BURNS JOHN J JR
Form 4
January 05, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BURNS JOHN J JR

(Last) (First) (Middle)

ALLEGHANY CORPORATION, 375 PARK AVENUE

(Street)

NEW YORK, NY 10152

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ALLEGHANY CORP /DE [Y]

3. Date of Earliest Transaction (Month/Day/Year)
01/03/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/03/2005		D		12,790 (1)	D	$ 286.165	62,782 (2)	D	
Common Stock								5,304 (2)	I	By Superior Bulk Logistics
Common Stock								775	I	By wife

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BURNS JOHN J JR ALLEGHANY CORPORATION 375 PARK AVENUE NEW YORK, NY 10152	X			

Signatures

Christopher K. Dalrymple, Attorney-in-Fact	01/05/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Settlement of 25,580 previously vested performance shares for 12,790 shares of common stock and $3,660,050.35 in cash. The payout of such vested performance shares was deferred until the month after the reporrting person ceased to be an officer of Alleghany Corporation.

(2) Includes shares of Common Stock paid by Alleghany Corporation as a stock dividend in April 2004.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. Year ended December 31, 2006 2005 ------------------------------------ Current accounts 1,544,202 1,256,882 Notes receivables 83,906 60,972 Receivables from related parties 19,919 31,279 ------------------------------------ 1,648,027 1,349,133 Allowance for doubtful accounts (see Note 24 (i)) (22,786) (24,962) ------------------------------------ 1,625,241 1,324,171 ------------------------------------ 24 19 Cash and cash

