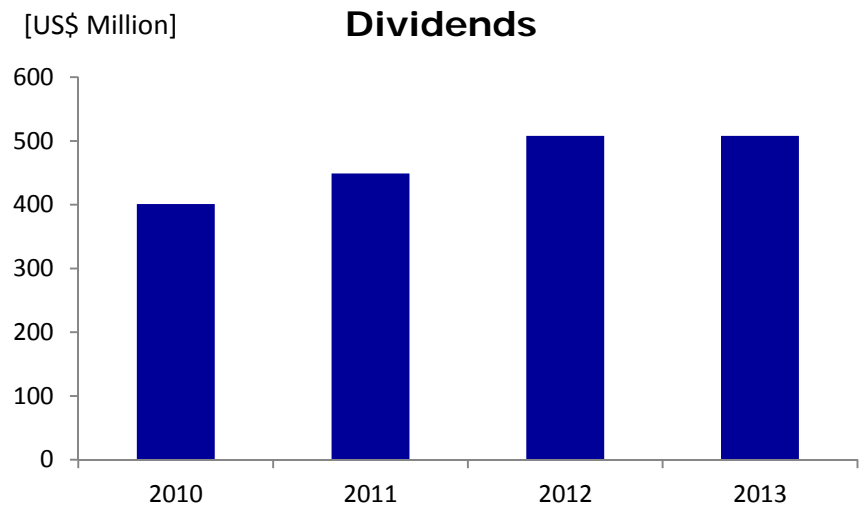
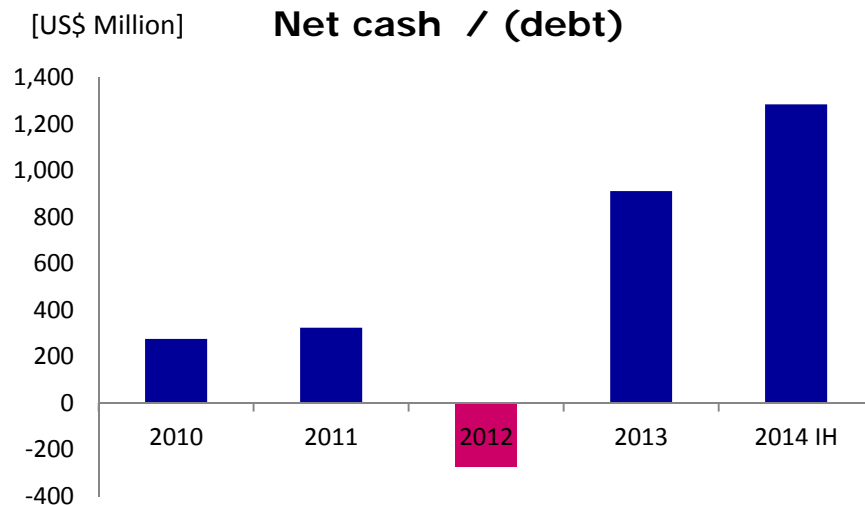
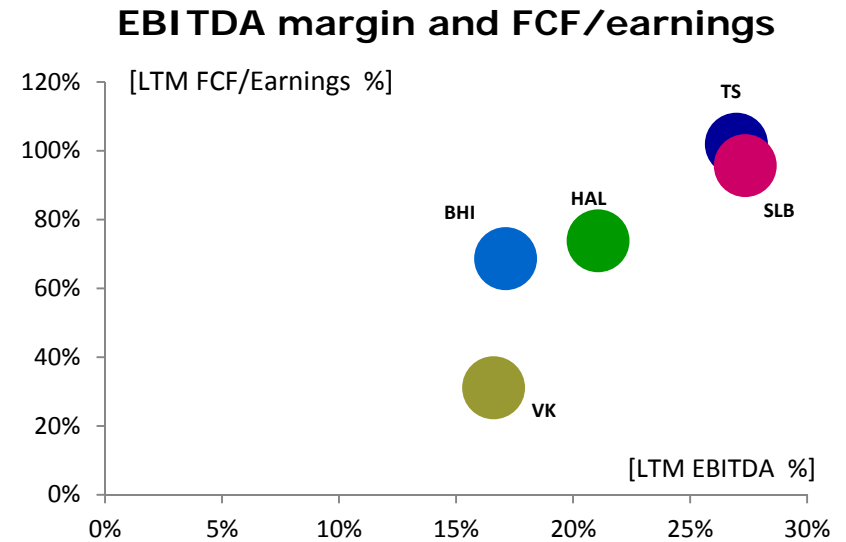
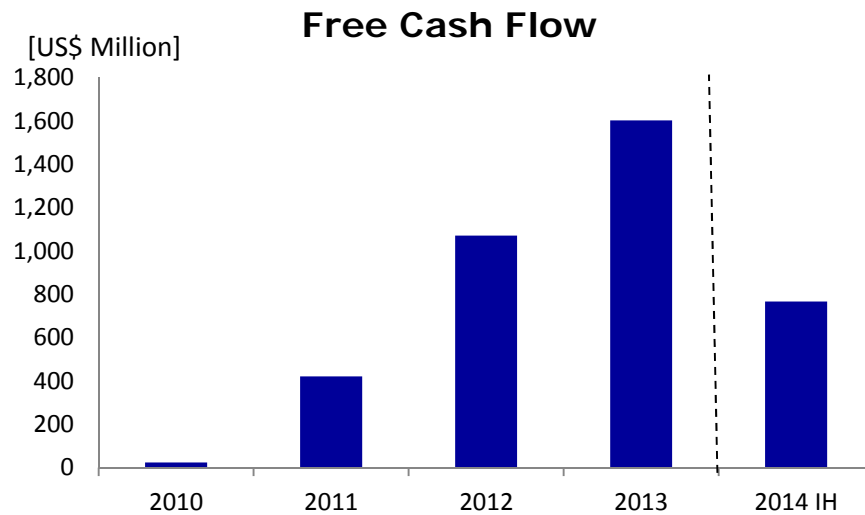
Dalmine product mix



Dalmine productivity



# Sustainable financial performance







*Tubular Technologies. Innovative Services.*