equivalents, and Other investments Year ended December 31, 2006 2005 ----------------------------------- Other investments Financial assets 183,604 119,907 ----------------------------------- Cash and cash equivalents Cash and short - term liquid investments 1,372,329 707,356 ----------------------------------- 20 Borrowings Year ended December 31, 2006 2005 ----------------------------------- Non-Current Bank borrowings 2,823,052 635,896 Other loans 50,479 38,407 Finance lease liabilities 4,565 5,425 Costs of issue of debt (21,050) (1,616) ----------------------------------- 2,857,046 678,112 Current Bank Borrowings 707,610 238,510 Other loans 83,942 67,451 Bank Overdrafts 7,300 24,717 Finance lease liabilities 1,384 1,502 Costs of issue of debt (6,039) - ----------------------------------- 794,197 332,180 ----------------------------------- Total Borrowings 3,651,243 1,010,292 ----------------------------------- The maturity of borrowings is as follows: 1 year or 1 - 2 2 - 3 3 - 4 4 - 5 Over 5 less years years years years years Total --- At December 31, 2006 Financial lease 1,384 1,116 822 758 663 1,206 5,949 Other borrowings 792,813 803,381 924,647 568,965 507,030 48,458 3,645,294 --- Total borrowings 794,197 804,497 925,469 569,723 507,693 49,664 3,651,243 --- Significant borrowings include: In million of $ --- Date Borrower Type Original Principal amount Outstanding principal amount Maturity --- March 2005 Tamsa Syndicated loan 300.0 300.0 March 2010 April 2005 Siderca Syndicated loan 125.0 93.8 April 2008 October 2006 Tenaris S.A. Syndicated loan 500.0 500.0 October 2011 October 2006 Tamsa Syndicated loan 700.0 700.0 October 2011 October 2006 Siderca Syndicated loan 480.5 480.5 October 2009 October 2006 Dalmine Syndicated loan 150.0 150.0 October 2011 October 2006 Algoma Tubes Syndicated loan 100.0 100.0 October 2011 October 2006 Maverick Syndicated loan 750.0 750.0 October 2011 25 20 Borrowings (Cont'd.) The main covenants on these loan agreements are limitations on liens and encumbrances, restrictions in investments and capital expenditures, limitations in the sale of certain assets and compliance with financial ratios (e.g, leverage ratio and interest coverage ratio calculated on each subsidiary's financial statements). In addition, Tenaris's loan agreement is secured with a pledge of a percentage of Maverick's shares, as explained in Note 28. Tenaris is allowed to make payments such as dividends, repurchase or redemption of shares up to the greater of $475 million or 25% of consolidated net income for the previous fiscal year; once the outstanding amount of Tenaris' facility is less than $425 million, no restrictions will apply. Tenaris' consolidated debt includes $127 million of Dalmine and $26 million of Confab secured by certain properties of these subsidiaries. As of December 31, 2006, Tenaris was in compliance with all of its covenants. The weighted average interest rates before tax shown below were calculated using the rates set for each instrument in its corresponding currency as of December 31, 2006 and 2005. These rates reflect the upward trend in the reference rates. 2006 2005 ---------------- ----------------- Bank borrowings 6.12% 5.14% Other loans 5.50% 4.51% Finance lease liabilities 3.71% 3.14% Breakdown of long-term borrowings by currency and rate is as follows: Non current bank borrowings Year ended December 31, Currency Interest rates 2006 2005 --- USD Variable 3,140,894 546,921 USD Fixed 10,289 - EURO Variable 40,462 93,621 EURO Fixed 6,246 30,709 JPY Variable - 23,310 JPY Fixed 11,854 17,084 BRS Variable 25,938 23,306 ---------------------------------- 3,235,683 734,951 Less: Current portion of medium and long - term loans (412,631) (99,055) --------------------------------- Total non current bank borrowings 2,823,052 635,896 ---------------------------------- Non current other loans Year ended December 31, Currency Interest rates 2006 2005 --- COP Variable 622 - USD Variable 52,853 49,332 --------------------------------- 53,475 49,332 Less: Current portion of medium and long - term loans (2,996) (10,925) --------------------------------- Total non current other loans 50,479 38,407 --------------------------------- 26 20 Borrowings (Cont'd.) Non current finance lease liabilities Year ended December 31, Currency Interest rates 2006 2005 --- EURO Fixed 79 29 COP Variable 185 - JPY Fixed 5,685 6,898 ---------------------------------- 5,949 6,927 Less: Current portion of medium and long - term loans (1,384) (1,502) ---------------------------------- Total non current finance leases 4,565 5,425 ---------------------------------- The carrying amounts of Tenaris' assets pledged as collateral of liabilities are as follows: Year ended December 31, 2006 2005 --------------------------------- Property, plant and equipment mortages 554,078 595,627 --------------------------------- Breakdown of short-term borrowings by currency and rate is as follows: Current bank borrowings Year ended December 31, Currency Interest rates 2006 2005 -- USD Variable 456,954 50,597 USD Fixed 202,620 55,946 EUR Variable 23,365 64,810 EUR Fixed 1,146 1,882 JPY Variable - 10,741 JPY Fixed 11,854 5,226 BRS Variable 8,255 5,197 ARS Fixed - 44,111 NGN Fixed 3,403 - VEB Fixed 13 - ---------------------------------- Total current bank borrowings 707,610 238,510 ---------------------------------- Bank overdrafts Year ended December 31, Currency 2006 2005 -- USD 1,855 16,406 EUR 2,558 3,298 ARS 1,839 3,193 VEB - 1,820 CAD 864 - NOK 182 - RON 2 - ---------------------------------- Total current bank overdrafts 7,300 24,717 ---------------------------------- 27 20 Borrowings (Cont'd.) Current other loans Year ended December 31, Currency Interest rates 2006 2005 -- EUR Variable 73,183 51,333 USD Variable 10,251 16,118 USD Fixed 462 - COP Variable 46 - ---------------------------------- Total Current other loans 83,942 67,451 ---------------------------------- Current finance lease liabilities Year ended December 31, Currency Interest rates 2006 2005 -- EUR Fixed 21 29 COP Variable 121 - JPY Fixed 1,242 1,473 ---------------------------------- Total current finance leases 1,384 1,502 ---------------------------------- 21 Deferred income tax Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rate of each country. The movement on the deferred income tax account is as follows: Year ended December 31, 2006 2005 ---------------------------------- At the beginning of the year 158,521 210,802 Translation differences 2,570 8,605 Increase due to business combinations 560,450 - Disposals 2,971 - Income statement credit (17,386) (61,837) Effect of currency translation on tax base (6,060) (7,033) Deferred employees' statutory profit sharing charge (762) 7,984 ---------------------------------- At the end of the year 700,304 158,521 ---------------------------------- The evolution of deferred tax assets and liabilities during the year are as follows: Deferred tax liabilities Intangible and Fixed assets Inventories Other (a) Total -- At the beginning of the year 227,370 45,600 80,425 353,395 Translation differences 6,670 (308) 131 6,493 Increase due to business combinations 75,455 2,286 581,097 658,838 Disposals - (6) (163) (169) Income statement charge / (credit) 7,653 3,795 (38,060) (26,612) -- At December 31,2006 317,148 51,367 623,430 991,945 -- 28 21 Deferred income tax (Cont'd.) Fixed assets Inventories Other (a) Total -- At the beginning of the year 204,243 63,453 104,279 371,975 Translation differences 19,486 2,482 489 22,457 Income statement charge / (credit) 3,641 (20,335) (24,343) (41,037) -- At December 31,2005 227,370 45,600 80,425 353,395 -- (a) Includes the effect of currency translation on tax base explained in Note 8 Deferred tax assets Provisions and allowances Inventories Tax losses Other Total -- At the beginning of the year (32,631) (74,214) (11,993) (76,036) (194,874) Translation differences (2,342) (179) (577) (825) (3,923) Increase due to business combinations (7,005) (3,137) (1,112) (87,134) (98,388) Disposal 975 - - 2,165 3,140 Income statement charge / (credit) (1,267) (65,313) 10,048 58,936 2,404 -- At December 31, 2006 (42,270) (142,843) (3,634) (102,894) (291,641) -- Provisions and allowances Inventories Tax losses Other Total -- At the beginning of the year (62,629) (41,292) (15,707) (41,545) (161,173) Translation differences (13,239) (232) 792 (1,173) (13,852) Income statement charge / (credit) 43,237 (32,690) 2,922 (33,318) (19,849) -- At December 31,2005 (32,631) (74,214) (11,993) (76,036) (194,874) -- Deferred income tax assets and liabilities are offset when (1) there is a legally enforceable right to setoff current tax assets against current tax liabilities and (2) the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate setoff, are shown in the consolidated balance sheet: Year ended December 31, 2006 2005 -------------------------------- Deferred tax assets (291,641) (194,874) Deferred tax liabilities 991,945 353,395 -------------------------------- 700,304 158,521 -------------------------------- The amounts shown in the balance sheet include the following: Year ended December 31, 2006 2005 -------------------------------- Deferred tax assets to be recovered after more than 12 months (79,811) (49,662) Deferred tax liabilities to be recovered after more than 12 months 849,730 225,486 29 22 Other liabilities (i) Other liabilities - Non current Year ended December 31, 2006 2005 ----------------------------- Employee liabilities Employee's statutory profit sharing 64,196 64,010 Employee severance indemnity 67,598 62,279 Pension benefits 36,067 10,788 ----------------------------- 167,861 137,077 ----------------------------- Taxes payable 8,842 9,364 Miscellaneous 10,021 7,937 ----------------------------- 18,863 17,301 ----------------------------- 186,724 154,378 ----------------------------- (a) Employees' severance indemnity The amounts recognized in the balance sheet are as follows: Year ended December 31, 2006 2005 ----------------------------- Total included in non - current Employee liabilities 67,598 62,279 ----------------------------- The amounts recognized in the income statement are as follows: Year ended December 31, 2006 2005 2004 --- Current service cost 8,737 7,846 9,999 Interest cost 2,851 2,771 2,908 --- Total included in Labor costs 11,588 10,617 12,907 --- The principal actuarial assumptions used were as follows: Year ended December 31, 2006 2005 2004 --- Discount rate 4% - 5% 5% 4% Rate of compensation increase 2% - 4% 4% 3% (b) Pension benefits The amounts recognized in the balance sheet are determined as follows: Year ended December 31, 2006 2005 ----------------------------- Present value of unfunded obligations 41,156 15,707 Unrecognized actuarial losses (5,089) (4,919) ----------------------------- Liability in the balance sheet 36,067 10,788 ----------------------------- 30 22 Other liabilities (Cont'd.) The amounts recognized in the income statement are as follows: Year ended December 31, 2006 2005 2004 --- Current service cost 1,400 544 571 Interest cost 2,185 917 875 Net actuarial losses in the income recognized in the year (1,124) 329 2,870 --- Total included in Labor costs 2,461 1,790 4,316 --- Movement in the liability recognized in the balance sheet: Year ended December 31, 2006 2005 ----------------------------- At the beginning of the year 10,788 11,578 Transfers and new participants of the plan 992 - Total expense 2,461 1,790 Translation differences (654) (272) Contributions paid (2,696) (2,308) Increase due to business combinations 25,307 - Disposal (131) - ----------------------------- At the end of the year 36,067 10,788 ----------------------------- The principal actuarial assumptions used were as follows: Year ended December 31, 2006 2005 2004 --- Discount rate 5% - 7% 7% 7% Rate of compensation increase 2% - 5% 2% 2% (ii) Other liabilities - current Year ended December 31, 2006 2005 ----------------------------- Payroll and social security payable 148,146 102,052 Liabilities with related parties 2,237 2,688 Miscellaneous 37,318 34,135 ----------------------------- 187,701 138,875 ----------------------------- 31 23 Non-current allowances and provisions (i) Deducted from non current receivables Year ended December 31, 2006 2005 -- Values at the beginning of the year (15,450) (13,172) Translation differences 153 185 Reversals / Additional allowances (*) (15) (81) Used (*) 1,192 (2,382) -- At December 31 (14,120) (15,450) -- (*) Includes effect of allowances on off-take credits, which are reflected in the Cost of sales. (ii) Liabilities Year ended December 31, 2006 2005 -- Values at the beginning of the year 43,964 31,776 Translation differences 2,999 406 Increase due to business combinations 11,394 - Reversals / Additional provisions 12,146 16,015 Reclassifications 31,910 - Used (10,386) (4,233) -- 92,027 43,964 -- 24 Current allowances and provisions (i) Deducted from assets Year ended December 31, 2006 Allowance for doubtful Allowance for other Allowance for accounts - Trade doubtful accounts - inventory receivables Other receivables obsolescence --- Values at the beginning of the year (24,962) (13,087) (85,750) Translation differences (1,274) (575) (4,151) Increase due to business combinations (1,673) (188) (253) Disposal due to deconsolidation 3,222 - - Reversals / Additional allowances (1,449) 640 8,006 Used 3,350 5,426 2,675 --- At December 31, 2006 (22,786) (7,784) (79,473) --- Year ended December 31, 2005 Values at the beginning of the year (24,164) (8,346) (67,122) Translation differences 1,309 (174) 2,941 Increase due to business combinations (843) - (11,931) Reversals / Additional allowances (4,722) (3,709) (20,303) Used 3,458 (858) 10,665 --- At December 31, 2005 (24,962) (13,087) (85,750) --- 32 24 Current allowances and provisions (Cont'd.) (ii) Liabilities Year ended December 31, 2006 Sales risks Other claims and Total contingencies --- Values at the beginning of the year 3,489 33,456 36,945 Translation differences 112 2,690 2,802 Increase due to business combinations 16,700 781 17,481 Reversals /

Additional allowances 840 808 1,648 Reclassifications - (27,977) (27,977) Used (1,047) (3,207) (4,254) -- At December 31, 2006 20,094 6,551 26,645 -- Year ended December 31, 2005 Values at the beginning of the year 5,509 37,127 42,636 Translation differences (518) (3,849) (4,367) Reversals / Additional allowances (493) 8,227 7,734 Used (1,009) (8,049) (9,058) -- At December 31, 2005 3,489 33,456 36,945 -- 25 Derivative financial instruments Net fair values of derivative financial instruments The net fair values of derivative financial instruments disclosed within Other liabilities and Other receivables at the balance sheet date, in accordance with IAS 39, were: Year ended December 31, 2006 2005 ---------------------------------- Contracts with positive fair values Interest rate swap contracts 722 3,641 Forward foreign exchange contracts 1,188 441 Contracts with negative fair values Interest rate swap contracts (242) (921) Forward foreign exchange contracts (1,958) (7,818) Derivative financial instruments breakdown is as follows: Variable interest rate swaps Fair Value Year ended December 31, Notional amount Swap Term 2006 2005 -- EUR 9,097 Pay fixed / Receive variable 2007 (8) (410) EUR 1,176 Pay fixed / Receive variable 2009 (34) (82) EUR 5,830 Pay fixed / Receive variable 2010 (190) (429) USD 100,000 Pay fixed / Receive variable 2009 - 2,228 USD 200,000 Interest rate collar 2010 - 1,413 USD 1,500,000 Interest rate collar 2008 712 - ------------------------------- 480 2,720 ------------------------------- 33 25 Derivative financial instruments (Cont'd.) To partially hedge future interest payments, as well as to minimize the effect of floating rates, Tenaris has entered into zero cost interest rate collars. In these contracts, effective as from April 2007, the Company has agreed to exchange with the counterparty, at specified intervals, the difference between interest amounts calculated by reference to an agreed-upon notional principal amount of USD 1,500.0 million, to the extent that it is lower than the floor or greater than the cap established in such contracts. Exchange rate derivatives Fair Value Year ended December 31, Currencies Contract Term 2006 2005 -- USD / EUR Euro Forward purchases 2008/2007 870 (1,502) JPY / USD Japanese Yen Forward purchases 2007 (1,229) (3,579) CAD / USD Canadian Dollar Forward sales 2007 318 - BRL / USD Brazilian Real Forward sales 2007 - 8 ARS / USD Argentine Peso Forward purchases 2007 - (2,186) ARS / USD Argentine Peso Forward sales 2007 (359) - KWD / USD Kuwaiti Dinar Forward sales 2007 (370) (118) ------------------------------ (770) (7,377) ------------------------------ 26 Contingencies, commitments and restrictions on the distribution of profits Tenaris is involved in litigation arising from time to time in the ordinary course of business. Based on management's assessment and the advice of legal counsel, it is not anticipated that the ultimate resolution of pending litigation will result in amounts in excess of recorded provisions (Notes 23 and 24) that would be material to Tenaris' consolidated financial position or results of operations. Conversion of tax loss carry-forwards On December 18, 2000, the Argentine tax authorities notified Siderca S.A.I.C. ("Siderca", a subsidiary of the Company organized in Argentina) of an income tax assessment related to the conversion of tax loss carry-forwards into Debt Consolidation Bonds under Argentine Law No. 24.073. The adjustments proposed by the tax authorities represent an estimated contingency of ARP70.2 million (approximately $23.0 million) at December 31, 2006 in taxes and penalties. Based on the views of Siderca's tax advisors, Tenaris believes that the ultimate resolution of the matter will not result in a material obligation. Accordingly, no provision was recorded in these financial statements. Asbestos-related Litigation Dalmine S.p.A. ("Dalmine"), a subsidiary of the Company organized in Italy is currently subject to thirteen civil proceedings for work-related injuries arising from the use of asbestos in its manufacturing processes during the period from 1960 to 1980. In addition, another eighteen asbestos related out-of-court claims and one civil party claim have been forwarded to Dalmine. As of December 31, 2006, the total claims pending against Dalmine were thirty two (of which, three are covered by insurance): during 2006 two new claims were filed four claims were dismissed and one claim was settled. Aggregate settlement costs to date for Tenaris are Euro3.8 million. Dalmine estimates that its potential liability in connection with the claims not yet settled is approximately Euro 12.6 million ($ 16.6 million). Accruals for Dalmine's potential liability are based on the average of the amounts paid by Dalmine for asbestos-related claims plus an additional amount related to some reimbursements requested by the social security authority. The maximum potential liability is not determinable as in some cases the requests for damages do not specify amounts, and instead is to be determined by the court. The timing of payment of the amounts claimed is not presently determinable. 26 Contingencies, commitments and restrictions on the distribution of profits (Cont'd.) Maverick litigation 34 On December 11, 2006, The Bank of New York ("BNY"), as trustee for the holders of the Maverick 2004 4% Convertible Senior Subordinated Notes due 2033 issued pursuant to an Indenture between Maverick and BNY ("Noteholders"), filed a complaint against Maverick and Tenaris in the United States District Court for the Southern District of New York. The complaint alleges that Tenaris's acquisition of Maverick triggered the "Public Acquirer Change of Control" provision of the Indenture. The complaint asserts breach of contract claim against Maverick for refusing to deliver the consideration specified in the Public Acquirer Change of Control provision of the Indenture to Noteholders who tendered their notes for such consideration, seeks a declaratory judgment that Tenaris' acquisition of Maverick was a Public Acquirer Change of Control under the Indenture, and asserts claims for tortuous interference with contract and unjust enrichment against Tenaris. Tenaris believes that these claims are without merit. Accordingly, no provision was recorded in these financial statements. Were plaintiff to prevail, Tenaris estimates that the recovery would be approximately $50 million. European Commission Fine On January 25, 2007, the Court of Justice of the European Commission confirmed the December 8, 1998 decision by the European Commission to fine eight international steel pipe manufacturers, including Dalmine, for violation of European competition laws. Pursuant to the Court's decision, Dalmine is required to pay a fine of Euro10.1 million ($13.3 million). Since the infringements for which the fine was imposed took place prior to the acquisition of Dalmine by Tenaris in 1996, Dalmine's former owner, who had instructed Dalmine to appeal, is required and has acknowledged its responsibility to pay 84.1% of the fine. The remaining 15.9% of the fine will be paid out of the provision that Dalmine established in 1999 for such proceeding. BHP litigation and arbitration proceeding against Fintecna On December 30, 2003 Dalmine and a consortium led by BHP Billiton Petroleum Ltd. ("BHP") settled a litigation concerning the failure of an underwater pipeline. The pipe that was the subject of the litigation with BHP was manufactured and sold, and the tort alleged by BHP took place, prior to the privatization of Dalmine. According to the terms of the settlement, Dalmine paid BHP a total of GBP 108.0 million ($207.2 million), inclusive of expenses. Techint Investments Netherlands B.V. ("Tenet") - the subsidiary party of the Company that was party to the Dalmine privatization contract - commenced arbitration proceedings against Fintecna S.p.A. ("Fintecna"), an Italian state-owned entity and successor to ILVA S.p.A., the former owner of Dalmine, seeking indemnification from Fintecna for any amounts paid or payable by Dalmine to BHP. On December 28, 2004, an arbitral tribunal rendered a final award in the arbitration proceeding against Fintecna, pursuant to which, Fintecna paid Tenaris a total amount of Euro 93.8 million ($127.2 million) on March 15, 2005. Neither party has any further oustanding obligations in respect of the BHP litigation. Commitments Set forth is a description of Tenaris' main outstanding commitments: o Tenaris has transportation capacity agreements with Transportadora de Gas del Norte S.A. (TGN), corresponding to capacity of 1,000,000 cubic meters per day until 2017, the outstanding value of this commitment is approximately $68.0 million. We also expect to obtain additional gas transportation capacity of 315,000 cubic meters per day until 2027. This commitment is subject to the enlargement of the trunk pipelines in Argentina that are expected to be ready by 2008. 35 26 Contingencies, commitments and restrictions on the distribution of profits (Cont'd.) Commitments (Cont'd.) o In July 2004, Tenaris' subsidiary Matesi Materiales Siderurgicos S.A. ("Matesi") entered into a twenty-year agreement with C.V.G. Electrificacion del Caroni, C.A. ("Edelca") for the purchase of electric power under certain take-or-pay conditions, with an option to terminate the contract at any time upon three years notice. The outstanding value of the contract at December 31, 2006 is approximately $65.9million. o In August 2004 Matesi entered into a ten-year off-take contract pursuant to which Matesi is required to sell to Sidor on a take-or-pay basis 29.9% of Matesi's HBI production. In addition, Sidor has the right to increase its proportion on Matesi's production by an extra 19.9% until reaching 49.8% of Matesi's HBI production. Under the contract, the sale price is determined on a cost-plus basis. The contract is renewable for additional three year periods unless Matesi or Sidor objects its renewal more than a year prior to its termination. o Tenaris entered into a contract with Siderar for the supply of steam generated at the power generation facility owned by Tenaris in San Nicolas. Under this contract, Tenaris is required to provide 250 tn/hour of steam, and Siderar has the obligation to take or pay this volume. This outsourcing contract is due to terminate in 2018. In October 2004, Tenaris detected technical problems at its electric power generating facility located in San Nicolas, Argentina during the routine maintenance of the equipment. GE Energy, the generator's manufacturer, assumed the cost of the repairs of the generator, estimated at $9.0 million. Tenaris recognized a receivable with the manufacturer for the cost of the repairs. Tenaris impaired the value of these assets under Property, Plant and Equipment for $11.7 million. The reparation of the generating facility was completed by September 2005. o Under a lease agreement entered into in 2000 between Gade Srl (Italy) and Dalmine relating to a building located in Sabbio Bergamasco and used by Dalmine's former subsidiary, Tad Commerciale, Dalmine is obligated to bid in the auction for the purchase of a building owned by Gade for a minimum amount of EUR 8.3 million ($10.0 million). As of the present, a date for the auction has not been announced. Restrictions on the distribution of profits As of December 31, 2006, shareholders' equity as defined under Luxembourg law and regulations consisted of: (all amounts in thousands of U.S. dollars) Share capital 1,180,537 Legal reserve 118,054 Share premium 609,733 Retained earnings including net income for the year ended December 31, 2006 1,527,096 --------------- Total shareholders equity in accordance with Luxembourg law 3,435,420 --------------- At least 5% of the net income per year as calculated in accordance with Luxembourg law and regulations must be allocated to the creation of a legal reserve equivalent to 10% of share capital. As of December 31, 2006, this reserve is fully allocated and additional allocations to the reserve are not required under Luxembourg law. Dividends can not be paid from this reserve. Tenaris may pay dividends to the extent that it has distributable retained earnings and distributable reserve calculated in accordance with Luxembourg law and regulations, and providing the compliance of the covenant related to restricted payments stated in Note 28. 36 26 Contingencies, commitments and restrictions on the distribution of profits (Cont'd.) Restrictions on the distribution of profits (Cont'd.) At December 31, 2006, the distributable reserve, including retained earnings and profit for the financial year, of Tenaris under Luxembourg law totalled $1,527.1 million, as detailed below. (all amounts in thousands of U.S. dollars) Retained earnings at December 31, 2005 under Luxembourg law 1,171,738 Dividends received 566,831 Other income and expenses for the year ended December 31, 2006 (7,240) Dividends paid (204,233) --------------- Retained earnings at December 31, 2006 under Luxembourg law 1,527,096 --------------- 27 Ordinary shares and share premium Number of ordinary shares 2006 2005 -------------------------------------- At January 1 and December 31 1,180,536,830 1,180,536,830 -------------------------------------- The total of issued and outstanding ordinary shares as of December 31, 2006 is 1,180,536,830 with a par value of $1.00 per share with one vote each. 28 Business combinations and other acquisitions (a) Acquisition of Maverick Tube Corporation ("Maverick") On October 5, 2006, Tenaris completed the acquisition of Maverick, pursuant to which Maverick was merged with and into a wholly owned subsidiary of Tenaris. On that date, Tenaris paid $65 per share in cash for each issued and outstanding share of Maverick's common stock. The value of the transaction at the acquisition date was $3,160 million, including Maverick's financial debt. With operations in the United States, Canada and Colombia, Maverick is a producer of oil country tubular goods (OCTG), line pipe and coiled tubing for use in oil and natural gas wells and other applications, also producing welded pipes for electrical conduits. Maverick has a combined annual capacity of two million short tons of steel pipes with a size range from one-quarter inch to 16 inches. In 2005, Maverick reported net revenues of approximately $1.8 billion, of which 82% were from its energy products division. To finance the acquisition and the payment of related obligations, Tenaris and some of its subsidiaries entered into syndicated loan facilities in an aggregate of $2.7 billion; the balance was met from cash on hand. In connection with the financing of the Maverick acquisition 75% of the issued and outstanding shares of Maverick were pledged. Immediately upon each payment or prepayment under the Tenaris loan agreement, the number of shares subject to the pledge shall be reduced by the percentage by which the aggregate outstanding principal amount of the loans under such agreement is reduced by operation of such payment or prepayment until the aggregate outstanding principal amount of such loans is less than or equal to $ 250 million. In addition, Tamsa and Siderca granted drag-along rights in favor of the lenders under the Tenaris loan agreement with respect to the remaining 25% of the issued and outstanding shares of capital stock of Maverick. Goodwill arising on the acquisition of Maverick, $1,113, million is the difference between the acquisition price and the fair value on the acquisition date of the identifiable tangible and intangible assets and liabilities determined mainly by independent valuation. This goodwill reflects the opportunity for Tenaris to increase its presence in North America, primarily in the OCTG market. Tenaris began consolidating Maverick's balance sheet and results of operations in the fourth quarter of 2006. 37 28 Business combinations and other acquisitions (Cont'd.) (b) Acquisition of a steel pipe business in Argentina On January 31, 2006, Siat S.A., a subsidiary of Tenaris, completed its acquisition of the welded pipe assets and facilities located in Villa Constitucion, province of Santa Fe, Argentina, belonging to Industria Argentina de Acero, S.A. ("Acindar") for $29.3 million. The facilities acquired have an annual capacity of 80,000 tons of welded pipes. (c) Capitalization of Convertible Debt of Consorcio Siderurgia Amazonia, Ltd. ("Amazonia") and Exchange of Interests in Amazonia and Ylopa Servicos de Consultadoria Lda. ("Ylopa") for shares of Ternium S.A. ("Ternium") On February 3, 2005, Ylopa exercised its option to convert the convertible debt it held in Amazonia into common stock. In connection of this conversion, Tenaris recognized a gain of $83.1 million in 2004. As a result, Tenaris' ownership stake in Amazonia increased from 14.5% to 21.2%, and its indirect ownership in Sidor C.A. ("Sidor") increased from 8.7% to 12.6%. On September 9, 2005, the Company exchanged its interests in Amazonia and Ylopa, for 209,460,856 shares in Ternium, a newly-formed subsidiary of San Faustin N.V. (a Netherlands Antilles corporation and the controlling shareholder of Tenaris) to consolidate its Latin American holdings in flat and long steel producers Siderar S.A.I.C., Sidor C.A. and Hylsamex, S.A de C.V. As a result of the exchange, which was carried out based on fair values as determined by an internationally recognized investment bank engaged for this purpose, Tenaris obtained an ownership interest of approximately 17.9% in Ternium. Subsequently, on October 27, 2005, Usinas Siderurgicas de Minas Gerais S.A. ("Usiminas") exchanged its interests in Amazonia, Ylopa and Siderar S.A.I.C., plus additional consideration of approximately $114.1 million provided as a convertible loan, for an equity stake in Ternium. As a result of this transaction, at December 31, 2005, Tenaris' ownership stake in Ternium was reduced to 15.0% of Ternium's outstanding common stock. As this was an equity transaction in Ternium, the effect of $2.7 million at Tenaris' percentage of ownership was recognized in Other reserves in equity. Because the exchange of Tenaris' holdings in Amazonia and Ylopa for shares in Ternium was a transaction between companies under common control, Tenaris initially recorded its ownership interest in Ternium at the carrying value of the investments exchanged. At the transaction date, the carrying value of Amazonia and Ylopa was $229.7 million while Tenaris' proportional ownership in the equity of Ternium at September 30, 2005 amounted to $252.3 million. The difference of $22.6 million between the carrying value of Amazonia and Ylopa and Tenaris' proportional ownership in the equity of Ternium will remain in the future. As a result of this accounting treatment, Tenaris reported value of its investment in Ternium will not reflect its proportional ownership of Ternium's net equity position. In addition, in August 2005, Tenaris extended to Ternium two subordinated convertible loans consisting of principal amount of $39.7 million. The principal amount of these loans at the date issued corresponded to the amount of certain distributions received from Amazonia during the second and third quarters of 2005 in connection with Ternium's participation in Amazonia's financial debt restructuring in 2003. At the date of Ternium's initial public offering ("IPO"), the loans totaled approximately $40.5 million, including accrued interest. Until September 30, 2005, Tenaris recognized its proportional earnings in Amazonia and Ylopa, which amounted to $26.5 million. As from the quarter ended December 31, 2005, Tenaris recognized earnings from its investment in Ternium to the extent of its proportional ownership in Ternium. 38 28 Business combinations and other acquisitions (Cont'd.) (c) Capitalization of Convertible Debt of Consorcio Siderurgia Amazonia, Ltd. ("Amazonia") and Exchange of Interests in Amazonia and Ylopa Servicos de Consultadoria Lda. ("Ylopa") for shares of Ternium S.A. ("Ternium") (Cont'd.) On February 6, 2006, Ternium completed its IPO, issuing an additional 248,447,200 shares (equivalent to 24,844,720 ADS) at a price of $2.00 per share, or $20.00 per ADS. Tenaris received an additional 20,252,338 shares upon the mandatory conversion of its loans to Ternium. In addition to the shares issued to Tenaris, Ternium issued shares to other shareholders corresponding to their mandatory convertible loans. On February 23, 2006, the underwriters of Ternium's IPO exercised an over allotment option under which Ternium issued an additional 37,267,080 shares (equivalent to 3,726,708 ADS). As a result of the IPO and the conversion of loans, as of February 6, 2006, Tenaris' ownership stake in Ternium amounted to 11.46%. The effect of these transactions resulted in an additional increase of the Company's proportional ownership in Ternium's equity of approximately $26.7 million, which Tenaris recognized in Other Reserves in equity. At December 31, 2006, the closing price of Ternium shares as quoted on the New York Stock Exchange was $29.54 per ADS, giving Tenaris' ownership stake a market value of approximately $679 million. At December 31, 2006, the carrying value of Tenaris's ownership stake in Ternium was approximately $408 million. (d) Acquisition of S.C. Donasid S.A. ("Donasid") On May 4, 2005, Tenaris completed the acquisition of 97% of the equity in S.C. Donasid S.A., a Romanian steel producer, for approximately $47.9 million in cash and assumed liabilities. The shares of Siprofer A.G. and Donasid Service S.r.l. were also acquired as part of this transaction. (e) Minority Interest During the year ended December 31, 2006, additional shares of Silcotub and Dalmine were acquired from minority shareholders for approximately $11.2 million. The assets and liabilities arising from the acquisitions are as a follows: Maverick (*) Others Total 2006 Total 2005 --- Other assets and liabilities (net) (698,163) 5,207 (692,956) (41,755) Property, plant and equipment 438,046 22,891 460,937 67,211 Customer relationships 1,493,800 - 1,493,800 - Goodwill 1,112,885 1,402 1,114,287 769 --- Net assets acquired 2,346,568 29,500 2,376,068 26,225 Minority interest - 11,181 11,181 (527) --- Sub-total 2,346,568 40,681 2,387,249 25,698 Cash-acquired 70,660 - 70,660 - --- Purchase consideration 2,417,228 40,681 2,457,909 25,698 Liabilities paid as part of purchase agreement 743,219 - 743,219 22,594 --- Total disbursement 3,160,447 40,681 3,201,128 48,292

-- (*) Includes costs directly attributable to the acquisition. Net cash consideration (total disbursement less cash acquired and common stock issued in acquisition of minority interest) amounted to $ 48,292 at December 31, 2005. The businesses acquired in 2006 contributed revenues of $432.0 million and net income of $14.5 million to Tenaris (not including the financial cost related to the operation recorded in other subsidiaries different from Maverick). Businesses acquired in 2005 did not materially contribute to the Company's revenue and income. 39 28 Business combinations and other acquisitions (Cont'd.) Pro forma data including acquisitions for all of 2006 Had the Maverick transaction been consummated on January 1, 2006, then unaudited pro forma 2006 twelve month Tenaris net sales and net income on continuing operations would have been approximately $9.3 billion and $2.0 billion, respectively. These pro forma results were prepared based on public information and unaudited accounting records maintained under USGAAP prior to acquisition and adjusted by depreciation and amortization of tangible and intangible assets and interest expense of the borrowing incurred for the acquisition ($2.7 billion). Carrying amounts of assets, liabilities and contingent liabilities in Maverick's books, determined in accordance with IFRSs, immediately before the combination are not disclosed separately, as Maverick did not report IFRS information. o Subsequent event: Hydril Company ("Hydril") On February 12, 2007, Tenaris announced that it has entered into a definitive merger agreement to acquire Hydril for $97 per share of Hydril's common stock and $97 per share of Hydril's Class B common stock, payable in cash. Tenaris will finance the acquisition through a combination of cash on hand and debt, for which bank commitments have been secured. The agreement is subject to the receipt of clearance from U.S. antitrust authorities, majority approval of Hydril's shareholders and other customary conditions and is expected to close in the second quarter 2007. Hydril is a North American manufacturer of premium connections and pressure control products for oil and gas drilling and production. For 2006, Hydril reported revenues of $503 million, operating income of $132.2 million and net income of $91.3 million under US GAAP. o o 29 Cash flow disclosures o (i) Changes in working capital Year ended December 31, 2006 2005 2004 -- Inventories (455,567) (101,143) (411,045) Receivables and prepayments (181,878) 1,513 (82,845) Trade receivables (226,678) (387,240) (271,225) Other liabilities 7,605 34,526 (37,443) Customer advances 236,446 (14,156) 72,678 Trade payables 150,555 32,561 108,693 -- (469,517) (433,939) (621,187) -- (ii) Income tax accruals less payments Tax accrued 873,967 568,753 220,376 Taxes paid (817,131) (419,266) (175,717) -- 56,836 149,487 44,659 -- (iii) Interest accruals less payments, net Interest accrued 32,237 29,236 32,683 Interest received 11,150 17,227 11,986 Interest paid (21,478) (44,544) (27,696) -- 21,909 1,919 16,973 -- (iv) Cash and cash equivalents Cash and bank deposits 1,372,329 707,356 311,579 Bank overdrafts (7,300) (24,717) (4,256) Restricted bank deposits (21) (2,048) (13,500) -- 1,365,008 680,591 293,823 -- 30 Discontinued operations 40 Sale of a 75% interest in Dalmine Energie On December 1, 2006, Tenaris completed for $58.9 million the sale of a 75% participation of Dalmine Energie, its Italian supply business, to E.ON Sales and Trading GmbH, a wholly owned subsidiary of E.ON Energie AG ("E.ON") and an indirect subsidiary of E.ON AG. Following consummation of the sale, Tenaris maintains a 25% interest in Dalmine Energie. As a result of this transaction, Tenaris has de-consolidated Dalmine Energie and recognized a $40.0 million gain. As per the sale agreement, Tenaris has an irrevocable option to sell to E.ON, at any time during the one year exercise period (in two years from the date of the sale agreement), its 25% remaining interest in Dalmine Energie for a purchase price in cash of EUR 13.0 million plus interests. Also, E.ON has an irrevocable option to purchase from Tenaris, at any time during the one year exercise period (in two years from the date of the sale agreement), Tenaris' 25% remaining interest in Dalmine Energie for a purchase price in cash of EUR 17.5 million plus interests and adjustments. The fair value of these options at December 31, 2006 is not material. Analysis of the result of discontinued operations: (all amounts in thousands of U.S. dollars, unless otherwise stated) Year ended December 31, --- 2006 (a) 2005 2004 --- Net sales 503,051 526,406 417,870 Cost of sales (486,312) (513,393) (398,462) --- Gross profit 16,739 13,013 19,408 Selling, general and administrative expenses (8,025) (10,259) (11,223) Other operating income (expenses), net 2,469 (220) (325) --- Operating income 11,183 2,534 7,860 Financial income (expenses), net 16 (1,152) (577) --- Income before equity in earnings of associated companies and 11,199 1,382 7,283 income tax Equity in earnings of associated companies - -

(104) Gain on disposal of subsidiary 39,985 - - -- Income before income tax 51,184 1,382 7,179 Income tax (4,004) (1,385) (3,150) -- Income for the year from discontinued operations 47,180 (3) 4,029 -- (a) Includes the results for the eleven month period ended November 30, 2006. The result for the one month period ended December 31, 2006 is included in Equity in earnings of associated companies in the Consolidated Income statement. Cash of discontinued operations increased by $2.3 million and decrease by $1.0 million in 2006 and 2005 respectively mainly from operating activities. 31 Related party transactions The Company is controlled by San Faustin N.V., a Netherlands Antilles corporation, which owns 60.4% of the Company's outstanding shares, either directly or through its wholly-owned subsidiary I.I.I. Industrial Investments Inc., a Cayman Islands corporation. Tenaris' directors and executive officers as a group own 0.2% of the Company's outstanding shares, while the remaining 39.4% is publicly traded. The ultimate controlling entity of the Company is Rocca & Partners S.A., a British Virgin Islands corporation. 41 31 Related party transactions (Cont'd.) The following transactions were carried out with related parties: o At December 31, 2006 Associated (1) Other Total --- (i) Transactions (a) Sales of goods and services Sales of goods 120,890 56,524 177,414 Sales of services 18,852 3,664 22,516 --- 139,742 60,188 199,930 --- (b) Purchases of goods and services Purchases of goods 103,003 33,930 136,933 Purchases of services 17,168 80,485 97,653 --- 120,171 114,415 234,586 --- At December 31, 2005 Associated (2) Other Total --- (i) Transactions (a) Sales of goods and services Sales of goods 104,054 75,948 180,002 Sales of services 7,499 7,830 15,329 --- 111,553 83,778 195,331 --- (b) Purchases of goods and services Purchases of goods 67,814 33,949 101,763 Purchases of services 15,773 63,220 78,993 --- 83,587 97,169 180,756 --- At December 31, 2004 Associated (3) Other Total --- (i) Transactions (a) Sales of goods and services Sales of goods 26,088 46,844 72,932 Sales of services 15,365 9,618 24,983 --- 41,453 56,462 97,915 --- (b) Purchases of goods and services Purchases of goods 30,648 32,484 63,132 Purchases of services 7,526 51,305 58,831 --- 38,174 83,789 121,963 --- At December 31, 2006 Associated (4) Other Total --- (ii) Year-end balances (a) Arising to sales / purchases of goods / services Receivables from related parties 25,400 14,429 39,829 Payables to related parties (37,920) (13,388) (51,308) --- (12,520) 1,041 (11,479) --- (b) Other balances Receivables 2,079 - 2,079 --- (c) Financial debt Borrowings (7) (60,101) - (60,101) --- 42 31 Related party transactions (Cont'd.) At December 31, 2005 Associated (5) Other Total --- (ii) Year-end balances (a) Arising from sales / purchases of goods / services Receivables from related parties 30,988 15,228 46,216 Payables to related parties (21,034) (8,413) (29,447) --- 9,954 6,815 16,769 --- (b) Other balances 42,437 - 42,437 --- (c) Financial debt Borrowings (7) (54,801) - (54,801) --- At December 31, 2004 Associated (3) Other Total --- (ii) Year-end balances (a) arising from sales / purchases of goods / services Receivables from related parties 25,593 27,070 52,663 Payables to related parties (4,914) (12,487) (17,401) --- 20,679 14,583 35,262 --- (b) Cash and cash equivalents Time deposits - 6 6 (c) Other balances Trust Fund - 119,666 119,666 Convertible debt instruments - Ylopa 121,955 - 121,955 --- 121,955 119,666 241,621 --- (1) Includes Ternium S.A. and its subsidiaries ("Ternium"), Condusid C.A. ("Condusid"), Finma S.A.I.F ("Finma")(as from September 2006), Lomond Holdings B.V. group ("Lomond") (as from October 2006) and Dalmine Energie S.p.A. ("Dalmine Energie") (as from December 2006). (2) Includes: Condusid, Ylopa, Amazonia and Sidor up to September 30, 2005. As from October 1, 2005 it includes Ternium and Condusid. (3) Includes: Condusid, Ylopa, Amazonia and Sidor. (4) Includes: Condusid, Ternium, Finma, Lomond and Dalmine Energie (5) Includes Ternium and Condusid. (6) Includes convertible loan from Sidor to Materiales Siderurgicos S.A. ("Matesi") of $58.4 million at December 31, 2006. (7) Includes convertible loan from Sidor C.A. to

Matesi at December 31, 2005. (8) Includes convertible loan from Sidor C.A. to Matesi of $51.5 million at December 31, 2004. (i) Officers and directors' compensation The aggregate compensation of the directors and executive officers earned during 2006 and 2005 amounts to $16.0 million and $14.3 million respectively. o 43 32 Principal subsidiaries The following is a list of Tenaris subsidiaries and its direct and indirect percentage of ownership of each controlled company at December 31, 2006, 2005 and 2004.
.... Company Country of Main activity Percentage of ownership at Organization December 31,
....
.... 2006 2005 2004
....
.... Algoma Tubes Inc. Canada Manufacturing of seamless steel 100% 100% 100% pipes
....
.... Autoabastecedora de Gas Natural Bruno Mexico Trading of energy 100% - - Pagliai S.A. de C.V. (b)
....
.... Colmena Conduit Ltda (b) (l) Colombia Manufacturing of welded steel 100% - - pipes
....
.... Confab Industrial S.A. and subsidiaries Brazil Manufacturing of welded steel 39% 39% 39% (c) pipes and capital goods
....
.... Dalmine Energie S.p.A. (h) (j) Italy Trading of energy - 100% 100% ....
.... Dalmine Holding B.V. and subsidiaries Netherlands Holding company 99% 99% 99%
....
.... Dalmine S.p.A. Italy Manufacturing of seamless steel 99% 99% 99% pipes ....
.... Energy Network S.R.L. (a) Romania Trading of energy 95% 100% - ....
.... Exiros S.A. Uruguay Procurement services for 100% 100% 100% industrial companies
....
.... Information Systems and Technologies N.V. Netherlands Software development and 75% 75% 75% maintenance
....
.... Information Systems and Technologies S.A. Argentina Software development and 100% 100% 100% (d) maintenance
....
.... Inmobiliaria Tamsa S.A. de C.V. Mexico Leasing of real estate 100% 100% 100%
....
.... Insirger S.A. and subsidiaries (g) Argentina Electric power generation - - 100%
....
.... Intermetal Com SRL Romania Marketing of Scrap and other raw 100% 100% 100% materials
....
.... Inversiones Berna S.A. (a) Chile Financial company 100% 100% - ....

.... Inversiones Lucerna S.A. (a) Chile Financial company 82% 82% - .... Invertub S.A. and subsidiaries (g) Argentina Holding Company - - 100% .... Lomond Holdings B.V. and subsidiaries (k) Netherlands Procurement services for - 100% 100% industrial companies .... Matesi, Materiales Siderurgicos S.A. (a) Venezuela Production of hot briquetted iron 50% 50% 50% (HBI) .... Maverick Tube Corporation and U.S.A. Manufacturing of welded steel 100% - - subsidiaries (b) pipes .... Maverick Tube, L.P. (b) (l) U.S.A. Manufacturing of welded steel 100% - - pipes .... 44 32 Principal subsidiaries (Cont'd.) .... Company Country of Main activity Percentage of ownership at Organization December 31, ... 2006 2005 2004 .... Metalcentro S.A. (i) Argentina Manufacturing of pipe-end - 100% 100% protectors and lateral impact tubes .... Metalmecanica S.A. Argentina Manufacturing of steel products 100% 100% 100% for oil extraction .... NKK Tubes K.K. Japan Manufacturing of seamless steel 51% 51% 51% pipes .... Operadora Electrica S.A. (e) Argentina Electric power generation 100% 100% 100% .... Quality Tubes (UK) Ltd. (h) United Kingdom Marketing of steel products 100% 100% 100% .... Precision Tube Technology, L.P. (b) (l) U.S.A. Manufacturing of welded steel 100% - - pipes .... Prudential Steel Ltd. (b) (l) Canada Manufacturing of welded steel 100% - - pipes .... S.C. Donasid (a) Romania Manufacturing of steel products 99% 99% - .... S.C. Silcotub S.A. Romania Manufacturing of seamless steel 97% 85% 85% pipes .... Seacat, L.P. (b) (l) U.S.A. Manufacturing of welded steel 100% - - pipes .... Scrapservice S.A. Argentina

Processing of scrap 75% 75% 75% ....
.... Servicios Generales TenarisTamsa S.A. Mexico Handling and maintenance of steel 100% 100% 100% de C.V. (f) pipes
....
.... Siat S.A. Argentina Manufacturing of welded steel 82% 82% 82% pipes ....
.... Siderca International A.p.S. Denmark Holding company 100% 100% 100% ....
.... Siderca S.A.I.C. Argentina Manufacturing of seamless steel 100% 100% 100% pipes
....
.... Siderestiba S.A. (m) Argentina Logistics - 99% 99% ....
.... Sidtam Limited B.V.I. Holding company 100% 100% 100% ....
.... Siprofer A.G. (a) Switzerland Holding company 100% 100% - ....
.... SO.PAR.FI Dalmine Holding S.A. Luxembourg Holding company 99% 99% 99%
....
.... Sociedad Industrial Puntana S.A. Argentina Manufacturing of steel products 100% 100% 100%
....
.... Socominter S.A. Venezuela Marketing of steel products 100% 100% 100% ....
.... Socominter Ltda. Chile Marketing of steel products 100% 100% 100% ....
.... Talta - Trading e Marketing Lda. Madeira Holding Company 100% 100% 100%
.... 45 32 Principal subsidiaries (Cont'd.)
.... Company Country of Main activity Percentage of ownership at Organization December 31,
....
.... 2006 2005 2004
....
.... Tamdel LLC and subsidiaries (f) Mexico Holding company 100% 100% 100%
....
.... Tamser S.A. de C.V. (f) Mexico Marketing of scrap 100% 100% 100% ....
.... Tamsider LLC U.S.A. Holding company 100% 100% 100% ....
.... Tamsider S.A. de C.V. and subsidiaries Mexico Promotion and organization of - - 100% (g) steel-related companies and marketing of steel products ....
.... Tamtrade S.A.de C.V. (g) Mexico Marketing of steel products - - 100% ....
.... Techint Investment Netherlands B.V. Netherlands Holding company 100% 100% 100%
....
.... Tenaris Autopartes S.A. de C.V.

Mexico Manufacturing of supplies for the 100% 100% 100% automotive industry
....
.... Tenaris Confab Hastes de Bombeio S.A. Brazil Manufacturing of steel products 70% 70% 70% for oil extraction
....
.... Tenaris Connections A.G. and Liechtenstein Ownership and licensing of steel 100% 100% 100% subsidiaries technology
....
.... Tenaris Financial Services S.A. Uruguay Financial Services 100% 100% 100%
....
.... Tenaris Fittings S.A. de C.V. Mexico Manufacturing of welded fittings 100% 100% 100% (previously Empresas Riga S.A. de C.V.) for seamless steel pipes
....
.... Tenaris Global Services B.V. Netherlands Sales agent of steel products 100% 100% 100%
....
.... Tenaris Global Services (B.V.I.) Ltd. B.V.I. Holding company 100% 100% 100%
....
.... Tenaris Global Services (Canada) Inc. Canada Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services de Bolivia Bolivia Marketing of steel products 100% 100% 100% S.R.L.
....
.... Tenaris Global Services Ecuador S.A. Ecuador Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services (Egypt) Ltd. Egypt Marketing of steel products 100% 100% - (a)
....
.... Tenaris Global Services Far East Pte. Singapore Marketing of steel products 100% 100% 100% Ltd.
....
.... Tenaris Global Services (Japan) K.K. Japan Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services (Kazakhstan) Kazakhstan Marketing of steel products 100% 100% 100% LLP
....
.... Tenaris Global Services Korea Korea Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services LLC U.S.A. Sales agent of steel products 100% 100% 100%
.... 46 32 Principal subsidiaries (Cont'd.)
.... Company Country of Main activity Percentage of ownership at Organization December 31,
....
.... 2006 2005 2004

....
.... Tenaris Global Services Nigeria Ltd. Nigeria Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services Norway AS Norway Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services (Panama) S.A. Panama Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services S.A. Uruguay Holding company and marketing of 100% 100% 100% steel products
....
.... Tenaris Global Services (UK) Ltd. United Kingdom Marketing of steel products 100% 100% 100%
....
.... Tenaris Global Services (U.S.A.) U.S.A. Marketing of steel products 100% 100% 100% Corporation
....
.... Tenaris Investments Ltd. Ireland Holding company 100% 100% 100% ....
.... Tenaris Qingdao Steel Pipes Ltd. (a) China Manufacturing of steel pipes and 100% 100% - connections
....
.... Tenaris Supply Chain Services S.A. (b) Argentina Data administration services 98% - -
....
.... Tenaris West Africa Ltd. United Kingdom Finishing of steel pipes 100% 100% 100%
....
.... Texas Pipe Threaders Co. U.S.A. Finishing and marketing of steel 100% 100% 100% pipes
....
.... Tubman Holdings (Gibraltar) LLP Gibraltar Holding company 100% 100% 100%
....
.... Tubman International Ltd. Gibraltar Holding company 100% 100% 100% ....
.... Tubos de Acero de Mexico S.A. Mexico Manufacturing of seamless steel 100% 100% 100% pipes
....
.... Tubos de Acero de Venezuela S.A. Venezuela Manufacturing of seamless steel 70% 70% 70% pipes
....
.... Tubos del Caribe Ltda. (b) (l) Colombia Manufacturing of welded steel 100% - - pipes
.... (a) Incorporated or acquired during 2005 (b) Incorporated or acquired during 2006 (c) Tenaris holds 99% of the voting shares of Confab Industrial S.A. and has, directly or indirectly, the majority of voting rights in all of its subsidiaries. (d) Included in December 2004 as "Invertub S.A. and subsidiaries" (e) Included in December 2004 as "Insirger S.A. and subsidiaries" (f) Included in December 2004 as "Tamsider S.A. de C.V. and subsidiaries" (g) Merged during 2005 (h) Included in December 2004

as "Dalmine Holding B.V. and subsidiaries" (i) Merged during 2006 (j) Tenaris sold 75% of Dalmine Energie S.p.A. during 2006 (k) Tenaris sold 50% of Lomond Holdings B.V. during 2006 to a subsidiary of Ternium. (l) Subsidiary of Maverick Tube Corporation (m) Sold during 2006 Carlos Condorelli Chief Financial Officer 47 SIGNATURE Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Date: March 2, 2007 Tenaris, S.A. By: /s/ Cecilia Bilesio ----------------------- Cecilia Bilesio Corporate Secretary